

TOWN OF BERLIN, CONNECTICUT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2022

TOWN OF BERLIN, CONNECTICUT

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022



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, 2022

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Introductory Section



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

December 21, 2022

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, 2022, 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 2022.

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 and on the Town’s website.

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 20,164.

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 fiscal management.

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

Local Economic Condition and Outlook

Berlin continued to manage through the new normal in the wake of the COVID-19 pandemic and related economic challenges. Building permit volume and Planning & Zoning requests remained strong with several new residential and commercial projects moving forward. Issuance of building permits (both commercial and industrial) increased 6% in fiscal year 2022.

The Town experienced continued success with focused economic development projects in the Farmington Avenue/Amtrak Train Station area of town. Substantial work was completed on the first of two private, mixed-use development projects on the recently completed Steele Boulevard adjacent to the Amtrak train station. The Town continues to work external consultants and the State Department of Energy & Environmental Protection to remediate the site of a new residential building that will house 76 market-rate 1 and 2-bedroom apartments.

Major businesses located in Berlin include Eversource and its subsidiary, Yankee Gas, ASSA ABLOY (Corbin Russwin architectural hardware), TIGHITCO (aerospace parts), Parker Hannifin (solenoid valves), the Western New England Headquarters for Comcast (cable television, internet and telephone), B&F Machine (aerospace parts), Stop & Shop (retail), Home Depot (retail), PetSmart (retail), TOMZ Corporation (a manufacturer of medical and aerospace parts) 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 27.8% higher than the State average.

Major Initiatives

Overall, the Town continued to be an attractive location for a diverse mix of projects including office, industrial, commercial, and age-restricted residential developments. Continued investments in infrastructure (bridges, roads, and sidewalks), updates to the Main Street roads and sidewalks, and HVAC investments the middle and high schools, all made Berlin an appealing location for individuals, families, 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.

The Town initiated two significant infrastructure projects which are expected be completed over the next couple of years. Preliminary design work was completed on a renovation of the police station that will increase the overall footprint, upgrade and enlarge both locker rooms, add meeting space, and modify the layout for improved security.

After the end of fiscal year 2022, the Town appropriated over \$5 million in America Rescue Plan (ARPA) funds to upgrade the HVAC system at all three elementary schools. The Town is pursuing additional grants from the State of Connecticut to further offset the cost of this project. The project is expected to be completed over the next two-to-three years.

Long-Term Financial Planning

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

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

For the third time in five years, the Town elected not to issue new money debt. Instead, Town staff focused on completing previously approved and funded projects. The decision not to issue new money debt during fiscal 2022 allowed the Town to lower the outstanding principal balance by \$6.7 million.

Other Relevant Financial Policies and Procedures

One of the policies adopted by the Town Council 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 2022, 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 and hybrid meeting technology, initiated a multi-year effort to digitize existing records and increased cybersecurity training to lower the risk of business interruption from a cyber-attack. These efforts are expected to continue for many years, and some, like cyber security, have become ingrained in daily processes.

Other Information

Award:

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Berlin for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This is the thirty-sixth consecutive years that the government has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

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

Acknowledgments:

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

Respectfully submitted,



Kevin Delaney
Director of Finance & Treasurer

Town of Berlin, Connecticut

**Principal Officials
June 30, 2022**

Town Council

Mayor Mark H. Kaczynski

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

Councilor Jack Fazzino
Councilor Peter A. Rosso
Councilor Donna Veach

Board of Finance

Sal Bordonaro, Chairman
Raul Fernandes
Mark Holmes

Gerald P. Paradis, Vice Chairman
Timothy Grady
George Millerd

Administration

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

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

Board of Education

Julia Dennis, President

Melissa Anne Gibbons
Gina Nappi
Adam Salina
Tracy Sisti, Secretary

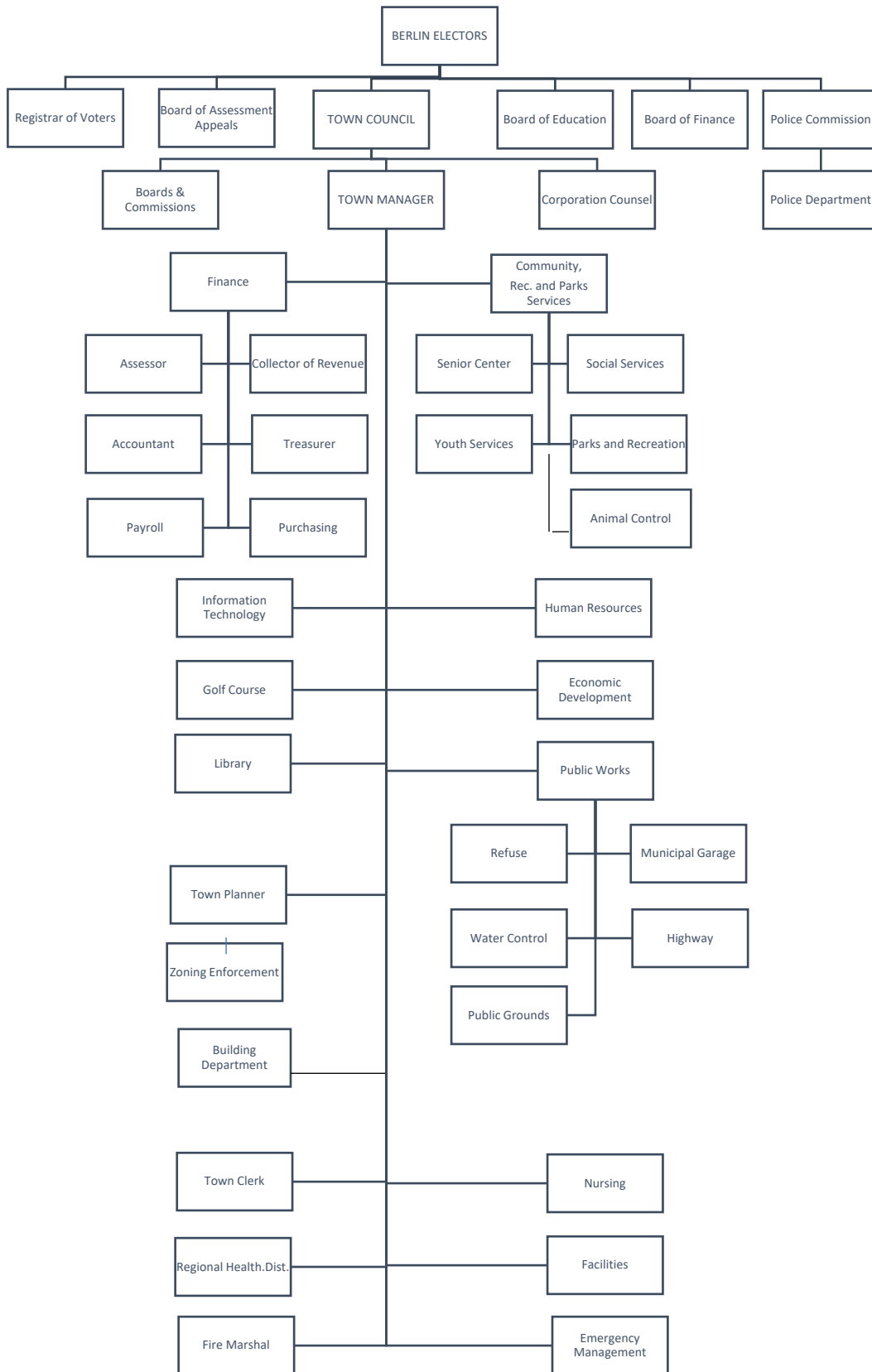
Jaymee Miller
Timothy J. Oakes
Kari Sassu, Ph. D.
Matthew Tencza

Superintendent of Schools
Director of Finance
Director of Operations

Brian Benigni
Ashley Dorsey
Jeffrey Cugno

Town of Berlin, Connecticut

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Berlin
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

Town Council
Town of Berlin, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Berlin, Connecticut ("Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 21, 2022



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

Management's Discussion and Analysis For the Year Ended June 30, 2022

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, 2022. Please read this Management Discussion and Analysis ("MD&A") in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to K.

Financial highlights

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in net position	\$ 11,528,483	\$ 797,246	\$ 12,325,729
Total net position	147,805,213	21,331,988	169,137,201
Unrestricted net position	24,178,905	8,539,976	32,718,881

The Town's total net position increased by \$12,325,729. The increase is due to the following:

Governmental fund activity:

- positive operations of the general fund before lump sum pension payments of \$ 816,554
- use of fund balance for lump sum pension payments (5,495,640)
- positive operations of the capital projects fund of 2,080,257

Conversion to accrual basis on Exhibit E:

- net principal debt activity of 6,693,253
- change in net pension liability of 6,375,754
- change in OPEB liability of 1,177,990
- net revenues of the internal service funds of 780,334

- Revenues for the Town's programs increased \$385,341 or 0.3% to \$112,443,811. This compared to an increase of 6.7% in the prior year. The major drivers of this growth were higher property tax revenues and higher service fees, partially offset by lower capital grants due to the near completion of bridge projects.
- The total cost of the Town's programs decreased by \$2,885,311 or -2.8% to \$100,919,828. This compares to an increase of 9.4% in the prior year. The major drivers were lower pension expense and lower public safety costs primarily caused by vacant positions and a lower net pension liability, partially offset by higher education costs driven by increased personnel costs.

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

- The General Fund ending fund balance was \$14,105,922, a decrease of \$4,679,086 or 24.9%, from the previous year. The decrease was driven by the additional appropriation of General Fund unassigned fund balance to support lump sum payouts within the closed defined benefit pension plan.
- The Capital Projects Fund reported a total fund balance this year of \$16,134,542, an increase of \$2,080,257 or 14.8%, from the previous year. The increase was driven by the receipt of American Rescue Plan funds (to be used for HVAC improvements at the three elementary schools) and the transfer from General Fund to the Capital Projects fund for the purchase of technology, infrastructure, and public safety vehicles.

Overview of the financial statements

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

Government-wide financial statements

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

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

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, Education Grants Fund and Capital Projects Fund, which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules 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 for general insurance claims. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

Notes to financial statements

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

**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 pension benefits.
- Schedules to demonstrate the Town's progress in funding other post-employment benefits.

Other information

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

Government-wide financial analysis

The Town's combined net position increased from \$156,811,472 to \$169,137,201. 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	
	2022	2021 <i>(as restated)</i>	2022	2021	2022	2021 <i>(as restated)</i>
Current and other assets	\$ 46,762,762	\$ 49,228,492	\$ 9,853,665	\$ 8,144,313	\$ 56,616,427	\$ 57,372,805
Capital assets (net)	184,403,466	184,559,657	15,789,082	15,764,164	200,192,548	200,323,821
Total assets	231,166,228	233,788,149	25,642,747	23,908,477	256,808,975	257,696,626
Deferred outflows of resources	2,234,941	2,615,863	4,661	5,410	2,239,602	2,621,273
Long-term liabilities outstanding	71,022,380	85,484,813	2,809,225	3,020,431	73,831,605	88,505,244
Other liabilities	11,807,176	13,156,045	484,323	358,473	12,291,499	13,514,518
Total liabilities	82,829,556	98,640,858	3,293,548	3,378,904	86,123,104	102,019,762
Deferred inflows of resources	2,766,400	1,486,424	1,021,872	241	3,788,272	1,486,665
Net investment in capital assets	119,783,162	112,760,825	12,792,012	12,558,603	132,575,174	125,319,428
Restricted	3,843,146	3,403,938	-	-	3,843,146	3,403,938
Unrestricted	24,178,905	20,111,967	8,539,976	7,976,139	32,718,881	28,088,106
Total net position	\$ 147,805,213	\$ 136,276,730	\$ 21,331,988	\$ 20,534,742	\$ 169,137,201	\$ 156,811,472

Net position of the Town's governmental activities increased by 8.5%. The increase was driven by the reduction in long-term liabilities due to scheduled debt repayment combined with the decision not to issue new debt during the fiscal year, and with the reduction in pension liabilities as interest rates increased and the Town fully funded lump sum payments to retiring members.

**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.

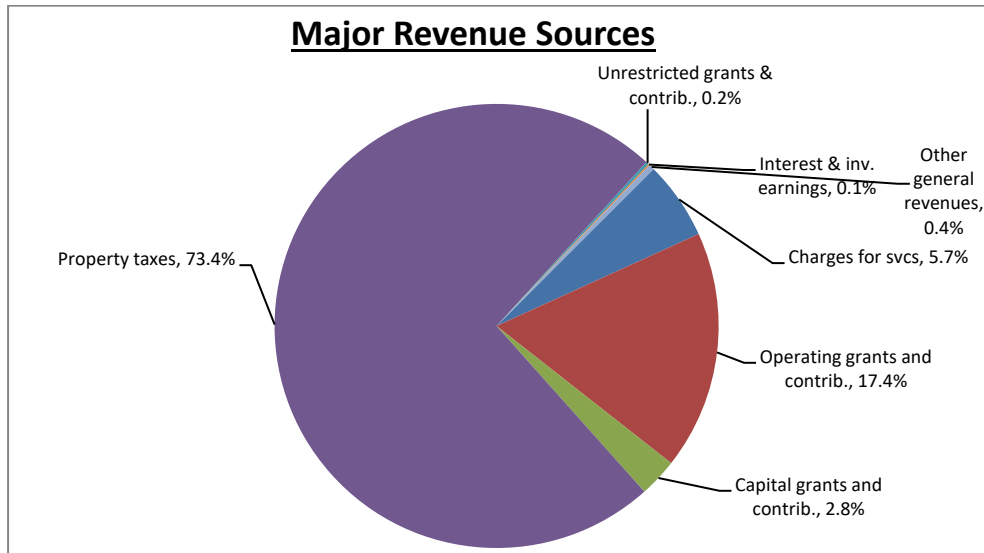
**Table 2
Statement of Changes in Net Position
For the Years Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 6,444,704	\$ 6,135,932	\$ 4,838,713	\$ 5,195,417	\$ 11,283,417	\$ 11,331,349
Operating grants and contributions	19,544,271	19,412,541	-	-	19,544,271	19,412,541
Capital grants and contributions	3,182,124	4,942,795	-	-	3,182,124	4,942,795
General revenues:						
Property taxes	82,489,044	81,190,002	-	-	82,489,044	81,190,002
Grants and contributions not restricted to specific programs	271,176	271,987	-	-	271,176	271,987
Income from investments	119,286	66,043	15,146	16,395	134,432	82,438
Other	393,206	39,170	84,214	22,389	477,420	61,559
Total revenues	112,443,811	112,058,470	4,938,073	5,234,201	117,381,884	117,292,671
Expenses:						
General government	4,310,727	6,121,673	-	-	4,310,727	6,121,673
Community development	1,023,806	1,447,404	-	-	1,023,806	1,447,404
Public safety	9,767,632	12,651,533	-	-	9,767,632	12,651,533
Physical services	8,923,431	8,683,511	-	-	8,923,431	8,683,511
Parks, recreation and libraries	4,979,482	4,631,671	-	-	4,979,482	4,631,671
Health and human services	2,275,278	2,511,833	-	-	2,275,278	2,511,833
Schools	68,189,427	66,027,782	-	-	68,189,427	66,027,782
Interest	1,450,045	1,729,732	-	-	1,450,045	1,729,732
Water and sewer services	-	-	4,136,327	4,384,865	4,136,327	4,384,865
Total expenses	100,919,828	103,805,139	4,136,327	4,384,865	105,056,155	108,190,004
Change in net position before transfers	11,523,983	8,253,331	801,746	849,336	12,325,729	9,102,667
Transfers	4,500	4,500	(4,500)	(4,500)	-	-
Change in net position after transfers	11,528,483	8,257,831	797,246	844,836	12,325,729	9,102,667
Net position - July 1	136,276,730	128,018,899	20,534,742	19,689,906	156,811,472	147,708,805
Net position - June 30	\$ 147,805,213	\$ 136,276,730	\$ 21,331,988	\$ 20,534,742	\$ 169,137,201	\$ 156,811,472

The Town's total revenues (governmental and business-type) were \$117,381,884. The total cost of all programs and services (governmental and business-type) was \$105,056,155. The analysis below separately discusses the operations of governmental and business-type activities.

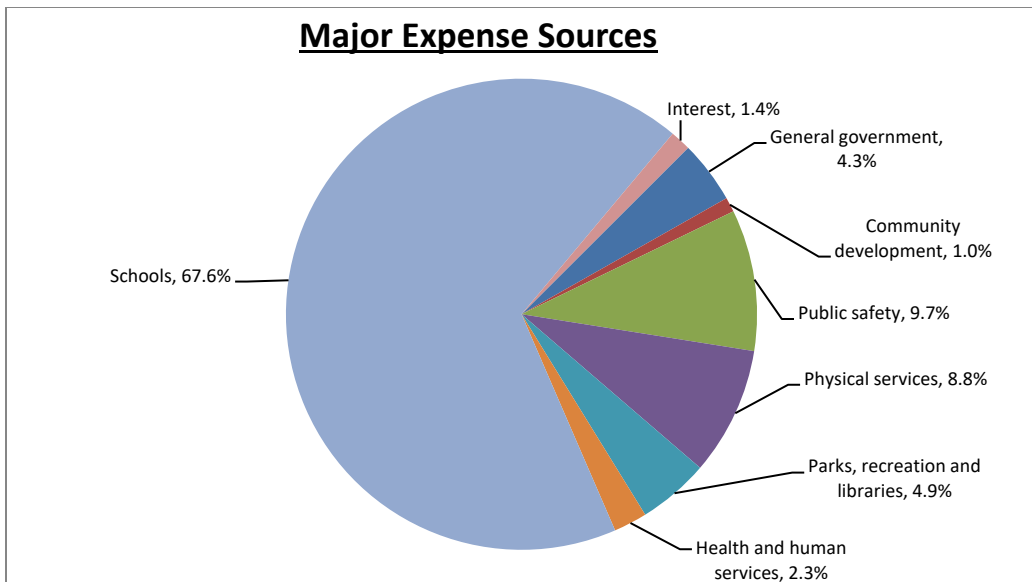
Governmental activities

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:

- Property tax revenue increased \$1,299,042 or 1.6% driven by an increase in the levy needed to support the budget and higher property valuations.
- Charges for service revenue increased \$308,772 or 5.7% from prior year. This was driven by increased building permits and conveyance revenue from real estate transactions.
- Operating and capital grants and contributions decreased \$1,628,941 or 6.7%. The decrease was driven by lower State reimbursement grants for capital projects as compared to the prior year as many projects were at or near completion.



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

Major expense factors include:

- General government expenses decreased \$1,810,946 or 29.6% primarily due to a decrease in pension expense and the fiscal year 2021 loss on disposal of land. There was not significant loss on disposal of capital assets in the current year.
- Public Safety expenses decreased \$2,883,901 or 22.8% primarily due to a decrease in pension expenses and vacancies caused by attrition and worker's compensation injuries.
- Education expense increased \$2,161,645 or 3.3% primarily due to higher wage and health insurance costs from higher headcount, and higher special education expenses.

Other factors driving the changes in expenses include:

- 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 three new Town positions in Human Resources, Development Services, and the Police Department. The Board of Education had a net increase of six 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.

Business-type activities

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

The decrease in revenues and expenses was driven by lower volumes as the result of individual and community conservation efforts, partially offset by an increase in the Mattabassett wastewater facility charge, a percentage of which was passed on to the fire districts in proportion to each district's flow volumes.

Financial analysis of the Town's funds

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

Governmental funds

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

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$32,715,968, which is a 5.7% decrease from last year's total of \$34,686,732. This decrease was primarily driven by the planned use of General Fund unassigned fund balance to honor lump sum payouts from the closed defined benefit plan.

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

Fund balance has been classified as:

Nonspendable	\$ 280,099
Restricted	3,774,849
Committed	14,766,900
Assigned	865,000
Unassigned	<u>13,029,120</u>
Total	<u>\$ 32,715,968</u>

The total fund balance decreased by \$1,970,764 to \$32,715,968. This decrease is a result of the following funds activity:

General Fund - Included in this year's total change in governmental fund balance is a decrease of \$4,679,086 in the Town's General Fund, compared to an increase of \$922,305 in the prior year. The driver of decrease was the additional appropriation for pension funding noted earlier.

Education Grants Fund - revenues exceeded expenditures by \$92,336, increasing fund balance from \$294,303 to 386,639.

Capital Projects Fund - \$5,675,012 was expended for asset acquisitions and improvements, most notably road and bridge improvements, the down payment for the purchase of two new fire trucks, and improvements to the HVAC system at Berlin High School. The \$2,080,257 increase in fund balance was driven by the \$5,092,032 grant revenues and \$4,639,843 transfers in, partially offset by the capital outlay.

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 \$21,331,988, which is an increase of \$797,246 or 3.9% from the previous year's total of \$20,534,742. The increase was driven by continued strong revenue collections and management's close review of operating spending requests.

Internal service funds

The internal service funds experienced a combined increase in net position of \$780,334, or 19.3% as compared to the prior year. The major driver of this increase was favorable claims in the Medical and Health Insurance fund. 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.

General Fund Budgetary Highlights

Significant budget transfers during the year included:

- Additional appropriation of fund balance of \$7,510,640
 - \$2,200,000 to fund the purchase of two new fire vehicles (transfers out)
 - \$5,310,640 to fund the pension lump sum payments (town wide expenditures)
- \$580,000 for public safety vehicles, infrastructure, technology, and school fire alarm upgrades.
- \$150,000 to replace 40-year-old carpeting in the Berlin-Peck Library

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

Revenues

Revenue and other financing sources were \$6,582,768 below budget (including the use of fund balance to fund pension payments). Excluding the pension payment appropriations, revenues and other financing sources were \$1,412,872 above budget. The major sources of this favorability were higher than budgeted current year and back taxes, and higher building permit and conveyance fees.

Property tax revenues were \$1,119,097 higher than budget. The revenues recorded for fiscal year 2022 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 99.1%.

Expenditures

Authorized General Fund budget appropriations for operating expenditures and other financing uses of \$1,903,682 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, Planning Department, and the Visiting Nurses Association.

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

- General Government was underspent by \$607,333 driven by budgeted contingency remaining unspent, lower unemployment charges and lower contractual services due to supply chain issues.
- Public Safety was underspent by \$200,376 driven by vacancies in the Police Department caused by attrition, injuries, and an extended military leave.
- Physical Services was underspent by \$574,092 driven by lower refuse disposal caused by an unexpected decline in recycling charges and lower contractual service expenses as vendor labor challenges and supply chain issues prevented work from starting during the fiscal year.
- Parks, Recreation and Libraries was underspent by \$231,048 driven by position vacancies at the town-owned golf course and within grounds maintenance and lower contractual services due to supply chain issues.

The Town continued efforts to control expenditures such as: weekly and monthly detailed expenditure reviews, minimizing use of overtime where possible; limiting 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 assets and long-term liabilities

Capital assets

The Town had a \$200,192,548 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 decrease of \$131,273 or 0.1%.

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

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021 <i>(as restated)</i>	2022	2021	2022	2021 <i>(as restated)</i>
Land	\$ 22,675,339	\$ 22,629,439	\$ 1,415,112	\$ 1,415,112	\$ 24,090,451	\$ 24,044,551
Intangible assets	-	-	564,551	564,551	564,551	564,551
Construction in progress	7,765,716	7,128,169	3,912,452	3,686,821	11,678,168	10,814,990
Land improvements	4,224,404	4,022,193	-	-	4,224,404	4,022,193
Buildings and systems	106,333,878	108,329,525	964,789	1,053,399	107,298,667	109,382,924
Right-to-use leased building	281,963	320,854	-	-	281,963	320,854
Machinery and equipment	7,961,923	7,564,586	658,219	654,587	8,620,142	8,219,173
Infrastructure	35,160,243	34,564,891	8,273,959	8,389,694	43,434,202	42,954,585
Total	\$ 184,403,466	\$ 184,559,657	\$ 15,789,082	\$ 15,764,164	\$ 200,192,548	\$ 200,323,821

This year's major additions included:

Governmental activities

- Construction in progress increases were partially offset by completed projects moved to depreciable assets (see below).
 - Fire trucks \$ 879,966
 - Steele Boulevard 828,446
 - 4-Bridge Rehabilitation 525,448
- Land improvements:
 - Sage I Softball Field improvements 457,576
- Buildings and systems:
 - BHS Rooftop ductwork 802,870
 - Fire alarm system - Hubbard School 149,513
- Machinery and equipment:
 - Fire truck 797,121
 - Air conditioner 226,000
- Infrastructure:
 - Burnham Street Bridge 1,508,281
 - Streets 278,113
 - Sidewalks 154,751

Business-type activities

- Construction in progress:
 - Pump and sewer stations 225,631

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

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

Long-term debt

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021 <i>(as restated)</i>	2022	2021	2022	2021 <i>(as restated)</i>
General obligation bonds	\$ 54,145,000	\$ 60,425,000	\$ -	\$ -	\$ 54,145,000	\$ 60,425,000
Notes payable	8,398,464	8,774,978	2,997,070	3,205,561	11,395,534	11,980,539
Leases payable	284,115	320,854	-	-	284,115	320,854
Total	\$ 62,827,579	\$ 69,520,832	\$ 2,997,070	\$ 3,205,561	\$ 65,824,649	\$ 72,726,393

The Town's general obligation bonds outstanding decreased by \$6,280,000 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 2022.

The Town had \$8,398,464 in equipment financing notes, a decrease of \$376,514 due to scheduled principal payments. The Town had \$2,997,070 in Clean Water Fund notes, a decrease of \$208,491 due to scheduled principal payments.

The Town has two twenty-year 2% loans with the State of Connecticut Department of Energy and Environmental Protection's Clean Water Fund ("Clean Water Fund") to fund inflow and infiltration projects. These projects are accounted for in the Water and Sewer Enterprise Fund and are funded exclusively by a separate charge on customer bills. The future debt service for the loans is \$3,441,316 (\$2,997,070 principal and \$444,246 interest). More detailed information about these two loans is presented in Note III F to the financial statements.

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 \$564,550,854.

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

Economic factors and next year's budgets and rates

General Fund appropriations totaled \$96,625,778 in the fiscal year 2023 budget. This is an increase of approximately 2.8% over fiscal year 2021. The tax mill rate increased from 33.93 to 34.31. The mill rate increase was driven by inflationary cost pressure partially offset by lower debt service, the use of federal Coronavirus aid and the appropriation of \$865,000 of unassigned fund balance. The mill rate increase was lessened by an increase in the 2021 Grand List of 2.9% over the 2020 grand list.

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

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.

The Town funds most services with local taxes; however, the State provides important education grant funding that offset local taxes. The Education Cost Sharing grant represents approximately 89.3% of the fiscal year 2022 intergovernmental grant revenue budget and 6.1% of the total revenue budget. As the State considers education grant funding going forward, the Town is addressing potential uncertainty with tight expense management, evaluating capital requests carefully and taking steps to reduce long-term liabilities.

The Town's 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.

The Town's unemployment rate continued to be less than the State, regional and national averages. As of June 2022, the unemployment rate in Berlin was 3.2% (not seasonally adjusted) compared to 4.1% in the Hartford Labor Market Area, 4.1% in the State of Connecticut and 3.8% in the United States.

Requests for information

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

**Basic
Financial
Statements**

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2022

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 9,537,646	\$ 467,718	\$ 10,005,364
Investments	31,784,254	8,661,060	40,445,314
Receivables:			
Property taxes	891,468	-	891,468
Usage	-	638,882	638,882
Special assessments and connection charges	-	9,841	9,841
Accounts	329,937	-	329,937
Intergovernmental	1,084,016	-	1,084,016
Leases	81,751	-	81,751
Prepays	230,441	-	230,441
Other	53,002	-	53,002
Total current assets	<u>43,992,515</u>	<u>9,777,501</u>	<u>53,770,016</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	1,672,932	-	1,672,932
Investments	492,341	-	492,341
Permanently restricted:			
Cash	68,297	-	68,297
Total restricted assets	<u>2,233,570</u>	<u>-</u>	<u>2,233,570</u>
Receivables (net):			
Property taxes	415,881	-	415,881
Usage	-	76,164	76,164
Leases	120,796	-	120,796
Total receivables (net)	<u>536,677</u>	<u>76,164</u>	<u>612,841</u>
Capital assets (net of accumulated depreciation/amortization):			
Land	22,675,339	1,415,112	24,090,451
Intangible assets	-	564,551	564,551
Construction in progress	7,765,716	3,912,452	11,678,168
Land improvements	4,224,404	-	4,224,404
Buildings and systems	106,333,878	964,789	107,298,667
Right-to-use leased buildings	281,963	-	281,963
Machinery and equipment	7,961,923	658,219	8,620,142
Infrastructure	35,160,243	8,273,959	43,434,202
Total capital assets (net of accumulated depreciation/amortization)	<u>184,403,466</u>	<u>15,789,082</u>	<u>200,192,548</u>
Total noncurrent assets	<u>187,173,713</u>	<u>15,865,246</u>	<u>203,038,959</u>
Total assets	<u>231,166,228</u>	<u>25,642,747</u>	<u>256,808,975</u>
<u>Deferred Outflows of Resources</u>			
Pension related	74,898	-	74,898
OPEB related	2,022,315	4,661	2,026,976
Deferred charge on refunding	137,728	-	137,728
Total deferred outflows of resources	<u>2,234,941</u>	<u>4,661</u>	<u>2,239,602</u>

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

(Continued)

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2022

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 1,554,724	\$ 244,577	\$ 1,799,301
Retainage payable	21,576	-	21,576
Accrued payroll and related liabilities	910,257	18,414	928,671
Accrued interest payable	198,779	-	198,779
Unearned revenue	1,068,434	1,500	1,069,934
Bonds and notes payable	6,725,810	208,492	6,934,302
Leases payable	36,874	-	36,874
Compensated absences	402,522	11,340	413,862
Claims payable	704,183	-	704,183
Heart and hypertension	54,416	-	54,416
Tax overpayments	129,601	-	129,601
Total current liabilities	<u>11,807,176</u>	<u>484,323</u>	<u>12,291,499</u>
Noncurrent liabilities:			
Performance bonds	2,135,668	-	2,135,668
Bonds and notes payable and related liabilities	57,537,656	2,788,578	60,326,234
Leases payable	247,241	-	247,241
Compensated absences	192,230	-	192,230
Heart and hypertension	209,218	-	209,218
Net pension liability	1,742,175	-	1,742,175
OPEB liability	8,958,192	20,647	8,978,839
Total noncurrent liabilities	<u>71,022,380</u>	<u>2,809,225</u>	<u>73,831,605</u>
Total liabilities	<u>82,829,556</u>	<u>3,293,548</u>	<u>86,123,104</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	923,937	-	923,937
Advance user fee collections	-	1,018,077	1,018,077
Lease related	195,905	-	195,905
OPEB related	1,646,558	3,795	1,650,353
Total deferred inflows of resources	<u>2,766,400</u>	<u>1,021,872</u>	<u>3,788,272</u>
<u>Net Position</u>			
Net investment in capital assets	119,783,162	12,792,012	132,575,174
Restricted for:			
Endowments:			
Nonexpendable	68,297	-	68,297
Expendable	29,605	-	29,605
Community development	15,528	-	15,528
Public safety	28,323	-	28,323
Health and human services	2,466	-	2,466
Parks, recreation and libraries	422,681	-	422,681
Schools	1,614,312	-	1,614,312
Construction projects	1,661,934	-	1,661,934
Unrestricted	24,178,905	8,539,976	32,718,881
Total net position	<u>\$ 147,805,213</u>	<u>\$ 21,331,988</u>	<u>\$ 169,137,201</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, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Governmental activities:</u>							
General government	\$ 4,310,727	\$ 1,555,936	\$ 2,134,865	\$ 289,933	\$ (329,993)	\$ -	\$ (329,993)
Community development	1,023,806	20,388	720	272,935	(729,763)	-	(729,763)
Public safety	9,767,632	970,571	72,932	-	(8,724,129)	-	(8,724,129)
Physical services	8,923,431	85,213	-	2,619,256	(6,218,962)	-	(6,218,962)
Parks, recreation and libraries	4,979,482	1,524,422	-	-	(3,455,060)	-	(3,455,060)
Health and human services	2,275,278	637,933	25,079	-	(1,612,266)	-	(1,612,266)
Schools	68,189,427	1,650,241	17,310,675	-	(49,228,511)	-	(49,228,511)
Interest	1,450,045	-	-	-	(1,450,045)	-	(1,450,045)
Total governmental activities	100,919,828	6,444,704	19,544,271	3,182,124	(71,748,729)	-	(71,748,729)
<u>Business-type activities:</u>							
Water and sewer services	4,136,327	4,838,713	-	-	-	702,386	702,386
Total	<u>\$105,056,155</u>	<u>\$11,283,417</u>	<u>\$19,544,271</u>	<u>\$ 3,182,124</u>	<u>(71,748,729)</u>	<u>702,386</u>	<u>(71,046,343)</u>
General revenues:							
Property taxes					82,489,044	-	82,489,044
Grants and contributions not restricted to specific programs					271,176	-	271,176
Income from investments					119,286	15,146	134,432
Other					393,206	84,214	477,420
Total general revenues					<u>83,272,712</u>	<u>99,360</u>	<u>83,372,072</u>
Change in net position before transfers					11,523,983	801,746	12,325,729
Transfers in (transfers out)					<u>4,500</u>	<u>(4,500)</u>	<u>-</u>
Change in net position					11,528,483	797,246	12,325,729
Net position - July 1, 2021					<u>136,276,730</u>	<u>20,534,742</u>	<u>156,811,472</u>
Net position - June 30, 2022					<u>\$ 147,805,213</u>	<u>\$21,331,988</u>	<u>\$ 169,137,201</u>

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

Town of Berlin, Connecticut

Governmental Funds
Balance Sheet
June 30, 2022

	General	Education Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 1,018,191	\$ 1,059,540	\$ 1,323	\$ 1,857,573	\$ 3,936,627
Restricted cash	1,643,327	-	-	-	1,643,327
Investments	15,915,077	-	15,869,177	-	31,784,254
Restricted investments	492,341	-	-	-	492,341
Receivables (net):					
Property taxes	1,307,349	-	-	-	1,307,349
Accounts	154,583	-	-	-	154,583
Intergovernmental	1,525	623	850,155	231,713	1,084,016
Leases	202,547	-	-	-	202,547
Due from other funds	90,000	-	-	-	90,000
Prepays	211,802	-	-	-	211,802
Other	7,057	-	8,158	37,787	53,002
Total assets	\$ 21,043,799	\$ 1,060,163	\$ 16,728,813	\$ 2,127,073	\$ 40,959,848
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 1,247,043	\$ 19,783	\$ 281,348	\$ 2,979	\$ 1,551,153
Retainage payable	-	-	21,576	-	21,576
Accrued payroll and related liabilities	908,118	-	-	2,139	910,257
Unearned revenue	90,256	653,741	291,347	33,090	1,068,434
Performance bonds	2,135,668	-	-	-	2,135,668
Tax overpayments	129,601	-	-	-	129,601
Total liabilities	4,510,686	673,524	594,271	38,208	5,816,689
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	1,307,349	-	-	-	1,307,349
Advance property tax collections	923,937	-	-	-	923,937
Lease related	195,905	-	-	-	195,905
Total deferred inflows of resources	2,427,191	-	-	-	2,427,191
<u>Fund Balances</u>					
Nonspendable	211,802	-	-	68,297	280,099
Restricted	-	386,639	1,661,934	1,726,276	3,774,849
Committed	-	-	14,472,608	294,292	14,766,900
Assigned	865,000	-	-	-	865,000
Unassigned	13,029,120	-	-	-	13,029,120
Total fund balances	14,105,922	386,639	16,134,542	2,088,865	32,715,968
Total liabilities, deferred inflows of resources and fund balances	\$ 21,043,799	\$ 1,060,163	\$ 16,728,813	\$ 2,127,073	\$ 40,959,848

(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, 2022

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>\$ 32,715,968</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	184,559,657
Capital assets additions (net of construction in progress)	5,702,986
Depreciation/amortization expense	(5,807,672)
Disposal of capital assets	<u>(51,505)</u>
Total	<u>184,403,466</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	1,307,349
Deferred outflows of resources related to pensions	74,898
Deferred outflows of resources related to OPEB	2,022,315
Deferred charge on refunding	<u>137,728</u>
Total	<u>3,542,290</u>

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>4,831,526</u>
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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	(64,263,466)
Leases	(284,115)
Compensated absences	(594,752)
Net pension liability	(1,742,175)
OPEB liability	(8,958,192)
Accrued interest payable	(198,779)
Deferred inflows of resources related to OPEB	<u>(1,646,558)</u>
Total	<u>(77,688,037)</u>

Net position of governmental activities (Exhibit A)	<u><u>\$ 147,805,213</u></u>
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(Concluded)

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

Town of Berlin, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General	Education Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 82,532,057	\$ -	\$ -	\$ -	\$ 82,532,057
Intergovernmental	13,173,980	3,130,642	5,092,032	1,493,020	22,889,674
Charges for services	4,651,457	922,292	90,858	780,097	6,444,704
Income from investments	108,758	-	-	369	109,127
Contributions	-	-	-	107,897	107,897
Rebates	-	-	393,206	-	393,206
Total revenues	100,466,252	4,052,934	5,576,096	2,381,383	112,476,665
Expenditures:					
Current:					
General government	10,018,253	-	62,076	5,500	10,085,829
Community development	1,032,677	-	-	3,069	1,035,746
Public safety	9,958,546	-	-	52,923	10,011,469
Physical services	7,151,822	-	290,305	-	7,442,127
Parks, recreation and libraries	4,407,730	-	-	64,100	4,471,830
Health and human services	2,219,358	-	-	78,286	2,297,644
Schools	59,260,299	3,960,598	-	1,616,760	64,837,657
Debt service	8,124,388	-	578,960	-	8,703,348
Capital outlay	-	-	5,675,012	-	5,675,012
Total expenditures	102,173,073	3,960,598	6,606,353	1,820,638	114,560,662
Excess (deficiency) of revenues over expenditures	(1,706,821)	92,336	(1,030,257)	560,745	(2,083,997)
Other financing sources (uses):					
Sale of capital assets	-	-	108,733	-	108,733
Transfers in	1,667,578	-	4,639,843	-	6,307,421
Transfers out	(4,639,843)	-	(1,638,062)	(25,016)	(6,302,921)
Net other financing sources (uses)	(2,972,265)	-	3,110,514	(25,016)	113,233
Net change in fund balances	(4,679,086)	92,336	2,080,257	535,729	(1,970,764)
Fund balances - July 1, 2021	18,785,008	294,303	14,054,285	1,553,136	34,686,732
Fund balances - June 30, 2022	\$ 14,105,922	\$ 386,639	\$ 16,134,542	\$ 2,088,865	\$ 32,715,968

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, 2022

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) \$ (1,970,764)

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	5,702,986
Depreciation expense	<u>(5,807,672)</u>
Total	<u>(104,686)</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 or donated:

Loss on disposal of assets	<u>(51,505)</u>
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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	6,656,514
Leases	<u>36,739</u>
Total	<u>6,693,253</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, 2022

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

Changes in:	
Compensated absences	\$ (49,596)
Net pension liability	6,375,754
OPEB liability	1,177,990
Accrued interest payable	34,860
Amortization of:	
Deferred charge on refunding	(83,751)
Premium	608,941
Deferred outflows related to pension	27,773
Deferred outflows related to OPEB	(324,944)
Deferred inflows related to OPEB	<u>(1,542,163)</u>
Total	<u>6,224,864</u>

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

The net revenue (expense) of the internal service funds are reported with governmental activities	<u>780,334</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 11,528,483</u>
	(Concluded)

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

Town of Berlin, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2022

<u>Assets</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Current assets:		
Cash	\$ 467,718	\$ 5,698,921
Investments	8,661,060	-
Receivables:		
Accounts	-	85,354
Usage	638,882	-
Special assessments and connection charges	9,841	-
Prepays	-	18,639
Total current assets	<u>9,777,501</u>	<u>5,802,914</u>
Noncurrent assets:		
Receivables (net):		
Usage	<u>76,164</u>	<u>-</u>
Capital assets (net):		
Land	1,415,112	-
Intangible assets	564,551	-
Construction in progress	3,912,452	-
Buildings and systems	964,789	-
Machinery and equipment	658,219	-
Infrastructure	<u>8,273,959</u>	<u>-</u>
Total capital assets net of accumulated depreciation	<u>15,789,082</u>	<u>-</u>
Total noncurrent assets	<u>15,865,246</u>	<u>-</u>
Total assets	<u>25,642,747</u>	<u>5,802,914</u>
<u>Deferred Outflows of Resources</u>		
OPEB related	<u>4,661</u>	<u>-</u>

(Continued)

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

Town of Berlin, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2022

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 244,577	\$ 3,571
Accrued payroll and related liabilities	18,414	-
Unearned revenue	1,500	-
Compensated absences	11,340	-
Notes payable	208,492	-
Claims payable	-	704,183
Heart and hypertension	-	54,416
Total current liabilities	<u>484,323</u>	<u>762,170</u>
Noncurrent liabilities:		
Notes payable	2,788,578	-
Heart and hypertension	-	209,218
OPEB liability	<u>20,647</u>	<u>-</u>
Total noncurrent liabilities	<u>2,809,225</u>	<u>209,218</u>
Total liabilities	<u>3,293,548</u>	<u>971,388</u>
<u>Deferred Inflows of Resources</u>		
Advance user fee collections	1,018,077	-
OPEB related	<u>3,795</u>	<u>-</u>
Total deferred inflows of resources	<u>1,021,872</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	12,792,012	-
Unrestricted	<u>8,539,976</u>	<u>4,831,526</u>
Total net position	<u>\$ 21,331,988</u>	<u>\$ 4,831,526</u>

(Concluded)

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

Town of Berlin, Connecticut

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Operating revenues:		
Premiums	\$ -	\$ 10,000,959
Charges for services	4,838,713	-
Insurance proceeds	-	6,692
Other	84,214	-
Total operating revenues	<u>4,922,927</u>	<u>10,007,651</u>
Operating expenses:		
Claims	-	8,247,903
Repairs and maintenance	-	95,861
Administration	193,324	893,712
Employee benefits	230,597	-
Purchase of water	504,549	-
Source of supply	2,119,624	-
Pumping	154,383	-
Transmission and distribution	144,061	-
Salaries - administrative and general	151,969	-
Salaries - operating and maintenance	335,330	-
Depreciation	240,290	-
Total operating expenses	<u>4,074,127</u>	<u>9,237,476</u>
Income (loss) from operations	<u>848,800</u>	<u>770,175</u>
Nonoperating revenues (expenses):		
Income from investments	15,146	10,159
Interest expense	(62,200)	-
Total nonoperating revenues (expenses)	<u>(47,054)</u>	<u>10,159</u>
Income (loss) before transfers	801,746	780,334
Transfers out	(4,500)	-
Change in net position	<u>797,246</u>	<u>780,334</u>
Total net position - July 1, 2021	<u>20,534,742</u>	<u>4,051,192</u>
Total net position - June 30, 2022	<u>\$ 21,331,988</u>	<u>\$ 4,831,526</u>

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

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	<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	\$ 83,732	\$ -
Cash received from premiums and employees	-	10,000,959
Cash received from customers	5,907,939	-
Cash received from insurance and others	-	63,620
Cash payments to employees for services	(487,165)	-
Cash payments to providers of benefits and for claims	-	(8,036,017)
Cash payments to providers of administration	-	(893,712)
Cash payments to suppliers for goods and service	<u>(1,142,354)</u>	<u>(102,583)</u>
Net cash from (used in) operating activities	<u>4,362,152</u>	<u>1,032,267</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>(4,500)</u>	<u>-</u>
Cash flows from (used in) capital and related financing activities:		
Purchase of capital assets	(265,208)	-
Principal payments	(208,491)	-
Interest payments	<u>(62,200)</u>	<u>-</u>
Net cash from (used in) capital and related financing activities	<u>(535,899)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>15,146</u>	<u>10,159</u>
Increase (decrease) in cash	3,836,899	1,042,426
Cash and cash equivalents - July 1, 2021	<u>5,291,879</u>	<u>4,656,495</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 9,128,778</u>	<u>\$ 5,698,921</u>
Reconciliation to statement of net position:		
Cash and cash equivalents per above	\$ 9,128,778	\$ 5,698,921
Cash and cash equivalents reported as investments	<u>(8,661,060)</u>	<u>-</u>
Statement of net position	<u>\$ 467,718</u>	<u>\$ 5,698,921</u>

(Continued)

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

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>Business-type Activities</u>	
	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Income (loss) from operations	\$ 848,800	\$ 770,175
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	240,290	-
(Increase) decrease in:		
Accounts receivable	-	65,274
Usage receivable	44,958	-
Special assessments and connection charges receivable	4,691	-
Deferred outflows of resources - OPEB related	749	-
Prepaid expenses	2,078,380	(18,639)
Increase (decrease) in:		
Accounts payable	119,836	3,571
Claims payable	-	266,302
Heart and hypertension	-	(54,416)
Accrued payroll and related	134	-
Unearned revenue	1,500	-
Compensated absences	4,380	-
OPEB liability	(2,715)	-
Deferred inflows of resources - advance user fee collections	1,018,077	-
Deferred inflows of resources - OPEB related	3,554	-
Net cash from (used in) operating activities	<u>\$ 4,362,152</u>	<u>\$ 1,032,267</u>

(Concluded)

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

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	<u>Pension and OPEB Trust Fund</u>	<u>Private Purpose Trust Fund Memorial Fund</u>
<u>Assets</u>		
Cash	\$ 17,019	\$ -
Investments:		
Mutual funds:		
Equity	12,961,600	-
Bond	2,590,995	-
Diversified	18,414,309	-
Real estate funds	551,994	-
Bank money market	-	61,316
Annuities	4,819,679	-
Collective investment trust	14,136,606	-
Total investments	<u>53,475,183</u>	<u>61,316</u>
Total assets	<u>53,492,202</u>	<u>61,316</u>
<u>Liabilities</u>		
Accounts payable	2,000	-
Due to other funds	90,000	-
Total liabilities	<u>92,000</u>	<u>-</u>
<u>Net Position</u>		
Restricted for:		
Pensions	53,142,946	
OPEB	257,256	-
Individuals and organizations	-	61,316
Total net position	<u>\$ 53,400,202</u>	<u>\$ 61,316</u>

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

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension and OPEB Trust Fund	Private Purpose Trust Fund Memorial Fund
	<u>Trust Fund</u>	<u>Fund</u>
Additions:		
Contributions:		
Employer	\$ 7,120,299	\$ -
Employee	998,483	-
Other	86,319	-
	<u>8,205,101</u>	<u>-</u>
Total contributions		
	8,205,101	-
Investment income (loss):		
Net change in fair value of investments	(6,961,761)	(1,247)
Interest and dividends	72,579	-
	<u>(6,889,182)</u>	<u>(1,247)</u>
Total investment income (loss)		
	(6,889,182)	(1,247)
Total additions		
	<u>1,315,919</u>	<u>(1,247)</u>
Deductions:		
Benefits	9,972,954	-
Administration	226,651	-
	<u>10,199,605</u>	<u>-</u>
Total deductions		
	10,199,605	-
Change in net position	(8,883,686)	(1,247)
Net position - July 1, 2021	<u>62,283,888</u>	<u>62,563</u>
Net position - June 30, 2022	<u>\$ 53,400,202</u>	<u>\$ 61,316</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, 2022**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, 2022

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.
Education Grants 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.
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Additionally, the Town reports the following fund types:

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

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

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

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

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

1. Cash and investments

a. Cash

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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, 2022

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

d. Risk policies

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

2. Receivables and payables

a. Interfunds

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1.00% to 41.00% of outstanding receivable balances and are calculated based upon prior collections.

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

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

c. Leases receivable

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

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

Key estimates and judgments related to leases include:

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

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

3. Prepaid items

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are 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.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

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

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

7. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement (police 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.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

9. Lease liabilities

The Town is a lessee for noncancellable leases of a building. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to leases include:

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

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

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

10. Net position and fund balances

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

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

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

Minimum fund balance policy

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

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****11. Use of estimates**

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

12. Reclassifications

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

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

Only the General Fund has a legally adopted annual budget.

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

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

B. Donor-restricted endowments

The Town has received certain endowments for purchase of trees, medical assistance and library resources. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$29,605.

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
Bonded road improvements	\$ 1,329,317	\$ 1,171,766	\$ 157,551
Berlin High School renovations	84,950,000	81,158,070	3,791,930
Berlin High School rooftop ductwork	820,250	820,250	-
Recycling Center improvements	534,485	18,542	515,943
Bridge rehabilitation program	3,620,322	2,901,436	718,886
889 Farmington Avenue remediation	1,298,737	772,175	526,562
Fire truck	2,700,161	1,679,819	1,020,342
Fire radios	1,332,600	1,281,437	51,163
Transit-oriented development façade program	500,000	491,438	8,562
High Road bridge	1,576,500	1,324,802	251,698
Burnham Street bridge	1,498,193	1,444,312	53,881
Spruce Brook bridge	1,168,729	5,993	1,162,736
Kensington Road bridge	462,000	158,700	303,300
Edgewood Road bridge	421,445	14,729	406,716
Glen Street bridge	500,000	209,234	290,766
Bridge projects	47,826	-	47,826
Sage Field 1 improvement	500,000	500,000	-
Percival Field	200,000	21,000	179,000
Truck wash bay	500,000	-	500,000
Biscoffio Field (Athletic Facilities grant)	2,774,254	-	2,774,254
Lighting upgrades	1,500,000	-	1,500,000
Water line replacement	2,800,000	-	2,800,000
HVAC upgrades (ARPA grant)	5,048,046	-	5,048,046
Total	<u>\$ 116,082,865</u>	<u>\$ 93,973,703</u>	<u>\$ 22,109,162</u>

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

At year end, the Town's bank balance was \$26,183,706 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,210,267
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,986,756</u>
Total amount subject to custodial credit risk	<u>\$ 15,197,023</u>

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$12,961,600	\$12,961,600	\$ -	\$ -	\$ -
Bond	2,590,995	-	-	55,768	2,535,227
Real estate	551,994	551,994	-	-	-
Diversified	18,414,309	18,414,309	-	-	-
Bank money market	12,300,806	-	12,300,806	-	-
Pooled fixed income	28,698,165	-	28,698,165	-	-
Annuities	4,819,679	-	-	4,819,679	-
Fixed income funds	14,136,606	-	-	14,136,606	-
Total	<u>\$94,474,154</u>	<u>\$31,927,903</u>	<u>\$40,998,971</u>	<u>\$19,012,053</u>	<u>\$2,535,227</u>

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

Investments by fair value level	Amount	Quoted Market	Significant	Significant
		Prices in Active	Observable	Unobservable
		Markets	Inputs	Inputs
		Level 1	Level 2	Level 3
Mutual funds:				
Equity	\$ 12,961,600	\$ 12,961,600	\$ -	\$ -
Bond	2,590,995	2,590,995	-	-
Real estate	551,994	551,994	-	-
Diversified	18,414,309	18,414,309	-	-
Annuities	4,819,679	-	-	4,819,679
Fixed income funds	14,136,606	-	14,136,606	-
Total investments by fair value level	<u>53,475,183</u>	<u>\$ 34,518,898</u>	<u>\$ 14,136,606</u>	<u>\$ 4,819,679</u>
Other investments:				
Bank money market	12,300,806			
Pooled fixed income	<u>28,698,165</u>			
Total other investments	<u>40,998,971</u>			
Total investments	<u>\$ 94,474,154</u>			

Level 1: Quoted prices for identical investments in active markets

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

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

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

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

Type of Investment	Ratings			Total
	AAA	AA	Unrated	
Mutual Funds				
Bond	\$ -	\$ -	\$ 2,590,995	\$ 2,590,995
Pooled fixed income	28,698,165	-	-	28,698,165
Annuities	-	3,246,828	1,572,851	4,819,679
Fixed income funds	-	-	14,136,606	14,136,606
Total	<u>\$ 28,698,165</u>	<u>\$ 3,246,828</u>	<u>\$ 18,300,452</u>	<u>\$ 50,245,445</u>

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

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

B. Receivables

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

	Property Taxes			Water and Sewer Usage
	Taxes	Interest and Lien Fees	Total	
Current portion	<u>\$ 670,622</u>	<u>\$ 220,846</u>	<u>\$ 891,468</u>	<u>\$ 638,882</u>
Long-term portion	686,913	342,741	1,029,654	95,465
Less allowance for uncollectibles	<u>(387,257)</u>	<u>(226,516)</u>	<u>(613,773)</u>	<u>(19,301)</u>
Net long-term portion	<u>299,656</u>	<u>116,225</u>	<u>415,881</u>	<u>76,164</u>
Totals	<u>\$ 970,278</u>	<u>\$ 337,071</u>	<u>\$ 1,307,349</u>	<u>\$ 715,046</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables (continued)

2. Leases receivable

The Town reports the following lease balances and activity as of and for the year ended June 30, 2022:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Mobile Home Lots	\$ 779	\$ -	\$ 53,941	\$ 59
Town Hall Cell Tower	<u>201,768</u>	<u>195,905</u>	<u>121,596</u>	<u>1,545</u>
Total	<u>\$ 202,547</u>	<u>\$ 195,905</u>	<u>\$ 175,537</u>	<u>\$ 1,604</u>

Description	Lease Agreement Terms
Mobile Home Lots	In July 2020, the Town entered into fifteen separate, two-year lease agreements for the lease of land used as lot property for mobile homes. The lease term can be renewed for an additional 6 month period by the Town. The Town does not expect to extend the leases. Based on these agreements, the Town is receiving monthly payments through June 2022.
Town Hall Cell Tower	In February 1999, the Town entered into a 10-year lease agreement with Omnipoint Communications for the right to use a tract of land. The lease agreement includes three automatic five-year renewal terms. As of the date of implementation, the lease is in its last renewal period. Based on this agreement, the Town is receiving monthly payments through December 2024.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

A summary of interfund balances is as follows:

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

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

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
		<u> </u>	<u> </u>
General fund:			
Capital projects fund	N/A	\$ 1,638,062	\$ 4,639,843
Water and sewer fund	N/A	4,500	-
Other governmental funds	N/A	<u>25,016</u>	<u>-</u>
Total general fund		<u>1,667,578</u>	<u>4,639,843</u>
Capital projects fund	General fund	<u>4,639,843</u>	<u>1,638,062</u>
Other governmental funds:			
Special revenue funds:			
Special grants and donations	General fund	<u> -</u>	<u> 25,016</u>
Enterprise funds:			
Water and sewer fund	General fund	<u> -</u>	<u> 4,500</u>
Total		<u>\$ 6,307,421</u>	<u>\$ 6,307,421</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, 2022

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

	Balance July 1, 2021 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated/amortized:				
Land	\$ 22,629,439	\$ 45,900	\$ -	\$ 22,675,339
Construction in progress	7,128,169	3,066,481	2,428,934	7,765,716
Total capital assets not being depreciated/amortized	<u>29,757,608</u>	<u>3,112,381</u>	<u>2,428,934</u>	<u>30,441,055</u>
Capital assets being depreciated/amortized:				
Land improvements	6,983,681	519,086	-	7,502,767
Buildings and systems	150,512,914	1,017,177	-	151,530,091
Right-to-use leased buildings	320,854	-	-	320,854
Machinery and equipment	21,305,866	1,542,131	787,745	22,060,252
Infrastructure	69,705,886	1,941,145	-	71,647,031
Total capital assets being depreciated/amortized	<u>248,829,201</u>	<u>5,019,539</u>	<u>787,745</u>	<u>253,060,995</u>
Total capital assets	<u>278,586,809</u>	<u>8,131,920</u>	<u>3,216,679</u>	<u>283,502,050</u>
Less accumulated depreciation/amortization:				
Land improvements	2,961,488	316,875	-	3,278,363
Buildings and systems	42,183,389	3,012,824	-	45,196,213
Right-to-use leased buildings	-	38,891	-	38,891
Machinery and equipment	13,741,280	1,093,289	736,240	14,098,329
Infrastructure	35,140,995	1,345,793	-	36,486,788
Total accumulated depreciation/amortization	<u>94,027,152</u>	<u>5,807,672</u>	<u>736,240</u>	<u>99,098,584</u>
Net capital assets being depreciated/amortized	<u>154,802,049</u>	<u>(788,133)</u>	<u>51,505</u>	<u>153,962,411</u>
Net capital assets	<u>\$ 184,559,657</u>	<u>\$ 2,324,248</u>	<u>\$ 2,480,439</u>	<u>\$ 184,403,466</u>

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

General government	\$ 177,684
Community development	3,481
Public safety	494,889
Physical services	1,562,069
Parks, recreation and libraries	545,788
Health and human services	13,270
Schools	<u>3,010,491</u>
Total depreciation/amortization expense	<u>\$ 5,807,672</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets (continued)Business-Type Activities:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated/amortized:				
Land	\$ 1,415,112	\$ -	\$ -	\$ 1,415,112
Intangible assets	564,551	-	-	564,551
Construction in progress	3,686,821	225,631	-	3,912,452
Total capital assets not being depreciated/amortized	<u>5,666,484</u>	<u>225,631</u>	<u>-</u>	<u>5,892,115</u>
Capital assets being depreciated/amortized:				
Buildings and systems	3,157,991	-	-	3,157,991
Machinery and equipment	1,358,419	39,577	-	1,397,996
Infrastructure	15,285,708	-	-	15,285,708
Total capital assets being depreciated/amortized	<u>19,802,118</u>	<u>39,577</u>	<u>-</u>	<u>19,841,695</u>
Total capital assets	<u>25,468,602</u>	<u>265,208</u>	<u>-</u>	<u>25,733,810</u>
Less accumulated depreciation/amortization:				
Buildings and systems	2,104,592	88,610	-	2,193,202
Machinery and equipment	703,832	35,945	-	739,777
Infrastructure	6,896,014	115,735	-	7,011,749
Total accumulated depreciation/amortization	<u>9,704,438</u>	<u>240,290</u>	<u>-</u>	<u>9,944,728</u>
Total capital assets being depreciated/amortized, net	<u>10,097,680</u>	<u>(200,713)</u>	<u>-</u>	<u>9,896,967</u>
Capital assets, net	<u>\$ 15,764,164</u>	<u>\$ 24,918</u>	<u>\$ -</u>	<u>\$ 15,789,082</u>

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

Water operations	\$ 63,389
Sewer operations	<u>176,901</u>
Total depreciation/amortization expense	<u>\$ 240,290</u>

E. Construction commitments

The Town has the following construction commitments:

McGee Middle School	\$ 64,137
YMCA Daycare	282,895
Bridge Rehabilitation Program	402,890
Firetruck	<u>912,012</u>
Total	<u>\$ 1,661,934</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities

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

1. Summary of changes

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

Governmental Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
General obligation	\$ 2,480,000	2013	12/01/32	2.50-4.00%	\$ 1,460,000	\$ -	\$ 170,000	\$ 1,290,000	\$ 170,000	\$ 1,120,000
General obligation	1,855,000	2014	12/01/33	3.00-5.00%	1,045,000	-	135,000	910,000	130,000	780,000
General obligation	720,000	2015	12/01/34	2.00-4.00%	520,000	-	40,000	480,000	40,000	440,000
General obligation	3,620,000	2016	12/01/35	2.00-4.00%	2,250,000	-	335,000	1,915,000	335,000	1,580,000
Refunding bonds	5,676,000	2016	09/01/25	2.00-5.00%	4,343,000	-	880,000	3,463,000	903,000	2,560,000
General obligation	4,150,000	2017	12/01/29	2.00-4.00%	2,950,000	-	400,000	2,550,000	400,000	2,150,000
General obligation	6,500,000	2019	12/01/28	2.00-4.00%	5,100,000	-	700,000	4,400,000	700,000	3,700,000
General obligation	4,200,000	2020	12/01/30	5.00%	4,200,000	-	420,000	3,780,000	420,000	3,360,000
Total general purpose	29,201,000				21,868,000	-	3,080,000	18,788,000	3,098,000	15,690,000
School bonds:										
General obligation	6,015,000	2013	12/01/32	2.50-4.00%	3,980,000	-	335,000	3,645,000	335,000	3,310,000
General obligation	16,500,000	2014	12/01/33	3.00-5.00%	11,260,000	-	870,000	10,390,000	870,000	9,520,000
General obligation	13,000,000	2015	12/01/34	2.00-4.00%	9,575,000	-	685,000	8,890,000	685,000	8,205,000
General obligation	13,150,000	2016	12/01/35	2.00-4.00%	10,370,000	-	695,000	9,675,000	695,000	8,980,000
Refunding bonds	5,244,000	2016	09/01/25	2.00-5.00%	3,022,000	-	565,000	2,457,000	587,000	1,870,000
General obligation	515,000	2017	12/01/29	2.00-4.00%	350,000	-	50,000	300,000	50,000	250,000
Total school bonds	54,424,000				38,557,000	-	3,200,000	35,357,000	3,222,000	32,135,000
Total bonds	83,625,000				60,425,000	-	6,280,000	54,145,000	6,320,000	47,825,000
<u>Equipment financing notes (direct borrowing):</u>										
Energy	10,340,341	2016	12/12/35	2.93%	8,774,978	-	376,514	8,398,464	405,810	7,992,654
Total bonds/notes	\$93,965,341				69,199,978	-	6,656,514	62,543,464	6,725,810	55,817,654
Premium					2,328,943	-	608,941	1,720,002	-	1,720,002
Total bonds/notes and related liabilities					71,528,921	-	7,265,455	64,263,466	6,725,810	57,537,656

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Leases					\$ 320,854	\$ -	\$ 36,739	\$ 284,115	\$ 36,874	\$ 247,241
Compensated absences					545,156	429,903	380,307	594,752	402,522	192,230
Heart and hypertension					318,050	130,231	184,647	263,634	54,416	209,218
Net pension liability					8,117,929	428,748	6,804,502	1,742,175	-	1,742,175
OPEB liability					10,136,182	851,088	2,029,078	8,958,192	-	8,958,192
Total long-term liabilities					<u>\$ 90,967,092</u>	<u>\$ 1,839,970</u>	<u>\$ 16,700,728</u>	<u>\$ 76,106,334</u>	<u>\$ 7,219,622</u>	<u>\$ 68,886,712</u>

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

Business-type Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
<u>Notes:</u>										
Clean Water:										
CWF 212-CSL	\$ 2,236,514	2015	09/30/34	2.00%	\$ 1,481,689	\$ -	\$ 111,825	\$ 1,369,864	\$ 111,826	\$ 1,258,038
CWF 217-CSL	1,933,314	2019	04/30/39	2.00%	1,723,872	-	96,666	1,627,206	96,666	1,530,540
Total notes	<u>\$ 4,169,828</u>				<u>3,205,561</u>	<u>-</u>	<u>208,491</u>	<u>2,997,070</u>	<u>208,492</u>	<u>2,788,578</u>
Compensated absences					6,960	11,340	6,960	11,340	11,340	-
OPEB liability					23,362	1,963	4,678	20,647	-	20,647
Total long-term liabilities					<u>\$ 3,235,883</u>	<u>\$ 13,303</u>	<u>\$ 220,129</u>	<u>\$ 3,029,057</u>	<u>\$ 219,832</u>	<u>\$ 2,809,225</u>

On November 15, 2022, the Town was approved for \$1,428,303 of interim funding obligations pursuant to the project loan and subsidy agreement with the State of Connecticut.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

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

Year Ended June 30,	Governmental Activities			Business-Type Activities	
	Bond Principal	Note Principal	Total Interest	Note Principal	Note Interest
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	-	-	-	80,547	783
Totals	<u>\$ 54,145,000</u>	<u>\$ 8,398,464</u>	<u>\$ 10,291,198</u>	<u>\$ 2,997,070</u>	<u>\$ 444,246</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$8,398,464 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	\$ 181,462,775	\$ 18,788,000	\$ 162,674,775
Schools	362,925,549	35,357,000	327,568,549
Sewer	302,437,958	1,209,342	301,228,616
Urban renewal	262,112,897	-	262,112,897
Pension deficit	241,950,366	-	241,950,366

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from the prior year taxation, \$564,550,854.

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	\$ 840,137
Worthington Fire District	<u>369,205</u>
 Total	 <u><u>\$ 1,209,342</u></u>

There is also \$6,585,580 of overlapping debt for the Mattabassett District that is related to the water and sewer proprietary fund.

5. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

<u>Project</u>	<u>Authorized but Unissued</u>
Open Space (2003)	\$ 600,000
Open Space (2006)	1,210,000
High School Renovations	1,677,088
Fire Radio Upgrade (2019)	190,000
Fire Vehicles (2020)	400,000
Athletic Field Improvements (2020)	194,601
Lighting Upgrades (2021)	977,649
Water Line Replacement (2022)	<u>2,800,000</u>
 Total	 <u><u>\$ 8,049,338</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

6. Leases

Lease agreements are summarized as follows:

Governmental Activities:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
One Liberty Square	10/01/2019	10 years	1.372%	\$ 320,854	\$ 284,115

*As of GASB No. 87 implementation date of July 1, 2021.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

Description	Lease Agreement Terms
One Liberty Square	In December 2019, the Town entered into a ten-year lease extension for the lease of Unit B of Liberty Square Condominium, owned by the Town of New Britain. Based on this agreement, the Town is paying monthly payments through September 2029. There are no renewal options included in this lease agreement.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 36,874	\$ 3,667
2024	37,383	3,158
2025	38,622	2,638
2026	39,398	2,102
2027	39,942	1,558
2028	40,493	1,007
2029	41,052	448
2030	10,351	24
Totals	\$ 284,115	\$ 14,602

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Fund balance classifications and restricted net position

Fund balances are composed of the following:

	General Fund	Education Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 211,802	\$ -	\$ -	\$ -	\$ 211,802
Tree purchases	-	-	-	5,000	5,000
Medical assistance	-	-	-	21,965	21,965
Library materials	-	-	-	41,332	41,332
Total nonspendable	<u>211,802</u>	<u>-</u>	<u>-</u>	<u>68,297</u>	<u>280,099</u>
Restricted					
Community development	-	-	-	16,167	16,167
Public safety programs	-	-	-	28,323	28,323
Health and human services programs	-	-	-	16,918	16,918
Parks, recreation and libraries programs	-	-	-	437,195	437,195
School programs	-	386,639	-	602,936	989,575
Lunch program*	-	-	-	624,737	624,737
Construction projects	-	-	1,661,934	-	1,661,934
Total restricted	<u>-</u>	<u>386,639</u>	<u>1,661,934</u>	<u>1,726,276</u>	<u>3,774,849</u>
Committed					
Capital projects					
Highway	-	-	5,403,193	-	5,403,193
Fire truck	-	-	181,115	-	181,115
Land acquisition and development	-	-	193,400	-	193,400
Economic development	-	-	250,781	-	250,781
Energy and streetlights	-	-	736,610	-	736,610
American rescue plan	-	-	2,324,023	-	2,324,023
Revaluation	-	-	87,915	-	87,915
Other capital projects	-	-	5,295,571	-	5,295,571
Town special events and activities	-	-	-	162,840	162,840
Parks, recreation and libraries programs	-	-	-	125,770	125,770
Schools	-	-	-	5,682	5,682
Total committed	<u>-</u>	<u>-</u>	<u>14,472,608</u>	<u>294,292</u>	<u>14,766,900</u>
Assigned					
Pension funding	185,000	-	-	-	185,000
Subsequent year's budget	680,000	-	-	-	680,000
Total assigned	<u>865,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865,000</u>
Unassigned	<u>13,029,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,029,120</u>
Total fund balance	<u><u>\$ 14,105,922</u></u>	<u><u>\$ 386,639</u></u>	<u><u>\$ 16,134,542</u></u>	<u><u>\$ 2,088,865</u></u>	<u><u>\$ 32,715,968</u></u>

*The amount of restricted net position, which was restricted by enabling legislation, totaled \$624,737.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****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, 2022

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>						
2020-2021	\$ 394,826	\$ 53,973	\$ 130,749	\$ 318,050	\$ 54,392	\$ 263,658
2021-2022	318,050	130,231	184,647	263,634	54,416	209,218
<u>Medical and Health Insurance Fund</u>						
2020-2021	477,764	7,168,861	7,208,744	437,881	437,881	-
2021-2022	437,881	8,117,672	7,851,370	704,183	704,183	-
<u>Totals</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>
2021-2022	<u>\$ 755,931</u>	<u>\$8,247,903</u>	<u>\$8,036,017</u>	<u>\$ 967,817</u>	<u>\$ 758,599</u>	<u>\$ 209,218</u>

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, 2022

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 reduced	Reduced assessment
How the abatement amount is determined	Consistent with State statute, the Town abates taxes over:
	1 3-years with a schedule of 50%/40%/30% for an investment of at least \$50,000
	2 5-years with a schedule of 50%/40%/30%/20%/10% for an investment of \$1 million
	3 7-years with a schedule of 50%/50%/40%/40%/30%/20%/10% for an investment of \$3 million
	4 10-years with a schedule of 70%/70%/60%/60%/60%/60%/60%/60%/50%/50% for an investment of \$12.5 million
Provision for recapturing abated tax, if any	None
Types of commitments made by the Town other than to reduce taxes	None
Gross dollar amount, on the accrual basis, by which the Town's tax revenues were reduced as a result of abatement agreement	\$195,684
Assessment Value	\$5,767,285

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022**D. Jointly governed organizations****The Mattabassett District**

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

The Town pays an annual assessment to the District. The annual assessment includes funds for the payment of the Town’s portion of the District’s debt service. The Town is responsible for a pro-rata share of the Mattabassett District’s debt based on population. As of June 30, the District has \$45,892,546 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$6,585,580. This debt is paid out of the Town’s enterprise fund. The District’s financial statements can be obtained from www.mattabassettdistrict.org/audits.

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

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

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

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

b. Plan membership

As of July 1, 2021, membership in the Plan is comprised of the following:

	<u>Employees</u>
Retirees and beneficiaries receiving benefits	15
Terminated employees entitled to benefits	3
Active members	<u>7</u>
Total	<u><u>25</u></u>

2. Benefit provisions

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

3. Contributions

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

Police	6.00% to the defined contribution plan
All others	5.00% to the defined contribution plan
Town	Amount determined by the actuary, considering the member contributions
Average active member contribution	None to the defined benefit plan
Town contribution	\$5,495,640

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:

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

b. Concentrations

There were no investments in any one organization that represented 5.00% 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, 2022

A. Town pension plans (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed deposit account	1.20%
Inflation rate	2.40%
Long-term expected nominal return	3.60%

- d. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.24%.

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	\$ 5,325,856
Plan fiduciary net position	<u>3,583,681</u>
Net pension liability	<u>\$ 1,742,175</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>67.29%</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

6. Actuarial methods and significant assumptions

Valuation date	July 1, 2021
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 2.16% 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-2021
	Post-retirement: IRS 2021 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 increased from 1.49% to 2.16%.

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-2021 from the PUB-2010 Public Retirement Plans Amount-Weighted Mortality tables within Projection Scale MP-2020 since the prior measurement date. The mortality assumption for post-retirement was updated to IRS 2021 mortality table from IRS 2020 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, 2022

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

The Town's net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021	<u>\$ 10,030,139</u>	<u>\$ 1,912,210</u>	<u>\$ 8,117,929</u>
Service cost	139,927	-	139,927
Interest	288,821	-	288,821
Differences between expected and actual experience	(102,159)	-	(102,159)
Changes in assumptions	(1,161,557)	-	(1,161,557)
Contributions - employer	-	5,495,640	(5,495,640)
Net investment income	-	45,146	(45,146)
Benefit payments, including refunds of member contributions	<u>(3,869,315)</u>	<u>(3,869,315)</u>	<u>-</u>
Net change	<u>(4,704,283)</u>	<u>1,671,471</u>	<u>(6,375,754)</u>
Balance at June 30, 2022	<u>\$ 5,325,856</u>	<u>\$ 3,583,681</u>	<u>\$ 1,742,175</u>

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

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

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	<u>3.50%</u>	<u>\$2,255,906</u>	<u>\$ 1,742,175</u>	<u>\$ 1,180,191</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$907,887.

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

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	<u>\$ 74,898</u>

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

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

<u>Year Ending June 30,</u>	
2023	\$ 23,914
2024	23,062
2025	17,921
2026	<u>10,001</u>
Total	<u>\$ 74,898</u>

B. Defined contribution retirement savings plan

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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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 4.00% credited to the accounts. Employees contributed \$927,146 and the Town’s matching share was \$1,624,659. 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 \$27,000 and the Town contributed \$19,746.

C. Connecticut state teachers’ retirement system

1. Plan description

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
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, 2022

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 pensionable wages for the pension benefit.

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

The Town reports no amounts for its proportionate share of the 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>80,707,200</u>
Total	<u>\$ 80,707,200</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2021, 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 \$6,757,934 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

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

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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, 2022

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, 2021.

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, 2022 and was \$8,978,839.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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	3.54%
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 increased from 2.16% to 3.54%.

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefit plan (continued)**7. Changes in the OPEB liability**

The Town's OPEB liability was measured at June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

	<u>Total OPEB Liability</u>
Balance at July 1, 2021	<u>\$ 10,159,544</u>
Service cost	622,957
Interest	230,094
Changes in assumptions	(1,772,316)
Benefit payments, including refunds of member contributions	<u>(261,440)</u>
Net change	<u>(1,180,705)</u>
Balance at June 30, 2022	<u><u>\$ 8,978,839</u></u>

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

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

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB liability	<u>3.54%</u>	<u>\$ 10,213,293</u>	<u>\$ 8,978,839</u>	<u>\$ 7,958,426</u>

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

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

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Health Care Trend Rates</u>	<u>1% Increase</u>
OPEB liability	<u>6.10% - 4.10%</u>	<u>\$ 7,557,134</u>	<u>\$ 8,978,839</u>	<u>\$ 10,808,773</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

For the fiscal year, the Town recognized OPEB expense of \$952,145. 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	\$ 247,013	\$ -	\$ 247,013
Changes in assumptions	<u>1,779,963</u>	<u>1,650,353</u>	<u>129,610</u>
Total	<u>\$ 2,026,976</u>	<u>\$ 1,650,353</u>	<u>\$ 376,623</u>

Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 8.6 years.

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

<u>Year Ended June 30,</u>	
2023	\$ 99,094
2024	99,094
2025	99,094
2026	99,094
2027	117,554
Thereafter	<u>(137,307)</u>
Total	<u>\$ 376,623</u>

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 \$71,337. 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, 2022

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

1. Plan description

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

2. Benefit provisions

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

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

Retiree health care coverage

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$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, 2022

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 pensionable wages.

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

The Town reports no amounts for its proportionate share of the 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, 2022

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>8,792,901</u>
Total	<u>\$ 8,792,901</u>

The net OPEB liability was measured as of June 30, 2021, 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 \$159,027 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%
Discount rate	2.17%
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	2023

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 discount rate was decreased from 2.21% to 2.17% 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, 2022****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****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, 2021.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.17%. The Municipal Bond Index Rate of 2.16% 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, 2021.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Pension and other post-employment benefit statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2022

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Defined Contribution Other Post Employment Benefits Trust</u>	<u>Total</u>
	<u>Pension Trust</u>	<u>Pension Trust</u>	<u>Other Post Employment Benefits Trust</u>	<u>Total</u>
<u>Assets</u>				
Cash	\$ -	\$ 17,019	\$ -	\$ 17,019
Investments:				
Mutual funds:				
Equity	-	12,948,797	12,803	12,961,600
Bond	-	2,590,995	-	2,590,995
Diversified	-	18,176,492	237,817	18,414,309
Real estate funds	-	551,994	-	551,994
Annuities	1,860,942	2,958,737	-	4,819,679
Collective investment trust	1,722,739	12,407,231	6,636	14,136,606
Total investments	<u>3,583,681</u>	<u>49,634,246</u>	<u>257,256</u>	<u>53,475,183</u>
Total assets	<u>3,583,681</u>	<u>49,651,265</u>	<u>257,256</u>	<u>53,492,202</u>
<u>Liabilities</u>				
Accounts payable	-	2,000	-	2,000
Due to other funds	-	90,000	-	90,000
Total liabilities	<u>-</u>	<u>92,000</u>	<u>-</u>	<u>92,000</u>
<u>Net Position</u>				
Restricted for:				
Pensions	3,583,681	49,559,265	-	53,142,946
OPEB	-	-	257,256	257,256
Total net position	<u>\$ 3,583,681</u>	<u>\$ 49,559,265</u>	<u>\$ 257,256</u>	<u>\$ 53,400,202</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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, 2022

	Defined Benefit	Defined Contribution	Defined Contribution Other Post Employment Benefits Trust	Total
	Pension Trust	Pension Trust	Pension Trust	
Additions:				
Contributions:				
Employer	\$ 5,495,640	\$ 1,624,659	\$ -	\$ 7,120,299
Employee	-	927,146	71,337	998,483
Other	-	86,319	-	86,319
Total contributions	<u>5,495,640</u>	<u>2,638,124</u>	<u>71,337</u>	<u>8,205,101</u>
Investment income (loss):				
Net change in fair value of investments	-	(6,921,519)	(40,242)	(6,961,761)
Interest and dividends	45,146	27,433	-	72,579
Total investment income (loss)	<u>45,146</u>	<u>(6,894,086)</u>	<u>(40,242)</u>	<u>(6,889,182)</u>
Total additions	<u>5,540,786</u>	<u>(4,255,962)</u>	<u>31,095</u>	<u>1,315,919</u>
Deductions:				
Benefits	3,869,315	6,095,028	8,611	9,972,954
Administration	-	225,382	1,269	226,651
Total deductions	<u>3,869,315</u>	<u>6,320,410</u>	<u>9,880</u>	<u>10,199,605</u>
Change in net position	1,671,471	(10,576,372)	21,215	(8,883,686)
Net position - July 1, 2021	<u>1,912,210</u>	<u>60,135,637</u>	<u>236,041</u>	<u>62,283,888</u>
Net position - June 30, 2022	<u>\$ 3,583,681</u>	<u>\$ 49,559,265</u>	<u>\$ 257,256</u>	<u>\$ 53,400,202</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

VI. Prior period adjustments

As a result of the implementation of GASB No. 87 a lease receivable and deferred inflows of resources and a right-to-use leased assets and lease liability were recorded as beginning balances. There was no impact on beginning net position or fund balance. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>	<u>General Fund</u>
GASB No. 87 implementation		
Leases receivable	\$ 371,443	\$ 371,443
Capital assets:		
Right-to-use leased assets	320,854	-
Long-term liabilities:		
Lease liability	320,854	-
Lease related deferred inflows of resources	371,443	371,443

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 and Related Ratios
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Revenues					
Property Taxes					
Current tax collections	\$ 80,561,907	\$ -	\$ 80,561,907	\$ 81,158,137	\$ 596,230
Prior tax collections	450,000	-	450,000	706,002	256,002
Interest	250,000	-	250,000	385,256	135,256
Lien fees and warrants	-	-	-	4,908	4,908
Suspense collections	35,000	-	35,000	140,255	105,255
PILOT - elderly housing	52,945	-	52,945	51,614	(1,331)
In lieu of taxes	6,108	-	6,108	27,656	21,548
PILOT - New Britain stadium	25,000	-	25,000	9,500	(15,500)
Telephone access line share	32,000	-	32,000	48,729	16,729
Total Property Taxes	81,412,960	-	81,412,960	82,532,057	1,119,097
Intergovernmental Revenue					
Intergovernmental Revenue - Schools					
Private schools	-	-	-	15,921	15,921
Education cost sharing grant	5,870,600	-	5,870,600	5,871,938	1,338
Total Intergovernmental Revenue - Schools	5,870,600	-	5,870,600	5,887,859	17,259
Intergovernmental Revenue - Other					
Municipal stabilization grant	258,989	-	258,989	258,989	-
Disability, social security	3,000	-	3,000	3,103	103
Additional veteran exemption	9,800	-	9,800	9,084	(716)
Friends against drugs	3,300	2,950	6,250	7,103	853
Child and youth services grant	24,734	-	24,734	25,052	318
State and federal grant	725,000	4,000	729,000	14,514	(714,486)
Police overtime grant	68,000	35,000	103,000	51,315	(51,685)
Total Intergovernmental Revenue - Other	1,092,823	41,950	1,134,773	369,160	(765,613)
Total Intergovernmental Revenue	6,963,423	41,950	7,005,373	6,257,019	(748,354)
Charges for Services					
Licenses, Permits and Other Departments					
Town clerk fees	330,000	-	330,000	569,258	239,258
Town clerk dog license fees	11,000	-	11,000	9,622	(1,378)
Zoning commission and building inspector	500,000	-	500,000	741,211	241,211
Planning	18,000	-	18,000	24,090	6,090
Zoning board of appeals	3,000	-	3,000	5,640	2,640
Animal control fees	1,000	-	1,000	1,689	689
Animal control rent	5,820	-	5,820	3,000	(2,820)
Outside fire services	8,000	-	8,000	-	(8,000)
Police department	45,000	-	45,000	53,677	8,677
Police services to other agencies	20,000	-	20,000	22,515	2,515
Outside police services	362,005	288,000	650,005	889,690	239,685
Engineering and public works	8,000	-	8,000	33,242	25,242
Scrap metal	12,000	-	12,000	44,355	32,355
Parks and recreation	145,000	-	145,000	126,942	(18,058)
Golf course revenue	800,352	-	800,352	661,923	(138,429)
Golf restaurant rent	46,480	-	46,480	46,480	-
Golf course season pass revenue	128,820	-	128,820	196,920	68,100
Golf pro rent	2,770	-	2,770	2,770	-
Golf cart revenue	370,107	-	370,107	373,188	3,081
Berlin-Peck memorial library	500	-	500	3,416	2,916
Library copy fees	800	-	800	861	61
Passport fees	12,000	-	12,000	14,525	2,525
Berlin public health nursing service	800,000	-	800,000	616,246	(183,754)
Summer/field trips	6,000	-	6,000	14,084	8,084
Senior citizen center	6,360	-	6,360	7,603	1,243
Total Licenses, Permits and Other Departments	3,643,014	288,000	3,931,014	4,462,947	531,933

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other Services					
Refund of expenditures	\$ 10,000	\$ -	\$ 10,000	\$ 3,186	\$ (6,814)
Sale of land, labor and materials	7,500	-	7,500	9,372	1,872
Mobile home rent	57,600	-	57,600	-	(57,600)
Cell tower rental	110,050	-	110,050	-	(110,050)
Lease revenue	-	-	-	175,538	175,538
Other receipts	10,000	-	10,000	414	(9,586)
Total Other Services	195,150	-	195,150	188,510	(6,640)
Total Charges for Services	3,838,164	288,000	4,126,164	4,651,457	525,293
Income from Investments	55,000	-	55,000	108,758	53,758
Total Revenues	92,269,547	329,950	92,599,497	93,549,291	949,794
Other Financing Sources					
Appropriation of fund balance	485,000	7,510,640	7,995,640	-	(7,995,640)
Transfers in	1,204,500	-	1,204,500	1,667,578	463,078
Total Other Financing Sources	1,689,500	7,510,640	9,200,140	1,667,578	(7,532,562)
Total Revenues and Other Financing Sources	93,959,047	7,840,590	101,799,637	95,216,869	(6,582,768)
<u>Expenditures</u>					
General Government					
Managers Office	292,066	5,529	297,595	283,040	14,555
Finance Department	877,386	10,147	887,533	859,298	28,235
Technology Department	526,771	7,385	534,156	516,078	18,078
Collector of Revenue	527,199	-	527,199	498,395	28,804
Corporation Counsel	365,385	9,525	374,910	365,184	9,726
Town Wide Expenditures	1,761,495	5,098,558	6,860,053	6,464,612	395,441
Board of Finance	5,281	-	5,281	2,427	2,854
Assessor	560,692	-	560,692	511,912	48,780
Registrar of Voters	164,690	(17,259)	147,431	116,901	30,530
Town Clerk	409,164	3,731	412,895	393,442	19,453
Board of Assessment Appeals	1,846	-	1,846	348	1,498
Town Council	4,495	-	4,495	1,630	2,865
Human Resources	-	11,500	11,500	4,986	6,514
Total General Government	5,496,470	5,129,116	10,625,586	10,018,253	607,333
Community Development					
Cemetery Committee	33,735	-	33,735	17,116	16,619
Development Services	387,164	(27,500)	359,664	329,467	30,197
Planning and Zoning Commission	375	-	375	305	70
Zoning Board of Appeals	1,795	-	1,795	1,628	167
Economic Development	238,768	4,833	243,601	232,981	10,620
Conservation Commission	4,240	-	4,240	1,384	2,856
Inland Wetlands Commission	4,479	-	4,479	3,387	1,092
Veterans Commission	4,650	-	4,650	4,194	456
Ethics Commission	483	-	483	459	24
Aquifer Protection Commission	475	-	475	-	475
Berlin Historic District	1,601	-	1,601	820	781
Charter Revision Commission	-	2,700	2,700	896	1,804
Commission for Disabled	649	-	649	536	113
Public Building Commission	1,914	-	1,914	1,177	737
Building Inspection	470,174	(4,000)	466,174	438,327	27,847
Total Community Development	1,150,502	(23,967)	1,126,535	1,032,677	93,858

(Continued)

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Public Safety					
Ambulance Contract	\$ 379,655	\$ -	\$ 379,655	\$ 378,298	\$ 1,357
Animal Control	171,205	(2,224)	168,981	151,287	17,694
Fire Department	915,118	(64,467)	850,651	803,208	47,443
Police	8,240,808	170,080	8,410,888	8,300,993	109,895
Emergency Management	37,146	(10,000)	27,146	11,160	15,986
Fire Marshal	332,639	(11,038)	321,601	313,600	8,001
Total Public Safety	10,076,571	82,351	10,158,922	9,958,546	200,376
Physical Services					
Municipal Garage	1,241,580	(5,078)	1,236,502	1,164,063	72,439
Public Works	2,744,791	(129,098)	2,615,693	2,362,834	252,859
Highway	2,094,053	(51,382)	2,042,671	1,980,908	61,763
Public Building	1,934,162	(103,114)	1,831,048	1,644,017	187,031
Total Physical Services	8,014,586	(288,672)	7,725,914	7,151,822	574,092
Parks, Recreation and Libraries					
Mobile Home Park	9,757	-	9,757	9,757	-
Recreation	624,020	(33,203)	590,817	536,548	54,269
Golf Course	1,337,377	(105,347)	1,232,030	1,163,438	68,592
Libraries	1,214,986	(48,593)	1,166,393	1,144,764	21,629
Public Grounds	1,667,363	(27,582)	1,639,781	1,553,223	86,558
Total Parks, Recreation and Libraries	4,853,503	(214,725)	4,638,778	4,407,730	231,048
Health and Human Services					
Health Department	153,657	(17,250)	136,407	136,268	139
Nursing Services	1,702,131	(230,761)	1,471,370	1,404,322	67,048
Social and Youth Services	328,094	(3,339)	324,755	309,305	15,450
Senior Services	405,954	(5,596)	400,358	369,463	30,895
Total Health and Human Services	2,589,836	(256,946)	2,332,890	2,219,358	113,532
Schools					
Private Schools	88,276	1,500	89,776	79,921	9,855
Board of Education	47,885,632	-	47,885,632	47,883,230	2,402
School Expenditures	4,812,278	(360,910)	4,451,368	4,380,187	71,181
Total Schools	52,786,186	(359,410)	52,426,776	52,343,338	83,438
Debt Service					
Debt Principal	6,280,000	-	6,280,000	6,280,000	-
Interest and Fiscal Charges	1,844,393	-	1,844,393	1,844,388	5
Total Debt Service	8,124,393	-	8,124,393	8,124,388	5
Total Expenditures	93,092,047	4,067,747	97,159,794	95,256,112	1,903,682
Other Financing Uses					
Transfers out	867,000	3,772,843	4,639,843	4,639,843	-
Total Expenditures and Other Financing Uses	93,959,047	7,840,590	101,799,637	99,895,955	1,903,682
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ (4,679,086)	\$ (4,679,086)

(Concluded)

Town of Berlin, Connecticut
Notes to Required Supplementary Information
For the Year Ended June 30, 2022

Budgets and Budgetary Accounting

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

Only the General Fund has a legally adopted annual budget.

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

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

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$ 93,549,291	\$ 95,256,112
State Teachers' Retirement on behalf amount	6,757,934	6,757,934
State Teachers' OPEB on behalf amount	<u>159,027</u>	<u>159,027</u>
GAAP Basis - Exhibit D	<u>\$ 100,466,252</u>	<u>\$ 102,173,073</u>

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

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

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

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

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

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

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

There were additional appropriations made during the year as follows:

Additional revenue	\$ 329,950
Fund balance	<u>7,510,640</u>
Total	<u>\$ 7,840,590</u>

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Last Nine Years (1)

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

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

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 2,395,640	\$ 1,762,733	\$ 1,574,231	\$ 1,606,701	\$ 1,448,395	\$ 913,803	\$ 918,862	\$ 1,001,122	\$ 935,628	\$ 1,005,393
Contributions in relation to the actuarially determined contribution	5,495,640	2,185,000	1,830,139	1,606,701	1,448,694	700,399	700,537	1,406,809	700,000	700,000
Contribution excess (deficiency)	<u>\$ 3,100,000</u>	<u>\$ 422,267</u>	<u>\$ 255,908</u>	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ (213,404)</u>	<u>\$ (218,325)</u>	<u>\$ 405,687</u>	<u>\$ (235,628)</u>	<u>\$ (305,393)</u>
Covered payroll	<u>\$ 776,492</u>	<u>\$ 954,644</u>	<u>\$ 1,283,094</u>	<u>\$ 1,249,673</u>	<u>\$ 1,343,801</u>	<u>\$ 1,452,832</u>	<u>\$ 1,585,622</u>	<u>\$ 1,882,367</u>	<u>\$ 1,958,991</u>	<u>\$ 2,073,539</u>
Contributions as a percentage of covered payroll	<u>707.75%</u>	<u>228.88%</u>	<u>142.63%</u>	<u>128.57%</u>	<u>107.81%</u>	<u>48.21%</u>	<u>44.18%</u>	<u>74.74%</u>	<u>35.73%</u>	<u>33.76%</u>

Town of Berlin, Connecticut

Notes to Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
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	Level percentage, open
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation	2.40%	2.60%	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%	2.50%
Salary Increases	3.25% per year for Police and 2.75% per year for all others	3.25% per year for Police and 2.75% 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: 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-2020 Post-retirement: IRS 2020 417(e) mortality table.	Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2019 Post-retirement: IRS 2019 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017 Post-retirement: IRS 417(e) dynamic mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB Post-retirement: IRS 417 (e) mortality table.

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

Town of Berlin, Connecticut

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>								
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>	<u>0.00%</u>
Town's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>80,707,200</u>	<u>101,901,939</u>	<u>91,066,420</u>	<u>70,217,500</u>	<u>75,796,445</u>	<u>79,965,829</u>	<u>62,277,260</u>	<u>57,488,298</u>
Total	<u>\$ 80,707,200</u>	<u>\$ 101,901,939</u>	<u>\$ 91,066,420</u>	<u>\$ 70,217,500</u>	<u>\$ 75,796,445</u>	<u>\$ 79,965,829</u>	<u>\$ 62,277,260</u>	<u>\$ 57,488,298</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
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>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>								
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	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	4 year smoothing
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50% average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

Town of Berlin, Connecticut

Required Supplementary Information

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

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

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

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

Town of Berlin, Connecticut

Required Supplementary Information

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

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

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<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>
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>

(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

Notes to Required Supplementary Information

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

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

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

Supplemental Schedules

General Fund

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

Town of Berlin, Connecticut
General Fund
Report of Tax Collector
For the Year Ended June 30, 2022

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Grand List Year	Uncollected Taxes July 1, 2021	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Taxes Collected	Interest Liens & Other Fees	Total	
2005	\$ 2,732	\$ -	\$ -	\$ 2,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	2,713	-	-	-	-	2,713	-	-	-	2,713
2007	10,769	-	-	-	-	10,769	-	-	-	10,769
2008	13,522	-	-	-	-	13,522	-	-	-	13,522
2009	11,541	-	-	-	-	11,541	-	-	-	11,541
2010	12,811	-	676	-	-	13,487	-	-	-	13,487
2011	14,001	-	694	-	-	14,695	762	1,281	2,043	13,933
2012	27,279	-	794	-	-	28,073	13,556	962	14,518	14,517
2013	32,873	-	-	-	-	32,873	14,385	20,853	35,238	18,488
2014	38,923	-	-	-	-	38,923	2,186	6,900	9,086	36,737
2015	48,078	-	-	92	-	47,986	12,220	6,353	18,573	35,766
2016	72,792	-	-	17,092	-	55,700	4,494	12,115	16,609	51,206
2017	100,364	-	22,074	33,497	-	88,941	40,442	17,646	58,088	48,499
2018	218,966	-	88,889	56,984	-	250,871	125,014	51,642	176,656	125,857
2019	833,744	-	146,877	208,116	142,976	629,529	414,585	96,137	510,722	214,944
Total Prior Years	1,441,108	-	260,004	318,513	142,976	1,239,623	627,644	213,889	841,533	611,979
2020	-	82,062,577	206,870	485,538	-	81,783,909	81,038,353	180,571	81,218,924	745,556
Total All Years	<u>\$ 1,441,108</u>	<u>\$ 82,062,577</u>	<u>\$ 466,874</u>	<u>\$ 804,051</u>	<u>\$ 142,976</u>	<u>\$ 83,023,532</u>	<u>\$ 81,665,997</u>	<u>\$ 394,460</u>	<u>\$ 82,060,457</u>	1,357,535
							Tax interest receivable			563,587
							Allowance for uncollectible taxes			(613,773)
							Property taxes receivable (net)			<u>\$ 1,307,349</u>

Other Governmental Funds

Special Revenue Funds

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

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

Permanent Funds

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

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

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

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	<u>Special Revenue Funds</u>					
	<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	\$ 400,691	\$ 1,848	\$26,850	\$6,526	\$ 1,350	\$ 4,332
Receivables						
Intergovernmental	219,349	-	-	-	-	-
Other	<u>37,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$657,827</u>	<u>\$ 1,848</u>	<u>\$26,850</u>	<u>\$6,526</u>	<u>\$ 1,350</u>	<u>\$ 4,332</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 375	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-
Unearned revenue	<u>33,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>33,090</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	624,737	1,473	26,850	6,526	-	-
Committed	-	-	-	-	<u>1,350</u>	<u>4,332</u>
Total fund balances	<u>624,737</u>	<u>1,473</u>	<u>26,850</u>	<u>6,526</u>	<u>1,350</u>	<u>4,332</u>
Total liabilities and fund balances	<u>\$657,827</u>	<u>\$ 1,848</u>	<u>\$26,850</u>	<u>\$6,526</u>	<u>\$ 1,350</u>	<u>\$ 4,332</u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Balance Sheet
June 30, 2022

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	\$ 602,936	\$ 2,466	\$ 162,840	\$ 407,182	\$ 117,699	\$ 11,036
Receivables							
Intergovernmental	-	-	-	-	12,364	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 4,505</u>	<u>\$ 602,936</u>	<u>\$ 2,466</u>	<u>\$ 162,840</u>	<u>\$ 419,546</u>	<u>\$ 117,699</u>	<u>\$ 11,036</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 456	\$ 114	\$ 2,034
Accrued payroll and related liabilities	-	-	-	-	914	1,225	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>	<u>1,339</u>	<u>2,034</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,505	602,936	2,466	-	418,176	-	9,002
Committed	-	-	-	162,840	-	116,360	-
Total fund balances	<u>4,505</u>	<u>602,936</u>	<u>2,466</u>	<u>162,840</u>	<u>418,176</u>	<u>116,360</u>	<u>9,002</u>
Total liabilities and fund balances	<u>\$ 4,505</u>	<u>\$ 602,936</u>	<u>\$ 2,466</u>	<u>\$ 162,840</u>	<u>\$ 419,546</u>	<u>\$ 117,699</u>	<u>\$ 11,036</u>

(Continued)

Town of Berlin, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds		Permanent Funds			Total Other Governmental Funds	
	Sage Park Improvement	Total Special Revenue Funds	Marjorie Moore Tree	Medical Aid	Blanche Delaney		Total Permanent Funds
<u>Assets</u>							
Cash	\$ 9,410	\$ 1,759,671	\$ 5,639	\$ 36,417	\$ 55,846	\$ 97,902	\$ 1,857,573
Receivables							
Intergovernmental	-	231,713	-	-	-	-	231,713
Other	-	37,787	-	-	-	-	37,787
Total assets	<u>\$ 9,410</u>	<u>\$2,029,171</u>	<u>\$ 5,639</u>	<u>\$ 36,417</u>	<u>\$ 55,846</u>	<u>\$ 97,902</u>	<u>\$ 2,127,073</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 2,979	\$ -	\$ -	\$ -	\$ -	\$ 2,979
Accrued payroll and related liabilities	-	2,139	-	-	-	-	2,139
Unearned revenue	-	33,090	-	-	-	-	33,090
Total liabilities	<u>-</u>	<u>38,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,208</u>
<u>Fund Balances</u>							
Nonspendable	-	-	5,000	21,965	41,332	68,297	68,297
Restricted	-	1,696,671	639	14,452	14,514	29,605	1,726,276
Committed	9,410	294,292	-	-	-	-	294,292
Total fund balances	<u>9,410</u>	<u>1,990,963</u>	<u>5,639</u>	<u>36,417</u>	<u>55,846</u>	<u>97,902</u>	<u>2,088,865</u>
Total liabilities and fund balances	<u>\$ 9,410</u>	<u>\$2,029,171</u>	<u>\$ 5,639</u>	<u>\$ 36,417</u>	<u>\$ 55,846</u>	<u>\$ 97,902</u>	<u>\$ 2,127,073</u>

(Concluded)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds					Afternoon Enrichment Program
	<u>Cafeteria</u>	<u>Police Drug Enforcement</u>	<u>Police Asset Forfeiture</u>	<u>Marjorie Moore</u>	<u>Summer Adventures</u>	
Revenues:						
Intergovernmental	\$ 1,375,213	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	154,733	-	-	-	-	46,728
Income from investments	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Total revenues	<u>1,529,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,728</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public safety	-	2,430	10,749	-	-	-
Parks, recreation and libraries	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Schools	1,095,170	-	-	-	-	50,575
Total expenditures	<u>1,095,170</u>	<u>2,430</u>	<u>10,749</u>	<u>-</u>	<u>-</u>	<u>50,575</u>
Excess (deficiency) of revenues over expenditures	<u>434,776</u>	<u>(2,430)</u>	<u>(10,749)</u>	<u>-</u>	<u>-</u>	<u>(3,847)</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Net change in fund balances	434,776	(2,430)	(10,749)	-	-	(3,847)
Fund balances, July 1, 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>
Fund balances, June 30, 2022	<u><u>\$ 624,737</u></u>	<u><u>\$ 1,473</u></u>	<u><u>\$ 26,850</u></u>	<u><u>\$ 6,526</u></u>	<u><u>\$ 1,350</u></u>	<u><u>\$ 4,332</u></u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	<u>Boundless Playground</u>	<u>School Activity</u>	<u>Elderly Oral Screening</u>	<u>Town Funds</u>	<u>Special Grants and Donations</u>	<u>Recreation</u>	<u>Veterans Brick Walkway</u>
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 117,807	\$ -	\$ -
Charges for services	-	526,488	-	-	3,080	42,058	-
Income from investments	-	-	-	-	227	-	-
Contributions	-	-	-	52,321	54,829	-	720
Total revenues	<u>-</u>	<u>526,488</u>	<u>-</u>	<u>52,321</u>	<u>175,943</u>	<u>42,058</u>	<u>720</u>
Expenditures:							
Current:							
General government	-	-	-	-	5,500	-	-
Community development	-	-	-	-	420	-	2,649
Public safety	-	-	-	-	39,744	-	-
Parks, recreation and libraries	-	-	-	8,808	25,046	25,926	-
Health and human services	-	-	-	27,664	45,649	-	-
Schools	-	471,015	-	-	-	-	-
Total expenditures	<u>-</u>	<u>471,015</u>	<u>-</u>	<u>36,472</u>	<u>116,359</u>	<u>25,926</u>	<u>2,649</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>55,473</u>	<u>-</u>	<u>15,849</u>	<u>59,584</u>	<u>16,132</u>	<u>(1,929)</u>
Other financing sources (uses):							
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,016)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	55,473	-	15,849	34,568	16,132	(1,929)
Fund balances, July 1, 2021	<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>
Fund balances, June 30, 2022	<u>\$ 4,505</u>	<u>\$ 602,936</u>	<u>\$ 2,466</u>	<u>\$ 162,840</u>	<u>\$ 418,176</u>	<u>\$ 116,360</u>	<u>\$ 9,002</u>

(Continued)

Town of Berlin, Connecticut
Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds		Permanent Funds				
	Sage Park Improvement	Total Special Revenue Funds	Marjorie Moore Tree	Medical Aid	Blanche Delaney	Total Permanent Funds	Total Other Governmental Funds
Revenues:							
Intergovernmental	\$ -	\$ 1,493,020	\$ -	\$ -	\$ -	\$ -	\$ 1,493,020
Charges for services	7,010	780,097	-	-	-	-	780,097
Income from investments	-	227	8	55	79	142	369
Contributions	-	107,870	-	27	-	27	107,897
Total revenues	7,010	2,381,214	8	82	79	169	2,381,383
Expenditures:							
Current:							
General government	-	5,500	-	-	-	-	5,500
Community development	-	3,069	-	-	-	-	3,069
Public safety	-	52,923	-	-	-	-	52,923
Parks, recreation and libraries	4,320	64,100	-	-	-	-	64,100
Health and human services	-	73,313	-	4,973	-	4,973	78,286
Schools	-	1,616,760	-	-	-	-	1,616,760
Total expenditures	4,320	1,815,665	-	4,973	-	4,973	1,820,638
Excess (deficiency) of revenues over expenditures	2,690	565,549	8	(4,891)	79	(4,804)	560,745
Other financing sources (uses):							
Transfers out	-	(25,016)	-	-	-	-	(25,016)
Net change in fund balances	2,690	540,533	8	(4,891)	79	(4,804)	535,729
Fund balances, July 1, 2021	6,720	1,450,430	5,631	41,308	55,767	102,706	1,553,136
Fund balances, June 30, 2022	<u>\$ 9,410</u>	<u>\$ 1,990,963</u>	<u>\$ 5,639</u>	<u>\$ 36,417</u>	<u>\$ 55,846</u>	<u>\$ 97,902</u>	<u>\$ 2,088,865</u>

(Concluded)

Internal Service Funds

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

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

Town of Berlin, Connecticut
Internal Service Funds
Combining Schedule of Net Position
June 30, 2022

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 2,191,383	\$ 3,507,538	\$ 5,698,921
Accounts receivable	80,514	4,840	85,354
Prepays	<u>18,639</u>	<u>-</u>	<u>18,639</u>
Total assets	<u>2,290,536</u>	<u>3,512,378</u>	<u>5,802,914</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	3,571	-	3,571
Claims payable	-	704,183	704,183
Heart and hypertension	<u>54,416</u>	<u>-</u>	<u>54,416</u>
Total current liabilities	57,987	704,183	762,170
Noncurrent liabilities:			
Heart and hypertension	<u>209,218</u>	<u>-</u>	<u>209,218</u>
Total liabilities	<u>267,205</u>	<u>704,183</u>	<u>971,388</u>
<u>Net Position</u>			
Unrestricted	<u>\$ 2,023,331</u>	<u>\$ 2,808,195</u>	<u>\$ 4,831,526</u>

Town of Berlin, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Operating revenues:			
Premiums	\$ 371,989	\$ 9,628,970	\$ 10,000,959
Insurance proceeds	<u>6,692</u>	<u>-</u>	<u>6,692</u>
Total operating revenues	<u>378,681</u>	<u>9,628,970</u>	<u>10,007,651</u>
Operating expenses:			
Claims	130,231	8,117,672	8,247,903
Repairs and maintenance	95,861	-	95,861
Administration	<u>-</u>	<u>893,712</u>	<u>893,712</u>
Total operating expenses	<u>226,092</u>	<u>9,011,384</u>	<u>9,237,476</u>
Income (loss) from operations	152,589	617,586	770,175
Nonoperating revenues:			
Income from investments	<u>3,112</u>	<u>7,047</u>	<u>10,159</u>
Change in net position	155,701	624,633	780,334
Total net position - July 1, 2021	<u>1,867,630</u>	<u>2,183,562</u>	<u>4,051,192</u>
Total net position - June 30, 2022	<u><u>\$ 2,023,331</u></u>	<u><u>\$ 2,808,195</u></u>	<u><u>\$ 4,831,526</u></u>

Town of Berlin, Connecticut
Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2022

	<u>General Insurance</u>	<u>Medical and Health Insurance</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received from premiums and employees	\$ 371,989	\$9,628,970	\$10,000,959
Cash received from insurance and others	6,692	56,928	63,620
Cash payments to providers of benefits and for claims	(184,647)	(7,851,370)	(8,036,017)
Cash payments to providers of administration	-	(893,712)	(893,712)
Cash payments to suppliers for goods and service	<u>(102,583)</u>	<u>-</u>	<u>(102,583)</u>
Net cash from (used in) operating activities	<u>91,451</u>	<u>940,816</u>	<u>1,032,267</u>
Cash flows from (used in) investing activities:			
Income from investments	<u>3,112</u>	<u>7,047</u>	<u>10,159</u>
Net increase (decrease) in cash	94,563	947,863	1,042,426
Cash - July 1, 2021	<u>2,096,820</u>	<u>2,559,675</u>	<u>4,656,495</u>
Cash - June 30, 2022	<u><u>\$2,191,383</u></u>	<u><u>\$3,507,538</u></u>	<u><u>\$ 5,698,921</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Income (loss) from operations	\$ 152,589	\$ 617,586	\$ 770,175
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	8,346	56,928	65,274
Prepaid expenses	(18,639)	-	(18,639)
Increase (decrease) in:			
Accounts payable	3,571	-	3,571
Claims payable	-	266,302	266,302
Heart and hypertension	<u>(54,416)</u>	<u>-</u>	<u>(54,416)</u>
Net cash from (used in) operating activities	<u><u>\$ 91,451</u></u>	<u><u>\$ 940,816</u></u>	<u><u>\$ 1,032,267</u></u>

Statistical Section

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

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

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

Town of Berlin, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 119,783,162	\$ 112,760,825	\$ 108,253,196	\$ 98,573,725	\$ 93,712,628	\$ 85,860,084	\$ 78,636,418	\$ 75,761,406	\$ 64,684,687	\$ 58,673,095
Restricted	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008	147,048
Unrestricted	24,178,905	20,111,967	18,221,546	17,808,350	11,549,130	20,074,879	19,604,198	23,598,253	22,100,035	20,350,601
Total governmental activities net position	147,805,213	136,276,730	127,501,025	117,340,637	106,102,705	107,000,507	106,539,647	99,507,043	86,931,730	79,170,744
Business-type activities:										
Net investment in capital assets	12,792,012	12,558,603	12,633,796	12,363,813	11,400,099	11,115,283	10,871,455	12,739,336	10,074,596	10,113,957
Unrestricted	8,539,976	7,976,139	7,056,110	6,410,777	6,420,796	6,157,253	6,247,097	4,387,315	5,666,817	4,855,024
Total business-type activities net position	21,331,988	20,534,742	19,689,906	18,774,590	17,820,895	17,272,536	17,118,552	17,126,651	15,741,413	14,968,981
Net position:										
Net investment in capital assets	132,575,174	125,319,428	120,886,992	110,937,538	105,112,727	96,975,367	89,507,873	88,500,742	74,759,283	68,787,052
Restricted	3,843,146	3,403,938	1,026,283	958,562	840,947	1,065,544	8,299,031	147,384	147,008	147,048
Unrestricted	32,718,881	28,088,106	25,277,656	24,219,127	17,969,926	26,232,132	25,851,295	27,985,568	27,766,852	25,205,625
Total net position	\$ 169,137,201	\$ 156,811,472	\$ 147,190,931	\$ 136,115,227	\$ 123,923,600	\$ 124,273,043	\$ 123,658,199	\$ 116,633,694	\$ 102,673,143	\$ 94,139,725

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental activities:										
General government	\$ 4,310,727	\$ 6,121,673	\$ 4,382,745	\$ 3,816,314	\$ 4,088,097	\$ 4,945,860	\$ 4,274,418	\$ 5,415,509	\$ 4,191,823	\$ 4,397,969
Community development	1,023,806	1,447,404	999,404	871,365	1,434,058	1,289,526	1,443,185	1,134,822	849,635	838,057
Public safety	9,767,632	12,651,533	10,955,051	10,798,326	11,411,877	9,733,651	9,759,219	9,579,660	8,747,446	8,072,109
Physical services	8,923,431	8,683,511	7,667,136	7,209,815	8,699,197	12,250,229	10,026,337	8,670,289	9,778,097	8,524,981
Parks, recreation and libraries	4,979,482	4,631,671	4,535,047	4,537,299	4,333,615	4,430,839	4,346,520	4,205,001	4,172,288	4,215,896
Health and human services	2,275,278	2,511,833	2,468,476	2,574,970	2,690,952	2,634,197	2,441,507	2,440,168	2,616,986	2,190,406
Schools	68,189,427	66,027,782	61,865,177	59,988,156	60,583,795	59,101,425	54,823,969	53,393,569	52,398,291	49,788,300
Interest	1,450,045	1,729,732	2,045,826	2,151,670	2,193,460	2,302,350	1,969,056	1,907,325	1,257,292	1,123,833
Total governmental activities expenses	100,919,828	103,805,139	94,918,862	91,947,915	95,435,051	96,688,077	89,084,211	86,746,343	84,011,858	79,151,551
Business-type activities:										
Water and sewer services	4,136,327	4,384,865	4,033,164	3,924,508	3,921,967	3,873,528	3,762,634	3,320,826	2,847,292	2,789,923
Total expenses	105,056,155	108,190,004	98,952,026	95,872,423	99,357,018	100,561,605	92,846,845	90,067,169	86,859,150	81,941,474
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,555,936	1,559,586	1,197,222	1,180,161	408,029	378,319	417,392	714,730	703,050	788,491
Community development	20,388	183,533	-	77,964	381,560	444,695	495,726	4,765	1,670	4,320
Public safety	970,571	669,214	509,376	420,711	447,018	402,332	455,090	445,831	351,580	336,275
Physical services	85,213	76,148	74,945	144,135	79,895	65,792	48,537	100,089	181,027	273,779
Parks, recreation and libraries	1,524,422	1,501,674	1,328,641	1,292,926	1,441,126	1,380,182	1,421,128	1,372,237	1,410,043	1,365,171
Health and human services	637,933	772,655	832,814	1,072,665	1,098,129	1,046,389	1,078,553	953,990	1,109,720	1,104,063
Schools	1,650,241	1,373,122	1,153,817	1,335,080	612,220	621,056	654,668	629,809	602,187	662,195
Operating grants and contributions	19,544,271	19,412,541	16,353,132	16,330,706	19,893,121	19,445,568	16,083,321	14,783,919	16,091,414	14,113,058
Capital grants and contributions	3,182,124	4,942,795	2,898,815	3,323,658	2,324,407	3,164,048	9,327,347	15,726,233	12,066,154	1,787,340
Total governmental activities program revenues	29,171,099	30,491,268	24,348,762	25,178,006	26,685,505	26,948,381	29,981,762	34,731,603	32,516,845	20,434,692
Business-type activities:										
Charges for services:										
Water and sewer services	4,838,713	5,195,417	4,841,145	3,825,854	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099	3,176,569
Operating grants and contributions	-	-	3,308	29,774	-	-	-	-	-	-
Total business-type activities program revenues	4,838,713	5,195,417	4,844,453	3,855,628	4,376,609	3,967,225	3,720,953	4,679,717	3,597,099	3,176,569
Total program revenues	34,009,812	35,686,685	29,193,215	29,033,634	31,062,114	30,915,606	33,702,715	39,411,320	36,113,944	23,611,261
Net (expense) revenue:										
Governmental activities	(71,748,729)	(73,313,871)	(70,570,100)	(66,769,909)	(68,749,546)	(69,739,696)	(59,102,449)	(52,014,740)	(51,495,013)	(58,716,859)
Business-type activities	702,386	810,552	811,289	(68,880)	454,642	93,697	(41,681)	1,358,891	749,807	386,646
Total net (expense) revenue	(71,046,343)	(72,503,319)	(69,758,811)	(66,838,789)	(68,294,904)	(69,645,999)	(59,144,130)	(50,655,849)	(50,745,206)	(58,330,213)

(Continued)

Town of Berlin, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General revenues										
Governmental activities:										
Property taxes	\$ 82,489,044	\$ 81,190,002	\$ 79,532,017	\$ 76,578,603	\$ 70,904,222	\$ 68,422,568	\$ 66,721,630	\$ 63,684,396	\$ 62,660,285	\$ 59,608,953
Grants and contributions not restricted to specific programs	271,176	271,987	302,664	303,011	78,140	1,020,656	197,234	157,991	278,928	985,652
Income from investments	119,286	66,043	850,917	1,029,004	521,515	269,150	218,786	164,724	81,123	176,577
Other	393,206	39,170	40,390	92,723	228,092	530,911	440,862	578,442	693,062	540,823
Total governmental activities	83,272,712	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
Business-type activities:										
Income from investments	15,146	16,395	83,790	84,337	88,245	56,857	39,420	29,356	29,999	21,329
Other	84,214	22,389	24,737	8,205	14,111	8,228	12,567	1,491	1,170	72
Total business-type activities	99,360	38,784	108,527	92,542	102,356	65,085	51,987	30,847	31,169	21,401
Total general revenues	83,372,072	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
Other changes in net position:										
Governmental activities:										
Transfers in (transfers out)	4,500	4,500	4,500	4,500	8,639	4,800	4,610	4,500	8,544	8,490
Special Item - Permanent funds moved to a new trustee	-	-	-	-	-	(47,532)	-	-	-	-
Business-type activities:										
Transfers in (transfers out)	(4,500)	(4,500)	(4,500)	(4,500)	(8,639)	(4,800)	(4,610)	(4,500)	(8,544)	(8,490)
Total other changes in net position	-	-	-	-	-	(47,532)	-	-	-	-
Change in net position:										
Governmental activities	11,528,483	8,257,831	10,160,388	11,237,932	2,991,062	460,857	8,480,673	12,575,313	12,226,929	2,603,636
Business-type activities	797,246	844,836	915,316	19,162	548,359	153,982	5,696	1,385,238	772,432	399,557
Total change in net position	\$ 12,325,729	\$ 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

(Concluded)

Source: Current and prior year financial statements.

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

June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund:										
Nonspendable	\$ 211,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	23,110	46,214	206,994	577,833	398,567	327,968	328,093	289,973
Assigned	865,000	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
Unassigned	13,029,120	18,300,008	17,437,703	14,949,335	12,025,216	11,079,427	11,157,031	10,014,792	9,775,266	10,701,294
Total general fund	14,105,922	18,785,008	17,885,813	16,630,114	15,069,210	14,295,655	13,855,598	12,142,760	12,703,359	12,791,267
All other governmental funds:										
Nonspendable	68,297	68,297	68,297	68,297	95,586	106,283	156,496	149,751	139,247	145,352
Restricted	3,774,849	3,335,641	957,986	890,265	772,650	466,832	403,486	398,406	347,776	366,450
Committed	14,766,900	12,497,786	15,018,681	11,476,495	5,102,029	8,629,973	22,288,223	9,724,654	10,234,590	7,842,958
Total all other governmental funds	18,610,046	15,901,724	16,044,964	12,435,057	5,970,265	9,203,088	22,848,205	10,272,811	10,721,613	8,354,760
Grand total	<u>\$ 32,715,968</u>	<u>\$ 34,686,732</u>	<u>\$ 33,930,777</u>	<u>\$ 29,065,171</u>	<u>\$ 21,039,475</u>	<u>\$ 23,498,743</u>	<u>\$ 36,703,803</u>	<u>\$ 22,415,571</u>	<u>\$ 23,424,972</u>	<u>\$ 21,146,027</u>

Source: Current and prior year financial statements.

Notes:

General fund:
Assigned
Unassigned

Increased due to increase in appropriation for the subsequent year's budget.
Decreased due to additional appropriations for transfers out for capital projects and additional pension contributions of \$7,510,640.

All other governmental funds:
Restricted
Committed

Increased due to amounts restricted for construction projects.
Increased due to transfers in and grant revenues for capital projects exceeding capital outlay. Additionally, increased due to ARPA grant revenues recognized in the current year.

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

	For the Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 82,532,057	\$ 80,997,529	\$ 79,277,434	\$ 76,554,167	\$ 71,746,019	\$ 68,124,826	\$ 66,691,876	\$ 63,867,121	\$ 62,265,408	\$ 59,750,689
Intergovernmental	22,889,674	24,544,590	19,452,995	19,813,596	22,292,489	23,071,418	24,981,600	29,845,476	28,324,562	16,630,100
Charges for services	6,444,704	6,135,932	5,096,815	5,523,642	4,336,291	4,264,224	4,493,614	4,172,020	4,306,398	4,484,164
Income from investments	109,127	60,215	820,500	985,706	492,358	244,715	207,044	164,729	81,123	176,577
Contributions	107,897	82,733	101,616	143,779	-	-	-	-	-	-
Other	393,206	39,170	40,390	92,723	532,366	1,417,888	626,729	692,276	793,616	629,863
Total revenues	112,476,665	111,860,169	104,789,750	103,113,613	99,399,523	97,123,071	97,000,863	98,741,622	95,771,107	81,671,393
Expenditures:										
Current:										
General government	10,085,829	7,003,499	5,931,179	5,156,649	4,878,078	4,436,950	4,215,074	4,735,669	3,845,598	4,011,796
Community development	1,035,746	891,394	1,007,041	1,135,590	792,019	770,531	724,905	733,560	705,478	721,746
Public safety	10,011,469	9,630,093	9,116,430	9,149,878	8,640,276	8,662,990	8,478,621	8,522,289	8,269,662	7,778,675
Physical services	7,442,127	7,069,934	7,551,257	7,547,850	7,330,490	7,409,209	7,569,573	7,893,401	7,670,479	7,424,137
Parks, recreation, and libraries	4,471,830	4,105,749	4,151,385	4,017,807	4,064,861	4,028,438	3,995,225	4,063,017	3,782,572	3,788,466
Health and human services	2,297,644	2,545,169	2,459,878	2,493,989	2,518,668	2,529,327	2,417,273	2,398,212	2,626,269	2,146,352
Schools	64,837,657	62,888,974	58,708,498	57,579,084	58,446,780	57,309,959	52,501,570	50,905,397	51,248,877	48,844,087
Debt service-principal	6,656,514	6,458,611	6,928,068	6,167,775	5,912,427	4,690,946	4,210,248	2,314,620	2,972,034	1,732,258
Debt service-interest	2,046,834	2,364,530	2,623,876	2,753,786	2,789,265	2,836,523	2,200,683	1,982,771	1,344,842	1,209,331
Capital outlay	5,675,012	9,121,091	6,423,917	6,087,502	6,623,361	22,451,923	24,718,209	30,664,648	31,109,069	8,238,449
Total expenditures	114,560,662	112,079,044	104,901,529	102,089,910	101,996,225	115,126,796	111,031,381	114,213,584	113,574,880	85,895,297
Excess (deficiency) of revenues over expenditures	(2,083,997)	(218,875)	(111,779)	1,023,703	(2,596,702)	(18,003,725)	(14,030,518)	(15,471,962)	(17,803,773)	(4,223,904)
Other financing sources (uses):										
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	108,733	452,456	14,021	14,367	4,313	11,190	46,845	-	-	-
Issuance of notes	-	-	-	-	-	-	10,372,169	442,615	269,685	330,400
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	6,307,421	2,447,800	3,759,365	2,956,945	1,369,159	1,224,059	995,906	1,263,440	1,350,855	1,141,096
Transfers out	(6,302,921)	(2,443,300)	(3,754,865)	(2,952,445)	(1,360,520)	(1,219,259)	(991,296)	(1,258,940)	(1,342,311)	(1,132,606)
Net other financing sources (uses)	113,233	456,956	4,977,385	7,001,993	12,952	4,846,197	28,318,530	14,462,561	20,082,718	9,484,177
Special Item										
Permanent Funds moved to a new trustee	-	-	-	-	-	(47,532)	-	-	-	-
Net change in fund balances	\$ (1,970,764)	\$ 238,081	\$ 4,865,606	\$ 8,025,696	\$ (2,583,750)	\$ (13,205,060)	\$ 14,288,012	\$ (1,009,401)	\$ 2,278,945	\$ 5,260,273
Debt service as a percentage of noncapital expenditures	8.00%	8.49%	9.44%	9.44%	9.10%	8.00%	7.20%	5.10%	5.20%	3.80%

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
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
2022	1,918,959,315	359,696,689	237,941,301	133,232,582	2,383,364,723	3,404,806,747	70.00%	33.93

Source: Town of Berlin Assessor's office

Note:

Revaluation completed for fiscal years 2014 and 2019.

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

<u>Year Ended June 30</u>	<u>Town Direct Rate</u>	<u>Overlapping Rates</u>	
		<u>Kensington Fire District</u>	<u>Worthington Fire District</u>
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
2022	33.93	1.10	1.54

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	2022			2013		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Rocky River Realty Co.	\$ 221,376,708	1	9.29%	\$ 182,171,730	1	7.75%
Corbin Russwin Inc.	28,051,380	2	1.18%	23,307,010	3	0.99%
Tomz Corporation	24,343,780	3	1.02%	-	-	0.00%
Cedar Brickyard	17,076,850	4	0.72%	23,307,550	2	0.99%
B & F Machine Inc.	16,225,570	5	0.68%	7,536,870	8	0.32%
Connecticut Natural Gas Corp.	11,755,810	6	0.49%	-	-	0.00%
Stonebridge Berlin Assoc.	9,363,400	7	0.39%	9,175,700	4	0.39%
Budney Overhaul	9,184,660	8	0.39%	-	-	0.00%
Budney Industries Inc.	8,805,215	9	0.37%	-	-	0.00%
224 Berlin Turnpike LLC (incl. Acura of Berlin)	8,687,880	10	0.36%	-	-	0.00%
Atohaas North America Inc. & Arkema Inc.	-	-	0.00%	9,078,990	5	0.39%
Paradigm Precision Holdings, LLC	-	-	0.00%	8,832,940	6	0.38%
BRE Realty, LLC	-	-	0.00%	8,564,480	7	0.36%
Blue Dog Properties Trust	-	-	0.00%	7,414,500	9	0.32%
Berlin Commerce Park	-	-	0.00%	7,172,000	10	0.30%
Total	\$ 354,871,253		14.89%	\$ 286,561,770		12.19%
Based on October 1, 2020 and 2011 net taxable grand list of:	<u>\$ 2,383,364,723</u>			<u>\$ 2,351,626,782</u>		

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Source: Town of Berlin Assessor's Office

Town of Berlin, Connecticut

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

<u>Year Ended June 30</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Current Levy Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Collections In Subsequent Years</u>	<u>Total Collections</u>	<u>Percent of Levy Collected</u>	<u>Current Delinquent Balance</u>
2013	\$ 59,323,912	\$ 58,577,996	98.74%	\$ 731,983	\$ 59,309,979	99.98%	\$ 13,933
2014	61,995,090	61,321,496	98.91%	659,077	61,980,573	99.98%	14,517
2015	63,580,445	62,864,950	98.87%	697,007	63,561,957	99.97%	18,488
2016	66,490,625	65,918,097	99.14%	535,791	66,453,888	99.94%	36,737
2017	68,069,358	67,378,401	98.98%	655,191	68,033,592	99.95%	35,766
2018	70,660,090	69,789,191	98.77%	819,693	70,608,884	99.93%	51,206
2019	75,738,109	75,073,467	99.12%	616,143	75,689,610	99.94%	48,499
2020	79,442,804	78,753,259	99.13%	563,688	79,316,947	99.84%	125,857
2021	79,389,985	78,556,241	98.95%	618,800	79,175,041	99.73%	214,944
2022	81,783,909	81,038,353	99.09%	-	81,038,353	99.09%	745,556

Source: Current and prior year financial statements

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

Year Ended June 30	Governmental Activities				Business-type Activities		Total Debt Outstanding	Percentage of Debt to Personal Income	Total Debt Per Capita
	General Obligation Bonds and Premium	Equipment Financing Notes	Leases	Total	Notes Payable				
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	320,854	71,849,775	3,205,561	75,055,336	7.42%	3,724	
2022	55,865,002	8,398,464	284,115	64,547,581	2,997,070	67,544,651	5.83%	3,350	

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
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	1.89%	3,071
2022	55,865,002	1.64%	2,771

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

**Governmental Activities
Direct and Overlapping Debt
June 30, 2022
(Unaudited)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Town (2)</u>	<u>Amount Applicable to Town</u>
<u>Overlapping debt:</u>			
Kensington Fire District - Commercial Loan	\$ 840,137	100.00%	\$ 840,137
Worthington Fire District - USDA Loan	369,205	100.00%	369,205
Mattabassett District (1)	45,892,546	0.00%	<u>-</u>
Subtotal, overlapping debt			1,209,342
Town of Berlin, direct debt			<u>64,547,581</u>
Total direct and overlapping debt			<u><u>\$65,756,923</u></u>

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

Notes:

- (1) Excludes business-type activities debt of \$6,585,580, 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, 2022
(Unaudited)

Tax base:

Total prior year tax collections (including interest and lien fees)	\$ 79,351,546
Town	1,298,576
Fire districts	<u>1,298,576</u>
Base for establishing debt limit	<u>\$ 80,650,122</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 181,462,775	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	362,925,549	-	-	-
3 3/4 times base	-	-	302,437,958	-	-
3 1/4 times base	-	-	-	262,112,897	-
3 times base	-	-	-	-	241,950,366
Total limitations	<u>181,462,775</u>	<u>362,925,549</u>	<u>302,437,958</u>	<u>262,112,897</u>	<u>241,950,366</u>
Indebtedness:					
Bonds	18,788,000	35,357,000	-	-	-
Overlapping debt (1)	-	-	1,209,342	-	-
Total indebtedness	<u>18,788,000</u>	<u>35,357,000</u>	<u>1,209,342</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 162,674,775</u>	<u>\$ 327,568,549</u>	<u>\$ 301,228,616</u>	<u>\$ 262,112,897</u>	<u>\$ 241,950,366</u>
The total net indebtedness above amounts to:					<u>\$ 55,354,342</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 564,550,854</u>

Source: Current and prior year financial statements

Note:

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

Town of Berlin, Connecticut

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

Year Ended June 30	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Net Debt Applicable to Limit
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%
2022	564,550,854	55,354,342	509,196,512	9.81%

Source: Current and prior year financial statements.

Town of Berlin, Connecticut

Debt Statistics for Continuing Disclosure
June 30, 2022
(Unaudited)

Population	20,164		
Net Taxable Grand List	\$2,383,364,723		
Estimated Full Value at 70%	3,404,806,747		
Equalized Net Grand List	3,486,411,070		
	<u>Total Direct Bonds</u>	<u>Net Direct Bonds (1)</u>	<u>Total Overall Net Debt</u>
	\$55,865,002	\$55,865,002	\$64,547,581
Per Capita	2,771	2,771	3,201
To Net Taxable Grand List	2.34%	2.34%	2.71%
To Estimated Full Value	1.64%	1.64%	1.90%
To Equalized Net Grand List	1.60%	1.60%	1.85%

Source: Town Assessor department

Note:

(1) Net of bond anticipation notes, if any

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

Year Ended June 30	(1) Population	(2) Personal Income	(2) Per Capita Income	Education Level of Schooling		(4) School Enrollment	(5) Unemployment Percentage
				(3) High School Graduate or Higher	(3) Bachelor's Degree or Higher		
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%
2022	20,164	1,158,683,932	57,463	N/A	N/A	2,650	3.2%

Sources:

- (1) 2018-2022 State of Connecticut, Department of Health; 2013-2017 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	2022			2013		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource (formerly Northeast Utilities)	1,245	1	10.83%	1,396	1	13.60%
Town of Berlin	696	2	6.06%	630	2	6.14%
Assa Abloy	425	3	3.70%	-	-	0.00%
Keep Me Home	400	4	3.48%	-	-	0.00%
TOMZ Corporation	223	5	1.94%	132	9	1.29%
Comcast Cable/TCL, CT	216	6	1.88%	473	3	4.61%
Budney Overhaul and Repair	180	7	1.57%	-	-	0.00%
Parker Fluid Control	155	8	1.35%	-	-	0.00%
Budney Industries	150	9	1.31%	-	-	0.00%
Stop & Shop	128	10	1.11%	139	8	1.35%
Corbin Russwin	-	-	0.00%	422	4	4.11%
Parker Hannifin	-	-	0.00%	194	5	1.89%
B & F Machine	-	-	0.00%	186	6	1.81%
Home Depot	-	-	0.00%	140	7	1.36%
TIGHTCO	-	-	0.00%	120	10	1.17%
Total	3,818		33.23%	3,832		37.33%

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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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
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	7.00	6.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00
Technology Department	3.00	3.00	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	3.00	2.70	2.70	2.25	2.40	2.40	2.62
Treasurer	-	-	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
Assessor	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.64	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	25.11	23.71	23.71	23.41	23.41	24.96	25.18	23.54	23.76
Community Development:										
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	3.00	2.84	2.84	2.84	2.84	2.84
Economic Development	1.55	1.55	1.55	1.55	1.55	1.55	1.86	1.10	0.86	0.86
Community Development Total	7.55	7.55	7.55	7.55	7.55	7.39	7.70	6.94	6.70	6.70
Public Safety:										
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire Department	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
Police Department										
Officers	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	41.00	41.00
Civilians	12.00	12.00	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	57.93	58.93	58.93	58.93	58.93	58.93	58.93	57.93	57.93
Physical Services:										
Municipal Garage	6.86	6.57	6.57	6.57	6.57	7.07	7.07	7.07	7.07	7.07
Public Works	3.37	3.35	3.35	3.10	3.10	4.10	4.25	4.25	4.50	4.50
Highway	15.00	15.00	15.00	14.90	15.00	15.00	14.00	14.00	14.00	14.00
Public Building *	8.95	7.85	15.95	15.95	15.95	16.55	17.44	17.95	17.95	17.95
Physical Services Total	34.18	32.77	40.87	40.52	40.62	42.72	42.76	43.27	43.52	43.52
Parks, Recreation, and Libraries:										
Recreation	2.17	2.17	2.17	2.17	2.07	2.07	2.02	2.02	2.17	2.67
Golf Course	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Libraries	12.62	11.54	11.54	12.29	11.34	11.34	11.34	11.34	11.39	11.10
Public Grounds	11.33	10.33	10.33	10.43	10.53	11.53	11.33	11.33	11.33	10.33
Parks, Recreation, and Libraries Total	30.12	28.04	28.04	28.89	27.94	28.94	29.69	29.69	29.89	29.10
Health and Human Services:										
Nursing Services	12.21	13.93	13.93	13.93	13.98	14.26	14.43	14.75	15.00	15.00
Senior Services	3.25	3.25	3.25	3.50	3.40	3.40	3.35	3.35	3.50	3.50
Social Services	2.25	2.25	2.25	2.00	1.68	1.68	1.57	1.71	1.50	1.50
Homemaking Services	-	-	-	-	4.49	4.45	-	-	-	-
Health and Human Services Total	17.71	19.43	19.43	19.43	23.55	23.79	19.35	19.81	20.00	20.00

Town of Berlin, Connecticut

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

June 30

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Schools:										
Private Schools	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Board of Education:										
Administration	19.00	20.00	18.00	19.00	14.00	19.90	19.90	19.22	18.60	18.60
Teachers	267.30	267.70	260.90	262.00	268.00	274.00	277.10	278.00	278.39	270.89
Other (1)	213.14	205.75	194.64	182.50	199.00	181.60	183.34	174.99	170.24	144.89
School Other	17.04	17.15	10.70	10.60	9.33	8.49	8.39	8.41	8.83	8.83
Schools Total	517.68	511.80	485.44	475.30	491.53	485.19	489.93	481.82	477.26	444.41
Water Control Commission:										
Administration	1.36	1.36	1.36	1.61	2.22	2.22	2.07	1.92	2.10	2.50
Operations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Water Control Commission Total	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10	5.50
Total	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94	630.92
Total Town Government	172.6	170.83	178.53	179.03	182.00	185.18	183.39	183.82	181.58	181.01
Total Education (1)	517.68	511.8	485.44	475.3	491.53	485.19	489.93	481.82	477.26	444.41
Total Water Control	5.36	5.36	5.36	5.61	6.22	6.22	6.07	4.92	5.10	5.50
Government Totals	695.64	687.99	669.33	659.94	679.75	676.59	679.39	670.56	663.94	630.92

(Concluded)

Source: Town of Berlin Finance Department

Notes:

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

(1) Board of Education other line is higher than in the budget document because it includes non union workers paid by grants and cafeteria funds. The budget document only includes general fund salaries. The fiscal year 2014 increase is due in part to new grants.

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

June 30

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Physical arrests:										
Adult Arrest	299	233	248	287	356	377	401	380	443	471
Juvenile Arrest	5	7	10	8	13	24	34	32	32	32
Traffic violations:										
Infractions	435	741	1,033	1,705	2,138	2,312	2,389	3,360	2,208	2,148
Misdemeanor	90	101	189	288	381	347	318	414	500	1,033
Written Warning	1,389	1,042	1,541	1,313	1,765	1,972	1,967	2,355	2,758	3,278
Animal Control:										
Dog licenses issued	1,600	1,566	1,663	1,701	1,741	1,753	1,820	1,785	1,882	1,843
Animals adopted	62	31	30	42	38	55	55	56	74	81
Animal redemptions	43	33	40	35	29	34	34	50	46	65
Fire Suppression Services:										
Alarms	182	150	160	167	161	173	141	135	168	163
Fires	80	77	60	43	68	73	98	81	91	65
Hazardous Materials	63	86	40	37	85	85	80	95	102	46
Assistance Calls	106	83	155	173	166	67	86	108	94	46
Rescue Calls	238	175	75	143	128	13	11	9	10	11
Fire Marshal:										
Inspections	301	337	284	305	356	367	357	269	241	205
Investigations	30	35	32	39	23	20	27	21	24	20
Refuse Collection:										
Solid Waste (tons)	7,457	7,284	7,148	6,718	6,555	7,942	7,998	6,351	9,023	10,682
Curbside recycling (tons):										
Commingled Containers	1,570	1,678	1,809	1,932	1,856	1,689	1,442	2,123	1,916	1,907
Leaves	1,498	1,427	1,329	1,181	841	886	842	663	780	730
Other Public Works:										
Street resurfacing (miles)	1.0	2.8	4.0	4.2	5.8	5.6	4.4	3.3	5.7	3.5

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(Continued)

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

June 30

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Building Department:										
Building permits issued	2,119	1,609	1,609	1,498	1,423	1,266	1,666	1,271	1,139	1,438
Building inspections	3,170	2,271	2,271	2,421	2,341	1,937	1,928	1,253	1,152	1,163
Planning:										
Zoning violations	56	29	29	51	47	69	70	74	93	64
Library:										
Volumes in collection (1)	118,638	117,987	117,987	120,025	122,088	194,790	137,222	130,824	133,900	127,861
Total volumes borrowed	179,440	164,913	164,913	208,592	173,446	169,104	176,842	175,983	190,404	194,990
Water:										
New connections	14	29	29	29	3	6	6	35	17	29
Water main breaks	3	-	-	3	2	-	9	1	2	9
Average daily consumption (thousands of gallons)	898	1,020	1,020	978	1,011	1,097	1,097	1,089	1,041	956
Peak daily consumption (thousands of gallons)	1,357	1,329	1,329	1,402	1,183	1,689	1,769	1,530	1,457	1,338
Sewer:										
Average daily sewage treatment (thousands of gallons)	1,306	1,089	1,089	1,312	1,095	1,439	1,536	1,535	1,620	1,200

(Concluded)

Source: Various Town departments

Note:

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

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

Function/Program	June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	14	14	15	15	15	15	14	14	14
Fire:										
Stations	4	4	4	4	4	4	4	4	4	4
Number of fire apparatus	13	13	13	13	13	13	13	13	13	13
Public works:										
Streets (miles)	110.74	110.74	111.51	111.51	111.51	111.51	111.51	111.51	111.51	111.51
Streetlights	2,580	2,580	2,559	2,559	2,561	2,570	2,567	2,544	2,544	2,537
Traffic signals	6	6	6	6	6	6	6	6	6	6
Bridges	37	37	37	37	37	37	37	37	37	37
Parks and recreation:										
Golf courses	1	1	1	1	1	1	1	1	1	1
Pools	2	2	2	2	2	2	2	2	2	2
Parks acreage	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,163	2,163
Playgrounds	11	11	11	11	11	11	9	9	9	9
Baseball/softball fields	15	15	15	15	15	15	15	15	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
Water:										
Water mains (miles)	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Fire hydrants	550	545	545	545	545	545	545*	440	436	434
Storage capacity (thousands of gals.)	2,000	2,000	2,000	2,000**	4,000	4,000	4,000	4,000	4,000	4,000
Wastewater:										
Sanitary sewers (miles)***	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00	119.00
Storm sewers (miles)	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21	55.21
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	1,990,000	1,462,600
Pump stations	10	10	10	10	11	11	11	11	11	12
Education:										
Number of public schools	5	5	5	5	5	5	5	5	5	5

Source: Town records

Notes:

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

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

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