

1994

ANNUAL CITY REPORT

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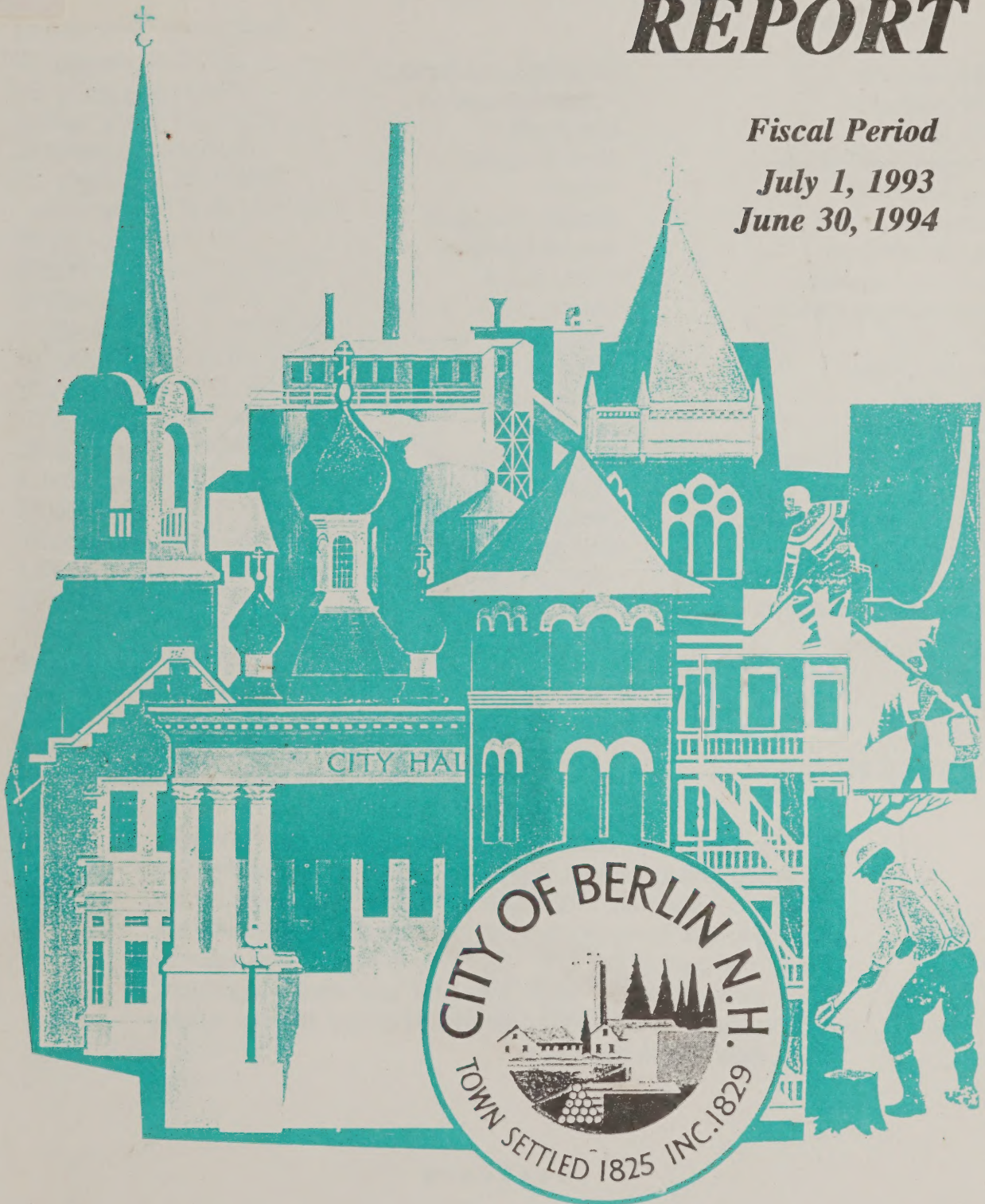
1994

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Fiscal Period

July 1, 1993

June 30, 1994



BERLIN'S HERITAGE

LOCAL GOVERNMENT HELPING THE CITY

MUNICIPAL OFFICERS

City Manager	Mitchell A. Berkowitz	752-7532
City Assessor	Richard Stapleton	752-5245
City Clerk	Lise Malia	752-2340
Comptroller/Collector	Aline Boucher	752-1610
City Engineer	Vacant	752-8551
Pollution Control	Mickey Therriault	752-8563
Airport Manager	Wayne Gauthier	449-2168
Building Inspector	Henry Baker	752-1272
Development Director	Dennis Coté	752-1630
Fire Chief	Paul Fortier	752-3135
Health Officer	Robert Delisle	752-1272
Librarian	Yvonne Thomas	752-5210
Police Chief	Alan Tardif	752-8555
Public Works Director	Maurice Wheeler	752-4450
Recreation/Parks Director	Laura Viger	752-2010
Superintendent of Schools	Richard Steudle	752-6500
Treasurer	Richard Langlois	752-1610
Water Works Superintendent	Albin Johnson	752-1677
Welfare Administrator	Annette Langevin	752-2120



Your government consists of people who are elected, appointed and employed to provide education, fire and police protection, libraries, recreation, health programs, snow plowing and pollution control just to name a few. Government is only one part of our City. Our City is people who want to move forward, reflect upon the past and make significant improvements to our streets, bridges, industry and our quality of life, now and in the future.



MAYOR TABLE OF CONTENTS CITY COUNCIL

MUNICIPAL OFFICERS	Inside Cover
COUNCIL PICTURE	
MAYOR'S REPORT	1
MANAGER'S REPORT	2
ASSESSOR REPORT	3
CITY CLERK REPORT	4
TAX COLLECTOR REPORT	5
FINANCE REPORT	6
DEVELOPMENT REPORT	7
ENGINEER REPORT	8
PUBLIC WORKS REPORT	9
HOUSING AUTHORITY REPORT	10
BUILDING INSPECTOR REPORT	11
HEALTH DEPARTMENT REPORT	12
WELFARE DEPARTMENT REPORT	13
FIRE DEPARTMENT REPORT	14
POLICE REPORT	15
WATER WORKS REPORT	16
LIBRARY REPORT	17
LIBRARY STATISTICS	18
RECREATION/PARKS REPORT	19
RECREATION/PARKS STATISTICS	20
SCHOOL DEPARTMENT REPORT	21
SCHOOL DEPARTMENT REPORT	22
AUDITOR'S REPORT	23-58
MAYORS/MANAGERS LIST	Back Cover

REPORT PREPARED BY:

DEBRA PATRICK
Executive Secretary
to the City Manager

WARD I

TIMOTHY DONOVAN
ROLAND GOULETTE

WARD II

RICHARD REAGAN, JR.
JEFFREY YOUNG

WARD III

JAMES WISWELL
DENNIS LAROCHE

WARD IV

PAUL GRENER
DANIEL COLLINS

LOCAL GOVERNMENT HELPING THE CITY
TABLE OF CONTENTS
MUNICIPAL OFFICERS

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COUNCIL PICTURE
MAYOR'S REPORT
MANAGER'S REPORT
ASSESSOR'S REPORT
CITY CLERK'S REPORT
TAX COLLECTOR'S REPORT
FINANCE REPORT
DEVELOPMENT REPORT
ENGINEER REPORT
PUBLIC WORKS REPORT
HOUSING AUTHORITY REPORT
BUILDING INSPECTOR REPORT
HEALTH DEPARTMENT REPORT
WELFARE DEPARTMENT REPORT
FIRE DEPARTMENT REPORT
FOOD REPORT
WATER WORKS REPORT
LIBRARY REPORT
LIBRARY STATISTICS
RECREATION DEPARTMENT REPORT
SCHOOL DEPARTMENT REPORT
SCHOOL DEPARTMENT REPORT
AUDITOR'S REPORT
MAYOR/MANAGERS LIST

Inside Cover
City Clerk
City Manager
City Treasurer
City Auditor
City Engineer
City Assessor
City Tax Collector
City Finance
City Development
City Engineer
City Public Works
City Housing Authority
City Building Inspector
City Health Department
City Welfare Department
City Fire Department
City Food
City Water Works
City Library
City Library Statistics
City Recreation Department
City School Department
City School Department
City Auditor's Report
City Mayor/Managers List

Back Cover

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MAYOR & CITY COUNCIL



MAYOR YVONNE COULOMBE
BERLIN'S FIRST FEMALE MAYOR

WARD I

TIMOTHY DONOVAN
ROLAND GOULETTE

WARD II

RICHARD RAMSAY, JR
JEFFREY YOUNG

WARD III

JAMES WISWELL
DENNIS LAROCHE

WARD IV

PAUL GRENIER
DANIEL COLLINS (absent)

MAYOR'S REPORT

Respectfully submitted
by,

YVONNE COULOMBE
Mayor

This report is to recognize the heritage of our City. Oftentimes, when people think of heritage they think of structures such as St. Anne's Church and the Russian Orthodox Church, both of which are on the National Historical Register. Other churches, of both Catholic and Protestant denominations are also historical in nature, as are many other buildings in Berlin. However, I believe the true heritage of this community is its people.

The people of Berlin have a history of excellent work ethics. This community at one time provided many jobs for its young people. We are now on the way to creating job opportunities, though perhaps not in fields such as the ones that existed in Berlin in prior years. Future job opportunities will require

education and training. The people of this community have been educating their young people in our school systems and sending them off to job markets out-of-town or to college.

Our City is a family-oriented community. If we want to insure that future generations remain in Berlin, we must continue to grow economically and that can only be achieved through our continued efforts to bring industrial development to Berlin.

The business people in this community have stated that we have a very progressive City Council and a Mayor with a positive attitude which has helped make their upgrowth very visible and it will continue to be so. I would also like to note that our City employees have earned the respect

of our elected officials. Once you have success, which we are now showing in individual growth, success breeds success. We have created several new Council Committees that never existed before, such as the Recreation and Tourism Committee, the James River Committee, the Education Committee, and the Downtown Development Committee.

The present City Council has worked well with the Mayor and has been extremely helpful with their knowledge and positive attitude.

CITY MANAGER'S REPORT

Respectfully Submitted by,

MITCHELL BERKOWITZ
City Manager

This past year Berlin made progress visible as a base for continued redevelopment and the possibilities that resulted from new opportunities and events. The substantial completion of our ongoing sewer separation project was among these.

The City moved forward in several areas contributing to our stability and growth. Efforts to expand and attract additional employment opportunities was successful with the start up of Guitabec, USA. This Company from Canada intends to expand their manufacturing in Berlin to ultimately yield an additional 50 jobs. Balsams Water, a local business nurtured by BIDPA was purchased by the Very Fine Corporation which has grown thus needing to add shifts to meet their new market demands. Mr. Coté has made several contacts, of which we anticipate one will be a major job provider for Berlin and the North Country. We continue working to develop the Heritage based opportunities both in Berlin and the Region as they will provide one of the necessary alternative components to what has traditionally been a single manufacturing based economy. We must continue to invest in both the traditional

and non-traditional approaches of economic and industrial promotion and development in order to compete with the many other communities in the four state region.

The City witnessed several changes in its labor relations. Two new collective bargaining units have been created to cover the professional office support/supervisory personnel and for the Department Heads. The City Council and the Firefighters have reached settlement although ongoing negotiations continue with the Unions representing Police, Public Works, Water Works, Recreation/Parks, Pollution Control. The City Manager negotiates each of these contracts. Although they require extensive time, we believe the results will be positive conclusions saving our citizens from having to hire a professional negotiator.

Cates Hill Landfill operates through revenues covering only current operational costs. We are preparing for the preliminary closure plan of this facility in cooperation with the State.

We've been able to reinvest in our City's physical assets by halting some of the deterioration mentioned in past reports. Bridges continue to be reviewed annually and this past year, temporary repairs of Cascade Bridge were completed in cooperation with the State and the Town of Gorham. We expect the replacement of this bridge in 1997 or 1998 and have the funding for this planned on an annual basis.

Our efforts to improve the sidewalks and streets of our City greatly increased this past year. The Public Works crews with contracted paving crews improved the surfaces as part of the annual transportway program.

At the Pollution Control Plant, prior year planning and special funded reserves enabled the replacement of pump drives and centrifuges without having to borrow funds. The new equipment is more energy efficient helping to control operational costs.

The key principle we have followed for many of the above projects has been to fund a portion of these annually. Planned by the staff, they were accepted by the City Council and then implemented in a timely fashion.

Employees continue to be one of our most valuable resources and are the determining factor in the success of all the services delivered to you, the customer. We continue to plan for the future and try to avoid short term solutions that have immediate appeal. We must also continue to see our region as having all of the possibilities we want and are willing to work hard for them. Despite the ups and downs any one year can bring, Berlin continues to grow in many ways reflecting a rich heritage of Business, Industry, People and Resources all working for a better Community.

**CITY
ASSESSOR'S
REPORT**

Respectfully submitted by,

**RICHARD STAPLETON,
CNHA
City Assessor**

A year has passed since the tax bills based on new values produced by the revaluation company were mailed and some of the sticker shock has mellowed. The Board of Assessors met daily and the two members did yeoman service listening to everyone express their concerns. Many concerns were resolved and those that could not be resolved were able to avail themselves of an appeal to the Board of Tax and Land Appeals.

The new maps in service have proven to be an improvement on what had existed. Some corrections had to be made but most are now complete. Anyone with questions on their land should come to the Assessors Office to obtain a form to fill out to mail to Cartographics in Littleton, NH to have their problems resolved.

Supreme Court decisions in the cases of PSNH vs Bow and Southern NH Water Company vs Hudson

greatly strengthen the City's position regarding methods of appraising utilities. The City received a favorable decision in NYNEX vs Berlin in Superior Court on the 1992 taxes. It was decided that telephone was taxable and in the amount they were assessed.

Messrs Louis Jolin, John Gothreau and Chairman Arthur Bergeron comprise the Board of Assessors.

SUMMARY INVENTORY OF TAXABLE PROPERTY APRIL 1, 1994

As the Summary below illustrated the Gross Valuation of the City for Tax Year 1993 is \$441,961,450. The resultant tax (mill) rate, computed by dividing the Appropriations by the New Valuation is \$.0293 or \$29.30 per thousand dollars of valuation.

Land	39,001,300.	
Building	360,300,950.	
Public Utilities	83,365,100.	
GROSS VALUATION		482,667,350.
Blind Exemptions	360,000.	
Elderly Exemptions	3,990,100.	
Physical Handicap Exem	31,700.	
Water/Air Poll Cont Exem	36,324,100.	
TOTAL EXEMPTIONS		40,705,900.
NET VALUATION		441,961,450.
	EXEMPTION GRANTED	
TYPE	NUMBER	TAX DOLLARS
Elderly	208	\$ 116,910.
Blind	24	10,548
Physically Handicap	6	929.
Water/Air Pollution Control	5	1,064,296.
Veterans	937	50,750.
TYPE	NUMBER	TAX DOLLARS
Resident Tax	6,564	\$ 65,640.
Yield Tax 4/93-3/94	19	21,651.
Building Permits Reviewed	559	---
Property Transfers Processed	231	---

**CITY
CLERK'S
DEPARTMENT**

Respectfully submitted by,

**LISE MALIA
City Clerk**

**VITAL STATISTICS
1993-1994**

Births	132
Marriages	61
Deaths	132

Summarized below is the City Clerk's Annual Report for the Fiscal Year Ending June 30, 1994.

♣ Assisted in the preparation of the agenda for regular Council Meetings.

♣ Attended regular and special meetings of the City council, recorded the minutes and indexed same.

♣ Indexed and filed resolutions and ordinances as well as deeds, leases, agreements and other miscellaneous records.

♣ Published notices of public hearings for proposed ordinances and public meetings.

♣ State liens, Articles of Agreements, Pole Licenses, etc. were also indexed and filed.

♣ Administered oaths of office.

♣ Notarized documents and affidavits for City departments and the public.

♣ Issued a variety of licenses and permits.

♣ Sold cemetery plots and issued grave digging orders.

♣ Accepted voter registrations and changes in party affiliations throughout the year.

♣ Coordinated meetings of the Supervisors of the Voter Check Lists.

♣ Researched State laws, City Ordinances and other records for City departments.

♣ Provided clerical help to Charter Commission.

Additionally, the City Clerk's Office issued marriage licenses, certified copies of vital records, processed birth and death records, filed applications for amendments to vital records and also processed "delayed certificates of birth".

Collection clerks Elaine Tremble and Colleen Poulin performed other activities on behalf of the City Clerk. This included the licensing of three hundred and sixty dogs. Fish and game licenses were also issued by Ms. Tremble and Poulin and the latter also processed two hundred forty-nine UCC filings and thirty-three terminations.

TAX COLLECTOR'S REPORT

Respectfully submitted by,

ALINE BOUCHER
Comptroller/Tax Collector

THE FOLLOWING IS THE TAX COLLECTOR'S REPORT FOR THE PERIOD ENDING JUNE 30, 1994:

	1994 REAL ESTATE TAXES	1993 REAL ESTATE TAXES	1993 TAX LIENS	1992 TAX LIENS	PRIOR YEAR'S TAX TITLES	SEWER USER TAXES	1994 RESIDENT TAXES	1993 RESIDENT TAXES
07/01/93 UNCOLLECTED BALANCE	-0-	\$2,768,277.	-0-	\$619,704.	\$334,748.	\$117,248.	-0-	\$39,800.
TAXES SOLD TO CITY ²	-0-	(1,856,416.)	\$2,000,181. ²	1,660.	-0-	(37,261.)	-0-	(410.)
TAX WARRANTS	\$5,350,130. ¹	5,483,302.	-0-	-0-	-0-	908,566.	\$65,640.	-0-
COLLECTIONS/REDEMPTIONS	(1,905,002.)	(6,345,821.)	(81,741.)	(331,921.)	(235,569.)	(873,221.)	(25,360.)	(26,810.)
REFUNDS/OVERPAYMENTS	755.	40,327.	-0-	-0-	-0-	55,181.	40.	210.
LIENS - RSA - 72:38A	-0-	(3,762.)	-0-	(7,258.)	(6,474.)	(114.)	-0-	-0-
ABATEMENTS/DEEDS/DISCOUNT	-0-	(85,621.)	(3,157.)	(4,754.)	(4,339.)	(5,746.)	-0-	-0-
RESERVE - UNCOLLECTIBLES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
UNCOLLECTED BALANCE 06/30/94	\$3,445,883.	286.	\$1,915,283.	\$277,431.	\$88,366.	\$164,652.	\$40,320.	\$12,790.

OTHER TAXES/INTEREST COLLECTED

Special Warrants \$ 33,105.
 Uncommitted Taxes 2,430.
 Interest - Delinquent Taxes 121,298.
 Interest - Tax Liens 127,866.
 Resident Taxes - Penalties 578.
 Sewer Taxes - Interest 8,591.
 Land Use Change Tax 500.
 Yield Taxes 22,481.

¹ Warrant 1/2 year

² Includes 1993 Real Estate Taxes, Resident Taxes, Sewer Taxes, Interest, Costs & Fees

FINANCE/COLLECTION REPORT

The Finance and Collection Department is responsible for the accounting and record keeping of all financial transactions of the City's General Fund, as well as all other Funds. The City's Auditors, Mason and Rich, Concord, New Hampshire, audited the City books and the City's detail financial reports for the General Fund, Special Revenue Fund, Capital Projects Funds, Propriety Funds Types, all Trust and Agency Funds, and General Long-Term Obligations are in their accompanying Audit Report for the year ended June 30, 1994.

This Department is responsible for the timely filing of all federal and state financial and tax reports all as required by the Federal Government and the State of New Hampshire. The City's financial records are maintained on the IBM 36 System.

This Department is responsible for the following processes, and where applicable, indicate approximate number of annual transactions or parcels as well as amounts.

PROCESSES	# TRANSACTIONS	AMOUNT	OTHER PROCESSES
ACCOUNTS PAYABLE	6,777	\$22,534,061.	GENERAL LEDGER CASH REVENUES APPROPRIATION LEDGER (BUDGET) FINANCIAL REPORTING DEBT SERVICE INVESTMENT OF FUNDS PERSONNEL FILES VOTER REGISTRATION RECORDS REAL ESTATE COLLECTIONS RESIDENT TAX COLLECTIONS SEWER USER COLLECTIONS TAX LIEN REDEMPTIONS - ALL YEARS UCC'S
PURCHASE ORDERS ISSUED	1,821		
PAYROLL - 1993	20,055	9,470,677.	
REVENUES OTHER THAN TAXES		8,272,180.	
REAL ESTATE WARRANTS - 1993	4,556	10,711,767.	
RESIDENT TAX WARRANTS - 1994	6,564	65,640.	
SEWER WARRANT - 1994	3,407	908,438.	
SPECIAL WARRANTS	39	33,105.	
TAX LIEN PROCESS - 93	401	2,000,181.	
MOTOR VEHICLE REGISTRATIONS	10,684	710,842.	

In addition to the above, the Finance Department administers Health Insurance for the City Employees, Water Works, Cobra Extension, as well as for 124 Retirees, (total covered - 265 members). The Finance Department also administers Life Insurance, Accident and Sickness, N.H. Retirement System Pension, N.E. Mutual Pension Plan, Worker's Compensation and Unemployment Compensation for all City Employees. This Department is responsible for Insurance Benefits/Billings and Collections from City Departments, retirees and COBRA extension.

This Office is responsible for the Central Services Purchasing and Billing of gas, office supplies and other purchases for City Departments and State Agencies. This Department is also responsible for the record keeping of the Berlin Airport Authority, including sales of All Gas. The Finance Department is also responsible for the mail service of all incoming and outgoing mail for all City Hall Departments, Development Department, as well as large bulk mailings for all other City Departments.

The Finance/Collection Department has a staff of six full-time employees and two part-time employees - (Total 21 Hours). In addition to the Comptroller/Tax Collector, staff include the following personnel: Lucille Lavoie, Accounts Payable Clerk; Lise Poulin, Receptionist/Clerk Typist; Colleen Poulin, Collection Clerk; Elaine Tremblay, Senior Collection Clerk; Anita Valliere, City Accountant, Susan Warren, Account/Billings Clerk and Jeannette Lafamme, Supervisor Computer Division/Payroll.

DEVELOPMENT DEPARTMENT

Respectfully Submitted by,

Dennis M. Cote
Development Director

The heritage of Berlin has been a recurring and driving theme for the Development Department and the boards it works with. The staff has continued to support and facilitate the rediscovery of the unique historical and cultural heritage that is Berlin. Through work and partnership with the Androscoggin Valley Heritage Based Development Strategy Committee, The Northern Forest Heritage Park, and The National Park Service, the environmental and cultural qualities that have always made Berlin a special place are being redefined to give Berlin an edge in its economic diversification efforts. In time, it is planned that the one of a kind qualities of Berlin's Heritage will also provide a bankable asset.

The three boards and the Development Department have the privilege of working with the Berlin City Planning Board, Berlin Industrial Development and Park Authority (BIDPA), and the Berlin Economic Development Council, Inc. (BEDCO) and contribute to another aspect of the City's Heritage, specifically its civic heritage. The past year has seen a rebuilding of this civic heritage in a number of ways.

◆ Vision setting was established by the City Council through the establishment of an economic and industrial mission statement supported by the adoption of a development department work program.

◆ Vision setting was furthered by the establishment of a Planning Board/City Council initiative on a Route 110 realignment and a neighborhood needs assessment.

◆ Vision setting was also given new vitality in the establishment of the Androscoggin Valley Heritage Based Development Strategy Committee.

A second aspect of this new reaffirmation of Berlin Civic Heritage is found in the spirit of cooperation. The Development Department was fortunate to work and be a part of several cooperative efforts that led to:

- The designation of Route 2 as part of the National Highway System
- The raising of over \$1 million in local donations for the Northern Forest Heritage Park
- The first New Hampshire Trade Delegation to Quebec
- The first use of the marketing focus technique in Quebec

There has been a Planning Board in Berlin since the 1930's. There are twelve members and six associates.

Members are appointed by the City Council for three year terms. The Planning Board meets on the first Thursday of every month to consider land use issues and other areas of concern related to the development of the community. Its major regulatory responsibility is reviewing new subdivisions and site plan review for major commercial and institutional developments.

BIDPA's main function is to encourage industrial development through the provision of adequate industrial land and facilities. This City Board has 16 members who are appointed by the City Council. Its primary industrial project is the Maynesboro Industrial Park.

BEDCO is one of the oldest local development corporations in New Hampshire was started in 1979 as a private, nonprofit corporation to assist in the financing of business activities within the City. It makes loans for both existing business expansion as well as new businesses. It operates through the Development Department staff and two separate loan making boards, the Downtown Loan Administration Board and the Industrial Loan Administration Board.

ENGINEERING & POLLUTION CONTROL

Respectfully submitted by,

Ernie Allain
Engineering Assistant

The evaluation of the Aeration System upgrade was completed.

A contract was awarded for the installation of two new dewatering centrifuges, both of which are now on line and operating.

Continued education and safety classes in order to maintain a safe and up-to-date working operation.

Completed a sanitary sewer separation contract of outfalls #3, #6, #7, #36 and # 58. This contract removed 21 houses out of the drainage system to the rivers.

Continued the Sanitary Sewer Separation Contract of the remaining outfalls. This contract is scheduled to close in the spring of 1995.

Awarded a contract for

street center line striping and edge line. This work consisted of painting 106,300 feet of yellow center lines and 59,050 feet of white edge line. Also included was the painting of 16 railroad crossings.

A contract was awarded to paint the marking at the airport runway. This work consisted of striping 24,130 square feet of runway.

Awarded a contract for an inflow/infiltration study. This study enables us to identify sources of inflow. This inflow is extra gallons of water that is treated at our waste water treatment and should be corrected.

Renovated the existing City Hall restroom. This unisex restroom was completely renovated to be handicap accessible. All labor was completely

done through Public Works personnel.

A contract was awarded to the Engineering firm of H. Edmund Bergeron to compile a site plan and closure schedule for Cates Hill Bulky Waste Landfill which was required by the State of NH.

H. Edmund Bergeron was also awarded a contract to the closure of the East Milan Landfill. This contract includes plans, specifications and engineering needed to complete the closure. Construction began in the Spring of 1994.

The goals of this department are to improve services to our community and to encourage recycling.

**PUBLIC
WORKS
DEPARTMENT**

Respectfully submitted by,

**MAURICE WHEELER
Public Works Director**

The Public Works Department provides a number of services to the citizens of Berlin. They include: the maintenance of some 60 miles of streets, many more miles of sidewalks that need to be swept, patched and overlaid. We also provide snow removal, street striping, street marking, the fabrication and installation of street and traffic signs. We construct retaining walls, install guard rails and guard fence. We provide the City with daily garbage removal and a clean-up week in the spring and fall. We maintain the East Milan Landfill and the Cates Hill Landfill, and three cemeteries. We also maintain sewerage treatment and collections and the storm sewer system. We provide equipment maintenance for all of the Public Works Department, Fire Department, Recreation

Department, Health, Police Department and Engineering Department. We assist at the airport and we maintain gas and fuel distribution. We also provide 146 sand and salt barrels.

The Public Works Department recycles paper, glass, plastics, tin, aluminum and cardboard. We linseed-oiled concrete sidewalks, retaining walls and bridges. The department completed 26 concrete sidewalk wheelchair ramps and also constructed 500 linear feet of concrete sidewalks. They installed handicapped ramps at the Library and Brown School.

Repaired catch basins & manholes	37
Rebuilt manholes & catch basins	36
New catch basins & manholes	18
Replaced drain lines & new drain lines	690'
Replaced sewer lines	260'
Replaced service lines	66'
Salt for winter use	1670.68 tons
Sand for winter use	2985.47 tons
Cover for East Milan Landfill	45,000 c.y.
Street signs installed & repaired	327
Spring Clean Up Week	4 weeks
Fall Clean Up Week	3 weeks
Responded to Private Sewer Calls	43

BERLIN HOUSING AUTHORITY

Respectfully Submitted by,

DONALD MANGINE
Executive Director

Dennis Fortier of Williamson Avenue was reappointed to the Authority's Board on November 15. He has been a member of the Authority since 1983 and serves as its Assistant Treasurer.

A New Direction. In 1993, the Authority started a new program called family self-sufficiency. Under FSS, rental assistance is linked with locally available supportive services for the purpose of helping low income families become financially independent. Nine of the ten households enrolled in the program on December first were attending school with the objectives of gaining marketable skills and becoming free of welfare assistance within five years.

"Section 8" rental assistance payments made in 1993 to private owners of apartments leased by low income households receiving rental assistance under the Authority's certificate, voucher and moderate rehabilitation programs amounted to more than \$774,000; that was \$64,000 more than the \$710,000 the Authority paid out in 1992 and \$103,000 more than was disbursed in 1991.

Program Utilization at year's end was at 99%, with 368 of the 371 units allocated to the Authority under lease at December 31; the comparable percentage at the close of 1992 was 98.

CONSOLIDATED BALANCE SHEET (as of December 31)

ASSETS	1992	1993
Cash	66,249	158,897
Security Deposits	3,484	3,522
Accounts Receivable	18,340	2,563
Investments	200,000	200,000
Debt Amortization Funds HUD Contributions Receivable	78,323	78,323
Prepaid Insurance	1,227	1,078
Land, Structure, Equipment	1,417,585	1,438,959
TOTAL ASSETS	1,785,208	1,883,342
LIABILITIES		
Accounts Payable	0	3,332
Accrued Liabilities	10,660	7,997
Notes Payables	847,355	825,111
Prepaid HUD Contributions (net)	(6,580)	14,419
TOTAL LIABILITIES	851,435	850,859
EQUITY		
Operating Reserves	285,220	340,312
Cumulative HUD Contributions (net)	648,553	692,171
TOTAL EQUITY	933,773	1,032,483
TOTAL LIABILITIES & EQUITY	1,785,208	1,883,342

BUILDING INSPECTOR'S REPORT

Respectfully submitted by,

HENRY BAKER
Building Inspector

PERMITS ISSUED	AMOUNT
Bam	1
Commercial Addition	2
Commercial Alteration	23
Commercial Building	1
Demolition	16
Electrical	119
Garages/Carports	23
Industrial Additions	3
Industrial Alterations	3
Institutional Alterations	4
Mechanical	1
New Homes	1
Plumbing	32
Residential Addition	36
Residential Alteration	151
Siding	38
Signs	3
Storage Sheds	5
Swimming Pools	6
Tank	2
Tent	2
Trailer	2
TOTALS:	474

HOUSING INSPECTIONS

	BUILDINGS	RENTAL UNITS
Moderate Rehabilitation	12	53
Rooming House Permits	4	
Inspections Upon Complaints	17	
Units Inspected	309	
Violations	109	
Violations Corrected	109	
Rooming House Units	62	
Structures Inspected	309	
Units Condemned	0	

ZONING BOARD REPORT 1993 - 1994

Public Hearings Held	12
Appeals Heard	25
Variances/Exceptions Granted	24
Variances/Exceptions Denied	1

HEALTH DEPARTMENT

Respectfully submitted by,

ROBERT DELISLE
Health Officer

The Health Department is an integral part of the City Government; however, in many respects, this Department is uniquely different from the other Departments. The services we provide serve every citizen of the City, regardless of socio-economic status. Unlike the medical and social services limited to particular segments of the population, Berlin Public Health Services protect all residents to the City.

Most of our functions are based on City Ordinances and State Statutes and Charter which were established to safeguard the public. We are required to carry out public safety and health functions and meet the standards established by City Ordinances and State Law.

A hallmark of the Health Department's Services is its diversity. Every individual in the City of Berlin will somehow come in contact with this Department. We are notified of your birth, and information from your death certificate is filed with us. We may immunize your children; we may help you or your family with any disease outbreak; assist you with a handicapped person; possibly render nursing services,

physical and/or occupational therapy services, and homemaker/home health aide services in your home once you are discharged from the hospital.

We inspect and license the ambulance service as well as the attendants, assuring that (1) each ambulance meets all standards required by City Ordinance and State Statutes; and (2) the attendants are appropriately trained to function in this service that you or your loved ones may require.

We offer a variety of out-patient services: blood pressure screening, cholesterol testing, diabetes screening, flu vaccine and immunization clinics, to name a few.

This Department issues building, electrical and plumbing permits, executes necessary follow-up inspections on permits issued, and handles all paperwork pertaining to the Zoning Board of Adjustment. We also perform all necessary inspections of the Berlin Housing Authority.

With your support, we continue to provide needed services to assist the citizens of Berlin towards a goal of optimal health. Although these functions are diverse, we at the Health Department share professional backgrounds and a common commitment to the health and safety of the citizens of this City.

HEALTH DEPARTMENT SERVICES 1993 - 1994

INSPECTION SERVICES	
Restaurant Licenses Issued	30
Ambulance Services Licensed	1
Ambulance Vehicles Licensed	3
Ambulance Attendants Licensed	10
Child Care Facilities	4
MEDICAL-CLINICAL SERVICES	
Office Patients	956
Office Visits	1802
IMMUNIZATIONS & TESTS	
Oral Polio	39
DTP Injections	44
DT Injections	4
Measles, Mumps, Rubella Vaccine	29
TB Mantoux Tests	446
TD Injections	26
HIB Injections	24
Infant Hep B	12
Hepatitis B	91
CLINIC ATTENDANCE RECORD	
Cardiac Clinic	17
Genetic Clinic	6
Hepatitis B	51
Flu Vaccine	650
Immunization Clinic	171
PUBLIC HEALTH NURSING	
Home Nursing Visits	6065
Home Nursing Patients	281
Physical Therapy Visits	312
Occupational Therapy Visits	109
Home Health Aide Visits	12567
OTHER SERVICES	
Ambulance Calls In Contract Area	996
Ambulance Calls out Contract Area	108

CITY WELFARE DEPARTMENT

Respectfully Submitted by,

ANNETTE LANGEVIN
Welfare Administrator

The Welfare Department administers General Assistance to individuals in the City who do not have adequate resources for their basic needs as mandated by the State of NH Welfare Statutes in accordance with written Guidelines approved by the Council. The Department also directs a Work Program where recipients who are physically capable of working are assigned to a City department or a non-profit organization to work off the cash value of the assistance provided on a weekly basis.

The Department also provided information and referrals to appropriate agencies. The cooperation of State and Federal agencies and local church organizations contributed to the effectiveness of the Department.

WELFARE STATISTICS 1993 - 1994

OFFICE VISITS	3,148
CASES INTERVIEWED	241
FINANCIALLY ASSISTED CASES	90
SINGLES	76
FAMILIES	14
WELFARE ORDERS ISSUED	1,610
WORKFARE HOURS WORKED	9,211

FIRE DEPARTMENT

Respectfully submitted by,

PAUL E. FORTIER
Fire Chief

An important part of one's heritage is the commitment a community has relating to the protection of its citizens from the ravages of fire and other dangers.

The Berlin Fire Department has a long history of being a vital and proud part of the City's history. Protection of the citizenry was, and is still carried out in a professional, caring, and efficient manner.

Many changes in the techniques of service delivery, equipment, and the broadening of services provided have occurred during the past years and the Berlin Fire Department stands ready to meet these challenges as well as meeting the challenges of future demands.

The efficient and professional operation of this department could not have provided nor continue to provide the quality service that it renders without the dedication of the Officers and men of the Berlin Fire Department that now serve and have served in the past. Our commitment to protect lives and property stands strong as ever.

INSPECTIONS OF 1994

Assembly Places	28
Oil Burners	130
LP Gas	23
New Construction	69
Health Care	15
Complaint Check	10
Industrial	47
Foster Homes	9
Day Care	6
Alarm Inspect.	35
Misc. Inspect.	81
Wood Burner/ Chimney	20

CALLS FOR 1994

Assist Police	39
Bomb Scare	0
Chimney Fire	9
Danger Situation	12
Electrical Fire	10
Electrical Problem	21
Explosion	0
False/Malicious	16
False/Unintended	104
Furnace Problem	9
Leak/Spill	95
Lock Out	2
Medical Aid	4
Outside Fire	28
Rekindle	1
Rescue	5
Smoke Scare	53
Sprinkler Problem	2
Structure Fire	28
Vehicle Accident	36
Vehicle Fire	16
Water Problem	9
TOTAL:	461

POLICE DEPARTMENT

Respectfully Submitted by,

ALAN TARDIF
Chief of Police

Berlin's growth throughout its 165 year history was primarily attributed to the timber and pulp wood harvested from our vast forests. By 1925, Berlin's population had reached approximately 25,000. Weekends found the local pubs and taverns packed with hardworking rivermen and lumberjacks anxious to unload a portion of their months earnings. A quick look at the arrest statistics from the year 1925 indicates that there were 12 assaults, 2 concealed weapons, 15 DWI's, 16 disorderly, 49 gambling, 10 larceny, 1 manslaughter, 35 motor vehicle, 122 liquor laws and 436 drunk cases.

In his 1926 Annual Report City Marshal Orville Stewart requests the total number of officers be increased by one third, accompanied by a budget increase of \$10,000. He also identifies the following police walking beats. Main Street Beat: from St. Anne's to and including Glen Avenue is under constant surveillance; Exchange Street Beat: including Grand Trunk and Pleasant Street between

Green and Mason Streets under constant surveillance; Second Main Street Beat: for a short distance above, opposite and below the Brown Company Store, is patrolled during the entire day until 11 PM; Mason Street Beat: on the East Side and in the vicinity of the Boston and Maine Railroad Station is patrolled from noon to 11 PM; and High Street Beat: is patrolled during the early part of the evening.

In recent years a great deal of recognition has been given to the concept of community based policing. The purpose of community partnerships is to promote a mutually beneficial dialogue that is responsive to the needs of the community while providing for efficient use of shared resources. In other words, its assigning officers walking beats throughout the community to foster partnerships with neighborhood children, to interact with citizens at their homes, or to address groups of elderly citizens.

Captain Walter Nadeau
and the Berlin Police

Department are currently in the process of renewing its lost heritage and contact with the populace once recognized as essential by police chiefs such as Orville Stewart. Children are being informed of the dangers of drugs and alcohol by officers in school through the DARE program. Pre-school children meet the officers through the officer friendly program while lectures on DWI, work place violence, domestic violence, and other topics are regularly presented by the officers. The Community Policing Program will gradually expand to include the neighborhood walking patrol for a few hours a day. Captain Nadeau's goal is to establish the old time relationship between the citizen and the officer. Citizens will have their own personal police officer to whom they may feel comfortable in reporting incidents or crimes, when otherwise they may not have done so.

WATER WORKS

Respectfully submitted by,

ALBIN JOHNSON, PE
Superintendent

Omer R. Morin, Chairman; Carl D. Oleson, Clerk; Paul E. St.Hilaire; David J. Bertrand, and ex-officio member Mayor Yvonne Coulombe, comprise the Water Commission Board for this report period.

Water Commissioners approved \$441,039 for annual bond debt payments to the City and \$1,135,650 for operations for a total 1994 budget of \$1,576,689.

Metered water entering the distribution system for this report period was 1,094,884,000 gallons for an average day consumption of 3 million gallons. The average day use is high for Berlin due to primarily to increased demand for water during the winter months.

Attorneys Moynihan & Michalik were retained by Commissioners to assist in the acquisition of land and ROW's for planned water system infrastructure improvements.

In April, the board met with representatives of the US

Army Corps of Engineers to execute an agreement to participate in a 3 year study to develop and demonstrate designs for in-ground insulation frost shields for protecting shallow buried water lines from freezing. The study is partially funded by the Army Corps under their Construction Productivity Advancement Research Program. A sum of \$250,000 was budgeted for Berlin's share of the cost.

Assessment charges tripled on the October '93 water bill, then doubled on the October '94 bill to finance the cost of the 93-94 Water Bond annual debt payments to the City for infrastructure improvements. Water consumption charges increased 5% effective on the July 94 water bill to fund increased operation costs.

Water Lines were replaced on Washington, Prospect and Granite Streets by Midway Excavators under their contract with the City for storm water separation with costs funded from the 93 water bond.

The water running program began on December 27, 1993 and ended on April 18, 1994 with Water Works responding to 349 frozen water pipes compared to 175 the previous year. Water mains on lower State Street, rear York

Street, lower Glen Avei froze and water mains c Rocky Lane and lower Merrimack Street froze twice. Several water mains and service lines ruptured during the season due to depth of ground frost.

Mayor Coulombe signed a proclamation for the National Drinking Water Week May 1-7, 1994. The East Milan Road Treatment Facility held an open house allowing the public to inspect the treatment process used to purify the Androscoggin River water supply.

Berlin Water Works received a letter from the NH Department of Environmental Services which stated the existing water storage tanks must be replaced or improved.

The Board requested that the City Manager apply for a one year extension for the Surface Water Treatment Rule compliance schedule in order to obtain financial assistance by June 29, 1995, for the cost of constructing infrastructure improvement requirements.

As part of City inter-department cooperation, the Board permitted the School Department to garage two buses behind the Berlin Water Works Willow Street building.

PUBLIC LIBRARY

Respectfully Submitted by,

YVONNE THOMAS
Head Librarian

The Berlin Public Library has just completed another very successful year providing a quality enriching experience for all its patrons. Heritage is a very large part of the way a library serves the public. A library is the repository of information and memories for each succeeding generation. We will continue to enhance our collection of memories and strive to present our patrons with their heritage.

We are continually upgrading the way that we bring new information to our patrons and this year is no exception. We are continuing our quest for new equipment to better serve the public by opening the avenue to the information superhighway. This year we will be adding to our collection a new computer, with CD-Rom capabilities in order to bring to our patrons information such as encyclopedias, statistics, authors and genealogy. Our newest addition is PC Alex. This is a new resource provided by the NH Employment Security that allows the

user to search a database of job openings of his/her choice. We will also be bringing to our patrons for the first time this year, a choice of CD-Rom music and books on Audio Cassettes. The addition of a fax machine to serve the public will continue the tradition of libraries helping patrons to access the information highway. Our most important acquisition this year is Internet. This is an online worldwide computer network which the librarian will be able to access in order to help the patrons, this will be done in cooperation with the NH State Library.

In Autumn of 1993, the Berlin Public Library in conjunction with the Fortier Library was very pleased to be able to present to area residents a lecture series entitled "The Civil War, a Second Look". This series consisted of nine episodes of film and discussions. In the spring of 1994, we presented "Different People, Different Places". This was a five part series in which the life and times of Columbus were explored and discussed. The funding was generously provided by the NH Humanities Council with in-kind participation by the Librarian.

The theme of our 1993 Summer Reading Program was "Catch up on your Reading". This was a very

successful program with 160 children registered and over 1,500 books read.

The Children's Librarian continues to make numerous visits to the Berlin elementary schools in order to introduce the children and teachers to programs available at the Berlin Public Library. Other programming presented by the library was "Have Fun with Fossils and Dinosaurs". This was presented at the Berlin City Hall Auditorium to a very appreciative audience. The Children's Librarian also presented a story hour every week during the summer months. We are very grateful to all the volunteers that so graciously give of their time in order to allow the Librarians the time to present all the programs.

Each year beginning in January, the Berlin Public Library presents a literacy program that continues through the month of May. This is a very gratifying program and it is made possible through a grant from the NH State Library.

The Berlin Public Library is looking forward to the information highway and will always be prepared to provide information to the public. The Heritage of the past lives on in the information future.

LIBRARY STATISTICS 1993 - 1994

TOPICS	ADULT	JUVENILE	TOTAL
GENERALITIES	173	184	357
PHILOSOPHY	315	56	371
RELIGION	188	47	235
SOCIAL SCIENCES	847	771	1618
LANGUAGES	61	125	186
NATURAL SCIENCES	704	1719	2423
USEFUL ARTS	1320	757	2077
FINE ARTS	836	737	1573
LITERATURE	312	336	648
HISTORY	132	363	495
TRAVELS	570	145	715
BIOGRAPHY	322	300	622
FRENCH	50	10	60
VIDEOS	10804		10804
RE & COMM SPR	115		115
PERIODICALS	3735	114	3849
FICTION	16176	9671	25847
CASSETTES	139		139
PAMPHLETS	6		6
PAPERBACKS	5155		5155
TOTAL:	41,960	15,335	57,295
Books loaned - other libraries			50
Books borrowed - other libraries			86
Books borrowed - NH State Library			7
TOTAL CIRCULATION:			57,438

RECREATION AND PARKS

Respectfully Submitted by,

LAURA LEE VIGER

Director

During the past year the Recreation and Parks Department has continued to provide the community with a variety of leisure services. Offering over 100 programs annually, the presence of the department is strongly felt in the community. The long standing program base of sports leagues has blossomed into a broad program listing including cultural events, community special events, individual activities, health promotion activities and more. Once a department that tended to serve children and athletes, the department has worked hard to expand our repertoire of programs to service all ages and all interest levels. This commitment to the entire community has been successful.

Of significant interest during this time are three projects that harken back to earlier times in the City's history. Keeping a sense of heritage in mind, the department has worked with a variety of community members in addressing the issue of Heritage Based

Tourism in Berlin. Working with the Northern Forest Heritage Park Board and the Heritage Tourism Committee, the department is participating in the dialogue to develop this type of service. The department seeks to assist in providing the community with heritage based recreation.

The ongoing interest in the development of the Tondreau Park and Interpretive Trail site is yet another consideration the department has taken. The development plan includes the addition of a walking bridge from the park to a trail system that would highlight the natural beauty of the community, the heritage of the International Paper Mill, and the relationship that these two factors had on the growth of the City. Through contributions of James River Corporation, PSNH, Lajoie Paving and the Small Business Admin.; the development of the park parcel has seen significant progress during the past year.

Memorial Field, dedicated in the 50's, is a long-time recreational site in the City. The park comes into 1994 with a new commitment for renovation. The department, along with a citizen committee of advisors, is working to secure the field's future use through the improvement of

the infield/outfield, the installation of lighting and a scoreboard and a completely renovated backstop. The improvements, supported by the City Council and a wide variety of community supporters such as the Berlin Recreation Fund, will provide an ongoing memory of the quality sports programming at Memorial Field.

These three unique community projects reflect the department's commitment to the recreational needs of the City. Volunteers, grants and community networking play essential roles in our ability to achieve success in meeting our future goals.

The department while keeping an eye on the past, is moving into the future, creating new recreation opportunities the community will need and want as we move into the 21st Century. Continuing those programs and services the community knows and enjoys is an important part of our ability to continue traditional recreation services. Considering future recreation trends, community demographics, and local priorities, we seek to become a part of the heritage future citizens will remember and benefit from.

RECREATION & PARKS DEPARTMENT PROGRAM SUMMARY 93-94

SUMMER

PROGRAM TITLE	ATTENDANCE
AEROBIC EXERCISE	46
BEGINNERS BASEBALL	35
BABE RUTH BASEBALL	57
FARM LEAGUE BASEBALL	197
INSTRUCTIONAL SOFTBALL	27
SUMMER BASKETBALL CAMP	39
GIRL'S SOFTBALL	149
BUS TRIPS (8)	80
JERICO DAY CAMP	25
JERICO SHELTER RENTAL	13
JERICO SEASON PASSES	7
JULY 4 TH CELEBRATION	150
SENIORS PICNIC	60
ART PROGRAM	10
COMMUNITY GARDENS	18
TENNIS	25
SLIMNASTICS	40
SUMMER PLAYGROUNDS	300

WINTER

PROGRAM TITLE	ATTENDANCE
AEROBICS	86
2on2 BASKETBALL TOURNEY(teams)	8
Gr 1/2 BASKETBALL	50
Gr 3/4 BASKETBALL	76
Gr 3/4 GIRLS BASKETBALL	40
Gr 5/8 COED BASKETBALL	34
JOGGING	21
HOCKEY	74
LITTLE TYKES	46
Gr 3/6 SKI PROGRAM	125
SLIMNASTICS	70
VOLLEYBALL (10 teams)	120
SENIOR WALK/EXERCISE/DANCE	50

SPRING

PROGRAM TITLE	ATTENDANCE
AEROBICS	42
BOYS BASKETBALL TOURNEY(teams)	8
EASTER EGG HUNT	450
GOLF (3 per hr) hours	42
LITTLE TYKES	48
SLIMNASTICS	39
SENIOR WALK/EXERCISE/DANCE	50
GYM RENTALS (groups - yr)	64

FALL

PROGRAM TITLE	ATTENDANCE
AEROBICS	20
HALLOWEEN HAUNT HOUSE	450
HOLIDAY CRAFT FAIR	BOOTHS 25
LITTLE TYKES	24
GRADE 1-2 SOCCER	55
GRADE 3-4 SOCCER	62
SLIMNASTICS	26
SENIOR WALK/EXERCISE	50+

BERLIN PUBLIC SCHOOLS

**Respectfully submitted
by,**

**RICHARD STEUDLE
Superintendent of
Schools**

The 1993-94 school year was a very difficult year for the city schools in that there was much turmoil in the leadership structure. Budget constraints, as usual, contributed to much of the turmoil that occurred. The Middle School, particularly, was affected by the budget constraints with its administrative structure severely hampered. The assistant principal, Mr. Michael Walsh, retired at the end of June 1993 and was not replaced. This further contributed to the problem for the board of education and administrative staff in our efforts to provide state approved schools.

The year was further confused when a petition circulated by local citizens was able to place the election of

school board members on the ballot in city elections. On election day we had a board of education and as a result of that election, on the following day, we had a newly elected school board with only one board member being returned to his previously appointed seat. The new board of education almost immediately established a goal of acquiring approved schools by September 1994. An assistant principal was named on an interim basis to the Middle School and the administration began the process of reorganization with the end result that the Board goal was achieved; and, for the first time in many years, the 1994 school year would begin with approved schools.

To achieve this within the budget constraints, the seventh and eighth grades were reorganized into a junior high school and moved to the State Street side of the Middle School building and would operate as a junior high school. Brown and Bartlett schools became K-3 buildings rather than the previous K-4 structure, and Marston School, which housed

grades K-4, was closed. An upper elementary school, which was named Hillside Elementary, was developed for grades four through six and housed in the original junior high building located on Hillside Avenue. The building was completely redecorated, and, also as a result of the move, 225 new lockers had to be installed in the new junior high school.

With the retirement of Mr. Anthony Urban, long-time administrator in the school system, Mr. Donald Lafferty was appointed principal of the junior high school. Because of the enrollment figures, it was not necessary to add either an assistant principal or a second guidance counselor. Mrs. Beverly Dupont, who had been the principal of Bartlett and Marston Schools, was named the new principal for Hillside Elementary. Mrs. Corinne Cascadden, principal of Brown school, was assigned duties as principal of Bartlett and Brown Schools. In addition, Assistant Superintendent Francis Bruni retired.

Ms. Marion Jeskey was named business administrator effective July 1994. A terrific amount of work was accomplished by the teachers, students, and custodial staff to physically move fifth and sixth grade classroom furniture, equipment, and materials with the movement of the fifth and sixth grades to the Hillside building and the movement of the seventh and eighth grades to the State Street side of the building. In addition, many teachers were transferred from building to building to accommodate the new structure, therefore, other areas were affected by the need to move all personal supplies and teaching materials.

Because of the administrative change that sent Mr. Lafferty to the junior high school, it was necessary to appoint a new assistant principal at the high school. Mr. Keith Parent, who has been Social Studies Department Head and long-time teacher and coach, was appointed to that position.

As usual, volunteers played a very important

role in the success of the school year. Brown and Bartlett schools, again, received the Gold Award for volunteerism. The PTO's in all three schools contributed significantly through fund raising to provide for enrichment activities for the children that ordinarily would not be budgeted for in the general fund. In addition, the Bartlett School PTO undertook the redevelopment of that playground under the direction of PTO President Mrs. Valerie Fysh and volunteer Roland Goulette. They were able to receive a grant from the city of \$10,000 and expand that grant to between \$20,000 and \$30,000. The city owes a debt of gratitude to the many volunteers who spent countless hours developing the project. We look forward to the 1994 school year. With our "fully approved" schools and reorganization, we are sure to benefit the students of Berlin Public Schools.

CITY OF BERLIN

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPORTING SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 1994



MASON+RICH

INDEPENDENT AUDITOR'S REPORT

PROFESSIONAL
ASSOCIATION

ACCOUNTANTS
AND AUDITORS

August 12, 1994

Honorable Mayor, City Council and Manager
City of Berlin, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Berlin, New Hampshire as of and for the fiscal year ended June 30, 1994 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

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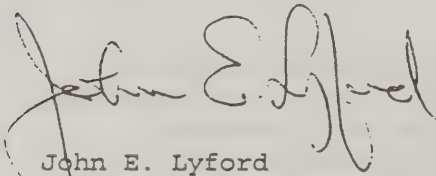
The general purpose financial statements referred to above do not include the financial statements of the Berlin Water Works and the Public Works Pensions Trust which should be included to conform with generally accepted accounting principles. The Berlin Water Works and Public Works Pension Trust (component units of the City) utilize different year ends. As a result, required disclosures of assets, liabilities, revenues and expenditures are not available.

The City has not maintained a complete record of its general fixed assets as required by generally accepted accounting principles. Accordingly, a statement of general fixed assets is not included in the financial statements. The amounts that should be recorded as general fixed assets are not known.

In our opinion, based on our audit, except for the effects of the matters discussed in the third and fourth paragraphs, the combined financial statements referred to above present fairly in all material respects, the financial position of the City of Berlin, New Hampshire as at June 30, 1994 and the results of its operations and cash flows of its proprietary fund types for the fiscal year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying combining and individual fund financial statements and schedule of Federal Financial Assistance listed as supporting schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the City of Berlin, New Hampshire. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Respectfully submitted,



John E. Lyford
Certified Public Accountant
MASON + RICH PROFESSIONAL ASSOCIATION
Accountants and Auditors

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1994

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Group		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	General	Long-Term Debts	General	Long-Term Debts	
ASSETS										
Cash	\$4,023,719	\$2,576	-	\$-	\$46,987	-	-	-	-	\$4,073,282
Temporary Investments	2,059,622	-	-	-	373,769	-	-	-	-	2,433,391
Taxes Receivable (Note 2)	4,388,627	-	-	-	-	-	-	-	-	4,388,627
Accounts Receivable	153,200	2,314	-	176,056	-	-	-	-	-	331,570
Due from Other Governments (Note 3)	1,132,308	97,171	7,396	-	-	-	-	-	-	1,236,875
Due from Other Funds (Note 9)	127,948	93,620	2,797,263	1,510,085	-	-	-	-	-	4,528,916
Inventory: Food/Supplies	-	7,966	-	13,543	-	-	-	-	-	21,509
Donated Commodities	-	4,363	-	-	-	-	-	-	-	4,363
Net Investment in Direct Financing Leases (Note 7)	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	152,934	-	-	-	-	-	152,934
Fixed Assets (Note 6)	-	-	-	192,794	-	-	-	-	-	192,794
Amount to be Provided for Sick Pay	-	-	-	24,767,430	-	-	-	-	-	24,767,430
Amount to be Provided from State of New Hampshire-Pollution Control	-	-	-	-	-	-	-	1,421,593	-	1,421,593
Amount to be Provided for Retirement of Long-Term Debt	-	-	-	-	-	-	-	1,687,881	-	1,687,881
TOTAL ASSETS	\$11,885,424	\$208,010	\$2,804,659	\$26,812,842	\$420,756	\$7,133,368	\$4,023,894	\$7,133,368	\$49,265,059	

(Continued)

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1994

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Group		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Agency	Long-Term Debt	Account Group			
							General	Debt		
LIABILITIES AND FUND BALANCE										
<u>Liabilities</u>										
Accounts Payable	\$456,923	\$13,270	\$5,772	\$60,902	-	-	-	\$	-	\$536,867
Contracts Payable	-	-	129,951	-	-	-	-	-	-	129,951
Retainage Payable	-	-	-	-	-	-	-	-	-	2,277
Accrued Liabilities	245,336	-	-	2,277	-	-	-	-	-	2,277
Deferred Revenues	7,580,209	4,363	-	48,879	-	-	-	-	-	294,215
Due to Other Funds (Note 9)	3,892,920	107,027	14,920	-	-	-	-	-	-	7,584,572
Accrued Sick Pay	-	-	-	406,400	6,001	-	-	-	-	4,427,268
Due to Specific Individual and/or Groups	-	-	-	-	-	1,421,593	-	-	-	1,421,593
Notes Payable (Note 5)	-	-	-	-	33,539	-	-	-	-	33,539
Bonds Payable (Note 4)	-	-	-	555,910	-	-	-	-	-	555,910
Total Liabilities	12,175,388	124,660	150,643	1,154,368	39,540	5,711,775	-	7,133,368	-	20,777,967
<u>Fund Equity</u>										
Contributed Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings	-	-	-	24,734,644	-	-	-	-	-	24,734,644
Fund Balances:				923,830	-	-	-	-	-	923,830
Reserved for Encumbrances	853,698	-	-	-	-	-	-	-	-	853,698
Reserved by Trust Instruments	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated by Trust Instruments	-	-	-	-	118,478	-	-	-	-	118,478
Designated for Specific Capital Projects	-	-	2,661,540	-	262,738	-	-	-	-	2,661,540
Designated for Specific Purposes	-	119,927	-	-	-	-	-	-	-	119,927
Undesignated (Deficit)	(1,143,662)	(36,577)	(7,524)	-	-	-	-	-	-	(1,187,763)
Total Fund Equity	(289,964)	83,350	2,654,016	25,658,474	381,216	-	-	-	-	28,487,092
TOTAL LIABILITIES AND FUND EQUITY	\$11,885,424	\$208,010	\$2,804,659	\$26,812,842	\$420,756	\$7,133,368	-	\$49,265,059		

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

Governmental

	General	Special Revenue	Capital Projects	Expendable Trust	Totals (Memorandum Only)
<u>Revenues</u>					
Taxes	\$9,726,857	\$ -	\$ -	\$ -	\$9,726,857
Licenses and Permits	775,854	-	-	-	775,854
Intergovernmental	3,891,855	618,734	21,187	-	4,531,776
Charges for Services	1,285,703	363,944	-	-	1,649,647
Interest and Dividends	114,999	-	72,915	3,737	191,651
Other	345,542	3,666	101,648	-	450,856
Total Revenues	16,140,810	986,344	195,750	3,737	17,326,641
<u>Expenditures</u>					
Current:					
General Government	3,454,859	519,411	-	-	3,974,270
Public Safety	2,243,944	-	-	-	2,243,944
Highways and Streets	1,476,228	671	-	-	1,476,899
Health	275,782	1,901	-	2,453	280,136
Welfare	108,744	-	-	-	108,744
Parks and Recreation	307,652	37,707	-	-	345,359
Education	7,652,022	471,823	-	-	8,123,845
Capital Outlay	278,907	-	1,890,518	-	2,169,425
Debt Service	1,276,786	-	-	-	1,276,786
Total Expenditures	17,074,924	1,031,513	1,890,518	2,453	19,999,408
Excess (Deficiency) of Revenues Over Expenditures	(\$934,114)	(\$45,169)	(\$1,694,768)	\$1,284	(\$2,672,767)

The Accompanying Notes are an Integral Part of This Financial Statement

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	Governmental				Totals
	General	Special Revenue	Capital Projects	Expendable Trust	(Memorandum Only)
Other Financing Sources (Uses)					
Proceeds of Long-Term Notes	\$ -	\$ -	\$3,000,000	\$ -	\$3,000,000
Operating Transfers In	-	65,120	270,108	-	335,228
Operating Transfers (Out)	(65,120)	-	(270,108)	-	(335,228)
Total Other Financing Sources (Uses)	(65,120)	65,120	3,000,000	-	3,000,000
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(999,234)	19,951	1,305,232	1,284	327,233
Fund Balances at Beginning of Year	709,270	63,399	1,348,784	86,695	2,208,148
Fund Balances (Deficit) at End of Year	(\$289,964)	\$83,350	\$2,654,016	\$87,979	\$2,535,381

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	General Fund			Special Revenue Funds			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues							
Taxes	\$10,521,077	\$10,953,159	\$432,082	\$ -	\$ -	\$ -	-
Licenses and Permits	721,700	775,854	54,154	-	-	-	-
Intergovernmental	3,899,203	3,891,855	(7,348)	464,637	615,185	150,548	
Charges for Services	882,566	1,285,703	403,137	240,510	320,880	80,370	
Interest and Dividends	145,533	114,999	(30,534)	-	-	-	
Other	130,261	345,542	215,281	-	-	-	
Total Revenues	16,300,340	17,367,112	1,066,772	705,147	936,065	230,918	
Expenditures							
Current:							
General Government	3,466,830	3,454,859	11,971	387,520	479,778	(92,258)	
Public Safety	2,210,343	2,243,944	(33,601)	-	-	-	
Highways and Streets	1,525,624	1,476,228	49,396	-	-	-	
Health	248,265	275,782	(27,517)	-	-	-	
Welfare	148,551	108,744	39,807	-	-	-	
Culture and Recreation	299,832	307,652	(7,820)	-	-	-	
Education	7,645,123	7,652,022	(6,899)	382,747	471,823	(89,076)	
Capital Outlay	717,433	278,907	438,526	-	-	-	
Debt Service	1,279,865	1,276,786	3,079	-	-	-	
Total Expenditures	17,541,866	17,074,924	466,942	770,267	951,601	(181,334)	
Excess (Deficiency) of Revenues Over Expenditures	(\$1,241,526)	\$292,188	\$1,533,714	(\$65,120)	(\$15,536)	\$49,584	

The Accompanying Notes are an Integral Part of This Financial Statement

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	General Fund		Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Other Financing Sources (Uses)					
Operating Transfers In	\$ -	\$ -	\$ 65,120	\$ 65,120	\$ -
Operating Transfers (Out)	(65,120)	(65,120)	-	-	-
Total Other Financing Sources (Uses)	(65,120)	(65,120)	65,120	65,120	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) (Budgetary Basis) (Note 12)	(1,306,646)	227,068	1,533,714	49,584	49,584
Adjustments:					
To Adjust Revenues for Deferred Property Taxes	-	(1,226,302)	-	-	-
Non Budgeted Special Revenue Funds Not Included in Adopted Budget	-	-	-	(29,633)	(29,633)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) (GAAP Basis)	(1,306,646)	(999,234)	307,412	19,951	19,951
Fund Balance at Beginning of Year	709,270	709,270	63,399	63,399	-
Fund Balance (Deficit) at End of Year	(\$597,376)	(\$289,964)	\$307,412	\$83,350	\$19,951

This statement presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year is presented.

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	<u>Proprietary</u> <u>Fund Types</u>	<u>Fiduciary</u> <u>Fund Types</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	Enterprise Funds	Non- expendable Trust	
<u>Operating Revenues</u>			
Charges for Services	\$904,926	\$ -	\$904,926
Rent and Royalties	178,434	-	178,434
Interest & Dividends	-	9,852	9,852
Contributions	-	1,000	1,000
Total Operating Revenues	<u>1,083,360</u>	<u>10,852</u>	<u>1,094,212</u>
<u>Operating Expenses</u>			
Salaries and Wages	374,017	-	374,017
Repairs and Maintenance	19,906	-	19,906
Materials and Supplies	62,572	-	62,572
Administrative	61,053	4,623	65,676
Utilities	126,286	-	126,286
Depreciation (Note 1)	683,726	-	683,726
Total Operating Expenses	<u>1,327,560</u>	<u>4,623</u>	<u>1,332,183</u>
Operating Income (Loss)	<u>(244,200)</u>	<u>6,229</u>	<u>(237,971)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest: Revenue	38,733	-	38,733
Expense	<u>(62,988)</u>	<u>-</u>	<u>(62,988)</u>
Total Non-Operating Revenues (Expenses)	<u>(24,255)</u>	<u>-</u>	<u>(24,255)</u>
Net Income (Loss) Before Operating Transfers	<u>(268,455)</u>	<u>6,229</u>	<u>(262,226)</u>
<u>Other Changes in Retained Earnings/ Fund Balance</u>			
Credit From Transfer of Depreciation on Treatment Plant Assets Acquired by Grants Externally Restricted for Capital Acquisitions to Contributed Capital	<u>528,485</u>	<u>-</u>	<u>528,485</u>
Net Increase (Decrease) in Retained Earnings/ Fund Balance	260,030	6,229	266,259
Retained Earnings/Fund Balance at Beginning of Year, Restated	<u>663,800</u>	<u>287,008</u>	<u>950,808</u>
Retained Earnings/Fund Balance at End of Year	<u>\$923,830</u>	<u>\$293,237</u>	<u>\$1,217,067</u>

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
 COMBINED STATEMENTS OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	<u>Proprietary</u> <u>Fund Types</u>	<u>Fiduciary</u> <u>Fund Types</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u> <u>Funds</u>	<u>Non-</u> <u>expendable</u> <u>Trust</u>	
<u>Cash Flows From Operating Activities</u>			
Net Operating Income (Loss) - Exhibit D	(\$244,200)	\$6,229	(\$237,971)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	683,726	-	683,726
Interest/Dividends From Investing Activities	-	(9,852)	(9,852)
Change in Operating Assets and Liabilities			
(Increase) Decrease in Operating Assets:			
Accounts Receivable	(35,965)	-	(35,965)
Inventories	91	-	91
Due From Other Funds	(37,280)	-	(37,280)
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(40,023)	-	(40,023)
Due To Other Funds	6,400	-	6,400
Accrued and Other Liabilities	10,576	-	10,576
Total Adjustments	<u>587,525</u>	<u>(9,852)</u>	<u>577,673</u>
Net Cash Provided (Used) by Operating Activities	<u>343,325</u>	<u>(3,623)</u>	<u>339,702</u>
<u>Cash Flows From Capital and Related</u> <u>Financing Activities</u>			
Proceeds From Direct Financing Lease	50,257	-	50,257
Principal Paid on Bonds/Notes	(102,629)	-	(102,629)
Interest Paid on Bonds/Notes	(50,188)	-	(50,188)
Acquisition of Plant and Equipment	<u>(266,698)</u>	<u>-</u>	<u>(266,698)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(369,258)</u>	<u>-</u>	<u>(369,258)</u>
<u>Cash Flows From Investing Activities</u>			
Interest on Investments	38,733	9,852	48,585
Interest Expense	<u>(12,800)</u>	<u>-</u>	<u>(12,800)</u>
	<u>25,933</u>	<u>9,852</u>	<u>35,785</u>
Increase (Decrease) in Cash and Cash Equivalents	-	6,229	6,229
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>291,631</u>	<u>291,631</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$297,860</u>	<u>\$297,860</u>

The Accompanying Notes are an Integral Part of This Financial Statement

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Berlin, New Hampshire (the City) was incorporated in 1829 under the laws of the State of New Hampshire. The City operates under a Council-Mayor form of government, under the direct management of an appointed City Manager and provides services as authorized by its charter.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The accompanying financial statements include the transactions of all funds and account groups of the city and other governmental organizations over which the City's elected officials (City Council) exercise oversight responsibility in accordance with the criteria set forth in the National Council on Governmental Accounting (NCGA) Statement No. 3 except for the Berlin Water Works and Public Works Pension Trust (see Note 15). The funds are established under the authority of the City charter and their operations as reflected in these financial statements are those under the control of the City Council. The account groups are those required by financial reporting standards for governmental units. (See Note 14)

B. Basis of Presentation

I. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped in the financial statements in this report into five general fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

- 1) General Fund - The General Fund is the general operating fund of the City. All property tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

The General Fund provides police and fire protection, street maintenance, plowing and lighting, schools, park and playground maintenance planning and zoning, general administration.

- 2) Special Revenue Funds - Special Revenue Funds are used to account for the proceeds or specific revenue sources (other than special assessments, expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative actions.
- 3) Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by enterprise operations and trust funds.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

PROPRIETARY FUNDS

- 4) Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

FIDUCIARY FUNDS

- (5) Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds.

Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operations.

II. ACCOUNT GROUPS - FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increase (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets Account Group - General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Group of Accounts for accountability purposes. In accordance with the practices followed by many other municipal entities in the State, the City does not maintain a record of its general fixed assets and accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in these financial statements.

General Long-Term Debt Account Group - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

Noncurrent portions of long-term receivables due to governmental funds are, when applicable, reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. (Note 2).

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

The proprietary funds and nonexpendable trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

<u>Sewer Fund</u>		
Sewer System	50	Years
Equipment	3 to 10	Years
<u>Industrial Development and Park Authority</u>		
Plant and Equipment	30	Years

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Tax revenues are recognized in the year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year end.

Licenses and permits, charges for services and other revenues are recorded as revenues when received in cash as they are generally not measurable until actually received. Investment earnings are recorded as earned if they are both measurable and available.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

In applying the susceptible to accrual concept to intergovernmental revenues (grant, subsidies and shared revenues), the legal and contractual requirements of the numerous individual programs are used as a guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt which is recognized when due and (2) inventories of one Special Revenue Fund.

All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. The Sewer Fund does not accrue estimated unbilled services at the end of the year with respect to services provided but not billed at year end as the amount is not reasonably determinable.

D. Budgets and Budgetary Accounting

The City observes the following procedures in establishing the budgetary data reflected in the financial statements:

1. At such time as may be requested by the City Manager or specified by the administrative code, each director of a department submits an itemized estimate of the expenditures for the next fiscal year for the departments or activities under his control. The Manager submits the proposed budget to the Council at least ninety days before the start of the fiscal year which begins July 1.
2. A public hearing on the budget is held before its final adoption by the Council. Notice of the public hearing together with a summary of the budget as submitted is published at least one week in advance by the City Clerk. The School Board is required to conduct a public hearing on their proposed budget at least two weeks before their budget submission to the City Manager.
3. The budget must be legally adopted no later than ten days before the beginning of the fiscal year. Should the Council take no final action on or prior to that date, the budget as submitted at the public hearing is deemed to have been finally adopted by the Council.
4. Adding or increasing an appropriation requires a vote by two-thirds majority of the Council. The Council may, by resolution designate the source of any money so appropriated. A simple majority of the Council is necessary to reduce an appropriation.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

5. At the beginning of each quarterly period during the fiscal year and more often if required by the Council, the City Manager submits to the Council data showing the relation between the estimated and actual income and expense to date and if it appears that the income is less than anticipated, the Council or City Manager may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the cash income. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds or agencies under such rules as he may prescribe.
6. After the budget has been adopted, no expenditures may be incurred, except pursuant to a budget appropriation unless there is a specific additional appropriation. The head of any department, with the approval of the manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his department to another fund or agency within his department; the manager with the approval of the council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (School Federal Projects, School Food Service and Airport Authority).
8. The City legally adopts one inclusive budget for the General and Special Revenue Funds. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), except for (a) property tax revenues which are budgeted in the year of levy and (b) overlay for abatements which is budgeted as an expenditure.
9. Budget amounts as presented in the financial statements, are as originally adopted plus approved appropriations carried forward and encumbrances at June 30, 1993 of \$587,810 and \$148,836 of expenditures budgeted from current year available fund balance.
10. Budget appropriations lapse at the end of the fiscal year except for any appropriations carried forward that are approved by City Council.

E. Deposits and Temporary Investments

Deposits

Deposits are carried at cost plus interest earned to year end. The carrying amount of deposits is separately displayed on the balance sheet as "Cash".

Cash balances from all funds (except Trust and Agency) are combined and invested to the extent available in certificates of deposit. Earnings from these investments are allocated annually to each fund based on year end balances of cash and temporary investments.

At year end, the carrying amount of the City's deposits was \$5,477,544 and the bank balance was \$5,988,598. Of the balance, \$5,963,912 was covered by Federal depository insurance or collateralized and \$24,686 was uninsured and uncollateralized. (General Fund)

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

Temporary Investments

Temporary investments of \$1,404,262 consist of certificates of deposit and are reported at cost which approximates market value.

The City Treasurer is authorized by State statutes to invest excess funds "in obligations of the U.S. Government, in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within the State of Massachusetts".

New Hampshire Public Deposit Investment Pool

The City participates in the New Hampshire Public Deposit Investment Pool established in accordance to NH RSA 383:22-24. Total funds on deposit with the Pool at year end were \$1,029,129 and are reported as temporary investments on the General Fund. Based on GASB Statement No. 3, investments with the Pool are considered to be unclassified. At this time, the Pool's investments are limited to "short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire and New Hampshire municipal obligations, certificates of deposit from A1/P1-rated banks, money market mutual funds (maximum of 20% of portfolio), overnight to 30-day repurchase agreements (no limit, but collateral level at 102% in U.S. Treasury and Government instruments delivered to Custodian) and reverse overnight repurchase agreements with primary dealers or dealer banks.

Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Funds and Expendable Trust Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. Inventories

Inventories are stated at cost on a first-in, first-out basis. The Special Revenue Funds (School Food Service) record inventories which consist of food and expendable supplies. The cost is reported as an expenditure at the time of purchase. Inventories of government donated commodities (School Food Service) are reported at fair market value at year end with an offsetting deferred revenue. Commodities used during the year have been reported as revenues and expenditures.

Enterprise Funds (Sewer) inventory consists of replacement parts required to service the mains and other property of the Sewer System and is carried at cost (first-in, first-out basis).

G. Prepaid Expenditures

Reported prepaid expenditures are equally offset by a fund balance reserve account (reserve for prepaid expenditures) as they do not represent "available spendable resources" even though they are a component of net current assets.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

H. Property by Tax Lien and Title

Under New Hampshire Revised Statutes Annotated (RSA) 72:38A, elderly property owners in the City may request that the City file a tax lien against their property for the amount of their annual property taxes. Interest accrues annually beginning one year from the tax lien date at 6% and is payable along with the property taxes from the individual's estate.

Under N.H. RSA if property taxes have not been paid within two years and one day of tax lien date (Note 2) the property may be conveyed to the City by a tax collector's deed. The City then may offer the property for public sale annually, with all proceeds remitted to the General Fund.

I. Deferred Revenues

Deferred revenues of the General Fund represent property taxes and other revenues collected or levied in advance of the fiscal year to which they apply and property taxes not collected within 60 days of year end as follows:

1994 Property Taxes	\$5,415,770
Current and Prior Years Taxes Uncollected Within 60 Days of Current Year End	2,108,765
Other Advance Collections	<u>55,674</u>
Total	<u>\$7,580,209</u>

Deferred revenues (\$4,363) of the Special Revenue Fund represents market value of government donated commodities at year end (School Food Service).

J. Accumulated Unpaid Vacation and Sick Pay

Employees earn vacation and sick leave time as they provide the services. Pursuant to certain collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick pay time earned and upon retirement, termination or death, may be compensated for certain amounts at current rates of pay. The City cannot reasonably estimate the current portion of vested sick leave benefits to be paid in the next operating year. Prior experience indicates that the amount that would be paid to be immaterial. Annually, a provision is made in the appropriate operating budgets. The long-term portion of accrued sick leave benefits of \$1,421,593 is included in the General Long-Term Debt Account Group.

K. Total Columns (Memorandum Only) on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 2 - PROPERTY TAX

The City semi-annually in May and October, bills and collects its own property taxes and taxes for the School Department and Coos County. (In accordance with an opinion from the NCGA Technical Guidance Committee, the School and County Taxes are not reported as Agency Funds). Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year end.

Property taxes billed or collected in advance of the year for which they are levied are recorded as deferred revenue.

Property taxes are due by December 1. At the time of tax lien in April of the next year, a lien is recorded on the property at the Register of Deeds. The lien is a priority tax lien which accrues interest at the rate of 18% per annum. If the property taxes are not paid within two years and one day of the tax lien date, then the property may be conveyed to the City by Tax Collector's deed and subsequently sold at public sale.

The City annually budgets, following New Hampshire budget procedures, an amount (\$455,660 in the current year) for resident and property tax abatements and refunds. All abatements and refunds are charged to overlay and reported net of property tax revenues. The total for the current year was \$248,280.

The tax rate for the year ended June 30, 1994 was \$27.90; \$12.51 City, \$2.96 County and \$12.43 School Department.

Taxes receivable are net of an allowance for doubtful accounts of \$107,297 which represents older noncurrent resident taxes and redemptions receivable.

The State Department of Revenue Administration annually determines the amount of property tax revenue to be levied by the City and the amount of General Fund undesignated fund balance from the prior fiscal year may be applied to reduce the property tax rate. As the State considers property tax revenue to be available in the fiscal year levied, the amount of undesignated fund balance that may be applied to reduce the tax rate for 1994-95 fiscal year is:

Total Undesignated Fund Balance - General Fund (Exhibit A)	\$ (1,143,662)
Add: Deferred Revenue - Current Year Levy and Prior Year Redemptions not Collected Within 60 Days of Fiscal Year End	<u>2,108,765</u>
Total Available to Reduce the Tax Rate	<u>\$ 965,103</u>
Taxes receivable are comprised of:	
<u>Property Taxes:</u>	
Levy of 1994 (First Half Billing)	\$2,065,544
<u>Tax Liens:</u>	
Levy of 1994	286
Levy of 1993	1,915,283
Levy of 1992	277,431
Levy of 1991	76,368
Levy of 1990	11,440
<u>Other Taxes</u>	<u>42,275</u>
Total	<u>\$4,388,627</u>

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Grants and other miscellaneous receivables due from other governments include:

General Fund

State Shared Revenues	\$ 761,326
State Aid Water Pollution Projects	22,033
Other School Districts - Tuition	348,874
State of New Hampshire - Technical College	<u>75</u>
Total	<u>1,132,308</u>

Special Revenue Funds

School Federal Projects - New Hampshire Department of Education Reimbursement of Grant Expenditures	78,085
School Food Service - New Hampshire Department of Education (Food and Nutrition)	<u>19,086</u>
Total	<u>97,171</u>

Capital Projects Funds

Cascade Bridge - State of New Hampshire	<u>7,396</u>
Total	<u>\$1,236,875</u>

NOTE 4 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year:

Payable, Beginning	\$8,053,648
New Bonds Issued	-
Bonds Retired	(835,000)
Net Change in Employee Benefits Payable	<u>(85,280)</u>
Payable, Ending	<u>\$7,133,368</u>

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

Bonds and notes payable are comprised of the following issues:

GENERAL OBLIGATION BONDS

<u>\$1,000,000</u> - School Bonds due in annual installments of \$100,000 through February 1995; interest at 8.1%.	\$ 100,000
<u>\$3,200,000</u> - Sewer Construction Bonds due in annual installments of \$95,000 to \$300,000 through July 2004; interest at 8.214% principal and interest are guaranteed by the State of New Hampshire.	2,250,000
<u>\$4,540,000</u> - Sewer Construction Bonds due in annual installments of \$225,000 through May 1998; interest at 5.2% principal and interest are guaranteed by the State of New Hampshire.	900,000
<u>\$1,200,000</u> - Sewer Construction Bonds due in annual installments of \$80,000 through July 2002; interest at 5.4% to 8.1% principal and interest are guaranteed by the State of New Hampshire.	720,000
<u>\$435,000</u> - Water Construction Bonds due in annual installments of \$30,000 through June 2002; interest at 5.65% to 7.6% principal and interest are guaranteed by the State of New Hampshire.	255,000
<u>\$1,450,000</u> - Sewer Construction Bonds due in annual installments of \$100,000 through January 1993 and \$95,000 through January 1994-2003; interest at 5.75% to 7.75% principal and interest are guaranteed by the State of New Hampshire.	855,000
<u>\$1,150,000</u> - Improvement Bonds, due in annual installments of \$115,000 through January 1999; interest averages 5.67%.	575,000
<u>\$69,275</u> - Asbestos Grant Loan due in annual installments of \$5,000 through 2005 and \$1,775 in 2006.	<u>56,775</u>
Total General Long-Term Debt Account Group	<u>5,711,775</u>

INDUSTRIAL DEVELOPMENT AND PARK AUTHORITY

<u>\$450,000</u> - Industrial Authority Bonds due in annual installments of \$25,000 to \$40,000 through 1995 interest at 8%.	<u>80,000</u>
Total Bonds Payable (Exhibit A)	<u>\$5,791,775</u>

The debt service requirements of the City's outstanding bonds are as follows:

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1995	\$ 850,000	\$ 428,831	\$ 1,278,831
1996	760,000	367,725	1,127,725
1997	735,000	315,076	1,050,076
1998	750,000	262,092	1,012,092
1999	<u>540,000</u>	<u>208,060</u>	<u>748,060</u>
Subtotal	3,635,000	1,581,784	5,216,784
2000 and Thereafter	<u>2,156,775</u>	<u>422,729</u>	<u>2,579,504</u>
Total	<u>\$ 5,791,775</u>	<u>\$ 2,004,513</u>	<u>\$ 7,796,288</u>

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

The New Hampshire Water Supply and Pollution Control Commission annually reimburses the City for a portion of the principal and interest payments on Sewer bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project.

The total amount due from the State in future years amounts to \$2,227,634 as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Reimbursement For</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1995	\$ 215,671	\$ 113,224	\$ 328,895
1996	221,891	100,112	322,003
1997	228,112	86,493	314,605
1998	234,330	72,202	306,532
1999	<u>147,206</u>	<u>57,630</u>	<u>204,836</u>
Subtotal	1,047,210	429,661	1,476,871
2000 and Thereafter	<u>640,671</u>	<u>110,092</u>	<u>750,763</u>
Total	<u>\$1,687,881</u>	<u>\$ 539,753</u>	<u>\$2,227,634</u>

Under state law, the City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City).

The following general obligation bonds bear the full faith and credit of the City but it is the intention of the Berlin Water Works to pay principal and interest on these bonds. These bonds are recognized as a liability of the Berlin Water Works and are not recorded in the general long-term debt account group.

<u>\$1,770,000</u> - Water Works Public Improvement Bonds due in annual installments of \$100,000 through September, 1995; interest at 6.2%.	\$ 200,000
<u>\$3,000,000</u> - Water Works Construction Bonds due in annual installment of \$150,000 through August, 2013; interest at 5.3% to 5.875%.	<u>3,000,000</u>
Total	<u>\$3,200,000</u>

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 5 - NOTES PAYABLE

The Berlin Industrial Development and Park Authority is directly liable in the amount of \$555,910 to various banks. The proceeds of the notes were used to construct buildings and improvements at the Industrial Park. Notes payable at year end are as follows:

Note payable to Bank, due in monthly installments of \$2,872 including interest at 1.5% over the prime rate, final payment due January 2019, secured by land and building.	\$ 277,436
Note payable to Bank, due in monthly installments of \$5,768 including interest at 1.5% below the prime rate, final payment due July 1996, secured by land and building.	112,940
Note payable to Berlin Industrial Development Corporation, due in monthly installments of \$1,500 including interest at 6.0% final payment due October 2007, secured by land and building.	<u>165,534</u>
Total	<u>\$ 555,910</u>

Debt service requirements are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
1995	\$ 73,547	\$ 36,285	\$ 109,832
1996	60,139	31,007	91,146
1997	14,107	29,737	43,844
1998	15,054	27,790	42,844
1999	<u>16,066</u>	<u>26,778</u>	<u>42,844</u>
Subtotal	178,913	151,597	330,510
Thereafter	<u>376,997</u>	<u>260,518</u>	<u>637,515</u>
Total	<u>\$ 555,910</u>	<u>\$ 412,115</u>	<u>\$ 968,025</u>

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Enterprise Funds

Property, plant and equipment owned by the Enterprise Funds are stated at cost.

The following is a summary of property, plant and equipment:

	Sewer	Industrial Park Authority	Total
Sewer System	\$31,882,718	\$ -	\$31,882,718
Land	22,663	-	22,663
Buildings and Land	-	1,290,089	1,290,089
Vehicles and Equipment	<u>385,716</u>	-	<u>385,716</u>
Total	32,291,097	1,290,089	33,581,186
Less: Accumulated Depreciation	<u>(8,465,962)</u>	<u>(347,794)</u>	<u>(8,813,756)</u>
Net	<u>\$23,825,135</u>	<u>\$ 942,295</u>	<u>\$24,767,430</u>

Depreciation recognized on fixed assets acquired through intergovernmental grants has been closed to Contributed Capital: Intergovernmental.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 7 - INDUSTRIAL DEVELOPMENT AND PARK AUTHORITY - DIRECT FINANCING LEASE

The Industrial Development and Park Authority (the Authority) was established July 15, 1974 pursuant to Chapter 26 of the Laws of 1974. The Authority was reestablished on September 15, 1975 under the provisions of RSA 162-G for the purpose of acquisition, development, lease and disposal of industrial land and facilities.

Investment property is carried at cost. The investment property is being held for sale and accordingly, depreciation has not been provided. Rental income may be received until the property is sold. Land and buildings represent property held for rental purposes. The buildings are being depreciated on the straight line method over a thirty year life. All repairs and improvements are the responsibility of the Authority.

The Authority has entered into a long-term lease with a bargain purchase option at the end of the lease term for building and land and this lease has been accounted for as direct financing lease. The minimum lease payments to be received by the Authority under the capital lease are as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	
1995	\$ 63,162
1996	63,162
1997	<u>55,009</u>
Subtotal	181,333
Less: Unearned Income	<u>(28,399)</u>
Net Investment in Direct Financing Lease	<u>\$152,934</u>

NOTE 8 - RESERVES AND DESIGNATIONS OF FUND EQUITY

The City has set up "reserves" of fund equity to segregate fund balances which are not available for expenditures in the future or which are legally set aside for a specific future use. Fund "designations" have also been established to indicate tentative plans for future financial utilization.

The City's reserves and designations were as follows:

Reserved for Encumbrances - Encumbrances of fund balances of the General and Special Revenue Funds are carried forward to the subsequent fiscal year. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not yet constitute expenditures or liabilities.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

General Fund

Carryover Appropriations Approved by City Council	\$ 736,689
SBA Tree Planting Grant	3,282
Sanitary Landfill	1,767
Capital Outlay:	
Bridges	111,960
Total General Fund	\$ 853,698

Reserved by Trust Instruments - The \$118,478 of fund balance reserved by trust instruments represents the principal portion of Nonexpendable Trust Fund fund balance.

Designated by Trust Instrument - The \$262,738 of fund balance designated by trust instruments represents the income portion of Nonexpendable Trust Fund fund balance and Expendable Trust Fund fund balance.

Designated for Specific Capital Projects - Designated for specific capital projects expenditures in future years are as follows:

Wastewater Treatment I	\$531,268
City and School Capital Improvements	3,520
Water Works Bond Issue	2,126,752
Total	\$2,661,540

Designated for Specific Purposes - Designated for future expenditures of that fund are as follows:

Federal Projects	\$ 4,483
Food Service	16,993
Health Department	5,111
Airport Authority	62,917
Carberry Fund	1,938
Parks and Recreation Programs	28,485
Total	\$119,927

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 9 - INDIVIDUAL FUND INTERFUND RECEIVABLES AND PAYMENTS

The balances at year end were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 127,948	\$3,892,920
Special Revenue:		
Community Development	-	36,288
Federal Projects	-	60,648
Food Service	-	10,091
Health Department	5,111	-
Airport Authority	58,086	-
Carberry Fund	1,938	-
Parks and Recreation Programs	28,485	-
Capital Projects:		
Wastewater Treatment I	661,644	-
City and School Capital Improvements	8,867	-
Cascade Bridge	-	14,920
Water Works Bond Issue	2,126,752	-
Enterprise:		
Sewer	947,698	406,400
Industrial Park Authority	211,674	-
Courthouse	46,135	-
Cates Hill Landfill	304,578	-
Fiduciary:		
Nonexpendable Trust	-	4,623
Home Nursing Expendable Trust	-	1,378
Totals	4,528,916	<u>\$4,427,268</u>
Less: Amount Reported as Due From Water Works	<u>(101,648)</u>	
	<u>\$4,427,268</u>	

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 10 - PENSION PLANS

The City provides for pension benefits to substantially all employees through a contributory retirement system under New Hampshire law, a cost sharing multiple-employer public employee retirement system. The retirement system is a state-wide plan and it is mandatory that all full time classified employees of the state, counties, towns and cities become members of the retirement system. A state board of trustees transacts all business of the system including but not limited to, investments and disbursement funds. State law sets the conditions which must be met by employees in order to be eligible for retirement benefits. The payroll for employees covered by the system for the year was \$7,666,813; the City's total payroll was \$9,801,130.

City employees are eligible to retire on a service retirement allowance the first day of any month after their 60th birthday at no reduction. No minimum period of employment is required. The annual retirement benefit received is based on one sixtieth of the average compensation for the three highest paid years times the number of years creditable service. At age sixty-five the benefit is reduced by a portion of Social Security benefits (approximately 10%). The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Covered employees are required by State statute to contribute 5.0% (9.3% for police and fire) of their salary to the Plan. The City is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year was \$660,900 which consisted of \$212,765 from the City and \$448,135 from employees; these contributions represented 2.78% and 5.85% of covered payroll, respectively.

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is "actuarial present value of credited projected benefits", is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1993 for the System as a whole, determined through an actuarial valuation performed as of that date was \$1,797,300,000. The System's net assets available for benefits on the date (valued at market) were \$1,684,800,000, leaving unfunded pension benefits of \$112,500,000. The City's 1993-1994 contribution represented .69% of total contributions required of all participating entities.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1993 annual financial report, the most recent available.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

Employees of the Public Works Department and certain recreation department personnel are covered under a City sponsored defined contribution program. Annual cost including amortization of prior service costs is being funded over a 20 year period.

The City's contribution to this plan was \$61,586 for the year ended June 30, 1994. The City's policy is to fund all pension costs accrued. Additional disclosures required by Statement No. 87 of the Financial Accounting Standards Board have not been made as the information is not available.

NOTE 11 - MAJOR TAXPAYERS

The following taxpayers each accounted for at least 5% of the 1994 net assessed property valuation of \$385,767,650.

<u>Taxpayer</u>	<u>Net Assessed Valuation</u>	<u>Percentage of Total Valuation</u>
James River Corporation	\$63,875,200	16.56%
James River Electric, Inc.	\$40,586,000	10.52%

NOTE 12 - BUDGETED DECREASE IN FUND BALANCE

The \$1,306,646 budgeted decrease in General Fund fund balance shown on Exhibit C represents \$570,000 budgeted by the City to reduce the 1993 tax rate, \$587,810 of encumbrances and appropriation carryovers approved by the City Council from fiscal year ended June 30, 1993 and \$148,836 of expenditures budgeted from current year available fund balance.

NOTE 13 - CONTINGENT LIABILITIES - FEDERAL GRANTS

The City participates in the following grant programs:

1. DEPARTMENT OF AGRICULTURE
National School Lunch Program - (Through the New Hampshire Department of Food and Nutrition/Education.)
2. ENVIRONMENTAL PROTECTION AGENCY:
Wellhead Projection Program.
3. DEPARTMENT OF EDUCATION:
(Grants received by the Berlin School District through the New Hampshire Department of Education) - School Federal Projects.
4. DEPARTMENT OF JUSTICE:
Drug Control and System Improvement Grants.

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

The program compliance audits of these programs for the year ended June 30, 1994 have not yet been reviewed by the grantor agency. Accordingly, the grantor agencies' decision on the City compliance or non-compliance with applicable grant requirements will be established at some future date.

NOTE 14 - REPORTING ENTITY - OVERSIGHT CRITERIA

Oversight responsibility by the City was determined on the basis of selection of governing boards or authorities, appointment of management, budgetary authority, obligation of the City to finance any deficits that may occur, outstanding debts secured by the City and/or significant subsidies from the City. Based upon the foregoing criteria, the financial statements of the following organizations are included in the accompanying financial statements: Berlin Industrial Development Park Authority, Berlin Airport Authority and Berlin Cemetery Trust funds. The Berlin Water Works and Public Works Pension Trust should be included as part of the reporting entity in accordance with generally accepted accounting standards but the City officials have decided not to include them due to the different fiscal years of the entities.

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds - a Sewer Fund, an Industrial Development and Park Authority, a Court House and the Cates Hill Landfill. Segment information for the year is as follows:

	Sewer	Industrial Development And Park Authority	Court House	Cates Hill Landfill	Totals
Operating Revenues	\$ 865,951	\$ 132,712	\$ 45,722	\$ 38,975	\$ 1,083,360
Operating Expenses Before Depreciation	(584,185)	(10,353)	(20,897)	(28,399)	(643,834)
Depreciation	(641,623)	(42,103)	-	-	(683,726)
Operating Income (Loss)	(359,857)	80,256	24,825	10,576	(244,200)
Non-Operating Income (Expense)	3,707	(37,285)	-	9,323	(24,255)
Net Income (Loss)	<u>\$ (356,150)</u>	<u>\$ 42,971</u>	<u>\$ 24,825</u>	<u>\$ 19,899</u>	<u>\$ (268,455)</u>
Current Capital Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Property, Plant and Equipment:					
Additions	<u>\$ 246,348</u>	<u>\$ 20,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,698</u>
Deletions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$24,962,078</u>	<u>\$1,499,697</u>	<u>\$ 46,135</u>	<u>\$304,932</u>	<u>\$26,812,842</u>
Bonds and Other Long-Term Liabilities Payable From Operating Revenue	<u>\$ -</u>	<u>\$ 521,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,733</u>
Total Equity	<u>\$24,467,570</u>	<u>\$ 840,687</u>	<u>\$ 46,005</u>	<u>\$304,212</u>	<u>\$25,658,474</u>

(Continued)

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 16 - BERLIN WATER WORKS AND PUBLIC WORKS PENSION TRUST

The Berlin Water Works and Public Works Pension Trust have a fiscal year ended December 31 and are audited and reported on separately from other City funds. Financial data for them has not been included in the Combined Balance Sheet - All Funds, nor have the results of operations and cash flows of the entities for the fiscal year then ended been incorporated into the operating statements of the City. The Berlin Water Works and Public Works Pension Trust should be included as part of the reporting entity in accordance with generally accepted accounting standards but City officials have decided not to include them due to the different fiscal years of the entities.

NOTE 17 - DEFICIT FUND BALANCES

The deficit fund balance (\$1,143,662) in the General Fund arises from the application of NCGA interpretation #5, which requires that property tax revenues only be recognized to the extent they have been collected within the current fiscal year or within 60 days of year end. In the current year, as a result of the collection process, this resulted in \$2,108,765 being reported as deferred revenue.

However, as property taxes revenues are, for tax rate setting and budgetary purposes (Note 2), recognized in the year levied, (as required by the State) there is no need for the City to address this deficit, since its results are due to a timing difference in the reporting periods. For budget purposes and tax rate setting purposes available fund balance was \$965,103 (Note 2).

The deficit of the Community Development Fund (Special Revenue) arises because revenue is not sufficient to meet expenditures. The City anticipates either transferring funds in coming years to cover the deficit and/or increasing revenues.

The deficit of the Cascade Bridge (Capital Projects) arises because of expenditures on the project that may not be eligible for State reimbursement. It is anticipated that this will be funded by City appropriation or added State revenues in 1994-95.

NOTE 18 - CONTINGENCY - LITIGATION

Numerous lawsuits, totaling over \$7,370,000, are pending in which the City is involved. Two of the suits concern the assessed value of utility or manufacturing property. The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. The City's insurers should provide coverage and indemnify the City against loss.

NOTE 19 - COMMITMENTS

At year end, the City had construction contractual commitments for centrifuge replacement (\$94,212) and Sanitary Sewer (\$144,551).

NOTE 20 - SUBSEQUENT EVENT

The City was informed in October, 1994 that \$187,319.52 in Medicare revenues had been over billed to Medicare and that the funds would have to be repaid to Medicare in fiscal year 1994-95. No provision for this liability has been made in these financial statements.



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PROFESSIONAL
ASSOCIATION
ACCOUNTANTS
AND AUDITORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

August 12, 1994

Honorable Mayor,
City Council and City Manager
City of Berlin, New Hampshire 03570

We have audited the general purpose financial statements of the City of Berlin, New Hampshire, as of and for the year ended June 30, 1994 and have issued our report thereon dated August 12, 1994.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City for the year ended June 30, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

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The management of the City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- 1) Accounting Applications
 - a) Cash Receipts and Disbursements
 - b) Receivables and Billings
 - c) Accounts Payable and Purchasing
 - d) Payrolls
 - e) Property and Equipment

- 2) Controls Used in Administering Federal Programs
 - a) General Requirements
 - 1) Political Activity
 - 2) Davis-Bacon Act
 - 3) Civil Rights
 - 4) Cash Management
 - 5) Federal Financial Reports
 - 6) Allowable Costs
 - 7) Drug-Free Workplace
 - 8) Administrative Requirements

 - b) Specific Requirements

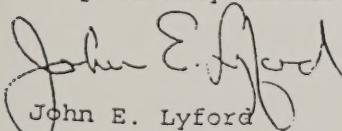
For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City in a separate letter dated August 12, 1994.

This report is intended for the information of management and State and Federal Audit Agencies. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



John E. Lyford
Certified Public Accountant
MASON + RICH PROFESSIONAL ASSOCIATION
Accountants and Auditors

OCT 10 2003

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MAYORS OF THE CITY OF BERLIN

The Honorable...

Henry F. Marston	1897 - 1899	Carl E. Morin	1943 - 1946
John B. Noyes	1899 - 1900	George E. Bell	1946 - 1947
Frank L. Wilson	1900 - 1901	Paul A. Toussaint	1947 - 1950
Fred M. Clement	1901 - 1902	Aime Tondreau	1959 - 1957
John B. Gilbert	1902 - 1905	Guy Fortier	1957 - 1958
George E. Hutchins	1905 - 1908	Laurier A. Lamontagne . . .	1958 - 1962
Fremont D. Bartlett	1908 - 1910	Edward L. Schuette	1962 - 1965
Daniel J. Daley	1910 - 1915	Dennis Kilbride	1965 - 1966
George F. Rich	1915 - 1919	Norman J. Tremaine	1966 - 1968
Eli J. King	1919 - 1924	Earl F. Gage	1968 - 1970
J.A. Vaillancourt	1924 - 1926	Norman J. Tremaine	1970 - 1972
Eli J. King	1926 - 1928	Sylvio J. Croteau	1972 - 1976
Edward R.B. McGee	1928 - 1931	Laurier A. Lamontagne . . .	1976 - 1978
W.E. Corbin	1931 - 1932	Leo G. Ouellet	1978 - 1982
O.J. Coulombe	1932 - 1934	Joseph J. Ottolini	1982 - 1986
Daniel J. Feindel	1934 - 1935	Roland W. Couture	1987 - 1990*
Arthur J. Bergeron	1935 - 1938	Willard Dube	1990 - 1990
Matthew J. Ryan	1938 - 1939	Leo G. Ouellet	1990 - 1994
Aime Tondreau	1939 - 1943	Yvonne Coulombe	1994 -

* DUE TO CHANGE IN ELECTION YEAR AND CHANGE IN DATE OATH OF OFFICE IS TAKEN AS OF 10/05/87

CITY MANAGERS OF THE CITY OF BERLIN

Stanley Judkins	1962 - 1966
Joseph Burke	1970 - 1973
James C. Smith	1973 - 1978
Michale L. Donovan	1978 - 1983
Mitchell A. Berkowitz	1983 -