

TOWN OF BERLIN, CONNECTICUT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2024

TOWN OF BERLIN, CONNECTICUT

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024



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, 2024

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, 2023	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	38-93

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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	94-96
1B	Notes to Required Supplementary Information	97
	<u>Employee Retirement Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	98
2B	Schedule of Contributions	99
2C	Notes to Required Supplementary Information	100
	<u>Police Retirement Plan</u>	
3A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	101
3B	Schedule of Contributions	102
3C	Notes to Required Supplementary Information	103
	<u>Connecticut State Teachers' Retirement System</u>	
4A	Schedule of Proportionate Share of the Collective Net Pension Liability and Schedule of Contributions	104
4B	Notes to Required Supplementary Information	105
	<u>Other Post-Employment Benefit Plan</u>	
5	Schedule of Changes in OPEB Liability and Related Ratios	106
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
6A	Schedule of Proportionate Share of the Collective Net OPEB Liability and Schedule of Contributions	107
6B	Notes to Required Supplementary Information	108

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

<u>Schedules</u>	<u>Supplemental Schedules</u>	<u>Page</u>
	<u>General Fund</u>	
1	Report of Tax Collector	109
	<u>Other Governmental Funds</u>	
2	Combining Balance Sheet	110-112
3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	113-115
	<u>Internal Service Funds</u>	
4	Combining Statement of Net Position	116
5	Combining Statement of Revenues, Expenses and Changes in Net Position	117
6	Combining Statement of Cash Flows	118
<u>Tables</u>	<u>Statistical Section</u>	
	<u>Financial Trend</u>	
1	Net Position by Component	119
2	Changes in Net Position	120-121
3	Fund Balances - Governmental Funds	122
4	Changes in Fund Balances - Governmental Funds	123
	<u>Revenue Capacity</u>	
5	Assessed and Estimated Actual Value of Taxable Property	124
6	Direct and Overlapping Property Tax Rates	125
7	Principal Property Taxpayers	126
8	Property Tax Rates, Levies and Cash Collections	127

Town of Berlin, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

<u>Tables</u>		<u>Page</u>
	<u>Debt Capacity</u>	
9	Ratios of Outstanding Debt by Type	128
10	Ratios of General Bonded Debt Outstanding	129
11	Direct and Overlapping Debt	130
12	Schedule of Debt Limitation	131
13	Legal Debt Margin Information	132
14	Debt Statistics for Continuing Disclosure	133
	<u>Demographic and Economic Information</u>	
15	Demographic and Economic Statistics	134
16	Principal Employers	135
17	Full-Time Equivalent Employees by Function/Program	136-137
	<u>Operating Information</u>	
18	Operating Indicators by Function/Program	138-139
19	Capital Asset Statistics by Function/Program	140

Introductory Section



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

December 9, 2024

Chairman Bordonaro
Members of the Board of Finance
W. Lee Palmer, Interim 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 Interim Town Manager Palmer:

The Annual Comprehensive Financial Report (“Annual Report”) of the Town of Berlin, Connecticut (“Town”) for the fiscal year ended June 30, 2024, 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 2024.

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 20,429.

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. While fiscal year 2024 building permit volume (both commercial and industrial) was down 4%, the level remained more than 15% above pre-COVID levels.

Work continued at three mixed-use developments along the Berlin Turnpike. The public-private development adjacent to the Amtrak train station restarted with an additional infusion of local, State and private investment.

Major businesses located in Berlin include Eversource and its subsidiary, Yankee Gas, ASSA ABLOY (Corbin Russwin architectural hardware), TIGHITCO (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), Forrest Machine (aerospace and commercial parts), and 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 15.9% 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), significant progress was made on the first of three elementary school HVAC upgrades, and recreational field improvements at Berlin High School and Percival soccer field, all made Berlin an appealing location for individuals, families, and businesses.

A multi-million-dollar renovation and expansion of the existing police station was 50% complete at the end of the fiscal year. 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 2024, the Town was awarded two State HVAC grants funding 43% of renovations at the last two schools in need of HVAC upgrades. The projects are expected to start in the summer of 2025 and be completed in the fall of 2026.

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. In anticipation of an October 2024 general obligation and refunding bond sale, Standard & Poor's reviewed the Town of Berlin and affirmed the 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 total outstanding debt by \$6.8 million. Shortly after year-end, the Town issued its first general obligation bonds in four years. The bond proceeds will fund roof replacements at the Town Hall and the Library/Community Center and part of the local share of the two upcoming elementary school HVAC projects. The Town also refunded previously issued bonds from 2013-2016 in October 2024. This effort generated \$800,000 of interest savings over the remaining life of the bonds.

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 budgeted investment earnings by more than \$900,000 in fiscal year 2024.

The Town continued investments in cybersecurity hardware, software, and training to lower the risk of business interruption. These efforts are expected to continue as the Town expands its utilization of cloud-based programs and the public sector remains a target for cyber-attacks.

The Town successfully established the new Police defined benefit plan approved at the end of fiscal year 2023. A first actuarial valuation confirmed the projected financials, a plan custodian was selected from a public bid process, and a financial advisor was selected. First year returns on plan investments exceeded the 5% target.

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, 2023. This is the thirty-eighth 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 Diane Conway, 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
Director of Finance & Treasurer

**Principal Officials
June 30, 2024**

Town Council

Mayor Mark H. Kaczynski
Deputy Mayor Charles R. Paonessa
Councilor Sandra Coppola
Councilor Peter A. Rosso
Councilor Kate Atkinson
Councilor Mark Pruzin
Councilor Donna Veach

Board of Finance

Sal Bordonaro, Chairman
Raul Fernandes
George Millerd
Gerald P. Paradis, Vice Chairman
Timothy Grady
Denise McNair

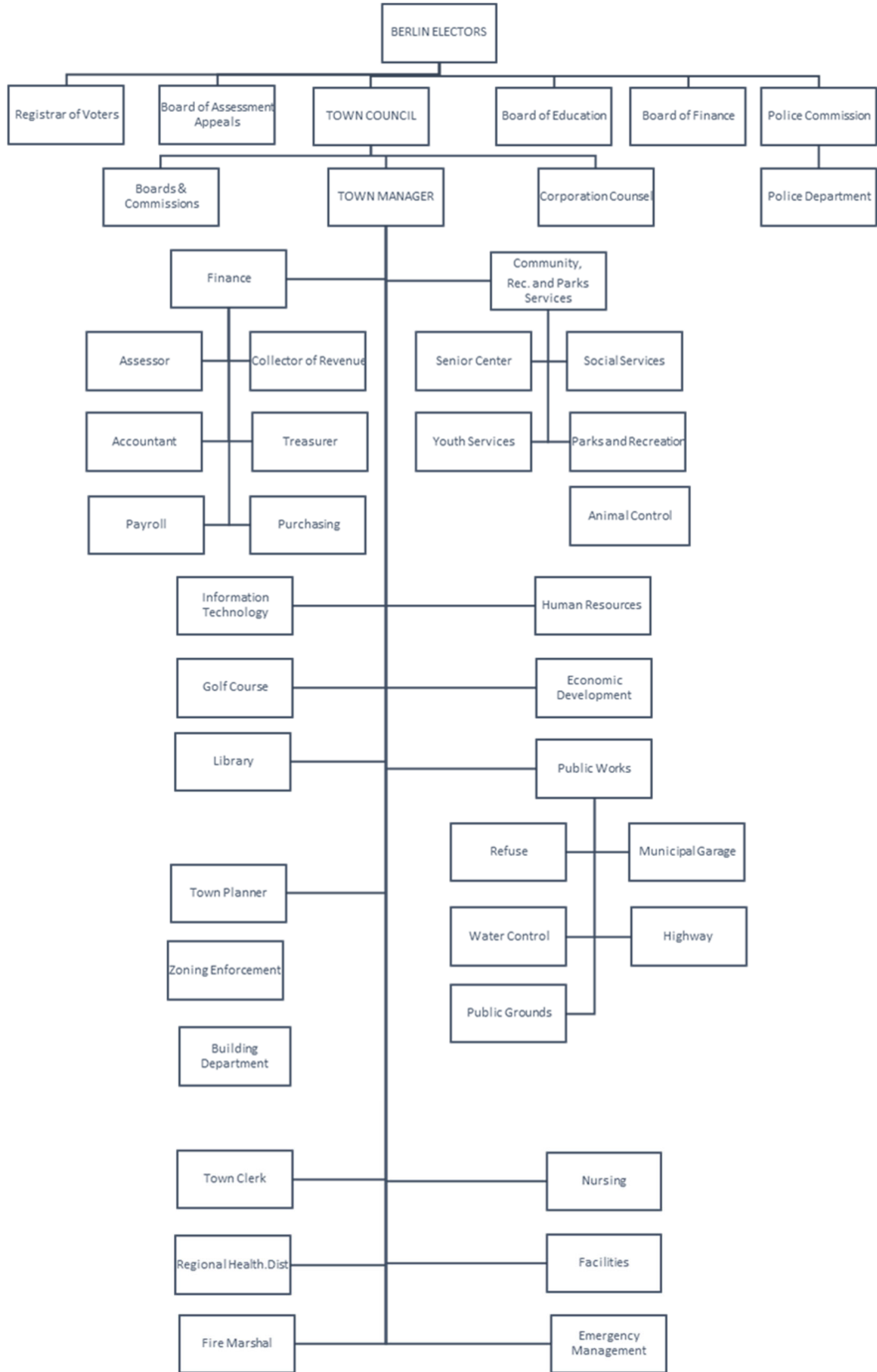
Administration

Interim Town Manager
Corporation Counsel
Finance Director
Acting Nursing Director
Planner
Director of Parks & Rec./Community Services
Public Works Director
Chief of Police
Town Clerk
Library Director
Information Technology Director
Fire Marshal
Economic Development Director
Director of Golf
Director of Human Resources
Chief Mechanic
W. Lee Palmer
Jeffrey M. Donofrio
Kevin Delaney
Edyta Halas
Maureen Giusti
Jennifer Ochoa
Michael Ahern
Matthew McNally
Kathryn J. Wall
Carrie Tyszka
Brian Freeman
Steven Waznia
Christopher Edge
Sol Guerrero
Paula Carabetta
James Simons

Board of Education

Julia Dennis, President
Brian DeLude
Jennifer Jurgen
Gina Nappi
Tracy Sisti, Secretary
Melissa Anne Gibbons
Jaymee Miller
Adam Salina
Peter Zarabozo
Superintendent of Schools
Director of Finance
Brian Benigni
Ashley Dorsey

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, 2023

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, 2024, 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, 2024, 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.

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 9, 2024 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 9, 2024



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • BERLIN CT 06037

Management's Discussion and Analysis For the Year Ended June 30, 2024

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, 2024. 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	\$ 9,986,565	\$ 1,651,150	\$ 11,637,715
Total net position	172,497,317	24,220,975	196,718,292
Unrestricted net position	24,096,047	8,930,856	33,026,903

The Town's total net position increased by \$11,637,715. The increase is due to the following:

Governmental fund activity:

- positive operations of the general fund of \$ 614,279
- negative operations of the capital projects fund of (3,318,094)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation/amortization expense of 7,350,307
- net long-term debt activity of 7,055,242
- change in net pension liability of (1,398,732)
- change in OPEB liability of (276,486)
- net revenues of the internal service funds of (451,616)

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

- Revenues for the Town's governmental activities increased \$3,454,273 or 2.9% to \$124,536,348. This was an increase of 7.7% in the prior year. The major drivers of this increase were grand list growth leading to planned higher property tax revenues, investment income from cash management and a consistent interest rate environment and building permit revenue primarily from commercial projects.
- The total cost of the Town's governmental activities increased by \$8,173,247 or 7.7% to \$114,554,283. This was an increase of 5.4% in the prior year. The major drivers were higher public safety costs from increased staffing levels and first year contributions to a new defined benefit pension plan, and higher education costs driven by increased wages and benefits and higher teachers' retirement on behalf payments.
- The General Fund ending fund balance was \$18,395,199, an increase of \$614,279 or 3.5%, from the previous year. The increase was driven by higher than anticipated investment income and building permit revenue, combined with lower than budgeted expenditures caused by vacant positions, favorable utility costs and on-going expenditure management to avoid using contingency funds.
- The Capital Projects Fund reported a total fund balance this year of \$11,369,476, a decrease of \$3,318,094 or 22.6%, from the previous year. The decrease was driven by expenditures of projects funded with existing intergovernmental grants exceeding new intergovernmental grants.
- Revenues and total cost for the Town's business-type activities increased \$837,803 and \$424,490 respectively, driven by higher volume and an 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 each major fund. 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 statements on Schedules 2 and 3. The funds reported as major funds are as follows:

- General Fund
- Capital Projects Fund

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 statements 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 \$185,080,577 to \$196,718,292. 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 52,452,066	\$ 57,679,173	\$ 9,511,914	\$ 9,652,961	\$ 61,963,980	\$ 67,332,134
Capital assets (net)	197,372,224	190,022,720	19,088,729	17,438,478	216,460,953	207,461,198
Total assets	249,824,290	247,701,893	28,600,643	27,091,439	278,424,933	274,793,332
Deferred outflows of resources	1,560,639	1,895,532	3,858	7,621	1,564,497	1,903,153
Long-term liabilities	57,178,275	63,085,230	3,451,008	3,646,840	60,629,283	66,732,070
Other liabilities	16,485,466	20,433,350	925,872	871,302	17,411,338	21,304,652
Total liabilities	73,663,741	83,518,580	4,376,880	4,518,142	78,040,621	88,036,722
Deferred inflows of resources	5,223,871	3,568,093	6,646	11,093	5,230,517	3,579,186
Net investment in capital assets	145,847,342	128,234,432	15,290,119	13,540,023	161,137,461	141,774,455
Restricted	2,553,928	4,635,942	-	-	2,553,928	4,635,942
Unrestricted	24,096,047	29,640,378	8,930,856	9,029,802	33,026,903	38,670,180
Total net position	<u>\$ 172,497,317</u>	<u>\$ 162,510,752</u>	<u>\$ 24,220,975</u>	<u>\$ 22,569,825</u>	<u>\$ 196,718,292</u>	<u>\$ 185,080,577</u>

Net position of the Town's governmental activities increased by 6.1%. The increase was driven by the reduction in long-term liabilities due to scheduled debt repayments and investments in capital assets funded with State and Federal grants in addition to local funds.

**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**

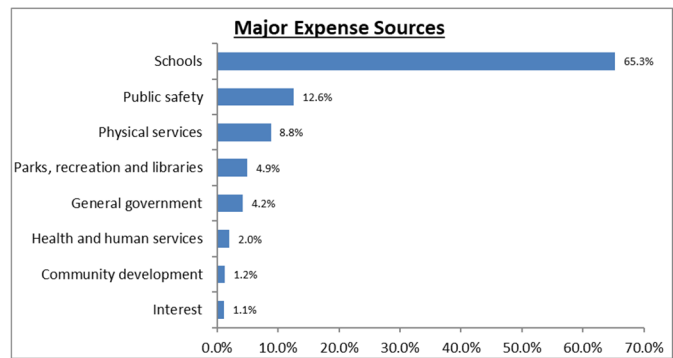
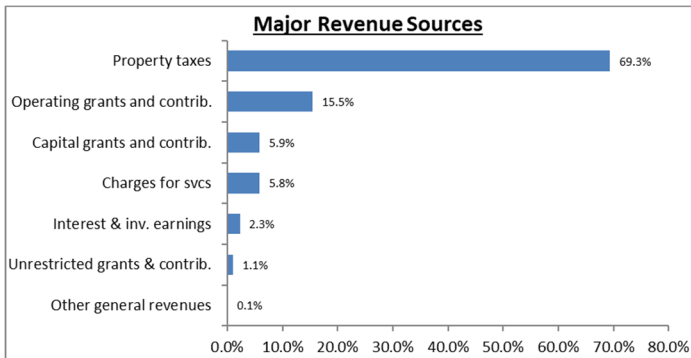
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 7,177,655	\$ 6,519,442	\$ 5,899,141	\$ 5,495,590	\$ 13,076,796	\$ 12,015,032
Operating grants and contributions	19,241,429	19,003,051	26,733	222,032	19,268,162	19,225,083
Capital grants and contributions	7,396,872	6,853,190	-	-	7,396,872	6,853,190
General revenues:						
Property taxes	86,341,206	85,367,845	-	-	86,341,206	85,367,845
Grants and contributions not restricted to specific programs	1,404,684	1,006,081	-	-	1,404,684	1,006,081
Income from investments	2,831,679	2,288,056	268,520	175,417	3,100,199	2,463,473
Other	142,823	44,410	547,380	10,932	690,203	55,342
Total revenues	<u>124,536,348</u>	<u>121,082,075</u>	<u>6,741,774</u>	<u>5,903,971</u>	<u>131,278,122</u>	<u>126,986,046</u>
Expenses:						
General government	4,835,248	4,977,180	-	-	4,835,248	4,977,180
Community development	1,327,579	1,284,130	-	-	1,327,579	1,284,130
Public safety	14,409,186	10,422,774	-	-	14,409,186	10,422,774
Physical services	10,088,424	9,471,230	-	-	10,088,424	9,471,230
Parks, recreation and libraries	5,599,033	5,277,618	-	-	5,599,033	5,277,618
Health and human services	2,293,085	2,370,297	-	-	2,293,085	2,370,297
Schools	74,792,516	71,248,234	-	-	74,792,516	71,248,234
Interest	1,209,212	1,329,573	-	-	1,209,212	1,329,573
Water and sewer services	-	-	5,086,124	4,661,634	5,086,124	4,661,634
Total expenses	<u>114,554,283</u>	<u>106,381,036</u>	<u>5,086,124</u>	<u>4,661,634</u>	<u>119,640,407</u>	<u>111,042,670</u>
Change in net position before transfers	9,982,065	14,701,039	1,655,650	1,242,337	11,637,715	15,943,376
Transfers	<u>4,500</u>	<u>4,500</u>	<u>(4,500)</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>
Change in net position after transfers	9,986,565	14,705,539	1,651,150	1,237,837	11,637,715	15,943,376
Net position - July 1	<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>
Net position - June 30	<u>\$ 172,497,317</u>	<u>\$ 162,510,752</u>	<u>\$ 24,220,975</u>	<u>\$ 22,569,825</u>	<u>\$ 196,718,292</u>	<u>\$ 185,080,577</u>

The Town's total revenues (governmental and business-type) were \$131,278,122. The total cost of all programs and services (governmental and business-type) was \$119,640,407. 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:

- Grants and contributions not restricted to specific programs increased \$398,603 or 39.6% driven by increases from two State of Connecticut grants. First, the State reimbursement for lost tax revenue caused by a motor vehicle cap was higher driven by the fiscal year 2023 mill rate. Second, State sales tax revenue exceeded an established threshold leading to the payment of a non-guaranteed grant to municipalities.
- Charges for services increased \$658,213 or 10.1% driven by higher building permit fees and increased cafeteria charges as purchases returned to pre-COVID levels.
- Property tax revenue increased \$973,361 or 1.1% driven by a higher grand list.
- Investment income increased \$543,623 or 23.8% driven the continuation of an improved interest rate environment.
- Capital grants and contributions increased \$543,682 or 7.9% driven by State support for three projects - the police station renovation project, road renovations in the heavily traveled center of town and continued work on a major economic development initiative along the State's transit-oriented route.

Major expense factors include:

- Public Safety expenses increased \$3,986,412 or 38.2% driven by increased staffing, first year funding of a new defined benefit pension plan and infrastructure investments to expand and improve the existing police station.
- Education expenses increased \$3,544,282 or 5.0% driven by higher wage and benefit costs, planned new programs and a higher on-behalf payment to the teachers' retirement fund.
- The Town increased net two positions with three new Police officers and one new library position offset by the elimination of two positions in the visiting nurse's department. The Board of Education had no net position changes.

Business-type activities

Revenues from the Town's business-type activities (see Table 2) increased \$837,803 or 14.2% and expenses increased \$424,490 or 9.1%.

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

The increase in revenues and expenses was driven by higher usage volume, the full year impact of a 10% rate increase in April 2023, and an increase in the Mattabasset 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 \$32,730,777, which is a 7.8% decrease from last year's total of \$35,488,769. This decrease was primarily driven by investment in capital infrastructure partially offset by favorable net General Fund operations.

Fund balance has been classified as:

Nonspendable	\$ 73,109
Restricted	2,485,631
Committed	11,781,650
Assigned	952,688
Unassigned	<u>17,437,699</u>
Total	<u><u>\$ 32,730,777</u></u>

The total fund balance decreased by \$2,757,992. This decrease 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 \$614,279 in the Town's General Fund, compared to an increase of \$3,674,998 in the prior year. The drivers of the increase were lower than anticipated expenses, higher interest income and higher building permit fees, as noted earlier.

Capital Projects Fund - \$13,472,200 was expended for asset acquisitions and improvements, most notably road, bridge and sidewalk improvements, police station renovations, and improvements to Biscoglio Field. The \$3,318,094 decrease in fund balance was driven by the capital outlay, partially offset by \$7,396,872 of grant revenues and \$3,260,661 of 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 \$24,220,975, which is an increase of \$1,651,150 or 7.3% from the previous year's total of \$22,569,825. 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 decrease in net position of \$451,616, or 9.1% from the prior year. The major driver of this decrease was higher than planned medical claims.

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

General Fund budgetary highlights

Significant budget transfers during the year included:

- Additional revenues of \$509,000 from the Municipal Revenue Sharing grant to fund the purchase of several vehicles (transfers out)
- Additional appropriation of fund balance of \$2,725,000 (transfers out)
 - \$1,000,000 to fund police station renovations
 - \$920,000 to fund the purchase of several vehicles
 - \$300,000 to reduce the impact of expenditure increases on the current levy
 - \$280,000 to fund the renovation of playground
 - \$150,000 to fund the required local match of State and Federal grants
 - \$75,000 to fund recapping the basketball/tennis courts at Berlin High School

Revenues

Revenue and other financing sources were \$2,299,697 below budget (including \$4,068,000 budgeted use of fund balance). Revenues alone were \$1,680,997 above budget. The major sources of this favorability were higher than budgeted current year taxes, higher building permit fees and higher investment income.

Property tax revenues were \$339,624 higher than the budget. The revenues recorded for fiscal year 2024 reflect a tax rate of 29.56 mills, a decrease from the 34.31 rate used in the previous fiscal year and a continued strong collection rate of 98.78%.

Income from investments was \$948,793 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 \$2,913,976 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 \$735,641 driven by budgeted contingency remaining unspent, lower property tax refunds, lower unemployment charges and lower personnel costs from vacant positions.
- Physical services was underspent by \$788,343 driven by lower refuse disposal fees, favorable storm-related expenditures caused by a milder winter and favorable utility costs for electricity, telephone and fuel.
- Schools were underspent by \$339,612 driven by lower electricity costs and lower contractual services costs.

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

Capital assets and long-term liabilities

Capital assets

The Town's capital assets (net of accumulated depreciation/amortization) totaled \$216,460,953. Capital assets by type are detailed in the table below:

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

Category	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 23,705,966	\$ 23,705,966	\$ 1,415,112	\$ 1,415,112	\$ 25,121,078	\$ 25,121,078
Intangible assets	-	-	564,551	564,551	564,551	564,551
Construction in progress	16,556,634	13,175,940	7,612,621	5,798,694	24,169,255	18,974,634
Land improvements	6,531,056	3,979,210	-	-	6,531,056	3,979,210
Buildings and systems	101,663,011	104,032,905	812,710	900,123	102,475,721	104,933,028
Intangible right-to-use assets	775,561	1,042,754	-	-	775,561	1,042,754
Machinery and equipment	11,853,635	7,994,291	683,442	622,872	12,537,077	8,617,163
Infrastructure	36,286,361	36,091,654	8,000,293	8,137,126	44,286,654	44,228,780
Total	\$ 197,372,224	\$ 190,022,720	\$ 19,088,729	\$ 17,438,478	\$ 216,460,953	\$ 207,461,198
Dollar change	<u>\$ 7,349,504</u>		<u>\$ 1,650,251</u>		<u>\$ 8,999,755</u>	
Percentage change	<u>3.87%</u>		<u>9.46%</u>		<u>4.34%</u>	

This year's major additions included:

Governmental Activities

- Construction in progress
 - Willard Elementary School HVAC renovations \$3,764,870
 - Christian Ln/Deming Rd/Porter's Pass Rd project 919,675
 - Police station renovations 795,406
- Land improvements
 - Biscoglio Field grass-to-turf conversion 2,399,842
 - Percival soccer field renovations 459,329
- Buildings and systems
 - Highway vehicle wash bay 482,837
- Machinery and equipment
 - Firetrucks (2) 1,800,000
 - Townwide fire radio upgrade 1,278,779
 - Fire alarm upgrade – Willard 292,500
 - Fire alarm upgrade – Griswold 261,000
- Infrastructure
 - Streets 1,226,763

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

Business-type Activities

- Construction in progress
 - Water main replacement \$1,758,000
- Machinery and equipment
 - Ford F550 4x4 103,883

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**

Category	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 41,465,000	\$ 47,825,000	\$ -	\$ -	\$ 41,465,000	\$ 47,825,000
Notes payable	7,555,702	7,992,654	3,694,389	2,788,578	11,250,091	10,781,232
Interim funding obligation	-	-	-	1,029,914	-	1,029,914
Leases payable	519,512	635,650	-	-	519,512	635,650
Subscriptions payable	284,535	426,687	-	-	284,535	426,687
Total	\$ 49,824,749	\$ 56,879,991	\$ 3,694,389	\$ 3,818,492	\$ 53,519,138	\$ 60,698,483
Dollar change	<u>\$ (7,055,242)</u>		<u>\$ (124,103)</u>		<u>\$ (7,179,345)</u>	
Percentage change	<u>(12.40%)</u>		<u>(3.25%)</u>		<u>(11.83%)</u>	

The Town's general obligation bonds outstanding decreased by \$6,360,000 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 2024.

The Town had \$7,555,702 in equipment financing notes, a decrease of \$436,952 due to scheduled principal payments. The Town had \$2,580,087 in Clean Water Fund notes, a decrease of \$208,491 due to scheduled principal payments. The Town converted Drinking Water Fund interim obligations into a \$1,152,726 permanent obligation, an increase of \$84,388, net of current year 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 \$2,912,447 (\$2,580,087 principal and \$332,360 interest). The Town has one twenty-year 2% loan with the State of Connecticut Department of Public Health's Drinking Water State Revolving Loan Fund to fund a water main upgrade. 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 \$1,330,663 (\$1,114,302 principal and \$216,361 interest). More detailed information about these two loans is presented in Note III F to the financial statements.

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

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 \$605,494,260.

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 \$102,837,661 in the fiscal year 2025 budget. This is an increase of approximately 3.2% over fiscal year 2024. The tax mill rate increased from 29.56 to 30.21.

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. The Town substantially completed a sewer project for the replacement of one 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 93.7% of the fiscal year 2025 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 2024, the unemployment rate in Berlin was 2.1% (not seasonally adjusted) compared to 2.8% in the Hartford Labor Market Area, 2.8% in the State of Connecticut and 4.3% 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, 2024

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 9,697,873	\$ 4,285,744	\$ 13,983,617
Investments	34,161,049	4,442,758	38,603,807
Receivables:			
Property taxes	888,251	-	888,251
Usage	-	682,598	682,598
Special assessments and connection charges	-	14,490	14,490
Accounts	201,959	-	201,959
Intergovernmental	1,736,086	-	1,736,086
Leases	26,691	-	26,691
Other	55,401	-	55,401
Total current assets	<u>46,767,310</u>	<u>9,425,590</u>	<u>56,192,900</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	1,959,158	-	1,959,158
Investments	500,563	-	500,563
Permanently restricted:			
Cash	68,297	-	68,297
Total restricted assets	<u>2,528,018</u>	<u>-</u>	<u>2,528,018</u>
Receivables (net):			
Property taxes	471,594	-	471,594
Usage	-	86,324	86,324
Leases	2,685,144	-	2,685,144
Total receivables (net)	<u>3,156,738</u>	<u>86,324</u>	<u>3,243,062</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	16,556,634	7,612,621	24,169,255
Land improvements	6,531,056	-	6,531,056
Buildings and systems	101,663,011	812,710	102,475,721
Intangible right-to-use assets	775,561	-	775,561
Machinery and equipment	11,853,635	683,442	12,537,077
Infrastructure	36,286,361	8,000,293	44,286,654
Total capital assets (net of accumulated depreciation/amortization)	<u>197,372,224</u>	<u>19,088,729</u>	<u>216,460,953</u>
Total noncurrent assets	<u>203,056,980</u>	<u>19,175,053</u>	<u>222,232,033</u>
Total assets	<u>249,824,290</u>	<u>28,600,643</u>	<u>278,424,933</u>
<u>Deferred Outflows of Resources</u>			
Pension related	103,361	-	103,361
OPEB related	1,402,929	3,858	1,406,787
Deferred amount on refunding	54,349	-	54,349
Total deferred outflows of resources	<u>1,560,639</u>	<u>3,858</u>	<u>1,564,497</u>

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

(Continued)

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2024

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 2,231,391	\$ 539,358	\$ 2,770,749
Retainage payable	460,893	104,221	565,114
Accrued payroll and related liabilities	386,110	4,429	390,539
Accrued interest payable	133,187	-	133,187
Unearned revenue	4,076,803	-	4,076,803
Long-term debt	7,093,503	266,128	7,359,631
Compensated absences	237,810	10,736	248,546
Claims payable	1,436,769	-	1,436,769
Heart and hypertension	32,000	-	32,000
OPEB liability	329,000	1,000	330,000
Tax overpayments	68,000	-	68,000
Total current liabilities	<u>16,485,466</u>	<u>925,872</u>	<u>17,411,338</u>
Noncurrent liabilities:			
Performance bonds	2,440,883	-	2,440,883
Long-term debt and related liabilities	43,655,079	3,428,261	47,083,340
Compensated absences	147,379	-	147,379
Heart and hypertension	46,407	-	46,407
Net pension liability	2,582,778	-	2,582,778
OPEB liability	8,305,749	22,747	8,328,496
Total noncurrent liabilities	<u>57,178,275</u>	<u>3,451,008</u>	<u>60,629,283</u>
Total liabilities	<u>73,663,741</u>	<u>4,376,880</u>	<u>78,040,621</u>
<u>Deferred Inflows of Resources</u>			
Lease related	2,680,332	-	2,680,332
Pension related	126,937	-	126,937
OPEB related	2,416,602	6,646	2,423,248
Total deferred inflows of resources	<u>5,223,871</u>	<u>6,646</u>	<u>5,230,517</u>
<u>Net Position</u>			
Net investment in capital assets	145,847,342	15,290,119	161,137,461
Restricted for:			
Endowments:			
Nonexpendable	68,297	-	68,297
Expendable	18,838	-	18,838
Community development	34,280	-	34,280
Public safety	202,105	-	202,105
Health and human services	2,466	-	2,466
Parks, recreation and libraries	423,059	-	423,059
Schools	1,804,883	-	1,804,883
Unrestricted	24,096,047	8,930,856	33,026,903
Total net position	<u>\$ 172,497,317</u>	<u>\$ 24,220,975</u>	<u>\$ 196,718,292</u>

(Concluded)

Town of Berlin, Connecticut
Statement of Activities
For the Year Ended June 30, 2024

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
Governmental activities:							
General government	\$ 4,835,248	\$ 1,845,568	\$ 258,483	\$ 2,119,355	\$ (611,842)	\$ -	\$ (611,842)
Community development	1,327,579	-	480	23,714	(1,303,385)	-	(1,303,385)
Public safety	14,409,186	919,608	15,367	418,540	(13,055,671)	-	(13,055,671)
Physical services	10,088,424	101,018	-	4,835,263	(5,152,143)	-	(5,152,143)
Parks, recreation and libraries	5,599,033	1,845,964	-	-	(3,753,069)	-	(3,753,069)
Health and human services	2,293,085	574,757	-	-	(1,718,328)	-	(1,718,328)
Schools	74,792,516	1,890,740	18,967,099	-	(53,934,677)	-	(53,934,677)
Interest	1,209,212	-	-	-	(1,209,212)	-	(1,209,212)
Total governmental activities	114,554,283	7,177,655	19,241,429	7,396,872	(80,738,327)	-	(80,738,327)
Business-type activities:							
Water and sewer services	5,086,124	5,899,141	26,733	-	-	839,750	839,750
Total	\$119,640,407	\$13,076,796	\$19,268,162	\$7,396,872	(80,738,327)	839,750	(79,898,577)
General revenues:							
Property taxes					86,341,206	-	86,341,206
Grants and contributions not restricted to specific programs					1,404,684	-	1,404,684
Income from investments					2,831,679	268,520	3,100,199
Other					142,823	547,380	690,203
Total general revenues					90,720,392	815,900	91,536,292
Change in net position before transfers					9,982,065	1,655,650	11,637,715
Transfers in (transfers out)					4,500	(4,500)	-
Change in net position					9,986,565	1,651,150	11,637,715
Net position - July 1, 2023					162,510,752	22,569,825	185,080,577
Net position - June 30, 2024					\$172,497,317	\$24,220,975	\$196,718,292

25

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

Town of Berlin, Connecticut

Governmental Funds
Balance Sheet
June 30, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 318,089	\$ 25,000	\$ 3,446,052	\$ 3,789,141
Restricted cash	1,940,320	-	-	1,940,320
Investments	19,946,417	14,214,632	-	34,161,049
Restricted investments	500,563	-	-	500,563
Receivables (net):				
Property taxes	1,359,845	-	-	1,359,845
Accounts	3,501	-	113,458	116,959
Intergovernmental	-	1,620,298	115,788	1,736,086
Leases	2,711,835	-	-	2,711,835
Due from other funds	60,000	-	-	60,000
Other	-	-	55,401	55,401
Total assets	<u>\$ 26,840,570</u>	<u>\$ 15,859,930</u>	<u>\$ 3,730,699</u>	<u>\$ 46,431,199</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,386,836	\$ 826,213	\$ 14,507	\$ 2,227,556
Retainage payable	-	460,893	-	460,893
Accrued payroll and related liabilities	383,544	-	2,566	386,110
Unearned revenue	125,931	3,203,348	747,524	4,076,803
Performance bonds	2,440,883	-	-	2,440,883
Tax overpayments	68,000	-	-	68,000
Total liabilities	<u>4,405,194</u>	<u>4,490,454</u>	<u>764,597</u>	<u>9,660,245</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property taxes	1,359,845	-	-	1,359,845
Lease related	2,680,332	-	-	2,680,332
Total deferred inflows of resources	<u>4,040,177</u>	<u>-</u>	<u>-</u>	<u>4,040,177</u>
<u>Fund Balances</u>				
Nonspendable	4,812	-	68,297	73,109
Restricted	-	-	2,485,631	2,485,631
Committed	-	11,369,476	412,174	11,781,650
Assigned	952,688	-	-	952,688
Unassigned	17,437,699	-	-	17,437,699
Total fund balances	<u>18,395,199</u>	<u>11,369,476</u>	<u>2,966,102</u>	<u>32,730,777</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,840,570</u>	<u>\$ 15,859,930</u>	<u>\$ 3,730,699</u>	<u>\$ 46,431,199</u>

(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, 2024

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)	\$ 32,730,777
---	---------------

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

Beginning capital assets (net)	190,022,720
Capital assets additions (net of construction in progress)	13,573,428
Depreciation/amortization expense	(6,223,121)
Disposal of capital assets	(803)
	197,372,224

Total	197,372,224
-------	-------------

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	1,359,845
Deferred outflows of resources related to pensions	103,361
Deferred outflows of resources related to OPEB	1,402,929
Deferred amount on refunding	54,349
	2,920,484

Total	2,920,484
-------	-----------

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	4,501,856
---	-----------

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	(50,748,582)
Compensated absences	(385,189)
Net pension liability	(2,582,778)
OPEB liability	(8,634,749)
Accrued interest payable	(133,187)
Deferred inflows of resources related to pensions	(126,937)
Deferred inflows of resources related to OPEB	(2,416,602)
	(65,028,024)

Total	(65,028,024)
-------	--------------

Net position of governmental activities (Exhibit A)	\$ 172,497,317
---	----------------

(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, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 86,075,816	\$ -	\$ -	\$ 86,075,816
Intergovernmental	16,062,246	7,396,872	4,445,460	27,904,578
Charges for services	4,284,785	158,524	2,734,346	7,177,655
Income from investments	2,504,011	-	9,582	2,513,593
Contributions	-	-	138,407	138,407
Other	-	56,595	86,228	142,823
Total revenues	<u>108,926,858</u>	<u>7,611,991</u>	<u>7,414,023</u>	<u>123,952,872</u>
Expenditures:				
Current:				
General government	5,357,096	30,749	8,100	5,395,945
Community development	1,254,239	-	5,206	1,259,445
Public safety	11,126,244	-	635,442	11,761,686
Physical services	8,254,561	-	4,587	8,259,148
Parks, recreation and libraries	4,974,888	-	135,696	5,110,584
Health and human services	2,092,200	-	164,090	2,256,290
Schools	64,394,570	-	6,505,079	70,899,649
Debt service	7,699,926	640,502	-	8,340,428
Capital outlay	-	13,472,200	-	13,472,200
Total expenditures	<u>105,153,724</u>	<u>14,143,451</u>	<u>7,458,200</u>	<u>126,755,375</u>
Excess (deficiency) of revenues over expenditures	<u>3,773,134</u>	<u>(6,531,460)</u>	<u>(44,177)</u>	<u>(2,802,503)</u>
Other financing sources (uses):				
Sale of assets	-	38,698	-	38,698
Transfers in	91,806	3,260,661	-	3,352,467
Transfers out	(3,250,661)	(85,993)	(10,000)	(3,346,654)
Net other financing sources (uses)	<u>(3,158,855)</u>	<u>3,213,366</u>	<u>(10,000)</u>	<u>44,511</u>
Net change in fund balances	614,279	(3,318,094)	(54,177)	(2,757,992)
Fund balances - July 1, 2023	<u>17,780,920</u>	<u>14,687,570</u>	<u>3,020,279</u>	<u>35,488,769</u>
Fund balances - June 30, 2024	<u>\$ 18,395,199</u>	<u>\$ 11,369,476</u>	<u>\$ 2,966,102</u>	<u>\$ 32,730,777</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, 2024

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) \$ (2,757,992)

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	13,573,428
Depreciation/amortization expense	<u>(6,223,121)</u>
Total	<u>7,350,307</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or donated:

Loss on disposal of assets	<u>(803)</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>265,390</u>
--	----------------

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:

Principal repayments:	
General obligation bonds and notes payable	6,796,952
Leases	116,138
Subscriptions	<u>142,152</u>
Total	<u>7,055,242</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, 2024

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	\$ 341,512
Compensated absences	196,515
Net pension liability	(1,398,732)
OPEB liability	(276,486)
Accrued interest payable	24,996
Deferred amount on refunding	(32,244)
Deferred outflows related to pension	23,386
Deferred outflows related to OPEB	(326,035)
Deferred inflows related to pension	(126,937)
Deferred inflows related to OPEB	<u>100,062</u>
Total	<u>(1,473,963)</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>(451,616)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 9,986,565</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, 2024

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
<u>Assets</u>	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Current assets:		
Cash	\$ 4,285,744	\$ 5,995,867
Investments	4,442,758	-
Receivables:		
Accounts	-	25,000
Usage	682,598	-
Special assessments and connection charges	14,490	-
Total current assets	<u>9,425,590</u>	<u>6,020,867</u>
Noncurrent assets:		
Receivables (net):		
Usage	<u>86,324</u>	<u>-</u>
Capital assets (net):		
Land	1,415,112	-
Intangible assets	564,551	-
Construction in progress	7,612,621	-
Buildings and systems	812,710	-
Machinery and equipment	683,442	-
Infrastructure	<u>8,000,293</u>	<u>-</u>
Total capital assets	19,088,729	-
Total noncurrent assets	<u>19,175,053</u>	<u>-</u>
Total assets	<u>28,600,643</u>	<u>6,020,867</u>
<u>Deferred Outflows of Resources</u>		
OPEB related	<u>3,858</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, 2024

	<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	\$ 539,358	\$ 3,835
Retainage payable	104,221	-
Accrued payroll and related liabilities	4,429	-
Notes payable	266,128	-
Compensated absences	10,736	-
OPEB liability	1,000	-
Claims payable	-	1,436,769
Heart and hypertension	-	32,000
Total current liabilities	<u>925,872</u>	<u>1,472,604</u>
Noncurrent liabilities:		
Notes payable	3,428,261	-
Heart and hypertension	-	46,407
OPEB liability	<u>22,747</u>	<u>-</u>
Total noncurrent liabilities	<u>3,451,008</u>	<u>46,407</u>
Total liabilities	<u>4,376,880</u>	<u>1,519,011</u>
<u>Deferred Inflows of Resources</u>		
OPEB related	<u>6,646</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	15,290,119	-
Unrestricted	<u>8,930,856</u>	<u>4,501,856</u>
Total net position	<u>\$ 24,220,975</u>	<u>\$ 4,501,856</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, 2024

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Operating revenues:		
Premiums	\$ -	\$ 11,168,918
Charges for services	5,899,141	-
Insurance proceeds	-	14,688
Other	547,380	-
	<u>6,446,521</u>	<u>11,183,606</u>
Total operating revenues		
Operating expenses:		
Claims	-	10,548,636
Repairs and maintenance	-	131,872
Administration	254,023	1,271,487
Employee benefits	258,765	-
Purchase of water	872,641	-
Source of supply	2,440,630	-
Pumping	170,445	-
Transmission and distribution	205,841	-
Salaries - administrative and general	163,984	-
Salaries - operating and maintenance	372,953	-
Depreciation	268,525	-
	<u>5,007,807</u>	<u>11,951,995</u>
Total operating expenses		
Income (loss) from operations	<u>1,438,714</u>	<u>(768,389)</u>
Nonoperating revenues (expenses):		
Intergovernmental	26,733	-
Income from investments	268,520	318,086
Interest expense	(78,317)	-
	<u>216,936</u>	<u>318,086</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers	1,655,650	(450,303)
Transfers out	<u>(4,500)</u>	<u>(1,313)</u>
Change in net position	1,651,150	(451,616)
Total net position - July 1, 2023	<u>22,569,825</u>	<u>4,953,472</u>
Total net position - June 30, 2024	<u>\$ 24,220,975</u>	<u>\$ 4,501,856</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, 2024

	<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	\$ 547,380	\$ -
Cash received from premiums and employees	-	11,151,838
Cash received from customers	5,789,458	-
Cash received from insurance and others	-	14,688
Cash payments to employees for services	(539,430)	-
Cash payments to providers of benefits and for claims	-	(9,793,307)
Cash payments to providers of administration	-	(1,271,487)
Cash payments to suppliers for goods and services	<u>(4,217,695)</u>	<u>(156,021)</u>
Net cash from (used in) operating activities	<u>1,579,713</u>	<u>(54,289)</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>(4,500)</u>	<u>(1,313)</u>
Cash flows from (used in) capital and related financing activities:		
Purchase of capital assets	(1,918,776)	-
Proceeds from grants and drinking water notes	149,545	-
Principal payments	(246,915)	-
Interest payments	<u>(78,317)</u>	<u>-</u>
Net cash from (used in) capital and related financing activities	<u>(2,094,463)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>268,520</u>	<u>318,086</u>
Increase (decrease) in cash	(250,730)	262,484
Cash and cash equivalents - July 1, 2023	<u>8,979,232</u>	<u>5,733,383</u>
Cash and cash equivalents - June 30, 2024	<u>\$ 8,728,502</u>	<u>\$ 5,995,867</u>
Reconciliation to statement of net position:		
Cash and cash equivalents per above	\$ 8,728,502	\$ 5,995,867
Cash and cash equivalents reported as investments	<u>(4,442,758)</u>	<u>-</u>
Statement of net position	<u>\$ 4,285,744</u>	<u>\$ 5,995,867</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, 2024

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Income (loss) from operations	\$ 1,438,714	\$ (768,389)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	268,525	-
(Increase) decrease in:		
Accounts receivable	-	(17,080)
Usage receivable	(111,194)	-
Special assessments and connection charges receivable	1,511	-
Deferred outflows of resources - OPEB related	3,763	-
Increase (decrease) in:		
Accounts payable	(24,589)	(24,149)
Retainage payable	24,258	-
Claims payable	-	786,624
Heart and hypertension	-	(31,295)
Accrued payroll and related	(2,493)	-
Compensated absences	(1,242)	-
OPEB liability	(13,093)	-
Deferred inflows of resources - OPEB related	(4,447)	-
Net cash from (used in) operating activities	<u>\$ 1,579,713</u>	<u>\$ (54,289)</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, 2024

	Pension and OPEB Trust Fund	Private Purpose Trust Fund Memorial Fund
<u>Assets</u>		
Cash	\$ 17,770	\$ -
Investments:		
Mutual funds:		
Money market	2,817,562	-
Equity	15,889,862	-
Bond	3,077,492	-
Real estate	256,102	-
Diversified	22,687,478	-
Bank money market	-	60,985
Annuities	2,025,345	-
Fixed income funds	12,622,687	-
	59,376,528	60,985
Total investments		
	59,394,298	60,985
Total assets		
		60,985
<u>Liabilities</u>		
Due to other funds	60,000	-
	60,000	-
<u>Net Position</u>		
Restricted for:		
Pensions	58,884,751	-
OPEB	449,547	-
Individuals and organizations	-	60,985
	59,334,298	60,985
Total net position	\$ 59,334,298	\$ 60,985

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, 2024

	Pension and OPEB Trust Fund	Private Purpose Trust Fund Memorial Fund
Additions:		
Contributions:		
Employer	\$ 2,872,995	\$ -
Employee	1,043,795	-
Other	95,627	-
Total contributions	4,012,417	-
Investment income (loss):		
Net change in fair value of investments	4,749,342	513
Interest and dividends	1,247,533	-
Total investment income (loss)	5,996,875	513
Total additions	10,009,292	513
Deductions:		
Benefits	5,169,918	-
Administration	219,755	-
Total deductions	5,389,673	-
Change in net position	4,619,619	513
Net position - July 1, 2023	54,714,679	60,472
Net position - June 30, 2024	\$ 59,334,298	\$ 60,985

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, 2024****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, 2024

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.
----------------------	--

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, 2024

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 Employee and Police Retirement Plans 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, 2024

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.

There is no formal investment policy for the Town of Berlin Employee Retirement Plan. The following was the Town’s adopted asset allocation policy for the Town of Berlin Police Pension Benefit Fund:

<u>Asset Class</u>	<u>Target Allocation</u>
Short-term fixed income	43.00%
Core fixed income	30.00%
Publicly traded global equity	<u>27.00%</u>
Total	<u>100.00%</u>

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, 2024

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, 2024

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 2.00% to 40.00% 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 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, 2024

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, 2024****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, 2024

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

9. Lease and subscription liabilities

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.

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, 2024

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, 2024****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. 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 \$18,838.

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, 2024

B. Capital projects authorizations

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

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
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	2,957,593	662,729
55 Steele Blvd (889 Farmington Ave remediation)	2,081,865	1,233,498	848,367
Fire truck	950,000	473,416	476,584
Kensington Road bridge	462,000	183,980	278,020
Edgewood Road bridge	421,445	16,319	405,126
Glen Street bridge	500,000	215,784	284,216
HVAC upgrades (ARPA grant)	5,048,046	3,795,685	1,252,361
LOTICIP road improvement	5,472,399	4,488,261	984,138
Police station renovations	3,700,000	1,277,737	2,422,263
Police radio upgrades	1,300,000	-	1,300,000
Total	\$ 109,040,562	\$ 95,818,885	\$ 13,221,677

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

At year end, the Town's bank balance, including bank money market accounts, classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 31,273,653</u>
Uninsured and uncollateralized	\$ 14,941,652
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,733,470</u>
Total amount subject to custodial credit risk	<u>\$ 19,675,122</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.

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:					
Money market	\$ 2,817,562	\$ -	\$ 2,817,562	\$ -	\$ -
Equity	15,889,862	15,889,862	-	-	-
Bond	3,077,492	-	-	55,768	3,021,724
Real estate	256,102	256,102	-	-	-
Diversified	22,687,478	22,687,478	-	-	-
Bank money market	13,539,928	-	13,539,928	-	-
Pooled fixed income	25,625,427	-	25,625,427	-	-
Annuities	2,025,345	-	-	2,025,345	-
Fixed income funds	12,622,687	-	-	12,622,687	-
Total	98,541,883	<u>\$ 38,833,442</u>	<u>\$ 41,982,917</u>	<u>\$ 14,703,800</u>	<u>\$ 3,021,724</u>
Less fiduciary funds	<u>(59,437,513)</u>				
Other funds	<u>\$ 39,104,370</u>				

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

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

	Amount	Quoted Market	Significant	Significant
		Prices in Active Markets Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3
Investments by fair value level				
Mutual funds:				
Money market	\$ 2,817,562	\$ 2,817,562	\$ -	\$ -
Equity	15,889,862	15,889,862	-	-
Bond	3,077,492	3,077,492	-	-
Real estate	256,102	256,102	-	-
Diversified	22,687,478	22,687,478	-	-
Annuities	2,025,345	-	-	2,025,345
Fixed income funds	12,622,687	-	12,622,687	-
Total investments by fair value level	59,376,528	\$ 44,728,496	\$ 12,622,687	\$ 2,025,345
Other investments:				
Bank money market	13,539,928			
Pooled fixed income	25,625,427			
Total other investments	39,165,355			
Total investments	\$ 98,541,883			

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			
	AAA	AA	Unrated	Total
Mutual funds				
Money market	\$ -	\$ -	\$ 2,817,562	\$ 2,817,562
Bond	-	-	3,077,492	3,077,492
Pooled fixed income	25,625,427	-	-	25,625,427
Annuities	-	2,025,345	-	2,025,345
Fixed income funds	-	-	12,622,687	12,622,687
Total	\$ 25,625,427	\$ 2,025,345	\$ 18,517,741	\$ 46,168,513

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Cash and investments (continued)

- 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. Receivables and related allowances for uncollectible accounts, are presented below:

	Property Taxes			Water and Sewer Usage
	Taxes	Interest and Lien Fees	Total	
Current portion	\$ 697,272	\$ 190,979	\$ 888,251	\$ 682,598
Long-term portion	776,877	370,631	1,147,508	101,997
Less allowance for uncollectibles	(453,214)	(222,700)	(675,914)	(15,673)
Net long-term portion	323,663	147,931	471,594	86,324
Total receivable	\$1,020,935	\$ 338,910	\$1,359,845	\$ 768,922

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	\$ -	\$ -	\$ 50,986	\$ 64
Town hall cell tower	2,711,835	2,680,332	116,662	28,054
Total	2,711,835	\$2,680,332	\$ 167,648	\$ 28,118
Less: current portion	(26,691)			
Long-term portion	\$2,685,144			

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Receivables (continued)

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, as lessor, entered into a 10-year lease agreement for the right to use a tract of land. The lease agreement includes three automatic five-year renewal terms. In fiscal year 2024, the Town entered into an extension of the cell tower lease which includes an initial five-year agreement and four five-year extensions that are expected to be used. Based on this agreement, the Town is receiving monthly payments through February 2049.

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	\$ 60,000	\$ -
Fiduciary funds:			
Pension and OPEB trust fund	General fund	-	60,000
Total		<u>\$ 60,000</u>	<u>\$ 60,000</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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

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	\$ 85,993	\$ 3,250,661
Water and sewer fund	N/A	4,500	-
Internal service funds	N/A	1,313	-
Total general fund		<u>91,806</u>	<u>3,250,661</u>
Capital projects fund			
General fund	N/A	3,250,661	85,993
Town funds	N/A	10,000	-
Total capital projects fund		<u>3,260,661</u>	<u>85,993</u>
Other governmental funds:			
Special revenue funds			
Town funds	Capital projects fund	-	10,000
Total governmental funds		<u>3,352,467</u>	<u>3,346,654</u>
Enterprise funds:			
Water and sewer fund	General fund	-	4,500
Internal service funds:			
Medical and health insurance fund	General fund	-	1,313
Total		<u>\$ 3,352,467</u>	<u>\$ 3,352,467</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, 2024

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 23,705,966	\$ -	\$ -	\$ 23,705,966
Construction in progress	13,175,940	6,037,833	2,657,139	16,556,634
Total capital assets not being depreciated	<u>36,881,906</u>	<u>6,037,833</u>	<u>2,657,139</u>	<u>40,262,600</u>
Capital assets being depreciated/amortized				
Land improvements	7,597,613	2,897,227	-	10,494,840
Buildings and systems	152,266,556	683,314	-	152,949,870
Intangible right-to-use assets	1,275,553	-	-	1,275,553
Machinery and equipment	21,810,276	4,998,145	769,770	26,038,651
Infrastructure	73,947,656	1,614,048	-	75,561,704
Total capital assets being depreciated/amortized	<u>256,897,654</u>	<u>10,192,734</u>	<u>769,770</u>	<u>266,320,618</u>
Total capital assets	<u>293,779,560</u>	<u>16,230,567</u>	<u>3,426,909</u>	<u>306,583,218</u>
Less accumulated depreciation/amortization				
Land improvements	3,618,403	345,381	-	3,963,784
Buildings and systems	48,233,651	3,053,208	-	51,286,859
Intangible right-to-use assets	232,799	267,193	-	499,992
Machinery and equipment	13,815,985	1,137,998	768,967	14,185,016
Infrastructure	37,856,002	1,419,341	-	39,275,343
Total accumulated depreciation/amortization	<u>103,756,840</u>	<u>6,223,121</u>	<u>768,967</u>	<u>109,210,994</u>
Net capital assets being depreciated/amortized	<u>153,140,814</u>	<u>3,969,613</u>	<u>803</u>	<u>157,109,624</u>
Net capital assets	<u>\$ 190,022,720</u>	<u>\$ 10,007,446</u>	<u>\$ 2,657,942</u>	<u>\$ 197,372,224</u>

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

	Asset	Accumulated Amortization
Intangible right-to-use leased buildings and improvements	\$ 320,854	\$ 116,673
Intangible right-to-use leased machinery and equipment	388,408	102,599
Intangible right-to-use subscription assets	566,291	280,720
Total intangible right-to-use assets	<u>\$ 1,275,553</u>	<u>\$ 499,992</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets (continued)

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

General government	\$ 429,691
Community development	1,814
Public safety	547,720
Physical services	1,617,044
Parks, recreation and libraries	509,170
Health and human services	13,270
Schools	3,104,412
	<u>\$ 6,223,121</u>

Business-Type Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 1,415,112	\$ -	\$ -	\$ 1,415,112
Intangible assets	564,551	-	-	564,551
Construction in progress	5,798,694	1,813,927	-	7,612,621
Total capital assets not being depreciated	<u>7,778,357</u>	<u>1,813,927</u>	<u>-</u>	<u>9,592,284</u>
Capital assets being depreciated				
Buildings and systems	3,181,704	-	-	3,181,704
Machinery and equipment	1,399,496	104,849	-	1,504,345
Infrastructure	15,285,708	-	-	15,285,708
Total capital assets being depreciated	<u>19,866,908</u>	<u>104,849</u>	<u>-</u>	<u>19,971,757</u>
Total capital assets	<u>27,645,265</u>	<u>1,918,776</u>	<u>-</u>	<u>29,564,041</u>
Less accumulated depreciation				
Buildings and systems	2,281,581	87,413	-	2,368,994
Machinery and equipment	776,623	44,280	-	820,903
Infrastructure	7,148,583	136,832	-	7,285,415
Total accumulated depreciation	<u>10,206,787</u>	<u>268,525</u>	<u>-</u>	<u>10,475,312</u>
Net capital assets being depreciated	<u>9,660,121</u>	<u>(163,676)</u>	<u>-</u>	<u>9,496,445</u>
Net capital assets	<u>\$ 17,438,478</u>	<u>\$ 1,650,251</u>	<u>\$ -</u>	<u>\$ 19,088,729</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets (continued)

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

Water	\$ 88,580
Sewer	<u>179,945</u>
	<u><u>\$ 268,525</u></u>

E. Construction commitments

The Town has the following construction commitments:

Bridge Rehabilitation Program	\$ 306,017
55 Steele Boulevard	600,628
Firetruck	380,000
HVAC upgrades (ARPA grant)	1,116,933
LOT/CIP road improvement	202,577
Police Station renovations	<u>2,257,460</u>
Total	<u><u>\$ 4,863,615</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities

Bonds, notes, leases, and subscriptions 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:

58

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
General obligation	\$ 2,480,000	2013	12/01/32	2.50-4.00%	\$ 1,120,000	\$ -	\$ 170,000	\$ 950,000	\$ 170,000	\$ 780,000
General obligation	1,855,000	2014	12/01/33	3.00-5.00%	780,000	-	130,000	650,000	130,000	520,000
General obligation	720,000	2015	12/01/34	2.00-4.00%	440,000	-	40,000	400,000	40,000	360,000
General obligation	3,620,000	2016	12/01/35	2.00-4.00%	1,580,000	-	335,000	1,245,000	335,000	910,000
Refunding bonds	5,676,000	2016	09/01/25	2.00-5.00%	2,560,000	-	924,000	1,636,000	937,000	699,000
General obligation	4,150,000	2017	12/01/29	2.00-4.00%	2,150,000	-	400,000	1,750,000	400,000	1,350,000
General obligation	6,500,000	2019	12/01/28	2.00-4.00%	3,700,000	-	700,000	3,000,000	700,000	2,300,000
General obligation	4,200,000	2020	12/01/30	5.00%	3,360,000	-	420,000	2,940,000	420,000	2,520,000
Total general purpose	29,201,000				15,690,000	-	3,119,000	12,571,000	3,132,000	9,439,000
School bonds:										
General obligation	6,015,000	2013	12/01/32	2.50-4.00%	3,310,000	-	335,000	2,975,000	335,000	2,640,000
General obligation	16,500,000	2014	12/01/33	3.00-5.00%	9,520,000	-	870,000	8,650,000	865,000	7,785,000
General obligation	13,000,000	2015	12/01/34	2.00-4.00%	8,205,000	-	685,000	7,520,000	685,000	6,835,000
General obligation	13,150,000	2016	12/01/35	2.00-4.00%	8,980,000	-	695,000	8,285,000	695,000	7,590,000
Refunding bonds	5,244,000	2016	09/01/25	2.00-5.00%	1,870,000	-	606,000	1,264,000	623,000	641,000
General obligation	515,000	2017	12/01/29	2.00-4.00%	250,000	-	50,000	200,000	50,000	150,000
Total school bonds	54,424,000				32,135,000	-	3,241,000	28,894,000	3,253,000	25,641,000
Total bonds	83,625,000				47,825,000	-	6,360,000	41,465,000	6,385,000	35,080,000
Equipment financing notes (direct borrowing):										
Energy	10,340,341	2016	12/12/35	2.93%	7,992,654	-	436,952	7,555,702	469,249	7,086,453
Total bonds/notes	\$ 93,965,341				55,817,654	-	6,796,952	49,020,702	6,854,249	42,166,453

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Leases payable					\$ 635,650	\$ -	\$ 116,138	\$ 519,512	\$ 114,460	\$ 405,052
Subscriptions payable					426,687	-	142,152	284,535	124,794	159,741
Total long-term debt					56,879,991	-	7,055,242	49,824,749	7,093,503	42,731,246
Premium					1,265,345	-	341,512	923,833	-	923,833
Total long-term debt and related liabilities					58,145,336	-	7,396,754	50,748,582	7,093,503	43,655,079
Compensated absences (net change)					581,704	-	196,515	385,189	237,810	147,379
Heart and hypertension					109,702	-	31,295	78,407	32,000	46,407
Net pension liability					1,184,046	8,960,776	7,562,044	2,582,778	-	2,582,778
OPEB liability					8,358,263	815,326	538,840	8,634,749	329,000	8,305,749
Total long-term liabilities					\$ 68,379,051	\$ 9,776,102	\$ 15,725,448	\$ 62,429,705	\$ 7,692,313	\$ 54,737,392

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

In September 2024, the Town issued \$4,560,000 of General Obligation Bonds that mature in October 2034 and carry interest rates of 4.0% - 5.0%. In October 2024, the Town issued \$19,590,000 of General Obligation Refunding Bonds that mature in December 2035 and carry interest rates of 4.0% - 5.0%.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

Business-Type Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
<u>Notes:</u>										
Clean Water:										
CWF 212-CSL	\$ 2,236,514	2015	09/30/34	2.00%	\$ 1,258,038	\$ -	\$ 111,826	\$ 1,146,212	\$ 111,826	\$ 1,034,386
CWF 217-CSL	1,933,314	2019	04/30/39	2.00%	1,530,540	-	96,665	1,433,875	96,666	1,337,209
Drinking Water										
DWSRF 2023-7109	1,152,726	2024	10/31/43	2.00%	1,029,914	122,812	38,424	1,114,302	57,636	1,056,666
Total notes	5,322,554				3,818,492	122,812	246,915	3,694,389	266,128	3,428,261
Compensated absences (net change)					11,978	-	1,242	10,736	10,736	-
OPEB liability					36,840	2,207	15,300	23,747	1,000	22,747
Total long-term liabilities					\$ 3,867,310	\$ 125,019	\$ 263,457	\$ 3,728,872	\$ 277,864	\$ 3,451,008

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

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

Year Ended June 30,	Governmental Activities			Business-Type Activities	
	Bond Principal	Note Principal	Total Interest	Note Principal	Note Interest
2025	\$ 6,385,000	\$ 469,249	\$ 1,356,015	\$ 266,128	\$ 71,447
2026	6,110,000	500,314	1,144,221	266,128	66,125
2027	4,445,000	533,190	966,875	266,128	60,803
2028	4,435,000	570,078	827,841	266,128	55,481
2029	3,955,000	608,749	696,247	266,128	50,158
2030	3,275,000	649,671	579,750	266,128	44,835
2031	3,195,000	692,171	467,989	266,128	39,513
2032	2,660,000	736,696	360,089	266,128	34,191
2033	2,655,000	783,726	255,463	266,128	28,868
2034	2,265,000	832,597	153,841	266,128	23,545
2035	1,400,000	802,869	70,683	182,257	18,781
2036	685,000	376,392	15,792	154,302	15,601
2037	-	-	-	154,302	12,514
2038	-	-	-	154,302	9,425
2039	-	-	-	138,183	6,403
2040	-	-	-	57,636	4,467
2041	-	-	-	57,636	3,314
2042	-	-	-	57,636	2,161
2043	-	-	-	57,636	1,009
2044	-	-	-	19,219	80
Totals	<u>\$ 41,465,000</u>	<u>\$ 7,555,702</u>	<u>\$ 6,894,806</u>	<u>\$ 3,694,389</u>	<u>\$ 548,721</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$7,555,702 are secured with collateral of the equipment purchased.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)**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:

<u>Category</u>	<u>Debit Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 194,623,155	\$ 12,571,000	\$ 182,052,155
Schools	389,246,310	28,894,000	360,352,310
Sewer	324,371,925	1,006,751	323,365,174
Urban renewal	281,122,335	-	281,122,335
Pension deficit	259,497,540	-	259,497,540

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

\$ 605,494,260

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	\$ 658,683
Worthington Fire District	<u>348,068</u>
Total	<u>\$ 1,006,751</u>

There is also \$5,526,073 of overlapping debt for the Mattabasset 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	\$ 6,660,675
Schools	<u>12,565,219</u>
Total	<u>\$ 19,225,894</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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
One Liberty Square	2022	9	1.372%	\$ 320,854	\$ 209,858
Golf carts	2023	5	1.372%	388,408	309,654
Total				<u>\$ 709,262</u>	<u>\$ 519,512</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 lease payable principal and interest payments to maturity:

Year Ending June 30	Governmental Activities	
	Principal	Interest
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>\$ 519,512</u>	<u>\$ 18,471</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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
Hosted online index	2023	5	2.11%	\$ 527,287	\$ 284,535

*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.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 124,794	\$ 4,631
2026	127,455	1,922
2027	32,286	57
Totals	<u>\$ 284,535</u>	<u>\$ 6,610</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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	\$ 4,812	\$ -	\$ -	\$ 4,812
Tree purchases	-	-	5,000	5,000
Medical assistance	-	-	21,965	21,965
Library materials	-	-	41,332	41,332
Total nonspendable	<u>4,812</u>	<u>-</u>	<u>68,297</u>	<u>73,109</u>
Restricted				
Community development	-	-	35,223	35,223
Public safety programs	-	-	202,105	202,105
Health and human services programs	-	-	2,837	2,837
Parks, recreation and libraries programs	-	-	440,583	440,583
School programs	-	-	1,043,339	1,043,339
Lunch program*	-	-	761,544	761,544
Total restricted	<u>-</u>	<u>-</u>	<u>2,485,631</u>	<u>2,485,631</u>
Committed				
Capital projects				
Fire truck	-	158,813	-	158,813
Land acquisition and development	-	230,195	-	230,195
Economic development	-	317,318	-	317,318
Police station	-	1,018,969	-	1,018,969
Energy and streetlights	-	1,027,497	-	1,027,497
Other capital projects	-	3,720,569	-	3,720,569
Construction contracts	-	4,896,115	-	4,896,115
Town special events and activities	-	-	238,539	238,539
Parks, recreation and libraries programs	-	-	167,650	167,650
Schools	-	-	5,985	5,985
Total committed	<u>-</u>	<u>11,369,476</u>	<u>412,174</u>	<u>11,781,650</u>
Assigned				
Pension funding	652,688	-	-	652,688
Subsequent year's budget	300,000	-	-	300,000
Total assigned	<u>952,688</u>	<u>-</u>	<u>-</u>	<u>952,688</u>
Unassigned	<u>17,437,699</u>	<u>-</u>	<u>-</u>	<u>17,437,699</u>
Total fund balance	<u>\$ 18,395,199</u>	<u>\$ 11,369,476</u>	<u>\$ 2,966,102</u>	<u>\$ 32,730,777</u>
*The amount of net position restricted by enabling legislation totaled:				<u><u>\$ 761,544</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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 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.

As of July 1, 2024, the Town is no longer a member of CIRMA and purchases commercial insurance for liability-automobile-property and worker's compensation.

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, 2024

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>						
2022-2023	\$ 263,634	\$ 46,549	\$ 200,481	\$ 109,702	\$ 83,423	\$ 26,279
2023-2024	109,702	-	31,295	78,407	32,000	46,407
<u>Medical and Health Insurance Fund</u>						
2022-2023	704,183	9,922,747	9,976,785	650,145	650,145	-
2023-2024	650,145	10,548,636	9,762,012	1,436,769	1,436,769	-
<u>Totals</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>
2023-2024	<u>\$ 759,847</u>	<u>\$ 10,548,636</u>	<u>\$ 9,793,307</u>	<u>\$ 1,515,176</u>	<u>\$ 1,468,769</u>	<u>\$ 46,407</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, 2024

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	Tax Abatement Program adopted by the Berlin Town Council and consistent with 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	\$200,492
Assessment value	\$6,782,546

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024**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 \$38,509,222 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$5,526,073. 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 of Berlin is the sponsor and administrator of two single-employer defined benefit public employee retirement systems (“Plans”), the Town of Berlin Employee Retirement Plan and the Town of Berlin Police Benefit Fund, established and administered by the Town to provide pension benefits for its full-time employees and police employees who have elected to participate in the plan (excluding teachers covered under the Connecticut State Teachers’ Retirement System). The Town of Berlin Employee Retirement Plan is closed to police officers hired after June 30, 2000 and all other employees hired after March 18, 1987.

The Police Pension Benefit Fund was implemented effective July 1, 2023. 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. Any police officers participating in the Berlin Defined Benefit Plan are not eligible to participate in the Police Pension Benefit Fund.

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

Management of the Employee Retirement Plan rests with its 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.

Management of the Police Pension Benefit Fund rests with its Pension Committee, which consists of four members. The four members are the Town Manager, Finance Director, a representative from the Town Council and a representative from the Police Union.

b. Plan membership

The membership in the Plans as of the date indicated is comprised of the following:

Valuation date: July 1, 2023	Employee Retirement Plan	Police Retirement Plan
Retirees and beneficiaries receiving benefits	12	-
Terminated employees entitled to benefits	1	-
Active members	3	35
Total	<u>16</u>	<u>35</u>

2. Benefit provisions

All full-time employees hired and participating in the Town of Berlin Employee Retirement 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. Police officers participating in the Police Benefit Fund will receive benefits as described below. The Plans provides retirement, disability and death benefits to plan members and their beneficiaries.

	Employee Retirement Plan	Police Retirement Plan
Normal retirement	Police: Age 55 or 25 years of service All others: Age 65	Age 55 and 10 years of service or 25 years of service
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	2.00% times average earnings times years of credited service (max 20 years) plus 2.50% times average earnings times years of credited service in excess of 20 years, but less than or equal to 30 years of credited service

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

	Employee Retirement Plan	Police Retirement Plan
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	Highest average of any three consecutive plan years. Participants employed for a period of less than three plan years will have their compensation averaged over the entire period of his or her employment.
Early retirement age	Age 55 (age 45 for police)	Age 45
Early retirement service requirement	10 years	10 years
Early retirement amount	Actuarially reduced normal retirement benefit to reflect early retirement	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	60% of rate of earnings as of date of disability reduced by worker's compensation and any other disability benefits received
Vesting - age	None	None
Vesting - service	5 years	5 years
Vesting - amount	100%	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	Refund of employee contributions and transferred employer contributions (if any) plus interest. If the death is work-related, the surviving spouse will receive the deceased participant's rate of pay at his or her date of death, through his or her Normal Retirement Date. At Normal Retirement Date, the surviving spouse will receive the accrued benefit that the participant would have been entitled to if he or she had continued to work until his or her Normal Retirement Date.
Cost of living increases	None	None

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

3. Contributions

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

	Employee Retirement Plan	Police Retirement Plan
Police	6.00% to the defined contribution plan	8.00%
All others	5.00% to the defined contribution plan	Not applicable
Town	Amount determined by the actuary, considering the member contributions	Amount determined by the actuary, considering the member contributions
Town contribution	\$742,609	\$748,474

4. Investments

a. Investment policy and rate of return

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 Town of Berlin Employee Retirement 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 Town of Berlin Police Retirement Pension Plan's investment policy was adopted by the Investment Committee of the Town of Berlin on September 11, 2023. The goal of the overall investment strategy is to meet or exceed (a risk-appropriate) benchmark over full market cycles.

Best estimates of geometric real rates of return for each major asset class are included in the pension plans' target asset allocation.

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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

The following is the Committee’s adopted asset allocation policy and long-term expected real rate of return for the Town of Berlin Employee Retirement Plan:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Guaranteed deposit account	100.00%	0.90%
Long-term inflation rate		2.40%
Portfolio nominal mean rate		3.30%
Long-term expected nominal return		3.30%

The following is the Committee’s adopted asset allocation policy and long-term expected real rate of return for the Town of Berlin Police Retirement Plan:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short term fixed income	43.00%	3.00%
Core fixed income	30.00%	3.30%
US large cap	10.00%	4.10%
US small cap	5.00%	3.60%
International equity developed	12.00%	5.80%
Total/weighted average	100.00%	3.57%
Long-term inflation rate		2.40%
Portfolio nominal mean rate		5.97%
Long-term expected nominal return		5.97%

Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	Employee Retirement Plan	Police Retirement Plan
Rate of return	0.46%	7.98%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

b. Concentrations

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

5. Net pension liability

The components of the net pension liability were as follows:

	Employee Retirement Plan	Police Retirement Plan
Total pension liability	\$ 3,071,153	\$ 8,370,790
Plan fiduciary net position	<u>2,540,360</u>	<u>6,318,805</u>
Net pension liability	<u>\$ 530,793</u>	<u>\$ 2,051,985</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.72%</u>	<u>75.49%</u>

6. Actuarial methods and significant assumptions

	Employee Retirement Plan	Police Retirement Plan
Valuation date	July 1, 2023	July 1, 2023
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percent	Level percent
Amortization period	2 years	10 years, closed
Asset valuation method	Fair value	Fair value
Investment rate of return	3.50% pre-retirement and 3.86% post-retirement	5.00%
Discount rate	3.50%	5.00%
Inflation	2.40%	2.40%
Salary increases	3.25% for police and 2.75% for all others	3.25%
Cost of living adjustments	None	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	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety employees, 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, 2024

A. Town pension plans (continued)

7. Changes from prior year

a. Changes in assumptions

Employee Retirement Plan		
	From	To
Investment rate of return - post-retirement	3.24%	3.86%

b. Changes in benefit terms

The new police retirement plan effective July 1, 2024 is considered a change in benefit terms from the prior valuation.

8. Discount rate

The discount rate used to measure the total pension liability was as follows:

	Employee Retirement Plan	Police Retirement Plan
Discount Rate	3.50%	5.00%

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 plans' 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 plans' investments was used to discount plan liabilities.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)**9. Changes in the net pension liability**

The Town's net pension liability was measured at June 30, 2024, 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:

Valuation Date: July 1, 2023	Increase (Decrease)		
Employee Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2023	\$ 3,174,565	\$1,990,519	\$ 1,184,046
Service cost	77,139	-	77,139
Interest	110,259	-	110,259
Differences between expected and actual experience	203,792	-	203,792
Changes in assumptions	(289,954)	-	(289,954)
Contributions - employer	-	742,609	(742,609)
Net investment income	-	11,880	(11,880)
Benefit payments, including refunds of member contributions	(204,648)	(204,648)	-
Net change	(103,412)	549,841	(653,253)
Balance at June 30, 2024	<u>\$ 3,071,153</u>	<u>\$2,540,360</u>	<u>\$ 530,793</u>
Valuation Date: July 1, 2023	Increase (Decrease)		
Police Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2023	\$ -	\$ -	\$ -
Service cost	876,774	-	876,774
Interest	403,311	-	403,311
Change in benefit terms	7,285,776	-	7,285,776
Contributions - employer	-	748,474	(748,474)
Contributions - member	-	220,936	(220,936)
Net investment income	-	433,440	(433,440)
Benefit payments, including refunds of member contributions	(195,071)	(195,071)	-
Administrative expenses	-	(3,725)	3,725
Transfer from defined contribution plan	-	5,114,751	(5,114,751)
Net change	8,370,790	6,318,805	2,051,985
Balance at June 30, 2024	<u>\$ 8,370,790</u>	<u>\$6,318,805</u>	<u>\$ 2,051,985</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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:

<u>Net pension liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employee retirement plan	3.50%	\$ 768,387	\$ 530,793	\$ 335,053
Police retirement plan	5.00%	\$ 3,959,660	\$ 2,051,985	\$ 550,679

11. Pension expense and deferred outflows and inflows of resources

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

<u>Employee Retirement Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Description of Outflows</u>		
Net difference between projected and actual earnings on pension plan investments	\$ 103,361	\$ -
<u>Pension Expense</u>		
The plan recognized pension expense of	\$ 65,970	
<u>Police Retirement Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Description of Outflows</u>		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 126,937
<u>Pension Expense</u>		
The plan recognized pension expense of	\$ 2,927,396	

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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

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

Year Ending June 30,	Employee Retirement Plan	Police Retirement Plan
2025	\$ 38,593	\$ (31,734)
2026	30,673	(31,734)
2027	20,671	(31,734)
2028	13,424	(31,735)
Total	<u>\$ 103,361</u>	<u>\$ (126,937)</u>

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 \$787,397 and the Town's matching share was \$1,381,912. 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 Town annually contributes \$500 per qualifying firefighter. Employees contributed \$19,020 and the Town contributed \$26,000.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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.

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)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
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	5 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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Employees

Each teacher is required to contribute 7.00% of their salary 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	93,230,760
Total	<u>\$ 93,230,760</u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 8,650,499</u>

The collective net pension liability was measured as of June 30, 2023, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2023. The Town has no proportionate share of the collective net pension liability.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

5. Actuarial assumptions

The collective total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
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

Future cost-of-living increases are as follows:

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
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%
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, 2023 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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)**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 Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
Total	<u>100.00%</u>	

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 collective net pension liability to changes in the discount rate

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)**8. Plan fiduciary net position**

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

D. Total pension plans

	Net Pension Liability	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Employee	\$ 530,793	\$ 65,970	\$ 103,361	\$ -
Police	<u>2,051,985</u>	<u>2,927,396</u>	<u>-</u>	<u>126,937</u>
Total	<u>\$ 2,582,778</u>	<u>\$ 2,993,366</u>	<u>\$ 103,361</u>	<u>\$ 126,937</u>

E. 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

The membership in the Plan as of the date indicated is comprised of the following:

<u>Valuation date: July 1, 2022</u>	<u>Town</u>
Retirees and beneficiaries receiving benefits	40
Active members	<u>620</u>
Total	<u>660</u>

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, 2024

E. 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, 2024 and was \$8,658,496.

5. Actuarial methods and significant assumptions:

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Discount rate	3.93%
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	3.65%	3.93%

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, 2024

E. Other post-employment benefit plan (continued)

7. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2024, and was determined by an actuarial valuation dated as noted below:

<u>Valuation Date: July 1, 2022</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2023	\$ 8,395,103
Service cost	497,844
Interest	319,689
Changes in assumptions	(282,991)
Benefit payments, including refunds of member contributions	<u>(271,149)</u>
Net change	<u>263,393</u>
Balance at June 30, 2024	<u><u>\$8,658,496</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>3.93%</u>	<u>\$ 9,735,617</u>	<u>\$ 8,658,496</u>	<u>\$ 7,749,515</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>\$ 7,341,526</u>	<u>\$ 8,658,496</u>	<u>\$ 10,330,641</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

The Town reported deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

<u>Description of Outflows/ Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 162,577	\$ 975,630	\$ (813,053)
Changes in assumptions	<u>1,244,210</u>	<u>1,447,618</u>	<u>(203,408)</u>
Total	<u>\$ 1,406,787</u>	<u>\$ 2,423,248</u>	<u>\$ (1,016,461)</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of	<u>\$ 759,831</u>		

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:

<u>Year Ended June 30,</u>	
2025	\$ (57,702)
2026	(57,702)
2027	(39,242)
2028	(86,096)
2029	(281,731)
Thereafter	<u>(493,988)</u>
Total	<u>\$ (1,016,461)</u>

F. 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 1.00%. There is no required Town contribution. The participant's account is 100% vested at all times. Total employee contributions were \$35,462. 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, 2024

G. 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 to retired teachers and administrators of public schools. 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	5 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 health care benefits offered. 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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	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
Members who has attained the normal retirement age to participate in Medicare but is not eligible for Part A of Medicare without cost	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

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 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/retirees

Employees: Each active member is required to contribute 1.25% of their pensionable wages

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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	<u>8,734,442</u>
Total	<u>\$ 8,734,442</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 117,716</u>

The collective net OPEB liability was measured as of June 30, 2023, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Town has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	3.00%
Discount rate	3.64%
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	2028

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Changes in assumptions and inputs**

- The discount rate was increased from 3.53% to 3.64% 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 (treasuries). The expected 10-year geometric rate of return is 0.77%. The long-term real rate of return as of June 30, 2023 was 3.25%.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. 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

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a OPEB trust fund.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

H. Pension and other post-employment benefit statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2024

	Pension Trust Funds			Other Post Employment Benefits Trust	Total
	Defined Benefit	Police Defined Benefit	Defined Contribution	Defined Contribution	
<u>Assets</u>					
Cash	\$ -	\$ -	\$ 17,770	\$ -	\$ 17,770
Investments:					
Mutual funds:					
Money market	-	2,724,160	93,402	-	2,817,562
Equity	-	1,716,627	14,151,414	21,821	15,889,862
Bond	-	1,878,018	1,199,474	-	3,077,492
Real estate funds	-	-	256,102	-	256,102
Diversified	-	-	22,266,979	420,499	22,687,478
Annuities	1,228,741	-	796,604	-	2,025,345
Fixed income funds	1,311,619	-	11,303,841	7,227	12,622,687
Total investments	2,540,360	6,318,805	50,067,816	449,547	59,376,528
Total assets	2,540,360	6,318,805	50,085,586	449,547	59,394,298
<u>Liabilities</u>					
Due to other funds	-	-	60,000	-	60,000
<u>Net Position</u>					
Restricted for:					
Pensions	2,540,360	6,318,805	50,025,586	-	58,884,751
OPEB	-	-	-	449,547	449,547
Total net position	\$ 2,540,360	\$ 6,318,805	\$ 50,025,586	\$ 449,547	\$ 59,334,298

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

H. 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, 2024

	Pension Trust Funds			Other Post Employment Benefits Trust	Total
	Defined Benefit	Police Defined Benefit	Defined Contribution	Defined Contribution	
Additions:					
Contributions:					
Employer	\$ 742,609	\$ 748,474	\$ 1,381,912	\$ -	\$ 2,872,995
Employee	-	220,936	787,397	35,462	1,043,795
Other	-	-	95,627	-	95,627
Total contributions	<u>742,609</u>	<u>969,410</u>	<u>2,264,936</u>	<u>35,462</u>	<u>4,012,417</u>
Investment income (loss):					
Net change in fair value of investments	9,385	253,490	4,430,317	56,150	4,749,342
Interest and dividends	2,495	179,950	1,065,088	-	1,247,533
Total investment income (loss)	<u>11,880</u>	<u>433,440</u>	<u>5,495,405</u>	<u>56,150</u>	<u>5,996,875</u>
Total additions	<u>754,489</u>	<u>1,402,850</u>	<u>7,760,341</u>	<u>91,612</u>	<u>10,009,292</u>
Deductions:					
Benefits	204,648	195,071	4,768,553	1,646	5,169,918
Administration	-	3,725	214,605	1,425	219,755
Total deductions	<u>204,648</u>	<u>198,796</u>	<u>4,983,158</u>	<u>3,071</u>	<u>5,389,673</u>
Transfers:					
Transfers in	-	5,114,751	-	-	5,114,751
Transfers out	-	-	(5,114,751)	-	(5,114,751)
Change in net position	549,841	6,318,805	(2,337,568)	88,541	4,619,619
Net position - July 1, 2023	<u>1,990,519</u>	<u>-</u>	<u>52,363,154</u>	<u>361,006</u>	<u>54,714,679</u>
Net position - June 30, 2024	<u>\$ 2,540,360</u>	<u>\$ 6,318,805</u>	<u>\$ 50,025,586</u>	<u>\$ 449,547</u>	<u>\$ 59,334,298</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

VI. Recently issued GASB pronouncements

GASB Statement No. 101, "Compensated Absences", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "Certain Risk Disclosures", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, "Financial Reporting Model Improvements", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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, 2024

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Revenues:					
Property taxes:					
Current tax collections	\$ 85,007,963	\$ (300,000)	\$ 84,707,963	\$ 85,103,288	\$ 395,325
Prior tax collections	550,000	-	550,000	413,455	(136,545)
Interest	300,000	-	300,000	327,762	27,762
Lien fees and warrants	-	-	-	4,078	4,078
Suspense collections	75,000	-	75,000	109,219	34,219
PILOT - elderly housing	50,000	-	50,000	33,025	(16,975)
PILOT - New Britain stadium	9,500	-	9,500	9,500	-
Telephone access line share	43,729	-	43,729	75,489	31,760
Total property taxes	86,036,192	(300,000)	85,736,192	86,075,816	339,624
Intergovernmental revenue:					
Intergovernmental revenue - schools:					
Private schools	-	-	-	17,510	17,510
Education cost sharing grant	5,861,963	-	5,861,963	5,857,035	(4,928)
Total intergovernmental revenue - schools	5,861,963	-	5,861,963	5,874,545	12,582
Intergovernmental revenue - other:					
In lieu of taxes	625,205	-	625,205	627,302	2,097
Municipal revenue sharing	258,989	509,000	767,989	768,943	954
Disability, social security	3,168	-	3,168	2,773	(395)
Additional veteran exemption	8,179	-	8,179	5,666	(2,513)
Friends against drugs	3,300	-	3,300	4,153	853
Child and youth services grant	28,734	-	28,734	-	(28,734)
State and federal grant	25,000	-	25,000	9,615	(15,385)
Police overtime grant	50,000	-	50,000	1,034	(48,966)
Total intergovernmental revenue - other	1,002,575	509,000	1,511,575	1,419,486	(92,089)
Total intergovernmental revenue	6,864,538	509,000	7,373,538	7,294,031	(79,507)
Charges for services:					
Licenses, permits and other departments:					
Town clerk fees	525,000	-	525,000	408,805	(116,195)
Town clerk dog license fees	8,000	-	8,000	9,742	1,742
Zoning commission and building inspector	575,000	-	575,000	1,159,813	584,813
Planning	18,000	-	18,000	14,669	(3,331)
Zoning board of appeals	3,000	-	3,000	5,595	2,595
Animal control fees	1,000	-	1,000	745	(255)
Kennel fees	-	-	-	300	300
Police department	55,000	-	55,000	94,993	39,993
Police services to other agencies	25,000	-	25,000	-	(25,000)
Engineering and public works	20,000	-	20,000	30,186	10,186
Scrap metal	30,000	-	30,000	35,630	5,630
Parks and recreation	100,000	-	100,000	128,018	28,018
Golf course revenue	814,918	-	814,918	826,356	11,438
Golf restaurant rent	47,600	-	47,600	48,885	1,285
Golf course season pass revenue	205,578	-	205,578	200,720	(4,858)
Golf cart revenue	476,693	-	476,693	470,089	(6,604)
Golf range revenue	20,000	-	20,000	27,651	7,651
Berlin-Peck memorial library	500	-	500	1,887	1,387
Library copy fees	-	-	-	980	980
Passport fees	12,000	-	12,000	12,495	495
Berlin public health nursing service	700,000	-	700,000	533,307	(166,693)
Summer/field trips	12,000	-	12,000	32,859	20,859
Senior citizen center	6,700	-	6,700	8,591	1,891
Total licenses, permits and other departments	3,655,989	-	3,655,989	4,052,316	396,327

See Notes to Required Supplementary Information.

(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, 2024

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other services:					
Refund of expenditures	\$ 10,000	\$ -	\$ 10,000	\$ 2,086	\$ (7,914)
Sale of land, labor and materials	7,500	-	7,500	2,616	(4,884)
Lease revenue	125,759	-	125,759	206,606	80,847
Other receipts	10,000	3,450	13,450	21,161	7,711
Total other services	153,259	3,450	156,709	232,469	75,760
Total charges for services	3,809,248	3,450	3,812,698	4,284,785	472,087
Income from investments	1,555,218	-	1,555,218	2,504,011	948,793
Total revenues	98,265,196	212,450	98,477,646	100,158,643	1,680,997
Other financing sources:					
Appropriation of fund balance	1,343,000	2,725,000	4,068,000	-	(4,068,000)
Transfers in	4,500	-	4,500	91,806	87,306
Total other financing sources	1,347,500	2,725,000	4,072,500	91,806	(3,980,694)
Total revenues and other financing sources	99,612,696	2,937,450	102,550,146	100,250,449	(2,299,697)
Expenditures:					
General government:					
Managers office	296,757	6,572	303,329	291,119	12,210
Finance department	960,551	13,143	973,694	903,547	70,147
Technology department	633,030	4,998	638,028	628,205	9,823
Collector of revenue	546,108	3,709	549,817	449,439	100,378
Corporation counsel	420,750	-	420,750	349,527	71,223
Town wide expenditures	2,208,303	(368,592)	1,839,711	1,469,449	370,262
Board of finance	3,742	-	3,742	2,463	1,279
Assessor	558,640	4,887	563,527	518,402	45,125
Registrar of voters	172,207	5,000	177,207	152,828	24,379
Town clerk	411,327	7,958	419,285	398,373	20,912
Board of assessment appeals	1,846	-	1,846	670	1,176
Town council	4,796	-	4,796	707	4,089
Human resources	192,042	4,963	197,005	192,367	4,638
Total general government	6,410,099	(317,362)	6,092,737	5,357,096	735,641
Community development:					
Cemetery committee	33,736	-	33,736	24,088	9,648
Development services	561,208	(20,000)	541,208	496,937	44,271
Planning and zoning commission	1,225	-	1,225	130	1,095
Zoning board of appeals	2,095	-	2,095	887	1,208
Economic development	239,021	2,500	241,521	235,983	5,538
Conservation commission	4,261	-	4,261	1,632	2,629
Inland wetlands commission	4,479	-	4,479	3,625	854
Ethics commission	6,150	-	6,150	4,717	1,433
Veterans commission	483	-	483	-	483
Aquifer protection commission	475	-	475	-	475
Berlin historic district	1,601	-	1,601	508	1,093
Commission for disabled	649	-	649	429	220
Public building commission	2,615	-	2,615	1,514	1,101
Building inspection	486,521	2,144	488,665	483,789	4,876
Total community development	1,344,519	(15,356)	1,329,163	1,254,239	74,924

(Continued)

See 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, 2024

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Public safety:					
Ambulance contract	\$ 391,957	\$ -	\$ 391,957	\$ 390,457	\$ 1,500
Animal control	181,764	-	181,764	169,774	11,990
Fire department	1,000,835	(1,282)	999,553	870,619	128,934
Police	8,854,489	620,726	9,475,215	9,349,444	125,771
Emergency management	31,100	-	31,100	15,437	15,663
Fire marshal	335,655	3,014	338,669	330,513	8,156
Total public safety	10,795,800	622,458	11,418,258	11,126,244	292,014
Physical services:					
Municipal garage	1,504,886	50,395	1,555,281	1,389,472	165,809
Public works	2,864,920	(17,670)	2,847,250	2,671,894	175,356
Highway	2,201,852	342,346	2,544,198	2,375,795	168,403
Public building	2,042,528	53,647	2,096,175	1,817,400	278,775
Total physical services	8,614,186	428,718	9,042,904	8,254,561	788,343
Parks, recreation and libraries:					
Mobile home park	14,000	-	14,000	9,000	5,000
Recreation	687,607	(67,620)	619,987	498,026	121,961
Golf course	1,530,800	(51,389)	1,479,411	1,448,398	31,013
Libraries	1,354,460	(11,817)	1,342,643	1,288,039	54,604
Public grounds	1,689,306	126,399	1,815,705	1,731,425	84,280
Total parks, recreation and libraries	5,276,173	(4,427)	5,271,746	4,974,888	296,858
Health and human services:					
Health department	161,662	-	161,662	157,288	4,374
Nursing services	1,452,361	4,793	1,457,154	1,264,125	193,029
Social and youth services	373,039	(18,887)	354,152	277,074	77,078
Senior services	439,699	1,113	440,812	393,713	47,099
Total health and human services	2,426,761	(12,981)	2,413,780	2,092,200	321,580
Schools:					
Private schools	98,681	65	98,746	82,321	16,425
Board of education	50,855,071	-	50,855,071	50,851,500	3,571
School expenditures	4,979,476	32,674	5,012,150	4,692,534	319,616
Total schools	55,933,228	32,739	55,965,967	55,626,355	339,612
Debt service:					
Debt principal	6,360,000	-	6,360,000	6,360,000	-
Interest and fiscal charges	1,494,930	(155,000)	1,339,930	1,339,926	4
Total debt service	7,854,930	(155,000)	7,699,930	7,699,926	4
Total expenditures	98,655,696	578,789	99,234,485	96,385,509	2,848,976
Other financing uses:					
Transfers out	957,000	2,358,661	3,315,661	3,250,661	65,000
Total expenditures and other financing uses	99,612,696	2,937,450	102,550,146	99,636,170	2,913,976
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 614,279	\$ 614,279

(Concluded)

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

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	\$ 100,158,643	\$ 96,385,509
State Teachers' Retirement on behalf amount	8,650,499	8,650,499
State Teachers' OPEB on behalf amount	<u>117,716</u>	<u>117,716</u>
GAAP Basis - Exhibit D	<u>\$ 108,926,858</u>	<u>\$ 105,153,724</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	\$ 212,450
Fund balance	<u>2,725,000</u>
Total	<u>\$ 2,937,450</u>

Town of Berlin, Connecticut
Required Supplementary Information

Employee Retirement Plan
Last Ten Years

	<u>2024</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>
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 77,139	\$ 96,076	\$ 139,927	\$ 139,130	\$ 116,348	\$ 143,822	\$ 170,718	\$ 93,056	\$ 117,272	\$ 113,033
Interest	110,259	157,868	288,821	289,534	303,069	307,980	340,605	287,446	306,265	363,095
Differences between expected and actual experience	203,792	404,900	(102,159)	824,774	146,242	309,304	378,919	1,080,795	788,138	(558,319)
Changes in assumptions	(289,954)	(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	<u>(204,648)</u>	<u>(1,838,662)</u>	<u>(3,869,315)</u>	<u>(3,011,533)</u>	<u>(689,560)</u>	<u>(187,633)</u>	<u>(1,663,462)</u>	<u>(808,399)</u>	<u>(1,576,058)</u>	<u>(1,666,241)</u>
Net change in total pension liability	(103,412)	(2,151,291)	(4,704,283)	404,039	741,505	135,989	(419,361)	3,112,849	291,415	(1,007,960)
Total pension liability - July 1	<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>
Total pension liability - June 30 (a)	<u>\$ 3,071,153</u>	<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>
Plan fiduciary net position:										
Contributions - employer	\$ 742,609	\$ 185,000	\$ 5,495,640	\$ 2,185,000	\$ 1,830,139	\$ 1,606,701	\$ 1,448,395	\$ 700,399	\$ 700,537	\$ 1,406,809
Net investment income (loss)	11,880	60,500	45,146	40,493	46,976	22,784	15,241	10,494	19,456	37,101
Benefit payments, including refunds of member contributions	<u>(204,648)</u>	<u>(1,838,662)</u>	<u>(3,869,315)</u>	<u>(3,011,533)</u>	<u>(689,560)</u>	<u>(187,633)</u>	<u>(1,663,462)</u>	<u>(808,399)</u>	<u>(1,576,058)</u>	<u>(1,666,241)</u>
Net change in plan fiduciary net position	549,841	(1,593,162)	1,671,471	(786,040)	1,187,555	1,441,852	(199,826)	(97,506)	(856,065)	(222,331)
Plan fiduciary net position - July 1	<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>
Plan fiduciary net position - June 30 (b)	<u>\$ 2,540,360</u>	<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>
Net pension liability - June 30 (a)-(b)	<u>\$ 530,793</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.72%</u>	<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>
Covered payroll	<u>\$ 355,868</u>	<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>
Net pension liability as a percentage of covered payroll	<u>149.15%</u>	<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>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>0.46%</u>	<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>

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2024</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>
Actuarially determined contributions	\$ 742,609	\$ 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
Contributions in relation to the actuarially determined contribution	742,609	185,000	5,495,640	2,185,000	1,830,139	1,606,701	1,448,694	700,399	700,537	1,406,809
Contribution excess (deficiency)	\$ -	\$ (2,479,914)	\$ 3,100,000	\$ 422,267	\$ 255,908	\$ -	\$ 299	\$ (213,404)	\$ (218,325)	\$ 405,687
Covered payroll	<u>\$ 355,868</u>	<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>
Contributions as a percentage of covered payroll	<u>208.68%</u>	<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>

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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, 2022	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
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, closed	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%	2.40%	2.60%	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%
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% 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
Investment rate of return (net)	Pre-retirement: 3.50%, Post-retirement: 3.24%	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%
Mortality rate	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to valuation date with Scale MP-2021 Post-retirement: IRS 2021 Applicable Mortality Table for 417(e) dynamic.	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.

Town of Berlin, Connecticut
Required Supplemental Information
Police Retirement Plan
Current Year (1)

2024

Schedule of Changes in Net Pension Liability and Related Ratios

Total pension liability	
Service cost	\$ 876,774
Interest	403,311
Change in benefit terms	7,285,776
Benefit payments, including refunds of member contributions	<u>(195,071)</u>
Net change in total pension liability	8,370,790
Total pension liability, July 1	<u>-</u>
Total pension liability, June 30 (a)	<u>\$ 8,370,790</u>
Plan fiduciary net position	
Contributions - employer	\$ 748,474
Contributions - member	220,936
Net investment income (loss)	433,440
Benefit payments, including refunds of member contributions	(195,071)
Administrative expenses	(3,725)
Transfer from defined contribution plan	<u>5,114,751</u>
Net change in plan fiduciary net position	6,318,805
Plan fiduciary net position, July 1	<u>-</u>
Plan fiduciary net position, June 30 (b)	<u>\$ 6,318,805</u>
Net pension liability, June 30 (a-b)	<u>\$ 2,051,985</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>75.49%</u>
Covered payroll	<u>\$ 3,237,354</u>
Net pension liability as a percentage of covered payroll	<u>63.38%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense.	<u>7.98%</u>
--	--------------

The plan is effective July 1, 2023. The transfer from defined contribution plan reflects the employee buy in during September 2023.

(1) This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut

Required Supplementary Information

Police Retirement Plan
 Schedule of Contributions
 Current Year (1)

	<u>2024</u>
Actuarially determined contribution	\$ 938,978
Contributions in relation to the actuarially determined contribution	<u>748,474</u>
Contribution excess (deficiency)	<u>\$ 190,504</u>
Covered payroll	<u>\$ 3,237,354</u>
Contributions as a percentage of covered payroll	<u>23.12%</u>

(1) This schedule is intended to show 10 years of data. Additional years will be displayed as it becomes available.

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Police Retirement Plan
Schedule of Contributions
Current Year (1)

	<u>2024</u>
Change of Benefit Terms	The new plan is effective July 1, 2023
The actuarially determined contribution rates are calculated as of	July 1, 2023
Actuarial methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage, open
Asset valuation method	Fair value
Inflation rate	2.40%
Salary increases	3.25%
Investment rate of return	5.00%
Mortality rate	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety Employees, projected to the valuation date with Scale MP-2021.

(1) This schedule is intended to show 10 years of data. Additional years will be displayed as it becomes available.

Town of Berlin, Connecticut
Required Supplementary Information
Connecticut Teachers Retirement System
Last Ten Years

	<u>2024</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>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension 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>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
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	<u>\$93,230,760</u>	<u>\$101,492,499</u>	<u>\$80,707,200</u>	<u>\$101,901,939</u>	<u>\$91,066,420</u>	<u>\$70,217,500</u>	<u>\$75,796,445</u>	<u>\$79,965,829</u>	<u>\$62,277,260</u>	<u>\$57,488,298</u>
Total	<u>\$93,230,760</u>	<u>\$101,492,499</u>	<u>\$80,707,200</u>	<u>\$101,901,939</u>	<u>\$91,066,420</u>	<u>\$70,217,500</u>	<u>\$75,796,445</u>	<u>\$79,965,829</u>	<u>\$62,277,260</u>	<u>\$57,488,298</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<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 pension liability 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>	<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 pension liability	<u>58.39%</u>	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>										
Contractually required Town contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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>	<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>	<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 pension liability.

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	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	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	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	Level percent of salary, closed
Remaining amortization period (equivalent single period)	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 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	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	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	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	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%	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	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of Berlin, Connecticut

Required Supplementary Information

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:							
Service cost	\$ 497,844	\$ 495,664	\$ 622,957	\$ 508,474	\$ 303,119	\$ 243,686	\$ 271,596
Interest	319,689	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	(282,991)	39,407	(1,772,316)	758,929	835,667	1,064,531	(186,700)
Benefit payments, including refunds of member contributions	<u>(271,149)</u>	<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	263,393	(583,736)	(1,180,705)	1,250,055	1,188,748	1,715,012	105,580
OPEB liability - July 1	<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>	<u>5,900,149</u>
OPEB liability - June 30*	<u>\$ 8,658,496</u>	<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>\$ 44,973,133</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>19.25%</u>	<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 Seven Years (3)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schedule of Proportionate Share of the Collective Net OPEB Liability							
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>	<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>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>8,734,442</u>	<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>\$ 8,734,442</u>	<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>	<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>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>11.92%</u>	<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>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<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>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<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>	<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 Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	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	June 30, 2016
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
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	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	30 years
Asset valuation method	Fair value	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%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	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	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	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	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 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

(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, 2024

109

Grand List Year	Uncollected Taxes July 1, 2023	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2024
			Additions	Deductions			Net Taxes Collected	Interest Liens & Other Fees	Total	
2007	\$ 10,769	\$ -	\$ -	\$ 10,769	\$ -	\$ -	\$ -		\$ -	\$ -
2008	13,522	-	-	-	-	13,522	3,401	8,646	12,047	10,121
2009	11,541	-	-	-	-	11,541	3,545	8,373	11,918	7,996
2010	13,487	-	-	-	-	13,487	3,673	8,012	11,685	9,814
2011	13,886	-	-	-	-	13,886	4,205	7,822	12,027	9,681
2012	14,517	-	-	-	-	14,517	4,047	7,599	11,646	10,470
2013	15,744	-	-	-	-	15,744	3,939	6,522	10,461	11,805
2014	19,165	-	-	-	-	19,165	4,192	6,124	10,316	14,973
2015	31,255	-	-	-	-	31,255	14,554	21,603	36,157	16,701
2016	36,141	-	-	-	-	36,141	8,933	7,912	16,845	27,208
2017	38,087	-	-	2,691	-	35,396	6,497	8,433	14,930	28,899
2018	54,858	-	-	16,725	-	38,133	8,377	7,573	15,950	29,756
2019	60,163	-	452	16,406	-	44,209	6,845	5,225	12,070	37,364
2020	113,929	-	4,301	16,232	-	101,998	34,807	10,885	45,692	67,191
2021	<u>677,480</u>	<u>-</u>	<u>7,598</u>	<u>26,136</u>	<u>221,735</u>	<u>437,207</u>	<u>291,414</u>	<u>64,948</u>	<u>356,362</u>	<u>145,793</u>
Total Prior Years	1,124,544	-	12,351	88,959	221,735	826,201	398,429	179,677	578,106	427,772
2022	<u>-</u>	<u>86,421,277</u>	<u>75,589</u>	<u>479,909</u>	<u>-</u>	<u>86,016,957</u>	<u>84,970,580</u>	<u>162,031</u>	<u>85,132,611</u>	<u>1,046,377</u>
Total All Years	<u>\$ 1,124,544</u>	<u>\$ 86,421,277</u>	<u>\$ 87,940</u>	<u>\$ 568,868</u>	<u>\$ 221,735</u>	<u>\$ 86,843,158</u>	<u>\$ 85,369,009</u>	<u>\$ 341,708</u>	<u>\$ 85,710,717</u>	1,474,149
							Tax interest receivable			561,610
							Allowance for uncollectible taxes			(675,914)
							Property taxes receivable (net)			<u>\$ 1,359,845</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
Police Extra Duty	User fees	Extra duties performed by police officers
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
Private School Nursing	User fees	Private school nurses
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, 2024

	Special Revenue Funds							Afternoon
	Cafeteria	Education Grants	Police Drug Enforcement	Police Asset Forfeiture	Police Extra Duty	Marjorie Moore	Summer Adventures	Enrichment Program
<u>Assets</u>								
Cash	\$ 648,940	\$ 1,028,986	\$ 283	\$ 31,878	\$ 59,854	\$ 24,676	\$ 1,350	\$ 4,635
Receivables:								
Accounts	1,765	-	-	-	110,090	-	-	-
Intergovernmental	87,683	28,105	-	-	-	-	-	-
Other	55,401	-	-	-	-	-	-	-
Total assets	<u>\$ 793,789</u>	<u>\$ 1,057,091</u>	<u>\$ 283</u>	<u>\$ 31,878</u>	<u>\$ 169,944</u>	<u>\$ 24,676</u>	<u>\$ 1,350</u>	<u>\$ 4,635</u>
<u>Liabilities</u>								
Accounts payable	-	-	-	-	-	-	-	-
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-
Unearned revenue	32,245	668,272	-	-	-	-	-	-
Total liabilities	<u>32,245</u>	<u>668,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	761,544	388,819	283	31,878	169,944	24,676	-	-
Committed	-	-	-	-	-	-	1,350	4,635
Total fund balances	<u>761,544</u>	<u>388,819</u>	<u>283</u>	<u>31,878</u>	<u>169,944</u>	<u>24,676</u>	<u>1,350</u>	<u>4,635</u>
Total liabilities and fund balances	<u>\$ 793,789</u>	<u>\$ 1,057,091</u>	<u>\$ 283</u>	<u>\$ 31,878</u>	<u>\$ 169,944</u>	<u>\$ 24,676</u>	<u>\$ 1,350</u>	<u>\$ 4,635</u>

(Continued)

Town of Berlin, Connecticut

Other Governmental Funds

Combining Balance Sheet

June 30, 2024

Special Revenue Funds

	<u>Boundless Playground</u>	<u>School Activity</u>	<u>Private School Nursing</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	\$ 649,351	\$ 3,566	\$ 2,466	\$ 142,753	\$ 465,298	\$ 132,800	\$ 9,604
Receivables:								
Accounts	-	-	1,603	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,505</u>	<u>\$ 649,351</u>	<u>\$ 5,169</u>	<u>\$ 2,466</u>	<u>\$ 142,753</u>	<u>\$ 465,298</u>	<u>\$ 132,800</u>	<u>\$ 9,604</u>
<u>Liabilities</u>								
Accounts payable	-	-	-	-	332	12,026	2,149	-
Accrued payroll and related liabilities	-	-	-	-	-	649	1,917	-
Unearned revenue	-	-	-	-	-	34,069	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332</u>	<u>46,744</u>	<u>4,066</u>	<u>-</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	4,505	649,351	5,169	2,466	-	418,554	-	9,604
Committed	-	-	-	-	142,421	-	128,734	-
Total fund balances	<u>4,505</u>	<u>649,351</u>	<u>5,169</u>	<u>2,466</u>	<u>142,421</u>	<u>418,554</u>	<u>128,734</u>	<u>9,604</u>
Total liabilities and fund balances	<u>\$ 4,505</u>	<u>\$ 649,351</u>	<u>\$ 5,169</u>	<u>\$ 2,466</u>	<u>\$ 142,753</u>	<u>\$ 465,298</u>	<u>\$ 132,800</u>	<u>\$ 9,604</u>

(Continued)

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2024

	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	\$ 51,854	\$ 96,118	\$ 3,358,917	\$ 5,943	\$ 22,336	\$ 58,856	\$ 87,135	\$ 3,446,052
Receivables:								
Accounts	-	-	113,458	-	-	-	-	113,458
Intergovernmental	-	-	115,788	-	-	-	-	115,788
Other	-	-	55,401	-	-	-	-	55,401
Total assets	<u>\$ 51,854</u>	<u>\$ 96,118</u>	<u>\$ 3,643,564</u>	<u>\$ 5,943</u>	<u>\$ 22,336</u>	<u>\$ 58,856</u>	<u>\$ 87,135</u>	<u>\$ 3,730,699</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 14,507	\$ -	\$ -	\$ -	\$ -	\$ 14,507
Accrued payroll and related liabilities	-	-	2,566	-	-	-	-	2,566
Unearned revenue	12,938	-	747,524	-	-	-	-	747,524
Total liabilities	<u>12,938</u>	<u>-</u>	<u>764,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764,597</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	5,000	21,965	41,332	68,297	68,297
Restricted	-	-	2,466,793	943	371	17,524	18,838	2,485,631
Committed	38,916	96,118	412,174	-	-	-	-	412,174
Total fund balances	<u>38,916</u>	<u>96,118</u>	<u>2,878,967</u>	<u>5,943</u>	<u>22,336</u>	<u>58,856</u>	<u>87,135</u>	<u>2,966,102</u>
Total liabilities and fund balances	<u>\$ 51,854</u>	<u>\$ 96,118</u>	<u>\$ 3,643,564</u>	<u>\$ 5,943</u>	<u>\$ 22,336</u>	<u>\$ 58,856</u>	<u>\$ 87,135</u>	<u>\$ 3,730,699</u>

(Concluded)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds							
	Cafeteria	Education Grants	Police Drug Enforcement	Police Asset Forfeiture	Police Extra Duty	Marjorie Moore	Summer Adventures	Afternoon Enrichment Program
Revenues:								
Intergovernmental	\$ 715,851	\$ 3,608,488	\$ -	\$ 565	\$ -	\$ -	\$ -	\$ -
Charges for services	569,711	608,457	-	-	766,695	-	-	15,220
Income from investments	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	25,000	-	-
Other	-	29,621	-	-	-	-	-	-
Total revenues	1,285,562	4,246,566	-	565	766,695	25,000	-	15,220
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	19,171	596,751	-	-	-
Physical services	-	-	-	-	-	-	-	-
Parks, recreation and libraries	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	6,850	-	-
Schools	1,428,022	4,433,292	-	-	-	-	-	16,563
Total expenditures	1,428,022	4,433,292	-	19,171	596,751	6,850	-	16,563
Excess (deficiency) of revenues over expenditures	(142,460)	(186,726)	-	(18,606)	169,944	18,150	-	(1,343)
Other financing sources (uses):								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	(142,460)	(186,726)	-	(18,606)	169,944	18,150	-	(1,343)
Fund balances - July 1, 2023	904,004	575,545	283	50,484	-	6,526	1,350	5,978
Fund balances - June 30, 2024	\$ 761,544	\$ 388,819	\$ 283	\$ 31,878	\$ 169,944	\$ 24,676	\$ 1,350	\$ 4,635

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds							
	Boundless Playground	School Activity	Private School Nursing	Elderly Oral Screening	Town Funds	Special Grants and Donations	Recreation	Veterans Brick Walkway
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,556	\$ -	\$ -
Charges for services	-	686,562	10,790	-	-	1,980	45,439	-
Income from investments	-	-	-	-	707	5,866	-	-
Contributions	-	-	-	-	40,346	72,581	-	480
Other	-	-	-	-	-	-	-	-
Total revenues	-	686,562	10,790	-	41,053	200,983	45,439	480
Expenditures:								
Current:								
General government	-	-	-	-	-	8,100	-	-
Community development	-	-	-	-	-	5,024	-	182
Public safety	-	-	-	-	-	8,795	-	-
Physical services	-	-	-	-	-	4,587	-	-
Parks, recreation and libraries	-	-	-	-	8,898	57,296	50,599	-
Health and human services	-	-	-	-	37,494	104,638	-	-
Schools	-	621,581	5,621	-	-	-	-	-
Total expenditures	-	621,581	5,621	-	46,392	188,440	50,599	182
Excess (deficiency) of revenues over expenditures	-	64,981	5,169	-	(5,339)	12,543	(5,160)	298
Other financing sources (uses):								
Transfers out	-	-	-	-	(10,000)	-	-	-
Net change in fund balances	-	64,981	5,169	-	(15,339)	12,543	(5,160)	298
Fund balances - July 1, 2023	4,505	584,370	-	2,466	157,760	406,011	133,894	9,306
Fund balances - June 30, 2024	<u>\$ 4,505</u>	<u>\$ 649,351</u>	<u>\$ 5,169</u>	<u>\$ 2,466</u>	<u>\$ 142,421</u>	<u>\$ 418,554</u>	<u>\$ 128,734</u>	<u>\$ 9,604</u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	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	\$ -	\$ -	\$ 4,445,460	\$ -	\$ -	\$ -	\$ -	\$ 4,445,460
Charges for services	29,492	-	2,734,346	-	-	-	-	2,734,346
Income from investments	-	-	6,573	185	992	1,832	3,009	9,582
Contributions	-	-	138,407	-	-	-	-	138,407
Other	-	56,607	86,228	-	-	-	-	86,228
Total revenues	29,492	56,607	7,411,014	185	992	1,832	3,009	7,414,023
Expenditures:								
Current:								
General government	-	-	8,100	-	-	-	-	8,100
Community development	-	-	5,206	-	-	-	-	5,206
Public safety	-	10,725	635,442	-	-	-	-	635,442
Physical services	-	-	4,587	-	-	-	-	4,587
Parks, recreation and libraries	18,903	-	135,696	-	-	-	-	135,696
Health and human services	-	-	148,982	-	15,108	-	15,108	164,090
Schools	-	-	6,505,079	-	-	-	-	6,505,079
Total expenditures	18,903	10,725	7,443,092	-	15,108	-	15,108	7,458,200
Excess (deficiency) of revenues over expenditures	10,589	45,882	(32,078)	185	(14,116)	1,832	(12,099)	(44,177)
Other financing sources (uses):								
Transfers out	-	-	(10,000)	-	-	-	-	(10,000)
Net change in fund balances	10,589	45,882	(42,078)	185	(14,116)	1,832	(12,099)	(54,177)
Fund balances - July 1, 2023	28,327	50,236	2,921,045	5,758	36,452	57,024	99,234	3,020,279
Fund balances - June 30, 2024	\$ 38,916	\$ 96,118	\$ 2,878,967	\$ 5,943	\$ 22,336	\$ 58,856	\$ 87,135	\$ 2,966,102

(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 Statement of Net Position
June 30, 2024

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$2,978,578	\$ 3,017,289	\$ 5,995,867
Accounts receivable	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total assets	<u>2,978,578</u>	<u>3,042,289</u>	<u>6,020,867</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	3,835	-	3,835
Claims payable	-	1,436,769	1,436,769
Heart and hypertension	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total current liabilities	35,835	1,436,769	1,472,604
Noncurrent liabilities:			
Heart and hypertension	<u>46,407</u>	<u>-</u>	<u>46,407</u>
Total liabilities	<u>82,242</u>	<u>1,436,769</u>	<u>1,519,011</u>
<u>Net Position</u>			
Unrestricted	<u>\$2,896,336</u>	<u>\$ 1,605,520</u>	<u>\$ 4,501,856</u>

Town of Berlin, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Operating revenues:			
Premiums	\$ 285,159	\$ 10,883,759	\$11,168,918
Insurance proceeds	14,688	-	14,688
	<u>299,847</u>	<u>10,883,759</u>	<u>11,183,606</u>
Total operating revenues			
Operating expenses:			
Claims	-	10,548,636	10,548,636
Repairs and maintenance	131,872	-	131,872
Administration	-	1,271,487	1,271,487
	<u>131,872</u>	<u>11,820,123</u>	<u>11,951,995</u>
Total operating expenses			
Income (loss) from operations	167,975	(936,364)	(768,389)
Nonoperating revenues:			
Income from investments	88,270	229,816	318,086
Transfers:			
Transfers out	-	(1,313)	(1,313)
Change in net position	256,245	(707,861)	(451,616)
Total net position - July 1, 2023	<u>2,640,091</u>	<u>2,313,381</u>	<u>4,953,472</u>
Total net position - June 30, 2024	<u>\$ 2,896,336</u>	<u>\$ 1,605,520</u>	<u>\$ 4,501,856</u>

Town of Berlin, Connecticut
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	General Insurance	Medical and Health Insurance	Total
Cash flows from (used in) operating activities:			
Cash received from premiums and employees	\$ 285,159	\$ 10,866,679	\$ 11,151,838
Cash received from insurance and others	14,688	-	14,688
Cash payments to providers of benefits and for claims	(31,295)	(9,762,012)	(9,793,307)
Cash payments to providers of administration	-	(1,271,487)	(1,271,487)
Cash payments to suppliers for goods and services	(156,021)	-	(156,021)
Net cash from (used in) operating activities	<u>112,531</u>	<u>(166,820)</u>	<u>(54,289)</u>
Cash flows from non-capital and related financing activities:			
Transfer out	-	(1,313)	(1,313)
Cash flows from (used in) investing activities:			
Income from investments	<u>88,270</u>	<u>229,816</u>	<u>318,086</u>
Net increase (decrease) in cash	200,801	61,683	262,484
Cash - July 1, 2023	<u>2,777,777</u>	<u>2,955,606</u>	<u>5,733,383</u>
Cash - June 30, 2024	<u>\$ 2,978,578</u>	<u>\$ 3,017,289</u>	<u>\$ 5,995,867</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Income (loss) from operations	\$ 167,975	\$ (936,364)	\$ (768,389)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	-	(17,080)	(17,080)
Increase (decrease) in:			
Accounts payable	(24,149)	-	(24,149)
Claims payable	-	786,624	786,624
Heart and hypertension	(31,295)	-	(31,295)
Net cash from (used in) operating activities	<u>\$ 112,531</u>	<u>\$ (166,820)</u>	<u>\$ (54,289)</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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 145,847,342	\$ 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
Restricted	2,553,928	4,635,942	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384
Unrestricted	24,096,047	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
Total governmental activities net position	172,497,317	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
Business-type activities:										
Net investment in capital assets	15,290,119	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
Unrestricted	8,930,856	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
Total business-type activities net position	24,220,975	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
Net position:										
Net investment in capital assets	161,137,461	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
Restricted	2,553,928	4,635,942	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384
Unrestricted	33,026,903	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
Total net position	\$ 196,718,292	\$ 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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities:										
General government	\$ 4,835,248	\$ 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
Community development	1,327,579	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
Public safety	14,409,186	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
Physical services	10,088,424	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
Parks, recreation and libraries	5,599,033	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
Health and human services	2,293,085	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
Schools	74,792,516	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
Interest	1,209,212	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
Total governmental activities expenses	114,554,283	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
Business-type activities:										
Water and sewer services	5,086,124	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
Total expenses	119,640,407	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
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,845,568	1,477,596	1,555,936	1,559,586	1,197,222	1,180,161	408,029	378,319	417,392	714,730
Community development	-	-	20,388	183,533	-	77,964	381,560	444,695	495,726	4,765
Public safety	919,608	904,488	970,571	669,214	509,376	420,711	447,018	402,332	455,090	445,831
Physical services	101,018	117,357	85,213	76,148	74,945	144,135	79,895	65,792	48,537	100,089
Parks, recreation and libraries	1,845,964	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
Health and human services	574,757	683,647	637,933	772,655	832,814	1,072,665	1,098,129	1,046,389	1,078,553	953,990
Schools	1,890,740	1,636,545	1,650,241	1,373,122	1,153,817	1,335,080	612,220	621,056	654,668	629,809
Operating grants and contributions	19,241,429	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
Capital grants and contributions	7,396,872	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
Total governmental activities program revenues	33,815,956	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
Business-type activities:										
Charges for services:										
Water and sewer services	5,899,141	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
Operating grants and contributions	26,733	222,032	-	-	3,308	29,774	-	-	-	-
Total business-type activities program revenues	5,925,874	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
Total program revenues	39,741,830	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
Net (expense) revenue:										
Governmental activities	(80,738,327)	(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)
Business-type activities	839,750	1,055,988	702,386	810,552	811,289	(68,880)	454,642	93,697	(41,681)	1,358,891
Total net (expense) revenue	(79,898,577)	(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)

(Continued)

Town of Berlin, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General revenues										
Governmental activities:										
Property taxes	\$ 86,341,206	\$ 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
Grants and contributions not restricted to specific programs	1,404,684	606,490	271,176	271,987	302,664	303,011	78,140	1,020,656	197,234	157,991
Income from investments	2,831,679	2,288,056	119,286	66,043	850,917	1,029,004	521,515	269,150	218,786	164,724
Other	142,823	44,410	393,206	39,170	40,390	92,723	228,092	530,911	440,862	578,442
Total governmental activities	90,720,392	88,706,392	83,272,712	81,567,202	80,725,988	78,003,341	71,731,969	70,243,285	67,578,512	64,585,553
Business-type activities:										
Income from investments	268,520	175,417	15,146	16,395	83,790	84,337	88,245	56,857	39,420	29,356
Other	547,380	10,932	84,214	22,389	24,737	8,205	14,111	8,228	12,567	1,491
Total business-type activities	815,900	186,349	99,360	38,784	108,527	92,542	102,356	65,085	51,987	30,847
Total general revenues	91,536,292	88,892,741	83,372,072	81,605,986	80,834,515	78,095,883	71,834,325	70,308,370	67,630,499	64,616,400
Other changes in net position:										
Governmental activities:										
Transfers in (transfers out)	4,500	4,500	4,500	4,500	4,500	4,500	8,639	4,800	4,610	4,500
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)	(4,500)	(8,639)	(4,800)	(4,610)	(4,500)
Total other changes in net position	-	-	-	-	-	-	-	(47,532)	-	-
Change in net position:										
Governmental activities	9,986,565	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
Business-type activities	1,651,150	1,237,837	797,246	844,836	915,316	19,162	548,359	153,982	5,696	1,385,238
Total change in net position	\$ 11,637,715	\$ 15,943,376	\$ 12,325,729	\$ 9,102,667	\$ 11,075,704	\$ 11,257,094	\$ 3,539,421	\$ 614,839	\$ 8,486,369	\$ 13,960,551

(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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund:										
Nonspendable	\$ 4,812	\$ 1,157	\$ 211,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	23,110	46,214	206,994	577,833	398,567	327,968
Assigned	952,688	1,343,000	865,000	485,000	425,000	1,634,565	2,837,000	2,638,395	2,300,000	1,800,000
Unassigned	<u>17,437,699</u>	<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>
Total general fund	<u>18,395,199</u>	<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>
All other governmental funds:										
Nonspendable	68,297	68,297	68,297	68,297	68,297	68,297	95,586	106,283	156,496	149,751
Restricted	2,485,631	4,567,645	4,436,938	3,335,641	957,986	890,265	772,650	466,832	403,486	398,406
Committed	<u>11,781,650</u>	<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>
Total all other governmental funds	<u>14,335,578</u>	<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>
Grand total	<u>\$ 32,730,777</u>	<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>

Source: Current and prior year financial statements.

Notes:

General fund:
Assigned
Unassigned

Decreased due to decrease in appropriation for pension funding and decrease in fund balance designated for future years
Increased due to net change in fund balance.

All other governmental funds:
Restricted
Committed

Decreased due to ARPA grant funding expended in current year
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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Property taxes	\$ 86,075,816	\$ 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
Intergovernmental	27,904,578	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
Charges for services	7,177,655	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
Income from investments	2,513,593	2,106,758	109,127	60,215	820,500	985,706	492,358	244,715	207,044	164,729
Contributions	138,407	144,149	107,897	82,733	101,616	143,779	-	-	-	-
Other	142,823	44,410	393,206	39,170	40,390	92,723	532,366	1,417,888	626,729	692,276
Total revenues	123,952,872	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
Expenditures:										
Current:										
General government	5,395,945	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
Community development	1,259,445	1,202,283	1,035,746	891,394	1,007,041	1,135,590	792,019	770,531	724,905	733,560
Public safety	11,761,686	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
Physical services	8,259,148	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
Parks, recreation, and libraries	5,110,584	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
Health and human services	2,256,290	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
Schools	70,899,649	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
Debt service-principal	6,796,952	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
Debt service-interest	1,543,476	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
Capital outlay	13,472,200	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
Total expenditures	126,755,375	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
Excess (deficiency) of revenues over expenditures	(2,802,503)	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)
Other financing sources (uses):										
Issuance of debt	-	388,408	-	-	4,200,000	6,500,000	-	4,665,000	27,142,169	14,162,615
Sale of assets	38,698	4,815	108,733	452,456	14,021	14,367	4,313	11,190	46,845	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	10,920,000	-
Premium	-	-	-	-	758,864	483,126	-	165,207	2,290,415	295,446
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(12,085,509)	-
Transfers in	3,352,467	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
Transfers out	(3,346,654)	(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)
Net other financing sources (uses)	44,511	397,723	113,233	456,956	4,977,385	7,001,993	12,952	4,846,197	28,318,530	14,462,561
Special item:										
Permanent funds moved to a new trustee	-	-	-	-	-	-	-	(47,532)	-	-
Net change in fund balances	<u>\$(2,757,992)</u>	<u>\$ 2,772,801</u>	<u>\$(1,970,764)</u>	<u>\$ 238,081</u>	<u>\$ 4,865,606</u>	<u>\$ 8,025,696</u>	<u>\$(2,583,750)</u>	<u>\$(13,205,060)</u>	<u>\$ 14,288,012</u>	<u>\$(1,009,401)</u>
Debt service as a percentage of noncapital expenditures	<u>7.37%</u>	<u>7.88%</u>	<u>8.00%</u>	<u>8.49%</u>	<u>9.44%</u>	<u>9.44%</u>	<u>9.10%</u>	<u>8.00%</u>	<u>7.20%</u>	<u>5.10%</u>

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
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
2024	2,331,849,337	389,843,664	312,389,540	142,353,839	2,891,728,702	4,131,041,003	70.00%	29.56

Source: Town of Berlin Assessor's office

Note:

Revaluation completed for fiscal years 2024 and 2019.

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

Year Ended June 30	Town Direct Rate	Overlapping Rates	
		Kensington Fire District	Worthington Fire District
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
2024	29.56	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	2024			2015		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Rocky River Realty Co.	\$ 260,228,270	1	9.00%	\$ 198,890,000	1	9.10%
Corbin Russwin Inc.	25,198,120	2	0.87%	31,513,590	2	1.44%
Tomz Corporation	24,087,960	3	0.83%	8,123,960	6	0.37%
Murphy Road Recycling	18,502,310	4	0.64%	N/A	N/A	N/A
Cedar Brickyard	17,494,050	5	0.60%	16,064,850	3	0.73%
Connecticut Natural Gas Corp.	12,556,720	6	0.43%	N/A	N/A	N/A
224 Berlin Turnpike LLC (incl. Acura of Berlin)	11,167,470	7	0.39%	N/A	N/A	N/A
Stonebridge Berlin Assoc.	10,287,773	8	0.36%	8,663,300	4	0.40%
United Cable Television/ Comcast	9,560,990	9	0.33%	N/A	N/A	N/A
Budney Overhaul	8,464,670	10	0.29%	N/A	N/A	N/A
B&F Machine	N/A	N/A	N/A	8,281,180	5	0.38%
Legion Square Associates	N/A	N/A	N/A	6,679,600	7	0.31%
Berlin Commerce Park	N/A	N/A	N/A	5,744,500	8	0.26%
Orchard Ridge Associates	N/A	N/A	N/A	5,290,500	9	0.24%
Blue Dog Properties	N/A	N/A	N/A	4,822,700	10	0.22%
Total	<u>\$ 397,548,333</u>		<u>13.74%</u>	<u>\$ 294,074,180</u>		<u>13.45%</u>
Based on October 1, 2022 and 2013 net taxable grand list of:	<u>\$ 2,891,728,702</u>			<u>\$ 2,186,129,483</u>		

126

Source: Town of Berlin Assessor's Office

Town of Berlin, Connecticut

Property Tax Rates, Levies and Cash Collections
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Current Levy Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Collections In Subsequent Years</u>	<u>Total Collections</u>	<u>Percent of Levy Collected</u>	<u>Current Delinquent Balance</u>
2015	\$ 63,580,445	\$ 62,864,950	98.87%	\$ 703,690	\$ 63,568,640	99.98%	\$ 11,805
2016	66,490,625	65,918,097	99.14%	557,555	66,475,652	99.98%	14,973
2017	68,069,358	67,378,401	98.98%	674,256	68,052,657	99.98%	16,701
2018	70,660,090	69,789,191	98.77%	843,691	70,632,882	99.96%	27,208
2019	75,738,109	75,073,467	99.12%	635,743	75,709,210	99.96%	28,899
2020	79,442,804	78,753,259	99.13%	659,789	79,413,048	99.96%	29,756
2021	79,389,985	78,556,241	98.95%	796,380	79,352,621	99.95%	37,364
2022	81,783,909	81,038,353	99.09%	678,365	81,716,718	99.92%	67,191
2023	84,551,410	83,873,930	99.20%	531,687	84,405,617	99.83%	145,793
2024	86,016,957	84,970,580	98.78%	-	84,970,580	98.78%	1,046,377

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			
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
2024	42,388,833	7,555,702	519,512	284,535	50,748,582	3,694,389	54,442,971	4.25%	2,665

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
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
2024	42,388,833	1.03%	2,075

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Governmental Activities
 Direct and Overlapping Debt
 June 30, 2024
 (Unaudited)

Government Unit	Debt Outstanding	Percentage Applicable to Town (2)	Amount Applicable to Town
<u>Overlapping debt:</u>			
Kensington Fire District - Commercial Loan	\$ 658,683	100.00%	\$ 658,683
Worthington Fire District - USDA Loan	348,068	100.00%	348,068
Mattabassett District (1)	38,509,222	0.00%	-
Subtotal, overlapping debt			1,006,751
Town of Berlin, direct debt			<u>50,748,582</u>
Total direct and overlapping debt			<u><u>\$ 51,755,333</u></u>

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

Notes:

- (1) Excludes business-type activities debt of \$5,526,073, 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, 2024
(Unaudited)

Tax base:					
Total prior year tax collections (including interest and lien fees)					
Town	\$	85,075,476			
Fire districts		1,423,704			
Base for establishing debt limit					
		\$	86,499,180		
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 194,623,155	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	389,246,310	-	-	-
3 3/4 times base	-	-	324,371,925	-	-
3 1/4 times base	-	-	-	281,122,335	-
3 times base	-	-	-	-	259,497,540
Total limitations	194,623,155	389,246,310	324,371,925	281,122,335	259,497,540
Indebtedness:					
Bonds	12,571,000	28,894,000	-	-	-
Overlapping debt (1)	-	-	1,006,751	-	-
Total indebtedness	12,571,000	28,894,000	1,006,751	-	-
Debt limitation in excess of outstanding debt					
	\$ 182,052,155	\$ 360,352,310	\$ 323,365,174	\$ 281,122,335	\$ 259,497,540
The total net indebtedness above amounts to:					
					\$ 42,471,751
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					
					\$ 605,494,260

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
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%
2024	605,494,260	42,471,751	563,022,509	7.01%

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Debt Statistics for Continuing Disclosure
June 30, 2024
(Unaudited)

Population	20,429		
Net Taxable Grand List	\$ 2,891,728,702		
Estimated Full Value at 70%	4,131,041,003		
Equalized Net Grand List	4,334,403,630		
	<u>Total</u>	<u>Net Direct</u>	<u>Total Overall</u>
	<u>Direct Bonds</u>	<u>Bonds (1)</u>	<u>Net Debt</u>
	\$ 42,388,833	\$42,388,833	\$50,748,582
Per Capita	2,075	2,075	2,484
To Net Taxable Grand List	1.47%	1.47%	1.75%
To Estimated Full Value	1.03%	1.03%	1.23%
To Equalized Net Grand List	0.98%	0.98%	1.17%

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		
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%
2024	20,429	1,280,612,294	62,686	80.0%	45.0%	2,644	2.1%

Sources:

(1) 2018-2024 State of Connecticut, Department of Health; 2015-2017 Town of Berlin estimates

(2) 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	2024			2015		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource (formerly Northeast Utilities)	1,605	1	13.62%	1,179	1	9.93%
Town of Berlin	703	2	5.96%	671	2	5.65%
Assa Abloy	465	3	3.94%	400	4	3.37%
Keep Me Home	300	4	2.54%	N/A	N/A	N/A
Comcast Cable/TCI, CT	210	5	1.78%	483	3	4.07%
TOMZ Corporation	186	6	1.58%	131	10	1.10%
Budney Overhaul and Repair	180	7	1.53%	175	7	1.47%
CT Air Temp	170	8	1.44%	N/A	N/A	N/A
AVNA	154	9	1.31%	N/A	N/A	N/A
Parker Fluid Control	130	10	1.10%	225	5	1.90%
B & F Machine	N/A	N/A	N/A	210	6	1.77%
Home Depot	N/A	N/A	N/A	140	8	1.18%
Stop & Shop	N/A	N/A	N/A	134	9	1.13%
Total	4,103		34.80%	3,748		31.57%

135

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Manager's office	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Finance department	6.00	6.45	7.00	7.00	6.00	6.00	6.00	6.00	7.00	7.00
Technology department	2.00	3.00	3.00	3.00	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	3.00	2.70	2.70	2.25	2.40
Treasurer	-	-	-	-	0.60	0.60	0.60	0.60	0.60	0.60
Corporation counsel	-	-	-	-	-	-	-	-	1.00	1.00
Assessor	5.38	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.64
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	1.34	1.30	-	-	-	-	-	-	-	-
General Government Total	24.86	25.46	25.11	25.11	23.71	23.71	23.41	23.41	24.96	25.18
Community Development:										
Planning Department	4.40	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building Inspection	4.00	4.00	3.00	3.00	3.00	3.00	3.00	2.84	2.84	2.84
Economic Development	1.52	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.86	1.10
Community Development Total	9.92	9.55	7.55	7.55	7.55	7.55	7.55	7.39	7.70	6.94
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	0.38	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
Police department:										
Officers	47.75	44.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
Civilians	13.00	13.00	12.00	12.00	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	64.63	60.93	57.93	57.93	58.93	58.93	58.93	58.93	58.93	58.93
Physical Services:										
Municipal garage	6.87	6.86	6.86	6.57	6.57	6.57	6.57	7.07	7.07	7.07
Public works	3.15	3.37	3.37	3.35	3.35	3.10	3.10	4.10	4.25	4.25
Highway	15.00	16.00	15.00	15.00	15.00	14.90	15.00	15.00	14.00	14.00
Public building *	7.08	8.95	8.95	7.85	15.95	15.95	15.95	16.55	17.44	17.95
Physical Services Total	32.10	35.18	34.18	32.77	40.87	40.52	40.62	42.72	42.76	43.27
Parks, Recreation, and Libraries:										
Recreation	2.91	2.17	2.17	2.17	2.17	2.17	2.07	2.07	2.02	2.02
Golf course	4.36	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Libraries	12.67	11.67	12.62	11.54	11.54	12.29	11.34	11.34	11.34	11.34
Public grounds	11.00	11.33	11.33	10.33	10.33	10.43	10.53	11.53	11.33	11.33
Parks, Recreation, and Libraries Total	30.94	29.17	30.12	28.04	28.04	28.89	27.94	28.94	29.69	29.69
Health and Human Services:										
Nursing services	9.77	11.29	12.21	13.93	13.93	13.93	13.98	14.26	14.43	14.75
Senior services	4.53	3.25	3.25	3.25	3.25	3.50	3.40	3.40	3.35	3.35
Social services	2.75	2.25	2.25	2.25	2.25	2.00	1.68	1.68	1.57	1.71
Homemaking services	-	-	-	-	-	-	4.49	4.45	-	-
Health and Human Services Total	17.05	16.79	17.71	19.43	19.43	19.43	23.55	23.79	19.35	19.81

136

(Continued)

Town of Berlin, Connecticut

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

June 30

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Schools:										
Private schools	1.02	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Board of education:										
Administration	20.80	19.60	19.00	20.00	18.00	19.00	14.00	19.90	19.90	19.22
Teachers	262.30	271.70	267.30	267.70	260.90	262.00	268.00	274.00	277.10	278.00
Other (1)	216.19	207.56	213.14	205.75	194.64	182.50	199.00	181.60	183.34	174.99
School other	17.09	17.04	17.04	17.15	10.70	10.60	9.33	8.49	8.39	8.41
Schools Total	517.40	517.10	517.68	511.80	485.44	475.30	491.53	485.19	489.93	481.82
Water Control Commission:										
Administration	1.36	1.36	1.36	1.36	1.36	1.61	2.22	2.22	2.07	1.92
Operations	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Water Control Commission Total	6.36	5.36	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92
Total	703.26	699.54	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56
Total town government	179.50	177.08	172.6	170.83	178.53	179.03	182.00	185.18	183.39	183.82
Total education (1)	517.40	517.10	517.68	511.8	485.44	475.3	491.53	485.19	489.93	481.82
Total water control	6.37	5.36	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92
Government Totals	703.27	699.54	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56

(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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Physical arrests:										
Adult arrest	211	256	299	233	248	287	356	377	401	380
Juvenile arrest	11	9	5	7	10	8	13	24	34	32
Traffic violations:										
Infractions	640	1,507	435	741	1,033	1,705	2,138	2,312	2,389	3,360
Misdemeanor	127	51	90	101	189	288	381	347	318	414
Written warning	980	722	1,389	1,042	1,541	1,313	1,765	1,972	1,967	2,355
Animal Control:										
Dog licenses issued	1,720	1,682	1,600	1,566	1,663	1,701	1,741	1,753	1,820	1,785
Animals adopted	53	47	62	31	30	42	38	55	55	56
Animal redemptions	22	29	43	33	40	35	29	34	34	50
Fire Suppression Services:										
Alarms	177	179	182	150	160	167	161	173	141	135
Fires	58	75	80	77	60	43	68	73	98	81
Hazardous materials	64	69	63	86	40	37	85	85	80	95
Assistance calls	116	104	106	83	155	173	166	67	86	108
Rescue calls	219	235	238	175	75	143	128	13	11	9
Fire Marshal:										
Inspections	387	398	301	337	284	305	356	367	357	269
Investigations	55	42	30	35	32	39	23	20	27	21
Refuse Collection:										
Solid waste (tons)	7,753	7,245	7,457	7,284	7,148	6,718	6,555	7,942	7,998	6,351
Curbside recycling (tons):										
Commingled containers	1,620	1,581	1,570	1,678	1,809	1,932	1,856	1,689	1,442	2,123
Leaves	1,425	1,142	1,498	1,427	1,329	1,181	841	886	842	663
Other Public Works:										
Street resurfacing (miles)	6.6	1.9	1.0	2.8	4.0	4.2	5.8	5.6	4.4	3.3

138

(Continued)

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

June 30

<u>Function/Program</u>	<u>2024</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>
Building Department:										
Building permits issued	1,892	1,976	2,119	1,609	1,609	1,498	1,423	1,266	1,666	1,271
Building inspections	3,364	3,551	3,170	2,271	2,271	2,421	2,341	1,937	1,928	1,253
Planning:										
Zoning violations	52	43	56	29	29	51	47	69	70	74
Library:										
Volumes in collection (1)	122,835	116,697	118,638	117,987	117,987	120,025	122,088	194,790	137,222	130,824
Total volumes borrowed	208,534	187,420	179,440	164,913	164,913	208,592	173,446	169,104	176,842	175,983
Water:										
New connections	23	12	14	29	29	29	3	6	6	35
Water main breaks	2	1	3	-	-	3	2	-	9	1
Average daily consumption (thousands of gallons)	1,055	1,039	898	1,020	1,020	978	1,011	1,097	1,097	1,089
Peak daily consumption (thousands of gallons)	1,514	1,466	1,357	1,329	1,329	1,402	1,183	1,689	1,769	1,530
Sewer:										
Average daily sewage treatment (thousands of gallons)	2,190	1,732	1,306	1,089	1,089	1,312	1,095	1,439	1,536	1,535

(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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	15	14	14	15	15	15	15	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	111.63	110.74	110.74	111.51	111.51	111.51	111.51	111.51	111.51
Streetlights	2,580	2,580	2,580	2,580	2,559	2,559	2,561	2,570	2,567	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	2,272	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255
Playgrounds	11	11	11	11	11	11	11	11	9	9
Baseball/softball fields	15	15	15	15	15	15	15	15	15	15
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	550	545	545	545	545	545	545*	440
Storage capacity (thousands of gallons)	2,000	2,000	2,000	2,000	2,000	2,000**	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	10	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.