

City of Berlin New Hampshire



Annual Report July 1, 2008 - June 30, 2009



Berlin City Council



Mayor
David Bertrand

Ward I
Timothy P. Donovan Sr.
Lucie Remillard

Ward II
Richard Lafleur
Thomas McCue

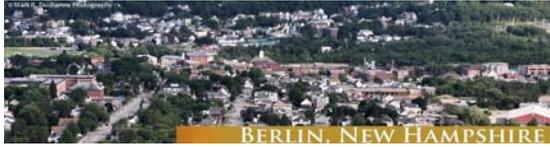
Ward III
Mark Evans
Ronald P. Goudreau

Ward IV
Timothy Cayer
David Poulin

CITY OFFICES	TEL.NUMBER	CONTACT
AIRPORT 800 E. Side River Rd, Milan, NH 03588	603-449-2168	Eric Kaminsky, Airport Manager airport@ncia.net
ASSESSOR'S 168 Main Street, Berlin, NH 03570	603-752-5245	Susan Warren, Assessor Supervisor assessor@berlinnh.gov
CITY CLERK 168 Main Street, Berlin, NH 03570	603-752-2340	Debra Patrick, City Clerk cityclerk@berlinnh.gov
CITY MANAGER 168 Main Street, Berlin, NH 03570	603-752-7532	Patrick MacQueen, City Manager city_manager@berlinnh.gov
COMMUNITY SERVICES DIVISION 168 Main Street, Berlin, NH 03570	603-752-1272	Laura Lee Viger, Community Services Director lviger@berlinnh.gov
HEALTH 168 Main Street, Berlin, NH 03570	603-752-1272	Yvette Leighton RN yleighton@berlinnh.gov
RECREATION 672 First Avenue, Berlin, NH 03570	603-752-2010	Terry Letarte tletarte@berlinnh.gov
WELFARE 168 Main Street, Berlin, NH 03750	603-752-2120	Angela Martin Giroux, Welfare Director amartin_giroux@berlinnh.gov
LIBRARY 270 Main Street, Berlin, NH 03570	603-752-5210	Denise Jensen, Head Librarian librarian@berlinnh.gov
ENGINEERING 168 Main Street, Berlin, NH 03570	603-752-8551	Michael Perreault, PW Director mperreault@berlinnh.gov
PUBLIC WORKS OFFICE 168 Main Street, Berlin, NH 03570	603-752-4450	
PUBLIC WORKS GARAGE 10 Jericho Road, Berlin, NH 03570	603-752-1460	Dan Belanger, PW Supervisor dbelanger@berlinnh.gov
FINANCE/COLLECTIONS 168 Main Street, Berlin, NH 03570	603-752-1610	Blandine Shallow, Finance Director bshallow@berlinnh.gov
FIRE DEPARTMENT 263 Main Street, Berlin, NH 03570	603-752-3135 EMERGENCY 911	Randall Trull, Fire Chief fire_chief@berlinnh.gov
INSPECTION DIVISION 260 Main Street, Berlin, NH 03570	603-752-1630	Joseph Martin, Code Enforcement Officer jmartin@berlinnh.gov
PLANNING 168 Main Street, Berlin, NH 03570	603-752-8587	Pamela Laflamme, City Planner plaflamme@berlinnh.gov
POLICE DEPT 135 Green Street, Berlin, NH 03570	603-752-3131 EMERGENCY 911	Peter Morency, Police Chief bpdchief@berlinpolice.com
SCHOOL DEPT 183 Hillside Ave., Berlin, NH 03570	603-752-6500	Corinne Cascadden, Superintendent ccascadden@sau3.org
WASTE WATER TREATMENT 10 Shelby Street, Berlin, NH 03570	603-752-8563	Henry Noel, Superintendent bpcf_supervisor@berlinnh.gov
WATER WORKS 55 Willow Street	603-752-1677	Roland Viens, Superintendent bww@ncia.net

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ASSESSORS

The Board of Assessors holds meetings on an as needed basis. All meetings are posted and the public is welcome to attend the open sessions. Some of the Board of Assessors' duties include maintaining property records, assuring that all taxable property are being accurately reported and properly assessed, reviewing applications for current use, yield tax, elderly and blind exemptions and veteran tax credit, as well as reviewing the sales study. The Board makes every attempt to stay informed of changes to the RSA laws that govern this office. We, the Berlin Board of Assessors, will continue to maintain our open door policy for taxpayers with questions or problems regarding assessments and assessment procedures.

Board members serve a three year term and are appointed by Mayor with City Council approval. Jonathan Edwards was reappointed in April 2009. He has been a faithful member of the Board since September 2005. Mr. Edwards is a local realtor and his experience and input have proven to be of great value to the Board. Mr. Edwards' term will expire on March 31, 2012.

Avitar remains the firm with which the City contracts for Assessor services. At this time they are in the fourth year of data review of the properties in the City. This is being done to ensure that all data and measurements are accurate. Avitar has been reviewing approximately 800 to 900 parcels, which are randomly selected by the computer. All corrections that Avitar employees note on the cards are done in-house and the process will be completed in 2010, at which time Avitar will conduct a full sales study, reestablish base rates for the different types of properties and update all records.

Every five years municipalities undergo an assessment review by the State of New

Hampshire, Department of Revenue Administration. The City of Berlin is scheduled for their next review in 2010. The municipality must meet criteria set by the Equalization Board and Assessing Standards Board regarding the annual sales study, as well as the practices of the Board of Assessors in dealing with exemptions, tax credits, current use and yield tax, to name but a few of the duties the Equalization Board & Assessing Standards Board review.

North American Dismantling had a minor lot line adjustment of the former Fraser NH LLC mill site. The lots from Community Street to Bridge Street were split. This created one lot with the old mill buildings and approximately 62 acres of land and a second lot with approximately 60 acres of land. The 62 acre parcel, along with the structures still remaining on the site, was sold to PJPD Holdings, LLC (Laidlaw). North American Dismantling still retains ownership of the remaining 60 acre parcel.

All deeds received from the Registry of Deeds in Lancaster, as well as subdivisions and lot mergers approved by the Planning Board, notices of demolitions and new construction, were sent to CGIS Mapping of Marion, MA, for updating of the City tax maps for changes that occurred prior to April 1, 2009. This is the second year CGIS has served the City in this capacity. Final maps will be printed and sent to us. These maps are used by this office, with copies given to various Departments. The maps are also available for public use and for all City Departments. The maps may also be found on the City web site at www.berlinnh.gov.

The Board of Assessors is committed to quality and excellence in government and will continue to respond to requests for changes that occur due to budgetary constraints, public need, and new legislation.

Sincerely,
BOARD OF ASSESSORS
ROBERT PELCHAT, CHAIRMAN
JONATHAN EDWARDS, MEMBER
PAUL CROTEAU, MEMBER



Aerial view of the Androscoggin River and Mt. Washington
Photo by Eric Kaminsky

**SUMMARY INVENTORY OF TAXABLE PROPERTY
APRIL 1, 2008 & APRIL 1, 2009**

	APRIL 1, 2008	APRIL 1, 2009
Land	\$ 55,463,951.	54,581,058.
Building	319,396,627.	316,972,465.
Public Utilities	101,103,600.*	115,982,400.*
GROSS VALUATION	475,964,178.	487,535,923.
Blind Exemptions	150,000.	150,000.
Elderly Exemptions	3,555,300.	3,123,400.
Improvement to Assist Persons w/Disabilities	28,936.	48,936.
Water/Air Poll. Cont. Exem.	3,310,500.	3,458,600.
TOTAL EXEMPTIONS	7,044,736.	6,780,936.
NET VALUATION W/UTILITIES	468,919,442.	480,754,987.

EXEMPTIONS GRANTED

TYPE	APRIL 1, 2008		APRIL 1, 2009	
	#	Tax Amount	#	Tax Amount
Elderly	115	106,019.	102	93,140.
Blind	10	4,473.	10	4,473.
Physically Handicap	4	863.	5	1,459.
Water/Air Poll. Cont.	1	98,719.	1	103,135.
Veterans	640	104,650.	617	100,650.

OTHER ACTIVITIES

TYPE	2007		2008	
Yield Tax	6	15,432.46	11	24,573.97
Excavation Tax	3	100.40	4	2,155.72
Property Transfers Processed	324		319	

*The State Education Tax rate for tax year 2009 per thousand is \$2.29, the town rate is \$17.41, the school rate is \$7.09, and the county rate is \$3.03 for a total tax rate of \$29.82 per thousand. Utilities valuations are **not** taxed locally for the State Education portion.

CITY CLERK'S DEPARTMENT

RESOLUTIONS

ELECTIONS

The City Clerk is responsible for the general conduct of elections. The following election statistics were recorded this year:

State Primary Election: September 9, 2008
13% Total City Voter Participation

Presidential General Election:
November 4, 2008 79% Total City Voter Participation

VITAL RECORDS

The following vital statistics were recorded:

YEARS	2006/07	2007/08	2008/09
Marriages	61	54	54
Civil Unions	N/A	1	3
Births	87	86	73
Deaths	129	118	144

ORDINANCES

The following Ordinances and Resolutions which govern city policy were passed:

2008

- 2008.07: No Action (Second Ave no parking)
- 2008.08: Standard/Devon Street Stop Sign
- 2008.09: Housing Authority Residency Requirement
- 2008.10: Blighted Vacant Buildings
- 2008.11: (revised) Ch 18, Citation Penalties
- 2008.12: No Parking Green/1st Ave; Green/2nd/Sessions
- 2008.13:(revised) Home Health Advisory Board
- 2008.14: Part. Tax Exempt New/Ind/Comm Construct.
- 2008.15: (revised) Taxicabs
- 2008.16: No Parking Hillside Ave. by Middle School

2009

- 2009.01: Trustees of Trust Funds
- 2009.02: Truck Routes
- 2009.03: No Parking 650-730 Main Street
- 2009.04: Handicap Parking 240 School St. (Sundays)
- 2009.05: No Parking 1203-1207 Main St

2008

- 2008.20: NH DOT Airport Grant (snow rem. Bldg)
- 2008.21: Sale of 383-385 Burgess St. \$3,000
- 2008.22: NCHC donates \$6,000 to Health Dept.
- 2008.23: Brownfields \$1,000,000 Grant
- 2008.24: PD \$2,152 Sobriety Checkpoint Grant
- 2008.25: Cleveland Bridge Landscaping \$1,950.
- 2008.26: Capital App. \$1,403,131.33 Carryover
- 2008.27: Firefighter USDA Rural Dev Grant \$27,300
- 2008.28: (R) Computer Procurement Standardization
- 2008.29: FY'08-09 budget grants
- 2008.30: BIDPA land sale \$302,000/ Berlin Falls Realty
- 2008.31: School Dept \$169,638 UFB new Cap. App
- 2008.32: Re-delineate aquifer @ Maynesboro Ind. Park
- 2008.33: Update City Multi-Hazard Mit. Plan (\$5,000)
- 2008.34: PD 1stLine Sup. Course Grant app. \$3,000
- 2008.35: PD additional budget appropriation/OT
- 2008.36: 2% Primex Health Ins. Discount Program

2009

- 2009.01: NHC DFA-NSP \$2,760,893 grant app.
- 2009.02: Rotary Park Boat Launch Grant app.
- 2009.03: Airport Tillotson Grant app. \$6,269.
- 2009.04: ATV Trail Devel. \$40,000 DRED app.
- 2009.05: School Fund10 Federal Program Revised
- 2009.06: RCDI \$12,199 IT Infrastructure Account
- 2009.07: Transfer funds to new Cap. Improve Accounts
- 2009.08: District Court Lease with State of NH
- 2009.09: Elderly Exemptions Amended
- 2009.10: Water System Improve \$3,000,000 Bond
- 2009.11: FAA \$255,000 Grant app. For front end loader
- 2009.12: PD Underage Drinking DOJ Grant App.
- 2009.13: PD OHRV Grant Application
- 2009.14: PD Highway Safety Project Grant App.
- 2009.15: USDA Firefighter Equipment Grant App.
- 2009.16: NHC DFA-NSP Grant App. (foreclosures)
- 2009.17: 411&412 School St (NDHS) sold to D. Willis
- 2009.18: Tillotson \$500 Grant for RiverFire
- 2009.19: PD SMART Radar Trailer \$4,260 Grant
- 2009.20: PD DWI Hunter Patrols \$1,746 Grant
- 2009.21: Godfrey Dam Consultant Services Grant
- 2009.22: School Fund10 Federal Program Revised
- 2009.23: FY 2010 Budget
- 2009.24: HUD \$285,000 Dilapidated Bldgs. Grant App.

Respectfully submitted,
Debra A. Patrick, CMC
BerlinCity Clerk

Housing Coordinator

2009 Annual Report

Fiscal Year (FY) 2009 was a year of long awaited expectations and fulfillment. During the last several years as the City developed and carried out its housing strategy, the City garnered recognition from several state and federal agencies for its proactive approach and its willingness to tackle the blighted housing issue and to use taxpayer dollars to remove some of the most blighted and fire damaged structures. The City's expenditure of approximately \$600,000 over the last 5 years has paid off with the City having competed for and received \$5,300,000 in grants. The monies will be used to continue the removal of blighted and fire damaged buildings, the rehabilitation of targeted neighborhood buildings in cooperation with a private developer (TKB Properties, LLC) and the continuation of the Berlin Neighborhood Revitalization Project where monies are used to assist low income individuals and families in addressing safety and energy issues within their homes.



Main Street



Watson Street

While there were few demolitions in FY 2009, two strategic demolitions that did take place were the demolition of a donated building south of the library which was turned into a courtyard and the demolition of a tax deeded property next to the Watson Street pump station which will allow for the unimpeded growth of the station.

In closing, FY 2009 has laid the foundation to a very busy FY 2010 where the fruits of the behind the scenes work done to compete for the aforementioned \$5,300,000 will be seen by the general public in houses being rehabilitated, low/fixed income citizens will be helped with their homes and more blighted and burned buildings will be removed from the housing stock therefore creating better neighborhoods and a more positive sense of community.

Respectfully Submitted,

Andre Caren

Housing Coordinator

RECREATION & PARKS DEPARTMENT

The Recreation and Parks Department offers quality recreational programs to the community. A four season recreation program is offered to the community funded by a combination of municipal dollars, grants and community contributions, as well as user fees. We offer a broad range of programs with children and adults in mind. Costs of our programs are designed to be family friendly. Our schedule is planned around the schedules of busy working families.

Some interesting hallmarks of our program year included:

THE CLi'F Summer Reading Program

Berlin Recreation & Parks Department
and the
Children's Literary Foundation of
Vermont & New Hampshire

Invite You to Story Time

and Free Book Give Away

Thursday, July 12

9:00 Brown School - Inside,
10:00 Bartlett School - Inside,
1:00 Brookside Park - Outside,
1:00 Community - Outside

Call 752-2010 for more information

Open to All Area Children



The Children's Literary Foundation Summer Readers Program will be back visiting the Berlin Recreation & Parks Playground program. This very popular program is returning to Berlin and visited Brookside and Community Playground, in July 2009. CLiF's Summer Program was created to help keep reading a part of children's activities over the summer months. The program

provides lively storytelling presentations and free books to children in various summer programs across Vermont and New Hampshire, including to those children participating in the Berlin Recreation and Parks Department Summer Activities Program

The CLiF Program included;

Storytelling Presentation: A CLiF representative traveled to Berlin and presented a fun, interactive storytelling production to the children.

Books for Children to Keep: Each child who attended the program was able to select a few new books to keep for their own from a wide selection of brand-new fiction and non-fiction children's books.

Approximately 50 children attended and enjoyed a funny and active storytelling hour.

USDA Summer Food Program

The Berlin Recreation & Parks Department contributed so that no children in the City of Berlin would go hungry when school was closed during the summer. Many children in Berlin receive free or reduced-price meals during the school year, but many of these children do not get enough to eat when school is out. The Summer Food Service Program (SFSP) ensures that children continue to grow during the summer. This program provided noon time lunches and afternoon snacks to all area children free of charge. This program was open to all children in the community regardless of income level. Meals were served to all school age children and youth up to age 18.

Lunch consisted of a nutritious sandwich or cold lunch item, dessert, and milk. Mid afternoon snacks were fruit or a light snack

with beverage and were served at approximately 2:30. All meals highlighted wholesome and nutritious food. Meals were provided Monday through Friday at Brown School, Bartlett School, Community Field, and Brookside Park playgrounds.

The Summer Food Service Program is sponsored by the U.S. Department of Agriculture, is the largest federal resource available for local programs that combine meal time with recreational and educational activities. The Summer Food Service Program for Children is a federally funded program operated nationally by the U.S. Department of Agriculture (USDA) and administered by a State Agency. Eligible sponsors such as non-profit organizations, schools and local governments serve nutritious meals and snacks free to children during the summer months.

The USDA Summer Free Meal Program is a community program open to all school aged children, teens included, providing nutritional summer meals to children regardless of race, color, nationality, origin, sex, age, or disability. All children receive the same meal benefit and there is no discrimination in operation of the food service. Children with food allergies should tell meal attendants prior to receiving meal.

The Summer Food Program was sponsored by the Berlin Recreation & Parks Department in partnership with Tri - County CAP Senior Center and the USDA.

Departmental Programs

RiverFire 2008
Tennis Beginner Baseball
K-4 Basketball Camp
Farm League Baseball
Student Craft Program
Adult Craft Program

After School Craft Program
Girl's Softball
Babe Ruth Baseball
Little Tykes Play Program
K-1 Soccer
2nd-3th Soccer
Craft the Month
Special Events
Open Gym Program
Indoor Jogging Program
Community Yard Sale
Easter Egg Hunt
Gazebo Rentals
Senior Exercise
Cosmic Bowling
Boys Hockey
Girls Hockey
Glen Ave Gazebo Rentals
Snowboard/Ski Program
Gym Rentals
Senior Walking

Approximately 4,800 participants enjoyed department programs.



Bridger Viger on the "Curvy Slide" at Community Field (Laura Viger photo)

Maintenance & Parks Services

The maintenance division of the department continued to provide year round services to the properties of the department as well as other city and community properties. Parks and playgrounds, athletic fields, and a large variety of municipal land is maintained by the Recreation Department.

Inter-Departmental

City Hall – Plowing and Shovelng
Library – Plowing and Shovelng, Mowing
Police Department – Plowing
District Court – Plowing
Bartlett School Playground – Mowing
School Playground Equipment -
Maintenance/Replacement
School Athletic Field Maintenance & Game
Preparation

Outside Agency Support

Main Street Support - Each year the Main Street Program receives maintenance support from the Recreation Department for:

Road Rally
Thunder in the Mountains
Drive in the '50s
PSNH Park Noon Concert
Downtown Christmas
Flower Boxes

Northern Forest Heritage Park/Rotary Park

The recreation maintenance crew mows Rotary Park annually. The crew also plows and shovels entries at the Heritage Park/ Brown House property annually.

Relay for Life - The maintenance staff assist in the setup of the Relay for Life. We provide man power and various site amenities like staging, tables, etc.

Will O'Brien and the Garden Club

Continuing this year are the special gardens throughout the city maintained by Will O'Brien's, clients from the Community Service Center and the local garden club.



Beautiful gardens are located and maintained by Will and his group at the Voudoukis Park, the Library, Memorial Field and notably the Botanical Garden on Unity Street.

Respectfully Submitted,
Laura Viger
Community Services Director

COMMUNITY SERVICES DIVISION

**PUBLIC HEALTH &
HOME HEALTH NURSING SERVICES**

EMERGENCY MANAGEMENT

Public Health Services

In an effort to keep our department current with public health trends and needs the Public Health services offered through the department were in keeping with the ten primary public health goals:

1. **Prevent** public health problems
2. **Protect** the public from health problems
3. **Promote** healthy behaviors
4. **Monitor** health status
5. **Mobilize** community action when needed
6. **Respond** to disasters
7. **Assure** quality medical care
8. **Reach Out** to the community
9. **Research** new ideas and insights
10. **Lead** in the development of sound health practices

Health Officer

The health officer executed numerous housing, restaurant and other health related inspections during the year. Inspections also included foster care, school, and day care inspections. Many inspections are required by law, while some were prompted by citizen complaints. Inspections are provided to protect citizens, business owners, building tenants and others from the danger caused when sanitary, healthy services and conditions are not met.

Home Health Nursing

The Home Health Visiting Nurse Program services were provided to residents of Berlin, Milan, Gorham, Shelburne, and



Randolph. Home Health Nursing provides individuals with skilled nursing services in occupational, physical and speech therapy

as well as home health aide assistance in their homes. The Home Health Program provides services to private pay patients, Medicare, Medicaid and private insurance patients. Home Health services allow patients to stay in their homes with dignity and family support while receiving quality medical support.

HOME HEALTH SERVICES	
Home Health Patients	151
Home Health Skilled Nurses Visits	3568
Physical Therapy Visits	362
Occupational Therapy Visits	126
Home Health Aide Visits	1656
Homemaker Services	50
Speech Therapy	93

Public Health Clinic



Berlin continues to be one of the few communities to continue to have a Public Health Clinic which provides preventative clinics and preventative behaviors. On a daily basis citizens can come to our Main Street offices for assistance from a nurse. This service provides basic health information and testing services on a walk in basis. Citizens can monitor basic health conditions at a reasonable cost to compliment their doctor visits and orders. Our nurses also do on-site business clinics.

Typical clinics include blood pressure monitoring, blood sugar monitoring, foot clinics, flu vaccination clinics and other preventative services. These clinics are done in our office as well as at community settings such as Issacson Structural Steel, Northern Lights Housing and WalMart.

Method of Payment	Patients	Visits
Private Pay	253	257
Medicare	105	195
NC – Out Patient	42	111
NC- Preschool	8	8
NC-Other/Schools	202	209
NC-Adults	16	19
NC – Other	255	392

*NC = No Charge

Public Health Nursing Services

Service	Participants
WalMart Blood Pressure Clinics	210
Flu Vaccination	708
Public Cholesterol Clinics	194
ISSI Flu Clinic	86
Head Checks	249
Pneumonia Vaccination	3
Hepatitis B	1
Mantoux (TB) Testing	255
In – Office Foot Clinic	185
Northern Light Foot Clinic	15
St. Regis On Site Clinics	135
Diabetic Screening	125
Holiday Center On Site Clinics	103
Gorham Resource Center Clinics	173

Emergency Management



The Health Officer, in her role as Emergency Management Director continued to work with the city, region and State to prepare for emergencies

that could affect our citizens. Public health emergencies were the primary thrust of our planning. Avian Flu, SARS, and Swine Flu were all conditions of note in these planning efforts.

The Health Officer also led a staff committee that updated the City Emergency Operations Plan and Hazard Mitigation Plan.



LIBRARY

The Berlin Public Library provides an organized collection of books and related materials for both educational and recreational use. Computers with Internet access, local newspapers on microfilm, audio books, and movie collection are all available to the community. Patrons, with library cards in good standing, have access to interlibrary materials from NH libraries belonging to the NHAIS network which is maintained by the New Hampshire State Library. Fax and copier services are available for a small fee.

In the spring of the 2009 Fiscal Year further budget cuts were needed from city departments. The library's book budget took a major cut as well as supplies, and building maintenance. Some cost cutting changes were made such as changing our Internet service from broadband to DSL, dropping some magazine and newspaper subscriptions, and not updating some of our reference collection and other book buying.

Painting of the trim on the south side of the building was completed. Demolition of the donated building to the south of the library began and was completed by the end of June 2009. Children's Librarian Kathy Godin welcomes the new "courtyard" space for children's activities for her department.

The Children's 2008 Summer Reading Program theme was "G'day for a Reading". The program was made possible by a grant from The NH State Library, the Byrne Foundation, CHILIS, and the Cogswell Benevolent Trust. Wildlife Encounters Traveling Zoo was the kickoff program, held at the Recreation Dept., attracting 146 children and 103 adults. In addition to the weekly programs held at the library, there were two special outings to the Fire

Department as well as National Forest Service Rangers who presented an animal program.



Wildlife Encounters Traveling Zoo

A closing party for the summer reading program included Clif Storyteller at the Community Field Park. In total, 748 books were read. Other children counted chapters (346 total) and others counted how many minutes they read (5,220 minutes total). There were 16 programs, with 477 children and 264 adults in attendance.

The weekly Story Hour for young children returned in September and lasted until June serving 188 children and 253 adults. Fall 2008 School Tours brought a total of 299 children and 34 adults to visit the Children's Department.



"G'Day for a Reading" Summer Reading Program

**BERLIN PUBLIC LIBRARY
JULY 1, 2008 THROUGH JUNE 30, 2009**

TOPICS	ADULT	JUVE-NILE	TOTAL
000 - Generalities	46	20	66
100 - Philosophy	132	21	153
200 - Religion	76	10	86
300 - Social Science	421	155	576
400 - Language	25	46	71
500 - Pure Science	90	386	476
600 - Technology	546	257	803
700 - The Arts	221	463	684
800 - Literature	132	63	195
900 - Geography & History	255	97	352
910 - Travel	68	7	75
BIO - Biography	244	76	320
FIC - Fiction	7,651	6,265	13,916
MAG - Periodical	875	39	914
DVD - Movies	8,669	0	8,669
VHS - Movies	2,428	0	2,428
AC - Audio Books	4,575	40	4,615
CD - Compact Disk Music	11	1	12
PKB - Paperbacks	272	0	272
TOTALS	26,465	7,946	34,411

Walk in Patrons	21799	9444	31,243
Phone Inquiries	2726		2,726
Computer Users	5023	1240	6,263
Copier Patrons	914		914
Fax Patrons	189	0	189

Interlibrary Loaned	1084		1,084
Interlibrary Borrowed	367		367

A grant from the New Hampshire Humanities Council made it possible for the Berlin Public Library in conjunction with the White Mountains Community College to hold two series of book discussions at the Fortier Library. The fall 2008 series, entitled "Paint, Marble, Words: Fiction &

Art" focused on art and literature. The four book discussions featured Ingrid Graff and Frumie Selchen as the discussion leaders as well as a lecture on Vermeer by David Smith. The spring 2009 series entitled "Yankee Crime" featured four book discussions focusing on New England crime mysteries. Discussion leaders were Craig Doherty, Marion Schafer and Frumie Selchen. Books for these discussions were available at both libraries during the program periods and open to the public at no charge.

In the spring, book records were downloaded into the library software for the automation project. This was a major step towards automation. The project of putting barcodes on all library materials began. This is estimated to take several years to complete.

November 2008 saw the resignation of longtime Trustee Harold Nelson due to relocation. Mr. Nelson was a dedicated trustee for 19 years. We miss his frequent visits. We send a sincere thank you to Mr. Nelson for all his dedicated service to the library and community. Mr. Paul Cusson was appointed by the City Council to serve the remainder of the Trustee term.

The Staff at the Berlin Public Library appreciate and thank the community for their continued support and invite all to come in and make use of the valuable resources available at the library.

Respectfully Submitted,

Denise Jensen

Library Director

WELFARE DEPARTMENT

All cities and towns in the State of New Hampshire are required under RSA 165:1-b to assist those who are poor and unable to support themselves. The Welfare Department balances this requirement with its responsibility to the tax payers. The City has guidelines that help meet its fiscal responsibility and stay within the guiding State laws. Our guidelines explain in detail the laws surrounding welfare, what assistance is offered, what assistance is not offered, what factors are used to determine eligibility, what the client must be responsible for, and the formula used to determine the amount of eligibility. If basic needs are more than income/assets, then assistance is issued for the difference. If the recipient owns property, a lien is placed on said property. After one year, interest is accrued at a rate of 6%. If the individual is physically/psychologically able to work, they must complete a job search as well as work on the work program as a means to pay off the assistance issued. Assistance is in voucher form. No monies are paid out to clients, just to the vendor. If the vendor is a landlord who owes back taxes, water or sewer bills to the city, the money is paid to these bills. In FY 2008-2009 87 unduplicated cases were assisted. Another 104 individuals were interviewed but not assisted for various reasons. A total of \$44,126 was paid out in direct assistance to needy families. A total of 1,367 office contacts were made by people in the community in FY 2008-2009.

As mentioned above, if the recipient is physically and psychologically able to work they are required to work on the work program in return for the assistance. In FY 2008-2009 1,250.78 hours were worked on the work program. Individuals are

scheduled to work at various city offices and at social service agencies in the community.

The breakdown of City assistance was:

Type of Assistance	# of Families	# of Vouchers issued	Total Value Of Direct Assistance
Rent/Mortgage	45	201	\$21,038.94
Electricity	37	206	\$3,372.68
Personal/house hold need, Diapers, Food	66	424	\$6,176.33
Bus Ticket	1	1	\$26.50
Cremation or Burial	2	2	\$1,500.00
Oil	5	6	\$1,993.13
Phone for Medical Reasons	0	0	\$0.00
Medical	20	25	\$5,310.02
Shelter due to homelessness	5	8	\$843.57
Property Tax	1	1	\$2,879.75
Water	2	2	\$985.11
Totals		876	\$44,126.03

This is an opportunity for many people to have something new to put on a resume as a skill and often times will give them someone to list as a reference. Forty-four individuals worked on the work program. The hours worked on the work program translate into \$9,068.16 in reimbursement through working. Another \$19,432.02 was collected in reimbursement through sources such as client pay, collection of the liens, Medicaid reimbursement, and Social Security reimbursement).

Those who receive assistance are required to apply to any other agency or program that could help alleviate the need either this once or for the long term. If someone fails to follow through with applying for those services they are informed to apply for, fail to work the work program hours or fail to complete a job search or fail to provide

material on their finances as requested, they can be sanctioned. The first sanction is for seven days and until they comply and if there is a second sanction within six months they are sanctioned for 14 days and until they come into compliance.

The Welfare Department works closely with Federal, State, and non-profit agencies to help serve those in need and we thank all of the individuals and organizations whose skills and efforts combine with ours to meet the needs in our community.

The following are resources that may be useful:

Assistance Resources

Agency	Address	Telephone	Hours	Services
CAP Fuel Assistance	55 Maynesboro Street	752-3248	8-12; 1-4	Assistance with fuel, weatherization and electric discount program. Food pantry is also available
NH Division of Adult & Elderly Services	231 Main Street	752-7800	8-3:00	For HHS clientele; possible source of one time oil assistance
NH Division of Family Assistance	231 Main Street	752-7800	8-3:00	For FAP or TANF clientele; possible source of emergency assistance with oil, electric, back rent to prevent eviction. Source for food stamp application and Medicaid application.
www.citizensenergy.com	Internet Access is available at the Berlin Public Library			Possible source for 100 gallons of oil if eligibility is met.
City Welfare – Berlin	168 Main Street	752-2120	8-12; 1-4	Assistance with basic needs such as heat, electricity.
WIC	54 Willow Street	752-4678		Help with formula or other nutritious food while pregnant, post partum and until age 5
Coos County Family Health	133 Pleasant Street	752-2040		Medication bridges available for help with free or reduced cost medications for those with no insurance or low income. By appt.
Salvation Army	15 Cole Street	752-1644		Food pantry and Friendly Kitchen; winter coat program; Christmas Program for children, thrift store
Ecumenical Food Pantry	612 Hillsboro Street	752-4844	W&F 2:30-4	
Service Link		1-866-634-9412		Referrals for elderly & disabled clientele to other agencies for possible assistance.

Respectfully Submitted,

Angela Martin-Giroux
Administrator of Welfare



POLICE DEPARTMENT

The mission of the Berlin Police Department is to protect the lives and property of the citizens of the community, consistent with the Constitution of the United States. We continue to serve the community in a way that reflects the morality, beliefs, and customs of the citizenry we serve.

Throughout the year, as past goals are met and new ones are established, we continue to strive to accomplish and maintain our objectives. The department continues to see improvement in achieving its goal of becoming a more pro-active agency. Officers have made great strides in improving communication with Berlin's citizens both in an on- and off-duty capacity, and through the combined efforts of the officers and the citizens Berlin has become a safer place to live.

Police Commission: Commissioner Jim Wagner stepped down from his position, having served the community well in this capacity for more than seven years. He was replaced by Gerard Nault.

Awards: Lt. Brad Supry and Sgt. Donald Gendron were presented with the Congressional Law Enforcement Awards, and presentations by Senator Sununu also recognized Lt. Supry, Lt. Richard McClure, and Cpl. Kerry Theriault for their life-saving efforts executed during a fire.

Grants: The department continues to actively pursue State and Federal grants to assist its operations and City of Berlin. Extra enforcement in bicycle, speed, red light running, and DWI enforcement patrols were again conducted this year with the assistance of NH Highway Safety grants; Highway Safety funding also provided for a new radar cart. Grants through the NH Department of Fish & Game are limited but continue to assist with OHRV enforcement, and funding from the Attorney General's Office for underage drinking patrols continues to prove critical to the development and education of youth in our community. Grants received from the NH Police Standards & Training Council allowed for three officers to attend Command Training at Roger

Williams University, bringing the department up to date with command-level training.

Cop Shoppe: The Berlin Police Department Cop Shoppe was created through the combined efforts of Berlin's dispatchers and officers, in an effort to raise money to assist local families experiencing hardships. The Cop Shoppe expanded its attendance at functions from its first event of Thunder in the Mountains to the Parade of Lights, Drive-In the 50's, and the lumberjack competitions. The concept peaked the interest of local, state, and national news agencies as well. The Cop Shoppe has generated positive feedback from the community as well as from everyone involved.

Certifications/Promotions: Officer Brad Willey underwent intense drug recognition training this year and is now one of only a handful of Drug Recognition Experts (DREs) in the state. Lead Investigator Richard Plourde was certified as a nationally accredited polygraphist, and Sgt. Richard McClure promoted to the rank of lieutenant.

OHRV Trails: The department continues to work with the Berlin City Council, Bureau of Trails, and NH Fish & Game to enhance the operations of OHRVs within the city; it has also been involved in the development of an east-west trail to connect the Jericho Lake trail system to Success Pond's. The department has embraced the new trail system while maintaining the priority of public safety as being of utmost importance.

Milan: The Berlin Police Department continues to provide twenty-four hour law enforcement coverage to the Town of Milan. This service comes at no cost to the citizens of Berlin, nor does it compromise the safety or security of Berlin's citizens. The department continues to receive positive feedback from Milan residents

New Schedule: The patrol division now operates on a 12-hour shift schedule. The implementation of this new schedule allows for the availability of more officers for call outs, better coverage, and improvements in case follow-up. This is a new schedule which continues to be monitored on a temporary basis.

* * *

The officers at the Police Department continue to render their services with professionalism and dedication to the citizens of Berlin. Through hard work, perseverance, and dedication, in conjunction with the support of the public, the department has been able to reduce the crime rate in several areas. Only through this partnership can we collectively continue to make this community safer.

STATISTICS July 2008-June 2009

CALLS FOR SERVICE	18,302
911 CALLS	654
911 HANG-UP CALLS	289
ASSIST AMBULANCE SERVICE	918
ASSIST OTHER CITY DEPARTMENTS	374
CALLS FOR SERVICE – MILAN	573
ARRESTS	730
ARREST OFFENSES	669
DOMESTIC VIOLENCE ARRESTS	48
JUVENILE ARRESTS	76
JUVENILE PETITIONS	81
INCIDENT REPORTS	593
INCIDENT OFFENSES	1,352
INCIDENTS: PEOPLE INJURED	85
DOMESTIC VIOLENCE INCIDENTS	44
FELONIES	159
MOTOR VEHICLE STOPS	2,466
MOTOR VEHICLE WARNINGS	1,687
MOTOR VEHICLE VIOLATIONS	330
ACCIDENT REPORTS	254
INTERSECTION-RELATED ACCIDENTS	63
DWI ACCIDENTS	4
FATAL ACCIDENTS	0
PARKING TICKETS	619
DOG COMPLAINTS	483
ANIMAL COMPLAINTS (OTHER)	241

Respectfully submitted,
Peter Morency
 Chief of Police

“BERLIN - The City That Trees Built”



From: <http://beyondbrownpaper.plymouth.edu/item/52>



<http://beyondbrownpaper.plymouth.edu/item/103>

BERLIN HOUSING AUTHORITY

Berlin Housing Authority would like to provide a snapshot of our ties to the community for the year ending 6/30/2009.

We received \$88,000 of the American Recovery and Reinvestment Act (ARRA) funds and channeled these dollars into a \$240,000 roofing and siding upgrade; \$22,000 of that figure was for energy improvements. Seven residential units were improved for 55 residents. Berlin Housing Authority also received a Capital Fund Grant that was applied to this project.

BHA will receive a second ARRA grant of \$165,000 for accessibility upgrades. This was the only one of its type received in NH.

We are the managing agent for St Regis House, Lancaster, and Northumberland Housing Authorities. Separate from this we are responsible for 382 units of housing in Berlin. All units at St Regis and Public Housing are rented or in the process of being rented.

When no one stepped forward to assist with the relocation segment of the Neighborhood Stabilization Program, BHA was approached by André Caron and readily accepted this new challenge. We will also be doing the income monitoring for this \$4.3 million grant.

The Housing Choice Voucher Program has seen heavy use due to a number of factors. As jobs become scarce, income decreases and the housing assistance payment increases. People understand the value of the voucher and in tough times do not move as much. Rents increased last year due to the

threat of high oil prices. While the oil prices actually decreased during the winter, many landlords were locked in at a higher rate. All these events combined to make a perfect storm of increasing rents with a flat subsidy. We are hoping to see more equilibrium in the upcoming year in terms of subsidy versus payments to landlords.

BHA is happy to report a potential buyer for the house on 74 Maynesboro St. and will happily announce a buyer as soon as a contract is finalized.

We thank the City of Berlin for taking care of the streets, garbage pickup and all the services that they provide to keep our residents safe as they walk the streets on their daily errands.

A. UTILIZATION OF ASSISTED HOUSING PROGRAMS AT JUNE 30, 2009 (in number of units)

	Units Allocated	Units Under Lease
Public Housing	55	55
St. Regis House	42	42
Vouchers	285	276
TOTAL	382	373

Utilization on June 30, 2009 was 100%. Average voucher utilization for the prior calendar year was 96%

B. Public Housing and St. Regis House turnover in 2009

	Units in 2009	Units in 2008	Units in 2007
Public Housing	14	11	13
St. Regis House	3	4	4

Berlin Housing Authority
Combined Balance Sheet

	<u>June 30,</u> <u>2007</u>	<u>June 30,</u> <u>2008</u>	<u>June 30,</u> <u>2009</u>
ASSETS			
Cash	\$ 138,257	\$ 314,201	\$ 334,270
Security Deposits	15,515	15,926	16,532
Accounts Receivable	1,967	1,998	5,528
Investments	324,818	195,013	198,469
Prepaid Insurance	9,765	8,909	8,438
Accrued Interest Receivable	2,323	1,562	5,038
Capital Assets (Net)	762,828	775,196	716,486
Other Assets	-	99,275	103,352
TOTAL ASSETS	\$ 1,255,473	\$ 1,412,080	\$ 1,388,113
LIABILITIES			
Accounts Payable	21,074	22,260	24,950
Accounts Payable-HUD PHA Programs	-	-	-
Other Liabilities	31,586	104,206	104,584
TOTAL LIABILITIES	52,660	126,466	129,534
EQUITY/NET ASSETS			
Invested in Capital Assets, Net of Related Debt	762,828	775,196	716,486
Restricted Net Assets	42,355	115,629	79,714
Unrestricted Net Assets	397,630	394,789	462,379
TOTAL EQUITY/NET ASSETS	1,202,813	1,285,614	1,258,579
TOTAL LIABILITIES AND EQUITY/NET ASSETS	\$ 1,255,473	\$ 1,412,080	\$ 1,388,113
<u>COMPONENTS OF TOTAL EQUITY/NET ASSETS</u>			
<u>Liquid Equity:</u>			
Cash	\$ 138,257	\$ 314,201	\$ 334,270
Investments	324,818	195,013	198,469
Other working capital components	(23,090)	1,204	9,354
Net Liquid Equity	439,985	510,418	542,093
<u>Non Liquid Equity:</u>			
Land, Structures, and Equipment	762,828	775,196	716,486
Other Assets	-	-	-
Total Non Liquid Equity	762,828	775,196	716,486
Total Equity/Net Assets	\$ 1,202,813	\$ 1,285,614	\$ 1,258,579
<u>Changes in Equity-Year ended 6/30/08</u>			
Equity, 6/30/08	\$ 1,285,614		
Prior year audit adjustments	-		
Net Income (Loss) from Operations:			
Public Housing	(9,066)		
All other programs	(17,969)		
Equity, 6/30/09	\$ 1,258,579		
<u>Public Housing Portion of Equity</u>			
Public Housing	\$ 1,008,403		
All other programs	250,176		
Total Equity	\$ 1,258,579		

NOTE-Public Housing funds can only be used for Public Housing related improvements or expenditures. Public Housing capital expenditures must have HUD approval.

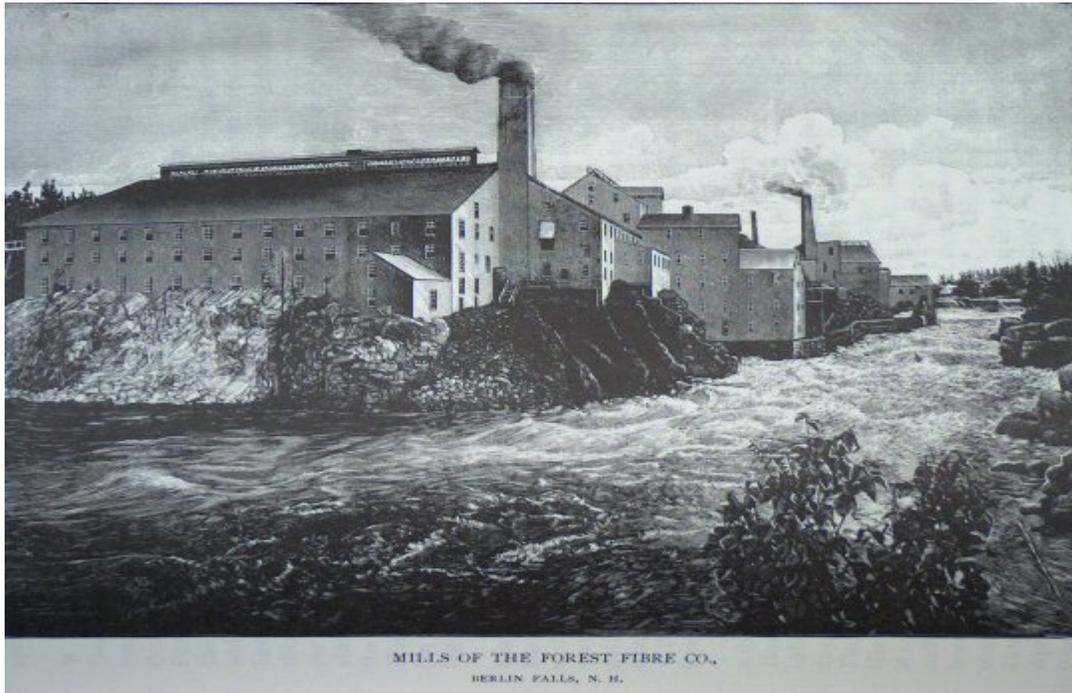
Net Income (Loss) from Operations:

Public Housing	(9,066)
All other programs	(17,969)
Equity, 6/30/09	<u>\$ 1,258,579</u>

Public Housing Portion of Equity

Public Housing	\$ 1,008,403
All other programs	250,176
Total Equity	<u>\$ 1,258,579</u>

NOTE-Public Housing funds can only be used for Public Housing related improvements or expenditures. Public Housing capital expenditures must have HUD approval.



The Forest Fibre Company erected its first mill in 1877 and the second in 1880. The first chemical pulp mill in Berlin was Mill A which started in July, 1877, with a production of three tons of soda pulp a day. It was managed by H. H. Furbish, who had spent some six years in experimenting with the product which had been made in Pennsylvania for some years previously. The capacity was soon increased to six tons. In 1880 Mill B was built, which ultimately had a production of twenty-five tons a day, such was considered to be a stupendous amount under conditions as they then existed in America. Soda pulp from poplar proved to have serious limitations as compared with sulphite pulp, and the mill ceased active operations in the early nineties.

PLANNING DEPARTMENT

This past year saw the completion of many ongoing projects for the Planning Department and Board. Final approvals were received for two new housing subdivisions and site plan approvals were granted to Jericho Mountain Wind Company and Clean Power Development LLC. The Planning Board spent a considerable amount of time on these and smaller projects and has started the review of a third housing subdivision which calls for approximately 45 new parcels of land adjacent to the White Mountain National Forest and Jericho Mountain State Park. The Zoning Ordinance for the City was also revised and approved by both the Planning Board and City Council.

The City continued its work with Jeffrey H Taylor & Associates on revising the City's Master Plan. A considerable amount of time was spent on developing objectives and goals for economic development. Community participation and involvement throughout the project from our residents is critical to the success of this plan. Any member of the community who wishes to participate is welcome. Meetings continue to be advertised and are open to the public. The plan is hoped to be completed in early 2010.

Berlin Industrial Development and Park Authority (BIDPA) has had a very active year. The board has taken a very active role in downtown development after acquiring the former Rite-Aid building through a donation from the property owner. An architect has been hired to help the board ready the building for lease or sale. The members of the board have been extremely involved in all aspects of the redevelopment and have been very active in several different economic initiatives throughout Berlin

including the City's Master Plan.

Any citizen wishing to participate can come forward to volunteer for one of the many boards in the community. The Planning Department is home to the Planning Board, Zoning Board of Adjustment, and the Berlin Industrial Development and Park Authority. All three boards encourage citizen involvement and welcome the community to participate or observe during their meetings. Visit the City's website regularly for information about our meetings.

Respectfully submitted,

Pamela E Laflamme

Pamela E Laflamme
City Planner

Zoning/Code Enforcement Officer:
Joseph Martin

Planning Board Chair: Francoise Cusson

Zoning Board Chair: Harold Bigelow

BIDPA Chair: Richard Huot



TAX COLLECTOR'S REPORT
Fiscal Year Ended June 30, 2009

Debits:	2009 Levy	2008 Levy
Uncollected Taxes - Beginning of Year:		
Property Taxes		1,560,259
Land Use Change Tax		-
Yield Taxes		
Utility Charges		283,601
Uncommitted Taxes		252
 Taxes Committed:		
Property Taxes	6,803,004	6,902,735
Uncommitted Taxes	-	2,684
Land Use Change Penalties	-	2,800
Yield Taxes	-	24,918
Excavation Activity Tax		2,156
Utility Charges		1,534,764
Uncommitted Utility Charges		2,684
 Overpayment:		
Property Taxes		
Interest - Late Tax		83,392
Interest - Late Sewer		13,122
Total Debits	6,803,004	10,413,368

Credits:	2009 Levy	2008 Levy
Remitted to the Treasurer:		
Property Taxes	5,191,328	7,686,745
Land Use Change Penalties		2,800
Yield Taxes	-	24,574
Excavation Activity Tax		2,156
Interest		96,514
Utility Charges		1,374,219
Conversion to Liens		816,905
Uncommitted Taxes		1,700
Uncommitted Utility Charges		1,862
 Abatements made:		
Property Taxes	3,392	59,459
Land Use Change		-
Yield Taxes		-
Utility Charges		4,928
Uncommitted Taxes		-
Current Levy Deeded		-
 Uncollected Taxes - End of Year:		
Property Taxes	1,608,284	-
Yield Taxes		344
Utility Charges		339,104
Uncommitted Utility Charges	-	1,075
Uncommitted Property Taxes	-	1,452
Land Use Change Tax		-
Total Credits	6,803,004	10,413,836

TAX COLLECTOR'S REPORT
Fiscal Year Ended June 30, 2009

Debits:	2008 Levy	2007 Levy	2006 Levy	2005 Levy
Unredeemed Liens Balance at Beg. of Fiscal Year:		539,908	244,543	42,650
Liens Executed during Fiscal Year	879,509	-		
RSA 155-B Lien Executed	95,886			
Interest & costs Collected after Lien	12,626	51,340	75,336	-
Total Debits	988,021	591,248	319,879	42,650

Credits:	2008 Levy	2007 Levy	2006 Levy	2005 Levy
Remitted to Treasurer:				
Redemptions	295,318	214,876	197,601	-
Interest & Costs Collected after Lien	12,626	51,340	75,336	-
RSA Liens/Deferrals	6,217	805	1,342	
Abatement of Unredeemed Taxes	429			-
Liens Deeded to Municipality	77,512	36,217	32,403	-
Unredeemed Liens Balance End of Year	595,920	288,010	13,197	42,650
Total Credits	988,021	591,248	319,879	42,650

FINANCE/COLLECTIONS



The Finance and Collections Departments continually strive to improve service to customers and enhance internal data processing functions.

Since February 2008, the City is on line with the State of NH Motor Vehicle Auto Registration System. Vehicle registrations processed at City Hall are verified and updated with the State's information immediately. Residents now have the option to purchase new plates including vanity plates at City Hall saving a trip to the State DMW office on East Milan Road.

The Tax Collection Department continues to offer property taxpayers the ability to have tax and sewer payments withdrawn from their checking or savings accounts. Payments are withdrawn on the bill due date. For taxpayers who prefer to budget their tax and sewer payments, the City will withdraw funds on a weekly or monthly basis.

Vachon, Clukay & Co., P. C., of Manchester, NH, conducted the annual fiscal year end audit again this year. A copy of the audited financial statements is included with this annual report.

In fiscal year 2009, the Finance Department issued 4,398 semi-annual real estate tax bills totaling \$13,642,387. The Department also issued 3,452 sewer bills which totaled \$1,537,700.73. The number of motor vehicles registrations issued from our office was down again from last year by 243 registrations. The City issued 10,194 registrations and collected \$1,115,381 which

is \$60,060 less than the amount collected last fiscal year. The City also issued 1,117 dog licenses which brought in \$3,847; 338 free dump passes; 338 4-day passes and refrigerator permits which brought in \$7,490.

The Finance Department also provides Human Resource Benefits for the City's 180 employees. The City is fortunate to employ a group of dedicated and conscientious employees. I want to thank each one of them for their commitment and hard work.

Assistant Comptroller/Deputy Tax Collector: Florence Fitzmorris
Senior Collections Clerk: Elaine Tremblay
Junior Collections Clerk: Kristia Davis
Accounts Payable Clerk: Lucille Lavoie
Payroll Clerk: Sandra Rosenberg.

Respectfully submitted,
Blandine Shallow
Comptroller/Tax Collector



PUBLIC WORKS, ENGINEERING AND WASTEWATER TREATMENT

Wastewater Treatment Facility

Berlin's Pollution Control Facility processed 765.71 million gallons of sanitary sewer flows last year; in addition, we accepted and treated almost 287,615 gallons of septage waste from outlying communities not on their own sewer systems (i.e., septic tanks). In the process, we produced 1509.28 tons of dried municipal sludge which we trucked to the AVRDD landfill for disposal. The treatment process removed 93.8% of the BOD (Biochemical Oxygen Demand) and 96.6% of the TSS (Total Suspended Solids) which came in with the sanitary sewer flows. Average monthly power usage at the Main Plant decreased minimally to 108.9 KW/day, reflecting lower flows through the plant.

Maintenance has kept up with our pumping needs, and we emphasize anticipating problems before they strike. We continue to learn how to use the new instrumentation we acquired in the Phase I rebuild, and look forward to the Phase II improvements once financing is in place.



Work on Inflow and Infiltration (I&I) must be made a priority to reduce the water load

that the sewer system and the treatment plant carry. As a simple way to think about it, the amount of water Berlin Water Works supplies to the City daily should be the amount of water Berlin Pollution Control Facility treats. In the same time period (FY2009) BWW produced 511.3 million gallons of water for City use; BPCF on the other hand treated 765.7 million gallons or 50% more than BWW produced!

Some sources for the extra water we treat are: roof drains that flow into the sewer system, broken manholes and sewer lines that allow groundwater to infiltrate the sewers, and "combined" sewers that catch surface runoff on paved areas and direct this flow into the sewer pipes.

Phase II upgrade to the Waste Water Treatment is in progress with (Wright-Pierce) the Engineering Consultants looking at what will be needed to incorporate the new federal prison into the waste water plant. The contract to add sewer service to the prison was signed in late June 2009.

Solid Waste

The East Milan Road Landfill closure was substantially completed in October of 1996. Closure of the landfill launched the 39 year post-closure monitoring program. Groundwater quality and methane gas production is being monitored in accordance with the program.

Public Works Services

The Public Works Department provides a number of services to the citizens of Berlin. They include: the maintenance of over 60 miles of streets and many more miles of sidewalks that need to be swept, patched and overlaid with pavement. We also provide snow removal, street striping, street

marking, and the fabrication and installation



of street and traffic signs. We construct retaining walls, install guard rails and guard fence. We provide citizens with weekly garbage removal. We maintain sewer and storm water collection systems. We provide equipment maintenance for all of the Public Works, Fire, Recreation, Health, Police and Engineering Departments as well as the Berlin Municipal Airport. We maintain gas and fuel distribution. We also provide and maintain 146 sand and salt barrels for winter use by the public.

The Public Works Department collects paper, glass, plastics, tin, aluminum and cardboard for recycling. We periodically seal concrete sidewalks, retaining walls and bridge abutments. Members of the Department also provided utility information and project inspection for water and sewer capital improvement projects.

Transportation

Street Markings. Center lines, edge lines, railroad crossings and crosswalks were painted as they are every year. The cost of this work was approximately \$8,050.00. The work included approximately 216,458 linear feet of striping and 14 railroad crossings. The PWD crew paints 130 crosswalks throughout the City, all the Stop Bars, yellow No Parking Zones and Handicap Parking areas.

Projects Completed in the 2008/2009 Season:

- Hillside Avenue Sidewalk was completed at a cost of \$170,000.00
- One-half mile of Western Avenue was completely reconstructed from Mink to Ash Street for \$200,000.
- A new Dump Truck was built from a 1987 Government Fire Truck with 9000 miles on it for \$40,000.
- Two Waste Oil Burners were purchased and installed for the Public Works Garage for \$11,000.
- NH Route 110 Phase I was completed in cooperation with the State
- Two new 2009 Ford 150 4x4's were purchased for supervisors for \$34,546
- A 2002 F150 4x4 was purchased from Government surplus in excellent condition with 15,000 miles for \$10,000.

Sidewalks and Curbs

Park Street and Willard Street were completed.

Joint Projects with Berlin Water Works

Joint projects completed with the Berlin Water Works included the following streets: Jolbert Street, Madigan and Willard Streets where water, storm and sewer lines were replaced and/or repaired. PWD provided the paving services for the trenches this season.

A new bridge was installed over the Dead River by Memorial Field for equipment access for new high pressure loop tie-in.

Respectfully Submitted,

Michael Perreault, Public Works Director
Henry Noel, Waste Water Superintendent

**PUBLIC WORKS
CALLS FOR SERVICE**

SERVICE - INCIDENTS - MATERIAL

Frozen sewer service calls	0	
Frozen drain service calls	2	
Frozen main drain lines	0	
Frozen culverts	0	
Frozen trench lines	2	
Frozen catch basins	15	
Main sewer lines jet cleaned	20	
Main sewer line calls	4	
Sewer service calls	11	
Sewer services replaced	4	66' of 4" WW repairs 18
Drain service connections	2	
Main sewer lines replaced	2	139 feet
Main drain lines replaced	5	657 feet
New sewer service connections	2	100feet
Main drain lines jetted	20	On Regular Basis
Manhole frames reset	10	
Manholes rebuilt	1	Enman Hill
Manholes repaired	10	4-WW Dept.
Catch basin frames reset	10	
Catch basins rebuilt	0	
Catch basins repaired	20	
New catch basins installed	4	
Salt for winter use		1,687 tons
Sand for winter sand		2,684tons

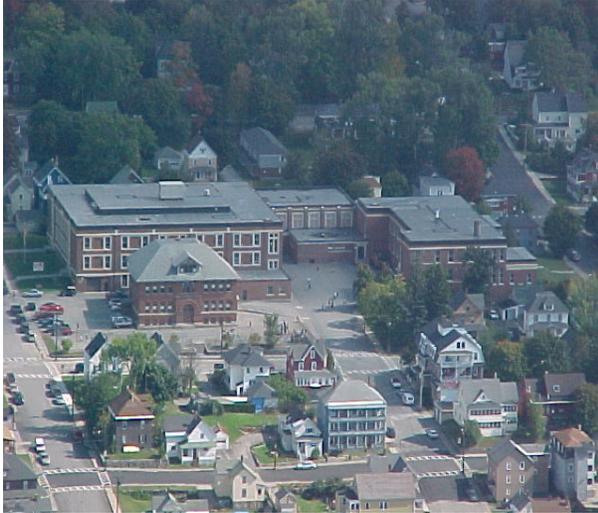


Ice Cutting Jeep

<http://beyondbrownpaper.plymouth.edu/item/467>

BERLIN PUBLIC SCHOOLS

Berlin Public Schools opened the 2008-09 school year with an enrollment of 1,446 students, Kindergarten to grade 12.



Hillside Elementary School taken on a 5th grade hike to the top of Mt Forist

Marston, Bartlett and Brown Schools provided 440 kindergarten to grade 3 students with highly qualified teachers and current educational programs in reading and mathematics. The elementary staff provided cutting edge reading instruction in a “response to intervention” model. Grade level teachers met every 4-6 weeks to review students’ reading progress based on assessment data, then planned instruction for remediation for students not attaining the benchmarks. This model, with frequent assessments and review, prevents a “wait to fail” model.

Grade 3 NECAP scores from fall of 2008 reported that 14% more students reached proficient levels in reading from the previous year.

Bartlett and Brown Schools were awarded the Blue Ribbon Achievement Award for an exemplary school volunteer program. Both

elementary schools were also awarded Gold Circle Partnership Awards for school/business partnerships that enhance the educational programs. Those partnerships were: Androscoggin Valley Hospital, St. Kieran Center for the Arts, Berlin High School, White Mt. Community College, Isaacson Structural Steel, Inc.

The students visited many local establishments, the Berlin Public Library, Androscoggin Valley Hospital, Isaacson Structural Steel, Inc., Berlin Bowling Center, Notre-Dame Arena, St. Kieran Center for the Arts.

In celebration of literacy, schools hosted book fairs, had many community guest readers for Dr. Seuss’s birthday and participated in Book It, a home/school reading incentive program.

The elementary schools are part of a five-year US Dept. of Agriculture grant, to provide daily, free fruits and/or vegetables for student snacks.

120 students participated in after-school programming which provides homework assistance, enrichment, exploratory activities and library/reading activities.

Hillside School, grades 4 – 6, was awarded a grant from the Roy Foundation that funded several laptop computers. An additional state grant funded interactive Smartboard systems for the classrooms. Technology in the classroom supports active engagement, participation in groups, frequent interaction and feedback, and connection to real-world experts.

Reading data teams were implemented to review individual student assessments and to form intervention groups to address areas of weakness for students who were not proficient in reading. Math assessments

were administered and reviewed for focus on curriculum revisions.

A family literacy night was sponsored by Title I and the after-school program. The students presented a readers' theater and participated in different literacy events. 209 students and family members participated.

The Title I program is a federally funded program to provide supplemental support in reading instruction to students in grades K-6. The program employs 19 reading assistants, and 3 supervisors, with a financial allocation of \$747,990.59. A requirement of Title I is to set aside funds for parent involvement. Title I also funded a summer reading program for students in grade 3 and 4, and provided a summer day program in collaboration with 21st Century Community of Learners, After-School Program.

Berlin Junior High School, grades 7 and 8, operate under a teaming and looping model. Students are grouped in teams and maintain the same academic core teachers for two years. NWEA Measures of Academic Testing are used to assess student progress twice each year. Students take these assessments on computers and the results are reviewed for curriculum improvements. The students at B.Jr.H.S. made AYP (Acceptable Yearly Progress) on the fall 2008 NECAP (New England Common Assessment Program).

Students who achieved academic honors and high honors were recognized and rewarded with a discount card to local businesses. Seventh graders participated in a "Reality Fair" sponsored by Woodlands Credit Union and Guardian Angel Credit Union. This fair prepared students to budget their finances and plan for the future. Eighth graders participated in a community "Health-A-Rama" planned by Androskoggin Valley Hospital. Students gained information from

several health-related health booths and displays.

Berlin High School's improvement plan over the past four years has been particularly effective. Failure rates have been reduced by 39% in English and by 44% in math. Additionally, state test scores from the NECAP have continued to improve for the school as a whole and in disaggregated subgroups. Berlin High School is one point higher than state average in reading and one point lower than average in math. The school showed 26% improvement in reading scores, 21% improvement in math and 14% improvement in writing. The State's District Report Card indicated Berlin High School is the fifth most improved high school in reading and the most improved high school in math, based on 2007-08 NECAP.

The most important factor influencing change is the improvement in school climate driven by the high school's adoption, implementation and universal acceptance of the philosophy and direction of the PBIS (Positive Behavioral Interventions and Supports) program. The APEX grant from the University of New Hampshire Institute on Disability was instrumental in improving the entire educational experience at Berlin High School. A drop-out prevention and recovery program is ongoing; the Frameworks Youth Suicide Prevention Project is continuing and an advisory program has been initiated.

There are student-centered career enhancing programs included in course offerings with "running start" and project "lead the way". These courses offer credit at the community college and/or pre-engineering classes.

182 students were enrolled in the 2-year Career and Technical Education (CTE) programs. These programs include: Building Trades, Welding, Health

Occupations, Automotive and Child Care. The Child Care program operates a pre-school program for 3 and 4 year-olds living in Berlin. The Building Trades program constructed a private home; the Welding students were successful at winning silver and bronze medals in state competition. FCCLA (Family Career and Community Leaders of America) is an active organization that led some of our students to state and national competitions winning a gold medal at the national level.

Under the guidelines of No Child Left Behind (NCLB), Berlin is designated as a District In Need of Improvement (DINI) in reading due to the district not attaining Acceptable Yearly Progress (AYP) for two years in a row. This status is based on the NECAP scores in disaggregated groups of students with disabilities and students in low socio-economic status. A district improvement plan is documented and schools are working simultaneously towards achieving instructional goals for all students.

Berlin community members can access more data and information about Berlin Public Schools at: www.sau3.org and www.ed.state.nh.us School District Profiles.

Respectfully Submitted,

Corinne Cascadden
Superintendent of Schools

Mission Statement

The Berlin Public Schools are committed to the belief that all students must be given appropriate opportunities to achieve clearly defined, meaningful, and rigorous standards which include those outlined in the New Hampshire curriculum Frameworks. We further believe that the learner is the focus of all of our efforts and that the evolution of our programs will be guided by data that reflect what each learner knows and is able to accomplish.

Each of the programs in the Berlin Public Schools will emphasize depth of understanding and the active participation of students in the learning process. We will capitalize on the power of technology as a motivational information source and as a problem-solving tool by integrating appropriate technologies within each program area.

Our vision cannot be attained if the Berlin Public Schools must act alone. We and our students are part of a larger learning community. Parents and the community at large must share in the responsibility to educate our youth. The community must provide the resources necessary to support the schools and must also help students value learning in all its contexts - within school and outside of the formal educational setting. Community members can best help students see that the process of becoming a competent member of the local and global communities is one of continuous progress that lasts a lifetime.

BERLIN WATER WORKS



Water Commissioners for this report period were Richard P. Fournier, Robert A. Delisle, Paul W. Poulin, Lucien F. Langlois and Stephen J. Tardiff; Ex-officio member was Mayor David J. Bertrand. At the April 15, 2009 meeting Commissioner Robert A. Delisle was presented a plaque by the Board for his eleven years of service to the Board, his membership on the Board was from June 2, 1998 to May 1, 2009. On April 20, 2009, Stephen J. Tardiff was appointed for a four-year term as Ward IV Commissioner.

The BWW has not increased water rates in eleven years. The Board of Water Commissioners did approve a lineal rate structure for the Assessment rate effective with the May 2009 Quarterly billing. The new rate is \$27.00 for the first 600 cubic feet and \$3.00 per additional 100 cubic over the 600 cubic feet of water used. The new lineal structure for assessment did create an increase for some customers and a decrease for others due to the change from a step structure to a lineal structure. There was no change in total revenue generated by the revised assessment billing. Berlin Water Works has been able to maintain water rates because of cross-training employees and elimination of work through planned improvements. The results of these efforts have been reduced cost through reduced staffing. There have also been continuous improvement efforts in reducing other operating cost. Finally, we have continued Forced Account work in order to offset operating cost by performing capital improvement projects with Berlin Water Works resources.

During the winter of 2008/2009, we had 141 people running water to prevent service line freeze-up. These customers started running the water from January 9, 2009 until shut-off on March 31, 2009. All of these customers were not running water for the full period time because they were started at different times. The balance of the 464 running water customers did not have to run the water in winter 2008/2009. We had fifty-five freeze-ups that required thawing. Efforts continue to reduce the number of running water customers, of which there were 1003 of 3500 customers in the winter of 2000-2001.

	FISCAL 2008	FISCAL 2009
Total Flow	365,441,705	325,131,444*
Difference from previous year	7.88% decrease	11% decrease
Gallons per Day	1.00 million gallons	.891 million gallons*
Running Water Customers	6*	141
Running Water Start - early	January 16, 2008	January 9, 2009
Running Water Start - regular	--	--
Running Water Finish	April 14, 2008	March 31, 2009
Frozen Water Calls - outside	1	55
Frozen Water Calls - inside	24	14
Hydrant Flushing	8/20/07 to 9/18/07	8/7/08 to 8/21/08
Number of main line breaks	7	7
Number of service line breaks	3	4

* new record – low

Our lead and copper water sampling program passed the last four rounds of testing in June of 2006, December of 2006, September 2007 and September 2008. The testing results from September 2008 showed all passed for copper and three failed for lead. The State of NH Department of Environmental Services has dropped our sample test numbers down to thirty test sites rather than the original 60 sample sites. The overall average lead and copper sample levels have dropped to new low levels. Please note that the water leaving the Water Treatment Plant is free of lead and copper

and that the results are attributed to possibly old portions of the distribution system or customer pipe systems and dead end lines. Water sampling will continue to monitor lead and copper levels. A Water Quality Report for calendar year 2008 was distributed to all water customers as a bill stuffer in the May 2009 billing.

Melanson, Heath & Co PC was accepted by the Board to perform the Water Works financial report for period ending June 30, 2009 as well as FY 2010 and FY 2011. Our FY 2010 budget of \$3,100,027 as presented at the Commissioners May 28, 2009 budget hearing provided \$1,657,271 for operations and \$1,442,756 for water bond and loan debt, was approved June 17, 2009. The Board agreed that the budget would have to be adjusted to accommodate the spending of stimulus funding expected in FY2010.

The Board of Water Commissioners approved an updated Emergency Manual that was distributed to the Supervisors and separate departments in the City. A new policy for Identity Theft Protection was implemented by the Government and Berlin Water Works approved a Red Flags Rule policy on February 18, 2009 that will be updated yearly.

The City of Berlin applied and received a NH Department of Environmental Services Local Source Water Protection Grant to hire GeoInsight to perform a delineation study to better define and protect the aquifer at the Brown Farm Well Head. As of April 15, 2009 the City Manager had signed the grant and the consultants were authorized to begin the study to protect the well head area.

Berlin Water Works purchased a new tracing machine from Utilitronics to aid staff in day to day work activities. A trench compactor from Pro Quip, a Komatsu tooth

for the excavator, and a used 10 wheel dump truck, were purchased to support continued “force account” work. A Hyster Fork Truck was purchased at the Groveton Mill auction for use at the Ammonoosuc Plant. The Board also authorized the staff to purchase a new copy machine to replace the one that was purchased in 1996 that no longer had parts available for repair.

Berlin Water Works made improvements to several buildings. The resurfacing of Church Street, Church Street Pump Station and improved landscaping was completed. Two sheds were demolished and the roof reinforced at the 46 Willow Street garage. A new overhead door was installed at the 51 Willow Street garage. Also a new LP tankless hot water heater was installed at 55 Willow Street.

The staff completed the installation of new HDPE locked covers for vents and blow offs on all of the stand pipes and boulders were placed on either side of the vents to protect the Godfrey Dam Transmission line. Through the process of securing the transmission line the map of the transmission line will be updated. The improvements were completed due to the close proximity of the State OHRV trails at Jericho Lake State Park.

IMPROVEMENT PROJECTS:

Water Main Project BWW #02-1 funded through a Rural Development Grant has \$415,173.78 funding remaining. In Fiscal 2009, Superintendent Viens obtained approval from Gregg MacPherson of Rural Development to revise the scope for the remaining Rural Development funds. The scope change includes three water main railroad crossings, two HDPE-stainless steel headers and specialized valves for water storage tank mixing at Forbush Avenue and

a PAX mixing System for the Lancaster Street Storage Tank. The improvements for the Forbush Tank were completed this Fiscal Year. The PAX mixing system for the Lancaster water storage tank are on order. It will be installed under a trial program with a company looking for a test site in the Northeast, if the mixing system is successful Berlin Water Works will purchase the system if it is not successful it will be returned to the company, they are presently compiling information from probes that were installed in the tank for temperature. Provan and Lorber, Inc. will be doing the design work for the Railroad Crossings with Geo Insight.

Water Main Project BWW #02-2 is funded with a 1.5 million dollars EPA Grant in Fiscal Year 2002. The grant was closed in December of 2008. Berlin Water Works has completed the installation of water mains on Jolbert Street, Madigan Street, Hinchey Street, Willard Street and River Street in the past year.

Water Main Project BWW #04-1 includes significant improvements to the Berlin Water Works Distribution system. This EPA Grant funding is \$894,100 for Fiscal Year 2003. The grant was closed out January 8, 2009. Willard Street from Hillside Avenue to Emery Street and the remaining services on Wight Street were completed through this Grant in the past year.

Water Main Project scope for BWW #05-1, with \$497,000 of EPA Grant Funding, includes the replacement of water mains, installation of security fencing improvements, and sodium bicarbonate process improvements. The remaining amount in the grant fund is \$117,662.69. Work completed during FY 2009 was Twelfth Street to eliminate a 2" galvanized

main, School Street to eliminate old 6" unlined cast iron pipe, Main Street services from High Street to the Railroad Tracks and BWW started work on Abenaki Lane to replace old 6" water main. This grant will be fully expended in July 2009 and closed thereafter.

Water Main Project BWW #06-1 with \$599,067 of EPA Grant Funding has a balance of \$319,357. The Water Main Project BWW #06-1 includes the replacement of approximately 100 running water services and to replace old 2" galvanized lines. As of FY 2009 BWW has completed 63 of the running water services.

Water Main Project BWW #07-1 with \$492,900 of EPA Grant Funding has had no spending to-date. The scope of this project includes the elimination of a 6" cast iron main on Riverside Drive from Eleventh St to Morning Lane; it also includes the replacement of 6" cast iron mains with 8" mains on Hillside, Cedar, Willard, State and High Streets.

Jeff Malecha of the Federal Bureau of Prisons (FBOP) agreed to amend the original contract between FBOP and Berlin Water Works to include the price of a meter at \$12,306.34. The 10" Turbo meter, 10" strainer and transmitter were installed in the pump station at the Federal Prison Site. A temporary generator was brought in by the contractors and the entire system was filled with approximately 770,000 gallons of water for testing the system.

Berlin Water Works designed and estimated the cost for the tie-in at Riverside Heights Manufactured Housing Park. The low pressure Tie in on Riverside Drive was completed in October 2008. On March 18, 2009 the Board made a motion to accept the water distribution system easement for

Riverside Heights Development. In June of 2009, Riverside Heights purchased 800 feet of 8” HDPE pipe and hired Berlin Water Works to fuse the pipe. The pressure test passed, the pressure available at Riverside Heights is at 42 psi.

Berlin Water Works signed an engineering agreement with Provan & Lorber, Inc. to begin restoration work at the Godfrey Dam. An amendment to the Engineering Contract was signed in June to include the Environmental Review for the restoration work and the Design Build for the pedestrian bridge at the Godfrey Dam.

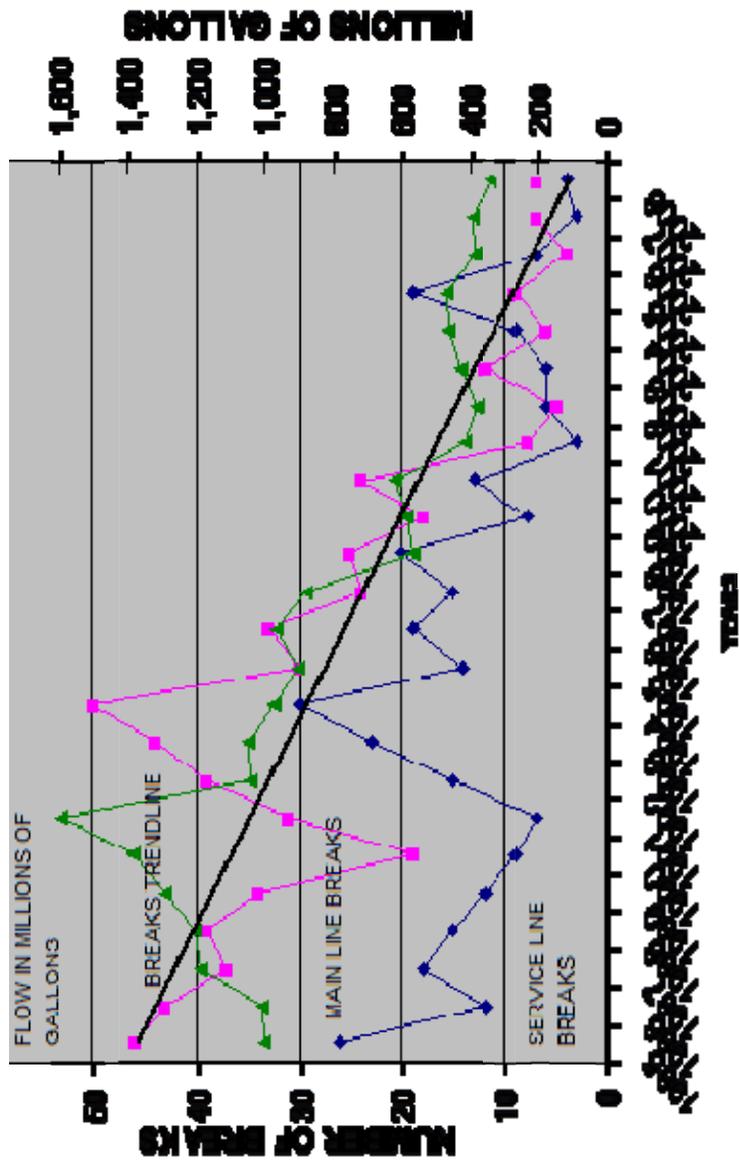
Berlin Water Works has applied for Rural Development Grants in the amount of \$4,000,000 for water main work and \$900,000 for resurfacing work at the Godfrey Dam. The Board signed an agreement with Provan & Lorber Inc. in the amount of \$5,000.00 for the Environmental Review of the Rural Development Grants.

Berlin Water Works has applied for a State Revolving Loan in the amount of \$3,000,000.00 for the replacement of unlined cast iron water mains. On June 17, 2009 Superintendent Viens received good news from Richard Skarinka, the Governor signed the Loan Package for Berlin Water Works we were the first package signed by the Governor. Construction started on July 20, 2009 on Goebel Street

Superintendent Viens received a call from Senator Gregg’s office that the Berlin Water Works has received \$400,000 in FY 2009 EPA Grant funds. The funds will be used to continue the distribution system improvement program.

Service	Total to Fiscal 2009	2008	2009
Curb-to-curb street paving	10.24	0	.26
Number of New Meters	3547 total in system	252	163
Number of New hydrants	411 total in system	3	1
Number of Replaced services	3500 total in system	30	54
New water main installed – since 1990	19.87 miles	1.14 miles	.56 miles

Improvements to the water distribution in the City of Berlin continue with planned replacement of small diameter galvanized mains (1,935 feet remaining as of JULY 2009) and 1890 thru 1930’s vintage unlined cast iron mains (47,355 feet remaining as of December 2008) with the highest frequency problems corrected first. Also the replacement of water mains are selected and then designed to improve fire protection flow capabilities. The Berlin Water Works purchase of various pieces of construction equipment has supported Berlin Water Works staff in performing “in house” projects like water mains on Jolbert Street, Hinchey Street, Madigan Street, River Street, Westcott Street, Twelfth Street and School Street. The Berlin Water Works has expressed interest in working with the City to install the proposed sewer line extension for the new Federal Prison.



Thanks to all Berlin Water Works employees, Water Works Commissioners, the Honorable Mayor David Bertrand, and the City of Berlin for their continued support for the past year. The Berlin Water Works has completed and is continuing work on significant improvements that will improve our water system and reduce our operating cost for many years into the future.

Respectfully Submitted,

Roland L. Viens, P.E.
 Superintendent



Following up on our marketing efforts, our new and improved airport brochure has been completed and is being distributed throughout the aviation community. As part of our marketing strategy, a new airport logo was created and is showcased on the new brochure. Our new name (Berlin Regional Airport) and brochure are being well received and have a good look and feel about them.

Work continues on our new snow removal equipment (SRE) building and is slated to be completed during the early winter. Working without any building during the winter months to store or work on equipment at all, will create a new set of challenges. Special receptacles had to be installed on our existing electrical vault so while the snow blower is left out in the elements, the engine block heaters could be plugged in. Also the construction contractor has insured me that whatever it takes will be done to insure our plows are kept operational. I hope the transition period goes smoothly.

Phase II of this project is to purchase a new multi-use front end loader, retiring the 1962 road grader. This new loader is similar to the

ones used by Berlin's Public Works Department. It will have the plow wing set up along with a snow bucket that can be attached to lift and move accumulated snow. I'm very pleased to add that a NH Charitable Foundation Neil and Louise Tillotson Fund grant was applied for and received for the local share of the equipment acquisition project. This means that there will be no cost for the new loader to the City of Berlin. The bidding process has been completed and a bid for the new loader has been accepted. Delivery is expected in November.

The recession continues to plague us all and the Berlin Regional Airport is no exception. Aviation is an area that gets hit hard because in the corporate world, other means of transportation can be used besides flying. Not surprisingly our Jet-A fuel sales are way down. We will continue to do our utmost to keep operational costs as low as possible and still maintain a high level of service.

As always, many thanks goes to everyone involved in and associated with the Berlin Regional Airport - "YOUR" airport.

Eric Kaminsky
Airport Manager

Berlin Airport Authority

David Bertrand, Chair
Timothy Donovan, Ward I
Richard Lafleur, Ward II
Ronald Goudreau, Ward III
Timothy Cayer, Ward IV
George Pozzuto, Milan Representative
Paul Grenier, Coos County Representative

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berlin, New Hampshire (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Berlin Water Works, component unit of the City, as of June 30, 2009 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Berlin Water Works, component unit of the City, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Berlin, New Hampshire as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2010 on our consideration of the City of Berlin, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and the schedule of funding progress for other post-employment benefits on pages i-xii and 33-36, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berlin, New Hampshire's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Joehon Clukay & Company PC

March 5, 2010

City of Berlin, New Hampshire Management's Discussion and Analysis

This section of the City's financial statements is prepared to comply with the requirements of GASB Statement 34 which requires the City to provide a discussion and analysis of the City's financial performance. It also provides an overview of the City's financial activities for the fiscal year ended June 30, 2009. As in past years, this narrative should be read in conjunction with the City's financial statements, which begin on page 1.

Financial Highlights – Primary Government

Government-wide Highlights:

- **Net Assets:** The total assets of the City exceeded total liabilities at fiscal year ending June 30, 2009 by \$35.7 million, an increase of \$1.3 million from the prior year. This amount is presented as "Net Assets" on the Statement of Net Assets for the Total Primary Government (a condensed statement can be seen in the MD&A section of this report on page v). Total unrestricted assets increased by \$ 1.2 million to \$6.3 million. Restricted net assets of \$146,578 were restricted for endowments and \$29.2 million was invested in capital assets, net of related debt.
- **Changes in Net Assets:** The City's total net assets increased from last fiscal year's \$34.4 million to \$35.7 million in fiscal year 2009. Net assets of governmental activities increased by \$1.2 million or 12%, and net assets of the business-type activities showed a net increase of \$0.1 million. This is further discussed under the Government-Wide Statement Analysis section of this report.

Fund Highlights:

- **Governmental Funds – Fund Balances:** As of the close of fiscal year 2009, the City's governmental funds reported an increase of \$145,241 in the combined ending fund balance of \$3.7 million, compared to last year. Included in the combined governmental fund balance is the activity of the City's General Fund and the Non-major Governmental Funds. The General Fund ended the fiscal year with an unreserved fund balance of \$3,041,179, which is a decrease of \$29,490 from the previous year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components:

1. Government-wide financial statements;
2. Fund financial statements, and
3. Notes to the basic financial statements.

This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the City's finances. These statements (Statement of Net Assets and the Statement of Activities) provide both short-term and long-term information about the City's overall financial position. They are prepared using the accrual basis of accounting, which recognizes all revenues and expenses connected with the fiscal year even if cash has not been received or paid.

- The **Statement of Net Assets**, found on page 1, presents all of the City's non-fiduciary assets and liabilities. The *difference* between assets and liabilities is reported as "net assets" instead of fund equity as shown on the Fund Statements. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The **Statement of Activities**, found on page 2, presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation and sick leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the government-wide financial statements have separate sections for three types of City activities. These three types of activities are:

- **Governmental Activities:** The activities in this section represent most of the City's basic services and are generally supported by taxes, grants and intergovernmental revenues. The governmental activities of the City include general government, public safety, airport/aviation center, highways and streets, health and welfare, sanitation, culture and recreation, education, food service, capital outlay and debt service.
- **Business-type Activities:** These activities are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the City include the operations of the:
 - Sewer Fund
 - BIDPA (Berlin Industrial Development and Park Authority Fund)
 - Cates Hill Landfill Fund
 - Courthouse Fund
- **Component Unit:** A component unit is an entity that is legally separate from the City, but for which the City is financially accountable. The financial data for the Berlin Water Works, the City's only component unit, has been included in the City's financial statements, as required. Complete financial statements for the Berlin Water Works can be obtained by writing to the Board of Commissioners, 55 Willow Street, Berlin, NH 03570.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the individual parts of the City government and report on the City's operations in more detail than the government-wide statements. The City's funds are divided into 3 categories—governmental, proprietary and fiduciary. For governmental and proprietary funds, only those funds that are considered major funds are reported in individual columns in the Fund Financial Statements. The combining schedules included in the Supplementary Section of the report are to support the non-major activities. Fiduciary Funds are reported by fiduciary type (private-purpose trusts and agency funds).

- **Governmental Funds:** Most of the basic services provided by the City are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The basic governmental fund financial statements can be found on pages 3-4.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements. Reconciliations are provided between the Governmental Fund Statements and the Government-Wide Statements, which can also be found on pages 3-4.

The City's only major governmental fund is the General Fund. Individual fund data for each of the City's non-major governmental funds is provided in the combining statements found on pages 48-51. The non-major governmental funds are:

- School Federal Projects
 - School Food Service Program
 - Berlin Airport Authority
 - Home Health Care
 - Mount Carberry Landfill
 - Recreation Activity Programs
 - Grant Fund
 - Neighborhood Stabilization Program
 - CDBG Fund
 - Permanent Funds
- **Proprietary Funds:** The City's proprietary funds provide goods and services to the general public and charge a user fee. These activities are reported in one major fund -
 - Sewer Fund
- and three non-major funds -
- Cates Hill Landfill
 - Berlin Industrial Park and Development Authority (BIDPA)

- Courthouse Fund

Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. Therefore there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The basic propriety funds financial statements can be found on pages 5-7, with individual data for each of the City's non-major proprietary funds provided in the combining statements found on pages 52-54.

- Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds in that they use the accrual basis of accounting.

The City's fiduciary funds on pages 8-9 include the:

- Berlin Trust Fund
- Home Nursing Trust Fund
- Miles Scholarship Trust Fund
- Library Trust Fund
- Student Activities Agency Funds

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the basic financial statements can be found on pages 10-32.

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for each of the City's major governmental funds and includes a reconciliation between the reported activity of the revenues, expenditures and transfers for budgetary purposes (Schedule 1, page 33) and the activity as presented in the governmental fund financial statements (Exhibit D, page 4). The City's only major governmental fund for fiscal year 2009 is the General Fund. Also, included in the required supplementary information is the funding progress for other post-employment benefits (Schedule 2, page 34). The notes to the required supplementary information can be found on pages 35-36.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental and proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The City's combined net assets (governmental and business-type activities) totaled \$35.7 million at the end of fiscal year 2009, an increase of \$1.3 million compared to the end of the previous year.

Net assets of the City as of June 30, 2009, 2008 and 2007 are as follows:

The largest

	Net Assets (in Millions)								
	Governmental Activities			Business-type Activities			Total Primary Government		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Assets									
Current Assets	11.9	12.6	12.5	5.4	5.5	4.2	17.4	18.1	16.7
Noncurrent assets	17.8	17.6	17.6	20.7	20.8	21.1	38.5	38.4	38.8
Total Assets	29.7	30.2	30.1	26.1	26.3	25.4	55.9	56.5	55.5
Liabilities									
Current Liabilities	9.3	9.7	9.4	0.3	0.4	0.2	9.6	10.1	9.6
Noncurrent Liabilities	5.2	6.4	7.7	5.4	5.6	4.7	10.6	12.1	12.4
Total Liabilities	14.5	16.1	17.1	5.7	6.0	4.9	20.2	22.1	22.0
Net Assets									
Invested in capital assets, net of related debt	14.0	13.3	12.7	15.2	15.9	17.3	29.2	29.1	30.0
Restricted	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
Unrestricted	1.1	0.6	0.2	5.2	4.4	3.2	6.3	5.1	3.3
Total Net Assets	15.2	14.1	13.0	20.4	20.3	20.5	35.7	34.4	33.5
Total Liabilities and Net Assets	29.7	30.2	30.1	26.1	26.3	25.4	55.9	56.5	55.5

portion of the City's net assets consists of its investment in capital assets such as land, buildings, equipment, and infrastructure (roads and bridges), less any related outstanding debt used to acquire those assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves generally cannot be used to liquidate these liabilities. An additional portion of the City's net assets represent resources that are subject to external restrictions on how they may be used.

With the gradual pay down of the 1999 Deficit bond (the last payment will be made in July 2009) and the East Milan Landfill Closure bond, none of which has any offsetting assets, the City continues to increase its unrestricted net assets. This year it had an increase of \$1.2 million over the prior year. The City carries a liability for compensated absences. The City needs to embark on a program to fund this liability in the future. This will be addressed in the coming year budget.

Statement of Activities

The City's total net assets increased \$1.3 million during this fiscal year. Property and other taxes brought in \$14.5 million in revenues. Other revenues consisted of charges for services, operating grants and contributions, capital grants and contributions, interest and investment earnings, and miscellaneous revenues.

Changes in net assets for the year ending June 30, 2009, 2008 and 2007 are as follows:

Changes in Net Assets									
(in Millions)									
	Governmental			Business-type			Total Primary		
	Activities			Activities			Government		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Revenues									
Program revenues:									
Charges for services	2.8	2.9	3.1	1.6	1.4	1.5	4.4	4.3	4.5
Operating grants and contributions	14.7	14.5	15.3			0.1	14.7	14.5	15.5
Capital grants and contributions	0.8	0.9	1.0	0.1	0.2	0.0	0.9	1.1	1.0
General revenues:									
Property and other taxes	14.5	13.1	13.2			-	14.5	13.1	13.2
Licenses and permits	1.2	1.3	1.3			-	1.2	1.3	1.3
Grants and contributions	1.1	1.2	1.1			-	1.1	1.2	1.1
Interest and investment earnings	0.2	0.3	0.3	0.1	0.2	0.2	0.3	0.5	0.5
Miscellaneous	0.3	0.3	0.4	0.3	0.1	0.1	0.6	0.4	0.5
Contributions to permanent fund principal	0.0	0.0	0.0				0.0	0.0	0.0
Gain on sale of capital asset			-	0.1		-	0.1	-	0.0
Transfers			-			-	-	-	0.0
Total revenues	35.5	34.5	35.6	2.2	2.0	1.9	37.7	36.4	37.6
Expenses:									
General Government	2.0	2.2	1.8				2.0	2.2	1.8
Public Safety	5.1	4.8	4.6				5.1	4.8	4.6
Airport/Aviation center	0.4	0.4	0.4				0.4	0.4	0.4
Highways and streets	2.6	2.8	2.4				2.6	2.8	2.4
Health and welfare	0.7	0.7	0.7				0.7	0.7	0.7
Sanitation	0.9	0.9	0.9				0.9	0.9	0.9
Culture and recreation	0.7	0.7	0.7				0.7	0.7	0.7
Economic Development	0.2	0.3	1.0				0.2	0.3	1.0
Education	18.5	17.6	17.1				18.5	17.6	17.1
Food service	0.6	0.6	0.6				0.6	0.6	0.6
Principal retirement	0.6	0.6	0.6				0.6	0.6	0.6
Interest and fiscal charges	0.4	0.4	0.5				0.4	0.4	0.5
Lease payments	0.1						0.1		
Intergovernmental	1.6	1.4	1.4				1.6	1.4	1.4
Sewer			-	2.0	1.9	2.0	2.0	1.9	2.0
Nonmajor proprietary funds			-	0.1	0.2	0.2	0.1	0.2	0.2
Total expenses	34.3	33.4	32.9	2.1	2.1	2.2	36.4	35.5	35.1
Increase (decrease) in net assets	1.2	1.1	2.8	0.1	(0.2)	(0.3)	1.3	0.9	2.5
Net assets, beginning of year	14.1	13.0	10.2	20.3	20.5	20.7	34.4	33.5	31.0
Net assets, end of year	15.2	14.1	13.0	20.4	20.3	20.5	35.7	34.4	33.5

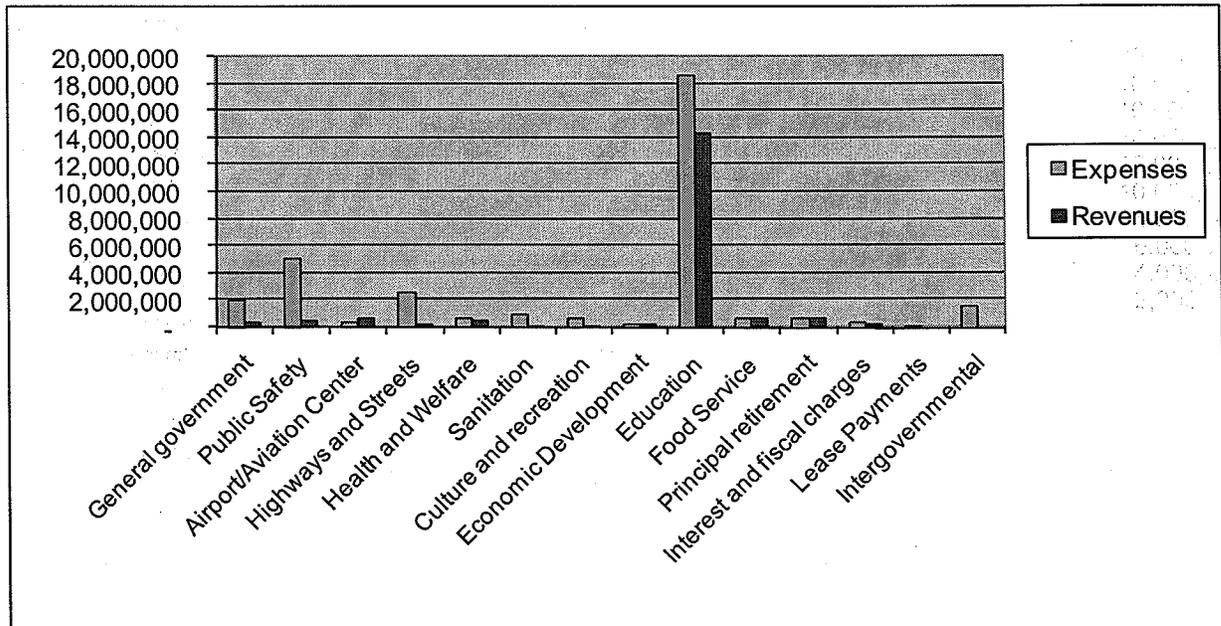
The City's expenses cover a range of services. The largest governmental expenses were for education (54%), public safety (15%), highways and streets (7%), and general government (6%), which accounted for 82% of total governmental expenditures.

Government Activities

Governmental activities revenue totaling \$35.5 million exceeded expenses of \$34.3 million in fiscal year 2009, thereby increasing the City's governmental net assets by \$1.2 million.

A comparison of the cost of services by function for the City's governmental activities with the related program revenues is shown below. Note that the largest expenses for the City (Education, Public Safety, Highways and Streets and General Government) also represent the activities that have the largest gap between expenses and program revenues. Since program revenues do not offset these expenditures, the difference is made up from real estate taxes.

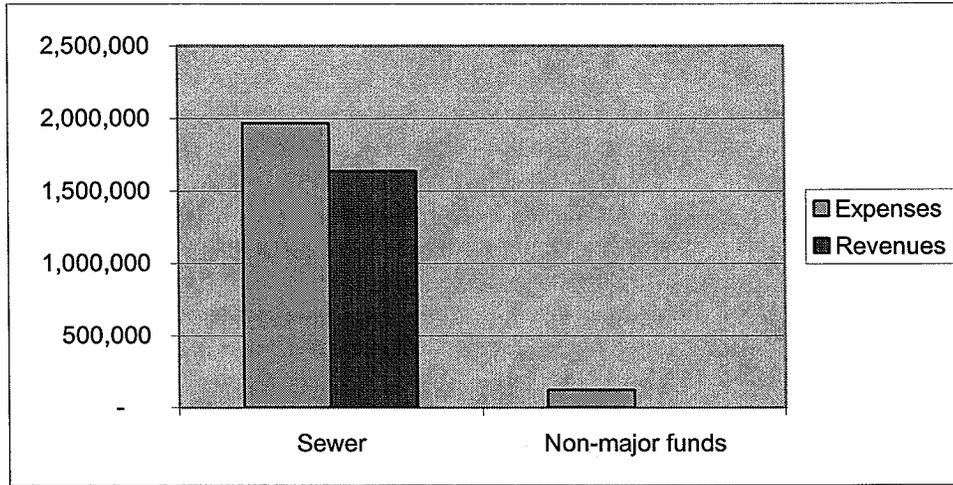
Expenses and Program Revenues – Governmental Activities
Fiscal Year Ending June 30, 2009



Business-type Activities

The charges for goods and services for the City's business-type activities were inadequate to cover the operating expenses. However, there are still sufficient net assets to support the excess expenses.

**Expenses and Program Revenues – Business Type Activities
Fiscal Year Ending June 30, 2009**



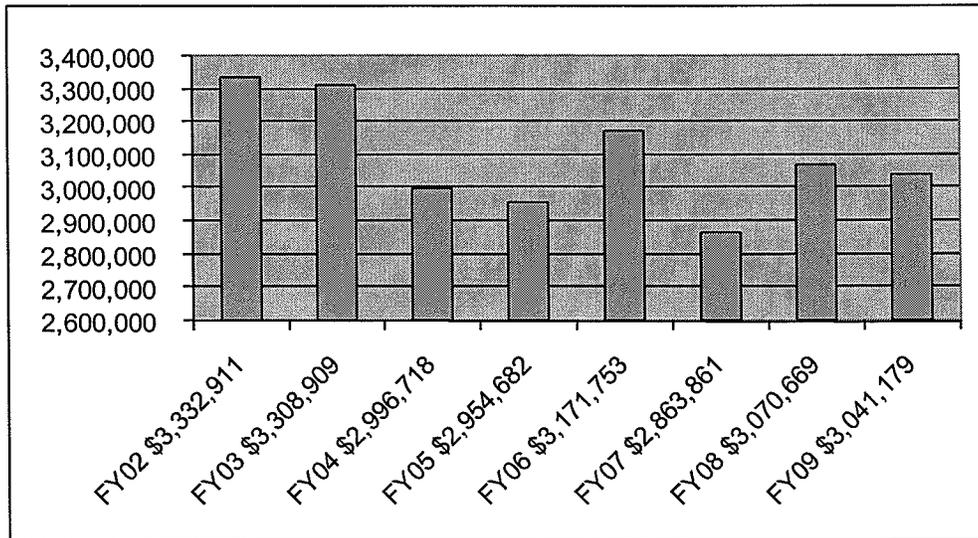
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

Unreserved Fund Balances from FY 2002 through FY 2009 are as follows:



General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund had an unreserved fund balance of \$3,041,179, while total fund equity was \$3,337,109. The total fund equity includes reserves for encumbrances, prepaid expenses and special purposes at year-end. The total General Fund unreserved fund balance, decreased \$29,490 from June 30, 2008.

Other Governmental Funds

The non-major governmental funds fund balance decreased by \$36,780 in fiscal year 2009.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. Therefore there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The total net assets in the proprietary funds increased by \$101,569 from June 30, 2008. The amount collected from sewer user fees was again insufficient to offset operating expenses resulting in a net loss of \$82,327 in the Sewer Fund for the year. However, the Non-major Proprietary Funds had a combined net increase of \$183,896 in fiscal year 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the original budget was amended by various supplemental appropriations. A Budget to Actual Schedule for the major governmental fund (the General Fund) can be found in the Required Supplementary Information section on page 33.

The City was fortunate the actual budgetary revenues were more than the budget for estimated revenues by \$602,716. This occurred even with the loss of \$474,616 in State Shared Revenues in the current fiscal year. The remainder of State Revenues came in higher than projected by \$32,688. The City collected \$719,394 more than projected from timber taxes, interest and costs on delinquent taxes and tax lien redemptions. This year, the motor vehicle fees brought in \$28,390 less than anticipated, while cable franchise fees brought in an additional \$3,500. Also, the City was short \$3,340 in its projection for code enforcement fees. Revenues in the School Department also came in more than estimated by \$287,470. The Health Department revenues from Medicare Reimbursement were \$132,932 less than projected. Revenues in the Public Works Department were more than estimated by \$27,321. The Police Department revenues were \$46,762 more than estimated mostly due to outside detail revenues. Planning Board fees were \$2,978 which is \$3,846 less than in fiscal year 2008. Interest rates on investments continued to decline during the past year which resulted in a shortfall of \$11,979.

Actual budgetary expenditures at year-end were \$672,079 less than the final budgeted appropriations. Most of this savings is due to budgeted capital improvement items of \$1.2 million carried over into the next fiscal year and not spent in FY 2009. The City had various supplemental appropriations in FY2009. The appropriations of \$4,804 in matching funds for the Fire Department clothing grant received from the USDA Rural Development and \$169,638 for

the purchase of 2 school buses and a ¾ ton Pickup with Sander for the School Department were offset by funds carried in the Undesignated Fund Balance. The remaining supplemental appropriations were offset by grant revenues in the same amount.

This year, the City's legal expense line closed with an over-expenditure of \$32,951 due to the number of issues with burned out properties, dilapidated housing and the repurchase of tax deeded properties. The cost of participation in the Androscoggin Valley Regional Refuse District was again lower than projected, saving the City \$88,653. The City issued \$101,503 in property tax abatements and this amount was almost completely offset by overlay in the tax rate calculation formula. This past year, the City expended \$50,391 in costs related to tax deeded properties; \$44,342 was paid to the Coos County Superior Court for unclaimed excess proceeds from the sale of a tax deeded property in 2006. The remaining amount was paid to Berlin Water Works for water bills on tax deeded properties. The City will recoup some of the expenses when those properties are sold in the future.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$73.1 million. Accumulated depreciation was \$35.6 million leaving a net book value of \$37.5 million. This investment in capital assets includes equipment, real property, infrastructure, computer software, and construction in progress. Infrastructure assets are items that are normally immovable, of value only to the City, which include roads and bridges. GASB 34 requires assets, including infrastructure, for the City's governmental funds to be reported in the Government-Wide Statements. Additional information on the City's capital assets can be found in Note 7 on pages 20-22 of the Notes to the Basic Financial Statements.

Other Post-Employment Benefits

With the implementation of GASB Statement 45, the City is required to account for other post-employment benefits (OPEB) on an accrual basis rather than a pay-as-you-go basis. The City provides healthcare benefits to its retirees, their spouses and dependents. It also provides life insurance benefits to its retirees. Although the City is not required to fund this contribution, it is recognized as a liability in these financial statements. The net OPEB obligation as of June 30, 2009 is \$105,000. Additional information regarding the City's OPEB can be found in Note 9 on pages 23-24 of the Notes to the Basic Financial Statements.

Debt Administration

The City may issue general obligation bonds and notes in anticipation of such bonds authorized by the City Council. At the end of the current fiscal year, the City had total bonded debt outstanding of \$7.4 million. This amount does not include bonded debt outstanding by the Berlin Water Works, its component unit, of \$10.6 million. The City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City) and these general obligation bonds are backed by the full faith and credit of the City. Accordingly, this general obligation debt is recognized as a liability of the Berlin Water Works and is not recorded as a long-term obligation of the City. The Berlin Water Works reimburses the City for the annual principal and interest on the debt.

Additional information regarding the City's long-term debt obligations can be found in Note 10 on pages 24-29 of the Notes to the Basic Financial Statements.

ECONOMIC CONDITIONS

Berlin's economic prospects with the final closure of the Fraser Pulp Mill (and the recent closure of the nearby paper plant in Groveton) have nowhere to go, but up. The entire closed pulp mill site in Berlin has been cleared except for a few buildings worthy of preservation. The black liquor boiler may or may not be converted to a biomass boiler depending on the EFSEC review and other issues, which such a development must deal with. The second proposed biomass project located next to the City's Wastewater Treatment Facility is also very much still in the works.

The City's dilapidated surplus housing problem has been markedly reduced by the City's efforts at demolishing such structures and enforcing housing codes which set a minimum housing standard. A significant number of the City's very worst derelict buildings have been torn down or have burned down. The City experienced the loss of approximately 22 structures in the last few years to major fires. All of these properties have been cleaned up, most by the City. Unfortunately, most of this cleanup has been at the expense of the City and not at the expense of the responsible property owners. However, for the first time, the City has obtained some federal funding for the demolition of such structures which will be a great help. It has also obtained about \$3M in federal Neighborhood Stabilization funds for the rehabilitation of housing to a reasonable standard.

The Berlin Industrial Development Park Authority has conducted a feasibility study into a major expansion of the City's existing industrial park. Except for two empty buildings recently vacated due to the national recession, all of the current industrial park buildings are in full use and all of the lots in the Industrial Park have been sold to private parties, except for the Maynesboro building, which is fully occupied by several tenants, but is still owned by the City.

It appears that the major wood pellet plant development which was actively being pursued and is now permitted on three lots in the existing City Industrial Park will be put on hold for a while as a result of the national recession. This is very unfortunate, as it would have served to provide a real desperately needed shot in the arm to the local economy.

The Downtown Cornerstone Project is complete and has greatly improved the attractiveness of the southern entrance to Downtown, thereby adding new life and vitality to Main Street. Taking advantage of a new state law which allows property taxes on new investment to be forgiven for a period of years, the City has approved its first application from a number of local citizens who have formed a company and purchased a downtown building right across from the new Cornerstone Project. They invested over a quarter of a million dollars of their own money to renovate this downtown building for commercial space on the first floor and market rate residential units upstairs. It is now in operation.

A major fire that destroyed two buildings in the heart of the downtown has now been cleaned up by the City and has added to the attractiveness of the downtown. This is the first major cleanup which has been undertaken with outside federal funding.

The State for both the District Court and Health and Human Services was finally able to have a new building constructed to house these services. The new building is on the land where the mill administration building used to be. Unfortunately, both operations will move to this new location

from their current locations in the Downtown despite State law, which encourages just the opposite.

The Phase I Green Street/Route 110 project is pretty well complete. This will dramatically improve the truck route through the City. Phase II of this project, which after years of planning is now about ready to proceed, will further dramatically improve this route, as well as the neighborhood that it now bisects. It seems that the major obstacle to getting this project underway is the unbelievably bureaucratic historical reviews which go into transportation projects of this type.

The City previously zoned the extended portion of Route 110 as a recreation zone. The State of New Hampshire is continuing the development of 7,200 acres in this quadrant of the City for its multi-use trail, Jericho Mountain State Park. The City donated the 300 acres on Jericho Lake Park to the State as a sort of icing-on-the cake, which should be a New England-wide attraction. This park currently has about 50 miles of first-class trail development. This development should have a very significant impact on the City's image and economic base. In addition, the City is in the process of developing a first of its kind in the State ATV connection between this Park and the many trails in Success on the east side of the City.

Finally, the long-awaited Federal Bureau of Prisons project is under construction with completion slated for later in the year of 2010. This is the second or third largest public works project ever undertaken in the State and already has added very significant economic activity to the region during the construction phase. The City is actively involved in extending sewer services to the site.

In spite of all the past plant closures and layoffs, Berlin has weathered everything that has been thrown at it – the national recession being the latest thing to make things more difficult. In spite of this, we believe Berlin has begun to turn the corner and is well on its way to a solid and diversified economic base and is well on its way to a place people will want to move to instead of away from.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all Berlin citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: City of Berlin, Department of Finance, 168 Main Street, Berlin, NH 03570.

EXHIBIT A
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Net Assets
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 10,488,572		\$ 10,488,572	\$ 443,988
Investments	2,809,079		2,809,079	907,214
Taxes receivable, net	2,347,749		2,347,749	
Accounts receivable, net	103,001	\$ 347,041	450,042	159,715
Notes receivable		75,462	75,462	
Due from other governments	831,928	215,227	1,047,155	304,366
Internal balances	(4,726,215)	4,726,215	-	
Prepaid expenses	68,655		68,655	
Inventory	9,732	59,644	69,376	185,687
Total Current Assets	<u>11,932,501</u>	<u>5,423,589</u>	<u>17,356,090</u>	<u>2,000,970</u>
Noncurrent Assets:				
Restricted cash	9,198		9,198	
Notes receivable		701,240	701,240	
Tax deeded property	307,015		307,015	
Capital assets:				
Non-depreciable capital assets	1,335,862	810,846	2,146,708	647,815
Depreciable capital assets, net	<u>16,123,422</u>	<u>19,214,944</u>	<u>35,338,366</u>	<u>35,921,199</u>
Total Noncurrent Assets	<u>17,775,497</u>	<u>20,727,030</u>	<u>38,502,527</u>	<u>36,569,014</u>
Total Assets	<u>\$ 29,707,998</u>	<u>\$ 26,150,619</u>	<u>\$ 55,858,617</u>	<u>\$ 38,569,984</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 385,278	\$ 11,772	\$ 397,050	\$ 32,312
Accrued expenses	591,646	86,677	678,323	233,661
Deferred revenue	6,954,223	3,425	6,957,648	
Due to other governments	9,520		9,520	
Deposits		10,000	10,000	
Current portion of bonds payable	967,377	122,854	1,090,231	1,133,939
Current portion of notes payable		57,402	57,402	12,250
Current portion of capital leases payable	255,203		255,203	71,919
Current portion of compensated absences payable	79,263		79,263	24,680
Current portion of estimated liability for landfill postclosure care costs	<u>10,522</u>	<u>10,000</u>	<u>20,522</u>	
Total Current Liabilities	<u>9,253,032</u>	<u>302,130</u>	<u>9,555,162</u>	<u>1,508,761</u>
Noncurrent Liabilities:				
Payable from restricted assets	9,198		9,198	
Bonds payable	1,596,921	4,702,289	6,299,210	9,484,507
Notes payable		411,619	411,619	
Capital leases payable	1,606,395		1,606,395	145,476
Compensated absences payable	1,715,192	70,233	1,785,425	121,346
Other post-employment benefits payable	103,011	1,989	105,000	
Estimated liability for landfill postclosure care costs	178,883	250,000	428,883	
Total Noncurrent Liabilities	<u>5,209,600</u>	<u>5,436,130</u>	<u>10,645,730</u>	<u>9,751,329</u>
Total Liabilities	<u>14,462,632</u>	<u>5,738,260</u>	<u>20,200,892</u>	<u>11,260,090</u>
NET ASSETS				
Invested in capital assets, net of related debt	13,997,012	15,200,647	29,197,659	25,720,923
Restricted	146,578		146,578	
Unrestricted	<u>1,101,776</u>	<u>5,211,712</u>	<u>6,313,488</u>	<u>1,588,971</u>
Total Net Assets	<u>15,245,366</u>	<u>20,412,359</u>	<u>35,657,725</u>	<u>27,309,894</u>
Total Liabilities and Net Assets	<u>\$ 29,707,998</u>	<u>\$ 26,150,619</u>	<u>\$ 55,858,617</u>	<u>\$ 38,569,984</u>

See accompanying notes to the basic financial statements

EXHIBIT C
CITY OF BERLIN, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 10,485,346	\$ 3,226	\$ 10,488,572
Investments	2,443,369	365,710	2,809,079
Taxes receivable, net	2,347,749		2,347,749
Accounts receivable	99,608	762	100,370
Due from other governments	382,348	449,580	831,928
Due from other funds	525,489	205,385	730,874
Prepaid expenses	53,320	15,335	68,655
Inventory		9,732	9,732
Tax deeded property	307,015		307,015
Restricted cash	9,198		9,198
Total Assets	<u>\$ 16,653,442</u>	<u>\$ 1,049,730</u>	<u>\$ 17,703,172</u>
LIABILITIES			
Accounts payable	\$ 352,910	\$ 32,368	\$ 385,278
Accrued expenses	457,648	12,404	470,052
Deferred revenue	7,487,184	149,845	7,637,029
Due to other governments	9,520		9,520
Due to other funds	4,999,873	454,585	5,454,458
Payable from restricted assets	9,198		9,198
Total Liabilities	<u>13,316,333</u>	<u>649,202</u>	<u>13,965,535</u>
FUND BALANCES			
Reserved for endowments		146,578	146,578
Reserved for encumbrances	242,275		242,275
Reserved for prepaid expenses	53,320	15,335	68,655
Reserved for special purposes	335		335
Unreserved, reported in:			
General fund	3,041,179		3,041,179
Special revenue funds		18,327	18,327
Permanent funds		220,288	220,288
Total Fund Balances	<u>3,337,109</u>	<u>400,528</u>	<u>3,737,637</u>
Total Liabilities and Fund Balances	<u>\$ 16,653,442</u>	<u>\$ 1,049,730</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 17,459,284

Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis 682,806

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable (2,564,298)
Capital leases payable (1,861,598)
Accrued interest on long-term obligations (121,594)
Compensated absences payable (1,794,455)
Other post-employment benefits payable (103,011)
Estimated liability for landfill postclosure care costs (189,405)

Net assets of governmental activities \$ 15,245,366

See accompanying notes to the basic financial statements

EXHIBIT D
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 14,674,415		\$ 14,674,415
Licenses and permits	1,218,047		1,218,047
Intergovernmental	13,213,778	\$ 3,338,919	16,552,697
Charges for services	2,311,021	492,048	2,803,069
Interest income	148,021	6,243	154,264
Miscellaneous	230,459	108,959	339,418
Total Revenues	<u>31,795,741</u>	<u>3,946,169</u>	<u>35,741,910</u>
Expenditures:			
Current operations:			
General government	1,843,961	60,943	1,904,904
Public safety	4,781,166	49,006	4,830,172
Airport/Aviation center		222,630	222,630
Highways and streets	2,031,230		2,031,230
Health and welfare	653,101	32	653,133
Sanitation	886,220	18,354	904,574
Culture and recreation	559,810	46,071	605,881
Economic development		242,123	242,123
Education	15,950,584	2,307,068	18,257,652
Food service		621,339	621,339
Capital outlay	1,025,259	414,557	1,439,816
Debt service:			
Principal retirement	1,571,703	1,866	1,573,569
Interest and fiscal charges	391,748	99	391,847
Lease payments	333,535		333,535
Intergovernmental	1,584,264		1,584,264
Total Expenditures	<u>31,612,581</u>	<u>3,984,088</u>	<u>35,596,669</u>
Excess of revenues over (under) expenditures	<u>183,160</u>	<u>(37,919)</u>	<u>145,241</u>
Other financing sources (uses):			
Transfers in	7,015	8,154	15,169
Transfers out	(8,154)	(7,015)	(15,169)
Total other financing sources (uses)	<u>(1,139)</u>	<u>1,139</u>	<u>-</u>
Net change in fund balances	182,021	(36,780)	145,241
Fund balances at beginning of year	<u>3,155,088</u>	<u>437,308</u>	<u>3,592,396</u>
Fund balances at end of year	<u>\$ 3,337,109</u>	<u>\$ 400,528</u>	<u>\$ 3,737,637</u>

CITY OF BERLIN, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Change in Fund Balances - Total Governmental Funds	\$ 145,241
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	83,294
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.	(20,350)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(208,370)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	968,569
Repayment of principal on capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	267,141
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.	29,614
Some expenses reported in the statement of activities, such as compensated absences, other post-employment benefits and the estimated liability for landfill postclosure care costs, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(71,421)
Change in Net Assets of Governmental Activities	<u>\$ 1,193,718</u>

EXHIBIT E
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities		
	Sewer Fund	Nonmajor Enterprise Funds	Totals
ASSETS			
Current Assets:			
Accounts receivable	\$ 347,036	\$ 5	\$ 347,041
Notes receivable		75,462	75,462
Due from other governments	116,170	99,057	215,227
Due from other funds	3,834,013	994,243	4,828,256
Inventory	59,644		59,644
Total Current Assets	<u>4,356,863</u>	<u>1,168,767</u>	<u>5,525,630</u>
Noncurrent Assets:			
Notes receivable		701,240	701,240
Non-depreciable capital assets	773,608	37,238	810,846
Depreciable capital assets, net	18,907,351	307,593	19,214,944
Total Noncurrent Assets	<u>19,680,959</u>	<u>1,046,071</u>	<u>20,727,030</u>
Total Assets	<u>\$ 24,037,822</u>	<u>\$ 2,214,838</u>	<u>\$ 26,252,660</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 10,605	\$ 1,167	\$ 11,772
Accrued expenses	84,054	2,623	86,677
Deferred revenue		3,425	3,425
Deposits	10,000		10,000
Due to other funds	17,051	84,990	102,041
Current portion of bonds payable	122,854		122,854
Current portion of notes payable		57,402	57,402
Current portion of estimated liability for landfill postclosure care costs		10,000	10,000
Total Current Liabilities	<u>244,564</u>	<u>159,607</u>	<u>404,171</u>
Noncurrent Liabilities:			
Bonds payable	4,702,289		4,702,289
Notes payable		411,619	411,619
Compensated absences payable	66,963	3,270	70,233
Other post-employment benefits payable	1,989		1,989
Estimated liability for landfill postclosure care costs		250,000	250,000
Total Noncurrent Liabilities	<u>4,771,241</u>	<u>664,889</u>	<u>5,436,130</u>
Total Liabilities	<u>5,015,805</u>	<u>824,496</u>	<u>5,840,301</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,855,816	344,831	15,200,647
Unrestricted	4,166,201	1,045,511	5,211,712
Total Net Assets	<u>19,022,017</u>	<u>1,390,342</u>	<u>20,412,359</u>
Total Liabilities and Net Assets	<u>\$ 24,037,822</u>	<u>\$ 2,214,838</u>	<u>\$ 26,252,660</u>

See accompanying notes to the basic financial statements

EXHIBIT F
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities		
	Sewer Fund	Nonmajor Enterprise Funds	Totals
Operating revenues:			
Charges for services	\$ 1,557,967		\$ 1,557,967
Miscellaneous	150,313	\$ 171,597	321,910
Total operating revenues	<u>1,708,280</u>	<u>171,597</u>	<u>1,879,877</u>
Operating expenses:			
Personnel services	615,912	16,464	632,376
Repairs and maintenance	32,645	18,450	51,095
Administrative	43,801		43,801
Materials and supplies	207,697	5	207,702
Utilities	164,259	32,572	196,831
Depreciation	902,874	30,880	933,754
Total operating expenses	<u>1,967,188</u>	<u>98,371</u>	<u>2,065,559</u>
Operating income (loss)	<u>(258,908)</u>	<u>73,226</u>	<u>(185,682)</u>
Non-operating revenues (expenses):			
Gain on sale of assets		124,678	124,678
Interest revenue	96,697	10,819	107,516
Interest expense		(24,827)	(24,827)
Net non-operating revenues (expenses)	<u>96,697</u>	<u>110,670</u>	<u>207,367</u>
Income (loss) before capital contributions	(162,211)	183,896	21,685
Capital contributions	<u>79,884</u>		<u>79,884</u>
Change in net assets	(82,327)	183,896	101,569
Total net assets at beginning of year	<u>19,104,344</u>	<u>1,206,446</u>	<u>20,310,790</u>
Total net assets at end of year	<u>\$ 19,022,017</u>	<u>\$ 1,390,342</u>	<u>\$ 20,412,359</u>

See accompanying notes to the basic financial statements

EXHIBIT G
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities		
	Sewer Fund	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,533,953	\$ 171,343	\$ 1,705,296
Cash paid to suppliers	(656,720)	(59,995)	(716,715)
Cash paid to employees	(413,926)	(14,919)	(428,845)
Net cash provided by operating activities	<u>463,307</u>	<u>96,429</u>	<u>559,736</u>
Cash flows from capital and related financing activities:			
Proceeds from note collections		71,619	71,619
Principal paid on bonds payable	(117,793)		(117,793)
Principal paid on notes payable		(54,608)	(54,608)
Interest paid on long-term debt		(24,827)	(24,827)
Capital contributions	79,884		79,884
Proceeds from sale of capital assets		326,080	326,080
Purchases of capital assets	(338,692)	(16,641)	(355,333)
Net cash provided (used) for capital and related financing activities	<u>(376,601)</u>	<u>301,623</u>	<u>(74,978)</u>
Cash flows from investing activities:			
Interest on investments	96,697	10,819	107,516
Net cash provided by investing activities	<u>96,697</u>	<u>10,819</u>	<u>107,516</u>
Net increase in cash and cash equivalents	183,403	408,871	592,274
Cash and cash equivalents at beginning of year	3,633,559	500,382	4,133,941
Cash and cash equivalents at end of year	<u>\$ 3,816,962</u>	<u>\$ 909,253</u>	<u>\$ 4,726,215</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (258,908)	\$ 73,226	\$ (185,682)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	902,874	30,880	933,754
Changes in assets and liabilities:			
Accounts receivable	(55,106)	2,620	(52,486)
Due from other governments	(17,050)	2,439	(14,611)
Inventory	(12,172)		(12,172)
Accounts payable	398	1,049	1,447
Accrued expenses	1,809	1,234	3,043
Deferred revenue	(107,171)	(5,313)	(112,484)
Deposits	5,000		5,000
Compensated absences	1,644	294	1,938
Other post-employment benefits	1,989		1,989
Estimated liability for landfill postclosure care costs		(10,000)	(10,000)
Net cash provided by operating activities	<u>\$ 463,307</u>	<u>\$ 96,429</u>	<u>\$ 559,736</u>
Supplemental disclosure of non-cash transactions:			
Cost basis of disposed capital assets	<u>\$ -</u>	<u>\$ 210,760</u>	<u>\$ 210,760</u>

See accompanying notes to the basic financial statements

EXHIBIT H
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private- Purpose <u>Trusts</u>	Agency <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 2,171	\$ 206,369
Investments	<u>128,292</u>	
Total Assets	<u>\$ 130,463</u>	<u>\$ 206,369</u>
LIABILITIES		
Due to other funds	\$ 2,631	
Due to student groups		<u>\$ 206,369</u>
Total Liabilities	<u>2,631</u>	<u>\$ 206,369</u>
NET ASSETS		
Held in trust	<u>127,832</u>	
Total Net Assets	<u>127,832</u>	
Total Liabilities and Net Assets	<u>\$ 130,463</u>	

See accompanying notes to the basic financial statements

EXHIBIT I
CITY OF BERLIN, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2009

	Private- Purpose <u>Trusts</u>
ADDITIONS:	
Investment earnings:	
Investment income	\$ 5,128
Total Additions	<u>5,128</u>
DEDUCTIONS:	
Benefits	<u>1,629</u>
Total Deductions	<u>1,629</u>
Change in Net Assets	3,499
Net assets - beginning of year	<u>124,333</u>
Net assets - end of year	<u>\$ 127,832</u>

See accompanying notes to the basic financial statements

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Berlin, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The City of Berlin, New Hampshire (the City) was incorporated in 1829. The City operates under the City Council/City Mayor form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the City Council and other officials with financial responsibility.

Accounting principles generally accepted in the United States of America (Governmental Accounting Standards Board Statement No. 14) require that all component units for which the City maintains financial oversight be included in the financial statements. Oversight responsibility is derived from a number of criteria including financial interdependency, selection of governing authority, designation of management, ability to influence operations and accountability for fiscal matters. The relative importance of each criterion must be evaluated in light of specific circumstances.

Although the decision to include or exclude a component unit is left to the professional judgment of local responsible officials, a positive response to any of the criteria requires that the specific reason for excluding the component unit be disclosed.

Discretely Presented Component Unit

The component unit columns in the government-wide financial statements include the financial data of the City's component unit, the Berlin Water Works. It is reported in a separate column to emphasize that they are legally separate from the City.

The Berlin Water Works, which was incorporated as a body politic in 1925, is included because the Mayor, with confirmation of the City Council, appoints the Water Commissioners, and debt is issued by the City on behalf of the Berlin Water Works. Debt issued is backed by the full faith and credit of the City.

Separately issued financial statements of the Berlin Water Works may be obtained by writing to their Board of Commissioners at 55 Willow Street, Berlin, New Hampshire 03570-1883.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

1. Government-Wide Financial Statements:

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds, and its component unit.

The statement of net assets presents the financial conditions of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

2. Fund Financial Statements:

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the City's major governmental fund:

The *General Fund* is the main operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

2. Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The City has no internal service funds. The following is the City's major proprietary fund:

The *Sewer Fund* accounts for all revenues and expenses pertaining to the City's sanitation operations.

The Sewer Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

3. Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City maintains four private purpose trust funds which account for monies designated to benefit individuals within the City. The City's agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. The City's agency fund accounts for the Student Activities Funds of the schools.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City and its component unit are included on the Statement of Net Assets.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The private purpose trust funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

In the government-wide financial statements and proprietary fund statements, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 2). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes and interest on investments.

Licenses and permits, charges for services, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

2. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

3. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The City's budget represents functional appropriations as authorized by City Council. The City Council may transfer funds between operating categories as they deem necessary. The City adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the fiscal year ended June 30, 2009, the City applied \$725,000 of its unappropriated fund balance to reduce taxes.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Cash and Cash Equivalents

The City pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Totals</u>
Proprietary Funds:			
Sewer fund	\$ 3,834,013	\$ (17,051)	\$ 3,816,962
Nonmajor funds	994,243	(84,990)	909,253
	<u>\$ 4,828,256</u>	<u>\$ (102,041)</u>	<u>\$ 4,726,215</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Investments

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable

Taxes levied during the current fiscal year and prior and uncollected at June 30, 2009 are recorded as receivables net of reserves for estimated uncollectibles of \$386,061.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

Restricted Cash

Restricted cash consists of deposits held in escrow accounts.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair values as of the date received. The City maintains a capitalization threshold of \$10,000. The City's infrastructure consists of roads, bridges, sidewalks, and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is also capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

	<u>Description</u>	<u>Years</u>
	Infrastructure	15-30
	Land improvements	10-30
	Buildings and improvements	10-60
	Vehicles and equipment	3-30

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to City personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick pay earned and, upon retirement, resignation or death will be compensated for such amounts at current rates of pay.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for endowments, encumbrances, prepaid expenses and special purposes.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the sewer fund and Cates Hill landfill fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include depreciation expense and the allowance for uncollectible taxes.

NOTE 2—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$468,919,442 as of April 1, 2008) and are due in two installments on July 1, 2008 and December 1, 2008. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end) in the governmental fund statements only. Full accrual is reported in the government wide financial statements.

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property is tax dedeed to the City.

In accordance with State law, the City collects taxes for Coos County, an independent governmental unit, which is remitted to the County as required by law. Taxes appropriated to Coos County for the year ended June 30, 2009 were \$1,584,264. The City bears responsibility for uncollected taxes.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

NOTE 3—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At June 30, 2009 the Airport Authority Fund, a nonmajor governmental fund, had an unreserved, deficit fund balance of (\$109,833). The City's management intends to rectify the above condition by transferring funds from the General Fund to offset the deficit position.

NOTE 4—RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2009, the City was a member of the New Hampshire Public Risk Management Exchange (PRIMEX). The City currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2009.

Property and Liability Insurance

PRIMEX provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of PRIMEX, the City shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000.

Worker's Compensation

PRIMEX provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 5—DEPOSITS AND INVESTMENTS

The City has combined the cash resources of its governmental, proprietary, and fiduciary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

Deposits and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Statement of net assets:	
Cash and cash equivalents	\$ 10,488,572
Investments	2,809,079
Restricted cash	9,198
Statement of fiduciary net assets:	
Cash and cash equivalents	208,540
Investments	128,292
Total deposits and investments	<u>\$ 13,643,681</u>

Deposits and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 2,410
Deposits with financial institutions	13,392,840
Investments	248,431
Total deposits and investments	<u>\$ 13,643,681</u>

The City's investment policy for governmental and business-type funds requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The City limits its investments to money market accounts, certificates of deposit, and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. Responsibility for the investments of the Trust Funds is with the Board of Trustees. Investments of the Student Activities Agency Funds are at the discretion of the School Principals.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. None of the investments held by the City as of June 30, 2009 are rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The City has an investment policy for assurance against custodial credit risk which requires collateralization for all City deposits in excess of the Federal Deposit Insurance limits.

Investment in NHPDIP

The City is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The City's exposure to derivatives is indirect through its participation in the NHPDIP. The City's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

NOTE 6—DUE FROM OTHER GOVERNMENTS

Receivables from other governments at June 30, 2009 consist of various federal and state fundings and reimbursements from other local governmental units. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables is as follows:

Medicare Part D subsidy reimbursement	\$	41,751
Public safety grants		58,204
Environmental Protection Agency Grant		7,997
State of NH Medicaid		7,109
Tuition - Various School Districts		175,687
Berlin Water Works reimbursement		23,507
Transportation grant		67,027
Neighborhood Stabilization Grant		661
Justice assistance grant		9,860
School lunch program		25,532
Airport improvement program grants		17,311
State of NH education grants		397,282
Cates Hill Landfill - Various Participating Towns		99,057
Federal Bureau of Prisons		116,170
		<u>\$ 1,047,155</u>

NOTE 7—CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental funds:

	Balance <u>07/01/08</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/09</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 694,356	\$ 10,000		\$ 704,356
Construction in progress	<u>66,052</u>	<u>565,454</u>		<u>631,506</u>
Total capital assets not being depreciated	<u>760,408</u>	<u>575,454</u>	<u>\$ -</u>	<u>1,335,862</u>
Other capital assets:				
Infrastructure	8,190,700			8,190,700
Land improvements	5,172,964			5,172,964
Buildings and improvements	9,607,303	101,586		9,708,889
Vehicles and equipment	<u>7,632,389</u>	<u>434,416</u>	<u>(183,112)</u>	<u>7,883,693</u>
Total other capital assets at historical cost	<u>30,603,356</u>	<u>536,002</u>	<u>(183,112)</u>	<u>30,956,246</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Less accumulated depreciation for:

Infrastructure	(3,592,907)	(269,580)		(3,862,487)
Land improvements	(2,056,966)	(177,203)		(2,234,169)
Buildings and improvements	(4,105,405)	(187,151)		(4,292,556)
Vehicles and equipment	(4,212,146)	(394,228)	162,762	(4,443,612)
Total accumulated depreciation	(13,967,424)	(1,028,162)	162,762	(14,832,824)
Total other capital assets, net	16,635,932	(492,160)	(20,350)	16,123,422
Total capital assets, net	<u>\$ 17,396,340</u>	<u>\$ 83,294</u>	<u>\$ (20,350)</u>	<u>\$ 17,459,284</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 17,720
Public safety	128,913
Airport/Aviation center	170,113
Highways and streets	408,149
Health and welfare	4,098
Sanitation	9,850
Culture and recreation	57,653
Education	229,093
Food service	2,573
Total governmental activities depreciation expense	<u>\$ 1,028,162</u>

The balance of the assets acquired through capital leases as of June 30, 2009 is as follows:

Buildings and improvements	\$ 467,847
Vehicles and equipment	1,119,372
Less accumulated depreciation for:	
Buildings and improvements	(218,328)
Vehicles and equipment	(448,213)
	<u>\$ 920,678</u>

The following is a summary of changes in capital assets in the proprietary funds:

	Balance 07/01/08	Additions	Reductions	Balance 06/30/09
Business-type activities:				
Capital assets not depreciated:				
Land	\$ 222,238	\$ 16,641	\$ (178,978)	\$ 59,901
Construction in progress	644,593	321,642	(215,290)	750,945
Total capital assets not being depreciated	<u>866,831</u>	<u>338,283</u>	<u>(394,268)</u>	<u>810,846</u>
Other capital assets:				
Buildings and improvements	38,946,656	232,340	(31,782)	39,147,214
Vehicles and equipment	843,905			843,905
Total other capital assets at historical cost	<u>39,790,561</u>	<u>232,340</u>	<u>(31,782)</u>	<u>39,991,119</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Less accumulated depreciation for:				
Buildings and improvements	(19,110,559)	(903,779)	9,358	(20,004,980)
Vehicles and equipment	(741,220)	(29,975)		(771,195)
Total accumulated depreciation	(19,851,779)	(933,754)	9,358	(20,776,175)
Total other capital assets, net	19,938,782	(701,414)	(22,424)	19,214,944
Total capital assets, net	<u>\$ 20,805,613</u>	<u>\$ (363,131)</u>	<u>\$ (416,692)</u>	<u>\$ 20,025,790</u>

Depreciation expense was charged to proprietary funds as follows:

Sewer Fund	\$ 902,874
Nonmajor Funds	30,880
Total business-type activities depreciation expense	<u>\$ 933,754</u>

NOTE 8—DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to contribute at an actuarially determined rate. The City's contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 11.84%, 15.92%, 5.80%, and 8.74%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees of the City. In accordance with accounting principles generally accepted in the United States of America (GASB #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$417,438 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The City's contributions to the NHRS for the years ending June 30, 2009, 2008, and 2007 were \$1,130,821, \$1,121,754, and \$807,619, respectively, equal to the required contributions for each year.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

NOTE 9—OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the City provides healthcare and life insurance benefits to its retirees and their spouses and dependents. The amount the City pays for medical and life insurance premiums for retirees and their spouses varies by employee group. Most regular active employees who retire directly from the City and meet the eligibility criteria may participate. As of July 1, 2007, the actuarial valuation date, approximately 199 retirees and 377 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

During the year, the City prospectively implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

Annual OPEB Costs

The City's fiscal 2009 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid, on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of thirty years. The City's annual OPEB cost for the year ending June 30, 2009 including the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of July 1, 2007 is as follows:

Annual Required Contribution (ARC)	\$ 443,000
Interest on net OPEB obligation	-
Annual OPEB cost	<u>443,000</u>
Contributions made	<u>(338,000)</u>
Increase in net OPEB obligation	105,000
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 105,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ended June 30, 2009 are as follows:

Year	Annual	Percentage of	Net OPEB
<u>Ended</u>	<u>OPEB Cost</u>	<u>OPEB Cost</u>	<u>Net OPEB</u>
		<u>Contributed</u>	<u>Obligation</u>
6/30/2009	\$443,000	76%	\$105,000

The City's net OPEB obligation as of June 30, 2009 is recognized as a liability in these financial statements.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Funded Status and Funding Progress for OPEB

The funded status of the plan as of July 1, 2007, the date of the most recent actuarial valuation is as follows:

Actuarial Accrued Liability (AAL)	\$ 5,686,000
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,686,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 13,652,000
UAAL as a percentage of covered payroll	42%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. The total cost of providing post-employment benefits is projected, taking into account assumptions about current claim cost, turnover, mortality, health care trends, and other actuarial assumptions. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions for OPEB

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2007 actuarial valuation the Entry Age Normal Cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 5.0% investment rate of return. The amortization costs for the initial Unfunded Actuarial Accrued Liability (UAAL) is a level percentage of payroll for a period of thirty years on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 5.0% per year.

NOTE 10—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the City's long-term obligations for the year ended June 30, 2009 are as follows:

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

	Balance <u>07/01/08</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/09</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 3,532,867		\$ (968,569)	\$ 2,564,298	\$ 967,377
Capital leases payable	2,128,739		(267,141)	1,861,598	255,203
Compensated absences	1,815,522	\$ 24,262	(45,329)	1,794,455	79,263
Other post-employment benefits	-	103,011		103,011	-
Estimated liability for landfill postclosure care costs	<u>199,928</u>		<u>(10,523)</u>	<u>189,405</u>	<u>10,522</u>
Total governmental activities	<u>\$ 7,677,056</u>	<u>\$ 127,273</u>	<u>\$(1,291,562)</u>	<u>\$ 6,512,767</u>	<u>\$ 1,312,365</u>
Business-type activities:					
Bonds payable	\$ 4,942,936		\$ (117,793)	\$ 4,825,143	\$ 122,854
Notes payable	523,629		(54,608)	469,021	57,402
Compensated absences	68,295	\$ 1,938		70,233	-
Other post-employment benefits	-	1,989		1,989	-
Estimated liability for landfill postclosure care costs	<u>270,000</u>		<u>(10,000)</u>	<u>260,000</u>	<u>10,000</u>
Total business-type activities	<u>\$ 5,804,860</u>	<u>\$ 3,927</u>	<u>\$(182,401)</u>	<u>\$ 5,626,386</u>	<u>\$ 190,256</u>
Component unit:					
Bonds payable	\$ 11,745,744		\$(1,127,298)	\$ 10,618,446	\$ 1,133,939
Total component unit	<u>\$ 11,745,744</u>	<u>\$ -</u>	<u>\$(1,127,298)</u>	<u>\$ 10,618,446</u>	<u>\$ 1,133,939</u>

Payments on the general obligation bonds, capital leases and landfill postclosure care costs of the governmental activities are paid out of the General Fund. Payments on the general obligation bonds, notes payable and landfill postclosure care costs of the business-type activities are paid out of the Sewer, Industrial Development and Park Authority and Cates Hill Landfill Funds, respectively. The compensated absences and other post-employment benefits will be paid from the fund where the employee's salary is paid.

Payments on the general obligation bonds of the component unit are paid by the Berlin Water Works.

General Obligation Bonds

Governmental Activities:

Bonds payable at June 30, 2009 are comprised of the following individual issues:

\$5,100,000 Deficit Funding Bonds due in annual installments of \$510,000 through July 2009; interest at 4.5% - 5.25%	\$ 510,000
\$1,134,062 Landfill Closure Bonds due in annual installments of \$56,703 through November 2016; interest at 4.48%	453,625

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

\$4,500,000 State Guaranteed School Improvement Bonds due in annual installments of \$300,000 through January 2013; interest at 4.15% - 4.9%	1,200,000
\$1,500,000 School Improvement Bonds due in annual installments of \$100,000 through January 2013; interest at 4.3% - 4.95%	400,000
\$9,063 Airport Authority Equipment Bond due in annual installments of \$2,145 through June 2009 and \$508 through September 2009; interest at 6.75%	673
	<u>\$ 2,564,298</u>

Debt service requirements to retire general obligation bonds for governmental activities at June 30, 2009 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 967,377	\$ 108,420	\$ 1,075,797
2011	456,703	75,882	532,585
2012	456,703	54,142	510,845
2013	456,703	32,352	489,055
2014	56,703	10,161	66,864
2015-2017	170,109	15,242	185,351
	<u>\$ 2,564,298</u>	<u>\$ 296,199</u>	<u>\$ 2,860,497</u>

The State of New Hampshire annually reimburses the City for its share of landfill related debt service payments. For the year ended June 30, 2009, the landfill closure reimbursement was \$11,693.

As included on the Statement of Activities (Exhibit B), interest expense for the year ended June 30, 2009 was \$362,951 on general obligation debt for governmental activities.

Business-type Activities:

Bonds payable at June 30, 2009 is comprised of the following individual issue:

\$5,000,000 Sewer Fund Wastewater Treatment Facility Bond due in semi-annual installments of \$163,350 through September 2032; interest at 4.25%	<u>\$ 4,825,143</u>
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Debt service requirements to retire general obligation bonds for business-type activities at June 30, 2009 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 122,854	\$ 203,846	\$ 326,700
2011	128,133	198,567	326,700
2012	133,638	193,062	326,700

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

2013	139,380	187,320	326,700
2014	145,369	181,331	326,700
2015-2019	826,076	807,424	1,633,500
2020-2024	1,019,462	614,038	1,633,500
2025-2029	1,258,121	375,379	1,633,500
2030-2033	<u>1,052,110</u>	<u>91,340</u>	<u>1,143,450</u>
	<u>\$ 4,825,143</u>	<u>\$ 2,852,307</u>	<u>\$ 7,677,450</u>

The State of New Hampshire annually reimburses the City for its share of sewer related debt service payments. For the year ended June 30, 2009, the sewer related reimbursement was \$62,834.

Interest incurred for the year ended June 30, 2009 from general obligation debt of the business-type activities in the amount of \$208,184, was capitalized during the construction phase of capital assets.

Component Unit:

Bonds payable at June 30, 2009 are comprised of the following individual issues:

Bond payable due in annual installments of \$150,000 through August 2013; interest at 5.3% - 5.875%	\$ 750,000
Bond payable due in annual installments of \$150,000 through August 2014; interest at 6.125% - 7.0%	900,000
Bond payable due in annual installments of \$305,000 through August 2015; interest at 5.25% - 5.625%	2,135,000
State revolving loan payable due in variable annual installments of \$110,477 to \$14,462 through December 2020; interest at 3.8%	902,684
State revolving loan payable due in variable annual installments of \$142,470 to \$18,479 through November 2020; interest at 3.8%	1,163,981
State revolving loan payable due in variable annual installments of \$56,016 to \$6,934 through December 2021; interest at 3.704%	503,331
State revolving loan payable due in variable annual installments of \$137,384 to \$17,007 through December 2021; interest at 3.704%	1,234,463
State revolving loan payable due in variable annual installments of \$103,859 to \$53,742 through May 2023; interest at 3.728%	1,508,682
State revolving loan payable due in variable annual installments of \$132,242 to \$100,537 through September 2024; interest at 3.688%	<u>1,520,305</u>
	<u>\$ 10,618,446</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

Debt service requirements to retire general obligation bonds for the component unit at June 30, 2009 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2010	\$ 1,133,939	\$ 456,196	\$ 1,590,135
2011	1,139,901	401,952	1,541,853
2012	1,145,136	347,382	1,492,518
2013	1,149,414	292,511	1,441,925
2014	1,152,432	237,430	1,389,862
2015-2019	3,452,640	613,005	4,065,645
2020-2024	1,403,442	132,118	1,535,560
2025-2029	41,542	1,532	43,074
	<u>\$ 10,618,446</u>	<u>\$ 2,482,126</u>	<u>\$ 13,100,572</u>

Interest expense for the year ended June 30, 2009 was \$411,025 on general obligation debt for the Berlin Water Works.

Under state law, the City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City). Accordingly, this general obligation debt is recognized as a liability of the Berlin Water Works and is not recorded as a long term obligation of the City. The Commissioners of the Berlin Water Works have agreed to reimburse the City for the annual principal and interest payments on this debt. For the year ended June 30, 2009, the reimbursement was \$838,860, which consists of \$605,000 in principal and \$233,860 in interest.

Notes Payable

Notes payable for business-type activities at June 30, 2009 is comprised of the following individual issue:

\$625,000 Note payable to Business Finance Authority, secured by real estate, due in monthly installments of \$6,629 through June 2016; interest at 5.0%	<u>\$ 469,021</u>
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Debt service requirements to retire notes payable for business-type activities at June 30, 2009 are as follows:

Year Ending June 30,	Principal	Interest	Totals
2010	\$ 57,402	\$ 22,147	\$ 79,549
2011	60,338	19,211	79,549
2012	63,426	16,124	79,550
2013	66,670	12,879	79,549
2014	70,081	9,468	79,549
2015-2016	151,104	7,994	159,098
	<u>\$ 469,021</u>	<u>\$ 87,823</u>	<u>\$ 556,844</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

As included on the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds (Exhibit F), interest expense for the year ended June 30, 2009 was \$24,827 on notes payable for business-type activities.

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. The following are the individual capital lease obligations of the governmental activities at June 30, 2009:

Equipment, due in annual installments of \$69,673, including interest at 4.09%, through April 2013	\$ 258,861
Equipment, due in annual installments of \$49,515, including interest at 4.65%, through September 2012	177,014
Equipment, due in annual installments of \$214,347, including interest at 4.295%, through July 2016	<u>1,425,723</u>
	<u>\$ 1,861,598</u>

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2009 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 255,203	\$ 78,332	\$ 333,535
2011	266,233	67,301	333,534
2012	277,740	55,794	333,534
2013	289,746	41,849	331,595
2014	181,160	33,187	214,347
2015-2017	<u>591,516</u>	<u>51,523</u>	<u>643,039</u>
	<u>\$ 1,861,598</u>	<u>\$ 327,986</u>	<u>\$ 2,189,584</u>

Authorized and Unissued Debt

The following debt was authorized and unissued as of June 30, 2009:

Sewer Wastewater Treatment Facility Phase II	\$ 15,000,000
Industrial Development Revenue Bonds - Greenova Project	10,000,000
	<u>\$ 25,000,000</u>

Subsequent to year end, the City Council authorized the issuance of general obligation bonds in an amount not to exceed \$5,000,000 (see Note 17 below).

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009

NOTE 11—LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place final covers on its two landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. An estimated liability has been recorded based on the future post-closure care costs that will be incurred. The estimated liability for landfill post-closure care costs has a balance of \$449,405 as of June 30, 2009. The estimated liability for the post-closure care costs of the East Milan landfill (\$189,405) and the Cates Hill landfill (\$260,000) has been reported as a liability of the Governmental Funds and the Cates Hill Landfill Proprietary Fund, respectively. The East Milan landfill was capped during fiscal year 1997, and the Cates Hill landfill was capped during fiscal year 2005. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfills were acquired as of June 30, 2009. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The closure costs of the East Milan landfill were financed through the issuance of debt under the State of New Hampshire, State Water Pollution Control Revolving Fund Program. The remaining post-closure care costs for the East Milan landfill are expected to be financed through annual taxation. The City has entered into an inter-municipal agreement with surrounding communities for the reimbursement of their share of the Cates Hill landfill closure and post-closure care costs. The remaining post-closure care costs for the Cates Hill landfill are expected to be financed from the motor vehicle surcharges previously collected in the Cates Hill Landfill Fund.

The following is a summary of changes in the estimated liability for closure and post-closure care costs for the year ended June 30, 2009:

	Governmental activities	Business-type activities	Totals
Balance - July 1, 2008	\$ 199,928	\$ 270,000	\$ 469,928
Current year expenditures	(8,513)	(7,036)	(15,549)
Net change in estimated liability for postclosure care costs	<u>(2,010)</u>	<u>(2,964)</u>	<u>(4,974)</u>
Balance - June 30, 2009	<u>\$ 189,405</u>	<u>\$ 260,000</u>	<u>\$ 449,405</u>

NOTE 12—INTERFUND BALANCES AND TRANSFERS

The City has combined the cash resources of its governmental, proprietary, and fiduciary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2009 are as follows:

Fund	Due from other funds	Due to other funds
Major Funds:		
General Fund	\$ 525,489	\$ 4,999,873
Sewer Fund	3,834,013	17,051

**CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009**

Nonmajor Funds:		
Governmental Funds	205,385	454,585
Proprietary Funds	994,243	84,990
Fiduciary Funds:		
Private-Purpose Trusts		2,631
	<u>\$ 5,559,130</u>	<u>\$ 5,559,130</u>

During the year, several interfund transactions occurred between funds. The transfers were made in accordance with budgetary authorizations. The Permanent Funds, a Nonmajor Governmental Fund, made a transfer of \$7,015 for the reimbursement of lot care expenses paid by the General Fund during the year. The General Fund made a transfer of \$8,154 to the Airport Authority Fund, a Nonmajor Governmental Fund, to help offset the deficit fund balance position. Interfund transfers for the year ended June 30, 2009 are as follows:

	<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:			
General Fund		\$ 7,015	\$ 8,154
Nonmajor Governmental Funds		8,154	7,015
		<u>\$ 15,169</u>	<u>\$ 15,169</u>

NOTE 13—PERMANENT FUNDS

Cemetery care funds are accounted for as permanent funds in these financials. The principal amounts of all cemetery care funds are restricted in that only income earned may be expended. Principal and income balances at June 30, 2009 are as follows:

	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Cemetery Funds	<u>\$ 146,578</u>	<u>\$ 220,288</u>	<u>\$ 366,866</u>

NOTE 14—RESTRICTED NET ASSETS

Net assets are restricted on the Exhibit A – Statement of Net Assets for ‘Endowments’ in the amount of \$146,578.

NOTE 15—TOP TAXPAYERS

The following are the five major property owners as they relate to the City’s total assessed property valuation of \$468,919,442 (as of April 1, 2008):

<u>Taxpayer</u>	<u>Property Valuation</u>	<u>Percentage of Total Valuation</u>
Public Service of New Hampshire	\$ 52,697,100	11.24%
Great Lakes Hydro America, LLC	35,983,900	7.67%
Portland Natural Gas	12,273,600	2.62%
PJPD Holdings, LLC	3,352,800	0.72%
Individual taxpayer	3,100,500	0.66%

**CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2009**

NOTE 16—COMMITMENTS AND CONTINGENCIES

Ambulance Contract

During 2007, the City entered into a long-term agreement with an independent company to provide emergency ambulance services. The agreement shall be in effect from July 1, 2007 through June 30, 2010, with an automatic three year renewal until June 30, 2013. Terms of the contract include minimum payments, which are payable in monthly installments of \$20,000. For the year ended June 30, 2009, the City expended \$238,500 under the terms of the emergency ambulance service agreements.

Federal Bureau of Prisons Contract

During June 2009, the City entered into an agreement with the Federal Bureau of Prisons to provide a connection to the City's sewer line for a fee of \$8,500,000. Terms of the contract include installment payments to the City at 25% upon the date of award, 25% at 25% connection completion, 25% at 50% connection completion, 15% at availability of service, and the final 10% at substantial completion. As of June 30, 2009, the City has yet to commence work or incur any expenses for the sewer line connection.

Litigation

The City's general counsel estimates that any potential claims against the City, which are not covered by insurance, are immaterial and would not affect the financial position of the City.

Federal Grants

The City participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 17—SUBSEQUENT EVENT

Debt Authorization

During November 2009, the City Council authorized the issuance of general obligation bonds in an amount not to exceed \$5,000,000 to assist in the funding of various capital improvement projects and acquisitions.

MAYORS OF THE CITY OF BERLIN

The Honorable...

Henry F. Marston	1897-1899	Aime Tondreau	1950-1957
John B. Noyes	1899-1900	Guy Fortier	1957-1958
Frank L. Wilson	1900-1901	Laurier A. Lamontagne	1958-1962
Fred M. Clement	1901-1902	Edward L. Schuette	1962-1965
John B. Gilbert	1902-1905	Dennis Kilbride	1965-1966
George E. Hutchins	1905-1908	Norman J. Tremaine	1966-1968
Fremont D. Bartlett	1908-1910	Earl F. Gage	1968-1970
Daniel J. Daley	1910-1915	Norman J. Tremaine	1970-1972
George F. Rich	1915-1919	Sylvio J. Croteau	1972-1976
Eli J. King	1919-1924	Laurier A. Lamontagne	1976-1978
J.A. Vaillancourt	1924-1926	Leo G. Ouellet	1978-1982
Eli J. King	1926-1928	Joseph J. Ottolini	1982-1986
Edward R. B. McGee	1928-1931	Roland W. Couture	1987-1990*
W.E. Corbin	1931-1932	Willard Dube	1990-1990
O.J. Coulombe	1932-1934	Leo G. Ouellet	1990-1994
Daniel J. Feindel	1934-1935	Yvonne Coulombe	1994-1996
Arthur J. Bergeron	1935-1938	Richard P. Bosa	1996-1998
Matthew J. Ryan	1938-1939	Robert DePlanche	1998-1998
Aime Tondreau	1939-1943	Richard D. Huot	1998-2000
Carl E. Morin	1943-1946	Robert Danderson	2000-2008
George E. Bell	1946-1947	David Bertrand	2008-2010
Paul A. Toussaint	1947-1950	Paul Grenier	2010-

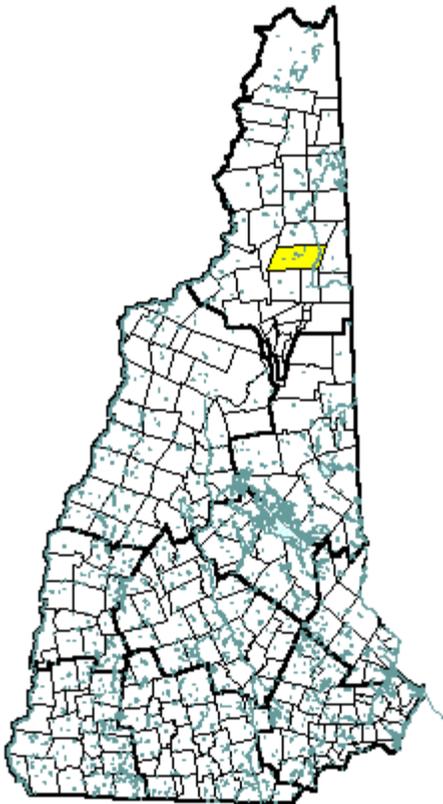
* Change in election year and change in date oath of office is taken, as of October 5, 1987.



CITY MANAGERS OF THE CITY OF BERLIN

Stanley Judkins	1962-1966
Joseph Burke	1970-1973
James C. Smith	1973-1978
Michael L. Donovan	1978-1983
Mitchell A. Berkowitz	1983-1998
George E. McMahon	1998-1998
Robert L. Théberge	1999-2002
Patrick MacQueen	2002-

Berlin, NH



Community Contact

City of Berlin
Patrick MacQueen, City Manager
 168 Main Street, City Hall
 Berlin, NH 03570

Telephone
 Fax
 E-mail
 Web Site

(603) 752-7532
 (603) 752-8550
city_manager@berlinnh.gov
www.berlinnh.gov

Municipal Office Hours

Monday through Friday, 8:30 am - 4:30 pm

County
 Labor Market Area
 Tourism Region
 Planning Commission
 Regional Development

Coos
Berlin NH Micro-NECTA
Great North Woods
North Country Council
Coos Economic Development Corp.

Election Districts

US Congress
 Executive Council
 State Senate
 State Representative

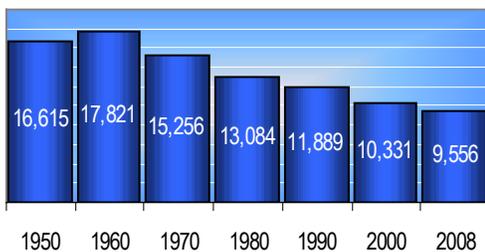
District 2 (All Wards)
District 1 (All Wards)
District 1 (All Wards)
Coos County District 4 (All Wards)

Incorporated: 1829

Origin: This community was first granted in 1771 as Maynesborough in honor of Sir William Mayne, an associate of Governor John Wentworth in the West Indies trade. The area was not settled by the original grantees, and the town was renamed Berlin in 1829 by new settlers originally from Berlin, Massachusetts. According to historical information from the City of Berlin website, the first attempt at building a sawmill powered by the river was in the early 1820s. This was the start of a booming lumber and paper business in Berlin, and at one time it was the largest newsprint supplier in the world. Berlin was incorporated as a city in 1897, and is the northernmost city in New Hampshire.

Villages and Place Names: Cascade, Berlin Mills

Population, Year of the First Census Taken: 73 residents in 1830



Population Trends: Berlin had the largest decrease in both percent and numeric population change over 50 years, with total change of 6,284, from 16,615 in 1950 down to 10,331 in 2000. The only decennial increase was seven percent between 1950 and 1960; the population has declined since. The 2008 Census estimate for Berlin was 9,556 residents, which ranked 29th among New Hampshire's incorporated cities and towns.



*Unincorporated Places

Coos County

Population Density and Land Area, 2008 (NH Office of Energy & Planning): 155.5 persons per square mile of land area. Berlin contains 61.5 square miles of land area and 0.7 square miles of inland water area.

MUNICIPAL SERVICES

Type of Government	Manager & Council
Budget: Municipal Appropriations, 2009	\$12,844,231
Budget: School Appropriations, 2009	\$16,785,338
Zoning Ordinance	1964/09
Master Plan	1992
Capital Improvement Plan	Yes
Industrial Plans Reviewed By	Planning Board

Boards and Commissions

Elected:	City Council; School; Library
Appointed:	Planning; Zoning; Berlin Industrial Development Park Authority; Recreation; Water; Police

Public Library **Berlin Public****EMERGENCY SERVICES**

Police Department	Full-time
Fire Department	Full-time
Town Fire Insurance Rating	5/9
Emergency Medical Service	Commercial
Nearest Hospital(s)	Distance Staffed Beds
Androscoggin Valley, Berlin	Local 25

UTILITIES

Electric Supplier	PSNH
Natural Gas Supplier	Portland Natural Gas; National Grid
Water Supplier	Berlin Water Works
Sanitation	Municipal
Municipal Wastewater Treatment Plant	Yes
Solid Waste Disposal	
Curbside Trash Pickup	Municipal
Pay-As-You-Throw Program	No
Recycling Program	Voluntary
Telephone Company	Fairpoint
Cellular Telephone Access	Yes
Cable Television Access	Yes
Public Access Television Station	Yes
High Speed Internet Service:	Business Residential
	Yes Yes

PROPERTY TAXES (NH Dept. of Revenue Administration)

2008 Total Tax Rate (per \$1000 of value)	\$29.82
2008 Equalization Ratio	100.0
2008 Full Value Tax Rate (per \$1000 of value)	\$33.56
2008 Percent of Local Assessed Valuation by Property Type	
Residential Land and Buildings	65.9%
Commercial Land and Buildings	12.8%
Public Utilities, Current Use, and Other	21.3%

HOUSING SUPPLY (NH Office of Energy and Planning)

2008 Total Housing Units	4,997
2008 Single-Family Units	2,446
Residential Permits, Net Change of Units	-1
2008 Multi-Family Units	2,472
Residential Permits, Net Change of Units	-14
2008 Manufactured Housing Units	79

DEMOGRAPHICS

(US Census Bureau)

Total Population	Community	County
2008	9,556	31,971
2000	10,331	33,156
1990	11,889	34,879
1980	13,084	35,014
1970	15,256	34,189

Census 2000 Demographics

Population by Gender			
Male	4,922	Female	5,409
Population by Age Group			
Under age 5			529
Age 5 to 19			1,914
Age 20 to 34			1,590
Age 35 to 54			2,965
Age 55 to 64			997
Age 65 and over			2,336
Median Age			42.5 years

Educational Attainment, population 25 years and over

High school graduate or higher	72.6%
Bachelor's degree or higher	6.7%

ANNUAL INCOME, 1999

(US Census Bureau)

Per capita income	\$15,780
Median 4-person family income	\$38,750
Median household income	\$29,647
Median Earnings, full-time, year-round workers	
Male	\$33,190
Female	\$21,156
Families below the poverty level	9.1%

LABOR FORCE

(NHES - ELMI)

Annual Average	1998	2008
Civilian labor force	5,390	4,724
Employed	5,212	4,482
Unemployed	178	242
Unemployment rate	3.3%	5.1%

EMPLOYMENT & WAGES

(NHES - ELMI)

Annual Average Covered Employment	1998	2008
Goods Producing Industries		
Average Employment	1,709	559
Average Weekly Wage	\$843	\$733
Service Providing Industries		
Average Employment	2,158	2,048
Average Weekly Wage	\$409	\$630
Total Private Industry		
Average Employment	3,867	2,606
Average Weekly Wage	\$601	\$652
Government (Federal, State, and Local)		
Average Employment	1,039	1,301
Average Weekly Wage	\$471	\$720
Total, Private Industry plus Government		
Average Employment	4,905	3,907
Average Weekly Wage	\$573	\$675

n = indicates that data does not meet disclosure standards

EDUCATION AND CHILD CARE

Schools students attend: **Berlin operates grades K-12** District: **SAU 3**
 Career Technology Center(s): **Berlin High School** Region: **02**

Educational Facilities	Elementary	Middle/Junior High	High School	Private/Parochial
Number of Schools	4	1	1	1
Grade Levels	K 1-6	7-8	9-12	K 1-9
Total Enrollment	449	227	534	19

NH Licensed Child Care Facilities, 2009: Total Facilities: 6 Total Capacity: 445

Nearest Community/Technical College: **White Mountains**

Nearest Colleges or Universities: **Granite State College-Berlin**

LARGEST BUSINESSES	PRODUCT/SERVICE	EMPLOYEES	ESTABLISHED
Androscoggin Valley Hospital	Health care services	409	1971
City of Berlin School System - SAU #3	Education	280	
Northern NH Correctional Facility	Correctional facility	198	2001
Isaacson Steel	Steel fabricators	151	1962
City of Berlin	Municipal services	125	1825
Northern Human Services	Behavioral health services	100	
Androscoggin Valley Home Care Services	Home care	80	1975
Coos County Family Health Services	Health services	80	
CarFreshner	Manufacturing	75	
Northway Bank (fka Berlin City Bank)	Banking services	65	

TRANSPORTATION *(distances estimated from city/town hall)*

Road Access US Routes
 State Routes **16, 110**
 Nearest Interstate, Exit **I-93, Exit 35**
 Distance **43 miles**

Railroad **Canadian National/B&M**
 Public Transportation **Yes**

Nearest Public Use Airport, General Aviation
Berlin Municipal Runway **5,200 ft. asphalt**
 Lighted? **Yes** Navigation Aids? **Yes**

Nearest Airport with Scheduled Service
Portland (ME) International Jetport Distance **100 miles**
 Number of Passenger Airlines Serving Airport **6**

Driving distance to select cities:
 Manchester, NH **127 miles**
 Portland, Maine **98 miles**
 Boston, Mass. **171 miles**
 New York City, NY **379 miles**
 Montreal, Quebec **179 miles**

COMMUTING TO WORK *(US Census Bureau)*

Workers 16 years and over
 Drove alone, car/truck/van **81.4%**
 Carpooled, car/truck/van **12.1%**
 Public transportation **0.4%**
 Walked **4.6%**
 Other means **0.8%**
 Worked at home **0.7%**
 Mean Travel Time to Work **15.4 minutes**

Percent of Working Residents:
 Working in community of residence **69%**
 Commuting to another NH community **29%**
 Commuting out-of-state **2%**

RECREATION, ATTRACTIONS, AND EVENTS

- X Municipal Parks
- YMCA/YWCA
- Boys Club/Girls Club
- X Golf Courses
- Swimming: Indoor Facility
- Swimming: Outdoor Facility
- Tennis Courts: Indoor Facility
- X Tennis Courts: Outdoor Facility
- X Ice Skating Rink: Indoor Facility
- X Bowling Facilities
- X Museums
- X Cinemas
- X Performing Arts Facilities
- X Tourist Attractions
- X Youth Organizations (i.e., Scouts, 4-H)
- X Youth Sports: Baseball
- X Youth Sports: Soccer
- Youth Sports: Football
- X Youth Sports: Basketball
- X Youth Sports: Hockey
- Campgrounds
- X Fishing/Hunting
- X Boating/Marinas
- X Snowmobile Trails
- Bicycle Trails
- X Cross Country Skiing
- X Beach or Waterfront Recreation Area
- Overnight or Day Camps

Nearest Ski Area(s): **Wildcat, Sunday River**

Other: **Northern Forest Heritage Park; Nansen Ski Jump; Historic Churches; Moose Tours; Hiking; Canoe/Kayak; Boat Tours; ATV Trails; Boom Piers**

NORTH COUNTRY COUNCIL

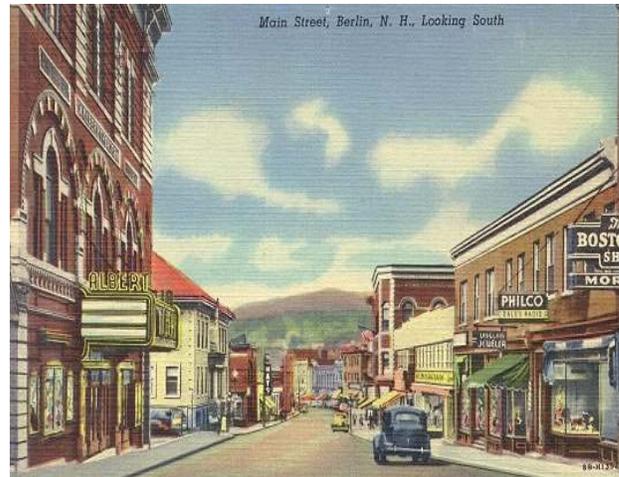
This year has been an exceptionally tough year, not only for our region, but the entire country. We realize that all of our communities have struggled with budgets and the economic hardships of their citizens and we hope that North Country Council has been able to help. We would like to thank all of you for your support of the North Country Council this past year.

We continued to deliver planning services throughout the region. We have and we will continue to adjust our capacities to respond to the needs of the communities and you will see this in the programs that we will be introducing in the coming years. We are continuing our Community Outreach Program targeted at helping our planning boards in the difficult tasks of managing the planning activities in their communities. These programs, as well as all the traditional programs in master planning, solid waste management, natural resource planning, Brownfields Assessments and transportation planning, will continue to be a focus of North Country Council. Our primary focus this year has been on economic development as we try to respond to the economic downturn in the region. We continued our strong relationship with the Department of Commerce and Economic Development Administration (EDA) in bringing funding and project development to the region. We applied for and received a number of very significant grants from EDA for the region as well as a significant Brownfields Grant from EPA.

Again thank you for all of your support for the Council. I hope that my staff and I can continue to be of service to your community. The Council is here to serve you. It is your organization. Our staff and Board are committed to responding to community need. If there is a project or a need in your

town, please call us. We are dedicated to both supporting our individual towns and promoting regional unity in the North Country.

Respectfully Submitted,
Michael King
Executive Director



Main Street, Berlin, NH Looking South

