

**CITY OF MERIDEN
CONNECTICUT**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2013

CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Department of Finance

Michael Lupkas, CPFO
Director of Finance

Introductory Section

CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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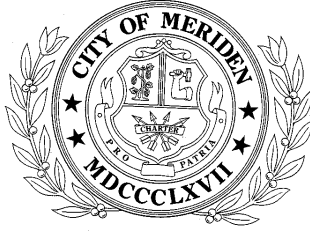
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FINANCE DEPARTMENT
ROOM 212 CITY HALL
142 EAST MAIN STREET
MERIDEN, CONNECTICUT 06450-8022

December 13, 2013

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, 2013.

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, 2013. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Description of the Municipality

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

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

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

Form of Government

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

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

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

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

ECONOMIC CONDITIONS AND DEVELOPMENT

Meriden's development points to a stable, slowly growing economy. The annual growth rate for approved commercial/industrial development is 57,055 square feet. This is the growth rate of land use approvals of applications in the most recent two Fiscal Years (July 2011 through June 2013).

In fiscal year 2013, the Planning Commission approved projects which, when constructed, will add:

- 42,610 sq. ft. to the commercial/industrial base; and
- 297,610 sq. ft. to the non-residential base; and
- 70 multi-family units

DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION IN FY 2012-2013

Type of Use/Business	FY 2012 Building Sq. Ft.	FY 2013 Building Sq. Ft.	Total FY 2012-FY 2013 Sq. Ft.
Commercial Office/Service	45,500	19,930	65,430
Commercial Retail	6,000	11,680	17,680
Industrial	20,000	11,000	31,000
TOTAL COMMERCIAL/INDUSTRIAL	71,500	42,610	114,110
Institutional	300,350*	265,000*	565,350*
TOTAL NON-RESIDENTIAL	371,850	297,610	679,460
	FY 2012 Units	FY 2013 Units	Total FY 2012-FY 2013 Units
Multi-Family Residential	0	70	70

* includes renovated space

The table above indicates a significant increase in both Commercial/Industrial and Institutional square footage in FY 2012 and FY 2013 over the average of the previous three years (state and national construction slowdown of 2008-2011). There has also been an increase in residential units approved and constructed as indicated above and below.

RESIDENTIAL NEW CONSTRUCTION PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2012

Type	FY 2012 Units	FY 2013 Units	Total FY 2012-13 Units
Multi-Family Residential	0	12	12
Single Family Residential	12	7	19
TOTAL RESIDENTIAL	12	19	31

COMPREHENSIVE PLANNING

In March of 2009, the Planning Commission approved a new City Plan of Conservation & Development (POCD). Said Plan was also strongly endorsed by the City Council. The Plan addressed the following aspects of City function:

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

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

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

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

The plan includes specific actions to promote the objectives, including targeted investments, regulatory changes and economic development. The plan includes specific actions to promote the objectives, including targeted investments, regulatory changes and economic development. Over 30 identified actions have already been completed, with many more in process. In the summer of 2010, the City Council approved Interstate Development District zoning. This modern mixed use design district has the potential to add hundreds of thousands of square feet of commercial retail, office, hotel and recreation space, integrated with hundreds of new upscale condominium or multi-family units in a pedestrian friendly development.

Comprehensive planning implementation efforts continue to be concentrated in the areas of Neighborhood Planning, Environmental Planning and Economic Development consistent with the Plan of Conservation & Development.

TRANSIT ORIENTED DEVELOPMENT (“TOD”)

A Transit Oriented Development Plan emerged from a major special study conducted in fiscal year 2012, as part of the implementation of the POCD. The State of Connecticut, boosted by hundreds of millions of dollars in committed Federal funding, is beginning infrastructure improvements to establish full commuter rail service from Springfield, MA to New Haven, CT, connecting seamlessly to New York City. The TOD Plan has identified many underdeveloped downtown properties that provide opportunities for a full transit center, future high density mixed- use development. A central park that can support flood control and gateway corridors are also part of the Plan. The center city map below highlights key areas for revitalization and reinvestment. In June of 2013, the City Council approved new TOD District Zoning. Additional information can be found on the website <http://meridentod.com/>.

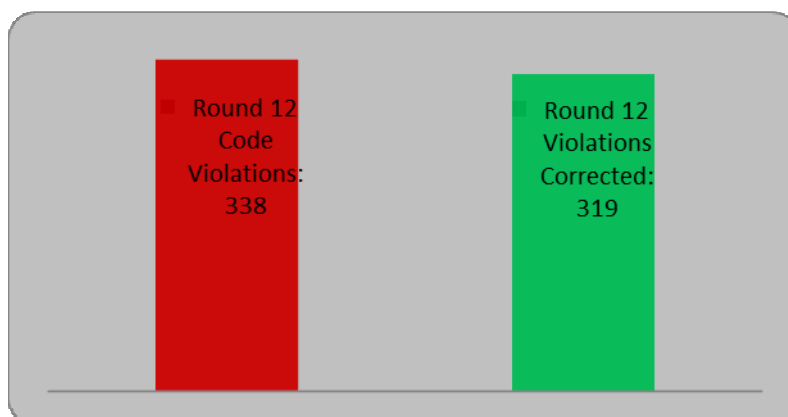


NEIGHBORHOOD PLANNING:

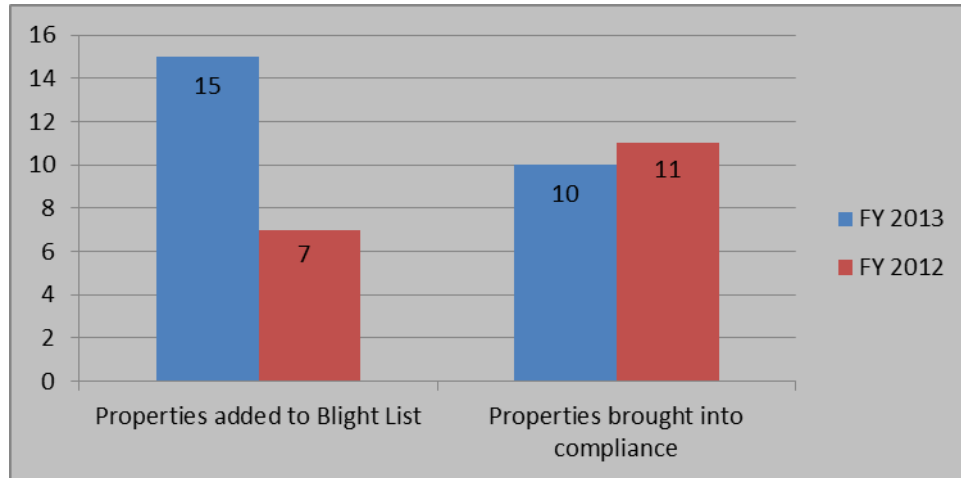
The City continued its efforts to ensure the preservation and the improvement of the quality of life in our distinct and historical neighborhoods.

The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This continuing program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Code violations reviewed include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc. In the completed round of walks conducted within fiscal year 2013 (September 2011-May 2013), 94% of Neighborhood Walk code violations were corrected.

NEIGHBORHOOD WALK CODE ENFORCEMENT VIOLATIONS



In order to build upon the Code Enforcement and to address quality of life and aesthetic issues, in the City enforces an “Anti-Blight Ordinance.” This ordinance attacks poorly maintained and dilapidated properties. It also addresses properties that are not covered by the safety codes. In fiscal year 2013, this program continued to bring properties into compliance at a rate similar to previous years.



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

The City Council also approved zoning updates to promote higher quality residential lot development. A major city proposal in fiscal year 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 (Two/Three Family Residential) to R-1 (Single Family Residential). This was an implementation action of the POCD. Staff research indicated that the nine areas were primarily composed of single family homes, and revising Zoning would help to maintain the neighborhoods. Following a public hearing and minor changes, the City Council changed the Zoning Map designation for these properties.

ENVIRONMENTAL PLANNING

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

Around 2009, the City completed a nature walk/bike trail project; the Meriden Quinnipiac Trail in South Meriden, considered one of the best riparian environment-based trails in the state. In 2013, the City also completed the next trail phase which traverses from the Quinnipiac Trail toward the Central Business District (“CBD”). This is Phase II of Meriden’s Linear Trail system, an approximate one-mile extension that provides pedestrian and bicycle access to Platt High School. The City is also seeking funding for Phase III. Said trail will eventually extend to the northeast corner of the City. This is a regional project that will connect with an existing bikeway.

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

preserve was provided to the City. In the summer of 2011, the City Council designated 71 additional acres of permanent Open Space. Also, in recognition of the City's "outstanding" efforts in the development, maintenance and protection of trail systems, the Connecticut Forest and Park Association designed the City as a "Connecticut Trail Town."

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

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

1. Factory "H" - which is located on Cook Avenue at the southerly entrance to the CBD. The City purchased two adjacent connected properties in the winter of 2009-2010 which will facilitate redevelopment. The clean-up of this vacant "dirty-factory" is progressing. Demolition of the obsolete Factory "H" structures was completed in the summer of 2012. This and adjacent properties will present many development opportunities.
2. Downtown HUB - In 2012, the City advanced and detailed a concept plan for developing an urban center park that provides further development potential. The site is across from the train center, Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. The park project is fully funded and ready to begin construction in late 2013/early 2014.

C. ECONOMIC DEVELOPMENT

The mission of the Office of Economic Development is to sustain and grow the tax base, provide jobs, and create economic activity across numerous sectors within our community. Towards this end, we will focus on the following objectives:

- Collaborate with private, public and non-profit organizations that create jobs and economic activity in Meriden.
- Support and champion community leaders who work to make Meriden an attractive and economically viable place to live, work and recreate.
- Increase investment in Meriden's inner city, attract businesses to Meriden across numerous economic sectors, and retain existing businesses that have invested in our community.
- Pursue funding for and help implement critical infrastructure improvements that are necessary to support and sustain economic growth.
- Engage in long-term planning while at the same time recognizing the short-term needs of Meriden business owners, residents and workers.

Meriden has several business incentive programs, including:

- Information technology zone tax incentive program, which offers 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.

- State Enterprise Zone (EZ), which provides tax incentives to manufacturers and warehousing and distribution companies locating into the zone. Fifty percent of these tax abatements are reimbursed by the state. Businesses that do not have SIC codes required by the State's EZ program may still be eligible for Enterprise Zone incentives under the City's Enterprise Zone and Urban Jobs incentive programs.
- Manufacturing Assistance Program (MAP), which offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Six manufacturers have taken advantage of this program to date. The program supports the expansion and retention of the City's manufacturing base.

The Office of Economic Development is also actively pursuing short and long term strategies that will help promote and grow economic development in Meriden including:

Brownfields Redevelopment

The City has a comprehensive program to remediate Brownfield sites and return them to active reuse. Since 2004, the City received over \$3.1 million in assistance from the U.S. Environmental Protection Agency (EPA) and the CT Economic & Community Development Department (CTDECD) to help assess, remediate and redevelop Brownfield sites in Meriden. In May of 2007, the City was awarded \$600,000 in EPA grants for environmental testing and for cleanup of the abandoned Factory H site on Cooper and Butler Streets. In January of 2008, EPA's Hazards Removal Division removed hazardous asbestos materials from the Factory H site at a cost of \$1.5 million. In October 2010, the City was approved for a \$1.5 million Section 108 loan from HUD and a \$300,000 Brownfields Pilot grant from the State of Connecticut to demolish the abandoned structures on the Factory H site. Demolition was substantially completed in June 2012. The U.S. Department of Housing and Urban Development (HUD) loan will be repaid from the City's future Community Development Block Grant (CDBG) grants. Reuse plans for the Factory H Brownfield call for the creation of a mixed-use development that includes the rehabilitation of an adjacent 70,000 sq. ft. vacant medical office building purchased by the City in 2009. In 2012, the City was awarded \$240,000 from the EPA for environmental remediation at City-owned 116 Cook Ave, and in 2013, the City was awarded \$240,000 for environmental remediation at the HUB site. Funds in 2014 will also be sought from the EPA for assessment and clean-up activities city wide.

Transit Oriented Development Planning and Implementation

In late 2009, the City received reprogrammed funds of \$600,000 from the State of Connecticut. These funds supported completion of a Transit Oriented Development (TOD) Master Plan for downtown Meriden and engineering design plans for the flood storage area and park at the HUB site.

In October 2010, the City was awarded \$946,733 in HUD Sustainable Communities Challenge grant funds for downtown property acquisitions and to develop Transit Oriented Development zoning regulations for the one-half mile surrounding the Meriden Transit Center. The TOD zone was adopted by the City Council in 2013. Property acquisitions are also in process by the City and will be completed in 2014.

In October 2011, the City was awarded an \$850,000 grant from the State of Connecticut to further develop its TOD planning and move into the implementation phase. In 2012 and 2013, the City completed TOD Market, Financial and Economic Assessments, substantially completed preliminary designs for an improved roadway network around the Meriden Transit Center, and completed environmental assessments associated with proposed development sites. In 2014, state funds will be used to solicit private developer interest and for a developer agreement. Plans for the TOD area includes a new Meriden Transit Center, parking, traffic and roadway improvements, private development and commuter

rail service beginning in 2016. In 2013, the State of Connecticut completed property acquisition of several downtown properties related to the development of the Meriden Transit Center which is part of the New Haven Hartford Springfield rail project. Construction of the new Meriden Transit Center will commence in 2013.

Downtown Redevelopment and Flood Control Infrastructure Improvement

The City has received significant funding through the State of Connecticut for flood infrastructure improvements in the downtown, including \$9.65 million in state bonds to construct the flood control plan and park improvements at the HUB site. The project includes transforming the 14.4-acre Brownfield site into a park that serves the dual purposes of providing public green space and flood storage downtown. The City has secured the floodplain management permits required for construction and has selected a contractor. Construction will begin on the site in 2014. A key element includes removing Harbor Brook from the concrete culvert underneath the HUB site, restoring it into an open channel stream habitat and allowing Harbor Brook to flood during storm events to alleviate flooding conditions downstream. Once the flood control infrastructure is completed, the HUB site will include a public park and flood storage area on 11 acres of the site. The remaining 3.4 acres will be available for future development.

Development outside of the downtown

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

Marketing and Regional Coordination

Meriden is in its thirteenth year of a marketing campaign focusing on business retention and business development. This past year the budget funded marketing promotions, advertising, updates to www.MeridenBiz.com (the City's economic development web site), press releases/story writing for state-wide distribution, and emails highlighting local development to the commercial real estate community. The marketing campaign has been augmented this year with a billboard campaign where the City, in exchange for providing property for a new electronic billboard in Meriden, will have 2000 hours of time on Lamar electronic billboards throughout the state.

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

The City is included within the South Central CT's Regional Comprehensive Economic Development Strategy Plan (CEDS) that was approved by the U.S. Economic Development Administration (EDA) in 2006 and updated in 2013. This Plan allows the City to apply for funding from EDA for economic development projects.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG")

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

Key accomplishments of the CDBG Program during the Fiscal Year 2013 included:

- Funding 31 public service programs that served 48,051 low and moderate income Meriden residents.
- Implementing the Challenge Grant, which funded the TOD Zoning Regulations and is also funding the acquisition of property for future development.
- Conducting 5,956 code enforcement inspections in the target low and moderate income area.

The City of Meriden is a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated “distressed” municipality pursuant to Section 32-9j of the Connecticut General Statutes. During Fiscal Year 2013, the City of Meriden received \$829,341 in HUD CDBG “entitlement” funds, which are being used to promote decent housing, suitable living environments and economic opportunities for Meriden’s low and moderate income persons. Programs funded in FY 2013 with CDBG funds include a portion of the City’s code enforcement activities, sidewalk improvements and public services for the elderly, homeless, handicapped and at-risk youth. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects and a homeownership assistance program. During FY 2013, the City continued to administer U.S. Department of Housing and Urban Development Challenge Grant funds received through the Connecticut Department of Economic and Community Development. Challenge grant funds are being used to create a TOD zone for the HUB and Transit Center sites and to acquire properties that will support transit-oriented development surrounding the TOD area.

During FY 2013, the Community Development office managed approximately 40 other state and federal grants totaling over \$20 million. The U.S. Department of Homeland Security-Federal Emergency Management Agency, U.S. Department of Justice and the Connecticut Department of Emergency Management and Homeland Security provided grants for personnel and equipment costs. The Federal Aviation Authority and the Connecticut Department of Transportation provided grants for the improvement of the Meriden Markham Airport. The Connecticut Department of Transportation also provided grants for streetscape improvements, road repair and the purchase of clean fuel vehicles. In addition, the City received funding from both the Connecticut Department of Environmental Protection and Connecticut Department of Economic Development to implement the HUD Flood Control and Remediation project.

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, 2012. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

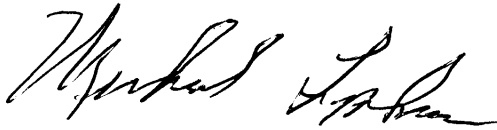
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail.

Michael Lupkas, CPFO
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

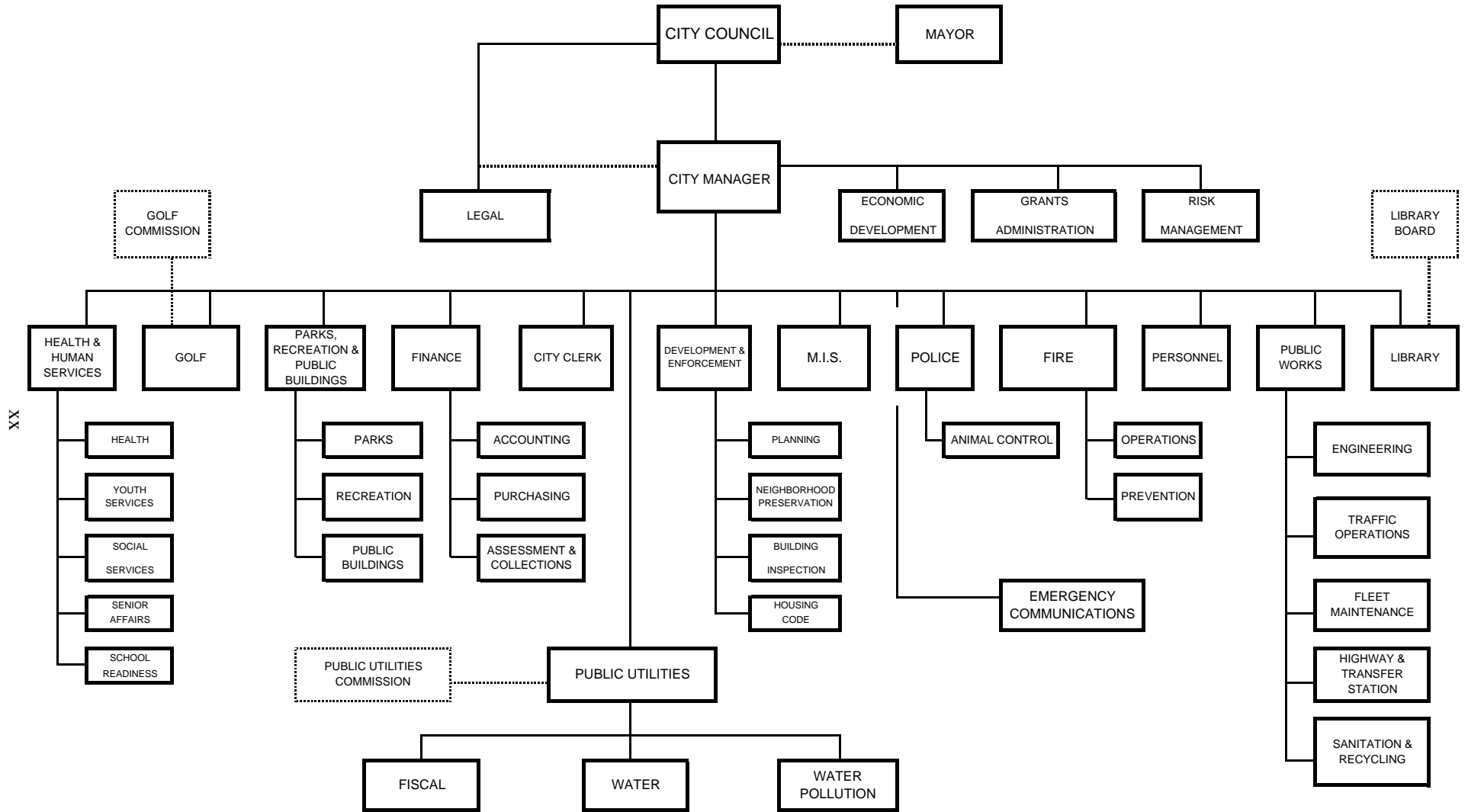
**City of Meriden
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF MERIDEN ORGANIZATIONAL CHART



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS
JUNE 30, 2013

MAYOR

Michael S. Rohde

CITY COUNCIL

Matthew C. Dominello, Sr., Deputy Mayor
Brian P. Daniels, Majority Leader
Daniel Brunet, Minority Leader
Catherine R. Battista, Deputy Majority Leader
Walter A. Shamock, Deputy Minority Leader
Miguel Castro, City Councilor
Larue A. Graham, City Councilor
Steven J. Iovanna, City Councilor
David D. Lowell, City Councilor
Kevin M. Scarpati, City Councilor
Anthony D. Tomassetti, City Councilor
Bob Williams Jr., City Councilor

CITY MANAGER

Lawrence Kendzior

ADMINISTRATION

City Clerk
Director of Finance
Police Chief
Fire Chief
Corporation Counsel
City Attorney
Director of Development and Enforcement
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
Golf Course Facilities Manager

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

BOARD OF EDUCATION

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

BOARD OF EDUCATION ADMINISTRATION

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

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 13, 2013

City of Meriden, Connecticut
Management's Discussion and Analysis
June 30, 2013

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, 2013. 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 position at the close of the fiscal year of \$156.5 million. Total net position for Governmental Activities at fiscal year-end was \$62.7 million and total net position for Business-Type Activities was \$93.8 million.
- ◆ On a government-wide basis, during the year, the City's net position decreased by \$1.8 million or 1.13%, from \$158.3 million to \$156.5 million. Net position increased by \$1.9 million for Governmental Activities and decreased by \$3.7 million for Business-Type Activities. Governmental Activities expenses were \$225.1 million, while revenues were \$227.0 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 \$42.1 million, an increase of \$23.6 million from the prior fiscal year (Exhibit IV).
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.5 million, an increase of \$.2 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2013, \$15.7 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 7.97% of total General Fund expenditures and transfers out (\$197.0 million), a decrease of .62% 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 are comprised of 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 position presents information on all of Meriden's assets and liabilities, with the difference reported as net position. One can think of the City's net position - 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 position may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City of Meriden.

The statement of activities presents information showing how the government's net position 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 position 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 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-66 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 59-60 of this report.

Government-Wide Financial Analysis

As noted earlier, net position 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 position exceeded liabilities by \$156.5 million on June 30, 2013. Governmental activities assets exceeded liabilities by \$62.7 million. Business-type activities assets exceeded liabilities by \$93.8 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 80,111	\$ 61,975	\$ 18,772	\$ 20,039	\$ 98,883	\$ 82,014
Capital assets, net of accumulated depreciation	193,627	189,185	130,846	133,759	324,473	322,944
Total assets	<u>273,738</u>	<u>251,160</u>	<u>149,618</u>	<u>153,798</u>	<u>423,356</u>	<u>404,958</u>
Current liabilities	36,245	34,013	5,855	4,926	42,100	38,939
Long-term liabilities outstanding	174,773	156,290	49,984	51,439	224,757	207,729
Total liabilities	<u>211,018</u>	<u>190,303</u>	<u>55,839</u>	<u>56,365</u>	<u>266,857</u>	<u>246,668</u>
Net Position:						
Net investment in capital assets	130,773	122,787	81,045	81,564	211,818	204,351
Restricted	1,356	952			1,356	952
Unrestricted	<u>(69,409)</u>	<u>(62,882)</u>	<u>12,734</u>	<u>15,869</u>	<u>(56,675)</u>	<u>(47,013)</u>
Total Net Position	<u>\$ 62,720</u>	<u>\$ 60,857</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 156,499</u>	<u>\$ 158,290</u>

A portion of net position was restricted in June 30, 2013 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million) and the corpus of various trusts (\$.4 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

By far the largest portion of the City of Meriden's net position 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.

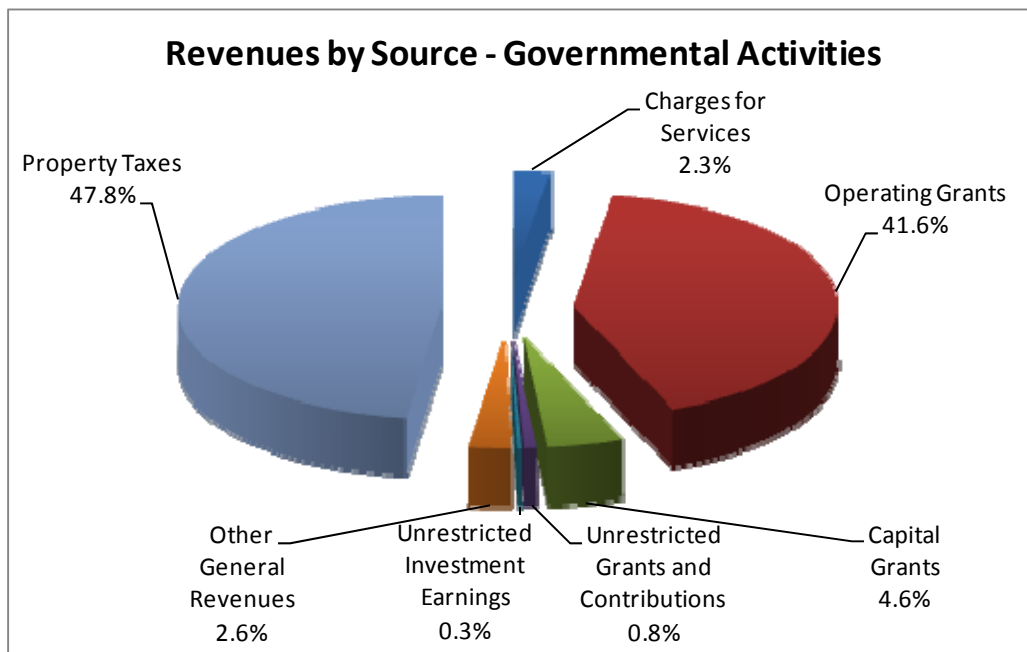
City of Meriden, Connecticut
Changes in Net Position (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,290	\$ 5,163	\$ 18,251	\$ 17,945	\$ 23,541	\$ 23,108
Operating grants and contributions	94,358	94,000			94,358	94,000
Capital grants and contributions	10,379	4,094	284		10,663	4,094
General revenues:						
Property taxes	108,622	110,885			108,622	110,885
Grants not restricted to specific programs	1,801	1,873			1,801	1,873
Unrestricted investment earnings	680	914	69	92	749	1,006
Miscellaneous income	5,880	3,654	1,702	1,337	7,582	4,991
Total revenues	<u>227,010</u>	<u>220,583</u>	<u>20,306</u>	<u>19,374</u>	<u>247,316</u>	<u>239,957</u>
Expenses:						
General government	37,954	35,201			37,954	35,201
Education	132,521	136,298			132,521	136,298
Public safety	24,389	24,364			24,389	24,364
Public works	13,408	10,705			13,408	10,705
Human services	8,638	8,053			8,638	8,053
Cultural and recreation	5,280	5,408			5,280	5,408
Interest on long-term debt	2,957	3,052			2,957	3,052
Sewer Authority			11,441	10,816	11,441	10,816
Water Authority			11,334	9,883	11,334	9,883
George Hunter Golf Course			1,185	1,304	1,185	1,304
Total expenses	<u>225,147</u>	<u>223,081</u>	<u>23,960</u>	<u>22,003</u>	<u>249,107</u>	<u>245,084</u>
Change in Net Position	1,863	(2,498)	(3,654)	(2,629)	(1,791)	(5,127)
Net Position at Beginning of Year	<u>60,857</u>	<u>63,355</u>	<u>97,433</u>	<u>100,062</u>	<u>158,290</u>	<u>163,417</u>
Net Position at End of Year	<u>\$ 62,720</u>	<u>\$ 60,857</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 156,499</u>	<u>\$ 158,290</u>

The City's net position decreased by \$1.8 million during the fiscal year, with net position of governmental activities increasing by \$1.9 million and business-type activities decreasing by \$3.7 million.

Governmental Activities

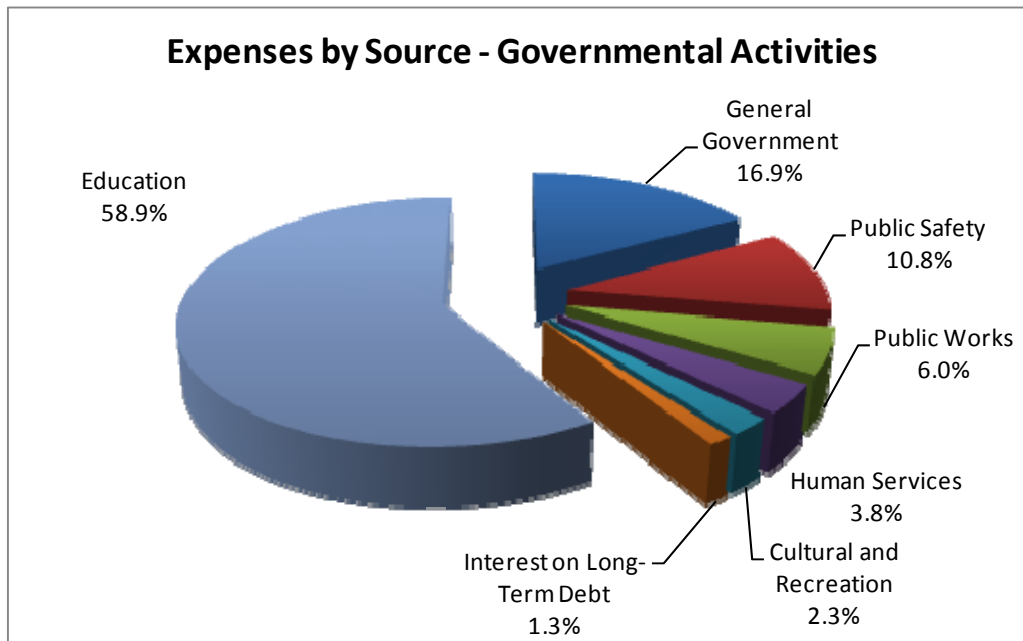
47.8% of the revenues were derived from property taxes, followed by 46.2% from State and Federal Government program revenues, then 2.3% from charges for services.



Major revenue factors included:

- ◆ Maloney High School and Platt High School are both undergoing “renovation-like-new” for a total estimated cost of \$96.1 million for Maloney and \$100 million for Platt. The primary expenditures have been architectural and other professional fees on these projects. \$3.1 million was reimbursed by the State for Maloney renovation expenditures and \$3.1 million was reimbursed by the State for Platt renovation expenditures. Actual construction started in June 2013 for Maloney and September 2013 for Platt. (Capital Grants)
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant provided \$4.3 million in revenue for fiscal year 2013. This agreement was terminated in fiscal year 2013. (Miscellaneous Income)

For Governmental Activities, 58.9% of the City's expenses relate to education, 16.9% to general government, 10.8% relate to public safety, 6.0% to public works, 3.8% to health and human services, 2.3% to culture and recreation and 1.3% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs remained flat, due to favorable historical health insurance costs and pension funding requirements which do not reflect the effect of the current economy.
- ◆ The cost of education services decreased due to the smaller increase in the post employment benefit obligation, \$1.1 million increase in fiscal year 2013 versus \$5.2 million in the fiscal year 2012.
- ◆ General government expenses for fiscal year 2013 increased by 7.8% due to increased expenses incurred for increased pension costs and workers compensation cost. Other expenses within general government remained flat between the two compared years.
- ◆ Interest on long-term debt decreased by \$.1 million or 3.1% due to a bond refunding in the amount of \$9.9 million, of which, \$6.4 million related to governmental activities. It would have decreased even more, however, bonds were issued for \$25.5 million, of which, \$24.4 million related to governmental activities.

Business-Type Funds

Business-type activities decreased the City's net position by \$3.7 million due primarily to depreciation expense, which is not budgeted.

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15.7 million while total fund balance was \$17.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.98% of total General Fund expenditures and transfers out (\$197.0 million), while total fund balance represents 8.89% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$.2 million during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts.

The Bonded Projects Fund has a total fund balance of \$18.6 million, an increase of \$22.7 million from the prior year. This increase can be explained by the timing of expenditures, the issuance of long-term bonds and State and Federal grants.

The Nonmajor Governmental Funds have a total fund balance of \$6.0 million, up from \$5.3 million in the prior year. The \$.7 million increase related primarily to education grant revenue received during the current year.

Proprietary Funds

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

Net position of the Water Fund at the end of the year was \$38.4 million, with unrestricted net position of \$6.8 million. The Water Fund experienced an operating loss of \$1.2 million, due primarily to depreciation expense, which is not budgeted.

Net position of the Sewer Fund was \$56.5 million. Unrestricted net position was \$8.9 million. The Sewer Fund experienced an operating loss of \$2.3 million, due primarily to depreciation expense, which is not budgeted.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was \$1.4 million. The original budget included a contingency of \$.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The additional appropriation approved during the year is summarized below:

- ◆ The additional appropriation of \$40 thousand was for the acquisition of property associated with Flood Control. This amount was held as Restricted Fund Balance in prior fiscal years.
- ◆ The additional appropriation of \$1.3 million was for additional money needed to pay health insurance (\$2 million) and attorney fees (\$.3 million), which was offset by a decrease in the post-retirement healthcare contribution of \$1 million. Miscellaneous revenue was increased by \$2.5 million and the use of fund balance was decreased by \$1.2 million.

During the year, actual revenues on a budgetary basis were \$184.9 million, which was under budgetary estimates by \$.07 million. Total property tax revenues were less than budget by \$.3 million. Actual investment income totaled \$.3 million, which was \$.05 million below the budgeted amount; this is attributable to the continuation of the national economic downturn.

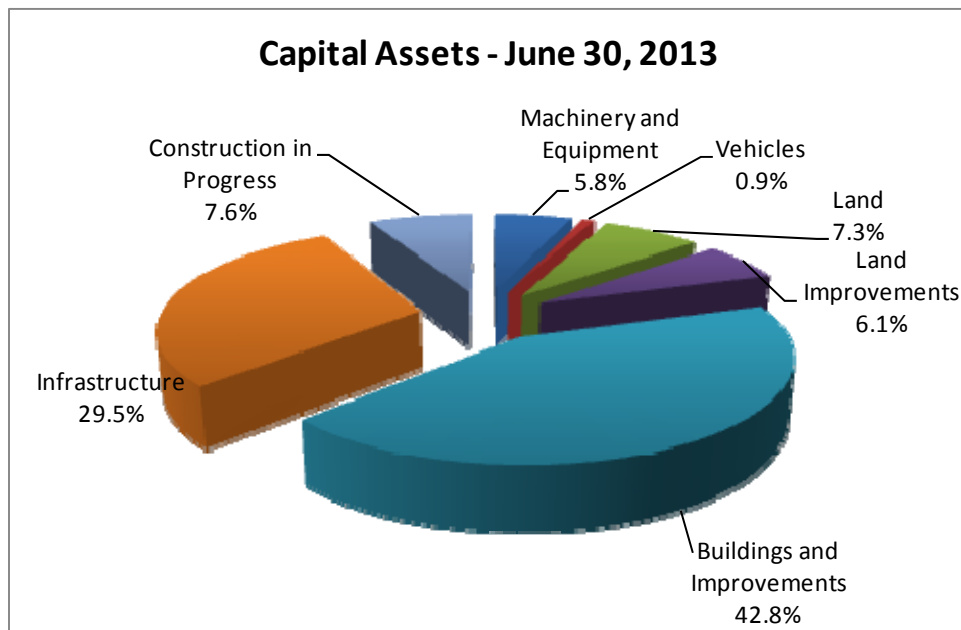
Actual revenues and other financing sources on a budgetary basis totaled \$185.2 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$.1 million.

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, 2013 amount to \$324.5 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 eleventh 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	
	2013	2012	2013	2012	2013	2012
Land	\$ 22,480	\$ 22,196	\$ 1,088	\$ 1,088	\$ 23,567	\$ 23,284
Land improvements	8,057	8,645	11,836	12,047	19,893	20,692
Buildings and improvements	100,943	104,104	38,056	39,781	138,999	143,885
Infrastructure	33,618	34,001	62,105	63,838	95,723	97,839
Machinery and equipment	4,759	4,678	14,040	15,270	18,799	19,948
Vehicles	2,394	2,638	438	309	2,832	2,947
Construction in progress	21,376	12,923	3,283	1,426	24,659	14,349
Total	\$ 193,627	\$ 189,185	\$ 130,846	\$ 133,759	\$ 324,472	\$ 322,944



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

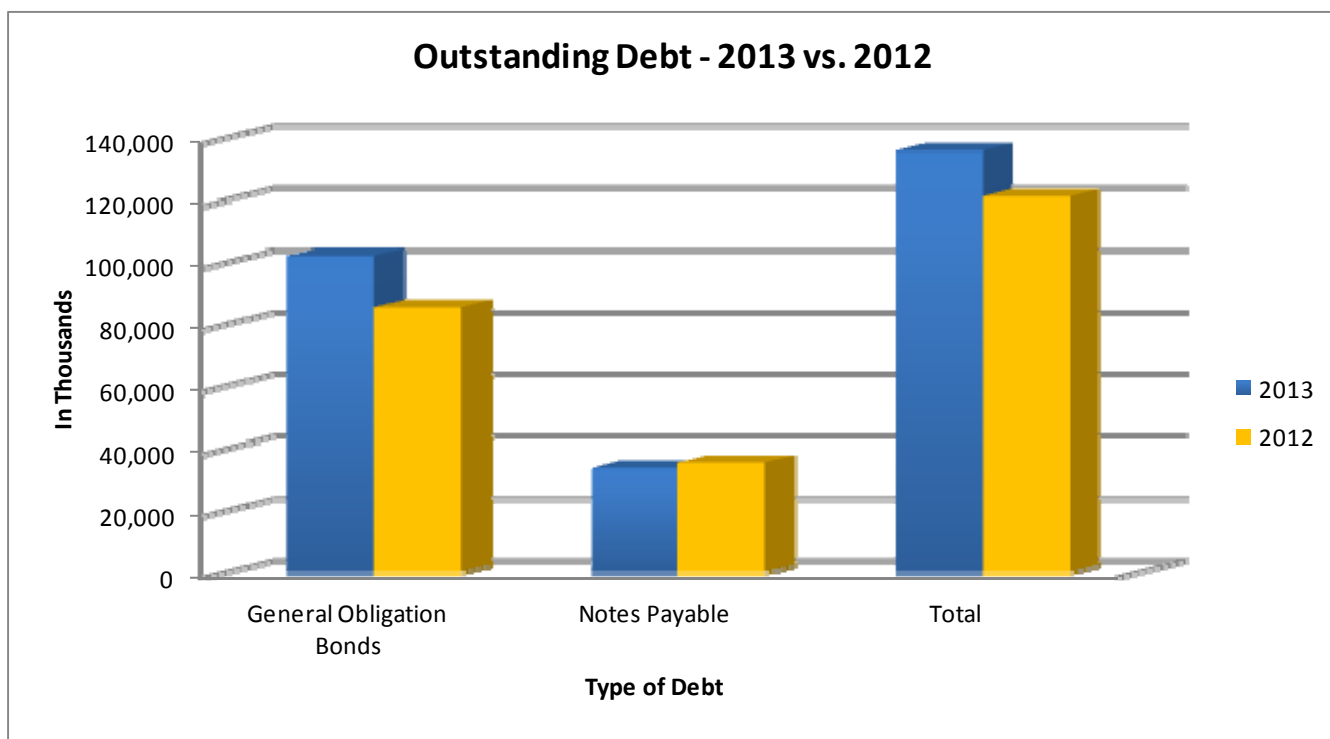
- ◆ \$0.6 million for the Snow Removal Equipment Building at the Airport
- ◆ \$4.6 million for the Maloney High School Renovation
- ◆ \$5.2 million for the Hanover School Kindergarten Addition
- ◆ \$4.0 million for the Platt High School Renovation
- ◆ \$4.6 million for Public Works Projects (Road Construction, Paving, Sodom Brook Trail, Flood Control)
- ◆ \$1.9 million for Water Department Projects
- ◆ \$0.5 million for Sewer Department Projects

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 44-45 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$102.0 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 85,617	\$ 68,929	\$ 16,418	\$ 16,611	\$ 102,035	\$ 85,540
Notes payable			33,669	35,444	33,669	35,444
Total	<u>\$ 85,617</u>	<u>\$ 68,929</u>	<u>\$ 50,087</u>	<u>\$ 52,055</u>	<u>\$ 135,704</u>	<u>\$ 120,984</u>



The City of Meriden’s bonded debt increased by \$16.5 million or 19.28% during fiscal year 2013.

On December 27, 2012, the City issued \$9.9 million of general obligation refunding bonds; these bonds along with a premium of \$.2 million and issuance costs of \$.1 million were placed into an irrevocable escrow account to advance refund the outstanding principal amounts of \$8.6 million of General Obligation Bonds, Issue of 2008, dated August 1, 2008. These amounts are now considered defeased. This transaction resulted in a reduction of total debt service payments over

the next 16 years and present value savings of approximately \$.6 million. The majority of the savings is spread between fiscal year 2014 and 2015.

On February 15, 2013, the City issued \$25.5 million of general obligation bonds with a premium of \$.6 million. Principal payments range from \$.9 million to \$1.4 million. The bonds mature in February of 2033.

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

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$799 million. As of June 30, 2013, the City recorded long-term debt of \$130.1 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, 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 46-53 of this report.

Economic Factors (Updated through September 2013)

The national economic downturn eased somewhat during 2013. As of September 2013, the unemployment rate for the Meriden Labor Market Area was 9.5%, a decrease from 10% in the prior year. Although Meriden's unemployment rate is above the September 2013 New Haven Labor Market rate of 8.0%, Meriden's unemployment rate in September 2013 remained lower than larger Connecticut cities including the City of New Haven at 11.3% and the City of Hartford at 14.5%. In September 2013, Connecticut's overall unemployment rate stood at 7.6% compared with 8.2% for the same time a year ago. The United States' September 2013 unemployment rate is 7.0% compared to 7.6% percent in September 2012.

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

Requests for Information

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

Basic Financial Statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 46,119,574	\$ 7,234,883	\$ 53,354,457
Investments	17,469,261	1,087,649	18,556,910
Receivables, net	18,626,103	7,395,639	26,021,742
Internal balances	(3,009,901)	3,009,901	-
Inventory	213,818		213,818
Other assets	385,974	44,484	430,458
Pension assets	306,124		306,124
Capital assets, nondepreciable	43,855,294	4,372,014	48,227,308
Capital assets, net of accumulated depreciation	149,771,314	126,473,509	276,244,823
Total assets	<u>273,737,561</u>	<u>149,618,079</u>	<u>423,355,640</u>
Liabilities:			
Accounts payable and accrued liabilities	19,535,942	1,146,390	20,682,332
Accrued interest	1,138,625	227,255	1,365,880
Unearned revenue	1,530,100	6,270	1,536,370
Interim funding obligation loans		1,100,026	1,100,026
Noncurrent liabilities:			
Due within one year	14,038,959	3,375,771	17,414,730
Due in more than one year	174,773,451	49,983,599	224,757,050
Total liabilities	<u>211,017,077</u>	<u>55,839,311</u>	<u>266,856,388</u>
Net Position:			
Net investment in capital assets	130,773,289	81,045,185	211,818,474
Restricted:			
Expendable - Wallingford Regional Solid Waste Reserve	444,312		444,312
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(69,408,665)</u>	<u>12,733,583</u>	<u>(56,675,082)</u>
Total Net Position	<u>\$ 62,720,484</u>	<u>\$ 93,778,768</u>	<u>\$ 156,499,252</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, 2013

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 37,953,221	\$ 1,958,849	\$ 2,166,544	\$ 9,443,079	\$ (24,384,749)	\$	\$ (24,384,749)
Education	132,520,822	1,047,513	87,596,519		(43,876,790)		(43,876,790)
Public safety	24,389,389	75,488	610,429	79,920	(23,623,552)		(23,623,552)
Public works	13,407,591	1,864,791		855,868	(10,686,932)		(10,686,932)
Human services	8,638,140	314,303	2,868,659		(5,455,178)		(5,455,178)
Culture and recreation	5,279,672	28,769	1,115,580		(4,135,323)		(4,135,323)
Interest on long-term debt	2,957,201				(2,957,201)		(2,957,201)
Total governmental activities	<u>225,146,036</u>	<u>5,289,713</u>	<u>94,357,731</u>	<u>10,378,867</u>	<u>(115,119,725)</u>	<u>-</u>	<u>(115,119,725)</u>
Business-type activities:							
Sewer Authority	11,440,816	8,228,046				(3,212,770)	(3,212,770)
Water Authority	11,333,809	9,065,010		283,655		(1,985,144)	(1,985,144)
George Hunter Golf Course	1,184,306	957,513				(226,793)	(226,793)
Total business-type activities	<u>23,958,931</u>	<u>18,250,569</u>	<u>-</u>	<u>283,655</u>	<u>-</u>	<u>(5,424,707)</u>	<u>(5,424,707)</u>
Total Primary Government	<u>\$ 249,104,967</u>	<u>\$ 23,540,282</u>	<u>\$ 94,357,731</u>	<u>\$ 10,662,522</u>	<u>(115,119,725)</u>	<u>(5,424,707)</u>	<u>(120,544,432)</u>
General revenues:							
Property taxes					108,621,805		108,621,805
Grants and contributions not restricted to specific programs					1,801,237		1,801,237
Unrestricted investment earnings					680,273	68,759	749,032
Miscellaneous income					5,880,168	1,701,530	7,581,698
Total general revenues					<u>116,983,483</u>	<u>1,770,289</u>	<u>118,753,772</u>
Change in net position					1,863,758	(3,654,418)	(1,790,660)
Net Position at Beginning of Year					<u>60,856,726</u>	<u>97,433,186</u>	<u>158,289,912</u>
Net Position at End of Year					<u>\$ 62,720,484</u>	<u>\$ 93,778,768</u>	<u>\$ 156,499,252</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 14,305,808	\$ 23,752,545	\$ 5,029,358	\$ 43,087,711
Investments	12,914,124		1,604,877	14,519,001
Receivables, net of allowance for collections	7,530,235	2,897,453	4,783,163	15,210,851
Inventory	125,508		88,310	213,818
Other assets	1,160		126,707	127,867
Due from other funds	4,078,835		26,092	4,104,927
Total Assets	<u>\$ 38,955,670</u>	<u>\$ 26,649,998</u>	<u>\$ 11,658,507</u>	<u>\$ 77,264,175</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 14,560,161	\$ 832,615	\$ 2,028,295	\$ 17,421,071
Due to other funds	176,997	5,998,041	390,595	6,565,633
Deferred revenue	6,721,056	1,190,541	3,274,495	11,186,092
Total liabilities	<u>21,458,214</u>	<u>8,021,197</u>	<u>5,693,385</u>	<u>35,172,796</u>
Fund Balances:				
Nonspendable	125,508		519,857	645,365
Restricted	1,009,817		4,465,396	5,475,213
Committed	636,972	18,628,801	979,869	20,245,642
Unassigned	15,725,159			15,725,159
Total fund balances	<u>17,497,456</u>	<u>18,628,801</u>	<u>5,965,122</u>	<u>42,091,379</u>
Total Liabilities and Fund Balances	<u>\$ 38,955,670</u>	<u>\$ 26,649,998</u>	<u>\$ 11,658,507</u>	<u>\$ 77,264,175</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

Fund balances - total governmental funds (Exhibit III)	\$ 42,091,379
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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	\$ 363,377,174	
Less accumulated depreciation	<u>(169,750,566)</u>	
Net capital assets		193,626,608

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

Net pension assets	306,124
Property tax receivables greater than 60 days	4,739,005
Build America Bonds long term interest receivable	20,587
Loan receivables greater than 60 days	4,916,986
Interest and lien receivable on property taxes	1,524,348
Issuance costs on refunding	258,107

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 position.	(1,661,787)
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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	(85,617,203)
Notes payable	(1,425,000)
Bond premium	(3,438,474)
Deferred amount in refunding	2,449,813
Interest payable on bonds	(1,138,624)
Compensated absences	(17,973,809)
Landfill post-closure monitoring	(665,770)
Net pension obligation	(25,283,769)
OPEB obligation	(39,236,726)
Pollution remediation	(9,236,411)
Claims and judgments	<u>(1,534,900)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 62,720,484</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, 2013

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 113,886,618	\$	\$	\$ 113,886,618
Federal and state government	73,706,875	9,602,626	23,190,163	106,499,664
Charges for services	3,923,416		1,366,297	5,289,713
Investment income	286,737	83,187	211,051	580,975
Other local revenues	5,056,364	364,364	487,674	5,908,402
Total revenues	<u>196,860,010</u>	<u>10,050,177</u>	<u>25,255,185</u>	<u>232,165,372</u>
Expenditures:				
Current:				
General government	37,658,470		247,792	37,906,262
Public safety	21,909,060		705,186	22,614,246
Public works	6,999,166		26,122	7,025,288
Health and welfare	2,808,266		5,592,545	8,400,811
Culture and recreation	4,104,698		200,994	4,305,692
Education	111,411,471		16,193,396	127,604,867
Debt service:				
Principal retirement	8,597,000		75,000	8,672,000
Interest and other charges	2,897,596		40,594	2,938,190
Capital outlay	515,768	12,309,766	1,398,807	14,224,341
Total expenditures	<u>196,901,495</u>	<u>12,309,766</u>	<u>24,480,436</u>	<u>233,691,697</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(41,485)</u>	<u>(2,259,589)</u>	<u>774,749</u>	<u>(1,526,325)</u>
Other Financing Sources (Uses):				
Bond issuance		24,423,203		24,423,203
Bond premium		608,761		608,761
Refunding bonds issued	6,400,000			6,400,000
Premium on refunding bonds	144,968			144,968
Payment to refunded bond escrow agent	(6,453,473)			(6,453,473)
Transfers in	281,134		90,928	372,062
Transfers out	(90,928)	(81,134)	(200,000)	(372,062)
Total other financing sources (uses)	<u>281,701</u>	<u>24,950,830</u>	<u>(109,072)</u>	<u>25,123,459</u>
Net Change in Fund Balances	240,216	22,691,241	665,677	23,597,134
Fund Balances at Beginning of Year	<u>17,257,240</u>	<u>(4,062,440)</u>	<u>5,299,445</u>	<u>18,494,245</u>
Fund Balances at End of Year	<u>\$ 17,497,456</u>	<u>\$ 18,628,801</u>	<u>\$ 5,965,122</u>	<u>\$ 42,091,379</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2013

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)	\$ 23,597,134
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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	13,617,236
Depreciation expense	(9,077,976)
Loss on disposal of capital assets	(97,957)

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	396,356
Loans collected after 60 days	(94,609)
Build America Bonds interest receivable	9,937
Decrease in interest and liens receivable	(5,661,169)
Change in pension assets	1,075

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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond proceeds	(24,423,203)
Refunding bond proceeds	(6,400,000)
Payment to refunding bond escrow agent	6,453,473
Principal payments	8,672,000
Premium on bonds issued	(608,761)
Premium on refunding bond issued	(144,968)
Refunding bond issuance costs	91,495

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.

Amortization of issuance costs on refunding	(18,503)
Accrued interest	(184,362)
Amortization of premium and deferred amount in refunding	92,358
Change in long-term compensated absences	195,037
Change in landfill post-closure monitoring	128,486
Change in pollution remediation obligation	(2,536,411)
Change in net pension obligation	56,683
Change in OPEB obligation	(1,113,766)
Change in claims and judgments	(334,900)

The net expense of the internal service funds is reported with governmental activities.	<u>(750,927)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 1,863,758</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest and lien fees	\$ 114,157,111	\$ 114,157,111	\$ 113,886,618	\$ (270,493)
Intergovernmental revenues	61,237,993	61,237,993	61,900,628	662,635
Charges for services	4,146,143	4,146,143	3,884,560	(261,583)
Investment income	332,812	332,812	285,614	(47,198)
Other revenues	2,428,925	4,941,425	4,931,436	(9,989)
Total revenues	<u>182,302,984</u>	<u>184,815,484</u>	<u>184,888,856</u>	<u>73,372</u>
Expenditures:				
Current:				
General government	35,470,769	36,442,762	36,255,722	187,040
Finance	1,742,640	1,821,572	1,821,556	16
Public safety	21,906,797	21,909,105	21,909,060	45
Public works	6,647,741	6,999,289	6,999,166	123
Health and welfare	2,855,697	2,807,457	2,807,442	15
Culture and recreation	4,108,764	4,104,723	4,104,707	16
Education	99,605,224	99,605,224	99,605,224	-
Debt service:				
Principal retirement	8,487,000	8,597,000	8,597,000	-
Interest and other charges	2,917,447	2,807,447	2,806,101	1,346
Total expenditures	<u>183,742,079</u>	<u>185,094,579</u>	<u>184,905,978</u>	<u>188,601</u>
Deficiency of Revenues over Expenditures	<u>(1,439,095)</u>	<u>(279,095)</u>	<u>(17,122)</u>	<u>261,973</u>
Other Financing Sources (Uses):				
Contribution from fund balance	1,200,000	40,000		(40,000)
Transfers in	405,014	405,014	281,134	(123,880)
Transfers out	(165,919)	(165,919)	(165,919)	-
Total other financing sources (uses)	<u>1,439,095</u>	<u>279,095</u>	<u>115,215</u>	<u>(163,880)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	98,093	\$ <u>98,093</u>
Fund Balance at Beginning of Year			<u>16,676,887</u>	
Fund Balance at End of Year			\$ <u>16,774,980</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Internal
	Water	Sewer	George		
			Hunter	Funds	
		Memorial			
		Golf Course			
Assets:					
Current assets:					
Cash and cash equivalents	\$ 3,674,227	\$ 3,373,396	\$ 187,260	\$ 7,234,883	\$ 3,117,367
Investments	545,475	542,174		1,087,649	2,864,756
Accounts receivable, net	3,340,821	4,026,501	28,317	7,395,639	1,870,317
Due from other funds	3,646,499	2,264,524	21,685	5,932,708	150,905
Other assets	44,484			44,484	-
Total current assets	<u>11,251,506</u>	<u>10,206,595</u>	<u>237,262</u>	<u>21,695,363</u>	<u>8,003,345</u>
Noncurrent assets:					
Capital assets, nondepreciable	4,152,758	219,256		4,372,014	
Capital assets, net of accumulated depreciation	39,189,468	85,281,620	2,002,421	126,473,509	
Total noncurrent assets	<u>43,342,226</u>	<u>85,500,876</u>	<u>2,002,421</u>	<u>130,845,523</u>	<u>-</u>
Total assets	<u>54,593,732</u>	<u>95,707,471</u>	<u>2,239,683</u>	<u>152,540,886</u>	<u>8,003,345</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	712,016	385,994	48,380	1,146,390	2,666
Accrued interest	181,885	43,922	1,448	227,255	
Claims payable				-	2,283,387
Due to other funds			2,922,807	2,922,807	700,100
Deferred revenue			6,270	6,270	
Interim funding obligation loans	1,100,026			1,100,026	
Current portion of bonds and notes payable	1,230,000	2,071,727	15,000	3,316,727	
Current portion of compensated absences	40,775	15,260	3,009	59,044	
Total current liabilities	<u>3,264,702</u>	<u>2,516,903</u>	<u>2,996,914</u>	<u>8,778,519</u>	<u>2,986,153</u>
Noncurrent liabilities:					
Compensated absences	999,916	331,138	181,961	1,513,015	
Bonds and notes payable, less current portion	10,815,726	35,872,298	82,000	46,770,024	
Premium on refunding bonds	501,436			501,436	
Deferred amount in refunding	(747,777)	(40,072)		(787,849)	
OPEB obligation	1,372,045	541,853	73,075	1,986,973	
Claims incurred but not reported				-	6,678,979
Total noncurrent liabilities	<u>12,941,346</u>	<u>36,705,217</u>	<u>337,036</u>	<u>49,983,599</u>	<u>6,678,979</u>
Total liabilities	<u>16,206,048</u>	<u>39,222,120</u>	<u>3,333,950</u>	<u>58,762,118</u>	<u>9,665,132</u>
Net Position:					
Net investment in capital assets	31,542,841	47,596,923	1,905,421	81,045,185	
Unrestricted	6,844,843	8,888,428	(2,999,688)	12,733,583	(1,661,787)
Total Net Position	<u>\$ 38,387,684</u>	<u>\$ 56,485,351</u>	<u>\$ (1,094,267)</u>	<u>\$ 93,778,768</u>	<u>\$ (1,661,787)</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>		<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>		
			<u>Total</u>		
Operating Revenues:					
Charges for services	\$ 9,065,010	\$ 8,228,046	\$ 957,513	\$ 18,250,569	\$ 29,389,132
Miscellaneous	805,560	850,908	45,062	1,701,530	1,391,040
Total operating revenues	<u>9,870,570</u>	<u>9,078,954</u>	<u>1,002,575</u>	<u>19,952,099</u>	<u>30,780,172</u>
Operating Expenses:					
Salaries and benefits	4,356,827	1,792,927	481,684	6,631,438	
Medical claims				-	27,824,044
Materials and supplies	926,135	1,349,948	359,333	2,635,416	
Utilities	940,585	963,310		1,903,895	
Administration and operation	2,319,794	740,514		3,060,308	1,541,580
Depreciation	1,719,530	3,986,301	122,455	5,828,286	
Other	633,061	1,750,436	175,868	2,559,365	2,353,693
Total operating expenses	<u>10,895,932</u>	<u>10,583,436</u>	<u>1,139,340</u>	<u>22,618,708</u>	<u>31,719,317</u>
Operating Loss	<u>(1,025,362)</u>	<u>(1,504,482)</u>	<u>(136,765)</u>	<u>(2,666,609)</u>	<u>(939,145)</u>
Nonoperating Revenues (Expenses):					
Capital grants	283,655			283,655	
Interest income	25,341	43,157	261	68,759	188,218
Interest expense	(437,877)	(857,380)	(44,966)	(1,340,223)	
Total nonoperating revenues (expenses)	<u>(128,881)</u>	<u>(814,223)</u>	<u>(44,705)</u>	<u>(987,809)</u>	<u>188,218</u>
Change in Net Position	(1,154,243)	(2,318,705)	(181,470)	(3,654,418)	(750,927)
Net Position at Beginning of Year	<u>39,541,927</u>	<u>58,804,056</u>	<u>(912,797)</u>	<u>97,433,186</u>	<u>(910,860)</u>
Net Position at End of Year	<u>\$ 38,387,684</u>	<u>\$ 56,485,351</u>	<u>\$ (1,094,267)</u>	<u>\$ 93,778,768</u>	<u>\$ (1,661,787)</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, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 10,033,678	\$ 9,165,223	\$ 980,669	\$ 20,179,570	\$ 29,286,972
Payments to suppliers	(4,712,774)	(4,796,869)	(551,792)	(10,061,435)	(31,542,210)
Payments to employees	(3,962,163)	(1,562,856)	(439,776)	(5,964,795)	
Net receipts from interfund transactions	667,476	113,643	110,471	891,590	744,550
Net cash provided by (used in) operating activities	<u>2,026,217</u>	<u>2,919,141</u>	<u>99,572</u>	<u>5,044,930</u>	<u>(1,510,688)</u>
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	283,655			283,655	
Additions to capital assets	(2,073,923)	(820,767)	(20,000)	(2,914,690)	
Issuance of interim funding obligation loans	1,100,026			1,100,026	
Issuance of bonds	452,726	604,071		1,056,797	
Premium on bonds	11,322	15,106		26,428	
Issuance of refunding bonds	3,212,000	283,000	5,000	3,500,000	
Premium on refunding bonds	72,756	6,410	113	79,279	
Payments to escrow agents	(3,238,837)	(285,365)	(5,042)	(3,529,244)	
Debt issuance costs	(45,919)	(4,046)	(71)	(50,036)	
Principal payments of bonds	(1,310,000)	(401,000)	(12,000)	(1,723,000)	
Principal payments of clean water fund loans		(1,774,661)		(1,774,661)	
Interest paid on capital debt	(447,601)	(873,555)	(44,966)	(1,366,122)	
Net cash used in capital and related financing activities	<u>(1,983,795)</u>	<u>(3,250,807)</u>	<u>(76,966)</u>	<u>(5,311,568)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchases of investments	(4,805)	(4,760)		(9,565)	1,881,461
Interest on investments	25,341	43,157	261	68,759	188,218
Net cash provided by investing activities	<u>20,536</u>	<u>38,397</u>	<u>261</u>	<u>59,194</u>	<u>2,069,679</u>
Net (Increase) Decrease in Cash and Cash Equivalents	62,958	(293,269)	22,867	(207,444)	558,991
Cash and Cash Equivalents at Beginning of Year	<u>3,611,269</u>	<u>3,666,665</u>	<u>164,393</u>	<u>7,442,327</u>	<u>2,558,376</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,674,227</u>	<u>\$ 3,373,396</u>	<u>\$ 187,260</u>	<u>\$ 7,234,883</u>	<u>\$ 3,117,367</u>
Reconciliation of Operating Loss to Net Cash Provided By (Used in) Operating Activities:					
Operating loss	\$ (1,025,362)	\$ (1,504,482)	\$ (136,765)	\$ (2,666,609)	\$ (939,145)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,719,530	3,986,301	122,455	5,828,286	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	163,108	86,269	(28,176)	221,201	(1,508,243)
(Increase) decrease in due from other funds	667,476	113,643		781,119	744,550
(Increase) decrease in other assets					15,043
Increase (decrease) in accounts payable and accrued items	106,801	7,339	(16,591)	97,549	177,107
Increase (decrease) in deferred revenue			6,270	6,270	
Increase (decrease) in compensated absences	(95,819)	(18,045)	13,868	(99,996)	
Increase (decrease) in OPEB obligation	490,483	248,116	28,040	766,639	
Increase (decrease) in due to other funds			110,471	110,471	
Total adjustments	<u>3,051,579</u>	<u>4,423,623</u>	<u>236,337</u>	<u>7,711,539</u>	<u>(571,543)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,026,217</u>	<u>\$ 2,919,141</u>	<u>\$ 99,572</u>	<u>\$ 5,044,930</u>	<u>\$ (1,510,688)</u>
Noncash Investing, Capital and Financing Activities:					
Construction in progress completed	<u>\$ (39,704)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,704)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 14,330,756	\$ 266,400	\$ 328,731	\$ 2,959,601
Investments, at fair value:				
US treasury bonds	9,325,577			
Corporate bonds	20,283,397		75,415	
Equities	128,070,111	12,563,948		
Mutual funds	31,104,705			
Other	30,057,990	300,072		153,052
Total investments	<u>218,841,780</u>	<u>12,864,020</u>	<u>75,415</u>	<u>153,052</u>
Accounts receivable	<u>424,941</u>	<u>56,037</u>		
Total assets	<u>233,597,477</u>	<u>13,186,457</u>	<u>404,146</u>	<u>\$ 3,112,653</u>
Liabilities:				
Other liabilities	<u>22,447</u>	<u>20,499</u>	<u>-</u>	<u>\$ 3,112,653</u>
Net Position:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 233,575,030</u>	<u>\$ 13,165,958</u>	<u>\$ 404,146</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions:			
Contributions:			
Employer	\$ 8,766,851	\$ 5,726,019	\$
Plan members	3,820,493	3,047,211	
Donations and other			414
Total contributions	<u>12,587,344</u>	<u>8,773,230</u>	<u>414</u>
Investment earnings:			
Net increase in fair value of investments	5,393,215	598,601	
Interest and dividends	5,562,979	234,332	5,410
Total investment earnings	<u>10,956,194</u>	<u>832,933</u>	<u>5,410</u>
Less investment expenses:			
Investment management fees	1,287,112		
Net investment earnings	<u>9,669,082</u>	<u>832,933</u>	<u>5,410</u>
Total additions	<u>22,256,426</u>	<u>9,606,163</u>	<u>5,824</u>
Deductions:			
Benefits	20,370,419	5,042,306	15,094
Administrative expense	91,337	230,924	
Other	312,277	22,299	
Total deductions	<u>20,774,033</u>	<u>5,295,529</u>	<u>15,094</u>
Change in Net Position	1,482,393	4,310,634	(9,270)
Net Position at Beginning of Year	<u>232,092,637</u>	<u>8,855,324</u>	<u>413,416</u>
Net Position at End of Year	<u>\$ 233,575,030</u>	<u>\$ 13,165,958</u>	<u>\$ 404,146</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

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 Asset/Obligation and Other Post Employment (OPEB) Obligations

Governmental Funds:

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

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 position. 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 position” and is classified in the following categories:

Net investment in capital assets - This component of net position 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 Position - Restrictions are externally imposed on net position 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 Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

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

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

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

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

L. Property Taxes

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

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

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

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

There were additional appropriations of \$1,352,500 for the General Fund and \$104,922 for the Water Fund during the year ended June 30, 2013, which was funded through net position.

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

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

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	\$ 185,169,990	\$ 185,071,897	\$ 16,774,980
Excess cost (net for budgetary)	1,132,483	1,132,483	
Issuance costs on refunding bonds		91,495	
State Teachers' Retirement on-behalf payment	10,673,764	10,673,764	
Funds consolidated for GASB 54 purposes	<u>164,907</u>	<u>22,784</u>	<u>722,476</u>
Balance, GAAP Basis	<u>\$ 197,141,144</u>	<u>\$ 196,992,423</u>	<u>\$ 17,497,456</u>

B. Deficit Fund Equity

For the year ended June 30, 2013, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 1,094,267
Internal Service Fund:	
Workers' Compensation Fund	4,801,807

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$56,287,746 of the City's bank balance of \$59,037,746 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 50,383,970
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>5,903,776</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 56,287,746</u>

Cash Equivalents

At June 30, 2013, the City's cash equivalents amounted to \$15,056,891. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

*Not rated

Investments

As of June 30, 2013, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
U.S. Government Agencies	Aaa	\$ 473	\$	\$	\$	\$ 473
U.S. Treasury Bonds	Aaa	55,544				55,544
Corporate and Foreign Bonds	Aaa	9,325,574		1,758,890	7,566,684	
Corporate and Foreign Bonds	Aa1	8,258,628		3,540,811	4,717,817	
Corporate and Foreign Bonds	Aa2	345,937			345,937	
Corporate and Foreign Bonds	A1	3,065,054		390,781	2,674,273	
Corporate and Foreign Bonds	A2	2,420,715		617,310	1,803,405	
Fixed Income Securities	A2	2,068,897			2,068,897	
Corporate and Foreign Bonds	A3	3,337,894		1,009,335	2,328,559	
Corporate and Foreign Bonds	Baa1	1,284,873			1,284,873	
Corporate and Foreign Bonds	Baa2	1,762,215			1,762,215	
Corporate and Foreign Bonds	Baa3	24,958		24,958		
Corporate and Foreign Bonds	B1	24,877			24,877	
Mutual Funds	N/A	376,944	376,944			
Certificates of Deposit	N/A	14,174,335			14,174,335	
Common Equity Securities	N/A	768,309	768,309			
Preferred Equity Securities	N/A	70,474	70,474			
Fixed Income Securities	N/A	13,998,607	13,998,607			
Taxable Fixed Income Funds	N/A	111,004	111,004			
Closed End Fixed Income	N/A	35,817	35,817			
Stocks and Options	N/A	158,787,840	158,787,840			
Other	N/A	30,106,704	30,106,704			
Total Investments		\$ 250,405,673	\$ 204,255,699	\$ 7,342,085	\$ 38,751,872	\$ 56,017

N/A - Not applicable

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2013, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

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

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

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

There shall be no investments in:

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

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

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

4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2013 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:

	Governmental and Fiduciary Type Funds			
	General Fund	Bonded Projects Fund	Nonmajor, Internal Service, and Fiduciary Funds	Total
Property taxes	\$ 9,237,689	\$	\$	\$ 9,237,689
Accounts	434,225	55,607	1,940,505	2,430,337
Intergovernmental	1,612,484	1,897,230	2,196,501	5,706,215
Loans		944,616	2,717,576	3,662,192
Other			480,978	480,978
Gross receivables	<u>11,284,398</u>	<u>2,897,453</u>	<u>7,335,560</u>	<u>21,517,411</u>
Less: Allowance for collection losses	<u>3,754,163</u>		<u>201,102</u>	<u>3,955,265</u>
Net Total Receivables	<u>\$ 7,530,235</u>	<u>\$ 2,897,453</u>	<u>\$ 7,134,458</u>	<u>\$ 17,562,146</u>

	Business-Type Funds			
	Water Authority	Sewer Authority	Nonmajor Fund	Total
Use charges	\$ 1,592,320	\$ 1,776,252	\$	\$ 3,368,572
Assessments		198,963		198,963
Unbilled	1,993,847	2,046,982		4,040,829
Other	4,158	296,918	28,317	329,393
Gross receivables	<u>3,590,325</u>	<u>4,319,115</u>	<u>28,317</u>	<u>7,937,757</u>
Less: Allowance for collection losses	<u>249,504</u>	<u>292,614</u>		<u>542,118</u>
Net Total Receivables	<u>\$ 3,340,821</u>	<u>\$ 4,026,501</u>	<u>\$ 28,317</u>	<u>\$ 7,395,639</u>

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

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 4,739,005	\$
Property taxes collected in advance		522,999
Loan receivable	1,455,897	
Advances on grants		3,069
Other receivable		86
Bonded Projects:		
Loans receivable	944,616	
Advances on grants		49,925
Bond premium		196,000
Nonmajor governmental funds:		
Advances on grants		758,021
Loans receivable	<u>2,516,473</u>	<u> </u>
Total Deferred Revenue for Governmental Funds	<u>\$ 9,655,991</u>	<u>\$ 1,530,100</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 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	\$ 22,195,482	\$ 283,514	\$	\$ 22,478,996
Construction in progress	12,923,384	8,942,006	489,092	21,376,298
Total capital assets not being depreciated	<u>35,118,866</u>	<u>9,225,520</u>	<u>489,092</u>	<u>43,855,294</u>
Capital assets being depreciated:				
Land improvements	18,946,464	164,223	221,154	18,889,533
Buildings and improvements	182,008,071	1,025,784	804,504	182,229,351
Machinery and equipment	12,529,054	823,480	1,675,444	11,677,090
Vehicles	12,619,059	478,601	216,581	12,881,079
Infrastructure	91,456,107	2,388,720		93,844,827
Total capital assets being depreciated	<u>317,558,755</u>	<u>4,880,808</u>	<u>2,917,683</u>	<u>319,521,880</u>
Less accumulated depreciation for:				
Land improvements	10,301,187	703,540	172,490	10,832,237
Buildings and improvements	77,904,269	4,170,313	788,180	81,286,402
Machinery and equipment	7,850,571	709,961	1,642,475	6,918,057
Vehicles	9,980,934	723,174	216,581	10,487,527
Infrastructure	57,455,355	2,770,988		60,226,343
Total accumulated depreciation	<u>163,492,316</u>	<u>9,077,976</u>	<u>2,819,726</u>	<u>169,750,566</u>
Total capital assets being depreciated, net	<u>154,066,439</u>	<u>(4,197,168)</u>	<u>97,957</u>	<u>149,771,314</u>
Governmental Activities Capital Assets, Net	<u>\$ 189,185,305</u>	<u>\$ 5,028,352</u>	<u>\$ 587,049</u>	<u>\$ 193,626,608</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,531	\$	\$	\$ 1,088,531
Construction in progress	1,426,046	1,897,141	39,704	3,283,483
Total capital assets not being depreciated	<u>2,514,577</u>	<u>1,897,141</u>	<u>39,704</u>	<u>4,372,014</u>
Capital assets being depreciated:				
Land improvements	14,313,671	490,552	250,000	14,554,223
Buildings and improvements	68,900,217	20,000		68,920,217
Machinery and equipment	26,953,880	215,102		27,168,982
Vehicles	2,131,050	206,098		2,337,148
Infrastructure	120,567,094	125,498		120,692,592
Total capital assets being depreciated	<u>232,865,912</u>	<u>1,057,250</u>	<u>250,000</u>	<u>233,673,162</u>
Less accumulated depreciation for:				
Land improvements	2,266,860	702,553	250,000	2,719,413
Buildings and improvements	29,119,697	1,744,657		30,864,354
Machinery and equipment	11,683,883	1,445,015		13,128,898
Vehicles	1,821,589	77,606		1,899,195
Infrastructure	56,729,338	1,858,455		58,587,793
Total accumulated depreciation	<u>101,621,367</u>	<u>5,828,286</u>	<u>250,000</u>	<u>107,199,653</u>
Total capital assets being depreciated, net	<u>131,244,545</u>	<u>(4,771,036)</u>	<u>-</u>	<u>126,473,509</u>
Business-Type Activities Capital Assets, Net	<u>\$ 133,759,122</u>	<u>\$ (2,873,895)</u>	<u>\$ 39,704</u>	<u>\$ 130,845,523</u>

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

Governmental activities:	
General government	\$ 308,424
Education	3,364,035
Public safety	970,277
Public works	3,490,080
Recreation	841,120
Human services	<u>104,040</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>9,077,976</u></u>
Business-type activities:	
Water Authority	\$ 1,719,530
Sewer Authority	3,986,301
Golf Course	<u>122,455</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>5,828,286</u></u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 65,333
	Internal Service Funds	700,100
	Nonmajor Governmental Funds	390,595
	Nonmajor Proprietary Fund	<u>2,922,807</u>
		4,078,835
Nonmajor Governmental Funds	General Fund	26,092
Water Fund	Bonded Projects Fund	3,646,499
Sewer Fund	Bonded Projects Fund	2,264,524
Nonmajor Proprietary Fund	Bonded Projects Fund	21,685
Internal Service Funds	General Fund	<u>150,905</u>
		\$ <u><u>10,188,540</u></u>

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

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

	Transfers In		Total Transfers Out
	General Fund	Nonmajor Governmental Funds	
Transfers out:			
General Fund	\$	\$ 90,928	\$ 90,928
Bonded Projects Fund	81,134		81,134
Nonmajor Governmental Funds	<u>200,000</u>		<u>200,000</u>
Total Transfers In	<u>\$ 281,134</u>	<u>\$ 90,928</u>	<u>\$ 372,062</u>

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 68,929,000	\$ 30,823,203	\$ 14,135,000	\$ 85,617,203	\$ 8,234,000
Premium on bonds	2,949,984	753,729	265,239	3,438,474	
Deferred amount in refunding	(1,707,221)	(915,473)	(172,881)	(2,449,813)	
Notes payable	1,500,000		75,000	1,425,000	75,000
Compensated absences	18,168,846	1,072,008	1,267,045	17,973,809	1,024,472
Workman's compensation	2,260,065	2,228,587	2,373,563	2,115,089	705,030
Heart and hypertension	4,555,318	1,503,960	1,324,206	4,735,072	1,578,357
Landfill post-closure monitoring	794,256		128,486	665,770	82,100
Net pension obligation	25,340,452	8,314,224	8,370,907	25,283,769	
OPEB obligation	38,122,960	6,563,792	5,450,026	39,236,726	
Pollution remediation	6,700,000	2,536,411		9,236,411	2,240,000
Claims and judgments	<u>1,200,000</u>	<u>984,900</u>	<u>650,000</u>	<u>1,534,900</u>	<u>100,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 168,813,660</u>	<u>\$ 53,865,341</u>	<u>\$ 33,866,591</u>	<u>\$ 188,812,410</u>	<u>\$ 14,038,959</u>
Business-Type Activities:					
General obligation bonds	\$ 16,611,000	\$ 4,556,797	\$ 4,750,000	\$ 16,417,797	\$ 1,621,000
Premium on bonds	470,734	72,756	42,054	501,436	
Deferred amount in refunding	(329,157)	(502,202)	(43,510)	(787,849)	
Compensated absences	1,672,054	68,692	168,687	1,572,059	59,044
OPEB obligation	1,220,334	1,042,632	275,993	1,986,973	
Clean water fund notes	<u>35,443,615</u>		<u>1,774,661</u>	<u>33,668,954</u>	<u>1,695,727</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 55,088,580</u>	<u>\$ 5,238,675</u>	<u>\$ 6,967,885</u>	<u>\$ 53,359,370</u>	<u>\$ 3,375,771</u>

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

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2013</u>
Governmental:						
General purpose:						
General obligation	8/1/06	8/1/16	4.125-5%	\$ 16,134,700	various	\$ 6,880,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	4,077,000
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	various	9,574,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	various	18,196,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	18,764,086	various	16,177,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	various	6,290,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	various	24,423,203
Total governmental activities					various	<u>85,617,203</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	1,480,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	2,228,000
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	various	101,000
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	various	5,039,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	3,565,914	various	3,073,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	various	3,440,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	various	1,056,797
Total business-type activities						<u>16,417,797</u>
Total Outstanding						<u>\$ 102,035,000</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,234,000	\$ 2,994,568	\$ 1,621,000	\$ 588,155
2015	9,048,203	2,654,330	1,571,797	525,767
2016	7,912,000	2,310,417	1,253,000	169,476
2017	7,921,000	2,000,167	1,254,000	421,107
2018	5,124,000	1,731,895	876,000	377,453
2019	4,811,000	1,527,761	864,000	340,374
2020	4,815,000	1,340,598	865,000	303,647
2021	3,767,000	1,171,126	868,000	269,189
2022	3,756,000	1,027,326	869,000	234,546
2023	3,764,000	904,422	871,000	197,993
2024	3,414,000	784,321	871,000	161,076
2025	3,407,000	681,202	868,000	130,752
2026	3,389,000	585,752	856,000	10,424
2027	3,373,000	489,411	847,000	81,895
2028	3,355,000	389,312	835,000	56,587
2029	3,337,000	282,841	823,000	30,543
2030	2,263,000	192,736	237,000	13,485
2031	1,309,000	117,810	56,000	5,040
2032	1,309,000	78,540	56,000	3,360
2033	1,309,000	39,270	56,000	1,680
Total	\$ <u>85,617,203</u>	\$ <u>21,303,805</u>	\$ <u>16,417,797</u>	\$ <u>3,922,549</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,543,736 for governmental activities and \$483,448 for business-type activities.

General Obligation Bonds - New Issue

On February 15, 2013, the City issued \$25,480,000 of general obligation bonds with interest rates ranging from 2% to 4% payable in annual installments ranging from \$910,000 to \$1,365,000. The bonds mature on February 15, 2033.

General Obligation Bonds - Advance Refunding

On December 27, 2012, the City issued \$9,900,000 advance general obligation refunding bonds with interest rates ranging from 2% to 3% to refund the outstanding principal amounts of \$8,565,000 General Obligation Bonds, Issue 2008, dated August 1, 2008.

The net proceeds of \$10,124,248 (including a premium of \$224,248 and issuance costs of \$139,500, including underwriter's fees) will reduce total debt service payments over the next 16 years by approximately \$613,913 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$580,346. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue, which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$9,789,099 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$8,565,000.

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The balance in escrow was \$13,142,532 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$11,560,000.

Build America Bonds

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2013, the last subsidy payment received was reduced by 8.7% or \$13,460.

Clean Water Fund Loans Payable

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

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

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,695,727	\$ 658,682
2015	1,670,184	624,471
2016	1,703,330	590,764
2017	1,737,134	556,389
2018	1,757,332	521,331
2019	1,778,235	485,863
2020	1,814,127	449,970
2021	1,850,744	413,353
2022	1,888,100	375,997
2023	1,926,210	337,887
2024	1,965,090	299,088
2025	2,004,754	25,944
2026	2,045,218	218,879
2027	2,086,500	177,598
2028	2,128,615	135,483
2029	2,171,579	92,518
2030	2,215,411	48,687
2031	1,177,268	8,473
2032	53,396	313
	<u>\$ 33,668,954</u>	<u>\$ 6,021,690</u>

Drinking Water Loans Payable

The Drinking Water Fund Program issued an interim funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2013. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plan. The project is in the engineering stages as of June 30, 2013. The obligation will be paid from future user fees.

HUD Loan

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

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

	HUD Note	
	Principal	Interest
2014	\$ 75,000	\$ 33,349
2015	75,000	32,936
2016	75,000	32,336
2017	75,000	31,530
2018	75,000	30,495
2019	75,000	29,254
2020	75,000	27,821
2021	75,000	26,134
2022	75,000	24,255
2023	75,000	22,283
2024	75,000	20,179
2025	75,000	17,978
2026	75,000	15,739
2027	75,000	13,451
2028	75,000	11,130
2029	75,000	8,764
2030	75,000	6,337
2031	75,000	3,855
2032	75,000	1,298
	<u>\$ 1,425,000</u>	<u>\$ 389,124</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2013 is \$43,026,311, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post-Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$665,770, 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, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

Factory H includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is made up of \$10,432,164 less estimated recoveries from the state and federal government of \$2,680,000. Management has estimated this liability taking into account data based on estimates from the Engineering Department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden HUB project. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$410,000 from the State of Connecticut Department of Economic and Community Development.

The HUB also includes two City parcels (1-77 State Street and 50 East Main Street), which also have contaminated soils. The liability is made up of \$2,694,811 less estimated recoveries from the federal and state government of \$2,240,000. Management has estimated this liability taking into account data based on estimates from their consulting firm. The current estimate of environmental liabilities for the Meriden HUB is based on environmental reports prepared for the City by AECOM, including “Remedial Action Plan, Meriden HUB Site, prepared by AECOM, June 2012”, and “Engineer’s Opinion of Probable Costs for Flood Control, Site Remediation, and Site Improvements to Harbor Brook/HUB Meriden, Meriden, Connecticut, MMI No. 1261-30 September 13, 2013.” Projected environmental liabilities assumes the removal of contaminated soils that exceed specific Connecticut Remediation Standard Regulations (RSR) criteria, including extractable petroleum hydrocarbons (ETPH), semi-volatile organic compounds (SVOCs), volatile organic compounds (including trichloroethylene (TCE)) and a number of metals (antimony, arsenic, lead and mercury); soil management during construction of a flood storage basin; and Construction of an Engineered Control (EC) cap to gain compliance with the Connecticut Remediation Standard Regulations (RSR) Direct Exposure Criteria (DEC) for soil/fill that will remain on-site following construction of the flood control storage area. Following the construction of the flood basin and implementation of the Remedial Action Plan, an Environmental Land Use Restriction will remain on the site in perpetuity to ensure that there will be no disturbance of the EC cap and materials beneath the cap. The

obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has not received any money from the United States Environmental Protection Agency or the State of Connecticut Department of Economic and Community Development.

116 Cook Avenue has contaminated soil and an underground storage tank contributing to the contamination. The liability is made up of \$1,269,600 less estimated recoveries from the Federal government of \$240,000. Management has estimated this liability taking into account data based on estimates from their consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City by Tighe and Bond, including “Phase III Environmental Site Assessment report, dated July 2012,” and an “Opinion of Probable Demolition Costs, dated July 2012.” Projected environmental liabilities assume the removal of hazardous substances, including PCB’s, asbestos, mercury and lead, from the building, which is comprised of three sections and 85,944 total square feet. Additional costs include removal of one underground storage tank. Further remediation costs associated with soils below the existing building slab are unknown and may require further remediation depending on the future land use. The City assumes removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has received no money from the United States Environmental Protection Agency.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 125,508		\$ 88,310	\$ 213,818
Permanent fund principal			431,547	431,547
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	444,312			444,312
Unspent Federal and State grants			2,791,298	2,791,298
Public safety	85,504			85,504
Park trusts			1,589,218	1,589,218
Library trusts			76,957	76,957
Education trusts			7,651	7,651
Health trusts			272	272
Committed to:				
Special assessment project		18,628,801	230,280	18,859,081
Education			628,074	628,074
Anti-blight			80,758	80,758
Meals on wheels			32,042	32,042
Dog fund			8,715	8,715
Foreclosures	15,000			15,000
Insurance refunds	178,480			178,480
Tree preservation	64,251			64,251
Downtown property management	292,678			292,678
Vehicle replacement	86,563			86,563
Unassigned	<u>15,725,159</u>			<u>15,725,159</u>
Total Fund Balances	<u>\$ 17,497,456</u>	<u>\$ 18,628,801</u>	<u>\$ 5,965,122</u>	<u>\$ 42,091,379</u>

Significant encumbrances of \$96,754,953 are included in the bonded projects fund and \$173,779 are included in the nonmajor funds as of June 30, 2013.

9. RISK MANAGEMENT

The City 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, 2013.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$600,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

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

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

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension				
2012-13	\$ 6,815,382	\$ 3,697,769	\$ 3,662,990	\$ 6,850,161
2011-12	6,702,858	3,614,017	3,501,493	6,815,382
Health Insurance				
2012-13	\$ 1,929,208	\$ 24,126,275	\$ 23,943,278	\$ 2,112,205
2011-12	1,624,845	24,149,065	23,844,702	1,929,208

10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

The City 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'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 for personnel hired prior to July 1, 2011:

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	<p>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.</p> <p>Effective July 1, 2011, 2% of average annual pay for the first 20 years, 2½% thereafter, with a maximum of 70% of salary.</p>	<p>2.5% of average annual pay for the first 30 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary.</p>	<p>2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 66% of salary.</p>
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	<p>2% per year beginning the later of 2 years from retirement age or age 62 (50% max).</p> <p>Effective July 1, 2011, 2% each year beginning on the second anniversary after the retirement.</p>	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 th anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	<p>City Employee - 9% of earnings (includes 3% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 7.5% of earnings (includes 3.5% of earnings as contributed for post-employment healthcare benefits). Police - 6% of earnings (includes 2% of earnings contributed for post-employment healthcare benefits). Fire - 6% of earnings (includes 2% of earnings contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>

At July 1, 2012, Plan membership consisted of the following:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Retirees and beneficiaries currently receiving benefits	442	137	113
Vested terminated employees	98	1	-
Active participants	641	59	61
Total Participants	1,181	197	174

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 position at June 30, 2013 and changes in net position 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
Assets:							
Cash and cash equivalents	\$ 8,293,282	\$ 3,251,663	\$ 2,696,509	\$ 89,302	\$ -	\$ -	\$ 14,330,756
Interest receivable	249,846	94,920	77,123	3,052			424,941
Investments, at fair value:							
U.S. treasury bonds	5,237,026	2,220,449	1,804,126	63,976			9,325,577
Corporate bonds	12,167,352	4,395,800	3,571,608	148,637			20,283,397
Equities	69,134,058	32,050,406	26,041,104	844,543			128,070,111
Mutual funds	17,766,475	7,239,261	5,881,933	217,036			31,104,705
Other	16,159,366	7,559,276	6,141,948	197,400			30,057,990
Total investments	120,464,277	53,465,192	43,440,719	1,471,592	-	-	218,841,780
Total assets	129,007,405	56,811,775	46,214,351	1,563,946	-	-	233,597,477
Liabilities:							
Other liabilities	7,395	8,606	6,446				22,447
Net Position:							
Held in Trust for Pension							
Benefits and Other Purposes	\$ 129,000,010	\$ 56,803,169	\$ 46,207,905	\$ 1,563,946	\$ -	\$ -	\$ 233,575,030

	Pension Trust Funds						Total Pension Trust Funds
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	
Additions:							
Contributions:							
Employer	\$ 2,056,897	\$ 3,811,711	\$ 2,502,299	\$	\$ 254,829	\$ 141,115	\$ 8,766,851
Plan members	1,984,446	270,778	286,335	1,093,230	90,259	95,445	3,820,493
Total contributions	<u>4,041,343</u>	<u>4,082,489</u>	<u>2,788,634</u>	<u>1,093,230</u>	<u>345,088</u>	<u>236,560</u>	<u>12,587,344</u>
Investment earnings:							
Net increase in fair value of investments	2,529,231	1,560,325	1,273,688	29,971			5,393,215
Dividends and interest	3,231,600	1,262,630	1,030,455	38,294			5,562,979
Total investment earnings	5,760,831	2,822,955	2,304,143	68,265	-	-	10,956,194
Less investment expenses:							
Investment management fees	717,371	313,714	256,027				1,287,112
Net investment earnings	<u>5,043,460</u>	<u>2,509,241</u>	<u>2,048,116</u>	<u>68,265</u>	<u>-</u>	<u>-</u>	<u>9,669,082</u>
Total additions	<u>9,084,803</u>	<u>6,591,730</u>	<u>4,836,750</u>	<u>1,161,495</u>	<u>345,088</u>	<u>236,560</u>	<u>22,256,426</u>
Deductions:							
Benefits	7,481,905	6,327,649	4,829,295	1,139,053	340,814	251,703	20,370,419
Administration	27,612	27,612	27,612	8,501			91,337
Other	294,284	10,034	7,959				312,277
Total deductions	<u>7,803,801</u>	<u>6,365,295</u>	<u>4,864,866</u>	<u>1,147,554</u>	<u>340,814</u>	<u>251,703</u>	<u>20,774,033</u>
Change in net assets	1,281,002	226,435	(28,116)	13,941	4,274	(15,143)	1,482,393
Net Position at Beginning of Year	<u>127,719,008</u>	<u>56,576,734</u>	<u>46,236,021</u>	<u>1,550,005</u>	<u>(4,274)</u>	<u>15,143</u>	<u>232,092,637</u>
Net Position at End of Year	<u>\$ 129,000,010</u>	<u>\$ 56,803,169</u>	<u>\$ 46,207,905</u>	<u>\$ 1,563,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,575,030</u>

Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2013 were as follows:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution (ARC)	\$ 2,038,150	\$ 4,066,540	\$ 2,643,414
Interest on net pension obligation (asset)	(24,404)	1,023,619	1,003,617
Adjustment to annual required contribution	<u>42,076</u>	<u>(1,052,240)</u>	<u>(1,031,679)</u>
Annual pension cost	2,055,822	4,037,919	2,615,352
Contributions made	<u>2,056,897</u>	<u>4,066,540</u>	<u>2,643,414</u>
Decrease in net pension obligation	(1,075)	(28,621)	(28,062)
Net pension obligation (asset), beginning of year	<u>(305,049)</u>	<u>12,795,238</u>	<u>12,545,214</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (306,124)</u>	<u>\$ 12,766,617</u>	<u>\$ 12,517,152</u>

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

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	7/1/12	7/1/12	7/1/12
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	25 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases*	3.00% per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond	3.00% per annum (compounded)	3.00% per annum (compounded)
*Includes inflation at	3.50%	3.00%	3.00%

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Retirement Plan			
6/30/13	\$ 2,055,822	100.10 %	\$ (306,124)
6/30/12	1,916,270	99.50	(305,049)
6/30/11	498,783	98.13	(315,217)
Police Pension Plan			
6/30/13	\$ 4,037,919	100.71 %	\$ 12,766,617
6/30/12	4,000,253	100.72	12,795,238
6/30/11	3,654,364	100.79	12,823,923
Firefighters' Pension Plan			
6/30/13	\$ 2,615,352	101.07 %	\$ 12,517,152
6/30/12	2,592,780	101.08	12,545,214
6/30/11	2,413,427	101.17	12,573,339

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Under (Over) Funded AAL as a % of Covered Payroll ((a-b)/c)</u>
Employees' Retirement Plan						
7/01/12	\$ 147,647,445	\$ 150,068,846	\$ 2,421,401	98.39 %	\$ 38,734,928	6.25 %
7/01/10	140,652,162	133,912,594	(6,739,568)	105.03	34,128,961	(19.75)
7/01/08	140,853,728	123,480,133	(17,373,595)	114.07	31,405,160	(55.32)
Police Pension Plan						
7/01/12	\$ 64,914,508	\$ 103,632,267	\$ 38,717,759	62.64 %	\$ 4,462,636	867.60 %
7/01/10	61,620,597	98,013,777	36,393,180	62.87	5,027,254	723.92
7/01/08	60,974,656	89,709,424	28,734,768	67.97	5,030,979	571.16
Firefighters' Pension Plan						
7/01/12	\$ 53,337,981	\$ 79,799,856	\$ 26,461,875	66.84 %	\$ 4,349,943	608.33 %
7/01/10	51,296,883	74,993,738	23,696,855	68.40	4,800,571	493.63
7/01/08	51,281,856	70,302,239	19,020,383	72.94	4,696,251	405.01

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Employees' Retirement Plan</u>		<u>Police Pension Plan</u>		<u>Firefighters' Pension Plan</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/13	\$ 2,038,150	100.9 %	\$ 4,066,540	100.0 %	\$ 2,643,414	100.0 %
6/30/12	1,898,009	100.4	4,028,938	100.0	2,620,905	100.0
6/30/11	479,981	102.0	3,683,113	100.0	2,441,615	100.0
6/30/10	354,382	102.3	3,646,850	100.0	2,419,234	100.0
6/30/09	764,137	100.0	3,556,861	100.0	2,464,361	100.0
6/30/08	649,414	101.6	3,509,801	100.0	2,435,594	100.0

B. Pension Plan - Money Purchase Pension Plan

The City is the administrator of the money purchase pension plan, a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all City employees hired after July 1, 2011. The Plan was amended effective July 1, 2012 to reflect changes applicable to newly hired police officers. Contributions are established and amended by the approval of the City Council. The Plan is intended to be a governmental plan, as defined in Section 414(d) of the Code.

Summary Plan Description

Any employee hired on or after July 1, 2011 (i) who is not eligible to participate in any defined benefit plan maintained or contributed to by the City, (ii) is not eligible to participate in the State Teacher's Retirement System during the time such individual is an Employee, or (iii) is not employed pursuant to a collective bargaining agreement with the Police or Fire departments unless such collective bargaining agreement provides for participation in this Plan. Any employee of the Board of Education hired prior to July 1, 2011 who was not eligible to participate in any defined benefit plan maintained by the City shall be eligible to participate in this Plan. Normal retirement will be on the Member's sixty-fifth (65th) birthday. A police officer or a firefighter who attains age 65 shall be retired automatically by the City, effective the first day of the month following his 65th birthday. A City employee will be fully vested after 10 years of service. The vesting percentage will be an accumulating 20% per year for years 6-10. Any nonvested City contributions and related interest thereon of employees who leave employment are reserved in a forfeiture account to offset future City contributions. Plan provisions and the authority to amend the provisions are established by City ordinance.

Employee Obligations

All participating members shall make a mandatory contribution in the amount of five percent (5%) of the Member's Compensation and the City will reduce the Member's Compensation otherwise payable currently by that percentage, credit the amount to the Employee Contribution Account on behalf of the member and contribute such amount to the Funding Vehicle. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of Service, the amount of such Employee Contributions shall increase to six percent (6%) of the Member's Compensation. Notwithstanding the foregoing, each member who is a police officer hired on or after July 1, 2012 shall make a mandatory contribution in the amount of ten percent (10%) of the Member's non-base pay, including private duty compensation.

Employer Obligations

The City shall make a contribution in an amount equal to five percent (5%) of the Member's Compensation. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of Service, the amount of such City Contributions shall increase to six percent (6%) of the Member's Compensation. City Contributions shall be allocated as of the last day of each

week to a Member's City Contribution Account, provided that the member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of three percent (3%) of the member's non-base pay, but excluding private duty pay. The amount of City Contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to Member City Contribution Account. The City contributions shall be made at such times as it shall determine in its sole discretion.

Contribution Requirements/Contributions Made

The total City contribution during the year ended June 30, 2013 was \$98,038 and represented 5% of covered payroll. The employees' required contributions were \$120,295 and represented 6% of covered payroll.

C. Teachers' Retirement

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$50,878,925.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2013, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$10,673,764 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

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

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

Summary of Significant Accounting Policies

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

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

Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City. 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, 2012, plan membership consisted of the following:

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees	117	95	283	675	266	1,436
Retired employees*	66	72	176	137	96	547
Total Participants	183	167	459	812	362	1,983

* Counts do not include spouses of retirees

Funding Policy

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

City	3.00% of salary
Non-Teacher BOE	3.50% of salary
Police	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2013, plan members contributed \$3,047,211. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$5,726,019 were made in accordance with actuarially determined requirements.

Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Health Plan
Annual required contribution (ARC)	\$ 7,694,428
Interest on net OPEB obligation	3,147,464
Adjustment to annual required contribution	<u>(3,235,468)</u>
Annual OPEB cost (expense)	7,606,424
Contributions made	<u>5,726,019</u>
Increase in net OPEB obligation	1,880,405
Net OPEB obligation, beginning of year	<u>39,343,294</u>
Net OPEB Obligation, End of Year	<u><u>\$ 41,223,699</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, 2013 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2013	\$ 7,606,424	\$ 5,726,019	75.28 %	\$ 41,223,699
6/30/2012	11,005,737	5,613,907	51.01	39,343,294
6/30/2011	10,984,963	3,351,825	30.51	33,951,464

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Postemployment Healthcare Plan						
7/1/2012	\$ 10,416,198	\$ 80,957,206	\$ 70,541,008	12.9 %	\$ 95,772,885	73.7 %
7/1/2010	5,142,767	104,364,393	99,221,626	4.9	94,310,588	105.2
7/1/2008	3,622,326	102,478,635	98,856,309	3.5	105,582,188	93.6

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2013	\$ 7,694,428	74.42 %
6/30/2012	11,081,681	50.66
6/30/2011	11,043,833	29.60

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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on a closed basis. The remaining amortization period at July 1, 2012 was 30 years.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There are various suits and claims pending against the City, 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. Management has estimated a liability of \$1,534,900 at June 30, 2013, which is recorded in the government-wide financial statements.

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, 2013. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Water Roof Evaluation/Repair/Replacement	\$ 28,240
Flood Control	132,300
City Parks Upgrades	343,851
Citywide Drainage	20,499
Hanover Elementary School Kindergarten Addition	560,547
Public Works Equipment	22,505
City Building Repair/Upgrade	17,888
City-Wide Road/Sidewalk Reconstruction	756,190
Maloney School Addition and Replacement	91,965,999
Platt School Addition and Replacement	1,317,599
WPCF - Collection Improvements	278,821
Upgrade/Replace Pump Stations	557,100
Lagoon Rehabilitation	77,551
Airport Hangers Evaluation	4,600
Public Safety Improvements/Equipment	1,268,158
Israel Putnam Roof Replacement	6,000
Landfill	112,717
Railroad Bridge	197,860
	<u>\$ 97,668,425</u>

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

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Current years' levy	\$ 109,931,116	\$ 109,931,116	\$ 109,324,952	\$ (606,164)
Prior years' levies	2,290,995	2,290,995	2,313,556	22,561
Motor vehicle supplement	910,000	910,000	1,100,501	190,501
Suspense	25,000	25,000	2,308	(22,692)
Interest and liens	1,000,000	1,000,000	1,145,301	145,301
Total property taxes	<u>114,157,111</u>	<u>114,157,111</u>	<u>113,886,618</u>	<u>(270,493)</u>
Intergovernmental:				
State grants for education	55,773,803	55,773,803	55,765,765	(8,038)
Other state grants	5,464,190	5,464,190	5,474,576	10,386
Federal grants	-	-	660,287	660,287
Total intergovernmental	<u>61,237,993</u>	<u>61,237,993</u>	<u>61,900,628</u>	<u>662,635</u>
Charges for services:				
Licenses and permits and fines	194,600	194,600	181,620	(12,980)
Department fees and other	3,812,291	3,812,291	3,520,546	(291,745)
Rents	139,252	139,252	182,394	43,142
Total charges for services	<u>4,146,143</u>	<u>4,146,143</u>	<u>3,884,560</u>	<u>(261,583)</u>
Investment income	<u>332,812</u>	<u>332,812</u>	<u>285,614</u>	<u>(47,198)</u>
Miscellaneous revenues	<u>2,428,925</u>	<u>4,941,425</u>	<u>4,931,436</u>	<u>(9,989)</u>
Other financing sources:				
Appropriation of fund balance	1,200,000	40,000	40,000	-
Transfers in	405,014	405,014	281,134	(123,880)
Total other financing sources	<u>1,605,014</u>	<u>445,014</u>	<u>321,134</u>	<u>(123,880)</u>
Total revenues and other financing sources	<u>183,907,998</u>	<u>185,260,498</u>	<u>185,209,990</u>	<u>(50,508)</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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
City council	\$ 227,697	\$ 226,047	\$ 226,044	\$ 3
City manager	658,470	603,241	603,237	4
Legal	794,248	1,309,265	1,309,259	6
Personnel	251,480	259,351	259,349	2
City clerk	411,781	409,255	409,252	3
Aviation	193,500	328,960	328,959	1
Elections	220,443	252,221	252,216	5
Insurance	3,213,937	3,068,087	3,068,087	-
Employee benefits	23,934,281	24,809,720	24,809,714	6
Finance general administration	2,898,156	2,778,678	2,778,670	8
Capital equipment	480,472	475,943	475,943	-
Management information systems	883,454	867,426	867,425	1
Development and enforcement	716,093	734,273	734,270	3
Inland wetlands	850	1,288	1,287	1
Parking	135,907	132,013	132,010	3
Contingency	450,000	186,994		186,994
Total general government	<u>35,470,769</u>	<u>36,442,762</u>	<u>36,255,722</u>	<u>187,040</u>
Finance:				
Finance	681,513	721,028	721,021	7
Purchasing	260,516	253,895	253,891	4
Tax collector/Assessor	797,411	844,149	844,144	5
Board of assessment appeals	3,200	2,500	2,500	-
Total finance	<u>1,742,640</u>	<u>1,821,572</u>	<u>1,821,556</u>	<u>16</u>
Public safety:				
Police	12,162,455	12,173,487	12,173,480	7
Fire	8,542,374	8,432,801	8,432,793	8
Emergency communications	1,119,037	1,143,296	1,143,293	3
South Meriden volunteer fire	69,125	149,956	149,951	5
Emergency management	13,806	9,565	9,543	22
Total public safety	<u>21,906,797</u>	<u>21,909,105</u>	<u>21,909,060</u>	<u>45</u>
Public works:				
Engineering	827,953	893,670	893,662	8
Garage and warehouse	436,195	510,434	510,429	5
Traffic engineering	519,554	487,448	487,441	7
Highway safety	1,948,101	2,344,367	2,344,360	7
Transfer station	128,900	110,781	110,777	4
Waste collection	1,457,802	1,376,447	1,376,365	82
Bulky waste	161,784	145,179	145,174	5
Building maintenance	1,167,452	1,130,963	1,130,958	5
Total public works	<u>6,647,741</u>	<u>6,999,289</u>	<u>6,999,166</u>	<u>123</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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Health	\$ 1,987,167	\$ 1,969,866	\$ 1,969,858	\$ 8
Social services	178,523	172,756	172,754	2
Senior center	535,196	508,989	508,985	4
Youth services	154,811	155,846	155,845	1
Total health and welfare	<u>2,855,697</u>	<u>2,807,457</u>	<u>2,807,442</u>	<u>15</u>
Culture and recreation:				
Library	2,103,247	2,054,726	2,054,717	9
Parks	1,588,793	1,643,550	1,643,547	3
Recreation	416,724	406,447	406,443	4
Total culture and recreation	<u>4,108,764</u>	<u>4,104,723</u>	<u>4,104,707</u>	<u>16</u>
Education:				
Board of Education	99,603,723	99,603,723	99,603,723	-
School building committee	1,501	1,501	1,501	-
Total education	<u>99,605,224</u>	<u>99,605,224</u>	<u>99,605,224</u>	<u>-</u>
Debt service:				
Principal retirement	8,487,000	8,597,000	8,597,000	-
Interest	2,917,447	2,807,447	2,806,101	1,346
Total debt service	<u>11,404,447</u>	<u>11,404,447</u>	<u>11,403,101</u>	<u>1,346</u>
Other financing uses:				
Transfers out	165,919	165,919	165,919	-
Total expenditures and other financing uses	<u>183,907,998</u>	<u>185,260,498</u>	<u>185,071,897</u>	<u>188,601</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>138,093</u>	\$ <u>138,093</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.

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

COPS Hiring Grant – To account for the COPS Hiring Grant revenues and expenditures

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

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

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

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

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

Neighborhood Preservation Program - To account for revolving loan funds.

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

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

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

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

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

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

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

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.

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

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

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

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.

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

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

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

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, 2013

	Special Revenue Funds								
	Document Preservation Fund	Community Development Block Grant	COPS Hiring Grant	Day Care Center	Women, Infant and Children Program	Education Grants	Health Grants	Meals on Wheels Program	Neighborhood Preservation (CDBG)
ASSETS									
Cash and cash equivalents	\$ 93,630			\$ 99,043	\$ 90	\$ 1,377,086	\$ 507,101	\$ 50,310	\$ 96,430
Investments									
Accounts receivable	122	223,444	95,850		58,956	404,621	30,756	3,097	2,027,633
Due from other funds									
Inventory					6		589		
Other assets									
Total Assets	\$ 93,752	\$ 223,444	\$ 95,850	\$ 99,043	\$ 59,052	\$ 1,781,707	\$ 538,446	\$ 53,407	\$ 2,124,063
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 4,864	\$ 46,259		\$ 34,775	\$ 52,057	\$ 1,215,844	\$ 18,106	\$ 18,268	\$ 1,148
Deferred revenue		11,172				48,611	32,701		2,027,633
Due to other funds		94,395	95,850		6,995				
Total liabilities	4,864	151,826	95,850	34,775	59,052	1,264,455	50,807	18,268	2,028,781
Fund Balances:									
Nonspendable									
Restricted	88,888	71,618		64,268		517,252	487,639	3,097	95,282
Committed							32,042		
Total fund balances	88,888	71,618	-	64,268	-	517,252	487,639	35,139	95,282
Total Liabilities and Fund Balances	\$ 93,752	\$ 223,444	\$ 95,850	\$ 99,043	\$ 59,052	\$ 1,781,707	\$ 538,446	\$ 53,407	\$ 2,124,063

(Continued on next page)

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

JUNE 30, 2013

Special Revenue Funds

	<u>Neighborhood Preservation (Bonded)</u>	<u>Asset Forfeiture Fund</u>	<u>School Readiness</u>	<u>Law Enforcement Block Grant</u>	<u>Dog Fund</u>	<u>Public School Lunch</u>	<u>Public School Rental</u>	<u>Adult Evening School</u>	<u>Anti-Blight Fund</u>
ASSETS									
Cash and cash equivalents	\$ 55,402	\$ 134,693	\$ 126,679	\$	\$ 23,908	\$ 396,583	\$ 85,306	\$ 112,639	\$ 80,758
Investments									
Accounts receivable	488,841		275,516	41,267	2,673	693,854			
Due from other funds						26,092			
Inventory						88,310			
Other assets						126,112			
Total Assets	\$ 544,243	\$ 134,693	\$ 402,195	\$ 41,267	\$ 26,581	\$ 1,330,951	\$ 85,306	\$ 112,639	\$ 80,758
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$	\$ 273,548	\$ 6,271	\$ 17,866	\$ 173,154	\$	\$ 270	\$
Deferred revenue	488,841			2,470					
Due to other funds				18,576					
Total liabilities	488,841	-	273,548	27,317	17,866	173,154	-	270	-
Fund Balances:									
Nonspendable						88,310			
Restricted	55,402	134,693	128,647	13,950		639,088			
Committed					8,715	430,399	85,306	112,369	80,758
Total fund balances	55,402	134,693	128,647	13,950	8,715	1,157,797	85,306	112,369	80,758
Total Liabilities and Fund Balances	\$ 544,243	\$ 134,693	\$ 402,195	\$ 41,267	\$ 26,581	\$ 1,330,951	\$ 85,306	\$ 112,639	\$ 80,758

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

JUNE 30, 2013

	Special Revenue Funds				Capital Project Funds				
	Smoke Detector Fund	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement Fund	Brownfield Assessment	Factory H Demolition Fund
ASSETS									
Cash and cash equivalents	\$ 462	\$ 390,912	\$ -	\$ 168,022	\$ 122	\$ 53,961	\$ -	\$ 36,029	\$ 300,970
Investments									
Accounts receivable		224,975					124,101	8,247	79,210
Due from other funds									
Inventory									
Other assets									
Total Assets	\$ 462	\$ 615,887	\$ -	\$ 168,022	\$ 122	\$ 53,961	\$ 124,101	\$ 44,276	\$ 380,180
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 61,433	\$ -	\$ 1,159	\$ -	\$ -	\$ 3,283	\$ 1,122	\$ 50,683
Deferred revenue		496,204		166,863					
Due to other funds						53,961	120,818		
Total liabilities	-	557,637	-	168,022	-	53,961	124,101	1,122	50,683
Fund Balances:									
Nonspendable									
Restricted	462	58,250						43,154	329,497
Committed					122				
Total fund balances	462	58,250	-	-	122	-	-	43,154	329,497
Total Liabilities and Fund Balances	\$ 462	\$ 615,887	\$ -	\$ 168,022	\$ 122	\$ 53,961	\$ 124,101	\$ 44,276	\$ 380,180

(Continued on next page)

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

JUNE 30, 2013

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	Capital Project Funds		Permanent Funds					Total
	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	
ASSETS								
Cash and cash equivalents	\$ 230,158	\$ 60,111	\$ 17,947	\$ 114,579	\$ 404,487	\$ 8,668	\$ 3,272	\$ 5,029,358
Investments			585,931	1,018,946				1,604,877
Accounts receivable								4,783,163
Due from other funds								26,092
Inventory								88,310
Other assets								126,707
Total Assets	\$ 230,158	\$ 60,111	\$ 603,878	\$ 1,133,525	\$ 404,487	\$ 8,668	\$ 3,272	\$ 11,658,507
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$ 2,212	\$ 45,973	\$	\$	\$	\$ 2,028,295
Deferred revenue								3,274,495
Due to other funds								390,595
Total liabilities	-	-	2,212	45,973	-	-	-	5,693,385
Fund Balances:								
Nonspendable			50,000	50,000	327,530	1,017	3,000	519,857
Restricted		60,111	551,666	1,037,552	76,957	7,651	272	4,465,396
Committed	230,158							979,869
Total fund balances	230,158	60,111	601,666	1,087,552	404,487	8,668	3,272	5,965,122
Total Liabilities and Fund Balances	\$ 230,158	\$ 60,111	\$ 603,878	\$ 1,133,525	\$ 404,487	\$ 8,668	\$ 3,272	\$ 11,658,507

CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds								
	Document Preservation Fund	Community Development Block Grant	COPS Hiring Grant	Day Care Center	Women, Infant and Children Program	Education Grants	Health Grants	Meals on Wheels Program	Neighborhood Preservation (CDBG)
Revenues:									
Intergovernmental revenues	\$ 6,500	\$ 996,952	\$ 95,850	\$ 417,300	\$ 747,542	\$ 11,774,593	\$ 629,301	\$ 38,571	\$
Charges for services	18,818						97,243	138,093	
Investment income									
Other								481	12,079
Total revenues	<u>25,318</u>	<u>996,952</u>	<u>95,850</u>	<u>417,300</u>	<u>747,542</u>	<u>11,774,593</u>	<u>726,544</u>	<u>177,145</u>	<u>12,079</u>
Expenditures:									
General government	21,019	139,104							72,172
Public safety		296,108	95,850						
Public works									
Health and welfare		421,117		417,300	829,686		626,345	153,525	
Culture and recreation		717							
Capital outlay									
Education						11,365,658			
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>21,019</u>	<u>857,046</u>	<u>95,850</u>	<u>417,300</u>	<u>829,686</u>	<u>11,365,658</u>	<u>626,345</u>	<u>153,525</u>	<u>72,172</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,299</u>	<u>139,906</u>	<u>-</u>	<u>-</u>	<u>(82,144)</u>	<u>408,935</u>	<u>100,199</u>	<u>23,620</u>	<u>(60,093)</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out		(108,529)					(200,000)		
Total other financing sources (uses)	<u>-</u>	<u>(108,529)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,299	31,377	-	-	(82,144)	408,935	(99,801)	23,620	(60,093)
Fund Balances at Beginning of Year	<u>84,589</u>	<u>40,241</u>	<u>-</u>	<u>64,268</u>	<u>82,144</u>	<u>108,317</u>	<u>587,440</u>	<u>11,519</u>	<u>155,375</u>
Fund Balances at End of Year	<u>\$ 88,888</u>	<u>\$ 71,618</u>	<u>\$ -</u>	<u>\$ 64,268</u>	<u>\$ -</u>	<u>\$ 517,252</u>	<u>\$ 487,639</u>	<u>\$ 35,139</u>	<u>\$ 95,282</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, 2013

	Special Revenue Funds								
	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Dog Fund	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight Fund
Revenues:									
Intergovernmental revenues	\$	\$ 49,719	\$ 3,144,575	\$ 186,528	\$	\$ 3,731,780	\$	\$ 40,383	\$ 50,000
Charges for services					14,630	952,625	49,630		
Investment income						995			
Other		55,402				100,739			
Total revenues		<u>55,402</u>	<u>3,144,575</u>	<u>186,528</u>	<u>14,630</u>	<u>4,786,139</u>	<u>49,630</u>	<u>40,383</u>	<u>50,000</u>
Expenditures:									
General government									
Public safety		75,819		179,784	17,828				
Public works									
Health and welfare			3,144,572						
Culture and recreation									
Capital outlay									
Education						4,737,793	56,667	22,081	
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures		<u>75,819</u>	<u>3,144,572</u>	<u>179,784</u>	<u>17,828</u>	<u>4,737,793</u>	<u>56,667</u>	<u>22,081</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures		<u>55,402</u>	<u>(26,100)</u>	<u>3</u>	<u>6,744</u>	<u>(3,198)</u>	<u>48,346</u>	<u>(7,037)</u>	<u>50,000</u>
Other Financing Sources (Uses):									
Transfers in				6,950	10,000	4,626			
Transfers out									
Total other financing sources (uses)		<u>-</u>	<u>-</u>	<u>6,950</u>	<u>10,000</u>	<u>4,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		<u>55,402</u>	<u>(26,100)</u>	<u>3</u>	<u>13,694</u>	<u>6,802</u>	<u>52,972</u>	<u>(7,037)</u>	<u>18,302</u>
Fund Balances at Beginning of Year		<u>-</u>	<u>160,793</u>	<u>128,644</u>	<u>256</u>	<u>1,913</u>	<u>1,104,825</u>	<u>92,343</u>	<u>94,067</u>
Fund Balances at End of Year	\$	<u>55,402</u>	<u>\$ 134,693</u>	<u>\$ 128,647</u>	<u>\$ 13,950</u>	<u>\$ 8,715</u>	<u>\$ 1,157,797</u>	<u>\$ 85,306</u>	<u>\$ 112,369</u>
									<u>\$ 80,758</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, 2013

	Special Revenue Funds				Capital Project Funds				
	Smoke Detector Fund	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement Fund	Brownfield Assessment	Factory H Demolition Fund
Revenues:									
Intergovernmental revenues	\$	\$ 321,104	\$	\$ 23,137	\$	\$	\$ 512,485	\$ 333,674	\$ 156,274
Charges for services			4,875						
Investment income									167
Other	239	161,558				53,961			
Total revenues	<u>239</u>	<u>482,662</u>	<u>4,875</u>	<u>23,137</u>	<u>-</u>	<u>53,961</u>	<u>512,485</u>	<u>333,674</u>	<u>156,441</u>
Expenditures:									
General government				15,497					
Public safety		39,797							
Public works		26,122							
Health and welfare									
Culture and recreation		9,959							
Capital outlay		426,826				516,986	201,391	253,604	
Education			11,197						
Debt service:									
Principal retirement								75,000	
Interest and other charges								40,594	
Total expenditures	<u>-</u>	<u>502,704</u>	<u>11,197</u>	<u>15,497</u>	<u>-</u>	<u>-</u>	<u>516,986</u>	<u>201,391</u>	<u>369,198</u>
Excess (Deficiency) of Revenues over Expenditures	<u>239</u>	<u>(20,042)</u>	<u>(6,322)</u>	<u>7,640</u>	<u>-</u>	<u>53,961</u>	<u>(4,501)</u>	<u>132,283</u>	<u>(212,757)</u>
Other Financing Sources (Uses):									
Transfers in		13,140				16,212	40,000	108,529	
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>13,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,212</u>	<u>40,000</u>	<u>108,529</u>	
Net Change in Fund Balances	239	(6,902)	(6,322)	7,640	-	53,961	11,711	172,283	(104,228)
Fund Balances at Beginning of Year	<u>223</u>	<u>65,152</u>	<u>6,322</u>	<u>(7,640)</u>	<u>122</u>	<u>(53,961)</u>	<u>(11,711)</u>	<u>(129,129)</u>	<u>433,725</u>
Fund Balances at End of Year	<u>\$ 462</u>	<u>\$ 58,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,154</u>	<u>\$ 329,497</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, 2013

	<u>Capital Project Funds</u>		<u>Permanent Funds</u>					<u>Eliminating</u> <u>Entries</u>	<u>Total</u>
	<u>Land</u> <u>Acquisition</u>	<u>Planning</u> <u>Commission</u> <u>Subdivision</u> <u>Development</u>	<u>Walter</u> <u>Hubbard</u> <u>Park</u>	<u>C.P. Bradley</u> <u>Park</u> <u>Fund</u>	<u>Library</u> <u>Trust</u> <u>Fund</u>	<u>Lorenzo</u> <u>Fuller</u> <u>Award</u>	<u>Charlotte</u> <u>Yale</u> <u>Ives</u>		
Revenues:									
Intergovernmental revenues	\$ 24,278								\$ 23,190,163
Charges for services									1,366,297
Investment income			88,920	120,557	380	23	9		211,051
Other		627			102,588				487,674
Total revenues	<u>24,278</u>	<u>627</u>	<u>88,920</u>	<u>120,557</u>	<u>102,968</u>	<u>23</u>	<u>9</u>	<u>-</u>	<u>25,255,185</u>
Expenditures:									
General government									247,792
Public safety									705,186
Public works									26,122
Health and welfare									5,592,545
Culture and recreation			18,145	90,004	82,169				200,994
Capital outlay									1,398,807
Education									16,193,396
Debt service:									
Principal retirement									75,000
Interest and other charges									40,594
Total expenditures	<u>-</u>	<u>-</u>	<u>18,145</u>	<u>90,004</u>	<u>82,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,480,436</u>
Excess (Deficiency) of Revenues over Expenditures	<u>24,278</u>	<u>627</u>	<u>70,775</u>	<u>30,553</u>	<u>20,799</u>	<u>23</u>	<u>9</u>	<u>-</u>	<u>774,749</u>
Other Financing Sources (Uses):									
Transfers in								(108,529)	90,928
Transfers out								108,529	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,072)</u>
Net Change in Fund Balances	24,278	627	70,775	30,553	20,799	23	9	-	665,677
Fund Balances at Beginning of Year	<u>205,880</u>	<u>59,484</u>	<u>530,891</u>	<u>1,056,999</u>	<u>383,688</u>	<u>8,645</u>	<u>3,263</u>	<u>-</u>	<u>5,299,445</u>
Fund Balances at End of Year	<u>\$ 230,158</u>	<u>\$ 60,111</u>	<u>\$ 601,666</u>	<u>\$ 1,087,552</u>	<u>\$ 404,487</u>	<u>\$ 8,668</u>	<u>\$ 3,272</u>	<u>\$ -</u>	<u>\$ 5,965,122</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 POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2013

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 663,549	\$ 2,453,818	\$ 3,117,367
Investments		2,864,756	2,864,756
Accounts receivable	1,477,824	392,493	1,870,317
Due from other funds	150,905		150,905
Total assets	<u>2,292,278</u>	<u>5,711,067</u>	<u>8,003,345</u>
Liabilities:			
Current liabilities:			
Accounts payable	612	2,054	2,666
Claims payable	2,283,387		2,283,387
Due to other funds	243,312	456,788	700,100
Total current liabilities	<u>2,527,311</u>	<u>458,842</u>	<u>2,986,153</u>
Noncurrent liabilities:			
Claims incurred but not reported	<u>4,566,774</u>	<u>2,112,205</u>	<u>6,678,979</u>
Total liabilities	<u>7,094,085</u>	<u>2,571,047</u>	<u>9,665,132</u>
Total Net Position	<u>\$ (4,801,807)</u>	<u>\$ 3,140,020</u>	<u>\$ (1,661,787)</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Operating Revenues:			
Charges for services	\$ 5,164,836	\$ 24,224,296	\$ 29,389,132
Other revenues	337,234	1,053,806	1,391,040
Total operating revenues	<u>5,502,070</u>	<u>25,278,102</u>	<u>30,780,172</u>
Operating Expenses:			
Claims	3,697,769	24,126,275	27,824,044
Administrative	130,349	1,411,231	1,541,580
Other expenses	2,750	2,350,943	2,353,693
Total operating expenses	<u>3,830,868</u>	<u>27,888,449</u>	<u>31,719,317</u>
Operating Income (Loss)	1,671,202	(2,610,347)	(939,145)
Nonoperating Revenues:			
Investment income		188,218	188,218
Change in Net Position	1,671,202	(2,422,129)	(750,927)
Net Position at Beginning of Year	<u>(6,473,009)</u>	<u>5,562,149</u>	<u>(910,860)</u>
Net Position at End of Year	<u>\$ (4,801,807)</u>	<u>\$ 3,140,020</u>	<u>\$ (1,661,787)</u>

CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 4,024,246	\$ 25,262,726	\$ 29,286,972
Receipts for interfund services provided	249,323	495,227	744,550
Payments to suppliers	(140,089)	(3,795,853)	(3,935,942)
Payments to vendors	(3,662,990)	(23,943,278)	(27,606,268)
Net cash provided by (used in) operating activities	<u>470,490</u>	<u>(1,981,178)</u>	<u>(1,510,688)</u>
Cash Flows from Investing Activities:			
Sales of investments		1,881,461	1,881,461
Interest on investments		188,218	188,218
Net cash provided by investing activities	<u>-</u>	<u>2,069,679</u>	<u>2,069,679</u>
Net Increase in Cash and Cash Equivalents	470,490	88,501	558,991
Cash and Cash Equivalents at Beginning of Year	<u>193,059</u>	<u>2,365,317</u>	<u>2,558,376</u>
Cash and Cash Equivalents at End of Year	<u>\$ 663,549</u>	<u>\$ 2,453,818</u>	<u>\$ 3,117,367</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ <u>1,671,202</u>	\$ <u>(2,610,347)</u>	\$ <u>(939,145)</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	(1,477,824)	(30,419)	(1,508,243)
(Increase) decrease in due from other funds	249,323	495,227	744,550
(Increase) decrease in other assets		15,043	15,043
Increase (decrease) in accounts payable	(6,990)	(33,679)	(40,669)
Increase (decrease) in claims payable	34,779	182,997	217,776
Total adjustments	<u>(1,200,712)</u>	<u>629,169</u>	<u>(571,543)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 470,490</u>	<u>\$ (1,981,178)</u>	<u>\$ (1,510,688)</u>

Fiduciary Funds

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

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

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

AGENCY FUNDS

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

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

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2013

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 143,878	\$ 184,853	\$ 328,731
Investments, at fair value:			
Fixed income securities	<u> </u>	<u>75,415</u>	<u>75,415</u>
Total assets	<u>143,878</u>	<u>260,268</u>	<u>404,146</u>
Net Position:			
Held for Trust Purposes	<u>\$ 143,878</u>	<u>\$ 260,268</u>	<u>\$ 404,146</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Cemetery Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Donations and other	\$	\$ 414	\$ 414
Investment earnings:			
Interest and dividends	<u>144</u>	<u>5,266</u>	<u>5,410</u>
Total additions	144	5,680	5,824
Deductions:			
Benefits	<u></u>	<u>15,094</u>	<u>15,094</u>
Change in Net Position	144	(9,414)	(9,270)
Net Position at Beginning of Year	<u>143,734</u>	<u>269,682</u>	<u>413,416</u>
Net Position at End of Year	<u>\$ 143,878</u>	<u>\$ 260,268</u>	<u>\$ 404,146</u>

CITY OF MERIDEN, CONNECTICUT

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
Senior Trips Activities Fund				
Assets:				
Cash and cash equivalents	\$ 416	\$ 7,497	\$ 7,750	\$ 163
Liabilities:				
Deposits held for others	\$ 416	\$ 7,497	\$ 7,750	\$ 163
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 462,999	\$ 1,551,056	\$ 1,512,156	\$ 501,899
Investments	213,672	392	61,012	153,052
Total Assets	\$ 676,671	\$ 1,551,448	\$ 1,573,168	\$ 654,951
Liabilities:				
Deposits held for others	\$ 676,671	\$ 1,551,448	\$ 1,573,168	\$ 654,951
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 2,243,035	\$ 274,232	\$ 155,305	\$ 2,361,962
Liabilities:				
Deposits held for others	\$ 2,243,035	\$ 274,232	\$ 155,305	\$ 2,361,962
Police Evidence Fund				
Assets:				
Cash and cash equivalents	\$ 54,923	\$ 74,015	\$ 82,111	\$ 46,827
Liabilities:				
Deposits held for others	\$ 54,923	\$ 74,015	\$ 82,111	\$ 46,827

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CITY OF MERIDEN, CONNECTICUT

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Engineering Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 31,250	\$ 18,750	\$ 1,250	\$ 48,750
Liabilities:				
Deposits held for others	\$ 31,250	\$ 18,750	\$ 1,250	\$ 48,750
Total				
Assets:				
Cash and cash equivalents	\$ 2,792,623	\$ 1,925,550	\$ 1,758,572	\$ 2,959,601
Investments	213,672	392	61,012	153,052
Total Assets	\$ 3,006,295	\$ 1,925,942	\$ 1,819,584	\$ 3,112,653
Liabilities:				
Deposits held for others	\$ 3,006,295	\$ 1,925,942	\$ 1,819,584	\$ 3,112,653

Other Schedules

CITY OF MERIDEN, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2013

Grand List of October 1,	Uncollected Balance July 1, 2012	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2013
						Taxes	Interest	Liens	Total	
1996	\$ 10,326	\$	\$ (10,326)	\$	\$ -	\$	\$	\$	\$ -	\$ -
1997	5,237		(281)	2,308	7,264	2,212	5,178		7,390	5,052
1998	245,944		(1,710)		244,234	2,022	4,962		6,984	242,212
1999	283,228		(1,774)		281,454	2,072	4,673		6,745	279,382
2000	373,592		(2,267)		371,325	11,318	4,871		16,189	360,007
2001	329,877		(1,202)		328,675	2,929	4,722	24	7,675	325,746
2002	375,204		216		375,420	5,563	5,709		11,272	369,857
2003	365,623		(688)		364,935	8,214	13,911	24	22,149	356,721
2004	539,615		(812)		538,803	8,350	11,207		19,557	530,453
2005	442,724		(2,312)		440,412	14,029	15,893	48	29,970	426,383
2006	301,242		(2,391)		298,851	20,061	18,058	192	38,311	278,790
2007	477,131		(60,173)		416,958	(5,363)	34,721	456	29,814	422,321
2008	642,375		(35,376)		606,999	109,040	63,179	782	173,001	497,959
2009	1,180,140		(53,086)		1,127,054	369,595	124,071	2,731	496,397	757,459
2010	2,895,559		73,291		2,968,850	1,730,361	324,854	12,592	2,067,807	1,238,489
Total prior years	8,467,817		(98,891)	2,308	8,371,234	2,280,403	636,009	16,849	2,933,261	6,090,831
2011		114,060,583	(579,248)		113,481,335	110,334,477	488,943	3,500	110,826,920	3,146,858
Total	\$ 8,467,817	\$ 114,060,583	\$ (678,139)	\$ 2,308	\$ 121,852,569	\$ 112,614,880	\$ 1,124,952	\$ 20,349	\$ 113,760,181	\$ 9,237,689

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2013

Fiscal Year	Uncollected Balance July 1, 2012	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2013
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1997	\$ -	\$	\$	\$	\$ -	\$	\$	\$	\$ -	\$ -
1998	393		928	1,222	99				-	99
1999	276				276				-	276
2000	60				60				-	60
2001	61				61				-	61
2002	756				756				-	756
2003	59		1		60				-	60
2004	2,158				2,158		1,070		1,070	2,158
2005	73				73				-	73
2006	27				27				-	27
2007	44				44				-	44
2008	1,776		1		1,777	902	585	168	1,655	875
2009	8,420			54	8,366	3,312	2,119	600	6,031	5,054
2010	31,894		51	18	31,927	14,359	6,965	1,557	22,881	17,568
2011	179,353		291	2,890	176,754	79,986	24,925	6,789	111,700	96,768
2012	1,568,570		1,875	19,628	1,550,817	1,213,345	129,969	18,109	1,361,423	337,472
Total prior years	1,793,920	-	3,147	23,812	1,773,255	1,311,904	165,633	27,223	1,504,760	461,351
2013		8,187,930	4,923	9,525	8,183,328	6,868,427	78,994	32,702	6,980,123	1,314,901
Total	\$ 1,793,920	\$ 8,187,930	\$ 8,070	\$ 33,337	\$ 9,956,583	\$ 8,180,331	\$ 244,627	\$ 59,925	\$ 8,484,883	\$ 1,776,252

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2013

Fiscal Year	Uncollected Balance July 1, 2012	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2013
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1997	\$ -	\$	\$ 1,062	\$ 1,062	\$ -	\$	\$	\$	\$ -	\$ -
1998	547		1,048	1,235	360				-	360
1999	378		95		473				-	473
2000	67		8		75				-	75
2001	69				69				-	69
2002	1,064				1,064				-	1,064
2003	67				67				-	67
2004	2,274			1	2,273	1,598	102		1,700	675
2005	113			1	112				-	112
2006	63				63				-	63
2007	65				65				-	65
2008	1,634			384	1,250	531	398	144	1,073	719
2009	9,161		60.00		9,221	3,188	2,138	648	5,974	6,033
2010	30,524		316		30,840	14,667	6,921	1,573	23,161	16,173
2011	147,697		359		148,056	70,569	20,117	6,995	97,681	77,487
2012	1,362,076		1,207	1,473	1,361,810	1,069,672	108,050	21,929	1,199,651	292,138
Total prior years	1,555,799	-	4,155	4,156	1,555,798	1,160,225	137,726	31,289	1,329,240	395,573
2013		8,037,536	548	7,477	8,030,607	6,833,860	72,668	33,757	6,940,285	1,196,747
Total	\$ 1,555,799	\$ 8,037,536	\$ 4,703	\$ 11,633	\$ 9,586,405	\$ 7,994,085	\$ 210,394	\$ 65,046	\$ 8,269,525	\$ 1,592,320

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Operating Revenues:				
Sewer connection and use charges	\$ 8,804,310	\$ 8,804,310	\$ 8,224,240	\$ (580,070)
Miscellaneous income	393,200	393,200	603,236	210,036
Total operating revenues	<u>9,197,510</u>	<u>9,197,510</u>	<u>8,827,476</u>	<u>(370,034)</u>
Operating Expenses:				
Part-time seasonal	1	1		1
Overtime	160,000	160,000	113,140	46,860
Wages - public works	665,244	665,244	563,638	101,606
Wages - MMEA	57,566	57,566	57,397	169
Wages - supervisor	392,886	392,886	363,585	29,301
Employee benefits	632,543	632,543	695,167	(62,624)
Utilities	1,100,000	1,100,000	963,310	136,690
Repairs and maintenance	151,000	151,000	128,977	22,023
Vehicle maintenance	27,500	27,500	16,674	10,826
Audit fees	10,135	10,135	8,800	1,335
Call before you dig	1	1		1
Hepatitis B shots	5,000	5,000	3,116	1,884
Fiscal division services	750,514	750,514	747,220	3,294
General fund services	628,301	628,301	628,301	-
Claims	5,000	5,000		5,000
Nitrogen credit purchase	1	1		1
Supplies	555,000	548,583	466,991	81,592
Biosolid disposals	660,000	660,000	726,144	(66,144)
Pumping station operations	60,000	60,000	51,337	8,663
Capital outlay	1	1	50,961	(50,960)
Memberships and meeting	10,000	15,000	14,304	696
Insurance	677,813	679,230	679,330	(100)
Total operating expenses	<u>6,548,506</u>	<u>6,548,506</u>	<u>6,278,392</u>	<u>270,114</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(2,182,354)	(2,182,354)	(2,049,502)	132,852
Interest on investments	30,000	30,000	11,858	(18,142)
Debt service - interest	(838,420)	(838,420)	(826,082)	12,338
Debt service - BANS interest	(1)	(1)		1
Total nonoperating revenues (expenses)	<u>(2,990,775)</u>	<u>(2,990,775)</u>	<u>(2,863,726)</u>	<u>127,049</u>
Deficiency of Revenues over Expenses	\$ <u>(341,771)</u>	\$ <u>(341,771)</u>	\$ <u>(314,642)</u>	\$ <u>27,129</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Operating Revenues:				
Water sales and charges	\$ 8,768,463	\$ 8,768,463	\$ 8,113,385	\$ (655,078)
Miscellaneous income	202,316	1,762,936	1,760,698	(2,238)
Total operating revenues	<u>8,970,779</u>	<u>10,531,399</u>	<u>9,874,083</u>	<u>(657,316)</u>
Operating Expenses:				
Part-time seasonal	5,000	5,000		5,000
Administration		111,556	113,694	(2,138)
Overtime	140,000	145,000	147,983	(2,983)
Wages - public works	1,592,776	1,664,440	1,533,202	131,238
Wages - MMEA	120,888	178,454	177,931	523
Wages - supervisor	80,801	260,235	264,127	(3,892)
Employee benefits	1,752,637	2,051,624	2,119,890	(68,266)
Gasoline	45,000	50,100	50,259	(159)
Taxes paid to other towns	52,975	52,975	49,229	3,746
Utilities	900,000	900,000	769,512	130,488
Repairs and maintenance	20,500	20,500	18,897	1,603
Vehicle maintenance	75,000	81,900	56,127	25,773
Attorney fees		9,000		9,000
Audit fees	10,135	10,135	8,800	1,335
Water purchased	168,160	168,160	171,073	(2,913)
Other purchased services		86,575	58,060	28,515
Hepatitis B shots	3,600	4,250	2,592	1,658
Fiscal division services	820,106	820,106	820,106	-
General fund services	628,301	1,202,990	1,202,990	-
Maintenance of mains	25,000	25,000	14,232	10,768
Maintenance of reservoirs	40,000	40,000	34,364	5,636
Maintenance of pump station	40,000	40,000	37,289	2,711
Maintenance of meters		15,000	14,515	485
Supplies	60,000	60,000	67,105	(7,105)
Services - materials	10,000	11,550	12,297	(747)
Treatment expenses	521,700	607,700	579,269	28,431
Water equipment	17,400	27,400	26,063	1,337
Hydrants and mains - materials	8,001	8,001	6,749	1,252
Repairs - trenches	30,000	30,000	26,940	3,060
Capital outlay	1	104,923	97,973	6,950
Memberships and meeting	11,575	14,575	14,626	(51)
Insurance	307,845	345,794	344,586	1,208
Total operating expenses	<u>7,487,401</u>	<u>9,152,943</u>	<u>8,840,480</u>	<u>312,463</u>
Nonoperating Revenues (Expenses):				
Interest on investments	31,500	31,500	9,648	(21,852)
Debt service - principal	(1,255,000)	(1,255,000)	(1,310,000)	(55,000)
Debt service - interest	(516,017)	(516,017)	(422,184)	93,833
Debt service - BANS interest	(180,000)	(180,000)		180,000
Total nonoperating revenues (expenses)	<u>(1,919,517)</u>	<u>(1,919,517)</u>	<u>(1,722,536)</u>	<u>196,981</u>
Deficiency of Revenues over Expenses	\$ <u>(436,139)</u>	\$ <u>(541,061)</u>	\$ <u>(688,933)</u>	\$ <u>(147,872)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
Operating Revenues:				
Golf fees	\$ 985,650	\$ 985,650	\$ 867,116	\$ (118,534)
Operating Expenses:				
Miscellaneous overtime	108,950	108,950	100,123	8,827
Overtime	14,800	14,800	16,266	(1,466)
Wages - public works	112,420	112,420	112,115	305
Wages - supervisors	87,997	87,997	89,312	(1,315)
Employee benefits	95,324	95,324	163,867	(68,543)
Golf supplies and expenses	180,436	180,436	166,441	13,995
Golf pros	205,500	205,500	202,892	2,608
Club house expenses	35,000	35,000	35,404	(404)
Liability and general insurance	80,208	80,208	80,338	(130)
Gas	250	250		250
Capital outlay	15,500	15,500	15,093	407
Memberships and meeting	2,400	2,400	1,414	986
Total operating expenses	<u>938,785</u>	<u>938,785</u>	<u>983,265</u>	<u>(44,480)</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(41,667)	(41,667)	(12,000)	29,667
Debt service - interest	<u>(5,198)</u>	<u>(5,198)</u>	<u>(3,888)</u>	<u>1,310</u>
Total nonoperating expenses	<u>(46,865)</u>	<u>(46,865)</u>	<u>(15,888)</u>	<u>30,977</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(132,037)</u>	\$ <u>(132,037)</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 POSITION BY COMPONENT

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Net investment in capital assets	\$ 130,773	\$ 122,787	\$ 101,928	\$ 113,033	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144	\$ 59,323
Restricted	1,356	952	1,347	1,257	825	4,220	6,497	5,284	6,485	
Unrestricted	(69,409)	(62,882)	(40,973)	(51,488)	(38,240)	(37,108)	(20,224)	(54,963)	(63,007)	(24,950)
Total Governmental Activities Net Position	<u>\$ 62,720</u>	<u>\$ 60,857</u>	<u>\$ 62,302</u>	<u>\$ 62,802</u>	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 80,400</u>	<u>\$ 57,426</u>	<u>\$ 47,622</u>	<u>\$ 34,373</u>
Business-Type Activities:										
Net investment in capital assets	\$ 81,045	\$ 81,563	\$ 89,259	\$ 91,927	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674	\$ 88,752
Unrestricted	12,734	15,870	11,855	10,671	12,428	16,664	27,207	19,366	18,644	18,262
Total Business-Type Activities Net Position	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 101,114</u>	<u>\$ 102,598</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 104,226</u>	<u>\$ 105,146</u>	<u>\$ 108,318</u>	<u>\$ 107,014</u>
Primary Government:										
Net investment in capital assets	\$ 211,818	\$ 204,350	\$ 191,187	\$ 204,960	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818	\$ 148,075
Restricted	1,356	952	1,347	1,257	825	4,220	6,497	5,284	6,485	
Unrestricted	(56,675)	(47,012)	(29,118)	(40,817)	(25,812)	(20,444)	6,983	(35,597)	(44,363)	(6,688)
Total Governmental Activities Net Position	<u>\$ 156,499</u>	<u>\$ 158,290</u>	<u>\$ 163,416</u>	<u>\$ 165,400</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>	<u>\$ 184,626</u>	<u>\$ 162,572</u>	<u>\$ 155,940</u>	<u>\$ 141,387</u>

CITY OF MERIDEN, CONNECTICUT

CHANGES IN NET POSITION

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	\$ 37,953	\$ 35,202	\$ 30,816	\$ 29,931	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519	\$ 16,967
Education	132,521	136,298	138,091	132,771	133,862	158,802	115,598	106,287	90,527	96,877
Public safety	24,389	24,364	23,810	24,051	23,155	23,479	19,433	29,390	18,104	27,820
Public works	13,408	10,705	9,249	9,866	10,849	10,037	10,569	10,104	9,277	9,202
Human services	8,638	8,053	8,652	9,233	9,675	8,665	10,262	6,413	8,719	6,546
Culture and recreation	5,280	5,408	5,075	4,414	4,472	4,287				
Interest on long-term debt	2,957	3,052	3,024	2,806	3,967	3,209	3,614	4,275	6,583	4,095
Total governmental activities expenses	<u>225,146</u>	<u>223,082</u>	<u>218,717</u>	<u>213,072</u>	<u>215,048</u>	<u>237,161</u>	<u>194,230</u>	<u>181,273</u>	<u>197,729</u>	<u>161,507</u>
Business-type activities:										
Sewer Authority	11,441	10,816	9,659	7,951	8,552	7,893	7,480	6,662	6,390	6,074
Water Authority	11,334	9,882	10,256	10,546	10,628	10,312	8,276	7,885	8,015	8,424
George Hunter Golf Course	1,184	1,303	1,126	976	966	927	881	944	754	793
Total business-type activities expenses	<u>23,959</u>	<u>22,001</u>	<u>21,041</u>	<u>19,473</u>	<u>20,146</u>	<u>19,132</u>	<u>16,637</u>	<u>15,491</u>	<u>15,159</u>	<u>15,291</u>
Total Primary Government Expenses	<u>\$ 249,105</u>	<u>\$ 245,083</u>	<u>\$ 239,758</u>	<u>\$ 232,545</u>	<u>\$ 235,194</u>	<u>\$ 256,293</u>	<u>\$ 210,867</u>	<u>\$ 196,764</u>	<u>\$ 212,888</u>	<u>\$ 176,798</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,959	\$ 1,955	\$ 2,522	\$ 2,246	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079	\$ 9,791
Education	1,048	1,061	1,047	1,143	1,208	1,207	1,742	1,386	1,510	1,541
Public safety	75	47	50	46	42	65	991	112	118	111
Public works	1,865	1,813	1,737	1,691	1,634	1,583	117	223	166	7
Human services	314	243	289	378	274	723	195	365	553	978
Culture and recreation	29	43	33	34	31	42	6			
Operating grants and contributions	94,358	94,000	89,914	87,388	84,594	109,223	19,914	21,265	12,437	60,009
Capital grants and contributions	10,379	4,094	3,744	2,543	3,989	6,413	6,491	5,895	11,140	14,854
Total governmental activities	<u>110,027</u>	<u>103,256</u>	<u>99,336</u>	<u>95,469</u>	<u>94,703</u>	<u>122,853</u>	<u>32,832</u>	<u>34,908</u>	<u>54,003</u>	<u>87,291</u>
Business-type activities:										
Charges for services:										
Sewer Authority	8,228	8,615	8,507	6,459	5,967	5,964	7,023	6,169	4,950	5,601
Water Authority	9,065	8,255	8,935	8,719	7,663	7,719	7,322	7,458	7,855	7,911
George Hunter Golf Course	958	1,074	779	787	827	816	798	786	826	687
Capital grants and contributions	284		161	2,676	33,244					
Total business-type activities	<u>18,535</u>	<u>17,944</u>	<u>18,382</u>	<u>18,641</u>	<u>47,701</u>	<u>14,499</u>	<u>15,143</u>	<u>14,413</u>	<u>13,631</u>	<u>14,199</u>
Total Primary Government Revenues	<u>\$ 128,562</u>	<u>\$ 121,200</u>	<u>\$ 117,718</u>	<u>\$ 114,110</u>	<u>\$ 142,404</u>	<u>\$ 137,352</u>	<u>\$ 47,975</u>	<u>\$ 49,321</u>	<u>\$ 67,634</u>	<u>\$ 101,490</u>
Net Revenues (Expenses):										
Governmental activities	\$ (115,119)	\$ (119,826)	\$ (119,381)	\$ (117,603)	\$ (120,345)	\$ (114,308)	\$ (161,398)	\$ (146,365)	\$ (143,726)	\$ (74,216)
Business-type activities	<u>(5,424)</u>	<u>(4,057)</u>	<u>(2,659)</u>	<u>(832)</u>	<u>27,555</u>	<u>(4,633)</u>	<u>(1,494)</u>	<u>(1,078)</u>	<u>(1,528)</u>	<u>(1,092)</u>
Total Primary Government Net Expense	<u>\$ (120,543)</u>	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,892)</u>	<u>\$ (147,443)</u>	<u>\$ (145,254)</u>	<u>\$ (75,308)</u>
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 108,622	\$ 110,885	\$ 109,377	\$ 106,619	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580	\$ 89,175
Grants and contributions not restricted to specific programs	1,801	1,873	2,598	2,720	3,425	3,917	59,928	55,252	57,502	6,071
Unrestricted investment earnings	680	914	1,218	856	694	1,430	2,483	1,455	925	865
Miscellaneous income	5,880	3,654	7,391	3,073	10,300	4,207	6,512	4,866	6,731	
Transfers				836						
Total governmental activities	<u>116,983</u>	<u>117,326</u>	<u>120,584</u>	<u>114,104</u>	<u>118,803</u>	<u>109,876</u>	<u>174,277</u>	<u>155,615</u>	<u>157,738</u>	<u>96,111</u>
Business-type activities:										
Unrestricted investment earnings	69	92	85	70	121	400	574	461	242	214
Miscellaneous income	1,702	1,337	1,024	1,043	893	914				
Transfers				(836)						
Total business-type activities	<u>1,771</u>	<u>1,429</u>	<u>1,109</u>	<u>277</u>	<u>1,014</u>	<u>1,314</u>	<u>574</u>	<u>461</u>	<u>242</u>	<u>214</u>
Total Primary Government	<u>\$ 118,754</u>	<u>\$ 118,755</u>	<u>\$ 121,693</u>	<u>\$ 114,381</u>	<u>\$ 119,817</u>	<u>\$ 111,190</u>	<u>\$ 174,851</u>	<u>\$ 156,076</u>	<u>\$ 157,980</u>	<u>\$ 96,325</u>
Change in Net Position:										
Governmental activities	\$ 1,864	\$ (2,500)	\$ 1,203	\$ (3,499)	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011	\$ 21,895
Business-type activities	<u>(3,653)</u>	<u>(2,628)</u>	<u>(1,550)</u>	<u>(555)</u>	<u>28,569</u>	<u>(3,319)</u>	<u>(920)</u>	<u>(617)</u>	<u>(1,286)</u>	<u>(878)</u>
Total Primary Government	<u>\$ (1,789)</u>	<u>\$ (5,128)</u>	<u>\$ (347)</u>	<u>\$ (4,054)</u>	<u>\$ 27,027</u>	<u>\$ (7,751)</u>	<u>\$ 11,958</u>	<u>\$ 8,632</u>	<u>\$ 12,725</u>	<u>\$ 21,017</u>

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

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	\$	\$	\$	\$ 982	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779	\$ 1,692
Unreserved				13,321	13,267	3,960	3,644	3,009	1,833	1,825
Nonspendable	126	134	133							
Restricted	1,010	520	825							
Committed	637	580	547							
Unassigned	15,725	16,024	16,761							
Total General Fund	\$ 17,498	\$ 17,258	\$ 18,266	\$ 14,303	\$ 14,252	\$ 9,475	\$ 11,494	\$ 9,812	\$ 9,612	\$ 3,517
All other governmental funds:										
Reserved	\$	\$	\$	\$ 6,923	\$ 4,879	\$ 5,716	\$ 6,823	\$ 5,481	\$ 238	\$ 2,782
Unreserved, reported in:										
Special revenue funds				3,725	3,723	4,038	4,152	5,128	4,598	4,156
Capital projects funds				(12,326)	(2,183)	(17,843)	(16,392)	(27,054)	(32)	(181)
Permanent funds				1,391						
Nonspendable	520	537	522							
Restricted	4,465	3,787	6,171							
Committed	19,609	1,178	1,526							
Assigned		8,191	4,867							
Unassigned		(12,455)	(54)							
Total All Other Governmental Funds	\$ 24,594	\$ 1,238	\$ 13,032	\$ (287)	\$ 6,419	\$ (8,089)	\$ (5,417)	\$ (16,445)	\$ 4,804	\$ 6,757
Total	\$ 42,092	\$ 18,496	\$ 31,298	\$ 14,016	\$ 20,671	\$ 1,386	\$ 6,077	\$ (6,633)	\$ 14,416	\$ 10,274

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Property taxes, interest and lien fees	\$ 113,887	\$ 109,910	\$ 108,759	\$ 106,583	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365	\$ 88,259
Federal and state government	106,500	100,238	96,231	92,650	92,008	119,192	87,064	83,638	82,828	87,574
Charges for services	5,290	5,163	5,678	5,538	6,120	7,217	8,198	7,747	8,097	8,065
Investment income	581	533	741	743	643	1,311	2,646	1,455	910	854
Other revenues	5,908	3,384	7,405	3,481	9,331	4,441	5,252	4,866	5,954	5,890
Total revenues	<u>232,166</u>	<u>219,228</u>	<u>218,814</u>	<u>208,995</u>	<u>212,281</u>	<u>234,666</u>	<u>206,895</u>	<u>193,662</u>	<u>189,154</u>	<u>190,642</u>
Expenditures:										
Current:										
General government	37,906	35,154	30,815	29,900	29,016	30,830	34,809	25,875	41,189	37,593
Public safety	22,614	21,853	21,840	21,052	20,525	19,673	18,608	28,558	17,478	17,029
Public works	7,025	7,017	6,835	6,798	7,128	6,191	6,038	6,617	5,903	5,392
Health and welfare	8,401	7,817	8,281	8,232	8,537	7,457	9,574	6,342	8,246	7,924
Culture and recreation	4,306	4,168	4,020	3,980	3,963	3,817				
Education	127,605	128,009	126,494	123,442	122,568	148,186	112,427	102,765	86,755	90,525
Debt service:										
Principal	8,672	8,959	9,542	10,986	10,410	12,778	13,889	13,009	41,062	12,500
Interest	2,938	3,237	3,055	3,413	3,791	4,206	4,174	4,950	3,696	4,900
Capital outlay	14,224	17,217	8,002	8,902	7,709	6,219	11,201	15,967	28,504	25,771
Total expenditures	<u>233,691</u>	<u>233,431</u>	<u>218,884</u>	<u>216,705</u>	<u>213,647</u>	<u>239,357</u>	<u>210,720</u>	<u>204,083</u>	<u>232,833</u>	<u>201,634</u>
Deficiency of Revenues over Expenditures	<u>(1,525)</u>	<u>(14,203)</u>	<u>(70)</u>	<u>(7,710)</u>	<u>(1,366)</u>	<u>(4,691)</u>	<u>(3,825)</u>	<u>(10,421)</u>	<u>(43,679)</u>	<u>(10,992)</u>
Other Financing Sources (Uses):										
Transfers in	372	484	608	1,712	1,015	570	693	342	5,550	100
Transfers out	(372)	(484)	(608)	(876)	(1,015)	(570)	(693)	(342)	(5,550)	(100)
Bond issuance	24,423	1,500	18,764		21,369		16,135		34,460	
Bond premium	609				58					
Issuance of refunding bonds	6,400			32,769						
Premium on refunding bonds	145			3,490						
Payment to escrow	(6,453)			(36,040)						
Lease proceeds										
Total other financing sources	<u>25,124</u>	<u>1,500</u>	<u>18,764</u>	<u>1,055</u>	<u>21,427</u>	<u>-</u>	<u>16,135</u>	<u>-</u>	<u>34,460</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 23,599</u>	<u>\$ (12,703)</u>	<u>\$ 18,694</u>	<u>\$ (6,655)</u>	<u>\$ 20,061</u>	<u>\$ (4,691)</u>	<u>\$ 12,310</u>	<u>\$ (10,421)</u>	<u>\$ (9,219)</u>	<u>\$ (10,992)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.3%	5.6%	5.9%	6.9%	6.9%	7.3%	9.1%	9.5%	21.8%	9.9%

CITY OF MERIDEN, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
(In Thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2013	*\$ 2,011,418	\$ 842,711	\$ 230,411	\$ 3,479,853	34.70	70%	\$ 4,971,219
2012	2,426,231	843,535	279,450	3,877,407	29.83	70%	5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339
2010	2,419,387	844,179	230,017	3,864,377	28.85	70%	5,520,539
2009	2,411,971	851,316	220,274	3,879,478	27.96	70%	5,542,111
2008	* 2,382,465	850,333	221,915	3,830,329	27.96	70%	5,471,899
2007	2,381,692	865,337	599,566	2,561,231	42.20	70%	3,658,901
2006	1,884,648	802,272	140,582	2,521,867	40.40	70%	3,602,667
2005	1,854,673	793,407	148,428	2,531,849	39.10	70%	3,616,927
2004	1,800,892	788,517	193,055	2,539,654	37.30	70%	3,628,077

* Revaluation year

CITY OF MERIDEN, CONNECTICUT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

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

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2013	31.13	3.57	34.70	2.10	2.10	36.80
2012	26.44	3.39	29.83	1.82	1.82	31.65
2011	26.10	3.43	29.53	1.90	1.90	31.43
2010	24.93	3.92	28.85	1.74	1.74	30.59
2009	24.12	3.84	27.96	1.93	1.93	29.89
2008	23.35	4.61	27.96	2.31	2.31	30.27
2007	34.88	7.32	42.20	2.31	2.31	44.51
2006	32.99	7.44	40.43	1.90	1.90	42.33
2005	31.63	7.46	39.09	1.90	1.90	40.99
2004	29.83	7.47	37.30	1.90	1.90	39.20

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

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

TABLE 7

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

<u>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2013</u>			<u>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2004</u>		
	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Meriden Square Partnership	\$ 62,802,010	1	1.80 %	Meriden Square Partnership	\$ 26,342,980	2	1.13 %
Connecticut Light & Power	59,330,938	2	1.70	Connecticut Light & Power	25,124,290	3	1.08
Computer Sciences Corp.	35,751,220	3	1.03	C.S.C. Outsourcing, Inc.	12,034,460	8	0.51
Urstadt Biddle Properties, Inc.	24,868,200	4	0.71	Urstadt Biddle Properties, Inc.	15,109,080	6	0.65
Yankee Gas	23,823,500	5	0.68	Yankee Gas	18,533,430	5	0.79
Meriden Square #3 LLC et al	19,992,750	6	0.57	Meriden Square #3 LLC et al	49,320,460	1	2.11
Newbury Properties de LLC	19,560,940	7	0.56				
Radio Frequency Systems, Inc.	18,030,790	8	0.52	Radio Frequency Systems, Inc.	20,175,750	4	0.86
Carabetta Enterprises, Inc.	13,041,270	9	0.37	Carabetta Enterprises, Inc.	10,459,170	10	0.45
Merritt Station LLC	11,130,000	10	0.32				
				CUNO, Inc	13,674,120	7	0.58
	\$ 288,331,618		8.26 %	May Department Stores	10,517,860	9	0.45
					\$ 201,291,600		8.61 %

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
2013	\$ 113,481,335	\$ 110,334,477	97.23%	\$ -	\$ 110,334,477	97.23%
2012	109,965,111	107,069,554	97.37%	1,657,068	108,726,622	98.87%
2011	108,579,493	105,858,662	97.49%	1,963,372	107,822,034	99.30%
2010	105,882,618	103,229,589	97.49%	2,155,070	105,384,659	99.53%
2009	103,280,297	100,430,840	97.24%	2,427,136	102,857,976	99.59%
2008	103,064,985	99,842,370	96.87%	2,943,825	102,786,195	99.73%
2007	104,173,221	100,818,674	96.78%	2,928,164	103,746,838	99.59%
2006	97,595,530	93,994,623	96.31%	3,070,454	97,065,077	99.46%
2005	92,968,119	89,339,544	96.10%	3,271,854	92,611,398	99.62%
2004	86,935,391	83,723,025	96.30%	2,842,509	86,565,534	99.57%

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					
2013	\$ 85,617	\$	\$	\$ 12,046	\$ 37,944	\$ 97	\$ 135,704	6.88 %	\$ 1,972,000	61	34
2012	68,929			12,469	39,477	109	120,984	6.14	1,972,000	61	34
2011	77,888			13,674	42,059	125	133,746	6.78	1,972,000	61	34
2010	68,666			13,797	37,319	122	119,904	6.08	1,972,000	59	34
2009	80,903			15,522	30,280	142	126,847	6.43	1,972,000	59	34
2008	69,944		275	5,860	2,956	125	79,160	4.01	1,972,000	58	34
2007	82,722		1,875	7,223	3,663	141	95,624	4.85	1,972,000	58	34
2006	80,476		5,062	6,411	2,968	128	95,045	5.12	1,856,000	58	32
2005	93,486	50	15,867	7,288	2,082	139	118,912	6.41	1,856,000	58	32
2004	72,224	147	17,400	3,284	794	153	94,002	5.06	1,856,000	58	32

(1) Includes intergovernmental grants receivable from the State Department of Education and restrictions from enabling legislation

(2) All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged

(3) U.S. Bureau of Economic Analysis

CITY OF MERIDEN, CONNECTICUT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Bonded Debt (thousands)	Net Assessed Value (thousands)	Ratio of Net Bonded Debt to Net Assessed Value	Population	Debt Per Capita
2013	\$ 135,704	\$ 3,249,442	4.18	60,868 *	\$ 2,229
2012	120,984	3,597,957	3.36	60,868	1,988
2011	133,746	3,630,227	3.68	60,868	2,197
2010	119,904	3,634,360	3.30	59,186	2,026
2009	126,847	3,659,204	3.47	59,186	2,143
2008	78,885	3,608,414	2.19	59,468	1,327
2007	93,750	2,420,649	3.87	59,468	1,576
2006	88,785	2,373,437	3.74	59,468	1,493
2005	102,945	2,338,868	4.40	58,962	1,746
2004	76,455	2,331,434	3.28	58,675	1,303

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

CITY OF MERIDEN, CONNECTICUT

DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2013

(In Thousands)

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 113,760
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>357</u>
Base	<u><u>\$ 114,117</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>256,763</u>	\$ <u>513,527</u>	\$ <u>370,880</u>	\$ <u>427,939</u>	\$ <u>342,351</u>
Debt:					
Notes payable	1,425				
Bonds payable	62,883	22,735			
Bonds authorized but unissued	3,135	39,891			
	<u>67,443</u>	<u>62,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 189,320</u></u>	<u><u>\$ 450,901</u></u>	<u><u>\$ 370,880</u></u>	<u><u>\$ 427,939</u></u>	<u><u>\$ 342,351</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 \$798,819.

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limitation	\$ 798,819	\$ 765,877	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281	\$ 626,277
Total net debt applicable to limit	<u>130,069</u>	<u>131,935</u>	<u>131,935</u>	<u>94,205</u>	<u>99,416</u>	<u>130,409</u>	<u>194,045</u>	<u>95,045</u>	<u>118,912</u>	<u>94,002</u>
Legal Debt Margin	<u>\$ 643,758</u>	<u>\$ 633,942</u>	<u>\$ 633,942</u>	<u>\$ 655,257</u>	<u>\$ 629,914</u>	<u>\$ 587,259</u>	<u>\$ 540,774</u>	<u>\$ 564,464</u>	<u>\$ 529,369</u>	<u>\$ 532,275</u>
Total net debt applicable to the limit as a percentage of debt limit	16.3%	17.2%	17.2%	12.6%	13.6%	18.2%	26.4%	14.4%	18.3%	15.0%

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
2013	60,868	\$ 52,788	9.8 %
2012	60,868	52,788	10.0
2011	60,868	52,788	10.8
2010	59,186	52,788	10.4
2009	59,186	52,788	10.2
2008	59,468	52,788	6.5
2007	59,468	52,788	5.1
2006	59,468	31,459 *	5.4
2005	58,962	31,459 *	5.9
2004	58,675	31,459 *	5.9

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 family income.

TABLE 14

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

<u>2013</u>			<u>2004</u>		
<u>Employer</u>	<u>Employees*</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees*</u>	<u>Rank</u>
Midstate Medical Center	1000-4999	1	Midstate Medical Center	1000-4999	2
Canberra	250-499	2			
Cox Communications	250-499	3			
Verizon Wireless	250-499	4			
Radio Frequency Systems	250-499	5			
Hunter's Ambulance Service	250-499	6	Hunter's Ambulance Service	250-499	4
3M Purification	250-499	7			
Bob's Stores Corp	250-499	8	Bob's Stores Corp	250-499	6
B L Co	250-499	9			
Sears	250-499	10			
			SBC/SNET	1000-4999	1
			TI Automotive	500-999	3
			CUNO, Inc.	250-499	5
			Filene's Department Store	250-499	7
			Target Stores	100-249	8
			A.D.C. Broadband Communications	100-249	9
			State of Connecticut	100-249	10

Source: Connecticut Department of Labor

*Legal reasons prevent disclosure of actual employees

CITY OF MERIDEN, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS*

	FISCAL YEAR ENDED JUNE 30,							
	2013	2012	2011	2010	2009	2008	2007	2006*
General Government	166.5	169.5	165	165.5	174	178	185.5	185
Public Safety:								
Police								
Officers	120	118	117	118	118	115	121	116
Civilians	18.5	18.5	35.5	32	31	30.5	31.5	31
Fire:								
Firefighters and officers	99	100	97	96	96	97	95	95
Civilians	3	3	3	3	3	3	3	3
Emergency Communications	18	13	13	14	15	14	15	13
Highways and Streets:								
Engineering	9.5	12	11.5	12	12	11	12.5	12.5
Maintenance	27	28	29	28	29	29	32	31
Culture and Recreation	27	28	29.5	36	29	35.5	32.5	34.5
Golf	11	12	12	15	13	14	14	12
Water	32	33	33	34	34	30.5	30.5	34
Sewer	15	14	17	16	15	18.5	19	17
Total	<u>546.5</u>	<u>549.0</u>	<u>562.5</u>	<u>569.5</u>	<u>569.0</u>	<u>576.0</u>	<u>591.5</u>	<u>584.0</u>

* City began to collect information in fiscal year ended 2006

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

Function / Operating Indicator	FISCAL YEAR							
	2013	2012	2011	2010	2009	2008	2007	2006*
<u>Police</u>								
Cases Investigated	14,363 B)	n/a B)	27,872 B)	35,973	34,390	38,313	34,784	36,812
Calls for Service	44,279 B)	56,178 B)						
Arrests	3,012	3,592	3,809	3,491	3,083	3,225	3,147	3,059
Traffic Citations	2,723	3,071	4,233	5,958	7,579	4,520	6,866	6,809
Parking Citations	1,105	1,050	2,063	1,442	1,396	1,693	1,229	922
<u>Fire</u>								
Emergency Responses	7,738	8,650	7,256	7,299	6,424	6,021	6,033	5,787
Non-emergency Responses	1,403	1,656	1,574	1,612	1,937	1,911	1,643	1,965
Inspections	4,091	4,123	2,409	1,774	2,656	2,542	1,527	2,335
Fire Investigations	63 C)							
<u>Refuse Collection</u>								
Refuse Collected (Tons)	30,297	32,175	32,067	32,702	31,908	31,978	34,952	23,215
Recyclables Collected (Tons)	2,775	2,797	2,521	1,813	1,812	1,775	1,777	1,797
<u>Other Public Works</u>								
Street Resurfacing (Miles)	5.68	2.04	2.5	2.17	2.24	1	2	5
Potholes Repaired	4,792 E)	800	800	785	900	650	705	275
<u>Library</u>								
Volumes in Collection (Print)	239,686	234,772	235,134	232,783	233,157	234,897	239,314	239,196
Volumes in Collection (Non-print)	18,111	16,707	15,332	14,028	16,860	14,069	13,546	27,742
Total Volumes Borrowed	246,198	232,141	231,325	248,017	228,224	191,651	208,194	202,214
Annual Library Visits	308,801	307,904	292,421	278,629				
<u>Water</u>								
Average Daily Production (thousands of gallons)	5,379	5,560	5,720	5,422	5,960	6,050	6,504	6,893
Average Daily Demand (thousands of gallons)	5,379	5,560	5,720	5,422	5,960	5,980	6,333	6,880
<u>Wastewater</u>								
Average Daily Treatment (thousands of gallons)	10,983	11,925	12,080	12,917	11,400	11,800	9,400	9,400
<u>Transit</u>								
Total Route Miles	27,600 A)	27,600 A)	27,600 A)	27,600 A)	52,999	52,999	52,926	52,980
Passengers	17,549	18,274	18,734	18,638	17,521	15,537	16,493	18,638
<u>Human Services</u>								
Environmental Inspections and Responses	2,616 D)	2,988	3,621	3,251	3,454	2,402	2,885	2,989
Health and Clinic Services Provided	4,892 D)	4,385	4,913	9,366	2,982	4,869	5,252	89,200
School Health Services Provided	91,814 D)	134,031	147,718	158,557	116,696	138,513	107,061	93,429
Social Services Provided	1,102 D)	1,211	1,953	1,683	1,572	2,233	2,377	451
Youth Program Participants	2,081 D)	11,673	11,087	10,498	10,765	8,576	6,843	5,562
Senior Program Participants	20,400 D)	8,922	15,287	17,973	19,947	20,471	20,204	19,246

*City began to collect information in fiscal year ended 2006

A) Change in formula used by the State of Connecticut implemented in 2010.

B) New police software implemented in 2011 uses new criteria to calculate investigations.

C) New in 2013 - Fire Investigations completed by the Fire Marshals Office required by State Statute.

D) Calculation methods were changed in 2013.

E) New pothole machine was purchased.

CITY OF MERIDEN, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS*

Function	FISCAL YEAR								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police stations	1	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	2	3	3	3	3	3
Fire stations	5	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1	1
Parks and recreation									
Fields - Municipal	11	11	11	11	8	8	8	8	8
Fields - Schools	9	9	9	9	9	9	9	9	9
Water									
Water mains (Municipal) (feet)	1,275,235	1,218,960	1,218,120	1,217,120	1,216,560	1,210,732	1,205,030	1,203,815	1,197,433
Fire hydrants (Municipal)	1,493	1,496	1,544	1,544	1,552	1,552	1,549	1,544	1,544
Fire hydrants (Private)	339	282	275	275	274	256	239	239	239
Wastewater									
Sewer line (feet)	1,111,214	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026
Highway									
Paved miles	187.36	187.45	187.45	187.45	187.45	187.45	187.45	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

* only nine years of data is available