

**TOWN OF BERLIN, CONNECTICUT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**



**FISCAL YEAR ENDED JUNE 30, 2021**

# TOWN OF BERLIN, CONNECTICUT

Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2021



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, 2021**

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, 2020	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	38-84

**Town of Berlin, Connecticut**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2021**

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	85-87
1B	Notes to Required Supplementary Information	88
	<u>Employee Retirement Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	89
2B	Schedule of Contributions	90
2C	Notes to Required Supplementary Information	91
	<u>Connecticut State Teachers' Retirement System</u>	
3A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	92
3B	Notes to Required Supplementary Information	93
	<u>Other Post-Employment Benefit Plan</u>	
4	Schedule of Changes in OPEB Liability	94
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
5A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	95
5B	Notes to Required Supplementary Information	96
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	97
	<u>Other Governmental Funds</u>	
2	Combining Balance Sheet	98-100
3	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	101-103

**Town of Berlin, Connecticut**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2021**

Table of Contents

<u>Schedules</u>	<u>Supplemental Schedules (continued)</u>	<u>Page</u>
	<u>Internal Service Funds</u>	
4	Combining Schedule of Net Position	104
5	Combining Schedule of Revenues, Expenses and Changes in Net Position	105
6	Combining Schedule of Cash Flows	106
<u>Tables</u>	<u>Statistical Section</u>	
1	Net Position by Component	107
2	Changes in Net Position	108-109
3	Fund Balances - Governmental Funds	110
4	Changes in Fund Balances - Governmental Funds	111
5	Assessed and Estimated Actual Value of Taxable Property	112
6	Direct and Overlapping Property Tax Rates	113
7	Principal Property Taxpayers	114
8	Property Tax Rates, Levies and Cash Collections	115
9	Ratios of Outstanding Debt by Type	116
10	Ratios of General Bonded Debt Outstanding	117
11	Direct and Overlapping Debt	118
12	Schedule of Debt Limitation	119
13	Legal Debt Margin Information	120
14	Debt Statistics for Continuing Disclosure	121
15	Demographic and Economic Statistics	122
16	Principal Employers	123
17	Full-Time Equivalent Employees By Function/Program	124-125
18	Operating Indicators By Function/Program	126-127
19	Capital Asset Statistics by Function/Program	128

---

# **Introductory Section**

---



# TOWN OF BERLIN

## *Finance Department*

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

December 17, 2021

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

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

The Annual Comprehensive Financial Report (“Annual Report”) of the Town of Berlin, Connecticut (“Town”) for the fiscal year ended June 30, 2021, 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 2021.

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 20,154.

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. As part of the charter revisions approved by voters on November 8, 2016, a Board of Finance was formed in November 2017. 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 financial 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**

Berlin managed through the COVID-19 economic challenges with only a few businesses closing permanently. Building permit volume and planning and zoning requests remained strong with several new residential and commercial projects moving forward during the pandemic. Issuance of building permits (both commercial and industrial) increased 30% in fiscal year 2021.

Despite the global challenges starting in March 2020, the Town continued work on coordinated economic development projects in the Farmington Avenue/Amtrack Train Station area of town. A local developer continued efforts to convert three vacant parcels into a mixed-use development and businesses continued to take advantage of the Town’s State-funded façade improvement program, further beautifying the area. Finally, the Town completed the new Steele Boulevard connecting Farmington Avenue and the Train Station, enabling current and future development efforts.



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

The Town's location makes it accessible to a large labor force without the need to commute through congested cities. Berlin has strong demographic characteristics including a median household income 28.3% 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), near completion of a \$1.4 million upgrade to the town-wide fire radio system, completion of the \$1.5 million Steele Boulevard, facility remodels at both the Senior Center and the Timberlin Golf Course clubhouse, and a \$0.5 million replacement of the softball field (used for school, youth, and adult leagues) all made Berlin an appealing location for individuals and businesses. Berlin partnered with Federal and State agencies to continue making critical infrastructure investments in bridges and resurfacing several roads throughout town. Each of these investments was made to maintain a high quality of life for residents and businesses.

### **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 fiscal year 2022 adopted General Fund budget includes funding for four capital projects and acquisitions.

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

For the second time in four years, the Town elected not to issue new money debt. Instead, Town staff focused on completing previously approved and funded projects and helping Berlin manage through the global pandemic. The decision not to issue new money debt in June 2021 allowed the Town to lower the outstanding principal balance by \$6.5 million.

### **Other Relevant Financial Policies and Procedures**

One of the policies adopted by the Town Council in fiscal year 2017 requires full funding of the Actuarially Determined Contribution ("ADC") to the Town's closed defined benefit pension plan. The plan is operating with a pay-as-you-go strategy due to the historically low funding level. In fiscal year 2021, the Town fully funded the ADC in compliance with this policy.

During the fiscal year, the Town continued implementing a comprehensive business continuity and disaster recovery plan initially developed in fiscal year 2012. The Town enhanced remote work technology that enabled many critical functions to operate uninterrupted through the COVID-19 pandemic. This process will continue into fiscal year 2022 until all essential functions can operate in the event of a business shutdown.

## Other Information

### Award:

The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town of Berlin for its annual comprehensive financial report for the last thirty-five consecutive years including the most recently completed fiscal year ended June 30, 2020.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report (“Annual Report”) whose contents conform to program standards. The 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 report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments:

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

Respectfully submitted,



Kevin Delaney  
Director of Finance & Treasurer

**Town of Berlin, Connecticut**

**Principal Officials  
June 30, 2021**

**Town Council**

Mayor Mark H. Kaczynski

Deputy Mayor Brendan T. Luddy  
Councilor Charles R. Paonessa  
Councilor Michael Urrunaga

Councilor JoAnn Angelico-Stetson  
Councilor Peter A. Rosso  
Councilor Donna Veach

**Board of Finance**

Sam Lomaglio, Chairman  
Sal Bordonaro  
Timothy Grady

Gerald P. Paradis, Vice Chairman  
Raul Fernandes  
Mark Holmes

**Administration**

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

Arosha Jayawickrema  
Jeffrey M. Donofrio  
Kevin Delaney  
Wendy Russo  
Vacant  
Jennifer Ochoa  
Michael Ahern  
John M. Klett  
Kathryn J. Wall  
Carrie Tyszka  
Brian Freeman  
Steven Waznia  
Christopher Edge  
Jerry Salvio  
Denise Parsons  
James Simons

**Board of Education**

Julia Dennis, President

Steven Jenkins  
Timothy J. Oakes  
Adam Salina  
Tracy Sisti, Secretary

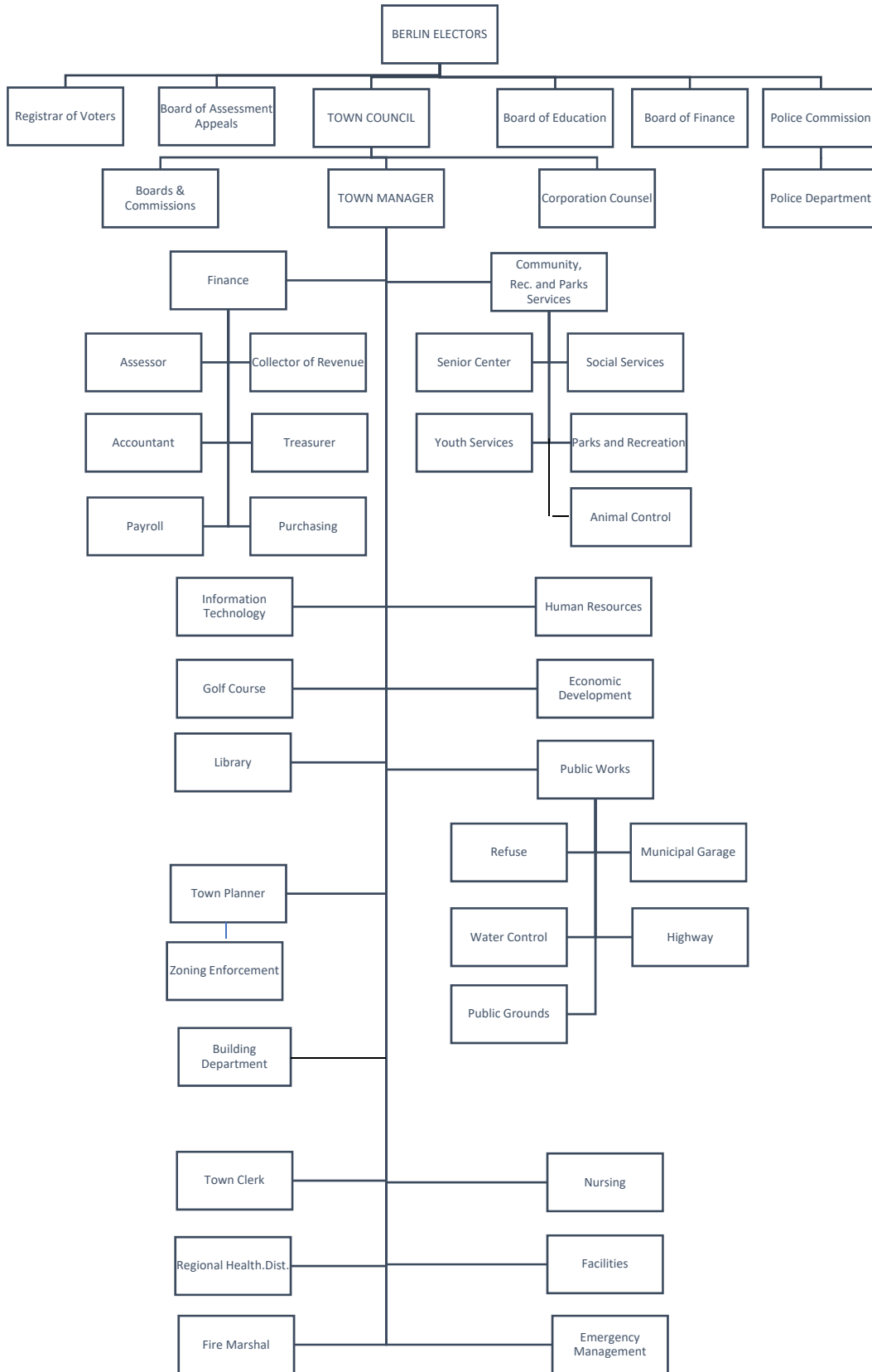
Jaymee Miller  
Mark Pruzin  
Kari Sassu, Ph. D.  
Stephen Weber

Superintendent of Schools  
Director of Finance  
Director of Operations

Brian Benigni  
Ashley Dorsey  
Jeffrey Cugno

# Town of Berlin, Connecticut

## Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Berlin  
Connecticut**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

---

# Financial Section

---



## Independent Auditors' Report

**Town Council  
Town of Berlin, Connecticut**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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

**Town Council  
Town of Berlin, Connecticut**

Page 2

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2021, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, 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, 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 and Other 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 introductory section, supplemental schedules and statistical information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



**Town Council  
Town of Berlin, Connecticut**

Page 3

The introductory and statistical information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, 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 17, 2021



# TOWN OF BERLIN

## Finance Department

240 KENSINGTON ROAD · TOWN HALL · BERLIN CT 06037

### Management's Discussion and Analysis For the Year Ended June 30, 2021

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, 2021. Please read this Management Discussion and Analysis ("MD&A") in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to J.

#### 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	\$ 8,257,831	\$ 844,836	\$ 9,102,667
Total net position	136,276,730	20,534,742	156,811,472
Unrestricted net position	20,111,967	7,976,139	28,088,106

The Town's total net position increased by \$9,102,667. The increase is due to the following:

#### Governmental fund activity:

- positive operations of the general fund of \$ 922,305
- negative operations of the capital projects fund of (754,122)

#### Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation expense of 2,538,283
- loss on disposal of assets of (942,477)
- net principal debt activity of 6,458,611
- net revenues of the internal service funds of 1,339,387

- Revenues for the Town's programs increased \$6,983,720 or 6.7% to \$112,058,470. This compared to an increase of 2.7% in the prior year. The major drivers of this growth were higher operating grants (including Federal Coronavirus Relief Funds), higher capital grants for infrastructure projects, increased property tax revenues and higher service fees, partially offset by lower investment income caused by historically low interest rates.
- The total cost of the Town's programs increased by \$8,886,277 or 9.4% to \$103,805,139 with no new programs added this year. This compares to an increase of 3.2% in the prior year. The major drivers of the increase were higher education costs in response to the global pandemic, higher public safety expenses, and an increase in general government to fund lump sum payouts from the closed defined benefit pension plan.

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

---

- The General Fund ending fund balance was \$18,785,008, an increase of \$922,305 or 5.2%, from the previous year. The increase was due to higher-than-expected prior year tax collections, higher than budgeted Federal grants, higher fees (from building permits, real estate conveyances and golf course fees) and lower costs from rigorous cost management. The unassigned portion of fund balance increased by a total of \$862,305 or 4.9%.
- The Capital Projects Fund reported a total fund balance this year of \$14,054,285, a decrease of \$754,122, or -5.1%, from the previous year. The decrease was driven by the funding of several projects partially offset by the receipt of intergovernmental grants and transfers from the general fund for future capital projects and acquisitions.

### **Overview of the financial statements**

This discussion and analysis is 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.

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.

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

---

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

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

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

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

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

The Town uses internal service funds to account for its employees and retirees' self-insured medical benefits and to provide general insurance. 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.

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

**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 its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide 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.

**Government-wide financial analysis**

The Town's combined net position increased from \$147,708,805 to \$156,811,472. 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 48,857,049	\$ 47,194,805	\$ 8,144,313	\$ 7,288,574	\$ 57,001,362	\$ 54,483,379
Capital assets (net)	184,238,803	182,642,997	15,764,164	16,047,849	200,002,967	198,690,846
Total assets	<u>233,095,852</u>	<u>229,837,802</u>	<u>23,908,477</u>	<u>23,336,423</u>	<u>257,004,329</u>	<u>253,174,225</u>
Deferred outflows of resources	2,615,863	2,245,118	5,410	2,286	2,621,273	2,247,404
Long-term liabilities outstanding	85,163,959	89,809,992	3,020,431	3,216,240	88,184,390	93,026,232
Other liabilities	13,156,045	12,910,560	358,473	432,413	13,514,518	13,342,973
Total liabilities	<u>98,320,004</u>	<u>102,720,552</u>	<u>3,378,904</u>	<u>3,648,653</u>	<u>101,698,908</u>	<u>106,369,205</u>
Deferred inflows of resources	1,114,981	1,343,469	241	150	1,115,222	1,343,619
Net investment in capital assets	112,760,825	108,253,196	12,558,603	12,633,796	125,319,428	120,886,992
Restricted	3,403,938	1,026,283	-	-	3,403,938	1,026,283
Unrestricted	20,111,967	18,739,420	7,976,139	7,056,110	28,088,106	25,795,530
Total net position	<u>\$ 136,276,730</u>	<u>\$ 128,018,899</u>	<u>\$ 20,534,742</u>	<u>\$ 19,689,906</u>	<u>\$ 156,811,472</u>	<u>\$ 147,708,805</u>

Net position of the Town's governmental activities increased by 6.5%. The increase was driven by capital investments in an upgraded town-wide fire radio system, construction of Steele Boulevard that will enable future economic development downtown, several bridge projects and a net reduction in outstanding debt.

**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.

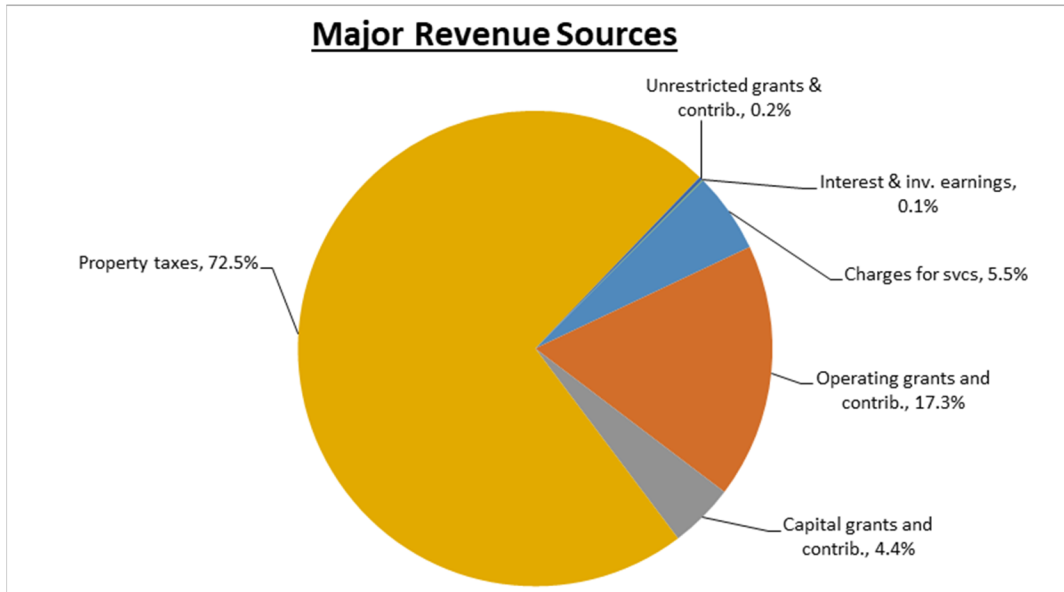
**Table 2  
Statement of Changes in Net Position  
For the Years Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,135,932	\$ 5,096,815	\$ 5,195,417	\$ 4,841,145	\$ 11,331,349	\$ 9,937,960
Operating grants and contributions	19,412,541	16,353,132	-	3,308	19,412,541	16,356,440
Capital grants and contributions	4,942,795	2,898,815	-	-	4,942,795	2,898,815
General revenues:						
Property taxes	81,190,002	79,532,017	-	-	81,190,002	79,532,017
Grants and contributions not restricted to specific programs	271,987	302,664	-	-	271,987	302,664
Income from investments	66,043	850,917	16,395	83,790	82,438	934,707
Other	39,170	40,390	22,389	24,737	61,559	65,127
Total revenues	112,058,470	105,074,750	5,234,201	4,952,980	117,292,671	110,027,730
Expenses:						
General government	6,121,673	4,382,745	-	-	6,121,673	4,382,745
Community development	1,447,404	999,404	-	-	1,447,404	999,404
Public safety	12,651,533	10,955,051	-	-	12,651,533	10,955,051
Physical services	8,683,511	7,667,136	-	-	8,683,511	7,667,136
Parks, recreation and libraries	4,631,671	4,535,047	-	-	4,631,671	4,535,047
Health and human services	2,511,833	2,468,476	-	-	2,511,833	2,468,476
Schools	66,027,782	61,865,177	-	-	66,027,782	61,865,177
Interest	1,729,732	2,045,826	-	-	1,729,732	2,045,826
Water and sewer services	-	-	4,384,865	4,033,164	4,384,865	4,033,164
Total expenses	103,805,139	94,918,862	4,384,865	4,033,164	108,190,004	98,952,026
Change in net position before transfers	8,253,331	10,155,888	849,336	919,816	9,102,667	11,075,704
Transfers	4,500	4,500	(4,500)	(4,500)	-	-
Change in net position after transfers	8,257,831	10,160,388	844,836	915,316	9,102,667	11,075,704
Net position - July 1	128,018,899	117,340,637	19,689,906	18,774,590	147,708,805	136,115,227
Restatement (Note VI)	-	517,874	-	-	-	517,874
Net position - June 30	<u>\$ 136,276,730</u>	<u>\$ 128,018,899</u>	<u>\$ 20,534,742</u>	<u>\$ 19,689,906</u>	<u>\$ 156,811,472</u>	<u>\$ 147,708,805</u>

The Town's total revenues (governmental and business-type) were \$117,292,671. The total cost of all programs and services (governmental and business-type) was \$108,190,004. The analysis below separately discusses the operations of governmental and business-type activities.

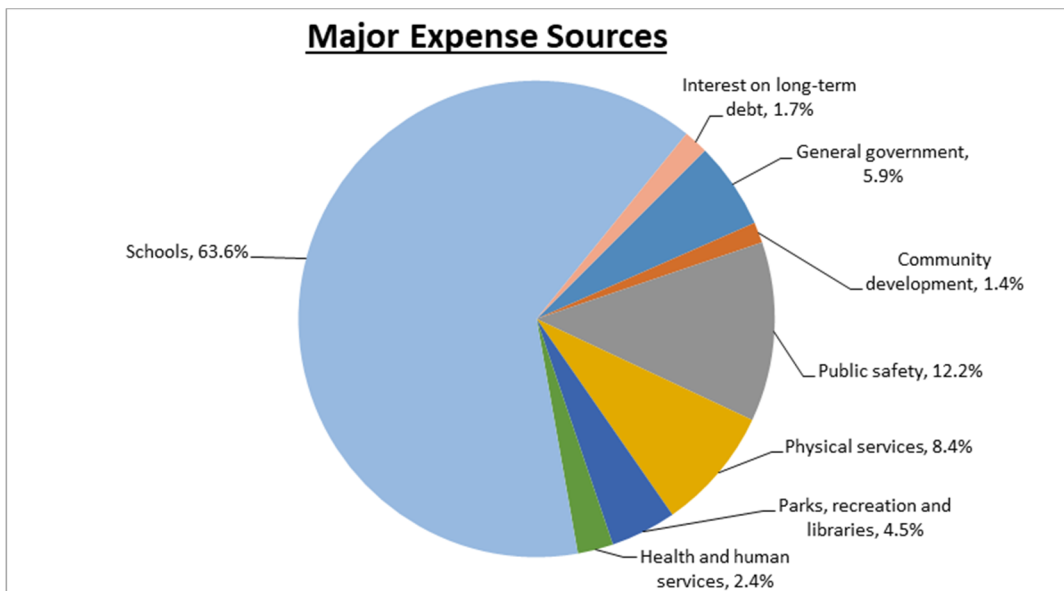
**Governmental activities**

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:

- Operating and capital grants and contributions increased \$5,103,389 or 26.5%. The increase was driven by Federal Coronavirus Aid and State reimbursement grants for capital projects.
- Property tax revenue increased \$1,657,985 or 2.1% driven by an increase in back tax collections and higher property valuations.
- Charges for service revenue increased \$1,039,117 or 20.4% from prior year. This was driven by increased building permits and conveyance revenue from real estate transactions.



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

---

Major expense factors include:

- General government expense increased \$1,738,928 or 39.7% primarily due to an increase in defined benefit pension expense as members of the closed plan retired during a period of very low interest rates. Pension payouts move opposite interest rates - as rates decline payouts increase.
- Public Safety expenses increased \$1,696,482 or 15.5% primarily due to upgrades to the town-wide fire radio system, a down payment to purchase a new fire vehicle and the purchase of several new police vehicles.
- Education expense increased \$4,162,605 or 6.7% primarily due to higher costs responding to the Coronavirus pandemic, increases in wage and health insurance costs from higher headcount, and higher special education expenses.
- There were increases in employee wages because of negotiated step and general wage increases; however, contractual increases were limited to a maximum of 2.25% for the Town and 2.75% for the Board of Education. There were two open Town union contracts on June 30, 2021. On the Board of Education side, one contract expired on June 30, 2021, and was still being negotiated.
- There were no new Town positions during the fiscal year. The Board of Education had a net increase of twelve teaching, administrative and support positions.
- The Town continued to take measures to control the level of medical insurance costs through the implementation of wellness incentives and offering a high-deductible HSA plan. The high-deductible HSA plan is currently voluntary for the Town but mandatory for all Board of Education employees. While the Town continues to offer a preferred provider plan, employees who elect this plan are required to pay a higher percentage of premiums than those who elect the high-deductible plan.
- The Town continued to experience benefits from the reduction in defined contribution match (from 200% to 100% for all employees, except for police officers, hired after January 1, 2015) negotiated with the pension consortium of all unions other than Police during fiscal year 2015. The most recently negotiated Police contract included a reduction in pension funding from 12% to 8% of wages.

### ***Business-type activities***

Revenues from the Town's business-type activities (see Table 2) increased 5.7% and expenses increased 8.7%.

The increase in revenues was driven by an increase in volumes in addition to an increase in the Mattabassett sewer 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.



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

---

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$34,686,732, which is a 0.7% increase from last year's total of \$34,448,651. This increase was driven by the collection of current and back taxes, proactive cost management, the funding of capital projects, and receipt of Coronavirus Relief Funds. Fund balance has been classified as:

Nonspendable	\$ 68,297
Restricted	3,335,641
Committed	12,234,318
Assigned	748,468
Unassigned	<u>18,300,008</u>
Total	<u>\$ 34,686,732</u>

The total fund balance increased by \$238,081 to \$34,686,732. This increase is a result of the following funds activity:

**General Fund** - Included in this year's total change in governmental fund balance is an increase of \$922,305 in the Town's General Fund, compared to an increase of \$1,255,699 in the prior year. The drivers of the increase in fund balance within the General Fund were from both lower expenditures and higher revenues when compared to the operating budget. The higher revenues partially offset the use of fund balance to fund defined benefit lump sum payouts.

Revenue and other financing sources were \$1,672,540 below budget (including the use of fund balance during the budget process) driven by \$2,252,992 in non-budgeted appropriations of fund balance in support of defined benefit lump sum payouts, partially mitigated by higher than budgeted tax revenues, one-time Federal grants, and higher service charge revenues.

Property tax revenues recorded for fiscal year 2021 reflect a tax rate of 33.93 mills, equal to the rate used in the previous fiscal year and a continued strong collection rate of 98.9%.

The Town maintained the practice of budgeting conservatively for all State grants. The final State budget resulted in \$58,545 of higher State funding than budgeted.

Authorized General Fund budget appropriations for operating expenditures and other financing uses of \$2,594,845 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 where the Town continued to experience retirements of more tenured officers, nursing vacancies in the VNA, and vacancies at the senior center. While the Town managed through these vacancies with existing staff, these favorable variances are not expected to repeat. As a result, the Town remains judicious in the use of these surplus funds to avoid generating increased operating costs that need to be budgeted in future fiscal years.

The Town continued efforts to control expenditures such as: weekly and monthly detailed expenditure reviews, minimizing use of overtime where possible; prohibiting most air travel for conferences; continuing efforts to reduce the cost of employee benefits through wellness initiatives, higher employee cost shares and participation in a high-deductible health savings account.

**Capital Projects Fund** - \$9,121,091 was expended for asset acquisitions and improvements, most notably road and bridge improvements, repairs to the Railroad Pond Dam and upgrades to the town-wide fire radio system. These capital expenditures were funded through a combination of intergovernmental grants and transfers from the general fund.

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

**Disadvantaged Education Fund** - expenditures exceeded revenues by \$70,987, decreasing fund balance from \$365,290 to 294,303.

**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 \$20,534,742, which is an increase of \$844,836 or 4.3% from the previous year's total of \$19,689,906. The increase was driven by continued strong revenue collections and management's close review of operating of capital spending requests.

**Internal service funds**

The internal service funds experienced a combined increase in net position of \$1,339,387, or 49.4% as compared to the prior year. The major driver of this increase was favorable claims in the Medical and Health Insurance fund. Experience was favorable, in part, because of the COVID-19 pandemic and the limitations on non-emergency doctor visits. It should be noted that medical claim experience was enhanced by the \$150,000 stop-loss plan the Town maintains. Any claims above this amount were paid by the insurer.

**Capital assets and long-term liabilities**

**Capital assets**

The Town had a \$200,002,967 net investment in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, streetlights and water and sewer lines (see Table 3). This amount represents a net increase of \$1,312,121 or 0.7%.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2021	2020	2021	2020	2021	2020
Land	\$ 22,629,439	\$ 23,571,916	\$ 1,415,112	\$ 1,415,112	\$ 24,044,551	\$ 24,987,028
Intangible assets	-	-	564,551	564,551	564,551	564,551
Construction in progress	7,128,169	9,021,512	3,686,821	3,957,554	10,814,990	12,979,066
Land improvements	4,022,193	4,337,635	-	-	4,022,193	4,337,635
Buildings and systems	108,329,525	110,797,617	1,053,399	912,765	109,382,924	111,710,382
Machinery and equipment	7,564,586	7,598,260	654,587	606,221	8,219,173	8,204,481
Infrastructure	34,564,891	27,316,057	8,389,694	8,591,646	42,954,585	35,907,703
<b>Total</b>	<b>\$ 184,238,803</b>	<b>\$ 182,642,997</b>	<b>\$ 15,764,164</b>	<b>\$ 16,047,849</b>	<b>\$ 200,002,967</b>	<b>\$ 198,690,846</b>

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

This year's major additions included:

- Construction in progress declined because of completed projects moved to Infrastructure (see below), partially offset by investments in:
  - Fire Radio System Upgrades \$ 1,111,053
  - Steele Boulevard 1,020,511
  - Wildermere Road Bridge 560,915
  - Heritage Drive Bridge 500,915
  - Worthington Ridge Bridge 450,914
  - Berlin Street Bridge 450,914
- Buildings and systems declined because depreciation was \$2,468,092 more than new assets. The major new Buildings and Systems were:
  - Town Hall Doors and Access Controls 340,826
  - Senior Center Kitchen Upgrades 95,570
- Machinery and equipment:
  - Radio Equipment 321,045
- Infrastructure:
  - Farmington Ave Bridge 3,648,426
  - Railroad Pond Dam 1,702,342
  - High Road Bridge 1,291,907

***Business-type activities***

- Buildings and systems:
  - Sewer Stations 296,967

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

***Long-term debt***

**Table 4  
Outstanding Debt  
General Obligation Bonds and Notes  
June 30**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 60,425,000	\$ 66,535,000	\$ -	\$ -	\$ 60,425,000	\$ 66,535,000
Notes payable	8,774,978	9,123,589	3,205,561	3,414,053	11,980,539	12,537,642
<b>Total</b>	<b>\$ 69,199,978</b>	<b>\$ 75,658,589</b>	<b>\$ 3,205,561</b>	<b>\$ 3,414,053</b>	<b>\$ 72,405,539</b>	<b>\$ 79,072,642</b>

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

---

The Town's general obligation bonds outstanding decreased by \$6,110,000 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 debt during 2021 in support of the CIP.

The Town had \$8,774,978 in equipment financing notes, a decrease of \$348,611 due to scheduled principal payments. The Town had \$3,205,561 in Clean Water Fund notes, a decrease of \$208,492 due to scheduled principal payments.

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 \$567,882,756.

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.

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") in order to fund inflow and infiltration projects. These projects are accounted for in the Water and Sewer Enterprise Fund and are funded exclusively by a separate charge on customer bills. The future debt service for the loans is \$3,712,007 (\$3,205,561 principal and \$506,446 interest). More detailed information about these two loans is presented in Note III F to the financial statements.

### **Economic factors and next year's budgets and rates**

General Fund appropriations totaled \$93,959,047 in the fiscal year 2022 budget. This is an increase of approximately 2.7% over fiscal year 2021. The tax mill rate remained flat versus prior year. The flat mill rate was driven by lower debt service and the use of one-time revenue sources from Federal Aid and the remaining balance in the Berlin High School "Renovate as New" project fund (the project was accepted as complete by the Berlin Board of Education during fiscal year 2021).

The 2020 Grand List increased 1.45% over 2019. The fiscal year 2022 General Fund budget includes \$485,000 of assigned General Fund balance to mitigate the tax increase and partially fund the actuarially determined contribution.

For the business-type activities, the Town, in conjunction with the Water Control Commission, has set related fees to offset the cost of operations. The Mattabassett District, of which the Town is a member, performed a major upgrade for nitrogen removal, increased capacity and improvements required by State and Federal regulation. The District borrowed approximately \$80 million to fund the cost of this project. This cost will be shared among the member cities and towns with Berlin's share currently estimated at 14.35%. Also, as noted in the previous section, the Town has entered into a clean water fund loan agreement with the State to fund an inflow and infiltration (i.e., clean water) project; this loan will be repaid over twenty years and the loan repayments will also impact future rates.

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

---

The Town faces the challenge of dealing with the continued State budget uncertainty. The ECS grant represents approximately 83.9% of the fiscal year 2022 intergovernmental grant revenue budget and 6.2% of the total revenue budget. As the State considers education grant funding going forward, the Town is handling the uncertainty with tight expense management, evaluating capital requests carefully and taking steps to reduce long-term liabilities.

The Town's defined benefit plan has been closed to new participants since 2000 and is a unique type of plan that offers the higher of the defined benefit or defined contribution calculation. As many of the remaining active participants are starting to retire and choose a lump sum distribution, the Town is employing a pay-as-you-go funding approach to address the short-term cash flow demand. Beginning in fiscal year 2018, the Town instituted the practice of fully funding the actuarially determined contribution. The Town intends to fully fund the annual required contribution going forward and does not intend to issue pension obligation bonds.

The Town's unemployment rate continued to be less than the State, regional and national averages. As of June 2021, the unemployment rate in Berlin was 5.4% (not seasonally adjusted) compared to 7.0% in the Hartford Labor Market Area, 6.8% in the State of Connecticut and 6.1% in the United States.

The potential impact of the pandemic on the local economy, businesses and Town revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for the prior fiscal year and there is no indication that there will be an impact on 2022 collections.

**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, 2021

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 15,248,812	\$ 2,291,879	\$ 17,540,691
Investments	29,011,625	3,000,000	32,011,625
Receivables:			
Property taxes	827,592	-	827,592
Usage	-	667,245	667,245
Special assessments and connection charges	-	14,532	14,532
Accounts	319,534	-	319,534
Intergovernmental	1,169,846	-	1,169,846
Internal balances	482	(482)	-
Prepaid expenses	-	2,078,380	2,078,380
Other	37,787	-	37,787
Total current assets	<u>46,615,678</u>	<u>8,051,554</u>	<u>54,667,232</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	1,092,401	-	1,092,401
Investments	557,903	-	557,903
Permanently restricted:			
Cash	68,297	-	68,297
Total restricted assets	<u>1,718,601</u>	<u>-</u>	<u>1,718,601</u>
Receivables (net):			
Property taxes	522,770	-	522,770
Usage	-	92,759	92,759
Total receivables (net)	<u>522,770</u>	<u>92,759</u>	<u>615,529</u>
Capital assets (net of accumulated depreciation):			
Land	22,629,439	1,415,112	24,044,551
Intangible assets	-	564,551	564,551
Construction in progress	7,128,169	3,686,821	10,814,990
Land improvements	4,022,193	-	4,022,193
Buildings and systems	108,329,525	1,053,399	109,382,924
Machinery and equipment	7,564,586	654,587	8,219,173
Infrastructure	34,564,891	8,389,694	42,954,585
Total capital assets (net of accumulated depreciation)	<u>184,238,803</u>	<u>15,764,164</u>	<u>200,002,967</u>
Total noncurrent assets	<u>186,480,174</u>	<u>15,856,923</u>	<u>202,337,097</u>
Total assets	<u>233,095,852</u>	<u>23,908,477</u>	<u>257,004,329</u>
<u>Deferred Outflows of Resources</u>			
Pension related	47,125	-	47,125
OPEB related	2,347,259	5,410	2,352,669
Deferred charge on refunding	221,479	-	221,479
Total deferred outflows of resources	<u>2,615,863</u>	<u>5,410</u>	<u>2,621,273</u>

(Continued)

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

Town of Berlin, Connecticut

Statement of Net Position  
June 30, 2021

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 1,852,812	\$ 124,741	\$ 1,977,553
Retainage payable	14,109	-	14,109
Accrued payroll and related liabilities	737,313	18,280	755,593
Accrued interest payable	233,639	-	233,639
Unearned revenue	2,767,658	-	2,767,658
Bonds and notes payable	6,656,514	208,492	6,865,006
Compensated absences	387,268	6,960	394,228
Claims payable	437,881	-	437,881
Heart and hypertension	54,392	-	54,392
Tax overpayments	14,459	-	14,459
Total current liabilities	<u>13,156,045</u>	<u>358,473</u>	<u>13,514,518</u>
Noncurrent liabilities:			
Performance bonds	1,615,895	-	1,615,895
Bonds and notes payable and related liabilities	64,872,407	2,997,069	67,869,476
Compensated absences	157,888	-	157,888
Heart and hypertension	263,658	-	263,658
Net pension liability	8,117,929	-	8,117,929
OPEB liability	10,136,182	23,362	10,159,544
Total noncurrent liabilities	<u>85,163,959</u>	<u>3,020,431</u>	<u>88,184,390</u>
Total liabilities	<u>98,320,004</u>	<u>3,378,904</u>	<u>101,698,908</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	1,010,586	-	1,010,586
OPEB related	104,395	241	104,636
Total deferred inflows of resources	<u>1,114,981</u>	<u>241</u>	<u>1,115,222</u>
<u>Net Position</u>			
Net investment in capital assets	112,760,825	12,558,603	125,319,428
Restricted for:			
Endowments:			
Nonexpendable	68,297	-	68,297
Expendable	34,409	-	34,409
Community development	17,457	-	17,457
Public safety	41,502	-	41,502
Health and human services	2,466	-	2,466
Parks, recreation and libraries	388,113	-	388,113
Schools	1,031,727	-	1,031,727
Construction projects	1,819,967	-	1,819,967
Unrestricted	<u>20,111,967</u>	<u>7,976,139</u>	<u>28,088,106</u>
Total net position	<u>\$ 136,276,730</u>	<u>\$ 20,534,742</u>	<u>\$ 156,811,472</u>

(Concluded)

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



Town of Berlin, Connecticut

Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Governmental activities:</u>							
General government	\$ 6,121,673	\$ 1,559,586	\$ 1,310,878	\$ 65,929	\$ (3,185,280)	\$ -	\$ (3,185,280)
Community development	1,447,404	183,533	6,080	1,697,400	439,609	-	439,609
Public safety	12,651,533	669,214	214,908	-	(11,767,411)	-	(11,767,411)
Physical services	8,683,511	76,148	-	3,179,466	(5,427,897)	-	(5,427,897)
Parks, recreation and libraries	4,631,671	1,501,674	-	-	(3,129,997)	-	(3,129,997)
Health and human services	2,511,833	772,655	25,075	-	(1,714,103)	-	(1,714,103)
Schools	66,027,782	1,373,122	17,855,600	-	(46,799,060)	-	(46,799,060)
Interest	1,729,732	-	-	-	(1,729,732)	-	(1,729,732)
Total governmental activities	103,805,139	6,135,932	19,412,541	4,942,795	(73,313,871)	-	(73,313,871)
<u>Business-type activities:</u>							
Water and sewer services	4,384,865	5,195,417	-	-	-	810,552	810,552
Total	<u>\$ 108,190,004</u>	<u>\$ 11,331,349</u>	<u>\$ 19,412,541</u>	<u>\$ 4,942,795</u>	<u>(73,313,871)</u>	<u>810,552</u>	<u>(72,503,319)</u>
<u>General revenues:</u>							
Property taxes					81,190,002	-	81,190,002
Grants and contributions not restricted to specific programs					271,987	-	271,987
Income from investments					66,043	16,395	82,438
Other					39,170	22,389	61,559
Total general revenues					<u>81,567,202</u>	<u>38,784</u>	<u>81,605,986</u>
Transfers in (transfers out)					<u>4,500</u>	<u>(4,500)</u>	<u>-</u>
Change in net position					8,257,831	844,836	9,102,667
Net position - July 1, 2020 (as restated)					<u>128,018,899</u>	<u>19,689,906</u>	<u>147,708,805</u>
Net position - June 30, 2021					<u>\$ 136,276,730</u>	<u>\$ 20,534,742</u>	<u>\$ 156,811,472</u>

25

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

Town of Berlin, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Disadvantaged Education	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 7,610,703	\$ 746,632	\$ 3,945,489	\$ 1,392,199	\$ 13,695,023
Restricted cash	1,057,992	-	-	-	1,057,992
Investments	14,011,625	-	12,000,000	-	26,011,625
Restricted investments	557,903	-	-	-	557,903
Receivables (net):					
Property taxes	1,350,362	-	-	-	1,350,362
Accounts	58,906	-	-	-	58,906
Intergovernmental	-	-	997,347	172,499	1,169,846
Due from other funds	110,482	-	-	-	110,482
Other	-	-	-	37,787	37,787
<b>Total assets</b>	<b>\$ 24,757,973</b>	<b>\$ 746,632</b>	<b>\$ 16,942,836</b>	<b>\$ 1,602,485</b>	<b>\$ 44,049,926</b>
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 1,177,448	\$ 11	\$ 671,244	\$ 4,109	\$ 1,852,812
Retainage payable	-	-	14,109	-	14,109
Accrued payroll and related liabilities	725,717	-	-	11,596	737,313
Unearned revenue	78,498	452,318	2,203,198	33,644	2,767,658
Performance bonds	1,615,895	-	-	-	1,615,895
Tax overpayments	14,459	-	-	-	14,459
<b>Total liabilities</b>	<b>3,612,017</b>	<b>452,329</b>	<b>2,888,551</b>	<b>49,349</b>	<b>7,002,246</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	1,350,362	-	-	-	1,350,362
Advance property tax collections	1,010,586	-	-	-	1,010,586
<b>Total deferred inflows of resources</b>	<b>2,360,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,360,948</b>
<u>Fund Balances</u>					
Nonspendable	-	-	-	68,297	68,297
Restricted	-	294,303	1,819,967	1,221,371	3,335,641
Committed	-	-	12,234,318	-	12,234,318
Assigned	485,000	-	-	263,468	748,468
Unassigned	18,300,008	-	-	-	18,300,008
<b>Total fund balances</b>	<b>18,785,008</b>	<b>294,303</b>	<b>14,054,285</b>	<b>1,553,136</b>	<b>34,686,732</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 24,757,973</b>	<b>\$ 746,632</b>	<b>\$ 16,942,836</b>	<b>\$ 1,602,485</b>	<b>\$ 44,049,926</b>

(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, 2021**

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

Total fund balance (Exhibit C, Page 1 of 2)	<u>\$ 34,686,732</u>
---------------------------------------------	----------------------

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

Beginning capital assets	182,642,997
Capital assets additions (net of construction in progress)	8,123,638
Depreciation expense	(5,585,355)
Disposal of capital assets	<u>(942,477)</u>
<b>Total</b>	<u><b>184,238,803</b></u>

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

Property taxes - accrual basis change	1,350,362
Deferred outflows of resources related to pensions	47,125
Deferred outflows of resources related to OPEB	2,347,259
Deferred charge on refunding	<u>221,479</u>
<b>Total</b>	<u><b>3,966,225</b></u>

Internal service funds are used by management to charge the cost of medical insurance premiums to benefiting activities and heart and hypertension claims

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>4,051,192</u>
-----------------------------------------------------------------------------------------------------------------------------------	------------------

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

Bonds and notes payable and related liabilities	(71,528,921)
Compensated absences	(545,156)
Net pension liability	(8,117,929)
OPEB liability	(10,136,182)
Accrued interest payable	(233,639)
Deferred inflows of resources related to OPEB	<u>(104,395)</u>
<b>Total</b>	<u><b>(90,666,222)</b></u>

Net position of governmental activities (Exhibit A)	<u><u><b>\$ 136,276,730</b></u></u>
-----------------------------------------------------	-------------------------------------

(Concluded)

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

Town of Berlin, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2021

	General	Disadvantaged Education	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 80,997,529	\$ -	\$ -	\$ -	\$ 80,997,529
Intergovernmental	13,305,974	4,368,583	6,056,910	813,123	24,544,590
Charges for services	4,455,033	1,010,324	268,853	401,722	6,135,932
Income from investments	60,033	-	-	182	60,215
Contributions	-	-	4,000	78,733	82,733
Rebates	-	-	39,170	-	39,170
<b>Total revenues</b>	<b>98,818,569</b>	<b>5,378,907</b>	<b>6,368,933</b>	<b>1,293,760</b>	<b>111,860,169</b>
Expenditures:					
Current:					
General government	6,920,699	-	82,800	-	7,003,499
Community development	887,834	-	-	3,560	891,394
Public safety	9,603,718	-	-	26,375	9,630,093
Physical services	7,066,296	-	3,638	-	7,069,934
Parks, recreation and libraries	4,066,411	-	-	39,338	4,105,749
Health and human services	2,419,050	-	-	126,119	2,545,169
Schools	56,481,597	5,449,894	-	957,483	62,888,974
Debt service	8,246,859	-	576,282	-	8,823,141
Capital outlay	-	-	9,121,091	-	9,121,091
<b>Total expenditures</b>	<b>95,692,464</b>	<b>5,449,894</b>	<b>9,783,811</b>	<b>1,152,875</b>	<b>112,079,044</b>
Excess (deficiency) of revenues over expenditures	3,126,105	(70,987)	(3,414,878)	140,885	(218,875)
Other financing sources (uses):					
Sale of capital assets	235,000	-	217,456	-	452,456
Transfers in	4,500	-	2,443,300	-	2,447,800
Transfers out	(2,443,300)	-	-	-	(2,443,300)
<b>Net other financing sources (uses)</b>	<b>(2,203,800)</b>	<b>-</b>	<b>2,660,756</b>	<b>-</b>	<b>456,956</b>
<b>Net change in fund balances</b>	<b>922,305</b>	<b>(70,987)</b>	<b>(754,122)</b>	<b>140,885</b>	<b>238,081</b>
Fund balances - July 1, 2020 (as restated)	17,862,703	365,290	14,808,407	1,412,251	34,448,651
<b>Fund balances - June 30, 2021</b>	<b>\$ 18,785,008</b>	<b>\$ 294,303</b>	<b>\$ 14,054,285</b>	<b>\$ 1,553,136</b>	<b>\$ 34,686,732</b>

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, 2021

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) \$ 238,081

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 expense:

Capital outlay	8,123,638
Depreciation expense	<u>(5,585,355)</u>

Total	<u>2,538,283</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 capital 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:

Loss on disposal of assets	<u>(942,477)</u>
----------------------------	------------------

Governmental funds report capital purchases held as investments as expenditures. However, in the statement of activities the cost of those assets is reported as an investment:

Change in real estate investment	<u>(281,572)</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>192,473</u>
----------------------------------------------------------	----------------

The issuance of long-term debt (e.g., bonds, leases) 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	<u>6,458,611</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, 2021

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:

Amortization of premium	\$ 717,764
Changes in:	
Compensated absences	18,641
Pension liability	(1,190,079)
OPEB liability	(1,237,372)
Accrued interest payable	14,739
Amortization of deferred charge on refunding	(97,705)
Amortization of deferred outflows of resources	468,450
Amortization of deferred inflows of resources	<u>20,607</u>
Total	<u>(1,284,955)</u>
Internal service funds are used by management to charge the cost of medical insurance premiums to benefiting activities and heart and hypertension claims	
The net revenue (expense) of the internal service funds are reported with governmental activities	<u>1,339,387</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 8,257,831</u>
	(Concluded)

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

Town of Berlin, Connecticut

Statement of Net Position  
Proprietary Funds  
June 30, 2021

	<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>Internal Service Funds</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 2,291,879	\$ 1,656,495
Investments	3,000,000	3,000,000
Receivables:		
Accounts	-	150,628
Usage	667,245	-
Special assessments and connection charges	14,532	-
Prepaid expenses	<u>2,078,380</u>	<u>-</u>
Total current assets	<u>8,052,036</u>	<u>4,807,123</u>
Noncurrent assets:		
Receivables (net):		
Usage	<u>92,759</u>	<u>-</u>
Capital assets (net):		
Land	1,415,112	-
Intangible assets	564,551	-
Construction in progress	3,686,821	-
Buildings and systems	1,053,399	-
Machinery and equipment	654,587	-
Infrastructure	<u>8,389,694</u>	<u>-</u>
Total capital assets net of accumulated depreciation	<u>15,764,164</u>	<u>-</u>
Total noncurrent assets	<u>15,856,923</u>	<u>-</u>
Total assets	<u>23,908,959</u>	<u>4,807,123</u>
<u>Deferred Outflows of Resources</u>		
OPEB related	<u>5,410</u>	<u>-</u>

(Continued)

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

Town of Berlin, Connecticut

Statement of Net Position  
Proprietary Funds  
June 30, 2021

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 124,741	\$ -
Accrued payroll and related liabilities	18,280	-
Due to other funds	482	-
Compensated absences	6,960	-
Notes payable	208,492	-
Claims payable	-	437,881
Heart and hypertension	-	54,392
Total current liabilities	<u>358,955</u>	<u>492,273</u>
Noncurrent liabilities:		
Notes payable	2,997,069	-
Heart and hypertension	-	263,658
OPEB liability	<u>23,362</u>	<u>-</u>
Total noncurrent liabilities	<u>3,020,431</u>	<u>263,658</u>
Total liabilities	<u>3,379,386</u>	<u>755,931</u>
<u>Deferred Inflows of Resources</u>		
OPEB related	<u>241</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	12,558,603	-
Unrestricted	<u>7,976,139</u>	<u>4,051,192</u>
Total net position	<u>\$ 20,534,742</u>	<u>\$ 4,051,192</u>

(Concluded)

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



## Town of Berlin, Connecticut

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021**

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Operating revenues:		
Premiums	\$ -	\$ 9,580,858
Charges for services	5,195,417	-
Insurance proceeds	-	97,687
Other	<u>22,389</u>	<u>-</u>
Total operating revenues	<u>5,217,806</u>	<u>9,678,545</u>
Operating expenses:		
Claims	-	7,222,834
Repairs and maintenance	-	66,824
Administration	205,804	1,055,328
Employee benefits	226,257	-
Purchase of water	673,597	-
Source of supply	2,000,559	-
Pumping expense	151,047	-
Transmission and distribution	170,974	-
Salaries - administrative and general	135,579	-
Salaries - operating and maintenance	354,596	-
Depreciation	<u>325,554</u>	<u>-</u>
Total operating expenses	<u>4,243,967</u>	<u>8,344,986</u>
Income (loss) from operations	<u>973,839</u>	<u>1,333,559</u>
Nonoperating revenues (expenses):		
Income from investments	16,395	5,828
Interest expense	(66,370)	-
Loss on disposal of capital assets	<u>(74,528)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(124,503)</u>	<u>5,828</u>
Income (loss) before transfers	849,336	1,339,387
Transfers out	<u>(4,500)</u>	<u>-</u>
Change in net position	<u>844,836</u>	<u>1,339,387</u>
Total net position - July 1, 2020	<u>19,689,906</u>	<u>2,711,805</u>
Total net position - June 30, 2021	<u><u>\$ 20,534,742</u></u>	<u><u>\$ 4,051,192</u></u>

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

**Town of Berlin, Connecticut**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Cash flows from (used in) operating activities:		
Cash received from other	\$ 22,389	\$ -
Cash received from premiums and employees	-	9,580,858
Cash received from customers	5,057,656	-
Cash received from insurance and others	-	35,919
Cash payments to employees for services	(486,149)	-
Cash payments to providers of benefits and for claims	-	(7,339,493)
Cash payments to providers of administration	-	(1,055,328)
Cash payments to suppliers for goods and service	(5,499,622)	(147,905)
Net cash from (used in) operating activities	<u>(905,726)</u>	<u>1,074,051</u>
Cash flows from (used in) non-capital financing activities:		
Transfers out	<u>(4,500)</u>	<u>-</u>
Cash flows from (used in) capital and related financing activities:		
Purchase of capital assets	(116,397)	-
Principal payments (bonds and bond anticipation notes)	(208,492)	-
Interest payments	<u>(66,370)</u>	<u>-</u>
Net cash from (used in) capital and related financing activities	<u>(391,259)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>16,395</u>	<u>5,828</u>
Increase (decrease) in cash	(1,285,090)	1,079,879
Cash and cash equivalents - July 1, 2020	<u>6,576,969</u>	<u>3,576,616</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 5,291,879</u>	<u>\$ 4,656,495</u>
Reconciliation to statement of net position cash:		
Cash and cash equivalents per above	\$ 5,291,879	\$ 4,656,495
Cash and cash equivalents reported as investments	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Statement of net position cash	<u>\$ 2,291,879</u>	<u>\$ 1,656,495</u>

Non cash activity

The Water and Sewer fund had non cash activity of \$74,528 for loss on disposal of assets.

(Continued)

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

**Town of Berlin, Connecticut**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<u>Business-type Activities</u>		<u>Governmental Activities</u>
	<u>Enterprise Fund</u>		<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>		
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Income (loss) from operations	\$ 973,839		\$ 1,333,559
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
Depreciation	325,554		-
(Increase) decrease in:			
Accounts receivable	-		(117,634)
Usage receivable	(66,662)		-
Special assessments and connection charges receivable	4,213		-
Deferred outflows of resources - OPEB related	(3,124)		-
Prepaid expenses	(2,078,380)		-
Increase (decrease) in:			
Accounts payable	1,940		(25,215)
Claims payable	-		(39,883)
Heart and hypertension	-		(76,776)
Accrued payroll and related	4,026		-
Unearned revenue	(75,312)		-
Compensated absences	(4,594)		-
OPEB liability	12,683		-
Deferred inflows of resources - OPEB related	91		-
Net cash from (used in) operating activities	<u>\$ (905,726)</u>		<u>\$ 1,074,051</u>

(Concluded)

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

**Town of Berlin, Connecticut**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<u>Pension and OPEB Trust Fund</u>	<u>Private Purpose Trust Fund Memorial Fund</u>
<u>Assets</u>		
Cash	\$ 11,490	\$ -
Investments:		
Mutual funds:		
Equity	42,141,415	-
Bond	15,785,867	-
Money market	3,976,336	-
Real estate funds	484,400	-
Bank money market	-	62,563
Total investments	<u>62,388,018</u>	<u>62,563</u>
Total assets	<u>62,399,508</u>	<u>62,563</u>
<u>Liabilities</u>		
Accounts payable	5,620	-
Due to other funds	110,000	-
Total liabilities	<u>115,620</u>	<u>-</u>
<u>Net Position</u>		
Restricted for:		
Pensions	62,047,847	-
OPEB	236,041	-
Individuals and organizations	-	62,563
Total net position	<u><u>\$62,283,888</u></u>	<u><u>\$ 62,563</u></u>

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

## Town of Berlin, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

	<u>Pension and OPEB Trust Fund</u>	<u>Private Purpose Trust Fund Memorial Fund</u>
Additions:		
Contributions:		
Employer	\$ 3,798,251	\$ -
Employee	1,258,350	-
Other	<u>69,365</u>	<u>-</u>
Total contributions	<u>5,125,966</u>	<u>-</u>
Investment income (loss):		
Change in fair value of investments	9,881,317	(1,585)
Interest and dividends	<u>1,447,251</u>	<u>-</u>
Total investment income (loss)	<u>11,328,568</u>	<u>(1,585)</u>
Total additions	<u>16,454,534</u>	<u>(1,585)</u>
Deductions:		
Benefits	8,567,424	-
Administration	<u>208,326</u>	<u>-</u>
Total deductions	<u>8,775,750</u>	<u>-</u>
Change in net position	7,678,784	(1,585)
Net position - July 1, 2020 (as restated)	<u>54,605,104</u>	<u>64,148</u>
Net position - June 30, 2021	<u><u>\$ 62,283,888</u></u>	<u><u>\$ 62,563</u></u>

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

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**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, 2021

**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.
Disadvantaged Education Fund	Accounts for and reports financial resources that are restricted to expenditures for education. The major sources of revenue for this fund are grants and tuition revenues.
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, 2021**

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

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

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

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

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

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

**C. Assets, liabilities, deferred outflows/inflows of resources and equity****1. Cash and investments****a. Cash**

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

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



Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

b. Investments

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

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

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

c. Method used to value investments

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

Fair value of investments

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

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

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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 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, 2021**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Property taxes and other receivables**

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1% to 41% 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.

**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 is recorded as expenditures/expenses when consumed rather than when purchased.

**4. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are 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, which include construction in progress, property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type 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.

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization 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

**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 position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 life of the debt.

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

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

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 only). Town employees are required to use vacation time by June 30 of each year, however, employees may request to have their time extended by the Town Manager past June 30 to October 31, not to exceed the amount allowed by the employee's bargaining unit agreement. 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.

**9. 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 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, 2021

**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.

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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% 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.

**10. 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.

**11. Reclassifications**

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

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

Only the General Fund has a legally adopted annual budget.

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

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

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Donor-restricted endowments**

The Town has received certain endowments for purchase of trees, medical assistance and library resources. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$34,409.

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.

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
Bonded Road Improvements	\$ 1,329,317	\$ 981,720	\$ 347,597
Berlin High School Renovations	84,950,000	81,175,450	3,774,550
Recycling Center Improvements	534,485	18,542	515,943
Bridge Rehabilitation Program	3,620,322	2,375,988	1,244,334
889 Farmington Ave. Remediation	1,288,557	426,122	862,435
Fire Truck	800,161	406,989	393,172
Fire Radios	1,440,000	1,164,693	275,307
Transit-Oriented Devel. Façade Program	500,000	339,212	160,788
High Road Bridge	1,576,500	1,280,006	296,494
Burnham Street Bridge	1,498,193	1,481,252	16,941
Sage Field 1 Improvement	542,000	490,976	51,024
Percival Field	200,000	21,000	179,000
Truck Wash Bay	500,000	-	500,000
Athletic Facilities Grant	2,774,254	-	2,774,254
Boulevard at Berlin Train Station	836,042	836,042	-
Total	<u>\$ 102,389,831</u>	<u>\$90,997,992</u>	<u>\$ 11,391,839</u>



## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

At year end, the Town's bank balance was \$36,544,164 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 26,493,943
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>9,081,314</u>
Total amount subject to custodial credit risk	<u><u>\$ 35,575,257</u></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 Year	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$ 42,141,415	\$42,141,415	\$ -	\$ -	\$ -
Bond	15,785,867	-	2,256,188	10,974,022	2,555,657
Money market	5,026,356	-	-	5,026,356	-
Real estate	484,400	484,400	-	-	-
Bank money market	15,849,320	-	15,849,320	-	-
Pooled fixed income	15,732,751	-	15,732,751	-	-
Total	<u><u>\$ 95,020,109</u></u>	<u><u>\$42,625,815</u></u>	<u><u>\$ 33,838,259</u></u>	<u><u>\$16,000,378</u></u>	<u><u>\$2,555,657</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

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

	Amount	Quoted Market Prices in Active Markets Level 1
<u>Investments by Fair Value Level</u>		
Mutual Funds:		
Equity	\$ 42,141,415	\$ 42,141,415
Bond	15,785,867	15,785,867
Money market	5,026,356	5,026,356
Real estate	484,400	484,400
	63,438,038	\$ 63,438,038
<u>Other Investments</u>		
Bank money market	15,849,320	
Pooled fixed income	15,732,751	
	31,582,071	
Total Investments	\$ 95,020,109	

Level 1: Quoted prices for identical investments in active markets

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

Type of Investment	Ratings		
	AAA	AA	Total
Mutual Funds:			
Bond	\$ 10,974,022	\$ 4,811,845	\$ 15,785,867
Money market	-	5,026,356	5,026,356
Pooled fixed income	15,732,751	-	15,732,751
	\$ 26,706,773	\$ 9,838,201	\$ 36,544,974

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.

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Receivables**

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

	Property Taxes			Water and Sewer Usage
	Taxes	Interest and Lien Fees	Total	
Current portion	<u>\$ 616,794</u>	<u>\$ 210,798</u>	<u>\$ 827,592</u>	<u>\$ 667,245</u>
Long-term portion	824,314	335,036	1,159,350	99,703
Less allowance for uncollectibles	<u>(414,521)</u>	<u>(222,059)</u>	<u>(636,580)</u>	<u>(6,944)</u>
Net long-term portion	<u>409,793</u>	<u>112,977</u>	<u>522,770</u>	<u>92,759</u>
Totals	<u>\$1,026,587</u>	<u>\$ 323,775</u>	<u>\$1,350,362</u>	<u>\$ 760,004</u>

**C. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Water and Sewer Fund	N/A	\$ 482	\$ -
Pension and OPEB Trust Fund	N/A	<u>110,000</u>	<u>-</u>
Total General Fund		<u>110,482</u>	<u>-</u>
Enterprise Funds			
Water and Sewer Fund	General fund	<u>-</u>	<u>482</u>
Fiduciary Funds			
Pension and OPEB Trust Fund	General fund	<u>-</u>	<u>110,000</u>
Total		<u>\$ 110,482</u>	<u>\$ 110,482</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, 2021

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 funds	N/A	\$ -	\$ 2,443,300
Water and sewer fund	N/A	4,500	-
Total general fund		<u>4,500</u>	<u>2,443,300</u>
Capital projects fund	General fund	<u>2,443,300</u>	-
Enterprise funds			
Water and sewer fund	General fund	<u>-</u>	<u>4,500</u>
Total		<u>\$ 2,447,800</u>	<u>\$ 2,447,800</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, 2021**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 23,571,916	\$ -	\$ 942,477	22,629,439
Construction in progress	9,021,512	5,198,808	7,092,151	7,128,169
Total capital assets not being depreciated	<u>32,593,428</u>	<u>5,198,808</u>	<u>8,034,628</u>	<u>29,757,608</u>
Capital assets being depreciated				
Land improvements	6,983,681	-	-	6,983,681
Buildings and systems	149,980,669	532,245	-	150,512,914
Machinery and equipment	20,678,322	996,581	369,037	21,305,866
Infrastructure	61,217,731	8,488,155	-	69,705,886
Total capital assets being depreciated	<u>238,860,403</u>	<u>10,016,981</u>	<u>369,037</u>	<u>248,508,347</u>
Total capital assets	<u>271,453,831</u>	<u>15,215,789</u>	<u>8,403,665</u>	<u>278,265,955</u>
Less accumulated depreciation				
Land improvements	2,646,046	315,442	-	2,961,488
Buildings and systems	39,183,052	3,000,337	-	42,183,389
Machinery and equipment	13,080,062	1,030,255	369,037	13,741,280
Infrastructure	33,901,674	1,239,321	-	35,140,995
Total accumulated depreciation	<u>88,810,834</u>	<u>5,585,355</u>	<u>369,037</u>	<u>94,027,152</u>
Net capital assets being depreciated	<u>150,049,569</u>	<u>4,431,626</u>	<u>-</u>	<u>154,481,195</u>
Net capital assets	<u>\$ 182,642,997</u>	<u>\$ 9,630,434</u>	<u>\$ 8,034,628</u>	<u>\$ 184,238,803</u>

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

General government	\$ 132,056
Community development	3,814
Public safety	479,002
Physical services	1,449,967
Parks, recreation and libraries	518,044
Health and human services	9,682
Schools	<u>2,992,790</u>
Total depreciation expense	<u>\$ 5,585,355</u>

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**D. Capital assets (continued)**Business-Type Activities:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 1,415,112	\$ -	\$ -	\$ 1,415,112
Intangible assets	564,551	-	-	564,551
Construction in progress	3,957,554	5,557	276,290	3,686,821
<b>Total capital assets not being depreciated</b>	<b>5,937,217</b>	<b>5,557</b>	<b>276,290</b>	<b>5,666,484</b>
Capital assets being depreciated				
Buildings and systems	2,937,627	296,967	76,603	3,157,991
Machinery and equipment	1,276,827	81,592	-	1,358,419
Infrastructure	15,277,137	8,571	-	15,285,708
<b>Total capital assets being depreciated</b>	<b>19,491,591</b>	<b>387,130</b>	<b>76,603</b>	<b>19,802,118</b>
<b>Total capital assets</b>	<b>25,428,808</b>	<b>392,687</b>	<b>352,893</b>	<b>25,468,602</b>
Less accumulated depreciation				
Buildings and systems	2,024,862	81,805	2,075	2,104,592
Machinery and equipment	670,606	33,226	-	703,832
Infrastructure	6,685,491	210,523	-	6,896,014
<b>Total accumulated depreciation</b>	<b>9,380,959</b>	<b>325,554</b>	<b>2,075</b>	<b>9,704,438</b>
<b>Net capital assets being depreciated</b>	<b>10,110,632</b>	<b>61,576</b>	<b>74,528</b>	<b>10,097,680</b>
<b>Net capital assets</b>	<b>\$ 16,047,849</b>	<b>\$ 67,133</b>	<b>\$ 350,818</b>	<b>\$ 15,764,164</b>

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

Water Fund	\$ 155,459
Sewer Fund	170,095
<b>Total depreciation expense</b>	<b>\$ 325,554</b>

**E. Construction commitments**

The Town has the following construction commitments:

High School Rooftop Ductwork	\$ 802,870
Bridge Rehabilitation	1,017,097
<b>Total</b>	<b>\$ 1,819,967</b>

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## F. Changes in long-term obligations

## 1. Summary of changes

Governmental Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-Term Portion
<u>Bonds:</u>										
General purpose:										
General obligation	\$ 8,440,000	2011	06/01/21	3.00-5.00%	\$ 698,676	\$ -	\$ 698,676	\$ -	\$ -	\$ -
General obligation	2,480,000	2013	12/01/32	2.50-4.00%	1,630,000	-	170,000	1,460,000	170,000	1,290,000
General obligation	1,855,000	2014	12/01/33	3.00-5.00%	1,180,000	-	135,000	1,045,000	135,000	910,000
General obligation	720,000	2015	12/01/34	2.00-4.00%	560,000	-	40,000	520,000	40,000	480,000
General obligation	3,620,000	2016	12/01/35	2.00-4.00%	2,590,000	-	340,000	2,250,000	335,000	1,915,000
Refunding bonds	5,676,000	2016	09/01/25	2.00-5.00%	4,653,000	-	310,000	4,343,000	880,000	3,463,000
General obligation	4,150,000	2017	12/01/29	2.00-4.00%	3,350,000	-	400,000	2,950,000	400,000	2,550,000
General obligation	6,500,000	2019	12/01/28	2.00-4.00%	5,800,000	-	700,000	5,100,000	700,000	4,400,000
General obligation	4,200,000	2020	12/01/30	5.00%	4,200,000	-	-	4,200,000	420,000	3,780,000
Total general purpose	37,641,000				24,661,676	-	2,793,676	21,868,000	3,080,000	18,788,000
School bonds:										
General obligation	8,170,000	2011	06/01/21	3.00-5.00%	676,324	-	676,324	-	-	-
General obligation	6,015,000	2013	12/01/32	2.50-4.00%	4,315,000	-	335,000	3,980,000	335,000	3,645,000
General obligation	16,500,000	2014	12/01/33	3.00-5.00%	12,130,000	-	870,000	11,260,000	870,000	10,390,000
General obligation	13,000,000	2015	12/01/34	2.00-4.00%	10,260,000	-	685,000	9,575,000	685,000	8,890,000
General obligation	13,150,000	2016	12/01/35	2.00-4.00%	11,065,000	-	695,000	10,370,000	695,000	9,675,000
Refunding bonds	5,244,000	2016	09/01/25	2.00-5.00%	3,022,000	-	-	3,022,000	565,000	2,457,000
General obligation	515,000	2017	12/01/29	2.00-4.00%	405,000	-	55,000	350,000	50,000	300,000
Total school bonds	62,594,000				41,873,324	-	3,316,324	38,557,000	3,200,000	35,357,000
Total bonds	100,235,000				66,535,000	-	6,110,000	60,425,000	6,280,000	54,145,000
<u>Equipment financing notes (direct borrowing):</u>										
Energy	10,340,341	2016	12/12/35	2.93%	9,123,589	-	348,611	8,774,978	376,514	8,398,464
Total bonds/notes	110,575,341				75,658,589	-	6,458,611	69,199,978	6,656,514	62,543,464
Premium					3,046,707	-	717,764	2,328,943	-	2,328,943
Total bonds/notes and related liabilities					78,705,296	-	7,176,375	71,528,921	6,656,514	64,872,407
Compensated absences					563,797	385,994	404,635	545,156	387,268	157,888
Heart and hypertension					394,826	53,973	130,749	318,050	54,392	263,658
Net pension liability					6,927,850	3,415,572	2,225,493	8,117,929	-	8,117,929
OPEB liability					8,898,810	1,469,887	232,515	10,136,182	-	10,136,182
Total long-term obligations					\$95,490,579	\$5,325,426	\$10,169,767	\$90,646,238	\$7,098,174	\$83,548,064

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

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## F. Changes in long-term obligations (continued)

Business-type Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-Term Portion
<u>Notes:</u>										
Clean Water:										
CWF 212-CSL	\$ 2,236,514	2015	09/30/34	2.00%	\$ 1,593,515	\$ -	\$ 111,826	\$ 1,481,689	\$ 111,826	\$ 1,369,863
CWF 217-CSL	1,933,314	2019	04/30/39	2.00%	1,820,538	-	96,666	1,723,872	96,666	1,627,206
Total notes	4,169,828				3,414,053	-	208,492	3,205,561	208,492	2,997,069
Compensated absences					11,554	5,916	10,510	6,960	6,960	-
OPEB liability					10,679	15,055	2,372	23,362	-	23,362
Total long-term obligations					\$ 3,436,286	\$ 20,971	\$ 221,374	\$ 3,235,883	\$ 215,452	\$ 3,020,431

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

Year Ended June 30:	Governmental Activities			Business-Type Activities	
	Bond Principal	Note Principal	Total Interest	Note Principal	Note Interest
2022	\$ 6,280,000	\$ 376,514	\$ 2,098,951	\$ 208,492	\$ 62,200
2023	6,320,000	405,810	1,825,269	208,492	58,027
2024	6,360,000	436,952	1,571,123	208,492	53,859
2025	6,385,000	469,249	1,356,015	208,492	49,689
2026	6,110,000	500,314	1,144,221	208,492	45,520
2027	4,445,000	533,190	966,875	208,492	41,351
2028	4,435,000	570,078	827,841	208,492	37,181
2029	3,955,000	608,749	696,247	208,492	33,011
2030	3,275,000	649,671	579,750	208,492	28,841
2031	3,195,000	692,171	467,989	208,492	24,672
2032	2,660,000	736,696	360,089	208,492	20,502
2033	2,655,000	783,726	255,463	208,492	16,332
2034	2,265,000	832,597	153,841	208,492	12,162
2035	1,400,000	802,869	70,683	124,621	8,551
2036	685,000	376,392	15,792	96,666	6,523
2037	-	-	-	96,666	4,589
2038	-	-	-	96,666	2,653
2039	-	-	-	80,546	783
Totals	\$ 60,425,000	\$ 8,774,978	\$ 12,390,149	\$ 3,205,561	\$ 506,446



## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**F. Changes in long-term obligations (continued)****2. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$8,774,978 are secured with collateral of the equipment purchased.

**3. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 182,533,743	\$ 21,868,000	\$ 160,665,743
Schools	365,067,486	38,557,000	326,510,486
Sewer	304,222,905	1,302,285	302,920,620
Urban renewal	263,659,851	-	263,659,851
Pension deficit	243,378,324	-	243,378,324

The total overall statutory debt limit for the Town is equal to seven times annual receipts from the prior year taxation, \$567,882,756.

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	\$ 925,215
Worthington Fire District	377,070
Total	\$ 1,302,285

There is also \$7,154,079 of overlapping debt for the Mabbasset District that is related to the water and sewer proprietary fund.

**5. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

Project	Total Bond Authorization	Bonds Issued	Authorized but Unissued
Open Space (2003)	\$ 2,000,000	\$ 1,400,000	\$ 600,000
Open Space (2006)	2,000,000	790,000	1,210,000
Police Station	2,000,000	1,020,648	979,352
High School Renovations	84,950,000	83,272,912	1,677,088
Fire Radio Upgrade (2019)	1,440,000	1,250,000	190,000
Fire Vehicles (2020)	800,000	400,000	400,000
Athletic Field Improvements (2020)	1,000,000	805,399	194,601
Lighting Upgrades (2021)	1,500,000	-	1,500,000
Total	\$ 95,690,000	\$ 88,938,959	\$ 6,751,041

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**G. Fund balance classifications and restricted net position**

Fund balances are composed of the following:

	General Fund	Disadvantaged Education Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>					
Tree purchases	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Medical assistance	-	-	-	21,965	21,965
Library materials	-	-	-	41,332	41,332
Total nonspendable	-	-	-	68,297	68,297
<b>Restricted</b>					
Community development	-	-	-	18,088	18,088
Public safety programs	-	-	-	41,502	41,502
Health and human services programs	-	-	-	21,809	21,809
Parks, recreation and libraries programs	-	-	-	402,548	402,548
School programs	-	294,303	-	547,463	841,766
Lunch program*	-	-	-	189,961	189,961
Construction projects	-	-	1,819,967	-	1,819,967
Total restricted	-	294,303	1,819,967	1,221,371	3,335,641
<b>Committed</b>					
<b>Capital projects</b>					
Highway	-	-	4,037,261	-	4,037,261
Fire truck	-	-	177,632	-	177,632
Land acquisition and development	-	-	254,563	-	254,563
Economic development	-	-	242,984	-	242,984
Sage park	-	-	133,498	-	133,498
Energy and streetlights	-	-	559,190	-	559,190
School buildings	-	-	1,051,354	-	1,051,354
Other capital projects	-	-	5,700,345	-	5,700,345
Revaluation	-	-	77,491	-	77,491
Total committed	-	-	12,234,318	-	12,234,318
<b>Assigned</b>					
Town special events and activities	-	-	-	146,991	146,991
Parks, recreation and libraries programs	-	-	-	106,948	106,948
Schools	-	-	-	9,529	9,529
Pension funding	185,000	-	-	-	185,000
Subsequent year's budget	300,000	-	-	-	300,000
Total assigned	485,000	-	-	263,468	748,468
Unassigned	18,300,008	-	-	-	18,300,008
<b>Total fund balance</b>	<b>\$ 18,785,008</b>	<b>\$ 294,303</b>	<b>\$ 14,054,285</b>	<b>\$ 1,553,136</b>	<b>\$ 34,686,732</b>

\*The amount of restricted net position, which was restricted by enabling legislation, totaled \$189,961.

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## IV. Other information

## A. Risk management

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

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

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

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

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

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

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**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>						
2019-2020	\$ 353,354	\$ 69,529	\$ 28,057	\$ 394,826	\$ 11,000	\$ 383,826
2020-2021	394,826	53,973	130,749	318,050	54,392	263,658
<u>Medical and Health Insurance Fund</u>						
2019-2020	655,604	6,742,926	6,920,766	477,764	477,764	-
2020-2021	477,764	7,168,861	7,208,744	437,881	437,881	-
<u>Totals</u>						
2019-2020	<u>\$ 1,008,958</u>	<u>\$ 6,812,455</u>	<u>\$ 6,948,823</u>	<u>\$ 872,590</u>	<u>\$ 488,764</u>	<u>\$ 383,826</u>
2020-2021	<u>\$ 872,590</u>	<u>\$ 7,222,834</u>	<u>\$ 7,339,493</u>	<u>\$ 755,931</u>	<u>\$ 492,273</u>	<u>\$ 263,658</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, 2021

C. Tax abatements

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

Program or Agreement Name		Local
Purpose of the Program or Agreement		Economic Development
Tax being abated		Real Estate
Authority under which abatement agreements are entered into		State Statute
Criteria to be eligible to receive abatement		See Tax Abatement Program document adopted 12/2012; 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 reduce		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
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 abatetment agreement		\$95,454
Assessment Value		\$2,813,277

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**D. Jointly governed organizations****The Mattabasset District**

The Mattabasset 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 Mattabasset 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 Mattabasset District's debt based on population. As of June 30, the District has \$49,854,208 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$7,154,079. This debt is paid out of the Town's enterprise fund. The District's financial statements can be obtained from [www.mattabassettdistrict.org/audits](http://www.mattabassettdistrict.org/audits).

**E. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various type of items, including construction costs. The pandemic has also resulted in labor shortages.

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town had received grants from the federal government for the costs and impact of the pandemic as follows:

<u>Grant Name</u>	<u>Amount</u>
Coronavirus Relief Fund ("CRF")	\$ 602,492
Education Stabilization Fund ("ESF")	144,775
American Rescue Plan Act ("ARPA")	<u>3,024,023</u>
Total	<u>\$ 3,771,290</u>

The second payment of the ARPA grant of \$3,024,023 is to be received in fiscal year 2022.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

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

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

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

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

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

**b. Plan membership**

As of July 1, 2020, membership in the Plan is comprised of the following:

Retirees and beneficiaries receiving benefits	16
Terminated employees entitled to benefits	5
Active members	<u>9</u>
Total	<u><u>30</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

2. Benefit provisions

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

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



Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

3. Contributions

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

Police	6.00% to the defined contribution plan
All others	5.00% to the defined contribution plan
Town	Amount determined by the actuary, considering the member contributions
Average active member contribution	None to the defined benefit plan
Average Town contribution	228.88% of covered payroll

4. Investments

a. Investment policy

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

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

<u>Asset Class</u>	<u>Target Allocation</u>
Guaranteed deposit account	<u>100.00%</u>

b. Concentrations

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

c. Rate of return

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

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed deposit account	1.10%
Inflation rate	2.40%
Long-term expected nominal return	3.50%

- d. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.31%.

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

**5. Net pension liability**

The components of the net pension liability were as follows:

Total pension liability	\$ 10,030,139
Plan fiduciary net position	<u>1,912,210</u>
Net pension liability	<u>\$ 8,117,929</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>19.06%</u>

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

6. Actuarial methods and significant assumptions

Valuation date	July 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	6 years, closed
Asset valuation method	Fair value
Investment rate of return	3.50% pre-retirement and 1.49% post-retirement
Inflation	2.40%
Salary increases	3.25% for police and 2.75% for all others
Cost of living adjustments	None
Mortality rates	Pre-retirement: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2020
	Post-retirement: IRS 2020 Applicable Mortality Table for 417(e) dynamic

7. Changes from prior year

a. Changes in assumptions

The post-retirement expected rate of return (net of investment-related and administrative expenses) was decreased from 2.57% to 1.49%.

The mortality assumption for pre-retirement was updated to better reflect anticipated experiences and was based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality tables with Projection Scale MP-2020 from the PUB-2010 Public Retirement Plans Amount-Weighted Mortality tables within Projection Scale MP-2019 since the prior measurement date. The mortality assumption for post-retirement was updated to IRS 2020 mortality table from IRS 2019 mortality table.

b. Changes in benefit terms

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

8. Discount rate

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

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

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## A. Town pension plans (continued)

## 9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2020	\$ 9,626,100	\$ 2,698,250	\$ 6,927,850
Service cost	139,130	-	139,130
Interest	289,534	-	289,534
Differences between expected and actual experience	824,774	-	824,774
Changes in assumptions	2,162,134	-	2,162,134
Contributions - employer	-	2,185,000	(2,185,000)
Net investment income	-	40,493	(40,493)
Benefit payments, including refunds of member contributions	(3,011,533)	(3,011,533)	-
Net change	404,039	(786,040)	1,190,079
Balance at June 30, 2021	\$ 10,030,139	\$ 1,912,210	\$ 8,117,929

## 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 of 3.50%:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 8,756,431	\$ 8,117,929	\$ 7,410,611

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## A. Town pension plans (continued)

## 11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$3,348,724.

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

Description of Outflows/Inflows	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 47,125</u>

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

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

Year Ending June 30,	
2022	\$ 12,225
2023	13,915
2024	13,063
2025	<u>7,922</u>
Total	<u>\$ 47,125</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% of base earnings, 6% 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%. Those employed prior to January 1, 2015, were grandfathered under the old rules.

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

**B. Defined contribution retirement savings plan (continued)**

The defined contribution plan became effective on April 1988. The prior contributions were computed and matched by the Town and interest of 4% credited to the accounts. Employees contributed \$1,187,112 and the Town’s matching share was \$1,613,251. Contribution requirements may be amended by the Town Council subject to various bargaining unit approvals and after the expiration dates specified in the collective bargaining agreements.

During fiscal year 2012, a separate defined contribution plan, the Robert Wolf Plan, was created specifically for the Town’s volunteer firefighters. The firefighters have the option to contribute all or a portion of their paid-on-call earnings to the plan. There is no required employer match; however, the Town annually contributes \$500 per qualifying firefighter. Employees contributed \$17,615 and the Town contributed \$25,500.

**C. Connecticut state teachers’ retirement system**

**1. Plan description**

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

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

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

Employer (school districts)

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

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 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 net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>101,901,939</u>
Total	<u>\$ 101,901,939</u>

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$6,536,158 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.



## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**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 Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
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.

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**C. Connecticut state teachers' retirement system (continued)****7. Sensitivity of the net pension liability to changes in the discount rate**

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

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

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

**b. Plan membership**

As of July 1, 2020, the plan's membership consisted of:

Retirees and beneficiaries receiving benefits	54
Active members	<u>630</u>
Total	<u><u>684</u></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.

**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, 2021 and was \$10,159,544.

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

D. Other post-employment benefit plan (continued)

5. Actuarial methods and significant assumptions:

Valuation date	July 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Discount rate	2.16%
Salary increases	3.50%
Healthcare cost trend rates:	
Inflation	2.60%
Initial medical trend rate	6.10%
Ultimate medical trend rate	4.10%
Mortality rates:	
Teachers and Administrators	PubT-2010 Mortality Table with generational projection of future improvements per the MP-2019 ultimate scale set forward 1 year
Police	PubS-2010 Mortality Table with generational projection of future improvements per the MP-2019 ultimate scale
All others	PubG-2010 Mortality Table with generational projection of future improvements per the MP-2019 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

The Town's plan had the following changes in assumptions:

- The discount rate decreased from 2.21% to 2.16%.
- The healthcare cost trend rate changed from 5.36% - 4.30% over 63 years to 6.10% - 4.10% over 53 years.
- The mortality table was changed from RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA as follows:

Teachers	PubT-2010 Mortality Table with generational projection of future improvements per the MP-2019 ultimate scale set forward 1 year
Police	PubS-2010 Mortality Table with generational projection of future improvements per the MP-2019 ultimate scale
All others	PubG-2010 Mortality Table with generational projection of future improvements per the MP-2019 ultimate scale

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**D. Other post-employment benefit plan (continued)****b. Changes in benefit terms**

There were no changes in benefit terms.

**7. Discount rate**

The discount rate used to measure the total OPEB liability was 2.16%.

**8. Changes in the OPEB liability**

The Town's OPEB liability was measured at June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	<u>\$ 8,909,489</u>
Service cost	508,474
Interest	205,556
Differences between expected and actual experience	11,983
Changes in assumptions	758,929
Benefit payments, including refunds of member contributions	<u>(234,887)</u>
Net change	<u>1,250,055</u>
Balance at June 30, 2021	<u><u>\$10,159,544</u></u>

**9. 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 of 2.16%:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB liability	<u>\$ 11,721,486</u>	<u>\$ 10,159,544</u>	<u>\$ 8,891,880</u>

**10. 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 of 6.10% of decreasing to 4.10%:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
OPEB liability	<u>\$ 8,470,652</u>	<u>\$ 10,159,544</u>	<u>\$ 12,376,219</u>

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## D. Other post-employment benefit plan (continued)

## 11. OPEB expense and deferred outflows/inflows of resources related to OPEB

For the fiscal year, the Town recognized OPEB expense of \$1,019,207. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/ Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 289,231	\$ -	\$ 289,231
Changes in assumptions	2,063,438	104,636	1,958,802
Total	\$ 2,352,669	\$ 104,636	\$ 2,248,033

Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 9.8 years.

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

Year Ended June 30,	
2022	\$ 305,177
2023	305,177
2024	305,177
2025	305,177
2026	305,177
Thereafter	722,148
Total	\$ 2,248,033

## E. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan, the Town of Berlin Police Retiree Health Plan, covering police officers that was established in October 2018. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00%. There is no required Town contribution. The participant's account is 100% vested at all times. Total employee contributions were \$71,238. 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, 2021

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

1. Plan description

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

2. Benefit provisions

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

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

Retiree health care coverage

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost.

The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 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 \$220 per month towards coverage under a local school district plan.

**Town of Berlin, Connecticut**

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**

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

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

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

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

**Survivor health care coverage**

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**3. Contributions**

**State of Connecticut**

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

**Employer (school districts)**

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

**Employees**

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

**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 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 net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>15,198,678</u>
Total	<u>\$ 15,198,678</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$157,740 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
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	2021

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.



## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021**F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

**Long-term expected rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

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

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

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

## G. Pension and other post-employment benefit statements

Combining Statement of Fiduciary Net Position  
Pension and OPEB Trust Funds  
June 30, 2021

	Defined Benefit	Defined Contribution	Defined Contribution Other Post Employment Benefits Trust	Total
<u>Assets</u>	<u>Pension Trust</u>	<u>Pension Trust</u>	<u>Pension Trust</u>	<u>Total</u>
Cash	\$ 11,490	\$ -	\$ -	\$ 11,490
Investments:				
Mutual funds:				
Equity	1,361,982	40,543,392	236,041	42,141,415
Bond	510,190	15,275,677	-	15,785,867
Money market	128,513	3,847,823	-	3,976,336
Real estate funds	15,655	468,745	-	484,400
Total investments	2,016,340	60,135,637	236,041	62,388,018
Total assets	2,027,830	60,135,637	236,041	62,399,508
<u>Liabilities</u>				
Accounts payable	5,620	-	-	5,620
Due to other funds	110,000	-	-	110,000
Total liabilities	115,620	-	-	115,620
<u>Net Position</u>				
Restricted for:				
Pensions	1,912,210	60,135,637	-	62,047,847
OPEB	-	-	236,041	236,041
Total net position	\$ 1,912,210	\$ 60,135,637	\$ 236,041	\$ 62,283,888

## Town of Berlin, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2021

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

Combining Statement of Changes in Fiduciary Net Position  
Pension and OPEB Trust Funds  
For the Year Ended June 30, 2021

	Defined Benefit	Defined Contribution	Defined Contribution Other Post Employment Benefits Trust	Total
	Pension Trust	Pension Trust	Benefits Trust	Total
Additions:				
Contributions:				
Employer	\$ 2,185,000	\$ 1,613,251	\$ -	\$ 3,798,251
Employee	-	1,187,112	71,238	1,258,350
Other	-	69,365	-	69,365
Total contributions	<u>2,185,000</u>	<u>2,869,728</u>	<u>71,238</u>	<u>5,125,966</u>
Investment income (loss):				
Change in fair value of investments	35,634	9,799,267	46,416	9,881,317
Interest and dividends	4,859	1,442,392	-	1,447,251
Total investment income (loss)	<u>40,493</u>	<u>11,241,659</u>	<u>46,416</u>	<u>11,328,568</u>
Total additions	<u>2,225,493</u>	<u>14,111,387</u>	<u>117,654</u>	<u>16,454,534</u>
Deductions:				
Benefits	3,011,533	5,552,836	3,055	8,567,424
Administration	-	207,132	1,194	208,326
Total deductions	<u>3,011,533</u>	<u>5,759,968</u>	<u>4,249</u>	<u>8,775,750</u>
Change in net position	(786,040)	8,351,419	113,405	7,678,784
Net position - July 1, 2020 (as restated)	<u>2,698,250</u>	<u>51,784,218</u>	<u>122,636</u>	<u>54,605,104</u>
Net position - June 30, 2021	<u>\$ 1,912,210</u>	<u>\$ 60,135,637</u>	<u>\$ 236,041</u>	<u>\$ 62,283,888</u>

## Town of Berlin, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**VI. Prior Period Adjustments**

Beginning equity balances were restated as a result of the implementation of GASB No. 84 and the revaluation fund was reclassified as follows:

	<u>Governmental Activities</u>	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Pension and OPEB Trust Fund</u>	<u>Custodial Fund</u>
Net position/fund balance as previously reported at June 30, 2020	\$ 127,501,025	\$ 17,885,813	\$ 14,785,297	\$ 894,377	\$ 54,970,492	\$ 517,874
Reclassifications to proper fund type	517,874	(23,110)	23,110	517,874	-	(517,874)
Removed from reporting entity retirement plans that do not meet GASB No. 84 criteria for reporting	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(365,388)</u>	<u>-</u>
Net position/fund balance as restated at July 1, 2020	<u>\$ 128,018,899</u>	<u>\$ 17,862,703</u>	<u>\$ 14,808,407</u>	<u>\$ 1,412,251</u>	<u>\$ 54,605,104</u>	<u>\$ -</u>

**VII. Subsequent events**

In July 2021, two police officers in the defined benefit pension plan retired. As a result, the Town approved an additional appropriation of \$5,310,640 from general fund fund balance to fund the estimated future retirement benefits and contributed the monies to the defined benefit pension trust fund.

\*\*\*

# Required Supplementary Information

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

**Town of Berlin, Connecticut**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
<b>Revenues</b>					
<b>Property Taxes</b>					
Current tax collections	\$ 79,489,139	\$ -	\$ 79,489,139	\$ 79,782,904	\$ 293,765
Prior tax collections	467,000	24,881	491,881	578,441	86,560
Interest	200,000	-	200,000	287,769	87,769
Lien fees and warrants	-	-	-	2,213	2,213
Suspense collections	25,000	-	25,000	208,961	183,961
PILOT - elderly housing	51,813	-	51,813	52,376	563
In lieu of taxes	6,108	-	6,108	6,108	-
PILOT - New Britain stadium	25,000	-	25,000	25,000	-
Telephone access line share	37,000	-	37,000	53,757	16,757
<b>Total Property Taxes</b>	<b>80,301,060</b>	<b>24,881</b>	<b>80,325,941</b>	<b>80,997,529</b>	<b>671,588</b>
<b>Intergovernmental Revenue</b>					
<b>Intergovernmental Revenue - Schools</b>					
Private schools	-	-	-	18,626	18,626
Education cost sharing grant	5,870,600	-	5,870,600	5,913,145	42,545
<b>Total Intergovernmental Revenue - Schools</b>	<b>5,870,600</b>	<b>-</b>	<b>5,870,600</b>	<b>5,931,771</b>	<b>61,171</b>
<b>Intergovernmental Revenue - Other</b>					
Municipal stabilization grant	258,989	-	258,989	258,989	-
Disability, social security	3,000	-	3,000	3,150	150
Additional veteran exemption	9,800	-	9,800	9,848	48
Friends against drugs	3,300	-	3,300	4,153	853
Child and youth services grant	24,734	189	24,923	24,923	-
State and federal grant	25,000	31,122	56,122	331,868	275,746
Police overtime grant	50,000	-	50,000	47,374	(2,626)
<b>Total Intergovernmental Revenue - Other</b>	<b>374,823</b>	<b>31,311</b>	<b>406,134</b>	<b>680,305</b>	<b>274,171</b>
<b>Total Intergovernmental Revenue</b>	<b>6,245,423</b>	<b>31,311</b>	<b>6,276,734</b>	<b>6,612,076</b>	<b>335,342</b>
<b>Charges for Services</b>					
<b>Licenses, Permits and Other Departments</b>					
Town clerk fees	330,000	-	330,000	532,270	202,270
Zoning commission and building inspector	375,000	-	375,000	586,270	211,270
Planning	18,000	-	18,000	27,862	9,862
Zoning board of appeals	3,000	-	3,000	4,620	1,620
Animal control fees	12,000	-	12,000	9,490	(2,510)
Animal control rent	5,820	-	5,820	6,000	180
Outside fire services	8,000	-	8,000	-	(8,000)
Police department	40,000	-	40,000	64,678	24,678
Police services to other agencies	20,000	-	20,000	18,482	(1,518)
Outside police services	346,800	92,605	439,405	570,564	131,159
Engineering and public works	11,000	-	11,000	24,644	13,644
Scrap metal	15,000	-	15,000	39,675	24,675
Parks and recreation	145,000	-	145,000	70,466	(74,534)
Golf course revenue	587,221	25,000	612,221	680,188	67,967
Golf restaurant rent	26,197	-	26,197	34,791	8,594
Golf course season pass revenue	157,722	(25,000)	132,722	174,438	41,716
Golf pro rent	2,770	-	2,770	2,770	-
Golf cart revenue	400,012	-	400,012	427,595	27,583
Berlin-Peck memorial library	8,100	-	8,100	2,295	(5,805)
Library copy fees	-	-	-	716	716
Passport fees	16,000	-	16,000	3,360	(12,640)
Berlin public health nursing service	1,012,000	-	1,012,000	757,710	(254,290)
Summer/field trips	12,102	-	12,102	14,513	2,411
Senior citizen center	6,250	-	6,250	432	(5,818)
<b>Total Licenses, Permits and Other Departments</b>	<b>3,557,994</b>	<b>92,605</b>	<b>3,650,599</b>	<b>4,053,829</b>	<b>403,230</b>

(Continued)

**Town of Berlin, Connecticut**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other Services					
Refund of expenditures	\$ 10,000	\$ 159,000	\$ 169,000	\$ 165,701	\$ (3,299)
Sale of land, labor and materials	7,500	-	7,500	7,879	379
Mobile home rent	57,600	-	57,600	56,965	(635)
Cell tower rental	106,845	-	106,845	108,426	1,581
Other receipts	10,000	-	10,000	62,233	52,233
<b>Total Other Services</b>	<b>191,945</b>	<b>159,000</b>	<b>350,945</b>	<b>401,204</b>	<b>50,259</b>
<b>Total Charges for Services</b>	<b>3,749,939</b>	<b>251,605</b>	<b>4,001,544</b>	<b>4,455,033</b>	<b>453,489</b>
<b>Income from Investments</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>60,033</b>	<b>(439,967)</b>
<b>Total Revenues</b>	<b>90,796,422</b>	<b>307,797</b>	<b>91,104,219</b>	<b>92,124,671</b>	<b>1,020,452</b>
Other Financing Sources					
Appropriation of fund balance	425,000	2,252,992	2,677,992	-	(2,677,992)
Sale of capital assets	-	-	-	235,000	235,000
Premiums	250,000	-	250,000	-	(250,000)
Transfers in	4,500	-	4,500	4,500	-
<b>Total Other Financing Sources</b>	<b>679,500</b>	<b>2,252,992</b>	<b>2,932,492</b>	<b>239,500</b>	<b>(2,692,992)</b>
<b>Total Revenues and Other   Financing Sources</b>	<b>91,475,922</b>	<b>2,560,789</b>	<b>94,036,711</b>	<b>92,364,171</b>	<b>(1,672,540)</b>
<b>Expenditures</b>					
General Government					
Managers Office	278,292	5,497	283,789	270,279	13,510
Finance Department	783,497	50,801	834,298	809,615	24,683
Technology Department	363,644	22,861	386,505	372,704	13,801
Collector of Revenue	466,801	497,853	964,654	951,117	13,537
Treasurer	78,937	(41,500)	37,437	27,795	9,642
Corporation Counsel	322,135	-	322,135	320,314	1,821
Townwide Expenditures	1,470,629	1,840,717	3,311,346	3,081,982	229,364
Board of Finance	5,281	-	5,281	2,377	2,904
Assessor	536,057	29,532	565,589	534,162	31,427
Registrar of Voters	162,628	8,019	170,647	129,496	41,151
Town Clerk	414,282	14,376	428,658	419,429	9,229
Board of Assessment Appeals	1,846	-	1,846	755	1,091
Town Council	4,495	-	4,495	674	3,821
<b>Total General Government</b>	<b>4,888,524</b>	<b>2,428,156</b>	<b>7,316,680</b>	<b>6,920,699</b>	<b>395,981</b>
Community Development					
Cemetery Committee	28,735	-	28,735	22,609	6,126
Development Services	336,898	5,016	341,914	322,142	19,772
Planning and Zoning Commission	375	560	935	485	450
Zoning Board of Appeals	1,795	-	1,795	1,270	525
Economic Development	236,672	-	236,672	186,014	50,658
Conservation Commission	4,240	-	4,240	1,265	2,975
Inland Wetlands Commission	4,029	-	4,029	3,539	490
Veterans Commission	4,250	(300)	3,950	3,461	489
Ethics Commission	483	-	483	408	75
Aquifer Protection Commission	475	-	475	-	475
Berlin Historic District	1,601	-	1,601	825	776
Commission for Disabled	649	-	649	643	6
Public Building Commission	1,914	-	1,914	1,283	631
Building Inspection	366,161	1,595	367,756	343,890	23,866
<b>Total Community Development</b>	<b>988,277</b>	<b>6,871</b>	<b>995,148</b>	<b>887,834</b>	<b>107,314</b>

(Continued)

**Town of Berlin, Connecticut**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Public Safety					
Ambulance Contract	\$ 368,875	\$ -	\$ 368,875	\$ 367,374	\$ 1,501
Animal Control	162,819	-	162,819	140,603	22,216
Fire Department	883,810	(35,831)	847,979	759,196	88,783
Police	8,074,908	161,134	8,236,042	8,013,539	222,503
Emergency Management	23,100	(10,000)	13,100	7,055	6,045
Fire Marshal	345,374	-	345,374	315,951	29,423
<b>Total Public Safety</b>	<b>9,858,886</b>	<b>115,303</b>	<b>9,974,189</b>	<b>9,603,718</b>	<b>370,471</b>
Physical services					
Municipal Garage	1,221,501	(49,108)	1,172,393	1,070,636	101,757
Public Works	2,672,040	(162,768)	2,509,272	2,413,226	96,046
Highway	2,115,124	700	2,115,824	1,976,692	139,132
Public Building	1,865,127	(109,284)	1,755,843	1,605,742	150,101
<b>Total Physical Services</b>	<b>7,873,792</b>	<b>(320,460)</b>	<b>7,553,332</b>	<b>7,066,296</b>	<b>487,036</b>
Parks, Recreation and Libraries					
Mobile Home Park	8,582	-	8,582	8,582	-
Recreation	573,104	(120,280)	452,824	388,329	64,495
Golf Course	1,248,756	3,614	1,252,370	1,153,793	98,577
Libraries	1,149,352	9,726	1,159,078	1,075,148	83,930
Public Grounds	1,607,435	(83,138)	1,524,297	1,440,559	83,738
<b>Total Parks, Recreation and Libraries</b>	<b>4,587,229</b>	<b>(190,078)</b>	<b>4,397,151</b>	<b>4,066,411</b>	<b>330,740</b>
Health and Human Services					
Health Department	141,084	15,400	156,484	148,576	7,908
Nursing Services	1,883,792	12,618	1,896,410	1,693,322	203,088
Social and Youth Services	300,089	1,958	302,047	284,340	17,707
Senior Services	404,284	1,769	406,053	292,812	113,241
<b>Total Health and Human Services</b>	<b>2,729,249</b>	<b>31,745</b>	<b>2,760,994</b>	<b>2,419,050</b>	<b>341,944</b>
Schools					
Private Schools	86,998	-	86,998	69,656	17,342
Board of Education	46,416,504	(400,000)	46,016,504	45,608,193	408,311
School Expenditures	4,400,896	(157,047)	4,243,849	4,109,850	133,999
<b>Total Schools</b>	<b>50,904,398</b>	<b>(557,047)</b>	<b>50,347,351</b>	<b>49,787,699</b>	<b>559,652</b>
Debt Service					
Debt Principal	6,621,763	(495,000)	6,126,763	6,126,763	-
Interest and Fiscal Charges	2,156,804	(35,001)	2,121,803	2,120,096	1,707
<b>Total Debt Service</b>	<b>8,778,567</b>	<b>(530,001)</b>	<b>8,248,566</b>	<b>8,246,859</b>	<b>1,707</b>
<b>Total Expenditures</b>	<b>90,608,922</b>	<b>984,489</b>	<b>91,593,411</b>	<b>88,998,566</b>	<b>2,594,845</b>
Other Financing Uses					
Transfers to other funds	867,000	1,576,300	2,443,300	2,443,300	-
<b>Total Expenditures and Other Financing Uses</b>	<b>91,475,922</b>	<b>2,560,789</b>	<b>94,036,711</b>	<b>91,441,866</b>	<b>2,594,845</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ 922,305	\$ 922,305

(Concluded)



**Town of Berlin, Connecticut**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2021**

**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:

1. 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	\$ 92,124,671	\$ 88,998,566
State Teachers' Retirement on behalf amount	6,536,158	6,536,158
State Teachers' OPEB on behalf amount	<u>157,740</u>	<u>157,740</u>
GAAP Basis - Exhibit D	<u>\$ 98,818,569</u>	<u>\$ 95,692,464</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 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.

Additional appropriations during the year were \$2,560,789, \$2,252,992 from fund balance and \$307,797 from additional revenue sources.

## Town of Berlin, Connecticut

Employee Retirement Plan  
Last Eight Years (1)

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

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

## Town of Berlin, Connecticut

Employee Retirement Plan  
Schedule of Contributions  
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 1,762,733	\$ 1,574,231	\$ 1,606,701	\$ 1,448,395	\$ 913,803	\$ 918,862	\$ 1,001,122	\$ 935,628	\$ 1,005,393	\$ 493,732
Contributions in relation to the actuarially determined contribution	<u>2,185,000</u>	<u>1,830,139</u>	<u>1,606,701</u>	<u>1,448,694</u>	<u>700,399</u>	<u>700,537</u>	<u>1,406,809</u>	<u>700,000</u>	<u>700,000</u>	<u>350,000</u>
Contribution excess (deficiency)	<u>\$ 422,267</u>	<u>\$ 255,908</u>	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ (213,404)</u>	<u>\$ (218,325)</u>	<u>\$ 405,687</u>	<u>\$ (235,628)</u>	<u>\$ (305,393)</u>	<u>\$ (143,732)</u>
Covered payroll	<u>\$ 954,644</u>	<u>\$ 1,283,094</u>	<u>\$ 1,249,673</u>	<u>\$ 1,343,801</u>	<u>\$ 1,452,832</u>	<u>\$ 1,585,622</u>	<u>\$ 1,882,367</u>	<u>\$ 1,958,991</u>	<u>\$ 2,073,539</u>	<u>\$ 1,907,671</u>
Contributions as a percentage of covered payroll	<u>228.88%</u>	<u>142.63%</u>	<u>128.57%</u>	<u>107.81%</u>	<u>48.21%</u>	<u>44.18%</u>	<u>74.74%</u>	<u>35.73%</u>	<u>33.76%</u>	<u>18.35%</u>

**Town of Berlin, Connecticut**  
**Employee Retirement Plan**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Eight Years (1)**

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation	2.60%	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%	2.50%
Salary Increases	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others
Investment Rate of Return (Net)	Pre-retirement: 3.50%, Post-retirement: 1.49%	Pre-retirement: 3.50%, Post-retirement: 3.05%	Pre-retirement: 3.50%, Post-retirement: 2.80%	Pre-retirement: 4.00%, Post-retirement: 2.45%	Pre-retirement: 5.00%, Post-retirement: 3.11%	Pre-retirement: 6.00%, Post-retirement: 3.42%	Pre-retirement: 6.00%, Post-retirement: 3.42%	3.25%
Mortality Rate	Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2019  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-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 with separate table(s) for non-annuitants and annuitants, projected to the valuation date with Scale BB  Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table with separate tables for non-annuitants and annuitants, projected to the valuation date with Scale BB  Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table with separate tables for non-annuitants and annuitants, projected to the valuation date with Scale BB  Post-retirement: IRS 417 (e) mortality table.

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

## Town of Berlin, Connecticut

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>							
Town's proportion of the 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>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<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>\$ 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>
Town's proportionate share of the net pension 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 total pension liability	<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>
<b><u>Schedule of Contributions</u></b>							
Contractually required 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>
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 net pension liability

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

## Town of Berlin, Connecticut

**Connecticut State Teachers' Retirement System**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Seven Years (1)**

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	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, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 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
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	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	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
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	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%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	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

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

## Town of Berlin, Connecticut

Other Post-Employment Benefit (OPEB) Plan  
Last Four Years (1)Schedule of Changes in OPEB Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability				
Service cost	\$ 508,474	\$ 303,119	\$ 243,686	\$ 271,596
Interest	205,556	276,898	237,407	217,457
Differences between expected and actual experience	11,983	-	401,380	-
Changes in assumptions	758,929	835,667	1,064,531	(186,700)
Benefit payments, including refunds of member contributions	<u>(234,887)</u>	<u>(226,936)</u>	<u>(231,992)</u>	<u>(196,773)</u>
Net change in total OPEB liability	1,250,055	1,188,748	1,715,012	105,580
OPEB liability - July 1	<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>\$ 10,159,544</u>	<u>\$ 8,909,489</u>	<u>\$ 7,720,741</u>	<u>\$ 6,005,729</u>
Covered employee payroll	<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>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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>				
Town's proportion of the net OPEB liability	<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	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>15,198,678</u>	<u>14,202,322</u>	<u>14,036,927</u>	<u>19,509,156</u>
Total	<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>
Town's proportionate share of the 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>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<b><u>Schedule of Contributions</u></b>				
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<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>

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

(2) Not applicable since 0% proportional share of the 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

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Four Years (1)**

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

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

---

# **Supplemental Schedules**

---

---

# General Fund

---

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

**Town of Berlin, Connecticut**  
**Report of Tax Collector**  
**For the Year Ended June 30, 2021**

97

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Taxes Collected	Interest Liens & Other Fees	Total	
2004	\$ 2,048	\$ -	\$ -	\$ 2,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	2,732	-	-	-	-	2,732	-	-	-	2,732
2006	2,713	-	-	-	-	2,713	-	-	-	2,713
2007	19,199	-	-	6,759	-	12,440	1,671	3,358	5,029	10,769
2008	20,281	-	-	6,759	-	13,522	-	-	-	13,522
2009	18,586	-	-	7,045	-	11,541	-	-	-	11,541
2010	20,110	-	-	7,299	-	12,811	-	-	-	12,811
2011	33,658	-	-	7,492	-	26,166	12,165	7,031	19,196	14,001
2012	34,729	-	-	2,989	-	31,740	4,461	23,202	27,663	27,279
2013	37,546	-	-	3,005	-	34,541	1,668	5,189	6,857	32,873
2014	42,076	-	-	3,153	-	38,923	-	71	71	38,923
2015	77,654	-	47,022	8,773	-	115,903	67,825	48,069	115,894	48,078
2016	78,834	-	82,062	11,549	-	149,347	76,555	19,743	96,298	72,792
2017	104,602	-	57,968	4,869	-	157,701	57,337	16,366	73,703	100,364
2018	<u>689,545</u>	<u>-</u>	<u>4,467</u>	<u>108,994</u>	<u>108,955</u>	<u>476,063</u>	<u>257,097</u>	<u>72,170</u>	<u>329,267</u>	<u>218,966</u>
Total Prior Years	1,184,313	-	191,519	180,734	108,955	1,086,143	478,779	195,199	673,978	607,364
2019	<u>-</u>	<u>81,329,902</u>	<u>2,056,944</u>	<u>3,996,861</u>	<u>-</u>	<u>79,389,985</u>	<u>78,556,241</u>	<u>121,327</u>	<u>78,677,568</u>	<u>833,744</u>
Total All Years	<u>\$ 1,184,313</u>	<u>\$ 81,329,902</u>	<u>\$ 2,248,463</u>	<u>\$ 4,177,595</u>	<u>\$ 108,955</u>	<u>\$ 80,476,128</u>	<u>\$ 79,035,020</u>	<u>\$ 316,526</u>	<u>\$ 79,351,546</u>	1,441,108
										545,834
										(636,580)
										<u>\$ 1,350,362</u>

Tax interest receivable 545,834  
Allowance for uncollectible taxes (636,580)  
Net property taxes receivable \$ 1,350,362

# 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.

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

## 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.

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

Town of Berlin, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

	Special Revenue Funds					
	<u>Cafeteria</u>	<u>Police Drug Enforcement</u>	<u>Police Asset Forfeiture</u>	<u>Marjorie Moore</u>	<u>Summer Adventures</u>	<u>Afternoon Enrichment Program</u>
<u>Assets</u>						
Cash	\$ 13,319	\$ 3,903	\$39,912	\$6,526	\$ 1,350	\$ 8,179
Receivables						
Intergovernmental	172,499	-	-	-	-	-
Other	37,787	-	-	-	-	-
Total assets	<u>\$ 223,605</u>	<u>\$ 3,903</u>	<u>\$39,912</u>	<u>\$6,526</u>	<u>\$ 1,350</u>	<u>\$ 8,179</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	2,313	-	-	-
Unearned revenue	33,644	-	-	-	-	-
Total liabilities	<u>33,644</u>	<u>-</u>	<u>2,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	189,961	3,903	37,599	6,526	-	-
Assigned	-	-	-	-	1,350	8,179
Total fund balances	<u>189,961</u>	<u>3,903</u>	<u>37,599</u>	<u>6,526</u>	<u>1,350</u>	<u>8,179</u>
Total liabilities and fund balances	<u>\$ 223,605</u>	<u>\$ 3,903</u>	<u>\$39,912</u>	<u>\$6,526</u>	<u>\$ 1,350</u>	<u>\$ 8,179</u>

(Continued)

Town of Berlin, Connecticut  
 Combining Balance Sheet  
 Other Governmental Funds  
 June 30, 2021

Special Revenue Funds

	<u>Boundless Playground</u>	<u>School Activity</u>	<u>Elderly Oral Screening</u>	<u>Town Funds</u>	<u>Special Grants and Donations</u>	<u>Recreation</u>	<u>Veterans Brick Walkway</u>
<u>Assets</u>							
Cash	\$ 4,505	\$ 547,463	\$ 2,466	\$ 146,991	\$ 387,574	\$ 109,402	\$ 10,949
Receivables							
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 4,505</u>	<u>\$ 547,463</u>	<u>\$ 2,466</u>	<u>\$ 146,991</u>	<u>\$ 387,574</u>	<u>\$ 109,402</u>	<u>\$ 10,949</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,334	\$ 757	\$ 18
Accrued payroll and related liabilities	-	-	-	-	632	8,417	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	3,966	9,174	18
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,505	547,463	2,466	-	383,608	-	10,931
Assigned	-	-	-	146,991	-	100,228	-
Total fund balances	<u>4,505</u>	<u>547,463</u>	<u>2,466</u>	<u>146,991</u>	<u>383,608</u>	<u>100,228</u>	<u>10,931</u>
Total liabilities and fund balances	<u>\$ 4,505</u>	<u>\$ 547,463</u>	<u>\$ 2,466</u>	<u>\$ 146,991</u>	<u>\$ 387,574</u>	<u>\$ 109,402</u>	<u>\$ 10,949</u>

(Continued)

Town of Berlin, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

100

	<u>Special Revenue Funds</u>		<u>Permanent Funds</u>				
	<u>Sage Park Improvement</u>	<u>Total Special Revenue Funds</u>	<u>Marjorie Moore Tree</u>	<u>Medical Aid</u>	<u>Blanche Delaney</u>	<u>Total Permanent Funds</u>	<u>Total Other Governmental Funds</u>
<u>Assets</u>							
Cash	\$ 6,954	\$1,289,493	\$ 5,631	\$ 41,308	\$ 55,767	\$ 102,706	\$ 1,392,199
Receivables							
Intergovernmental	-	172,499	-	-	-	-	172,499
Other	-	37,787	-	-	-	-	37,787
Total assets	<u>\$ 6,954</u>	<u>\$1,499,779</u>	<u>\$ 5,631</u>	<u>\$ 41,308</u>	<u>\$ 55,767</u>	<u>\$ 102,706</u>	<u>\$ 1,602,485</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 4,109	\$ -	\$ -	\$ -	\$ -	\$ 4,109
Accrued payroll and related liabilities	234	11,596	-	-	-	-	11,596
Unearned revenue	-	33,644	-	-	-	-	33,644
Total liabilities	<u>234</u>	<u>49,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,349</u>
<u>Fund Balances</u>							
Nonspendable	-	-	5,000	21,965	41,332	68,297	68,297
Restricted	-	1,186,962	631	19,343	14,435	34,409	1,221,371
Assigned	6,720	263,468	-	-	-	-	263,468
Total fund balances	<u>6,720</u>	<u>1,450,430</u>	<u>5,631</u>	<u>41,308</u>	<u>55,767</u>	<u>102,706</u>	<u>1,553,136</u>
Total liabilities and fund balances	<u>\$ 6,954</u>	<u>\$1,499,779</u>	<u>\$ 5,631</u>	<u>\$ 41,308</u>	<u>\$ 55,767</u>	<u>\$ 102,706</u>	<u>\$ 1,602,485</u>

(Concluded)



Town of Berlin, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2021

	Special Revenue Funds					
	<u>Cafeteria</u>	<u>Police Drug Enforcement</u>	<u>Police Asset Forfeiture</u>	<u>Marjorie Moore</u>	<u>Summer Adventures</u>	<u>Afternoon Enrichment Program</u>
Revenues:						
Intergovernmental	\$ 687,472	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	62,905	-	-	-	-	23,661
Income from investments	-	-	-	-	-	-
Contributions	-	3,942	1,447	-	-	-
Total revenues	<u>750,377</u>	<u>3,942</u>	<u>1,447</u>	<u>-</u>	<u>-</u>	<u>23,661</u>
Expenditures:						
Current:						
Community development	-	-	-	-	-	-
Public safety	-	476	20,769	-	-	-
Parks, recreation and libraries	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Schools	688,394	-	-	-	-	22,446
Total expenditures	<u>688,394</u>	<u>476</u>	<u>20,769</u>	<u>-</u>	<u>-</u>	<u>22,446</u>
Net change in fund balances	61,983	3,466	(19,322)	-	-	1,215
Fund balances, July 1, 2020 (as restated)	<u>127,978</u>	<u>437</u>	<u>56,921</u>	<u>6,526</u>	<u>1,350</u>	<u>6,964</u>
Fund balances, June 30, 2021	<u>\$ 189,961</u>	<u>\$ 3,903</u>	<u>\$ 37,599</u>	<u>\$ 6,526</u>	<u>\$ 1,350</u>	<u>\$ 8,179</u>

(Continued)

Town of Berlin, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2021

Special Revenue Funds

	Boundless Playground	School Activity	Elderly Oral Screening	Town Funds	Special Grants and Donations	Recreation	Veterans Brick Walkway
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 125,651	\$ -	\$ -
Charges for services	-	276,232	-	-	4,000	33,194	-
Income from investments	-	-	-	-	107	-	-
Contributions	-	-	-	49,206	21,906	-	2,080
Total revenues	-	276,232	-	49,206	151,664	33,194	2,080
Expenditures:							
Current:							
Community development	-	-	-	-	1,929	-	1,631
Public safety	-	-	-	-	5,130	-	-
Parks, recreation and libraries	-	-	-	9,002	7,640	20,591	-
Health and human services	-	-	-	23,563	100,911	-	-
Schools	-	246,643	-	-	-	-	-
Total expenditures	-	246,643	-	32,565	115,610	20,591	1,631
Net change in fund balances	-	29,589	-	16,641	36,054	12,603	449
Fund balances, July 1, 2020 (as restated)	4,505	517,874	2,466	130,350	347,554	87,625	10,482
Fund balances, June 30, 2021	\$ 4,505	\$ 547,463	\$ 2,466	\$ 146,991	\$ 383,608	\$ 100,228	\$ 10,931

(Continued)

**Town of Berlin, Connecticut**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>Special Revenue Funds</u>		<u>Permanent Funds</u>				
	<u>Sage Park Improvement</u>	<u>Total Special Revenue Funds</u>	<u>Marjorie Moore Tree</u>	<u>Medical Aid</u>	<u>Blanche Delaney</u>	<u>Total Permanent Funds</u>	<u>Total Other Governmental Funds</u>
Revenues:							
Intergovernmental	\$ -	\$ 813,123	\$ -	\$ -	\$ -	\$ -	\$ 813,123
Charges for services	1,730	401,722	-	-	-	-	401,722
Income from investments	-	107	4	31	40	75	182
Contributions	-	78,581	-	152	-	152	78,733
<b>Total revenues</b>	<u>1,730</u>	<u>1,293,533</u>	<u>4</u>	<u>183</u>	<u>40</u>	<u>227</u>	<u>1,293,760</u>
Expenditures:							
Current:							
Community development	-	3,560	-	-	-	-	3,560
Public safety	-	26,375	-	-	-	-	26,375
Parks, recreation and libraries	2,105	39,338	-	-	-	-	39,338
Health and human services	-	124,474	-	1,645	-	1,645	126,119
Schools	-	957,483	-	-	-	-	957,483
<b>Total expenditures</b>	<u>2,105</u>	<u>1,151,230</u>	<u>-</u>	<u>1,645</u>	<u>-</u>	<u>1,645</u>	<u>1,152,875</u>
Net change in fund balances	(375)	142,303	4	(1,462)	40	(1,418)	140,885
Fund balances, July 1, 2020 (as restated)	7,095	1,308,127	5,627	42,770	55,727	104,124	1,412,251
Fund balances, June 30, 2021	<u>\$ 6,720</u>	<u>\$ 1,450,430</u>	<u>\$ 5,631</u>	<u>\$ 41,308</u>	<u>\$55,767</u>	<u>\$102,706</u>	<u>\$ 1,553,136</u>

(Concluded)

# Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

Fund	Function
General Insurance Fund	To account for funds received from the Board of Education, Town Government operating funds and the Water and Sewer Enterprise Fund. The funds are 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	To account for funds received from the Board of Education, Town Government operating funds and Water and Sewer Enterprise Funds. The funds are used for the payment of health insurance claims and provide ancillary service for the administration of this fund and to accumulate reserves.

**Town of Berlin, Connecticut**  
**Internal Service Funds**  
**Combining Schedule of Net Position**  
**June 30, 2021**

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$1,096,820	\$ 559,675	\$1,656,495
Investments	1,000,000	2,000,000	3,000,000
Accounts receivable	88,860	61,768	150,628
	<u>2,185,680</u>	<u>2,621,443</u>	<u>4,807,123</u>
<u>Liabilities</u>			
Current liabilities:			
Claims payable	-	437,881	437,881
Heart and hypertension	54,392	-	54,392
	<u>54,392</u>	<u>437,881</u>	<u>492,273</u>
Total current liabilities	54,392	437,881	492,273
Noncurrent liabilities:			
Heart and hypertension	263,658	-	263,658
	<u>263,658</u>	<u>-</u>	<u>263,658</u>
Total liabilities	<u>318,050</u>	<u>437,881</u>	<u>755,931</u>
<u>Net Position</u>			
Unrestricted	<u>\$1,867,630</u>	<u>\$2,183,562</u>	<u>\$4,051,192</u>

## Town of Berlin, Connecticut

**Internal Service Funds**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2021**

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Operating revenues:			
Premiums	\$ 303,817	\$ 9,277,041	\$ 9,580,858
Insurance proceeds	<u>66,406</u>	<u>31,281</u>	<u>97,687</u>
Total operating revenues	<u>370,223</u>	<u>9,308,322</u>	<u>9,678,545</u>
Operating expenses:			
Claims	53,973	7,168,861	7,222,834
Repairs and maintenance	66,824	-	66,824
Administration	<u>-</u>	<u>1,055,328</u>	<u>1,055,328</u>
Total operating expenses	<u>120,797</u>	<u>8,224,189</u>	<u>8,344,986</u>
Income (loss) from operations	249,426	1,084,133	1,333,559
Nonoperating revenues:			
Income from investments	<u>1,540</u>	<u>4,288</u>	<u>5,828</u>
Change in net position	250,966	1,088,421	1,339,387
Total net position - July 1, 2020	<u>1,616,664</u>	<u>1,095,141</u>	<u>2,711,805</u>
Total net position - June 30, 2021	<u><u>\$ 1,867,630</u></u>	<u><u>\$ 2,183,562</u></u>	<u><u>\$ 4,051,192</u></u>

## Town of Berlin, Connecticut

**Internal Service Funds**  
**Combining Schedule of Cash Flows**  
**For the Year Ended June 30, 2021**

	General Insurance	Medical and Health Insurance	Total
Cash flows from (used in) operating activities:			
Cash received from premiums and employees	\$ 303,817	\$9,277,041	\$9,580,858
Cash received from insurance and others	66,406	(30,487)	35,919
Cash payments to providers of benefits and for claims	(130,749)	(7,208,744)	(7,339,493)
Cash payments to providers of administration	-	(1,055,328)	(1,055,328)
Cash payments to suppliers for goods and service	(147,905)	-	(147,905)
Net cash from (used in) operating activities	<u>91,569</u>	<u>982,482</u>	<u>1,074,051</u>
Cash flows from (used in) investing activities:			
Income from investments	<u>1,540</u>	<u>4,288</u>	<u>5,828</u>
Net increase (decrease) in cash	93,109	986,770	1,079,879
Cash and cash equivalents - July 1, 2020	<u>2,003,711</u>	<u>1,572,905</u>	<u>3,576,616</u>
Cash and cash equivalents - June 30, 2021	<u><u>\$2,096,820</u></u>	<u><u>\$2,559,675</u></u>	<u><u>\$4,656,495</u></u>
Reconciliation to statement of net position cash:			
Cash and cash equivalents per above	\$2,096,820	\$2,559,675	\$4,656,495
Cash and cash equivalents reported as investments	<u>(1,000,000)</u>	<u>(2,000,000)</u>	<u>(3,000,000)</u>
Schedule of net position cash	<u><u>\$1,096,820</u></u>	<u><u>\$ 559,675</u></u>	<u><u>\$1,656,495</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Income (loss) from operations	\$ 249,426	\$1,084,133	\$1,333,559
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	(55,866)	(61,768)	(117,634)
Increase (decrease) in:			
Accounts payable	(25,215)	-	(25,215)
Claims payable	-	(39,883)	(39,883)
Heart and hypertension	(76,776)	-	(76,776)
Net cash from (used in) operating activities	<u><u>\$ 91,569</u></u>	<u><u>\$ 982,482</u></u>	<u><u>\$1,074,051</u></u>

# Statistical Section

This part of the Town's comprehensive annual 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.

<b>Table</b>	<b>Description</b>
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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 112,760,825	\$ 108,253,196	\$ 98,573,725	\$ 93,712,628	\$ 85,860,084	\$ 78,636,418	\$ 75,761,406	\$ 64,684,687	\$ 58,673,095	\$ 57,119,702
Restricted	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008	147,048	157,388
Unrestricted	20,111,967	18,221,546	17,808,350	11,549,130	20,074,879	19,604,198	23,598,253	22,100,035	20,350,601	19,290,018
Total governmental activities net position	<u>136,276,730</u>	<u>127,501,025</u>	<u>117,340,637</u>	<u>106,102,705</u>	<u>107,000,507</u>	<u>106,539,647</u>	<u>99,507,043</u>	<u>86,931,730</u>	<u>79,170,744</u>	<u>76,567,108</u>
Business-type activities:										
Net investment in capital assets	12,558,603	12,633,796	12,363,813	11,400,099	11,115,283	10,871,455	12,739,336	10,074,596	10,113,957	9,825,184
Unrestricted	7,976,139	7,056,110	6,410,777	6,420,796	6,157,253	6,247,097	4,387,315	5,666,817	4,855,024	4,744,240
Total business-type activities net position	<u>20,534,742</u>	<u>19,689,906</u>	<u>18,774,590</u>	<u>17,820,895</u>	<u>17,272,536</u>	<u>17,118,552</u>	<u>17,126,651</u>	<u>15,741,413</u>	<u>14,968,981</u>	<u>14,569,424</u>
Net position:										
Net investment in capital assets	125,319,428	120,886,992	110,937,538	105,112,727	96,975,367	89,507,873	88,500,742	74,759,283	68,787,052	66,944,886
Restricted	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008	147,048	157,388
Unrestricted	28,088,106	25,277,656	24,219,127	17,969,926	26,232,132	25,851,295	27,985,568	27,766,852	25,205,625	24,034,258
Total net position	<u>\$ 156,811,472</u>	<u>\$ 147,190,931</u>	<u>\$ 136,115,227</u>	<u>\$ 123,923,600</u>	<u>\$ 124,273,043</u>	<u>\$ 123,658,199</u>	<u>\$ 116,633,694</u>	<u>\$ 102,673,143</u>	<u>\$ 94,139,725</u>	<u>\$ 91,136,532</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 6,121,673	\$ 4,382,745	\$ 3,816,314	\$ 4,088,097	\$ 4,945,860	\$ 4,274,418	\$ 5,415,509	\$ 4,191,823	\$ 4,397,969	\$ 3,736,129
Community development	1,447,404	999,404	871,365	1,434,058	1,289,526	1,443,185	1,134,822	849,635	838,057	1,310,926
Public safety	12,651,533	10,955,051	10,798,326	11,411,877	9,733,651	9,759,219	9,579,660	8,747,446	8,072,109	8,028,805
Physical services	8,683,511	7,667,136	7,209,815	8,699,197	12,250,229	10,026,337	8,670,289	9,778,097	8,524,981	9,333,507
Parks, recreation and libraries	4,631,671	4,535,047	4,537,299	4,333,615	4,430,839	4,346,520	4,205,001	4,172,288	4,215,896	4,273,783
Health and human services	2,511,833	2,468,476	2,574,970	2,690,952	2,634,197	2,441,507	2,440,168	2,616,986	2,190,406	2,439,771
Schools	66,027,782	61,865,177	59,988,156	60,583,795	59,101,425	54,823,969	53,393,569	52,398,291	49,788,300	48,941,403
Interest	1,729,732	2,045,826	2,151,670	2,193,460	2,302,350	1,969,056	1,907,325	1,257,292	1,123,833	1,141,429
Total governmental activities expenses	103,805,139	94,918,862	91,947,915	95,435,051	96,688,077	89,084,211	86,746,343	84,011,858	79,151,551	79,205,753
Business-type activities:										
Water and sewer services	4,384,865	4,033,164	3,924,508	3,921,967	3,873,528	3,762,634	3,320,826	2,847,292	2,789,923	2,628,858
Total expenses	108,190,004	98,952,026	95,872,423	99,357,018	100,561,605	92,846,845	90,067,169	86,859,150	81,941,474	81,834,611
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,559,586	1,197,222	1,180,161	408,029	378,319	417,392	714,730	703,050	788,491	643,713
Community development	183,533	-	77,964	381,560	444,695	495,726	4,765	1,670	4,320	4,530
Public safety	669,214	509,376	420,711	447,018	402,332	455,090	445,831	351,580	336,275	343,246
Physical services	76,148	74,945	144,135	79,895	65,792	48,537	100,089	181,027	273,779	325,712
Parks, recreation and libraries	1,501,674	1,328,641	1,292,926	1,441,126	1,380,182	1,421,128	1,372,237	1,410,043	1,365,171	1,427,958
Health and human services	772,655	832,814	1,072,665	1,098,129	1,046,389	1,078,553	953,990	1,109,720	1,104,063	1,018,334
Schools	1,373,122	1,153,817	1,335,080	612,220	621,056	654,668	629,809	602,187	662,195	717,242
Operating grants and contributions	19,412,541	16,353,132	16,330,706	19,893,121	19,445,568	16,083,321	14,783,919	16,091,414	14,113,058	14,143,757
Capital grants and contributions	4,942,795	2,898,815	3,323,658	2,324,407	3,164,048	9,327,347	15,726,233	12,066,154	1,787,340	1,411,510
Total governmental activities program revenues	30,491,268	24,348,762	25,178,006	26,685,505	26,948,381	29,981,762	34,731,603	32,516,845	20,434,692	20,036,002
Business-type activities:										
Charges for services:										
Water and sewer services	5,195,417	4,841,145	3,825,854	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099	3,176,569	3,141,951
Operating grants and contributions	-	3,308	29,774	-	-	-	-	-	-	-
Total business-type activities program revenues	5,195,417	4,844,453	3,855,628	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099	3,176,569	3,141,951
Total program revenues	35,686,685	29,193,215	29,033,634	31,062,114	30,915,606	33,702,715	39,411,320	36,113,944	23,611,261	23,177,953
Net (expense) revenue:										
Governmental activities	(73,313,871)	(70,570,100)	(66,769,909)	(68,749,546)	(69,739,696)	(59,102,449)	(52,014,740)	(51,495,013)	(58,716,859)	(59,169,751)
Business-type activities	810,552	811,289	(68,880)	454,642	93,697	(41,681)	1,358,891	749,807	386,646	513,093
Total net (expense) revenue	(72,503,319)	(69,758,811)	(66,838,789)	(68,294,904)	(69,645,999)	(59,144,130)	(50,655,849)	(50,745,206)	(58,330,213)	(58,656,658)

(Continued)

Town of Berlin, Connecticut

Changes in Net Position  
Last Ten Years  
(Unaudited)

For the Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General revenues										
<u>Governmental activities:</u>										
Property taxes	\$ 81,190,002	\$ 79,532,017	\$ 76,578,603	\$ 70,904,222	\$ 68,422,568	\$ 66,721,630	\$ 63,684,396	\$ 62,660,285	\$ 59,608,953	\$ 57,634,249
Grants and contributions not restricted to specific programs	271,987	302,664	303,011	78,140	1,020,656	197,234	157,991	278,928	985,652	1,054,761
Income from investments	66,043	850,917	1,029,004	521,515	269,150	218,786	164,724	81,123	176,577	275,834
Other	39,170	40,390	92,723	228,092	530,911	440,862	578,442	693,062	540,823	746,847
Total governmental activities	81,567,202	80,725,988	78,003,341	71,731,969	70,243,285	67,578,512	64,585,553	63,713,398	61,312,005	59,711,691
Business-type activities:										
Taxes	-	-	216	639	-	12,567	1,491	1,170	72	121
Income from investments	16,395	83,790	84,337	88,245	56,857	39,420	29,356	29,999	21,329	8,977
Other	22,389	24,737	7,989	13,472	8,228	-	-	-	-	-
Total business-type activities	38,784	108,527	92,542	102,356	65,085	51,987	30,847	31,169	21,401	9,098
Total general revenues	81,605,986	80,834,515	78,095,883	71,834,325	70,308,370	67,630,499	64,616,400	63,744,567	61,333,406	59,720,789
Other changes in net position:										
<u>Governmental activities:</u>										
Transfers in (transfers out)	4,500	4,500	4,500	8,639	4,800	4,610	4,500	8,544	8,490	(2,444)
Special Item - Permanent funds moved to a new trustee	-	-	-	-	(47,532)	-	-	-	-	-
<u>Business-type activities:</u>										
Transfers in (transfers out)	(4,500)	(4,500)	(4,500)	(8,639)	(4,800)	(4,610)	(4,500)	(8,544)	(8,490)	2,444
Total other changes in net position	-	-	-	-	(47,532)	-	-	-	-	-
Change in net position:										
Governmental activities	8,257,831	10,160,388	11,237,932	2,991,062	460,857	8,480,673	12,575,313	12,226,929	2,603,636	539,496
Business-type activities	844,836	915,316	19,162	548,359	153,982	5,696	1,385,238	772,432	399,557	524,635
Total change in net position	\$ 9,102,667	\$ 11,075,704	\$ 11,257,094	\$ 3,539,421	\$ 614,839	\$ 8,486,369	\$ 13,960,551	\$ 12,999,361	\$ 3,003,193	\$ 1,064,131

Source: Current and prior year financial statements.

(Concluded)

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

	June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund:										
Committed	\$ -	\$ 23,110	\$ 46,214	\$ 206,994	\$ 577,833	\$ 398,567	\$ 327,968	\$ 328,093	\$ 289,973	\$ 368,642
Assigned	485,000	425,000	1,634,565	2,837,000	2,638,395	2,300,000	1,800,000	2,600,000	1,800,000	1,550,000
Unassigned	<u>18,300,008</u>	<u>17,437,703</u>	<u>14,949,335</u>	<u>12,025,216</u>	<u>11,079,427</u>	<u>11,157,031</u>	<u>10,014,792</u>	<u>9,775,266</u>	<u>10,701,294</u>	<u>9,379,361</u>
Total general fund	<u>18,785,008</u>	<u>17,885,813</u>	<u>16,630,114</u>	<u>15,069,210</u>	<u>14,295,655</u>	<u>13,855,598</u>	<u>12,142,760</u>	<u>12,703,359</u>	<u>12,791,267</u>	<u>11,298,003</u>
All other governmental funds:										
Nonspendable	68,297	68,297	68,297	95,586	106,283	156,496	149,751	139,247	145,352	142,047
Restricted	3,335,641	957,986	890,265	772,650	466,832	403,486	398,406	347,776	366,450	331,476
Committed	12,234,318	14,785,297	11,224,894	4,844,317	8,479,131	22,126,022	9,540,070	10,057,617	7,657,319	4,256,212
Assigned	<u>263,468</u>	<u>233,384</u>	<u>251,601</u>	<u>257,712</u>	<u>150,842</u>	<u>162,201</u>	<u>184,584</u>	<u>176,973</u>	<u>185,639</u>	<u>153,462</u>
Total all other governmental funds	<u>15,901,724</u>	<u>16,044,964</u>	<u>12,435,057</u>	<u>5,970,265</u>	<u>9,203,088</u>	<u>22,848,205</u>	<u>10,272,811</u>	<u>10,721,613</u>	<u>8,354,760</u>	<u>4,883,197</u>
Grand total	<u>\$ 34,686,732</u>	<u>\$ 33,930,777</u>	<u>\$ 29,065,171</u>	<u>\$ 21,039,475</u>	<u>\$ 23,498,743</u>	<u>\$ 36,703,803</u>	<u>\$ 22,415,571</u>	<u>\$ 23,424,972</u>	<u>\$ 21,146,027</u>	<u>\$ 16,181,200</u>

Source: Current and prior year financial statements.

Notes:

General fund:  
    Assigned                   Increased due to increase in appropriation for the subsequent year's budget.  
    Unassigned               Increased due to positive operations.

All other governmental funds:  
    Restricted               Increased due to amounts restricted for construction projects.  
    Committed               Decreased due to current year expenditures, reduction of debt and increase in restricted fund balance.

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

For the Year Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Property taxes	\$80,997,529	\$ 79,277,434	\$ 76,554,167	\$ 71,746,019	\$ 68,124,826	\$ 66,691,876	\$ 63,867,121	\$ 62,265,408	\$ 59,750,689	\$57,384,370
Intergovernmental	24,544,590	19,452,995	19,813,596	22,292,489	23,071,418	24,981,600	29,845,476	28,324,562	16,630,100	16,549,659
Charges for services	6,135,932	5,096,815	5,523,642	4,336,291	4,264,224	4,493,614	4,172,020	4,306,398	4,484,164	4,413,140
Income from investments	60,215	820,500	985,706	492,358	244,715	207,044	164,729	81,123	176,577	275,834
Contributions	82,733	101,616	143,779	-	-	-	-	-	-	-
Other	39,170	40,390	92,723	532,366	1,417,888	626,729	692,276	793,616	629,863	842,715
<b>Total revenues</b>	<b>111,860,169</b>	<b>104,789,750</b>	<b>103,113,613</b>	<b>99,399,523</b>	<b>97,123,071</b>	<b>97,000,863</b>	<b>98,741,622</b>	<b>95,771,107</b>	<b>81,671,393</b>	<b>79,465,718</b>
<b>Expenditures:</b>										
Current:										
General government	7,003,499	5,931,179	5,156,649	4,878,078	4,436,950	4,215,074	4,735,669	3,845,598	4,011,796	3,541,728
Community development	891,394	1,007,041	1,135,590	792,019	770,531	724,905	733,560	705,478	721,746	738,779
Public safety	9,630,093	9,116,430	9,149,878	8,640,276	8,662,990	8,478,621	8,522,289	8,269,662	7,778,675	7,560,017
Physical services	7,069,934	7,551,257	7,547,850	7,330,490	7,409,209	7,569,573	7,893,401	7,670,479	7,424,137	8,021,028
Parks, recreation, and libraries	4,105,749	4,151,385	4,017,807	4,064,861	4,028,438	3,995,225	4,063,017	3,782,572	3,788,466	3,850,122
Health and human services	2,545,169	2,459,878	2,493,989	2,518,668	2,529,327	2,417,273	2,398,212	2,626,269	2,146,352	2,368,124
Schools	62,888,974	58,708,498	57,579,084	58,446,780	57,309,959	52,501,570	50,905,397	51,248,877	48,844,087	47,421,917
Debt service-principal	6,458,611	6,928,068	6,167,775	5,912,427	4,690,946	4,210,248	2,314,620	2,972,034	1,732,258	1,662,257
Debt service-interest	2,364,530	2,623,876	2,753,786	2,789,265	2,836,523	2,200,683	1,982,771	1,344,842	1,209,331	1,200,353
Capital outlay	9,121,091	6,423,917	6,087,502	6,623,361	22,451,923	24,718,209	30,664,648	31,109,069	8,238,449	8,046,639
<b>Total expenditures</b>	<b>112,079,044</b>	<b>104,901,529</b>	<b>102,089,910</b>	<b>101,996,225</b>	<b>115,126,796</b>	<b>111,031,381</b>	<b>114,213,584</b>	<b>113,574,880</b>	<b>85,895,297</b>	<b>84,410,964</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(218,875)</b>	<b>(111,779)</b>	<b>1,023,703</b>	<b>(2,596,702)</b>	<b>(18,003,725)</b>	<b>(14,030,518)</b>	<b>(15,471,962)</b>	<b>(17,803,773)</b>	<b>(4,223,904)</b>	<b>(4,945,246)</b>
<b>Other financing sources (uses):</b>										
Issuance of debt	-	4,200,000	6,500,000	-	4,665,000	16,770,000	13,720,000	18,355,000	8,495,000	-
Sale of capital assets	452,456	14,021	14,367	4,313	11,190	46,845	-	-	-	-
Issuance of notes	-	-	-	-	-	10,372,169	442,615	269,685	330,400	122,008
Issuance of refunding bonds	-	-	-	-	-	10,920,000	-	-	295,446	-
Premium	-	758,864	483,126	-	165,207	2,290,415	295,446	1,449,489	354,841	-
Payment to refunded bond escrow agent	-	-	-	-	-	(12,085,509)	-	-	-	-
Transfers in	2,447,800	3,759,365	2,956,945	1,369,159	1,224,059	995,906	1,263,440	1,350,855	1,141,096	1,346,815
Transfers out	(2,443,300)	(3,754,865)	(2,952,445)	(1,360,520)	(1,219,259)	(991,296)	(1,258,940)	(1,342,311)	(1,132,606)	(1,349,259)
<b>Net other financing sources (uses)</b>	<b>456,956</b>	<b>4,977,385</b>	<b>7,001,993</b>	<b>12,952</b>	<b>4,846,197</b>	<b>28,318,530</b>	<b>14,462,561</b>	<b>20,082,718</b>	<b>9,484,177</b>	<b>119,564</b>
<b>Special Item</b>										
Permanent Funds moved to a new trustee	-	-	-	-	(47,532)	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 238,081</b>	<b>\$ 4,865,606</b>	<b>\$ 8,025,696</b>	<b>\$ (2,583,750)</b>	<b>\$ (13,205,060)</b>	<b>\$ 14,288,012</b>	<b>\$ (1,009,401)</b>	<b>\$ 2,278,945</b>	<b>\$ 5,260,273</b>	<b>\$ (4,825,682)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8.49%</b>	<b>9.44%</b>	<b>9.44%</b>	<b>9.10%</b>	<b>8.00%</b>	<b>7.20%</b>	<b>5.10%</b>	<b>5.20%</b>	<b>3.80%</b>	<b>3.70%</b>

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
2012	\$1,990,185,320	\$223,962,440	\$175,008,640	\$73,995,401	\$2,315,160,999	\$3,307,372,856	70.00%	24.50
2013	2,007,532,470	232,799,460	191,601,270	80,306,418	2,351,626,782	3,359,466,831	70.00%	25.15
2014	1,793,912,100	244,386,230	194,507,770	77,148,349	2,155,657,751	3,079,511,073	70.00%	28.77
2015	1,803,443,600	263,999,810	197,207,800	78,521,727	2,186,129,483	3,123,042,119	70.00%	28.92
2016	1,813,647,200	247,327,635	202,278,140	86,098,147	2,177,154,828	3,110,221,183	70.00%	30.35
2017	1,822,586,083	256,107,817	202,018,905	85,996,735	2,194,716,070	3,135,308,671	70.00%	30.81
2018	1,835,846,165	269,028,747	202,779,980	94,434,147	2,213,220,745	3,161,743,921	70.00%	31.61
2019	1,925,666,533	289,305,162	215,479,565	105,366,387	2,325,084,873	3,321,549,818	70.00%	32.50
2020	1,926,354,348	311,943,865	219,518,050	123,599,337	2,334,216,926	3,334,595,609	70.00%	33.93
2021	1,931,467,716	347,310,555	224,798,755	132,429,457	2,371,147,569	3,387,353,670	70.00%	33.93

111

Source: Town of Berlin Assessor's office

Note:  
Revaluation completed for fiscal years 2014 and 2019.

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

Year Ended June 30	Town Direct Rate	Overlapping Rates	
		Kensington Fire District	Worthington Fire District
2012	24.50	1.00	1.99
2013	25.15	1.00	2.10
2014	28.77	1.10	2.10
2015	28.92	1.10	2.00
2016	30.35	1.10	2.00
2017	30.81	1.10	1.80
2018	31.61	1.10	1.70
2019	32.50	1.10	1.70
2020	33.93	1.10	1.70
2021	33.93	1.10	1.63

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	2021			2012		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Rocky River Realty Co.	\$ 217,066,038	1	9.15%	\$ 181,188,630	1	7.83%
Corbin Russwin Inc.	27,297,870	2	1.15%	25,675,870	2	1.11%
Tomz Corporation	20,976,520	3	0.88%	-	-	0.00%
Cedar Brickyard	17,076,850	4	0.72%	23,727,700	3	1.02%
B & F Machine Inc.	14,214,980	5	0.60%	-	-	0.00%
Stonebridge Berlin Assoc.	9,363,400	6	0.39%	9,175,700	4	0.40%
Budney Industries Inc.	8,917,435	7	0.38%	-	-	0.00%
Connecticut Natural Gas Corp.	8,650,160	8	0.36%	-	-	0.00%
Budney Overhaul	8,494,970	9	0.36%	-	-	0.00%
224 Berlin Turnpike LLC (incl. Acura of Berlin)	7,711,490	10	0.33%	-	-	0.00%
BRE Realty, LLC	-	-	0.00%	8,564,480	5	0.37%
Atohaas North America Inc. & Arkema Inc.	-	-	0.00%	8,385,530	6	0.36%
Blue Dog Properties Trust	-	-	0.00%	7,414,500	7	0.32%
Berlin Commerce Park	-	-	0.00%	7,172,000	8	0.31%
Legion Square Associates LLC	-	-	0.00%	6,869,400	9	0.30%
Paradigm Precision Holdings, LLC	-	-	0.00%	6,529,410	10	0.28%
Total	<u>\$ 339,769,713</u>		<u>14.32%</u>	<u>\$ 284,703,220</u>		<u>12.30%</u>
Based on October 1, 2019 and 2010 net taxable grand list of:	<u>\$ 2,371,147,569</u>			<u>\$ 2,315,160,999</u>		



Town of Berlin, Connecticut

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

Year Ended June 30	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections In Subsequent Years	Total Collections	Percent of Levy Collected	Current Delinquent Balance
2012	\$ 57,082,130	\$ 56,246,044	98.55%	\$ 823,275	\$ 57,069,319	99.98%	\$ 12,811
2013	59,323,912	58,577,996	98.74%	731,915	59,309,911	99.98%	14,001
2014	61,995,090	61,321,496	98.91%	646,315	61,967,811	99.96%	27,279
2015	63,580,445	62,864,950	98.87%	682,622	63,547,572	99.95%	32,873
2016	66,490,625	65,918,097	99.14%	533,605	66,451,702	99.94%	38,923
2017	68,069,358	67,378,401	98.98%	642,879	68,021,280	99.93%	48,078
2018	70,660,090	69,789,191	98.77%	798,107	70,587,298	99.90%	72,792
2019	75,738,109	75,073,467	99.12%	564,278	75,637,745	99.87%	100,364
2020	79,442,804	78,753,259	99.13%	470,579	79,223,838	99.72%	218,966
2021	79,389,985	78,556,241	98.95%	-	78,556,241	98.95%	833,744

115

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	Total	Notes Payable			
2012	\$28,632,679	\$ 368,238	\$ 29,000,917	\$ -	\$ 29,000,917	3.69%	\$ 1,417
2013	35,686,800	457,141	36,143,941	454,700	36,598,641	4.59%	1,777
2014	52,360,468	468,168	52,828,636	2,041,888	54,870,524	6.86%	2,754
2015	63,908,614	447,429	64,356,043	2,236,514	66,592,557	8.20%	3,351
2016	77,723,275	10,584,544	88,307,819	2,040,819	90,348,638	10.86%	4,439
2017	77,560,926	10,234,306	87,795,232	1,928,993	89,724,225	9.66%	4,377
2018	71,470,473	9,754,432	81,224,905	1,817,167	83,042,072	8.94%	4,050
2019	71,894,290	9,451,657	81,345,947	3,638,655	84,984,602	9.18%	4,159
2020	69,581,707	9,123,589	78,705,296	3,414,053	82,119,349	7.95%	4,018
2021	62,753,943	8,774,978	71,528,921	3,205,561	74,734,482	7.39%	3,708

116

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
2012	\$ 28,632,679	0.87%	\$ 1,399
2013	35,686,800	1.06%	1,733
2014	52,360,468	1.70%	2,628
2015	63,908,614	2.05%	3,216
2016	77,723,275	2.50%	3,819
2017	77,560,926	2.47%	3,784
2018	71,470,473	2.26%	3,486
2019	71,894,290	2.29%	3,506
2020	69,581,707	2.20%	3,406
2021	62,753,943	1.85%	3,114

Source: Current and prior year financial statements.

## Town of Berlin, Connecticut

Direct and Overlapping Debt  
Governmental Activities

June 30, 2021

(Unaudited)

Government Unit	Debt Outstanding	Percentage Applicable to Town (2)	Amount Applicable to Town
<u>Overlapping debt:</u>			
Kensington Fire District - Commercial Loan	\$ 925,215	100.00%	\$ 925,215
Worthington Fire District - USDA Loan	377,070	100.00%	377,070
Mattabassett District (1)	49,854,208	0.00%	-
			1,302,285
Subtotal, overlapping debt			1,302,285
Town of Berlin, direct debt			71,528,921
Total direct and overlapping debt			\$ 72,831,206

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

Notes:

- (1) Excludes business-type activities debt of \$7,154,079, 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, 2021**  
**(Unaudited)**

Tax base:

Total prior year tax collections (including interest and lien fees)	
Town	\$ 79,813,323
Fire districts	1,312,785
	<u>\$ 81,126,108</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$182,533,743	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	365,067,486	-	-	-
3 3/4 times base	-	-	304,222,905	-	-
3 1/4 times base	-	-	-	263,659,851	-
3 times base	-	-	-	-	243,378,324
	<u>182,533,743</u>	<u>365,067,486</u>	<u>304,222,905</u>	<u>263,659,851</u>	<u>243,378,324</u>
Total limitations	<u>182,533,743</u>	<u>365,067,486</u>	<u>304,222,905</u>	<u>263,659,851</u>	<u>243,378,324</u>
Indebtedness:					
Bonds	21,868,000	38,557,000	-	-	-
Overlapping debt (1)	-	-	1,302,285	-	-
	<u>21,868,000</u>	<u>38,557,000</u>	<u>1,302,285</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>21,868,000</u>	<u>38,557,000</u>	<u>1,302,285</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$160,665,743</u></u>	<u><u>\$326,510,486</u></u>	<u><u>\$302,920,620</u></u>	<u><u>\$263,659,851</u></u>	<u><u>\$243,378,324</u></u>

The total net indebtedness above amounts to: \$ 61,727,285

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$567,882,756

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	Total Net Debt Applicable
2012	\$409,864,000	\$ 88,009,000	\$321,855,000	21.47%
2013	434,483,000	86,411,000	348,072,000	19.89%
2014	446,831,000	102,489,000	344,342,000	22.94%
2015	461,531,000	93,428,000	368,103,000	20.24%
2016	477,144,654	97,249,641	379,895,013	20.38%
2017	484,674,134	100,024,076	384,650,058	20.64%
2018	504,720,342	94,678,865	410,041,477	18.76%
2019	505,508,878	79,444,654	426,064,224	15.72%
2020	546,476,889	67,919,623	478,557,266	12.43%
2021	567,882,756	61,727,285	506,155,471	10.87%

Source: Current and prior year financial statements.

## Town of Berlin, Connecticut

**Debt Statistics for Continuing Disclosure  
June 30, 2021  
(Unaudited)**

Population	20,154		
Net Taxable Grand List	\$2,371,147,569		
Estimated Full Value at 70%	3,387,353,670		
Equalized Net Grand List	3,486,411,070		
	<u>Total Direct Bonds</u>	<u>Net Direct Bonds</u>	<u>Total Overall Net Debt</u>
	\$62,753,943	\$62,753,943	\$71,528,921
Per Capita	3,114	3,114	3,549
To Net Taxable Grand List	2.65%	2.65%	3.02%
To Estimated Full Value	1.85%	1.85%	2.11%
To Equalized Net Grand List	1.80%	1.80%	2.05%

Source: Town Assessor department

**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		
2012	20,463	\$ 786,311,238	\$ 38,426	N/A	N/A	3,026	6.6%
2013	20,590	797,615,420	38,738	N/A	N/A	2,981	6.4%
2014	19,921	800,266,412	40,172	N/A	N/A	2,951	5.2%
2015	19,870	811,987,550	40,865	N/A	N/A	2,898	4.3%
2016	20,352	831,684,480	40,865	75.0%	38.0%	2,863	4.8%
2017	20,499	929,096,676	45,324	76.0%	39.0%	2,792	4.1%
2018	20,505	929,368,620	45,324	78.0%	39.0%	2,781	3.7%
2019	20,432	926,059,968	45,324	78.0%	39.0%	2,787	3.3%
2020	20,436	1,032,917,184	50,544	78.0%	39.0%	2,761	7.8%
2021	20,154	1,011,488,952	50,188	77.0%	41.0%	2,693	5.2%

Sources:

- (1) 2018-2021 State of Connecticut, Department of Health; 2012-2017 Town of Berlin estimates
  - (2) Connecticut Department of Economic and Community Development, American Community Survey and Hometown Locator
  - (3) Advance CT (formerly Connecticut Economic Resource Center)
  - (4) Berlin Board of Education.
  - (5) Connecticut Labor Department - research and statistics.
- N/A - Not available



Table 16

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource (formerly Northeast Utilities)	1,200	1	11.62%	1,599	1	15.14%
Town of Berlin	688	2	6.66%	630	2	5.97%
Assa Abloy	410	3	3.97%	-	-	0.00%
EuroAmerican Home Care	287	4	2.78%	-	-	0.00%
Comcast Cable/TCI, CT	274	5	2.65%	500	3	4.73%
TOMZ Corporation	251	6	2.43%	89	10	0.84%
Keep Me Home	250	7	2.42%	-	-	0.00%
Budney Overhaul and Repair	180	8	1.74%	-	-	0.00%
Parker Fluid Control	157	9	1.52%	-	-	0.00%
Stop & Shop	137	10	1.33%	139	8	1.32%
Corbin Russwin	-	-	0.00%	350	4	3.31%
Parker Hannifin	-	-	0.00%	230	5	2.18%
B & F Machine	-	-	0.00%	200	6	1.89%
TIGHITCO	-	-	0.00%	151	7	1.43%
Home Depot	-	-	0.00%	110	9	1.04%
<b>Total</b>	<b>3,834</b>		<b>37.12%</b>	<b>3,998</b>		<b>37.85%</b>

123

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government:</b>										
Manager's Office	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Finance Department	7.00	6.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00	6.00
Technology Department	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Collector of Revenue	3.00	3.00	3.00	2.70	2.70	2.25	2.40	2.40	2.62	2.62
Treasurer	-	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Corporation Counsel	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Assessor	4.57	4.57	4.57	4.57	4.57	4.57	4.64	4.00	4.00	4.00
Registrars of Voters	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Town Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
General Government Total	25.11	23.71	23.71	23.41	23.41	24.96	25.18	23.54	23.76	23.76
<b>Community Development:</b>										
Planning Department	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building Inspection	3.00	3.00	3.00	3.00	2.84	2.84	2.84	2.84	2.84	2.84
Economic Development	1.55	1.55	1.55	1.55	1.55	1.86	1.10	0.86	0.86	0.86
Community Development Total	7.55	7.55	7.55	7.55	7.39	7.70	6.94	6.70	6.70	6.70
<b>Public Safety:</b>										
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire Department	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
Police Department										
Officers	42.00	42.00	42.00	42.00	42.00	42.00	42.00	41.00	41.00	41.00
Civilians	12.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Fire Marshal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety Total	57.93	58.93	58.93	58.93	58.93	58.93	58.93	57.93	57.93	57.93
<b>Physical Services:</b>										
Municipal Garage	6.57	6.57	6.57	6.57	7.07	7.07	7.07	7.07	7.07	6.07
Public Works	3.35	3.35	3.10	3.10	4.10	4.25	4.25	4.50	4.50	4.50
Highway	15.00	15.00	14.90	15.00	15.00	14.00	14.00	14.00	14.00	14.00
Public Building *	7.85	15.95	15.95	15.95	16.55	17.44	17.95	17.95	17.95	17.95
Physical Services Total	32.77	40.87	40.52	40.62	42.72	42.76	43.27	43.52	43.52	42.52
<b>Parks, Recreation, and Libraries:</b>										
Recreation	2.17	2.17	2.17	2.07	2.07	2.02	2.02	2.17	2.67	2.67
Golf Course	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	6.00
Libraries	11.54	11.54	12.29	11.34	11.34	11.34	11.34	11.39	11.10	11.10
Public Grounds	10.33	10.33	10.43	10.53	11.53	11.33	11.33	11.33	10.33	10.33
Parks, Recreation, and Libraries Total	28.04	28.04	28.89	27.94	28.94	29.69	29.69	29.89	29.10	30.10
<b>Health and Human Services:</b>										
Nursing Services	13.93	13.93	13.93	13.98	14.26	14.43	14.75	15.00	15.00	15.00
Senior Services	3.25	3.25	3.50	3.40	3.40	3.35	3.35	3.50	3.50	3.50
Social Services	2.25	2.25	2.00	1.68	1.68	1.57	1.71	1.50	1.50	1.50
Homemaking Services	-	-	-	4.49	4.45	-	-	-	-	-
Health and Human Services Total	19.43	19.43	19.43	23.55	23.79	19.35	19.81	20.00	20.00	20.00

124

(Continued)

Town of Berlin, Connecticut

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

Function/Program	June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Schools:										
Private Schools	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.23
Board of Education:										
Administration	20.00	18.00	19.00	14.00	19.90	19.90	19.22	18.60	18.60	17.60
Teachers	267.70	260.90	262.00	268.00	274.00	277.10	278.00	278.39	270.89	274.91
Other (1)	205.75	194.64	182.50	199.00	181.60	183.34	174.99	170.24	144.89	141.46
School Expenses	17.15	10.70	10.60	9.33	8.49	8.39	8.41	8.83	8.83	8.11
Schools Total	511.80	485.44	475.30	491.53	485.19	489.93	481.82	477.26	444.41	443.31
Water Control Commission:										
Administration	1.36	1.36	1.61	2.22	2.22	2.07	1.92	2.10	2.50	2.50
Operations	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Water Control Commission Total	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10	5.50	5.50
Total	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94	630.92	629.82
Total Town Government	170.83	178.53	179.03	182.00	185.18	183.39	183.82	181.58	181.01	181.01
Total Education (1)	511.8	485.44	475.3	491.53	485.19	489.93	481.82	477.26	444.41	443.31
Total Water Control	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10	5.50	5.50
Government Totals	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94	630.92	629.82

(Concluded)

Source: Town of Berlin Finance Department

Notes:

\* Public Building salaries reallocated to reflect time spent in the schools. See School Expenses.

(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. The fiscal year 2014 increase is due in part to new grants

**Table 18  
(1 of 2)**

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

June 30

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Physical arrests:										
Adult Arrest	233	248	287	356	377	401	380	443	471	488
Juvenile Arrest	7	10	8	13	24	34	32	32	32	39
Traffic violations:										
Infractions	741	1,033	1,705	2,138	2,312	2,389	3,360	2,208	2,148	2,451
Misdemeanor	101	189	288	381	347	318	414	500	1,033	585
Written Warning	1,042	1,541	1,313	1,765	1,972	1,967	2,355	2,758	3,278	3,039
Animal Control:										
Dog licenses issued	1,566	1,663	1,701	1,741	1,753	1,820	1,785	1,882	1,843	1,886
Animals adopted	31	30	42	38	55	55	56	74	81	77
Animal redemptions	33	40	35	29	34	34	50	46	65	59
Fire Suppression Services:										
Alarms	150	160	167	161	173	141	135	168	163	133
Fires	77	60	43	68	73	98	81	91	65	80
Hazardous Materials	86	40	37	85	85	80	95	102	46	53
Assistance Calls	83	155	173	166	67	86	108	94	46	71
Rescue Calls	175	75	143	128	13	11	9	10	11	16
Fire Marshal:										
Inspections	337	284	305	356	367	357	269	241	205	218
Investigations	35	32	39	23	20	27	21	24	20	23
Refuse Collection:										
Solid Waste (tons)	7,284	7,148	6,718	6,555	7,942	7,998	6,351	9,023	10,682	11,723
Curbside recycling (tons):										
Commingled Containers	1,678	1,809	1,932	1,856	1,689	1,442	2,123	1,916	1,907	1,348
Leaves	1,427	1,329	1,181	841	886	842	663	780	730	727
Other Public Works:										
Street resurfacing (miles)	2.8	4.0	4.2	5.8	5.6	4.4	3.3	5.7	3.5	2.3

(Continued)

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

June 30

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Building Department:</b>										
Building permits issued	1,996	1,609	1,498	1,423	1,266	1,666	1,271	1,139	1,438	1,188
Building inspections	3,064	2,271	2,421	2,341	1,937	1,928	1,253	1,152	1,163	1,105
<b>Planning:</b>										
Zoning violations	68	29	51	47	69	70	74	93	64	103
<b>Library:</b>										
Volumes in collection (1)	117,715	117,987	120,025	122,088	194,790	137,222	130,824	133,900	127,861	130,637
Total volumes borrowed	146,672	164,913	208,592	173,446	169,104	176,842	175,983	190,404	194,990	196,164
<b>Water:</b>										
New connections	15	29	29	3	6	6	35	17	29	27
Water main breaks	1	-	3	2	-	9	1	2	9	10
Average daily consumption (thousands of gallons)	1,046	1,020	978	1,011	1,097	1,097	1,089	1,041	956	951
Peak daily consumption (thousands of gallons)	1,608	1,329	1,402	1,183	1,689	1,769	1,530	1,457	1,338	1,331
<b>Sewer:</b>										
Average daily sewage treatment (thousands of gallons)	1,223	1,089	1,312	1,095	1,439	1,536	1,535	1,620	1,200	2,800

(Concluded)

Source: Town of Berlin

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	15	15	15	15	14	14	14	14
<b>Fire:</b>										
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
<b>Public works:</b>										
Streets (miles)	110.74	111.51	111.51	111.51	111.51	111.51	111.51	111.51	111.51	111.41
Streetlights	2,580	2,559	2,559	2,561	2,570	2,567	2,544	2,544	2,537	2,534
Traffic signals	6	6	6	6	6	6	6	6	6	6
Bridges	37	37	37	37	37	37	37	37	37	37
<b>Parks and recreation:</b>										
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	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,163	2,163	2,163
Playgrounds	11	11	11	11	11	9	9	9	9	9
Baseball/softball fields	15	15	15	15	15	15	15	16	16	16
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
<b>Water:</b>										
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	545	545	545	545	545	545*	440	436	434	434
Storage capacity (thousands of gals.)	2,000	2,000	2,000**	4,000	4,000	4,000	4,000	4,000	4,000	4,000
<b>Wastewater:</b>										
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
Trtmnt. capacity (thousands of gals.)	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,462,600	1,468,000
Pump stations	10	10	10	11	11	11	11	11	12	12
<b>Education:</b>										
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.