

TOWN OF BERLIN, CONNECTICUT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2023

TOWN OF BERLIN, CONNECTICUT

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023



Published by the Finance Department

240 Kensington Road
Berlin, Connecticut 06037

Kevin Delaney
Finance Director

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents

		<u>Page</u>
	<u>Introductory Section</u>	
	Transmittal Letter	1-4
	Principal Officials	5
	Organizational Chart	6
	Certificate of Achievement for Excellence in Financial Reporting For the Year Ended June 30, 2022	7
	<u>Financial Section</u>	
	Independent Auditors' Report	8-10
	Management's Discussion and Analysis	11-22
<u>Exhibits</u>	<u>Basic Financial Statements</u>	
	<u>Government-Wide Financial Statements</u>	
A	Statement of Net Position	23-24
B	Statement of Activities	25
	<u>Fund Financial Statements</u>	
C	Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position of Governmental Activities	26-27
D	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28
E	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29-30
F	Statement of Net Position - Proprietary Funds	31-32
G	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	33
H	Statement of Cash Flows - Proprietary Funds	34-35
I	Statement of Fiduciary Net Position - Fiduciary Funds	36
J	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	37
K	Notes to Financial Statements	38-88

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents

		<u>Page</u>
<u>RSI</u>	<u>Required Supplementary Information</u>	
	<u>Budgetary Comparison Schedules</u>	
	<u>General Fund</u>	
1A	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual	89-91
1B	Notes to Required Supplementary Information	92
	<u>Employee Retirement Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	93
2B	Schedule of Contributions	94
2C	Notes to Required Supplementary Information	95
	<u>Connecticut State Teachers' Retirement System</u>	
3A	Schedule of Proportionate Share of the Collective Net Pension Liability and Schedule of Contributions	96
3B	Notes to Required Supplementary Information	97
	<u>Other Post-Employment Benefit Plan</u>	
4	Schedule of Changes in OPEB Liability and Related Ratios	98
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
5A	Schedule of Proportionate Share of the Collective Net OPEB Liability and Schedule of Contributions	99
5B	Notes to Required Supplementary Information	100
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	101
	<u>Other Governmental Funds</u>	
2	Combining Balance Sheet	102-104
3	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	105-107
	<u>Internal Service Funds</u>	
4	Combining Schedule of Net Position	108
5	Combining Schedule of Revenues, Expenses and Changes in Net Position	109
6	Combining Schedule of Cash Flows	110

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents

<u>Tables</u>	<u>Statistical Section</u>	<u>Page</u>
	<u>Financial Trend</u>	
1	Net Position by Component	111
2	Changes in Net Position	112-113
3	Fund Balances	114
4	Changes in Fund Balances	115
	<u>Revenue Capacity</u>	
5	Assessed and Estimated Actual Value of Taxable Property	116
6	Direct and Overlapping Property Tax Rates	117
7	Principal Property Taxpayers	118
8	Property Tax Rates, Levies and Cash Collections	119
	<u>Debt Capacity</u>	
9	Ratios of Outstanding Debt by Type	120
10	Ratios of General Bonded Debt Outstanding	121
11	Direct and Overlapping Debt	122
12	Schedule of Debt Limitation	123
13	Legal Debt Margin Information	124
14	Debt Statistics for Continuing Disclosure	125
	<u>Demographic and Economic Information</u>	
15	Demographic and Economic Statistics	126
16	Principal Employers	127
17	Full-Time Equivalent Employees by Function/Program	128-129
	<u>Operating Information</u>	
18	Operating Indicators by Function/Program	130-131
19	Capital Asset Statistics by Function/Program	132

Introductory Section



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

December 21, 2023

Chairman Bordonaro
Members of the Board of Finance
Arosha Jayawickrema, Town Manager
Town of Berlin
240 Kensington Road
Berlin, Connecticut 06037

To the Chairman, Members of the Board of Finance, Citizens of the Town of Berlin, and Town Manager Jayawickrema:

The Annual Comprehensive Financial Report (“Annual Report”) of the Town of Berlin, Connecticut (“Town”) for the fiscal year ended June 30, 2023, is submitted herewith. State law requires that the Town publish, within six months of the close of the fiscal year, a complete set of audited financial statements. The attached report is published to fulfill that requirement for fiscal year 2023.

The Town’s Finance Department prepared the Annual Report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town’s management. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgements by management. The Town’s management believes the data, as presented, are accurate in all material aspects; that the data fairly set forth the financial position and the results of operations of the Town as measured by financial activity of the various funds; and that all disclosures necessary to enable the reader to understand the Town’s financial position have been included.

Section 7-14 of the Town Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the Town by independent Certified Public Accountants selected by the Board of Finance. The Town has complied with this requirement and PKF O’Connor Davies, LLP’s report with an unmodified opinion has been included in this report. In addition, the Town is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 100, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as well as the Connecticut Single Audit Act. Information related to these single audits, including the schedules of expenditures of federal awards and state financial assistance, findings and recommendations, and auditors’ reports on the internal control over financial reporting and compliance with applicable laws and regulations are issued under separate cover and are not included in this report. A copy of these reports is on file in the Town Clerk’s office.

Generally Accepted Accounting Principles (“GAAP”) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management’s Discussion and Analysis (“MD&A”) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Town of Berlin’s MD&A may be found immediately following the report of the independent auditors.

Profile of the Town of Berlin

The Town of Berlin is an independent town and is a political subdivision of the State of Connecticut autonomous from any county, town, or other political subdivision of the State of Connecticut. The Town of Berlin was incorporated in 1785 from parts of Farmington, Middletown, and Wethersfield. The Town, which covers an area of 27.0 square miles, is in the geographic center of the state in Hartford County. Berlin’s current population is 20,197.

Under the Town Charter, adopted November 4, 1973, and most recently amended November 8, 2016, the Town Council acts as the legislative body. The Town Council consists of six members plus the mayor elected biennially for terms of two years each. The Town Council appoints a Town Manager, who is the chief executive officer of the Town and has appointive and removal authority over department directors and other employees of the Town. The Town Manager and the Town Council are responsible for the administration of all Town matters, except for the education system, Kensington and Worthington Fire Districts, the Mattabassett District (which provides water and sewer services to industrial and residential customers) and the Police Department (which is overseen by an elected five-member Police Commission). An elected nine-member Board of Education appoints a Superintendent of Schools, who administers the education system of the Town. The Board of Finance consists of six members elected for staggered terms with three members elected to four-year terms every two years. The Board of Finance has financial and budgetary responsibility.

The annual budget serves as the foundation for the Town’s financial planning and control. The Town maintains budgetary controls with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound fiscal management.

The Town provides a comprehensive range of municipal services including general government; community development; public safety; physical services; parks, recreation, and libraries; health and human services; and education.

Local Economic Condition and Outlook

Building permit volume and Planning & Zoning requests remained strong with several new residential and commercial projects moving forward. Current and prior fiscal years building permit volume (both commercial and industrial) led to a 12% increase in building inspections during fiscal year 2023.

The Town continued to experience economic growth along the Berlin Turnpike with three new residential and mixed-use developments breaking ground during the fiscal year. Private development adjacent to the Amtrak train station continued with approval for additional State grants to help remediate a brownfield site, install walking trails to connect existing properties, and supporting the development of a new multi-income residential building.

Major businesses located in Berlin include Eversource and its subsidiary, Yankee Gas, ASSA ABLOY (Corbin Russwin architectural hardware), TIGHTCO (aerospace parts), Parker Hannifin (solenoid valves), the Western New England Headquarters for Comcast (cable television, internet and telephone), B&F Machine (aerospace parts), Stop & Shop (retail), Home Depot (retail), PetSmart (retail), TOMZ Corporation (a manufacturer of medical and aerospace parts) and Forrest Machine (aerospace and commercial parts), Newport Group (real estate).

The Town's location makes it accessible to a large labor force without the need to commute through congested cities. Berlin has strong demographic characteristics including a median household income 15.2% higher than the State average.

Major Initiatives

Overall, the Town continued to be an attractive location for a diverse mix of projects including office, industrial, commercial, and age-restricted residential developments. Continued investments in infrastructure (bridges, roads, and sidewalks), updates to three of the most heavily traveled roads in town in partnership with the State of Connecticut, and recreational field improvements, all made Berlin an appealing location for individuals, families, and businesses.

The Town completed design work on a multi-million-dollar renovation and expansion of the existing police station. When completed, this effort will expand the footprint to match increased staffing levels and modernize the building to ensure the Berlin Police Department maintains its accreditation.

During fiscal year 2023, the Town awarded bids and began construction of a complete upgrade to the HVAC system at Willard Elementary School. The project is expected to be completed in the fall of 2024. HVAC upgrades at the two remaining elementary schools are expected to be completed in the next few years.

Long-Term Financial Planning

The Town continued to utilize several long-term planning measures, including a five-year financial plan, 10-year capital plan and a 10-year debt management plan. Each of these measures provide insight into short- and long-term capital needs to citizens and elected officials.

The debt management plan identifies the timing of proposed bonding and estimates debt service costs related to such projects. The debt plan helps establish realistic goals, lower the Town's overall debt level, and protect the Town's AAA credit rating.

For the third time in the last five years, the Town elected not to issue new money debt. Instead, Town staff focused on completing previously approved and funded projects. The decision not to issue new money debt allowed the Town to lower outstanding debt principal by \$6.7 million. Going forward, the Town expects to issue new money debt to fund improvements to schools and infrastructure as outlined in the bond plan.

Other Relevant Financial Policies and Procedures

The cash management process and policy enabled the Town to respond to the Federal Reserve rate increases by investing strategically in AAA quality vehicles that yielded higher than budgeted returns. While holding to the Town's safety and liquidity investment focus, the interest rate environment enabled the Town to exceed originally budgeted investment earnings by more than \$2 million in the fiscal year.

In support of a hybrid work and meeting environment, the Town invested in cybersecurity hardware, software, and training to lower the risk of business interruption. These efforts are expected to continue as the public sector remains a target for cyber-attacks.

At the end of fiscal year 2023, the Town Council approved the Police Benefit Fund. This new defined benefit plan was created to improve recruiting and retention of police officers.

Other Information

Award:

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Berlin for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This is the thirty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for excellence is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments:

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department who assisted and contributed to its preparation, especially Gail Erickson and Len Zielinski. I would also like to thank the Board of Finance, Town Council and Town Manager for their support in planning and conducting the financial operations of the Town.

Respectfully submitted,

Kevin Delaney

Kevin Delaney
Director of Finance & Treasurer

Town of Berlin, Connecticut

**Principal Officials
June 30, 2023**

Town Council

Mayor Mark H. Kaczynski

Deputy Mayor Charles R. Paonessa
Councilor Casey Foster
Councilor Peter A. Rosso

Councilor Sandra Coppola
Councilor Donna Risolo
Councilor Donna Veach

Board of Finance

Sal Bordonaro, Chairman
Raul Fernandes
Mark Holmes

Gerald P. Paradis, Vice Chairman
Timothy Grady
George Millerd

Administration

Town Manager
Corporation Counsel
Finance Director/Treasurer
Nursing Supervisor
Planner
Director of Parks & Rec./Community Services
Public Works Director
Chief of Police
Town Clerk
Library Director
Information Technology Coordinator
Fire Marshal
Economic Development Director
Director of Golf
Director of Human Resources
Chief Mechanic

Arosha Jayawickrema
Jeffrey M. Donofrio
Kevin Delaney
Alea Piatek
Maureen Giusti
Jennifer Ochoa
Michael Ahern
Matthew McNally
Kathryn J. Wall
Kimberly McNally
Brian Freeman
Steven Waznia
Christopher Edge
Sol Guerrero
Paula Carabetta
James Simons

Board of Education

Julia Dennis, President

Melissa Anne Gibbons
Gina Nappi
Kari Sassu, Ph. D
Matthew Tencza

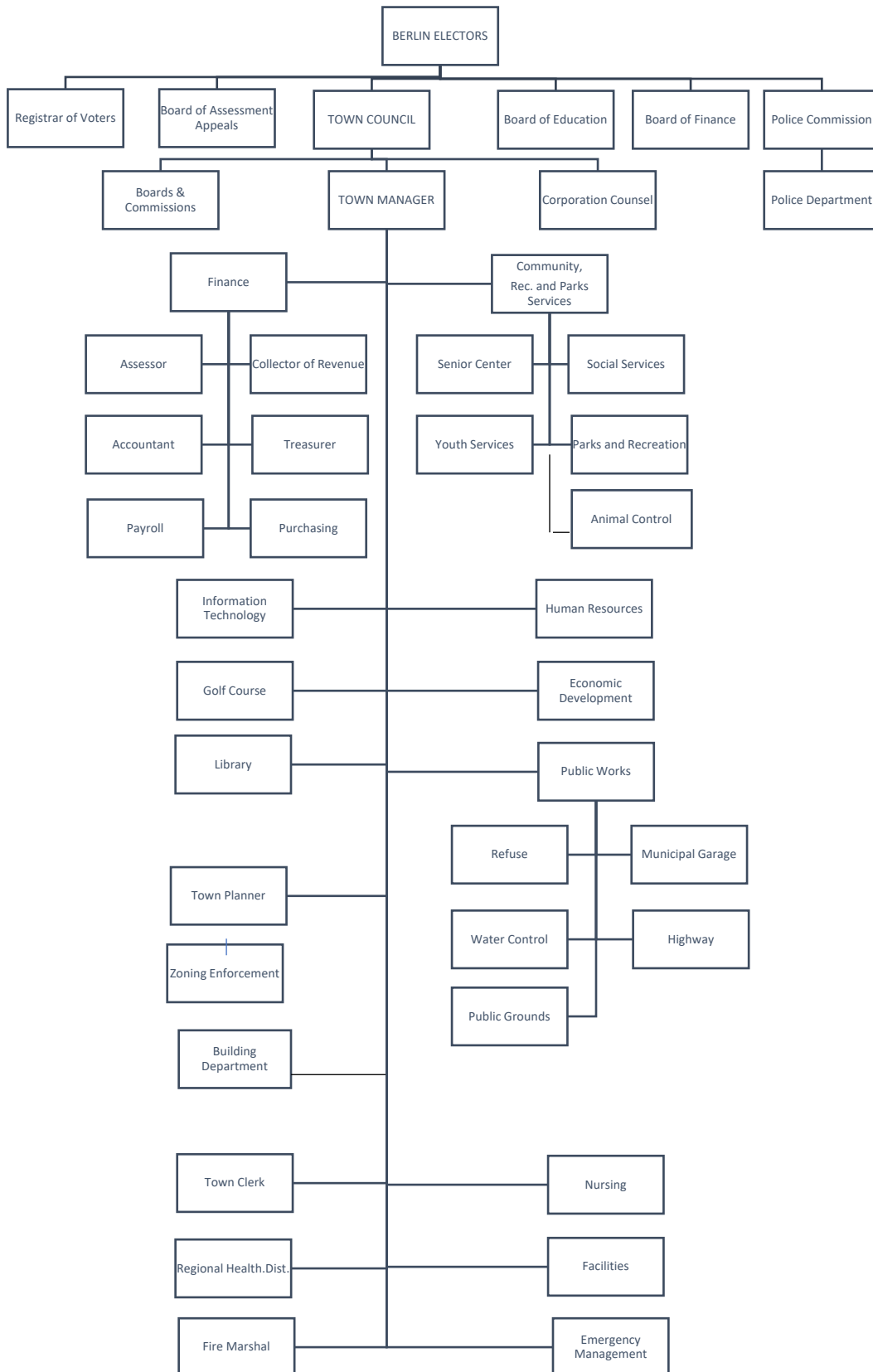
Jaymee Miller
Adam Salina
Tracy Sisti, Secretary
Peter Zarabozo

Superintendent of Schools
Director of Finance
Director of Operations

Brian Benigni
Ashley Dorsey
Jeffrey Cugno

Town of Berlin, Connecticut

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Berlin
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

**Town Council
Town of Berlin, Connecticut**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Berlin, Connecticut ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Town, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Town'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

**Town Council
Town of Berlin, Connecticut**

Page 2

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 GAAS 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 Town'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 Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis 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 combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 21, 2023



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

Management's Discussion and Analysis For the Year Ended June 30, 2023

This discussion and analysis of the Town of Berlin, Connecticut's ("Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this Management Discussion and Analysis ("MD&A") in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to K.

Financial highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in net position	\$ 14,705,539	\$ 1,237,837	\$ 15,943,376
Total net position	162,510,752	22,569,825	185,080,577
Unrestricted net position	29,640,378	9,029,802	38,670,180

The Town's total net position increased by \$15,943,376. The increase is due to the following:

Governmental fund activity:

- positive operations of the general fund of \$ 3,674,998
- negative operations of the capital projects fund of (1,446,972)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation/amortization expense of 5,052,963
- net principal debt activity of 6,513,879
- change in net pension liability of 558,129
- change in OPEB liability of 599,929
- net revenues of the internal service funds of 121,946

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

- During the year the Town implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on Town's financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 566,291
Long-term liabilities:	
Subscription payable	566,291

- Revenues for the Town's governmental activities increased \$8,638,264 or 7.7% to \$121,082,075. This was an increase of 0.3% in the prior year. The major drivers of this growth were planned higher property tax revenues, investment income derived when the Town took advantage of the rapid increase in interest rate, and capital grants.
- The total cost of the Town's governmental activities increased by \$5,461,208 or 5.4% to \$106,381,036. This was a decrease of -2.8% in the prior year. The major driver was higher education costs driven by increased teachers' retirement on behalf payments.
- The General Fund ending fund balance was \$17,780,920, an increase of \$3,674,998 or 26.1%, from the previous year. The increase was driven by higher than anticipated investment income and lower than budgeted expenditures coming from vacant positions, utility costs and not using contingency in the budget.
- The Capital Projects Fund reported a total fund balance this year of \$14,687,570, a decrease of \$1,446,972 or -9.0%, from the previous year. The decrease was driven by expenditures of intergovernmental grants and transfers in from prior years.
- Revenues and total cost for the Town's business-type activities increased \$965,898 and \$525,307 respectively driven by higher volume and increase in rates charged.

Overview of the financial statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as the net position. Over time, increases or decreases in net position serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

The *statement of activities* presents information showing how the Town's net position changed during the year. In this statement, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, community development, public safety, physical services, parks, recreation and libraries, health and human services and schools. The business-type activities of the Town include water and sewer.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules on Schedules 2 and 3.

The basic governmental fund financial statements can be found on Exhibits C, D and E.

Proprietary funds - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to report the activities of the water and sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The Town uses internal service funds to account for its employees and retirees self-insured medical benefits and for general insurance claims. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund. The Water and Sewer Fund is considered a major fund.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on Exhibit K of this report.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding pension benefits.
- Schedules to demonstrate the Town's progress in funding other post-employment benefits.

Other information

The combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Government-wide financial analysis

The Town's combined net position increased from \$169,137,201 to \$185,080,577. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**Table 1
Summary Statement of Net Position
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 <i>(as restated)</i>	2023	2022	2023	2022 <i>(as restated)</i>
Current and other assets	\$ 57,679,173	\$ 46,762,762	\$ 9,652,961	\$ 9,853,665	\$ 67,332,134	\$ 56,616,427
Capital assets (net)	190,022,720	184,969,757	17,438,478	15,789,082	207,461,198	200,758,839
Total assets	247,701,893	231,732,519	27,091,439	25,642,747	274,793,332	257,375,266
Deferred outflows of resources	1,895,532	2,234,941	7,621	4,661	1,903,153	2,239,602
Long-term liabilities outstanding	63,085,230	71,588,671	3,646,840	2,809,225	66,732,070	74,397,896
Other liabilities	20,433,350	11,807,176	871,302	484,323	21,304,652	12,291,499
Total liabilities	83,518,580	83,395,847	4,518,142	3,293,548	88,036,722	86,689,395
Deferred inflows of resources	3,568,093	2,766,400	11,093	1,021,872	3,579,186	3,788,272
Net investment in capital assets	128,234,432	119,783,162	13,540,023	12,792,012	141,774,455	132,575,174
Restricted	4,635,942	3,843,146	-	-	4,635,942	3,843,146
Unrestricted	29,640,378	24,178,905	9,029,802	8,539,976	38,670,180	32,718,881
Total net position	\$ 162,510,752	\$ 147,805,213	\$ 22,569,825	\$ 21,331,988	\$ 185,080,577	\$ 169,137,201

Net position of the Town's governmental activities increased by 9.9%. The increase was driven by the reduction in long-term liabilities due to scheduled debt repayments and the continued strategy to delay new money borrowing, improved cash position from net operating receipts, and investment in capital assets funded with State and Federal grants.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

The narrative following Table 2 includes a discussion of revenue and expense variations by category.

**Table 2
Statement of Changes in Net Position
For the Years Ended June 30**

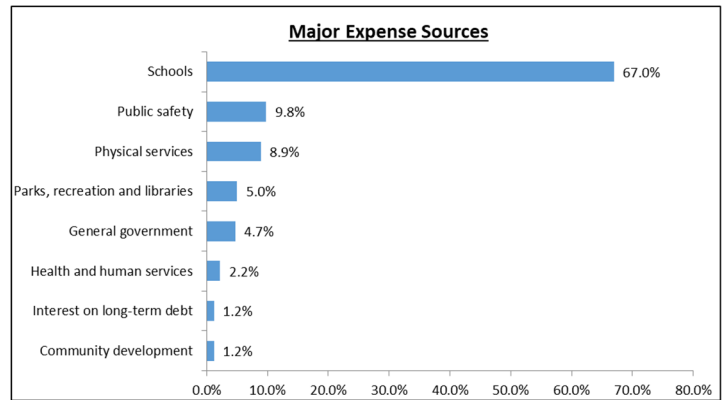
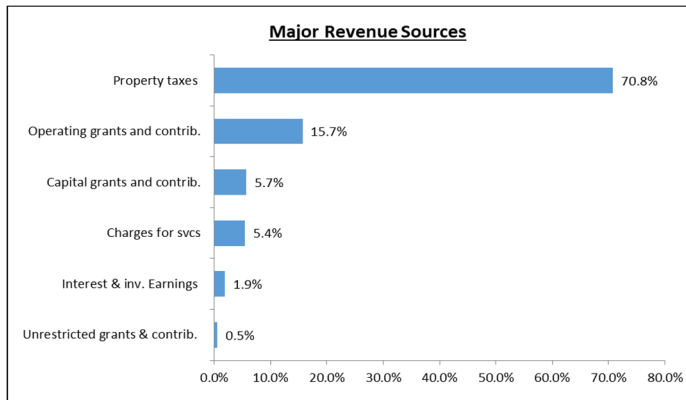
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 6,519,442	\$ 6,444,704	\$ 5,495,590	\$ 4,838,713	\$ 12,015,032	\$ 11,283,417
Operating grants and contributions	19,003,051	19,544,271	222,032	-	19,225,083	19,544,271
Capital grants and contributions	6,853,190	3,182,124	-	-	6,853,190	3,182,124
General revenues:						
Property taxes	85,767,436	82,489,044	-	-	85,767,436	82,489,044
Grants and contributions not restricted to specific programs	606,490	271,176	-	-	606,490	271,176
Income from investments	2,288,056	119,286	175,417	15,146	2,463,473	134,432
Other	44,410	393,206	10,932	84,214	55,342	477,420
Total revenues	<u>121,082,075</u>	<u>112,443,811</u>	<u>5,903,971</u>	<u>4,938,073</u>	<u>126,986,046</u>	<u>117,381,884</u>
Expenses:						
General government	4,977,180	4,310,727	-	-	4,977,180	4,310,727
Community development	1,284,130	1,023,806	-	-	1,284,130	1,023,806
Public safety	10,422,774	9,767,632	-	-	10,422,774	9,767,632
Physical services	9,471,230	8,923,431	-	-	9,471,230	8,923,431
Parks, recreation and libraries	5,277,618	4,979,482	-	-	5,277,618	4,979,482
Health and human services	2,370,297	2,275,278	-	-	2,370,297	2,275,278
Schools	71,248,234	68,189,427	-	-	71,248,234	68,189,427
Interest	1,329,573	1,450,045	-	-	1,329,573	1,450,045
Water and sewer services	-	-	4,661,634	4,136,327	4,661,634	4,136,327
Total expenses	<u>106,381,036</u>	<u>100,919,828</u>	<u>4,661,634</u>	<u>4,136,327</u>	<u>111,042,670</u>	<u>105,056,155</u>
Change in net position before transfers	14,701,039	11,523,983	1,242,337	801,746	15,943,376	12,325,729
Transfers	4,500	4,500	(4,500)	(4,500)	-	-
Change in net position after transfers	14,705,539	11,528,483	1,237,837	797,246	15,943,376	12,325,729
Net position - July 1	<u>147,805,213</u>	<u>136,276,730</u>	<u>21,331,988</u>	<u>20,534,742</u>	<u>169,137,201</u>	<u>156,811,472</u>
Net position - June 30	<u>\$ 162,510,752</u>	<u>\$ 147,805,213</u>	<u>\$ 22,569,825</u>	<u>\$ 21,331,988</u>	<u>\$ 185,080,577</u>	<u>\$ 169,137,201</u>

The Town's total revenues (governmental and business-type) were \$126,986,046. The total cost of all programs and services (governmental and business-type) was \$111,042,670. The analysis below separately discusses the operations of governmental and business-type activities.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Governmental activities

As the graphs below display, the largest source of revenues was property taxes, and the largest cost driver was schools. While grants and public safety were smaller, each was also a significant contributor to revenues and expenses, respectively.



Major revenue factors include:

- Property tax revenue increased \$3,278,392 or 4.0% driven by an increase in the levy needed to support the budget and proactive back tax collections efforts.
- Income from investments increased \$2,168,770 driven by tight cashflow management that allowed the Town to take advantage of rapidly increasing interest rates.
- Capital grants and contributions increased \$3,671,066. The increase was driven by the LOTCIP grant for pavement improvements earned of \$3,631,390.

Major expense factors include:

- Education expense increased \$3,058,807 or 4.5% primarily due to budgeted increases for student programs and an increase in the teachers' retirement on behalf amount.
- General government expenses increased \$666,453 or 15.5% primarily due to an increase in legal expenses related to the settlement of an outstanding land dispute and an increase in depreciation/amortization expense.
- Public safety expenses increased \$655,142 or 6.7% primarily due to an increase in pension expenses.
- The Town increased three net positions with three new Police Officers, one new Highway position and one new Planning position offset by a position reduction in both Nursing and the Library. The Board of Education had no net position increases.
- The Town and Board of Education continued to take measures to control the level of medical insurance costs through the implementation of wellness incentives, offering a high-deductible HSA plan, and shifting costs to employees with changes in premium percentage sharing and higher HSA deductibles.

Business-type activities

Revenues from the Town's business-type activities (see Table 2) increased \$965,898 or 19.6% and expenses increased \$525,307 or 12.7%.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The increase in revenues and expenses was driven by higher usage volumes, an increase in the Berlin Water Control rates of 10% in April 2023, and an increase in the Mattabassett wastewater facility charge, a percentage of which was passed on to the fire districts in proportion to each district's flow volumes.

Financial analysis of the Town's funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$35,488,769, which is an 8.5% increase from last year's total of \$32,715,968. This increase was primarily driven by higher than anticipated property tax revenues and income from investments as well as expenditures coming in significantly under budget.

Fund balance has been classified as:

Nonspendable	\$ 69,454
Restricted	4,567,645
Committed	13,071,907
Assigned	1,343,000
Unassigned	<u>16,436,763</u>
Total	<u>\$ 35,488,769</u>

The total fund balance increased by \$2,772,801 to \$35,488,769. This increase is a result of the following funds activity:

General Fund - Included in this year's total change in governmental fund balance is an increase of \$3,674,998 in the Town's General Fund, compared to a decrease of \$4,679,086 in the prior year. The driver of the increase was the higher than anticipated revenues noted earlier.

Capital Projects Fund - \$10,506,152 was expended for asset acquisitions and improvements, most notably road, bridge and sidewalk improvements, the down payment for the purchase of two new fire trucks, police station renovations, and improvements to Biscoglio Field. The \$1,446,972 decrease in fund balance was driven by the capital outlay, partially offset by the \$6,785,528 grant revenues and \$2,718,203 transfers in.

Proprietary Funds - As the Town completed the year, its business-type proprietary fund (as presented in the balance sheet - Exhibit F) reported net position of \$22,569,825, which is an increase of \$1,237,837 or 5.8% from the previous year's total of \$21,331,988. The increase was driven by continued strong revenue collections and management's close review of operating spending requests.

Internal Service Funds - The internal service funds experienced a combined increase in net position of \$121,946, or 2.5% from the prior year. The major driver of this increase was favorable claims in the General Insurance Fund partially offset by an increased number of catastrophic claims in the Health Insurance Fund.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

General Fund Budgetary Highlights

Significant budget transfers during the year included:

- Additional revenues of \$403,000 from the Municipal Revenue Sharing grant to fund building space preparations in advance of police station renovations (transfers out)
- Additional appropriation of fund balance of \$2,100,000
 - \$1,000,000 to fund the purchase of land (corporation counsel)
 - \$1,100,000 to fund a fire vehicle purchase, field renovations and police station architectural plans (transfers out)

Revenues

Revenue and other financing sources were \$366,955 above budget (including \$2,965,000 budgeted use of fund balance). Revenues alone were \$3,031,955 above budget. The major sources of this favorability were higher than budgeted current year and back taxes, higher extra duty police services and higher investment income.

Property tax revenues were \$1,150,190 higher than the budget. The revenues recorded for fiscal year 2023 reflect a tax rate of 34.31 mills (except for motor vehicles which were capped by State law), a slight increase from the 33.93 rate used in the previous fiscal year and a continued strong collection rate of 99.2%.

Income from investments was \$1,912,692 higher than budget due to tight cashflow management and higher market interest rates as mentioned earlier.

Expenditures

Authorized General Fund budget appropriations for operating expenditures and other financing uses of \$3,308,043 remained unspent at year end. This is the result of proactive expenditure management throughout the fiscal year and from salary and benefit savings caused by position vacancies during the year. The most significant position savings were in the Police Department and Parks and Recreation.

Significant departments that were underspent during the year were as follows:

- General government was underspent by \$760,048 driven by budgeted contingency remaining unspent, lower unemployment charges and lower personnel costs from vacant positions.
- Public safety was underspent by \$528,449 driven by attrition in the Police Department.
- Physical services was underspent by \$737,929 driven by lower refuse disposal, favorable storm-related expenditures caused by a milder winter and favorable utility costs for electricity, telephone and traffic signals.
- Parks, recreation and libraries was underspent by \$436,329 driven by fewer summer programs and one of two swimming pools remaining closed for the season.
- Schools were underspent by \$501,211 driven by lower electricity and lower worker's compensation due to staffing turnover and lower overtime.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Capital assets and long-term liabilities

Capital assets

The Town had a \$207,461,198 net investment in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, streetlights and water and sewer lines (see Table 3). This amount represents a net increase of \$6,702,359 or 3.3%.

**Table 3
Capital Assets - Net
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 <i>(as restated)</i>	2023	2022	2023	2022 <i>(as restated)</i>
Land	\$ 23,705,966	\$ 22,675,339	\$ 1,415,112	\$ 1,415,112	\$ 25,121,078	\$ 24,090,451
Intangible assets	-	-	564,551	564,551	564,551	564,551
Construction in progress	13,175,940	7,765,716	5,798,694	3,912,452	18,974,634	11,678,168
Land improvements	3,979,210	4,224,404	-	-	3,979,210	4,224,404
Intangible right-to-use asset:	1,042,754	848,254	-	-	1,042,754	848,254
Buildings and systems	104,032,905	106,333,878	900,123	964,789	104,933,028	107,298,667
Machinery and equipment	7,994,291	7,961,923	622,872	658,219	8,617,163	8,620,142
Infrastructure	36,091,654	35,160,243	8,137,126	8,273,959	44,228,780	43,434,202
Total	\$ 190,022,720	\$ 184,969,757	\$ 17,438,478	\$ 15,789,082	\$ 207,461,198	\$ 200,758,839

This year's major additions included:

Governmental activities

• Land:

○ Atkins Street \$ 1,030,627

• Construction in progress:

○ Fire trucks 473,416
 ○ Christian/Deming/Porters Pass roads 3,899,946
 ○ Police station 482,238

• Buildings and systems:

○ YMCA school modifications 379,057

• Machinery and equipment:

○ School vans 186,093
 ○ Firetruck 473,416
 ○ Police vehicles 240,928

• Infrastructure:

○ Streets 1,556,323
 ○ Sidewalks 744,302

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Business-type activities

- Construction in progress:
 - Pump and sewer stations \$ 1,402,832

More detailed information about the Town's capital assets is presented in Note III D to the financial statements.

Long-term debt

**Table 4
Long-Term Debt
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 <i>(as restated)</i>	2023	2022	2023	2022 <i>(as restated)</i>
General obligation bonds	\$ 47,825,000	\$ 54,145,000	\$ -	\$ -	\$ 47,825,000	\$ 54,145,000
Notes payable	7,992,654	8,398,464	2,788,578	2,997,070	10,781,232	11,395,534
Interim funding obligation	-	-	1,029,914	-	1,029,914	-
Leases payable	635,650	284,115	-	-	635,650	284,115
Subscriptions payable	426,687	566,291	-	-	426,687	566,291
Total	\$ 56,879,991	\$ 63,393,870	\$ 3,818,492	\$ 2,997,070	\$ 60,698,483	\$ 66,390,940

The Town's general obligation bonds outstanding decreased by \$6,320,000 due to scheduled bond repayments. The Town maintains a Capital Improvement Plan (CIP) as well as a Debt Issuance Plan to track projects that need to be completed and identify funding for such projects. The Town elected not to issue new general obligation bonds during 2023.

The Town had \$7,992,654 in equipment financing notes, a decrease of \$405,810 due to scheduled principal payments. The Town had \$2,788,578 in Clean Water Fund notes, a decrease of \$208,492 due to scheduled principal payments.

The Town has two twenty-year 2% loans with the State of Connecticut Department of Energy and Environmental Protection's Clean Water Fund ("Clean Water Fund") to fund inflow and infiltration projects. These projects are accounted for in the Water and Sewer Enterprise Fund and are funded exclusively by a separate charge on customer bills. The future debt service for the loans is \$3,174,797 (\$2,788,578 principal and \$386,219 interest). More detailed information about these two loans is presented in Note III F to the financial statements.

Additionally, the Town issued \$1,029,914 in Drinking Water Fund interim funding obligations, which was permanently financed after year end.

The Town reviews new debt issuances critically with the goal of lowering the overall debt level. Before issuing new debt, the Town evaluates the existing cash level, future demands on that cash and attempts to fund capital projects with cash when prudent.

The State of Connecticut limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes which considers the type of debt and tax base. The Town's outstanding general obligation debt is significantly below the State-imposed limit of \$583,294,271.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Other long-term obligations include accrued compensated absences (vacation pay and sick leave), heart and hypertension, a net pension liability, and an implicit liability for other post-employment benefits. More detailed information about these long-term liabilities is presented in Note III F to the financial statements.

Economic factors and next year's budgets and rates

General Fund appropriations totaled \$99,612,696 in the fiscal year 2024 budget. This is an increase of approximately 3.1% over fiscal year 2023. The tax mill rate decreased from 34.31 to 29.56. The mill rate decrease was driven by the statutorily required five-year revaluation of real estate partially offset by budgeted expenditure increases in education and public safety.

For the business-type activities, the Town, in conjunction with the Water Control Commission, has set related fees to offset the cost of operations. As noted in the previous section, the Town has entered a drinking water revolving fund loan agreement with the State to fund a water main upgrade; this loan will be repaid over twenty years and the loan repayments will also impact future rates. After year-end, the Town started a sewer project for the replacement of the main pump stations. This project is being funded with Enterprise Fund reserves and the Fund will be reimbursed for 75% of the cost over five years by the main supplier of waste to this pump station.

The Town funds most services with local taxes; however, the State provides important education grant funding that offset local taxes. The Education Cost Sharing grant represents approximately 85.3% of the fiscal year 2024 intergovernmental grant revenue budget and 5.9% of the total revenue budget. As the State considers education grant funding going forward, the Town is addressing potential uncertainty with tight expense management, evaluating capital requests carefully and taking steps to reduce long-term liabilities.

The Town's unemployment rate continued to be less than the State, regional and national averages. As of June 2023, the unemployment rate in Berlin was 3.4% (not seasonally adjusted) compared to 4.0% in the Hartford Labor Market Area, 4.0% in the State of Connecticut and 3.8% in the United States.

Requests for information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 240 Kensington Road, Town of Berlin, Connecticut 06037.

**Basic
Financial
Statements**

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2023

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 11,306,646	\$ 2,425,984	\$ 13,732,630
Investments	41,312,458	6,553,248	47,865,706
Receivables:			
Property taxes	875,277	-	875,277
Usage	-	588,608	588,608
Special assessments and connection charges	-	16,001	16,001
Accounts	212,106	-	212,106
Intergovernmental	1,185,334	-	1,185,334
Leases	134,021	-	134,021
Other	33,435	-	33,435
Total current assets	<u>55,059,277</u>	<u>9,583,841</u>	<u>64,643,118</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	1,832,187	-	1,832,187
Investments	500,234	-	500,234
Permanently restricted:			
Cash	68,297	-	68,297
Total restricted assets	<u>2,400,718</u>	<u>-</u>	<u>2,400,718</u>
Receivables (net):			
Property taxes	219,178	-	219,178
Usage	-	69,120	69,120
Total receivables (net)	<u>219,178</u>	<u>69,120</u>	<u>288,298</u>
Capital assets (net of accumulated depreciation/amortization):			
Land	23,705,966	1,415,112	25,121,078
Intangible assets	-	564,551	564,551
Construction in progress	13,175,940	5,798,694	18,974,634
Land improvements	3,979,210	-	3,979,210
Intangible right-to-use assets	1,042,754	-	1,042,754
Buildings and systems	104,032,905	900,123	104,933,028
Machinery and equipment	7,994,291	622,872	8,617,163
Infrastructure	36,091,654	8,137,126	44,228,780
Total capital assets (net of accumulated depreciation/amortization)	<u>190,022,720</u>	<u>17,438,478</u>	<u>207,461,198</u>
Total noncurrent assets	<u>192,642,616</u>	<u>17,507,598</u>	<u>210,150,214</u>
Total assets	<u>247,701,893</u>	<u>27,091,439</u>	<u>274,793,332</u>
<u>Deferred Outflows of Resources</u>			
Pension related	79,975	-	79,975
OPEB related	1,728,964	7,621	1,736,585
Deferred amount on refunding	86,593	-	86,593
Total deferred outflows of resources	<u>1,895,532</u>	<u>7,621</u>	<u>1,903,153</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2023

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 5,219,480	\$ 563,947	\$ 5,783,427
Retainage payable	234,891	79,963	314,854
Accrued payroll and related liabilities	328,502	6,922	335,424
Accrued interest payable	158,183	-	158,183
Unearned revenue	6,192,950	-	6,192,950
Long-term debt	7,055,242	208,492	7,263,734
Compensated absences	456,640	11,978	468,618
Claims payable	650,145	-	650,145
Heart and hypertension	83,423	-	83,423
Tax overpayments	53,894	-	53,894
Total current liabilities	<u>20,433,350</u>	<u>871,302</u>	<u>21,304,652</u>
Noncurrent liabilities:			
Performance bonds	2,301,484	-	2,301,484
Long-term debt and related liabilities	51,090,094	3,610,000	54,700,094
Compensated absences	125,064	-	125,064
Heart and hypertension	26,279	-	26,279
Net pension liability	1,184,046	-	1,184,046
OPEB liability	8,358,263	36,840	8,395,103
Total noncurrent liabilities	<u>63,085,230</u>	<u>3,646,840</u>	<u>66,732,070</u>
Total liabilities	<u>83,518,580</u>	<u>4,518,142</u>	<u>88,036,722</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	918,565	-	918,565
Lease related	132,864	-	132,864
OPEB related	2,516,664	11,093	2,527,757
Total deferred inflows of resources	<u>3,568,093</u>	<u>11,093</u>	<u>3,579,186</u>
<u>Net Position</u>			
Net investment in capital assets	128,234,432	13,540,023	141,774,455
Restricted for:			
Endowments:			
Nonexpendable	68,297	-	68,297
Expendable	30,937	-	30,937
Community development	15,832	-	15,832
Public safety	50,767	-	50,767
Health and human services	2,466	-	2,466
Parks, recreation and libraries	410,516	-	410,516
Schools	2,063,919	-	2,063,919
ARPA grant projects	1,993,208	-	1,993,208
Unrestricted	29,640,378	9,029,802	38,670,180
Total net position	<u>\$ 162,510,752</u>	<u>\$ 22,569,825</u>	<u>\$ 185,080,577</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Governmental activities:</u>							
General government	\$ 4,977,180	\$ 1,477,596	\$ 155,654	\$ 46,773	\$ (3,297,157)	\$ -	\$ (3,297,157)
Community development	1,284,130	-	880	519,383	(763,867)	-	(763,867)
Public safety	10,422,774	904,488	50,798	-	(9,467,488)	-	(9,467,488)
Physical services	9,471,230	117,357	-	6,287,034	(3,066,839)	-	(3,066,839)
Parks, recreation and libraries	5,277,618	1,699,809	-	-	(3,577,809)	-	(3,577,809)
Health and human services	2,370,297	683,647	27,240	-	(1,659,410)	-	(1,659,410)
Schools	71,248,234	1,636,545	18,768,479	-	(50,843,210)	-	(50,843,210)
Interest	1,329,573	-	-	-	(1,329,573)	-	(1,329,573)
25 Total governmental activities	106,381,036	6,519,442	19,003,051	6,853,190	(74,005,353)	-	(74,005,353)
<u>Business-type activities:</u>							
Water and sewer services	4,661,634	5,495,590	222,032	-	-	1,055,988	1,055,988
Total	<u>\$111,042,670</u>	<u>\$12,015,032</u>	<u>\$19,225,083</u>	<u>\$ 6,853,190</u>	<u>(74,005,353)</u>	<u>1,055,988</u>	<u>(72,949,365)</u>
General revenues:							
Property taxes					85,767,436	-	85,767,436
Grants and contributions not restricted to specific programs					606,490	-	606,490
Income from investments					2,288,056	175,417	2,463,473
Other					44,410	10,932	55,342
Total general revenues					<u>88,706,392</u>	<u>186,349</u>	<u>88,892,741</u>
Change in net position before transfers					14,701,039	1,242,337	15,943,376
Transfers in (transfers out)					<u>4,500</u>	<u>(4,500)</u>	<u>-</u>
Change in net position					14,705,539	1,237,837	15,943,376
Net position - July 1, 2022					<u>147,805,213</u>	<u>21,331,988</u>	<u>169,137,201</u>
Net position - June 30, 2023					<u>\$ 162,510,752</u>	<u>\$22,569,825</u>	<u>\$ 185,080,577</u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 1,937,050	\$ -	\$ 3,735,447	\$ 5,672,497
Restricted cash	1,801,250	-	-	1,801,250
Investments	18,634,820	22,677,638	-	41,312,458
Restricted investments	500,234	-	-	500,234
Receivables (net):				
Property taxes	1,094,455	-	-	1,094,455
Accounts	114,186	-	-	114,186
Intergovernmental	-	975,655	209,679	1,185,334
Leases	134,021	-	-	134,021
Due from other funds	90,000	-	-	90,000
Other	-	-	33,435	33,435
Total assets	\$ 24,306,016	\$ 23,653,293	\$ 3,978,561	\$ 51,937,870
<u>Liabilities</u>				
Liabilities:				
Accounts payable	\$ 1,590,972	\$ 3,568,771	\$ 31,753	\$ 5,191,496
Retainage payable	-	234,891	-	234,891
Accrued payroll and related liabilities	327,480	-	1,022	328,502
Unearned revenue	105,382	5,162,061	925,507	6,192,950
Performance bonds	2,301,484	-	-	2,301,484
Tax overpayments	53,894	-	-	53,894
Total liabilities	4,379,212	8,965,723	958,282	14,303,217
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property taxes	1,094,455	-	-	1,094,455
Advance property tax collections	918,565	-	-	918,565
Lease related	132,864	-	-	132,864
Total deferred inflows of resources	2,145,884	-	-	2,145,884
<u>Fund Balances</u>				
Nonspendable	1,157	-	68,297	69,454
Restricted	-	1,993,208	2,574,437	4,567,645
Committed	-	12,694,362	377,545	13,071,907
Assigned	1,343,000	-	-	1,343,000
Unassigned	16,436,763	-	-	16,436,763
Total fund balances	17,780,920	14,687,570	3,020,279	35,488,769
Total liabilities, deferred inflows of resources and fund balances	\$ 24,306,016	\$ 23,653,293	\$ 3,978,561	\$ 51,937,870

(Continued)

The notes to financial statements are an integral part of this statement.

**Town of Berlin, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2023**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C, Page 1 of 2)	<u>\$ 35,488,769</u>
---	----------------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	184,969,757
Capital assets additions (net of construction in progress)	10,885,898
Depreciation/amortization expense	<u>(5,832,935)</u>

Total	<u>190,022,720</u>
-------	--------------------

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property taxes - accrual basis change	1,094,455
Deferred outflows of resources related to pensions	79,975
Deferred outflows of resources related to OPEB	1,728,964
Deferred amount on refunding	<u>86,593</u>

Total	<u>2,989,987</u>
-------	------------------

Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>4,953,472</u>
---	------------------

Some liabilities and deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

Long-term debt and related liabilities	(58,145,336)
Compensated absences	(581,704)
Net pension liability	(1,184,046)
OPEB liability	(8,358,263)
Accrued interest payable	(158,183)
Deferred inflows of resources related to OPEB	<u>(2,516,664)</u>

Total	<u>(70,944,196)</u>
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Net position of governmental activities (Exhibit A)	<u><u>\$162,510,752</u></u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 85,980,330	\$ -	\$ -	\$ 85,980,330
Intergovernmental	14,740,639	6,785,528	4,792,415	26,318,582
Charges for services	4,635,849	169,515	1,714,078	6,519,442
Income from investments	2,100,692	-	6,066	2,106,758
Contributions	-	-	144,149	144,149
Rebates	-	44,410	-	44,410
	<u>107,457,510</u>	<u>6,999,453</u>	<u>6,656,708</u>	<u>121,113,671</u>
Total revenues				
Expenditures:				
Current:				
General government	6,049,776	154,148	7,500	6,211,424
Community development	1,196,256	-	6,027	1,202,283
Public safety	10,103,085	-	12,786	10,115,871
Physical services	7,637,009	-	-	7,637,009
Parks, recreation and libraries	4,604,971	-	73,870	4,678,841
Health and human services	2,280,194	-	77,123	2,357,317
Schools	61,595,568	-	5,934,627	67,530,195
Debt service	7,901,950	597,551	-	8,499,501
Capital outlay	-	10,506,152	-	10,506,152
	<u>101,368,809</u>	<u>11,257,851</u>	<u>6,111,933</u>	<u>118,738,593</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>6,088,701</u>	<u>(4,258,398)</u>	<u>544,775</u>	<u>2,375,078</u>
Other financing sources (uses):				
Issuance of debt	-	388,408	-	388,408
Sale of capital assets	-	4,815	-	4,815
Transfers in	304,500	2,718,203	-	3,022,703
Transfers out	<u>(2,718,203)</u>	<u>(300,000)</u>	<u>-</u>	<u>(3,018,203)</u>
Net other financing sources (uses)	<u>(2,413,703)</u>	<u>2,811,426</u>	<u>-</u>	<u>397,723</u>
Net change in fund balances	3,674,998	(1,446,972)	544,775	2,772,801
Fund balances - July 1, 2022 (as restated)	<u>14,105,922</u>	<u>16,134,542</u>	<u>2,475,504</u>	<u>32,715,968</u>
Fund balances - June 30, 2023	<u><u>\$ 17,780,920</u></u>	<u><u>\$ 14,687,570</u></u>	<u><u>\$ 3,020,279</u></u>	<u><u>\$ 35,488,769</u></u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit B) are due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 2,772,801</u>
--	---------------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital outlay	10,885,898
Depreciation/amortization expense	<u>(5,832,935)</u>
Total	<u>5,052,963</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

Change in property tax receivable - accrual basis change	<u>(212,894)</u>
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Lease	(388,408)
Principal repayments:	
General obligation bonds and notes payable	6,725,810
Leases	36,873
Subscriptions	<u>139,604</u>
Total	<u>6,513,879</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023**

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Changes in/amortization of:	
Premium	\$ 454,657
Compensated absences	13,048
Net pension liability	558,129
OPEB liability	599,929
Accrued interest payable	40,596
Deferred amount on refunding	(51,135)
Deferred outflows related to pension	5,077
Deferred outflows related to OPEB	(293,351)
Deferred inflows related to OPEB	<u>(870,106)</u>
Total	<u>456,844</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the internal service funds are reported with governmental activities	<u>121,946</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 14,705,539</u></u>
	(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

<u>Assets</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Current assets:		
Cash	\$ 2,425,984	\$ 5,733,383
Investments	6,553,248	-
Receivables:		
Accounts	-	7,920
Usage	588,608	-
Special assessments and connection charges	16,001	-
Total current assets	<u>9,583,841</u>	<u>5,741,303</u>
Noncurrent assets:		
Receivables (net):		
Usage	<u>69,120</u>	<u>-</u>
Capital assets (net):		
Land	1,415,112	-
Intangible assets	564,551	-
Construction in progress	5,798,694	-
Buildings and systems	900,123	-
Machinery and equipment	622,872	-
Infrastructure	<u>8,137,126</u>	<u>-</u>
Total capital assets	17,438,478	-
Total noncurrent assets	<u>17,507,598</u>	<u>-</u>
Total assets	<u>27,091,439</u>	<u>5,741,303</u>
<u>Deferred Outflows of Resources</u>		
OPEB related	<u>7,621</u>	<u>-</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 563,947	\$ 27,984
Retainage payable	79,963	-
Accrued payroll and related liabilities	6,922	-
Compensated absences	11,978	-
Notes payable	208,492	-
Claims payable	-	650,145
Heart and hypertension	-	83,423
Total current liabilities	<u>871,302</u>	<u>761,552</u>
Noncurrent liabilities:		
Notes payable	2,580,086	-
Interim funding obligation	1,029,914	-
Heart and hypertension	-	26,279
OPEB liability	<u>36,840</u>	<u>-</u>
Total noncurrent liabilities	<u>3,646,840</u>	<u>26,279</u>
Total liabilities	<u>4,518,142</u>	<u>787,831</u>
<u>Deferred Inflows of Resources</u>		
OPEB related	<u>11,093</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	13,540,023	-
Unrestricted	<u>9,029,802</u>	<u>4,953,472</u>
Total net position	<u>\$ 22,569,825</u>	<u>\$ 4,953,472</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Operating revenues:		
Premiums	\$ -	\$ 10,781,887
Charges for services	5,495,590	-
Insurance proceeds	-	74,401
Other	10,932	-
	<u>5,506,522</u>	<u>10,856,288</u>
Total operating revenues		
Operating expenses:		
Claims	-	9,969,296
Repairs and maintenance	-	100,250
Administration	232,319	846,094
Employee benefits	279,455	-
Purchase of water	802,454	-
Source of supply	2,313,097	-
Pumping	119,587	-
Transmission and distribution	78,073	-
Salaries - administrative and general	155,764	-
Salaries - operating and maintenance	360,796	-
Depreciation	262,059	-
	<u>4,603,604</u>	<u>10,915,640</u>
Total operating expenses		
Income (loss) from operations	<u>902,918</u>	<u>(59,352)</u>
Nonoperating revenues (expenses):		
Intergovernmental	222,032	-
Income from investments	175,417	181,298
Interest expense	(58,030)	-
	<u>339,419</u>	<u>181,298</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers	1,242,337	121,946
Transfers out	<u>(4,500)</u>	<u>-</u>
Change in net position	1,237,837	121,946
Total net position - July 1, 2022	<u>21,331,988</u>	<u>4,831,526</u>
Total net position - June 30, 2023	<u>\$ 22,569,825</u>	<u>\$ 4,953,472</u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:		
Cash received from other	\$ 10,932	\$ -
Cash received from premiums and employees	-	10,778,807
Cash received from customers	4,527,171	-
Cash received from insurance and others	-	154,915
Cash payments to employees for services	(528,052)	-
Cash payments to providers of benefits and for claims	-	(10,177,266)
Cash payments to providers of administration	-	(846,094)
Cash payments to suppliers for goods and service	<u>(3,404,484)</u>	<u>(57,198)</u>
Net cash from (used in) operating activities	<u>605,567</u>	<u>(146,836)</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>(4,500)</u>	<u>-</u>
Cash flows from (used in) capital and related financing activities:		
Purchase of capital assets	(1,911,454)	-
Proceeds from grants and drinking water notes	1,251,946	-
Principal payments	(208,492)	-
Interest payments	<u>(58,030)</u>	<u>-</u>
Net cash from (used in) capital and related financing activities	<u>(926,030)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>175,417</u>	<u>181,298</u>
Increase (decrease) in cash	(149,546)	34,462
Cash and cash equivalents - July 1, 2022	<u>9,128,778</u>	<u>5,698,921</u>
Cash and cash equivalents - June 30, 2023	<u>\$ 8,979,232</u>	<u>\$ 5,733,383</u>
Reconciliation to statement of net position:		
Cash and cash equivalents per above	\$ 8,979,232	\$ 5,733,383
Cash and cash equivalents reported as investments	<u>(6,553,248)</u>	<u>-</u>
Statement of net position	<u>\$ 2,425,984</u>	<u>\$ 5,733,383</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Income (loss) from operations	\$ 902,918	\$ (59,352)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	262,059	-
(Increase) decrease in:		
Accounts receivable	-	77,434
Usage receivable	57,318	-
Special assessments and connection charges receivable	(6,160)	-
Deferred outflows of resources - OPEB related	(2,960)	-
Prepaid expenses	-	18,639
Increase (decrease) in:		
Accounts payable	319,369	24,413
Retainage payable	79,963	-
Claims payable	-	(54,038)
Heart and hypertension	-	(153,932)
Accrued payroll and related	(11,492)	-
Unearned revenue	(1,500)	-
Compensated absences	638	-
OPEB liability	16,193	-
Deferred inflows of resources - advance user fee collections	(1,018,077)	-
Deferred inflows of resources - OPEB related	7,298	-
Net cash from (used in) operating activities	<u>\$ 605,567</u>	<u>\$ (146,836)</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	<u>Pension and OPEB Trust Fund</u>	<u>Private Purpose Trust Fund Memorial Fund</u>
<u>Assets</u>		
Cash	\$ 2,383	\$ -
Investments:		
Mutual funds:		
Equity	13,628,062	-
Bond	1,807,471	-
Real estate	355,486	-
Diversified	22,388,038	-
Bank money market	-	60,472
Annuities	3,290,921	-
Fixed income funds	13,289,398	-
Total investments	<u>54,759,376</u>	<u>60,472</u>
Accounts receivable	<u>42,920</u>	<u>-</u>
Total assets	<u>54,804,679</u>	<u>60,472</u>
<u>Liabilities</u>		
Due to other funds	<u>90,000</u>	<u>-</u>
<u>Net Position</u>		
Restricted for:		
Pensions	54,353,673	-
OPEB	361,006	-
Individuals and organizations	<u>-</u>	<u>60,472</u>
Total net position	<u><u>\$ 54,714,679</u></u>	<u><u>\$ 60,472</u></u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension and OPEB Trust Fund	Private Purpose Trust Fund Memorial Fund
Additions:		
Contributions:		
Employer	\$ 1,885,932	\$ -
Employee	1,087,098	-
Other	256,219	-
Total contributions	<u>3,229,249</u>	<u>-</u>
Investment income (loss):		
Net change in fair value of investments	3,727,220	(844)
Interest and dividends	1,083,313	-
Total investment income (loss)	<u>4,810,533</u>	<u>(844)</u>
Total additions	<u>8,039,782</u>	<u>(844)</u>
Deductions:		
Benefits	6,510,281	-
Administration	215,024	-
Total deductions	<u>6,725,305</u>	<u>-</u>
Change in net position	1,314,477	(844)
Net position - July 1, 2022	<u>53,400,202</u>	<u>61,316</u>
Net position - June 30, 2023	<u>\$ 54,714,679</u>	<u>\$ 60,472</u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**History and organization**

The Town of Berlin, CT (“Town”) was incorporated in 1785 from parts of Farmington, Middletown and Wethersfield. Under the Town Charter, adopted November 4, 1973, and most recently amended November 8, 2016, the Town Council is the legislative body for specific purposes. The Town Manager serves as the Chief Executive Officer of the Town and acts as the liaison to the Town Council. The Town Council is responsible for establishing policy. Charter revisions on November 8, 1994 replaced an Executive Board, Board of Finance/Town Meeting form of government with a Town Manager/Council form of government, which took effect November 15, 1995. Charter revisions on November 8, 2016 reinstated a Board of Finance effective November 20, 2017.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges for services, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Projects Fund	Accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets. The major sources of revenues for this fund are capital grants and the proceeds from the issuance of general obligation bonds.

The Town reports the following major proprietary fund:

Water and Sewer Fund	Accounts for the operating activity of the water and sewer operations. The major source of revenues for this fund is charges for services.
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Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Permanent Funds	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Internal Service Funds	Accounts for risk financing activities for medical insurance benefits, heart and hypertension and workers' compensation as allowed by GASB Statement No. 10.
Pension and OPEB Trust Funds	Accounts for the activities of the Town of Berlin Retirement Plan and the Town of Berlin Police Retiree Health Plan which accumulate resources for pension and OPEB benefit payments to qualified employees.
Private-Purpose Trust Fund	Accounts for the receipt of private donations to be used for student awards.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town's internal service fund are charges to customers for sales and services.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension and OPEB plans, the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents as money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

State Treasurer’s Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

c. Method used to value investments

Investments for the Town are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate is valued based upon the purchase price, which approximates fair value.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town 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 will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

2. Receivables and payables

a. Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1.00% to 45.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected as of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

c. Leases receivable

The Town is a lessor for noncancellable leases of land. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items, if any, is recorded as expenditures/expenses when consumed rather than when purchased.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

5. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years	Threshold
Land	N/A	\$ 20,000
Construction in progress	N/A	Same as applicable asset type at project completion
Intangible assets	Varies, if any	5,000
Land improvements	10-30	20,000
Buildings and systems	40	20,000
Machinery and equipment	5-20	5,000
Infrastructure	20-50	100,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

6. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the refunding or refunded debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

7. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement (Police are the only group paid for unused sick leave and only at retirement.) Town employees are required to use vacation time by June 30 each year, however, employees may carryover up to an amount allowed by the employee's bargaining unit agreement. Any carryover vacation must be used by June 30 of the subsequent year or be forfeited. Vacation expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. liabilities, deferred outflows/inflows of resources and equity (continued)

9. Lease and subscription liabilities

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

10. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council and Board of Finance.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority to assign fund balance rests with the Town Council and Board of Finance. Intent is also expressed by a properly approved purchase order (encumbrance).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 11.00% of the budgeted year’s total expenditures (including debt service and transfers). Any budgeted contingency shall be included in the current year unassigned fund balance when calculating compliance with this policy.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****11. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

12. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Town policy is to close out outstanding General Fund encumbrances at year end.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the project.

B. Donor-restricted endowments

The Town has received certain endowments for purchase of trees, medical assistance and library resources. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$30,937.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
Bonded road improvements	\$ 1,329,317	\$ 1,221,231	\$ 108,086
Berlin High School renovations	84,950,000	81,158,070	3,791,930
Recycling Center improvements	534,485	18,542	515,943
Bridge rehabilitation program	3,620,322	2,944,943	675,379
55 Steele Blvd (889 Farmington Ave remediation)	2,081,865	848,037	1,233,828
Fire truck	3,250,161	2,153,235	1,096,926
Fire radios	1,332,600	1,324,387	8,213
High Road bridge	1,576,500	1,324,802	251,698
Burnham Street bridge	1,498,193	1,444,312	53,881
Kensington Road bridge	462,000	178,980	283,020
Edgewood Road bridge	421,445	16,319	405,126
Glen Street bridge	500,000	215,784	284,216
Bridge projects	1,216,555	-	1,216,555
Percival Field	539,274	47,295	491,979
Truck wash bay	500,000	-	500,000
Biscoglio Field (athletic facilities grant)	2,774,254	447,040	2,327,214
Water line replacement	2,800,000	1,402,832	1,397,168
HVAC upgrades (ARPA grant)	5,048,046	30,815	5,017,231
LOTICIP road improvement	5,472,399	3,596,925	1,875,474
Police station renovations	759,167	482,238	276,929
Total	<u>\$ 120,666,583</u>	<u>\$ 98,855,787</u>	<u>\$ 21,810,796</u>

III. Detailed notes**A. Cash and investments****1. Cash**

At year end, the Town's bank balance was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 29,007,513</u>
Uninsured and uncollateralized	\$ 13,406,157
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,458,894</u>
Total amount subject to custodial credit risk	<u>\$ 17,865,051</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)**2. Investments**

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$ 13,628,062	\$ 13,628,062	\$ -	\$ -	\$ -
Bond	1,807,471	-	-	55,768	1,751,703
Real estate	355,486	355,486	-	-	-
Diversified	22,388,038	22,388,038	-	-	-
Bank money market	11,203,438	-	11,203,438	-	-
Pooled fixed income	37,222,974	-	37,222,974	-	-
Annuities	3,290,921	-	-	3,290,921	-
Fixed income funds	13,289,398	-	-	13,289,398	-
Total	103,185,788	<u>\$ 36,371,586</u>	<u>\$ 48,426,412</u>	<u>\$ 16,636,087</u>	<u>\$ 1,751,703</u>
Less fiduciary funds	<u>(54,819,848)</u>				
Other funds	<u>\$ 48,365,940</u>				

- b. The Town had the following recurring fair value measurements:

Investments by fair value level	Amount	Quoted Market	Significant	Significant
		Prices in Active	Observable	Unobservable
		Markets	Inputs	Inputs
		Level 1	Level 2	Level 3
Mutual funds:				
Equity	\$ 13,628,062	\$ 13,628,062	\$ -	\$ -
Bond	1,807,471	1,807,471	-	-
Real estate	355,486	355,486	-	-
Diversified	22,388,038	22,388,038	-	-
Annuities	3,290,921	-	-	3,290,921
Fixed income funds	13,289,398	-	13,289,398	-
Total investments by fair value level	<u>54,759,376</u>	<u>\$ 38,179,057</u>	<u>\$ 13,289,398</u>	<u>\$ 3,290,921</u>
Other investments:				
Bank money market	11,203,438			
Pooled fixed income	<u>37,222,974</u>			
Total other investments	<u>48,426,412</u>			
Total investments	<u>\$ 103,185,788</u>			

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

Level 3: Unobservable inputs: carrying value or fair value of the underlying assets as available.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings			Total
	AAA	AA	Unrated	
Mutual funds				
Bond	\$ -	\$ -	\$ 1,807,471	\$ 1,807,471
Pooled fixed income	37,222,974	-	-	37,222,974
Annuities	-	1,617,725	1,673,196	3,290,921
Fixed income funds	-	-	13,289,398	13,289,398
Total	\$ 37,222,974	\$ 1,617,725	\$ 16,770,065	\$ 55,610,764

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

There are no Town investments held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below:

	Property Taxes			Water and Sewer Usage
	Taxes	Interest and Lien Fees	Total	
Current portion	<u>\$ 682,598</u>	<u>\$ 192,679</u>	<u>\$ 875,277</u>	<u>\$ 588,608</u>
Long-term portion	441,946	335,698	777,644	87,953
Less allowance for uncollectibles	<u>(345,764)</u>	<u>(212,702)</u>	<u>(558,466)</u>	<u>(18,833)</u>
Net long-term portion	<u>96,182</u>	<u>122,996</u>	<u>219,178</u>	<u>69,120</u>
Total receivable	<u>\$ 778,780</u>	<u>\$ 315,675</u>	<u>\$1,094,455</u>	<u>\$ 657,728</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables (continued)

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Mobile home lots	\$ 52,095	\$ 58,555	\$ 60,067	\$ 191
Town hall cell tower	81,926	74,309	121,596	955
Total	134,021	<u>\$ 132,864</u>	<u>\$ 181,663</u>	<u>\$ 1,146</u>
Less: current portion	<u>(134,021)</u>			
Long-term portion	<u>\$ -</u>			

Description	Terms
Mobile home lots	In July 2022, the Town entered into fifteen separate, two-year lease agreements for the lease of land used as lot property for mobile homes. The lease term can be renewed for an additional 6 month period by the Town, although the lessee has the option to reject the extension. Based on these agreements, the Town is receiving monthly payments through June 2024.
Town hall cell tower	In February 1999, the Town entered into a 10-year lease agreement with Omnipoint Communications for the right to use a tract of land. The lease agreement includes three automatic five-year renewal terms. As of the date of implementation, the lease is in its last renewal period. Based on this agreement, the Town is receiving monthly payments through February 2024. Subsequently, the Town entered into an extension of the cell tower lease which includes an initial five-year agreement and four five-year extensions that either party has the right not to renew.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General fund	Pension and OPEB trust fund	\$ 90,000	\$ -
Fiduciary funds:			
Pension and OPEB trust fund	General fund	-	90,000
Total		<u>\$ 90,000</u>	<u>\$ 90,000</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have an operations cash account.

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund:			
Capital projects fund	N/A	\$ 300,000	\$ 2,718,203
Water and sewer fund	N/A	4,500	-
Total general fund		<u>304,500</u>	<u>2,718,203</u>
Capital projects fund	General fund	<u>2,718,203</u>	<u>300,000</u>
Enterprise funds:			
Water and sewer fund	General fund	-	4,500
Total		<u>\$ 3,022,703</u>	<u>\$ 3,022,703</u>

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects fund and various programs and activities in other funds.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

	Balance July 1, 2022 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 22,675,339	\$ 1,030,627	\$ -	\$ 23,705,966
Construction in progress	7,765,716	5,621,423	211,199	13,175,940
Total capital assets not being depreciated/amortized	<u>30,441,055</u>	<u>6,652,050</u>	<u>211,199</u>	<u>36,881,906</u>
Capital assets being depreciated/amortized:				
Land improvements	7,502,767	94,846	-	7,597,613
Intangible right-to-use assets	887,145	388,408	-	1,275,553
Buildings and systems	151,530,091	736,465	-	152,266,556
Machinery and equipment	22,060,252	924,703	1,174,679	21,810,276
Infrastructure	71,647,031	2,300,625	-	73,947,656
Total capital assets being depreciated/amortized	<u>253,627,286</u>	<u>4,445,047</u>	<u>1,174,679</u>	<u>256,897,654</u>
Total capital assets	<u>284,068,341</u>	<u>11,097,097</u>	<u>1,385,878</u>	<u>293,779,560</u>
Less accumulated depreciation/amortization:				
Land improvements	3,278,363	340,040	-	3,618,403
Intangible right-to-use assets	38,891	193,908	-	232,799
Buildings and systems	45,196,213	3,037,438	-	48,233,651
Machinery and equipment	14,098,329	892,335	1,174,679	13,815,985
Infrastructure	36,486,788	1,369,214	-	37,856,002
Total accumulated depreciation/amortization	<u>99,098,584</u>	<u>5,832,935</u>	<u>1,174,679</u>	<u>103,756,840</u>
Net capital assets being depreciated/amortized	<u>154,528,702</u>	<u>(1,387,888)</u>	<u>-</u>	<u>153,140,814</u>
Net capital assets	<u>\$ 184,969,757</u>	<u>\$ 5,264,162</u>	<u>\$ 211,199</u>	<u>\$ 190,022,720</u>

Intangible right-to-use assets by category are as follows:

	Asset	Accumulated Amortization
Intangible right-to-use leased buildings and improvements	\$ 320,854	\$ 77,782
Intangible right-to-use leased machinery and equipment	388,408	14,657
Intangible right-to-use subscription assets	566,291	140,360
Total intangible right-to-use assets	<u>\$ 1,275,553</u>	<u>\$ 232,799</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

Depreciation/amortization expense was charged to the functions of the Town as follows:

General government	\$ 338,815
Community development	1,814
Public safety	539,563
Physical services	1,546,291
Parks, recreation and libraries	540,856
Health and human services	13,270
Schools	<u>2,852,326</u>
Total depreciation/amortization expense	<u><u>\$ 5,832,935</u></u>

Business-Type Activities:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 1,415,112	\$ -	\$ -	\$ 1,415,112
Intangible assets	564,551	-	-	564,551
Construction in progress	3,912,452	1,909,955	23,713	5,798,694
Total capital assets not being depreciated/amortized	<u>5,892,115</u>	<u>1,909,955</u>	<u>23,713</u>	<u>7,778,357</u>
Capital assets being depreciated/amortized:				
Buildings and systems	3,157,991	23,713	-	3,181,704
Machinery and equipment	1,397,996	1,500	-	1,399,496
Infrastructure	15,285,708	-	-	15,285,708
Total capital assets being depreciated/amortized	<u>19,841,695</u>	<u>25,213</u>	<u>-</u>	<u>19,866,908</u>
Total capital assets	<u>25,733,810</u>	<u>1,935,168</u>	<u>23,713</u>	<u>27,645,265</u>
Less accumulated depreciation/amortization:				
Buildings and systems	2,193,202	88,379	-	2,281,581
Machinery and equipment	739,777	36,846	-	776,623
Infrastructure	7,011,749	136,834	-	7,148,583
Total accumulated depreciation/amortization	<u>9,944,728</u>	<u>262,059</u>	<u>-</u>	<u>10,206,787</u>
Total capital assets being depreciated/amortized, net	<u>9,896,967</u>	<u>(236,846)</u>	<u>-</u>	<u>9,660,121</u>
Capital assets, net	<u><u>\$ 15,789,082</u></u>	<u><u>\$ 1,673,109</u></u>	<u><u>\$ 23,713</u></u>	<u><u>\$ 17,438,478</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

Depreciation/amortization expense was charged to business-type activities as follows:

Water operations	\$ 85,529
Sewer operations	<u>176,530</u>
Total depreciation/amortization expense	<u><u>\$ 262,059</u></u>

E. Construction commitments

The Town has the following construction commitments:

Biscoglio field turf	\$ 1,993,000
Pavement structure improvement 55 Steele Boulevard	1,148,692
Fire trucks	898,850
Percival field	912,012
Truck wash bay	323,415
HVAC upgrades - schools	460,920
	<u>4,486,000</u>
Total	<u><u>\$ 10,222,889</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

The following is a summary of changes in long-term liabilities during the fiscal year:

Governmental Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
<u>Bonds:</u>										
General purpose:										
General obligation	\$ 2,480,000	2013	12/01/32	2.50-4.00%	\$ 1,290,000	\$ -	\$ 170,000	\$ 1,120,000	\$ 170,000	\$ 950,000
General obligation	1,855,000	2014	12/01/33	3.00-5.00%	910,000	-	130,000	780,000	130,000	650,000
General obligation	720,000	2015	12/01/34	2.00-4.00%	480,000	-	40,000	440,000	40,000	400,000
General obligation	3,620,000	2016	12/01/35	2.00-4.00%	1,915,000	-	335,000	1,580,000	335,000	1,245,000
Refunding bonds	5,676,000	2016	09/01/25	2.00-5.00%	3,463,000	-	903,000	2,560,000	924,000	1,636,000
General obligation	4,150,000	2017	12/01/29	2.00-4.00%	2,550,000	-	400,000	2,150,000	400,000	1,750,000
General obligation	6,500,000	2019	12/01/28	2.00-4.00%	4,400,000	-	700,000	3,700,000	700,000	3,000,000
General obligation	4,200,000	2020	12/01/30	5.00%	3,780,000	-	420,000	3,360,000	420,000	2,940,000
Total general purpose	29,201,000				18,788,000	-	3,098,000	15,690,000	3,119,000	12,571,000
School bonds:										
General obligation	6,015,000	2013	12/01/32	2.50-4.00%	3,645,000	-	335,000	3,310,000	335,000	2,975,000
General obligation	16,500,000	2014	12/01/33	3.00-5.00%	10,390,000	-	870,000	9,520,000	870,000	8,650,000
General obligation	13,000,000	2015	12/01/34	2.00-4.00%	8,890,000	-	685,000	8,205,000	685,000	7,520,000
General obligation	13,150,000	2016	12/01/35	2.00-4.00%	9,675,000	-	695,000	8,980,000	695,000	8,285,000
Refunding bonds	5,244,000	2016	09/01/25	2.00-5.00%	2,457,000	-	587,000	1,870,000	606,000	1,264,000
General obligation	515,000	2017	12/01/29	2.00-4.00%	300,000	-	50,000	250,000	50,000	200,000
Total school bonds	54,424,000				35,357,000	-	3,222,000	32,135,000	3,241,000	28,894,000
Total bonds	83,625,000				54,145,000	-	6,320,000	47,825,000	6,360,000	41,465,000
<u>Equipment financing notes (direct borrowing):</u>										
Energy	10,340,341	2016	12/12/35	2.93%	8,398,464	-	405,810	7,992,654	436,952	7,555,702
Total bonds/notes	\$93,965,341				62,543,464	-	6,725,810	55,817,654	6,796,952	49,020,702

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Leases payable					\$ 284,115	\$ 388,408	\$ 36,873	\$ 635,650	\$ 116,138	\$ 519,512
Subscriptions payable					566,291	-	139,604	426,687	142,152	284,535
Total long-term debt					63,393,870	388,408	6,902,287	56,879,991	7,055,242	49,824,749
Premium					1,720,002	-	454,657	1,265,345	-	1,265,345
Total long-term debt and related liabilities					65,113,872	388,408	7,356,944	58,145,336	7,055,242	51,090,094
Compensated absences					594,752	-	13,048 *	581,704	456,640	125,064
Heart and hypertension					263,634	46,549	200,481	109,702	83,423	26,279
Net pension liability					1,742,175	658,844	1,216,973	1,184,046	-	1,184,046
OPEB liability					8,958,192	844,069	1,443,998	8,358,263	-	8,358,263
Total long-term liabilities					<u>\$ 76,672,625</u>	<u>\$ 1,937,870</u>	<u>\$ 10,231,444</u>	<u>\$ 68,379,051</u>	<u>\$ 7,595,305</u>	<u>\$ 60,783,746</u>

*Net change

All long-term liabilities are generally liquidated by the general fund.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Business-type Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
<u>Notes:</u>										
Clean Water:										
CWF 212-CSL	\$ 2,236,514	2015	09/30/34	2.00%	\$ 1,369,864	\$ -	\$ 111,826	\$ 1,258,038	\$ 111,826	\$ 1,146,212
CWF 217-CSL	1,933,314	2019	04/30/39	2.00%	1,627,206	-	96,666	1,530,540	96,666	1,433,874
Total notes	4,169,828				2,997,070	-	208,492	2,788,578	208,492	2,580,086
Interim funding obligation (permanently financed)				2.00%	-	1,029,914	-	1,029,914	-	1,029,914
Total long-term debt					2,997,070	1,029,914	208,492	3,818,492	208,492	3,610,000
Compensated absences					11,340	638 *	-	11,978	11,978	-
OPEB liability					20,647	22,575	6,382	36,840	-	36,840
Total long-term liabilities					\$ 3,029,057	\$ 1,053,127	\$ 214,874	\$ 3,867,310	\$ 220,470	\$ 3,646,840

*Net change

On October 31, 2023, the Town permanently financed the drinking water interim funding obligation for a total of \$1,152,729 pursuant to the project loan and subsidy agreement with the State of Connecticut.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

The following is a summary of principal and interest amounts of bond and note maturities:

Year Ended June 30,	Governmental Activities			Business-Type Activities	
	Bond Principal	Note Principal	Total Interest	Note Principal	Note Interest
2024	\$ 6,360,000	\$ 436,952	\$ 1,571,123	\$ 208,492	\$ 53,859
2025	6,385,000	469,249	1,356,015	208,492	49,689
2026	6,110,000	500,314	1,144,221	208,492	45,520
2027	4,445,000	533,190	966,875	208,492	41,351
2028	4,435,000	570,078	827,841	208,492	37,181
2029	3,955,000	608,749	696,247	208,492	33,011
2030	3,275,000	649,671	579,750	208,492	28,841
2031	3,195,000	692,171	467,989	208,492	24,672
2032	2,660,000	736,696	360,089	208,492	20,502
2033	2,655,000	783,726	255,463	208,492	16,332
2034	2,265,000	832,597	153,841	208,492	12,162
2035	1,400,000	802,869	70,683	124,621	8,551
2036	685,000	376,392	15,792	96,666	6,523
2037	-	-	-	96,666	4,589
2038	-	-	-	96,666	2,653
2039	-	-	-	80,547	783
Totals	<u>\$ 47,825,000</u>	<u>\$ 7,992,654</u>	<u>\$ 8,465,929</u>	<u>\$ 2,788,578</u>	<u>\$ 386,219</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$7,992,654 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 187,487,444	\$ 15,690,000	\$ 171,797,444
Schools	374,974,889	32,135,000	342,839,889
Sewer	312,479,074	1,108,093	311,370,981
Urban renewal	270,815,197	-	270,815,197
Pension deficit	249,983,259	-	249,983,259

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation:

\$ 583,294,271

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Overlapping debt

A summary of overlapping debt is presented below:

Kensington Fire District	\$ 751,322
Worthington Fire District	<u>356,771</u>
Total	<u>\$ 1,108,093</u>

There is also \$6,057,979 of overlapping debt for the Mattabassett District that is related to the water and sewer proprietary fund.

5. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

<u>Type</u>	<u>Authorized but Unissued</u>
General purpose	\$ 2,600,675
Schools	7,554,737
Sewer	<u>1,548,054</u>
Total	<u>\$ 11,703,466</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

6. Leases

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
One Liberty Square	2022	9	1.372%	\$ 320,854	\$ 247,242
Golf carts	2023	5	1.372%	388,408	388,408
Total				<u>\$ 709,262</u>	<u>\$ 635,650</u>

*All interest rates have been imputed based on the rate from a credit spread average from commercial banks plus the cost of funds as there were no interest rates specified in the lease agreement.

Description	Terms
One Liberty Square	In December 2019, the Town entered into a ten-year lease extension for the lease of Unit B of Liberty Square Condominium, owned by the Town of New Britain. Based on this agreement, the Town is paying monthly payments through September 2029. There are no renewal options included in this lease agreement.
Golf carts	In May 2023, the Town entered into a five-year lease for golf carts and related equipment. Based on this agreement, the Town is paying annual payments through September 2027. There are no renewal options and the Town does not anticipate purchasing the equipment at fair market value at the end of the lease term.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 116,138	\$ 4,490
2025	114,460	6,887
2026	116,277	5,310
2027	117,875	3,711
2028	119,496	2,091
2029	41,052	448
2030	10,352	24
Totals	<u>\$ 635,650</u>	<u>\$ 22,961</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

7. Subscription arrangements

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Hosted online index	2023	5	2.11%	\$ 527,287	\$ 406,724
Debt software	2023	3	2.04%	20,426	10,535
Time and attendance software	2023	2	1.89%	18,578	9,428
Total				<u>\$ 566,291</u>	<u>\$ 426,687</u>

*All interest rates have been imputed based on the rate from a credit spread average from commercial banks plus the cost of funds as there were no interest rates specified in the lease agreement.

Description	Terms
Hosted online index	The Town has a subscription arrangement for a hosted online land records index. This arrangement does not include extension or termination terms.
Debt software	The Town has a subscription arrangement for debt software. This arrangement does not include extension or termination terms.
Time and attendance software	The Town has a subscription arrangement for time and attendance software. This arrangement does not include extension or termination terms.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 142,152	\$ 7,791
2025	124,794	4,631
2026	127,455	1,922
2027	32,286	57
Totals	<u>\$ 426,687</u>	<u>\$ 14,401</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Fund balance classifications and restricted net position

Fund balances are composed of the following:

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Leases	\$ 1,157	\$ -	\$ -	\$ 1,157
Tree purchases	-	-	5,000	5,000
Medical assistance	-	-	21,965	21,965
Library materials	-	-	41,332	41,332
Total nonspendable	<u>1,157</u>	<u>-</u>	<u>68,297</u>	<u>69,454</u>
Restricted				
Community development	-	-	16,590	16,590
Public safety programs	-	-	50,767	50,767
Health and human services programs	-	-	16,953	16,953
Parks, recreation and libraries programs	-	-	426,208	426,208
School programs	-	-	1,159,915	1,159,915
Lunch program*	-	-	904,004	904,004
ARPA grant projects	-	1,993,208	-	1,993,208
Total restricted	<u>-</u>	<u>1,993,208</u>	<u>2,574,437</u>	<u>4,567,645</u>
Committed				
Capital projects				
Fire truck	-	247,998	-	247,998
Land acquisition and development	-	205,401	-	205,401
Economic development	-	225,208	-	225,208
Police station	-	276,929	-	276,929
Energy and streetlights	-	902,969	-	902,969
Other capital projects	-	612,968	-	612,968
Construction contracts	-	10,222,889	-	10,222,889
Town special events and activities	-	-	207,996	207,996
Parks, recreation and libraries programs	-	-	162,221	162,221
Schools	-	-	7,328	7,328
Total committed	<u>-</u>	<u>12,694,362</u>	<u>377,545</u>	<u>13,071,907</u>
Assigned				
Pension funding	743,000	-	-	743,000
Subsequent year's budget	600,000	-	-	600,000
Total assigned	<u>1,343,000</u>	<u>-</u>	<u>-</u>	<u>1,343,000</u>
Unassigned	<u>16,436,763</u>	<u>-</u>	<u>-</u>	<u>16,436,763</u>
Total fund balance	<u><u>\$ 17,780,920</u></u>	<u><u>\$ 14,687,570</u></u>	<u><u>\$ 3,020,279</u></u>	<u><u>\$ 35,488,769</u></u>
*The amount of net position restricted by enabling legislation totaled:				<u><u>\$ 904,004</u></u>

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****IV. Other information****A. Risk management**

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for heart and hypertension claims and employee medical prescriptions claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act.

The Town utilizes two risk management funds (the Internal Service Funds) to account for and finance its uninsured risks of loss for general insurance and health insurance. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Risk management (continued)

The General Insurance Fund charges funds and benefiting activities premiums. The fund purchases insurance, pays heart and hypertension claims, provides ancillary services for the administration of this fund and accumulates reserves. Claims have not exceeded insurance coverage in any of the past three years.

The Medical and Health Insurance Fund also charges funds and benefiting activities premiums. The funds are used to pay claims, purchase medical and health insurance and provide ancillary services. The Town self-insures its employees for medical and dental claims through the use of the Medical and Health Insurance Fund. Maximum liability to the Town per covered participant is \$150,000. The Town retains an insurance policy for employee claims in excess of \$150,000. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by Town and employee contributions, as required. An actuarial study is performed annually.

The Town records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements. The claims liability reported is based upon accounting principles which require that a liability for estimated claims incurred but not reported be accrued. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and social factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-term Portion
<u>General Insurance Fund (Heart and Hypertension)</u>						
2021-2022	\$ 318,050	\$ 130,231	\$ 184,647	\$ 263,634	\$ 54,416	\$ 209,218
2022-2023	263,634	46,549	200,481	109,702	83,423	26,279
<u>Medical and Health Insurance Fund</u>						
2021-2022	437,881	8,117,672	7,851,370	704,183	704,183	-
2022-2023	704,183	9,922,747	9,976,785	650,145	650,145	-
<u>Totals</u>						
2021-2022	<u>\$ 755,931</u>	<u>\$ 8,247,903</u>	<u>\$ 8,036,017</u>	<u>\$ 967,817</u>	<u>\$ 758,599</u>	<u>\$ 209,218</u>
2022-2023	<u>\$ 967,817</u>	<u>\$ 9,969,296</u>	<u>\$ 10,177,266</u>	<u>\$ 759,847</u>	<u>\$ 733,568</u>	<u>\$ 26,279</u>

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are 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 Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Tax abatements

The Town is authorized by Connecticut State Statutes to enter into property tax abatement agreements for the purpose of economic development, competitiveness and to encourage business investment. The Town has the following abatement programs:

Program or Agreement Name	Local
Purpose of the program or agreement	Economic development
Tax being abated	Real estate
Authority under which abatement agreements are entered into	State statute
Criteria to be eligible to receive abatement	See tax abatement program document adopted 02/2021; CGS 12-81 projects must involve real property improvements with at least one of the following:
	a For office use.
	b For manufacturing use.
	c For warehouse, storage or distribution use.
	d For information technology.
	e For recreation facilities.
	f For restaurants other than fast food, new retail developments or redevelopment of existing retail properties that involve substantial renovations or restoration of the exterior of the building and improvements to landscaping.
How recipients' taxes are reduced	Reduced assessment
How the abatement amount is determined	Consistent with State statute, the Town abates taxes over:
	1 3-years with a schedule of 50%/40%/30% for an investment of at least \$50,000
	2 5-years with a schedule of 50%/40%/30%/20%/10% for an investment of \$1 million
	3 7-years with a schedule of 50%/50%/40%/40%/30%/20%/10% for an investment of \$3 million
	4 10-years with a schedule of 70%/70%/60%/60%/60%/60%/60%/60%/50%/50% for an investment of \$12.5 million
Provision for recapturing abated tax, if any	None
Types of commitments made by the Town other than to reduce taxes	None
Gross dollar amount, on the accrual basis, by which the Town's tax revenues were reduced as a result of abatement agreement	\$183,409
Assessment value	\$5,345,644

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**D. Jointly governed organizations****The Mattabassett District**

The Mattabassett District (the “District”) is a quasi-municipal district established in accordance with State Statutes to provide sewer treatment services for the constituent Towns of Berlin and Cromwell and the constituent Cities of New Britain and Middletown and contractually to the Metropolitan District and the Town of Farmington. As a result of the 2010 census data released in February 2011 and the June 2011 amendment to the state statutes creating the District, the Mattabassett Board of Directors representation is as follows: New Britain-five members, Middletown-four members, Berlin-three members and Cromwell-three members.

The Town pays an annual assessment to the District. The annual assessment includes funds for the payment of the Town’s portion of the District’s debt service. The Town is responsible for a pro-rata share of the Mattabassett District’s debt based on population. As of June 30, the District has \$42,215,883 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$6,057,979. This debt is paid out of the Town’s enterprise fund. The District’s financial statements can be obtained from www.mattabassettdistrict.org/audits.

V. Pensions and other post-employment benefit plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town is the sponsor and administrator of a single-employer defined benefit public employee retirement system (“Plan”), the Town of Berlin Employee Retirement Plan, established and administered by the Town to provide pension benefits for its full-time employees who have elected to participate in the plan (excluding teachers covered under the Connecticut State Teachers’ Retirement System). The plan is closed to police officers hired after June 30, 2000 and all other employees hired after March 18, 1987.

The plan is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial statement as a pension trust fund. A separate stand-alone financial report is not issued.

The Plan is governed by the Pension Committee (the “Board”), which is a subcommittee of the Board of Finance.

Management of the Plan rests with the Pension Committee, which consists of 12 members. The 12 members are the Town Manager, Finance Director, Director of Human Resources, Assistant Finance Director, Director of Business Operations, top management representative, and the presidents of each of the six bargaining units. The Committee convenes on a quarterly basis for detailed plan review.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

b. Plan membership

As of July 1, 2022, membership in the Plan is comprised of the following:

Retirees and beneficiaries receiving benefits	14
Terminated employees entitled to benefits	1
Active members	<u>5</u>
Total	<u><u>20</u></u>

2. Benefit provisions

All full-time employees hired and participating in the plan prior to March 17, 1987, and all police officers hired and participating before July 1, 2000, will receive the higher of the defined contribution earnings (as described in Note V.B) or the benefit due under the old defined benefit plan. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries.

Normal retirement	Police: Age 55 or 25 years of service All others: Age 65
Benefit calculation	2.00% (2.125% for police) times final earnings times years of benefit service (max 25 years for Town employees and 30 for police employees) times ratio of credited service to benefit service at normal retirement less non-self-directed defined contribution account balance
Final earnings	Highest average rate of earnings on January 1st of any 5 (3 for police) consecutive calendar years during the last 10 years before normal retirement
Early retirement age	Age 55 (age 45 for police)
Early retirement service requirement	10 years
Early retirement amount	Actuarially reduced normal retirement benefit to reflect early retirement
Service connected disability amount	60% of rate of earnings as of date of disability reduced by worker's compensation and any other disability benefits received
Vesting - age	None
Vesting - service	5 years
Vesting - amount	100%
Death benefit amount	Refund of employee contributions plus interest, reduced by any annuity payments made provided 10 year certain and life option not elected
Cost of living increases	None

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

3. Contributions

Each participant is required to contribute the following percentage of their pensionable wages to the plan.

Police	6.00% to the defined contribution plan
All others	5.00% to the defined contribution plan
Town	Amount determined by the actuary, considering the member contributions
Average active member contribution	None to the defined benefit plan
Town contribution	\$185,000

4. Investments

a. Investment policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. The investment policy for the defined benefit plan has historically been to protect the pension funds as much as possible from market volatility by investing them in a guaranteed deposit account. The current pension committee is working with its actuaries and investment advisors to revisit this plan to evaluate whether it is still reasonable.

The following is the Committee's adopted asset allocation policy for the plans:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed deposit account	<u>100.00%</u>	0.70%
Long-term inflation rate		<u>2.40%</u>
Long-term expected nominal return		<u>3.10%</u>

b. Concentrations

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

c. Rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation (see the discussion of the pension plan’s investment policy) are summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

Total pension liability	\$ 3,174,565
Plan fiduciary net position	<u>1,990,519</u>
Net pension liability	<u>\$ 1,184,046</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>62.70%</u>

6. Actuarial methods and significant assumptions

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	2 years, closed
Asset valuation method	Fair value
Investment rate of return	3.50% pre-retirement and 3.24% post-retirement
Discount rate	3.50%
Inflation	2.40%
Salary increases	3.25% for police and 2.75% for all others
Cost of living adjustments	None
Mortality rates	Pre-retirement: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021 Post-retirement: IRS 2021 Applicable Mortality Table for 417(e) dynamic

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)**7. Changes from prior year****a. Changes in assumptions**

	From	To
Investment rate of return - post-retirement	2.16%	3.24%

b. Changes in benefit terms

There were no changes in benefit terms from the prior valuation.

8. Discount rate

The discount rate used to measure the total pension liability was 3.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Valuation Date: July 1, 2022	(a)	(b)	(a) - (b)
Balance at July 1, 2022	\$ 5,325,856	\$3,583,681	\$ 1,742,175
Service cost	96,076	-	96,076
Interest	157,868	-	157,868
Differences between expected and actual experience	404,900	-	404,900
Changes in assumptions	(971,473)	-	(971,473)
Contributions - employer	-	185,000	(185,000)
Net investment income	-	60,500	(60,500)
Benefit payments, including refunds of member contributions	(1,838,662)	(1,838,662)	-
Net change	(2,151,291)	(1,593,162)	(558,129)
Balance at June 30, 2023	\$ 3,174,565	\$1,990,519	\$ 1,184,046

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)**10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	<u>3.50%</u>	<u>\$ 1,673,903</u>	<u>\$ 1,184,046</u>	<u>\$ 784,539</u>

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$(378,206).

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows</u>	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	<u>\$ 79,975</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 1 year.

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ 30,310
2025	25,169
2026	17,249
2027	<u>7,247</u>
Total	<u>\$ 79,975</u>

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****B. Defined contribution retirement savings plan**

The Town provides benefits for all of its full-time employees through a defined contribution plan, the Town of Berlin Employee Retirement Plan. Employees enrolled in the plan before March 17, 1987, and police officers enrolled before July 1, 2000, will receive the better of the defined benefit or defined contribution plan. The defined contribution is computed first and accounted for in the defined contribution section of the plan, which is fully funded. Any difference to which the employee is entitled is computed in the defined benefit component of the plan.

Effective July 2004, in the defined contribution component, the benefits depend upon the combination of the employee contributions (limited to 5.00% of base earnings, 6.00% of base earnings for police officers), which are matched by the employer contributions (200% of employee contribution), plus investment earnings. Employees are allowed to contribute additional funds, which are not matched by the Town. Employees enrolled in the plan prior to July 1, 2004, are fully vested from the date of employment. Effective July 1, 2004, all new participants in the Town's defined contribution plan shall not be vested as to the employer contribution until the fifth anniversary of his/her participation in the plan. Effective January 1, 2015, new employees (other than Police) must wait a year before receiving a match and the match is a 100% match up to 6.00%. Those employed prior to January 1, 2015, were grandfathered under the old rules.

The defined contribution plan became effective on April 1988. The prior contributions were computed and matched by the Town and interest of 4.00% credited to the accounts. Employees contributed \$1,016,308 and the Town's matching share was \$1,700,932. Contribution requirements may be amended by the Town Council subject to various bargaining unit approvals and after the expiration dates specified in the collective bargaining agreements.

During fiscal year 2012, a separate defined contribution plan, the Robert Wolf Plan, was created specifically for the Town's volunteer firefighters. The firefighters have the option to contribute all or a portion of their paid-on-call earnings to the plan. There is no required employer match; however, the Town annually contributes \$500 per qualifying firefighter. Employees contributed \$19,036 and the Town contributed \$26,500.

C. Connecticut state teachers' retirement system**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

Employees

Each teacher is required to contribute 7.00% of their pensionable wages for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the collective net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>101,492,499</u>
Total	<u>\$ 101,492,499</u>
During the year the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of Connecticut:	<u>\$ 8,001,957</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the net pension liability.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	2.00%	(0.40%)
Total	<u>100.00%</u>	

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)**6. Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the net pension liability to changes in the discount rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

D. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses through a single-employer defined benefit plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Town does not issue a separate stand-alone financial statement for this program.

b. Plan membership

As of July 1, 2022, the plan's membership consisted of:

Retirees and beneficiaries receiving benefits	40
Active members	620
	<hr/>
Total	660
	<hr/> <hr/>

2. Benefit provisions

The plan provides for health insurance benefits for all eligible Town, Police and Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)

3. Contributions

Retired program members and beneficiaries currently receiving benefits are required to contribute 100% towards the cost of receiving those benefits under the Town’s self-insured medical benefits program.

4. OPEB liability

The OPEB liability was measured as of June 30, 2023 and was \$8,395,103.

5. Actuarial methods and significant assumptions:

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Discount rate	3.65%
Salary increases	3.50%
Healthcare cost trend rates:	
Inflation	2.50%
Initial medical trend rate	6.30%
Ultimate medical trend rate	3.90%
Mortality rates:	
Teachers and Administrators	PubT-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale
Police	PubS-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale
All others	PubG-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale

The discount rate was based on the Bond Buyer General Obligation 20 Bond Municipal index as of the measurement date.

6. Changes from prior year

a. Changes in assumptions

	From	To
Discount rate	3.54%	3.65%
Inflation	2.60%	2.50%
Healthcare cost trend rates	6.10% - 4.10%	6.30% - 3.90%
Mortality rate	MP Scale-2019	MP Scale-2021

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)

7. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2023, and was determined by an actuarial valuation dated as noted below:

	Increase (Decrease)
<u>Valuation Date: July 1, 2022</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2022	<u>\$ 8,978,839</u>
Service cost	495,664
Interest	331,573
Differences between expected and actual experience	(1,232,376)
Changes in assumptions	39,407
Benefit payments, including refunds of member contributions	<u>(218,004)</u>
Net change	<u>(583,736)</u>
Balance at June 30, 2023	<u><u>\$8,395,103</u></u>

8. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB liability	<u>3.65%</u>	<u>\$ 9,465,105</u>	<u>\$ 8,395,103</u>	<u>\$ 7,494,632</u>

9. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

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

	<u>Trend Rates</u>	<u>1% Decrease</u>	<u>Health Care Trend Rates</u>	<u>1% Increase</u>
OPEB liability	<u>6.30% - 3.90%</u>	<u>\$ 7,154,866</u>	<u>\$ 8,395,103</u>	<u>\$ 9,970,711</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)**10. OPEB expense and deferred outflows/inflows of resources related to OPEB**

For the fiscal year, the Town recognized OPEB expense of \$802,063. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/ Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 204,795	\$ 1,104,003	\$ (899,208)
Changes in assumptions	1,531,790	1,423,754	108,036
Total	\$ 1,736,585	\$ 2,527,757	\$ (791,172)

Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 9.6 years.

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

Year Ended June 30,	
2024	\$ (25,174)
2025	(25,174)
2026	(25,174)
2027	(6,714)
2028	(53,568)
Thereafter	<u>(655,368)</u>
Total	\$ (791,172)

E. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan, the Town of Berlin Police Retiree Health Plan, covering police officers that was established in October 2018. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00%. There is no required Town contribution. The participant's account is 100% vested at all times. Total employee contributions were \$70,790. There were no Town contributions during the year.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefit. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers’ retirement board retiree health insurance plan (continued)

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System’s funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual pensionable wages.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the collective net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town’s proportionate share of the collective net OPEB liability	\$ -
State’s proportionate share of the collective net OPEB liability associated with the Town	8,888,415
	<hr/>
Total	<u>\$ 8,888,415</u>
During the year the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of Connecticut:	<u>\$ 113,179</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****6. Discount rate**

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the collective net OPEB liability is \$0 and, therefore, the change in the discount rate and health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Pension and other post-employment benefit statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2023

	<u>Pension Trust Funds</u>		<u>Other Post Employment Benefits Trust</u>	<u>Total</u>
	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Defined Contribution</u>	
<u>Assets</u>				
Cash	\$ -	\$ 2,383	\$ -	\$ 2,383
Investments:				
Mutual funds:				
Equity	-	13,611,004	17,058	13,628,062
Bond	-	1,807,471	-	1,807,471
Real estate funds	-	355,486	-	355,486
Diversified	-	22,052,034	336,004	22,388,038
Annuities	871,086	2,419,835	-	3,290,921
Fixed income funds	1,119,433	12,162,021	7,944	13,289,398
Total investments	<u>1,990,519</u>	<u>52,407,851</u>	<u>361,006</u>	<u>54,759,376</u>
Accounts receivable	<u>-</u>	<u>42,920</u>	<u>-</u>	<u>42,920</u>
Total assets	<u>1,990,519</u>	<u>52,453,154</u>	<u>361,006</u>	<u>54,804,679</u>
<u>Liabilities</u>				
Due to other funds	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
<u>Net Position</u>				
Restricted for:				
Pensions	1,990,519	52,363,154	-	54,353,673
OPEB	<u>-</u>	<u>-</u>	<u>361,006</u>	<u>361,006</u>
Total net position	<u>\$ 1,990,519</u>	<u>\$ 52,363,154</u>	<u>\$ 361,006</u>	<u>\$ 54,714,679</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Pension and other post-employment benefit statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2023

	Pension Trust Funds		Other Post Employment Benefits Trust	Total
	Defined Benefit	Defined Contribution	Defined Contribution	
Additions:				
Contributions:				
Employer	\$ 185,000	\$ 1,700,932	\$ -	\$ 1,885,932
Employee	-	1,016,308	70,790	1,087,098
Other	-	256,219	-	256,219
Total contributions	<u>185,000</u>	<u>2,973,459</u>	<u>70,790</u>	<u>3,229,249</u>
Investment income (loss):				
Net change in fair value of investments	46,774	3,644,728	35,718	3,727,220
Interest and dividends	<u>13,726</u>	<u>1,069,587</u>	<u>-</u>	<u>1,083,313</u>
Total investment income (loss)	<u>60,500</u>	<u>4,714,315</u>	<u>35,718</u>	<u>4,810,533</u>
Total additions	<u>245,500</u>	<u>7,687,774</u>	<u>106,508</u>	<u>8,039,782</u>
Deductions:				
Benefits	1,838,662	4,670,174	1,445	6,510,281
Administration	<u>-</u>	<u>213,711</u>	<u>1,313</u>	<u>215,024</u>
Total deductions	<u>1,838,662</u>	<u>4,883,885</u>	<u>2,758</u>	<u>6,725,305</u>
Change in net position	(1,593,162)	2,803,889	103,750	1,314,477
Net position - July 1, 2022	<u>3,583,681</u>	<u>49,559,265</u>	<u>257,256</u>	<u>53,400,202</u>
Net position - June 30, 2023	<u>\$ 1,990,519</u>	<u>\$ 52,363,154</u>	<u>\$ 361,006</u>	<u>\$ 54,714,679</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustments and fund reclassifications

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription payable were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 566,291
Long-term liabilities:	
Subscription payable	566,291

Additionally, the Education Grants Fund has been reclassified from a major fund to a nonmajor fund. As a result, the nonmajor fund balance increased by \$386,639.

VII. Subsequent events

Effective July 1, 2023, the Town implemented a new defined benefit pension plan for police, the Police Pension Benefit Fund. All police officers participating in the defined contribution plan as of July 1, 2023, were given a one-time option during a 60-day window period to become a participant in the new defined benefit plan or remain a participant in the defined contribution plan. The buy-in amount was funded by the individual's defined contribution plan account which was transferred to the new defined benefit plan. All police officers hired by the Town on or after July 1, 2023 will not be eligible to participate in the defined contribution plan and will only be eligible to participate in the Police Pension Benefit Fund.

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u>	
Employee State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u>	
Town State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability and Related Ratios
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Revenues:					
Property taxes:					
Current tax collections	\$ 83,868,727	\$ -	\$ 83,868,727	\$ 84,163,763	\$ 295,036
Prior tax collections	500,000	-	500,000	764,555	264,555
Interest	300,000	-	300,000	397,793	97,793
Lien fees and warrants	-	-	-	5,186	5,186
Suspense collections	35,000	-	35,000	126,116	91,116
PILOT - elderly housing	50,000	-	50,000	51,814	1,814
In lieu of taxes	27,656	-	27,656	399,591	371,935
PILOT - New Britain stadium	-	-	-	9,500	9,500
Telephone access line share	48,757	-	48,757	62,012	13,255
Total property taxes	84,830,140	-	84,830,140	85,980,330	1,150,190
Intergovernmental revenue:					
Intergovernmental revenue - schools:					
Private schools	-	-	-	17,788	17,788
Education cost sharing grant	5,870,600	-	5,870,600	5,886,220	15,620
Total intergovernmental revenue - schools	5,870,600	-	5,870,600	5,904,008	33,408
Intergovernmental revenue - other:					
Municipal revenue sharing	-	403,000	403,000	403,928	928
Municipal stabilization grant	258,989	-	258,989	258,989	-
Disability, social security	3,150	-	3,150	3,124	(26)
Additional veteran exemption	9,000	-	9,000	8,111	(889)
Friends against drugs	3,300	4,153	7,453	4,153	(3,300)
Child and youth services grant	24,734	7,421	32,155	27,240	(4,915)
State and federal grant	325,000	6,567	331,567	15,661	(315,906)
Police overtime grant	50,000	-	50,000	289	(49,711)
Total intergovernmental revenue - other	674,173	421,141	1,095,314	721,495	(373,819)
Total intergovernmental revenue	6,544,773	421,141	6,965,914	6,625,503	(340,411)
Charges for services:					
Licenses, permits and other departments:					
Town clerk fees	525,000	-	525,000	460,439	(64,561)
Town clerk dog license fees	8,000	-	8,000	11,009	3,009
Zoning commission and building inspector	575,000	-	575,000	724,862	149,862
Planning	18,000	-	18,000	27,945	9,945
Zoning board of appeals	3,000	-	3,000	2,635	(365)
Animal control fees	1,000	-	1,000	795	(205)
Police department	50,000	-	50,000	57,601	7,601
Police services to other agencies	20,000	-	20,000	17,423	(2,577)
Outside police services	470,000	-	470,000	794,669	324,669
Engineering and public works	8,000	-	8,000	30,267	22,267
Scrap metal	12,000	-	12,000	30,122	18,122
Parks and recreation	125,000	-	125,000	107,422	(17,578)
Golf course revenue	757,110	-	757,110	761,826	4,716
Golf restaurant rent	47,600	-	47,600	47,750	150
Golf course season pass revenue	186,625	-	186,625	195,000	8,375
Golf pro rent	2,770	-	2,770	1,731	(1,039)
Golf cart revenue	388,474	-	388,474	425,366	36,892
Golf range revenue	-	-	-	14,004	14,004
Berlin-Peck memorial library	500	-	500	2,536	2,036
Library copy fees	800	-	800	1,170	370
Passport fees	12,000	-	12,000	18,235	6,235
Berlin public health nursing service	900,000	-	900,000	634,309	(265,691)
Summer/field trips	6,000	-	6,000	41,808	35,808
Senior citizen center	6,360	-	6,360	7,530	1,170
Total licenses, permits and other departments	4,123,239	-	4,123,239	4,416,454	293,215

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other services:					
Refund of expenditures	\$ 10,000	\$ -	\$ 10,000	\$ 25,020	\$ 15,020
Sale of land, labor and materials	7,500	-	7,500	7,626	126
Lease revenue	175,626	-	175,626	180,996	5,370
Other receipts	10,000	-	10,000	5,753	(4,247)
Total other services	203,126	-	203,126	219,395	16,269
Total charges for services	4,326,365	-	4,326,365	4,635,849	309,484
Income from investments	55,000	133,000	188,000	2,100,692	1,912,692
Total revenues	95,756,278	554,141	96,310,419	99,342,374	3,031,955
Other financing sources:					
Appropriation of fund balance	865,000	2,100,000	2,965,000	-	(2,965,000)
Transfers in	4,500	-	4,500	304,500	300,000
Total other financing sources	869,500	2,100,000	2,969,500	304,500	(2,665,000)
Total revenues and other financing sources	96,625,778	2,654,141	99,279,919	99,646,874	366,955
<u>Expenditures:</u>					
General government:					
Managers office	285,288	7,289	292,577	284,305	8,272
Finance department	922,634	14,748	937,382	884,608	52,774
Technology department	562,881	8,894	571,775	556,581	15,194
Collector of revenue	533,396	82,220	615,616	592,686	22,930
Corporation counsel	418,600	1,000,000	1,418,600	1,359,248	59,352
Town wide expenditures	1,916,168	(292,996)	1,623,172	1,159,346	463,826
Board of finance	3,742	-	3,742	2,404	1,338
Assessor	575,446	(35,495)	539,951	490,682	49,269
Registrar of voters	166,872	-	166,872	129,598	37,274
Town clerk	406,368	21,863	428,231	407,051	21,180
Board of assessment appeals	1,846	700	2,546	2,363	183
Town council	4,496	-	4,496	956	3,540
Human resources	204,864	-	204,864	179,948	24,916
Total general government	6,002,601	807,223	6,809,824	6,049,776	760,048
Community development:					
Cemetery committee	33,735	-	33,735	29,334	4,401
Development services	541,695	(281)	541,414	465,892	75,522
Planning and zoning commission	725	281	1,006	991	15
Zoning board of appeals	1,920	-	1,920	1,407	513
Economic development	230,543	2,444	232,987	222,535	10,452
Conservation commission	4,240	-	4,240	3,416	824
Inland wetlands commission	4,479	-	4,479	3,353	1,126
Veterans commission	34,650	(30,000)	4,650	4,464	186
Ethics commission	483	-	483	-	483
Aquifer protection commission	475	-	475	-	475
Berlin historic district	1,601	-	1,601	781	820
Charter revision commission	3,001	-	3,001	211	2,790
Commission for disabled	649	-	649	428	221
Public building commission	2,184	-	2,184	1,289	895
Building inspection	465,978	6,747	472,725	462,155	10,570
Total community development	1,326,358	(20,809)	1,305,549	1,196,256	109,293

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Public safety:					
Ambulance contract	\$ 390,991	\$ -	\$ 390,991	\$ 389,751	\$ 1,240
Animal control	174,428	-	174,428	155,895	18,533
Fire department	944,961	(40,000)	904,961	789,035	115,926
Police	8,668,986	143,534	8,812,520	8,449,729	362,791
Emergency management	27,782	-	27,782	8,991	18,791
Fire marshal	314,998	5,854	320,852	309,684	11,168
Total public safety	10,522,146	109,388	10,631,534	10,103,085	528,449
Physical services:					
Municipal garage	1,426,735	2,904	1,429,639	1,299,203	130,436
Public works	2,703,934	9,004	2,712,938	2,543,139	169,799
Highway	2,227,281	(49,836)	2,177,445	2,030,922	146,523
Public building	2,058,789	(3,873)	2,054,916	1,763,745	291,171
Total physical services	8,416,739	(41,801)	8,374,938	7,637,009	737,929
Parks, recreation and libraries:					
Mobile home park	11,250	-	11,250	9,891	1,359
Recreation	673,403	4,820	678,223	536,343	141,880
Golf course	1,379,780	(10,357)	1,369,423	1,247,924	121,499
Libraries	1,269,208	12,167	1,281,375	1,236,483	44,892
Public grounds	1,766,211	(65,182)	1,701,029	1,574,330	126,699
Total parks, recreation and libraries	5,099,852	(58,552)	5,041,300	4,604,971	436,329
Health and human services:					
Health department	148,430	-	148,430	142,490	5,940
Nursing services	1,576,108	2,981	1,579,089	1,406,323	172,766
Social and youth services	342,970	16,596	359,566	334,976	24,590
Senior services	418,132	4,756	422,888	396,405	26,483
Total health and human services	2,485,640	24,333	2,509,973	2,280,194	229,779
Schools:					
Private schools	92,030	250	92,280	79,624	12,656
Board of education	49,082,596	-	49,082,596	49,080,411	2,185
School expenditures	4,813,741	(6,974)	4,806,767	4,320,397	486,370
Total schools	53,988,367	(6,724)	53,981,643	53,480,432	501,211
Debt service:					
Debt principal	6,325,000	-	6,325,000	6,320,000	5,000
Interest and fiscal charges	1,581,955	-	1,581,955	1,581,950	5
Total debt service	7,906,955	-	7,906,955	7,901,950	5,005
Total expenditures	95,748,658	813,058	96,561,716	93,253,673	3,308,043
Other financing uses:					
Transfers out	877,120	1,841,083	2,718,203	2,718,203	-
Total expenditures and other financing uses	96,625,778	2,654,141	99,279,919	95,971,876	3,308,043
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 3,674,998	\$ 3,674,998

(Concluded)

Town of Berlin, Connecticut
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

Only the General Fund has a legally adopted annual budget.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exception:

- The Town does not recognize as revenue or expenditures payments made for the State Teachers pension and OPEB by the State of Connecticut on the Town's behalf.

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$ 99,342,374	\$ 93,253,673
State Teachers' Retirement on behalf amount	8,001,957	8,001,957
State Teachers' OPEB on behalf amount	<u>113,179</u>	<u>113,179</u>
GAAP Basis - Exhibit D	<u>\$ 107,457,510</u>	<u>\$ 101,368,809</u>

In accordance with Section 7-3 of the Town Charter, the Board of Finance shall prepare and recommend the total Town budget for the annual public budget hearing to be held no later than the second Tuesday in April.

Annual Town Budget Referendum - The Annual Town Budget Referendum for the purpose of voting on the budget shall be held on the last Tuesday of April each year. Should the budget not be adopted by referendum vote, the budget shall be returned to the Board of Finance, which shall submit a revised budget to the Town Council. The Town Council shall send a revised budget to a Second Town Budget Referendum, and the revised budget may be the same as recommended by the Board of Finance or lower. If the budget fails at the Second Town Budget Referendum, the budget shall be returned to the Board of Finance. The Board of Finance shall recommend a revised budget to the Town Council. The Town Council shall adopt the Town budget, and that budget may be the same as recommended by the Board of Finance or lower.

Formal budgetary integration is employed as a management control device during the year.

The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

The Town Manager is authorized to make transfers within a department budget. However, the Town Manager is not able to hire additional staffing not authorized by the Town Council. Also, transfers may not be made for major capital items specifically deleted by the Town Council. The Town Manager's authority is limited to \$5,000 for any single transfer.

The Town Council, with approval of the Board of Finance, may, at any time, appropriate funds from contingency. Town meeting approval is required for non-budgeted appropriations exceeding \$25,000 individually or exceeding \$250,000 cumulative annually. The Town Council, with approval of the Board of Finance, may transfer funds from budget appropriations between departments only in the last three months of the fiscal year.

There were additional appropriations made during the year as follows:

Additional revenue	\$ 554,141
Fund balance	<u>2,100,000</u>
Total	<u>\$ 2,654,141</u>

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 96,076	\$ 139,927	\$ 139,130	\$ 116,348	\$ 143,822	\$ 170,718	\$ 93,056	\$ 117,272	\$ 113,033	\$ 104,337
Interest	157,868	288,821	289,534	303,069	307,980	340,605	287,446	306,265	363,095	450,167
Differences between expected and actual experience	404,900	(102,159)	824,774	146,242	309,304	378,919	1,080,795	788,138	(558,319)	-
Changes in assumptions	(971,473)	(1,161,557)	2,162,134	865,406	(437,484)	353,859	2,459,951	655,798	740,472	-
Benefit payments, including refunds of member contributions	(1,838,662)	(3,869,315)	(3,011,533)	(689,560)	(187,633)	(1,663,462)	(808,399)	(1,576,058)	(1,666,241)	(215,290)
Net change in total pension liability	(2,151,291)	(4,704,283)	404,039	741,505	135,989	(419,361)	3,112,849	291,415	(1,007,960)	339,214
Total pension liability - July 1	5,325,856	10,030,139	9,626,100	8,884,595	8,748,606	9,167,967	6,055,118	5,763,703	6,771,663	6,432,449
Total pension liability - June 30 (a)	<u>\$ 3,174,565</u>	<u>\$ 5,325,856</u>	<u>\$ 10,030,139</u>	<u>\$ 9,626,100</u>	<u>\$ 8,884,595</u>	<u>\$ 8,748,606</u>	<u>\$ 9,167,967</u>	<u>\$ 6,055,118</u>	<u>\$ 5,763,703</u>	<u>\$ 6,771,663</u>
Plan fiduciary net position:										
Contributions - employer	\$ 185,000	\$ 5,495,640	\$ 2,185,000	\$ 1,830,139	\$ 1,606,701	\$ 1,448,395	\$ 700,399	\$ 700,537	\$ 1,406,809	\$ 700,000
Contributions - member	-	-	-	-	-	-	-	-	-	290,417
Net investment income (loss)	60,500	45,146	40,493	46,976	22,784	15,241	10,494	19,456	37,101	24,338
Benefit payments, including refunds of member contributions	(1,838,662)	(3,869,315)	(3,011,533)	(689,560)	(187,633)	(1,663,462)	(808,399)	(1,576,058)	(1,666,241)	(215,290)
Net change in plan fiduciary net position	(1,593,162)	1,671,471	(786,040)	1,187,555	1,441,852	(199,826)	(97,506)	(856,065)	(222,331)	799,465
Plan fiduciary net position - July 1	3,583,681	1,912,210	2,698,250	1,510,695	68,843	268,669	366,175	1,222,240	1,444,571	645,106
Plan fiduciary net position - June 30 (b)	<u>\$ 1,990,519</u>	<u>\$ 3,583,681</u>	<u>\$ 1,912,210</u>	<u>\$ 2,698,250</u>	<u>\$ 1,510,695</u>	<u>\$ 68,843</u>	<u>\$ 268,669</u>	<u>\$ 366,175</u>	<u>\$ 1,222,240</u>	<u>\$ 1,444,571</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 1,184,046</u>	<u>\$ 1,742,175</u>	<u>\$ 8,117,929</u>	<u>\$ 6,927,850</u>	<u>\$ 7,373,900</u>	<u>\$ 8,679,763</u>	<u>\$ 8,899,298</u>	<u>\$ 5,688,943</u>	<u>\$ 4,541,463</u>	<u>\$ 5,327,092</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>62.70%</u>	<u>67.29%</u>	<u>19.06%</u>	<u>28.03%</u>	<u>17.00%</u>	<u>0.79%</u>	<u>2.93%</u>	<u>6.05%</u>	<u>21.21%</u>	<u>21.33%</u>
Covered payroll	<u>\$ 550,838</u>	<u>\$ 776,492</u>	<u>\$ 954,644</u>	<u>\$ 1,283,094</u>	<u>\$ 1,249,673</u>	<u>\$ 1,343,801</u>	<u>\$ 1,452,832</u>	<u>\$ 1,585,622</u>	<u>\$ 1,882,367</u>	<u>\$ 1,958,991</u>
Net pension liability as a percentage of covered payroll	<u>214.95%</u>	<u>224.36%</u>	<u>850.36%</u>	<u>539.93%</u>	<u>590.07%</u>	<u>645.91%</u>	<u>612.55%</u>	<u>358.78%</u>	<u>241.26%</u>	<u>271.93%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>1.71%</u>	<u>1.24%</u>	<u>2.31%</u>	<u>2.80%</u>	<u>1.57%</u>	<u>1.57%</u>	<u>1.95%</u>	<u>2.46%</u>	<u>2.17%</u>	<u>2.02%</u>

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 2,664,914	\$ 2,395,640	\$ 1,762,733	\$ 1,574,231	\$ 1,606,701	\$ 1,448,395	\$ 913,803	\$ 918,862	\$ 1,001,122	\$ 935,628
Contributions in relation to the actuarially determined contribution	185,000	5,495,640	2,185,000	1,830,139	1,606,701	1,448,694	700,399	700,537	1,406,809	700,000
Contribution excess (deficiency)	<u>\$ (2,479,914)</u>	<u>\$ 3,100,000</u>	<u>\$ 422,267</u>	<u>\$ 255,908</u>	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ (213,404)</u>	<u>\$ (218,325)</u>	<u>\$ 405,687</u>	<u>\$ (235,628)</u>
Covered payroll	<u>\$ 550,838</u>	<u>\$ 776,492</u>	<u>\$ 954,644</u>	<u>\$ 1,283,094</u>	<u>\$ 1,249,673</u>	<u>\$ 1,343,801</u>	<u>\$ 1,452,832</u>	<u>\$ 1,585,622</u>	<u>\$ 1,882,367</u>	<u>\$ 1,958,991</u>
Contributions as a percentage of covered payroll	<u>33.59%</u>	<u>707.75%</u>	<u>228.88%</u>	<u>142.63%</u>	<u>128.57%</u>	<u>107.81%</u>	<u>48.21%</u>	<u>44.18%</u>	<u>74.74%</u>	<u>35.73%</u>

Town of Berlin, Connecticut
Notes to Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%	2.50%
Salary increases	3.25% per year for Police and 2.75% per year for all others	3.25% per year for Police and 2.75% per year for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others
Investment rate of return (net)	Pre-retirement: 3.50%, Post-retirement: 2.16%	Pre-retirement: 3.50%, Post-retirement: 1.49%	Pre-retirement: 3.50%, Post-retirement: 1.49%	Pre-retirement: 3.50%, Post-retirement: 3.05%	Pre-retirement: 3.50%, Post-retirement: 2.80%	Pre-retirement: 4.00%, Post-retirement: 2.45%	Pre-retirement: 5.00%, Post-retirement: 3.11%	Pre-retirement: 6.00%, Post-retirement: 3.42%	Pre-retirement: 6.00%, Post-retirement: 3.42%	3.25%
Mortality rate	Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2021 Post-retirement: IRS 2021 417(e) mortality table.	Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2020 Post-retirement: IRS 2020 417(e) mortality table.	Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2019 Post-retirement: IRS 2019 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017 Post-retirement: IRS 417(e) dynamic mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.

Town of Berlin, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Nine Years (3)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	101,492,499	80,707,200	101,901,939	91,066,420	70,217,500	75,796,445	79,965,829	62,277,260	57,488,298
Total	\$ 101,492,499	\$ 80,707,200	\$ 101,901,939	\$ 91,066,420	\$ 70,217,500	\$ 75,796,445	\$ 79,965,829	\$ 62,277,260	\$ 57,488,298
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Six Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:						
Service cost	\$ 495,664	\$ 622,957	\$ 508,474	\$ 303,119	\$ 243,686	\$ 271,596
Interest	331,573	230,094	205,556	276,898	237,407	217,457
Differences between expected and actual experience	(1,232,376)	-	11,983	-	401,380	-
Changes in assumptions	39,407	(1,772,316)	758,929	835,667	1,064,531	(186,700)
Benefit payments, including refunds of member contributions	<u>(218,004)</u>	<u>(261,440)</u>	<u>(234,887)</u>	<u>(226,936)</u>	<u>(231,992)</u>	<u>(196,773)</u>
Net change in total OPEB liability	(583,736)	(1,180,705)	1,250,055	1,188,748	1,715,012	105,580
OPEB liability - July 1	<u>8,978,839</u>	<u>10,159,544</u>	<u>8,909,489</u>	<u>7,720,741</u>	<u>6,005,729</u>	<u>5,900,149</u>
OPEB liability - June 30*	<u>\$ 8,395,103</u>	<u>\$ 8,978,839</u>	<u>\$ 10,159,544</u>	<u>\$ 8,909,489</u>	<u>\$ 7,720,741</u>	<u>\$ 6,005,729</u>
Covered employee payroll	<u>\$44,973,133</u>	<u>\$44,604,276</u>	<u>\$44,604,276</u>	<u>\$31,377,144</u>	<u>\$31,377,144</u>	<u>\$30,769,557</u>
Total OPEB liability as a percentage of covered employee payroll	<u>18.67%</u>	<u>20.13%</u>	<u>22.78%</u>	<u>28.39%</u>	<u>24.61%</u>	<u>19.52%</u>

*There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 75 to pay benefits.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Six Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>8,888,415</u>	<u>8,792,901</u>	<u>15,198,678</u>	<u>14,202,322</u>	<u>14,036,927</u>	<u>19,509,156</u>
Total	<u>\$ 8,888,415</u>	<u>\$ 8,792,901</u>	<u>\$ 15,198,678</u>	<u>\$ 14,202,322</u>	<u>\$ 14,036,927</u>	<u>\$ 19,509,156</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Six Years (1)

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage, open	Level percentage, open	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, community development, public safety, physical services, parks, recreation, libraries, health and human services, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

Town of Berlin, Connecticut
General Fund
Report of Tax Collector
For the Year Ended June 30, 2023

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes Collected	Interest Liens & Other Fees	Total	
2006	\$ 2,713	\$ -	\$ -	\$ 2,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	10,769	-	-	-	-	10,769	-	-	-	10,769
2008	13,522	-	-	-	-	13,522	-	-	-	13,522
2009	11,541	-	-	-	-	11,541	-	-	-	11,541
2010	13,487	-	-	-	-	13,487	-	-	-	13,487
2011	13,933	-	-	-	-	13,933	47	253	300	13,886
2012	14,517	-	-	-	-	14,517	-	-	-	14,517
2013	18,488	-	-	-	-	18,488	2,744	77	2,821	15,744
2014	36,737	-	-	-	-	36,737	17,572	20,063	37,635	19,165
2015	35,766	-	-	-	-	35,766	4,511	6,796	11,307	31,255
2016	51,206	-	-	142	-	51,064	14,923	8,060	22,983	36,141
2017	48,499	-	35,899	19,893	-	64,505	26,418	17,180	43,598	38,087
2018	125,857	-	2,653	178	-	128,332	73,474	32,917	106,391	54,858
2019	214,944	-	3,417	178	-	218,183	158,020	55,804	213,824	60,163
2020	<u>745,556</u>	<u>-</u>	<u>2,540</u>	<u>11,115</u>	<u>134,639</u>	<u>602,342</u>	<u>488,413</u>	<u>90,712</u>	<u>579,125</u>	<u>113,929</u>
Total Prior Years	1,357,535	-	44,509	34,219	134,639	1,233,186	786,122	231,862	1,017,984	447,064
2021	<u>-</u>	<u>84,905,597</u>	<u>58,737</u>	<u>412,924</u>	<u>-</u>	<u>84,551,410</u>	<u>83,873,930</u>	<u>183,562</u>	<u>84,057,492</u>	<u>677,480</u>
Total All Years	<u>\$ 1,357,535</u>	<u>\$ 84,905,597</u>	<u>\$ 103,246</u>	<u>\$ 447,143</u>	<u>\$ 134,639</u>	<u>\$ 85,784,596</u>	<u>\$ 84,660,052</u>	<u>\$ 415,424</u>	<u>\$ 85,075,476</u>	1,124,544
							Tax interest receivable			528,377
							Allowance for uncollectible taxes			(558,466)
							Property taxes receivable (net)			<u>\$ 1,094,455</u>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Cafeteria	Sales and grants	School lunch program
Education Grants	Grants and tuition	Education programs
Police Drug Enforcement	State and Federal Grants and contributions	Drug enforcement/education
Police Asset Forfeiture	Seizure funds	Drug enforcement
Marjorie Moore	Foundation grants	Various public service
Summer Adventures	User fees	School program
Afternoon Enrichment Program	User fees	School program
Boundless Playground	Donations	Maintenance of ADA playground
School Activity	Activity fees and contributions	Student activity funds and school scholarships
Elderly Oral Screening	Donations	Dental screening
Town Funds	Donations	Special events, activities and services of outside agencies and departments
Special Grants and Donations	State and Federal Grants, user fees, donations	Various projects
Recreation	User fees	Recreational programs
Veterans Brick Walkway	Donations	Construction of a brick walkway to honor local veterans
Sage Park Improvement	User fees	Improvements to Sage Park
Court Settlements	Settlements	Various town programs

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

Fund	Funding Source	Function
Marjorie Moore Tree	Foundation grant	Purchase trees
Medical Aid	Donations	Medical assistance
Blanche Delaney	Donations	Library resources

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

Special Revenue Funds

	<u>Cafeteria</u>	<u>Education Grants</u>	<u>Police Drug Enforcement</u>	<u>Police Asset Forfeiture</u>	<u>Marjorie Moore</u>	<u>Summer Adventures</u>	<u>Afternoon Enrichment Program</u>
<u>Assets</u>							
Cash	\$ 698,527	\$ 1,473,529	\$ 283	\$51,424	\$ 6,526	\$ 1,350	\$ 5,978
Receivables:							
Intergovernmental	199,569	10,110	-	-	-	-	-
Other	<u>33,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 931,531</u>	<u>\$ 1,483,639</u>	<u>\$ 283</u>	<u>\$51,424</u>	<u>\$ 6,526</u>	<u>\$ 1,350</u>	<u>\$ 5,978</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 18,814	\$ -	\$ 940	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	-
Unearned revenue	<u>27,527</u>	<u>889,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>27,527</u>	<u>908,094</u>	<u>-</u>	<u>940</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	904,004	575,545	283	50,484	6,526	-	-
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>5,978</u>
Total fund balances	<u>904,004</u>	<u>575,545</u>	<u>283</u>	<u>50,484</u>	<u>6,526</u>	<u>1,350</u>	<u>5,978</u>
Total liabilities and fund balances	<u>\$ 931,531</u>	<u>\$ 1,483,639</u>	<u>\$ 283</u>	<u>\$51,424</u>	<u>\$ 6,526</u>	<u>\$ 1,350</u>	<u>\$ 5,978</u>

(Continued)

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

Special Revenue Funds

	<u>Boundless Playground</u>	<u>School Activity</u>	<u>Elderly Oral Screening</u>	<u>Town Funds</u>	<u>Special Grants and Donations</u>	<u>Recreation</u>	<u>Veterans Brick Walkway</u>
<u>Assets</u>							
Cash	\$ 4,505	\$ 584,370	\$ 2,466	\$ 157,760	\$ 414,364	\$ 138,562	\$ 9,306
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 4,505</u>	<u>\$ 584,370</u>	<u>\$ 2,466</u>	<u>\$ 157,760</u>	<u>\$ 414,364</u>	<u>\$ 138,562</u>	<u>\$ 9,306</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,875	\$ 4,124	\$ -
Accrued payroll and related liabilities	-	-	-	-	478	544	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	8,353	4,668	-
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,505	584,370	2,466	-	406,011	-	9,306
Committed	-	-	-	157,760	-	133,894	-
Total fund balances	<u>4,505</u>	<u>584,370</u>	<u>2,466</u>	<u>157,760</u>	<u>406,011</u>	<u>133,894</u>	<u>9,306</u>
Total liabilities and fund balances	<u>\$ 4,505</u>	<u>\$ 584,370</u>	<u>\$ 2,466</u>	<u>\$ 157,760</u>	<u>\$ 414,364</u>	<u>\$ 138,562</u>	<u>\$ 9,306</u>

(Continued)

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds			Permanent Funds			Total Other Governmental Funds	
	Sage Park Improvement	Court Settlements	Total Special Revenue Funds	Marjorie Moore Tree	Medical Aid	Blanche Delaney		Total Permanent Funds
<u>Assets</u>								
Cash	\$ 37,027	\$ 50,236	\$ 3,636,213	\$ 5,758	\$ 36,452	\$ 57,024	\$ 99,234	\$ 3,735,447
Receivables:								
Intergovernmental	-	-	209,679	-	-	-	-	209,679
Other	-	-	33,435	-	-	-	-	33,435
Total assets	<u>\$ 37,027</u>	<u>\$ 50,236</u>	<u>\$ 3,879,327</u>	<u>\$ 5,758</u>	<u>\$ 36,452</u>	<u>\$ 57,024</u>	<u>\$ 99,234</u>	<u>\$ 3,978,561</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 31,753	\$ -	\$ -	\$ -	\$ -	\$ 31,753
Accrued payroll and related liabilities	-	-	1,022	-	-	-	-	1,022
Unearned revenue	8,700	-	925,507	-	-	-	-	925,507
Total liabilities	<u>8,700</u>	<u>-</u>	<u>958,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958,282</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	5,000	21,965	41,332	68,297	68,297
Restricted	-	-	2,543,500	758	14,487	15,692	30,937	2,574,437
Committed	28,327	50,236	377,545	-	-	-	-	377,545
Total fund balances	<u>28,327</u>	<u>50,236</u>	<u>2,921,045</u>	<u>5,758</u>	<u>36,452</u>	<u>57,024</u>	<u>99,234</u>	<u>3,020,279</u>
Total liabilities and fund balances	<u>\$ 37,027</u>	<u>\$ 50,236</u>	<u>\$ 3,879,327</u>	<u>\$ 5,758</u>	<u>\$ 36,452</u>	<u>\$ 57,024</u>	<u>\$ 99,234</u>	<u>\$ 3,978,561</u>

(Concluded)

Town of Berlin, Connecticut

Other Governmental Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	Cafeteria	Education Grants	Police Drug Enforcement	Police Asset Forfeiture	Marjorie Moore	Summer Adventures	Afternoon Enrichment Program
Revenues:							
Intergovernmental	\$ 1,168,886	\$ 3,563,302	\$ -	\$ 30,695	\$ -	\$ -	\$ -
Charges for services	231,844	686,846	-	-	-	-	19,990
Income from investments	-	-	-	-	-	-	-
Contributions	17,147	-	-	-	-	-	-
Total revenues	<u>1,417,877</u>	<u>4,250,148</u>	<u>-</u>	<u>30,695</u>	<u>-</u>	<u>-</u>	<u>19,990</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Public safety	-	-	1,190	7,061	-	-	-
Parks, recreation and libraries	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Schools	1,138,610	4,061,242	-	-	-	-	18,344
Total expenditures	<u>1,138,610</u>	<u>4,061,242</u>	<u>1,190</u>	<u>7,061</u>	<u>-</u>	<u>-</u>	<u>18,344</u>
Net change in fund balances	279,267	188,906	(1,190)	23,634	-	-	1,646
Fund balances - July 1, 2022 (as restated)	<u>624,737</u>	<u>386,639</u>	<u>1,473</u>	<u>26,850</u>	<u>6,526</u>	<u>1,350</u>	<u>4,332</u>
Fund balances - June 30, 2023	<u>\$ 904,004</u>	<u>\$ 575,545</u>	<u>\$ 283</u>	<u>\$ 50,484</u>	<u>\$ 6,526</u>	<u>\$ 1,350</u>	<u>\$ 5,978</u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	<u>Boundless Playground</u>	<u>School Activity</u>	<u>Elderly Oral Screening</u>	<u>Town Funds</u>	<u>Special Grants and Donations</u>	<u>Recreation</u>	<u>Veterans Brick Walkway</u>
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 29,532	\$ -	\$ -
Charges for services	-	697,865	-	-	1,075	55,063	-
Income from investments	-	-	-	467	3,537	-	-
Contributions	-	-	-	35,920	39,966	-	880
Total revenues	<u>-</u>	<u>697,865</u>	<u>-</u>	<u>36,387</u>	<u>74,110</u>	<u>55,063</u>	<u>880</u>
Expenditures:							
Current:							
General government	-	-	-	-	7,500	-	-
Community development	-	-	-	-	5,451	-	576
Public safety	-	-	-	-	4,535	-	-
Parks, recreation and libraries	-	-	-	9,514	24,349	37,529	-
Health and human services	-	-	-	31,953	44,440	-	-
Schools	-	716,431	-	-	-	-	-
Total expenditures	<u>-</u>	<u>716,431</u>	<u>-</u>	<u>41,467</u>	<u>86,275</u>	<u>37,529</u>	<u>576</u>
Net change in fund balances	-	(18,566)	-	(5,080)	(12,165)	17,534	304
Fund balances - July 1, 2022 (as restated)	<u>4,505</u>	<u>602,936</u>	<u>2,466</u>	<u>162,840</u>	<u>418,176</u>	<u>116,360</u>	<u>9,002</u>
Fund balances - June 30, 2023	<u>\$ 4,505</u>	<u>\$ 584,370</u>	<u>\$ 2,466</u>	<u>\$ 157,760</u>	<u>\$ 406,011</u>	<u>\$ 133,894</u>	<u>\$ 9,306</u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds			Permanent Funds			Total Other Governmental Funds	
	Sage Park Improvement	Court Settlements	Total Special Revenue Funds	Marjorie Moore Tree	Medical Aid	Blanche Delaney		Total Permanent Funds
Revenues:								
Intergovernmental	\$ -	\$ -	\$ 4,792,415	\$ -	\$ -	\$ -	\$ -	\$ 4,792,415
Charges for services	21,395	-	1,714,078	-	-	-	-	1,714,078
Income from investments	-	-	4,004	119	765	1,178	2,062	6,066
Contributions	-	50,236	144,149	-	-	-	-	144,149
Total revenues	21,395	50,236	6,654,646	119	765	1,178	2,062	6,656,708
Expenditures:								
Current:								
General government	-	-	7,500	-	-	-	-	7,500
Community development	-	-	6,027	-	-	-	-	6,027
Public safety	-	-	12,786	-	-	-	-	12,786
Parks, recreation and libraries	2,478	-	73,870	-	-	-	-	73,870
Health and human services	-	-	76,393	-	730	-	730	77,123
Schools	-	-	5,934,627	-	-	-	-	5,934,627
Total expenditures	2,478	-	6,111,203	-	730	-	730	6,111,933
Net change in fund balances	18,917	50,236	543,443	119	35	1,178	1,332	544,775
Fund balances - July 1, 2022 (as restated)	9,410	-	2,377,602	5,639	36,417	55,846	97,902	2,475,504
Fund balances - June 30, 2023	<u>\$ 28,327</u>	<u>\$ 50,236</u>	<u>\$ 2,921,045</u>	<u>\$ 5,758</u>	<u>\$ 36,452</u>	<u>\$ 57,024</u>	<u>\$ 99,234</u>	<u>\$ 3,020,279</u>

(Concluded)

Internal Service Funds

Internal Service funds are used to account for risk financing activities.

Fund	Function
General Insurance Fund	Used to purchase insurance and provide ancillary services for the administration of this fund and to accumulate reserves, which otherwise would be retained by the insurance company. In addition, the Town self-insures for heart and hypertension claims.
Medical and Health Insurance Fund	Used for the payment of health insurance claims and provide ancillary service for the administration of this fund and to accumulate reserves.

Town of Berlin, Connecticut
Internal Service Funds
Combining Schedule of Net Position
June 30, 2023

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 2,777,777	\$ 2,955,606	\$ 5,733,383
Accounts receivable	-	7,920	7,920
Total assets	<u>2,777,777</u>	<u>2,963,526</u>	<u>5,741,303</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	27,984	-	27,984
Claims payable	-	650,145	650,145
Heart and hypertension	83,423	-	83,423
Total current liabilities	111,407	650,145	761,552
Noncurrent liabilities:			
Heart and hypertension	26,279	-	26,279
Total liabilities	<u>137,686</u>	<u>650,145</u>	<u>787,831</u>
<u>Net Position</u>			
Unrestricted	<u>\$ 2,640,091</u>	<u>\$ 2,313,381</u>	<u>\$ 4,953,472</u>

Town of Berlin, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Operating revenues:			
Premiums	\$ 639,845	\$10,142,042	\$ 10,781,887
Insurance proceeds	<u>74,401</u>	<u>-</u>	<u>74,401</u>
Total operating revenues	<u>714,246</u>	<u>10,142,042</u>	<u>10,856,288</u>
Operating expenses:			
Claims	46,549	9,922,747	9,969,296
Repairs and maintenance	100,250	-	100,250
Administration	<u>-</u>	<u>846,094</u>	<u>846,094</u>
Total operating expenses	<u>146,799</u>	<u>10,768,841</u>	<u>10,915,640</u>
Income (loss) from operations	567,447	(626,799)	(59,352)
Nonoperating revenues:			
Income from investments	<u>49,313</u>	<u>131,985</u>	<u>181,298</u>
Change in net position	616,760	(494,814)	121,946
Total net position - July 1, 2022	<u>2,023,331</u>	<u>2,808,195</u>	<u>4,831,526</u>
Total net position - June 30, 2023	<u><u>\$ 2,640,091</u></u>	<u><u>\$ 2,313,381</u></u>	<u><u>\$ 4,953,472</u></u>

Town of Berlin, Connecticut
Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2023

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received from premiums and employees	\$ 639,845	\$10,138,962	\$10,778,807
Cash received from insurance and others	154,915	-	154,915
Cash payments to providers of benefits and for claims	(200,481)	(9,976,785)	(10,177,266)
Cash payments to providers of administration	-	(846,094)	(846,094)
Cash payments to suppliers for goods and service	<u>(57,198)</u>	<u>-</u>	<u>(57,198)</u>
Net cash from (used in) operating activities	<u>537,081</u>	<u>(683,917)</u>	<u>(146,836)</u>
Cash flows from (used in) investing activities:			
Income from investments	<u>49,313</u>	<u>131,985</u>	<u>181,298</u>
Net increase (decrease) in cash	586,394	(551,932)	34,462
Cash - July 1, 2022	<u>2,191,383</u>	<u>3,507,538</u>	<u>5,698,921</u>
Cash - June 30, 2023	<u><u>\$2,777,777</u></u>	<u><u>\$ 2,955,606</u></u>	<u><u>\$ 5,733,383</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Income (loss) from operations	\$ 567,447	\$ (626,799)	\$ (59,352)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	80,514	(3,080)	77,434
Prepaid expenses	18,639	-	18,639
Increase (decrease) in:			
Accounts payable	24,413	-	24,413
Claims payable	-	(54,038)	(54,038)
Heart and hypertension	<u>(153,932)</u>	<u>-</u>	<u>(153,932)</u>
Net cash from (used in) operating activities	<u><u>\$ 537,081</u></u>	<u><u>\$ (683,917)</u></u>	<u><u>\$ (146,836)</u></u>

Statistical Section

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-8)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 9-14)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 15-17)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 18-19)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the fiscal year.

Town of Berlin, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 128,234,432	\$ 119,783,162	\$ 112,760,825	\$ 108,253,196	\$ 98,573,725	\$ 93,712,628	\$ 85,860,084	\$ 78,636,418	\$ 75,761,406	\$ 64,684,687
Restricted	4,635,942	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008
Unrestricted	29,640,378	24,178,905	20,111,967	18,221,546	17,808,350	11,549,130	20,074,879	19,604,198	23,598,253	22,100,035
Total governmental activities net position	162,510,752	147,805,213	136,276,730	127,501,025	117,340,637	106,102,705	107,000,507	106,539,647	99,507,043	86,931,730
Business-type activities:										
Net investment in capital assets	13,540,023	12,792,012	12,558,603	12,633,796	12,363,813	11,400,099	11,115,283	10,871,455	12,739,336	10,074,596
Unrestricted	9,029,802	8,539,976	7,976,139	7,056,110	6,410,777	6,420,796	6,157,253	6,247,097	4,387,315	5,666,817
Total business-type activities net position	22,569,825	21,331,988	20,534,742	19,689,906	18,774,590	17,820,895	17,272,536	17,118,552	17,126,651	15,741,413
Net position:										
Net investment in capital assets	141,774,455	132,575,174	125,319,428	120,886,992	110,937,538	105,112,727	96,975,367	89,507,873	88,500,742	74,759,283
Restricted	4,635,942	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008
Unrestricted	38,670,180	32,718,881	28,088,106	25,277,656	24,219,127	17,969,926	26,232,132	25,851,295	27,985,568	27,766,852
Total net position	\$ 185,080,577	\$ 169,137,201	\$ 156,811,472	\$ 147,190,931	\$ 136,115,227	\$ 123,923,600	\$ 124,273,043	\$ 123,658,199	\$ 116,633,694	\$ 102,673,143

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities:										
General government	\$ 4,977,180	\$ 4,310,727	\$ 6,121,673	\$ 4,382,745	\$ 3,816,314	\$ 4,088,097	\$ 4,945,860	\$ 4,274,418	\$ 5,415,509	\$ 4,191,823
Community development	1,284,130	1,023,806	1,447,404	999,404	871,365	1,434,058	1,289,526	1,443,185	1,134,822	849,635
Public safety	10,422,774	9,767,632	12,651,533	10,955,051	10,798,326	11,411,877	9,733,651	9,759,219	9,579,660	8,747,446
Physical services	9,471,230	8,923,431	8,683,511	7,667,136	7,209,815	8,699,197	12,250,229	10,026,337	8,670,289	9,778,097
Parks, recreation and libraries	5,277,618	4,979,482	4,631,671	4,535,047	4,537,299	4,333,615	4,430,839	4,346,520	4,205,001	4,172,288
Health and human services	2,370,297	2,275,278	2,511,833	2,468,476	2,574,970	2,690,952	2,634,197	2,441,507	2,440,168	2,616,986
Schools	71,248,234	68,189,427	66,027,782	61,865,177	59,988,156	60,583,795	59,101,425	54,823,969	53,393,569	52,398,291
Interest	1,329,573	1,450,045	1,729,732	2,045,826	2,151,670	2,193,460	2,302,350	1,969,056	1,907,325	1,257,292
Total governmental activities expenses	106,381,036	100,919,828	103,805,139	94,918,862	91,947,915	95,435,051	96,688,077	89,084,211	86,746,343	84,011,858
Business-type activities:										
Water and sewer services	4,661,634	4,136,327	4,384,865	4,033,164	3,924,508	3,921,967	3,873,528	3,762,634	3,320,826	2,847,292
Total expenses	111,042,670	105,056,155	108,190,004	98,952,026	95,872,423	99,357,018	100,561,605	92,846,845	90,067,169	86,859,150
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,477,596	1,555,936	1,559,586	1,197,222	1,180,161	408,029	378,319	417,392	714,730	703,050
Community development	-	20,388	183,533	-	77,964	381,560	444,695	495,726	4,765	1,670
Public safety	904,488	970,571	669,214	509,376	420,711	447,018	402,332	455,090	445,831	351,580
Physical services	117,357	85,213	76,148	74,945	144,135	79,895	65,792	48,537	100,089	181,027
Parks, recreation and libraries	1,699,809	1,524,422	1,501,674	1,328,641	1,292,926	1,441,126	1,380,182	1,421,128	1,372,237	1,410,043
Health and human services	683,647	637,933	772,655	832,814	1,072,665	1,098,129	1,046,389	1,078,553	953,990	1,109,720
Schools	1,636,545	1,650,241	1,373,122	1,153,817	1,335,080	612,220	621,056	654,668	629,809	602,187
Operating grants and contributions	19,003,051	19,544,271	19,412,541	16,353,132	16,330,706	19,893,121	19,445,568	16,083,321	14,783,919	16,091,414
Capital grants and contributions	6,853,190	3,182,124	4,942,795	2,898,815	3,323,658	2,324,407	3,164,048	9,327,347	15,726,233	12,066,154
Total governmental activities program revenues	32,375,683	29,171,099	30,491,268	24,348,762	25,178,006	26,685,505	26,948,381	29,981,762	34,731,603	32,516,845
Business-type activities:										
Charges:										
Water and sewer services	5,495,590	4,838,713	5,195,417	4,841,145	3,825,854	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099
Operating grants and contributions	222,032	-	-	3,308	29,774	-	-	-	-	-
Total business-type activities program revenues	5,717,622	4,838,713	5,195,417	4,844,453	3,855,628	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099
Total program revenues	38,093,305	34,009,812	35,686,685	29,193,215	29,033,634	31,062,114	30,915,606	33,702,715	39,411,320	36,113,944
Net (expense) revenue:										
Governmental activities	(74,005,353)	(71,748,729)	(73,313,871)	(70,570,100)	(66,769,909)	(68,749,546)	(69,739,696)	(59,102,449)	(52,014,740)	(51,495,013)
Business-type activities	1,055,988	702,386	810,552	811,289	(68,880)	454,642	93,697	(41,681)	1,358,891	749,807
Total net (expense) revenue	(72,949,365)	(71,046,343)	(72,503,319)	(69,758,811)	(66,838,789)	(68,294,904)	(69,645,999)	(59,144,130)	(50,655,849)	(50,745,206)

(Continued)

Town of Berlin, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General revenues										
Governmental activities:										
Property taxes	\$ 85,767,436	\$ 82,489,044	\$ 81,190,002	\$ 79,532,017	\$ 76,578,603	\$ 70,904,222	\$ 68,422,568	\$ 66,721,630	\$ 63,684,396	\$ 62,660,285
Grants and contributions not restricted to specific programs	606,490	271,176	271,987	302,664	303,011	78,140	1,020,656	197,234	157,991	278,928
Income from investments	2,288,056	119,286	66,043	850,917	1,029,004	521,515	269,150	218,786	164,724	81,123
Other	44,410	393,206	39,170	40,390	92,723	228,092	530,911	440,862	578,442	693,062
Total governmental activities	<u>88,706,392</u>	<u>83,272,712</u>	<u>81,567,202</u>	<u>80,725,988</u>	<u>78,003,341</u>	<u>71,731,969</u>	<u>70,243,285</u>	<u>67,578,512</u>	<u>64,585,553</u>	<u>63,713,398</u>
Business-type activities:										
Income from investments	175,417	15,146	16,395	83,790	84,337	88,245	56,857	39,420	29,356	29,999
Other	10,932	84,214	22,389	24,737	8,205	14,111	8,228	12,567	1,491	1,170
Total business-type activities	<u>186,349</u>	<u>99,360</u>	<u>38,784</u>	<u>108,527</u>	<u>92,542</u>	<u>102,356</u>	<u>65,085</u>	<u>51,987</u>	<u>30,847</u>	<u>31,169</u>
Total general revenues	<u>88,892,741</u>	<u>83,372,072</u>	<u>81,605,986</u>	<u>80,834,515</u>	<u>78,095,883</u>	<u>71,834,325</u>	<u>70,308,370</u>	<u>67,630,499</u>	<u>64,616,400</u>	<u>63,744,567</u>
Other changes in net position:										
Governmental activities:										
Transfers in (transfers out)	4,500	4,500	4,500	4,500	4,500	8,639	4,800	4,610	4,500	8,544
Special item - permanent funds moved to a new trustee	-	-	-	-	-	-	(47,532)	-	-	-
Business-type activities:										
Transfers in (transfers out)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(8,639)	(4,800)	(4,610)	(4,500)	(8,544)
Total other changes in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,532)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position:										
Governmental activities	14,705,539	11,528,483	8,257,831	10,160,388	11,237,932	2,991,062	460,857	8,480,673	12,575,313	12,226,929
Business-type activities	1,237,837	797,246	844,836	915,316	19,162	548,359	153,982	5,696	1,385,238	772,432
Total change in net position	<u>\$ 15,943,376</u>	<u>\$ 12,325,729</u>	<u>\$ 9,102,667</u>	<u>\$ 11,075,704</u>	<u>\$ 11,257,094</u>	<u>\$ 3,539,421</u>	<u>\$ 614,839</u>	<u>\$ 8,486,369</u>	<u>\$ 13,960,551</u>	<u>\$ 12,999,361</u>

(Concluded)

Source: Current and prior year financial statements.

Town of Berlin, Connecticut
Governmental Funds
Fund Balances
Last Ten Years
(Modified Accrual Basis Accounting)
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund:										
Nonspendable	\$ 1,157	\$ 211,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	23,110	46,214	206,994	577,833	398,567	327,968	328,093
Assigned	1,343,000	865,000	485,000	425,000	1,634,565	2,837,000	2,638,395	2,300,000	1,800,000	2,600,000
Unassigned	<u>16,436,763</u>	<u>13,029,120</u>	<u>18,300,008</u>	<u>17,437,703</u>	<u>14,949,335</u>	<u>12,025,216</u>	<u>11,079,427</u>	<u>11,157,031</u>	<u>10,014,792</u>	<u>9,775,266</u>
Total general fund	<u>17,780,920</u>	<u>14,105,922</u>	<u>18,785,008</u>	<u>17,885,813</u>	<u>16,630,114</u>	<u>15,069,210</u>	<u>14,295,655</u>	<u>13,855,598</u>	<u>12,142,760</u>	<u>12,703,359</u>
All other governmental funds:										
Nonspendable	68,297	68,297	68,297	68,297	68,297	95,586	106,283	156,496	149,751	139,247
Restricted	4,567,645	4,436,938	3,335,641	957,986	890,265	772,650	466,832	403,486	398,406	347,776
Committed	<u>13,071,907</u>	<u>14,104,811</u>	<u>12,497,786</u>	<u>15,018,681</u>	<u>11,476,495</u>	<u>5,102,029</u>	<u>8,629,973</u>	<u>22,288,223</u>	<u>9,724,654</u>	<u>10,234,590</u>
Total all other governmental funds	<u>17,707,849</u>	<u>18,610,046</u>	<u>15,901,724</u>	<u>16,044,964</u>	<u>12,435,057</u>	<u>5,970,265</u>	<u>9,203,088</u>	<u>22,848,205</u>	<u>10,272,811</u>	<u>10,721,613</u>
Grand total	<u>\$ 35,488,769</u>	<u>\$ 32,715,968</u>	<u>\$ 34,686,732</u>	<u>\$ 33,930,777</u>	<u>\$ 29,065,171</u>	<u>\$ 21,039,475</u>	<u>\$ 23,498,743</u>	<u>\$ 36,703,803</u>	<u>\$ 22,415,571</u>	<u>\$ 23,424,972</u>

Source: Current and prior year financial statements.

Notes:

General fund:
Assigned
Unassigned

Increased due to increase in appropriation for pension funding.
Increased due to net change in fund balance.

All other governmental funds:
Committed

Decreased due to expenditures of capital projects in excess of transfers in and grant funding.

Town of Berlin, Connecticut
Governmental Funds
Changes in Fund Balances
Last Ten Years
(Modified Accrual Basis of Accounting)
(Unaudited)

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$ 85,980,330	\$ 82,532,057	\$ 80,997,529	\$ 79,277,434	\$ 76,554,167	\$ 71,746,019	\$ 68,124,826	\$ 66,691,876	\$ 63,867,121	\$ 62,265,408
Intergovernmental	26,318,582	22,889,674	24,544,590	19,452,995	19,813,596	22,292,489	23,071,418	24,981,600	29,845,476	28,324,562
Charges for services	6,519,442	6,444,704	6,135,932	5,096,815	5,523,642	4,336,291	4,264,224	4,493,614	4,172,020	4,306,398
Income from investments	2,106,758	109,127	60,215	820,500	985,706	492,358	244,715	207,044	164,729	81,123
Contributions	144,149	107,897	82,733	101,616	143,779	-	-	-	-	-
Other	44,410	393,206	39,170	40,390	92,723	532,366	1,417,888	626,729	692,276	793,616
Total revenues	121,113,671	112,476,665	111,860,169	104,789,750	103,113,613	99,399,523	97,123,071	97,000,863	98,741,622	95,771,107
Expenditures:										
Current:										
General government	6,211,424	10,085,829	7,003,499	5,931,179	5,156,649	4,878,078	4,436,950	4,215,074	4,735,669	3,845,598
Community development	1,202,283	1,035,746	891,394	1,007,041	1,135,590	792,019	770,531	724,905	733,560	705,478
Public safety	10,115,871	10,011,469	9,630,093	9,116,430	9,149,878	8,640,276	8,662,990	8,478,621	8,522,289	8,269,662
Physical services	7,637,009	7,442,127	7,069,934	7,551,257	7,547,850	7,330,490	7,409,209	7,569,573	7,893,401	7,670,479
Parks, recreation, and libraries	4,678,841	4,471,830	4,105,749	4,151,385	4,017,807	4,064,861	4,028,438	3,995,225	4,063,017	3,782,572
Health and human services	2,357,317	2,297,644	2,545,169	2,459,878	2,493,989	2,518,668	2,529,327	2,417,273	2,398,212	2,626,269
Schools	67,530,195	64,837,657	62,888,974	58,708,498	57,579,084	58,446,780	57,309,959	52,501,570	50,905,397	51,248,877
Debt service-principal	6,725,810	6,656,514	6,458,611	6,928,068	6,167,775	5,912,427	4,690,946	4,210,248	2,314,620	2,972,034
Debt service-interest	1,773,691	2,046,834	2,364,530	2,623,876	2,753,786	2,789,265	2,836,523	2,200,683	1,982,771	1,344,842
Capital outlay	10,506,152	5,675,012	9,121,091	6,423,917	6,087,502	6,623,361	22,451,923	24,718,209	30,664,648	31,109,069
Total expenditures	118,738,593	114,560,662	112,079,044	104,901,529	102,089,910	101,996,225	115,126,796	111,031,381	114,213,584	113,574,880
Excess (deficiency) of revenues over expenditures	2,375,078	(2,083,997)	(218,875)	(111,779)	1,023,703	(2,596,702)	(18,003,725)	(14,030,518)	(15,471,962)	(17,803,773)
Other financing sources (uses):										
Issuance of debt	388,408	-	-	4,200,000	6,500,000	-	4,665,000	16,770,000	13,720,000	18,355,000
Sale of capital assets	4,815	108,733	452,456	14,021	14,367	4,313	11,190	46,845	-	-
Issuance of notes	-	-	-	-	-	-	-	10,372,169	442,615	269,685
Issuance of refunding bonds	-	-	-	-	-	-	-	10,920,000	-	-
Premium	-	-	-	758,864	483,126	-	165,207	2,290,415	295,446	1,449,489
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(12,085,509)	-	-
Transfers in	3,022,703	6,307,421	2,447,800	3,759,365	2,956,945	1,369,159	1,224,059	995,906	1,263,440	1,350,855
Transfers out	(3,018,203)	(6,302,921)	(2,443,300)	(3,754,865)	(2,952,445)	(1,360,520)	(1,219,259)	(991,296)	(1,258,940)	(1,342,311)
Net other financing sources (uses)	397,723	113,233	456,956	4,977,385	7,001,993	12,952	4,846,197	28,318,530	14,462,561	20,082,718
Special item:										
Permanent funds moved to a new trustee	-	-	-	-	-	-	(47,532)	-	-	-
Net change in fund balances	\$ 2,772,801	\$ (1,970,764)	\$ 238,081	\$ 4,865,606	\$ 8,025,696	\$ (2,583,750)	\$ (13,205,060)	\$ 14,288,012	\$ (1,009,401)	\$ 2,278,945
Debt service as a percentage of noncapital expenditures	7.88%	8.00%	8.49%	9.44%	9.44%	9.10%	8.00%	7.20%	5.10%	5.20%

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Year Ended June 30	Real Estate	Personal Property	Motor Vehicles	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Estimated Actual Value	Percentage of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
2014	\$1,793,912,100	\$ 244,386,230	\$ 194,507,770	\$77,148,349	\$2,155,657,751	\$3,079,511,073	70.00%	28.77
2015	1,803,443,600	263,999,810	197,207,800	78,521,727	2,186,129,483	3,123,042,119	70.00%	28.92
2016	1,813,647,200	247,327,635	202,278,140	86,098,147	2,177,154,828	3,110,221,183	70.00%	30.35
2017	1,822,586,083	256,107,817	202,018,905	85,996,735	2,194,716,070	3,135,308,671	70.00%	30.81
2018	1,835,846,165	269,028,747	202,779,980	94,434,147	2,213,220,745	3,161,743,921	70.00%	31.61
2019	1,925,666,533	289,305,162	215,479,565	105,366,387	2,325,084,873	3,321,549,818	70.00%	32.50
2020	1,926,354,348	311,943,865	219,518,050	123,599,337	2,334,216,926	3,334,595,609	70.00%	33.93
2021	1,931,467,716	347,310,555	224,798,755	132,429,457	2,371,147,569	3,387,353,670	70.00%	33.93
2022	1,918,959,315	359,696,689	237,941,301	133,232,582	2,383,364,723	3,404,806,747	70.00%	33.93
2023	1,930,810,789	358,308,162	298,262,101	129,732,255	2,457,648,797	3,510,926,853	70.00%	34.31

Source: Town of Berlin Assessor's office

Note:

Revaluation completed for fiscal years 2014 and 2019.

Town of Berlin, Connecticut
Direct and Overlapping Property Tax Rates
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>Town Direct Rate</u>	<u>Overlapping Rates</u>	
		<u>Kensington Fire District</u>	<u>Worthington Fire District</u>
2014	28.77	1.10	2.10
2015	28.92	1.10	2.00
2016	30.35	1.10	2.00
2017	30.81	1.10	1.80
2018	31.61	1.10	1.70
2019	32.50	1.10	1.70
2020	33.93	1.10	1.70
2021	33.93	1.10	1.63
2022	33.93	1.10	1.54
2023	34.31	1.10	1.87

Source: Kensington Fire District, Worthington Fire District and Town of Berlin

Town of Berlin, Connecticut

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Name	2023			2014		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Rocky River Realty Co.	\$ 223,328,310	1	9.09%	\$ 189,018,000	1	8.77%
Corbin Russwin Inc.	26,644,640	2	1.08%	24,204,110	2	1.12%
Tomz Corporation	21,327,130	3	0.87%	N/A	N/A	N/A
Cedar Brickyard	17,076,850	4	0.69%	19,268,750	3	0.89%
Connecticut Natural Gas Corp.	12,556,720	5	0.51%	N/A	N/A	N/A
B & F Machine Inc.	10,656,910	6	0.43%	7,650,810	5	0.35%
224 Berlin Turnpike LLC (incl. Acura of Berlin)	9,693,400	7	0.39%	N/A	N/A	N/A
Stonebridge Berlin Assoc.	9,363,400	8	0.38%	8,663,300	4	0.40%
Budney Overhaul	8,886,160	9	0.36%	N/A	N/A	N/A
Budney Industries Inc.	8,125,135	10	0.33%	N/A	N/A	N/A
Legion Square Associates LLC	N/A	N/A	N/A	6,679,600	6	0.31%
Paradigm Precision Holdings, LLC	N/A	N/A	N/A	6,265,420	7	0.29%
Atohaas North America Inc. & Arkema Inc.	N/A	N/A	N/A	6,228,090	8	0.29%
Berlin Commerce Park	N/A	N/A	N/A	5,727,700	9	0.27%
Blue Dog Properties Trust	N/A	N/A	N/A	4,822,700	10	0.22%
Total	<u>\$ 347,658,655</u>		<u>14.13%</u>	<u>\$ 278,528,480</u>		<u>12.91%</u>
Based on October 1, 2021 and 2012 net taxable grand list of:	<u>\$ 2,457,648,797</u>			<u>\$ 2,155,657,751</u>		

118

Source: Town of Berlin Assessor's Office

Town of Berlin, Connecticut
Property Tax Rates, Levies and Cash Collections
Last Ten Years
(Unaudited)

Year Ended June 30	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections In Subsequent Years	Total Collections	Percent of Levy Collected	Current Delinquent Balance
2014	\$ 61,995,090	\$ 61,321,496	98.91%	\$ 659,077	\$ 61,980,573	99.98%	\$ 14,517
2015	63,580,445	62,864,950	98.87%	699,751	63,564,701	99.98%	15,744
2016	66,490,625	65,918,097	99.14%	553,363	66,471,460	99.97%	19,165
2017	68,069,358	67,378,401	98.98%	659,702	68,038,103	99.95%	31,255
2018	70,660,090	69,789,191	98.77%	834,758	70,623,949	99.95%	36,141
2019	75,738,109	75,073,467	99.12%	626,555	75,700,022	99.95%	38,087
2020	79,442,804	78,753,259	99.13%	634,687	79,387,946	99.93%	54,858
2021	79,389,985	78,556,241	98.95%	773,581	79,329,822	99.92%	60,163
2022	81,783,909	81,038,353	99.09%	631,627	81,669,980	99.86%	113,929
2023	84,551,410	83,873,930	99.20%	-	83,873,930	99.20%	677,480

Source: Current and prior year financial statements

Town of Berlin, Connecticut
Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

Year Ended June 30	Governmental Activities					Business-type Activities	Total Debt Outstanding	Percentage of Debt to Personal Income	Total Debt Per Capita
	General Obligation Bonds and Premium	Equipment Financing Notes	Leases	Subscriptions	Total	Notes Payable			
2014	\$52,360,468	\$ 468,168	\$ -	\$ -	\$ 52,828,636	\$ 2,041,888	\$ 54,870,524	6.86%	\$ 2,754
2015	63,908,614	447,429	-	-	64,356,043	2,236,514	66,592,557	8.20%	3,351
2016	77,723,275	10,584,544	-	-	88,307,819	2,040,819	90,348,638	10.86%	4,439
2017	77,560,926	10,234,306	-	-	87,795,232	1,928,993	89,724,225	9.66%	4,377
2018	71,470,473	9,754,432	-	-	81,224,905	1,817,167	83,042,072	8.94%	4,050
2019	71,894,290	9,451,657	-	-	81,345,947	3,638,655	84,984,602	9.18%	4,159
2020	69,581,707	9,123,589	-	-	78,705,296	3,414,053	82,119,349	7.95%	4,018
2021	62,753,943	8,774,978	320,854	-	71,849,775	3,205,561	75,055,336	7.42%	3,724
2022	55,865,002	8,398,464	284,115	566,291	65,113,872	2,997,070	68,110,942	5.88%	3,378
2023	49,090,345	7,992,654	635,650	426,687	58,145,336	3,818,492	61,963,828	5.12%	3,068

Source: Current and prior year financial statements.

Town of Berlin, Connecticut
Ratios of General Bonded Debt Outstanding
Last Ten Years
(Unaudited)

Year Ended June 30	Governmental Activities <hr/> General Obligation Bonds and Premium	Bonded Debt Percentage of Actual Taxable Value	Bonded Debt Per Capita
2014	\$ 52,360,468	1.70%	\$ 2,628
2015	63,908,614	2.05%	3,216
2016	77,723,275	2.50%	3,819
2017	77,560,926	2.47%	3,784
2018	71,470,473	2.26%	3,486
2019	71,894,290	2.29%	3,506
2020	69,581,707	2.20%	3,406
2021	62,753,943	1.89%	3,071
2022	55,865,002	1.68%	2,771
2023	49,090,345	1.40%	2,431

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

**Governmental Activities
Direct and Overlapping Debt
June 30, 2023
(Unaudited)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Town (2)</u>	<u>Amount Applicable to Town</u>
<u>Overlapping debt:</u>			
Kensington Fire District - Commercial Loan	\$ 751,322	100.00%	\$ 751,322
Worthington Fire District - USDA Loan	356,771	100.00%	356,771
Mattabassett District (1)	42,215,883	0.00%	<u>-</u>
Subtotal, overlapping debt			1,108,093
Town of Berlin, direct debt			<u>58,145,336</u>
Total direct and overlapping debt			<u><u>\$59,253,429</u></u>

Source: Kensington Fire District, Worthington Fire District, Mattabassett District, and Town of Berlin.

Notes:

- (1) Excludes business-type activities debt of \$6,057,979, the Town is responsible for a pro-rata share of the Mattabassett District's debt based on population
- (2) 100% of the residents of the Fire Districts are also residents of the Town of Berlin; accordingly, 100% of the indebtedness of the Fire Districts is being included with the Town of Berlin as overlapping debt.

Town of Berlin, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
For the Year Ended June 30, 2023
(Unaudited)

Tax base:

Total prior year tax collections (including interest and lien fees)	\$ 82,060,457
Town	1,267,296
Fire districts	<u>1,267,296</u>
Base for establishing debt limit	<u>\$ 83,327,753</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 187,487,444	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	374,974,889	-	-	-
3 3/4 times base	-	-	312,479,074	-	-
3 1/4 times base	-	-	-	270,815,197	-
3 times base	-	-	-	-	249,983,259
Total limitations	<u>187,487,444</u>	<u>374,974,889</u>	<u>312,479,074</u>	<u>270,815,197</u>	<u>249,983,259</u>
Indebtedness:					
Bonds	15,690,000	32,135,000	-	-	-
Overlapping debt (1)	-	-	1,108,093	-	-
Total indebtedness	<u>15,690,000</u>	<u>32,135,000</u>	<u>1,108,093</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 171,797,444</u>	<u>\$ 342,839,889</u>	<u>\$ 311,370,981</u>	<u>\$ 270,815,197</u>	<u>\$ 249,983,259</u>
The total net indebtedness above amounts to:					<u>\$ 48,933,093</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 583,294,271</u>

Source: Current and prior year financial statements

Note:

(1) 100% of the residents of the Fire Districts are also residents of the Town of Berlin, accordingly 100% of the indebtedness of the Fire Districts is being included with the Town of Berlin as overlapping debt.

Town of Berlin, Connecticut

**Legal Debt Margin Information
Last Ten Years
(Unaudited)**

Year Ended June 30	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Net Debt Applicable to Limit
2014	\$446,831,000	\$102,489,000	\$344,342,000	22.94%
2015	461,531,000	93,428,000	368,103,000	20.24%
2016	477,144,654	97,249,641	379,895,013	20.38%
2017	484,674,134	100,024,076	384,650,058	20.64%
2018	504,720,342	94,678,865	410,041,477	18.76%
2019	505,508,878	79,444,654	426,064,224	15.72%
2020	546,476,889	67,919,623	478,557,266	12.43%
2021	567,882,756	61,727,285	506,155,471	10.87%
2022	564,550,854	55,354,342	509,196,512	9.81%
2023	583,294,271	48,933,093	534,361,178	8.39%

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Debt Statistics for Continuing Disclosure
June 30, 2023
(Unaudited)

Population	20,197		
Net Taxable Grand List	\$2,457,648,797		
Estimated Full Value at 70%	3,510,926,853		
Equalized Net Grand List	3,696,258,646		
	<u>Total Direct Bonds</u>	<u>Net Direct Bonds (1)</u>	<u>Total Overall Net Debt</u>
	\$49,090,345	\$49,090,345	\$58,145,336
Per Capita	2,431	2,431	2,879
To Net Taxable Grand List	2.00%	2.00%	2.37%
To Estimated Full Value	1.40%	1.40%	1.66%
To Equalized Net Grand List	1.33%	1.33%	1.57%

Source: Town Assessor department

Note:

(1) Net of bond anticipation notes, if any

Town of Berlin, Connecticut
Demographic and Economic Statistics
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Population	(2) Personal Income	(2) Per Capita Income	Education Level of Schooling		(4) School Enrollment	(5) Unemployment Percentage
				(3) High School Graduate or Higher	(3) Bachelor's Degree or Higher		
2014	19,921	\$ 800,266,412	\$ 40,172	N/A	N/A	2,951	5.2%
2015	19,870	811,987,550	40,865	N/A	N/A	2,898	4.3%
2016	20,352	831,684,480	40,865	75.0%	38.0%	2,863	4.8%
2017	20,499	929,096,676	45,324	76.0%	39.0%	2,792	4.1%
2018	20,505	929,368,620	45,324	78.0%	39.0%	2,781	3.7%
2019	20,432	926,059,968	45,324	78.0%	39.0%	2,787	3.3%
2020	20,436	1,032,917,184	50,544	78.0%	39.0%	2,761	7.8%
2021	20,154	1,011,488,952	50,188	77.0%	41.0%	2,693	5.2%
2022	20,164	1,158,683,932	57,463	N/A	N/A	2,650	3.2%
2023	20,197	1,210,628,377	59,941	N/A	N/A	2,682	3.4%

Sources:

- (1) 2018-2023 State of Connecticut, Department of Health; 2014-2017 Town of Berlin estimates
- (2) Connecticut Department of Economic and Community Development, American Community Survey and Hometown Locator
- (3) Advance CT (formerly Connecticut Economic Resource Center)
- (4) Berlin Board of Education
- (5) Connecticut Labor Department - research and statistics
- N/A - Not available

Table 16

Town of Berlin, Connecticut
Principal Employers
Current and Nine Years Ago
(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource (formerly Northeast Utilities)	1,245	1	10.56%	1,396	1	12.23%
Town of Berlin	700	2	5.94%	664	2	5.82%
Assa Abloy	465	3	3.94%	N/A	N/A	N/A
Keep Me Home	300	4	2.54%	N/A	N/A	N/A
Comcast Cable/TCI, CT	241	5	2.04%	466	3	4.08%
Budney Overhaul and Repair	190	6	1.61%	160	7	1.40%
TOMZ Corporation	174	7	1.48%	120	10	1.05%
Parker Fluid Control	158	8	1.34%	N/A	N/A	N/A
Budney Industries	146	9	1.24%	N/A	N/A	N/A
EuroAmerican Home Care	110	10	0.93%	N/A	N/A	N/A
Corbin Russwin	N/A	N/A	N/A	422	4	3.70%
B & F Machine	N/A	N/A	N/A	200	5	1.75%
Parker Hannifin	N/A	N/A	N/A	194	6	1.70%
Home Depot	N/A	N/A	N/A	140	8	1.23%
Stop & Shop	N/A	N/A	N/A	139	9	1.22%
Total	3,729		31.62%	3,901		34.18%

127

Source: Town of Berlin Economic Development Department

Town of Berlin, Connecticut

Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Manager's office	2.00	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Finance department	6.45	7.00	7.00	6.00	6.00	6.00	6.00	7.00	7.00	6.00
Technology department	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Collector of revenue	3.00	3.00	3.00	3.00	3.00	2.70	2.70	2.25	2.40	2.40
Treasurer	-	-	-	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Corporation counsel	-	-	-	-	-	-	-	1.00	1.00	1.00
Assessor	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.64	4.00
Registrars of voters	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Town clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human resources	1.30	-	-	-	-	-	-	-	-	-
General Government Total	25.46	25.11	25.11	23.71	23.71	23.41	23.41	24.96	25.18	23.54
Community Development:										
Planning Department	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building Inspection	4.00	3.00	3.00	3.00	3.00	3.00	2.84	2.84	2.84	2.84
Economic Development	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.86	1.10	0.86
Community Development Total	9.55	7.55	7.55	7.55	7.55	7.55	7.39	7.70	6.94	6.70
Public Safety:										
Animal control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire department	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
Police department:										
Officers	44.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	41.00
Civilians	13.00	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Fire marshal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety Total	60.93	57.93	57.93	58.93	58.93	58.93	58.93	58.93	58.93	57.93
Physical Services:										
Municipal garage	6.86	6.86	6.57	6.57	6.57	6.57	7.07	7.07	7.07	7.07
Public works	3.37	3.37	3.35	3.35	3.10	3.10	4.10	4.25	4.25	4.50
Highway	16.00	15.00	15.00	15.00	14.90	15.00	15.00	14.00	14.00	14.00
Public building *	8.95	8.95	7.85	15.95	15.95	15.95	16.55	17.44	17.95	17.95
Physical Services Total	35.18	34.18	32.77	40.87	40.52	40.62	42.72	42.76	43.27	43.52
Parks, Recreation, and Libraries:										
Recreation	2.17	2.17	2.17	2.17	2.17	2.07	2.07	2.02	2.02	2.17
Golf course	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Libraries	11.67	12.62	11.54	11.54	12.29	11.34	11.34	11.34	11.34	11.39
Public grounds	11.33	11.33	10.33	10.33	10.43	10.53	11.53	11.33	11.33	11.33
Parks, Recreation, and Libraries Total	29.17	30.12	28.04	28.04	28.89	27.94	28.94	29.69	29.69	29.89
Health and Human Services:										
Nursing services	11.29	12.21	13.93	13.93	13.93	13.98	14.26	14.43	14.75	15.00
Senior services	3.25	3.25	3.25	3.25	3.50	3.40	3.40	3.35	3.35	3.50
Social services	2.25	2.25	2.25	2.25	2.00	1.68	1.68	1.57	1.71	1.50
Homemaking services	-	-	-	-	-	4.49	4.45	-	-	-
Health and Human Services Total	16.79	17.71	19.43	19.43	19.43	23.55	23.79	19.35	19.81	20.00

128

(Continued)

Town of Berlin, Connecticut

Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schools:										
Private schools	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Board of education:										
Administration	19.60	19.00	20.00	18.00	19.00	14.00	19.90	19.90	19.22	18.60
Teachers	271.70	267.30	267.70	260.90	262.00	268.00	274.00	277.10	278.00	278.39
Other (1)	207.56	213.14	205.75	194.64	182.50	199.00	181.60	183.34	174.99	170.24
School other	17.04	17.04	17.15	10.70	10.60	9.33	8.49	8.39	8.41	8.83
Schools Total	517.10	517.68	511.80	485.44	475.30	491.53	485.19	489.93	481.82	477.26
Water Control Commission:										
Administration	1.36	1.36	1.36	1.36	1.61	2.22	2.22	2.07	1.92	2.10
Operations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Water Control Commission Total	5.36	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10
Total	699.54	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94
Total town government	177.08	172.6	170.83	178.53	179.03	182.00	185.18	183.39	183.82	181.58
Total education (1)	517.10	517.68	511.8	485.44	475.3	491.53	485.19	489.93	481.82	477.26
Total water control	5.36	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10
Government Totals	699.54	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94

(Concluded)

Source: Town of Berlin Finance Department

Notes:

* Public Building salaries reallocated to reflect time spent in the schools. See school other.

(1) Board of Education other line is higher than in the budget document because it includes non union workers paid by grants and cafeteria funds. The budget document only includes general fund salaries.

**Town of Berlin, Connecticut
Operating Indicators By Function/Program
Last Ten Years
(Unaudited)**

June 30

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Physical arrests:										
Adult arrest	256	299	233	248	287	356	377	401	380	443
Juvenile arrest	9	5	7	10	8	13	24	34	32	32
Traffic violations:										
Infractions	1,507	435	741	1,033	1,705	2,138	2,312	2,389	3,360	2,208
Misdemeanor	51	90	101	189	288	381	347	318	414	500
Written warning	722	1,389	1,042	1,541	1,313	1,765	1,972	1,967	2,355	2,758
Animal Control:										
Dog licenses issued	1,682	1,600	1,566	1,663	1,701	1,741	1,753	1,820	1,785	1,882
Animals adopted	47	62	31	30	42	38	55	55	56	74
Animal redemptions	29	43	33	40	35	29	34	34	50	46
Fire Suppression Services:										
Alarms	179	182	150	160	167	161	173	141	135	168
Fires	75	80	77	60	43	68	73	98	81	91
Hazardous materials	69	63	86	40	37	85	85	80	95	102
Assistance calls	104	106	83	155	173	166	67	86	108	94
Rescue calls	235	238	175	75	143	128	13	11	9	10
Fire Marshal:										
Inspections	398	301	337	284	305	356	367	357	269	241
Investigations	42	30	35	32	39	23	20	27	21	24
Refuse Collection:										
Solid waste (tons)	7,245	7,457	7,284	7,148	6,718	6,555	7,942	7,998	6,351	9,023
Curbside recycling (tons):										
Commingled containers	1,581	1,570	1,678	1,809	1,932	1,856	1,689	1,442	2,123	1,916
Leaves	1,142	1,498	1,427	1,329	1,181	841	886	842	663	780
Other Public Works:										
Street resurfacing (miles)	1.9	1.0	2.8	4.0	4.2	5.8	5.6	4.4	3.3	5.7

130

(Continued)

Town of Berlin, Connecticut
Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)

June 30

<u>Function/Program</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Building Department:										
Building permits issued	1,976	2,119	1,609	1,609	1,498	1,423	1,266	1,666	1,271	1,139
Building inspections	3,551	3,170	2,271	2,271	2,421	2,341	1,937	1,928	1,253	1,152
Planning:										
Zoning violations	43	56	29	29	51	47	69	70	74	93
Library:										
Volumes in collection (1)	116,697	118,638	117,987	117,987	120,025	122,088	194,790	137,222	130,824	133,900
Total volumes borrowed	187,420	179,440	164,913	164,913	208,592	173,446	169,104	176,842	175,983	190,404
Water:										
New connections	12	14	29	29	29	3	6	6	35	17
Water main breaks	1	3	-	-	3	2	-	9	1	2
Average daily consumption (thousands of gallons)	1,039	898	1,020	1,020	978	1,011	1,097	1,097	1,089	1,041
Peak daily consumption (thousands of gallons)	1,466	1,357	1,329	1,329	1,402	1,183	1,689	1,769	1,530	1,457
Sewer:										
Average daily sewage treatment (thousands of gallons)	1,732	1,306	1,089	1,089	1,312	1,095	1,439	1,536	1,535	1,620

(Concluded)

Source: Various Town departments

Note:

(1) Volumes in collection was expanded in 2017 to include downloaded materials

Town of Berlin, Connecticut
Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

June 30

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	15	14	14	15	15	15	15	14	14
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Number of fire apparatus	13	13	13	13	13	13	13	13	13	13
Public works:										
Streets (miles)	111.63	110.74	110.74	111.51	111.51	111.51	111.51	111.51	111.51	111.51
Streetlights	2,580	2,580	2,580	2,559	2,559	2,561	2,570	2,567	2,544	2,544
Traffic signals	6	6	6	6	6	6	6	6	6	6
Bridges	37	37	37	37	37	37	37	37	37	37
Parks and recreation:										
Golf courses	1	1	1	1	1	1	1	1	1	1
Pools	2	2	2	2	2	2	2	2	2	2
Parks acreage	2,272	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,163
Playgrounds	11	11	11	11	11	11	11	9	9	9
Baseball/softball fields	15	15	15	15	15	15	15	15	15	16
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Fire hydrants	550	550	545	545	545	545	545	545*	440	436
Storage capacity (thousands of gallons)	2,000	2,000	2,000	2,000	2,000**	4,000	4,000	4,000	4,000	4,000
Wastewater:										
Sanitary sewers (miles)***	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00
Storm sewers (miles)	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21
Treatment capacity (thousands of gallons)	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000
Pump stations	10	10	10	10	10	11	11	11	11	11
Education:										
Number of public schools	5	5	5	5	5	5	5	5	5	5

Source: Town records

Notes:

* A hydrant inventory was done. Prior year numbers were understated.

** Woodlawn tank was taken out of service in 2019.

*** This represents miles of sanitary sewers throughout the whole Town, not just the Water Control Commission district.