

**CITY OF MERIDEN  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2008**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Department of Finance

Michael Lupkas, CPFO  
Director of Finance

# **Introductory Section**

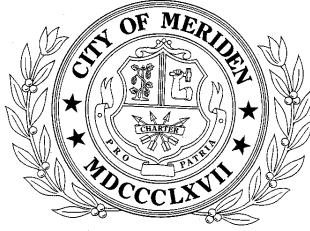
**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

<b>Introductory Section</b>		<b>Page</b>
	Table of Contents	i-ii
	Letter of Transmittal	iii-x
	GFOA Certificate of Achievement	xi
	Organizational Chart	xii
	List of Principal Officials	xiii
<b>Exhibit</b>	<b>Financial Section</b>	
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-13
	<u>Basic Financial Statements</u>	
	<u>Government-Wide Financial Statements</u>	
I	Statement of Net Assets	14
II	Statement of Activities	15
	<u>Fund Financial Statements</u>	
III	Balance Sheet - Governmental Funds	16-17
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18-19
V	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
VI	Statement of Net Assets - Proprietary Funds	21
VII	Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	22
VIII	Statement of Cash Flows - Proprietary Funds	23
IX	Statement of Fiduciary Net Assets - Fiduciary Funds	24
X	Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	25
	Notes to the Financial Statements	26-56
	<u>Supplemental, Combining and Individual Fund Statements and Schedules</u>	
	<u>General Fund</u>	
A	Schedule of Revenues, Expenditures and Other Financing Sources (Uses) - Non-GAAP Budgetary Basis	57-59
	<u>Nonmajor Governmental Funds</u>	
B-1	Combining Balance Sheet - Nonmajor Governmental Funds	60-64
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	65-69

<b>Exhibit</b>	<b>Financial Section (Continued)</b>	<b>Page</b>
C-1	Combining Statement of Net Assets - Internal Service Funds	70
C-2	Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	71
C-3	Combining Statement of Cash Flows - Internal Service Funds	72
<u>Fiduciary Funds</u>		
D	Statement of Changes in Assets and Liabilities - Agency Funds	73-74
<u>Other Schedules</u>		
E	Property Taxes Levied, Collected and Outstanding	75
F-1	Collections of Use Charges - Sewer Authority	76
F-2	Collections of Use Charges - Water Authority	77
G-1	Revenues and Expenses - Budget and Actual, Budgetary Basis - Sewer Authority	78
G-2	Revenues and Expenses - Budget and Actual, Budgetary Basis - Water Authority	79
G-3	Revenues and Expenses - Budget and Actual, Budgetary Basis - George Hunter Memorial Golf Course	80

<b>Table</b>	<b>Statistical Section</b>	
Financial Trends:		
1	Net Assets by Component	81
2	Changes in Net Assets	82
3	Fund Balances of Governmental Funds	83
4	Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	84
Revenue Capacity:		
5	Assessed and Estimated Actual Value of Taxable Property	85
6	Direct and Overlapping Property Tax Rates	86
7	Principal Property Taxpayers	87
8	Property Tax Levies and Collections	88
Debt Capacity:		
9	Ratios of Outstanding Debt by Type	89
10	Ratios of Bonded Debt Outstanding	90
11	Schedule of Debt Limitation	91
12	Legal Debt Margin Information	92
Demographic and Economic Statistics:		
13	Demographic and Economic Statistics	93
14	Principal Employers	94
Operating Information:		
15	Full-Time Equivalent Government Employees by Function/Program	95
16	Operating Indicators by Function/Type	96
17	Capital Asset Statistics by Function/Program	97



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142 EAST MAIN STREET  
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January 27, 2009

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, 2008.

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, 2008. 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 auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments 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 59,552 in 2006, an increase of 1,308 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 provide 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 of consistent growth in all sectors (commercial/industrial and residential). The annual growth rate for commercial/industrial development rate is 177,000 square feet. This is the growth rate of land use approvals in FY 2007-2008 (see matrix "Development Projects Approved").

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

- 38 units to the housing stock;
- 177,000 sq. ft. to the commercial/industrial base; and
- 66,000 sq. ft. to the institutional base.

These numbers demonstrate to a stable/healthy expansion of the residential and especially the commercial/industrial base. The residential annual growth rate of 38 units is a healthy increase particularly in the quality of the developments. The commercial/industrial annual rate 177,000 sq. ft. is a positive sign of the vitality of the City’s economic 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.	116,800 sq.ft.	13,400 sq. ft.	103,400 sq. ft.	
Industrial	7,000 sq.ft.	1,000 sq. ft.		6,000 sq. ft.
Commercial Retail	53,200 sq.ft.	5,000 sq. ft.	39,000 sq. ft.	9,200 sq. ft.
<b>TOTAL COMMERCIAL</b>	177,000 sq.ft.	19,400 sq. ft.	142,400 sq. ft.	15,200 sq. ft.
Multi-Family Residential	12 units			12 units
Single Family Residential	26 lots	2 lots		24 lots
<b>TOTAL RESIDENTIAL</b>	38 units	2 units		36 units
<b>TOTAL INSTITUTIONAL</b>	66,000 sq. ft.			66,000 sq. ft.

An encouraging aspect of this development activity continues to be the high percentage of the commercial approvals that are either completed or under construction:

- 91% (161,800 sq. ft.) of the total commercial development square footage (177,000 sq. ft.) approved this year by the Planning Commission has already been built or is under construction.

A strong factor in last year’s development activity remains the new commercial/industrial (job and tax producing) occupancy of over one quarter of a million square feet (265,400) of new space. This past year the residential sector remained strong with the completion of over 114 units (30 multi-family and 84 single family). Based on newly approved applications, current applications and current construction activity, Meriden can expect a continuation of strong development activity:

- At least 257,200 sq. ft. of commercial/industrial space to be occupied in FY 2008/2009;
- At least 42 more housing units to be occupied in FY 2008/2009.

**COMPREHENSIVE PLANNING**

The City is completing 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 April of 2005, the Planning Commission noted the need to update the 1985 Land-Use Plan and began the process of developing the Plan of Conservation & Development. The City Council recognizing the importance of such a plan, since 2005 has allocated a total of \$125,000 in the City budget to hire a consultant to work with the Plan of Conservation & Development Steering Committee to prepare the Comprehensive Plan. In July 2006, the City



hired the planning firm of “Harrall-Michalowski Associates”. This planning process was completed during November 2008. The following aspects of City function were reviewed and addressed:

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

Please note the following vision statement that the Plan of Development Steering Committee has established as the guiding objective of the Plan:

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

The study process has already been involved with a determined effort to acquire public input. This outreach has been thorough: 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. This survey was conducted in April 2007. During June 2007, the Committee conducted two Public Forums which were well attended and provided for active citizen participation.

Further, The City’s comprehensive planning efforts continued to be concentrated in the areas of Neighborhood Planning, Environmental Planning and Economic 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 program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Since the 1994 inception of this award-winning program through December 2006, over 4,000 code violations were cited on approximately 2,000 properties. As of 2007, after eight (8) rounds, 92% (3,680) of these violations have been corrected and 91% (1,820) of the properties have been 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 our neighborhoods, in April 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. The AntiBlight Ordinance covers not only buildings; it addresses unoccupied structures and commercial properties. In the three years the ordinance has been enforced, the City has identified 64 properties in violation and has already received compliance on 41 of the said properties.

## **B. ENVIRONMENTAL PLANNING**

The top priority of all City projects is the Harbor Brook Flood Control project. This critical flood control project will protect most of the City through retention, improvement and creation of floodway, removal of obstructions and redirecting portions of the brook. The City is currently in the final ROW acquisition phase and bidding phase for river crossings (bridges, etc.).

Also, the City is in the engineering phase of a nature walk/bike trail project, which will traverse the city from South Meriden through the Central Business District (“CBD”) to the northeast corner of the City. This is a regional project that will connect with an existing bikeway in Cheshire and a proposed bikeway in Wallingford. This project will run parallel to the Harbor Brook Flood Control project.

The Conservation Commission and Planning staff is active in preserving the environmentally sensitive land throughout the City. A major environmental project was the development and approval of 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. The City extended this commitment by applying this zone to private property. 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 is in the process of 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 clean-up of this vacant “dirty factory” will present many development opportunities.
2. HUB – This abandoned mall in the middle of the CBD has been demolished and the City is now developing plans for an urban center park and provides further development potential.

The update to the 1985 Land-Use Plan will include the further study and recommendation regarding environmental sensitive lands and 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. Five 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. Over the past 3 years, the U.S. Environmental Protection Agency has given the City a total of \$2.5 million to help redevelop Brownfield sites in Meriden. In 2004 the City received a \$200,000 assessment grant to test the abandoned Factory H site. In 2006 the city received a \$200,000 EPA grant to remediate the vacant HUB site downtown. In May of 2007, the City was awarded \$600,000 in EPA grants for environmental testing and for clean up 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. These grants and EPA monetary support the City's in creation of more available land for commercial development.

Meriden is in its eighth 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 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's Comprehensive Economic Development Strategy Plan (CEDS) 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 Program is the administration of the City's Community Development Block Grant (CDBG) Program, which provides funds for various city departments and local non-profit agencies to operate programs benefiting low and moderate income persons. In addition, this staff applies for and manages other municipal grant applications in the areas of transportation, energy, open space, economic development, brownfields and public safety.

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 2008, the City of Meriden received \$899,877 in US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) "entitlement" funds, which are used to promote decent housing, suitable living environment, and economic opportunities in Meriden's low and moderate income areas. Programs funded with CDBG funds include a portion of the City's code enforcement and demolition activities, as well as social services for Meriden residents that are elderly, homeless, or handicapped. Public services programs supporting at-risk youth also receive CDBG funds. CDBG funds are used to support a revolving loan program that funds housing rehabilitation projects. During FY 2008, 16 new loans were made. At the end of FY 2008, there were 148 outstanding CDBG loans with a total principal balance of \$2,263,524. During FY 2008, the Meriden Housing Authority used approximately \$4.5 million from Section 8 Housing Choice voucher program, \$1.5 million from the HUD Public Housing contract, \$302,015 from HUD for Resident Services and \$171,983 from HUD for capital improvements.

During FY 2008, the Community Development office managed several other state and federal grants totaling over \$6 million. The US Environmental Protection Agency and Connecticut Department of Economic and Community Development provided grants for brownfields remediation at the "HUB" and Factory H sites. The Connecticut Department of Environmental Protection provided grants for open space preservation and park improvement. The US Department of Homeland Security-Federal Emergency Management Agency, US Department of Justice and the CT 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 improvement of the Meriden-Markham Airport. The Connecticut Department of Transportation also provided grants for streetscape improvements, road repair and for the purchase of clean fuel vehicles.

Key accomplishments of the Community Development Program office during the 2008 fiscal year included:

- Completed 16 Home Rehabilitation Loans using CDBG funds. Projects helped provide affordable decent housing to 69 low, very low and extremely low income residents. 25 housing units were improved overall.
- Assisted 15 local non-profit agencies provide services to 11,390 persons, 92 percent of which are moderate or low income.
- Assisted the Meriden Council of Neighborhoods to complete community organizing and community service activities citywide.
- Assisted three non-profit organizations to participate and benefit from the state Neighborhood Assistance Act program.

## **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, 2007. This was the fourth 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, Carol Shade, Director of Accounting, Agnes Puzio and Margaret Leighton, 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, 2007

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.



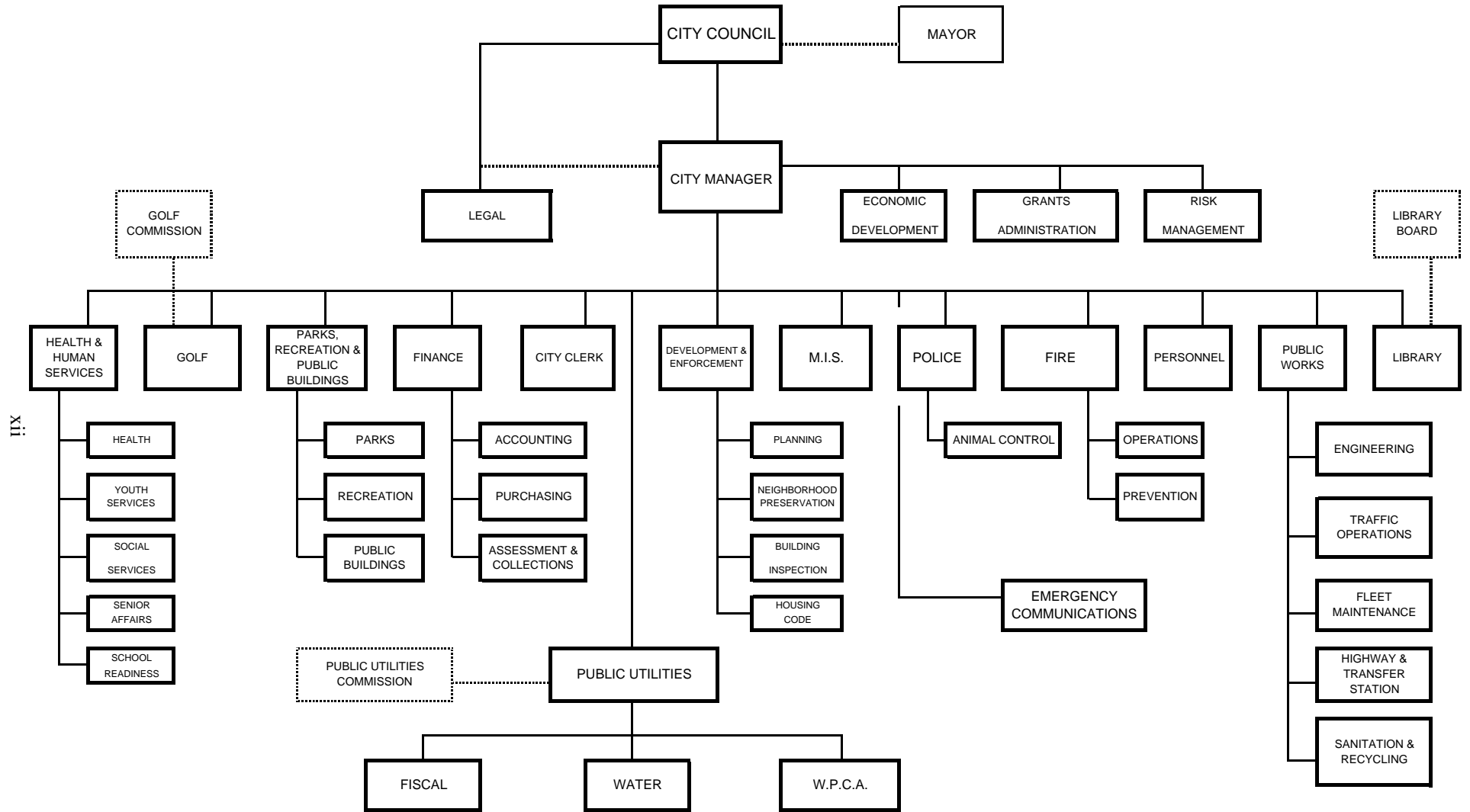
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# CITY OF MERIDEN ORGANIZATIONAL CHART



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2008

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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  
Brian P. Daniels, City Councilor  
Brian F. Kogut, City Councilor  
David J. Salafia, City Councilor  
Hilda E. Santiago, City Councilor  
John J. Thorp, City Councilor  
Anthony D. Tomasseti, 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  
Peggy Brennan  
Frank Kiernan  
Beth Vumbaco  
Steve Montemurro  
Mark Zebora  
Caroline Beitman  
Robert J. Bass  
David Lohman  
Karen Roesler  
Dominick Caruso  
Tom DeVaux

**BOARD OF EDUCATION**

Mark A. Hughes, President  
Leonard F. Suzio, Vice President  
Thomas E. Bruenn, Treasurer  
Michael P. Cardona, Secretary  
Frank J. Kogut  
Robert E. Kosienski, Jr.  
Scott Hozebin  
John D. Lineen  
Barbara Sokol

**BOARD OF EDUCATION ADMINISTRATION**

Mary N. Cortright, Superintendent of Schools  
Robert Angeli, Associate Superintendent for Instruction  
Glen A. Lamontagne, Assistant Superintendent, Finance and Administration



## **Financial Section**



## 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, 2008, 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 basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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, 2008 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.

Management's discussion and analysis on pages 3 through 13 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

January 27, 2009

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2008**

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, 2008. 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 \$176.9 million. Total net assets for Governmental Activities at fiscal year-end were \$76 million and total net assets for Business-Type Activities were \$100.9 million.
- ◆ On a government-wide basis, during the year, the City's net assets decreased by \$7.7 million or 4.2%, from \$184.6 million to \$176.9 million. Net assets decreased by \$4.4 million for Governmental Activities and decreased by \$3.3 million for Business-Type Activities. Governmental activities expenses were \$237.2 million, while revenues were \$232.7 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 \$1.4 million, a decrease of \$4.7 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 \$9.5 million, a decrease of \$2.0 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2008, \$4.0 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 2.29% of total general fund expenditures (\$174.4 million), an increase of .25% 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, as such 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 45 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, both of which are considered to be major funds. Data from the other 43 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 sheets 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 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, five agency funds and four private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-56 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 49-50 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 \$176.9 million on June 30, 2008. Governmental activities assets exceeded liabilities by \$76 million. Business-type activities assets exceeded liabilities by \$100.9 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 53,547	\$ 59,229	\$ 21,963	\$ 23,850	\$ 75,510	\$ 83,079
Capital assets, net of accumulated depreciation	186,912	189,287	101,025	98,475	287,937	287,762
Total assets	<u>240,459</u>	<u>248,516</u>	<u>122,988</u>	<u>122,325</u>	<u>363,447</u>	<u>370,841</u>
Current liabilities	47,356	38,116	11,933	6,017	59,289	44,133
Long-term liabilities outstanding	117,136	130,000	10,147	12,082	127,283	142,082
Total liabilities	<u>164,492</u>	<u>168,116</u>	<u>22,080</u>	<u>18,099</u>	<u>186,572</u>	<u>186,215</u>
Net Assets:						
Invested in capital assets, net of related debt	101,766	94,127	84,022	77,019	185,788	171,146
Restricted	4,220	6,497			4,220	6,497
Unrestricted	<u>(30,019)</u>	<u>(20,224)</u>	<u>16,886</u>	<u>27,207</u>	<u>(13,133)</u>	<u>6,983</u>
Total Net Assets	<u>\$ 75,967</u>	<u>\$ 80,400</u>	<u>\$ 100,908</u>	<u>\$ 104,226</u>	<u>\$ 176,875</u>	<u>\$ 184,626</u>

A portion of net assets was restricted in June 30, 2008 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Revenues:						
Program revenues:						
Charges for services	\$ 7,217	\$ 6,427	\$ 14,499	\$ 15,142	\$ 21,716	\$ 21,569
Operating grants and contributions	109,223	19,914			109,223	19,914
Capital grants and contributions	6,413	6,491			6,413	6,491
General revenues:						
Property taxes	100,322	105,354			100,322	105,354
Grants not restricted to specific programs	3,917	59,928			3,917	59,928
Unrestricted investment earnings	1,430	2,482	400	575	1,830	3,057
Miscellaneous income	4,207	6,512	914		5,121	6,512
Total revenues	<u>232,729</u>	<u>207,108</u>	<u>15,813</u>	<u>15,717</u>	<u>248,542</u>	<u>222,825</u>
Expenses:						
General government	28,682	30,470			28,682	30,470
Education	158,803	115,598			158,803	115,598
Public safety	23,479	19,433			23,479	19,433
Public works	10,037	10,469			10,037	10,469
Human services	8,665	10,262			8,665	10,262
Cultural and recreation	4,287	4,284			4,287	4,284
Interest on long-term debt	3,209	3,614			3,209	3,614
Sewer Authority			7,892	7,480	7,892	7,480
Water Authority			10,312	8,276	10,312	8,276
George Hunter Golf Course			927	881	927	881
Total expenses	<u>237,162</u>	<u>194,130</u>	<u>19,131</u>	<u>16,637</u>	<u>256,293</u>	<u>210,767</u>
Change in net assets	(4,433)	12,978	(3,318)	(920)	(7,751)	12,058
Net Assets at Beginning of Year	<u>80,400</u>	<u>67,422</u>	<u>104,226</u>	<u>105,146</u>	<u>184,626</u>	<u>172,568</u>
Net Assets at End of Year	<u>\$ 75,967</u>	<u>\$ 80,400</u>	<u>\$ 100,908</u>	<u>\$ 104,226</u>	<u>\$ 176,875</u>	<u>\$ 184,626</u>

The City's net assets decreased by \$7.7 million during the fiscal year, with net assets of governmental activities decreasing \$4.4 million and business-type activities decreasing by \$3.3 million.

## **Governmental Activities**

Almost 49% of the revenues were derived from property taxes, followed by 46% from State and Federal Government program revenues, then 5% from other revenues.

Major revenue factors included:

- ◆ Property tax revenues decreased by \$1.5 million, for fiscal year 2008, due to decrease in the City's tax rate of approximately 33.7% and total assessed value of all taxable property increased by 49.6%. Property revaluation was implemented for the calculation of property taxes for FY 2008.
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant of \$2.853 million in revenue for fiscal year 2008. This is the sixth year of the agreement.

For Governmental Activities, 63.3% of the City's expenditures relate to education, 9.2% relate to public safety, 13.4% to general government, 2.9% to public works, 1.4% to health and human services, 1.8% to culture and recreation and 2.0% on interest on long term debt.

During FY2008, the State of Connecticut made an additional deposit (approximately \$36.9 million) to the State Teacher's Pension Fund. This amount was in excess of \$31 million from the prior year's contribution. This amount is reflected as both a revenue and expenditure in Exhibit IV.

Restating percentages, adjusting for the additional contribution stated above, 57.0% of the City's expenditures relate to education, 10.8% relate to public safety, 15.7% to general government, 3.4% to public works, 1.6% to health and human services, 2.0% to culture and recreation and 2.3% on interest on long term debt.

Major expenditure factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 1.3% to 3.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs rose 3.2%, due to health insurance costs and pension funding requirements.
- ◆ The cost of education services increased \$3.2 million due to negotiated wage settlements, employee health insurance cost increases and special education cost increases.
- ◆ The cost of public safety increased by \$900,000.

## **Business-Type Funds**

Business-type activities decreased the City's net assets by about \$3,318,000.

## **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, unreserved fund balance of the General Fund was \$4.0 million while total fund balance was \$9.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1.87% of total General Fund expenditures, while total fund balance represents 4.48% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund decreased by \$2,018,207 during the current fiscal year. The decrease in fund balance was included as part of the FY2008 modified budget.

The Bonded Projects Fund has a total fund balance of (\$14.4) million, down from (\$12.0) million in the prior year. This decrease can be explained by fund expenditures from bond anticipation notes which will be redeemed into long term bonds during FY2009; offsetting these expenditures were state grants received in the current year.

The Nonmajor Governmental Funds has a total fund balance of \$6.3 million, down from \$6.6 million in the prior year. The \$0.3 million decrease was primarily due to transfers to other funds in 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 \$45.9 million, with unrestricted net assets of \$13.0 million. The Water Fund experienced an operating loss of \$1,417,744.

Net assets of the Sewer fund were \$55.1 million. Unrestricted net assets were \$4.7 million. The Sewer Fund experienced an operating loss of \$1,504,448.

## **General Fund Budgetary Highlights**

The difference between the original expenditure budget and the final amended expenditure budget was \$511,000. The original budget included a contingency of \$500,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts

and other unanticipated expenses. The major additional appropriations approved during the year are summarized below:

- ◆ \$431,000 for flood control purposes
- ◆ \$80,000 for transfers to other funds

Several departments had favorable variances in their budgets during the fiscal year. The Employee Benefits department was \$2,710,026 under budget due mainly to a favorable experience in the health insurance fund from which the department is charged. The Capital Equipment line item was under their budget by \$197,893 due to non-spending of approved capital items. The Public Works function was under their budget by \$113,593. The Health department was under budget by \$144,236 due mainly to unfilled positions. During the year, actual revenues on a budgetary basis were \$175.0 million, which was less than budgetary estimates by \$3,388,454. Total property tax revenues were less than budget by \$1,620,720. Actual investment income totaled \$1,307,843 which was \$352,157 below the budgeted amount.

Actual revenues and other financing sources on a budgetary basis totaled \$175.0 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$180,803.

### 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, 2008 amount to \$287.9 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. This is the sixth year the City of Meriden has reported its investment in capital assets.

#### City of Meriden, Connecticut

#### Capital Assets (Net of Depreciation) (\$000s)

#### Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 20,769	\$ 20,398	\$ 916	\$ 916	\$ 21,685	\$ 21,314
Land improvements	8,356	6,203	2,550	204	10,906	6,407
Buildings and improvements	113,408	117,060	19,291	20,211	132,699	137,271
Infrastructure	36,509	37,871	66,680	68,336	103,189	106,207
Machinery and equipment	2,500	3,124	4,858	5,183	7,358	8,307
Vehicles	2,820	2,914	45	45	2,865	2,959
Construction in progress	2,550	1,717	6,685	3,580	9,235	5,297
Total	\$ <u>186,912</u>	\$ <u>189,287</u>	\$ <u>101,025</u>	\$ <u>98,475</u>	\$ <u>287,937</u>	\$ <u>287,762</u>

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

- ◆ \$2,306,057 for Construction at Falcon Field
- ◆ \$664,470 for Roadway Paving
- ◆ \$333,708 for Sewer Infiltration Study
- ◆ \$319,278 for Catch Basin Cleaner
- ◆ \$312,800 for Water Auto/Read System

Additional information on the City of Meriden's capital assets can be found in Note 5 on pages 37-38 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$78.9 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**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 69,944	\$ 82,722	\$ 8,941	\$ 11,028	\$ 78,885	\$ 93,750
Bond anticipation notes	15,202	12,438	7,153	4,687	22,355	17,125
Notes payable			910	1,051	910	1,051
Total	<u>\$ 85,146</u>	<u>\$ 95,160</u>	<u>\$ 17,004</u>	<u>\$ 16,766</u>	<u>\$ 102,150</u>	<u>\$ 111,926</u>

The City of Meriden's bonded debt decreased by \$14.9 million or 15.9% during the 2007-2008 fiscal year. During the current fiscal year the City issued \$22.4 million in bond anticipation notes which included the repayment of \$17.1 of outstanding notes from the prior year.

The City of Meriden has an underlying rating from Moody's Investors Service of A3 and from FitchRatings Service of A-.

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$717,668,000. As of June 30, 2008, the City recorded long-term debt of \$69.9 million related to Governmental Activities and \$8.9 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 40-43 of this report.

## **Economic Factors**

The City of Meriden has not been immune from the effects of the national economic downturn. As of June 2008, the unemployment rate for the Meriden Labor Market Area was 6.5%, up from 5.1% in the prior year. This compares with the New Haven Labor market of 5.5%. Connecticut's overall unemployment rate stands at 5.3%, compared with 4.6% for the same time 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 \$2.5 million annually for the next thirty 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 and a Technology Zone to provide incentives to businesses relocating to 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, 2008

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 31,243,870	\$ 4,507,583	\$ 35,751,453
Investments	9,808,202	4,964,160	14,772,362
Receivables, net:			
Property taxes	10,423,515		10,423,515
Accounts receivable	1,650,548	2,509,846	4,160,394
Intergovernmental	1,434,494		1,434,494
Loans receivable	3,634,124		3,634,124
Estimated unbilled usage		3,761,496	3,761,496
Internal balances	(6,220,123)	6,220,123	-
Inventory	291,480		291,480
Advance to golf fund	938,600		938,600
Pension assets	341,727		341,727
Capital assets, nondepreciable	23,319,056	7,601,227	30,920,283
Capital assets, net of accumulated depreciation	163,593,364	93,423,905	257,017,269
Total assets	<u>240,458,857</u>	<u>122,988,340</u>	<u>363,447,197</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	15,858,708	2,960,900	18,819,608
Retainage payable	284,406		284,406
Due to other governments	5,382		5,382
Accrued interest	1,132,725		1,132,725
Unearned revenue	1,888,511		1,888,511
Temporary notes payable	15,202,000	7,153,000	22,355,000
Noncurrent liabilities:			
Due within one year	12,983,193	1,819,675	14,802,868
Due in more than one year	117,136,410	10,146,945	127,283,355
Total liabilities	<u>164,491,335</u>	<u>22,080,520</u>	<u>186,571,855</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	101,766,205	84,021,834	185,788,039
Restricted for:			
Debt service	275,000		275,000
Enabling legislation	3,944,990		3,944,990
Unrestricted	(30,018,673)	16,885,986	(13,132,687)
Total Net Assets	<u>\$ 75,967,522</u>	<u>\$ 100,907,820</u>	<u>\$ 176,875,342</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, 2008

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 28,681,658	\$ 3,596,827	\$ 1,647,449	\$ 6,000,284	\$ (17,437,098)		\$ (17,437,098)
Education	158,802,582	1,207,643	105,492,259		(52,102,680)		(52,102,680)
Public safety	23,478,905	64,621	113,277	76,232	(23,224,775)		(23,224,775)
Public works	10,036,744	1,583,237	2,500	336,103	(8,114,904)		(8,114,904)
Human services	8,665,251	723,341	1,786,470		(6,155,440)		(6,155,440)
Culture and recreation	4,287,009	41,748	181,094		(4,064,167)		(4,064,167)
Interest on long-term debt	3,208,633				(3,208,633)		(3,208,633)
Total governmental activities	<u>237,160,782</u>	<u>7,217,417</u>	<u>109,223,049</u>	<u>6,412,619</u>	<u>(114,307,697)</u>	<u>-</u>	<u>(114,307,697)</u>
Business-type activities:							
Sewer Authority	7,892,639	5,963,555				(1,929,084)	(1,929,084)
Water Authority	10,312,193	7,719,351				(2,592,842)	(2,592,842)
George Hunter Golf Course	926,718	816,120				(110,598)	(110,598)
Total business-type activities	<u>19,131,550</u>	<u>14,499,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,632,524)</u>	<u>(4,632,524)</u>
Total Primary Government	<u>\$ 256,292,332</u>	<u>\$ 21,716,443</u>	<u>\$ 109,223,049</u>	<u>\$ 6,412,619</u>	<u>(114,307,697)</u>	<u>(4,632,524)</u>	<u>(118,940,221)</u>
General revenues:							
Property taxes					100,321,563		100,321,563
Grants and contributions not restricted to specific programs					3,916,604		3,916,604
Unrestricted investment earnings					1,430,008	399,957	1,829,965
Miscellaneous income					4,207,369	914,208	5,121,577
Total general revenues					<u>109,875,544</u>	<u>1,314,165</u>	<u>111,189,709</u>
Change in net assets					(4,432,153)	(3,318,359)	(7,750,512)
Net Assets at Beginning of Year, as Restated					<u>80,399,675</u>	<u>104,226,179</u>	<u>184,625,854</u>
Net Assets at End of Year					<u>\$ 75,967,522</u>	<u>\$ 100,907,820</u>	<u>\$ 176,875,342</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2008**

	<b>General</b>	<b>Bonded Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,106,796	\$ 7,517,562	\$ 6,763,508	\$ 30,387,866
Investments	1,535,297		1,378,069	2,913,366
Receivables, net of allowance for collections:				
Property taxes	3,240,018			3,240,018
Accounts receivable	1,274,036		357,617	1,631,653
Intergovernmental	1,311,447	21,628	101,419	1,434,494
Loans receivable		820,323	2,813,801	3,634,124
Inventory	136,300		155,180	291,480
Due from other funds	473,558	640,826		1,114,384
Advance to golf fund	938,600			938,600
	<u>25,016,052</u>	<u>9,000,339</u>	<u>11,569,594</u>	<u>45,585,985</u>
Total Assets	\$ <u>25,016,052</u>	\$ <u>9,000,339</u>	\$ <u>11,569,594</u>	\$ <u>45,585,985</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,709,834	\$ 1,138,387	\$ 1,444,203	\$ 14,292,424
Retainage payable		284,406		284,406
Due to other governments			5,382	5,382
Due to other funds	765,856	6,112,568	308,756	7,187,180
Deferred revenue	3,064,990	638,241	3,525,131	7,228,362
Temporary notes payable		15,202,000		15,202,000
Total liabilities	<u>15,540,680</u>	<u>23,375,602</u>	<u>5,283,472</u>	<u>44,199,754</u>
Fund balances:				
Reserved:				
Encumbrances	219,648	1,336,606		1,556,254
Inventory	136,300		155,180	291,480
Donor intentions		1,336,606	2,066,683	3,403,289
Loans receivable		820,323		820,323
Long-term advances	938,600			938,600
Debt payments	275,000			275,000
Enabling legislation	3,944,990			3,944,990
Unreserved, undesignated and reported in:				
General fund	3,960,834			3,960,834
Special revenue funds			4,038,120	4,038,120
Capital projects funds		(17,868,798)	26,139	(17,842,659)
Total fund balances	<u>9,475,372</u>	<u>(14,375,263)</u>	<u>6,286,122</u>	<u>1,386,231</u>
Total Liabilities and Fund Balances	\$ <u>25,016,052</u>	\$ <u>9,000,339</u>	\$ <u>11,569,594</u>	\$ <u>45,585,985</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS

JUNE 30, 2008

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)	\$ 1,386,231
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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	\$ 321,917,898	
Less accumulated depreciation	<u>(135,005,478)</u>	
Net capital assets		186,912,420

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

Net pension assets	341,727
Property tax receivables greater than 60 days	2,511,061
Other receivables greater than 60 days	14,490
Loan receivables greater than 60 days	2,814,300
Interest and lien receivable on property taxes	7,183,497

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.

	2,204,432
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(69,944,215)
Interest payable on bonds	(1,132,725)
Compensated absences	(16,067,381)
Landfill post-closure monitoring	(2,189,251)
Net pension obligation	(26,015,930)
OPEB obligation	(11,551,134)
Claims and judgments	<u>(500,000)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 75,967,522</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, 2008

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 102,504,625	\$	\$	\$ 102,504,625
Federal and state government	96,756,081	3,599,545	18,835,898	119,191,524
Charges for services	4,981,502		2,235,919	7,217,421
Investment income	1,307,843		3,535	1,311,378
Other local revenues	4,022,513	1,049	417,768	4,441,330
Total revenues	<u>209,572,564</u>	<u>3,600,594</u>	<u>21,493,120</u>	<u>234,666,278</u>
Expenditures:				
Current:				
General government	28,278,758		2,551,052	30,829,810
Public safety	19,512,250		160,618	19,672,868
Public works	6,191,233			6,191,233
Health and welfare	2,903,236		4,554,027	7,457,263
Culture and recreation	3,714,167		102,720	3,816,887
Education	133,749,494		14,436,836	148,186,330
Debt service:				
Principal retirement	12,777,797			12,777,797
Interest and other charges	4,205,571			4,205,571
Capital outlay		5,963,297	255,977	6,219,274
Total expenditures	<u>211,332,506</u>	<u>5,963,297</u>	<u>22,061,230</u>	<u>239,357,033</u>
Deficiency of Revenues over Expenditures	<u>(1,759,942)</u>	<u>(2,362,703)</u>	<u>(568,110)</u>	<u>(4,690,755)</u>
Other Financing Sources (Uses):				
Transfers in	155,746		414,011	569,757
Transfers out	(414,011)		(155,746)	(569,757)
Total other financing sources (uses)	<u>(258,265)</u>	<u>-</u>	<u>258,265</u>	<u>-</u>
Net Change in Fund Balances	(2,018,207)	(2,362,703)	(309,845)	(4,690,755)
Fund Balances at Beginning of Year, as Restated	<u>11,493,579</u>	<u>(12,012,560)</u>	<u>6,595,967</u>	<u>6,076,986</u>
Fund Balances at End of Year	<u>\$ 9,475,372</u>	<u>\$ (14,375,263)</u>	<u>\$ 6,286,122</u>	<u>\$ 1,386,231</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

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)	\$ (4,690,755)
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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	6,634,959
Depreciation expense	(9,009,907)

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

Property taxes collected after 60 days	(1,397,384)
Other receivables collected after 60 days	(17,358)
Loans collected after 60 days	144,144
Decrease in interest and liens receivable	(785,678)
Change in pension assets	(2,542)

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.

Accrued interest	996,938
Principal payments	12,777,797

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	(1,480,219)
Change in landfill post-closure monitoring	55,746
Change in net pension obligation	338,274
Change in OPEB obligation	(11,551,134)
Change in claims and judgments	2,450,000
Change in heart and hypertension reporting to internal service fund	1,141,675

The net expense of the internal service funds is reported with governmental activities.	<u>(36,709)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ (4,432,153)</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, 2008

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes, interest and lien fees	\$ 104,125,345	\$ 104,125,345	\$ 102,504,625	\$ (1,620,720)
Intergovernmental revenues	62,176,984	62,236,984	59,880,124	(2,356,860)
Charges for services	5,529,673	5,529,673	4,981,502	(548,171)
Investment income	1,660,000	1,660,000	1,307,843	(352,157)
Other revenues	2,425,850	2,365,850	4,033,973	1,668,123
Total revenues	<u>175,917,852</u>	<u>175,917,852</u>	<u>172,708,067</u>	<u>(3,209,785)</u>
Expenditures:				
Current:				
General government	30,081,574	29,704,054	26,608,017	3,096,037
Finance	1,598,959	1,699,849	1,697,030	2,819
Public safety	19,093,118	19,634,277	19,498,630	135,647
Public works	6,273,147	6,304,826	6,191,233	113,593
Health and welfare	3,017,479	3,047,472	2,903,236	144,236
Culture and recreation	3,640,025	3,729,230	3,714,167	15,063
Education	96,785,526	96,785,527	96,784,326	1,201
Debt service:				
Principal retirement	12,820,297	12,820,183	12,777,797	42,386
Interest and other charges	4,207,727	4,207,841	4,205,571	2,270
Total expenditures	<u>177,517,852</u>	<u>177,933,259</u>	<u>174,380,007</u>	<u>3,553,252</u>
Deficiency of Revenues over Expenditures	<u>(1,600,000)</u>	<u>(2,015,407)</u>	<u>(1,671,940)</u>	<u>343,467</u>
Other Financing Sources (Uses):				
Contribution from fund balance	1,600,000	2,111,007		(2,111,007)
Transfers in			155,747	155,747
Transfers out		(95,600)	(414,011)	(318,411)
Total other financing sources (uses)	<u>1,600,000</u>	<u>2,015,407</u>	<u>(258,264)</u>	<u>(2,273,671)</u>
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,930,204)</u>	<u>\$ (1,930,204)</u>
Fund Balance at Beginning of Year			<u>11,197,389</u>	
Fund Balance at End of Year			<u>\$ 9,267,185</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF MERIDEN, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Sewer	Fund		Internal
			George Hunter Memorial Golf Course	Service Funds	
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 2,148,901	\$ 2,105,459	\$ 253,223	\$ 4,507,583	\$ 7,750,840
Accounts receivable, net:					
Use charges	1,247,216	1,251,903		2,499,119	
Unbilled services	2,003,529	1,757,967		3,761,496	
Other	2,517	2,310	5,900	10,727	18,895
Investments	4,198,556	765,604		4,964,160	
Due from other funds	4,622,432	1,576,614	38,552	6,237,598	
Total current assets	<u>14,223,151</u>	<u>7,459,857</u>	<u>297,675</u>	<u>21,980,683</u>	<u>7,769,735</u>
Noncurrent assets:					
Capital assets, nondepreciable	1,305,987	6,295,240		7,601,227	
Capital assets, net of accumulated depreciation	43,296,005	49,228,397	899,503	93,423,905	
Total noncurrent assets	<u>44,601,992</u>	<u>55,523,637</u>	<u>899,503</u>	<u>101,025,132</u>	<u>-</u>
Total assets	<u>58,825,143</u>	<u>62,983,494</u>	<u>1,197,178</u>	<u>123,005,815</u>	<u>7,769,735</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	429,020	2,475,981	55,899	2,960,900	9,961
Claims payable				-	2,840,220
Temporary notes payable	5,928,000	1,175,000	50,000	7,153,000	
Due to other funds	14,584	2,891		17,475	147,327
Current portion of bonds and notes payable	1,051,020	625,988	12,667	1,689,675	
Current portion of compensated absences	81,787	36,012	12,201	130,000	
Total current liabilities	<u>7,504,411</u>	<u>4,315,872</u>	<u>130,767</u>	<u>11,951,050</u>	<u>2,997,508</u>
Noncurrent liabilities:					
Compensated absences	659,153	290,231	98,338	1,047,722	
Bonds and notes payable, less current portion	4,809,070	3,239,555	111,998	8,160,623	
Advance from general fund			938,600	938,600	
Claims incurred but not reported				-	2,567,795
Total noncurrent liabilities	<u>5,468,223</u>	<u>3,529,786</u>	<u>1,148,936</u>	<u>10,146,945</u>	<u>2,567,795</u>
Total liabilities	<u>12,972,634</u>	<u>7,845,658</u>	<u>1,279,703</u>	<u>22,097,995</u>	<u>5,565,303</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	32,813,902	50,483,094	724,838	84,021,834	
Unrestricted	<u>13,038,607</u>	<u>4,654,742</u>	<u>(807,363)</u>	<u>16,885,986</u>	<u>2,204,432</u>
Total Net Assets	<u>\$ 45,852,509</u>	<u>\$ 55,137,836</u>	<u>\$ (82,525)</u>	<u>\$ 100,907,820</u>	<u>\$ 2,204,432</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, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmenta Activities</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>		
Operating Revenues:					
Charges for services	\$ 7,719,351	\$ 5,963,555	\$ 816,120	\$ 14,499,026	\$ 21,415,587
Miscellaneous	701,387	178,355	34,466	914,208	
Total operating revenues	<u>8,420,738</u>	<u>6,141,910</u>	<u>850,586</u>	<u>15,413,234</u>	<u>21,415,587</u>
Operating Expenses:					
Salaries and benefits	3,384,933	1,609,984	521,103	5,516,020	
Medical claims				-	20,115,811
Materials and supplies	1,613,272	1,318,506	187,282	3,119,060	
Utilities	1,068,727	951,131		2,019,858	
Administration and operation	1,251,204	566,968		1,818,172	1,416,002
Depreciation	1,585,724	2,072,715	88,933	3,747,372	
Other	934,622	1,127,054	121,562	2,183,238	39,113
Total operating expenses	<u>9,838,482</u>	<u>7,646,358</u>	<u>918,880</u>	<u>18,403,720</u>	<u>21,570,926</u>
Operating Loss	<u>(1,417,744)</u>	<u>(1,504,448)</u>	<u>(68,294)</u>	<u>(2,990,486)</u>	<u>(155,339)</u>
Nonoperating Revenues (Expenses):					
Interest income	201,876	191,673	6,408	399,957	118,630
Interest expense	(473,711)	(246,281)	(7,838)	(727,830)	
Total nonoperating revenues (expenses)	<u>(271,835)</u>	<u>(54,608)</u>	<u>(1,430)</u>	<u>(327,873)</u>	<u>118,630</u>
Change in Net Assets	(1,689,579)	(1,559,056)	(69,724)	(3,318,359)	(36,709)
Net Assets at Beginning of Year	<u>47,542,088</u>	<u>56,696,892</u>	<u>(12,801)</u>	<u>104,226,179</u>	<u>2,241,141</u>
Net Assets at End of Year	<u>\$ 45,852,509</u>	<u>\$ 55,137,836</u>	<u>\$ (82,525)</u>	<u>\$ 100,907,820</u>	<u>\$ 2,204,432</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, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 8,344,602	\$ 6,034,153	\$ 865,038	\$ 15,243,793	\$ 21,551,897
Receipts from interfund services provided	(1,225,916)	172,559	5,393	(1,047,964)	109,574
Payments to suppliers	(5,202,514)	(1,913,081)	(357,076)	(7,472,671)	(17,031,717)
Payments to employees	(2,644,004)	(1,319,753)	(410,564)	(4,374,321)	(2,877,309)
Payments for interfund services used	14,584	(848,997)		(834,413)	(1,340,241)
Net cash provided by (used in) operating activities	<u>(713,248)</u>	<u>2,124,881</u>	<u>102,791</u>	<u>1,514,424</u>	<u>412,204</u>
Cash Flows from Noncapital Financing Activities:					
Payments on advances from other funds			(25,000)	(25,000)	
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Additions to property, plant and equipment	(589,553)	(5,665,140)	(42,896)	(6,297,589)	
Issuance of capital debt	5,928,000	1,175,000	50,000	7,153,000	
Principal payments of capital debt	(5,201,640)	(798,999)	(66,267)	(6,066,906)	
Interest paid on capital debt	(473,711)	(246,281)	(7,838)	(727,830)	
Net cash used in capital and related financing activities	<u>(336,904)</u>	<u>(5,535,420)</u>	<u>(67,001)</u>	<u>(5,939,325)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Sales of investments	2,021,444	4,769,396	220,000	7,010,840	
Interest on investments	201,876	191,673	6,408	399,957	118,630
Net cash provided by investing activities	<u>2,223,320</u>	<u>4,961,069</u>	<u>226,408</u>	<u>7,410,797</u>	<u>118,630</u>
Net Increase in Cash and Cash Equivalents	1,173,168	1,550,530	237,198	2,960,896	530,834
Cash and Cash Equivalents at Beginning of Year	<u>975,733</u>	<u>554,929</u>	<u>16,025</u>	<u>1,546,687</u>	<u>7,220,006</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,148,901</u>	<u>\$ 2,105,459</u>	<u>\$ 253,223</u>	<u>\$ 4,507,583</u>	<u>\$ 7,750,840</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:					
Operating loss	\$ (1,417,744)	\$ (1,504,448)	(68,294)	\$ (2,990,486)	\$ (155,339)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,585,724	2,072,715	88,933	3,747,372	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(76,136)	(107,757)	14,452	(169,441)	(11,017)
(Increase) decrease in due from other funds	(1,225,916)	172,559	5,393	(1,047,964)	109,574
Increase (decrease) in accounts payable and accrued items	(334,700)	2,014,566	(48,232)	1,631,634	(231,087)
Increase (decrease) in compensated absences	740,940	326,243	110,539	1,177,722	552,746
Increase (decrease) in due to other funds	14,584	(848,997)		(834,413)	147,327
Total adjustments	<u>704,496</u>	<u>3,629,329</u>	<u>171,085</u>	<u>4,504,910</u>	<u>567,543</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (713,248)</u>	<u>\$ 2,124,881</u>	<u>102,791</u>	<u>\$ 1,514,424</u>	<u>\$ 412,204</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, 2008

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 14,110,828	\$ 193,911	\$ 3,527,673
Investments, at fair value:			
U.S. Government obligations	55,058,222		
Corporate bonds	4,798,038		
Common stock	128,668,771		
Preferred stock	185,400		
Mutual funds	8,179,827		
Partnerships	9,524,542		
Other	36,366,111		
Total assets	<u>256,891,739</u>	<u>193,911</u>	<u>3,527,673</u>
Liabilities:			
Other liabilities	<u>163,011</u>	<u></u>	<u>3,527,673</u>
Net Assets:			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 256,728,728</u>	<u>\$ 193,911</u>	<u>\$ -</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, 2008

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Fund Scholarship Fund</u>
Additions:		
Contributions:		
Employer	\$ 11,755,196	\$
Plan members	2,786,809	
Total contributions	<u>14,542,005</u>	<u>-</u>
Investment earnings:		
Net increase in fair value of investments	10,493,563	
Interest and dividends	5,348,960	11,503
Total investment earnings	<u>15,842,523</u>	<u>11,503</u>
Less investment expenses:		
Investment management fees	1,206,407	
Net investment earnings	<u>14,636,116</u>	<u>11,503</u>
Total additions	<u>29,178,121</u>	<u>11,503</u>
Deductions:		
Benefits	20,852,457	6,983
Administrative expense	142,649	
Other	251,782	1,397
Total deductions	<u>21,246,888</u>	<u>8,380</u>
Change in Net Assets	7,931,233	3,123
Net Assets at Beginning of Year	<u>248,797,495</u>	<u>190,788</u>
Net Assets at End of Year	<u>\$ 256,728,728</u>	<u>\$ 193,911</u>

The accompanying notes are an integral part of the financial statements

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

The *Private Purpose Trust 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 which 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 *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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

### **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 Assets/Obligations**

Governmental Funds:

The net pension asset/obligation represents the cumulative difference between the annual pension cost and the City's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset and a noncurrent liability, accordingly, 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 asset restrictions 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:

Reserved Fund Balance - A portion of fund balance that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - Represents tentative management plans that are subject to change.

Unreserved Fund Balance - Serves as a measure of current available financial resources.

## **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.

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 twenty 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 ½ % of the General Fund budget as established for the current year,

without levying a special tax. There were additional appropriations of \$511,007 during the year ended June 30, 2008, which was funded through fund balance.

- j. The Board of Education may transfer unexpected 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>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, budgetary basis	\$ 172,863,814	\$ 174,794,018	\$ 9,267,185
Encumbrances June 30, 2007		296,190	
Encumbrances June 30, 2008		(219,648)	219,648
Cancellation of prior year encumbrances	(11,461)		(11,461)
State Teachers' Retirement on-behalf payment	<u>36,875,957</u>	<u>36,875,957</u>	<u>                    </u>
Balance, GAAP Basis	<u>\$ 209,728,310</u>	<u>\$ 211,746,517</u>	<u>\$ 9,475,372</u>

**B. Deficit Fund Equity**

For the year ended June 30, 2008, the following funds had deficit balances:

Bonded projects	\$ 14,375,263
George Hunter Memorial Golf Course	82,525
School Resource Office Grant	3,260
School Readiness	64,748
Capital and Nonrecurring	61,486
Workers' Compensation Fund	3,296,800

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

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

#### A. Cash and Cash Equivalents

##### Deposits

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$25,923,867 of the City's bank balance of \$27,009,522 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 23,228,071
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>2,695,796</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 25,923,867</u>

#### B. Investments

As of June 30, 2008, the fair value of the City's investments, the credit rating (if applicable) and the maturity dates were as follows:

Investment Type	Credit Rating	Investment Maturities (Years)			
		N/A	Less Than 1	1 - 10	More Than 10
Mutual Funds	n/a	\$ 14,612,701	\$	\$	\$
Common Stock	n/a	129,507,224			
Preferred Stock	n/a	194,290			
U.S. Govt Securities	n/a		19,577,206	31,184,752	4,347,538
Corporate Bonds	AAA		76,049	251,846	
Corporate Bonds	AA		10,004	1,423,041	
Corporate Bonds	A		29,945	1,486,331	
Corporate Bonds	B		59,576	889,722	80,748
Corporate Bonds	n/a			763,777	61,203
Closely Held Assets	n/a	27,498,423			
Partnerships	n/a	9,524,542			
Certificates of Deposit	n/a		6,401,795		
Other	n/a	2,580,062			
STIF	AAA	10,176,227			
MBIA Class	AAA	8,767,865			
Money Market	n/a	16,520,225			
		<u>\$ 219,381,559</u>	<u>\$ 26,154,575</u>	<u>\$ 35,999,469</u>	<u>\$ 4,489,489</u>

Investments - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

## **Subsequent Event**

Due to an economic downturn in the stock market which occurred subsequent to year end, the value of the Town's investments has declined. As of December 31, 2008, the decline was approximately \$69.3 million or 27%. These results could differ between December 31, 2008 and the date of this report.

Credit Risk - Generally, credit risk is risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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.

## **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, 2008 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 Type Funds</b>			
	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Property taxes	\$ 6,929,492	\$	\$	\$ 6,929,492
Accounts	1,274,036		357,617	1,631,653
Intergovernmental	1,311,447	21,628	101,419	1,434,494
Loans		820,323	2,935,118	3,755,441
Gross receivables	9,514,975	841,951	3,394,154	13,751,080
Less: Allowance for collection losses	3,689,474	-	121,317	3,810,791
Net Total Receivables	<u>\$ 5,825,501</u>	<u>\$ 841,951</u>	<u>\$ 3,272,837</u>	<u>\$ 9,940,289</u>
	<b>Business Type Funds</b>			
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Nonmajor and Internal Service Funds</b>	<b>Total</b>
Use charges	\$ 1,509,135	\$ 1,401,903	\$	\$ 2,911,038
Unbilled	2,003,529	1,757,967		3,761,496
Other	2,517	2,310	24,795	29,622
Gross receivables	3,515,181	3,162,180	24,795	6,702,156
Less: Allowance for collection losses	261,919	150,000	-	411,919
Net Total Receivables	<u>\$ 3,253,262</u>	<u>\$ 3,012,180</u>	<u>\$ 24,795</u>	<u>\$ 6,290,237</u>

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	\$ 2,511,061	\$
Property taxes collected in advance		539,439
Other	14,490	
Bonded Projects:		
Premium on temporary notes		638,241
Nonmajor governmental funds:		
Advances on grants		710,831
Loans receivable	<u>2,814,300</u>	
Total Deferred Revenue for Governmental Funds	<u>\$ 5,339,851</u>	<u>\$ 1,888,511</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 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	\$ 20,397,981	\$ 371,000	\$	\$ 20,768,981
Construction in progress	1,717,356	2,373,625	1,540,906	2,550,075
Total capital assets not being depreciated	<u>22,115,337</u>	<u>2,744,625</u>	<u>1,540,906</u>	<u>23,319,056</u>
Capital assets being depreciated:				
Land improvements	13,202,032	2,733,431		15,935,463
Buildings and improvements	175,274,535	343,246		175,617,781
Machinery and equipment	10,360,355	169,156		10,529,511
Vehicles	13,308,865	657,219		13,966,084
Infrastructure	81,021,815	1,528,188		82,550,003
Total capital assets being depreciated	<u>293,167,602</u>	<u>5,431,240</u>	<u>-</u>	<u>298,598,842</u>
Less accumulated depreciation for:				
Land improvements	6,998,842	581,012		7,579,854
Buildings and improvements	58,214,483	3,995,520		62,210,003
Machinery and equipment	7,236,661	792,558		8,029,219
Vehicles	10,394,988	750,917		11,145,905
Infrastructure	43,150,597	2,889,900		46,040,497
Total accumulated depreciation	<u>125,995,571</u>	<u>9,009,907</u>	<u>-</u>	<u>135,005,478</u>
Total capital assets being depreciated, net	<u>167,172,031</u>	<u>(3,578,667)</u>	<u>-</u>	<u>163,593,364</u>
Governmental Activities Capital Assets, Net	<u>\$ 189,287,368</u>	<u>\$ (834,042)</u>	<u>\$ 1,540,906</u>	<u>\$ 186,912,420</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 915,981	\$	\$	\$ 915,981
Construction in progress	<u>3,579,535</u>	<u>5,634,092</u>	<u>2,528,381</u>	<u>6,685,246</u>
Total capital assets not being depreciated	<u>4,495,516</u>	<u>5,634,092</u>	<u>2,528,381</u>	<u>7,601,227</u>
Capital assets being depreciated:				
Land improvements	814,436	2,423,528		3,237,964
Buildings and improvements	43,443,841	187,641		43,631,482
Machinery and equipment	16,461,405	427,504		16,888,909
Vehicles	126,590	90,000		216,590
Infrastructure	<u>115,816,874</u>	<u>131,812</u>		<u>115,948,686</u>
Total capital assets being depreciated	<u>176,663,146</u>	<u>3,260,485</u>	<u>-</u>	<u>179,923,631</u>
Less accumulated depreciation for:				
Land improvements	609,875	77,914		687,789
Buildings and improvements	23,301,475	1,038,703		24,340,178
Machinery and equipment	11,278,583	752,611		12,031,194
Vehicles	81,247	90,373		171,620
Infrastructure	<u>47,481,174</u>	<u>1,787,771</u>		<u>49,268,945</u>
Total accumulated depreciation	<u>82,752,354</u>	<u>3,747,372</u>	<u>-</u>	<u>86,499,726</u>
Total capital assets being depreciated, net	<u>93,910,792</u>	<u>(486,887)</u>	<u>-</u>	<u>93,423,905</u>
Business-Type Activities Capital Assets, Net	<u>\$ 98,406,308</u>	<u>\$ 5,147,205</u>	<u>\$ 2,528,381</u>	<u>\$ 101,025,132</u>

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

Governmental activities:

General government	\$ 381,182
Education	3,621,510
Public safety	771,783
Public works	3,467,230
Human services	<u>768,202</u>

Total Depreciation Expense - Governmental Activities \$ 9,009,907

Business-type activities:

Water Authority	\$ 1,585,724
Sewer Authority	2,072,715
Golf Course	<u>88,933</u>

Total Depreciation Expense - Business-Type Activities \$ 3,747,372



## 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, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 308,756
	Water Fund	14,584
	Sewer Fund	2,891
	Health Insurance Fund	147,327
		<u>473,558</u>
Bonded Projects Fund	General Fund	<u>640,826</u>
Water Fund	General Fund	125,000
	Bonded Projects Fund	4,497,432
		<u>4,622,432</u>
Sewer Fund	Bonded Projects Fund	<u>1,576,614</u>
Nonmajor proprietary funds	General Fund	30
	Bonded Projects Fund	38,522
		<u>38,552</u>
Total		\$ <u><u>7,351,982</u></u>

For the most part, all balances are expected to be repaid within a year. Prior to fiscal year ended June 30, 2008, the General Fund advanced \$988,600 to the George Hunter Memorial Golf Course with the anticipation that the Golf Course would return the funds when the funds were available. As of June 30, 2008, \$25,000 was repaid to the General Fund. Interfund transfers were utilized to transfer monies in order to record designated assets in the proper fund as mandated in State Statute or City Ordinance. The transfers that occurred during the year are as follows:

	<u>Transfers in</u>		<u>Total</u>
	<u>General</u>	<u>Nonmajor</u>	<u>Transfers</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Out</u>
		<u>Funds</u>	
Transfers out:			
General Fund	\$	\$ 414,011	\$ 414,011
Nonmajor Governmental Funds	<u>155,746</u>		<u>155,746</u>
Total Transfers In	\$ <u><u>155,746</u></u>	\$ <u><u>414,011</u></u>	\$ <u><u>569,757</u></u>

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 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	\$ 82,722,012	\$		\$	12,777,797	\$	69,944,215	\$	10,409,917
Compensated absences	14,587,162		2,921,082		1,440,863		16,067,381		979,379
Workman's compensation	1,489,625		1,782,063		1,538,426		1,733,262		577,754
Heart and hypertension	1,820,652		2,178,076		1,880,298		2,118,430		706,143
Landfill post-closure monitoring	2,244,997				55,746		2,189,251		60,000
Net pension obligation	26,354,204		5,606,718		5,944,992		26,015,930		
OPEB obligation	-		16,701,796		5,150,662		11,551,134		
Claims and judgments	2,950,000		500,000		2,950,000		500,000		250,000
<b>Total Governmental Activities</b>									
Long-Term Liabilities	<u>\$ 132,168,652</u>	\$	<u>29,689,735</u>	\$	<u>31,738,784</u>	\$	<u>130,119,603</u>	\$	<u>12,983,193</u>
Business-Type Activities:									
General obligation bonds	\$ 11,027,988	\$		\$	2,087,203	\$	8,940,785	\$	1,545,083
Compensated absences	812,773		470,839		105,890		1,177,722		130,000
Clean water fund notes	1,051,115				141,602		909,513		144,592
<b>Total Business-Type Activities</b>									
Long-Term Liabilities	<u>\$ 12,891,876</u>	\$	<u>470,839</u>	\$	<u>2,334,695</u>	\$	<u>11,028,020</u>	\$	<u>1,819,675</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, 2008</u>
Governmental:						
General purpose:						
General obligation	10/1/88	10/1/08	6.75-7%	\$ 23,945,000	\$ 500,000	\$ 500,000
General obligation	7/15/89	7/15/09	5.5-7.5%	12,332,000	200,000	400,000
General obligation	1/15/91	1/15/11	6.50%	23,600,000	50,000	150,000
General obligation	8/1/96	8/1/16	4.25-6.25%	22,025,000	175,000	700,000
General obligation	8/1/99	8/1/09	4.35-4.8%	20,126,400	1,758,000	3,516,000
General obligation	8/1/02	8/1/22	3-5%	37,936,400	2,492,217	22,009,415
General obligation	10/1/02	8/1/12	5.60%	600,000	60,000	300,000
General obligation	4/15/03	8/1/12	2.5-5%	9,090,000	495,000	975,000
General obligation	4/15/03	4/15/12	3-5%	520,000	55,000	210,000
General obligation	8/1/04	8/1/14	3-5%	39,665,000	2,924,700	25,698,800
General obligation	8/1/06	8/1/16	4.5-5%	20,245,000	1,720,000	15,485,000
Total governmental activities						<u>69,944,215</u>
Business-Type:						
General purpose:						
General obligation	8/1/99	8/1/09	4.35-4.8%	3,923,600	382,000	764,000
General obligation	8/1/02	8/1/22	3-5%	1,263,600	77,783	490,585
General obligation	8/1/04	8/1/14	3-5%	6,231,700	710,300	4,341,200
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	380,000	3,345,000
Total business-type activities						<u>8,940,785</u>
Total Outstanding						<u>\$ 78,885,000</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>
2009	\$ 10,409,917	\$ 2,773,261	\$ 1,545,083	\$ 358,918
2010	9,914,917	2,310,506	1,550,083	286,649
2011	7,471,917	1,957,845	1,158,083	229,275
2012	7,421,917	1,672,947	1,158,083	185,272
2013	7,197,217	1,355,383	947,783	140,384
2014	6,424,666	1,046,409	890,334	98,441
2015	6,424,666	775,115	890,334	59,160
2016	4,549,666	539,540	390,334	29,860
2017	4,549,666	339,241	390,334	10,534
2018	1,729,666	202,437	20,334	432
2019	1,400,000	136,763		
2020	1,400,000	77,219		
2021	350,000	39,375		
2022	350,000	23,625		
2023	350,000	7,875		
<b>Total</b>	<b>\$ 69,944,215</b>	<b>\$ 13,257,541</b>	<b>\$ 8,940,785</b>	<b>\$ 1,398,925</b>

#### **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:

<b>Year Ending June 30</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 144,592	\$ 18,190
2010	144,592	15,298
2011	144,592	12,407
2012	144,592	9,515
2013	144,592	6,623
2014-2018	186,553	8,302
	<b>\$ 909,513</b>	<b>\$ 70,335</b>

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

The total of authorized but unissued bonds at June 30, 2008 is \$99,638,509. 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 thirty years after closure. The liability for the landfill post-closure care, aggregating \$2,189,251 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, 2008. 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.

## **8. SHORT-TERM OBLIGATIONS**

### **Bond Anticipation Notes**

The City uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Bond anticipation note transactions for the year ended June 30, 2008 were as follows:

Outstanding, beginning of year	\$ 17,125,000
New borrowings	22,355,000
Repayments	<u>17,125,000</u>
Outstanding, end of year	\$ <u>22,355,000</u>

The bond anticipation note outstanding at June 30, 2008 matures on August 1, 2008 and bears interest of 4.25%.

## **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, 2008.

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.

Under the City's current policy, the Health Insurance Fund covers 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 except for fiscal year ending June 30, 2006 where individual excess stop loss payments equaled \$313,761. 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>				
2006-07	\$ 3,502,460	\$ 1,244,183	\$ 1,436,366	\$ 3,310,277
2007-08	3,310,277	3,960,139	3,418,724	3,851,692
<b>Health Insurance</b>				
2006-07	1,520,747	20,241,247	20,217,002	1,544,992
2007-08	1,544,992	21,859,080	21,847,749	1,556,323

## 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 20 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 50% 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 50% of salary.
Eligibility requirements	Vested after 10 years of service	Vested after 10 years of continuous service	Vested after 25 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	Employee - 6% 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 - 7.5% 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 - 7.5% of earnings (includes 1% 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, 2006, 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	391	103	98
Vested terminated employees	53		
Active participants:			
Vested	332	72	26
Nonvested	304	50	66
 Total Participants	 <u>1,080</u>	 <u>225</u>	 <u>190</u>

### **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, 2008 and changes in net assets for the year then ended are as follows:

	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
	<b>Assets:</b>						
Cash and cash equivalents	\$ 7,959,222	\$ 2,839,679	\$ 2,588,269	\$	\$ 541,989	\$ 181,669	\$ 14,110,828
<b>Investments, at fair value:</b>							
U.S. Government obligations	29,993,741	13,321,310	11,044,597	682,352	11,741	4,481	55,058,222
Corporate bonds	2,388,769	1,286,626	1,066,732	54,344	1,134	433	4,798,038
Common stock	73,894,635	29,007,677	24,050,046	1,681,088	25,567	9,758	128,668,771
Preferred stock	100,709	45,020	37,325	2,291	40	15	185,400
Mutual funds	4,456,693	2,035,509	1,687,625				8,179,827
Partnerships	4,656,340	2,601,893	2,157,210	105,931	2,293	875	9,524,542
Other	18,189,190	9,704,977	8,046,323	413,801	8,555	3,265	36,366,111
Total investments	133,680,077	58,003,012	48,089,858	2,939,807	49,330	18,827	242,780,911
Total assets	141,639,299	60,842,691	50,678,127	2,939,807	591,319	200,496	256,891,739
<b>Liabilities:</b>							
Other liabilities	12,781	20,467	20,467	109,296	-	-	163,011
<b>Net Assets:</b>							
Held in Trust for Pension Benefits and Other Purposes	\$ 141,626,518	\$ 60,822,224	\$ 50,657,660	\$ 2,830,511	\$ 591,319	\$ 200,496	\$ 256,728,728

	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
	<b>Additions:</b>						
<b>Contributions:</b>							
Employer	\$ 659,542	\$ 3,509,592	\$ 2,435,400	\$ 3,914,503	\$ 669,586	\$ 566,573	\$ 11,755,196
Plan members	1,290,393	321,614	357,634	645,196	116,951	55,021	2,786,809
Total contributions	1,949,935	3,831,206	2,793,034	4,559,699	786,537	621,594	14,542,005
<b>Investment earnings:</b>							
Net increase in fair value of investments	5,101,658	2,875,893	2,400,736	111,839	2,488	949	10,493,563
Dividends and interest	2,992,445	1,244,360	1,044,800	65,864	1,079	412	5,348,960
Total investment earnings	8,094,103	4,120,253	3,445,536	177,703	3,567	1,361	15,842,523
<b>Less investment expenses:</b>							
Investment management fees	686,990	282,913	236,504				1,206,407
Net investment earnings	7,407,113	3,837,340	3,209,032	177,703	3,567	1,361	14,636,116
Total additions	9,357,048	7,668,546	6,002,066	4,737,402	790,104	622,955	29,178,121
<b>Deductions:</b>							
Benefits	5,885,488	4,729,673	3,975,490	4,763,675	844,822	653,309	20,852,457
Administration	42,385	42,386	42,385	15,154	245	94	142,649
Other	215,090	15,982	20,710				251,782
Total deductions	6,142,963	4,788,041	4,038,585	4,778,829	845,067	653,403	21,246,888
Change in net assets	3,214,085	2,880,505	1,963,481	(41,427)	(54,963)	(30,448)	7,931,233
Net Assets at Beginning of Year	138,412,433	57,941,719	48,694,179	2,871,938	646,282	230,944	248,797,495
Net Assets at End of Year	\$ 141,626,518	\$ 60,822,224	\$ 50,657,660	\$ 2,830,511	\$ 591,319	\$ 200,496	\$ 256,728,728

## 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, 2008 were as follows:

	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Annual required contribution (ARC)	\$ 649,414	\$ 3,509,801	\$ 2,435,594
Interest on net pension obligation (asset)	(27,542)	1,064,569	1,043,768
Adjustment to annual required contribution	(40,212)	1,235,578	1,211,436
Annual pension cost	662,084	3,338,792	2,267,926
Contributions made	659,542	3,509,592	2,435,400
Increase (decrease) in net pension obligation (asset)	2,542	(170,800)	(167,474)
Net pension obligation (asset), beginning of year	(344,269)	13,307,109	13,047,095
Net Pension Obligation (Asset), End of Year	<u>\$ (341,727)</u>	<u>\$ 13,136,309</u>	<u>\$ 12,879,621</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	7/1/06	7/1/06	7/1/06
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	15 years	24 years	24 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%	4.25%	4.00%

## Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Employees' Retirement Plan</b>			
6/30/08	\$ 662,084	\$ 99.61%	(341,727)
6/30/07	196,764	99.37	(344,269)
6/30/06	84,984	87.90	(345,505)
<b>Police Pension Plan</b>			
6/30/08	3,338,792	105.12	13,136,309
6/30/07	3,446,801	104.80	13,307,109
6/30/06	3,404,659	95.80	13,471,480
<b>Firefighters' Pension Plan</b>			
6/30/08	2,267,926	107.38	12,879,621
6/30/07	2,453,709	106.60	13,047,095
6/30/06	2,441,757	90.36	13,208,462

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Under Funded AAL as a % of Covered Payroll ((a-b)/c)
<b>Employees' Retirement Plan</b>						
7/01/07	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
7/01/06	28,680,666	114,597,050	(14,083,616)	112.29%	30,170,844	(46.68)%
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	122,127,232	103,416,190	(18,711,042)	118.09	27,345,499	(68.42)
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
7/01/02	118,086,359	95,327,362	(22,758,997)	123.87	23,977,682	(94.92)
<b>Police Pension Plan</b>						
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	53,745,820	79,947,211	26,201,391	67.23	5,940,009	441.10
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	48,752,364	72,823,660	24,071,296	66.95	7,039,682	341.94
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
7/01/02	46,554,515	70,304,895	23,750,380	66.22	6,771,911	350.72
<b>Firefighters' Pension Plan</b>						
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	46,026,189	65,036,368	19,010,179	70.77	4,971,096	382.41
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	43,396,288	64,094,542	20,698,254	67.71	5,134,902	403.09
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
7/01/02	46,554,515	61,095,615	12,616,328	79.35	5,147,294	245.11

## Schedule of Employer Contributions

Fiscal Year Ended	Employees' Retirement Plan		Police Pension Plan		Firefighters' Pension Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
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	100.0	3,540,516	91.5	2,574,201	85.7
6/30/05	-	N/A	3,413,205	99.0	1,906,328	100.0
6/30/04	-	N/A	3,357,184	72.9	1,872,975	89.4
6/30/03	-	N/A	2,489,520	98.3	1,682,036	99.6

### 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 \$49,816,152.

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. In the current year, an additional amount was contributed to the plan by the State from proceeds of pension obligation bonds. For the year ended June 30, 2008 the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$36,875,957 as payments made by the State of Connecticut on behalf of the Town. The Town 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, 2006, 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	116	94	323	697	283	1,513
Retired employees*	120	99	645	216	55	1,135
<b>Total Participants</b>	<b>236</b>	<b>193</b>	<b>968</b>	<b>913</b>	<b>338</b>	<b>2,648</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/Non-Teacher BOE	2.00% of Salary
Police	2.00% of Salary
Fire	1.00% of Salary
Teachers	1.25% of Salary

For the year ended June 30, 2008, plan members contributed \$817,168. 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 \$817,192 were made during the year ended June 30, 2008. This amount represents premium payments.

### **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 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 thirty 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)	\$ 16,701,796
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>16,701,796</u>
Contributions made	<u>5,150,662</u>
Increase in net OPEB obligation	11,551,134
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End of Year	<u><u>\$ 11,551,134</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2008 is presented below. Data is only presented for the fiscal year ended June 30, 2008 due to this being the year of transition.

<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>
6/30/08	\$ 16,701,796	\$ 5,150,662	30.84%	\$ 11,551,134

As of July 1, 2006, the most recent actuarial valuation date, the plan was 1.4% funded. The actuarial accrued liability for benefits was \$231,478,641, and the actuarial value of assets was \$3,172,002 resulting in an unfunded actuarial accrued liability (UAAL) of \$228,306,639 million. The covered payroll (annual payroll of active employees covered by the plan) was not available.

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>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</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>						
7/1/2006	\$ 3,175,002	\$ 231,478,641	\$ 228,306,639	1.4%	\$ n/a	n/a

### Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 16,701,796	30.84%

June 30, 2008 was the transition year. Information in these schedules is presented for only one year.

n/a - The covered payroll is not available.

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, 2006 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% 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 4.5%. 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. The remaining amortization period at July 1, 2006 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, 2008. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Gravel and Baldwin reconstruction	\$ 4,105
Street improvements	10,000
Water line and tank rehabilitation	29,450
Merimere Elemere study	24,670
Carpenter Ave	24,400
Water supply plan	4,500
Water heating system	5,559
Johnson Hill permanent tank covers	8,547
Water level "A" mapping	14,070
Water roof eval/repair/replacement	9,850
Bridges reconstruction design	185,188
Lincoln Middle School	64,858
WPCF projects	19,232
Sewer projects	260,159
Engineering - landfill closure	47,923
Safety improvements	1,200
Street resurfacing	35,030
Flood improvements	31,769
Falcon Field construction	19,908
Fire building renovations	24,000
Sidewalks	166,761
Citywide drainage projects	14,574
Emergency backup generator	265,661
Paving	44,444
WPCF Facility BNR Improvements	<u>30,432,571</u>
Total	<u>\$ 31,748,429</u>



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

### **Municipal Solid Waste Management Services Contract**

The City has entered into a municipal solid waste management services contract, as amended, (Service Contract) with the Connecticut Resources Recovery Authority (Authority) pursuant to which it participates with four other Connecticut municipalities (Contracting Municipalities), in the Wallingford Resource Recovery System (System). The System consists of mass-burn solid waste, recover resource steam and electric generation facility (Facility) located in the Town of Wallingford, Connecticut, and various improvements and facilities related thereto, including landfills. The Facility is complete and presently receiving waste from the Contracting Municipalities.

Under the Service Contract, the City is required to deliver, or cause to be delivered to the System solid waste generated within its boundaries with a minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (Service Payment). The current fee is \$59 per ton. The aggregated minimum commitment of the Contracting Municipalities is 125,000 tons per year. The City's Service Payment commitment is a "Put-or-Pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of the Contracting Municipalities in any year, the City must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

The Service Payment applicable in any contract year is calculated by estimating the net cost of operation, which is the cost of operation less revenues other than Service Payments, as such terms are defined in the Service Contract. The sum of all Service Payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the net cost of operations.

The City has pledged its full faith and credit to the payment of Service Payments and also has agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

## **13. PRIOR PERIOD ADJUSTMENTS**

### **Adjustments to Fund Balances**

Library Grants Fund - This fund was incorrectly reported in the prior year and, therefore, removed from the City's financial statements, the result being a decrease in cash and fund balance of \$39,339.

Library Trust Fund - Fund balance was incorrectly reported in the prior year, resulting in an increase in fund balance and a decrease in revenues of \$20,288.

School Lunch Fund - A number of accounts were incorrectly reported in the prior year, resulting in an increase in fund balance of \$56,510.

State and Federal Education Grants - Fund balance was incorrectly reported in the prior year, resulting in an increase in fund balance of \$363,304.

### **Adjustments to Net Assets**

As a result of the above adjustments, net assets were increased by \$400,763.

The net pension obligation and compensated absence balances were incorrectly reported in the prior year. In order to correct, noncurrent liabilities were decreased and net assets were increased by \$1,625,965.

The City had previously not included interest and lien receivable in their statement of net assets. The result was an increase in the receivable and net assets of \$7,969,175.

### **Adjustments to Agency Funds**

The cash balances in several agency funds were incorrectly reported in the prior year. As a result, cash and deposits held for others increased by \$48,598.

## **14. SUBSEQUENT EVENT**

On August 1, 2008, the City issued \$33,050,000 of general obligation bonds to fund various projects. The bonds bear interest of 3-5% and mature serially on August 1, 2028.

**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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Property taxes:				
Current year's levy	\$ 99,725,345	\$ 99,725,345	\$ 98,955,695	\$ (769,650)
Prior years' levies	1,700,000	1,700,000	1,737,929	37,929
Motor vehicle supplement	1,400,000	1,400,000	886,675	(513,325)
Suspense	25,000	25,000	17,689	(7,311)
Interest and liens	1,275,000	1,275,000	906,637	(368,363)
Total property taxes	<u>104,125,345</u>	<u>104,125,345</u>	<u>102,504,625</u>	<u>(1,620,720)</u>
Intergovernmental:				
State grants for education	54,477,384	54,477,384	52,595,723	(1,881,661)
School building grants	847,782	847,782	705,386	(142,396)
Other state grants	6,851,818	6,911,818	6,579,015	(332,803)
Total intergovernmental	<u>62,176,984</u>	<u>62,236,984</u>	<u>59,880,124</u>	<u>(2,356,860)</u>
Charges for services:				
Licenses and permits	132,815	132,815	140,233	7,418
Fines	13,800	13,800	11,392	(2,408)
Department fees and other	4,687,768	4,687,768	4,074,454	(613,314)
Rents	695,290	695,290	755,423	60,133
Total charges for services	<u>5,529,673</u>	<u>5,529,673</u>	<u>4,981,502</u>	<u>(548,171)</u>
Investment income	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,307,843</u>	<u>(352,157)</u>
Miscellaneous revenues	<u>2,425,850</u>	<u>2,365,850</u>	<u>4,022,512</u>	<u>1,656,662</u>
Other financing sources:				
Cancellation of prior year encumbrances			11,461	11,461
Appropriation of fund balance	1,600,000	2,111,007	2,111,007	-
Transfers in			155,747	155,747
Total other financing sources	<u>1,600,000</u>	<u>2,111,007</u>	<u>2,278,215</u>	<u>167,208</u>
Total revenues and other financing sources	<u>177,517,852</u>	<u>178,028,859</u>	<u>174,974,821</u>	<u>(3,054,038)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
City council	\$ 231,056	\$ 233,535	\$ 214,154	\$ 19,381
City manager	540,939	508,863	499,531	9,332
Legal	644,460	650,343	650,334	9
Personnel	235,997	243,390	225,811	17,579
City clerk	440,101	448,613	448,612	1
Aviation	52,730	52,730	39,487	13,243
Elections	233,312	233,312	163,840	69,472
Insurance	2,964,046	2,964,046	2,963,414	632
Employee benefits	19,252,085	18,852,332	16,142,306	2,710,026
Finance general administration	2,770,410	2,819,411	2,771,219	48,192
Capital equipment	575,000	1,009,600	811,707	197,893
Management information systems	808,815	815,273	808,280	6,993
Development and enforcement	688,458	727,965	727,931	34
Inland wetlands	1,500	1,975	1,971	4
Parking	142,665	142,666	139,420	3,246
Contingency	500,000			-
Total general government	<u>30,081,574</u>	<u>29,704,054</u>	<u>26,608,017</u>	<u>3,096,037</u>
Finance:				
Finance	645,380	652,907	652,907	-
Purchasing	226,279	229,544	226,727	2,817
Tax collector/Assessor	724,050	814,148	814,146	2
Board of assessment appeals	3,250	3,250	3,250	-
Total finance	<u>1,598,959</u>	<u>1,699,849</u>	<u>1,697,030</u>	<u>2,819</u>
Public safety:				
Police	10,730,122	10,735,003	10,612,869	122,134
Fire	7,405,852	7,883,102	7,883,100	2
Emergency communications	874,287	933,315	933,314	1
South Meriden volunteer fire	68,857	68,857	60,616	8,241
Emergency management	14,000	14,000	8,731	5,269
Total public safety	<u>19,093,118</u>	<u>19,634,277</u>	<u>19,498,630</u>	<u>135,647</u>
Public works:				
Engineering	773,037	752,441	746,783	5,658
Garage and warehouse	335,614	398,840	398,653	187
Traffic engineering	444,167	436,337	434,991	1,346
Highway safety	1,648,924	1,740,064	1,720,102	19,962
Transfer station	130,475	36,882	36,150	732
Waste collection	1,480,407	1,458,432	1,435,525	22,907
Bulky waste	300,443	321,750	306,578	15,172
Building maintenance	1,160,080	1,160,080	1,112,451	47,629
Total public works	<u>6,273,147</u>	<u>6,304,826</u>	<u>6,191,233</u>	<u>113,593</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and welfare:				
Health	\$ 2,153,959	\$ 2,164,386	\$ 2,051,362	\$ 113,024
Social services	182,590	191,357	187,908	3,449
Senior center	540,597	550,017	522,831	27,186
Youth services	140,333	141,712	141,135	577
Total health and welfare	<u>3,017,479</u>	<u>3,047,472</u>	<u>2,903,236</u>	<u>144,236</u>
Culture and recreation:				
Library	1,840,321	1,900,144	1,895,664	4,480
Parks	1,371,289	1,397,789	1,397,775	14
Recreation	428,415	431,297	420,728	10,569
Total culture and recreation	<u>3,640,025</u>	<u>3,729,230</u>	<u>3,714,167</u>	<u>15,063</u>
Education:				
Board of Education	96,783,226	96,783,227	96,783,227	-
School building committee	2,300	2,300	1,099	1,201
Total education	<u>96,785,526</u>	<u>96,785,527</u>	<u>96,784,326</u>	<u>1,201</u>
Debt service:				
Principal retirement	12,820,297	12,820,183	12,777,797	42,386
Interest	4,207,727	4,207,841	4,205,571	2,270
Total debt service	<u>17,028,024</u>	<u>17,028,024</u>	<u>16,983,368</u>	<u>44,656</u>
Other financing uses:				
Transfers out		95,600	414,011	(318,411)
Total expenditures and other financing uses	<u>177,517,852</u>	<u>178,028,859</u>	<u>174,794,018</u>	<u>3,234,841</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>180,803</u>	\$ <u>180,803</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.

**School Resource Office Grant** - To account for the State-funded program.

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

**Summer Youth Initiative** - To account for a grant from the Federal government to employ youths.

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

**Americorps** - To account for the grants received and salaries expended to hire youths to perform community service work.

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

**Insurance Reserve Fund** - To account for unexpected insurance claim funds.

**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.

**Tree Preservation Fund** - To account for funds collected and designated for tree preservation.

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

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

**Railroad Right-of-Way** - To account for the renovation of the Railroad Canopy and Railroad Avenue area.

**Safe Neighborhoods** - To account for grants used to subsidize hiring of additional police officers.

**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.

**Welfare to Work** - To account for grants relating to back to work programs.

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

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

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

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

**Downtown Property Management** - To account for management of City-owned property in the downtown area.

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

**Paddock Avenue Rental** - To account for funds collected through rentals and designated for economic development.

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

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

**Landfill Reclamation** - To account for dump tipping fees and landfill closure 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.

**Arts District Feasibility**- To account for designated funds to be used in a local study.

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

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

### **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.

**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**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, 2008

	Special Revenue Funds								
	Document Preservation Fund	Airport Improvement Fund	School Resource Office Grant	Community Development Block Grant	Summer Youth Initiative	Day Care Center	Americorps	Women Infant and Children Program	Insurance Reserve Fund
<b>ASSETS</b>									
Cash and cash equivalents	\$ 52,556	\$ 40,988	\$	\$	\$	\$ 211,635	\$	\$ 128,436	\$ 186,404
Investments									
Accounts receivable									
Intergovernmental receivable				88,184					
Loans receivable, net									
Due from other funds									
Inventory									
Total Assets	<u>\$ 52,556</u>	<u>\$ 40,988</u>	<u>\$ -</u>	<u>\$ 88,184</u>	<u>\$ -</u>	<u>\$ 211,635</u>	<u>\$ -</u>	<u>\$ 128,436</u>	<u>\$ 186,404</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$	\$ 607	\$ 62,125	\$	\$ 33,180	\$	\$ 44,663	\$ 15,076
Deferred revenue									
Due to other governments									
Due to other funds	5,506	35,000	2,653	26,059				40,000	
Total liabilities	<u>5,506</u>	<u>35,000</u>	<u>3,260</u>	<u>88,184</u>	<u>-</u>	<u>33,180</u>	<u>-</u>	<u>84,663</u>	<u>15,076</u>
Fund Balances:									
Reserved for inventory									
Reserved for donors' intentions									
Unreserved and undesignated	47,050	5,988	(3,260)			178,455		43,773	171,328
Total fund balances	<u>47,050</u>	<u>5,988</u>	<u>(3,260)</u>	<u>-</u>	<u>-</u>	<u>178,455</u>	<u>-</u>	<u>43,773</u>	<u>171,328</u>
Total Liabilities and Fund Balances	<u>\$ 52,556</u>	<u>\$ 40,988</u>	<u>\$ -</u>	<u>\$ 88,184</u>	<u>\$ -</u>	<u>\$ 211,635</u>	<u>\$ -</u>	<u>\$ 128,436</u>	<u>\$ 186,404</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	Special Revenue Funds								
	Health Grants	Meals on Wheels Program	Tree Preservation Fund	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	Railroad Right of Way	School Readiness	Law Enforcement Block Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$ 654,033	\$ 254,364	\$ 127,669	\$ 64,547	\$ 188,710	\$ 51,389		\$ 176,416	
Investments									
Accounts receivable									
Intergovernmental receivable									13,235
Loans receivable, net				2,141,709	672,092				
Due from other funds	80,000								
Inventory									
<b>Total Assets</b>	<u>\$ 734,033</u>	<u>\$ 254,364</u>	<u>\$ 127,669</u>	<u>\$ 2,206,256</u>	<u>\$ 860,802</u>	<u>\$ 51,389</u>	<u>\$ -</u>	<u>\$ 176,416</u>	<u>\$ 13,235</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ 67,245	\$ 25,326	\$ 1,700					\$ 201,164	\$ 1,250
Deferred revenue				2,142,208	672,092				
Due to other governments				5,382					
Due to other funds		69,200						40,000	11,985
<b>Total liabilities</b>	<u>67,245</u>	<u>94,526</u>	<u>1,700</u>	<u>2,147,590</u>	<u>672,092</u>	<u>-</u>	<u>-</u>	<u>241,164</u>	<u>13,235</u>
<b>Fund Balances:</b>									
Reserved for inventory									
Reserved for donors' intentions									
Unreserved and undesignated	666,788	159,838	125,969	58,666	188,710	51,389		(64,748)	
<b>Total fund balances</b>	<u>666,788</u>	<u>159,838</u>	<u>125,969</u>	<u>58,666</u>	<u>188,710</u>	<u>51,389</u>	<u>-</u>	<u>(64,748)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 734,033</u>	<u>\$ 254,364</u>	<u>\$ 127,669</u>	<u>\$ 2,206,256</u>	<u>\$ 860,802</u>	<u>\$ 51,389</u>	<u>\$ -</u>	<u>\$ 176,416</u>	<u>\$ 13,235</u>

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

## Special Revenue Funds

	<u>Welfare to Work</u>	<u>Emergency Services Grant</u>	<u>Underage Drinking</u>	<u>Downtown Property Management</u>	<u>Brownfield Assessment</u>	<u>Paddock Avenue Rental</u>	<u>Education Grants</u>	<u>Dog Fund</u>	<u>Landfill Reclamation</u>	<u>Public School Lunch</u>
<b>ASSETS</b>										
Cash and cash equivalents	\$	\$ 3,003	\$ 687	\$ 141,389	\$ 64,863	\$	\$ 2,748,860	\$ 14,973	\$	\$ 592,873
Investments										
Accounts receivable										357,617
Intergovernmental receivable										
Loans receivable, net										
Due from other funds										
Inventory										155,180
Total Assets	\$	\$ 3,003	\$ 687	\$ 141,389	\$ 64,863	\$ -	\$ 2,748,860	\$ 14,973	\$ -	\$ 1,105,670
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable and accrued liabilities	\$	\$	\$	\$ 5,725	\$ 8,056	\$	\$ 914,823	\$ 2,148	\$	\$
Deferred revenue							710,831			
Due to other governments										
Due to other funds								3,916		
Total liabilities				5,725	8,056		1,625,654	6,064		
Fund Balances:										
Reserved for inventory										155,180
Reserved for donors' intentions										
Unreserved and undesignated		3,003	687	135,664	56,807		1,123,206	8,909		950,490
Total fund balances		3,003	687	135,664	56,807		1,123,206	8,909		1,105,670
Total Liabilities and Fund Balances	\$	\$ 3,003	\$ 687	\$ 141,389	\$ 64,863	\$ -	\$ 2,748,860	\$ 14,973	\$ -	\$ 1,105,670

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	Special Revenue Funds					Capital Project Funds				
	Public School Rental	Adult Evening School	Reading Video	Arts District Feasibility	Anti-Blight Fund	Smoke Detector Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	Planning Commission Subdivision Development
<b>ASSETS</b>										
Cash and cash equivalents	\$ 124,169	\$ 30,401	\$ 1,288	\$	\$ 4,102	\$ 1,068	\$ 179	\$ 96,888	\$ 18,000	\$ 88,253
Investments										
Accounts receivable										
Intergovernmental receivable										
Loans receivable, net										
Due from other funds										
Inventory										
<b>Total Assets</b>	<u>\$ 124,169</u>	<u>\$ 30,401</u>	<u>\$ 1,288</u>	<u>\$ -</u>	<u>\$ 4,102</u>	<u>\$ 1,068</u>	<u>\$ 179</u>	<u>\$ 96,888</u>	<u>\$ 18,000</u>	<u>\$ 88,253</u>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable and accrued liabilities	\$ 30,410	\$ 1,210	\$	\$	\$	\$	\$ 57	\$ 3,937	\$ 18,000	\$ 750
Deferred revenue										
Due to other governments										
Due to other funds								154,437		
<b>Total liabilities</b>	<u>30,410</u>	<u>1,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>158,374</u>	<u>18,000</u>	<u>750</u>
<b>Fund Balances:</b>										
Reserved for inventory										
Reserved for donors' intentions										
Unreserved and undesignated	93,759	29,191	1,288		4,102	1,068	122	(61,486)		87,503
<b>Total fund balances</b>	<u>93,759</u>	<u>29,191</u>	<u>1,288</u>	<u>-</u>	<u>4,102</u>	<u>1,068</u>	<u>122</u>	<u>(61,486)</u>	<u>-</u>	<u>87,503</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 124,169</u>	<u>\$ 30,401</u>	<u>\$ 1,288</u>	<u>\$ -</u>	<u>\$ 4,102</u>	<u>\$ 1,068</u>	<u>\$ 179</u>	<u>\$ 96,888</u>	<u>\$ 18,000</u>	<u>\$ 88,253</u>

(Continued on next page)



## CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

## Permanent Funds

	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	Eliminating Entries	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 72,040	\$ 300,695	\$ 310,245	\$ 8,399	\$ 3,986	\$	\$ 6,763,508
Investments	502,805	875,264					1,378,069
Accounts receivable							357,617
Intergovernmental receivable							101,419
Loans receivable, net							2,813,801
Due from other funds	2,099					(82,099)	-
Inventory							155,180
Total Assets	<u>\$ 576,944</u>	<u>\$ 1,175,959</u>	<u>\$ 310,245</u>	<u>\$ 8,399</u>	<u>\$ 3,986</u>	<u>\$ (82,099)</u>	<u>\$ 11,569,594</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$ 6,751	\$	\$	\$	\$	\$ 1,444,203
Deferred revenue							3,525,131
Due to other governments							5,382
Due to other funds		2,099				(82,099)	308,756
Total liabilities	<u>-</u>	<u>8,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,099)</u>	<u>5,283,472</u>
Fund Balances:							
Reserved for inventory							155,180
Reserved for donors' intentions	576,944	1,167,109	310,245	8,399	3,986		2,066,683
Unreserved and undesignated							4,064,259
Total fund balances	<u>576,944</u>	<u>1,167,109</u>	<u>310,245</u>	<u>8,399</u>	<u>3,986</u>	<u>-</u>	<u>6,286,122</u>
Total Liabilities and Fund Balances	<u>\$ 576,944</u>	<u>\$ 1,175,959</u>	<u>\$ 310,245</u>	<u>\$ 8,399</u>	<u>\$ 3,986</u>	<u>\$ (82,099)</u>	<u>\$ 11,569,594</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

		Special Revenue Funds								
		Document Preservation Fund	Airport Improvement Fund	School Resource Office Grant	Community Development Block Grant	Summer Youth Initiative	Day Care Center	Americorps	Women Infant and Children Program	Insurance Reserve Fund
Revenues:										
	Intergovernmental revenues	\$ 12,000	\$ 166,360	\$ 3,060	\$ 1,165,623	\$ -	\$ 202,092	\$ -	\$ 539,751	\$ -
	Charges for services	23,201					415,371			
	Investment income									
	Other				56,685					30,000
	Total revenues	<u>35,201</u>	<u>166,360</u>	<u>3,060</u>	<u>1,222,308</u>	<u>-</u>	<u>617,463</u>	<u>-</u>	<u>539,751</u>	<u>30,000</u>
Expenditures:										
	General government	66,218	175,116		1,165,255					
	Public safety			21,751						
	Health and welfare						439,113		486,861	72,331
	Culture and recreation									
	Capital outlay									
	Education									
	Total expenditures	<u>66,218</u>	<u>175,116</u>	<u>21,751</u>	<u>1,165,255</u>	<u>-</u>	<u>439,113</u>	<u>-</u>	<u>486,861</u>	<u>72,331</u>
	Excess (Deficiency) of Revenues over Expenditures	<u>(31,017)</u>	<u>(8,756)</u>	<u>(18,691)</u>	<u>57,053</u>	<u>-</u>	<u>178,350</u>	<u>-</u>	<u>52,890</u>	<u>(42,331)</u>
Other Financing Sources (Uses):										
	Transfers in					1,468		15,512		
	Transfers out									
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,468</u>	<u>-</u>	<u>15,512</u>	<u>-</u>	<u>-</u>
	Net Change in Fund Balances	(31,017)	(8,756)	(18,691)	57,053	1,468	178,350	15,512	52,890	(42,331)
	Fund Balances at Beginning of Year	<u>78,067</u>	<u>14,744</u>	<u>15,431</u>	<u>(57,053)</u>	<u>(1,468)</u>	<u>105</u>	<u>(15,512)</u>	<u>(9,117)</u>	<u>213,659</u>
	Fund Balances at End of Year	<u>\$ 47,050</u>	<u>\$ 5,988</u>	<u>\$ (3,260)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,455</u>	<u>\$ -</u>	<u>\$ 43,773</u>	<u>\$ 171,328</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, 2008**

	Special Revenue Funds								
	Health Grants	Meals on Wheels Program	Tree Preservation Fund	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	Railroad Right of Way	School Readiness	Law Enforcement Block Grant
Revenues:									
Intergovernmental revenues	\$ 872,829	\$ 168,877	\$	\$	\$	\$ 76,232	\$	\$ 2,281,720	\$ 26,597
Charges for services	194,653	37,926							
Investment income									
Other		2,921	2,500	111,464	25,000				
Total revenues	<u>1,067,482</u>	<u>209,724</u>	<u>2,500</u>	<u>111,464</u>	<u>25,000</u>	<u>76,232</u>	<u>-</u>	<u>2,281,720</u>	<u>26,597</u>
Expenditures:									
General government			16,466	83,159					
Public safety						78,655			27,493
Health and welfare	1,005,338	223,909						2,326,475	
Culture and recreation									
Capital outlay									
Education									
Total expenditures	<u>1,005,338</u>	<u>223,909</u>	<u>16,466</u>	<u>83,159</u>	<u>-</u>	<u>78,655</u>	<u>-</u>	<u>2,326,475</u>	<u>27,493</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,144</u>	<u>(14,185)</u>	<u>(13,966)</u>	<u>28,305</u>	<u>25,000</u>	<u>(2,423)</u>	<u>-</u>	<u>(44,755)</u>	<u>(896)</u>
Other Financing Sources (Uses):									
Transfers in							10,330		
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,330</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	62,144	(14,185)	(13,966)	28,305	25,000	(2,423)	10,330	(44,755)	(896)
Fund Balances at Beginning of Year	<u>604,644</u>	<u>174,023</u>	<u>139,935</u>	<u>30,361</u>	<u>163,710</u>	<u>53,812</u>	<u>(10,330)</u>	<u>(19,993)</u>	<u>896</u>
Fund Balances at End of Year	<u>\$ 666,788</u>	<u>\$ 159,838</u>	<u>\$ 125,969</u>	<u>\$ 58,666</u>	<u>\$ 188,710</u>	<u>\$ 51,389</u>	<u>\$ -</u>	<u>\$ (64,748)</u>	<u>\$ -</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, 2008**

		<b>Special Revenue Funds</b>									
		<b>Welfare to Work</b>	<b>Emergency Services Grant</b>	<b>Underage Drinking</b>	<b>Downtown Property Management</b>	<b>Brownfield Assessment</b>	<b>Paddock Avenue Rental</b>	<b>Education Grants</b>	<b>Dog Fund</b>	<b>Landfill Reclamation</b>	<b>Public School Lunch</b>
Revenues:											
	Intergovernmental revenues	\$	\$	\$	\$	10,708	\$	10,605,773	\$	\$	2,419,784
	Charges for services				52,884		265,435		34,701		1,135,943
	Investment income										10,055
	Other							615			63,846
	<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,884</u>	<u>10,708</u>	<u>265,435</u>	<u>10,606,388</u>	<u>34,701</u>	<u>-</u>	<u>3,629,628</u>
Expenditures:											
	General government				15,151	35,698	254,420				
	Public safety			2,107					27,934		
	Health and welfare										
	Culture and recreation										
	Capital outlay										
	Education							10,739,183			3,585,706
	<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>2,107</u>	<u>15,151</u>	<u>35,698</u>	<u>254,420</u>	<u>10,739,183</u>	<u>27,934</u>	<u>-</u>	<u>3,585,706</u>
	Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(2,107)</u>	<u>37,733</u>	<u>(24,990)</u>	<u>11,015</u>	<u>(132,795)</u>	<u>6,767</u>	<u>-</u>	<u>43,922</u>
Other Financing Sources (Uses):											
	Transfers in					80,000			9,000		
	Transfers out	(4,175)			(123,135)					(55,746)	
	<b>Total other financing sources (uses)</b>	<u>(4,175)</u>	<u>-</u>	<u>-</u>	<u>(123,135)</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>(55,746)</u>	<u>-</u>
	<b>Net Change in Fund Balances</b>	<u>(4,175)</u>	<u>-</u>	<u>(2,107)</u>	<u>(85,402)</u>	<u>55,010</u>	<u>11,015</u>	<u>(132,795)</u>	<u>15,767</u>	<u>(55,746)</u>	<u>43,922</u>
	<b>Fund Balances at Beginning of Year</b>	<u>4,175</u>	<u>3,003</u>	<u>2,794</u>	<u>221,066</u>	<u>1,797</u>	<u>(11,015)</u>	<u>1,256,001</u>	<u>(6,858)</u>	<u>55,746</u>	<u>1,061,748</u>
	<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 135,664</u>	<u>\$ 56,807</u>	<u>\$ -</u>	<u>\$ 1,123,206</u>	<u>\$ 8,909</u>	<u>\$ -</u>	<u>\$ 1,105,670</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, 2008

	Special Revenue Funds						Capital Project Funds			
	Public School Rental	Adult Evening School	Reading Video	Arts District Feasibility	Anti-Blight Fund	Smoke Detector Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	Planning Commission Subdivision Development
Revenues:										
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 253,231	\$ 18,261	\$ 13,000	\$
Charges for services	17,142	54,563			4,100					1,164
Investment income	2,452									87,089
Other						2,648		35,000		
Total revenues	<u>19,594</u>	<u>54,563</u>	<u>-</u>	<u>-</u>	<u>4,100</u>	<u>2,648</u>	<u>253,231</u>	<u>53,261</u>	<u>13,000</u>	<u>88,253</u>
Expenditures:										
General government				3,643					615,845	
Public safety					1,098	1,580				
Health and welfare								37,697		
Culture and recreation							255,227			750
Capital outlay										
Education	66,449	43,612	1,886							
Total expenditures	<u>66,449</u>	<u>43,612</u>	<u>1,886</u>	<u>3,643</u>	<u>1,098</u>	<u>1,580</u>	<u>255,227</u>	<u>37,697</u>	<u>615,845</u>	<u>750</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(46,855)</u>	<u>10,951</u>	<u>(1,886)</u>	<u>(3,643)</u>	<u>3,002</u>	<u>1,068</u>	<u>(1,996)</u>	<u>15,564</u>	<u>(602,845)</u>	<u>87,503</u>
Other Financing Sources (Uses):										
Transfers in									325,011	
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,011</u>	<u>-</u>
Net Change in Fund Balances	<u>(46,855)</u>	<u>10,951</u>	<u>(1,886)</u>	<u>(3,643)</u>	<u>3,002</u>	<u>1,068</u>	<u>(1,996)</u>	<u>15,564</u>	<u>(277,834)</u>	<u>87,503</u>
Fund Balances at Beginning of Year	<u>140,614</u>	<u>18,240</u>	<u>3,174</u>	<u>3,643</u>	<u>1,100</u>	<u>-</u>	<u>2,118</u>	<u>(77,050)</u>	<u>277,834</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 93,759</u>	<u>\$ 29,191</u>	<u>\$ 1,288</u>	<u>\$ -</u>	<u>\$ 4,102</u>	<u>\$ 1,068</u>	<u>\$ 122</u>	<u>\$ (61,486)</u>	<u>\$ -</u>	<u>\$ 87,503</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, 2008**

	<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>	<b>Eliminating Entries</b>	
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 18,835,898
Charges for services							2,235,919
Investment income	(45,241)	(49,813)	84,352	377	189		3,535
Other							417,768
Total revenues	<u>(45,241)</u>	<u>(49,813)</u>	<u>84,352</u>	<u>377</u>	<u>189</u>	<u>-</u>	<u>21,493,120</u>
Expenditures:							
General government	70,377	49,484			220		2,551,052
Public safety							160,618
Health and welfare							4,554,027
Culture and recreation			65,023				102,720
Capital outlay							255,977
Education							14,436,836
Total expenditures	<u>70,377</u>	<u>49,484</u>	<u>65,023</u>	<u>-</u>	<u>220</u>	<u>-</u>	<u>22,061,230</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(115,618)</u>	<u>(99,297)</u>	<u>19,329</u>	<u>377</u>	<u>(31)</u>		<u>(568,110)</u>
Other Financing Sources (Uses):							
Transfers in						(27,310)	414,011
Transfers out						27,310	(155,746)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,265</u>
Net Change in Fund Balances	(115,618)	(99,297)	19,329	377	(31)		(309,845)
Fund Balances at Beginning of Year	<u>692,562</u>	<u>1,266,406</u>	<u>290,916</u>	<u>8,022</u>	<u>4,017</u>		<u>6,595,967</u>
Fund Balances at End of Year	<u>\$ 576,944</u>	<u>\$ 1,167,109</u>	<u>\$ 310,245</u>	<u>\$ 8,399</u>	<u>\$ 3,986</u>	<u>\$ -</u>	<u>\$ 6,286,122</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, 2008**

	<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	\$ 561,815	\$ 7,189,025	\$ 7,750,840
Accounts receivable, net		18,895	18,895
<b>Total assets</b>	<b>561,815</b>	<b>7,207,920</b>	<b>7,769,735</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	6,923	3,038	9,961
Claims payable	1,283,897	1,556,323	2,840,220
Due to other funds		147,327	147,327
<b>Total current liabilities</b>	<b>1,290,820</b>	<b>1,706,688</b>	<b>2,997,508</b>
<b>Noncurrent liabilities:</b>			
Claim incurred but not reported	2,567,795		2,567,795
<b>Total liabilities</b>	<b>3,858,615</b>	<b>1,706,688</b>	<b>5,565,303</b>
<b>Total Net Assets</b>	<b>\$ (3,296,800)</b>	<b>\$ 5,501,232</b>	<b>\$ 2,204,432</b>

## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	<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	\$ <u>3,070,381</u>	\$ <u>18,345,206</u>	\$ <u>21,415,587</u>
Operating Expenses:			
Claims	3,418,724	16,697,087	20,115,811
Administrative	101,832	1,314,170	1,416,002
Other expenses	1,614	37,499	39,113
Total operating expenses	<u>3,522,170</u>	<u>18,048,756</u>	<u>21,570,926</u>
Operating Income (Loss)	(451,789)	296,450	(155,339)
Nonoperating Revenues:			
Investment income	<u>5,372</u>	<u>113,258</u>	<u>118,630</u>
Change in Net Assets	(446,417)	409,708	(36,709)
Net Assets at Beginning of Year	<u>(2,850,383)</u>	<u>5,091,524</u>	<u>2,241,141</u>
Net Assets at End of Year	\$ <u><u>(3,296,800)</u></u>	\$ <u><u>5,501,232</u></u>	\$ <u><u>2,204,432</u></u>

**CITY OF MERIDEN, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 3,078,259	\$ 18,473,638	\$ 21,551,897
Receipts from interfund services provided	497	109,077	109,574
Payments to suppliers	(334,630)	(16,697,087)	(17,031,717)
Payments to employees	(2,877,309)		(2,877,309)
Payments for interfund services used		(1,340,241)	(1,340,241)
Net cash provided by (used in) operating activities	<u>(133,183)</u>	<u>545,387</u>	<u>412,204</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	<u>5,372</u>	<u>113,258</u>	<u>118,630</u>
Net cash provided by investing activities	<u>5,372</u>	<u>113,258</u>	<u>118,630</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(127,811)	658,645	530,834
Cash and Cash Equivalents at Beginning of Year	<u>689,626</u>	<u>6,530,380</u>	<u>7,220,006</u>
Cash and Cash Equivalents at End of Year	<u>\$ 561,815</u>	<u>\$ 7,189,025</u>	<u>\$ 7,750,840</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	<u>\$ (451,789)</u>	<u>\$ 296,450</u>	<u>\$ (155,339)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	7,878	(18,895)	(11,017)
(Increase) decrease in due from other fund	497	109,077	109,574
Increase (decrease) in accounts payable	(231,184)	97	(231,087)
Increase (decrease) in claims payable	541,415	11,331	552,746
Increase (decrease) in due to other fund:		147,327	147,327
Total adjustments	<u>318,606</u>	<u>248,937</u>	<u>567,543</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (133,183)</u>	<u>\$ 545,387</u>	<u>\$ 412,204</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

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>Project RAVE</b>				
Assets:				
Cash and cash equivalents	\$ 6,659	\$ 62,175	\$ 60,894	\$ 7,940
Liabilities:				
Deposits held for others	\$ 6,659	\$ 62,175	\$ 60,894	\$ 7,940
<b>Senior Trips Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 7,953	\$ 17,791	\$ 24,644	\$ 1,100
Liabilities:				
Deposits held for others	\$ 7,953	\$ 17,791	\$ 24,644	\$ 1,100
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 458,518	\$ 1,518,197	\$ 1,444,275	\$ 532,440
Liabilities:				
Deposits held for others	\$ 458,518	\$ 1,518,197	\$ 1,444,275	\$ 532,440

(Continued on next page)

## CITY OF MERIDEN, CONNECTICUT

## AGENCY FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2008

**Performance Bonds**

## Assets:

Cash and cash equivalents	\$	<u>3,110,631</u>	\$	<u>777,984</u>	\$	<u>950,017</u>	\$	<u>2,938,598</u>
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## Liabilities:

Deposits held for others	\$	<u>3,110,631</u>	\$	<u>777,984</u>	\$	<u>950,017</u>	\$	<u>2,938,598</u>
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**Police Evidence Fund**

## Assets:

Cash and cash equivalents	\$	<u>22,303</u>	\$	<u>139,647</u>	\$	<u>114,355</u>	\$	<u>47,595</u>
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## Liabilities:

Deposits held for others	\$	<u>22,303</u>	\$	<u>139,647</u>	\$	<u>114,355</u>	\$	<u>47,595</u>
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**Total**

## Assets:

Cash and cash equivalents	\$	<u>3,606,064</u>	\$	<u>2,515,794</u>	\$	<u>2,594,185</u>	\$	<u>3,527,673</u>
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## Liabilities:

Deposits held for others	\$	<u>3,606,064</u>	\$	<u>2,515,794</u>	\$	<u>2,594,185</u>	\$	<u>3,527,673</u>
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## **Other Schedules**



**CITY OF MERIDEN, CONNECTICUT**  
**PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Grand List of October 1,	Uncollected Balance July 1, 2007	Current Year Levy	Lawful Corrections	Transfers to (Recoveries From) Suspense	Balance to be Collected	Collections				Uncollected Balance June 30, 2008
						Taxes	Interest	Liens	Total	
1991	\$ 44,011	\$	\$ (44,011)	\$ 144	\$ 144	\$ 144	\$ 386	\$	\$ 530	\$ -
1992	30,485		(26,085)	1,699	6,099	1,699	4,868		6,567	4,400
1993	27,277		(19,618)	2,121	9,780	2,121	5,081		7,202	7,659
1994	28,700		(19,618)	2,699	11,781	2,699	6,074		8,773	9,082
1995	32,718		(15,119)	2,970	20,569	2,970	6,106		9,076	17,599
1996	34,375		(21,802)	3,165	15,738	3,165	5,665		8,830	12,573
1997	32,668		(21,597)	4,891	15,962	8,173	12,273	48	20,494	7,789
1998	305,554		(26,142)		279,412	11,518	16,111	48	27,677	267,894
1999	351,220		(25,448)		325,772	10,857	14,051	24	24,932	314,915
2000	452,994		(26,462)		426,532	12,841	14,369	48	27,258	413,691
2001	393,933		(8,576)		385,357	10,456	11,432	72	21,960	374,901
2002	474,030		(10,469)		463,561	18,502	14,124	111	32,737	445,059
2003	501,853		(9,460)		492,393	33,927	18,942	345	53,214	458,466
2004	931,400		(127,443)		803,957	76,308	65,624	1,656	143,588	727,649
2005	<u>2,873,877</u>		<u>(280,055)</u>		<u>2,593,822</u>	<u>1,502,060</u>	<u>294,261</u>	<u>13,523</u>	<u>1,809,844</u>	<u>1,091,762</u>
Total	6,515,095	-	(681,905)	17,689	5,850,879	1,697,440	489,367	15,875	2,202,682	4,153,439
2006		<u>103,079,923</u>	<u>(456,839)</u>		<u>102,623,084</u>	<u>99,847,031</u>	<u>411,038</u>	<u>2,810</u>	<u>100,260,879</u>	<u>2,776,053</u>
	<u>\$ 6,515,095</u>	<u>\$ 103,079,923</u>	<u>\$ (1,138,744)</u>	<u>\$ 17,689</u>	<u>\$ 108,473,963</u>	<u>\$ 101,544,471</u>	<u>\$ 900,405</u>	<u>\$ 18,685</u>	<u>\$ 102,463,561</u>	<u>\$ 6,929,492</u>

75

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Fiscal Year	Uncollected Balance July 1, 2007	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2008
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1991	\$ 681	\$	\$	\$ 681	\$ -	\$	\$	\$	\$ -	\$ -
1992	2,386				2,386				-	2,386
1993	2,247				2,247				-	2,247
1994	1,056				1,056				-	1,056
1995	2,386				2,386				-	2,386
1996	1,558				1,558				-	1,558
1997	1,410				1,410				-	1,410
1998	1,714				1,714				-	1,714
1999	1,214				1,214				-	1,214
2000	954				954				-	954
2001	1,562				1,562				-	1,562
2002	5,356			15	5,341				-	5,341
2003	6,999			15	6,984	908	594	120	1,622	6,076
2004	8,845				8,845	3,002	1,645	458	5,105	5,843
2005	43,271				43,271	33,620	9,153	4,172	46,945	9,651
2006	<u>1,271,035</u>				<u>1,259,611</u>	<u>1,189,386</u>	<u>71,644</u>	<u>48,656</u>	<u>1,309,686</u>	<u>70,225</u>
Total	<u>1,352,674</u>	-		<u>784</u>	<u>1,340,539</u>	<u>1,226,916</u>	<u>83,036</u>	<u>53,406</u>	<u>1,363,358</u>	<u>113,623</u>
2007		<u>5,867,417</u>		<u>8,676</u>	<u>5,864,997</u>	<u>4,576,717</u>	<u>35,458</u>	<u>15,823</u>	<u>4,627,998</u>	<u>1,288,280</u>
	<u>\$ 1,352,674</u>	<u>\$ 5,867,417</u>	<u>\$ 9,460</u>	<u>\$ 24,015</u>	<u>\$ 7,205,536</u>	<u>\$ 5,803,633</u>	<u>\$ 118,494</u>	<u>\$ 69,229</u>	<u>\$ 5,991,356</u>	<u>\$ 1,401,903</u>

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Fiscal Year	Uncollected Balance July 1, 2007	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2008
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1991	\$ 144	\$	\$	\$ 144	\$ -	\$	\$	\$	\$ -	\$ -
1992	3,837				3,837				-	3,837
1993	3,097				3,097				-	3,097
1994	1,496				1,496				-	1,496
1995	3,417				3,417				-	3,417
1996	2,221				2,221				-	2,221
1997	2,007				2,007				-	2,007
1998	2,442				2,442				-	2,442
1999	1,723				1,723				-	1,723
2000	1,349				1,349				-	1,349
2001	2,228			8	2,220				-	2,220
2002	4,744				4,744				-	4,744
2003	7,394				7,394	920	578	120	1,618	6,474
2004	9,870				9,870	4,073	2,003	480	6,556	5,797
2005	40,349				40,349	30,866	8,999	4,030	43,895	9,483
2006	<u>1,416,298</u>			<u>737</u>	<u>1,415,561</u>	<u>1,355,665</u>	<u>73,980</u>	<u>47,927</u>	<u>1,477,572</u>	<u>59,896</u>
Total	1,502,616	-	-	889	1,501,727	1,391,524	85,560	52,557	1,529,641	110,203
2007		<u>6,906,232</u>	<u>9,223</u>	<u>3,075</u>	<u>6,912,381</u>	<u>5,513,449</u>	<u>43,388</u>	<u>16,242</u>	<u>5,573,079</u>	<u>1,398,932</u>
	<u>\$ 1,502,616</u>	<u>\$ 6,906,232</u>	<u>\$ 9,223</u>	<u>\$ 3,963</u>	<u>\$ 8,414,108</u>	<u>\$ 6,904,973</u>	<u>\$ 128,948</u>	<u>\$ 68,799</u>	<u>\$ 7,102,720</u>	<u>\$ 1,509,135</u>

## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Sewer connection and use charges	\$ 6,229,910	\$ 6,229,910	\$ 5,963,555	\$ (266,355)
Miscellaneous income	120,000	120,000	178,355	58,355
Total operating revenues	<u>6,349,910</u>	<u>6,349,910</u>	<u>6,141,910</u>	<u>(208,000)</u>
Operating Expenses:				
Overtime	165,697	163,804	143,321	20,483
Wages - public works	641,360	526,363	525,173	1,190
Wages - MMEA	51,073	51,667	51,667	-
Wages - supervisor	449,528	449,528	439,845	9,683
Employee benefits	460,982	360,982	449,978	(88,996)
Utilities	850,000	1,085,500	951,131	134,369
Repairs and maintenance	208,800	208,800	99,765	109,035
Vehicle maintenance	54,160	54,160	37,300	16,860
Audit fees	8,554	8,554	8,554	-
Call before you dig	1	1	-	1
Hepatitis B shots	7,500	7,500	1,755	5,745
Fiscal division services	566,969	566,969	566,968	1
General fund services	528,208	528,208	528,208	-
Claims	10,000	10,000	-	10,000
Nitrogen credit purchase	100,000	194,947	194,947	-
Supplies	300,000	300,000	223,987	76,013
Biosolid disposals	644,000	644,000	609,584	34,416
Pumping station operations	44,000	44,000	12,354	31,646
Capital outlay	1	250,001	231,252	18,749
Memberships and meeting	7,500	7,500	1,459	6,041
Insurance	576,694	576,694	505,702	70,992
Total operating expenses	<u>5,675,027</u>	<u>6,039,178</u>	<u>5,582,950</u>	<u>456,228</u>
Nonoperating Revenues (Expenses):				
Interest on investments	235,000	235,000	191,673	(43,327)
Debt service - principal	(851,888)	(853,188)	(851,888)	1,300
Debt service - interest	(216,132)	(216,132)	(216,131)	1
Debt service - BANS interest	(100,000)	(100,000)	(30,150)	69,850
Total nonoperating revenues (expenses)	<u>(933,020)</u>	<u>(934,320)</u>	<u>(906,496)</u>	<u>27,824</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(258,137)</u>	\$ <u>(623,588)</u>	\$ <u>(347,536)</u>	\$ <u>(636,404)</u>

## CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Water sales and charges	\$ 8,091,286	\$ 8,091,286	\$ 7,719,351	\$ (371,935)
Miscellaneous income	611,968	611,968	701,387	89,419
Total operating revenues	<u>8,703,254</u>	<u>8,703,254</u>	<u>8,420,738</u>	<u>(282,516)</u>
Operating Expenses:				
Part time seasonal	-	2,409	2,409	-
Administration	100,000	102,151	102,150	1
Overtime	162,000	167,000	139,166	27,834
Wages - public works	1,653,557	1,464,609	1,422,822	41,787
Wages - MMEA	158,341	160,182	160,181	1
Wages - supervisor	224,261	224,261	181,958	42,303
Employee benefits	1,384,885	1,325,083	1,376,247	(51,164)
Taxes paid to other towns	38,000	53,500	53,483	17
Utilities	901,000	939,211	939,211	-
Repairs and maintenance	14,000	14,000	12,300	1,700
Vehicle maintenance	127,900	140,900	102,784	38,116
Attorney fees	14,000	14,000	890	13,110
Audit fees	9,554	9,554	8,429	1,125
Water purchased	127,075	129,516	129,516	-
Other purchased services	42,900	59,900	48,306	11,594
Hepatitis B shots	2,400	2,400	1,716	684
Fiscal division services	628,410	628,410	628,410	-
General fund services	1,007,559	1,007,559	1,007,559	-
Maintenance of mains	25,000	25,000	22,634	2,366
Maintenance of reservoirs	40,000	40,000	29,506	10,494
Maintenance of pump station	40,000	40,000	31,039	8,961
Maintenance of meters	15,000	15,056	15,056	-
Supplies	47,251	57,751	56,043	1,708
Services - materials	6,450	20,455	18,557	1,898
Treatment expenses	474,800	567,800	530,759	37,041
Water equipment	32,700	32,700	26,249	6,451
Hydrants and mains - materials	5,001	5,026	5,025	1
Repairs - trenches	16,000	16,000	15,745	255
Capital outlay	15,000	140,000	31,077	108,923
Memberships and meeting	10,000	10,000	7,430	2,570
Insurance	408,483	363,483	343,558	19,925
Total operating expenses	<u>7,731,527</u>	<u>7,777,916</u>	<u>7,450,215</u>	<u>327,701</u>
Nonoperating Revenues (Expenses):				
Interest on investments	250,000	250,000	201,876	(48,124)
Debt service - principal	(1,365,640)	(1,365,640)	(1,363,640)	2,000
Debt service - interest	(328,884)	(328,884)	(328,884)	-
Debt service - BANS interest	(66,216)	(144,827)	(144,827)	-
Total nonoperating revenues (expenses)	<u>(1,510,740)</u>	<u>(1,589,351)</u>	<u>(1,635,475)</u>	<u>(46,124)</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(539,013)</u>	\$ <u>(664,013)</u>	\$ <u>(664,952)</u>	\$ <u>(656,341)</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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Golf fees	\$ 854,711	\$ 854,711	\$ 816,120	\$ (38,591)
Miscellaneous income	-	-	34,466	34,466
Total operating revenues	<u>854,711</u>	<u>854,711</u>	<u>850,586</u>	<u>(4,125)</u>
Operating Expenses:				-
Miscellaneous overtime	93,930	93,930	101,335	(7,405)
Overtime	13,980	13,980	16,663	(2,683)
Wages - public works	184,401	184,401	181,260	3,141
Wages - supervisors	78,889	78,889	79,802	(913)
Employee benefits	95,789	95,789	142,043	(46,254)
Golf supplies and expenses	192,305	192,305	150,007	42,298
Golf pros	10,000	10,000	10,000	-
Club house expenses	31,300	31,300	32,034	(734)
Liability an general insurance	69,085	69,085	69,055	30
Capital outlay	40,000	38,000	37,275	725
Memberships and meeting	2,400	4,400	3,723	677
Total operating expenses	<u>812,079</u>	<u>812,079</u>	<u>823,197</u>	<u>(11,118)</u>
Nonoperating Expenses:				
Debt service - principal	35,667	35,667	16,267	19,400
Debt service - interest	6,965	6,965	7,838	(873)
Total nonoperating expenses	<u>42,632</u>	<u>42,632</u>	<u>24,105</u>	<u>18,527</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,284</u>	\$ <u>(11,534)</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 SEVEN YEARS  
(In Thousands)  
(Accrual Basis of Accounting)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002*
Governmental Activities:							
Invested in capital assets, net of related debt	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144	\$ 59,323	\$ 42,360	\$ 37,844
Restricted	4,220	6,497	5,284	6,485			
Unrestricted	<u>(30,019)</u>	<u>(20,224)</u>	<u>(54,963)</u>	<u>(63,007)</u>	<u>(24,950)</u>	<u>(29,882)</u>	<u>(32,248)</u>
Total Governmental Activities Net Assets	<u>\$ 75,967</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	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674	\$ 88,752	\$ 93,251	\$ 94,508
Unrestricted	<u>16,886</u>	<u>27,207</u>	<u>19,366</u>	<u>18,644</u>	<u>18,262</u>	<u>14,641</u>	<u>14,926</u>
Total Business-Type Activities Net Assets	<u>\$ 100,908</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	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818	\$ 148,075	\$ 135,611	\$ 132,352
Restricted	4,220	6,497	5,284	6,485			
Unrestricted	<u>(13,133)</u>	<u>6,983</u>	<u>(35,597)</u>	<u>(44,363)</u>	<u>(6,688)</u>	<u>(15,241)</u>	<u>(17,322)</u>
Total Governmental Activities net assets	<u>\$ 176,875</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>

\*The information was not maintained prior to fiscal year ended June 30, 2002.

## CITY OF MERIDEN, CONNECTICUT

## CHANGES IN NET ASSETS

## LAST SEVEN FISCAL YEARS

(In Thousands)

(Accrual Basis of Accounting)

	FISCAL YEAR						
	2008	2007	2006	2005	2004	2003	2002*
Expenses:							
Governmental activities:							
General government	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519	\$ 16,967	\$ 15,518	\$ 21,904
Education	158,802	115,598	106,287	90,527	96,877	100,467	88,865
Public safety	23,479	19,433	29,390	18,104	27,820	25,072	24,873
Public works	10,037	10,569	10,104	9,277	9,202	9,399	8,725
Human services	8,665	10,262	6,413	8,719	6,546	6,761	6,595
Culture and recreation	4,287						
Interest on long-term debt	3,209	3,614	4,275	6,583	4,095	4,381	4,821
Total governmental activities expenses	<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	7,893	7,480	6,662	6,390	6,074	6,018	5,689
Water Authority	10,312	8,276	7,885	8,015	8,424	8,180	7,201
George Hunter Golf Course	927	881	944	754	793	775	686
Total business-type activities expenses	<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>\$ 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	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079	\$ 9,791	\$ 8,656	\$ 11,067
Education	1,207	1,742	1,386	1,510	1,541	1,599	4,906
Public safety	65	991	112	118	111	112	1,992
Public works	1,583	117	223	166	7	788	10,182
Human services	723	195	365	553	978	719	1,277
Culture and recreation	42	6					1,519
Operating grants and contributions	109,223	19,914	21,265	12,437	60,009	60,335	34,192
Capital grants and contributions	6,413	6,491	5,895	11,140	14,854	2,045	2,500
Total governmental activities	<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	5,964	7,023	6,169	4,950	5,601	5,093	4,352
Water Authority	7,719	7,322	7,458	7,855	7,911	7,790	7,421
George Hunter Golf Course	816	798	786	826	687	650	752
Total business-type activities	<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>\$ 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	\$ (114,308)	\$ (161,399)	\$ (146,366)	\$ (143,727)	\$ (74,216)	\$ (87,344)	\$ (88,972)
Business-type activities	<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>\$ (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	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580	\$ 89,175	\$ 86,176	\$ 72,155
Grants and contributions not restricted to specific programs	3,917	59,928	55,252	57,502	6,071	7,533	9,732
Unrestricted investment earnings	1,430	2,483	1,455	925	865	508	637
Miscellaneous income	4,207	6,512	4,866	6,731			
Transfers						10	
Total governmental activities	<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	400	574	461	242	214	(93)	183
Miscellaneous income	914						
Transfers						(10)	
Total business-type activities	<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>\$ 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	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011	\$ 21,895	\$ 6,883	\$ (6,448)
Business-type activities	<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>\$ (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>

\*The information was not maintained prior to fiscal year ended June 30, 2002.

## CITY OF MERIDEN, CONNECTICUT

## FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(In Thousands)

(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund:										
Reserved	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779	\$ 1,692	\$ 2,900	\$ 1,889	\$ 782	\$ 687	\$ 512
Unreserved	<u>3,960</u>	<u>3,644</u>	<u>3,009</u>	<u>1,833</u>	<u>1,825</u>	<u>6,778</u>	<u>3,146</u>	<u>2,566</u>	<u>(661)</u>	<u>(3,146)</u>
Total General Fund	<u>\$ 9,475</u>	<u>\$ 11,494</u>	<u>\$ 9,812</u>	<u>\$ 9,612</u>	<u>\$ 3,517</u>	<u>\$ 9,678</u>	<u>\$ 5,035</u>	<u>\$ 3,348</u>	<u>\$ 26</u>	<u>\$ (2,634)</u>
All other governmental funds:										
Reserved	\$ 5,716	\$ 6,823	\$ 5,481	\$ 238	\$ 2,782	\$ 3,072	\$	\$ 12,635	\$ 14,084	\$ 12,812
Unreserved, reported in:										
Special revenue funds	4,038	4,152	5,128	4,598	4,156	4,069	6,910	1,527	1,332	1,293
Capital projects funds	<u>(17,843)</u>	<u>(16,392)</u>	<u>(27,054)</u>	<u>(32)</u>	<u>(181)</u>	<u>47</u>	<u>402</u>	<u>(25,831)</u>	<u>(13,655)</u>	<u>(10,538)</u>
Total All Other Governmental Funds	<u>\$ (8,089)</u>	<u>\$ (5,417)</u>	<u>\$ (16,445)</u>	<u>\$ 4,804</u>	<u>\$ 6,757</u>	<u>\$ 7,188</u>	<u>\$ 7,312</u>	<u>\$ (11,669)</u>	<u>\$ 1,761</u>	<u>\$ 3,567</u>
Total	<u>\$ 1,386</u>	<u>\$ 6,077</u>	<u>\$ (6,633)</u>	<u>\$ 14,416</u>	<u>\$ 10,274</u>	<u>\$ 16,866</u>	<u>\$ 12,347</u>	<u>\$ (8,321)</u>	<u>\$ 1,787</u>	<u>\$ 933</u>

**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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Revenues:</b>										
Property taxes, interest and lien fees	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365	\$ 88,259	\$ 84,907	\$ 79,388	\$ 77,364	\$ 67,005	\$ 64,949
Federal and state government	119,192	87,064	83,638	82,828	87,574	74,388	75,161	74,672	91,190	71,043
Charges for services	7,217	8,198	7,747	8,097	8,065	9,060	5,940	5,682	5,396	4,984
Investment income	1,311	2,646	1,455	910	854	508	750	927	611	317
Other revenues	4,441	5,252	4,866	5,954	5,890	2,973	1,746	1,724	1,764	2,117
<b>Total revenues</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>160,369</b>	<b>165,966</b>	<b>143,410</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	30,830	34,809	25,875	41,189	37,593	35,705	49,507	32,650	26,521	31,389
Public safety	19,673	18,608	28,558	17,478	17,029	16,402	15,812	15,115	14,642	13,617
Public works	6,191	6,038	6,617	5,903	5,392	5,401	4,956	5,352	4,852	5,142
Health and welfare	7,457	9,574	6,342	8,246	7,924	5,556	5,693	4,997	5,515	5,549
Culture and recreation	3,817									
Education	148,186	112,427	102,765	86,755	90,525	87,909	82,930	77,310	72,156	69,302
<b>Debt service:</b>										
Principal	12,778	13,889	13,009	41,062	12,500	10,378	10,753	12,702	10,874	12,923
Interest	4,206	4,174	4,950	3,696	4,900	4,031	4,047	4,614	4,216	4,441
Capital outlay	6,219	11,201	15,967	28,504	25,771	6,899	15,352	17,963	32,436	19,915
<b>Total expenditures</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>170,703</b>	<b>171,212</b>	<b>162,278</b>
<b>Excess (Deficiency) of Revenues over Expenditures</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>(10,334)</b>	<b>(5,246)</b>	<b>(18,868)</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in	570	693	342	5,550	100	258	918	1,032	619	41
Transfers out	(570)	(693)	(342)	(5,550)	(100)	(248)	(918)	(1,032)	(619)	(41)
Bond proceeds		16,135		34,460					4,600	19,450
Proceeds refunding bonds						8,274				
Payment to escrow						(8,039)				
Lease proceeds								224	369	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>16,135</b>	<b>-</b>	<b>34,460</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>224</b>	<b>4,969</b>	<b>19,450</b>
<b>Net Change in Fund Balances</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>\$ (10,110)</b>	<b>\$ (277)</b>	<b>\$ 582</b>
<b>Debt service as a percentage of noncapital expenditures</b>										
	7.3%	9.1%	9.5%	21.8%	9.9%	8.7%	8.4%	11.3%	10.9%	12.2%

## 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 Basic Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
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
2001	1,558,776	518,667	96,222	2,012,192	35.80	70%	2,874,560
2000	1,552,145	511,907	95,922	1,987,068	35.80	70%	2,838,669
1999	999,851	353,047	100,557	1,886,511	35.80	70%	2,695,016

TABLE 6

**CITY OF MERIDEN, CONNECTICUT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN YEARS**

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

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Overlapping Rates</b>	
	<b>Basic Rate</b>	<b>District 1</b>	<b>District 2</b>
2008	27.96	0.00	2.31
2007	42.20	0.00	2.31
2006	40.43	0.00	1.90
2005	39.09	0.00	1.90
2004	37.30	0.00	1.90
2003	36.00	0.00	1.80
2002	40.40	0.00	2.10
2001	35.80	0.00	2.10
2000	35.80	0.00	2.10
1999	35.80	0.00	2.10

TABLE 7

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

Taxpayer	Fiscal Year Ended June 30, 2008			Taxpayer	Fiscal Year Ended June 30, 1999		
	Assessment	Rank	Percentage of Total City Taxable Assessed Value		Assessment	Rank	Percentage of Total City Taxable Assessed Value
Meriden Square #3 LLC et al	\$ 82,691,380	1	2.29 %				
Meriden Square Partnership	59,940,230	2	1.66	Meriden Square Partnership	\$ 10,655,360	6	0.56 %
Computer Sciences Corp.	47,914,380	3	1.33	C.S.C. Outsourcing, Inc.	15,255,410	3	0.81
Connecticut Light & Power	32,128,890	4	0.89	Connecticut Light & Power	37,601,160	2	1.99
Urstadt Biddle Properties, Inc.	23,350,670	5	0.65				
Radio Frequency System	21,810,680	6	0.60				
Yankee Gas	19,289,670	7	0.53	Yankee Gas	45,244,450	1	2.40
Carabetta Enterprises, Inc.	15,667,690	8	0.43				
Newbury Village Development	12,697,740	9	0.35				
Fusco Meriden Assoc. LLP	10,388,690	10	0.29				
	<u>\$ 325,880,020</u>		<u>9.03 %</u>	Southern New England Telephone	12,963,650	4	0.69
				HRE Properties	11,044,660	5	0.59
				MidState Medical Center	8,963,440	7	0.48
				IBM Credit Corp.	8,337,200	8	0.44
				Springwich Cellular Ltd.	8,120,930	9	0.43
				CUNO	8,033,070	10	0.43
					<u>\$ 166,219,330</u>		<u>8.82 %</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>
1999	\$ 66,813,524	\$ 62,337,018	93.3%	\$ 4,219,026	\$ 66,556,044	99.6%
2000	68,779,625	65,340,644	95.0%	3,168,427	68,509,071	99.6%
2001	78,808,547	74,395,268	94.4%	4,095,755	78,491,023	99.6%
2002	78,356,632	75,144,010	95.9%	2,797,007	77,941,017	99.4%
2003	84,733,897	81,598,743	96.3%	2,758,646	84,357,389	99.5%
2004	86,939,798	83,723,025	96.3%	2,770,296	86,493,321	99.5%
2005	92,971,816	89,339,544	96.1%	3,173,804	92,513,348	99.5%
2006	97,596,621	93,994,623	96.3%	2,874,349	96,868,972	99.0%
2007	104,141,357	100,818,674	96.8%	2,230,921	103,049,595	99.0%
2008	103,079,923	99,842,370	96.9%	-	99,842,370	96.9%



## 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					
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
2001	66,721	409	17,316	5,167	1,063	200	90,876	5.03	1,805,564	58	31
2000	79,325	283	14,891	6,223	1,353	299	102,374	5.88	1,740,000	58	30
1999	69,956	1	17,072	3,498	1,493	708	92,728	5.57	1,665,412	59	28

(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 OUSTANDING

## 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>
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
2001	73,150	1,916,270	3.82	58,244	1,256
2000	79,324	1,886,511	4.20	59,479	1,334
1999	89,406	1,833,813	4.88	59,479	1,503

**CITY OF MERIDEN, CONNECTICUT**

**DEBT LIMITATION**

**LAST TEN YEARS  
(In Thousands)**

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 102,464
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>60</u>
Base	<u><u>\$ 102,524</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>230,679</u>	\$ <u>461,358</u>	\$ <u>333,203</u>	\$ <u>384,465</u>	\$ <u>307,572</u>
Debt:					
Bonds payable	69,944			8,940	
Clean water fund notes				910	
Bond anticipation notes payable	15,202			7,153	
Bonds authorized but unissued	<u>32,052</u>	<u>13,211</u>	<u>-</u>	<u>54,376</u>	<u>-</u>
	<u>117,198</u>	<u>13,211</u>	<u>-</u>	<u>71,379</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 113,481</u></u>	<u><u>\$ 448,147</u></u>	<u><u>\$ 333,203</u></u>	<u><u>\$ 313,086</u></u>	<u><u>\$ 307,572</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 \$717,668.

CITY OF MERIDEN, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS  
(In Thousands)

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limitation	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281	\$ 626,277	\$ 593,370	\$ 554,098	\$ 514,622	\$ 482,345	\$ 462,089
Total net debt applicable to limit	<u>201,344</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>	<u>90,876</u>	<u>102,374</u>	<u>92,728</u>
Legal Debt Margin	<u>\$ 516,324</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>	<u>\$ 423,746</u>	<u>\$ 379,971</u>	<u>\$ 369,361</u>
Total net debt applicable to the limit as a percentage of debt limit	28.1%	26.4%	14.4%	18.3%	15.0%	17.6%	13.8%	17.7%	21.2%	20.1%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2008 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>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	59,653	\$ 49,644 *	6.5 %
2007	59,653	49,644 *	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
2001	58,622	30,580	3.8
2000	58,419	29,847	2.9
1999	58,275	27,939	3.9

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 household income.

TABLE 14

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

	2008				1999			
	Employer	Employees	Rank		Percentage of Total City Employment	Employer	Employees	Rank
	Midstate Medical Center	1,100	1	3.9 %	Veterans Memorial Medical Center	951	2	3.2 %
	AT&T	890	2	3.2	Southern New England Telephone	1,603	1	5.4
	Radio Frequency System	500	3	1.8				
	Hunters Ambulance	470	4	1.7				
94	CUNO, Inc.	350	5	1.2	CUNO, Inc.	356	8	1.2
	Canberra	350	6	1.2				
	Bob's Stores	336	7	1.2	Bob's Stores	400	7	1.3
	Target Stores	233	8	0.8				
	BL Company	230	9	0.8				
	Record Journal	194	10	0.7				
				16.6 %	State of Connecticut	801	3	2.7
				16.6 %	Yankee Gas	531	4	1.8
					Walbor Automotive	475	5	1.6
					A.D.C. Broadband Communications	450	6	1.5
					The Napier Company	350	9	1.2
					Packard Biosciences	350	10	1.2
								21.1 %
								21.1 %

Source: Connecticut Department of Labor

## CITY OF MERIDEN, CONNECTICUT

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

## LAST SEVEN FISCAL YEARS\*

	FISCAL YEAR ENDED JUNE 30,						
	2008	2007	2006	2005	2004	2003	2002*
General Government	514	532	549	572	638	632	606
Education	1,093	1,095	1,130	1,084	1,234	1,257	1,221
Federally Funded	99	99	99	119	15	69	42
Total	<u>1,706</u>	<u>1,726</u>	<u>1,778</u>	<u>1,775</u>	<u>1,887</u>	<u>1,958</u>	<u>1,869</u>

\* City began to collect information in fiscal year ended 2002

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

<b>Function / Operating Indicator</b>	<b>FISCAL YEAR</b>		
	<b>2006*</b>	<b>2007</b>	<b>2008</b>
<u>Police</u>			
Cases Investigated	36,812	34,784	38,313
Arrests	3,059	3,147	3,225
Traffic Citations	6,809	6,866	4,520
Parking Citations	922	1,229	1,693
<u>Fire</u>			
Emergency Responses	5,787	6,033	6,021
Non-emergency Responses	1,965	1,643	1,911
Inspections	2,335	1,527	2,542
<u>Refuse Collection</u>			
Refuse Collected (Tons)	23,215	34,952	31,978
Recyclables Collected (Tons)	1,797	1,777	1,775
<u>Other Public Works</u>			
Street Resurfacing (Miles)	5	2	1
Potholes Repaired	275	705	650
<u>Library</u>			
Volumes in Collection (Print)	239,196	239,314	234,897
Volumes in Collection (Non-print)	27,742	13,546	14,069
Total Volumes Borrowed	202,214	208,194	191,651
<u>Water</u>			
Average Daily Production (thousands of gallons)	6,893	6,504	6,050
Average Daily Demand (thousands of gallons)	6,880	6,333	5,980
<u>Wastewater</u>			
Average Daily Treatment (thousands of gallons)	9,400	9,400	11,800
<u>Transit</u>			
Total Route Miles	52,980	52,926	52,999
Passengers	18,638	16,493	15,537
<u>Human Services</u>			
Environmental inspections and Responses	2,989	2,885	2,402
Health and Clinic Services Provided	89,200	5,252	4,869
School Health Services Provided	93,429	107,061	138,513
Social Services Provided	451	2,377	2,233
Youth Program Participants	5,562	6,843	8,576
Senior Program Participants	19,246	20,204	20,471

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



## CITY OF MERIDEN, CONNECTICUT

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

## LAST THREE FISCAL YEARS\*

<u>Function/Operating Indicator</u>	<u>FISCAL YEAR</u>		
	<u>2008</u>	<u>2007</u>	<u>2006*</u>
General	\$ 15,248,364	\$ 15,083,429	\$ 15,193,896
Public Safety	7,075,803	7,573,438	7,456,735
Public Work	41,636,834	42,938,174	44,314,779
Health and Human Services	2,047,476	2,132,417	2,102,474
Education	95,417,488	98,953,623	97,767,155
Library	539,760	618,868	697,977
Park and Recreation	24,946,695	21,961,680	19,830,512
Golf Course	-	25,739	42,896

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