

**CITY OF MERIDEN  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2011**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Department of Finance

Michael Lupkas, CPFO  
Director of Finance

# **Introductory Section**

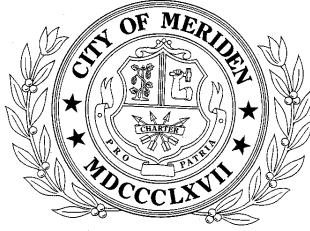
**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

November 17, 2011

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, 2011.

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, 2011. 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 commercial/industrial development is 55,765 square feet. This is the growth rate of land use approvals of applications in the last three years preceding the date of this report (fall 2008 through fall 2011) - see matrix "Development Projects Approved."

The Planning Commission approved projects which, when constructed, will add:

- 167,295 sq. ft. to the commercial/industrial base;
- 39,000 sq. ft. to the institutional base; and
- 25 units to the housing stock.

There has been a slowing of growth in all sectors (commercial/industrial and residential) over the last several years. The numbers listed above demonstrate greater recent expansion of the commercial/industrial base than the residential base. The development activity is charted below per type and status:

**DEVELOPMENT PROJECTS APPROVED**

<b>Type of Use</b>	<b>Approved by Planning</b>	<b>Occupied</b>	<b>Under Construction</b>	<b>Anticipated Construction</b>
Office Light Indus.	116,000 sq.ft.	41,000 sq. ft.		75,000 sq. ft.
Industrial	31,295 sq.ft.	8,400 sq. ft.		22,895 sq. ft.
Commercial Retail	20,000 sq.ft.	10,500 sq. ft.		9,500 sq. ft.
<b>TOTAL COMMERCIAL</b>	<b>167,295 sq.ft.</b>	<b>59,900 sq. ft.</b>		<b>107,395 sq. ft.</b>
Multi-Family Residential	17 units	3 units		14 units
Single Family Residential	8 lots			8 lots
<b>TOTAL RESIDENTIAL</b>	<b>25 units</b>	<b>3 units</b>		<b>22 units</b>
TOTAL INSTITUTIONAL	39,000 sq. ft.	4,500 sq. ft.	1,500 sq. ft.	33,000 sq. ft.

In addition (not included in the figures above) in 2011, BIG Y World Class Markets completely rebuilt an aging 55,560 square foot grocery store to brand new condition, demonstrating, through this three million dollar plus investment, its commitment to the Meriden market.

Still, the City is experiencing the effects of the national and state downturn in construction during the recession. From 2008, there was two consecutive years of reduced overall development from the previous year, particularly a continued decrease in residential units approved and constructed. The slow residential growth rate in recent years has halted additional service costs related to new residential and has contributed directly to ending the increase in municipal spending experienced prior to this recent period.

A bright spot is that in the last six months there has been a significant increase in commercial approvals, and recovery to a moderate level of residential approvals.

**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”). 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 shops and convenes 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.

In accordance with the Plan of Conservation & 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 multifamily units in a pedestrian friendly development.

The City Council also approved zoning updates to promote higher quality residential lot development. The City’s comprehensive planning implementation efforts continued to be concentrated in the areas of Neighborhood Planning, Environmental Planning and Economic Development consistent with the Plan of Conservation & Development.

**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. Since the 1994 inception of this award-winning program through fiscal year 2010, over 4,500 code violations were cited on approximately 2,100 properties. As of 2010, after ten (10) rounds, well over 95% of these violations have been corrected and the properties brought into compliance. Code violations 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 order to build upon the Code Enforcement and to address quality of life and aesthetic issues, in 2004 the City Council adopted an “AntiBlight Ordinance.” This ordinance attacks poorly maintained and dilapidated properties. It also addresses properties that are not covered by the safety codes. In the seven years the ordinance has been enforced, the City has identified 116 properties in violation and has already received compliance on 85 of the said properties.

In 2009, the City also began a Neighborhood Stabilization Program whereby seven vacant bank foreclosed properties have been purchased for rehabilitation and sale to income qualified homebuyers. In fiscal years 2010 and 2011, nine units were rehabilitated and sold to new homeowners. Three additional units are being completed and will be for sale. Currently, the City is also pursuing regulatory updates to promote higher quality neighborhood development and redevelopment.

## **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% design completed and approved for construction 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 demolition of the obsolete building. The clean-up of this vacant "dirty factory" is funded and scheduled for demolition in the spring of 2012. This and adjacent properties will present many development opportunities.
2. Downtown HUB - In 2011, 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 2012. A grant funded Transit Center study is ongoing in 2011.

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 \$2.7 million in assistance from the U.S. Environmental Protection Agency 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 will be completed by April 2013. 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.

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 (TOD) zone plan. The station will serve the planned New Haven to Springfield commuter rail service. CT DECD applied for the 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. Construction projects envisioned for the TOD area include a new intermodal transportation facility, parking, traffic and roadway improvements and private economic development.

The City is continuing to position itself to begin major downtown redevelopment. The City owns a vacant 14-acre site adjacent to its 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.

Beyond the downtown, 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 eleventh 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 2000. This Plan allows the City to apply for funding from EDA for economic development projects.

## COMMUNITY DEVELOPMENT PROGRAM

The primary function of the City's Community Development Office is the administration of the City's CDBG program, which provides funds to various city departments and local non-profit agencies to operate programs benefiting low and moderate income persons and make improvements to facilities for low and moderate income persons. In addition, the Community Development office manages 40 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 2011 Fiscal Year included:

- Provided 31 public service programs that served 43,995 low and moderate income Meriden residents.
- 9,230 square feet of sidewalks, curbing, and handicap ramps were replaced in low and moderate income areas of the City.
- Completed two units of affordable housing using CDBG and Neighborhood Stabilization Program (NSP) funds.
- Conducted 6,116 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 2011, the City of Meriden received \$1,005,552 in HUD CDBG "entitlement" funds, which are used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate income persons. Programs funded in FY 2011 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. During FY 2011, one new loan was made to a first time homebuyer in conjunction with the NSP and Meriden Housing Authority Family Self-Sufficiency programs. As of June 30, 2011, there were 136 outstanding loans with a principle balance of \$2,112,442. During FY 2011, the City also received U.S. Department of Housing and Urban Development Challenge Grant funds administered by the Connecticut Department of Economic and Community Development. Grant funds are being used to create a TOD for the HUB and Transit Center sites and to acquire properties to support transit-oriented development surrounding the TOD area. During FY 2011, the Meriden Housing Authority (MHA) used approximately \$10 million in federal funds to provide affordable rental housing options to low income Meriden residents. MHA currently manages 576 affordable housing units that meet the Section 215 definition of affordable housing.

During FY 2011, the Community Development office managed 40 other state and federal grants totaling over \$23 million. Meriden received federal Recovery Act funds for Community Development, Brownfields Redevelopment, Energy Efficiency, Clean Transportation and Police programs. The U.S. Environmental Protection Agency and Connecticut Department of Economic and Community Development provided grants for Brownfields remediation at the HUB and Factory H sites and a grant for the creation of a Transit-Oriented Design plan for the HUB and Transit Center areas. 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, 2010. This was the seventh 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, Allison Murphy, 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, 2010

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.



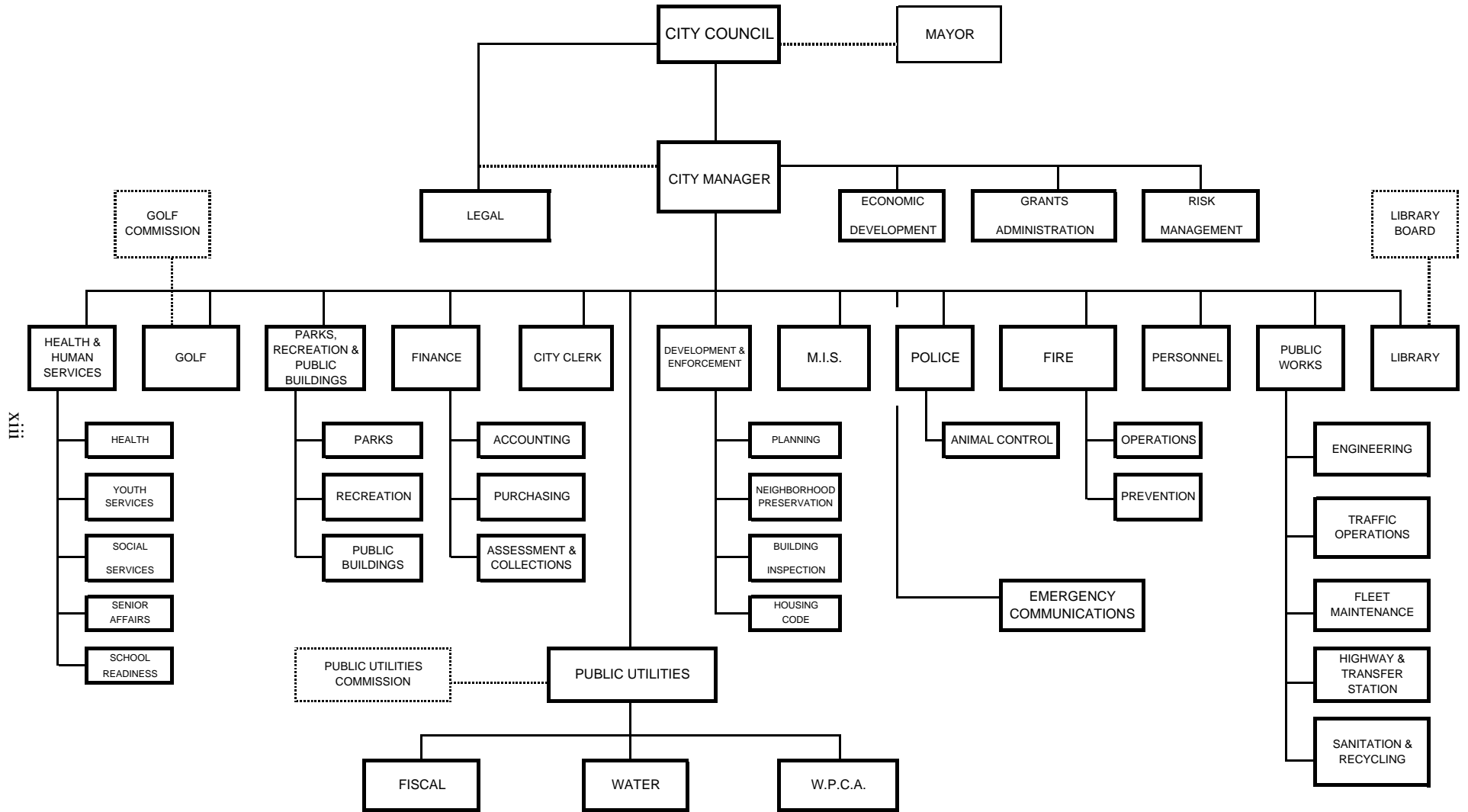
A stylized, handwritten signature in black ink, appearing to read "JEFF R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# CITY OF MERIDEN ORGANIZATIONAL CHART





CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2011

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**MAYOR**

Michael S. Rohde

**CITY COUNCIL**

Matthew C. Dominello, Sr., Deputy Mayor  
Keith Gordon, Majority Leader  
George E. McGoldrick, Deputy Majority Leader  
Trevor Thorpe, Deputy Majority Leader  
Walter A. Shamock, Minority Leader  
Dante' J.C. Bartolomeo, City Councilor  
Daniel Brunet, City Councilor  
Brian P. Daniels, City Councilor  
Hilda E. Santiago, City Councilor  
John J. Thorp, 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  
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  
Deborah Moore  
Marguerite Brennan  
Frank Kiernan  
Elizabeth Vumbaco  
Stephen Montemurro  
Mark Zebora  
Caroline Beitman  
Robert J. Bass  
David Lohman  
Karen Roesler  
Dominick Caruso  
Thomas DeVaux

**BOARD OF EDUCATION**

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Dr. Steven J. O'Donnell  
Irene E. Parisi  
Kevin M. Scarpati  
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Dr. Mark Benigni, Superintendent of Schools  
Robert Angeli, Associate Superintendent for Instruction  
Michael Grove, Assistant Superintendent, Finance and Administration

# **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, 2011, 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'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 basic 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'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, 2011 and the respective changes in financial position and cash flows, where applicable, 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 November 17, 2011 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 and 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.

Management's discussion and analysis on pages 3 through 15 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of 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, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

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

November 17, 2011

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2011**

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, 2011. 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 \$163.4 million. Total net assets for Governmental Activities at fiscal year-end were \$62.3 million and total net assets for Business-Type Activities were \$101.1 million.
- ◆ On a government-wide basis, during the year, the City's net assets decreased by \$347,000 or .24%, from \$163.8 million to \$163.4 million. Net assets increased by \$1.2 million for Governmental Activities and decreased by \$1.6 million for Business-Type Activities. Governmental activities expenses were \$218.7 million, while revenues were \$219.9 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 \$31.2 million, a increase of \$18.7 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 \$18.3 million, an increase of \$3.44 million from the prior fiscal year restated balance. Of the total General Fund fund balance as of June 30, 2011, \$17.3 million represents unassigned General Fund fund balance. Unassigned General Fund fund balance at year-end represents 9.61% of total General Fund expenditures and transfers out (\$180.1 million), an increase of 1.69% 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, Education Grants Fund and the Bonded Projects Fund, all of which are considered to be major funds. Data from the other 35 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 unreserved 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, five agency funds and one private purpose fund. 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 28-61 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 54-55 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 \$163.4 million on June 30, 2011. Governmental activities assets exceeded liabilities by \$62.3 million. Business-type activities assets exceeded liabilities by \$101.1 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 74,710	\$ 55,316	\$ 24,206	\$ 20,252	\$ 98,916	\$ 75,568
Capital assets, net of accumulated depreciation	181,164	181,450	136,017	136,266	317,181	317,716
Total assets	<u>255,874</u>	<u>236,766</u>	<u>160,223</u>	<u>156,518</u>	<u>416,097</u>	<u>393,284</u>
Current liabilities	33,685	33,960	6,102	3,033	39,787	36,993
Long-term liabilities outstanding	159,887	141,706	53,006	50,821	212,893	192,527
Total liabilities	<u>193,572</u>	<u>175,666</u>	<u>59,108</u>	<u>53,854</u>	<u>252,680</u>	<u>229,520</u>
Net Assets:						
Invested in capital assets, net of related debt	101,928	111,331	89,260	91,993	191,188	203,324
Restricted	1,347	1,257			1,347	1,257
Unrestricted	<u>(40,973)</u>	<u>(51,488)</u>	<u>11,855</u>	<u>10,671</u>	<u>(29,118)</u>	<u>(40,817)</u>
Total Net Assets	\$ <u>62,302</u>	\$ <u>61,100</u>	\$ <u>101,115</u>	\$ <u>102,664</u>	\$ <u>163,417</u>	\$ <u>163,764</u>

A portion of net assets was restricted in June 30, 2011 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.

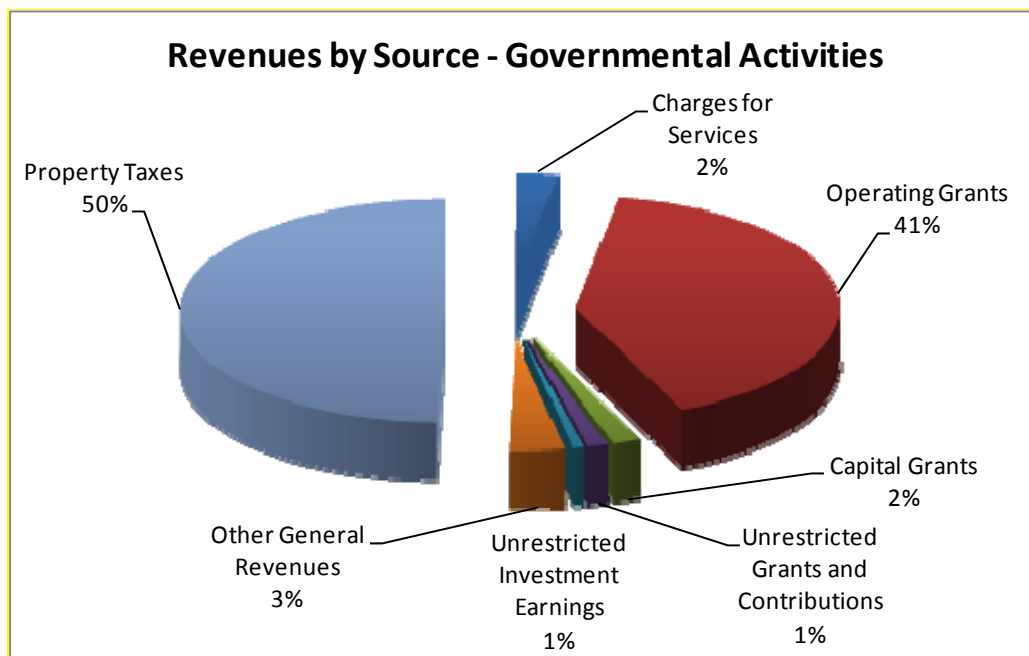
**City of Meriden, Connecticut**  
**Changes in Net Assets (\$000s)**  
**Primary Government**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 5,678	\$ 5,538	\$ 18,221	\$ 15,965	\$ 23,899	\$ 21,503
Operating grants and contributions	89,914	87,388			89,914	87,388
Capital grants and contributions	3,744	2,543	161	2,676	3,905	5,219
General revenues:						
Property taxes	109,377	106,619			109,377	106,619
Grants not restricted to specific programs	2,598	2,720			2,598	2,720
Unrestricted investment earnings	1,218	856	85	70	1,303	926
Miscellaneous income	7,391	3,073	1,024	1,043	8,415	4,116
Total revenues	<u>219,920</u>	<u>208,737</u>	<u>19,491</u>	<u>19,754</u>	<u>239,411</u>	<u>228,491</u>
Expenses:						
General government	30,816	29,932			30,816	29,932
Education	138,091	132,770			138,091	132,770
Public safety	23,810	24,051			23,810	24,051
Public works	9,249	9,866			9,249	9,866
Human services	8,652	9,233			8,652	9,233
Cultural and recreation	5,075	4,414			5,075	4,414
Interest on long-term debt	3,025	2,806			3,025	2,806
Sewer Authority			9,659	7,951	9,659	7,951
Water Authority			10,256	10,546	10,256	10,546
George Hunter Golf Course			1,126	976	1,126	976
Total expenses	<u>218,718</u>	<u>213,072</u>	<u>21,041</u>	<u>19,473</u>	<u>239,759</u>	<u>232,545</u>
Income (Loss) Before Transfers	1,202	(4,335)	(1,550)	281	(348)	(4,054)
Transfers		836		(836)	-	-
Change in Net Assets	1,202	(3,499)	(1,550)	(555)	(348)	(4,054)
Net Assets at Beginning of Year	<u>61,100</u>	<u>64,599</u>	<u>102,665</u>	<u>103,219</u>	<u>163,765</u>	<u>167,818</u>
Net Assets at End of Year	<u>\$ 62,302</u>	<u>\$ 61,100</u>	<u>\$ 101,115</u>	<u>\$ 102,664</u>	<u>\$ 163,417</u>	<u>\$ 163,764</u>

The City's net assets decreased by \$347,000 during the fiscal year, with net assets of governmental activities increasing \$1.2 million and business-type activities decreasing by \$1.6 million.

## Governmental Activities

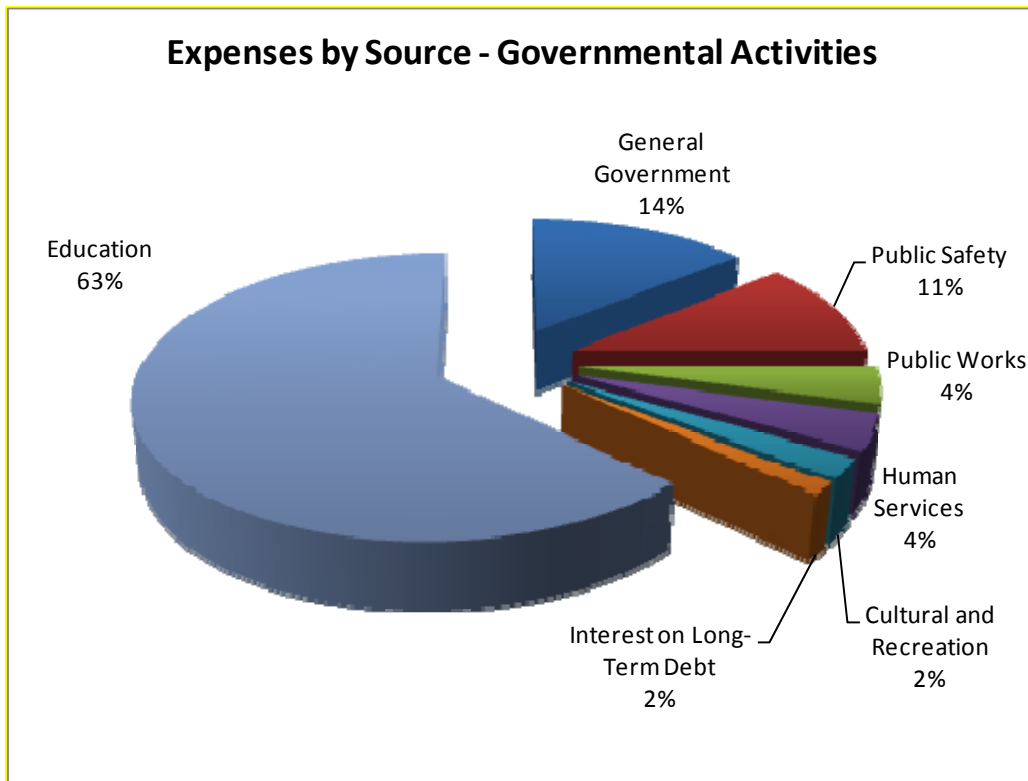
Almost 49.7% of the revenues were derived from property taxes, followed by 40.9% from State and Federal Government program revenues, then 2.6% from charges for services.



Major revenue factors included:

- ◆ Property tax revenues increased by \$2.8 million, for fiscal year 2011, due to an increase in the mil rate levied against taxable property, the City's tax rate increased .68 of a mil between the two years and total assessed value of all taxable property decreased by .11%. Property revaluation was implemented for the calculation of property taxes for fiscal year 2008. (Property Taxes)
- ◆ The increase in other local revenues is 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 additional amount was received in fiscal year 2009 also. (Miscellaneous Income)
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant provided \$2.01 million in revenue for fiscal year 2011. This is the ninth year of the agreement. (Miscellaneous Income)

For Governmental Activities, 63.1% of the City's expenses relate to education, 14.1% to general government, 10.9% relate to public safety, 4.2% to public works, 4.0% to health and human services, 2.3% 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 3.35% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs remained flat, due to favorable health insurance costs and pension funding requirements which do not reflect the effect of the current economy.
- ◆ The cost of education services increased due to the allocation of post retirement benefit contributions, negotiated wage settlements, employee health insurance cost increases and special education cost increases.
- ◆ General government expenses for fiscal year 2011 increased by 3% due to increased expenses incurred by the Special Revenue Funds. Other expenses within general government remained flat between the two compared years.
- ◆ Interest on long-term debt increased by \$.2 million or 8% based on the existing debt schedule.

### **Business-Type Funds**

Business-type activities decreased the City's net assets by \$1.6 million due primarily to expenses associated to the completion of the sewer plant upgrade.

## **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 \$17.3 million while total fund balance was \$31.2 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 9.61% of total General Fund expenditures (\$180.1 million), while total fund balance represents 17.32% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$3,443,340 during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts and the receipt of a one-time distribution of \$4,303,462 of accumulated reserves from the Municipal Solid Waste Management Services Contract. The budgeted use of \$1,000,000 of fund balance was also not necessary.

The Bonded Projects Fund has a total fund balance of \$7,113,308, an increase of \$14,831,484 from the prior year. This increase can be explained by the timing of expenditures and the issuance of long-term bonds; a long-term borrowing took place in July 2010.

The Nonmajor Governmental Funds has a total fund balance of \$5,373,583, up from \$4,884,858 as restated, in the prior year. The \$488,725 increase was recognition of revenues 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 \$41.1 million, with unrestricted net assets of \$6.4 million. The Water Fund experienced an operating income of \$77,954.

Net assets of the Sewer Fund were \$60.7 million. Unrestricted net assets were \$8.3 million. The Sewer Fund experienced an operating loss of \$648,499. Included within the revenue for the Sewer Fund was an amount of \$1,072,363 to act as a rate stabilization mechanism for the increased debt service payment due December 2011.

## **General Fund Budgetary Highlights**

The difference between the original expenditure budget and the final amended expenditure budget was \$225,131. The original budget included a contingency of \$1,000,000 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 \$225,131 was for Debt Service - Interest Expense. This amount is attributable to the amount received from the United States Treasury in regards to the Build America Bonds bond issue. The intergovernmental revenue account was also modified by the identical amount.

Several departments had favorable variances in their budgets during the fiscal year. The Employee Benefits department was \$690,348 under budget due mainly to a favorable experience in the health insurance fund from which the department is charged. The Board of Education was under their budget by \$211,242. The Library was under their budget by \$37,235. During the year, actual revenues on a budgetary basis were \$174.0 million, which was over budgetary estimates by \$2,984,031. Total property tax revenues were less than budget by \$828,467, which included a reduction of \$272,043 due to the resolution of several property tax cases. Actual investment income totaled \$319,826, which was \$366,529 below the budgeted amount; this is attributable to the continuation of the national economic downturn.

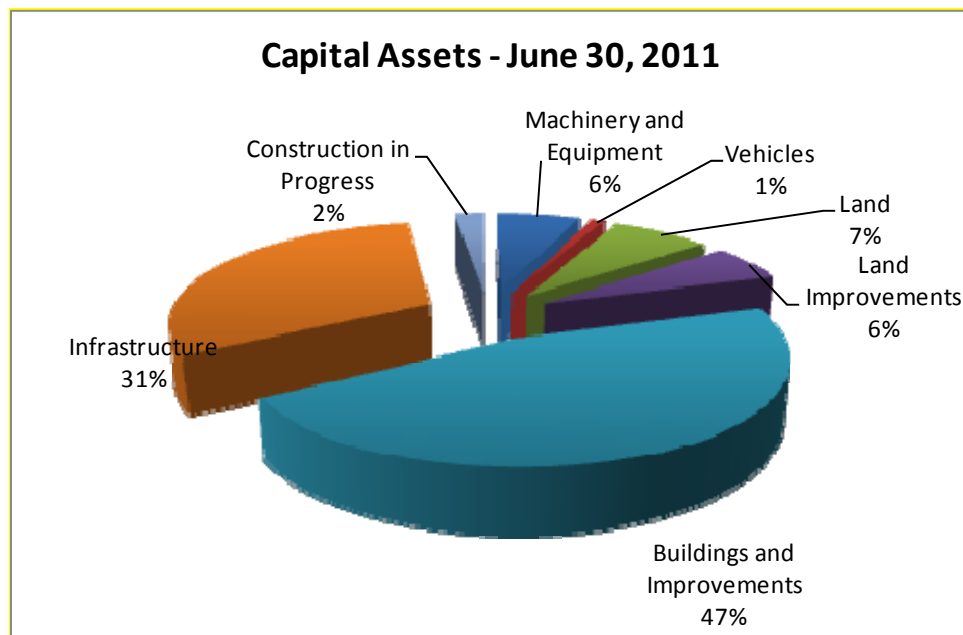
Actual revenues and other financing sources on a budgetary basis totaled \$174.0 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$4,443,340.

## **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, 2011 amount to \$317.2 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 ninth 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 21,883	\$ 21,715	\$ 1,088	\$ 1,036	\$ 22,971	\$ 22,751
Land improvements	8,555	8,517	10,113	4,887	18,668	13,404
Buildings and improvements	106,692	109,137	41,002	16,060	147,694	125,197
Infrastructure	34,401	36,196	64,297	65,607	98,698	101,803
Machinery and equipment	2,712	2,627	16,723	4,152	19,435	6,779
Vehicles	2,844	2,122	158	224	3,002	2,346
Construction in progress	4,077	2,648	2,636	44,301	6,713	46,949
<b>Total</b>	<b>\$ 181,164</b>	<b>\$ 182,962</b>	<b>\$ 136,017</b>	<b>\$ 136,267</b>	<b>\$ 317,181</b>	<b>\$ 319,229</b>



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

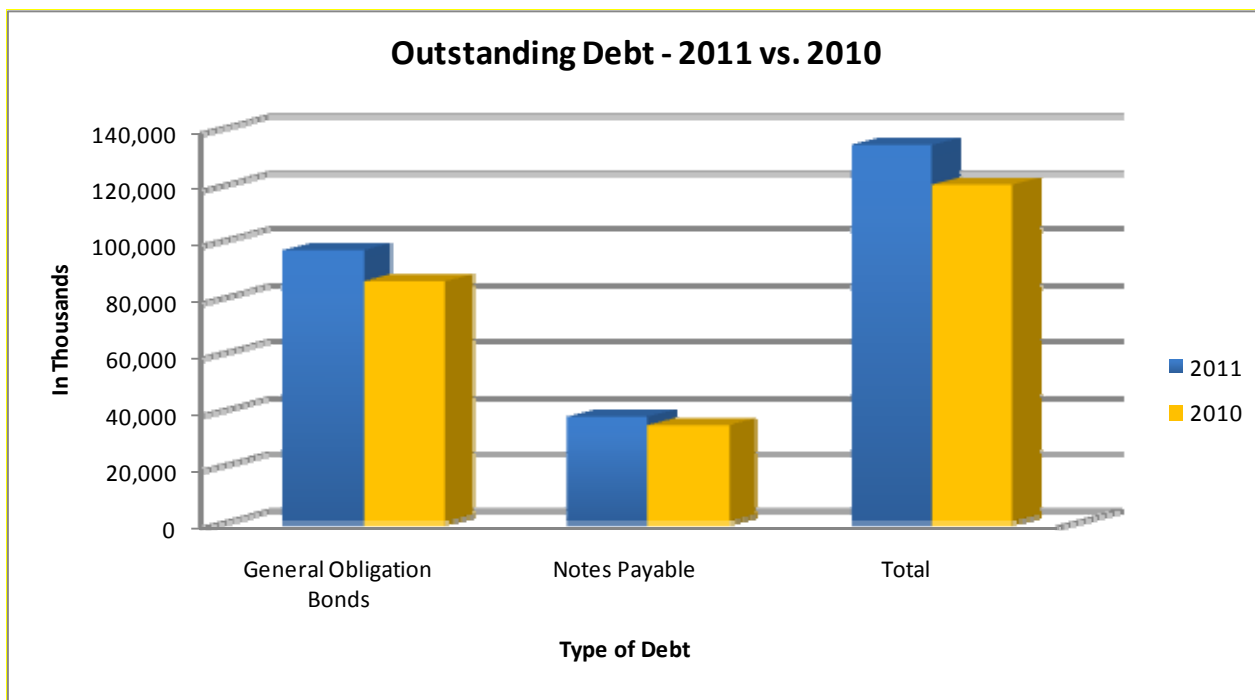
- ◆ \$1,238,470 for the Police Department Radio System upgrade
- ◆ \$1,074,803 for Roadway Paving and Road Construction
- ◆ \$499,883 for Fire Department Pumper Truck
- ◆ \$340,235 for School Construction Projects
- ◆ \$1,399,571 for Water Department Projects
- ◆ \$2,007,746 for Sewer Department Projects

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 \$96.3 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	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 77,888	\$ 68,666	\$ 18,417	\$ 16,779	\$ 96,305	\$ 85,445
Notes payable			37,441	34,459	37,441	34,459
<b>Total</b>	<b>\$ 77,888</b>	<b>\$ 68,666</b>	<b>\$ 55,858</b>	<b>\$ 51,238</b>	<b>\$ 133,746</b>	<b>\$ 119,904</b>



The City of Meriden’s bonded debt increased by \$10.9 million or 12.75% during the 2010-2011 fiscal year. During the current fiscal year, the City issued \$22,330,000 of 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 \$765,877,000. As of June 30, 2011, the City recorded long-term debt of \$77.9 million related to Governmental Activities and \$18.4 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 45-48 of this report.

### **Economic Factors (Updated through August 2011)**

The City of Meriden has not been immune from the effects of the national economic downturn. As of August 2011, the unemployment rate for the Meriden Labor Market Area was 10.7%, an increase from 10.4% in the prior year. This compares with the August 2011 New Haven Labor Market rate of 9.5%. Larger cities in Connecticut have higher August 2011 unemployment rates than the City of Meriden. The City of New Haven is at 13.6% and the City of Hartford at 16.6% unemployment. In August 2011, Connecticut's overall unemployment rate stands at 9.0%, compared with 9.1% for the same time last year. The United States' August 2011 unemployment rate is 9.1% compared to 9.6% percent last year. In addition, it is forecasted that state and federal governments will continue the trend of reducing grants to municipalities.

Nevertheless, the City of Meriden is well positioned to deal with the present economic downturn. A power generating plant PILOT agreement will add in excess of \$1.8 million annually for the next three years, followed by another payment schedule for the next 20 years. 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, a 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, 2011

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 46,468,670	\$ 8,892,648	\$ 55,361,318
Investments	16,021,533	1,017,376	17,038,909
Receivables, net	17,050,220	7,788,048	24,838,268
Internal balances	(6,507,430)	6,507,430	-
Inventory	223,748		223,748
Other assets	1,137,912		1,137,912
Pension assets	315,217		315,217
Capital assets, nondepreciable	25,959,647	3,724,058	29,683,705
Capital assets, net of accumulated depreciation	155,204,195	132,293,322	287,497,517
Total assets	<u>255,873,712</u>	<u>160,222,882</u>	<u>416,096,594</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	17,928,416	1,187,174	19,115,590
Retainage payable	115,983		115,983
Accrued interest	1,049,659	263,578	1,313,237
Unearned revenue	2,135,350		2,135,350
<b>Noncurrent liabilities:</b>			
Due within one year	12,455,724	4,651,328	17,107,052
Due in more than one year	159,886,781	53,006,044	212,892,825
Total liabilities	<u>193,571,913</u>	<u>59,108,124</u>	<u>252,680,037</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	101,927,895	89,259,432	191,187,327
<b>Restricted:</b>			
Expendable	825,001		825,001
Nonexpendable	521,922		521,922
Unrestricted	<u>(40,973,019)</u>	<u>11,855,326</u>	<u>(29,117,693)</u>
Total Net Assets	<u>\$ 62,301,799</u>	<u>\$ 101,114,758</u>	<u>\$ 163,416,557</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, 2011**

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	\$ 30,816,139	\$ 2,521,713	\$ 2,209,543	\$ 3,020,739	\$ (23,064,144)	\$	\$ (23,064,144)
Education	138,091,128	1,046,987	84,023,140		(53,021,001)		(53,021,001)
Public safety	23,810,064	50,046	109,487	266,088	(23,384,443)		(23,384,443)
Public works	9,249,248	1,737,174	66,705	334,730	(7,110,639)		(7,110,639)
Human services	8,651,631	288,800	3,291,965		(5,070,866)		(5,070,866)
Culture and recreation	5,075,056	33,462	213,378	122,468	(4,705,748)		(4,705,748)
Interest on long-term debt	3,024,326				(3,024,326)		(3,024,326)
Total governmental activities	<u>218,717,592</u>	<u>5,678,182</u>	<u>89,914,218</u>	<u>3,744,025</u>	<u>(119,381,167)</u>	<u>-</u>	<u>(119,381,167)</u>
Business-type activities:							
Sewer Authority	9,658,911	8,507,029		160,555		(991,327)	(991,327)
Water Authority	10,255,866	8,935,137				(1,320,729)	(1,320,729)
George Hunter Golf Course	1,125,837	779,228				(346,609)	(346,609)
Total business-type activities	<u>21,040,614</u>	<u>18,221,394</u>	<u>-</u>	<u>160,555</u>	<u>-</u>	<u>(2,658,665)</u>	<u>(2,658,665)</u>
Total Primary Government	<u>\$ 239,758,206</u>	<u>\$ 23,899,576</u>	<u>\$ 89,914,218</u>	<u>\$ 3,904,580</u>	<u>(119,381,167)</u>	<u>(2,658,665)</u>	<u>(122,039,832)</u>
General revenues:							
Property taxes					109,376,618		109,376,618
Grants and contributions not restricted to specific programs					2,597,583		2,597,583
Unrestricted investment earnings					1,218,148	84,608	1,302,756
Miscellaneous income					7,390,838	1,024,332	8,415,170
Total general revenues					<u>120,583,187</u>	<u>1,108,940</u>	<u>121,692,127</u>
Change in net assets					1,202,020	(1,549,725)	(347,705)
Net Assets at Beginning of Year, as Restated					<u>61,099,779</u>	<u>102,664,483</u>	<u>163,764,262</u>
Net Assets at End of Year					<u>\$ 62,301,799</u>	<u>\$ 101,114,758</u>	<u>\$ 163,416,557</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<u>General</u>	<u>Education Grants</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,321,153	\$ 3,240,595	\$ 17,134,108	\$ 3,170,113	\$ 42,865,969
Investments	10,260,759			1,791,193	12,051,952
Receivables, net of allowance for collections	4,228,735	25,362	1,366,729	3,856,644	9,477,470
Inventory	133,373			90,375	223,748
Other assets	3,331				3,331
Due from other funds	3,316,023				3,316,023
	<u>37,263,374</u>	<u>3,265,957</u>	<u>18,500,837</u>	<u>8,908,325</u>	<u>67,938,493</u>
Total Assets	\$ <u>37,263,374</u>	\$ <u>3,265,957</u>	\$ <u>18,500,837</u>	\$ <u>8,908,325</u>	\$ <u>67,938,493</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 12,797,573	\$ 2,517,699	\$ 434,172	\$ 514,498	\$ 16,263,942
Retainage payable			115,983		115,983
Due to other funds	190,968		9,253,676	569,777	10,014,421
Deferred revenue	6,008,572	304,036	1,583,698	2,450,467	10,346,773
Total liabilities	<u>18,997,113</u>	<u>2,821,735</u>	<u>11,387,529</u>	<u>3,534,742</u>	<u>36,741,119</u>
Fund Balances:					
Nonspendable	133,373			521,922	655,295
Restricted	825,001	444,222	2,246,771	3,379,906	6,895,900
Committed				1,525,716	1,525,716
Assigned			4,866,537		4,866,537
Unassigned	17,307,887			(53,961)	17,253,926
Total fund balances	<u>18,266,261</u>	<u>444,222</u>	<u>7,113,308</u>	<u>5,373,583</u>	<u>31,197,374</u>
Total Liabilities and Fund Balances	\$ <u>37,263,374</u>	\$ <u>3,265,957</u>	\$ <u>18,500,837</u>	\$ <u>8,908,325</u>	\$ <u>67,938,493</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

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)	\$ 31,197,374
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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	\$ 335,841,139	
Less accumulated depreciation	<u>(154,677,297)</u>	
Net capital assets		181,163,842

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

Net pension assets	315,217
Property tax receivables greater than 60 days	2,991,871
Build America Bonds long term interest receivable	10,859
Loan receivables greater than 60 days	5,219,551
Interest and lien receivable on property taxes	7,561,891
Issuance costs on refunding	200,759

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.

329,741

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

Bonds payable	(77,888,161)
Bond premium	(3,199,279)
Deferred amount in refunding	1,851,493
Interest payable on bonds	(1,049,659)
Compensated absences	(18,197,892)
Landfill post-closure monitoring	(957,082)
Net pension obligation	(25,397,262)
OPEB obligation	(33,951,464)
Pollution remediation	(6,700,000)
Claims and judgments	<u>(1,200,000)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>62,301,799</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, 2011

	<u>General</u>	<u>Education Grants</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes, interest and lien fees	\$ 108,758,729	\$	\$	\$	\$ 108,758,729
Federal and state government	62,681,718	20,258,195	2,832,425	10,458,334	96,230,672
Charges for services	4,365,660			1,312,522	5,678,182
Investment income	319,826		143,749	277,735	741,310
Other local revenues	6,847,101		222,798	335,234	7,405,133
Total revenues	<u>182,973,034</u>	<u>20,258,195</u>	<u>3,198,972</u>	<u>12,383,825</u>	<u>218,814,026</u>
Expenditures:					
Current:					
General government	29,921,136			893,377	30,814,513
Public safety	21,323,532			516,560	21,840,092
Public works	6,835,445				6,835,445
Health and welfare	2,742,645			5,538,458	8,281,103
Culture and recreation	3,934,675			85,583	4,020,258
Education	101,978,309	20,329,689		4,186,499	126,494,497
Debt service:					
Principal retirement	9,542,003				9,542,003
Interest and other charges	3,054,775				3,054,775
Capital outlay	783,987		6,744,318	473,419	8,001,724
Total expenditures	<u>180,116,507</u>	<u>20,329,689</u>	<u>6,744,318</u>	<u>11,693,896</u>	<u>218,884,410</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,856,527</u>	<u>(71,494)</u>	<u>(3,545,346)</u>	<u>689,929</u>	<u>(70,384)</u>
Other Financing Sources (Uses):					
Bond proceeds			18,764,086		18,764,086
Transfers in	598,460			10,000	608,460
Transfers out	(10,000)		(387,256)	(211,204)	(608,460)
Total other financing sources (uses)	<u>588,460</u>	<u>-</u>	<u>18,376,830</u>	<u>(201,204)</u>	<u>18,764,086</u>
Net Change in Fund Balances	3,444,987	(71,494)	14,831,484	488,725	18,693,702
Fund Balances at Beginning of Year, as Restated	<u>14,821,274</u>	<u>515,716</u>	<u>(7,718,176)</u>	<u>4,884,858</u>	<u>12,503,672</u>
Fund Balances at End of Year	<u>\$ 18,266,261</u>	<u>\$ 444,222</u>	<u>\$ 7,113,308</u>	<u>\$ 5,373,583</u>	<u>\$ 31,197,374</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, 2011

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)	\$ 18,693,702
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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	7,085,335
Depreciation expense	(8,876,287)
Loss on disposal of capital assets	(6,942)

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	473,917
Loans collected after 60 days	1,144,710
Build America Bonds interest receivable	10,859
Decrease in interest and liens receivable	143,971
Change in pension assets	(9,333)

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.

Bond proceeds	(18,764,086)
Issuance costs on refunding	(15,644)
Accrued interest	(58,928)
Principal payments	9,542,003
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	(1,114,540)
Change in landfill post-closure monitoring	179,074
Change in pollution remediation obligation	300,000
Change in net pension obligation	56,937
Change in OPEB obligation	(7,633,138)
Change in claims and judgments	(450,000)

The net expense of the internal service funds is reported with governmental activities.	<u>395,387</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 1,202,020</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest and lien fees	\$ 109,587,196	\$ 109,587,196	\$ 108,758,729	\$ (828,467)
Intergovernmental revenues	52,700,310	52,925,439	52,844,534	(80,905)
Charges for services	4,060,232	4,060,232	3,689,163	(371,069)
Investment income	686,355	686,355	319,826	(366,529)
Other revenues	2,340,263	2,340,265	6,821,266	4,481,001
Total revenues	<u>169,374,356</u>	<u>169,599,487</u>	<u>172,433,518</u>	<u>2,834,031</u>
Expenditures:				
Current:				
General government	29,644,829	29,476,492	28,532,692	943,800
Finance	2,041,746	2,069,365	2,069,128	237
Public safety	21,193,246	21,402,853	21,375,832	27,021
Public works	6,538,501	6,835,491	6,835,445	46
Health and welfare	2,873,264	2,738,264	2,734,274	3,990
Culture and recreation	4,002,238	3,981,915	3,934,675	47,240
Education	91,936,788	91,936,788	91,724,945	211,843
Debt service:				
Principal retirement	9,590,417	9,542,003	9,542,003	-
Interest and other charges	2,989,287	3,054,776	2,829,644	225,132
Total expenditures	<u>170,810,316</u>	<u>171,037,947</u>	<u>169,578,638</u>	<u>1,459,309</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,435,960)</u>	<u>(1,438,460)</u>	<u>2,854,880</u>	<u>4,293,340</u>
Other Financing Sources (Uses):				
Contribution from fund balance	1,000,000	1,000,000		(1,000,000)
Transfers in	448,460	448,460	598,460	150,000
Transfers out	(12,500)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>1,435,960</u>	<u>1,438,460</u>	<u>588,460</u>	<u>(850,000)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>3,443,340</u>	<u>\$ 3,443,340</u>
Fund Balance at Beginning of Year			<u>14,275,727</u>	
Fund Balance at End of Year			<u>\$ 17,719,067</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Sewer	George		Internal
			Hunter Memorial Golf Course	Service Funds	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 3,752,779	\$ 4,963,085	\$ 176,784	\$ 8,892,648	\$ 3,602,702
Investments	508,952	508,424		1,017,376	3,969,581
Accounts receivable, net	3,757,901	4,030,147		7,788,048	925,372
Due from other funds	6,057,154	3,174,837	21,685	9,253,676	190,968
Other assets				-	8,450
Total current assets	<u>14,076,786</u>	<u>12,676,493</u>	<u>198,469</u>	<u>26,951,748</u>	<u>8,697,073</u>
Noncurrent assets:					
Capital assets, nondepreciable	1,643,229	2,080,829		3,724,058	
Capital assets, net of accumulated depreciation	40,863,228	89,202,892	2,227,202	132,293,322	
Total noncurrent assets	<u>42,506,457</u>	<u>91,283,721</u>	<u>2,227,202</u>	<u>136,017,380</u>	<u>-</u>
Total assets	<u>56,583,243</u>	<u>103,960,214</u>	<u>2,425,671</u>	<u>162,969,128</u>	<u>8,697,073</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	364,589	753,842	68,743	1,187,174	39,629
Accrued interest	211,363	50,538	1,677	263,578	
Claims payable				-	2,234,286
Due to other funds			2,746,246	2,746,246	
Current portion of bonds and notes payable	1,205,489	3,263,069	15,667	4,484,225	
Current portion of compensated absences	90,561	42,833	33,709	167,103	
Total current liabilities	<u>1,872,002</u>	<u>4,110,282</u>	<u>2,866,042</u>	<u>8,848,326</u>	<u>2,273,915</u>
Noncurrent liabilities:					
Compensated absences	981,819	349,098	147,728	1,478,645	
Bonds and notes payable, less current portion	12,469,000	38,795,858	109,000	51,373,858	
Premium on refunding bonds	510,514			510,514	
Deferred amount in refunding	(356,973)			(356,973)	
Claims incurred but not reported				-	6,093,417
Total noncurrent liabilities	<u>13,604,360</u>	<u>39,144,956</u>	<u>256,728</u>	<u>53,006,044</u>	<u>6,093,417</u>
Total liabilities	<u>15,476,362</u>	<u>43,255,238</u>	<u>3,122,770</u>	<u>61,854,370</u>	<u>8,367,332</u>
Net Assets:					
Invested in capital assets, net of related debt	34,735,581	52,399,631	2,124,220	89,259,432	
Unrestricted	6,371,300	8,305,345	(2,821,319)	11,855,326	329,741
Total Net Assets	<u>\$ 41,106,881</u>	<u>\$ 60,704,976</u>	<u>\$ (697,099)</u>	<u>\$ 101,114,758</u>	<u>\$ 329,741</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, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>		<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>		
			<u>Total</u>		
Operating Revenues:					
Charges for services	\$ 8,935,137	\$ 8,507,029	\$ 779,228	\$ 18,221,394	\$ 26,272,700
Miscellaneous	734,747	250,908	38,677	1,024,332	716,754
Total operating revenues	<u>9,669,884</u>	<u>8,757,937</u>	<u>817,905</u>	<u>19,245,726</u>	<u>26,989,454</u>
Operating Expenses:					
Salaries and benefits	3,748,237	1,614,042	554,087	5,916,366	
Medical claims				-	25,276,377
Materials and supplies	691,034	1,667,556	233,838	2,592,428	
Utilities	1,028,079	1,101,900		2,129,979	
Administration and operation	1,757,290	653,466		2,410,756	1,445,102
Depreciation	1,688,981	2,913,646	121,385	4,724,012	
Other	678,309	1,455,826	177,558	2,311,693	349,426
Total operating expenses	<u>9,591,930</u>	<u>9,406,436</u>	<u>1,086,868</u>	<u>20,085,234</u>	<u>27,070,905</u>
Operating Income (Loss)	<u>77,954</u>	<u>(648,499)</u>	<u>(268,963)</u>	<u>(839,508)</u>	<u>(81,451)</u>
Nonoperating Revenues (Expenses):					
Interest income	31,169	53,299	140	84,608	476,838
Interest expense	(663,936)	(252,475)	(38,969)	(955,380)	
Total nonoperating revenues (expenses)	<u>(632,767)</u>	<u>(199,176)</u>	<u>(38,829)</u>	<u>(870,772)</u>	<u>476,838</u>
Income (Loss) Before Contributions	(554,813)	(847,675)	(307,792)	(1,710,280)	395,387
Contributions:					
Capital contributions		160,555		160,555	
Change in Net Assets	(554,813)	(687,120)	(307,792)	(1,549,725)	395,387
Net Assets at Beginning of Year, as Restated	<u>41,661,694</u>	<u>61,392,096</u>	<u>(389,307)</u>	<u>102,664,483</u>	<u>(65,646)</u>
Net Assets at End of Year	<u>\$ 41,106,881</u>	<u>\$ 60,704,976</u>	<u>\$ (697,099)</u>	<u>\$ 101,114,758</u>	<u>\$ 329,741</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, 2011**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Nonmajor Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>George Hunter Memorial Golf Course</b>		
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers and users	\$ 9,378,617	\$ 7,813,251	\$ 817,905	\$ 18,009,773	\$ 26,064,107
Receipts from interfund services provided	16,765	(2,117,808)	(21,685)	(2,122,728)	(190,968)
Payments to suppliers	(3,829,975)	(4,316,169)	(374,495)	(8,520,639)	(26,429,201)
Payments to employees	(3,723,939)	(1,530,774)	(536,726)	(5,791,439)	
Payments for interfund services used			437,645	437,645	(22,103)
Net cash provided by (used in) operating activities	<u>1,841,468</u>	<u>(151,500)</u>	<u>322,644</u>	<u>2,012,612</u>	<u>(578,165)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital contributions		160,555		160,555	
Additions to capital assets	(680,406)	(4,069,698)	(128,316)	(4,878,420)	
Issuance of Build America Bonds	1,185,000	2,360,914	20,000	3,565,914	
Issuance of clean water fund loans		3,126,756		3,126,756	
Principal payments of bonds	(1,308,020)	(603,310)	(16,667)	(1,927,997)	
Principal payments of clean water fund loans		(144,592)		(144,592)	
Interest paid on capital debt	(675,900)	(252,475)	(38,969)	(967,344)	
Net cash provided by (used in) capital and related financing activities	<u>(1,479,326)</u>	<u>578,150</u>	<u>(163,952)</u>	<u>(1,065,128)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Purchases of investments	10,953	8,355		19,308	(1,171,641)
Interest on investments	31,169	53,299	140	84,608	476,838
Net cash provided by (used in) investing activities	<u>42,122</u>	<u>61,654</u>	<u>140</u>	<u>103,916</u>	<u>(694,803)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>404,264</b>	<b>488,304</b>	<b>158,832</b>	<b>1,051,400</b>	<b>(1,272,968)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b><u>3,348,515</u></b>	<b><u>4,474,781</u></b>	<b><u>17,952</u></b>	<b><u>7,841,248</u></b>	<b><u>4,875,670</u></b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 3,752,779</u></b>	<b><u>\$ 4,963,085</u></b>	<b><u>\$ 176,784</u></b>	<b><u>\$ 8,892,648</u></b>	<b><u>\$ 3,602,702</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:</b>					
Operating income (loss)	\$ 77,954	\$ (648,499)	\$ (268,963)	\$ (839,508)	\$ (81,451)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,688,981	2,913,646	121,385	4,724,012	
Loss on disposal of capital assets	152,434	250,810		403,244	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(291,267)	(944,686)		(1,235,953)	(925,372)
(Increase) decrease in due from other funds	16,765	(2,117,808)	(21,685)	(2,122,728)	(190,968)
(Increase) decrease in other assets				-	25
Increase (decrease) in accounts payable and accrued items	172,303	311,769	36,901	520,973	641,704
Increase (decrease) in compensated absences	24,298	83,268	17,361	124,927	
Increase (decrease) in due to other funds			437,645	437,645	(22,103)
Total adjustments	<u>1,763,514</u>	<u>496,999</u>	<u>591,607</u>	<u>2,852,120</u>	<u>(496,714)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ 1,841,468</u></b>	<b><u>\$ (151,500)</u></b>	<b><u>\$ 322,644</u></b>	<b><u>\$ 2,012,612</u></b>	<b><u>\$ (578,165)</u></b>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Construction in progress completed	<u>\$ (104,167)</u>	<u>\$ (43,621,655)</u>	<u>(174,950)</u>	<u>\$ (43,900,772)</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, 2011

	<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	\$ 11,675,924	\$ 185,396	\$ 192,297	\$ 2,683,964
Investments, at fair value:				
Stocks and options	116,549,003	1,950,254		
Fixed income securities	72,139,461	2,488,247	73,736	
Mutual funds	11,063,581	585,454		
Preferreds/fixed rate cap secs	93,222			
Other	36,788,349	149,835		213,493
Total investments	<u>236,633,616</u>	<u>5,173,790</u>	<u>73,736</u>	<u>213,493</u>
Accounts receivable	<u>463,523</u>			
Total assets	<u>248,773,063</u>	<u>5,359,186</u>	<u>266,033</u>	<u>\$ 2,897,457</u>
Liabilities:				
Other liabilities	<u>2,670</u>	<u>22,175</u>		<u>\$ 2,897,457</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 248,770,393</u>	<u>\$ 5,337,011</u>	<u>\$ 266,033</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, 2011

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund Scholarship Fund</u>
Additions:			
Contributions:			
Employer	\$ 6,614,178	\$ 3,351,825	\$
Plan members	3,015,721	3,081,521	
Donations and other		162,764	72,205
Total contributions	<u>9,629,899</u>	<u>6,596,110</u>	<u>72,205</u>
Investment earnings:			
Net increase in fair value of investments	36,550,219	395,317	
Interest and dividends	6,583,824	103,369	6,082
Total investment earnings	<u>43,134,043</u>	<u>498,686</u>	<u>6,082</u>
Less investment expenses:			
Investment management fees	1,324,914	7,329	
Net investment earnings	<u>41,809,129</u>	<u>491,357</u>	<u>6,082</u>
Total additions	<u>51,439,028</u>	<u>7,087,467</u>	<u>78,287</u>
Deductions:			
Benefits	18,754,577	4,255,225	16,334
Administrative expense	89,002	178,113	
Other	160,550	23,983	
Total deductions	<u>19,004,129</u>	<u>4,457,321</u>	<u>16,334</u>
Change in Net Assets	32,434,899	2,630,146	61,953
Net Assets at Beginning of Year	<u>216,335,494</u>	<u>2,706,865</u>	<u>204,080</u>
Net Assets at End of Year	<u>\$ 248,770,393</u>	<u>\$ 5,337,011</u>	<u>\$ 266,033</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 *State and Federal Education Grants Fund* is used to account for education related grants from the State and Federal Government. The major source of revenue for this fund is federal and state grants.



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 Fund* accounts for assets held by the City in a trustee capacity for various scholarship 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 (City Council).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable. 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 unreserved, undesignated fund balance of the City must equal at least one month's expenditures or 8.33% of the City's most recent approved operating budget. The City is currently in the process of revising this policy to conform to the language contained in 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 \$220,101 for the Sewer Fund during the year ended June 30, 2011, 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	\$ 173,031,978	\$ 169,588,638	\$ 17,719,067
Encumbrances outstanding at June 30, 2010, liquidated during the year ended June 30, 2011		27,098	
Excess cost (net for budgetary)	1,532,721	1,532,721	
Charges for services (net for budgetary)	614,213	614,213	
BABs subsidy	225,131	225,131	
State Teachers' Retirement on-behalf payment	8,079,332	8,079,332	
GASB 54 combined funds	<u>88,119</u>	<u>59,374</u>	<u>547,194</u>
Balance, GAAP Basis	<u>\$ 183,571,494</u>	<u>\$ 180,126,507</u>	<u>\$ 18,266,261</u>

## **B. Deficit Fund Equity**

For the year ended June 30, 2011, the following funds had deficit balances:

Nonmajor Enterprise Fund:		
George Hunter Memorial Golf Course	\$	697,099
Nonmajor Governmental Funds:		
Capital and Nonrecurring		53,961
Internal Service Fund:		
Workers' Compensation Fund		6,544,209

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) and the State Tax Exempt Proceeds Fund (TEPF). 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*, \$58,585,193 of the City's bank balance of \$61,421,367 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 52,591,673
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>6,093,520</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 58,685,193</u>

## Cash Equivalents

At June 30, 2011, the City's cash equivalents amounted to \$10,767,168. 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>
Reich and Tang Tax Exempt Proceeds Fund	*
State Short-Term Investment Fund (STIF)	AAAm
Wachovia (Pension funds)	*
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Multi-Bank Securities, Inc.	*
Northern Capital Securities Corp.	*
Stifel Nicolaus & Company, Incorporated	*

\*Not rated

## Investments

As of June 30, 2011, 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	\$ 12,020,201	\$ 12,020,201	\$	\$	\$
U.S. Government Agencies	AAA	847				847
U.S. Treasury Bonds	AAA	53,594			53,594	
Corporate and Foreign Bonds	AAA	52,559,755		14,315,517	32,236,987	6,007,251
Corporate and Foreign Bonds	AA2	794,826			794,826	
Corporate and Foreign Bonds	AA3	1,798,120			1,798,120	
Corporate and Foreign Bonds	A1	3,441,934			3,441,934	
Corporate and Foreign Bonds	A2	4,689,045		2,172,822	2,516,223	
Corporate and Foreign Bonds	A3	1,225,732		25,869	1,199,863	
Corporate and Foreign Bonds	Baa1	980,360			980,360	
Corporate and Foreign Bonds	Baa2	1,078,245		671,250	406,995	
Corporate and Foreign Bonds	N/A	7,023,852			7,023,852	
Certificates of Deposit	N/A	8,175,061			8,175,061	
Common Equity Securities	N/A	707,005	707,005			
Preferred Equity Securities	N/A	186,508	186,508			
Fixed Income Securities	N/A	834,994			643,266	191,728
Taxable Fixed Income Funds	N/A	3,675,753	126,453		3,549,300	
Closed End Fixed Income	N/A	23,787	23,787			
Stocks and Options	N/A	122,925,561	122,925,561			
Other	N/A	36,938,364	36,938,364			
Total Investments		\$ 259,133,544	\$ 172,927,879	\$ 17,185,458	\$ 62,820,381	\$ 6,199,826

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, 2011, 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 Depository 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, 2011 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>Total</b>
	<b>General Fund</b>	<b>State and Federal Education Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor and Fiduciary Funds</b>	
Property taxes	\$ 7,524,950	\$	\$	\$	\$ 7,524,950
Accounts	616,899		18,032	477,459	1,112,390
Intergovernmental	81,152	25,362	91,666	1,392,241	1,590,421
Loans			1,257,031	2,671,784	3,928,815
Gross receivables	<u>8,223,001</u>	<u>25,362</u>	<u>1,366,729</u>	<u>4,541,484</u>	<u>14,156,576</u>
Less: Allowance for collection losses	<u>3,994,266</u>			<u>221,317</u>	<u>4,215,583</u>
Net Total Receivables	<u>\$ 4,228,735</u>	<u>\$ 25,362</u>	<u>\$ 1,366,729</u>	<u>\$ 4,320,167</u>	<u>\$ 9,940,993</u>
	<b>Business-Type Funds</b>				
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Total</b>		
Use charges	\$ 1,601,434	\$ 1,803,725	\$ 3,405,159		
Assessments		20,222	20,222		
Unbilled	2,252,138	2,322,852	4,574,990		
Other	7,593	3,831	11,424		
Gross receivables	<u>3,861,165</u>	<u>4,150,630</u>	<u>8,011,795</u>		
Less: Allowance for collection losses	<u>103,264</u>	<u>120,483</u>	<u>223,747</u>		
Net Total Receivables	<u>\$ 3,757,901</u>	<u>\$ 4,030,147</u>	<u>\$ 7,788,048</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	\$ 2,991,871	\$
Property taxes collected in advance		1,500,240
Loan receivable	1,512,054	
Other receivable		4,407
Education Grants:		
Advances on grants		304,036
Bonded Projects:		
Loans receivable	1,257,031	
Bond premium		326,667
Nonmajor governmental funds:		
Loans receivable	<u>2,450,466</u>	<u>                    </u>
Total Deferred Revenue for Governmental Funds	\$ <u>8,211,422</u>	\$ <u>2,135,350</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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	\$ 21,714,745	\$ 167,534	\$	\$ 21,882,279
Construction in progress	2,648,088	3,154,214	1,724,934	4,077,368
Total capital assets not being depreciated	<u>24,362,833</u>	<u>3,321,748</u>	<u>1,724,934</u>	<u>25,959,647</u>
Capital assets being depreciated:				
Land improvements	17,452,234	705,017		18,157,251
Buildings and improvements	178,900,334	1,659,210	104,215	180,455,329
Machinery and equipment	9,510,741	602,419	23,800	10,089,360
Vehicles	10,853,052	1,431,403	152,627	12,131,828
Infrastructure	87,957,252	1,090,472		89,047,724
Total capital assets being depreciated	<u>304,673,613</u>	<u>5,488,521</u>	<u>280,642</u>	<u>309,881,492</u>
Less accumulated depreciation for:				
Land improvements	8,935,092	666,767		9,601,859
Buildings and improvements	69,762,880	4,104,708	104,215	73,763,373
Machinery and equipment	6,883,929	510,710	16,858	7,377,781
Vehicles	8,731,079	709,225	152,627	9,287,677
Infrastructure	51,761,730	2,884,877		54,646,607
Total accumulated depreciation	<u>146,074,710</u>	<u>8,876,287</u>	<u>273,700</u>	<u>154,677,297</u>
Total capital assets being depreciated, net	<u>158,598,903</u>	<u>(3,387,766)</u>	<u>6,942</u>	<u>155,204,195</u>
Governmental Activities Capital Assets, Net	<u>\$ 182,961,736</u>	<u>\$ (66,018)</u>	<u>\$ 1,731,876</u>	<u>\$ 181,163,842</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,035,531	\$ 53,000	\$	\$ 1,088,531
Construction in progress	44,300,961	2,235,338	43,900,772	2,635,527
Total capital assets not being depreciated	<u>45,336,492</u>	<u>2,288,338</u>	<u>43,900,772</u>	<u>3,724,058</u>
Capital assets being depreciated:				
Land improvements	6,126,879	5,750,829	124,069	11,753,639
Buildings and improvements	42,146,706	26,569,687	327,273	68,389,120
Machinery and equipment	14,200,220	13,648,337	894,677	26,953,880
Vehicles	1,924,250			1,924,250
Infrastructure	118,657,320	522,000		119,179,320
Total capital assets being depreciated	<u>183,055,375</u>	<u>46,490,853</u>	<u>1,346,019</u>	<u>228,200,209</u>
Less accumulated depreciation for:				
Land improvements	1,239,772	424,720	23,920	1,640,572
Buildings and improvements	26,086,333	1,368,926	68,569	27,386,690
Machinery and equipment	10,048,515	1,032,676	850,286	10,230,905
Vehicles	1,700,631	65,566		1,766,197
Infrastructure	53,050,399	1,832,124		54,882,523
Total accumulated depreciation	<u>92,125,650</u>	<u>4,724,012</u>	<u>942,775</u>	<u>95,906,887</u>
Total capital assets being depreciated, net	<u>90,929,725</u>	<u>41,766,841</u>	<u>403,244</u>	<u>132,293,322</u>
Business-Type Activities Capital Assets, Net	<u>\$ 136,266,217</u>	<u>\$ 44,055,179</u>	<u>\$ 44,304,016</u>	<u>\$ 136,017,380</u>

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

Governmental activities:	
General government	\$ 353,042
Education	3,383,282
Public safety	782,079
Public works	3,468,627
Recreation	734,118
Human services	<u>155,139</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>8,876,287</u></u>
 Business-type activities:	
Water Authority	\$ 1,688,981
Sewer Authority	2,913,646
Golf Course	<u>121,385</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>4,724,012</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, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Fund	\$ 569,777
	Nonmajor Proprietary Fund	<u>2,746,246</u>
		3,316,023
Water Fund	Bonded Projects Fund	6,057,154
Sewer Fund	Bonded Projects Fund	3,174,837
Nonmajor Proprietary Fund	Bonded Projects Fund	21,685
Internal Service Funds	General Fund	<u>190,968</u>
		 \$ <u><u>12,760,667</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>Nonmajor Governmental Funds</b>	
Transfers out:			
General Fund	\$	\$ 10,000	\$ 10,000
Bonded Projects Fund	387,256		387,256
Nonmajor Governmental Funds	<u>211,204</u>		<u>211,204</u>
Total Transfers In	<u>\$ 598,460</u>	<u>\$ 10,000</u>	<u>\$ 608,460</u>

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 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	\$ 68,666,078	\$ 18,764,086	\$ 9,542,003	\$ 77,888,161	\$ 8,959,161
Premium on bonds	3,448,574		249,295	3,199,279	
Deferred amount in refunding	(1,995,765)		(144,272)	(1,851,493)	
Compensated absences	17,083,352	2,156,579	1,042,039	18,197,892	747,276
Workman's compensation	1,978,090	4,209,073	3,820,965	2,366,198	788,733
Heart and hypertension	4,032,520	1,089,831	785,691	4,336,660	1,445,554
Landfill post-closure monitoring	1,136,156		179,074	957,082	15,000
Net pension obligation	25,454,199	6,067,791	6,124,728	25,397,262	
OPEB obligation	26,318,326	10,984,963	3,351,825	33,951,464	
Pollution remediation	7,000,000		300,000	6,700,000	
Claims and judgments	<u>750,000</u>	<u>700,000</u>	<u>250,000</u>	<u>1,200,000</u>	<u>500,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 153,871,530</u>	<u>\$ 43,972,323</u>	<u>\$ 25,501,348</u>	<u>\$ 172,342,505</u>	<u>\$ 12,455,724</u>
Business-Type Activities:					
General obligation bonds	\$ 16,778,922	\$ 3,565,914	\$ 1,927,997	\$ 18,416,839	\$ 1,805,839
Premium on bonds	550,294		39,780	510,514	
Deferred amount in refunding	(384,789)		(27,816)	(356,973)	
Compensated absences	1,520,821	124,927		1,645,748	167,102
Clean water fund notes	<u>34,459,080</u>	<u>3,126,756</u>	<u>144,592</u>	<u>37,441,244</u>	<u>2,678,387</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 52,924,328</u>	<u>\$ 6,817,597</u>	<u>\$ 2,084,553</u>	<u>\$ 57,657,372</u>	<u>\$ 4,651,328</u>

For the governmental activities, compensated absences 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, 2011</u>
Governmental:						
General purpose:						
General obligation	8/1/96	8/1/16	4.25-6.25%	\$ 21,997,500	\$ various	\$ 175,000
General obligation	8/1/02	8/1/12	3-5%	37,936,400	various	2,492,217
General obligation	10/1/02	8/1/12	5.60%	600,000	various	120,000
General obligation	4/15/03	4/15/12	3-5%	520,000	various	50,000
General obligation	8/1/04	8/1/12	3-5%	33,433,300	various	2,441,944
General obligation	8/1/06	8/1/16	4.125-5%	16,134,700	various	10,320,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	11,755,000
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	18,077,000
Total governmental activities						<u>77,888,161</u>
Business-Type:						
General purpose:						
General obligation	8/1/02	8/1/12	3-5%	1,263,600	various	77,783
General obligation	8/1/04	8/1/12	3-5%	6,231,700	various	593,056
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	2,220,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	6,425,000
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	3,433,000
Total business-type activities						<u>18,416,839</u>
Total Outstanding						<u>\$ 96,305,000</u>

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2012	\$ 8,959,161	\$ 2,971,161	\$ 1,805,839	\$ 723,239
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	95,279
2028	2,021,000	181,131	764,000	61,480
2029	2,021,000	95,723	764,000	27,199
2030	954,000	35,656	181,000	6,765
Total	\$ <u>77,888,161</u>	\$ <u>20,127,591</u>	\$ <u>18,416,839</u>	\$ <u>5,988,474</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$3,069,607 for governmental activities and \$583,354 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 \$41,958,037 at June 30, 2011. The outstanding balance of the defeased bonds as of June 30, 2011 is \$39,905,000.

### **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>
2012	\$ 2,678,387	\$ 705,718
2013	1,648,502	659,425
2014	1,620,835	626,178
2015	1,593,802	593,478
2016	1,625,395	561,314
2017-2030	27,169,536	4,146,799
Not yet determined	<u>1,104,787</u>	<u>Unknown</u>
	<u>\$ 37,441,244</u>	<u>\$ 7,292,912</u>

### **Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2011 is \$54,047,182. 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 \$957,082, 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, 2011. 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 Factory H. Management has estimated this liability taking in to account data based on estimates from the engineering department. Management anticipates possible recoveries from the State and Federal government. Provision for the recovery amount has not been factored into the liability because it is too early to determine.

## 8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Education Grants Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$ 133,373	\$	\$	90,375	\$ 223,748
Permanent fund principal				431,547	431,547
Restricted for:					
Enabling legislation	825,001				825,001
Federal and State grants		444,222		1,735,811	2,180,033
Capital projects			2,246,771		2,246,771
Trust				1,644,095	1,644,095
Assigned to:					
Capital projects			4,866,537		4,866,537
Committed to:					
Capital projects				206,002	206,002
Education				1,227,906	1,227,906
General government				91,808	91,808
Unassigned	<u>17,307,887</u>			<u>(53,961)</u>	<u>17,253,926</u>
Total Fund Balances	<u>\$ 18,266,261</u>	<u>\$ 444,222</u>	<u>\$ 7,113,308</u>	<u>\$ 5,373,583</u>	<u>\$ 31,197,374</u>

The City had no encumbrances as of June 30, 2011.

## 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, 2011.

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>				
2011-10	\$ 6,010,610	\$ 5,298,904	\$ 4,606,656	\$ 6,702,858
2010-09	4,992,615	5,544,631	4,526,636	6,010,610
<b>Health Insurance</b>				
2011-10	\$ 1,584,845	\$ 20,709,721	\$ 20,669,721	\$ 1,624,845
2010-09	1,643,354	19,580,306	19,638,815	1,584,845

## 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:

<b>Provisions</b>	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
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 60% 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).	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 - 6% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 6.5% of earnings (includes 2.5% 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, 2011 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	\$ 5,948,096	\$ 2,931,078	\$ 2,499,641	\$ 81,293	\$ 127,173	\$ 88,643	\$ 11,675,924
Interest receivable	252,937	113,639	93,343	3,450	111	43	463,523
<b>Investments, at fair value:</b>							
Stocks and options	64,515,772	28,063,764	23,051,567	879,862	27,531	10,507	116,549,003
Fixed income securities	39,562,315	17,576,469	14,437,304	539,549	17,243	6,581	72,139,461
Mutual funds	6,046,920	2,706,997	2,223,526	82,468	2,656	1,014	11,063,581
Preferreds/fixed rate cap secs	51,741	22,370	18,375	706	22	8	93,222
Other	19,888,868	9,122,585	7,493,287	271,244	8,949	3,416	36,788,349
Total investments	130,065,616	57,492,185	47,224,059	1,773,829	56,401	21,526	236,633,616
Total assets	136,266,649	60,536,902	49,817,043	1,858,572	183,685	110,212	248,773,063
<b>Liabilities:</b>							
Other liabilities	890	890	890				2,670
<b>Net Assets:</b>							
Held in Trust for Pension							
Benefits and Other Purposes	\$ 136,265,759	\$ 60,536,012	\$ 49,816,153	\$ 1,858,572	\$ 183,685	\$ 110,212	\$ 248,770,393

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 489,450	\$ 3,683,113	\$ 2,441,615	\$	\$	\$	\$ 6,614,178
Plan members	1,443,589	310,185	307,505	748,545	103,395	102,502	3,015,721
Total contributions	<u>1,933,039</u>	<u>3,993,298</u>	<u>2,749,120</u>	<u>748,545</u>	<u>103,395</u>	<u>102,502</u>	<u>9,629,899</u>
Investment earnings:							
Net increase in fair value of investments	19,883,007	8,986,281	7,409,363	259,826	8,498	3,244	36,550,219
Dividends and interest	3,662,154	1,574,018	1,297,738	47,857	1,489	568	6,583,824
Total investment earnings	23,545,161	10,560,299	8,707,101	307,683	9,987	3,812	43,134,043
Less investment expenses:							
Investment management fees	739,761	320,725	264,428				1,324,914
Net investment earnings	<u>22,805,400</u>	<u>10,239,574</u>	<u>8,442,673</u>	<u>307,683</u>	<u>9,987</u>	<u>3,812</u>	<u>41,809,129</u>
Total additions	<u>24,738,439</u>	<u>14,232,872</u>	<u>11,191,793</u>	<u>1,056,228</u>	<u>113,382</u>	<u>106,314</u>	<u>51,439,028</u>
Deductions:							
Benefits	6,788,609	5,874,394	4,542,122	1,149,160	249,282	151,010	18,754,577
Administration	26,305	26,304	26,305	9,667	304	117	89,002
Other	144,634	9,083	6,833				160,550
Total deductions	<u>6,959,548</u>	<u>5,909,781</u>	<u>4,575,260</u>	<u>1,158,827</u>	<u>249,586</u>	<u>151,127</u>	<u>19,004,129</u>
Change in net assets	17,778,891	8,323,091	6,616,533	(102,599)	(136,204)	(44,813)	32,434,899
Net Assets at Beginning of Year	<u>118,486,868</u>	<u>52,212,921</u>	<u>43,199,620</u>	<u>1,961,171</u>	<u>319,889</u>	<u>155,025</u>	<u>216,335,494</u>
Net Assets at End 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>

## 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, 2011 were as follows:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution (ARC)	\$ 479,981	\$ 3,683,113	\$ 2,441,615
Interest on net pension obligation (asset)	(25,964)	1,028,214	1,008,122
Adjustment to annual required contribution	<u>44,766</u>	<u>(1,056,963)</u>	<u>(1,036,310)</u>
Annual pension cost	498,783	3,654,364	2,413,427
Contributions made	<u>489,450</u>	<u>3,683,113</u>	<u>2,441,615</u>
Increase (decrease) in net pension obligation	9,333	(28,749)	(28,188)
Net pension obligation (asset), beginning of year	<u>(324,550)</u>	<u>12,852,672</u>	<u>12,601,527</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (315,217)</u>	<u>\$ 12,823,923</u>	<u>\$ 12,573,339</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>			
6/30/11	\$ 498,783	98.13 %	\$ (315,217)
6/30/10	368,551	98.30	(324,550)
6/30/09	775,195	98.60	(330,669)
<b>Police Pension Plan</b>			
6/30/11	\$ 3,654,364	100.79 %	\$ 12,823,923
6/30/10	3,485,193	104.60	12,852,672
6/30/09	3,434,881	103.60	13,014,329
<b>Firefighters' Pension Plan</b>			
6/30/11	\$ 2,413,427	101.17 %	\$ 12,573,339
6/30/10	2,260,736	107.00	12,601,527
6/30/09	2,344,765	105.10	12,760,025

## Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Under Funded AAL as a % of Covered Payroll ((a-b)/c)</b>
<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

<b>Fiscal Year Ended</b>	<b>Employees' Retirement Plan</b>		<b>Police Pension Plan</b>		<b>Firefighters' Pension Plan</b>	
	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
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	3,601,118	100.3	2,605,081	100.4
6/30/06	74,741	N/A	3,540,516	91.5	2,574,201	85.7

## **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 \$50,825,952.

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, 2011, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$8,079,332 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:

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

\* 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 are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City	2.00% of salary
Non-Teacher BOE	2.50% of salary
Police	2.50% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2011, plan members contributed \$3,081,512. 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 \$3,351,825 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)	\$ 11,043,833
Interest on net OPEB obligation	2,105,466
Adjustment to annual required contribution	<u>(2,164,336)</u>
Annual OPEB cost (expense)	10,984,963
Contributions made	<u>3,351,825</u>
Increase in net OPEB obligation	7,633,138
Net OPEB obligation, beginning of year	<u>26,318,326</u>
Net OPEB Obligation, End of Year	<u>\$ 33,951,464</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, 2011 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 (Asset)</b>
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
6/30/2009	10,672,816	3,516,897	32.95	18,707,053

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 Accrued 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>
6/30/2011	\$ 11,043,833	30.35
6/30/2010	10,871,305	29.60
6/30/2009	10,698,778	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, 2011. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Hanover Elementary School Addition	\$ 198,455
City Street Reconstruction	543,605
Bridges Reconstruction Design	127,043
Sewer Repair Projects	436,120
Engineering - Landfill Closure	150,144
Traffic Signal Upgrade Program	112,730
Flood City - Wide Drainage Projects	522,925
Citywide Drainage	7,600
Sodom Brook Trail	53,469
Paving Program	221,801
Police Radio System Upgrade	256,227
Dev & Enf Demolition/Acquisition Program	1,800
City Buildings Renovations	176,411
Parks Department Equipment	398,751
Sidewalk Program	20,100
WPCF - Facility/BNR Improvements	685,951
Water Upgrades / Evaluations	522,635
Water Department Equipment	4,488
	<u>\$ 4,440,255</u>

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

### 13. PRIOR PERIOD ADJUSTMENTS

#### Water and Sewer Fund Capital Assets

The City conducted an inventory in the current year for the water and sewer departments, which resulted in a restatement of capital assets. The Water Fund's capital assets decreased \$49,596 and net assets decreased by the same amount. The Sewer Fund's capital assets increased by \$116,243 and its net assets increased by the same amount. The beginning net assets of business-type activities increased by the net of \$66,647.

#### Bonded Projects

Expenditures were incorrectly posted to the bonded projects fund resulting in a decrease in fund balance of \$1,512,054.

#### New Accounting Standard

During the year, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This required the City to review its special revenue funds and determine if they have a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, various special revenue funds did not meet those requirements and are now reported as part of the General Fund.

The beginning fund balances for the following funds were restated:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Balance at June 30, 2010	\$ 14,302,825	\$ 5,403,307
Insurance Reserve Fund	172,881	(172,881)
Tree Preservation Fund	122,319	(122,319)
Downtown Property Management	203,082	(203,082)
Vehicle Replacement Fund	<u>20,167</u>	<u>(20,167)</u>
Balance at July 1, 2010	<u>\$ 14,821,274</u>	<u>\$ 4,884,858</u>



**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Current years' levy	\$ 105,119,283	\$ 105,119,283	\$ 104,943,987	\$ (175,296)
Prior years' levies	2,412,913	2,412,913	2,247,680	(165,233)
Prior years' tax settlement			(272,043)	(272,043)
Motor vehicle supplement	900,000	900,000	780,761	(119,239)
Suspense	25,000	25,000	24,454	(546)
Interest and liens	1,130,000	1,130,000	1,033,890	(96,110)
Total property taxes	<u>109,587,196</u>	<u>109,587,196</u>	<u>108,758,729</u>	<u>(828,467)</u>
Intergovernmental:				
State grants for education	47,865,132	47,865,132	48,293,735	428,603
Other state grants	4,835,178	5,060,307	4,550,799	(509,508)
Total intergovernmental	<u>52,700,310</u>	<u>52,925,439</u>	<u>52,844,534</u>	<u>(80,905)</u>
Charges for services:				
Licenses and permits and fines	179,715	179,715	178,611	(1,104)
Department fees and other	3,718,265	3,718,265	3,381,300	(336,965)
Rents	162,252	162,252	129,252	(33,000)
Total charges for services	<u>4,060,232</u>	<u>4,060,232</u>	<u>3,689,163</u>	<u>(371,069)</u>
Investment income	<u>686,355</u>	<u>686,355</u>	<u>319,826</u>	<u>(366,529)</u>
Miscellaneous revenues	<u>2,340,263</u>	<u>2,340,265</u>	<u>6,821,266</u>	<u>4,481,001</u>
Other financing sources:				
Appropriation of fund balance	1,000,000	1,000,000	1,000,000	-
Transfers in	448,460	448,460	598,460	150,000
Total other financing sources	<u>1,448,460</u>	<u>1,448,460</u>	<u>1,598,460</u>	<u>150,000</u>
Total revenues and other financing sources	<u>170,822,816</u>	<u>171,047,947</u>	<u>174,031,978</u>	<u>2,984,031</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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
City council	\$ 225,517	\$ 215,539	\$ 215,300	\$ 239
City manager	605,179	548,157	548,155	2
Legal	676,255	726,046	726,041	5
Personnel	252,581	235,081	233,614	1,467
City clerk	421,051	408,551	404,764	3,787
Aviation	41,028	41,632	41,632	-
Elections	250,076	289,710	289,706	4
Insurance	2,698,096	2,698,096	2,695,666	2,430
Employee benefits	19,236,986	18,876,078	18,185,730	690,348
Finance general administration	2,661,355	2,767,344	2,710,619	56,725
Capital equipment	556,250	773,450	769,488	3,962
Management information systems	827,793	896,505	896,486	19
Development and enforcement	642,089	691,808	691,805	3
Inland wetlands	1,500	1,255	1,255	-
Parking	141,073	126,073	122,431	3,642
Contingency	408,000	181,167		181,167
Total general government	<u>29,644,829</u>	<u>29,476,492</u>	<u>28,532,692</u>	<u>943,800</u>
Finance:				
Finance	659,219	716,634	716,627	7
Purchasing	253,986	239,573	239,348	225
Tax collector/Assessor	1,125,291	1,110,658	1,110,653	5
Board of assessment appeals	3,250	2,500	2,500	-
Total finance	<u>2,041,746</u>	<u>2,069,365</u>	<u>2,069,128</u>	<u>237</u>
Public safety:				
Police	11,861,084	11,890,912	11,869,852	21,060
Fire	8,268,877	8,408,887	8,408,879	8
Emergency communications	973,021	1,020,290	1,020,287	3
South Meriden volunteer fire	72,220	72,220	67,634	4,586
Emergency management	18,044	10,544	9,180	1,364
Total public safety	<u>21,193,246</u>	<u>21,402,853</u>	<u>21,375,832</u>	<u>27,021</u>
Public works:				
Engineering	841,304	833,297	833,293	4
Garage and warehouse	432,178	429,642	429,636	6
Traffic engineering	449,412	411,077	411,072	5
Highway safety	1,889,765	2,267,888	2,267,877	11
Transfer station	122,500	110,903	110,898	5
Waste collection	1,522,165	1,454,890	1,454,888	2
Bulky waste	177,815	156,513	156,507	6
Building maintenance	1,103,362	1,171,281	1,171,274	7
Total public works	<u>6,538,501</u>	<u>6,835,491</u>	<u>6,835,445</u>	<u>46</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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Health	\$ 2,046,036	\$ 1,918,451	\$ 1,914,695	\$ 3,756
Social services	197,531	171,575	171,344	231
Senior center	481,521	499,367	499,364	3
Youth services	148,176	148,871	148,871	-
Total health and welfare	<u>2,873,264</u>	<u>2,738,264</u>	<u>2,734,274</u>	<u>3,990</u>
Culture and recreation:				
Library	2,036,089	2,036,089	1,998,854	37,235
Parks	1,548,079	1,532,028	1,532,023	5
Recreation	418,070	413,798	403,798	10,000
Total culture and recreation	<u>4,002,238</u>	<u>3,981,915</u>	<u>3,934,675</u>	<u>47,240</u>
Education:				
Board of Education	91,935,287	91,935,287	91,724,045	211,242
School building committee	1,501	1,501	900	601
Total education	<u>91,936,788</u>	<u>91,936,788</u>	<u>91,724,945</u>	<u>211,843</u>
Debt service:				
Principal retirement	9,590,417	9,542,003	9,542,003	-
Interest	2,989,287	3,054,776	2,829,644	225,132
Total debt service	<u>12,579,704</u>	<u>12,596,779</u>	<u>12,371,647</u>	<u>225,132</u>
Other financing uses:				
Transfers out	<u>12,500</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>170,822,816</u>	<u>171,047,947</u>	<u>169,588,638</u>	<u>1,459,309</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,443,340</u>	\$ <u>4,443,340</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.

**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.

**Meriden Humane Society** - To account for revenue received towards the operations of the humane society.

**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**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2011

	<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>Health Grants</b>	<b>Meals on Wheels Program</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 75,871	\$	\$	\$ 64,268	\$ 117,848	\$ 724,464	\$ 90,507
Investments							
Accounts receivable	40	46,843	555,430			300	
Inventory							
<b>Total Assets</b>	<b>\$ 75,911</b>	<b>\$ 46,843</b>	<b>\$ 555,430</b>	<b>\$ 64,268</b>	<b>\$ 117,848</b>	<b>\$ 724,764</b>	<b>\$ 90,507</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$	\$ 38,657	\$ 49,279	\$	\$ 36,439	\$ 13,549	\$ 12,192
Deferred revenue							
Due to other funds		4,802	442,708				
<b>Total liabilities</b>	<b>-</b>	<b>43,459</b>	<b>491,987</b>	<b>-</b>	<b>36,439</b>	<b>13,549</b>	<b>12,192</b>
<b>Fund Balances:</b>							
Nonspendable							
Restricted	75,911	3,384	63,443	64,268	81,409	711,215	
Committed							78,315
Unassigned							
<b>Total fund balances</b>	<b>75,911</b>	<b>3,384</b>	<b>63,443</b>	<b>64,268</b>	<b>81,409</b>	<b>711,215</b>	<b>78,315</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 75,911</b>	<b>\$ 46,843</b>	<b>\$ 555,430</b>	<b>\$ 64,268</b>	<b>\$ 117,848</b>	<b>\$ 724,764</b>	<b>\$ 90,507</b>

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

JUNE 30, 2011

	<u>Special Revenue Funds</u>							
	<u>Neighborhood Preservation (CDBG)</u>	<u>Neighborhood Preservation (Bonded)</u>	<u>Asset Forfeiture Fund</u>	<u>School Readiness</u>	<u>Law Enforcement Block Grant</u>	<u>Emergency Services Grant</u>	<u>Underage Drinking</u>	<u>Brownfield Assessment</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 182,772	\$ 3,811	\$ 282,302	\$ 137,315	\$	\$ 3,003	\$ 687	\$ 67,558
Investments								
Accounts receivable	1,891,125	559,342		218,527	6,335			
Inventory								
Total Assets	<u>\$ 2,073,897</u>	<u>\$ 563,153</u>	<u>\$ 282,302</u>	<u>\$ 355,842</u>	<u>\$ 6,335</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 67,558</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$ 10,488	\$ 226,188	\$ 1,716	\$	\$	\$
Deferred revenue	1,891,125	559,342						
Due to other funds					4,619			
Total liabilities	<u>1,891,125</u>	<u>559,342</u>	<u>10,488</u>	<u>226,188</u>	<u>6,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	182,772	3,811	271,814	129,654		3,003	687	67,558
Committed								
Unassigned								
Total fund balances	<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>	<u>67,558</u>
Total Liabilities and Fund Balances	<u>\$ 2,073,897</u>	<u>\$ 563,153</u>	<u>\$ 282,302</u>	<u>\$ 355,842</u>	<u>\$ 6,335</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 67,558</u>

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

JUNE 30, 2011

	<u>Special Revenue Funds</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>	<u>Misc. Grants Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 18,958	\$ 645,485	\$ 93,538	\$ 60,663	\$ 28	\$ 12,058	\$ 62	\$
Investments								
Accounts receivable	2,098	504,545						59,240
Inventory		90,375						
<b>Total Assets</b>	<b><u>\$ 21,056</u></b>	<b><u>\$ 1,240,405</u></b>	<b><u>\$ 93,538</u></b>	<b><u>\$ 60,663</u></b>	<b><u>\$ 28</u></b>	<b><u>\$ 12,058</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 59,240</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 19,621	\$ 86,784	\$	\$ 677	\$	\$	\$	\$ 458
Deferred revenue								
Due to other funds								57,318
<b>Total liabilities</b>	<b><u>19,621</u></b>	<b><u>86,784</u></b>	<b><u>-</u></b>	<b><u>677</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>57,776</u></b>
Fund Balances:								
Nonspendable		90,375						
Restricted							62	1,464
Committed	1,435	1,063,246	93,538	59,986	28	12,058		
Unassigned								
<b>Total fund balances</b>	<b><u>1,435</u></b>	<b><u>1,153,621</u></b>	<b><u>93,538</u></b>	<b><u>59,986</u></b>	<b><u>28</u></b>	<b><u>12,058</u></b>	<b><u>62</u></b>	<b><u>1,464</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 21,056</u></b>	<b><u>\$ 1,240,405</u></b>	<b><u>\$ 93,538</u></b>	<b><u>\$ 60,663</u></b>	<b><u>\$ 28</u></b>	<b><u>\$ 12,058</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 59,240</u></b>

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

JUNE 30, 2011

	Special Revenue Funds				Capital Project Funds			
	Summer Student Fund	NSP Program Fund	Meriden Humane Society 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	\$ 11,108	\$	\$ 12,000	\$	\$ 122	\$	\$ 205,880	\$ 75,356
Investments								
Accounts receivable		6,816		6,003				
Inventory								
<b>Total Assets</b>	<u>\$ 11,108</u>	<u>\$ 6,816</u>	<u>\$ 12,000</u>	<u>\$ 6,003</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 205,880</u>	<u>\$ 75,356</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 447	\$ 12,000	\$ 6,003	\$	\$	\$	\$
Deferred revenue								
Due to other funds		6,369				53,961		
<b>Total liabilities</b>	<u>-</u>	<u>6,816</u>	<u>12,000</u>	<u>6,003</u>	<u>-</u>	<u>53,961</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted								75,356
Committed	11,108				122		205,880	
Unassigned						(53,961)		
<b>Total fund balances</b>	<u>11,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>(53,961)</u>	<u>205,880</u>	<u>75,356</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,108</u>	<u>\$ 6,816</u>	<u>\$ 12,000</u>	<u>\$ 6,003</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 205,880</u>	<u>\$ 75,356</u>

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

JUNE 30, 2011

	Permanent Funds					Total
	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 27,070	\$ 96,505	\$ 148,991	\$ 8,627	\$ 3,256	\$ 3,170,113
Investments	553,679	1,024,923	212,591			1,791,193
Accounts receivable						3,856,644
Inventory						90,375
	\$ 580,749	\$ 1,121,428	\$ 361,582	\$ 8,627	\$ 3,256	\$ 8,908,325
Total Assets	\$ 580,749	\$ 1,121,428	\$ 361,582	\$ 8,627	\$ 3,256	\$ 8,908,325
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$ 514,498
Deferred revenue						2,450,467
Due to other funds						569,777
Total liabilities	-	-	-	-	-	3,534,742
Fund Balances:						
Nonspendable	50,000	50,000	327,530	1,017	3,000	521,922
Restricted	530,749	1,071,428	34,052	7,610	256	3,379,906
Committed						1,525,716
Unassigned						(53,961)
Total fund balances	580,749	1,121,428	361,582	8,627	3,256	5,373,583
Total Liabilities and Fund Balances	\$ 580,749	\$ 1,121,428	\$ 361,582	\$ 8,627	\$ 3,256	\$ 8,908,325

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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>Health Grants</b>	<b>Meals on Wheels Program</b>
Revenues:							
Intergovernmental revenues	\$	\$ 234,222	\$ 1,312,678	\$ 422,379	\$ 891,197	\$ 796,086	\$ 123,527
Charges for services	21,660					175,680	35,597
Investment income							
Other		835	6,337				3,171
Total revenues	<u>21,660</u>	<u>235,057</u>	<u>1,319,015</u>	<u>422,379</u>	<u>891,197</u>	<u>971,766</u>	<u>162,295</u>
Expenditures:							
General government	9,400		192,618				
Public safety			359,620				
Health and welfare			613,171	401,250	870,127	744,961	211,950
Culture and recreation			9,708				
Capital outlay		243,912					
Education							
Total expenditures	<u>9,400</u>	<u>243,912</u>	<u>1,175,117</u>	<u>401,250</u>	<u>870,127</u>	<u>744,961</u>	<u>211,950</u>
Excess (Deficiency) of Revenues over Expenditures	<u>12,260</u>	<u>(8,855)</u>	<u>143,898</u>	<u>21,129</u>	<u>21,070</u>	<u>226,805</u>	<u>(49,655)</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out						(200,000)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balances	12,260	(8,855)	143,898	21,129	21,070	26,805	(49,655)
Fund Balances at Beginning of Year	<u>63,651</u>	<u>12,239</u>	<u>(80,455)</u>	<u>43,139</u>	<u>60,339</u>	<u>684,410</u>	<u>127,970</u>
Fund Balances at End of Year	<u>\$ 75,911</u>	<u>\$ 3,384</u>	<u>\$ 63,443</u>	<u>\$ 64,268</u>	<u>\$ 81,409</u>	<u>\$ 711,215</u>	<u>\$ 78,315</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, 2011**

	<b>Special Revenue Funds</b>							
	<b>Neighborhood Preservation (CDBG)</b>	<b>Neighborhood Preservation (Bonded)</b>	<b>Asset Forfeiture Fund</b>	<b>School Readiness</b>	<b>Law Enforcement Block Grant</b>	<b>Emergency Services Grant</b>	<b>Underage Drinking</b>	<b>Brownfield Assessment</b>
Revenues:								
Intergovernmental revenues	\$	\$	\$ 204,457	\$ 2,698,166	\$ 97,398	\$	\$	\$ 41,818
Charges for services								
Investment income	310							
Other	58,252							80,000
Total revenues	<u>58,562</u>	<u>-</u>	<u>204,457</u>	<u>2,698,166</u>	<u>97,398</u>	<u>-</u>	<u>-</u>	<u>121,818</u>
Expenditures:								
General government	77,848	25,000						116,719
Public safety			28,862		72,990			
Health and welfare				2,696,999				
Culture and recreation								
Capital outlay			72,166					
Education								
Total expenditures	<u>77,848</u>	<u>25,000</u>	<u>101,028</u>	<u>2,696,999</u>	<u>72,990</u>	<u>-</u>	<u>-</u>	<u>116,719</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(19,286)</u>	<u>(25,000)</u>	<u>103,429</u>	<u>1,167</u>	<u>24,408</u>	<u>-</u>	<u>-</u>	<u>5,099</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out		(11,204)						
Total other financing sources (uses)	<u>-</u>	<u>(11,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,286)	(36,204)	103,429	1,167	24,408	-	-	5,099
Fund Balances at Beginning of Year	<u>202,058</u>	<u>40,015</u>	<u>168,385</u>	<u>128,487</u>	<u>(24,408)</u>	<u>3,003</u>	<u>687</u>	<u>62,459</u>
Fund Balances at End of Year	<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>	<u>\$ 67,558</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, 2011**

	<b>Special Revenue Funds</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>	<b>Misc. Grants Fund</b>
Revenues:								
Intergovernmental revenues	\$	\$ 3,068,863	\$	\$	\$	\$	\$	\$ 103,400
Charges for services	14,598	953,819	44,461	48,707				
Investment income		4,140	377					
Other		57,686					500	34,034
Total revenues	<u>14,598</u>	<u>4,084,508</u>	<u>44,838</u>	<u>48,707</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>137,434</u>
Expenditures:								
General government								
Public safety	25,481						496	29,111
Health and welfare								
Culture and recreation								18,324
Capital outlay								150,949
Education		4,072,971	60,014	52,254	1,260			
Total expenditures	<u>25,481</u>	<u>4,072,971</u>	<u>60,014</u>	<u>52,254</u>	<u>1,260</u>	<u>-</u>	<u>496</u>	<u>198,384</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,883)</u>	<u>11,537</u>	<u>(15,176)</u>	<u>(3,547)</u>	<u>(1,260)</u>	<u>-</u>	<u>4</u>	<u>(60,950)</u>
Other Financing Sources (Uses):								
Transfers in	10,000							
Transfers out								
Total other financing sources (uses)	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(883)	11,537	(15,176)	(3,547)	(1,260)	-	4	(60,950)
Fund Balances at Beginning of Year	<u>2,318</u>	<u>1,142,084</u>	<u>108,714</u>	<u>63,533</u>	<u>1,288</u>	<u>12,058</u>	<u>58</u>	<u>62,414</u>
Fund Balances at End of Year	<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>	<u>\$ 1,464</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, 2011

	Special Revenue Funds				Capital Project Funds			
	Summer Student Fund	NSP Program Fund	Meriden Humane Society Fund	Factory H Demolition Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	Planning Commission Subdivision Development
Revenues:								
Intergovernmental revenues	\$	\$ 458,140	\$	\$ 6,003	\$	\$	\$	\$
Charges for services			18,000					
Investment income								
Other						4,388		1,121
Total revenues	<u>-</u>	<u>458,140</u>	<u>18,000</u>	<u>6,003</u>	<u>-</u>	<u>4,388</u>	<u>-</u>	<u>1,121</u>
Expenditures:								
General government		357,901	18,000				44,650	
Public safety								
Health and welfare								
Culture and recreation								
Capital outlay				6,003				389
Education								
Total expenditures	<u>-</u>	<u>357,901</u>	<u>18,000</u>	<u>6,003</u>	<u>-</u>	<u>-</u>	<u>44,650</u>	<u>389</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>100,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,388</u>	<u>(44,650)</u>	<u>732</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	100,239	-	-	-	4,388	(44,650)	732
Fund Balances at Beginning of Year	<u>11,108</u>	<u>(100,239)</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>(58,349)</u>	<u>250,530</u>	<u>74,624</u>
Fund Balances at End of Year	<u>\$ 11,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ (53,961)</u>	<u>\$ 205,880</u>	<u>\$ 75,356</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, 2011**

	<b>Permanent Funds</b>					<b>Total</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>	
Revenues:						
Intergovernmental revenues	\$	\$	\$	\$	\$	\$ 10,458,334
Charges for services						1,312,522
Investment income	100,131	170,039	2,693	33	12	277,735
Other			88,910			335,234
Total revenues	<u>100,131</u>	<u>170,039</u>	<u>91,603</u>	<u>33</u>	<u>12</u>	<u>12,383,825</u>
Expenditures:						
General government	22,643	28,598				893,377
Public safety						516,560
Health and welfare						5,538,458
Culture and recreation			57,551			85,583
Capital outlay						473,419
Education						4,186,499
Total expenditures	<u>22,643</u>	<u>28,598</u>	<u>57,551</u>	<u>-</u>	<u>-</u>	<u>11,693,896</u>
Excess (Deficiency) of Revenues over Expenditures	<u>77,488</u>	<u>141,441</u>	<u>34,052</u>	<u>33</u>	<u>12</u>	<u>689,929</u>
Other Financing Sources (Uses):						
Transfers in						10,000
Transfers out						(211,204)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,204)</u>
Net Change in Fund Balances	77,488	141,441	34,052	33	12	488,725
Fund Balances at Beginning of Year	<u>503,261</u>	<u>979,987</u>	<u>327,530</u>	<u>8,594</u>	<u>3,244</u>	<u>4,884,858</u>
Fund Balances at End of Year	<u>\$ 580,749</u>	<u>\$ 1,121,428</u>	<u>\$ 361,582</u>	<u>\$ 8,627</u>	<u>\$ 3,256</u>	<u>\$ 5,373,583</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, 2011**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 15,834	\$ 3,586,868	\$ 3,602,702
Investments		3,969,581	3,969,581
Accounts receivable		925,372	925,372
Due from other funds	152,529	38,439	190,968
Other assets		8,450	8,450
Total assets	<u>168,363</u>	<u>8,528,710</u>	<u>8,697,073</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	9,714	29,915	39,629
Claims payable	2,234,286		2,234,286
Total current liabilities	<u>2,244,000</u>	<u>29,915</u>	<u>2,273,915</u>
<b>Noncurrent liabilities:</b>			
Claims incurred but not reported	<u>4,468,572</u>	<u>1,624,845</u>	<u>6,093,417</u>
Total liabilities	<u>6,712,572</u>	<u>1,654,760</u>	<u>8,367,332</u>
Total Net Assets	<u>\$ (6,544,209)</u>	<u>\$ 6,873,950</u>	<u>\$ 329,741</u>

## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Workers' Compensation Fund</u>	<u>Meriden Health Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 3,761,985	\$ 22,510,715	\$ 26,272,700
Other revenues	361,602	355,152	716,754
Total operating revenues	<u>4,123,587</u>	<u>22,865,867</u>	<u>26,989,454</u>
Operating Expenses:			
Claims	4,606,656	20,669,721	25,276,377
Administrative	183,648	1,261,454	1,445,102
Other expenses	6,136	343,290	349,426
Total operating expenses	<u>4,796,440</u>	<u>22,274,465</u>	<u>27,070,905</u>
Operating Income (Loss)	(672,853)	591,402	(81,451)
Nonoperating Revenues:			
Investment income	<u>1,653</u>	<u>475,185</u>	<u>476,838</u>
Change in Net Assets	(671,200)	1,066,587	395,387
Net Assets at Beginning of Year	<u>(5,873,009)</u>	<u>5,807,363</u>	<u>(65,646)</u>
Net Assets at End of Year	<u>\$ (6,544,209)</u>	<u>\$ 6,873,950</u>	<u>\$ 329,741</u>

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ 4,123,587	\$ 21,940,520	\$ 26,064,107
Receipts for interfund services provided	(152,529)	(38,439)	(190,968)
Payments to suppliers	(189,767)	(1,695,305)	(1,885,072)
Payments to vendors	(3,914,408)	(20,629,721)	(24,544,129)
Payments for interfund services used	(14,369)	(7,734)	(22,103)
Net cash used in operating activities	<u>(147,486)</u>	<u>(430,679)</u>	<u>(578,165)</u>
Cash Flows from Investing Activities:			
Purchases of investments		(1,171,641)	(1,171,641)
Interest on investments	1,653	475,185	476,838
Net cash provided by (used in) investing activities	<u>1,653</u>	<u>(696,456)</u>	<u>(694,803)</u>
Net Decrease in Cash and Cash Equivalents	(145,833)	(1,127,135)	(1,272,968)
Cash and Cash Equivalents at Beginning of Year	<u>161,667</u>	<u>4,714,003</u>	<u>4,875,670</u>
Cash and Cash Equivalents at End of Year	<u>\$ 15,834</u>	<u>\$ 3,586,868</u>	<u>\$ 3,602,702</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating income (loss)	\$ (672,853)	\$ 591,402	\$ (81,451)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		(925,372)	(925,372)
(Increase) decrease in due from other funds	(152,529)	(38,439)	(190,968)
(Increase) decrease in other assets		25	25
Increase (decrease) in accounts payable	17	(90,561)	(90,544)
Increase (decrease) in claims payable	692,248	40,000	732,248
Increase (decrease) in due to other funds	(14,369)	(7,734)	(22,103)
Total adjustments	<u>525,367</u>	<u>(1,022,081)</u>	<u>(496,714)</u>
Net Cash Used in Operating Activities	<u>\$ (147,486)</u>	<u>\$ (430,679)</u>	<u>\$ (578,165)</u>



# **Fiduciary Funds**

## **FIDUCIARY 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:

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

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>Project RAVE</b>				
Assets:				
Cash and cash equivalents	\$ 570	\$	\$ 570	\$ -
Liabilities:				
Deposits held for others	\$ 570	\$	\$ 570	\$ -
<b>Senior Trips Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 2,972	\$ 8,843	\$ 10,982	\$ 833
Liabilities:				
Deposits held for others	\$ 2,972	\$ 8,843	\$ 10,982	\$ 833
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 417,791	\$ 1,748,455	\$ 1,770,804	\$ 395,442
Investments	215,258	2,467	4,232	213,493
Total Assets	\$ 633,049	\$ 1,750,922	\$ 1,775,036	\$ 608,935
Liabilities:				
Deposits held for others	\$ 633,049	\$ 1,750,922	\$ 1,775,036	\$ 608,935

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## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 2,392,479	\$ 73,356	\$ 274,764	\$ 2,191,071
Liabilities:				
Deposits held for others	\$ 2,392,479	\$ 73,356	\$ 274,764	\$ 2,191,071
<b>Police Evidence Fund</b>				
Assets:				
Cash and cash equivalents	\$ 995,213	\$ 101,727	\$ 1,010,322	\$ 86,618
Liabilities:				
Deposits held for others	\$ 995,213	\$ 101,727	\$ 1,010,322	\$ 86,618
<b>Engineering Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 10,000	\$ -	\$ 10,000
Liabilities:				
Deposits held for others	\$ -	\$ 10,000	\$ -	\$ 10,000
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 3,809,025	\$ 1,942,381	\$ 3,067,442	\$ 2,683,964
Investments	215,258	2,467	4,232	213,493
Total Assets	\$ 4,024,283	\$ 1,944,848	\$ 3,071,674	\$ 2,897,457
Liabilities:				
Deposits held for others	\$ 4,024,283	\$ 1,944,848	\$ 3,071,674	\$ 2,897,457

## **Other Schedules**

**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Grand List of October 1,	Uncollected Balance July 1, 2010	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2011
						Taxes	Interest	Liens	Total	
1994	\$ 7,658	\$	\$ (7,658)	\$	\$ -	\$	\$	\$	\$ -	\$ -
1995	13,696		(11,136)	9,583	12,143	3,648	10,773		14,421	8,495
1996	11,580		(5,723)	8,041	13,898	3,572	9,976		13,548	10,326
1997	6,477		(5,502)	6,830	7,805	2,570	6,812		9,382	5,235
1998	256,729		(5,205)		251,524	2,226	4,915	24	7,165	249,298
1999	300,704		(8,320)		292,384	3,290	6,445	24	9,759	289,094
2000	392,498		(7,110)		385,388	4,751	8,880	24	13,655	380,637
2001	348,105		(4,196)		343,909	7,406	10,242	24	17,672	336,503
2002	400,427		(4,120)		396,307	9,802	16,257	568	26,627	386,505
2003	400,932		(11,626)		389,306	13,133	16,912	96	30,141	376,173
2004	589,114		(13,318)		575,796	23,524	22,506	297	46,327	552,272
2005	517,328		(15,344)		501,984	37,028	30,006	1,128	68,162	464,956
2006	418,708		(76,539)		342,169	12,912	43,036	3,240	59,188	329,257
2007	867,134		(75,759)		791,375	245,073	101,181	2,448	348,702	546,302
2008	2,653,029		(82,691)		2,570,338	1,701,272	300,562	13,254	2,015,088	869,066
Total prior years	7,184,119		(334,247)	24,454	6,874,326	2,070,207	588,503	21,127	2,679,837	4,804,119
2009		109,034,451	(454,958)		108,579,493	105,858,662	421,353	2,907	106,282,922	2,720,831
Total	\$ 7,184,119	\$ 109,034,451	\$ (789,205)	\$ 24,454	\$ 115,453,819	\$ 107,928,869	\$ 1,009,856	\$ 24,034	\$ 108,962,759	\$ 7,524,950

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Fiscal Year	Uncollected Balance July 1, 2010	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2011
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1995	\$ 2,386	\$	\$	\$ 517	\$ 1,869	\$	\$	\$	\$ -	\$ 1,869
1996	1,283				1,283	148			148	1,135
1997	1,411			1,018	393		4	24	28	393
1998	1,714			1,438	276				-	276
1999	1,214			1,154	60				-	60
2000	954			893	61				-	61
2001	1,562			806	756				-	756
2002	4,449			3,253	1,196				-	1,196
2003	3,668		91	1,601	2,158				-	2,158
2004	1,723		178	1,828	73		1	24	25	73
2005	1,006			285	721	694	710	168	1,572	27
2006	3,147			307	2,840	1,656	1,414	225	3,295	1,184
2007	16,157			332	15,825	7,040	3,262	912	11,214	8,785
2008	99,317		148	604	98,861	79,973	20,724	6,611	107,308	18,888
2009	<u>1,231,179</u>		<u>2,593</u>	<u>7,212</u>	<u>1,226,560</u>	<u>1,142,937</u>	<u>79,140</u>	<u>49,239</u>	<u>1,271,316</u>	<u>83,623</u>
Total prior years	<u>1,371,170</u>	-	<u>3,010</u>	<u>21,248</u>	<u>1,352,932</u>	<u>1,232,448</u>	<u>105,255</u>	<u>57,203</u>	<u>1,394,906</u>	<u>120,484</u>
2010		<u>8,013,526</u>	<u>4,827</u>	<u>49,025</u>	<u>7,969,328</u>	<u>6,286,087</u>	<u>62,238</u>	<u>26,173</u>	<u>6,374,498</u>	<u>1,683,241</u>
Total	<u>\$ 1,371,170</u>	<u>\$ 8,013,526</u>	<u>\$ 7,837</u>	<u>\$ 70,273</u>	<u>\$ 9,322,260</u>	<u>\$ 7,518,535</u>	<u>\$ 167,493</u>	<u>\$ 83,376</u>	<u>\$ 7,769,404</u>	<u>\$ 1,803,725</u>

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Fiscal Year	Uncollected Balance July 1, 2010	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2011
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1995	\$ 3,418	\$	\$	\$ 740	\$ 2,678	\$	\$	\$	\$ -	\$ 2,678
1996	1,615				1,615			24	24	1,615
1997	2,007			980	1,027	480	1,108		1,588	547
1998	2,443			2,065	378				-	378
1999	1,724			1,657	67				-	67
2000	1,350			1,281	69				-	69
2001	2,220			1,156	1,064				-	1,064
2002	4,744			4,677	67				-	67
2003	4,136			1,666	2,470				-	2,470
2004	1,945			1,832	113				-	113
2005	865			101	764	701	543	168	1,412	63
2006	2,834			104	2,730	1,933	1,352	216	3,501	797
2007	14,230			124	14,106	7,731	3,078	984	11,793	6,375
2008	89,261		158	401	89,018	68,778	16,271	6,577	91,626	20,240
2009	<u>1,298,104</u>		<u>2,876</u>	<u>6,503</u>	<u>1,294,477</u>	<u>1,227,757</u>	<u>78,978</u>	<u>47,273</u>	<u>1,354,008</u>	<u>66,720</u>
Total prior years	1,430,896	-	3,034	23,287	1,410,643	1,307,380	101,330	55,242	1,463,952	103,263
2010		<u>7,807,869</u>	<u>4,212</u>	<u>21,160</u>	<u>7,790,921</u>	<u>6,292,750</u>	<u>57,106</u>	<u>26,020</u>	<u>6,375,876</u>	<u>1,498,171</u>
Total	<u>\$ 1,430,896</u>	<u>\$ 7,807,869</u>	<u>\$ 7,246</u>	<u>\$ 44,447</u>	<u>\$ 9,201,564</u>	<u>\$ 7,600,130</u>	<u>\$ 158,436</u>	<u>\$ 81,262</u>	<u>\$ 7,839,828</u>	<u>\$ 1,601,434</u>



## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

	<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	\$ 8,270,096	\$ 8,270,096	\$ 8,507,029	\$ 236,933
Miscellaneous income	240,000	240,000	250,908	10,908
Total operating revenues	<u>8,510,096</u>	<u>8,510,096</u>	<u>8,757,937</u>	<u>247,841</u>
<b>Operating Expenses:</b>				
Part time seasonal	11,520	8,541		8,541
Overtime	169,000	169,000	110,265	58,735
Wages - public works	642,631	642,631	620,285	22,346
Wages - MMEA	55,612	55,920	55,920	-
Wages - supervisor	351,838	354,509	354,509	-
Employee benefits	484,316	484,316	473,063	11,253
Utilities	1,200,000	1,200,000	1,101,900	98,100
Repairs and maintenance	165,500	168,282	111,276	57,006
Vehicle maintenance	27,500	28,810	24,565	4,245
Audit fees	9,825	9,880	9,880	-
Call before you dig	1	1		1
Hepatitis B shots	7,500	4,500	4,215	285
Fiscal division services	668,466	668,466	659,310	9,156
General fund services	592,232	592,232	592,232	-
Claims	10,000	10,000		10,000
Nitrogen credit purchase	225,000	225,000	150,229	74,771
Supplies	648,000	648,000	451,499	196,501
Biosolid disposals	665,450	600,000	597,397	2,603
Pumping station operations	88,300	88,300	50,247	38,053
Capital outlay	1	227,911	227,910	1
Memberships and meeting	10,000	10,000	7,038	2,962
Insurance	607,484	589,361	586,485	2,876
Total operating expenses	<u>6,640,176</u>	<u>6,785,660</u>	<u>6,188,225</u>	<u>597,435</u>
<b>Nonoperating Revenues (Expenses):</b>				
Debt service - principal	(1,716,350)	(1,820,264)	(747,901)	1,072,363
Interest on investments	58,000	58,000	24,979	(33,021)
Debt service - interest	(127,320)	(173,617)	(173,617)	-
Debt service - BANS interest	(84,250)	(8,656)		8,656
Total nonoperating revenues (expenses)	<u>(1,869,920)</u>	<u>(1,944,537)</u>	<u>(896,539)</u>	<u>1,047,998</u>
Excess (Deficiency) of Revenues over Expenses	\$ -	\$ (220,101)	\$ 1,673,173	\$ 1,893,274

## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Operating Revenues:				
Water sales and charges	\$ 9,089,239	\$ 9,089,239	\$ 8,935,137	\$ (154,102)
Miscellaneous income	723,466	723,466	734,747	11,281
Total operating revenues	<u>9,812,705</u>	<u>9,812,705</u>	<u>9,669,884</u>	<u>(142,821)</u>
Operating Expenses:				
Part time seasonal	23,600	23,600		23,600
Administration	106,934	111,139	111,138	1
Overtime	164,000	164,000	139,294	24,706
Wages - public works	1,685,631	1,685,961	1,653,859	32,102
Wages - MMEA	172,396	173,113	173,111	2
Wages - supervisor	241,226	245,679	245,677	2
Employee benefits	1,526,433	1,491,833	1,425,158	66,675
Gasoline	29,000	52,500	50,344	2,156
Taxes paid to other towns	49,148	49,148	46,235	2,913
Utilities	1,000,000	1,000,000	880,865	119,135
Repairs and maintenance	18,000	18,000	14,833	3,167
Vehicle maintenance	97,900	97,900	76,775	21,125
Attorney fees	14,000	14,000	(1,460)	15,460
Audit fees	9,825	9,825	9,050	775
Water purchased	148,800	148,800	147,214	1,586
Other purchased services	51,850	51,850	36,226	15,624
Hepatitis B shots	4,000	4,000	2,074	1,926
Fiscal division services	724,573	724,573	724,573	-
General fund services	1,116,031	1,116,031	1,116,031	-
Maintenance of mains	30,000	37,966	37,965	1
Maintenance of reservoirs	40,000	40,000	31,408	8,592
Maintenance of pump station	40,000	40,000	33,209	6,791
Maintenance of meters	15,000	15,000	14,737	263
Supplies	63,750	63,750	49,598	14,152
Services - materials	6,550	6,550	(872)	7,422
Treatment expenses	521,700	521,700	473,044	48,656
Water equipment	26,100	26,100	19,461	6,639
Hydrants and mains - materials	5,001	5,280	5,279	1
Repairs - trenches	21,000	23,500	22,569	931
Capital outlay	1	1		1
Memberships and meeting	11,575	11,575	9,860	1,715
Insurance	369,078	363,721	304,140	59,581
Total operating expenses	<u>8,333,102</u>	<u>8,337,095</u>	<u>7,851,395</u>	<u>485,700</u>
Nonoperating Revenues (Expenses):				
Interest on investments	67,000	67,000	16,969	(50,031)
Debt service - principal	(1,228,020)	(1,308,020)	(1,308,020)	-
Debt service - interest	(572,320)	(568,327)	(521,479)	46,848
Debt service - BANS interest	(261,171)	(177,251)		177,251
Other financing costs		(3,920)	(3,919)	1
Total nonoperating revenues (expenses)	<u>(1,994,511)</u>	<u>(1,990,518)</u>	<u>(1,816,449)</u>	<u>174,069</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(514,908)</u>	\$ <u>(514,908)</u>	\$ <u>2,040</u>	\$ <u>516,948</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget - Positive (Negative)</b>
Operating Revenues:				
Golf fees	\$ <u>865,065</u>	\$ <u>865,065</u>	\$ <u>779,228</u>	\$ <u>(85,837)</u>
Operating Expenses:				
Miscellaneous overtime	92,410	92,410	91,654	756
Overtime	18,500	18,500	17,518	982
Wages - public works	213,807	213,807	214,208	(401)
Wages - supervisors	83,490	83,490	84,769	(1,279)
Employee benefits	94,495	94,495	145,938	(51,443)
Golf supplies and expenses	186,260	186,260	204,295	(18,035)
Golf pros	10,000	10,000	10,000	-
Club house expenses	30,750	30,750	36,754	(6,004)
Liability and general insurance	69,055	69,055	74,284	(5,229)
Gas	550	550	361	189
Capital outlay	20,000	20,000	45,178	(25,178)
Memberships and meeting	2,400	2,400	1,847	553
Total operating expenses	<u>821,717</u>	<u>821,717</u>	<u>926,806</u>	<u>(105,089)</u>
Nonoperating Revenues (Expenses):				
Interest on investments			2	(2)
Debt service - principal	(37,667)	(37,667)	(16,667)	21,000
Debt service - interest	(5,681)	(5,681)	(37,154)	(31,473)
Total nonoperating expenses	<u>(43,348)</u>	<u>(43,348)</u>	<u>(53,821)</u>	<u>(10,473)</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(201,399)</u>	\$ <u>(201,399)</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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 101,928	\$ 113,033	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144	\$ 59,323	\$ 42,360	\$ 37,844
Restricted	1,347	1,257	825	4,220	6,497	5,284	6,485			
Unrestricted	(40,973)	(51,488)	(38,240)	(37,108)	(20,224)	(54,963)	(63,007)	(24,950)	(29,882)	(32,248)
Total Governmental Activities Net Assets	<u>\$ 62,302</u>	<u>\$ 62,802</u>	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 80,400</u>	<u>\$ 57,426</u>	<u>\$ 47,622</u>	<u>\$ 34,373</u>	<u>\$ 12,478</u>	<u>\$ 5,596</u>
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 89,259	\$ 91,927	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674	\$ 88,752	\$ 93,251	\$ 94,508
Unrestricted	11,855	10,671	12,428	16,664	27,207	19,366	18,644	18,262	14,641	14,926
Total Business-Type Activities Net Assets	<u>\$ 101,114</u>	<u>\$ 102,598</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 104,226</u>	<u>\$ 105,146</u>	<u>\$ 108,318</u>	<u>\$ 107,014</u>	<u>\$ 107,892</u>	<u>\$ 109,434</u>
Primary Government:										
Invested in capital assets, net of related debt	\$ 191,187	\$ 204,960	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818	\$ 148,075	\$ 135,611	\$ 132,352
Restricted	1,347	1,257	825	4,220	6,497	5,284	6,485			
Unrestricted	(29,118)	(40,817)	(25,812)	(20,444)	6,983	(35,597)	(44,363)	(6,688)	(15,241)	(17,322)
Total Governmental Activities Net Assets	<u>\$ 163,416</u>	<u>\$ 165,400</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>	<u>\$ 184,626</u>	<u>\$ 162,572</u>	<u>\$ 155,940</u>	<u>\$ 141,387</u>	<u>\$ 120,370</u>	<u>\$ 115,030</u>

## CITY OF MERIDEN, CONNECTICUT

## CHANGES IN NET ASSETS

## LAST TEN YEARS

(In Thousands)

(Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses:										
Governmental activities:										
General government	\$ 30,816	\$ 29,931	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519	\$ 16,967	\$ 15,518	\$ 21,904
Education	138,091	132,771	133,862	158,802	115,598	106,287	90,527	96,877	100,467	88,865
Public safety	23,810	24,051	23,155	23,479	19,433	29,390	18,104	27,820	25,072	24,873
Public works	9,249	9,866	10,849	10,037	10,569	10,104	9,277	9,202	9,399	8,725
Human services	8,652	9,233	9,675	8,665	10,262	6,413	8,719	6,546	6,761	6,595
Culture and recreation	5,075	4,414	4,472	4,287						
Interest on long-term debt	3,024	2,806	3,967	3,209	3,614	4,275	6,583	4,095	4,381	4,821
Total governmental activities expenses	<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>	<u>155,783</u>
Business-type activities:										
Sewer Authority	9,659	7,951	8,552	7,893	7,480	6,662	6,390	6,074	6,018	5,689
Water Authority	10,256	10,546	10,628	10,312	8,276	7,885	8,015	8,424	8,180	7,201
George Hunter Golf Course	1,126	976	966	927	881	944	754	793	775	686
Total business-type activities expenses	<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>	<u>13,576</u>
Total Primary Government Expenses	<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>	<u>\$ 169,359</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,522	\$ 2,246	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079	\$ 9,791	\$ 8,656	\$ 11,067
Education	1,047	1,143	1,208	1,207	1,742	1,386	1,510	1,541	1,599	4,906
Public safety	50	46	42	65	991	112	118	111	112	1,992
Public works	1,737	1,691	1,634	1,583	117	223	166	7	788	10,182
Human services	289	378	274	723	195	365	553	978	719	1,277
Culture and recreation	33	34	31	42	6					1,519
Operating grants and contributions	89,914	87,388	84,594	109,223	19,914	21,265	12,437	60,009	60,335	34,192
Capital grants and contributions	3,744	2,543	3,989	6,413	6,491	5,895	11,140	14,854	2,045	2,500
Total governmental activities	<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>	<u>67,635</u>
Business-type activities:										
Charges for services:										
Sewer Authority	8,507	6,459	5,967	5,964	7,023	6,169	4,950	5,601	5,093	4,352
Water Authority	8,935	8,719	7,663	7,719	7,322	7,458	7,855	7,911	7,790	7,421
George Hunter Golf Course	779	787	827	816	798	786	826	687	650	752
Capital grants and contributions	161	2,676	33,244							
Total business-type activities	<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>	<u>12,525</u>
Total Primary Government Revenues	<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>	<u>\$ 80,160</u>
Net Revenues (Expenses):										
Governmental activities	\$ (119,381)	\$ (117,603)	\$ (120,345)	\$ (114,308)	\$ (161,399)	\$ (146,366)	\$ (143,727)	\$ (74,216)	\$ (87,344)	\$ (88,972)
Business-type activities	<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>	<u>(1,051)</u>
Total Primary Government Net Expense	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,893)</u>	<u>\$ (147,444)</u>	<u>\$ (145,255)</u>	<u>\$ (75,308)</u>	<u>\$ (88,784)</u>	<u>\$ (90,023)</u>
General Revenues and Other										
Changes in Net Assets:										
Governmental activities:										
Property taxes	\$ 109,377	\$ 106,619	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580	\$ 89,175	\$ 86,176	\$ 72,155
Grants and contributions not restricted to specific programs	2,598	2,720	3,425	3,917	59,928	55,252	57,502	6,071	7,533	9,732
Unrestricted investment earnings	1,218	856	694	1,430	2,483	1,455	925	865	508	637
Miscellaneous income	7,391	3,073	10,300	4,207	6,512	4,866	6,731			
Transfers		836							10	
Total governmental activities	<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>	<u>82,524</u>
Business-type activities:										
Unrestricted investment earnings	85	70	121	400	574	461	242	214	(93)	183
Miscellaneous income	1,024	1,043	893	914						
Transfers		(836)							(10)	
Total business-type activities	<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>	<u>183</u>
Total Primary Government	<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>	<u>\$ 82,707</u>
Change in Net Assets:										
Governmental activities	\$ 1,203	\$ (3,499)	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011	\$ 21,895	\$ 6,883	\$ (6,448)
Business-type activities	<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>	<u>(868)</u>
Total Primary Government	<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>	<u>\$ (7,316)</u>

**CITY OF MERIDEN, CONNECTICUT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
General Fund:											
Reserved	\$	\$ 982	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779	\$ 1,692	\$ 2,900	\$ 1,889	
Unreserved		13,321	13,267	3,960	3,644	3,009	1,833	1,825	6,778	3,146	
Nonspendable		133									
Restricted		825									
Unassigned		17,308									
<b>Total General Fund</b>	<b>\$</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>	<b>5,035</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	6,910	
Capital projects funds		(12,326)	(2,183)	(17,843)	(16,392)	(27,054)	(32)	(181)	47	402	
Permanent funds		1,391									
Nonspendable		522									
Restricted		6,071									
Committed		1,526									
Assigned		4,867									
Unassigned		(54)									
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>12,932</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>7,312</b>
<b>Total</b>	<b>\$</b>	<b>31,198</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>	<b>12,347</b>

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**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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues:</b>										
Property taxes, interest and lien fees	\$ 108,759	\$ 106,583	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365	\$ 88,259	\$ 84,907	\$ 79,388
Federal and state government	96,231	92,650	92,008	119,192	87,064	83,638	82,828	87,574	74,388	75,161
Charges for services	5,678	5,538	6,120	7,217	8,198	7,747	8,097	8,065	9,060	5,940
Investment income	741	743	643	1,311	2,646	1,455	910	854	508	750
Other revenues	7,405	3,481	9,331	4,441	5,252	4,866	5,954	5,890	2,973	1,746
<b>Total revenues</b>	<b>218,814</b>	<b>208,995</b>	<b>212,281</b>	<b>234,666</b>	<b>206,895</b>	<b>193,662</b>	<b>189,154</b>	<b>190,642</b>	<b>171,836</b>	<b>162,985</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	30,815	29,900	29,016	30,830	34,809	25,875	41,189	37,593	35,705	49,507
Public safety	21,840	21,052	20,525	19,673	18,608	28,558	17,478	17,029	16,402	15,812
Public works	6,835	6,798	7,128	6,191	6,038	6,617	5,903	5,392	5,401	4,956
Health and welfare	8,281	8,232	8,537	7,457	9,574	6,342	8,246	7,924	5,556	5,693
Culture and recreation	4,020	3,980	3,963	3,817						
Education	126,494	123,442	122,568	148,186	112,427	102,765	86,755	90,525	87,909	82,930
<b>Debt service:</b>										
Principal	9,542	10,986	10,410	12,778	13,889	13,009	41,062	12,500	10,378	10,753
Interest	3,055	3,413	3,791	4,206	4,174	4,950	3,696	4,900	4,031	4,047
Capital outlay	8,002	8,902	7,709	6,219	11,201	15,967	28,504	25,771	6,899	15,352
<b>Total expenditures</b>	<b>218,884</b>	<b>216,705</b>	<b>213,647</b>	<b>239,357</b>	<b>210,720</b>	<b>204,083</b>	<b>232,833</b>	<b>201,634</b>	<b>172,281</b>	<b>189,050</b>
<b>Deficiency of Revenues over Expenditures</b>	<b>(70)</b>	<b>(7,710)</b>	<b>(1,366)</b>	<b>(4,691)</b>	<b>(3,825)</b>	<b>(10,421)</b>	<b>(43,679)</b>	<b>(10,992)</b>	<b>(445)</b>	<b>(26,065)</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in	608	1,712	1,015	570	693	342	5,550	100	258	918
Transfers out	(608)	(876)	(1,015)	(570)	(693)	(342)	(5,550)	(100)	(248)	(918)
Bond proceeds	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)	
<b>Total other financing sources</b>	<b>18,764</b>	<b>1,055</b>	<b>21,427</b>	<b>-</b>	<b>16,135</b>	<b>-</b>	<b>34,460</b>	<b>-</b>	<b>245</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 18,694</b>	<b>\$ (6,655)</b>	<b>\$ 20,061</b>	<b>\$ (4,691)</b>	<b>\$ 12,310</b>	<b>\$ (10,421)</b>	<b>\$ (9,219)</b>	<b>\$ (10,992)</b>	<b>\$ (200)</b>	<b>\$ (26,065)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.9%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>7.3%</b>	<b>9.1%</b>	<b>9.5%</b>	<b>21.8%</b>	<b>9.9%</b>	<b>8.7%</b>	<b>8.4%</b>

## 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>
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
2002	* 1,848,883	795,469	90,129	2,037,758	40.40	70%	2,911,083

\* 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	
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
2002	32.77	7.63	40.40	2.10	2.10	44.60

\*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>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2011</u>			<u>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2002</u>		
	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Meriden Square #3 LLC et al	\$ 73,662,300	1	2.03 %	Meriden Square #3 LLC et al	\$ 49,320,460	1	2.12 %
Connecticut Light & Power	55,766,710	2	1.54	Connecticut Light & Power	23,733,260	3	1.02
Computer Sciences Corp.	50,113,070	3	1.38				
Urstadt Biddle Properties, Inc.	23,665,670	4	0.65	Urstadt Biddle Properties, Inc.	15,109,080	5	0.65
Yankee Gas	20,702,370	5	0.57	Yankee Gas	20,606,310	4	0.89
Radio Frequency System	18,913,920	6	0.52				
Carabetta Enterprises, Inc.	15,151,950	7	0.42	Carabetta Enterprises, Inc.	13,777,640	8	0.59
Newbury Village Development	12,623,860	8	0.35				
Denmeri Associates LP	10,850,000	9	0.30				
TC Meriden LLC	10,388,435	10	0.29				
	<u>\$ 291,838,285</u>		<u>8.04 %</u>	Meriden Square Partnership	26,374,110	2	1.13
				C.S.C. Outsourcing, Inc.	14,502,220	6	0.62
				Cingular, SNET Mobility Inc.	14,404,820	7	0.62
				T1 Group Automotive Systems	13,301,080	9	0.57
				May Department Stores	11,058,610	10	0.48
					<u>\$ 202,187,590</u>		<u>8.69 %</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>
2002	\$ 78,353,996	\$ 75,144,010	95.90%	\$ 2,829,349	\$ 77,973,359	99.51%
2003	84,731,222	81,598,743	96.30%	2,795,976	84,394,719	99.60%
2004	86,935,391	83,723,025	96.30%	2,825,861	86,548,886	99.56%
2005	92,968,119	89,339,544	96.10%	3,252,400	92,591,944	99.60%
2006	97,595,530	93,994,623	96.31%	3,048,634	97,043,257	99.43%
2007	104,173,221	100,818,674	96.78%	2,889,592	103,708,266	99.55%
2008	103,064,985	99,842,370	96.87%	2,893,358	102,735,728	99.68%
2009	103,280,297	100,430,840	97.24%	2,303,157	102,733,997	99.47%
2010	105,882,618	103,229,589	97.49%	1,783,963	105,013,552	99.18%
2011	108,579,493	105,858,662	97.49%	-	105,858,662	97.49%

## 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					
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
2002	56,257	327	14,800	4,286	798	10	76,478	4.24	1,805,564	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>
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
2002	61,350	1,941,536	3.16	58,244	1,053

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

## CITY OF MERIDEN, CONNECTICUT

## DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 108,963
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>448</u>
Base	<u><u>\$ 109,411</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>246,175</u>	\$ <u>492,350</u>	\$ <u>355,586</u>	\$ <u>410,291</u>	\$ <u>328,233</u>
Debt:					
Bonds payable	62,562	15,326			
Bonds authorized but unissued	<u>5,894</u>	<u>48,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>68,456</u>	<u>63,479</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 177,719</u></u>	<u><u>\$ 428,871</u></u>	<u><u>\$ 355,586</u></u>	<u><u>\$ 410,291</u></u>	<u><u>\$ 328,233</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 \$765,877.



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

	<b>FISCAL YEAR</b>									
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Debt limitation	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281	\$ 626,277	\$ 593,370	\$ 554,098
Total net debt applicable to limit	<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>	<u>76,478</u>
Legal Debt Margin	<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>	<u>\$ 477,620</u>
Total net debt applicable to the limit as a percentage of debt limit	17.2%	12.6%	13.6%	18.2%	26.4%	14.4%	18.3%	15.0%	17.6%	13.8%

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>
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
2002	58,961	30,795 *	5.2

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**

	2011				2002			
	Employer	Employees	Rank		Percentage of Total City Employment	Employer	Employees	Rank
	Midstate Medical Center	1,293	1	4.6 %	Midstate Medical Center	1,007	2	3.4 %
	AT&T	653	2	2.3	SBC	1,405	1	4.8
	Hunters Ambulance	462	3	1.6	Hunters Ambulance	350	7	1.2
	Carabetta Management	425	4	1.5				
	Canberra	371	5	1.3				
	CUNO, Inc.	280	6	1.0	CUNO, Inc.	372	6	1.3
	Bob's Stores	269	7	1.0	Bob's Stores	408	4	1.4
	Verizon Wireless	260	8	0.9				
	Target Stores	233	9	0.8				
	Radio Frequency System	219	10	0.8				
				15.9 %	State of Connecticut	530	3	1.8
					Walbro Automotive	400	5	1.4
					A.D.C. Broadband Communications	250	9	0.8
					AGC, Inc.	212	10	0.7
								13.3 %

Source: Connecticut Department of Labor

## CITY OF MERIDEN, CONNECTICUT

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

## LAST SIX FISCAL YEARS\*

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

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

\*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 SEVEN 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>
Police stations	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	3	2	3
Fire stations	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1
Parks and recreation							
Fields - Municipal	8	8	8	8	8	11	11
Fields - Schools	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
Fire hydrants (Municipal)	1,544	1,544	1,549	1,552	1,552	1,544	1,544
Fire hydrants (Private)	239	239	239	256	274	275	275
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
Highway							
Paved miles	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

\* only seven years of data is available