

**CITY OF MERIDEN  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2012**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Department of Finance

Michael Lupkas, CPFO  
Director of Finance

# **Introductory Section**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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FINANCE DEPARTMENT  
ROOM 212 CITY HALL  
142 EAST MAIN STREET  
MERIDEN, CONNECTICUT 06450-8022

December 3, 2012

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Meriden:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accounts, have issued an unqualified opinion of the City of Meriden's financial statements for the year ended June 30, 2012. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

### *Description of the Municipality*

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 60,868 in 2010, an increase of 2,624 people since 2000. Meriden is located midway between the cities of Hartford and New Haven within New Haven County at the crossroads of Interstate 91, Interstate 691, State Rt.15 (Wilbur Cross Parkway) and U.S. Rt. 5. Interstate 691 links Interstate 91 and Interstate 84.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing to working families, more affluent suburban style developments, modern business facilities, a major mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge top areas. There is local transit service, Amtrak and interstate buses providing passenger transportation connecting the City to major metropolitan centers. Freight service is provided by Conrail and a number of trucking companies. The Meriden-Markham Municipal Airport provides both freight and limited passenger service.

Manufacturing firms produce a diversified product line, which includes electronic components, biopharmaceuticals, printing presses, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts and video/data transmission equipment.

### *Form of Government*

The City of Meriden has operated under a Council/Manager form of government since December 3, 1979.

Under the City Charter, the legislative branch consists of 12 elected members forming the City Council who have exclusive legislative and fiscal powers. The Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The citizens elect the City Council and Mayor. The City Council appoints the City Manager.

The City Manager is directly responsible to the Council for the supervision and administration of all departments and offices of the City except those elected by the people or appointed by state or federal authority.

A Director of Finance is appointed by the City Manager, subject of the approval of the City Council and serves at the pleasure of the City Council. The Director is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

## **ECONOMIC CONDITIONS AND DEVELOPMENT**

Meriden's development points to a stable economy. The annual growth rate for approved commercial/industrial development is 59,700 square feet. This is the growth rate of land use approvals of applications in the last four Fiscal Years preceding this report (July 2008 through July 2012).

In FY2012, the Planning Commission approved projects which, when constructed, will add:

- 71,500 sq. ft. to the commercial/industrial base; and
- 371,850 sq. ft. to the institutional base;

**DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION IN FY2012**

Type of Use/Business	Location	Building Sq. Ft.
Office Light Indus. (Auto Dealer)	318 South Broad St.	6,000
Office Light Indus. (Self Storage)	99 Broad St.	45,000
Office Light Indus. (Telecom.)	410 East Main St.	500
Industrial (Fuel Dist.)	301 South Colony St.	5,000
Industrial (Transfer/Recycling)	45 Gracey Avenue	15,000
<b>TOTAL COMMERCIAL/INDUSTRIAL</b>		<b>71,500</b>
Institutional (Church)	145 Evansville Ave.	4,300
Institutional (Church)	262 Bee St.	16,850
Institutional (School)	121 Gravel St.	279,200*
<b>TOTAL INSTITUTIONAL</b>		<b>371,850</b>

\* includes renovated space

The table above indicates a significant increase in both Commercial/Industrial and Institutional square footage in FY2012 over the average of the previous three years. Still, the City is experiencing the effects of the national and state downturn in construction during the recession. There has been a decrease in residential units approved and constructed as indicated below.

**RESIDENTIAL NEW CONSTRUCTION  
PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY2012**

Type	Units
Multi-Family Residential	0
Single Family Residential	12
<b>TOTAL RESIDENTIAL</b>	<b>12</b>

**COMPREHENSIVE PLANNING**

The City has recently completed the most important planning process a community faces, that is the preparation of the Plan of Conservation & Development (a.k.a. “Master Plan” or “Plan of Development” of “POCD”). In March of 2009, the Planning Commission approved a new City Plan of Conservation & Development. Said Plan was also strongly endorsed by the City Council. The Plan addressed the following aspects of City function:

1. Land Use
2. Economic Development
3. Open Space
4. Housing
5. Infrastructure
6. Quality of Life, etc.

The Plan includes the following vision statement as the guiding objective of the Plan:

*“There will be a diversity of cultures in Meriden’s slowly growing population; a learning, working citizenry that shop and convene together in places like an expanded and rejuvenated downtown, where residents and employees can enjoy a pleasing stroll between the historic downtown and the new City Center, and visitors to the mall can continue to the downtown and Hubbard Park for seasonal activities and festivals. There will be a balanced range of housing with a prideful majority of homeownership including a larger segment of higher value single detached homes. Condominiums and apartments will be located near convenient services; their overall quality will be improved as declining structures are renovated or removed. The City will be fiscally stable as neighborhoods and developed areas like Research Parkway retain their value and new development adequately contributes to quality services and infrastructure.”*

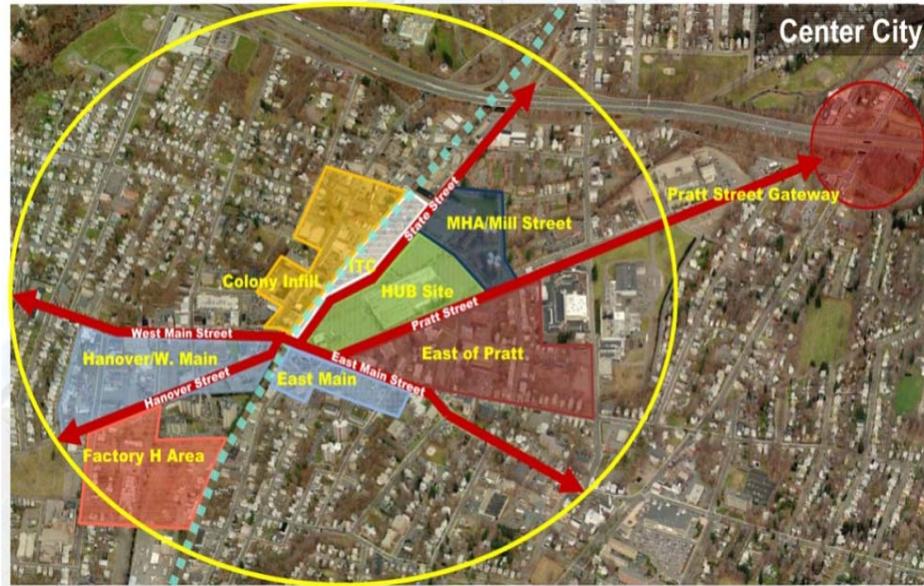
The study process involved a determined and thorough effort to acquire public input including the Steering Committee’s presentation and receipt of input at civic groups (i.e., Chamber of Commerce and neighborhood groups). Also, the City employed the nationally recognized pollsters “Center for Public Research” to conduct a statistically true public survey on land use issues. The Committee conducted numerous Public Forums which were well attended and provided for active citizen participation.

The plan includes specific actions to promote the objectives, including targeted investments, regulatory changes and economic development.

The POCD is a long-term blueprint for Meriden to be a dynamic regional hub capitalizing on its central location. The Plan includes ways to balance conservation and development for; conserved areas such as ridge-tops, parks and forested open spaces, where residents walk, hike and bike along water resources such as Harbor Brook and the Quinnipiac River; and developed lands that sustain a growing commercial tax base including business, technology jobs, regional health and other institutions and attractive and safe residential neighborhoods.

Comprehensive planning implementation efforts continue to be concentrated in the areas of Neighborhood Planning, Environmental Planning and Economic Development consistent with the Plan of Conservation & Development. The plan includes specific actions to promote the objectives, including targeted investments, regulatory changes and economic development. In the summer of 2010, the City Council approved Interstate Development District zoning. This modern mixed use design district has the potential to add hundreds of thousands of square feet of commercial retail, office, hotel and recreation space, integrated with hundreds of new upscale condominium or multi-family units in a pedestrian friendly development.

A Transit Oriented Development (“TOD”) Plan emerged from a major special study conducted in FY2012, as part of the implementation of the POCD. The State of Connecticut, boosted by hundreds of millions of dollars in committed Federal funding, is beginning infrastructure improvements to establish full commuter rail service from Springfield, MA to New Haven, CT, connecting seamlessly to New York City. The TOD Plan has identified many underdeveloped downtown properties that provide opportunities for a full transit center, future high density mixed- use development. A central park that can support flood control and gateway corridors are also part of the Plan. The center city map below highlights key areas for revitalization and reinvestment. Additional information can be found on the website <http://meridentod.com/>.

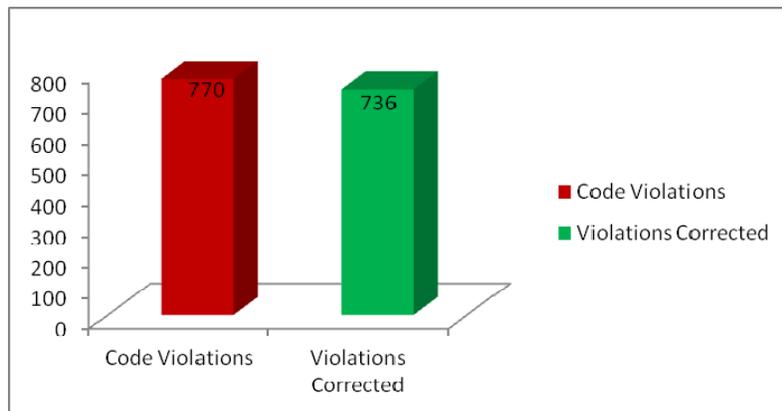


**A. NEIGHBORHOOD PLANNING:**

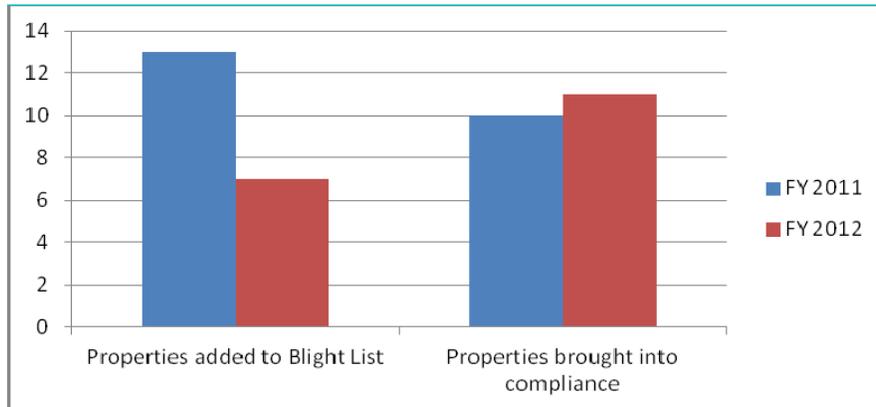
The City continued its efforts to ensure the preservation and the improvement of the quality of life in our distinct and historical neighborhoods.

The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This continuing program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Code violations reviewed include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc. In the completed round of walks conducted within FY2011 and FY2012 (April 2010-August 2011), 96% of Neighborhood Walk code violations were corrected.

**NEIGHBORHOOD WALK CODE ENFORCEMENT VIOLATIONS**



In order to build upon the Code Enforcement and to address quality of life and aesthetic issues, in the City enforces an “Anti-Blight Ordinance.” This ordinance attacks poorly maintained and dilapidated properties. It also addresses properties that are not covered by the safety codes.



In 2009, the City began a Neighborhood Stabilization Program whereby seven vacant bank foreclosed properties have been purchased for rehabilitation and sale to income qualified homebuyers. Since 2009, twelve units have been rehabilitated and sold.

The City Council also approved zoning updates to promote higher quality residential lot development. A major city proposal in FY2012 was to rezone over 540 residential properties in nine areas of the City from R-2 (Two/Three Family Residential) to R-1 (Single Family Residential). This was an implementation action of the POCD. Staff research indicated that the nine areas were primarily composed of single family homes, and revising Zoning would help to maintain the neighborhoods. Following a public hearing and minor changes, the City Council changed the Zoning Map designation for these properties.

## **B. ENVIRONMENTAL PLANNING**

The top priority of all City projects is the Harbor Brook Flood Control project. This critical flood control project will protect most of the City through retention, improvement and creation of floodway, removal of obstructions and redirecting portions of the brook. The City has already improved some bridges and culverts in the last couple years, and is implementing plans for the remaining necessary work.

Also, the City has recently completed a nature walk/bike trail project; the Meriden Quinnipiac Trail in South Meriden, considered one of the best riparian environment based trails in the state. The City also completed the engineering for the next trail phase which will traverse from the Quinnipiac Trail toward the Central Business District (“CBD”). Phase II of Meriden’s Linear Trail system, an approximate one-mile extension, is 100% designed and construction began in 2012. This project will provide pedestrian and bicycle access to Platt High School. The City is also seeking funding for Phase III. Said trail will eventually extend to the northeast corner of the City. This is a regional project that will connect with an existing bikeway.

The Conservation Commission, the Inland Wetlands and Watercourse Commission and Planning staffs are active in preserving environmentally sensitive land throughout the City. In the fall of 2009, a state sponsored Environment Review Team studied a large undeveloped property owned by the City, commonly known as Cathole Mountain. This property is known to include environmental resources and is adjacent to a nationally recognized trail. A report with recommendations regarding areas important to preserve was provided to the City. In the summer of 2011, the City Council designated 71 additional acres of permanent Open Space.

A major environmental protection is the Ridge Top Protection Ordinance. This is a Zoning Regulation with the stated purpose being “to restrict development on the major ridge lines of the City.” The adoption of this ordinance, the first in the State, is evidence of the City’s commitment to protect our natural resources. In recognition the City’s “outstanding” efforts in the development, maintenance and protection of trail systems, the Connecticut Forest and Park Association designed the City as a “Connecticut Trail Town.”

The City continues to monitor and preserve the City’s tree inventory through the effort of the Tree Warden. Also, the Inland Wetlands and Watercourse Commission and staff continue to oversee and limit development of the City’s wetland areas.

The City has continued to make progress with environmental clean-up of two (2) important, centrally located sites;

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the CBD. The City purchased two adjacent connected properties in the winter of 2009-2010 which will facilitate redevelopment. The clean-up of this vacant “dirty-factory” is progressing. Demolition of the obsolete Factory “H” structures was completed in the summer of 2012. This and adjacent properties will present many development opportunities.
2. Downtown HUB - In 2012, the City advanced and detailed a concept plan for developing an urban center park that provides further development potential. The site is across from the train center, Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. Construction will start in 2013.

The new Plan of Conservation & Development includes an open space and recreation component and recommendations regarding environmentally sensitive lands. It can be a major tool in the City’s preservation and balanced development efforts.

### **C. ECONOMIC DEVELOPMENT**

Meriden has an information technology zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house information technology companies. Information technology companies locating in the buildings also receive personal property tax abatements.

Meriden also has a state-designated Enterprise Zone, which provides significant tax incentives to manufacturers and warehousing and distribution companies locating into the zone. Fifty percent of these tax abatements are reimbursed by the state.

Meriden Manufacturing Assistance Program (MMAP). Meriden offers subordinate financing to manufacturers planning to expand their operations in the city or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Six manufacturers have taken advantage of this program to date. The program supports the expansion and retention of the city’s manufacturing base.

The City has a comprehensive program to remediate Brownfield sites and return them to active reuse. Since 2004, the City received over \$3.1 million in assistance from the U.S. Environmental Protection Agency and the CT Economic & Community Development Department (CTDECD) to help remediate and redevelop Brownfield sites in Meriden. In May of 2007, the City was awarded \$600,000 in EPA grants for environmental testing and for cleanup of the abandoned Factory H site on Cooper and Butler Streets. In January of 2008, EPA's Hazards Removal Division removed hazardous asbestos materials from the Factory H site at a cost of \$1.5 million. In October 2010, the City was approved for a \$1.5 million Section 108 loan from HUD and a \$300,000 Brownfields Pilot grant from the State of Connecticut to demolish the abandoned structures on the Factory H site. Demolition was substantially completed in June 2012. The U.S. Department of Housing and Urban Development (HUD) loan will be repaid from the City's future stream of Community Development Block Grant (CDBG) grants. Reuse plans for the Factory H Brownfield call for the creation of a mixed-use development that includes the rehabilitation of an adjacent 70,000 sq. ft. vacant medical office building purchased by the city in 2009.

In late 2009, the City received reprogrammed funds of \$600,000 from the State of Connecticut for HUB site engineering and transportation improvement and reuse planning efforts. These funds supported completion of a Transit Oriented Development ("TOD") Master Plan for downtown Meriden. It included redevelopment plans, new traffic roadway and access improvements, a new train station/ intermodal transportation center design and a market analysis. The TOD plan allows Meriden to take maximum advantage of the New Haven/ Hartford/ Springfield commuter and high speed rail service scheduled to begin in 2016. The new rail service will stop at Meriden's current train station in the center of the downtown.

In October 2010, HUD approved a \$946,733 grant for downtown property acquisitions required to site the City's new intermodal transportation center. The grant will also develop a Transit Oriented Development zone plan. The TOD zoning regulations are in process. The City is also assessing key properties to acquire that, when redeveloped, will attract reinvestment downtown. CT DECD applied for this grant on Meriden's behalf for TOD development. In October 2011, the City was awarded an \$850,000 grant from the State of Connecticut to further develop its TOD plan that meets transit supportive standards for land uses, built environment densities and walkable environments but also increases the economic and market viability of the TOD. State funds will be used to complete several tasks, including completion of market, financial and environmental assessments and the completion of a developer agreement, which are necessary to bring the project up to the construction phase. It will also begin design of traffic and roadway improvements. Consultants have been hired to oversee this work. Construction projects envisioned for the TOD area include a new intermodal transportation facility, parking, traffic and roadway improvements and private development.

The City is continuing to position itself to begin major downtown redevelopment. The City owns a vacant 14.4-acre brownfield site (the HUB) adjacent to its current Amtrak train station. The Station is slated to be the only full service stop on the upcoming commuter rail service between New Haven and Hartford. The City also purchased another large site on the west side of the downtown zoned and planned for commercial and high density residential use.

The City has received significant funding through the State of Connecticut for flood infrastructure improvements in the downtown. The City recently completed the "Hub Site Reuse Plan" that calls for the 14.4-acre brownfield site to be transformed into a park that serves the dual purposes of providing public green space and flood storage downtown. The City has secured the floodplain management permits required for construction. A key element includes removing Harbor Brook from the concrete culvert underneath the Hub site, restoring it into an open channel stream habitat and allowing Harbor Brook to flood during storm events to alleviate flooding conditions downstream. Once the flood control infrastructure is completed, the HUB site will include a public park and flood storage area on 11 acres of the site. The remaining 3.4 acres will be available for future development. The City recently received

\$1.5 million from CT Department of Energy and Environmental Protection (CTDEEP) and \$3.8 million from CT DECD for this infrastructure work.

In addition to downtown efforts, the Plan of Conservation & Development identified four large undeveloped/underdeveloped sites, three adjacent to interstate highways, for mid- to long-term economic development, and efforts are ongoing to promote this.

Meriden is in its twelfth year of a marketing campaign focusing on business retention and business development. This past year the budget funded trade show exhibiting, marketing promotions, advertising, updates to [www.MeridenBiz.com](http://www.MeridenBiz.com) (the City's economic development web site), press releases/story writing for state-wide distribution, and emails highlighting local development to the commercial real estate community.

The City's Economic Development Office continues to contract with CoStar Inc. to provide real-time, on-line access to commercial property databases listing all commercial, industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-time lease and "For Sale" information to companies wishing to locate to or expand in the City. The database also provides real estate analysis (vacancy rates, lease histories and property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

The City is included within the South Central CT's Regional Comprehensive Economic Development Strategy Plan (CEDS) that was approved by the U.S. Economic Development Administration (EDA) in 2006. This Plan allows the City to apply for funding from EDA for economic development projects.

### **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG")**

The primary function of the City's Community Development Office is to administer the City's CDBG program. CDBG funds several city departments and local non-profit agencies which provide services benefiting low and moderate income persons and/or make improvements to facilities for low and moderate income persons. In addition, the Community Development office manages a number of other municipal grants in the areas of transportation, energy, open space, economic development, Brownfields and public safety.

Key accomplishments of the CDBG Program during the 2012 Fiscal Year included:

- Funding 31 public service programs that served 48,051 low and moderate income Meriden residents.
- Completing Lead Hazard Control and Abatement on 11 units of affordable housing using CDBG and Neighborhood Stabilization Program (NSP) funds.
- Conducting 6,906 code enforcement inspections in the target low and moderate income area.

The City of Meriden is a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated "distressed" municipality pursuant to Section 32-9j of the Connecticut General Statutes. During Fiscal Year 2012, the City of Meriden received \$776,060 in HUD CDBG "entitlement" funds, which are being used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate income persons. Programs funded in FY 2012 with CDBG funds include a portion of the City's code enforcement activities, sidewalk improvements and public services for the elderly, homeless, handicapped and at-risk youth. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects and a homeownership assistance program. As of June 30, 2012, there were 132 outstanding loans with a principle balance of \$2,084,391. During FY 2012, the City continued to administer U.S. Department of Housing and Urban Development Challenge Grant funds received through the Connecticut

Department of Economic and Community Development. Challenge grant funds are being used to create a TOD zone for the HUB and Transit Center sites and to acquire properties that will support transit-oriented development surrounding the TOD area.

During FY 2012, the Community Development office managed approximately 40 other state and federal grants totaling over \$20 million. Meriden has completed their federal Recovery Act funds for Community Development, Brownfields Redevelopment, Energy Efficiency, Clean Transportation and Police programs. The U.S. Environmental Protection Agency also provided funds for Brownfields remediation at the HUB and Factory H sites, this funding was in addition to the funds received from the HUD Challenge grant for that site. The U.S. Department of Homeland Security-Federal Emergency Management Agency, U.S. Department of Justice and the Connecticut Department of Emergency Management and Homeland Security provided grants for personnel and equipment costs. The Federal Aviation Authority and the Connecticut Department of Transportation provided grants for the improvement of the Meriden Markham Airport. The Connecticut Department of Transportation also provided grants for streetscape improvements, road repair and the purchase of clean fuel vehicles.

### **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Meriden, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report, in particular, Jenna Lombardo, Director of Accounting, Margaret Leighton and Agnes Puzio, Accountants. I would also like to thank Corrine Eisenstein and Donna Carnot from the Board of Education business office.

This comprehensive annual financial report reflects a commitment to the citizens of Meriden, the Honorable Mayor, the City Council and all concerned readers of this report to provide information in conformance with the highest standards of accountability.

Respectfully submitted,



Michael Lupkas, CPFO  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Meriden  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



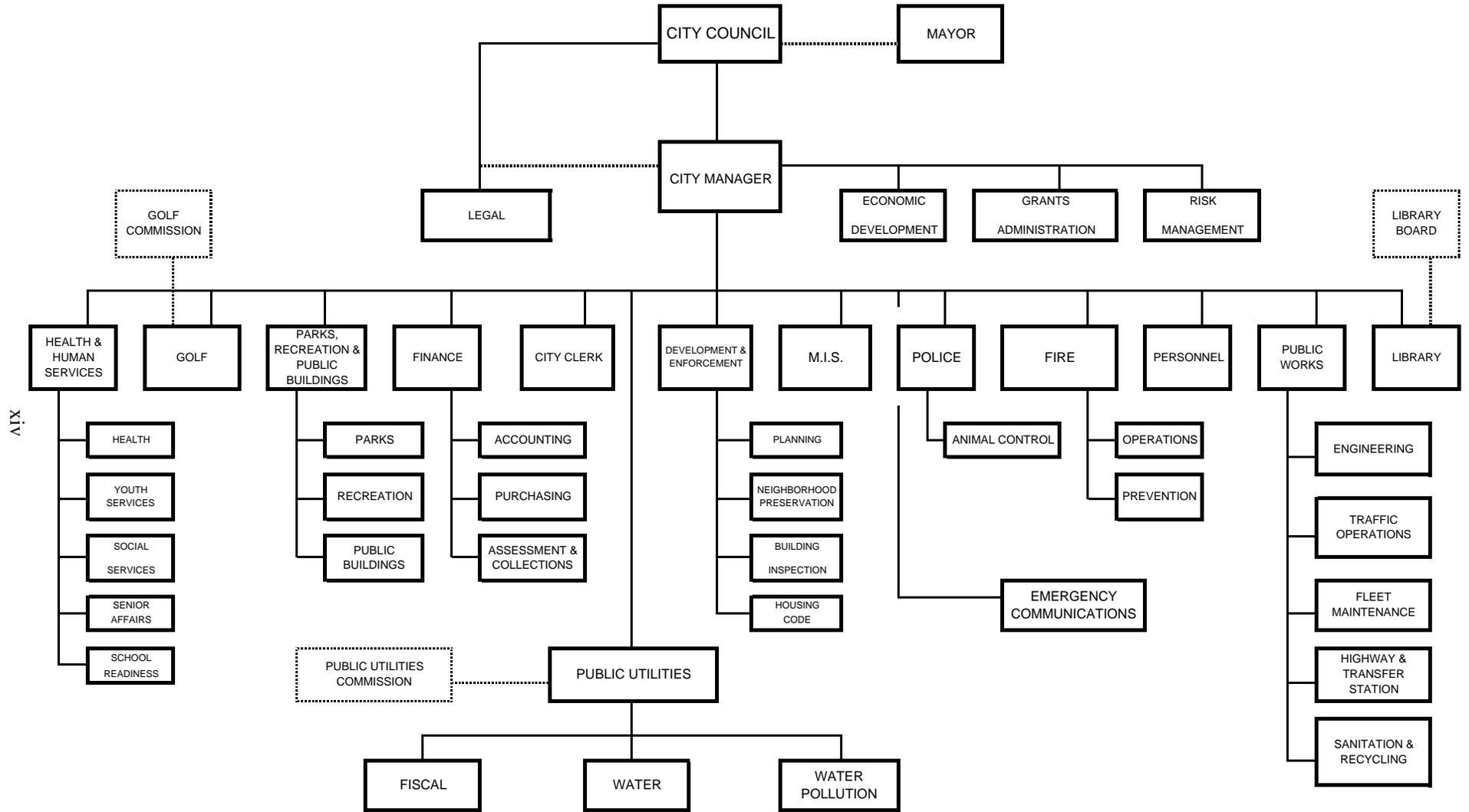
*Christopher P. Morrill*

President

*Jeffrey R. Enev*

Executive Director

# CITY OF MERIDEN ORGANIZATIONAL CHART



AIX

CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2012

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**MAYOR**

Michael S. Rohde

**CITY COUNCIL**

Matthew C. Dominello, Sr., Deputy Mayor  
Brian P. Daniels, Majority Leader  
Daniel Brunet, Minority Leader  
Dante J.C. Bartolomeo, Deputy Majority Leader  
Trevor Thorpe, Deputy Majority Leader  
Walter A. Shamock, Deputy Minority Leader  
Catherine Bautista, City Councilor  
Steven J. Iovanna, City Councilor  
Hilda E. Santiago, City Councilor  
Kevin M. Scarpati, City Councilor  
Anthony D. Tomassetti, City Councilor  
Bob Williams Jr., City Councilor

**CITY MANAGER**

Lawrence Kendzior

**ADMINISTRATION**

City Clerk  
Director of Finance  
Police Chief  
Fire Chief  
Corporate Counsel  
City Attorney  
Director of Economic Development  
Director of Emergency Communications  
Director of Health and Human Services  
Director of Management Information Systems  
Director of Parks, Recreation and Building Maintenance  
Director of Personnel  
Director of Public Works  
Director of Public Utilities  
Library Director  
City Planner  
Golf Course Facilities Manager

Irene Masse  
Michael Lupkas  
Jeffry Cossette  
James Trainor  
Michael Quinn  
Deborah Moore  
Marguerite Brennan  
Frank Kiernan  
Lisa Pippa  
Stephen Montemurro  
Mark Zebora  
Caroline Beitman  
Robert J. Bass  
David Lohman  
Karen Roesler  
Dominick Caruso  
Thomas DeVaux

**BOARD OF EDUCATION**

Mark A. Hughes, President  
Michael P. Cardona, Vice President  
John D. Lineen Treasurer  
Robert E. Kosienski Jr., Secretary  
Dr. Steven J. O'Donnell  
Irene E. Parisi  
Kim A. Carbone-Padiani  
Scott R. Hozebin  
Pamela S. Bahre

**BOARD OF EDUCATION ADMINISTRATION**

Dr. Mark Benigni, Superintendent of Schools  
Robert Angeli., Associate Superintendent for Instruction  
Michael Grove, Assistant Superintendent, Finance and Administration  
Thomas W. Giard III, Assistant Superintendent of Personnel and Staff Development

# **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

Honorable Mayor and Members of the City Council  
City of Meriden, Connecticut

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 Meriden, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Meriden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Meriden, Connecticut's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 December 3, 2012 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

*Blum, Shapiro & Company, P.C.*

December 3, 2012

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2012**

As management of the City of Meriden, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Meriden for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$158.3 million. Total net assets for Governmental Activities at fiscal year-end were \$60.9 million and total net assets for Business-Type Activities were \$97.4 million.
- ◆ On a government-wide basis, during the year, the City's net assets decreased by \$5.1 million or 3.24%, from \$163.4 million to \$158.3 million. Net assets decreased by \$2.5 million for Governmental Activities and decreased by \$2.6 million for Business-Type Activities. Governmental activities expenses were \$223.1 million, while revenues were \$220.6 million.
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$18.5 million, a decrease of \$12.7 million from the prior fiscal year (Exhibit IV).
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.3 million, a decrease of \$1.0 million from the prior fiscal year balance. Of the total General Fund, fund balance as of June 30, 2012, \$16.6 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 8.59% of total General Fund expenditures and transfers out (\$193.3 million), a decrease of 1.02% from the prior year.

**Overview of the Financial Statements**

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

## Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Meriden's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net assets presents information on all of Meriden's assets and liabilities, with the difference reported as net assets. One can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City of Meriden.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City of Meriden that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- ◆ Governmental activities of the City of Meriden encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City of Meriden include the Water Pollution Control Authority, Water Division and the George Hunter Memorial Golf Course. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets and statement of activities) can be found on Exhibits I and II of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Meriden has three kinds of funds:

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

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

The City of Meriden maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 36 governmental funds are combined into a single, aggregated presentation as nonmajor governmental funds.

Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City of Meriden adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on Exhibit V.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

**Proprietary funds.** The City of Meriden maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Meriden uses enterprise funds to account for its Water Pollution Control Authority, the Water Division and the Hunter Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City of Meriden's various functions. The City of Meriden uses internal service funds to account for its risk management costs including risk related to Workers' Compensation and Employee Health Insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a nonmajor fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements.

The City of Meriden adopts annual appropriated budgets for its Proprietary Funds. A budgetary comparison statement has been provided for the proprietary funds to demonstrate compliance with the authorized budget. The proprietary fund financial statements can be found on Exhibits VI-VIII of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, one post retirement benefit trust fund, six agency funds and two private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-62 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 55-56 of this report.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net assets exceeded liabilities by \$158.3 million on June 30, 2012. Governmental activities assets exceeded liabilities by \$60.9 million. Business-type activities assets exceeded liabilities by \$97.4 million.

### City of Meriden, Connecticut Statement of Net Assets (\$000s) Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 61,975	\$ 74,710	\$ 20,039	\$ 24,206	\$ 82,014	\$ 98,916
Capital assets, net of accumulated depreciation	189,185	181,164	133,759	136,017	322,944	317,181
Total assets	<u>251,160</u>	<u>255,874</u>	<u>153,798</u>	<u>160,223</u>	<u>404,958</u>	<u>416,097</u>
Current liabilities	34,013	33,685	4,926	6,102	38,939	39,787
Long-term liabilities outstanding	156,290	158,834	51,439	54,059	207,729	212,893
Total liabilities	<u>190,303</u>	<u>192,519</u>	<u>56,365</u>	<u>60,161</u>	<u>246,668</u>	<u>252,680</u>
Net Assets:						
Invested in capital assets, net of related debt	122,787	101,928	81,564	89,260	204,351	191,188
Restricted	952	1,347			952	1,347
Unrestricted	<u>(62,882)</u>	<u>(39,920)</u>	<u>15,869</u>	<u>10,802</u>	<u>(47,013)</u>	<u>(29,118)</u>
Total Net Assets	<u>\$ 60,857</u>	<u>\$ 63,355</u>	<u>\$ 97,433</u>	<u>\$ 100,062</u>	<u>\$ 158,290</u>	<u>\$ 163,417</u>

A portion of net assets was restricted in June 30, 2012 as a result of enabling legislation. Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to this.

By far the largest portion of the City of Meriden's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden'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 cannot be used to liquidate these liabilities.

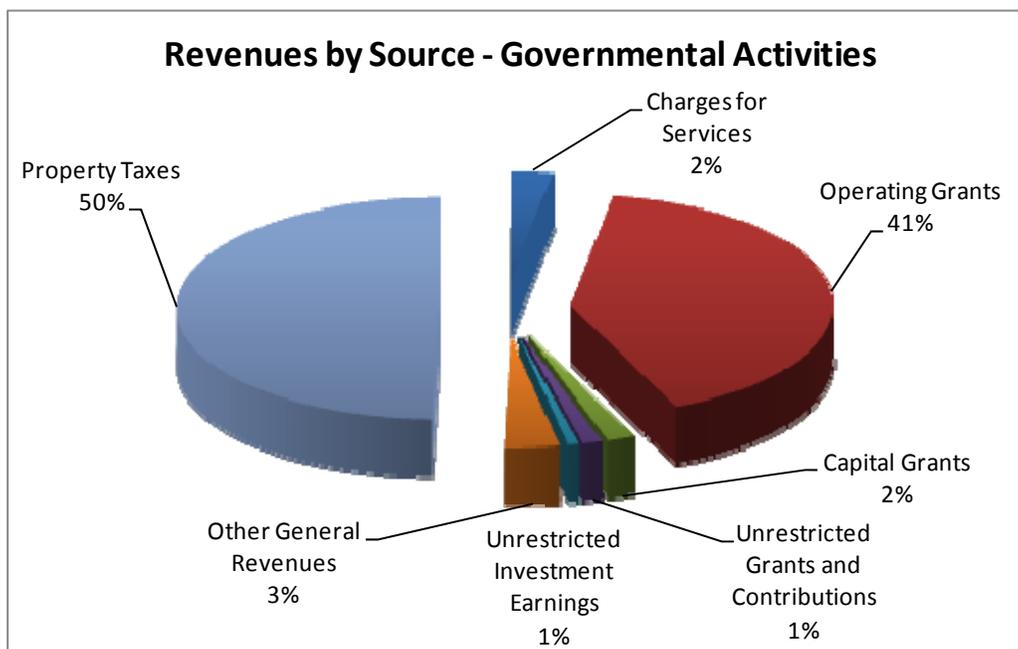
**City of Meriden, Connecticut**  
**Changes in Net Assets (\$000s)**  
**Primary Government**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 5,163	\$ 5,678	\$ 17,945	\$ 18,221	\$ 23,108	\$ 23,899
Operating grants and contributions	94,000	89,914			94,000	89,914
Capital grants and contributions	4,094	3,744		161	4,094	3,905
General revenues:						
Property taxes	110,885	109,377			110,885	109,377
Grants not restricted to specific programs	1,873	2,598			1,873	2,598
Unrestricted investment earnings	914	1,218	92	85	1,006	1,303
Miscellaneous income	3,654	7,391	1,337	1,024	4,991	8,415
Total revenues	<u>220,583</u>	<u>219,920</u>	<u>19,374</u>	<u>19,491</u>	<u>239,957</u>	<u>239,411</u>
Expenses:						
General government	35,201	30,816			35,201	30,816
Education	136,298	138,091			136,298	138,091
Public safety	24,364	23,810			24,364	23,810
Public works	10,705	9,249			10,705	9,249
Human services	8,053	8,652			8,053	8,652
Cultural and recreation	5,408	5,075			5,408	5,075
Interest on long-term debt	3,052	3,025			3,052	3,025
Sewer Authority			10,816	9,659	10,816	9,659
Water Authority			9,883	10,256	9,883	10,256
George Hunter Golf Course			1,304	1,126	1,304	1,126
Total expenses	<u>223,081</u>	<u>218,718</u>	<u>22,003</u>	<u>21,041</u>	<u>245,084</u>	<u>239,759</u>
Change in Net Assets	(2,498)	1,202	(2,629)	(1,550)	(5,127)	(348)
Net Assets at Beginning of Year	<u>63,355</u>	<u>62,153</u>	<u>100,062</u>	<u>101,612</u>	<u>163,417</u>	<u>163,765</u>
Net Assets at End of Year	<u>\$ 60,857</u>	<u>\$ 63,355</u>	<u>\$ 97,433</u>	<u>\$ 100,062</u>	<u>\$ 158,290</u>	<u>\$ 163,417</u>

The City's net assets decreased by \$5.1 million during the fiscal year, with net assets of governmental activities decreasing \$2.5 million and business-type activities decreasing by \$2.6 million.

## Governmental Activities

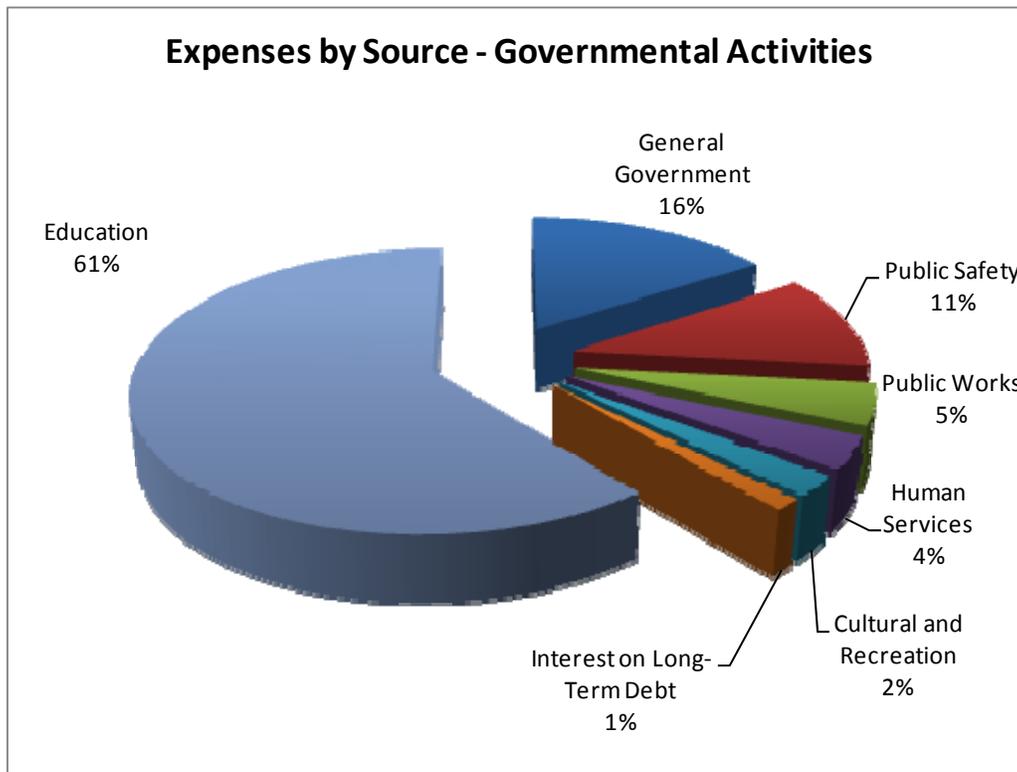
Almost 50.3% of the revenues were derived from property taxes, followed by 42.6% from State and Federal Government program revenues, then 2.3% from charges for services.



Major revenue factors included:

- ◆ Property tax revenues increased by \$1.5 million, for fiscal year 2012, due to an increase in the mil rate levied against taxable property, the City's tax rate increased .30 of a mil between the two years and total assessed value of all taxable property increased by .22%. Property revaluation was implemented for the calculation of property taxes for fiscal year 2008. (Property Taxes)
- ◆ The decrease in miscellaneous local revenues is mainly due to the one-time distribution during fiscal year 2011 of \$4,303,462 of accumulated reserves from the Municipal Solid Waste Management Services Contract.
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant provided \$1.92 million in revenue for fiscal year 2012. This is the tenth year of the agreement. (Miscellaneous Income)

For Governmental Activities, 61.1% of the City's expenses relate to education, 15.8% to general government, 10.9% relate to public safety, 4.8% to public works, 3.6% to health and human services, 2.4% to culture and recreation and 1.4% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.3% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs remained flat, due to favorable historical health insurance costs and pension funding requirements which do not reflect the effect of the current economy.
- ◆ The cost of education services remained level due to the allocation of post retirement benefit contributions, negotiated wage settlements, employee health insurance cost decreases and the maintenance of special education cost.
- ◆ General government expenses for fiscal year 2012 increased by 14% due to increased expenses incurred for increased pension costs, workers compensation cost and the increased OPEB contribution. Other expenses within general government remained flat between the two compared years.
- ◆ Interest on long-term debt increased by \$27,000 or .9% based on the existing debt schedule.

### **Business-Type Funds**

Business-type activities decreased the City's net assets by \$2.6 million due primarily to expenses associated to the completion of the sewer plant upgrade including the initial repayment of associated debt.

## **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 expendable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16.6 million while total fund balance was \$17.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.59% of total General Fund expenditures and transfers out (\$193.3 million), while total fund balance represents 8.93% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund decreased by \$1,009,021 during the current fiscal year. This fund balance decrease was attributed to the budgeted use of fund balance and prudent review and containment of expenditure accounts which resulted in this amount not being used in its entirety.

The Bonded Projects Fund has a total fund balance of (\$4,062,440), a decrease of \$11,175,748 from the prior year. This decrease can be explained by the timing of expenditures and the issuance of long-term bonds; a long-term borrowing is expected to take place during FY2013.

The Nonmajor Governmental Funds has a total fund balance of \$5,299,445, down from \$5,817,805 in the prior year. The \$518,360 decrease was recognition of expenditures during the current year.

### Proprietary Funds

The City of Meriden's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Water Fund at the end of the year were \$39.5 million, with unrestricted net assets of \$9.2 million. The Water Fund experienced an operating loss of \$273,204.

Net assets of the Sewer Fund were \$58.8 million. Unrestricted net assets were \$9.6 million. The Sewer Fund experienced an operating loss of \$816,206. Included within the expenses for the Sewer Fund was an amount of \$1,072,363 which was collected in the prior year, partially offsetting the increased debt service payment that was due December 2011.

## **General Fund Budgetary Highlights**

The difference between the original expenditure budget and the final amended expenditure budget was \$455,000. The original budget included a contingency of \$400,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The additional appropriation approved during the year is summarized below:

- ◆ The additional appropriation of \$305,000 was for acquisition of property associated with Flood Control. This amount was held as Restricted Fund Balance in prior fiscal years.
- ◆ The additional appropriation of \$150,000 was for the operation on the airport. The city has temporarily taken over the day to day operation of the airport. This amount is attributable to the amount expected to be spent for this time period. The miscellaneous revenue account was also modified by the identical amount.

During the year, actual revenues on a budgetary basis were \$179.7 million, which was over budgetary estimates by \$163,367. Total property tax revenues were less than budget by \$950,084. Actual investment income totaled \$430,742, which was \$111,910 below the budgeted amount; this is attributable to the continuation of the national economic downturn.

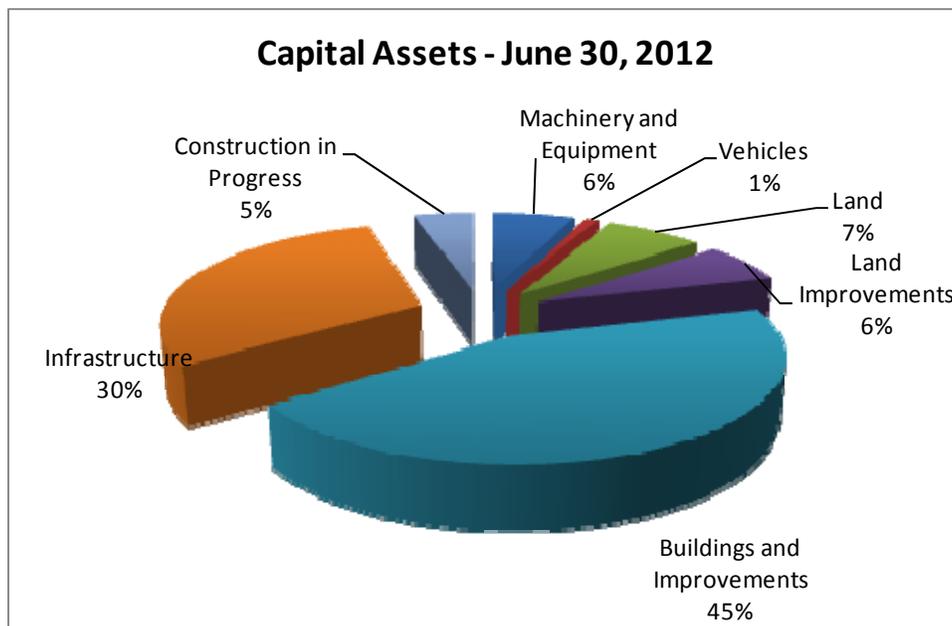
Actual revenues and other financing sources on a budgetary basis totaled \$180.1 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$1,042,180.

## **Capital Asset and Debt Administration**

**Capital Assets.** The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amount to \$322.9 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. This is the tenth year the City of Meriden has reported its investment in capital assets.

**City of Meriden, Connecticut**  
**Capital Assets (Net of Depreciation) (\$000s)**  
**Primary Government**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 22,196	\$ 21,883	\$ 1,088	\$ 1,088	\$ 23,284	\$ 22,971
Land improvements	8,645	8,555	12,047	10,113	20,692	18,668
Buildings and improvements	104,104	106,692	39,781	41,002	143,885	147,694
Infrastructure	34,001	34,401	63,838	64,297	97,839	98,698
Machinery and equipment	4,678	2,712	15,270	16,723	19,948	19,435
Vehicles	2,638	2,844	309	158	2,947	3,002
Construction in progress	12,923	4,077	1,426	2,636	14,349	6,713
<b>Total</b>	<b>\$ 189,185</b>	<b>\$ 181,164</b>	<b>\$ 133,759</b>	<b>\$ 136,017</b>	<b>\$ 322,944</b>	<b>\$ 317,181</b>



Major capital asset events during the current fiscal year included the following:

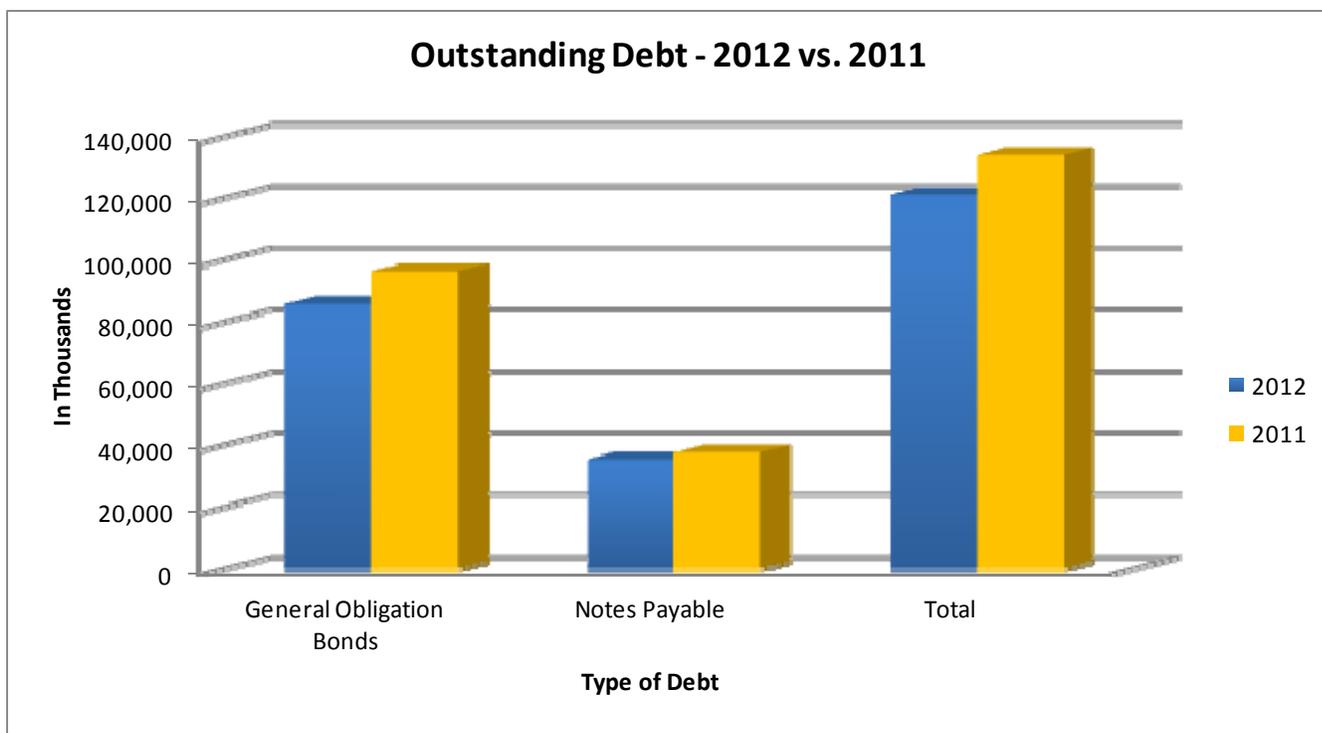
- ◆ \$3,777,379 for the Maloney High School Renovation
- ◆ \$2,546,349 for the Hanover School Kindergarten Addition
- ◆ \$1,754,499 for Roadway Paving and Road Construction
- ◆ \$1,525,007 for the Platt High School Renovation
- ◆ \$1,517,882 for Water Department Projects
- ◆ \$1,402,084 for Sewer Department Projects

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 43-44 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$85.5 million. All of this debt is backed by the full faith and credit of the City.

**City of Meriden, Connecticut  
Outstanding Debt (\$000s)  
General Obligation and Revenue Bonds**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 68,929	\$ 77,888	\$ 16,611	\$ 18,417	\$ 85,540	\$ 96,305
Notes payable			35,444	37,441	35,444	37,441
<b>Total</b>	<b>\$ 68,929</b>	<b>\$ 77,888</b>	<b>\$ 52,055</b>	<b>\$ 55,858</b>	<b>\$ 120,984</b>	<b>\$ 133,746</b>



The City of Meriden’s bonded debt decreased by \$10.8 million or 11.18% during the 2011-2012 fiscal year. During the current fiscal year, the City did not issue any long-term bonds.

On May 4, 2010, the City issued \$38,490,000 of general obligation refunding bonds; these bonds along with premium received were placed in an irrevocable escrow account to currently refund outstanding principal amounts of \$12,220,000 from general obligation bond issue 2002, \$16,125,000 from general obligation bond issue 2004 and \$11,560,000 from general obligation bond issue 2008. These amounts are now considered defeased. This transaction resulted in a reduction of debt service payments over the next 14 years of \$1,632,666 and represents a present value savings of \$1,555,973. The majority of the savings is spread between FY2011, FY2012 and FY2013.

The City of Meriden has received an underlying rating from Standard & Poor's Inc. and Fitch Ratings of AA-.

In reviewing the City's financial management, Standard & Poor's Inc. "*considers Meriden's management practices "strong" under its FMA methodology, indicating practices that are strong, well embedded, and likely sustainable.*" This is the highest level for "Financial Management Assessment."

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$771,316,000. As of June 30, 2012, the City recorded long-term debt of \$68.9 million related to Governmental Activities and \$16.6 million related to Business-Type Activities, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 45-50 of this report.

### **Economic Factors (Updated through September 2012)**

The City of Meriden has not been immune from the effects of the national economic downturn. As of September 2012, the unemployment rate for the Meriden Labor Market Area was 10.0%, a decrease from 10.7% in the prior year. This compares with the September 2012 New Haven Labor Market rate of 8.6%. Larger cities in Connecticut have higher September 2012 unemployment rates than the City of Meriden; the City of New Haven at 12.2% and the City of Hartford at 15.4%. In September 2012, Connecticut's overall unemployment rate stood at 8.2% compared with 9.0% for the same time a year ago. The United States' September 2012 unemployment rate is 7.6% compared to 9.1% percent last year.

Nevertheless, the City of Meriden is well positioned to deal with the economic recession. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone, an Information Technology Zone and financing incentives for businesses relocating to or expanding in Meriden.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Meriden's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City Hall Room 212, 142 East Main Street, Meriden, Connecticut 06450.

# **Basic Financial Statements**

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2012

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 23,734,770	\$ 7,442,327	\$ 31,177,097
Investments	20,095,337	1,078,084	21,173,421
Receivables, net	21,296,542	7,616,840	28,913,382
Internal balances	(3,901,491)	3,901,491	-
Inventory	239,341		239,341
Other assets	205,027		205,027
Pension assets	305,049		305,049
Capital assets, nondepreciable	35,118,866	2,514,577	37,633,443
Capital assets, net of accumulated depreciation	154,066,439	131,244,545	285,310,984
Total assets	<u>251,159,880</u>	<u>153,797,864</u>	<u>404,957,744</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	18,749,907	1,020,135	19,770,042
Retainage payable	241,357		241,357
Accrued interest	954,264	255,963	1,210,227
Unearned revenue	1,543,966		1,543,966
<b>Noncurrent liabilities:</b>			
Due within one year	12,523,369	3,650,078	16,173,447
Due in more than one year	156,290,291	51,438,502	207,728,793
Total liabilities	<u>190,303,154</u>	<u>56,364,678</u>	<u>246,667,832</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	122,786,716	81,562,930	204,349,646
<b>Restricted:</b>			
Expendable - flood control	520,001		520,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(62,881,538)</u>	<u>15,870,256</u>	<u>(47,011,282)</u>
Total Net Assets	<u>\$ 60,856,726</u>	<u>\$ 97,433,186</u>	<u>\$ 158,289,912</u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 35,202,446	\$ 1,955,372	\$ 2,270,458	\$ 2,491,673	\$ (28,484,943)	\$	\$ (28,484,943)
Education	136,297,870	1,061,090	84,417,334		(50,819,446)		(50,819,446)
Public safety	24,363,904	46,767	358,764	59,038	(23,899,335)		(23,899,335)
Public works	10,704,527	1,813,092		1,421,272	(7,470,163)		(7,470,163)
Human services	8,052,565	243,278	5,827,423		(1,981,864)		(1,981,864)
Culture and recreation	5,407,694	43,098	1,125,954	122,468	(4,116,174)		(4,116,174)
Interest on long-term debt	3,052,231				(3,052,231)		(3,052,231)
Total governmental activities	<u>223,081,237</u>	<u>5,162,697</u>	<u>93,999,933</u>	<u>4,094,451</u>	<u>(119,824,156)</u>	<u>-</u>	<u>(119,824,156)</u>
Business-type activities:							
Sewer Authority	10,816,475	8,615,265				(2,201,210)	(2,201,210)
Water Authority	9,882,112	8,255,373				(1,626,739)	(1,626,739)
George Hunter Golf Course	1,303,247	1,074,364				(228,883)	(228,883)
Total business-type activities	<u>22,001,834</u>	<u>17,945,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,056,832)</u>	<u>(4,056,832)</u>
Total Primary Government	<u>\$ 245,083,071</u>	<u>\$ 23,107,699</u>	<u>\$ 93,999,933</u>	<u>\$ 4,094,451</u>	<u>(119,824,156)</u>	<u>(4,056,832)</u>	<u>(123,880,988)</u>
General revenues:							
Property taxes					110,884,688		110,884,688
Grants and contributions not restricted to specific programs					1,873,215		1,873,215
Unrestricted investment earnings					913,917	91,668	1,005,585
Miscellaneous income					3,654,170	1,336,685	4,990,855
Total general revenues					<u>117,325,990</u>	<u>1,428,353</u>	<u>118,754,343</u>
Change in net assets					(2,498,166)	(2,628,479)	(5,126,645)
Net Assets at Beginning of Year, as Restated					<u>63,354,892</u>	<u>100,061,665</u>	<u>163,416,557</u>
Net Assets at End of Year					<u>\$ 60,856,726</u>	<u>\$ 97,433,186</u>	<u>\$ 158,289,912</u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,058,010	\$ 3,773,174	\$ 6,428,268	\$ 22,259,452
Investments	12,572,390		1,693,673	14,266,063
Receivables, net of allowance for collections	7,916,639	2,165,709	3,655,954	13,738,302
Inventory	133,633		105,708	239,341
Other assets	4,869			4,869
Due from other funds	3,873,866	34,593	232,492	4,140,951
Total Assets	<u>\$ 36,559,407</u>	<u>\$ 5,973,476</u>	<u>\$ 12,116,095</u>	<u>\$ 54,648,978</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 12,871,307	\$ 1,709,442	\$ 2,196,620	\$ 16,777,369
Retainage payable		241,357		241,357
Due to other funds	462,440	6,779,160	996,197	8,237,797
Deferred revenue	5,968,420	1,305,957	3,623,833	10,898,210
Total liabilities	<u>19,302,167</u>	<u>10,035,916</u>	<u>6,816,650</u>	<u>36,154,733</u>
Fund Balances:				
Nonspendable	133,633		537,255	670,888
Restricted	520,001		3,787,009	4,307,010
Committed			1,177,622	1,177,622
Assigned		8,190,617		8,190,617
Unassigned	16,603,606	(12,253,057)	(202,441)	4,148,108
Total fund balances	<u>17,257,240</u>	<u>(4,062,440)</u>	<u>5,299,445</u>	<u>18,494,245</u>
Total Liabilities and Fund Balances	<u>\$ 36,559,407</u>	<u>\$ 5,973,476</u>	<u>\$ 12,116,095</u>	<u>\$ 54,648,978</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 18,494,245
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 352,677,621	
Less accumulated depreciation	<u>(163,492,316)</u>	
Net capital assets		189,185,305

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

Net pension assets	305,049
Property tax receivables greater than 60 days	4,342,649
Build America Bonds long term interest receivable	10,650
Loan receivables greater than 60 days	5,011,595
Interest and lien receivable on property taxes	7,185,517
Issuance costs on refunding	185,115

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

(910,860)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(68,929,000)
Notes payable	(1,500,000)
Bond premium	(2,949,984)
Deferred amount in refunding	1,707,221
Interest payable on bonds	(954,262)
Compensated absences	(18,168,846)
Landfill post-closure monitoring	(794,256)
Net pension obligation	(25,340,452)
OPEB obligation	(38,122,960)
Pollution remediation	(6,700,000)
Claims and judgments	<u>(1,200,000)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>60,856,726</u></u>
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The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 109,910,284	\$	\$	\$ 109,910,284
Federal and state government	74,930,580	4,012,216	21,295,202	100,237,998
Charges for services	3,891,852		1,270,845	5,162,697
Investment income	431,509	97,332	4,172	533,013
Other local revenues	2,682,877	231,911	469,192	3,383,980
Total revenues	<u>191,847,102</u>	<u>4,341,459</u>	<u>23,039,411</u>	<u>219,227,972</u>
Expenditures:				
Current:				
General government	34,351,681		802,122	35,153,803
Public safety	21,208,646		644,021	21,852,667
Public works	7,017,255			7,017,255
Health and welfare	2,806,114		5,010,710	7,816,824
Culture and recreation	4,020,009		148,475	4,168,484
Education	111,433,666		16,575,481	128,009,147
Debt service:				
Principal retirement	8,959,161			8,959,161
Interest and other charges	3,237,005			3,237,005
Capital outlay	242,034	15,338,910	1,635,811	17,216,755
Total expenditures	<u>193,275,571</u>	<u>15,338,910</u>	<u>24,816,620</u>	<u>233,431,101</u>
Deficiency of Revenues over Expenditures	<u>(1,428,469)</u>	<u>(10,997,451)</u>	<u>(1,777,209)</u>	<u>(14,203,129)</u>
Other Financing Sources (Uses):				
Note proceeds			1,500,000	1,500,000
Transfers in	434,448	34,593	15,000	484,041
Transfers out	(15,000)	(212,890)	(256,151)	(484,041)
Total other financing sources (uses)	<u>419,448</u>	<u>(178,297)</u>	<u>1,258,849</u>	<u>1,500,000</u>
Net Change in Fund Balances	(1,009,021)	(11,175,748)	(518,360)	(12,703,129)
Fund Balances at Beginning of Year	<u>18,266,261</u>	<u>7,113,308</u>	<u>5,817,805</u>	<u>31,197,374</u>
Fund Balances at End of Year	<u>\$ 17,257,240</u>	<u>\$ (4,062,440)</u>	<u>\$ 5,299,445</u>	<u>\$ 18,494,245</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (12,703,129)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	17,019,262
Depreciation expense	(8,997,799)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	1,350,778
Loans collected after 60 days	(207,956)
Build America Bonds interest receivable	(209)
Decrease in interest and liens receivable	(376,374)
Change in pension assets	(10,168)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Note proceeds	(1,500,000)
Issuance costs on refunding	(15,644)
Accrued interest	95,397
Principal payments	8,959,161
Amortization of premium and deferred amount in refunding	105,023

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

Change in long-term compensated absences	29,046
Change in landfill post-closure monitoring	162,826
Change in net pension obligation	56,810
Change in OPEB obligation	(5,224,589)

The net expense of the internal service funds is reported with governmental activities.	<u>(1,240,601)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ (2,498,166)</u>
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The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest and lien fees	\$ 110,860,368	\$ 110,860,368	\$ 109,910,284	\$ (950,084)
Intergovernmental revenues	60,969,179	60,969,179	62,840,690	1,871,511
Charges for services	4,097,304	4,107,304	3,832,768	(274,536)
Investment income	542,652	542,652	430,742	(111,910)
Other revenues	2,911,807	3,037,807	2,666,193	(371,614)
Total revenues	<u>179,381,310</u>	<u>179,517,310</u>	<u>179,680,677</u>	<u>163,367</u>
Expenditures:				
Current:				
General government	40,515,733	32,735,051	32,584,172	150,879
Finance	1,945,530	1,941,208	1,941,167	41
Public safety	21,094,930	21,209,255	21,208,646	609
Public works	6,584,230	7,017,287	7,017,255	32
Health and welfare	2,846,609	2,831,129	2,806,114	25,015
Culture and recreation	3,973,476	4,020,025	4,020,009	16
Education	91,936,788	99,609,841	99,609,621	220
Debt service:				
Principal retirement	8,959,161	8,959,161	8,959,161	-
Interest and other charges	2,971,163	2,971,163	2,971,160	3
Total expenditures	<u>180,827,620</u>	<u>181,294,120</u>	<u>181,117,305</u>	<u>176,815</u>
Deficiency of Revenues over Expenditures	<u>(1,446,310)</u>	<u>(1,776,810)</u>	<u>(1,436,628)</u>	<u>340,182</u>
Other Financing Sources (Uses):				
Contribution from fund balance	1,144,000	1,449,000		(1,449,000)
Transfers in	353,810	367,810	434,448	66,638
Transfers out	<u>(51,500)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,446,310</u>	<u>1,776,810</u>	<u>394,448</u>	<u>(1,382,362)</u>
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,042,180)</u>	<u>\$ (1,042,180)</u>
Fund Balance at Beginning of Year			<u>17,719,067</u>	
Fund Balance at End of Year			<u>\$ 16,676,887</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Internal
	Water	Sewer	George		
			Hunter	Funds	
		Memorial			
		Golf Course			
Assets:					
Current assets:					
Cash and cash equivalents	\$ 3,611,269	\$ 3,666,665	\$ 164,393	\$ 7,442,327	\$ 2,558,376
Investments	540,670	537,414		1,078,084	4,746,217
Accounts receivable, net	3,503,929	4,112,770	141	7,616,840	362,074
Due from other funds	4,313,975	2,378,167	21,685	6,713,827	195,355
Other assets				-	15,043
Total current assets	<u>11,969,843</u>	<u>10,695,016</u>	<u>186,219</u>	<u>22,851,078</u>	<u>7,877,065</u>
Noncurrent assets:					
Capital assets, nondepreciable	2,295,321	219,256		2,514,577	
Capital assets, net of accumulated depreciation	40,692,512	88,447,157	2,104,876	131,244,545	
Total noncurrent assets	<u>42,987,833</u>	<u>88,666,413</u>	<u>2,104,876</u>	<u>133,759,122</u>	<u>-</u>
Total assets	<u>54,957,676</u>	<u>99,361,429</u>	<u>2,291,095</u>	<u>156,610,200</u>	<u>7,877,065</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	574,676	380,694	64,765	1,020,135	43,335
Accrued interest	212,425	41,884	1,654	255,963	
Claims payable				-	2,271,794
Due to other funds			2,812,336	2,812,336	
Current portion of bonds and notes payable	1,255,000	2,170,662	12,000	3,437,662	
Current portion of compensated absences	103,319	52,063	57,034	212,416	
Total current liabilities	<u>2,145,420</u>	<u>2,645,303</u>	<u>2,947,789</u>	<u>7,738,512</u>	<u>2,315,129</u>
Noncurrent liabilities:					
Compensated absences	1,033,191	312,379	114,068	1,459,638	
Bonds and notes payable, less current portion	11,214,000	37,305,953	97,000	48,616,953	
Premium on refunding bonds	470,734			470,734	
Deferred amount in refunding	(329,157)			(329,157)	
OPEB obligation	881,561	293,738	45,035	1,220,334	
Claims incurred but not reported				-	6,472,796
Total noncurrent liabilities	<u>13,270,329</u>	<u>37,912,070</u>	<u>256,103</u>	<u>51,438,502</u>	<u>6,472,796</u>
Total liabilities	<u>15,415,749</u>	<u>40,557,373</u>	<u>3,203,892</u>	<u>59,177,014</u>	<u>8,787,925</u>
Net Assets:					
Invested in capital assets, net of related debt	30,377,256	49,189,798	1,995,876	81,562,930	
Unrestricted	9,164,671	9,614,258	(2,908,673)	15,870,256	(910,860)
Total Net Assets	<u>\$ 39,541,927</u>	<u>\$ 58,804,056</u>	<u>\$ (912,797)</u>	<u>\$ 97,433,186</u>	<u>\$ (910,860)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Major Funds</u>		<u>Nonmajor</u>		<u>Activities</u>
			<u>Fund</u>		
	<u>Water</u>	<u>Sewer</u>	<u>George</u> <u>Hunter</u> <u>Memorial</u> <u>Golf Course</u>	<u>Total</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
Operating Revenues:					
Charges for services	\$ 8,255,373	\$ 8,615,265	\$ 1,074,364	\$ 17,945,002	\$ 26,673,069
Miscellaneous	787,670	497,248	51,767	1,336,685	1,292,762
Total operating revenues	<u>9,043,043</u>	<u>9,112,513</u>	<u>1,126,131</u>	<u>19,281,687</u>	<u>27,965,831</u>
Operating Expenses:					
Salaries and benefits	4,423,165	1,690,149	498,510	6,611,824	
Medical claims				-	27,763,082
Materials and supplies	920,527	1,335,660	449,218	2,705,405	
Utilities	910,306	960,044		1,870,350	
Administration and operation	807,195	712,694		1,519,889	1,529,521
Depreciation	1,694,904	3,897,250	122,326	5,714,480	
Other	560,150	1,332,922	192,512	2,085,584	294,733
Total operating expenses	<u>9,316,247</u>	<u>9,928,719</u>	<u>1,262,566</u>	<u>20,507,532</u>	<u>29,587,336</u>
Operating Loss	<u>(273,204)</u>	<u>(816,206)</u>	<u>(136,435)</u>	<u>(1,225,845)</u>	<u>(1,621,505)</u>
Nonoperating Revenues (Expenses):					
Interest income	34,863	56,524	281	91,668	380,904
Interest expense	(565,865)	(887,756)	(40,681)	(1,494,302)	
Total nonoperating revenues (expenses)	<u>(531,002)</u>	<u>(831,232)</u>	<u>(40,400)</u>	<u>(1,402,634)</u>	<u>380,904</u>
Change in Net Assets	(804,206)	(1,647,438)	(176,835)	(2,628,479)	(1,240,601)
Net Assets at Beginning of Year, as Restated	<u>40,346,133</u>	<u>60,451,494</u>	<u>(735,962)</u>	<u>100,061,665</u>	<u>329,741</u>
Net Assets at End of Year	<u>\$ 39,541,927</u>	<u>\$ 58,804,056</u>	<u>\$ (912,797)</u>	<u>\$ 97,433,186</u>	<u>\$ (910,860)</u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 9,297,015	\$ 9,029,890	\$ 1,125,990	\$ 19,452,895	\$ 28,522,536
Payments to suppliers	(2,987,030)	(4,723,122)	(645,731)	(8,355,883)	(29,166,743)
Payments to employees	(4,238,220)	(1,677,383)	(502,673)	(6,418,276)	
Net receipts (disbursements) from interfund transactions	1,743,179	796,670	66,090	2,605,939	(4,387)
Net cash provided by (used in) operating activities	<u>3,814,944</u>	<u>3,426,055</u>	<u>43,676</u>	<u>7,284,675</u>	<u>(648,594)</u>
Cash Flows from Capital and Related Financing Activities:					
Additions to capital assets	(2,176,281)	(1,279,941)		(3,456,222)	
Issuance of clean water fund loans		1,785,546		1,785,546	
Principal payments of bonds	(1,205,489)	(584,683)	(15,667)	(1,805,839)	
Principal payments of clean water fund loans		(3,783,175)		(3,783,175)	
Interest paid on capital debt	(577,829)	(887,756)	(40,681)	(1,506,266)	
Net cash used in capital and related financing activities	<u>(3,959,599)</u>	<u>(4,750,009)</u>	<u>(56,348)</u>	<u>(8,765,956)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchases of investments	(31,718)	(28,990)		(60,708)	(776,636)
Interest on investments	34,863	56,524	281	91,668	380,904
Net cash provided by (used in) investing activities	<u>3,145</u>	<u>27,534</u>	<u>281</u>	<u>30,960</u>	<u>(395,732)</u>
Net Decrease in Cash and Cash Equivalents	(141,510)	(1,296,420)	(12,391)	(1,450,321)	(1,044,326)
Cash and Cash Equivalents at Beginning of Year	<u>3,752,779</u>	<u>4,963,085</u>	<u>176,784</u>	<u>8,892,648</u>	<u>3,602,702</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,611,269</u>	<u>\$ 3,666,665</u>	<u>\$ 164,393</u>	<u>\$ 7,442,327</u>	<u>\$ 2,558,376</u>
Reconciliation of Operating Loss to Net Cash Provided By (Used in) Operating Activities:					
Operating loss	\$ (273,204)	\$ (816,206)	\$ (136,435)	\$ (1,225,845)	\$ (1,621,505)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,694,904	3,897,250	122,326	5,714,480	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	253,972	(82,623)	(141)	171,208	563,298
(Increase) decrease in due from other funds	1,743,179	796,670		2,539,849	(4,387)
(Increase) decrease in other assets				-	(6,593)
Increase (decrease) in accounts payable and accrued items	211,148	(381,802)	(4,001)	(174,655)	420,593
Increase (decrease) in compensated absences	64,130	(27,489)	(10,335)	26,306	
Increase (decrease) in OPEB obligation	120,815	40,255	6,172	167,242	
Increase (decrease) in due to other funds			66,090	66,090	
Total adjustments	<u>4,088,148</u>	<u>4,242,261</u>	<u>180,111</u>	<u>8,510,520</u>	<u>972,911</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,814,944</u>	<u>\$ 3,426,055</u>	<u>\$ 43,676</u>	<u>\$ 7,284,675</u>	<u>\$ (648,594)</u>
Noncash Investing, Capital, and Financing Activities:					
Construction in progress completed	<u>\$ (188,202)</u>	<u>\$ (1,861,573)</u>	<u>-</u>	<u>\$ (2,049,775)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 12,272,242	\$ 187,509	\$ 188,500	\$ 2,792,623
Investments, at fair value:				
Stocks and options	130,251,195	3,254,381		
Fixed income securities	45,146,067	4,669,476	224,916	
Mutual funds	9,887,575	398,187		
Preferreds/fixed rate cap secs	69,124			
Other	34,136,012	345,771		213,672
Total investments	<u>219,489,973</u>	<u>8,667,815</u>	<u>224,916</u>	<u>213,672</u>
Accounts receivable	<u>331,964</u>			
Total assets	<u>232,094,179</u>	<u>8,855,324</u>	<u>413,416</u>	<u>\$ 3,006,295</u>
Liabilities:				
Other liabilities	<u>1,542</u>	<u>-</u>	<u>-</u>	<u>\$ 3,006,295</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 232,092,637</u>	<u>\$ 8,855,324</u>	<u>\$ 413,416</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions:			
Contributions:			
Employer	\$ 8,555,945	\$ 5,613,907	\$
Plan members	3,336,166	3,471,521	
Donations and other			198,994
Total contributions	<u>11,892,111</u>	<u>9,085,428</u>	<u>198,994</u>
Investment earnings:			
Net decrease in fair value of investments	(13,156,322)	(125,415)	
Interest and dividends	5,726,969	159,307	2,904
Total investment earnings (loss)	<u>(7,429,353)</u>	<u>33,892</u>	<u>2,904</u>
Less investment expenses:			
Investment management fees	1,322,296	7,011	
Net investment earnings (loss)	<u>(8,751,649)</u>	<u>26,881</u>	<u>2,904</u>
Total additions	<u>3,140,462</u>	<u>9,112,309</u>	<u>201,898</u>
Deductions:			
Benefits	19,464,690	5,351,641	54,515
Administrative expense	89,544	233,787	
Other	263,984	8,568	
Total deductions	<u>19,818,218</u>	<u>5,593,996</u>	<u>54,515</u>
Change in Net Assets	(16,677,756)	3,518,313	147,383
Net Assets at Beginning of Year	<u>248,770,393</u>	<u>5,337,011</u>	<u>266,033</u>
Net Assets at End of Year	<u>\$ 232,092,637</u>	<u>\$ 8,855,324</u>	<u>\$ 413,416</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated as a Town in 1806 and as a City in 1867. It operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**B. Basis of Presentation**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, special assessments, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities such as debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bonded Projects Fund* is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low interest State loans.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water supply system. Its operations are financed from direct charges to the users of the service.

The *Sewer Fund* accounts for the operations of the City's wastewater treatment system. The City operates its own sewage treatment plant, sewage pumping stations and collection system. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for employee health insurance and workers' compensation insurance provided to departments of the City and Board of Education.

The *Private Purpose Trust Funds* accounts for assets held by the City in a trustee capacity for various scholarship and cemetery trusts.

The *Pension Trust Funds* are used to account for activities of the City's three defined benefit plans that accumulate resources for pension benefit payments to qualified employees. As part of these trust funds, an amount is segregated to pay for retiree health benefits. These funds are also presented with the pension trust funds.

The *OPEB (Other Post Employment Benefit) Trust Fund* is used to account for the activities for both City and Board of Education for other post employment benefits (e.g., health insurance, life insurance) that accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds and performance bonds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

### **D. Investments**

Investments are stated at fair value.

### **E. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

### **F. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables, including those for the Water and Sewer Funds, are shown net of an allowance for uncollectible accounts.

An estimate has been recorded for utility service provided, but not billed, at the end of the fiscal year.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	40-50
Building improvements	7-30
Infrastructure	65
Machinery and equipment	5-30
Vehicles	7

**H. Compensated Absences**

Under the terms of its various union contracts, City and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are reimbursed for accumulated vacation. The City recognizes a liability for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

**I. Net Pension and Other Post Employment (OPEB) Obligations**

Governmental Funds:

The net pension obligation and net OPEB obligation represent the cumulative difference between the annual pension/OPEB cost and the City’s contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent liability in the government-wide financial statements.

## **J. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **K. Equity**

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund and Capital Projects Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The City has a written minimum fund balance policy that states that the goal of the City is that uncommitted fund balance of the City equal one month's expenditures or 8.33% of the City's most recent approved operating budget. The City has revised the policy to conform to the language contained in the Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

#### **L. Property Taxes**

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Statutory interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. The City files a lien on the property for taxes which were due July 1 and remain unpaid on the following May 1.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

#### **M. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Information

The annual budget is adopted by the City Council and employed for management control of the General Fund, Water Fund, Sewer Fund and Golf Fund.

The budget process is as follows:

- a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.
- e. Within 20 days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may not exceed 1-1/2% of the General Fund budget as established for the current year, without levying a special tax.

There were additional appropriations of \$455,000 for the General Fund, \$100,000 for the Sewer Fund, and \$260,000 for the Water Fund during the year ended June 30, 2012, which was funded through net assets.

- j. The Board of Education may transfer unexpended balances from one account to another within its line appropriation. A number of such transfers occurred during the year.

- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

The City's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as reservations of fund balance.

A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>	<b>Fund Balance</b>
Balance, budgetary basis	\$ 180,115,125	\$ 181,157,305	\$ 16,676,887
Excess cost (net for budgetary)	1,336,001	1,336,001	
BABs subsidy	265,845	265,845	
State Teachers' Retirement on-behalf payment	10,488,044	10,488,044	
Funds consolidated for GASB 54 purposes	<u>76,535</u>	<u>43,376</u>	<u>580,353</u>
Balance, GAAP Basis	<u>\$ 192,281,550</u>	<u>\$ 193,290,571</u>	<u>\$ 17,257,240</u>

## B. Deficit Fund Equity

For the year ended June 30, 2012, the following funds had deficit balances:

Bonded Projects	\$ 4,062,440
Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	912,797
Nonmajor Governmental Funds:	
Airport Improvement Fund	11,711
Brownsfield Assessment Fund	129,129
NSP Program Fund	7,640
Capital and Nonrecurring	53,961
Internal Service Fund:	
Workers' Compensation Fund	6,473,009

These amounts will be funded through bonds, contributions and future revenues.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

## Deposits

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$36,723,009 of the City's bank balance of \$39,295,729 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 32,825,709
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>3,897,300</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 36,723,009</u></u>

## Cash Equivalents

At June 30, 2012, the City's cash equivalents amounted to \$10,775,632. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Multi-Bank Securities, Inc.	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

\*Not rated

## Investments

As of June 30, 2012, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
Mutual Funds	N/A	\$ 10,596,713	\$ 10,596,713	\$	\$	\$
U.S. Government Agencies	AAA	624				624
U.S. Treasury Bonds	AAA	61,156				61,156
Corporate and Foreign Bonds	AAA	28,555,421		9,058,656	14,646,600	4,850,165
Corporate and Foreign Bonds	A1	3,292,271		284,757	3,007,514	
Corporate and Foreign Bonds	A2	2,616,143		407,249	2,208,894	
Corporate and Foreign Bonds	A3	2,470,829		202,924	2,267,905	
Corporate and Foreign Bonds	AA2	495,108			495,108	
Corporate and Foreign Bonds	AA3	610,610		10,219	600,391	
Corporate and Foreign Bonds	Baa1	985,508			985,508	
Corporate and Foreign Bonds	Baa2	1,207,773			1,207,773	
Corporate and Foreign Bonds	N/A	7,199,393	5,166,250		2,033,143	
Certificates of Deposit	N/A	10,586,196			10,586,196	
Common Equity Securities	N/A	687,116	687,116			
Preferred Equity Securities	N/A	152,198	152,198			
Fixed Income Securities	N/A	1,654,896			643,266	1,011,630
Taxable Fixed Income Funds	N/A	3,754,696	112,347		3,642,349	
Closed End Fixed Income	N/A	45,077	45,077			
Stocks and Options	N/A	139,233,230	139,233,230			
Other	N/A	34,481,782	34,481,782			
<b>Total Investments</b>		<b>\$ 248,686,740</b>	<b>\$ 190,474,713</b>	<b>\$ 9,963,805</b>	<b>\$ 42,324,647</b>	<b>\$ 5,923,575</b>

N/A - Not applicable

*Interest Rate Risk* - The City's investment policy states that the weighted average maturity of the portfolio shall not exceed 12 years and the maturity of any single issue shall not exceed 30 years. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400.

*Concentration of Credit Risk* - The City's investment policy states that the exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 8% of the market value of the fixed income portfolio.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2012, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

## **Pension**

The investments of the City's pension funds have their own policies and limitations on investments.

Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and supporting regulations, unless specifically exempted by a vote of the Board.

Equity investments in any one company by any one advisor shall be limited at purchase of 10% of the total assets under management and/or 5% of the company's total outstanding equity. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio. In no event should the debt securities of any corporation exceed 10% of the assets under management of any one advisor.

There shall be no investments in:

- Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depositary Receipts (ADRs) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager;
- Securities issued by a participating employer, except to the extent permitted under ERISA;
- Private placements, without affirmative Board approval;
- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.

Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.

#### 4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2012 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<b>Governmental and Fiduciary Type Funds</b>			
	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor, Internal Service, and Fiduciary Funds</b>	<b>Total</b>
Property taxes	\$ 8,467,817	\$	\$	\$ 8,467,817
Accounts	699,123	54,108	725,414	1,478,645
Intergovernmental	2,256,783	1,066,977	1,151,028	4,474,788
Loans		1,044,624	2,668,734	3,713,358
Gross receivables	<u>11,423,723</u>	<u>2,165,709</u>	<u>4,545,176</u>	<u>18,134,608</u>
Less: Allowance for collection losses	<u>3,507,084</u>		<u>195,184</u>	<u>3,702,268</u>
Net Total Receivables	<u>\$ 7,916,639</u>	<u>\$ 2,165,709</u>	<u>\$ 4,349,992</u>	<u>\$ 14,432,340</u>

	<b>Business-Type Funds</b>		
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Total</b>
Use charges	\$ 1,555,799	\$ 1,793,920	\$ 3,349,719
Assessments		20,222	20,222
Unbilled	2,131,229	2,204,839	4,336,068
Other	10,624	319,138	329,762
Gross receivables	<u>3,697,652</u>	<u>4,338,119</u>	<u>8,035,771</u>
Less: Allowance for collection losses	<u>193,723</u>	<u>225,349</u>	<u>419,072</u>
Net Total Receivables	<u>\$ 3,503,929</u>	<u>\$ 4,112,770</u>	<u>\$ 7,616,699</u>

The table above does not contain Build America Bond interest receivable.

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 4,342,649	\$
Property taxes collected in advance		124,052
Loan receivable	1,493,422	
Advances on grants		3,077
Other receivable		5,220
Bonded Projects:		
Loans receivable	1,044,624	
Bond premium		261,333
Nonmajor governmental funds:		
Advances on grants		1,150,284
Loans receivable	<u>2,473,549</u>	
Total Deferred Revenue for Governmental Funds	<u>\$ 9,354,244</u>	<u>\$ 1,543,966</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,882,279	\$ 313,203	\$	\$ 22,195,482
Construction in progress	4,077,368	11,263,888	2,417,872	12,923,384
Total capital assets not being depreciated	<u>25,959,647</u>	<u>11,577,091</u>	<u>2,417,872</u>	<u>35,118,866</u>
Capital assets being depreciated:				
Land improvements	18,157,251	789,213		18,946,464
Buildings and improvements	180,455,329	1,552,742		182,008,071
Machinery and equipment	10,089,360	2,569,516	129,822	12,529,054
Vehicles	12,131,828	540,189	52,958	12,619,059
Infrastructure	89,047,724	2,408,383		91,456,107
Total capital assets being depreciated	<u>309,881,492</u>	<u>7,860,043</u>	<u>182,780</u>	<u>317,558,755</u>
Less accumulated depreciation for:				
Land improvements	9,601,859	699,328		10,301,187
Buildings and improvements	73,763,373	4,140,896		77,904,269
Machinery and equipment	7,377,781	602,612	129,822	7,850,571
Vehicles	9,287,677	746,215	52,958	9,980,934
Infrastructure	54,646,607	2,808,748		57,455,355
Total accumulated depreciation	<u>154,677,297</u>	<u>8,997,799</u>	<u>182,780</u>	<u>163,492,316</u>
Total capital assets being depreciated, net	<u>155,204,195</u>	<u>(1,137,756)</u>	<u>-</u>	<u>154,066,439</u>
Governmental Activities Capital Assets, Net	<u>\$ 181,163,842</u>	<u>\$ 10,439,335</u>	<u>\$ 2,417,872</u>	<u>\$ 189,185,305</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,531	\$	\$	\$ 1,088,531
Construction in progress	2,635,527	840,294	2,049,775	1,426,046
Total capital assets not being depreciated	<u>3,724,058</u>	<u>840,294</u>	<u>2,049,775</u>	<u>2,514,577</u>
Capital assets being depreciated:				
Land improvements	11,753,639	2,560,032		14,313,671
Buildings and improvements	68,389,120	511,097		68,900,217
Machinery and equipment	26,953,880			26,953,880
Vehicles	1,924,250	206,800		2,131,050
Infrastructure	119,179,320	1,387,774		120,567,094
Total capital assets being depreciated	<u>228,200,209</u>	<u>4,665,703</u>	<u>-</u>	<u>232,865,912</u>
Less accumulated depreciation for:				
Land improvements	1,640,572	626,288		2,266,860
Buildings and improvements	27,386,690	1,733,007		29,119,697
Machinery and equipment	10,230,905	1,452,978		11,683,883
Vehicles	1,766,197	55,392		1,821,589
Infrastructure	54,882,523	1,846,815		56,729,338
Total accumulated depreciation	<u>95,906,887</u>	<u>5,714,480</u>	<u>-</u>	<u>101,621,367</u>
Total capital assets being depreciated, net	<u>132,293,322</u>	<u>(1,048,777)</u>	<u>-</u>	<u>131,244,545</u>
Business-Type Activities Capital Assets, Net	<u>\$ 136,017,380</u>	<u>\$ (208,483)</u>	<u>\$ 2,049,775</u>	<u>\$ 133,759,122</u>

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

Governmental activities:	
General government	\$ 332,637
Education	3,364,657
Public safety	900,173
Public works	3,461,231
Recreation	751,722
Human services	<u>187,379</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>8,997,799</u></u>
Business-type activities:	
Water Authority	\$ 1,694,904
Sewer Authority	3,897,250
Golf Course	<u>122,326</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>5,714,480</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 65,333
	Nonmajor Governmental Funds	996,197
	Nonmajor Proprietary Fund	<u>2,812,336</u>
		3,873,866
Bonded Projects Fund	General Fund	34,593
Nonmajor Governmental Funds	General Fund	232,492
Water Fund	Bonded Projects Fund	4,313,975
Sewer Fund	Bonded Projects Fund	2,378,167
Nonmajor Proprietary Fund	Bonded Projects Fund	21,685
Internal Service Funds	General Fund	<u>195,355</u>
		\$ <u><u>11,050,133</u></u>

For the most part, all balances are expected to be repaid within a year.

Interfund balances are a result of temporary loans to various funds. The transfers that occurred during the year are as follows:

	<b>Transfers In</b>			<b>Total Transfers Out</b>
	<b>General Fund</b>	<b>Bonded Project Fund</b>	<b>Nonmajor Governmental Funds</b>	
Transfers out:				
General Fund	\$	\$	\$ 15,000	\$ 15,000
Bonded Projects Fund	212,890			212,890
Nonmajor Governmental Funds	<u>221,558</u>	<u>34,593</u>		<u>256,151</u>
Total Transfers In	<u>\$ 434,448</u>	<u>\$ 34,593</u>	<u>\$ 15,000</u>	<u>\$ 484,041</u>

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 77,888,161	\$	\$ 8,959,161	\$ 68,929,000	\$ 8,487,000
Premium on bonds	3,199,279		249,295	2,949,984	
Deferred amount in refunding	(1,851,493)		(144,272)	(1,707,221)	
Notes payable		1,500,000		1,500,000	75,000
Compensated absences	18,197,892	1,122,021	1,151,067	18,168,846	1,174,574
Workman's compensation	2,366,198	1,740,818	1,846,951	2,260,065	753,355
Heart and hypertension	4,336,660	1,985,724	1,767,066	4,555,318	1,518,440
Landfill post-closure monitoring	957,082		162,826	794,256	15,000
Net pension obligation	25,397,262	8,499,135	8,555,945	25,340,452	
OPEB obligation	32,898,371	10,664,366	5,439,777	38,122,960	
Pollution remediation	6,700,000	2,350,000	2,350,000	6,700,000	
Claims and judgments	<u>1,200,000</u>	<u>450,000</u>	<u>450,000</u>	<u>1,200,000</u>	<u>500,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 171,289,412</u>	<u>\$ 28,312,064</u>	<u>\$ 30,787,816</u>	<u>\$ 168,813,660</u>	<u>\$ 12,523,369</u>
Business-Type Activities:					
General obligation bonds	\$ 18,416,839	\$	\$ 1,805,839	\$ 16,611,000	\$ 1,663,000
Premium on bonds	510,514		39,780	470,734	
Deferred amount in refunding	(356,973)		(27,816)	(329,157)	
Compensated absences	1,645,748	140,333	114,027	1,672,054	212,416
OPEB obligation	1,053,093	341,371	174,130	1,220,334	
Clean water fund notes	<u>37,441,244</u>	<u>1,785,546</u>	<u>3,783,175</u>	<u>35,443,615</u>	<u>1,774,662</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 58,710,465</u>	<u>\$ 2,267,250</u>	<u>\$ 5,889,135</u>	<u>\$ 55,088,580</u>	<u>\$ 3,650,078</u>

For the governmental activities, compensated absences, net pension obligations and net other post employment benefits obligations are generally liquidated by the General Fund.

## General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the City. Certain general obligation bonds are to be repaid by revenues of the enterprise funds.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2012</u>
Governmental:						
General purpose:						
General obligation	10/1/02	8/1/12	5.60%	\$ 600,000	\$ various	\$ 60,000
General obligation	8/1/06	8/1/16	4.125-5%	16,134,700	various	8,600,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	10,685,000
General obligation	5/4/10	8/1/22	3-5%	11,627,000	various	11,524,000
General obligation	5/4/10	8/1/23	3-5%	21,142,000	various	20,933,000
General obligation BABS	7/13/10	5/15/30	1-5.75%	18,764,086	various	17,127,000
Total governmental activities						<u>68,929,000</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	1,850,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	5,840,000
General obligation	5/4/10	8/1/22	3-5%	163,000	various	161,000
General obligation	5/4/10	8/1/23	3-5%	5,558,000	various	5,507,000
General obligation BABS	7/13/10	5/15/30	1-5.75%	3,565,914	various	3,253,000
Total business-type activities						<u>16,611,000</u>
Total Outstanding						<u>\$ 85,540,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 8,487,000	\$ 2,657,421	\$ 1,663,000	\$ 662,643
2014	8,234,000	2,342,771	1,621,000	602,435
2015	8,381,000	1,998,853	1,644,000	538,017
2016	6,525,000	1,678,147	1,155,000	481,310
2017	6,534,000	1,408,727	1,156,000	435,461
2018	3,736,000	1,194,374	779,000	394,887
2019	3,421,000	1,044,221	764,000	360,878
2020	3,425,000	897,877	765,000	326,680
2021	2,373,000	782,282	767,000	295,217
2022	2,365,000	692,394	765,000	263,602
2023	2,370,000	597,310	765,000	229,133
2024	2,020,000	508,466	765,000	194,541
2025	2,020,000	428,359	765,000	161,229
2026	2,021,000	347,466	764,000	128,479
2027	2,021,000	265,252	764,000	92,279
2028	2,021,000	181,131	764,000	61,480
2029	2,021,000	95,723	764,000	27,200
2030	<u>954,000</u>	<u>35,656</u>	<u>181,000</u>	<u>6,765</u>
Total	\$ <u>68,929,000</u>	\$ <u>17,156,430</u>	\$ <u>16,611,000</u>	\$ <u>5,262,236</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,803,762 for governmental activities and \$532,849 for business-type activities.

### **General Obligation Bonds - Advance Refunding**

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The balance in escrow was \$13,305,950 at June 30, 2012. The outstanding balance of the defeased bonds as of June 30, 2012 is \$16,125,000.

### **Build America Bonds**

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest

payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption.

### **Clean Water Fund Loans Payable**

The State of Connecticut under the Clean Water Fund Program issued the project loan obligation. The loan proceeds financed the sanitary sewer construction projects. The obligation will be paid from future user fees.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,774,662	\$ 694,090
2014	1,695,716	658,682
2015	1,670,195	624,471
2016	1,703,330	590,764
2017	1,737,134	556,389
2018	1,757,332	521,331
2019	1,778,235	485,863
2020	1,814,127	449,970
2021	1,850,744	413,353
2022	1,888,100	375,997
2023	1,926,210	337,887
2024	1,965,090	299,008
2025	2,004,754	259,344
2026	2,045,218	218,879
2027	2,086,500	177,598
2028	2,128,615	135,483
2029	2,171,579	92,518
2030	2,215,411	48,687
2031	1,177,268	8,473
2032	53,395	313
	<u>\$ 35,443,615</u>	<u>\$ 6,949,100</u>

### **HUD Loan**

The United States Department of Housing and Urban Development issued the City a Section 108 Loan on October 14, 2011, which carries interest at 0.2% above LIBOR. The loan proceeds financed part of the demolition and clean up of Factory H. The obligation will be paid from future CDBG allocations.

Project loan obligations payable to the United States Department of Housing and Urban Development mature as follows:

	<b>HUD Note</b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2013	\$ 75,000	\$ 33,626
2014	75,000	33,349
2015	75,000	32,936
2016	75,000	32,336
2017	75,000	31,530
2018	75,000	30,495
2019	75,000	29,254
2020	75,000	27,821
2021	75,000	26,134
2022	75,000	24,255
2023	75,000	22,283
2024	75,000	20,179
2025	75,000	17,978
2026	75,000	15,739
2027	75,000	13,451
2028	75,000	11,130
2029	75,000	8,764
2030	75,000	6,337
2031	75,000	3,855
2032	75,000	1,298
	<b><u>\$ 1,500,000</u></b>	<b><u>\$ 422,750</u></b>

#### **Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2012 is \$58,821,004, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

#### **Landfill Post Closure Monitoring**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$794,256, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2012. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

## Pollution Remediation

Pursuant to local laws, the City has recorded a liability of \$6,700,000 for remediation of a parcel called "Factory H" due to various contaminants. This amount is made up of a liability of \$9,050,000 less estimated recoveries from the State and Federal governments of \$2,350,000. Management has estimated this liability taking in to account data based on estimates from the engineering department. The obligation is an estimate and is subject to revision because of price increases or reductions, changing in technology, or changes in applicable laws or regulations. As of June 30, 2012, the City has received a grant from the State of Connecticut in the amount of \$850,000 and a loan for \$1,500,000 from United States Department of Housing and Urban Development to demolish the factory building that is on the site. Management anticipates possible further recoveries from the State and Federal government, but does not know the amount nor the probability. Once the factory building is removed further testing of the soil needs to be performed to determine the remaining liability.

## 8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2012 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 133,633	\$	\$ 105,708	\$ 239,341
Permanent fund principal			431,547	431,547
Restricted for:				
Enabling legislation	520,001			520,001
Federal and State grants			2,235,070	2,235,070
Trust			1,551,939	1,551,939
Assigned to:				
Capital projects		8,190,617		8,190,617
Committed to:				
Capital projects			206,002	206,002
Education			665,601	665,601
General government			306,019	306,019
Unassigned	<u>16,603,606</u>	<u>(12,253,057)</u>	<u>(202,441)</u>	<u>4,148,108</u>
Total Fund Balances	<u>\$ 17,257,240</u>	<u>\$ (4,062,440)</u>	<u>\$ 5,299,445</u>	<u>\$ 18,494,245</u>

Significant encumbrances are included in the bonded projects fund as of June 30, 2012.

## 9. RISK MANAGEMENT

The City of Meriden is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2012.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$500,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

The City's Health Insurance Fund purchases a stop loss policy for claims in excess of \$250,000 per claim. The City also purchases the aggregate maximum per year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The health insurance fund is funded by contributions from all funds incurring payroll charges. The health benefits consultant provides the City with suggested rates for various types of coverage. The City uses employee counts and suggested rates to compute fund contributions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
<b>Workers' Compensation and Heart and Hypertension</b>				
2011-12	\$ 6,702,858	\$ 3,614,017	\$ 3,501,493	\$ 6,815,382
2010-11	6,010,610	4,606,656	3,914,408	6,702,858
<b>Health Insurance</b>				
2011-12	\$ 1,624,845	\$ 24,149,065	\$ 23,844,702	\$ 1,929,208
2010-11	1,584,845	20,669,721	20,629,721	1,624,845

## 10. EMPLOYEE RETIREMENT PLANS

### A. Pension Trust Fund

The City of Meriden administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees. The PERS is considered to be a part of the City of Meriden's financial reporting entity and is included in the City's financial reports as Pension Trust Funds. Stand-alone plan reports are not available for these plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

#### Plan Description

Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded. The Plans' provisions are as follows:

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary.  Effective July 1, 2011, 2% of average annual pay for the first 20 years, 2½% thereafter, with a maximum of 70% of salary.	2.5% of average annual pay for the first 30 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary.	2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 66% of salary.
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	2% per year beginning the later of 2 years from retirement age or age 62 (50% max).  Effective July 1, 2011, 2% each year beginning on the second anniversary after the retirement.	2% after 20 years, 3% after 25 years (50% max).	3% after 25 years (50% max).
Early retirement provisions	City employees - age 65, 10 years of service or Rule of 80 - full benefits. Age 55, 10 years of service - reduced benefits. Police and Fire - none.	25 <sup>th</sup> anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	City Employee - 7% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 7% of earnings (includes 3% of earnings as contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).  Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.

At July 1, 2010, Plan membership consisted of the following:

	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Retirees and beneficiaries currently receiving benefits	431	132	106
Vested terminated employees	101	1	-
Active participants	648	69	70
<b>Total Participants</b>	<b>1,180</b>	<b>202</b>	<b>176</b>

### Summary of Significant Accounting Policies

Basis of Accounting - Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments - Investments are reported at market value. Investment income is recognized as earned.

Administrative Costs - Administrative costs of the Plan are financed through investment earnings.

The individual plan net assets at June 30, 2012 and changes in net assets for the year then ended are as follows:

	<b>Pension Trust Funds</b>						
	<b>Employees' Retirement Plan</b>	<b>Police Pension Fund</b>	<b>Firefighters' Pension Plan</b>	<b>Employees' Healthcare Plan</b>	<b>Police Healthcare Plan</b>	<b>Firefighters' Healthcare Plan</b>	<b>Total Pension Trust Funds</b>
<b>Assets:</b>							
Cash and cash equivalents	\$ 5,952,558	\$ 3,401,086	\$ 2,845,395	\$ 69,207	\$ (4,274)	\$ 8,270	\$ 12,272,242
Interest receivable	208,443	66,618	54,359	2,535		9	331,964
<b>Investments, at fair value:</b>							
Stocks and options	70,080,416	32,662,273	26,652,043	852,242		4,221	130,251,195
Fixed income securities	27,155,687	9,724,117	7,934,768	330,238		1,257	45,146,067
Mutual funds	5,808,446	2,207,177	1,801,031	70,636		285	9,887,575
Preferreds/fixed rate cap secs	37,838	16,974	13,850	460		2	69,124
Other	18,476,134	8,499,003	6,935,089	224,687		1,099	34,136,012
Total investments	121,558,521	53,109,544	43,336,781	1,478,263	-	6,864	219,489,973
Total assets	127,719,522	56,577,248	46,236,535	1,550,005	(4,274)	15,143	232,094,179
<b>Liabilities:</b>							
Other liabilities	514	514	514				1,542
<b>Net Assets:</b>							
Held in Trust for Pension Benefits and Other Purposes	\$ 127,719,008	\$ 56,576,734	\$ 46,236,021	\$ 1,550,005	\$ (4,274)	\$ 15,143	\$ 232,092,637

	Pension Trust Funds						
	Employees'	Police	Firefighters'	Employees'	Police	Firefighters'	Total
	Retirement	Pension	Pension	Healthcare	Healthcare	Healthcare	Pension
	Plan	Fund	Plan	Plan	Plan	Plan	Trust Funds
Additions:							
Contributions:							
Employer	\$ 1,906,102	\$ 4,028,938	\$ 2,620,905	\$	\$	\$	\$ 8,555,945
Plan members	1,698,807	294,635	298,328	846,741	98,212	99,443	3,336,166
Total contributions	<u>3,604,909</u>	<u>4,323,573</u>	<u>2,919,233</u>	<u>846,741</u>	<u>98,212</u>	<u>99,443</u>	<u>11,892,111</u>
Investment earnings:							
Net decrease in fair value of investments	(7,282,489)	(3,178,583)	(2,609,120)	(85,733)		(397)	(13,156,322)
Dividends and interest	3,246,112	1,341,281	1,101,195	38,214		167	5,726,969
Total investment earnings (loss)	<u>(4,036,377)</u>	<u>(1,837,302)</u>	<u>(1,507,925)</u>	<u>(47,519)</u>	<u>-</u>	<u>(230)</u>	<u>(7,429,353)</u>
Less investment expenses:							
Investment management fees	733,810	323,194	265,292				1,322,296
Net investment earnings (loss)	<u>(4,770,187)</u>	<u>(2,160,496)</u>	<u>(1,773,217)</u>	<u>(47,519)</u>	<u>-</u>	<u>(230)</u>	<u>(8,751,649)</u>
Total additions	<u>(1,165,278)</u>	<u>2,163,077</u>	<u>1,146,016</u>	<u>799,222</u>	<u>98,212</u>	<u>99,213</u>	<u>3,140,462</u>
Deductions:							
Benefits	7,099,625	6,087,311	4,698,192	1,099,149	286,171	194,242	19,464,690
Administration	26,954	26,954	26,956	8,640		40	89,544
Other	254,894	8,090	1,000				263,984
Total deductions	<u>7,381,473</u>	<u>6,122,355</u>	<u>4,726,148</u>	<u>1,107,789</u>	<u>286,171</u>	<u>194,282</u>	<u>19,818,218</u>
Change in net assets	(8,546,751)	(3,959,278)	(3,580,132)	(308,567)	(187,959)	(95,069)	(16,677,756)
Net Assets at Beginning of Year	<u>136,265,759</u>	<u>60,536,012</u>	<u>49,816,153</u>	<u>1,858,572</u>	<u>183,685</u>	<u>110,212</u>	<u>248,770,393</u>
Net Assets at End of Year	<u>\$ 127,719,008</u>	<u>\$ 56,576,734</u>	<u>\$ 46,236,021</u>	<u>\$ 1,550,005</u>	<u>\$ (4,274)</u>	<u>\$ 15,143</u>	<u>\$ 232,092,637</u>

## Annual Pension Cost and Net Pension Obligations

The City of Meriden's annual pension cost and net pension obligation (asset) for the year ended June 30, 2012 were as follows:

	Employees'	Police	Firefighters'
	Retirement	Pension	Pension
	Plan	Plan	Plan
Annual required contribution (ARC)	\$ 1,898,009	\$ 4,028,938	\$ 2,620,905
Interest on net pension obligation (asset)	(25,217)	1,025,914	1,005,867
Adjustment to annual required contribution	<u>43,478</u>	<u>(1,054,599)</u>	<u>(1,033,992)</u>
Annual pension cost	1,916,270	4,000,253	2,592,780
Contributions made	<u>1,906,102</u>	<u>4,028,938</u>	<u>2,620,905</u>
Increase (decrease) in net pension obligation	10,168	(28,685)	(28,125)
Net pension obligation (asset), beginning of year	<u>(315,217)</u>	<u>12,823,923</u>	<u>12,573,339</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (305,049)</u>	<u>\$ 12,795,238</u>	<u>\$ 12,545,214</u>

The following is a summary of certain significant actuarial assumptions and other plan information:

	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Actuarial valuation date	7/1/10	7/1/10	7/1/10
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	10 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases*	5.00%	4.00%	4.00%
*Includes inflation at	3.50%	3.00%	3.00%

#### **Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
<b>Employees' Retirement Plan</b>			
6/30/12	\$ 1,916,270	99.50 %	\$ (305,049)
6/30/11	498,783	98.13	(315,217)
6/30/10	368,551	98.30	(324,550)
<b>Police Pension Plan</b>			
6/30/12	\$ 4,000,253	100.72 %	\$ 12,795,238
6/30/11	3,654,364	100.79	12,823,923
6/30/10	3,485,193	104.60	12,852,672
<b>Firefighters' Pension Plan</b>			
6/30/12	\$ 2,592,780	101.08 %	\$ 12,545,214
6/30/11	2,413,427	101.17	12,573,339
6/30/10	2,260,736	107.00	12,601,527

## Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Under Funded AAL as a % of Covered Payroll ((a-b)/c)</u>
<b>Employees' Retirement Plan</b>						
7/01/10	\$ 140,652,162	\$ 133,912,594	\$ (6,739,568)	105.03 %	\$ 34,128,961	(19.75) %
7/01/08	140,853,728	123,480,133	(17,373,595)	114.07	31,405,160	(55.32)
7/01/06	128,680,666	114,597,050	(14,083,616)	112.29	30,170,844	(46.68)
<b>Police Pension Plan</b>						
7/01/10	\$ 61,620,597	\$ 98,013,777	\$ 36,393,180	62.87 %	\$ 5,027,254	723.92 %
7/01/08	60,974,656	89,709,424	28,734,768	67.97	5,030,979	571.16
7/01/06	53,745,820	79,947,211	26,201,391	67.23	5,940,009	441.10
<b>Firefighters' Pension Plan</b>						
7/01/10	\$ 51,296,883	\$ 74,993,738	\$ 23,696,855	68.40 %	\$ 4,800,571	493.63 %
7/01/08	51,281,856	70,302,239	19,020,383	72.94	4,696,251	405.01
7/01/06	46,026,189	65,036,368	19,010,179	70.77	4,971,096	382.41

## Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Employees' Retirement Plan</u>		<u>Police Pension Plan</u>		<u>Firefighters' Pension Plan</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/12	\$ 1,898,009	100.4 %	\$ 4,028,938	100.0 %	\$ 2,620,905	100.0 %
6/30/11	479,981	102.0	3,683,113	100.0	2,441,615	100.0
6/30/10	354,382	102.3	3,646,850	100.0	2,419,234	100.0
6/30/09	764,137	100.0	3,556,861	100.0	2,464,361	100.0
6/30/08	649,414	101.6	3,509,801	100.0	2,435,594	100.0
6/30/07	185,534	105.4	3,601,188	100.3	2,605,081	100.4

## **B. Teachers' Retirement**

All City of Meriden teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$51,069,024.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2012, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$10,488,044 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

## **11. POSTEMPLOYMENT HEALTHCARE PLAN - CITY OF MERIDEN AND MERIDEN BOARD OF EDUCATION**

### **Summary of Significant Accounting Policies**

**Basis of Accounting** - The financial statements of the Postemployment Healthcare Plan (PHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the City.

Investments are reported at fair value. Investment income is recognized as earned.

## Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City of Meriden. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. All employees of the City are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

The plan is considered to be part of the City's financial reporting entity and is included in the City's financial report as various pension trust funds. A portion of the employees' pension contributions is required to be recognized in these healthcare plan pension funds: the Employees Healthcare Plan, the Police Healthcare Plan, and the Firefighters' Healthcare Plan. The plan does not issue a stand-alone financial report.

At July 1, 2010, plan membership consisted of the following:

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees	118	96	299	687	274	1,474
Retired employees*	52	53	198	159	71	533
Total Participants	170	149	497	846	345	2,007

\* Counts do not include spouses of retirees

## Funding Policy

The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits also are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City	2.00% of salary
Non-Teacher BOE	3.00% of salary
Police	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2012, plan members contributed \$3,471,530. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$5,613,907 were made in accordance with actuarially determined requirements.

## Annual OPEB Cost and Net OPEB Obligations

The City of Meriden's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

		<b>Retiree Health Plan</b>
Annual required contribution (ARC)	\$	11,081,681
Interest on net OPEB obligation		2,716,117
Adjustment to annual required contribution		<u>(2,792,061)</u>
Annual OPEB cost (expense)		11,005,737
Contributions made		<u>5,613,907</u>
Increase in net OPEB obligation		5,391,830
Net OPEB obligation, beginning of year		<u>33,951,464</u>
Net OPEB Obligation, End of Year	\$	<u><u>39,343,294</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012 is presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2012	\$ 11,005,737	\$ 5,613,907	51.01 %	\$ 39,343,294
6/30/2011	10,984,963	3,351,825	30.51	33,951,464
6/30/2010	10,829,460	3,218,187	29.72	26,318,326

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<b>Postemployment Healthcare Plan</b>						
7/1/2010	\$ 5,142,767	\$ 104,364,393	\$ 99,221,626	4.9 %	\$ 94,310,588	105.2 %
7/1/2008	3,622,326	102,478,635	98,856,309	3.5	105,582,188	93.6
7/1/2006	3,172,002	231,478,641	228,306,639	1.4	N/A	N/A

n/a - The covered payroll is not available for the July 1, 2006 valuation.

## Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2012	\$ 11,081,681	50.66 %
6/30/2011	11,043,833	29.60
6/30/2010	10,871,305	32.90

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on a closed basis. The remaining amortization period at July 1, 2010 was 30 years.

## 12. CONTINGENCIES AND COMMITMENTS

### Contingent Liabilities

There are various suits and claims pending against the City of Meriden, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, City management believes such disallowances, if any, will not be material.

The City may be subject to rebate penalties to the federal government relating to various bond and note issues. The City expects such amounts, if any, to be immaterial.

### Construction Commitments

The government has active construction projects as of June 30, 2012. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Water Roof Evaluation/Repair/Replacement	\$ 69,767
Flood Control	258,443
City Parks Upgrades	41,650
Citywide Drainage	37,280
Hanover Elementary School Kindergarten Addition	2,069,032
Public Works Equipment	232,073
City Building Repair/Upgrade	366,369
City-Wide Road/Sidewalk Reconstruction	857,415
Maloney School Addition and Replacement	1,386,366
Platt School Addition and Replacement	3,437,854
WPCF - Collection Improvements	304,819
Upgrade/Replace Pump Stations	1,112,221
Lagoon Rehabilitation	889,978
	<u>\$ 11,063,267</u>

The commitments are being financed with bonds, bond anticipation notes and state and federal grants.

### **13. PRIOR PERIOD ADJUSTMENTS**

#### **Adjustment to Enterprise Net Assets**

The City conducted a review of the other post retirement benefit obligation (OPEB) in the current year for the water, sewer and golf departments, which resulted in a restatement of a liability in these funds. The Water Fund's OPEB obligation increased by \$760,748 and net assets decreased by the same amount. The Sewer Fund's OPEB obligation increased by \$253,482 and its net assets decreased by the same amount. The Golf Fund's OPEB obligation increased by \$38,863 and its net assets decreased by the same amount. The beginning net assets of business-type activities decreased by the net of \$1,053,093.

#### **Adjustment to Net Assets**

As a result of the above adjustments, beginning net assets increased by \$1,053,093 for the government wide net assets, and the OPEB liability decreased by the same amount.

**Supplemental, Combining  
and Individual Fund**

**Statements**

**and**

**Schedules**

# General Fund

## **GENERAL FUND**

The General Fund is the general operating fund of the City. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the City. These activities are funded principally by property taxes, user fees and grants from other governmental units.

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Current years' levy	\$ 106,469,373	\$ 106,469,373	\$ 106,246,185	\$ (223,188)
Prior years' levies	2,290,995	2,290,995	1,847,676	(443,319)
Motor vehicle supplement	975,000	975,000	863,366	(111,634)
Suspense	25,000	25,000	6,064	(18,936)
Interest and liens	1,100,000	1,100,000	946,993	(153,007)
Total property taxes	<u>110,860,368</u>	<u>110,860,368</u>	<u>109,910,284</u>	<u>(950,084)</u>
Intergovernmental:				
State grants for education	55,910,368	55,910,368	55,849,740	(60,628)
Other state grants	4,774,811	4,774,811	5,566,513	791,702
Federal grants	284,000	284,000	1,424,437	1,140,437
Total intergovernmental	<u>60,969,179</u>	<u>60,969,179</u>	<u>62,840,690</u>	<u>1,871,511</u>
Charges for services:				
Licenses and permits and fines	181,100	181,100	168,344	(12,756)
Department fees and other	3,786,952	3,786,952	3,508,673	(278,279)
Rents	129,252	139,252	155,751	16,499
Total charges for services	<u>4,097,304</u>	<u>4,107,304</u>	<u>3,832,768</u>	<u>(274,536)</u>
Investment income	<u>542,652</u>	<u>542,652</u>	<u>430,742</u>	<u>(111,910)</u>
Miscellaneous revenues	<u>2,911,807</u>	<u>3,037,807</u>	<u>2,666,193</u>	<u>(371,614)</u>
Other financing sources:				
Appropriation of fund balance	1,144,000	1,449,000	1,449,000	-
Transfers in	353,810	367,810	434,448	66,638
Total other financing sources	<u>1,497,810</u>	<u>1,816,810</u>	<u>1,883,448</u>	<u>66,638</u>
Total revenues and other financing sources	<u>180,879,120</u>	<u>181,334,120</u>	<u>181,564,125</u>	<u>230,005</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
City council	\$ 223,682	\$ 231,578	\$ 231,576	\$ 2
City manager	601,132	561,676	561,670	6
Legal	736,032	855,810	855,807	3
Personnel	251,703	254,164	254,160	4
City clerk	410,341	399,981	399,969	12
Aviation	16,500	153,525	153,520	5
Elections	240,359	209,719	209,716	3
Insurance	2,713,220	2,714,392	2,714,390	2
Employee benefits	22,439,639	22,549,977	22,549,969	8
Finance general administration	2,829,221	2,768,726	2,768,715	11
Capital equipment	333,626	225,455	225,454	1
Management information systems	827,401	814,335	814,330	5
Development and enforcement	684,245	718,070	718,065	5
Inland wetlands	1,450	1,393	1,392	1
Parking	134,129	125,444	125,439	5
Contingency	8,073,053	150,806		150,806
Total general government	<u>40,515,733</u>	<u>32,735,051</u>	<u>32,584,172</u>	<u>150,879</u>
Finance:				
Finance	673,473	703,353	703,318	35
Purchasing	251,382	243,018	243,014	4
Tax collector/Assessor	1,014,175	989,462	989,460	2
Board of assessment appeals	6,500	5,375	5,375	-
Total finance	<u>1,945,530</u>	<u>1,941,208</u>	<u>1,941,167</u>	<u>41</u>
Public safety:				
Police	11,741,941	11,668,405	11,668,395	10
Fire	8,266,628	8,411,871	8,411,291	580
Emergency communications	1,005,717	1,058,762	1,058,758	4
South Meriden volunteer fire	70,100	61,073	61,066	7
Emergency management	10,544	9,144	9,136	8
Total public safety	<u>21,094,930</u>	<u>21,209,255</u>	<u>21,208,646</u>	<u>609</u>
Public works:				
Engineering	849,069	1,164,989	1,164,984	5
Garage and warehouse	428,876	439,736	439,735	1
Traffic engineering	448,994	410,148	410,146	2
Highway safety	1,892,822	2,268,435	2,268,434	1
Transfer station	122,400	65,084	65,074	10
Waste collection	1,465,323	1,442,818	1,442,816	2
Bulky waste	155,615	168,768	168,764	4
Building maintenance	1,221,131	1,057,309	1,057,302	7
Total public works	<u>6,584,230</u>	<u>7,017,287</u>	<u>7,017,255</u>	<u>32</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON GAAP BUDGETARY BASIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Health	\$ 2,033,840	\$ 2,008,673	\$ 1,983,664	\$ 25,009
Social services	173,531	184,737	184,735	2
Senior center	487,527	485,635	485,632	3
Youth services	151,711	152,084	152,083	1
Total health and welfare	<u>2,846,609</u>	<u>2,831,129</u>	<u>2,806,114</u>	<u>25,015</u>
Culture and recreation:				
Library	2,016,328	2,009,125	2,009,120	5
Parks	1,549,077	1,597,567	1,597,562	5
Recreation	408,071	413,333	413,327	6
Total culture and recreation	<u>3,973,476</u>	<u>4,020,025</u>	<u>4,020,009</u>	<u>16</u>
Education:				
Board of Education	91,935,287	99,608,360	99,608,359	1
School building committee	1,501	1,481	1,262	219
Total education	<u>91,936,788</u>	<u>99,609,841</u>	<u>99,609,621</u>	<u>220</u>
Debt service:				
Principal retirement	8,959,161	8,959,161	8,959,161	-
Interest	2,971,163	2,971,163	2,971,160	3
Total debt service	<u>11,930,324</u>	<u>11,930,324</u>	<u>11,930,321</u>	<u>3</u>
Other financing uses:				
Transfers out	<u>51,500</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>180,879,120</u>	<u>181,334,120</u>	<u>181,157,305</u>	<u>176,815</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,820</u>	<u>\$ 406,820</u>

# **Nonmajor Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Special Revenue Funds** account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

**Document Preservation** - To account for the City Clerk's document preservation program, which is funded through fees and State grants.

**Airport Improvement** - To account for the activity funds for airport improvements.

**Community Development Block Grant** - To account for the revenues and expenditures related to the Federal Block Grant.

**Day Care Center** - To account for the operations of the Meriden Day Care Center, which is partially funded by State grants.

**Women, Infant and Children Program** - To account for grants from the State Department of Social Services.

**State and Federal Education Grants** - To account for education related grants from the State and Federal Government.

**Health Grants** - To account for revenues and various grants from the State of Connecticut.

**Meals on Wheels Program** - To account for grant funds from the State Health Department.

**Neighborhood Preservation Program** - To account for revolving loan funds.

**Asset Forfeiture Fund** - To account for drug seizure money from the State and Federal Governments.

**School Readiness** - To account for grant funds from the State Department of Education for school readiness and child day care programs.

**Law Enforcement Block Grant** - To account for a grant from the Federal government for law enforcement.

**Emergency Services Grant** - To account for the Emergency Services Grant.

**Underage Drinking** - To account for grants relating to underage drinking.

**Brownfield Assessment** - To account for funds used in a local environmental hazard study.

**Dog Fund** - To account for revenue from dog license fees and related expenditures.

**Public School Lunch** - To account for the operations of the school lunch program.

**Public School Rental** - To account for rental of school facilities.

**Adult Evening School** - To account for the activities of the Adult Education Program.

**Reading Video** - To account for an educational program funded through grants.

**Anti-Blight Fund** - To account for funds used in a human services program.

## **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

### **SPECIAL REVENUE FUNDS (CONTINUED)**

**Smoke Detector Fund** - To account for funds collected for fire prevention programs.

**Miscellaneous Grants Fund** - To account for revenues and expenses for grants received for miscellaneous purposes.

**Summer Student Fund** - To account for the summer school program.

**NSP Program Fund** - To account for Neighborhood Stabilization Program Grant revenues and expenditures related to Federal Block Grant.

**Factory H Demolition** - To account for grants related to the demolition of Factory H.

### **CAPITAL PROJECT FUNDS**

**Parks and Recreation Capital and Nonrecurring Fund** - To account for the financial resources used for various parks and recreation projects.

**Capital and Nonrecurring Fund** - To account for capital items funded through grants and special appropriations.

**Land Acquisition Fund** - To account for funds restricted for the acquisition of land.

**Planning Commission Subdivision Development** - To account for funds collected from developers for sidewalk construction.

### **PERMANENT FUNDS**

**Walter Hubbard Park Fund** - To account for the care and maintenance of Hubbard Park.

**C.P. Bradley Park Fund** - To account for the care and maintenance of C.P. Bradley Park.

**Library Trust Fund** - To account for donations and additional funds for the library.

**Lorenzo Fuller Award** - To account for a scholarship fund given to the high school.

**Charlotte Yale Ives** - To account for supportive health service for needy families.

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2012

	<b>Special Revenue Funds</b>						
	<b>Document Preservation Fund</b>	<b>Airport Improvement Fund</b>	<b>Community Development Block Grant</b>	<b>Day Care Center</b>	<b>Women, Infant and Children Program</b>	<b>Education Grants</b>	<b>Health Grants</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 84,409	\$	\$ 644	\$ 64,268	\$ 110,719	\$ 1,880,314	\$ 598,964
Investments							
Accounts receivable	180	20,939	157,269			19,926	1,897
Due from other funds							
Inventory							
<b>Total Assets</b>	<b>\$ 84,589</b>	<b>\$ 20,939</b>	<b>\$ 157,913</b>	<b>\$ 64,268</b>	<b>\$ 110,719</b>	<b>\$ 1,900,240</b>	<b>\$ 600,861</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$	\$ 6,493	\$ 33,923	\$	\$ 28,575	\$ 1,369,041	\$ 13,421
Deferred revenue						422,882	
Due to other funds		26,157	83,749				
<b>Total liabilities</b>	<b>-</b>	<b>32,650</b>	<b>117,672</b>	<b>-</b>	<b>28,575</b>	<b>1,791,923</b>	<b>13,421</b>
<b>Fund Balances:</b>							
Nonspendable							
Restricted	84,589		40,241	64,268	82,144	108,317	587,440
Committed							
Unassigned		(11,711)					
<b>Total fund balances</b>	<b>84,589</b>	<b>(11,711)</b>	<b>40,241</b>	<b>64,268</b>	<b>82,144</b>	<b>108,317</b>	<b>587,440</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 84,589</b>	<b>\$ 20,939</b>	<b>\$ 157,913</b>	<b>\$ 64,268</b>	<b>\$ 110,719</b>	<b>\$ 1,900,240</b>	<b>\$ 600,861</b>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2012

	Special Revenue Funds							
	Meals on Wheels Program	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Emergency Services Grant	Underage Drinking
<b>ASSETS</b>								
Cash and cash equivalents	\$ 15,649	\$ 198,053	\$	\$ 225,311	\$ 128,140	\$	\$	\$
Investments								
Accounts receivable	6,195	1,922,236	551,314		216,440	36,233		
Due from other funds								
Inventory								
<b>Total Assets</b>	<u>\$ 21,844</u>	<u>\$ 2,120,289</u>	<u>\$ 551,314</u>	<u>\$ 225,311</u>	<u>\$ 344,580</u>	<u>\$ 36,233</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 10,325	\$ 42,678	\$	\$	\$ 215,936	\$ 4,057	\$	\$
Deferred revenue		1,922,236	551,314			23,173		
Due to other funds				64,518		8,747		
<b>Total liabilities</b>	<u>10,325</u>	<u>1,964,914</u>	<u>551,314</u>	<u>64,518</u>	<u>215,936</u>	<u>35,977</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted		155,375		160,793	128,644	256		
Committed	11,519							
Unassigned								
<b>Total fund balances</b>	<u>11,519</u>	<u>155,375</u>	<u>-</u>	<u>160,793</u>	<u>128,644</u>	<u>256</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 21,844</u>	<u>\$ 2,120,289</u>	<u>\$ 551,314</u>	<u>\$ 225,311</u>	<u>\$ 344,580</u>	<u>\$ 36,233</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2012

	<b>Special Revenue Funds</b>							
	<u>Brownfield Assessment</u>	<u>Dog Fund</u>	<u>Public School Lunch</u>	<u>Public School Rental</u>	<u>Adult Evening School</u>	<u>Reading Video</u>	<u>Anti-Blight Fund</u>	<u>Smoke Detector Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 357	\$ 16,348	\$ 361,403	\$ 92,343	\$ 99,654	\$ -	\$ 30,758	\$ 462
Investments								
Accounts receivable		3,149	544,460					
Due from other funds			232,492					
Inventory			105,708					
Total Assets	<u>\$ 357</u>	<u>\$ 19,497</u>	<u>\$ 1,244,063</u>	<u>\$ 92,343</u>	<u>\$ 99,654</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 462</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 129,486	\$ 17,584	\$ 139,238	\$ -	\$ 5,587	\$ -	\$ -	\$ 239
Deferred revenue								
Due to other funds								
Total liabilities	<u>129,486</u>	<u>17,584</u>	<u>139,238</u>	<u>-</u>	<u>5,587</u>	<u>-</u>	<u>-</u>	<u>239</u>
Fund Balances:								
Nonspendable			105,708					
Restricted			526,248					223
Committed		1,913	472,869	92,343	94,067		30,758	
Unassigned	(129,129)							
Total fund balances	<u>(129,129)</u>	<u>1,913</u>	<u>1,104,825</u>	<u>92,343</u>	<u>94,067</u>	<u>-</u>	<u>30,758</u>	<u>223</u>
Total Liabilities and Fund Balances	<u>\$ 357</u>	<u>\$ 19,497</u>	<u>\$ 1,244,063</u>	<u>\$ 92,343</u>	<u>\$ 99,654</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 462</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2012

	Special Revenue Funds				Capital Project Funds			
	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	Factory H Demolition Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	Planning Commission Subdivision Development
<b>ASSETS</b>								
Cash and cash equivalents	\$ 803,543	\$ 6,322	\$ -	\$ 1,149,514	\$ 122	\$ -	\$ 205,880	\$ 59,484
Investments								
Accounts receivable	2,060			171,896				
Due from other funds								
Inventory								
<b>Total Assets</b>	<b>\$ 805,603</b>	<b>\$ 6,322</b>	<b>\$ -</b>	<b>\$ 1,321,410</b>	<b>\$ 122</b>	<b>\$ -</b>	<b>\$ 205,880</b>	<b>\$ 59,484</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 36,223	\$ -	\$ 75	\$ 136,185	\$ -	\$ -	\$ -	\$ -
Deferred revenue	704,228							
Due to other funds			7,565	751,500		53,961		
<b>Total liabilities</b>	<b>740,451</b>	<b>-</b>	<b>7,640</b>	<b>887,685</b>	<b>-</b>	<b>53,961</b>	<b>-</b>	<b>-</b>
Fund Balances:								
Nonspendable								
Restricted	65,152			171,896				59,484
Committed		6,322		261,829	122		205,880	
Unassigned			(7,640)			(53,961)		
<b>Total fund balances</b>	<b>65,152</b>	<b>6,322</b>	<b>(7,640)</b>	<b>433,725</b>	<b>122</b>	<b>(53,961)</b>	<b>205,880</b>	<b>59,484</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 805,603</b>	<b>\$ 6,322</b>	<b>\$ -</b>	<b>\$ 1,321,410</b>	<b>\$ 122</b>	<b>\$ -</b>	<b>\$ 205,880</b>	<b>\$ 59,484</b>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2012

	<u>Permanent Funds</u>					<u>Total</u>
	<u>Walter Hubbard Park</u>	<u>C.P. Bradley Park Fund</u>	<u>Library Trust Fund</u>	<u>Lorenzo Fuller Award</u>	<u>Charlotte Yale Ives</u>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,180	\$ 89,471	\$ 183,048	\$ 8,645	\$ 3,263	\$ 6,428,268
Investments	519,779	973,254	200,640			1,693,673
Accounts receivable		1,760				3,655,954
Due from other funds						232,492
Inventory						105,708
<b>Total Assets</b>	<u>\$ 530,959</u>	<u>\$ 1,064,485</u>	<u>\$ 383,688</u>	<u>\$ 8,645</u>	<u>\$ 3,263</u>	<u>\$ 12,116,095</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 68	\$ 7,486	\$ -	\$ -	\$ -	\$ 2,196,620
Deferred revenue						3,623,833
Due to other funds						996,197
<b>Total liabilities</b>	<u>68</u>	<u>7,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,816,650</u>
Fund Balances:						
Nonspendable	50,000	50,000	327,530	1,017	3,000	537,255
Restricted	480,891	1,006,999	56,158	7,628	263	3,787,009
Committed						1,177,622
Unassigned						(202,441)
<b>Total fund balances</b>	<u>530,891</u>	<u>1,056,999</u>	<u>383,688</u>	<u>8,645</u>	<u>3,263</u>	<u>5,299,445</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 530,959</u>	<u>\$ 1,064,485</u>	<u>\$ 383,688</u>	<u>\$ 8,645</u>	<u>\$ 3,263</u>	<u>\$ 12,116,095</u>

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Special Revenue Funds</b>						
	<b>Document Preservation Fund</b>	<b>Airport Improvement Fund</b>	<b>Community Development Block Grant</b>	<b>Day Care Center</b>	<b>Women, Infant and Children Program</b>	<b>Education Grants</b>	<b>Health Grants</b>
Revenues:							
Intergovernmental revenues	\$ 6,000	\$ 35,049	\$ 770,373	\$ 417,300	\$ 822,527	\$ 11,828,942	\$ 581,400
Charges for services	16,464						120,920
Investment income							
Other			38,654				
Total revenues	<u>22,464</u>	<u>35,049</u>	<u>809,027</u>	<u>417,300</u>	<u>822,527</u>	<u>11,828,942</u>	<u>702,320</u>
Expenditures:							
General government	13,786		153,652				
Public safety			417,979				
Health and welfare			210,080	417,300	821,792		626,095
Culture and recreation			43,453				
Capital outlay		35,400					
Education						12,164,847	
Total expenditures	<u>13,786</u>	<u>35,400</u>	<u>825,164</u>	<u>417,300</u>	<u>821,792</u>	<u>12,164,847</u>	<u>626,095</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,678</u>	<u>(351)</u>	<u>(16,137)</u>	<u>-</u>	<u>735</u>	<u>(335,905)</u>	<u>76,225</u>
Other Financing Sources (Uses):							
Note proceeds							
Transfers in							
Transfers out		(14,744)	(7,065)				(200,000)
Total other financing sources (uses)	<u>-</u>	<u>(14,744)</u>	<u>(7,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Net Change in Fund Balances	8,678	(15,095)	(23,202)	-	735	(335,905)	(123,775)
Fund Balances at Beginning of Year	<u>75,911</u>	<u>3,384</u>	<u>63,443</u>	<u>64,268</u>	<u>81,409</u>	<u>444,222</u>	<u>711,215</u>
Fund Balances at End of Year	<u>\$ 84,589</u>	<u>\$ (11,711)</u>	<u>\$ 40,241</u>	<u>\$ 64,268</u>	<u>\$ 82,144</u>	<u>\$ 108,317</u>	<u>\$ 587,440</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

		Special Revenue Funds							
		Meals on Wheels Program	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Emergency Services Grant	Underage Drinking
Revenues:									
	Intergovernmental revenues	\$ 136,658	\$	\$	\$ 59,038	\$ 2,687,102	\$ 59,548	\$	\$
	Charges for services	39,771							
	Investment income								
	Other	4,106	29,889						
	Total revenues	<u>180,535</u>	<u>29,889</u>	<u>-</u>	<u>59,038</u>	<u>2,687,102</u>	<u>59,548</u>	<u>-</u>	<u>-</u>
Expenditures:									
	General government		57,286						
	Public safety				112,539		59,292		687
	Health and welfare	247,331				2,688,112			
	Culture and recreation								
	Capital outlay				22,927				
	Education								
	Total expenditures	<u>247,331</u>	<u>57,286</u>	<u>-</u>	<u>135,466</u>	<u>2,688,112</u>	<u>59,292</u>	<u>-</u>	<u>687</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(66,796)</u>	<u>(27,397)</u>	<u>-</u>	<u>(76,428)</u>	<u>(1,010)</u>	<u>256</u>	<u>-</u>	<u>(687)</u>
Other Financing Sources (Uses):									
<b>Note proceeds</b>									
	Transfers in								
	Transfers out			(3,811)	(34,593)			(3,003)	
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,811)</u>	<u>(34,593)</u>	<u>-</u>	<u>-</u>	<u>(3,003)</u>	<u>-</u>
Net Change in Fund Balances		(66,796)	(27,397)	(3,811)	(111,021)	(1,010)	256	(3,003)	(687)
Fund Balances at Beginning of Year		<u>78,315</u>	<u>182,772</u>	<u>3,811</u>	<u>271,814</u>	<u>129,654</u>	<u>-</u>	<u>3,003</u>	<u>687</u>
Fund Balances at End of Year		<u>\$ 11,519</u>	<u>\$ 155,375</u>	<u>\$ -</u>	<u>\$ 160,793</u>	<u>\$ 128,644</u>	<u>\$ 256</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2012

	<b>Special Revenue Funds</b>							
	<b>Brownfield Assessment</b>	<b>Dog Fund</b>	<b>Public School Lunch</b>	<b>Public School Rental</b>	<b>Adult Evening School</b>	<b>Reading Video</b>	<b>Anti-Blight Fund</b>	<b>Smoke Detector Fund</b>
Revenues:								
Intergovernmental revenues	\$ 48,099		\$ 3,251,329					
Charges for services		13,900	942,523	49,482	65,793		18,700	
Investment income			2,486	27				
Other	80,000		74,978					500
Total revenues	<u>128,099</u>	<u>13,900</u>	<u>4,271,316</u>	<u>49,509</u>	<u>65,793</u>	<u>-</u>	<u>18,700</u>	<u>500</u>
Expenditures:								
General government	324,786							
Public safety		28,422						339
Health and welfare								
Culture and recreation								
Capital outlay								
Education			4,320,112	50,704	31,712	28		
Total expenditures	<u>324,786</u>	<u>28,422</u>	<u>4,320,112</u>	<u>50,704</u>	<u>31,712</u>	<u>28</u>	<u>-</u>	<u>339</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(196,687)</u>	<u>(14,522)</u>	<u>(48,796)</u>	<u>(1,195)</u>	<u>34,081</u>	<u>(28)</u>	<u>18,700</u>	<u>161</u>
Other Financing Sources (Uses):								
<b>Note proceeds</b>								
Transfers in		15,000						
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(196,687)	478	(48,796)	(1,195)	34,081	(28)	18,700	161
Fund Balances at Beginning of Year	<u>67,558</u>	<u>1,435</u>	<u>1,153,621</u>	<u>93,538</u>	<u>59,986</u>	<u>28</u>	<u>12,058</u>	<u>62</u>
Fund Balances at End of Year	<u>\$ (129,129)</u>	<u>\$ 1,913</u>	<u>\$ 1,104,825</u>	<u>\$ 92,343</u>	<u>\$ 94,067</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 223</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				Capital Project Funds			
	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	Factory H Demolition Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	Planning Commission Subdivision Development
Revenues:								
Intergovernmental revenues	\$ 132,450	\$	\$ 130,488	\$ 328,899	\$	\$	\$	\$
Charges for services		3,292						
Investment income								
Other	126,949							925
Total revenues	<u>259,399</u>	<u>3,292</u>	<u>130,488</u>	<u>328,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925</u>
Expenditures:								
General government			138,128					
Public safety	24,763							
Health and welfare								
Culture and recreation	12,500							
Capital outlay	158,448			1,402,239				16,797
Education		8,078						
Total expenditures	<u>195,711</u>	<u>8,078</u>	<u>138,128</u>	<u>1,402,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,797</u>
Excess (Deficiency) of Revenues over Expenditures	<u>63,688</u>	<u>(4,786)</u>	<u>(7,640)</u>	<u>(1,073,340)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,872)</u>
Other Financing Sources (Uses):								
Note proceeds				1,500,000				
Transfers in				7,065				
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,507,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	63,688	(4,786)	(7,640)	433,725	-	-	-	(15,872)
Fund Balances at Beginning of Year	<u>1,464</u>	<u>11,108</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>(53,961)</u>	<u>205,880</u>	<u>75,356</u>
Fund Balances at End of Year	<u>\$ 65,152</u>	<u>\$ 6,322</u>	<u>\$ (7,640)</u>	<u>\$ 433,725</u>	<u>\$ 122</u>	<u>\$ (53,961)</u>	<u>\$ 205,880</u>	<u>\$ 59,484</u>

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**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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	<b>Permanent Funds</b>						
	<b>Walter Hubbard Park</b>	<b>C.P. Bradley Park Fund</b>	<b>Library Trust Fund</b>	<b>Lorenzo Fuller Award</b>	<b>Charlotte Yale Ives</b>	<b>Eliminating Entries</b>	<b>Total</b>
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 21,295,202
Charges for services							1,270,845
Investment income		197	1,437	18	7		4,172
Other			113,191				469,192
Total revenues	<u>-</u>	<u>197</u>	<u>114,628</u>	<u>18</u>	<u>7</u>	<u>-</u>	<u>23,039,411</u>
Expenditures:							
General government	49,858	64,626					802,122
Public safety							644,021
Health and welfare							5,010,710
Culture and recreation			92,522				148,475
Capital outlay							1,635,811
Education							16,575,481
Total expenditures	<u>49,858</u>	<u>64,626</u>	<u>92,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,816,620</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(49,858)</u>	<u>(64,429)</u>	<u>22,106</u>	<u>18</u>	<u>7</u>	<u>-</u>	<u>(1,777,209)</u>
Other Financing Sources (Uses):							
<b>Note proceeds</b>							<b>1,500,000</b>
Transfers in						(7,065)	15,000
Transfers out						7,065	(256,151)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258,849</u>
Net Change in Fund Balances	(49,858)	(64,429)	22,106	18	7	-	(518,360)
Fund Balances at Beginning of Year	<u>580,749</u>	<u>1,121,428</u>	<u>361,582</u>	<u>8,627</u>	<u>3,256</u>	<u>-</u>	<u>5,817,805</u>
Fund Balances at End of Year	<u>\$ 530,891</u>	<u>\$ 1,056,999</u>	<u>\$ 383,688</u>	<u>\$ 8,645</u>	<u>\$ 3,263</u>	<u>\$ -</u>	<u>\$ 5,299,445</u>

# **Internal Service Funds**

## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

**Internal Service Funds** - Internal Service Funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two such funds.

**Workers' Compensation Fund** - To account for the self-insured operations of workers' compensation activities.

**Meriden Health Insurance** - To account for the self-insured operations of health insurance claims and charges for employees' health insurance.

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**

**JUNE 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 193,059	\$ 2,365,317	\$ 2,558,376
Investments		4,746,217	4,746,217
Accounts receivable		362,074	362,074
Due from other funds	156,916	38,439	195,355
Other assets		15,043	15,043
Total assets	<u>349,975</u>	<u>7,527,090</u>	<u>7,877,065</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	7,602	35,733	43,335
Claims payable	2,271,794		2,271,794
Total current liabilities	<u>2,279,396</u>	<u>35,733</u>	<u>2,315,129</u>
Noncurrent liabilities:			
Claims incurred but not reported	<u>4,543,588</u>	<u>1,929,208</u>	<u>6,472,796</u>
Total liabilities	<u>6,822,984</u>	<u>1,964,941</u>	<u>8,787,925</u>
Total Net Assets	<u>\$ (6,473,009)</u>	<u>\$ 5,562,149</u>	<u>\$ (910,860)</u>

## CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 3,418,419	\$ 23,254,650	\$ 26,673,069
Other revenues	434,116	858,646	1,292,762
Total operating revenues	<u>3,852,535</u>	<u>24,113,296</u>	<u>27,965,831</u>
Operating Expenses:			
Claims	3,614,017	24,149,065	27,763,082
Administrative	165,186	1,364,335	1,529,521
Other expenses	2,136	292,597	294,733
Total operating expenses	<u>3,781,339</u>	<u>25,805,997</u>	<u>29,587,336</u>
Operating Income (Loss)	71,196	(1,692,701)	(1,621,505)
Nonoperating Revenues:			
Investment income	<u>4</u>	<u>380,900</u>	<u>380,904</u>
Change in Net Assets	71,200	(1,311,801)	(1,240,601)
Net Assets at Beginning of Year	<u>(6,544,209)</u>	<u>6,873,950</u>	<u>329,741</u>
Net Assets at End of Year	<u>\$ (6,473,009)</u>	<u>\$ 5,562,149</u>	<u>\$ (910,860)</u>

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 3,852,535	\$ 24,670,001	\$ 28,522,536
Receipts for interfund services provided	(4,387)		(4,387)
Payments to suppliers	(169,434)	(1,651,114)	(1,820,548)
Payments to vendors	(3,501,493)	(23,844,702)	(27,346,195)
Net cash provided by (used in) operating activities	<u>177,221</u>	<u>(825,815)</u>	<u>(648,594)</u>
Cash Flows from Investing Activities:			
Purchases of investments		(776,636)	(776,636)
Interest on investments	4	380,900	380,904
Net cash provided by (used in) investing activities	<u>4</u>	<u>(395,736)</u>	<u>(395,732)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	177,225	(1,221,551)	(1,044,326)
Cash and Cash Equivalents at Beginning of Year	<u>15,834</u>	<u>3,586,868</u>	<u>3,602,702</u>
Cash and Cash Equivalents at End of Year	<u>\$ 193,059</u>	<u>\$ 2,365,317</u>	<u>\$ 2,558,376</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 71,196	\$ (1,692,701)	\$ (1,621,505)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		563,298	563,298
(Increase) decrease in due from other funds	(4,387)		(4,387)
(Increase) decrease in other assets		(6,593)	(6,593)
Increase (decrease) in accounts payable	(2,112)	5,818	3,706
Increase (decrease) in claims payable	112,524	304,363	416,887
Total adjustments	<u>106,025</u>	<u>866,886</u>	<u>972,911</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 177,221</u>	<u>\$ (825,815)</u>	<u>\$ (648,594)</u>

# **Fiduciary Funds**

## **FIDUCIARY FUNDS**

### **PRIVATE PURPOSE TRUST FUNDS**

**East Cemetery Trust Fund** - To account for the receipts and disbursements related to the Katherine H. Hamlin Cemetery Trust and various East Cemetery Escrow Trusts.

**Scholarship Trust Fund** - To account for the receipts and disbursements of various Board of Education scholarships.

### **AGENCY FUNDS**

**Agency Funds** - To account for monies held for third parties. Agency funds are custodial in nature (assets equal liabilities) and are used to account for senior activities, student activities and performance bonds. The City's Agency Funds are as follows:

- Senior Trips
- Student Activity Fund
- Performance Bonds
- Police Evidence Fund
- Engineering Performance Bonds

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2012

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$	\$ 188,500	\$ 188,500
Investments, at fair value:			
Fixed income securities	<u>143,734</u>	<u>81,182</u>	<u>224,916</u>
Total assets	<u>143,734</u>	<u>269,682</u>	<u>413,416</u>
Net Assets:			
Held for Trust Purposes	<u>\$ 143,734</u>	<u>\$ 269,682</u>	<u>\$ 413,416</u>

## CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Donations and other	\$ 143,664	\$ 55,330	\$ 198,994
Investment earnings:			
Interest and dividends	<u>70</u>	<u>2,834</u>	<u>2,904</u>
Total additions	143,734	58,164	201,898
Deductions:			
Benefits	<u></u>	<u>54,515</u>	<u>54,515</u>
Change in Net Assets	143,734	3,649	147,383
Net Assets at Beginning of Year	<u>-</u>	<u>266,033</u>	<u>266,033</u>
Net Assets at End of Year	<u>\$ 143,734</u>	<u>\$ 269,682</u>	<u>\$ 413,416</u>

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>Senior Trips Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 833	\$ 3,322	\$ 3,739	\$ 416
Liabilities:				
Deposits held for others	\$ 833	\$ 3,322	\$ 3,739	\$ 416
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 395,442	\$ 1,631,499	\$ 1,563,942	\$ 462,999
Investments	213,493	1,114	935	213,672
Total Assets	\$ 608,935	\$ 1,632,613	\$ 1,564,877	\$ 676,671
Liabilities:				
Deposits held for others	\$ 608,935	\$ 1,632,613	\$ 1,564,877	\$ 676,671
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 2,191,071	\$ 179,364	\$ 127,400	\$ 2,243,035
Liabilities:				
Deposits held for others	\$ 2,191,071	\$ 179,364	\$ 127,400	\$ 2,243,035
<b>Police Evidence Fund</b>				
Assets:				
Cash and cash equivalents	\$ 86,618	\$ 55,501	\$ 87,196	\$ 54,923
Liabilities:				
Deposits held for others	\$ 86,618	\$ 55,501	\$ 87,196	\$ 54,923

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

## FOR THE YEAR ENDED JUNE 30, 2012

	<b>Balance June 30, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2012</b>
<b>Engineering Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 10,000	\$ 22,500	\$ 1,250	\$ 31,250
Liabilities:				
Deposits held for others	\$ 10,000	\$ 22,500	\$ 1,250	\$ 31,250
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 2,683,964	\$ 1,892,186	\$ 1,783,527	\$ 2,792,623
Investments	213,493	1,114	935	213,672
Total Assets	\$ 2,897,457	\$ 1,893,300	\$ 1,784,462	\$ 3,006,295
Liabilities:				
Deposits held for others	\$ 2,897,457	\$ 1,893,300	\$ 1,784,462	\$ 3,006,295

## **Other Schedules**

**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Grand List of October 1,	Uncollected Balance July 1, 2011	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2012
						Taxes	Interest	Liens	Total	
1995	\$ 8,495	\$	\$ (8,495)	\$	\$ -	\$	\$	\$	\$ -	\$ -
1996	10,326		(1,242)	2,382	11,466	1,140	797		1,937	10,326
1997	5,235		(1,414)	3,681	7,502	2,265	5,503		7,768	5,237
1998	249,298		(1,861)		247,437	1,493	3,577		5,070	245,944
1999	289,094		(2,598)		286,496	3,268	7,747		11,015	283,228
2000	380,637		(1,837)		378,800	5,208	10,017		15,225	373,592
2001	336,503		(1,813)		334,690	4,813	8,849	24	13,686	329,877
2002	386,505		(2,101)		384,404	9,200	11,531	75	20,806	375,204
2003	376,173		(2,763)		373,410	7,787	12,803	61	20,651	365,623
2004	552,272		(2,714)		549,558	9,943	12,783	72	22,798	539,615
2005	464,956		(4,294)		460,662	17,938	16,815	96	34,849	442,724
2006	329,257		(6,034)		323,223	21,981	15,940	144	38,065	301,242
2007	546,302		(12,978)		533,324	56,193	29,684	936	86,813	477,131
2008	869,066		(13,407)		855,659	213,284	80,245	2,100	295,629	642,375
2009	2,720,831		(80,739)		2,640,092	1,459,952	283,554	12,771	1,756,277	1,180,140
Total prior years	7,524,950		(144,290)	6,063	7,386,723	1,814,465	499,845	16,279	2,330,589	5,572,258
2010		110,405,451	(440,340)		109,965,111	107,069,552	426,630	4,239	107,500,421	2,895,559
Total	\$ 7,524,950	\$ 110,405,451	\$ (584,630)	\$ 6,063	\$ 117,351,834	\$ 108,884,017	\$ 926,475	\$ 20,518	\$ 109,831,010	\$ 8,467,817

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Fiscal Year	Uncollected Balance July 1, 2011	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2012
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1996	\$ 1,869	\$	\$ 24	\$ 1,893	\$ -	\$	\$	\$	\$ -	\$ -
1997	1,135		24	1,159	-				-	-
1998	393				393				-	393
1999	276				276				-	276
2000	60				60				-	60
2001	61				61				-	61
2002	756				756				-	756
2003	1,196				1,196	1,137	1,532	24	2,693	59
2004	2,158				2,158				-	2,158
2005	73				73				-	73
2006	27				27				-	27
2007	1,184				1,184	1,140	678	192	2,010	44
2008	8,785				8,785	7,009	4,655	518	12,182	1,776
2009	18,888				18,888	10,468	5,158	1,353	16,979	8,420
2010	83,623		94		83,717	51,823	12,884	4,157	68,864	31,894
2011	1,683,241		3,680	5,027	1,681,894	1,502,541	93,989	48,314	1,644,844	179,353
Total prior years	1,803,725	-	3,822	8,079	1,799,468	1,574,118	118,896	54,558	1,747,572	225,350
2012		8,821,447	3,153	24,554	8,800,046	7,231,476	64,645	26,499	7,322,620	1,568,570
Total	\$ 1,803,725	\$ 8,821,447	\$ 6,975	\$ 32,633	\$ 10,599,514	\$ 8,805,594	\$ 183,541	\$ 81,057	\$ 9,070,192	\$ 1,793,920

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Fiscal Year	Uncollected Balance July 1, 2011	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2012
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1996	\$ 2,678	\$	\$ 24	\$ 2,702	\$ -	\$	\$	\$	\$ -	\$ -
1997	1,615		24	1,639	-				-	-
1998	547				547				-	547
1999	378				378				-	378
2000	67				67				-	67
2001	69				69				-	69
2002	1,064				1,064				-	1,064
2003	67				67			24	24	67
2004	2,470				2,470	196	837		1,033	2,274
2005	113				113				-	113
2006	63			50	13	(50)			(50)	63
2007	797			50	747	682	478	168	1,328	65
2008	6,375			50	6,325	4,691	3,393	586	8,670	1,634
2009	20,240		512	50	20,702	11,541	5,594	1,272	18,407	9,161
2010	66,720		877	50	67,547	37,023	9,312	3,954	50,289	30,524
2011	1,498,171		4,730	3,341	1,499,560	1,351,863	77,677	44,896	1,474,436	147,697
Total prior years	1,601,434	-	6,167	7,932	1,599,669	1,405,946	97,291	50,900	1,554,137	193,723
2012		8,582,813	6,527	14,421	8,574,919	7,212,843	62,374	24,076	7,299,293	1,362,076
Total	\$ 1,601,434	\$ 8,582,813	\$ 12,694	\$ 22,353	\$ 10,174,588	\$ 8,618,789	\$ 159,665	\$ 74,976	\$ 8,853,430	\$ 1,555,799

## CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - SEWER AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget - Positive (Negative)</b>
<b>Operating Revenues:</b>				
Sewer connection and use charges	\$ 8,312,970	\$ 8,312,970	\$ 8,581,539	\$ 268,569
Miscellaneous income	383,200	383,200	530,974	147,774
Total operating revenues	<u>8,696,170</u>	<u>8,696,170</u>	<u>9,112,513</u>	<u>416,343</u>
<b>Operating Expenses:</b>				
Part-time seasonal	1	1		1
Overtime	160,000	160,000	111,473	48,527
Wages - public works	645,939	645,939	584,272	61,667
Wages - MMEA	55,612	55,612	56,912	(1,300)
Wages - supervisor	374,847	374,847	371,943	2,904
Employee benefits	652,013	652,013	565,549	86,464
Utilities	1,100,000	1,012,000	960,044	51,956
Repairs and maintenance	134,500	134,500	77,859	56,641
Vehicle maintenance	27,500	35,500	13,060	22,440
Audit fees	10,120	10,120	8,500	1,620
Call before you dig	1	1		1
Hepatitis B shots	5,000	5,000	1,765	3,235
Fiscal division services	721,694	721,694	721,566	128
General fund services	610,001	610,001	610,001	-
Claims	5,000	5,000		5,000
Nitrogen credit purchase	1	1		1
Supplies	648,000	648,000	507,581	140,419
Biosolid disposals	600,000	680,000	670,164	9,836
Pumping station operations	50,000	50,000	39,000	11,000
Capital outlay	1	100,001	79,287	20,714
Memberships and meeting	10,000	10,000	7,874	2,126
Insurance	653,683	653,683	644,619	9,064
Total operating expenses	<u>6,463,913</u>	<u>6,563,913</u>	<u>6,031,469</u>	<u>532,444</u>
<b>Nonoperating Revenues (Expenses):</b>				
Debt service - principal	(3,210,574)	(3,210,574)	(3,263,070)	(52,496)
Interest on investments	39,100	39,100	23,073	(16,027)
Debt service - interest	(840,915)	(840,915)	(854,305)	(13,390)
Debt service - BANS interest	(1)	(1)		1
Total nonoperating revenues (expenses)	<u>(4,012,390)</u>	<u>(4,012,390)</u>	<u>(4,094,302)</u>	<u>(81,912)</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(1,780,133)</u>	\$ <u>(1,880,133)</u>	\$ <u>(1,013,258)</u>	\$ <u>866,875</u>

## CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - WATER AUTHORITY

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Operating Revenues:</b>				
Water sales and charges	\$ 8,240,393	\$ 8,240,393	\$ 8,527,950	\$ 287,557
Miscellaneous income	1,712,739	1,712,739	1,701,264	(11,475)
Total operating revenues	<u>9,953,132</u>	<u>9,953,132</u>	<u>10,229,214</u>	<u>276,082</u>
<b>Operating Expenses:</b>				
Part-time seasonal	5,000	5,000		5,000
Administration	109,147	113,903	113,927	(24)
Overtime	145,000	145,000	131,900	13,100
Wages - public works	1,647,714	1,662,496	1,662,574	(78)
Wages - MMEA	172,398	176,158	176,175	(17)
Wages - supervisor	255,385	256,448	256,459	(11)
Employee benefits	2,030,044	1,965,412	2,082,130	(116,718)
Gasoline	34,000	80,303	72,634	7,669
Taxes paid to other towns	49,148	49,148	47,942	1,206
Utilities	900,000	900,000	742,980	157,020
Repairs and maintenance	18,000	18,000	5,786	12,214
Vehicle maintenance	97,900	97,900	66,818	31,082
Attorney fees	9,000	9,000	4,896	4,104
Audit fees	10,120	10,120	8,500	1,620
Water purchased	148,800	170,873	167,326	3,547
Other purchased services	63,850	55,350	49,105	6,245
Hepatitis B shots	4,000	4,000	2,200	1,800
Fiscal division services	790,245	790,245	790,245	-
General fund services	1,167,951	1,167,951	1,167,951	-
Maintenance of mains	25,000	25,000	24,449	551
Maintenance of reservoirs	40,000	40,000	32,988	7,012
Maintenance of pump station	40,000	40,000	37,565	2,435
Maintenance of meters	15,000	15,000	14,910	90
Supplies	60,000	60,000	59,654	346
Services - materials	5,500	5,500	4,357	1,143
Treatment expenses	521,700	521,700	495,184	26,516
Water equipment	26,100	26,100	18,404	7,696
Hydrants and mains - materials	5,001	5,001	3,910	1,091
Repairs - trenches	21,000	21,915	21,916	(1)
Capital outlay	1	260,001	226,771	33,230
Memberships and meeting	11,575	13,687	12,835	852
Insurance	331,628	308,995	305,023	3,972
Total operating expenses	<u>8,760,207</u>	<u>9,020,206</u>	<u>8,807,514</u>	<u>212,692</u>
<b>Nonoperating Revenues (Expenses):</b>				
Interest on investments	31,500	31,500	18,089	(13,411)
Debt service - principal	(1,205,489)	(1,205,489)	(1,205,489)	-
Debt service - interest	(559,992)	(559,993)	(549,091)	10,902
Debt service - BANS interest	(1)	(1)		1
Total nonoperating revenues (expenses)	<u>(1,733,982)</u>	<u>(1,733,983)</u>	<u>(1,736,491)</u>	<u>(2,508)</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(541,057)</u>	\$ <u>(801,057)</u>	\$ <u>(314,791)</u>	\$ <u>486,266</u>

## CITY OF MERIDEN, CONNECTICUT

**SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS - BUDGET  
AND ACTUAL - GEORGE HUNTER MEMORIAL GOLF COURSE**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues:				
Golf fees	\$ 1,081,688	\$ 1,081,688	\$ 1,031,086	\$ (50,602)
Operating Expenses:				
Miscellaneous overtime	92,250	92,250	91,508	742
Overtime	17,800	17,800	16,607	1,193
Wages - public works	215,899	215,899	163,278	52,621
Wages - supervisors	87,025	87,025	87,088	(63)
Employee benefits	116,678	116,678	140,028	(23,350)
Golf supplies and expenses	180,437	171,473	183,880	(12,407)
Golf pros	205,500	205,500	239,770	(34,270)
Club house expenses	31,356	31,356	34,279	(2,923)
Liability and general insurance	71,244	80,208	80,208	-
Gas	250	250		250
Capital outlay	15,500	15,500	42,736	(27,236)
Memberships and meeting	2,400	2,400	1,555	845
Total operating expenses	<u>1,036,339</u>	<u>1,036,339</u>	<u>1,080,937</u>	<u>(44,598)</u>
Nonoperating Revenues (Expenses):				
Interest on investments			2	(2)
Debt service - principal	(40,667)	(40,667)	(15,667)	25,000
Debt service - interest	(4,682)	(4,682)	(4,658)	24
Total nonoperating expenses	<u>(45,349)</u>	<u>(45,349)</u>	<u>(20,325)</u>	<u>25,024</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(70,176)</u>	\$ <u>(70,176)</u>

# **Statistical Section**

## STATISTICAL SECTION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

## CITY OF MERIDEN, CONNECTICUT

## NET ASSETS BY COMPONENT

**LAST TEN YEARS**  
**(In Thousands)**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 122,787	\$ 101,928	\$ 113,033	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144	\$ 59,323	\$ 42,360
Restricted	952	1,347	1,257	825	4,220	6,497	5,284	6,485		
Unrestricted	(62,882)	(40,973)	(51,488)	(38,240)	(37,108)	(20,224)	(54,963)	(63,007)	(24,950)	(29,882)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 60,857</b>	<b>\$ 62,302</b>	<b>\$ 62,802</b>	<b>\$ 67,336</b>	<b>\$ 68,878</b>	<b>\$ 80,400</b>	<b>\$ 57,426</b>	<b>\$ 47,622</b>	<b>\$ 34,373</b>	<b>\$ 12,478</b>
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 81,563	\$ 89,259	\$ 91,927	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674	\$ 88,752	\$ 93,251
Unrestricted	15,870	11,855	10,671	12,428	16,664	27,207	19,366	18,644	18,262	14,641
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 97,433</b>	<b>\$ 101,114</b>	<b>\$ 102,598</b>	<b>\$ 129,255</b>	<b>\$ 100,686</b>	<b>\$ 104,226</b>	<b>\$ 105,146</b>	<b>\$ 108,318</b>	<b>\$ 107,014</b>	<b>\$ 107,892</b>
Primary Government:										
Invested in capital assets, net of related debt	\$ 204,350	\$ 191,187	\$ 204,960	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818	\$ 148,075	\$ 135,611
Restricted	952	1,347	1,257	825	4,220	6,497	5,284	6,485		
Unrestricted	(47,012)	(29,118)	(40,817)	(25,812)	(20,444)	6,983	(35,597)	(44,363)	(6,688)	(15,241)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 158,290</b>	<b>\$ 163,416</b>	<b>\$ 165,400</b>	<b>\$ 196,591</b>	<b>\$ 169,564</b>	<b>\$ 184,626</b>	<b>\$ 162,572</b>	<b>\$ 155,940</b>	<b>\$ 141,387</b>	<b>\$ 120,370</b>

## CITY OF MERIDEN, CONNECTICUT

## CHANGES IN NET ASSETS

LAST TEN YEARS  
(In Thousands)  
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
General government	\$ 35,202	\$ 30,816	\$ 29,931	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519	\$ 16,967	\$ 15,518
Education	136,298	138,091	132,771	133,862	158,802	115,598	106,287	90,527	96,877	100,467
Public safety	24,364	23,810	24,051	23,155	23,479	19,433	29,390	18,104	27,820	25,072
Public works	10,705	9,249	9,866	10,849	10,037	10,569	10,104	9,277	9,202	9,399
Human services	8,053	8,652	9,233	9,675	8,665	10,262	6,413	8,719	6,546	6,761
Culture and recreation	5,408	5,075	4,414	4,472	4,287					
Interest on long-term debt	3,052	3,024	2,806	3,967	3,209	3,614	4,275	6,583	4,095	4,381
Total governmental activities expenses	<u>223,082</u>	<u>218,717</u>	<u>213,072</u>	<u>215,048</u>	<u>237,161</u>	<u>194,230</u>	<u>181,273</u>	<u>197,729</u>	<u>161,507</u>	<u>161,598</u>
Business-type activities:										
Sewer Authority	10,816	9,659	7,951	8,552	7,893	7,480	6,662	6,390	6,074	6,018
Water Authority	9,882	10,256	10,546	10,628	10,312	8,276	7,885	8,015	8,424	8,180
George Hunter Golf Course	1,303	1,126	976	966	927	881	944	754	793	775
Total business-type activities expenses	<u>22,001</u>	<u>21,041</u>	<u>19,473</u>	<u>20,146</u>	<u>19,132</u>	<u>16,637</u>	<u>15,491</u>	<u>15,159</u>	<u>15,291</u>	<u>14,973</u>
Total Primary Government Expenses	<u>\$ 245,083</u>	<u>\$ 239,758</u>	<u>\$ 232,545</u>	<u>\$ 235,194</u>	<u>\$ 256,293</u>	<u>\$ 210,867</u>	<u>\$ 196,764</u>	<u>\$ 212,888</u>	<u>\$ 176,798</u>	<u>\$ 176,571</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,955	\$ 2,522	\$ 2,246	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079	\$ 9,791	\$ 8,656
Education	1,061	1,047	1,143	1,208	1,207	1,742	1,386	1,510	1,541	1,599
Public safety	47	50	46	42	65	991	112	118	111	112
Public works	1,813	1,737	1,691	1,634	1,583	117	223	166	7	788
Human services	243	289	378	274	723	195	365	553	978	719
Culture and recreation	43	33	34	31	42	6				
Operating grants and contributions	94,000	89,914	87,388	84,594	109,223	19,914	21,265	12,437	60,009	60,335
Capital grants and contributions	4,094	3,744	2,543	3,989	6,413	6,491	5,895	11,140	14,854	2,045
Total governmental activities	<u>103,256</u>	<u>99,336</u>	<u>95,469</u>	<u>94,703</u>	<u>122,853</u>	<u>32,832</u>	<u>34,908</u>	<u>54,003</u>	<u>87,291</u>	<u>74,254</u>
Business-type activities:										
Charges for services:										
Sewer Authority	8,615	8,507	6,459	5,967	5,964	7,023	6,169	4,950	5,601	5,093
Water Authority	8,255	8,935	8,719	7,663	7,719	7,322	7,458	7,855	7,911	7,790
George Hunter Golf Course	1,074	779	787	827	816	798	786	826	687	650
Capital grants and contributions		161	2,676	33,244						
Total business-type activities	<u>17,944</u>	<u>18,382</u>	<u>18,641</u>	<u>47,701</u>	<u>14,499</u>	<u>15,143</u>	<u>14,413</u>	<u>13,631</u>	<u>14,199</u>	<u>13,533</u>
Total Primary Government Revenues	<u>\$ 121,200</u>	<u>\$ 117,718</u>	<u>\$ 114,110</u>	<u>\$ 142,404</u>	<u>\$ 137,352</u>	<u>\$ 47,975</u>	<u>\$ 49,321</u>	<u>\$ 67,634</u>	<u>\$ 101,490</u>	<u>\$ 87,787</u>
Net Revenues (Expenses):										
Governmental activities	\$ (119,826)	\$ (119,381)	\$ (117,603)	\$ (120,345)	\$ (114,308)	\$ (161,398)	\$ (146,365)	\$ (143,726)	\$ (74,216)	\$ (87,344)
Business-type activities	<u>(4,057)</u>	<u>(2,659)</u>	<u>(832)</u>	<u>27,555</u>	<u>(4,633)</u>	<u>(1,494)</u>	<u>(1,078)</u>	<u>(1,528)</u>	<u>(1,092)</u>	<u>(1,440)</u>
Total Primary Government Net Expense	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,892)</u>	<u>\$ (147,443)</u>	<u>\$ (145,254)</u>	<u>\$ (75,308)</u>	<u>\$ (88,784)</u>
General Revenues and Other										
Changes in Net Assets:										
Governmental activities:										
Property taxes	\$ 110,885	\$ 109,377	\$ 106,619	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580	\$ 89,175	\$ 86,176
Grants and contributions not restricted to specific programs	1,873	2,598	2,720	3,425	3,917	59,928	55,252	57,502	6,071	7,533
Unrestricted investment earnings	914	1,218	856	694	1,430	2,483	1,455	925	865	508
Miscellaneous income	3,654	7,391	3,073	10,300	4,207	6,512	4,866	6,731		
Transfers			836							10
Total governmental activities	<u>117,326</u>	<u>120,584</u>	<u>114,104</u>	<u>118,803</u>	<u>109,876</u>	<u>174,277</u>	<u>155,615</u>	<u>157,738</u>	<u>96,111</u>	<u>94,227</u>
Business-type activities:										
Unrestricted investment earnings	92	85	70	121	400	574	461	242	214	(93)
Miscellaneous income	1,337	1,024	1,043	893	914					
Transfers			(836)							(10)
Total business-type activities	<u>1,429</u>	<u>1,109</u>	<u>277</u>	<u>1,014</u>	<u>1,314</u>	<u>574</u>	<u>461</u>	<u>242</u>	<u>214</u>	<u>(103)</u>
Total Primary Government	<u>\$ 118,755</u>	<u>\$ 121,693</u>	<u>\$ 114,381</u>	<u>\$ 119,817</u>	<u>\$ 111,190</u>	<u>\$ 174,851</u>	<u>\$ 156,076</u>	<u>\$ 157,980</u>	<u>\$ 96,325</u>	<u>\$ 94,124</u>
Change in Net Assets:										
Governmental activities	\$ (2,500)	\$ 1,203	\$ (3,499)	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011	\$ 21,895	\$ 6,883
Business-type activities	<u>(2,628)</u>	<u>(1,550)</u>	<u>(555)</u>	<u>28,569</u>	<u>(3,319)</u>	<u>(920)</u>	<u>(617)</u>	<u>(1,286)</u>	<u>(878)</u>	<u>(1,543)</u>
Total Primary Government	<u>\$ (5,128)</u>	<u>\$ (347)</u>	<u>\$ (4,054)</u>	<u>\$ 27,027</u>	<u>\$ (7,751)</u>	<u>\$ 11,958</u>	<u>\$ 8,632</u>	<u>\$ 12,725</u>	<u>\$ 21,017</u>	<u>\$ 5,340</u>

**CITY OF MERIDEN, CONNECTICUT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
**(In Thousands)**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$	\$	\$ 982	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779	\$ 1,692	\$ 2,900
Unreserved			13,321	13,267	3,960	3,644	3,009	1,833	1,825	6,778
Nonspendable	134	133								
Restricted	520	825								
Unassigned	16,604	17,308								
<b>Total General Fund</b>	<b>\$ 17,258</b>	<b>\$ 18,266</b>	<b>\$ 14,303</b>	<b>\$ 14,252</b>	<b>\$ 9,475</b>	<b>\$ 11,494</b>	<b>\$ 9,812</b>	<b>\$ 9,612</b>	<b>\$ 3,517</b>	<b>\$ 9,678</b>
All other governmental funds:										
Reserved	\$	\$	\$ 6,923	\$ 4,879	\$ 5,716	\$ 6,823	\$ 5,481	\$ 238	\$ 2,782	\$ 3,072
Unreserved, reported in:										
Special revenue funds			3,725	3,723	4,038	4,152	5,128	4,598	4,156	4,069
Capital projects funds			(12,326)	(2,183)	(17,843)	(16,392)	(27,054)	(32)	(181)	47
Permanent funds			1,391							
Nonspendable	537	522								
Restricted	3,787	6,171								
Committed	1,178	1,526								
Assigned	8,191	4,867								
Unassigned	(12,455)	(54)								
<b>Total All Other Governmental Funds</b>	<b>\$ 1,238</b>	<b>\$ 13,032</b>	<b>\$ (287)</b>	<b>\$ 6,419</b>	<b>\$ (8,089)</b>	<b>\$ (5,417)</b>	<b>\$ (16,445)</b>	<b>\$ 4,804</b>	<b>\$ 6,757</b>	<b>\$ 7,188</b>
<b>Total</b>	<b>\$ 18,496</b>	<b>\$ 31,298</b>	<b>\$ 14,016</b>	<b>\$ 20,671</b>	<b>\$ 1,386</b>	<b>\$ 6,077</b>	<b>\$ (6,633)</b>	<b>\$ 14,416</b>	<b>\$ 10,274</b>	<b>\$ 16,866</b>

## CITY OF MERIDEN, CONNECTICUT

**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(In Thousands)**

(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Property taxes, interest and lien fees	\$ 109,910	\$ 108,759	\$ 106,583	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365	\$ 88,259	\$ 84,907
Federal and state government	100,238	96,231	92,650	92,008	119,192	87,064	83,638	82,828	87,574	74,388
Charges for services	5,163	5,678	5,538	6,120	7,217	8,198	7,747	8,097	8,065	9,060
Investment income	533	741	743	643	1,311	2,646	1,455	910	854	508
Other revenues	3,384	7,405	3,481	9,331	4,441	5,252	4,866	5,954	5,890	2,973
Total revenues	<u>219,228</u>	<u>218,814</u>	<u>208,995</u>	<u>212,281</u>	<u>234,666</u>	<u>206,895</u>	<u>193,662</u>	<u>189,154</u>	<u>190,642</u>	<u>171,836</u>
Expenditures:										
Current:										
General government	35,154	30,815	29,900	29,016	30,830	34,809	25,875	41,189	37,593	35,705
Public safety	21,853	21,840	21,052	20,525	19,673	18,608	28,558	17,478	17,029	16,402
Public works	7,017	6,835	6,798	7,128	6,191	6,038	6,617	5,903	5,392	5,401
Health and welfare	7,817	8,281	8,232	8,537	7,457	9,574	6,342	8,246	7,924	5,556
Culture and recreation	4,168	4,020	3,980	3,963	3,817					
Education	128,009	126,494	123,442	122,568	148,186	112,427	102,765	86,755	90,525	87,909
Debt service:										
Principal	8,959	9,542	10,986	10,410	12,778	13,889	13,009	41,062	12,500	10,378
Interest	3,237	3,055	3,413	3,791	4,206	4,174	4,950	3,696	4,900	4,031
Capital outlay	17,217	8,002	8,902	7,709	6,219	11,201	15,967	28,504	25,771	6,899
Total expenditures	<u>233,431</u>	<u>218,884</u>	<u>216,705</u>	<u>213,647</u>	<u>239,357</u>	<u>210,720</u>	<u>204,083</u>	<u>232,833</u>	<u>201,634</u>	<u>172,281</u>
Deficiency of Revenues over Expenditures	<u>(14,203)</u>	<u>(70)</u>	<u>(7,710)</u>	<u>(1,366)</u>	<u>(4,691)</u>	<u>(3,825)</u>	<u>(10,421)</u>	<u>(43,679)</u>	<u>(10,992)</u>	<u>(445)</u>
Other Financing Sources (Uses):										
Transfers in	484	608	1,712	1,015	570	693	342	5,550	100	258
Transfers out	(484)	(608)	(876)	(1,015)	(570)	(693)	(342)	(5,550)	(100)	(248)
Bond proceeds	1,500	18,764		21,369		16,135		34,460		
Bond premium			3,490	58						
Proceeds refunding bonds			32,769							8,274
Payment to escrow			(36,040)							(8,039)
Total other financing sources	<u>1,500</u>	<u>18,764</u>	<u>1,055</u>	<u>21,427</u>	<u>-</u>	<u>16,135</u>	<u>-</u>	<u>34,460</u>	<u>-</u>	<u>245</u>
Net Change in Fund Balances	<u>\$ (12,703)</u>	<u>\$ 18,694</u>	<u>\$ (6,655)</u>	<u>\$ 20,061</u>	<u>\$ (4,691)</u>	<u>\$ 12,310</u>	<u>\$ (10,421)</u>	<u>\$ (9,219)</u>	<u>\$ (10,992)</u>	<u>\$ (200)</u>
Debt service as a percentage of noncapital expenditures	5.4%	5.9%	6.9%	6.9%	7.3%	9.1%	9.5%	21.8%	9.9%	8.7%

## CITY OF MERIDEN, CONNECTICUT

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS  
(In Thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2012	\$ 2,426,231	\$ 843,535	\$ 279,450	\$ 3,877,407	29.53	70%	\$ 5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339
2010	2,419,387	844,179	230,017	3,864,377	28.85	70%	5,520,539
2009	2,411,971	851,316	220,274	3,879,478	27.96	70%	5,542,111
2008	2,382,465	850,333	221,915	3,830,329	27.96	70%	5,471,899
2007	2,381,692	865,337	599,566	2,561,231	42.20	70%	3,658,901
2006	* 1,884,648	802,272	140,582	2,521,867	40.40	70%	3,602,667
2005	1,854,673	793,407	148,428	2,531,849	39.10	70%	3,616,927
2004	1,800,892	788,517	193,055	2,539,654	37.30	70%	3,628,077
2003	1,771,890	799,349	211,036	2,419,954	36.00	70%	3,457,077

\* Revaluation year

## CITY OF MERIDEN, CONNECTICUT

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

## LAST TEN YEARS

(Rates per \$1,000 of Assessed Value)

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2012	26.44	3.39	29.83	1.82	1.82	33.47
2011	26.10	3.43	29.53	1.90	1.90	33.33
2010	24.93	3.92	28.85	1.74	1.74	32.33
2009	24.12	3.84	27.96	1.93	1.93	31.82
2008	23.35	4.61	27.96	2.31	2.31	32.58
2007	34.88	7.32	42.20	2.31	2.31	46.82
2006	32.99	7.44	40.43	1.90	1.90	44.23
2005	31.63	7.46	39.09	1.90	1.90	42.89
2004	29.83	7.47	37.30	1.90	1.90	41.10
2003	29.88	6.12	36.00	1.80	1.80	39.60

\*The overlapping rate is only applicable to some property owners within the City of Meriden.

Although the direct rate applies to all property owners, the Sanitation Removal District applies to approximately one-quarter (26%) of the property owners whose property is located within the district's geographic boundaries.

TABLE 7

**CITY OF MERIDEN, CONNECTICUT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

	<u>Fiscal Year Ended June 30, 2012</u>			<u>Fiscal Year Ended June 30, 2003</u>			
	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxpayer</u>	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Meriden Square #3 LLC et al	\$ 73,661,600	1	2.05 %	Meriden Square #3 LLC et al	\$ 49,320,460	1	2.12 %
Connecticut Light & Power	57,379,910	2	1.59	Connecticut Light & Power	24,253,050	3	1.04
Computer Sciences Corp.	45,884,850	3	1.28	C.S.C. Outsourcing, Inc.	11,427,870	8	0.49
Urstadt Biddle Properties, Inc.	23,665,670	4	0.66	Urstadt Biddle Properties, Inc.	15,109,080	5	0.65
Yankee Gas	21,336,020	5	0.59	Yankee Gas	18,061,580	4	0.78
Radio Frequency System	17,842,270	6	0.50				
Carabetta Enterprises, Inc.	15,121,590	7	0.42	Carabetta Enterprises, Inc.	13,770,300	6	0.59
Newbury Village Development	12,623,860	8	0.35				
Denmeri Associates LP	10,850,000	9	0.30				
TC Meriden LLC	10,429,523	10	0.29				
	<u>\$ 288,795,293</u>		<u>8.03 %</u>	Meriden Square Partnership	26,443,255	2	1.13
				CUNO, Inc	12,016,080	7	0.52
				May Department Stores	10,691,530	9	0.46
				Cingular, SNET Mobility Inc.	9,536,000	10	0.41
					<u>\$ 190,629,205</u>		<u>8.19 %</u>

**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Original Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2003	\$ 84,731,222	\$ 81,598,743	96.30%	\$ 2,802,602	\$ 84,401,345	99.61%
2004	86,935,391	83,723,025	96.30%	2,837,162	86,560,187	99.57%
2005	92,968,119	89,339,544	96.10%	3,262,951	92,602,495	99.61%
2006	97,595,530	93,994,623	96.31%	3,061,291	97,055,914	99.45%
2007	104,173,221	100,818,674	96.78%	2,911,823	103,730,497	99.58%
2008	103,064,985	99,842,370	96.87%	2,921,373	102,763,743	99.71%
2009	103,280,297	100,430,840	97.24%	2,372,328	102,803,168	99.54%
2010	105,882,618	103,229,589	97.49%	2,010,653	105,240,242	99.39%
2011	108,579,493	105,858,662	97.49%	1,540,691	107,399,353	98.91%
2012	109,965,111	107,069,554	97.37%	-	107,069,554	97.37%

**CITY OF MERIDEN, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**  
**(In Thousands)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total Primary Government (2)	Percentage of Personal Income	Aggregate Personal Income	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds					
2012	\$ 68,929	\$	\$	\$ 12,469	\$ 39,477	\$ 109	\$ 120,984	6.14 %	\$ 1,972,000	61	34
2011	77,888			13,674	42,059	125	133,746	6.78 %	1,972,000	61	34
2010	68,666			13,797	37,319	122	119,904	6.08	1,972,000	59	34
2009	80,903			15,522	30,280	142	126,847	5.07	1,972,000	59	34
2008	69,944		275	5,860	2,956	125	79,160	4.01	1,972,000	58	34
2007	82,722		1,875	7,223	3,663	141	95,624	4.85	1,972,000	58	34
2006	80,476		5,062	6,411	2,968	128	95,045	5.12	1,856,000	58	32
2005	93,486	50	15,867	7,288	2,082	139	118,912	6.41	1,856,000	58	32
2004	72,224	147	17,400	3,284	794	153	94,002	5.06	1,856,000	58	32
2003	85,006	240	14,174	3,874	923	167	104,384	5.81	1,798,000	58	31

- (1) Includes intergovernmental grants receivable from the State Department of Education and restrictions from enabling legislation
- (2) All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged
- (3) U.S. Bureau of Economic Analysis

## CITY OF MERIDEN, CONNECTICUT

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30,</b>	<b>Bonded Debt (thousands)</b>	<b>Net Assessed Value (thousands)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
2012	\$ 120,984	\$ 3,597,957	3.36	60,868 *	\$ 1,988
2011	133,746	3,630,227	3.68	60,868	2,197
2010	119,904	3,634,360	3.30	59,186	2,026
2009	126,847	3,659,204	3.47	59,186	2,143
2008	78,885	3,608,414	2.19	59,468	1,327
2007	93,750	2,420,649	3.87	59,468	1,576
2006	88,785	2,373,437	3.74	59,468	1,493
2005	102,945	2,338,868	4.40	58,962	1,746
2004	76,455	2,331,434	3.28	58,675	1,303
2003	89,970	2,329,825	3.86	58,244	1,545

\* Source: U.S. Census Bureau's (USCB) Population Estimates Program

## CITY OF MERIDEN, CONNECTICUT

## DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 109,831
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>357</u>
Base	<u><u>\$ 110,188</u></u>

	<u>General Long-Term Debt</u>				
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Sewers</u> (3.75 x base)	<u>Pension Bonding</u> (3.00 x base)
Debt Limitation:					
Statutory debt limits by function	\$ <u>247,923</u>	\$ <u>495,846</u>	\$ <u>358,111</u>	\$ <u>413,205</u>	\$ <u>330,564</u>
Debt:					
Notes payable	1,500				
Bonds payable	55,013	13,916			
Bonds authorized but unissued	9,351	49,278		192	
	<u>65,864</u>	<u>63,194</u>	<u>-</u>	<u>192</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 182,059</u></u>	<u><u>\$ 432,652</u></u>	<u><u>\$ 358,111</u></u>	<u><u>\$ 413,013</u></u>	<u><u>\$ 330,564</u></u>

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$771,316.

**CITY OF MERIDEN, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN YEARS**  
**(In Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limitation	\$ 771,316	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281	\$ 626,277	\$ 593,370
Total net debt applicable to limit	<u>129,058</u>	<u>131,935</u>	<u>94,205</u>	<u>99,416</u>	<u>130,409</u>	<u>194,045</u>	<u>95,045</u>	<u>118,912</u>	<u>94,002</u>	<u>104,384</u>
Legal Debt Margin	<u>\$ 643,758</u>	<u>\$ 633,942</u>	<u>\$ 655,257</u>	<u>\$ 629,914</u>	<u>\$ 587,259</u>	<u>\$ 540,774</u>	<u>\$ 564,464</u>	<u>\$ 529,369</u>	<u>\$ 532,275</u>	<u>\$ 488,986</u>
Total net debt applicable to the limit as a percentage of debt limit	16.7%	17.2%	12.6%	13.6%	18.2%	26.4%	14.4%	18.3%	15.0%	17.6%

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Note: The State of Connecticut General Statutes require that in no event shall the total debt of the City exceed seven (7) times the annual receipts from taxation. The calculation of the current year debt limit can be found on Table 11 of this report.

**CITY OF MERIDEN, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
2012	60,868	\$ 52,788	10.0 %
2011	60,868	52,788	10.8
2010	59,186	52,788	10.4
2009	59,186	52,788	10.2
2008	59,653	52,788	6.5
2007	59,653	52,788	5.1
2006	59,653	31,459 *	5.4
2005	59,653	31,459 *	5.9
2004	59,653	31,459 *	5.9
2003	59,171	31,459 *	6.8

Sources: Department of Labor, State of Connecticut, U.S. Census Bureau and the State Department of Economic and Community Development

\* Information from the State Department of Economic and Community Development. As of 2007, per capita income is no longer available; however, the Department tracks median family income.

**CITY OF MERIDEN, CONNECTICUT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

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Employer	2012			Employer	2003		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Midstate Medical Center	1,293	1	4.6 %	Midstate Medical Center	1022	2	3.5 %
AT&T	653	2	2.3	SBC	1322	1	4.5
Hunters Ambulance	462	3	1.6	Hunters Ambulance	442	7	1.5
Carabetta Management	425	4	1.5				
Canberra	371	5	1.3				
CUNO, Inc.	280	6	1.0	CUNO, Inc.	371	6	1.3
Bob's Stores	269	7	1.0	Bob's Stores	351	4	1.2
Verizon Wireless	260	8	0.9				
Target Stores	233	9	0.8				
Radio Frequency System	219	10	0.8				
			15.9 %	State of Connecticut	430	3	1.5
				Walbro Automotive	600	5	2.0
				A.D.C. Broadband Communications	200	8	0.7
				AGC, Inc.	200	9	0.7
				Filene's	340	10	1.2
							17.9 %

Source: Connecticut Department of Labor

## CITY OF MERIDEN, CONNECTICUT

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

## LAST SEVEN FISCAL YEARS\*

	FISCAL YEAR ENDED JUNE 30,						
	2012	2011	2010	2009	2008	2007	2006*
General Government	169.5	165	165.5	174	178	185.5	185
Public Safety:							
Police							
Officers	118	117	118	118	115	121	116
Civilians	18.5	35.5	32	31	30.5	31.5	31
Fire:							
Firefighters and officers	100	97	96	96	97	95	95
Civilians	3	3	3	3	3	3	3
Emergency Communications	13	13	14	15	14	15	13
Highways and Streets:							
Engineering	12	11.5	12	12	11	12.5	12.5
Maintenance	28	29	28	29	29	32	31
Culture and Recreation	47.5	29.5	36	29	35.5	32.5	34.5
Golf	12	12	15	13	14	14	12
Water	33	33	34	34	30.5	30.5	34
Sewer	14	17	16	15	18.5	19	17
Total	<u>568.5</u>	<u>562.5</u>	<u>569.5</u>	<u>569.0</u>	<u>576.0</u>	<u>591.5</u>	<u>584.0</u>

\* City began to collect information in fiscal year ended 2006

**CITY OF MERIDEN, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/TYPE**  
**LAST SEVEN FISCAL YEARS\***

Function / Operating Indicator	FISCAL YEAR						
	2006*	2007	2008	2009	2010	2011	2012
<b>Police</b>							
Cases Investigated	36,812	34,784	38,313	34,390	35,973	27,872***	n/a
Calls for Service							56,178***
Arrests	3,059	3,147	3,225	3,083	3,491	3,809	3,592
Traffic Citations	6,809	6,866	4,520	7,579	5,958	4,233	3,071
Parking Citations	922	1,229	1,693	1,396	1,442	2,063	1,050
<b>Fire</b>							
Emergency Responses	5,787	6,033	6,021	6,424	7,299	7,256	8,650
Non-emergency Responses	1,965	1,643	1,911	1,937	1,612	1,574	1,656
Inspections	2,335	1,527	2,542	2,656	1,774	2,409	4,123
<b>Refuse Collection</b>							
Refuse Collected (Tons)	23,215	34,952	31,978	31,908	32,702	32,067	32,175
Recyclables Collected (Tons)	1,797	1,777	1,775	1,812	1,813	2,521	2,797
<b>Other Public Works</b>							
Street Resurfacing (Miles)	5	2	1	2.24	2.17	2.5	2.04
Potholes Repaired	275	705	650	900	785	800	800
<b>Library</b>							
Volumes in Collection (Print)	239,196	239,314	234,897	233,157	232,783	235,134	234,772
Volumes in Collection (Non-print)	27,742	13,546	14,069	16,860	14,028	15,332	16,707
Total Volumes Borrowed	202,214	208,194	191,651	228,224	248,017	231,325	232,141
Annual Library Visits					278,629	292,421	307,904
<b>Water</b>							
Average Daily Production (thousands of gallons)	6,893	6,504	6,050	5,960	5,422	5,720	5,560
Average Daily Demand (thousands of gallons)	6,880	6,333	5,980	5,960	5,422	5,720	5,560
<b>Wastewater</b>							
Average Daily Treatment (thousands of gallons)	9,400	9,400	11,800	11,400	12,917	12,080	11,925
<b>Transit</b>							
Total Route Miles	52,980	52,926	52,999	52,999	27,600 **	27,600 **	27,600 **
Passengers	18,638	16,493	15,537	17,521	18,638	18,734	18,274
<b>Human Services</b>							
Environmental inspections and Responses	2,989	2,885	2,402	3,454	3,251	3,621	2,988
Health and Clinic Services Provided	89,200	5,252	4,869	2,982	9,366	4,913	4,385
School Health Services Provided	93,429	107,061	138,513	116,696	158,557	147,718	134,031
Social Services Provided	451	2,377	2,233	1,572	1,683	1,953	1,211
Youth Program Participants	5,562	6,843	8,576	10,765	10,498	11,087	11,673
Senior Program Participants	19,246	20,204	20,471	19,947	17,973	15,287	8,922

\*City began to collect information in fiscal year ended 2006

\*\* Change in formula used by the State of Connecticut implemented in 2010.

\*\*\*New police software implemented in 2011 uses new criteria to calculate investigations.

## CITY OF MERIDEN, CONNECTICUT

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

## LAST EIGHT FISCAL YEARS\*

<b>Function</b>	<b>FISCAL YEAR</b>							
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police stations	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	3	2	3	3
Fire stations	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1
Parks and recreation								
Fields - Municipal	8	8	8	8	8	11	11	11
Fields - Schools	9	9	9	9	9	9	9	9
Water								
Water mains (Municipal) (feet)	1,197,433	1,203,815	1,205,030	1,210,732	1,216,560	1,217,120	1,218,120	1,218,960
Fire hydrants (Municipal)	1,544	1,544	1,549	1,552	1,552	1,544	1,544	1,496
Fire hydrants (Private)	239	239	239	256	274	275	275	282
Wastewater								
Sewer line (feet)	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026
Highway								
Paved miles	187.45	187.45	187.45	187.45	187.45	187.45	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

\* only eight years of data is available