

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



**FISCAL YEAR ENDED JUNE 30, 2007**

**DEPARTMENT OF FINANCE**

**MERIDEN, CONNECTICUT**

**CITY OF MERIDEN, CONNECTICUT**

***Comprehensive***  
**ANNUAL FINANCIAL REPORT**

**For**

***For The Fiscal Year Ended***

**June 30, 2007**

***Prepared by***

**City of Meriden Department of Finance**

**Robert Tait  
Finance Director**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **LEVITSKY & BERNEY**

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
100 BRADLEY ROAD • WOODBRIDGE, CONNECTICUT 06525-2394  
203 389-5371 • FAX 203 389-4430

### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
& Members of the City Council  
City of Meriden  
Meriden, Connecticut 06450

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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Meriden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2007, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

December 28, 2007





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

December 28, 2007

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, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework 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.

Levitsky & Berney, P.C., Certified Public Accountants, have issued an unqualified opinion of the City of Meriden's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

### ***Description of the Municipality***

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 59,468 in 2006, an increase of 1,212 people since 2000. Meriden is located midway between the cities of Hartford and New Haven in New Haven County at the crossroads of I-91, I-691, State Rt. 15 (Wilbur Cross Parkway) and U.S. 5. I-691 links I-91 and I-84.

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

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

### ***Form of Government***

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

Under the City Charter, the legislative branch consists of 12 elected members forming the City Council who have exclusive legislative and fiscal powers. The Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The City Council appoints the City Manager and the Mayor is popularly elected to office for a term of two years.

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 to the approval of the City Council and serves at the pleasure of the City Council. The Director is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

## ***ECONOMIC CONDITIONS AND DEVELOPMENT***

Meriden's development points to a stable economy of consistent growth in all development sectors (commercial/industrial and residential). In fact, the residential annual growth rate of 90 units per year is in line with the annual growth rate over the last decade and half. The 400,055 sq. ft. annual growth rate for commercial/industrial development rate is substantially above normal. It is the second largest increase in the past 15 years. The largest increase occurred in 1999 when the annual rate of increase in commercial/industrial development was 460,000 sq. ft.

The Planning Commission approved plans which when constructed will add:

- 90 units to the housing stock;
- 400,055 sq. ft. to the commercial/industrial base; and
- 25,000 sq. ft. to the institutional base.

These numbers again point to a stable/healthy expansion of the residential and especially the commercial/industrial base. The residential annual growth rate of 90 is a healthy increase particularly in the quality of the developments. Again, the commercial/industrial annual rate 400,055 sq. ft. is an extremely positive sign of the vitality of the City's economic base. The development activity is charted below per type and status:

**MATRIX: DEVELOPMENT PROJECTS APPROVED**

Type of Use	Approved by Planning	Occupied	Under Construction	Anticipated Construction
Off. Lt. Indus.	30,000 sq.ft.	18,000 sq. ft.	12,000 sq. ft.	
Industrial	147,455 sq.ft.	88,455 sq.ft.		59,000 sq. ft.
Comm. Retail	222,600 sq.ft.	10,000 sq.ft.	190,000 sq.ft.	22,600 sq.ft.
<b>TOTAL COMMERCIAL</b>	400,055 sq.ft.	116,445 sq.ft.	202,000 sq.ft.	81,600 sq.ft.
Multi-Fam. Residential	52 units		30 units	22 units
Single Fam. Residential	38		14	24
<b>TOTAL RESIDENTIAL</b>	90 units		44 units	46 units
<b>TOTAL INSTITUTIONAL</b>	25,000 sq.ft.		20,000 sq. ft.	5,000 sq.ft.

Another encouraging aspect of this development activity continues to be the diversity and the high percentage of approvals that are either completed or under construction. This diversity and construction rate include:

- 80% (338,455 sq. ft.) of the total development square footage (425,055 sq. ft. ) approved by the Planning Commission has already been built or is under construction;
- 80% (318,415 sq. ft.) of the total commerce square footage (400,055 sq. ft.) approved by the Planning Commission has been built or is under construction;
- 49% (44 units) of the total residential units (90 units) approved by the Planning Commission have already been built or is under construction.

**Comprehensive Planning**

The City is in the midst of the most important planning process a community faces, that is the preparation of the Plan of Conservation & Development (a.k.a. "Master Plan" or "Plan of Development"). In April of 2005, the Planning Commission noted the need to update the 1985 Land-Use Plan and began the process of developing the Plan of Conservation & Development. The City Council recognizing the importance of such a plan has allocated a total of \$100,000 in the City budget to hire a consultant to work with the Plan of Conservation & Development Steering Committee to prepare the Comprehensive Plan. In July 2006, the City hired the Planning

firm of "Harrall-Michalowski Associates". This planning process will be completed by April 2008. All aspects of City function (land use, economic development, open space housing, infrastructure, quality of life, etc.) will be reviewed and addressed. Please note the following vision statement that the Plan of Development Steering Committee has established as the guiding objective of the Plan:

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

The study process has already involved a determined effort to acquire public input. This outreach has been through: The Steering Committee's presentation and receipt of input from civic groups (i.e. Chamber of Commerce) and neighborhood groups. Also, the City employed the nationally recognized pollsters "Center for Research & Public Policy" to conduct a statistically sound public survey on land use issues. This survey was conducted April '07 and is included as an addendum to this report.

Further, The City's comprehensive planning efforts continued to be concentrated in the areas of Neighborhood Planning, Environmental Planning and Economic Development:

#### **A. NEIGHBORHOOD PLANNING:**

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

The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Since the 1994 inception of this award-winning program through December 2006, over 4,000 code violations were cited on some 2,000 properties. As of 2007, and after eight (8) rounds 92% (3,680) of these violations have been corrected and 91% (1,820) of the properties have been brought into compliance. Code violations include: building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc.

In order to build upon the Code Enforcement and go the extra step to address quality of life and aesthetic issues in our neighborhoods, in April 2004, the City Council adopted an "AntiBlight Ordinance". Basically, this ordinance attacks

poorly maintained and dilapidated properties. It also addresses properties that are not covered by the safety codes. The AntiBlight Ordinance covers property not just buildings; it also addresses unoccupied structures and commercial properties. In the two years since we began enforcing the ordinance, the City has cited 31 properties and has already received compliance on 19.

## **B. ENVIRONMENTAL PLANNING**

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

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

The Conservation Commission and Planning staff is active in preserving the environmentally sensitive land throughout the City. A major environmental project was the development and approval of the Ridge Top Protection Ordinance. This is a Zoning Regulation with the stated purpose being "to restrict development on the major ridge lines of the City". The adoption of this ordinance, the first in the State, is evidence of the City's commitment to protect our natural resources. The City extended this commitment by applying this zone to private property. In recognition the City's "outstanding" efforts in the development, maintenance and protection of trail systems, the Connecticut Forest and Park Association designed the City as a "Connecticut Trail Town".

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

The City is in the process of environmental clean-up of two (2) important, centrally located sites:

1. Factory "H" - which is located on Cook Avenue at the southerly entrance to the CBD. The clean-up of this vacant "dirty factory" will present many development opportunities.
2. HUB - This abandoned mall in the middle of the CBD has been demolished and the City is now developing plans for an urban center park and provide further development potential.

As previously stated, the City is in the process of updating the 1985 Land-Use Plan. This will include the further study and recommendation regarding environmental sensitive lands and be a major tool in the City's preservation and balanced development efforts.

## ***ECONOMIC DEVELOPMENT***

On the Economic Development front, the City has continued to attract development and further business to the CBD. Also, this past year the City has approved two zoning amendments with economic development consequences:

1. Change the zone of 210 Cheshire Road from Residential designation to Manufacturing to allow for the large expansion of industrial business;
2. Amend the regulations to allow colleges with the Planned Executive Office zone.

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

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

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

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

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

The City's Comprehensive Economic Development Strategy Plan (CEDS) was approved by the US Economic Development Administration (EDA) in 2000. EDA has approved all of the annual reports submitted since that time. Thirty-five community leaders and company representatives sit on a steering committee, which guides the planning effort and implementation activities.

The former Jefferson School building has been razed and the ground remediated. The United States Post Office has completed and is operating a new postal facility in the City.

The City, in conjunction with its legislative delegation is petitioning the State to acquire some 50 acres of valuable property contiguous and accessible to I-691 for Economic Development purposes.

## COMMUNITY DEVELOPMENT PROGRAM

The primary function of the City's Community Development Program is the administration of the City's Community Development Block Grant (CDBG) Program, which provides funds for various city departments and local non-profit agencies to operate programs benefiting low and moderate income persons. In addition, this staff applies for and manages numerous other municipal grant applications in the areas of transportation, energy, open space, law enforcement and public safety.

The City of Meriden is a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated "distressed" municipality pursuant to Section 32-9j of the Connecticut General Statutes. During fiscal year 2007, the City of Meriden received \$939,242 in U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) "entitlement" funds that are used to promote decent housing, a suitable living environment, and economic opportunities in Meriden's low and moderate income areas. Programs funded with CDBG funds include a portion of the City's code enforcement activities, as well as social services for the elderly, the homeless, the handicapped and at-risk youth. Some CDBG funds are also set aside for demolition of hazardous structures, litter removal and administrative activities. CDBG grants are also used to support a revolving loan program that funds housing rehabilitation projects. Repayment of loans allows the City to implement new housing rehabilitation projects throughout the year. At the end of FY 2007, there were 164 outstanding loans that were funded with CDBG money totaling \$2,398,063.

In addition to the CDBG program, the Community Development Program office also manages an assortment of state and federal grants totaling over \$6 million. Current grants include the US Environmental Protection Agency and Connecticut Department of Economic and Community Development grants for brownfields remediation at the "HUB" and Factory H sites, Connecticut Department of Environmental Protection grants for open space preservation and park improvement at five sites City-wide, US Department of Homeland Security-Federal Emergency Management Agency and US Department of Justice grants for police overtime and fire safety equipment, Connecticut Department of Transportation grants for the development of greenways and the maintenance of roads and bridges City-wide.

Key accomplishments of the Community Development Program office during the 2007 fiscal year included: completed the demolition of the former Meriden Mall building at the "HUB" brownfields site, completed twenty-seven (27) Rehabilitation Loans to low income households, enabled 25 social service agencies to provide services to 19,341 persons, 97 percent of which are low or moderate income, and enabled the City Building Department oversee the correction of 1981 housing code violations and board and secure four hazardous properties. In addition to the CDBG and other grant funded activities, the City also supported the activities of the Meriden Council of Neighborhoods and submitted on behalf of interested non-profit organizations the City's application to the state Neighborhood Assistance Act program. During FY 2007, the Meriden Housing Authority also used approximately \$9,500,000 in state and federal grant during the program year for public housing programs City-wide.

## **Awards**

The Government Finance Officer's 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, 2006. This was the third 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.

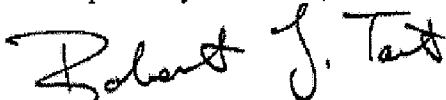
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **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 and the Board of Education Business Office. Each member has my sincere appreciation for their contributions made in the preparation of this report. In particular, Carol Shade, Director of Accounting, Agnes Puzio and Margaret Leighton, Accountants and Gail Hyde, BOE Business Office Manager.

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 that reads "Robert G. Tait". The signature is written in a cursive style with a large, stylized initial "R".

Robert G. Tait  
Director of Finance



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Meriden Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

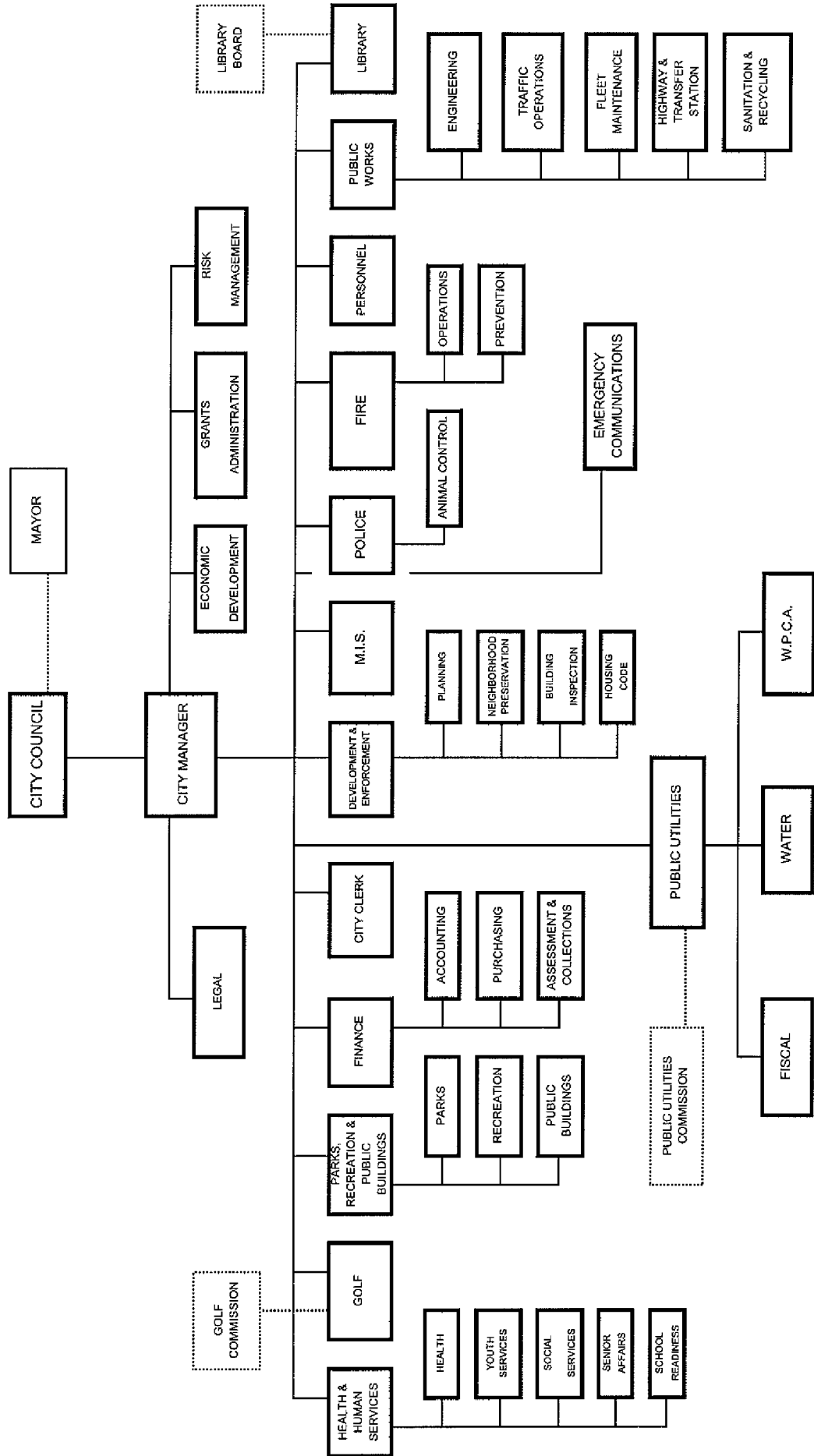
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# CITY OF MERIDEN ORGANIZATIONAL CHART



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS

JUNE 30, 2007

MAYOR

Mark D. Benigni

CITY COUNCIL

Matthew C. Dominello, Sr., Deputy Mayor  
Stephen T. Zerio, Majority Leader  
Keith Gordon, Deputy Majority Leader  
Patricia D. Lynes, Deputy Majority Leader  
Michael S. Rohde, Majority Whip  
Brian F. Kogut, City Councilor  
George McGoldrick, City Councilor  
David J. Salafia, City Councilor  
Hilda E. Santiago, City Councilor  
Sandy Maier Schede, City Councilor  
Trevor Thorpe, City Councilor  
Anthony d. Tomassetti, City Councilor

CITY MANAGER

Lawrence Kendzior

ADMINISTRATION

City Clerk	Irene Masse
City Planner	Dominick Caruso
Corporate Counsel	Michael Quinn
Director of Finance	Robert Tait
Fire Chief	James Trainor
Golf Course Facilities Manager	Tom DeVaux
Director of Economic Development	Peggy Brennan
Director of Emergency Communications	Frank Kiernan
Director of Health and Human Services	Beth Vumbaco
Director of Management Information Systems	Steve Montemurro
Director of Parks, Recreation and Building Maintenance	Mark Zebora
Director of Personnel	Caroline Beitman
Library Director	Nancy Lauretano
Police Chief	Jeffry Cossette
Director of Public Works	Robert J. Bass
Director of Public Utilities	David Lohman

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BOARD OF EDUCATION ADMINISTRATION

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Glen A. Lamontagne, Assistant Superintendent, Finance and Administration

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**Financial Section**

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2007**

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, 2007. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$174.6 million. Total net assets for Governmental Activities at fiscal year-end were \$70.4 million and total net assets for Business-Type Activities were \$104.2 million.
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$12.1 million or 7.5%, from \$162.6 million to \$174.6 million. Net assets increased by \$13.0 million for Governmental Activities and decreased by \$0.9 million for Business-Type Activities. Governmental activities expenses were \$194.1 million, while revenues were \$207.1 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 \$5.7 million, an increase of \$12.3 million from the prior fiscal year (exhibit C).
- ◆ At the end of the current fiscal year, the total fund balance for the general fund was \$11.5 million, an increase of \$1.7 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2007, \$3.6 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 2.06% of total general fund expenditures (\$176.6 million).

## **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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

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

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

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

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

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 4-6 of this report.

### **Fund Financial Statements**

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

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

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

The City of Meriden maintains 45 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other 43 governmental funds are combined into a single, aggregated presentation as other governmental funds.



Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on Schedule 3 and in the combining statement of revenues, expenditures and changes in fund balance on Schedule 4.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a non-major fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements. The proprietary fund financial statements can be found on Exhibits G, H and I 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, four agency funds and four private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits J and K 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 19-52 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 in Note 10 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net assets exceeded liabilities by \$174.6 million on June 30, 2007. Governmental activities assets exceeded liabilities by \$70.4 million. Business Type activities assets exceeded liabilities by \$104.2 million.

### CITY OF MERIDEN, CONNECTICUT STATEMENT OF NET ASSETS (\$000's) Primary Government

	June 30, 2007			June 30, 2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	50,707	23,850	74,557	49,427	17,650	67,077
Non-current	208		208	24,423	0	24,423
Capital assets	189,632	98,475	288,107	163,159	98,513	261,672
<b>Total Assets</b>	<b>240,547</b>	<b>122,325</b>	<b>362,872</b>	<b>237,009</b>	<b>116,163</b>	<b>353,172</b>
Current liabilities	38,517	6,016	44,533	51,334	1,510	52,844
Long-term liabilities outstanding	131,626	12,082	143,708	128,249	9,507	137,756
<b>Total Liabilities</b>	<b>170,143</b>	<b>18,098</b>	<b>188,242</b>	<b>179,583</b>	<b>11,017</b>	<b>190,600</b>
Net Assets:						
Invested in capital assets, net of related debt	106,565	86,538		107,105	85,780	192,885
Restricted				5,284	0	5,284
Unrestricted		17,833		-54,963	19,366	-35,597
<b>Total Net Assets</b>	<b>70,404</b>	<b>104,226</b>	<b>174,630</b>	<b>57,426</b>	<b>105,146</b>	<b>162,572</b>

A portion of net assets was restricted in June 30, 2007 as a result of enabling legislation. Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation – An Amendment to GASB Statement 34* pertains to this. These restrictions are further explained in Note 11 of the financial statements.

By far the largest portion of the City of Meriden's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF MERIDEN, CONNECTICUT  
CHANGES IN NET ASSETS  
Primary Government**

	June 30, 2007			June 30, 2006		
	Governmental Activities	Business-Type Activities	Total Government	Governmental Activities	Business-Type Activities	Total Government
<b>Revenues:</b>						
Program Revenues:						
Charges for services	6,426	15,142	21,568	7,747	14,413	22,160
Operating Grants and contributions	19,914		19,914	21,265		76,517
Capital Grants and contributions	6,491		6,491	5,895		5,895
General Revenues:						
Property Tax	105,354		105,354	94,042		94,042
Grants not restricted to specific programs	59,928		59,928	55,252		
Unrestricted investment earnings	2,483	574	3,057	1,455	461	1,916
Miscellaneous Income	6,512		6,512	4,866		4,866
<b>Total revenues</b>	<b>207,108</b>	<b>15,716</b>	<b>222,824</b>	<b>190,522</b>	<b>14,874</b>	<b>205,396</b>
<b>Expenses:</b>						
General Government	30,470		30,470	37,796		37,796
Education	115,598		115,598	105,537		105,537
Public Safety	19,433		19,433	18,406		18,406
Public Works	10,469		10,469	9,262		9,262
Human Services	10,262		10,262	5,997		5,997
Cultural And Recreation	4,284		4,284			
Interest on long term debt	3,614		3,614	3,720	555	3,720
WPCA Sewer		7,480	7,480		6,662	6,662
Water		8,275	8,275		7,885	7,885
Hunter Golf Course		881	881		944	944
<b>Total Expenses</b>	<b>194,130</b>	<b>16,636</b>	<b>210,766</b>	<b>180,718</b>	<b>16,046</b>	<b>196,764</b>
Change in Net Assets	12,978	(920)	12,058	9,804	-1,172	8,632
Net Assets-Beginning	57,426	105,146	162,572	47,622	106,318	153,940
<b>Net Assets-Ended</b>	<b>70,404</b>	<b>104,226</b>	<b>174,630</b>	<b>57,426</b>	<b>105,146</b>	<b>162,572</b>

The City's net assets increased by \$12.2 million during the fiscal year, with net assets of Governmental Activities increasing \$13.0 million and business-type activities decreasing by \$0.8 million

### **Governmental Activities**

Almost 51% of the revenues were derived from property taxes, followed by 42% from State and Federal Government program revenues, then 7% from other revenues.

Major revenue factors included:

- ◆ Property tax revenues increased by \$11.3 million, for fiscal year 2007, due to an increase in the City's tax rate of approximately 4.6% and total assessed value of all taxable property increased by 1.99%.
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant brought in 2.825 million in revenue for fiscal year 2007. This is the fifth year of the agreement.

For Governmental Activities, 59.5% of the City's expenditures relate to education, 10.0% relate to public safety, 15.7% to general government, 5.4% relate to public works, 5.3% to human services, 2.2% to culture and recreation and 1.9% on interest on long term debt.

Major expenditure factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 1.3% to 3.35% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs rose 1.37%, due to health insurance costs and pension funding requirements.
- ◆ The cost of education services increased \$10.1 million due to negotiated wage settlements, employee health insurance cost increases and special education cost increases.

### **Business-Type Funds**

Business-Type activities decreased the City's net assets by about \$919,812.

## **Financial Analysis of the City's Funds**

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

### Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$3.6 million while total fund balance reached \$11.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 2.04% of total general fund expenditures, while total fund balance represents 6.51% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$1,681,946 during the current fiscal year.

The Bonded Projects Fund has a total fund balance of -\$12.0 million, up from -\$21.8 million in the prior year. This increase can be explained by bond proceeds and state grants received in the current year.

The Other Governmental Funds has a total fund balance of \$6.2 million, up from \$5.3 million in the prior year. The \$0.9 million increase was primarily due to the Other Grants Program where we experienced an increase in grants in the current year.

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

Net assets of the Water Fund at the end of the year were \$47.5 million, with unrestricted net assets of \$13.0 million. The Water Fund experienced operating loss of \$624,275.

Net assets of the Sewer fund were \$56.7 million. Unrestricted net assets were \$10.2 million. The Sewer Fund experienced an operating loss of \$275,694.

### **General Fund Budgetary Highlights**

The difference between the original expenditure budget and the final amended expenditure budget was \$749,023. The original budget included a contingency of \$325,000 that was budgeted in the General Fund expenses to cover certain items,

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

- \$228,733 for flood control purposes
- \$520,290 for education purposes

Several departments had favorable variances in their budgets during the fiscal year. The Employee Benefits department was \$2,959,208 under budget due mainly to a favorable experience in the health insurance fund from which the department is charged. The Law department was under their budget by \$147,415 due to a decrease in legal fees charged. Bulky Waste division was under their budget by \$143,182 due mainly to a decrease in tipping fees charged. The Health department was under budget by \$111,903 due mainly to unfilled positions. The Library was under budget by \$109,936 due mainly to unfilled positions. During the year, actual revenues on a budgetary basis were \$172.8 million, which was more than budgetary estimates by \$413,430. Actual tax revenues were less than budget by \$303,797. Actual investment income totaled \$1,871,308 which was \$871,308 above the budgeted amount.

Actual revenues and other financing uses on a budgetary basis totaled \$175.3 million, exceeding actual expenditures on a budgetary basis by \$4.4 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, 2007, amount to \$287.8 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 fifth year the City of Meriden has reported its investment in capital assets.

**CITY OF MERIDEN, CONNECTICUT**  
**CAPITAL ASSETS (net of depreciation)**  
**Primary Government**

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	June 30, 2007			June 30, 2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	20,398	916	21,314	20,546	916	21,462
Land improvements	6,203	204	6,407	5,054	74	5,128
Buildings and improvements	117,060	20,211	137,271	112,190	22,084	134,274
Infrastructure	37,871	68,336	106,207	41,031	69,891	110,922
Machinery and equipment	3,124	5,183	8,307	3,502	5,553	9,055
Vehicles	2,914	45	2,959	1,382		1,382
Construction in progress	1,717	3,580	5,297	3,877		3,877
<b>Total</b>	<b>189,287</b>	<b>98,475</b>	<b>287,762</b>	<b>187,582</b>	<b>98,518</b>	<b>286,100</b>

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

- \$3,902,141 for Washington Roof Project
- \$1,150,480 for Johnson Hill Permanent Tank Covers
- \$1,088,577 for the HUB Project
- \$1,015,436 for vehicles
- \$ 858,803 for Phase I WPCF Improvements

Additional information on the City of Meriden's capital assets can be found in Note 7 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$94 million. 100% of this debt is backed by the full faith and credit of the City.



**MERIDEN, CONNECTICUT  
OUTSTANDING DEBT  
GENERAL OBLIGATION AND REVENUE BONDS**

	<b>June 30, 2007</b>			<b>June 30, 2006</b>		
	<b>Governmental</b>	<b>Business- Type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business- Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>		<b>Activities</b>	<b>Activities</b>	
General obligation bonds	82,722	11,028	93,750	80,477	8,309	88,785
Bond anticipation notes	12,438	4,687	17,125	22,250	3,550	25,800
Notes payable		1,051	1,051		1,199	1,119
<b>Totals</b>	<b>95,160</b>	<b>16,766</b>	<b>111,926</b>	<b>102,727</b>	<b>13,057</b>	<b>115,784</b>

The City of Meriden's bonded debt increased by \$5.0 million or 5.6% during the 2006-2007 fiscal year. During the current fiscal year the City issued \$17.1 million in bond anticipation notes.

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$734,819,435. As of June 30, 2007, the City recorded long-term debt of \$82.7 million related to Governmental Activities and \$11.0 million related to Business-Type Activities, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 8 on pages 36-39 of this report.

**Economic Factors**

The City of Meriden has not been immune from the effects of the national economic downturn. As of June 2007, the unemployment rate for the Greater New Haven Labor market is 4.8%, up from 4.7% in the prior year (not seasonally adjusted). Connecticut's overall unemployment rate stands at 4.6%, compared with 4.5% for the same time last year.

With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone and a Technology Zone to provide incentives to businesses relocating to Meriden.

### **Requests for Information**

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

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## **Basic Financial Statements**

**STATEMENT OF NET ASSETS**  
**June 30, 2007**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total*</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 41,759,889	1,546,687	43,306,576
Investments	2,090,076	11,975,000	14,065,076
Receivables, net of allowance for collections:			
Property taxes	4,529,830		4,529,830
Accounts receivable	1,097,154	2,529,179	3,626,333
Federal and state governments	1,791,344		1,791,344
Estimated unbilled usage		3,572,722	3,572,722
Loans receivable, net	3,665,069		3,665,069
Internal balances	(4,226,034)	4,226,034	-
Inventories and other assets	207,975		207,975
Net pension assets	344,269		344,269
Noncurrent assets:			
Capital assets, being depreciated, net of accumulated depreciation	189,287,368	98,474,915	287,762,283
<b>Total assets</b>	<b>\$ 240,546,940</b>	<b>122,324,537</b>	<b>362,871,477</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	\$ 21,604,198	1,329,255	22,933,453
Retainage payable	372,076		372,076
Accrued interest	2,129,663		2,129,663
Unearned revenue	1,973,216		1,973,216
Temporary notes payable	12,438,000	4,687,000	17,125,000
Noncurrent liabilities:			
Due within one year	18,474,756	2,231,799	20,706,555
Due in more than one year	113,151,259	9,850,304	123,001,563
<b>Total liabilities</b>	<b>\$ 170,143,168</b>	<b>18,098,358</b>	<b>188,241,526</b>
<b>Net Assets:</b>			
Investment in capital assets, net of related debt	\$ 94,127,356	77,018,812	171,146,168
Restricted:			
Debt services	1,875,000		1,875,000
Enabling legislation	4,621,062		4,621,062
Unrestricted	(30,219,646)	27,207,367	(3,012,279)
<b>Total net assets</b>	<b>\$ 70,403,772</b>	<b>104,226,179</b>	<b>174,629,951</b>

\*After internal balances have been eliminated.

The notes to the financial statements are an integral part of this statement.

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2007

Functions/programs	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>
<b>Primary Government:</b>		
Governmental activities:		
General government	\$ 30,469,531	3,375,592
Education	115,598,464	1,741,563
Public safety	19,433,365	991,026
Public works	10,468,697	117,058
Human services	10,262,381	195,460
Cultural and recreation	4,284,243	6,109
Interest on long-term debt	3,613,687	
<b>Total governmental activities</b>	<u>\$ 194,130,368</u>	<u>6,426,808</u>
Business-type activities:		
Sewer Authority	\$ 7,479,646	7,022,724
Water Authority	8,275,629	7,321,661
George Hunter Golf Course	881,045	797,635
<b>Total business-type activities</b>	<u>\$ 16,636,320</u>	<u>15,142,020</u>
<b>Total primary government</b>	<u>\$ 210,766,688</u>	<u>21,568,828</u>

The notes to the financial statements are an integral part of this statement.

Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
1,584,795	4,395,856	(21,113,288)		(21,113,288)
14,204,886	1,572,050	(98,079,965)		(98,079,965)
139,413		(18,302,926)		(18,302,926)
	522,742	(9,828,897)		(9,828,897)
3,945,186		(6,121,735)		(6,121,735)
39,339		(4,238,795)		(4,238,795)
		(3,613,687)		(3,613,687)
<u>19,913,619</u>	<u>6,490,648</u>	<u>(161,299,293)</u>	<u>-</u>	<u>(161,299,293)</u>
			(456,922)	(456,922)
			(953,968)	(953,968)
			(83,410)	(83,410)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,494,300)</u>	<u>(1,494,300)</u>
<u>19,913,619</u>	<u>6,490,648</u>	<u>(161,299,293)</u>	<u>(1,494,300)</u>	<u>(162,793,593)</u>
<b>General revenues:</b>				
Property taxes		\$ 105,353,811		105,353,811
Grants and contributions not restricted for specific programs		59,927,691		59,927,691
Unrestricted investment earnings		2,483,393	574,488	3,057,881
Miscellaneous income		6,512,035		6,512,035
<b>Total general revenues</b>		<u>\$ 174,276,930</u>	<u>574,488</u>	<u>174,851,418</u>
<b>Change in net assets</b>		\$ 12,977,637	(919,812)	12,057,825
<b>Net assets, beginning</b>		<u>57,426,135</u>	<u>105,145,991</u>	<u>162,572,126</u>
<b>Net assets, ending</b>		<u>\$ 70,403,772</u>	<u>104,226,179</u>	<u>174,629,951</u>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

	<u>General</u>	<u>Bonded Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 22,967,437	6,639,122	4,933,324	34,539,883
Investments			2,090,076	2,090,076
Receivables, net of allowance for collections:				
Property taxes	4,529,830			4,529,830
Accounts receivable	939,463	18,743	21,994	980,200
Federal and state governments	877,038	522,742	391,564	1,791,344
Loans receivable		994,508	2,670,561	3,665,069
Inventory	108,962		99,013	207,975
Other assets				-
Due from other funds	350,566		554,370	904,936
Advance to golf fund	963,600			963,600
<b>Total assets</b>	<b>\$ 30,736,896</b>	<b>8,175,115</b>	<b>10,760,902</b>	<b>49,672,913</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 13,775,650	1,254,678	1,477,554	16,507,882
Retainage payable		372,076		372,076
Due to other funds	420,619	5,412,647	261,801	6,095,067
Deferred revenue	5,047,048	710,274	2,826,343	8,583,665
Temporary notes payable		12,438,000		12,438,000
<b>Total liabilities</b>	<b>\$ 19,243,317</b>	<b>20,187,675</b>	<b>4,565,698</b>	<b>43,996,690</b>
<b>Fund Balances</b>				
Reserved for:				
Inventory	\$		99,013	99,013
Encumbrances	296,190	3,489,154		3,785,344
Donor intentions	13,820		2,241,635	2,255,455
Loans receivable		994,508		994,508
Long-term advances	963,600			963,600
Debt payments	1,875,000			1,875,000
Enabling legislation	4,701,001		277,834	4,978,835
Unreserved, undesignated reported in:				
General fund	3,643,968			3,643,968
Special revenue funds			3,651,654	3,651,654
Capital project funds		(16,496,222)	(74,932)	(16,571,154)
<b>Total fund balances</b>	<b>\$ 11,493,579</b>	<b>(12,012,560)</b>	<b>6,195,204</b>	<b>5,676,223</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,736,896</b>	<b>8,175,115</b>	<b>10,760,902</b>	

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

Capital assets purchased in the governmental funds are reported as expenditures however the statement of net assets includes those capital assets among the assets of the City as a whole.	189,287,368
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	6,954,718
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 included in the governmental activities column in the statement of net assets.	2,241,141
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(133,755,678)</u>
<b>Net assets of governmental activities</b>	<b>\$ <u>70,403,772</u></b>

The notes to the financial statements are an integral part of this statement.



**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007**

	<u>General</u>	<u>Bonded Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 103,735,166			103,735,166
Federal and state government	62,904,894	4,831,498	19,327,402	87,063,794
Charges for services	5,630,423		2,567,345	8,197,768
Investment income	1,871,308		774,916	2,646,224
Other revenues	4,539,833	13,747	697,981	5,251,561
<b>Total revenues</b>	<b>\$ 178,681,624</b>	<b>4,845,245</b>	<b>23,367,644</b>	<b>206,894,513</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 26,055,557		2,378,885	28,434,442
Finance	1,941,515		147,230	2,088,745
Public safety	18,607,636			18,607,636
Public works	6,038,496			6,038,496
Health and welfare	2,929,846		6,644,549	9,574,395
Cultural and recreation	3,755,945		528,298	4,284,243
Education	99,267,133		13,159,408	112,426,541
<b>Debt service:</b>				
Principal retirements	13,889,397			13,889,397
Interest and other charges	4,174,541			4,174,541
Capital outlay		11,201,037		11,201,037
<b>Total expenditures</b>	<b>\$ 176,660,066</b>	<b>11,201,037</b>	<b>22,858,370</b>	<b>210,719,473</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 2,021,558</b>	<b>(6,355,792)</b>	<b>509,274</b>	<b>(3,824,960)</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 100,000		593,420	693,420
Transfers out	(439,612)		(253,808)	(693,420)
Bond proceeds		16,134,700		16,134,700
<b>Total other financing sources (uses)</b>	<b>\$ (339,612)</b>	<b>16,134,700</b>	<b>339,612</b>	<b>16,134,700</b>
<b>Net changes in fund balances</b>	<b>\$ 1,681,946</b>	<b>9,778,908</b>	<b>848,886</b>	<b>12,309,740</b>
<b>Fund balances (deficits) - beginning</b>	<b>9,811,633</b>	<b>(21,791,468)</b>	<b>5,346,318</b>	<b>(6,633,517)</b>
<b>Fund balances (deficits) - ending</b>	<b>\$ 11,493,579</b>	<b>(12,012,560)</b>	<b>6,195,204</b>	<b>5,676,223</b>

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2007**

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Differences in amounts reported for government wide activities in Statement of Activities (Exhibit B) are due to:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 12,309,740
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. This is the amount by which capital outlays exceeded depreciation in the current period.	1,705,625
Revenues previously recognized in the statement of activities that provided current financial resources in the current year.	213,492
Change in net pension assets.	(1,236)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,377,034)
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.	560,854
The net expense of certain activities of internal service funds is reported with governmental activities.	<u>1,566,196</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 12,977,637</u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 104,038,963	104,038,963	103,735,166	(303,797)
Intergovernmental	57,964,545	57,964,545	57,024,493	(940,052)
Charges for services	5,618,890	5,618,890	5,630,423	11,533
Investment income	1,000,000	1,000,000	1,871,308	871,308
Other revenues	3,765,395	3,765,395	4,539,833	774,438
<b>Total revenues</b>	<b>\$ 172,387,793</b>	<b>172,387,793</b>	<b>172,801,223</b>	<b>413,430</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 30,292,285	29,281,399	25,928,825	3,352,574
Finance	2,200,785	1,986,775	1,941,515	45,260
Public safety	17,860,145	18,612,758	18,607,636	5,122
Public works	5,732,722	6,294,479	6,038,496	255,983
Human services	3,072,287	3,119,624	2,929,846	189,778
Cultural and recreation	3,774,366	3,866,288	3,755,945	110,343
Education	93,069,454	93,589,744	93,584,927	4,817
Debt service:				
Principal retirements	13,889,397	13,889,397	13,889,397	-
Interest and other charges	4,174,541	4,174,541	4,174,541	-
<b>Total expenditures</b>	<b>\$ 174,065,982</b>	<b>174,815,005</b>	<b>170,851,128</b>	<b>3,963,877</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (1,678,189)</b>	<b>(2,427,212)</b>	<b>1,950,095</b>	<b>4,377,307</b>
<b>Other financing sources (uses):</b>				
Contribution from fund balance	\$ 1,625,000	2,374,023	2,374,023	-
Transfers from other fund or designation	100,000	100,000	100,000	-
<b>Total other financing sources</b>	<b>\$ 1,725,000</b>	<b>2,474,023</b>	<b>2,474,023</b>	<b>-</b>
<b>Revenues over expenditures and other financial sources (uses)</b>	<b>\$ 46,811</b>	<b>46,811</b>	<b>4,424,118</b>	<b>4,377,307</b>
<b>Add :</b>				
2007 Encumbrances			296,190	
<b>Less:</b>				
2006 Encumbrances			(224,727)	
Use of fund balance			(2,374,023)	
Transfer out not on exhibit F			(439,612)	
<b>Net changes in fund balance-Exhibit D</b>			<b>\$ 1,681,946</b>	

The notes to the financial statements are an integral part of this statement.

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 June 30, 2007

	<u>Business-Type Activities -</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 975,733	554,929
Receivables, net of allowance for collection losses:		
Use charges	1,240,705	1,202,675
Unbilled services	1,905,603	1,667,119
Other	30,818	34,629
Investments	6,220,000	5,535,000
Due from other funds	3,396,516	1,749,173
<b>Total current assets</b>	<u>\$ 13,769,375</u>	<u>10,743,525</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	\$ 45,598,163	51,931,212
<b>Total noncurrent assets</b>	<u>\$ 45,598,163</u>	<u>51,931,212</u>
<b>Total assets</b>	<u>\$ 59,367,538</u>	<u>62,674,737</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable & accrued liabilities	\$ 763,709	461,415
Claims payable		
Temporary notes payable	3,838,000	799,000
Bonds payable - current	1,363,644	851,888
Due to other funds		
<b>Total current liabilities</b>	<u>\$ 5,965,353</u>	<u>2,112,303</u>
Noncurrent liabilities:		
Bonds payable, less current portion	\$ 5,860,097	3,865,542
Long-term claims payable		
Advance from general fund		
<b>Total noncurrent liabilities</b>	<u>\$ 5,860,097</u>	<u>3,865,542</u>
<b>Total liabilities</b>	<u>\$ 11,825,450</u>	<u>5,977,845</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$ 34,536,422	46,414,782
Unrestricted	13,005,666	10,282,110
<b>Total net assets</b>	<u>\$ 47,542,088</u>	<u>56,696,892</u>

The notes to the financial statements are an integral part of this statement.

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
16,025	1,546,687	7,220,006
	2,443,380	
	3,572,722	497
20,352	85,799	116,955
220,000	11,975,000	
43,945	5,189,634	
<u>300,322</u>	<u>24,813,222</u>	<u>7,337,458</u>
945,540	98,474,915	
<u>945,540</u>	<u>98,474,915</u>	<u>-</u>
<u>1,245,862</u>	<u>123,288,137</u>	<u>7,337,458</u>
104,131	1,329,255	241,048
	-	2,434,166
50,000	4,687,000	
16,267	2,231,799	
	-	
<u>170,398</u>	<u>8,248,054</u>	<u>2,675,214</u>
124,665	9,850,304	2,421,103
963,600	963,600	
<u>1,088,265</u>	<u>10,813,904</u>	<u>2,421,103</u>
<u>1,258,663</u>	<u>19,061,958</u>	<u>5,096,317</u>
754,608	81,705,812	
(767,409)	22,520,367	2,241,141
<u>(12,801)</u>	<u>104,226,179</u>	<u>2,241,141</u>

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITIES (DEFICIT)  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2007

	<u>Business-Type Activities -</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Operating revenues:</b>		
Charges for services	\$ 6,760,906	6,141,622
Miscellaneous	560,755	881,102
<b>Total operating revenues</b>	<u>\$ 7,321,661</u>	<u>7,022,724</u>
<b>Operating expenses:</b>		
Salaries, benefits and claims	\$ 3,109,443	1,497,126
Claims		
Material and supplies	736,434	1,072,435
Utilities	1,055,185	935,962
Administration and operation	1,010,781	500,783
Depreciation	1,568,894	1,956,737
Other	465,199	1,335,375
<b>Total operating expenses</b>	<u>\$ 7,945,936</u>	<u>7,298,418</u>
<b>Operating income (loss)</b>	<u>\$ (624,275)</u>	<u>(275,694)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	\$ 291,499	282,989
Interest expense	(329,693)	(181,228)
<b>Total nonoperating revenues (expenses)</b>	<u>\$ (38,194)</u>	<u>101,761</u>
<b>Change in Net Assets</b>	<u>\$ (662,469)</u>	<u>(173,933)</u>
<b>FUND EQUITIES, (DEFICIT), Beginning</b>	<u>\$ 48,204,557</u>	<u>56,870,825</u>
<b>FUND EQUITIES, (DEFICIT), Ending</b>	<u>\$ 47,542,088</u>	<u>56,696,892</u>

The notes to the financial statements are an integral part of this statement.

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
772,396	13,674,924	24,443,094
14,898	1,456,755	
<u>787,294</u>	<u>15,131,679</u>	<u>24,443,094</u>
448,999	5,055,568	
	-	21,461,185
192,974	2,001,843	
	1,991,147	
27,193	1,538,757	1,480,362
53,875	3,579,506	
<u>151,842</u>	<u>1,952,416</u>	<u>18,875</u>
<u>874,883</u>	<u>16,119,237</u>	<u>22,960,422</u>
<u>(87,589)</u>	<u>(987,558)</u>	<u>1,482,672</u>
10,341	584,829	83,524
<u>(6,162)</u>	<u>(517,083)</u>	
<u>4,179</u>	<u>67,746</u>	<u>83,524</u>
<u>(83,410)</u>	<u>(919,812)</u>	<u>1,566,196</u>
<u>70,609</u>	<u>105,145,991</u>	<u>674,945</u>
<u>(12,801)</u>	<u>104,226,179</u>	<u>2,241,141</u>

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended June 30, 2007

	<u>Business-Type Activities</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 7,216,063	6,636,289
Payments to suppliers	(6,754,222)	(5,676,584)
Payments to employees	(3,109,443)	(1,497,126)
<b>Net cash flows from operating activities</b>	<u>\$ (2,647,602)</u>	<u>(537,421)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of capital assets	\$ (2,324,405)	(1,224,278)
Issuance of new debt	5,473,944	2,613,980
Principal payments on capital debt	(822,984)	(765,000)
Interest paid on capital debt	(329,693)	(181,228)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>\$ 1,996,862</u>	<u>443,474</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	\$	
Sale of investments	865,000	345,000
Interest received on investments	291,499	282,989
<b>Net cash provided by investing activities</b>	<u>\$ 1,156,499</u>	<u>627,989</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	\$ 505,759	534,042
<b>Cash and Cash Equivalents, Beginning Balance</b>	<u>469,974</u>	<u>20,887</u>
<b>Cash and Cash Equivalents, Ending Balance</b>	<u>\$ 975,733</u>	<u>554,929</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>		
Operating Income (Loss)	\$ (624,275)	(275,694)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	1,568,894	1,956,737
Changes in assets and liabilities:		
Decrease (increase) in receivable accounts	(105,598)	(386,435)
Decrease (increase) in due from other funds	(3,371,580)	(1,749,173)
Increase (decrease) in accounts payable	(115,043)	(82,856)
Increase (decrease) in claims incurred but not reported		
Increase (decrease) in due to other funds		
	<u>\$ (2,647,602)</u>	<u>(537,421)</u>

The notes to the financial statements are an integral part of this statement.



Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
800,295	14,652,647	24,408,387
(425,751)	(12,856,557)	(23,093,063)
(448,999)	(5,055,568)	
<u>(74,455)</u>	<u>(3,259,478)</u>	<u>1,315,324</u>
(13,144)	(3,561,827)	
75,000	8,162,924	
(4,197)	(1,592,181)	
(6,162)	(517,083)	
<u>51,497</u>	<u>2,491,833</u>	<u>-</u>
	-	
4,730	1,214,730	
<u>10,341</u>	<u>584,829</u>	<u>83,524</u>
<u>15,071</u>	<u>1,799,559</u>	<u>83,524</u>
(7,887)	1,031,914	1,398,848
<u>23,912</u>	<u>514,773</u>	<u>5,821,158</u>
<u>16,025</u>	<u>1,546,687</u>	<u>7,220,006</u>
(87,589)	(987,558)	811,960
53,875	3,579,506	
13,001	(479,032)	(79,833)
(43,945)	(5,164,698)	
17,137	(180,762)	(95,923)
	-	49,618
<u>(26,934)</u>	<u>(26,934)</u>	
<u>(74,455)</u>	<u>(3,259,478)</u>	<u>685,822</u>

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**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2007**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,308,744	75,814	3,557,466
Accounts receivables	794,689		
Investments, at fair value:			
Corporate bonds	4,670,896		
U.S. government obligations	6,858,667		
Common stock	193,261,402		
Preferred stock	235,260		
Partnerships	25,631,783		
Other	42,563		
<b>Total assets</b>	<b>\$ 248,804,004</b>	<b>75,814</b>	<b>3,557,466</b>
<b>Liabilities</b>			
Other liabilities	\$ 6,508		3,557,466
<b>Total liabilities</b>	<b>\$ 6,508</b>	<b>-</b>	<b>3,557,466</b>
<b>Net Assets</b>			
Held in trust for pension benefits and other purposes	<b>\$ 248,797,496</b>	<b>75,814</b>	<b>-</b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2007**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
<b>Contributions:</b>		
Employer contributions	\$ 6,421,776	
Plan member contributions	2,726,240	
Donations and other		115,641
<b>Total contributions</b>	<u>\$ 9,148,016</u>	<u>115,641</u>
<b>Investment earnings:</b>		
Net increase in fair value of investments	\$ 30,294,705	
Interest and dividends	5,382,224	6,539
Less : Investment expenses		
<b>Total investment earnings</b>	<u>\$ 35,676,929</u>	<u>6,539</u>
<b>Total additions</b>	<u>\$ 44,824,945</u>	<u>122,180</u>
<b>DEDUCTIONS</b>		
Benefits	\$ 14,153,977	2,492
Administration	1,374,310	
Other deductions	695,453	130,529
<b>Total deductions</b>	<u>\$ 16,223,740</u>	<u>133,021</u>
<b>Change in net assets</b>	<u>\$ 28,601,205</u>	<u>(10,841)</u>
<b>NET ASSETS, beginning</b>	<u>\$ 220,196,291</u>	<u>86,655</u>
<b>NET ASSETS, ending</b>	<u>\$ 248,797,496</u>	<u>75,814</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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#### Note 1 - Summary of Significant Accounting Policies

##### Reporting Entity

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated in 1807 and as a City in 1867. The City covers an area of 24 square miles, and is located midway between the cities of Hartford and New Haven. The City 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.

The accompanying financial statements present the government and its component unit, an entity 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.

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

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for governmental accounting financial reporting principles. These principles require that the City report government-wide and fund financial statements, which are described below.

##### **Government-wide financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. *Government activities*, which is normally supported by taxes and intergovernmental revenues, are reported separately than *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*.

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2007

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The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity, or internal balances, has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the business-type funds and the various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

#### **Fund financial statements**

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

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

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. Revenues from property taxes 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. For this purpose, the City considers property tax revenue to be available if they are collected within 60 days of the end of the fiscal year.

Those revenues susceptible to accrual are property taxes, special assessments and interest revenue. Fines, permits and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

Intergovernmental revenues grants and similar items are recognized as soon as all eligible requirements imposed by the provider have been met and are collected soon enough to pay liabilities of the current period. For this purpose, grants may be recognized and received after 60 days of the fiscal year end.

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2007

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The City reports the following major governmental funds:

The **general fund** is the general operating fund of the City's government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the City, which were not paid through a special 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. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

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

Additionally, the City reports the following fund types:

The **internal service funds** account for employee health insurance and workers' compensation insurance provided to departments of the City and Board of Education.

The **private-purpose trust fund** is used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Examples include scholarship funds and the police evidence funds held by the City.

The **pension trust funds** account for activities of the City's three defined benefit plans, which accumulate resources for pension benefit payments to qualified employees.

The **agency funds** account for monies held as a custodian for outside groups and agencies such as student activity funds, senior trip funds and performance bonds.

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services 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 and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Reclassifications**

Certain amounts for the year ended June 30, 2006 have been reclassified in to be comparable to the presentation for the year ended June 30, 2007. Included in this was a reclassification of capital assets. These reclassifications had no effect on the net income.

Assets, Liabilities and Net Assets or Equity

**Cash and cash equivalents**

The City considers cash on hand, deposits and short-term investments, with an original maturity of three months or less, to be cash and cash equivalents.

**Investments**

Investments are stated at the fair value using quoted market prices.

**Inventories**

Inventories are stated at the lower of cost or market using the consumption method on the first-in, first-out basis for governmental fund types.

**Receivables and payables**

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

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

All trade and property tax receivables, including those for the Water and Sewer funds, are shown net of an allowance for uncollectible accounts. Trade account receivables allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

An estimate has been recorded for utility services provided but not billed as of the end of the fiscal year.



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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**Capital assets**

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in 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 value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets 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 the business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Asset</u>	<u>Years</u>
Buildings	40-50
Building Improvements	7-30
Infrastructure	65
Machinery and equipment	5-30

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

**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.

**Deferred revenue**

Deferred revenue arises when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. Deferred revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2007

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#### Long-term obligations

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

#### Pension accounting

In the *pension trust funds*, employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

In the *governmental funds*, the cumulative difference between annual pension costs and the City's contributions to the plans since 1986, is calculated on an actuarial determined basis consistent with the requirements of *GASB Statement 27* and recognized in the government-wide financial statements as net pension (asset) obligation as a non-current liability. Annual pension cost expenditures are recognized when they are paid or are expected to be paid with current available resources. The liability is typically paid out of the general fund over the life of the pension.

#### Fund equity and net assets

In the government-wide financial statements, net assets are classified in the following categories:

***Investment in capital assets, net of related debt*** - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

The ***restricted net assets*** represent amounts of external restrictions imposed by creditors, grantors, contributors and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The ***unrestricted net assets*** represent the net assets of the City which are not restricted for any project or other purpose.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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In the fund financial statements, fund balances of governmental funds are classified into two separate categories. The two categories and their general meanings are as follows:

The **reserved fund balance** - this category indicates that portion of fund equity which has been legally segregated for specific purposes.

The **undesignated and unreserved fund balance** category indicates that portion of fund equity which is available for appropriations and expenditures in future periods.

Encumbrances represent commitments related to unperformed contracts for goods and services. The governmental funds utilize encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation and fund balance.

**Note 2 - Budgets and Budgetary Accounting**

General Fund

The Statement of Revenues and Expenditures, and Change in Fund Balance – Budgetary Basis - Budget to Actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the City's general budget policies are as follows:

- A. 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. The City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- C. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- D. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy-five (75) days prior to the beginning of the fiscal year.
- E. Within twenty days after the final public hearing the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- F. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- G. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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- H. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- I. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations, must be approved by the City Council. Additional appropriations by the City Council may not exceed 1 ½ % of the general fund budget as established for the current year, without levying a special tax. There were additional appropriations of approximately \$749,023 during the year ended June 30, 2007, which was funded through additional revenues received.
- 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 other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

A reconciliation of General Fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with accounting principles generally accepted in the United States of America (GAAP) is as follows:

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
<b>Balance, budgetary basis</b>	\$ 172,801,223	170,851,128
Encumbrances of June 30, 2006		224,727
Encumbrances of June 30, 2007		(296,190)
State Teachers' Retirement and on-behalf payment, not recognized for budgetary purposes	<u>5,880,401</u>	<u>5,880,401</u>
<b>Balance, GAAP Basis</b>	<u>\$ 178,681,624</u>	<u>176,660,066</u>

Special Revenue Funds

The City does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants and, therefore, may comprise more than one fiscal year.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**June 30, 2007**

Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State Statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

**Note 3 - Reconciliation of Government-wide and Fund Financial Statements**

Explanation of Certain Differences between the Government Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The detail of this difference is as follows:

Long-term debt	\$ 82,722,012
Compensated absences	15,399,935
Heart and hypertension	1,141,675
Post-closure landfill costs	2,244,997
Net pension obligation	27,167,396
Claims and judgments	2,950,000
Accrued interest	<u>2,129,663</u>
Net adjustment to reduce fund balance - Total government funds to arrive at net assets - governmental activities	<u>\$ 133,755,678</u>

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

Deferred revenue, not available	\$ 6,610,449
Net pension assets	<u>344,269</u>
	<u>\$ 6,954,718</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Acquisitions	\$ 11,612,720
Disposals	(693,500)
Depreciation	<u>(9,213,595)</u>
Net Adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,705,625</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Net (Increase) in Long-Term Debt	\$ (2,245,303)
Net Decrease in Compensated Absences	758,220
Net (Increase) in Claims and Judgments	(1,350,000)
Net (Increase) in Heart and Hypertension	(87,205)
Net (Increase) in Net Pension Obligation	(487,454)
Net Decrease in Landfill Closure and post-closure	<u>34,708</u>
Net Adjustment to Increase Net Changes In Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (3,377,034)</u>

**Note 4 - Deposits and Investments**

The City's deposits and investments are presented in the accompanying balance sheets as follows:

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental activities	\$ 6,125,630	28,414,253	34,539,883
Business-type activities	1,546,687		1,546,687
Fiduciary funds	6,328,215	14,613,809	20,942,024
<b>Investments:</b>			
Governmental activities		2,090,076	2,090,076
Business-type activities	11,975,000		11,975,000
Fiduciary funds		<u>230,700,571</u>	<u>230,700,571</u>
<b>Total Deposits and Investments</b>	<b>\$ <u>25,975,532</u></b>	<b><u>275,818,709</u></b>	<b><u>301,794,241</u></b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

Deposits

The carrying amounts of the City's deposits at June 30, 2007 consist of the following:

Bank Deposit Accounts	\$	9,847,538
Certificate of Deposits		16,127,069
Cash on Hand		925
Total Deposits	\$	<u>25,975,532</u>

**Custodial Credit Risk**

As of June 30, 2007, the carrying amount of the City's deposits had bank balances of approximately \$32,039,000. The amount of the bank balance covered under federal depository insurance was approximately \$ 987,670. The remaining deposits were uninsured, however, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2007 approximately \$ 3,200,000 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2007, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>	<u>Rating</u>
Money market accounts	Governmental	\$ 2,090,076	.02	Not reported
State investment fund	Governmental	19,881,453	.02	Not reported
Repurchase agreement	Internal Service	8,532,800	.02	Not reported
Money market account	Pension Trust	12,851,195	.02	Not reported
U.S. government Securities	Pension Trust	6,800,606	11.11	AAA
Fixed income corporate bonds	Pension Trust	4,623,119	10.53	AAA -CCC+
Common Equity securities	Pension Trust	184,342,776	.02	A+ - C
Equity funds	Pension Trust	8,552,888	.02	Not reported
Non-convertible preferred bonds	Pension Trust	235,260	.02	BBB-
Fixed income funds	Pension Trust	2,276,753	.02	Not reported
Partnerships	Pension Trust	<u>25,631,783</u>	.02	Not reported
Total Investments		\$ <u>275,818,709</u>		

\*All investments are in the top four quality grades of a National Bond Rating Service.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City has no formal policy specifically related to interest rate risk. The City minimizes its exposure to interest rate risk by investing its operating funds in short-term investments.

**Credit Risk**

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

*The treasurer of any municipality, as defined in section 7-359, upon approval by the budget-making authority, as defined in said section, of any metropolitan district, of any regional school district, of any district as defined in section 7-324, and of any other municipal corporation or authority authorized to issue bonds, notes or other obligations under the provisions of the general statutes or any special act may invest the proceeds received from the sale of bonds, notes or other obligations, or other funds, including the general fund, as hereinafter provided:*

*(1) In (A) the obligations of the United States of America, including the joint and several obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal land banks, all the federal intermediate credit banks, the Central Bank for Cooperatives, The Tennessee Valley Authority, or any other agency of the United States government, or (B) shares or other interests in any custodial arrangement, pool or no-load, open-end management-type investment company or investment trust registered or exempt under the Investment Company Act of 1940, 15 USC Section 80a-1 et seq. as from time to time amended, provided (i) the portfolio of such custodial arrangement, pool, investment company or investment trust is limited to obligations described in subparagraph (A) of this subdivision and repurchase agreements fully collateralized by any such obligations; (ii) such custodial arrangement, pool, investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; (iii) such custodial arrangement or pool is managed to maintain its shares at a constant net asset value or such investment company or investment trust is rated within one of the top two credit rating categories and, for any investment company or investment trust not managed to maintain its shares at a constant net asset value, within one of the top two risk rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner; and (iv) the municipal corporation or authority only purchases and redeems shares or other interests in such investment company or investment trust through the use of, or the custodian of such custodial arrangement or pool is, a bank, as defined in section 36a-2, or an out-of-state bank, as defined in said section, having one or more branches in this state.*



## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued

June 30, 2007

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*(2) In the obligations of any state of the United States or of any political subdivision, authority or agency thereof, provided that at the time of investment such obligations are rated within one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner.*

*(3) In the obligations of the state of Connecticut, or any regional school district, town, city, borough or metropolitan district in the state of Connecticut, provided that at the time of investment the obligations of such government entity are rated within one of the top three rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner.*

#### **Pension Investment Policies**

Pension investments have the following limitations:

1. 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.
2. Equity investments in any one company by any one advisor shall be limited at purchase to 10% of the total assets under management and/or 5% of the company's total outstanding equity.
3. 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.
4. In no event should the debt securities of any corporation exceed 10% of the assets under the management of any one advisor.
5. There shall be no investments in:
  - a. Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depository Receipts (ADR's) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager,
  - b. Securities issued by a participating employer, except to the extent permitted under the Employee Retirement Income Security Act of 1974,
  - c. Private placements, without affirmative Board approval,
  - d. Real Estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.
6. Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

7. Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board.
  
8. 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.

**Note 5 - Receivables, Deferred Revenue and Payables**

Receivables

The receivables as of June 30, 2007 for the City's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<b>Government funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Bond Projects Fund</b>	<b>Non-major Funds</b>	
Property taxes	\$ 6,515,095			6,515,095
Intergovernmental	877,038	522,742	391,564	1,791,344
Accounts	939,463	18,743	21,994	980,200
Loans		994,508	2,670,561	3,665,069
Gross receivables	\$ 8,331,596	1,535,993	3,084,119	12,951,708
Less: Allowance for collection losses	(1,985,265)			(1,985,265)
<b>Net Total Receivables</b>	<b>\$ 6,346,331</b>	<b>1,535,993</b>	<b>3,084,119</b>	<b>10,966,443</b>
			<b>Internal Service Funds</b>	116,954
			<b>Total net receivables, governmental activities</b>	<b>\$ 11,083,397</b>

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 June 30, 2007

	Business-type			Total
	Water Authority	Sewer Authority	Non-major Fund	
Use charges	\$ 1,502,606	1,352,675		2,855,281
Other charges	30,818	34,629	20,352	85,799
Unbilled	1,905,603	1,667,119		3,572,722
Gross receivables	\$ 3,439,027	3,054,423	20,352	6,513,802
Less: Allowance for collection losses	(261,901)	(150,000)		(411,901)
<b>Net Total Receivables</b>	<b>\$ 3,177,126</b>	<b>2,904,423</b>	<b>20,352</b>	<b>6,101,901</b>

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities in 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 fiscal year the components of deferred revenue and unearned revenues reported in the governmental fund were as follows:

	Unavailable	Unearned	Total
<b>General Fund:</b>			
Delinquent property taxes	\$ 3,908,445		3,908,445
Notes receivable	31,848		31,848
Advanced tax collections		1,106,755	1,106,755
<b>Bonded Projects:</b>			
Premium on temporary notes		710,274	710,274
<b>Non-major Governmental Funds:</b>			
Advance payments on grants		156,187	156,187
Loans receivables	2,670,156		2,670,156
<b>Total Deferred Revenue</b>	<b>\$ 6,610,449</b>	<b>1,973,216</b>	<b>8,583,665</b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

Payables

Payables as of June 30, 2007 for the City's individual major funds and non-major funds were as follows:

	<u>Vendors</u>	<u>Payroll</u>	<u>Cash Over Drafts</u>	<u>Total</u>
General Fund	\$ 2,235,071	8,750,569	2,790,010	13,775,650
Bond Fund	1,253,768	910		1,254,678
Non-major Funds	1,477,554			1,477,554
<b>Total governmental funds</b>	<b>\$ 4,966,393</b>	<b>8,751,479</b>	<b>2,790,010</b>	<b>16,507,882</b>
Internal service funds:				
Incurred, Reported	2,675,214			2,675,214
Incurred, Not Reported	2,421,102			2,421,102
<b>Total government activities</b>	<b>\$ 10,062,709</b>	<b>8,751,479</b>	<b>2,790,010</b>	<b>21,604,198</b>
Water Authority	\$ 763,709			763,709
Sewer Authority	461,415			461,415
George Hunter Memorial Golf Course	104,131			104,131
<b>Total business-type activities</b>	<b>\$ 1,329,255</b>	<b>-</b>	<b>-</b>	<b>1,329,255</b>
<b>Total Payables</b>	<b>\$ 11,391,964</b>	<b>8,751,479</b>	<b>2,790,010</b>	<b>22,933,453</b>

Temporary Notes Payables

The City uses short-term notes payable in anticipation of bond-issuances to provide interim funding for various capital projects. Activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
<b>Bond anticipation notes:</b>				
General purpose	\$ 21,399,000	8,648,000	21,399,000	8,648,000
Schools	875,000	3,790,000	875,000	3,790,000
Total governmental funds	<b>\$ 22,274,000</b>	<b>12,438,000</b>	<b>22,274,000</b>	<b>12,438,000</b>
Sewer	\$ 1,866,000	799,000	1,866,000	799,000
Water	\$ 1,660,000	3,838,000	1,660,000	3,838,000
Golf	\$ -	50,000	-	50,000
Total Bond Anticipation Notes	<b>\$ 25,800,000</b>	<b>17,125,000</b>	<b>25,800,000</b>	<b>17,125,000</b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

**Note 6 - Inter-fund Receivables, Payables and Transfers**

Inter-funds Receivables and Payables

Inter-fund receivables and payables at June 30, 2007 consisted of the following:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>General</u>	<u>Bonded Projects</u>	<u>Non-major Government</u>	
<b>Governmental:</b>				
General Fund	\$	223,013	127,553	350,566
Non-major Funds	420,619		133,751	554,370
Internal Service Funds			497	497
<b>Total governmental</b>	<u>420,619</u>	<u>223,013</u>	<u>261,801</u>	<u>905,433</u>
Water Authority		3,396,516		3,396,516
Sewer		43,945		43,945
Non-major enterprise		1,749,173		1,749,173
		5,189,634		5,189,634
<b>Total</b>	<u>\$ 420,619</u>	<u>5,412,647</u>	<u>261,801</u>	<u>6,095,067</u>

The internal balances reported on Exhibit A are as follows:

Business-type activities short-term loans to Bonded Projects	\$ 5,189,634
General Fund advancement to nonmajor Enterprise Fund	<u>(963,600)</u>
<b>Total internal balances</b>	<u>\$ 4,226,034</u>

Inter-fund balances resulted from the time lag between the date payments occur between funds for various activities, which include capital outlay.

Inter-fund Advances

Prior to fiscal year ended June 30, 2007, the general fund advanced \$988,600 to the George Hunter Memorial Golf Course with the anticipation that the Golf Course would return the funds to the general fund when funds were available. As of June 30, 2007, \$25,000 was repaid to the general fund.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

Inter-fund Transfers

Inter-fund transfers during the year ended June 30, 2007 were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Reason</u>
General fund	Land acquisition fund	\$ 299,677	Record designated assets in a separate fund, per State Statute.
General fund	Tree preservation fund	139,935	Record designated assets in a separate fund per City Ordinance.
Health programs fund	General fund	100,000	Reimbursement of shared costs.

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2007 was as follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 20,545,881	545,600	693,500	20,397,981
Construction in progress	<u>3,876,879</u>	<u>1,717,356</u>	<u>3,876,879</u>	<u>1,717,356</u>
Total capital assets, not being depreciated	\$ <u>24,422,760</u>	<u>2,262,956</u>	<u>4,570,379</u>	<u>22,115,337</u>
Capital Assets, Being Depreciated:				
Land improvements	\$ 11,563,452	1,638,580		13,202,032
Buildings and improvements	166,496,022	8,778,513		175,274,535
Machinery and equipment	9,918,046	442,309		10,360,355
Vehicles	12,341,039	967,826		13,308,865
Infrastructure	<u>79,622,400</u>	<u>1,399,415</u>		<u>81,021,815</u>
Total capital assets being depreciated	\$ <u>279,940,959</u>	<u>13,226,643</u>	<u>-</u>	<u>293,167,602</u>
Less Accumulated Depreciation:				
Land improvements	\$ 6,509,401	489,441		6,998,842
Buildings and improvements	54,306,276	3,908,207		58,214,483
Machinery and equipment	6,415,707	820,954		7,236,661
Vehicles	9,500,048	894,940		10,394,988
Infrastructure	<u>40,050,544</u>	<u>3,100,053</u>		<u>43,150,597</u>
Total accumulated depreciation	\$ <u>116,781,976</u>	<u>9,213,595</u>	<u>-</u>	<u>125,995,571</u>
Capital Assets Being Depreciated, Net of Depreciation	\$ <u>163,158,983</u>	<u>4,013,048</u>	<u>-</u>	<u>167,172,031</u>
<b>Total Governmental Activities</b>	\$ <u>187,581,743</u>	<u>6,276,004</u>	<u>4,570,379</u>	<u>189,287,368</u>

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2007

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 915,981			915,981
Construction in progress	<u>1,992,641</u>	<u>1,659,097</u>	<u>72,203</u>	<u>3,579,535</u>
Total Capital Assets, Not Being Depreciated	<u>\$ 2,908,622</u>	<u>1,659,097</u>	<u>72,203</u>	<u>4,495,516</u>
Capital Assets, Being Depreciated:				
Land improvements	\$ 668,423	146,013		814,436
Buildings and improvements	42,252,618	1,191,223		43,443,841
Machinery and equipment	16,076,290	385,115		16,461,405
Vehicles	78,980	47,610		126,590
Infrastructure	<u>115,587,140</u>	<u>229,734</u>		<u>115,816,874</u>
Total Capital Assets Being Depreciated	<u>\$ 174,663,451</u>	<u>1,999,695</u>	<u>-</u>	<u>176,663,146</u>
Less, Accumulated Depreciation:				
Land improvements	\$ 594,198	15,677		609,875
Buildings and improvements	22,211,614	1,021,254		23,232,868
Machinery and equipment	10,523,265	755,318		11,278,583
Vehicles	78,980	2,267		81,247
Infrastructure	<u>45,696,184</u>	<u>1,784,990</u>		<u>47,481,174</u>
Total accumulated depreciation	<u>\$ 79,104,241</u>	<u>3,579,506</u>	<u>-</u>	<u>82,683,747</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>\$ 95,559,210</u>	<u>(1,579,811)</u>	<u>-</u>	<u>93,979,399</u>
<b>Total business-type activities</b>	<u>\$ 98,467,832</u>	<u>79,286</u>	<u>72,203</u>	<u>98,474,915</u>
<b>Total capital assets</b>	<u>\$ 286,100,625</u>	<u>4,508,398</u>	<u>2,620,372</u>	<u>287,762,284</u>

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

<b>Governmental Activities:</b>	
General government	\$ 379,573
Education	3,629,057
Public safety	825,729
Public works	3,691,250
Human services	<u>687,986</u>
<b>Total depreciation expense-governmental activities</b>	<u>\$ 9,213,595</u>

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2007

<b>Business-type Activities:</b>	
Sewer Authority	\$ 1,956,737
Water Fund	1,568,894
Golf Fund	<u>53,875</u>
<b>Total depreciation expense- business-type activities</b>	<b><u>\$ 3,579,506</u></b>

**Note 8 - Long-Term Liabilities**

Long-term debt liabilities activity for the year ended June 30, 2007 was as follows:

<u>Due Within</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
<b>Governmental Activities:</b>					
Long Term Debt:					
General obligation bonds	\$ 80,476,709	16,134,700	13,889,397	82,722,012	12,777,797
Total Long-Term Debt	\$ 80,476,709	16,134,700	13,889,397	82,722,012	12,777,797
Other Long-Term Liabilities:					
Compensated absences	16,158,155		758,220	15,399,935	3,849,984
Heart and hypertension	1,054,470	733,694	646,489	1,141,675	630,000
Landfill post-closure monitoring	2,279,705		34,708	2,244,997	35,000
Net pension obligation	26,679,942	5,900,510	5,413,056	27,167,396	1,131,975
Claims and judgments	1,600,000	1,350,000		2,950,000	50,000
Total governmental activities long-term liabilities	\$ 128,248,981	24,118,904	20,741,870	131,626,015	18,474,756
<b>Business-type Activities:</b>					
General obligation bonds	\$ 8,308,292	4,110,300	1,390,604	11,027,988	2,087,203
Clean water fund notes	1,198,706		144,591	1,051,115	144,596
Total business-type activities long-term liabilities	\$ 9,506,998	4,110,300	1,534,195	12,079,103	2,231,799
Total Long-Term Liabilities	\$ 137,755,979	28,229,204	22,276,065	143,705,118	20,706,555

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 and are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 10 year, 15 year or 20 year serial bonds with equal amounts of principal maturing each year. As of June 30, 2007, the outstanding general obligation bonded indebtedness of the City was as follows:



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

	<u>Governmental</u>	<u>Business-type</u>
<b>\$23,945,000 GOB 1988</b> , issue of 10/01/1988, due 10/01/2008, interest at 6.75% to 7%, annual principal payments of \$500,000	\$ 1,000,000	
<b>\$12,332,000 GOB 1989</b> , issue of 7/15/1989, due 7/15/2009, interest at 5.5% to 7.5%, annual principal payments of \$200,000	600,000	
<b>\$23,600,000 GOB 1991</b> , issue of 1/15/91, due 1/15/2011, interest at 6.5%, annual principal payments of \$50,000	200,000	
<b>\$22,025,000 GOB 1996</b> , issue of 8/01/96, due 8/01/2016, interest at 4.25% to 6.25%, annual principal payments of \$175,000 to \$2,235,000	875,000	
<b>\$23,900,000 GOB 1998</b> , issue of 2/01/98, due 2/01/2008, interest at 4.1% to 4.5%, annual principal payments of \$765,000 to \$2,115,000	2,035,000	75,000
<b>\$24,050,000 GOB 1999</b> , issue of 8/01/1999, due 8/01/2009, interest at 4.35% to 4.8%, annual principal payments of \$2,115,000 to \$2,670,000	5,274,000	1,146,000
<b>\$39,200,000 GOB 2002</b> , issue of 8/01/2002, due 8/01/2022, interest at 3.0% to 5.0%, annual principal payments of \$350,000 to \$3,340,000	25,194,812	645,188
<b>\$600,000 GOB 2002</b> , issue of 10/01/88, due 08/01/2012, interest at 5.60%, annual principal payments of \$60,000	360,000	
<b>\$9,090,000 GOB 2003</b> , issue of 4/15/03, due 8/1/2012, interest at 2.50% to 5.00%, annual principal payments of \$480,000 to \$2,240,000	2,185,000	
<b>\$520,000 GOB 2003</b> , issue of 04/15/03, due 04/15/2012, interest at 3.00% to 5.00%, annual principal payments of \$65,000	265,000	
<b>\$39,665,000 GOB 2004</b> , issue of 8/1/04, due 8/01/2014, interest at 3.00% to 5.00%, annual principal payments of \$2,430,000	28,598,500	5,051,500
<b>20,245,000 GOB 2006</b> , issue of 07/25/06, due 8/01/2016, interest at 4.50% to 5.00%, annual principal payments of \$2,100,000 to \$2,090,000	<u>16,134,700</u>	<u>4,110,300</u>
<b>Total general obligation bonds</b>	<u>\$ 82,722,012</u>	<u>11,027,988</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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

Year Ended, June 30	Governmental Activity		Business-type Activity	
	Principal	Interest	Principal	Interest
2008	\$ 12,777,797	3,698,378	2,087,203	531,264
2009	10,409,917	2,773,261	1,545,083	358,918
2010	9,914,917	2,310,506	1,550,083	286,649
2011	7,471,917	1,957,845	1,158,083	229,275
2012	7,421,917	1,672,947	1,158,083	185,272
2013-2017	29,145,881	4,055,689	3,509,119	338,378
2018-2022	5,229,666	479,418	20,334	432
2023-2024	350,000	7,875		
	\$ <u>82,722,012</u>	<u>16,955,919</u>	<u>11,027,988</u>	<u>1,930,188</u>

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2007 was \$797,469. The City expects to receive \$780,889 in principal payments and \$16,579 in interest payments over the next year. The principal portion of the receivable is included in the government-wide financial statements.

**Bonds authorized but unissued**

Under regulations issued by the Internal Revenue Service, effective March 2, 1992, in order for capital projects to be funded through tax-exempt debt, all projects must be appropriated and designated as being funded through debt prior to any expenditure on these projects.

The City has authorized but unissued bonds relating to capital projects at June 30, 2007, as follows:

Sewer	\$ 54,443,088
General purpose	22,687,172
Water	7,233,473
Schools	<u>16,564,753</u>
Total	<u>\$ 100,928,486</u>

A portion of bonds authorized and unissued will be reduced by grants received.

Clean Water Fund Loans Payable

The City has an outstanding balance on loans payable to the State of Connecticut's Department of Environmental Protection, under its Clean Water Fund Program, for sanitary sewer projects.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

These loans bear interest at 2% per annum. The balance of these loans as of June 30, 2007 was \$ 1,054,114 and the annual debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Business-type Activity</u>	
	<u>Principal</u>	<u>Interest</u>
2008	144,592	19,757
2009	144,592	16,865
2010	144,592	13,973
2011	144,592	11,081
2012	144,592	8,190
2013-2017	316,874	11,445
2018	14,281	83
	<u>\$ 1,054,115</u>	<u>81,394</u>

Other Long-term Liabilities

**Landfill post-closure monitoring**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The liability for the landfill post-closure care, aggregating \$2,244,997 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, 2007. However, the actual cost of closure and post-closure care maybe 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 capacity and was closed prior to June 30, 2007.

**Note 9 - Commitments and Contingencies**

Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the City. The outcome and eventual liability of the City, if any in these cases, is not known at this time. Based upon consultation with counsel, the City's management estimates that potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

Operating Contracts

**School transportation**

The City contracts for the transport of students. The future payments the City is obligated to pay the bus company are approximately:

<u>Year Ended</u>	<u>Amount</u>
2008	\$ 4,420,206
Total	\$ 4,420,206

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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**Municipal solid waste management services contract**

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

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

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

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

Construction Contracts

The City has several construction contracts in progress at June 30, 2007. A summary of the amounts remaining in these contracts is as follows:

Economic development projects	\$ 400,000
Education projects	250,000
Recreation projects	<u>3,500,000</u>
Total	<u>\$ 4,150,000</u>

In addition, \$372,076 of funds were held by the City on completed contracts. After a period of time, these funds will be paid to the contractors. This amount is separated in the financial statements as retainage payable

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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Risk Management and Self-Insurance

The City is exposed to various risks of loss including 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 for workers' compensation and employee health and medical claims.

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

Under the City's current policy, the Health Insurance Funds covers claims in excess of \$250,000 for each claim. The City also purchases the aggregate maximum per year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years except for fiscal year ending June 30, 2006 where individual excess stop loss payment equaled \$313,761. The health insurance fund is funded by contributions from all funds incurring payroll charges. The health benefits consultant provides the City with suggested rates for various types of coverage. The City uses employee counts and suggested rates to compute fund contributions.

Liabilities are reported when it is probable that a loss has occurred and the amounts of the loss can be reasonably estimated or measured. Liabilities include an amount for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of pay-outs.

Under Public Act 9-342, health insurance for retired teachers, subsidy equal to the equivalents flat dollar premium amount of Blue Cross 65/Blue Shield 65 is paid by the State directly to the local school districts. Where it is applied to reduce premium payments of the retired members' 1% supplemental contributions, since July 1, 1989, have been directly to a dedicated health insurance fund. There is no cost to the City.

Changes in the balance of claims liabilities were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Claims Payable Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable Ending</u>
Medical				
2006	1,506,113	22,556,677	22,542,043	1,520,747
2007	1,520,747	20,241,247	20,217,002	1,544,992
Workers' Compensation				
2006	3,471,736	1,455,135	1,424,411	3,502,460
2007	3,502,460	1,244,183	1,436,366	3,310,277

**Note 10 - Employee Retirement Plans**

Plan Description

The City administrators three single-employer, contributory, defined benefit public employee retirement system (PERS) to provide pension benefits for its employees. The PERS is considered to be a part of the City of Meriden's financial reporting entity and is included in the City's financial reports as the Pension

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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.

The individual plan net assets are as follows:

	<u>Employees'</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>	<u>Police</u> <u>Pension</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,468,033	3,342,710	3,653,250
Accounts receivable	196,105	255,626	342,958
Investments	128,751,281	45,097,604	53,947,002
<b>Total assets</b>	<u>\$ 138,415,419</u>	<u>48,695,940</u>	<u>57,943,480</u>
<b>LIABILITIES</b>			
Other liabilities	\$ 2,986	1,761	1,761
<b>Total liabilities</b>	<u>\$ 2,986</u>	<u>1,761</u>	<u>1,761</u>
<b>PLAN NET ASSETS</b>			
Held in trust for pension benefits and other purposes	\$ 138,412,433	48,694,179	57,941,719

The individual changes in net assets were as follows:

	<u>Employees'</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>	<u>Police</u> <u>Pension</u>
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Employer	\$ 195,528	2,615,076	3,611,172
Plan members	1,236,368	365,035	331,969
Donations			
<b>Total contributions</b>	<u>\$ 1,431,896</u>	<u>2,980,111</u>	<u>3,943,141</u>
<b>Investment earnings:</b>			
Net increase in fair value of Investments	\$ 17,393,716	5,668,791	6,871,440
Interest and dividends	2,950,203	1,082,253	1,285,125
<b>Total investment earnings</b>	<u>\$ 20,343,919</u>	<u>6,751,044</u>	<u>8,156,565</u>
<b>Total additions</b>	<u>\$ 21,775,815</u>	<u>9,731,155</u>	<u>12,099,706</u>
<b>DEDUCTIONS</b>			
Benefits	\$ 5,099,215	3,777,025	4,652,468
Administration	748,691	280,446	329,336
Other deductions	546,968	20,927	127,558
<b>Total deductions</b>	<u>\$ 6,394,874</u>	<u>4,078,398</u>	<u>5,109,362</u>
Change in nets assets	\$ 15,380,941	5,652,757	6,990,344
Plan net assets, beginning	<u>\$ 123,031,492</u>	<u>43,041,422</u>	<u>50,951,375</u>
Plan net assets, ending	<u>\$ 138,412,433</u>	<u>48,694,179</u>	<u>57,941,719</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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Employee membership of each Plan consisted of the following as based on the latest available actuarial valuation as follows:

	<u>Latest Available Actuarial Valuation</u>
Employees' Retirement	July 1, 2006
-City Employees	
-Police Employees hired after March 1, 2003	
-Fire Employees hired after March 1, 2003	
Police Pension	July 1, 2006
Firefighters Pension	July 1, 2006

	<u>Employee Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Retirees and Beneficiaries			
Currently Receiving Benefits	391	103	98
Terminated Employees Entitled To, But Not Yet Receiving Benefits	53		
Active Participants:			
Vested	332	72	26
Non-vested	304	50	66
	<u>1,080</u>	<u>225</u>	<u>190</u>

The PERS is a contributory defined benefit plan. Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

<u>Provisions of Plans</u>	<u>Employees' Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Benefit provisions	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary	2.5% of average annual pay for the first 20 years of service, 1.6% after, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary	2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary
Eligibility requirements	Vested after 10 years of service	Vested after 10 years of continuous service	Vested after 25 years of continuous service
Cost of living adjustment	2% per year beginning the later of 2 years from retirement age or age 62 (50% max)	2% after 20 years, 3% after 25 years (50% max)	3% after 25 years (50% max)
Early retirement provisions	City employees – age 65, 10 years of service or Rule of 80 – full benefits. Age 55, 10 years of service – reduced benefits Police & Fire - None	25 <sup>th</sup> anniversary with 10 years of service, anytime with 20 years of service	None
Obligation to contribute:			
Employee	6% of earnings*	7.5% of earnings*	7.5% of earnings**
Employer	Remaining necessary to fund Plan based on City Charter and actuarial studies	Remaining necessary to fund Plan based on City Charter and actuarial studies	Remaining necessary to fund Plan based on City Charter and actuarial studies

*\*Includes 2% of earnings as contributed for post-employment healthcare benefits as described in Post employment HealthCare Plan.*

*\*\*Includes 1% of earnings as contributed for post-employment healthcare benefits as described in Post employment HealthCare Plan.*

*The Plan may be discontinued or amended in any respect at any time by action of the City Council.*



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

The significant actuarial assumptions are as follows:

	<u>Employees' Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Valuation date	7/1/06	7/1/06	7/1/06
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	16 years	25 years	25 years
Asset valuation method	5 year smoothed market	20% annual phase-in	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases	5.25	3.00-5.25	3.00-5.25

The City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2007 were as follows:

	<u>Employees' Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual Required Contribution (ARC)	\$ 185,534	3,601,188	2,605,081
Interest on Net Pension Obligation (Asset)	(27,640)	1,077,718	1,056,677
Adjustment To ARC	38,870	(1,232,105)	(1,208,049)
Annual Pension Cost	\$ 196,764	3,446,801	2,453,709
Contributions Made	195,258	3,611,172	2,615,076
Increase (Decrease) In Net Pension Obligation (Asset)	\$ 1,236	(164,371)	(161,367)
Net Pension Obligation (Asset) Beginning of Year	(345,505)	13,471,480	13,208,462
Net Pension Obligation (Asset) End of Year	\$ (344,269)	13,307,109	13,047,095

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2007

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<b>Employees' Retirement</b>			
6/30/07	196,764	99.37 %	(344,269)
6/30/06	84,984	87.90	(345,505)
6/30/05	9,335	100.40	(355,753)
<b>Police Pension</b>			
6/30/07	3,446,801	104.80 %	13,307,109
6/30/06	3,404,659	95.80	13,471,480
6/30/05	3,291,555	102.30	13,307,325
<b>Firefighters' Pension</b>			
6/30/07	2,453,709	106.60 %	13,047,095
6/30/06	2,441,757	90.36	13,208,462
6/30/05	1,787,441	106.70	12,973,025

Schedule of Employer Contributions:

Year Ended June 30,	Employees' Retirement		Police Pension		Firefighters' Pension	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007	185,534	105.4 %	3,601,118	100.3 %	2,605,081	100.4%
2006	74,741	100.0	3,540,516	91.5	2,574,201	85.7
2005	-	N/A	3,413,205	99.0	1,906,328	100.0
2004	-	N/A	3,357,184	72.9	1,872,975	89.4
2003	-	N/A	2,489,520	98.3	1,682,036	99.6
2002	-	N/A	2,440,500	91.7	1,647,793	99.0
2001	-	N/A	2,046,300	62.5	1,494,200	64.0
2000	-	N/A	3,951,500	0	3,334,200	0

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

Schedule of Funding Progress:

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

Teachers' Retirement System

Teachers with the City's school system participate in a retirement plan administered by the Connecticut State Teacher's Retirement Board.

**Covered Employees**

The Teachers' Retirement System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the plan is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation in the plan is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees Retirement System or the Alternate Retirement Plan (TIAA-CERF).

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

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**Vesting Requirements**

A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60.

**Pension Contribution Requirements/Amounts by State**

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-183l and 10-183z. For the fiscal year ended June 30, 2007, \$3,516,163 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2007 did not contain information which would show the development of the State's actuarial cost by local school district. The State's estimated total payroll was \$3,281,061,109. The State's appropriation represented 12.56% of the estimated total payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by CGS Section 10-183b(7). For the 2006-2007 school year, 7.25% mandatory contributions were deducted from the salaries of teachers who were participants in the plan during the school year. The estimated covered payroll for the City was \$46,882,177.

For the year ended June 30 2007, the following information is applicable to the City:

Total Number of Teachers Participants	685
Participant Contributions	<u>\$ 3,516,163</u>
On-Behalf State Payments	<u>\$ 5,880,401</u>

**Other Post-employment benefits**

The City provides post-employment health benefits for city, police and fire department retirees. These benefits are provided per a stipulated judgment entered into on June 1, 1982. The judgment requires the City to pay to the retiree the cost of insurance premiums on behalf of each retired policeman and fireman and their respective dependents, in an amount equal to one half (1/2) of the total premium attributed to each active policeman and fireman and their respective dependents.

For fiscal year 2007, the payments aggregated approximately \$1.3. The approximate number of participants eligible to receive these benefits was 515.

The City also provides benefits to certain retired members and their families of the police and fire department for claims resulting from hypertension and heart disease, as required by provisions of the Connecticut General Statutes. Approximately 20 retirees and their families are currently receiving benefits under this provision and expenditures are recognized and funded on a pay as you go basis. Benefits paid in the year ended June 30, 2007 approximated \$646,480.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2007**

**Note 11 - Fund Deficits and Restrictions to Net Assets**

**Fund Deficits**

The City has the following Fund Deficits at June 30, 2007 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>June 30, 2007</u>	<u>Fund Deficit</u> <u>Plan for Eliminating Deficit</u>
Community development block grant	\$ 57,053	Future federal grants receipts
Women, infant and children	9,117	Future federal grants receipts
Paddock Ave. rental	11,015	Future rent payments
Dog Fund	6,858	Future collections
Railroad right of way	10,330	Future federal grants receipts
Americorps	15,512	Refund of payroll taxes
Summer youth initiative	1,468	Future federal grants receipts
School readiness program	19,993	Future federal grants receipts
Capital and nonrecurring	77,050	Future federal grants receipts
Bonded projects	12,012,560	Future G.O. Bond Issuance
Workers Compensation	2,850,383	Future Contributions

Restricted Net Assets

In fiscal year ended June 30, 2007, the City Council enacted enabling legislation to restrict \$1,875,000 for future debt payments. In accordance with GASB Statement 46, *Net Assets Restricted by Enabling Legislation*, this amount is presented in the government-wide financial statements as restricted net assets

The assets were restricted for the following:

	<u>Land Acquisition</u>			
	<u>Flood Control</u>	<u>Economic Development and Open Space</u>	<u>NRG Contract</u>	<u>Total</u>
Balance on July 1, 2006	\$ 703,000	1,081,411	2,916,590	4,701,001
Expenses	(228,733)	(21,843)		(250,576)
Additions		126,951		126,951
Balance on June 30, 2007	\$ <u>474,267</u>	<u>1,081,519</u>	<u>2,916,590</u>	<u>4,621,062</u>

The current legislative action provides for no additional increase to fund Flood Control purposes and 1/5 of each annual operating budget surplus shall be designated to fund property acquisitions for the economic development and open space purposes.

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2007

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#### Note 12 - Subsequent Events

##### Bond Anticipation Note

On August 3, 2007, the City issued a bond anticipation note in the amount of \$22,356,000. The note will be due August 1, 2008 with a stated interest of 4.25% with a yield of 3.7%. The purpose of the note was to pay the bond anticipation note issued August 4, 2006 and to provide interim funding for several capital projects.

##### Construction Contracts

Subsequent to June 30, 2007, the City was accepting bids for a project that includes the modification to the 11.6 mgd water pollution control facility. Work includes an upgrade to the plant for biological nitrogen removal, upgrades to the solids processing train, conservation to disinfection with sodium hypochlorite, odor control improvements and other miscellaneous upgrades. The estimated cost of the projects is approximately 40 million dollars and is expected to begin in the fiscal year ended June 30, 2008.

##### Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2007 that have effective dates that may impact future financial presentations and have not been implemented as of June 30, 2007.

The following statement may have a significant impact on the financial statements depending upon the results of an actuarial study to be undertaken before the effective date.

*GASB Statement 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, issued June 2004, will be effective for the City beginning with its fiscal year ending June 2009. This statement establishes standards for the measurement, recognition, and display of other post employment benefit expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

**Supplemental and Combining  
Nonmajor Fund Statement and Schedules**

**General Fund**



## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>PROPERTY TAXES</b>				
Current year's levy	\$ 100,513,963	100,513,963	99,675,382	(838,581)
Prior years' levies	2,000,000	2,000,000	2,696,005	696,005
Motor vehicle supplement	1,500,000	1,500,000	1,345,645	(154,355)
Suspense	25,000	25,000	18,134	(6,866)
<b>Total property taxes</b>	<b>\$ 104,038,963</b>	<b>104,038,963</b>	<b>103,735,166</b>	<b>(303,797)</b>
<b>INTERGOVERNMENTAL</b>				
State grants for education	\$ 48,677,271	48,677,271	48,484,452	(192,819)
School building grants	1,563,124	1,563,124	1,572,050	8,926
Other state grants	7,724,150	7,724,150	6,953,991	(770,159)
Federal grant			14,000	14,000
<b>Total intergovernmental</b>	<b>\$ 57,964,545</b>	<b>57,964,545</b>	<b>57,024,493</b>	<b>(940,052)</b>
<b>CHARGES FOR SERVICES</b>				
Licenses & permits	\$ 832,000	832,000	693,651	(138,349)
Fines	52,500	52,500	41,928	(10,572)
Department fees and other	4,038,600	4,038,600	4,268,908	230,308
Rents	695,790	695,790	625,936	(69,854)
<b>Total charges for services</b>	<b>\$ 5,618,890</b>	<b>5,618,890</b>	<b>5,630,423</b>	<b>11,533</b>
<b>INVESTMENT INCOME</b>	<b>\$ 1,000,000</b>	<b>1,000,000</b>	<b>1,871,308</b>	<b>871,308</b>
<b>MISCELLANEOUS REVENUES</b>	<b>\$ 3,765,395</b>	<b>3,765,395</b>	<b>4,539,833</b>	<b>774,438</b>
<b>OTHER FINANCING SOURCES</b>				
Appropriation of fund balance	\$ 1,625,000	2,374,023	2,374,023	-
Transfers from other funds	100,000	100,000	100,000	-
<b>Total other financing sources</b>	<b>\$ 1,725,000</b>	<b>2,474,023</b>	<b>2,474,023</b>	<b>-</b>
<b>Total revenue &amp; other financing sources</b>	<b>\$ 174,112,793</b>	<b>174,861,816</b>	<b>175,275,246</b>	<b>413,430</b>

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
City council	\$ 265,009	265,009	238,149	26,860
City manager	447,891	414,076	408,369	5,707
Legal	847,958	856,035	708,620	147,415
Personnel	232,728	235,653	226,270	9,383
City clerk	448,068	448,068	417,881	30,187
Aviation	60,792	60,792	48,213	12,579
Elections	228,523	228,523	214,501	14,022
Insurance	3,058,042	3,058,042	3,002,688	55,354
Employee benefits	19,944,384	18,638,517	15,679,309	2,959,208
Finance general administration	2,723,257	2,786,257	2,748,622	37,635
Capital equipment	300,000	528,733	501,827	26,906
Management information systems	816,918	825,565	806,547	19,018
Development and enforcement	765,821	781,771	781,649	122
Inland wetlands	1,200	1,297	1,296	1
Parking	151,694	153,061	144,884	8,177
<b>Total general government</b>	<b>\$ 30,292,285</b>	<b>29,281,399</b>	<b>25,928,825</b>	<b>3,352,574</b>
<b>FINANCE</b>				
Finance	\$ 972,392	705,502	695,118	10,384
Purchasing	229,674	232,408	231,592	816
Tax collector	466,267	470,626	450,555	20,071
Assessor	530,202	572,489	558,500	13,989
Board of assessment appeals	2,250	5,750	5,750	-
<b>Total finance</b>	<b>\$ 2,200,785</b>	<b>1,986,775</b>	<b>1,941,515</b>	<b>45,260</b>
<b>PUBLIC SAFETY</b>				
Police	\$ 10,219,105	10,222,355	10,220,815	1,540
Fire	6,705,708	7,420,327	7,420,135	192
Emergency communications	853,157	887,257	887,216	41
South Meriden volunteer fire	70,075	70,719	70,718	1
Emergency management	12,100	12,100	8,752	3,348
<b>Total public safety</b>	<b>\$ 17,860,145</b>	<b>18,612,758</b>	<b>18,607,636</b>	<b>5,122</b>
<b>PUBLIC WORKS</b>				
Engineering	\$ 724,648	743,162	743,124	38
Garage and warehouse	455,610	455,610	444,439	11,171
Traffic engineering	473,869	476,603	466,740	9,863
Highway safety	1,556,099	1,558,400	1,510,844	47,556
Transfer station	105,700	105,700	61,590	44,110
Waste collection	1,121,088	1,538,188	1,538,174	14
Bulky waste	343,447	343,447	200,265	143,182
Building maintenance	952,261	1,073,369	1,073,320	49
<b>Total public works</b>	<b>\$ 5,732,722</b>	<b>6,294,479</b>	<b>6,038,496</b>	<b>255,983</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>HEALTH AND WELFARE</b>				
Health	\$ 2,225,307	2,255,409	2,143,506	111,903
Social services	180,512	192,737	187,718	5,019
Senior center	528,958	531,463	459,377	72,086
Youth services	137,510	140,015	139,245	770
<b>Total health and welfare</b>	<b>\$ 3,072,287</b>	<b>3,119,624</b>	<b>2,929,846</b>	<b>189,778</b>
<b>CULTURE AND RECREATION</b>				
Library	\$ 1,931,327	1,955,102	1,845,166	109,936
Parks	1,424,627	1,491,002	1,490,628	374
Recreation	418,412	420,184	420,151	33
<b>Total cultural and recreation</b>	<b>\$ 3,774,366</b>	<b>3,866,288</b>	<b>3,755,945</b>	<b>110,343</b>
<b>EDUCATION</b>				
Board of education	\$ 93,068,154	93,588,444	93,584,203	4,241
School building committee	1,300	1,300	724	576
<b>Total education</b>	<b>\$ 93,069,454</b>	<b>93,589,744</b>	<b>93,584,927</b>	<b>4,817</b>
<b>DEBT SERVICE</b>				
Principal	\$ 13,889,397	13,889,397	13,889,397	-
Interest	4,174,541	4,174,541	4,174,541	-
<b>Total debt service</b>	<b>\$ 18,063,938</b>	<b>18,063,938</b>	<b>18,063,938</b>	<b>-</b>
Total expenditures and other financing uses	\$ 174,065,982	174,815,005	170,851,128	3,963,877

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**Nonmajor Governmental Funds**

## **NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds** – are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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

**Airport Improvement** – is used to account for the activity funds for airport improvements.

**School Resource Office Grant**– is used to account for the State funded program.

**Community Development Block Grant** – is used to account for the revenues and expenditures related to the Federal Block Grant.

**Summer Youth Initiative** – is used to account for a grant from the government to employ youths.

**Day Care Center** – is used to account for operation of the Meriden Day Care Center which is partially funded by State Grants.

**Americorps** – is used to hire youths to perform community service work.

**Women, Infant & Children Program** – is used to account for grants from the State Department of Social Services.

**Insurance Refund Fund** – is used to account for unexpected insurance claim funds.

**Health Grants**– is used to account for revenues and various grants from the State of Connecticut.

**Meals on Wheels Program** – is used to account for grant funds from the State Health Department.

**Tree Preservation Fund** – is used to account for funds collected and designated for tree preservation.

**Neighborhood Preservation Program** – is used to account for revolving loan funds.

**Asset Forfeiture Funds** – is used to account for drug seizure money from the State and Federal Governments.

**Railroad Right-of-Way** – is used to account for the renovation of the Railroad Canopy and Railroad Avenue area.

**Safe Neighborhoods** – is used to account for grants used to subsidize hiring of additional police officers.

**School Readiness** – is used to account for grant funds from the State Department of Education for school readiness and child day care programs.

**Law Enforcement Block Grant** – is used to account for a grant from the government for law enforcement.

**Welfare to Work** – is used to account for grants relating to back to work programs.

**Emergency Services Grant** – is used to account for the emergency services grant

**Underage Drinking** – is used to account for grants relating to underage drinking.

**Downtown Property Management** – is used to account for management of City owned property in the downtown area.

**Brownfield Assessment** – Is used to account for funds used in a local environmental hazard study.

**Paddock Avenue Rental** – is used to account for funds collected through rentals and designated for economic development

**State & Federal Education Grants** – is used to account for education related grants from State and Federal Governments.

**Dog Fund** – is used to account for revenue from dog license fees and related expenditures.

**Landfill Reclamation** – is used to account for dump tipping fees and to pay for landfill closing.

**Public School Lunch** – is used to account for operations of the school lunch program.

**Public School Rental** – is used to account for rental activities related to the schools.

**Adult Evening School** - is used to account for activities related to the Adult Education program.

**Reading Video** – is used to account for an educational program funded through grants

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

**Anti-Blight Fund** – is used to account for funds used in a human services program

**Library Grants** – is used to account for State and federal grants to be used for the City's library operations and capital purchases



**Permanent Funds are used to account for private**

**Walter Hubbard Park Fund** – is used to account for the care and maintenance of Hubbard Park.

**C.P. Bradley Park Fund** – is used to account for funds to care and maintenance of Hubbard Park.

**Library Trust Fund** – is used to account for the donations and additional funds for the library.

**Lorenzo Fuller Award** – is used to account for a scholarship fund given to a high school.

**Charlotte Yale Ives** – is used to account for supportive health services to needy families.

**Capital Project Funds** are used to account for the acquisition of major capital facilities other than those financed by proprietary funds.

**Parks and Recreation Capital and Non-Recurring Fund** – this fund is used to account for the financial resources used for various parks and recreation parks.

**Capital and Non-Recurring Fund** – this fund is used to account for capital items funded through grants and special appropriations.

**Land Acquisition Fund** – is to account for funds restricted for the acquisition of land.

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2007

	<u>Special Revenue</u>		
	<u>Document Preservation</u>	<u>Airport Improvement</u>	<u>School Resource Office Grant</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 106,102	14,744	15,805
Investments			
Accounts receivable	12,184		
Intergovernmental receivable			
Loans receivable, net			
Due from other funds	1,253		
Inventory			
<b>Total assets</b>	<u>\$ 119,539</u>	<u>14,744</u>	<u>15,805</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 41,472		374
Deferred revenue			
Due to other funds			
<b>Total liabilities</b>	<u>\$ 41,472</u>	<u>-</u>	<u>374</u>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Reserved for enabling legislation			
Unreserved and undesignated	78,067	14,744	15,431
<b>Total fund balances (deficits)</b>	<u>\$ 78,067</u>	<u>14,744</u>	<u>15,431</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 119,539</u>	<u>14,744</u>	<u>15,805</u>

Special Revenue

<u>Community Development Block Grant</u>	<u>Summer Youth Initiative</u>	<u>Day Care Center</u>	<u>AmeriCorps</u>	<u>Women, Infant &amp; Children Program</u>	<u>Insurance Refund Fund</u>
		18,517	34,488	29,824	213,659
				7,256	
<u>-</u>	<u>-</u>	<u>18,517</u>	<u>34,488</u>	<u>37,080</u>	<u>213,659</u>
57,053	1,468	18,412		6,197	
			50,000	40,000	
<u>57,053</u>	<u>1,468</u>	<u>18,412</u>	<u>50,000</u>	<u>46,197</u>	<u>-</u>
<u>(57,053)</u>	<u>(1,468)</u>	<u>105</u>	<u>(15,512)</u>	<u>(9,117)</u>	<u>213,659</u>
<u>(57,053)</u>	<u>(1,468)</u>	<u>105</u>	<u>(15,512)</u>	<u>(9,117)</u>	<u>213,659</u>
<u>-</u>	<u>-</u>	<u>18,517</u>	<u>34,488</u>	<u>37,080</u>	<u>213,659</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2007

	<u>Special Revenue</u>		
	<u>Health Grants</u>	<u>Meals on Wheels Program</u>	<u>Tree Preservation Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 510,697	256,109	
Investments			
Accounts receivable			
Intergovernmental receivable	27,765		
Loans receivable, net			
Due from other funds	130,000		139,935
Inventory			
<b>Total assets</b>	<u>\$ 668,462</u>	<u>256,109</u>	<u>139,935</u>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 63,818	12,886	
Deferred revenue			
Due to other funds		69,200	
<b>Total liabilities</b>	<u>\$ 63,818</u>	<u>82,086</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Reserved for enabling legislation			
Unreserved and undesignated	604,644	174,023	139,935
<b>Total fund balances (deficits)</b>	<u>\$ 604,644</u>	<u>174,023</u>	<u>139,935</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 668,462</u>	<u>256,109</u>	<u>139,935</u>

Special Revenue

<u>Neighborhood Preservation (CDBG)</u>	<u>Neighborhood Preservation (Bonded)</u>	<u>Asset Forfeiture Fund</u>	<u>Railroad Right of Way</u>	<u>Safe Neighborhood</u>	<u>School Readiness</u>
47,424	163,710	53,812			200,857
					807
1,973,469	697,092				
<u>2,020,893</u>	<u>860,802</u>	<u>53,812</u>	<u>-</u>	<u>-</u>	<u>201,664</u>
17,468			10,330		181,657
1,973,064	697,092				40,000
<u>1,990,532</u>	<u>697,092</u>	<u>-</u>	<u>10,330</u>	<u>-</u>	<u>221,657</u>
30,361	163,710	53,812	(10,330)		(19,993)
30,361	163,710	53,812	(10,330)	-	(19,993)
<u>2,020,893</u>	<u>860,802</u>	<u>53,812</u>	<u>-</u>	<u>-</u>	<u>201,664</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2007

	Special Revenue		
	Law Enforcement Block Grant	Welfare to Work	Emergency Services Grant
<b>ASSETS</b>			
Cash and cash equivalents	\$ 896	4,175	3,656
Investments			
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Inventory			
<b>Total assets</b>	<u>\$ 896</u>	<u>4,175</u>	<u>3,656</u>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$		653
Deferred revenue			
Due to other funds			
<b>Total liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>653</u>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Reserved for enabling legislation			
Unreserved and undesignated	896	4,175	3,003
<b>Total fund balances (deficits)</b>	<u>\$ 896</u>	<u>4,175</u>	<u>3,003</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 896</u>	<u>4,175</u>	<u>3,656</u>

Special Revenue					
Underage Drinking	Downtown Property Management	Brownfield Assessment	Paddock Ave. Rental	Education Grants	Dog Fund
2,794	221,126	1,936	38,715	1,985,990	14,993
					1,747
<u>2,794</u>	<u>221,126</u>	<u>1,936</u>	<u>38,715</u>	<u>1,985,990</u>	<u>16,740</u>
	60	139	49,730	937,106 156,187	19,682
					3,916
-	60	139	49,730	1,093,293	23,598
<u>2,794</u>	<u>221,066</u>	<u>1,797</u>	<u>(11,015)</u>	<u>892,697</u>	<u>(6,858)</u>
<u>2,794</u>	<u>221,066</u>	<u>1,797</u>	<u>(11,015)</u>	<u>892,697</u>	<u>(6,858)</u>
<u>2,794</u>	<u>221,126</u>	<u>1,936</u>	<u>38,715</u>	<u>1,985,990</u>	<u>16,740</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2007

	<u>Landfill Reclamation</u>	<u>Public School Lunch</u>	<u>Public School Rental</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 55,746	560,363	140,614
Investments			
Accounts receivable			
Intergovernmental receivable		363,799	
Loans receivable, net			
Due from other funds			
Inventory		99,013	
<b>Total assets</b>	<u>\$ 55,746</u>	<u>1,023,175</u>	<u>140,614</u>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$	17,937	
Deferred revenue			
Due to other funds			
<b>Total liabilities</b>	<u>\$ -</u>	<u>17,937</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory		99,013	
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Reserved for enabling legislation			
Unreserved and undesignated	55,746	906,225	140,614
<b>Total fund balances (deficits)</b>	<u>\$ 55,746</u>	<u>1,005,238</u>	<u>140,614</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 55,746</u>	<u>1,023,175</u>	<u>140,614</u>



Special Revenue

<u>Adult Evening School</u>	<u>Reading Video</u>	<u>Arts District Feasibility</u>	<u>Anti-Blight Fund</u>	<u>Library Grants</u>	<u>Total Special Revenue Funds</u>
20,269	3,174	3,643		39,339	4,763,177
					-
					21,994
					391,564
			1,100		2,670,561
					272,288
					99,013
<u>20,269</u>	<u>3,174</u>	<u>3,643</u>	<u>1,100</u>	<u>39,339</u>	<u>8,218,597</u>
2,029					1,438,471
					2,826,343
					203,116
<u>2,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,467,930</u>
					99,013
					-
					-
<u>18,240</u>	<u>3,174</u>	<u>3,643</u>	<u>1,100</u>	<u>39,339</u>	<u>3,651,654</u>
<u>18,240</u>	<u>3,174</u>	<u>3,643</u>	<u>1,100</u>	<u>39,339</u>	<u>3,750,667</u>
<u>20,269</u>	<u>3,174</u>	<u>3,643</u>	<u>1,100</u>	<u>39,339</u>	<u>8,218,597</u>

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2007

	Permanent		
	Walter Hubbard Foundation	C.P. Bradley Park Fund	Library Trust Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 47,896	104,767	
Investments	648,914	1,158,495	270,628
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds		4,248	
Inventory			
<b>Total assets</b>	<b>\$ 696,810</b>	<b>1,267,510</b>	<b>270,628</b>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$	1,104	
Deferred revenue			
Due to other funds	4,248		
<b>Total liabilities</b>	<b>\$ 4,248</b>	<b>1,104</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions	692,562	1,266,406	270,628
Reserved for enabling legislation			
Unreserved and undesignated			
<b>Total fund balances (deficits)</b>	<b>\$ 692,562</b>	<b>1,266,406</b>	<b>270,628</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 696,810</b>	<b>1,267,510</b>	<b>270,628</b>

Permanent		Capital Projects			Totals
Lorenzo Fuller Award	Charlotte Yale Ives	P & R Capital & Nonrecurring	Capital & Nonrecurring	Land Acquisition	
8,022	4,017	2,118	15,366		4,933,324
					2,090,076
					21,994
					391,564
					2,670,561
				277,834	554,370
					99,013
<u>8,022</u>	<u>4,017</u>	<u>2,118</u>	<u>15,366</u>	<u>277,834</u>	<u>10,760,902</u>
			37,979		1,477,554
			54,437		2,826,343
					261,801
-	-	-	92,416	-	4,565,698
					99,013
8,022	4,017				-
				277,834	2,241,635
		2,118	(77,050)		277,834
					3,576,722
<u>8,022</u>	<u>4,017</u>	<u>2,118</u>	<u>(77,050)</u>	<u>277,834</u>	<u>6,195,204</u>
<u>8,022</u>	<u>4,017</u>	<u>2,118</u>	<u>15,366</u>	<u>277,834</u>	<u>10,760,902</u>

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	<u>Special Revenue</u>		
	<u>Document Preservation</u>	<u>Airport Improvement</u>	<u>School Resource Office Grant</u>
<b>Revenues</b>			
Intergovernmental	\$ 12,000		22,003
Charges for services	100,699		
Investment income			
Other			
<b>Total revenues</b>	<u>\$ 112,699</u>	<u>-</u>	<u>22,003</u>
<b>Expenditures</b>			
General government	\$ 36,335		
Public safety			19,353
Public works			
Health and welfare			
Culture and recreation			
Education			
<b>Total expenditures</b>	<u>\$ 36,335</u>	<u>-</u>	<u>19,353</u>
<b>Revenue over (under) expenditures</b>	<u>\$ 76,364</u>	<u>-</u>	<u>2,650</u>
<b>Other Financing Sources</b>			
Transfers in			12,781
Transfers (out)			
<b>Total other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>12,781</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ 76,364</u>	<u>-</u>	<u>15,431</u>
<b>Fund Balances - (Deficits) Beginning</b>	<u>\$ 1,703</u>	<u>14,744</u>	
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 78,067</u>	<u>14,744</u>	<u>15,431</u>

Special Revenue

<u>Community Development Block Grant</u>	<u>Summer Youth Initiative</u>	<u>Day Care Center</u>	<u>AmeriCorps</u>	<u>Women, Infant &amp; Children Program</u>	<u>Insurance Refund Fund</u>
1,055,510		227,940 180,843		2,797,184	
<u>37,000</u>			<u>188,329</u>		
<u>1,092,510</u>	<u>-</u>	<u>408,783</u>	<u>188,329</u>	<u>2,797,184</u>	<u>-</u>
954,703			152,503		
		428,610		2,832,636	
<u>954,703</u>	<u>-</u>	<u>428,610</u>	<u>152,503</u>	<u>2,832,636</u>	<u>-</u>
<u>137,807</u>	<u>-</u>	<u>(19,827)</u>	<u>35,826</u>	<u>(35,452)</u>	<u>-</u>
<u>(147,281)</u>					
<u>(147,281)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,474)</u>	<u>-</u>	<u>(19,827)</u>	<u>35,826</u>	<u>(35,452)</u>	<u>-</u>
<u>(47,579)</u>	<u>(1,468)</u>	<u>19,932</u>	<u>(51,338)</u>	<u>26,335</u>	<u>213,659</u>
<u>(57,053)</u>	<u>(1,468)</u>	<u>105</u>	<u>(15,512)</u>	<u>(9,117)</u>	<u>213,659</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2007

	Special Revenue		
	Health Grants	Meals on Wheels Program	Tree Preservation Fund
<b>Revenues</b>			
Intergovernmental	\$ 782,562	177,111	
Charges for services	152,109	40,146	
Investment income			
Other		3,205	
<b>Total revenues</b>	<b>\$ 934,671</b>	<b>220,462</b>	<b>-</b>
<b>Expenditures</b>			
General government			
Public safety			
Public works			
Health and welfare	831,334	247,408	
Culture and recreation			
Education			
<b>Total expenditures</b>	<b>\$ 831,334</b>	<b>247,408</b>	<b>-</b>
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 103,337</b>	<b>(26,946)</b>	<b>-</b>
<b>Other Financing Sources</b>			
Transfers in			139,935
Transfers (out)	(100,000)		
<b>Total other financing sources</b>	<b>\$ (100,000)</b>	<b>-</b>	<b>139,935</b>
<b>Changes in Fund Balances (Deficits)</b>	<b>\$ 3,337</b>	<b>(26,946)</b>	<b>139,935</b>
<b>Fund Balances (Deficits) - Beginning</b>	<b>\$ 601,307</b>	<b>200,969</b>	
<b>Fund Balances (Deficits) - Ending</b>	<b>\$ 604,644</b>	<b>174,023</b>	<b>139,935</b>

Special Revenue

Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	Railroad Right of Way	Safe Neighborhood	School Readiness
		85,689			2,336,120
237,446	162,831 74,994				
237,446	237,825	85,689	-	-	2,336,120
547,708	74,115	46,197			2,304,434
547,708	74,115	46,197	-	-	2,304,434
(310,262)	163,710	39,492	-	-	31,686
134,500				6,527	
134,500	-	-	-	6,527	-
(175,762)	163,710	39,492	-	6,527	31,686
206,123		14,320	(10,330)	(6,527)	(51,679)
30,361	163,710	53,812	(10,330)	-	(19,993)

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2007

	Special Revenue		
	Law Enforcement Block Grant	Welfare to Work	Emergency Services Grant
<b>Revenues</b>			
Intergovernmental	\$ 26,789		26,935
Charges for services			
Investment income			
Other			
<b>Total revenues</b>	<u>\$ 26,789</u>	<u>-</u>	<u>26,935</u>
<b>Expenditures</b>			
General government	\$		
Public safety	27,898		23,932
Public works			
Health and welfare			
Culture and recreation			
Education			
<b>Total expenditures</b>	<u>\$ 27,898</u>	<u>-</u>	<u>23,932</u>
<b>Revenue Over (Under) Expenditures</b>	<u>\$ (1,109)</u>	<u>-</u>	<u>3,003</u>
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ (1,109)</u>	<u>-</u>	<u>3,003</u>
<b>Fund Balances (Deficits) - Beginning</b>	<u>\$ 2,005</u>	<u>4,175</u>	
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 896</u>	<u>4,175</u>	<u>3,003</u>



Special Revenue

<u>Underage Drinking</u>	<u>Downtown Property Management</u>	<u>Brownsfield Assessment</u>	<u>Paddock Ave. Rental</u>	<u>Education Grants</u>	<u>Dog Fund</u>
	65,684	42,014	399,802	9,784,012	16,395
-	65,684	42,014	399,802	9,784,012	16,395
	16,480	56,288	371,125		29,850
1				9,716,151	
1	16,480	56,288	371,125	9,716,151	29,850
(1)	49,204	(14,274)	28,677	67,861	(13,455)
(6,527)					
(6,527)	-	-	-	-	-
(6,528)	49,204	(14,274)	28,677	67,861	(13,455)
9,322	171,862	16,071	(39,692)	824,836	6,597
2,794	221,066	1,797	(11,015)	892,697	(6,858)

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2007

	Special Revenue		
	Landfill Reclamation	Public School Lunch	Public School Rental
<b>Revenues</b>			
Intergovernmental	\$	1,825,094	
Charges for services		1,479,622	49,847
Investment income			4,319
Other			
<b>Total revenues</b>	\$ -	3,304,716	54,166
<b>Expenditures</b>			
General government	\$		
Public safety			
Public works			
Health and welfare			
Culture and recreation			
Education		3,306,308	39,903
<b>Total expenditures</b>	\$ -	3,306,308	39,903
<b>Revenue Over (Under) Expenditures</b>	\$ -	(1,592)	14,263
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total other financing sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ -	(1,592)	14,263
<b>Fund Balances (Deficits) - Beginning</b>	\$ 55,746	1,006,830	126,351
<b>Fund Balances (Deficits) - Ending</b>	\$ 55,746	1,005,238	140,614

Special Revenue

Adult Evening School	Reading Video	Arts District Feasibility	Anti-Blight Fund	Library Grants	Total Special Revenue Funds
81,098			1,100	39,339	19,240,302
	9,717				2,567,345
					167,150
					550,691
81,098	9,717	-	1,100	39,339	22,525,488
					2,209,257
					147,230
					-
					6,644,422
					-
90,502	6,543				13,159,408
90,502	6,543	-	-	-	22,160,317
(9,404)	3,174	-	1,100	39,339	365,171
					293,743
					(253,808)
-	-	-	-	-	39,935
(9,404)	3,174	-	1,100	39,339	405,106
27,644		3,643			3,345,561
18,240	3,174	3,643	1,100	39,339	3,750,667

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Permanent			
	Walter Hubbard Foundation	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award
<b>Revenues</b>				
Intergovernmental	\$			
Charges for services				
Investment income	141,930	159,096	306,312	312
Other				
<b>Total revenues</b>	\$ 141,930	159,096	306,312	312
<b>Expenditures</b>				
General government	\$ 20,135	40,550		
Public safety				
Public works				
Health and welfare				
Culture and recreation			425,956	
Education				
<b>Total expenditures</b>	\$ 20,135	40,550	425,956	-
<b>Revenue Over (Under) Expenditures</b>	\$ 121,795	118,546	(119,644)	312
<b>Other Financing Sources</b>				
Transfers in	\$			
Transfers (out)				
<b>Total other financing sources</b>	\$ -	-	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ 121,795	118,546	(119,644)	312
<b>Fund Balances (Deficits) - Beginning</b>	\$ 570,767	1,147,860	390,272	7,710
<b>Fund Balances (Deficits) - Ending</b>	\$ 692,562	1,266,406	270,628	8,022

<u>Permanent</u>	<u>Capital Projects</u>			
<u>Charlotte Yale Ives</u>	<u>P &amp; R Capital &amp; Nonrecurring</u>	<u>Capital &amp; Nonrecurring</u>	<u>Land Acquisition</u>	<u>Totals</u>
			87,100	19,327,402
				2,567,345
116				774,916
		147,290		697,981
116	-	147,290	87,100	23,367,644
			108,943	2,378,885
				147,230
		127		6,644,549
		102,342		528,298
				13,159,408
-	-	102,469	108,943	22,858,370
116	-	44,821	(21,843)	509,274
			299,677	593,420
				(253,808)
-	-	-	299,677	339,612
116	-	44,821	277,834	848,886
3,901	2,118	(121,871)		5,346,318
4,017	2,118	(77,050)	277,834	6,195,204

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**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** – is a self – insurance fund used to account for workers' compensation activities.

**Meriden Health Insurance** – is a self – insurance fund used to account for the employees' health insurance activities.



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INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF NET ASSETS  
 June 30, 2007

	<u>Governmental Activities</u>		
	<u>Workers' Compensation Fund</u>	<u>Meriden Health Insurance</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 689,626	6,530,380	7,220,006
Investments			-
Accounts receivable	7,878		7,878
Due to other funds	497	109,077	109,574
<b>Total current assets</b>	<u>\$ 698,001</u>	<u>6,639,457</u>	<u>7,337,458</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 238,107	2,941	241,048
Retiree payable			-
Claims payable	889,174	1,544,992	2,434,166
<b>Total current liabilities</b>	<u>\$ 1,127,281</u>	<u>1,547,933</u>	<u>2,675,214</u>
<b>Noncurrent Liabilities</b>			
Long-term claims payable	\$ 2,421,103	-	2,421,103
<b>Total noncurrent liabilities</b>	<u>2,421,103</u>	<u>-</u>	<u>2,421,103</u>
<b>Total liabilities</b>	<u>\$ 3,548,384</u>	<u>1,547,933</u>	<u>5,096,317</u>
<b>NET ASSETS (DEFICIT)</b>	<u>\$ (2,850,383)</u>	<u>5,091,524</u>	<u>2,241,141</u>

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2007**

	<u>Governmental Activities</u>		
	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Meriden</u> <u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,830,725	22,612,370	24,443,095
Other revenues			-
<b>Total operating revenues</b>	<u>\$ 1,830,725</u>	<u>22,612,370</u>	<u>24,443,095</u>
<b>OPERATING EXPENSES</b>			
Claims	\$ 1,244,183	20,217,002	21,461,185
Administrative	148,969	1,331,393	1,480,362
Other expenses	2,393	16,483	18,876
<b>Total operating expenses</b>	<u>\$ 1,395,545</u>	<u>21,564,878</u>	<u>22,960,423</u>
<b>Operating income (loss)</b>	<u>\$ 435,180</u>	<u>1,047,492</u>	<u>1,482,672</u>
<b>NONOPERATING REVENUES</b>			
Investment income	\$ 6,906	76,618	83,524
<b>Total nonoperating revenues</b>	<u>\$ 6,906</u>	<u>76,618</u>	<u>83,524</u>
<b>Changes in net assets</b>	<u>\$ 442,086</u>	<u>1,124,110</u>	<u>1,566,196</u>
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>(3,292,469)</u>	<u>3,967,414</u>	<u>674,945</u>
<b>NET ASSETS (DEFICIT), ending of year</b>	<u>\$ (2,850,383)</u>	<u>5,091,524</u>	<u>2,241,141</u>

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2007**

	<u>Governmental Activities</u>		
	<u>Workers' Compensation Fund</u>	<u>Meriden Health Insurance</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,822,702	22,585,685	24,408,387
Payments to suppliers	(1,552,430)	(21,540,633)	(23,093,063)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 270,272</u>	<u>1,045,052</u>	<u>1,315,324</u>
<b>Cash Flows From Investing Activities</b>			
Interest received on investment	\$ 6,906	76,618	83,524
Purchase of Investments			-
<b>Net cash flow provided by (used in) investing activities</b>	<u>\$ 6,906</u>	<u>76,618</u>	<u>83,524</u>
<b>Net (Increase) Decrease in Cash and Cash Equivalents</b>	<u>\$ 277,178</u>	<u>1,121,670</u>	<u>1,398,848</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>412,448</u>	<u>5,408,710</u>	<u>5,821,158</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 689,626</u>	<u>6,530,380</u>	<u>7,220,006</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>			
Operating income	\$ 435,180	1,047,492	1,482,672
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
(Increase) decrease in accounts receivable	(8,023)	(26,685)	(34,708)
Increase (decrease) in accounts payable	35,299	24,245	59,544
Increase (decrease) in claims incurred but not reported	(192,184)		(192,184)
<b>Net cash flow provided by (used in) operating activities</b>	<u>\$ 270,272</u>	<u>1,045,052</u>	<u>1,315,324</u>

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**Fiduciary Funds**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts and Agency Funds.

**Pension Trust Funds** – utilize the accrual basis of accounting and are used for the accumulation of resources to be used for retirement benefits. The City's Pension Trust Funds are listed below:

- Employees Retirement
- Firefighters' Pension
- Police Pension
- Postemployment Healthcare Plan
- Firemen's Health Fund
- Policemen's Health Fund

**Private Purpose Trust Funds** – utilize the accrual basis of accounting and are used for various purposes. The principal must be maintained intact and invested. The City's Private Purpose Funds are listed below:

- Board of Education Prize Fund
- Acabhuk Scholarship Fund
- Senior Center Scholarship Fund
- Platt and Maloney Scholarship Fund
- Police Evidence Fund
- Firemen's Health Fund
- Policemen's Health Fund

**Agency Funds** – utilize the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and are used to account for senior activities and performance bonds. The City's Agency Funds are listed below:

- Project RAVE
- Senior Trips
- Student Activity Fund
- Performance Bonds

CITY OF MERIDEN, CONNECTICUT

PENSION TRUST FUNDS  
 COMBINING STATEMENT OF PLAN NET ASSETS  
 June 30, 2007

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,468,033	3,342,710
Accounts receivable		
Investments:		
Corporate bonds	2,373,668	1,021,481
U.S. government and agency obligations	3,289,571	1,591,025
Common stock	110,272,375	36,655,607
Preferred stocks	127,879	47,578
Partnerships	12,662,576	5,774,271
Other	25,212	7,642
Total investments	<u>128,751,281</u>	<u>45,097,604</u>
Accounts receivable	<u>196,105</u>	<u>255,626</u>
<b>Total assets</b>	<b>\$ <u>138,415,419</u></b>	<b><u>48,695,940</u></b>
<b>LIABILITIES</b>		
Other liabilities	\$ 2,986	1,761
<b>Total liabilities</b>	<b>\$ <u>2,986</u></b>	<b><u>1,761</u></b>
<b>PLAN NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ <u>138,412,433</u>	<u>48,694,179</u>



SCHEDULE 8

<u>Police Pension</u>	<u>Post Employment Healthcare Plan</u>	<u>Firemen's Health Fund</u>	<u>Policemen's Health Fund</u>	<u>Total Pension Trust Funds</u>
3,653,520	31,902	213,086	599,493	17,308,744
1,221,924	52,359	404	1,060	4,670,896
1,903,228	72,562	630	1,651	6,858,667
43,848,451	2,432,423	14,515	38,031	193,261,402
56,914	2,821	19	49	235,260
6,907,343	279,315	2,287	5,991	25,631,783
9,142	556	3	8	42,563
<u>53,947,002</u>	<u>2,840,036</u>	<u>17,858</u>	<u>46,790</u>	<u>230,700,571</u>
342,958				794,689
<u>57,943,480</u>	<u>2,871,938</u>	<u>230,944</u>	<u>646,283</u>	<u>248,804,004</u>
1,761				6,508
<u>1,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,508</u>
<u>57,941,719</u>	<u>2,871,938</u>	<u>230,944</u>	<u>646,283</u>	<u>248,797,496</u>

CITY OF MERIDEN, CONNECTICUT

PENSION TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
 For the Year Ended June 30, 2007

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>	<u>Police Pension</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 195,528	2,615,076	3,611,172
Plan members	1,236,368	365,035	331,969
<b>Total contributions</b>	<u>\$ 1,431,896</u>	<u>2,980,111</u>	<u>3,943,141</u>
<b>Investment earnings:</b>			
Net increase in fair value of investments	\$ 17,393,716	5,668,791	6,871,440
Interest and dividends	2,950,203	1,082,253	1,285,125
<b>Net investment earnings</b>	<u>\$ 20,343,919</u>	<u>6,751,044</u>	<u>8,156,565</u>
<b>Total additions</b>	<u>\$ 21,775,815</u>	<u>9,731,155</u>	<u>12,099,706</u>
<b>DEDUCTIONS</b>			
Benefits	\$ 5,099,215	3,777,025	4,652,468
Administration	748,691	280,446	329,336
Other deductions	546,968	20,927	127,558
<b>Total deductions</b>	<u>\$ 6,394,874</u>	<u>4,078,398</u>	<u>5,109,362</u>
<b>Change in net assets</b>	\$ 15,380,941	5,652,757	6,990,344
<b>Plan Net Assets - beginning</b>	<u>123,031,492</u>	<u>43,041,422</u>	<u>50,951,375</u>
<b>Plan Net Assets - ending</b>	<u>\$ 138,412,433</u>	<u>48,694,179</u>	<u>57,941,719</u>

SCHEDULE 9

<u>Post Employment Healthcare Plan</u>	<u>Firemen's Health Fund</u>	<u>Policemen's Health Fund</u>	<u>Total Pension Trust Funds</u>
			6,421,776
618,184	53,968	120,716	2,726,240
<u>618,184</u>	<u>53,968</u>	<u>120,716</u>	<u>9,148,016</u>
352,866	2,180	5,712	30,294,705
63,122	420	1,101	5,382,224
<u>415,988</u>	<u>2,600</u>	<u>6,813</u>	<u>35,676,929</u>
<u>1,034,172</u>	<u>56,568</u>	<u>127,529</u>	<u>44,824,945</u>
625,269			14,153,977
15,477	100	260	1,374,310
<u>640,746</u>	<u>100</u>	<u>260</u>	<u>695,453</u>
<u>640,746</u>	<u>100</u>	<u>260</u>	<u>16,223,740</u>
393,426	56,468	127,269	28,601,205
<u>2,478,512</u>	<u>174,476</u>	<u>519,014</u>	<u>220,196,291</u>
<u>2,871,938</u>	<u>230,944</u>	<u>646,283</u>	<u>248,797,496</u>

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CITY OF MERIDEN, CONNECTICUT

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
 June 30, 2007

	<u>Scholarship Funds</u>	<u>Police Evidence Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 53,511	22,303	75,814
Investments	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<u>\$ 53,511</u>	<u>22,303</u>	<u>75,814</u>
<b>LIABILITIES</b>			
Other liabilities	\$ <u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 53,511</u>	<u>22,303</u>	<u>75,814</u>

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2007**

	<u>Scholarship Funds</u>	<u>Police Evidence Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Other	\$	115,641	115,641
<b>Total contributions</b>	<u>\$ -</u>	<u>115,641</u>	<u>115,641</u>
<b>Investment earnings:</b>			
Net increase in fair value of investments	\$		-
Interest and dividends	6,539		6,539
Less Investment Expenses		-	-
<b>Total investment earnings</b>	<u>\$ 6,539</u>	<u>-</u>	<u>6,539</u>
<b>DEDUCTIONS</b>			
Benefits	\$		2,492
Other	2,492	130,529	130,529
<b>Total deductions</b>	<u>\$ 2,492</u>	<u>130,529</u>	<u>133,021</u>
<b>Change in net assets</b>	<u>\$ 4,047</u>	<u>(14,888)</u>	<u>(10,841)</u>
<b>Net Assets - beginning net assets</b>	<u>49,464</u>	<u>37,191</u>	<u>86,655</u>
<b>Net Assets - ending net assets</b>	<u>\$ 53,511</u>	<u>22,303</u>	<u>75,814</u>

**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2007**

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	<u>Project RAVE</u>	<u>Senior Trips Activity Fund</u>	<u>Student Activity Fund</u>	<u>Performance Bonds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,659	9,513	430,663	3,110,631	3,557,466
Accounts receivable					
Investments					
<b>Total Assets</b>	<u>\$ 6,659</u>	<u>9,513</u>	<u>430,663</u>	<u>3,110,631</u>	<u>3,557,466</u>
<b>LIABILITIES</b>					
Other liabilities	\$ 6,659	9,513	430,663	3,110,631	3,557,466
<b>Total Liabilities</b>	<u>\$ 6,659</u>	<u>9,513</u>	<u>430,663</u>	<u>3,110,631</u>	<u>3,557,466</u>
<b>NET ASSETS</b>					
Held in trust for pension benefits and other purposes	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the year ended June 30, 2007**

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>
<b><u>Project RAVE</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,585	\$ 1,074		6,659
<b>Liabilities</b>				
Deposits held for others	\$ 5,585	1,074		6,659
<b><u>Senior Trips Activity Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 6,643	2,870		9,513
<b>Liabilities</b>				
Deposits held for others	\$ 6,643	2,870		9,513
<b><u>Student Activity Fund</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 650,963		220,300	430,663
<b>Liabilities</b>				
Deposits held for others	\$ 650,963		220,300	430,663
<b><u>Performance Bonds</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,340,482		229,851	3,110,631
<b>Liabilities</b>				
Deposits held for others	\$ 3,340,482		229,851	3,110,631



**Other Schedules**

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CITY OF MERIDEN, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
 For the Year Ended June 30, 2007

<u>Grand List Year</u>	<u>Uncollected Balance July 1, 2006</u>	<u>Current Year Levy</u>	<u>Lawful Corrections</u>	<u>Transfers to (Recoveries From) Suspense</u>	<u>Balance to be Collected</u>
1990	\$ 42,515		(42,515)		-
1991	42,594		1,417	2,703	46,714
1992	28,444		1,695	1,855	31,994
1993	26,678		522	1,483	28,683
1994	29,008		112	2,831	31,951
1995	45,162		(2,711)	3,266	45,717
1996	48,175		(593)	3,968	51,550
1997	43,590		(734)	4,173	47,029
1998	314,254		(214)	4,167	318,207
1999	371,077		206		371,283
2000	479,464		(1,439)		478,025
2001	433,038		(6,095)		426,943
2002	610,267		(8,516)		601,751
2003	1,021,117		(18,949)		1,002,168
2004	3,081,967		(107,397)		2,974,570
Total	\$ 6,617,350	-	(185,211)	24,446	6,456,585
2005		104,141,357	(448,806)		103,692,551
	\$ 6,617,350	104,141,357	(634,017)	24,446	110,149,136

SCHEDULE 14

Collections				Uncollected Balance June 30, 2007
Taxes	Interest	Lien Fees	Total	
	210		210	-
2,703	-		2,703	44,011
1,509	3,658		5,167	30,485
1,406	3,190		4,596	27,277
3,251	6,075	24	9,350	28,700
12,999	23,477	72	36,548	32,718
17,175	27,193	96	44,464	34,375
14,361	21,626	48	36,035	32,668
12,653	14,702	130	27,485	305,554
20,063	21,541	144	41,748	351,220
25,031	23,816	216	49,063	452,994
33,010	24,172	312	57,494	393,933
127,721	69,228	1,322	198,271	474,030
500,315	195,827	2,304	698,446	501,853
<u>2,043,170</u>	<u>350,899</u>	<u>13,774</u>	<u>2,407,843</u>	<u>931,400</u>
2,815,367	785,614	18,442	3,619,423	3,641,218
<u>100,818,674</u>	<u>517,700</u>	<u>2,731</u>	<u>101,339,105</u>	<u>2,873,877</u>
<u>103,634,041</u>	<u>1,303,314</u>	<u>21,173</u>	<u>104,958,528</u>	<u>6,515,095</u>

CITY OF MERIDEN, CONNECTICUT

SEWER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For the Year Ended June 30, 2007

Fiscal Year	Uncollected Balance July 1, 2006	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1991	\$ 364			364	-
1992	2,370			1,023	1,347
1993	3,322				3,322
1994	3,508			493	3,015
1995	2,191			218	1,973
1996	3,463			170	3,293
1997	2,455			61	2,394
1998	4,056			1,187	2,869
1999	3,939			2,225	1,714
2000	1,415			201	1,214
2001	2,234			1,174	1,060
2002	2,381			417	1,964
2003	7,101			236	6,865
2004	12,894			16,072	(3,178)
2005	35,171			20,261	14,910
2006	980,798		64	16,216	964,646
<b>Prior Years Total \$</b>	<b>1,067,662</b>	<b>-</b>	<b>64</b>	<b>60,318</b>	<b>1,007,408</b>
2007		5,715,836	431	5,745	5,710,522
	<b>\$ 1,067,662</b>	<b>5,715,836</b>	<b>495</b>	<b>66,063</b>	<b>6,717,930</b>

SCHEDULE 15

Water Use Charges	Collections			Uncollected Balance June 30, 2007
	Interest	Liens	Total	
			-	-
666	1,789	24	2,479	681
936	2,366	72	3,374	2,386
768	2,066	48	2,882	2,247
917	2,011	48	2,976	1,056
907	1,820	48	2,775	2,386
836	1,527	48	2,411	1,558
1,459	3,193	24	4,676	1,410
-	-	-	-	1,714
-	-	-	-	1,214
106	156	24	286	954
402	308	120	830	1,562
1,509	743	240	2,492	5,356
(10,177)	2,611	672	(6,894)	6,999
6,065	6,782	3,637	16,484	8,845
<u>921,375</u>	<u>64,207</u>	<u>41,161</u>	<u>1,026,743</u>	<u>43,271</u>
925,769	89,579	46,166	1,061,514	81,639
<u>4,439,487</u>	<u>34,515</u>	<u>14,463</u>	<u>4,488,465</u>	<u>1,271,035</u>
<u>5,365,256</u>	<u>124,094</u>	<u>60,629</u>	<u>5,549,979</u>	<u>1,352,674</u>

CITY OF MERIDEN, CONNECTICUT

WATER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For the Year Ended June 30, 2007

Fiscal Year	Uncollected Balance July 1, 2006	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1991	\$ 468			468	-
1992	1,336			266	1,070
1993	5,377				5,377
1994	4,839			680	4,159
1995	3,122			310	2,812
1996	4,958			240	4,718
1997	3,523			83	3,440
1998	7,079			200	6,879
1999	5,652			3,194	2,458
2000	2,020			281	1,739
2001	3,196			1,680	1,516
2002	3,388			592	2,796
2003	6,530			330	6,200
2004	12,467				12,467
2005	37,053				37,053
2006	1,115,966		260	721	1,115,505
Prior Years Total \$	1,216,974	-	260	9,045	1,208,189
2007		6,533,495	534	2,185	6,531,844
	\$ 1,216,974	6,533,495	794	11,230	7,740,033

SCHEDULE 16

Collections				Uncollected Balance June 30, 2007
Water Use Charges	Interest	Lien Fees	Total	
-	-	-	-	-
926	2,487	24	3,437	144
1,540	3,911	72	5,523	3,837
1,062	3,221	48	4,331	3,097
1,316	2,886	48	4,250	1,496
1,301	2,610	48	3,959	3,417
1,219	2,228	96	3,543	2,221
4,872	7,952	72	12,896	2,007
16	24	48	88	2,442
16	21	48	85	1,723
167	181	72	420	1,349
568	449	168	1,185	2,228
1,456	879	272	2,607	4,744
5,073	2,264	696	8,033	7,394
27,183	7,674	3,672	38,529	9,870
<u>1,075,156</u>	<u>65,846</u>	<u>40,213</u>	<u>1,181,215</u>	<u>40,349</u>
1,121,871	102,633	45,597	1,270,101	86,318
<u>5,115,546</u>	<u>40,135</u>	<u>14,375</u>	<u>5,170,056</u>	<u>1,416,298</u>
<u><u>6,237,417</u></u>	<u><u>142,768</u></u>	<u><u>59,972</u></u>	<u><u>6,440,157</u></u>	<u><u>1,502,616</u></u>



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**SEWER AUTHORITY SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2007**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>OPERATING EXPENDITURES</b>				
Overtime	\$ 159,399	129,399	123,887	5,512
Wages - public works	622,175	552,175	549,891	2,284
Wages - MMEA	50,495	50,495	50,357	138
Wages - Supervisor	422,399	436,127	423,696	12,431
Employee benefits	458,185	371,153	349,295	21,858
Utilities	754,113	941,145	935,962	5,183
Repairs and maintenance	208,800	208,800	142,401	66,399
Vehicle maintenance	54,160	54,160	40,439	13,721
Audit fees	8,554	9,617	9,617	-
Call before you dig	10,000	2,787		2,787
Hepatitis B shots	7,500	7,500	3,215	4,285
Fiscal division services	500,783	500,783	500,783	-
General fund services	561,224	561,224	561,224	-
Claims	10,000	10,000		10,000
Nitrogen credit purchase	60,000	110,000	105,808	4,192
Supplies	353,802	353,802	224,415	129,387
Biosolid disposals	644,000	644,000	632,168	11,832
Pumping station operations	53,000	53,000	37,376	15,624
Capital outlays	160,000	208,000	104,767	103,233
Memberships and meeting	7,500	7,500	6,283	1,217
Insurance	524,276	524,276	500,864	23,412
<b>Total operating expenditures</b>	<b>\$ 5,630,365</b>	<b>5,735,943</b>	<b>5,302,448</b>	<b>433,495</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 471,688	471,688	471,688	-
Debt service - interest	90,646	90,646	90,646	-
Debt service - BANS interest	84,432	90,582	90,582	-
<b>Total nonoperating expenditures</b>	<b>\$ 646,766</b>	<b>652,916</b>	<b>652,916</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 6,277,131</b>	<b>6,388,859</b>	<b>5,955,364</b>	<b>433,495</b>

**WATER FUND SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OPERATING EXPENDITURES</b>				
Part-time seasonal	\$ -	3,500	1,881	1,619
Overtime	157,000	157,000	150,965	6,035
Wages - public works	1,412,968	1,306,811	1,296,812	9,999
Wages - MMEA	106,038	106,038	105,758	280
Wages - supervisor	233,245	200,561	192,962	7,599
Employee benefits	1,087,780	955,391	927,573	27,818
Taxes paid to other Towns	44,268	19,268	19,082	186
Utilities	745,597	915,597	930,363	(14,766)
Repairs and maintenance	12,000	15,000	13,551	1,449
Vehicle maintenance	100,000	115,000	113,524	1,476
Audit	9,554	9,554	12,567	(3,013)
Water purchased	124,675	141,175	124,823	16,352
Fiscal division charges	556,167	556,167	-	556,167
General fund services	547,641	547,641	547,641	-
Supplies	44,100	50,100	55,301	(5,201)
Hepatitis B shots	2,000	2,000	990	1,010
Maintenance of mains	25,000	17,000	11,687	5,313
Maintenance of reservoirs	30,000	35,000	20,022	14,978
Maintenance of pump station	35,000	37,000	35,140	1,860
Services - materials	5,000	(5,000)	(13,765)	8,765
Treatment expenses	430,800	524,357	485,728	38,629
Capital Outlays	39,800	91,345	88,258	3,087
Water equipment	12,700	12,700	8,142	4,558
Hydrants - materials	5,000	5,000	2,616	2,384
Memberships and meetings	10,000	10,000	6,595	3,405
Insurance	346,869	305,735	305,352	383
New mains and accessories	1	1	-	1
Repairs trenches	16,000	12,000	9,730	2,270
Fiscal services division	1,195,378	1,111,445	1,030,818	80,627
<b>Total operating expenditures</b>	<b>\$ 7,334,581</b>	<b>7,257,386</b>	<b>6,484,116</b>	<b>773,270</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 1,052,840	1,052,840	1,052,840	-
Debt service - interest	254,494	254,494	254,494	-
BANS - Interest	81,216	81,216	75,199	6,017
<b>Total nonoperating expenses</b>	<b>\$ 1,388,550</b>	<b>1,388,550</b>	<b>1,382,533</b>	<b>6,017</b>
<b>Total expenditures</b>	<b>\$ 8,723,131</b>	<b>8,645,936</b>	<b>7,866,649</b>	<b>779,287</b>

**GEORGE HUNTER MEMORIAL GOLF COURSE SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2007**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>OPERATING EXPENDITURES</b>				
Misc.overtime	96,060	96,060	90,960	
Overtime	\$ 13,980	13,980	16,566	(2,586)
Wages - public works	173,968	173,968	174,154	(186)
Wages - Supervisors	74,148	76,558	76,357	201
Employee benefits	107,559	107,559	90,961	16,598
Golf supplies and expenses	191,996	201,996	199,999	1,997
Golf pros	10,000	10,000	10,000	-
Club house expenses	25,680	35,680	27,193	8,487
Liability and general insurance	62,735	62,735	62,563	172
Capital outlays	55,000	45,000	34,295	10,705
Memberships and meetings	2,400	2,400	2,185	215
<b>Total operating expenditures</b>	<b>\$ 813,526</b>	<b>825,936</b>	<b>785,233</b>	<b>35,603</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 35,667	35,667	10,667	25,000
Debt service - interest	5,008	5,008	6,162	(1,154)
<b>Total nonoperating expenditures</b>	<b>\$ 40,675</b>	<b>40,675</b>	<b>16,829</b>	<b>23,846</b>
<b>Total expenditures</b>	<b>\$ 854,201</b>	<b>866,611</b>	<b>802,062</b>	<b>59,449</b>

CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
For the Year Ended June 30, 2007

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	<u>General Purpose</u>
<b>Debt Limitation:</b>	
2 1/4 Times Base	\$ 236,191,961
4 1/2 Times Base	
3 3/4 Times Base	
3 1/4 Times Base	
3 Times Base	
7 Times Base	
	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 236,191,961</b>
<b>Indebtedness:</b>	
Bonds payable	\$ 69,383,144
Clean water debt	
Bonds authorized and unissued	<u>29,920,645</u>
	<hr/>
<b>Total Indebtedness</b>	<b>\$ 99,303,789</b>
<b>Less: School Construction Grants Receivable</b>	<hr/>
	<hr/>
<b>Total Indebtedness of the City</b>	<b>\$ 99,303,789</b>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ <u>136,888,172</u></b>

SCHEDULE 20

Total Tax Collections (Including Interest and Lien Fees)  
 For The Year Ended June 30, 2007 \$ 104,958,528

Reimbursement For Revenue Loss On:  
 Elderly Tax Relief 15,677

**Base** \$ 104,974,205

<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
472,383,923	393,653,269	341,166,166	314,922,615	<u>734,819,435</u>
<u>472,383,923</u>	<u>393,653,269</u>	<u>341,166,166</u>	<u>314,922,615</u>	<u>734,819,435</u>
17,733,640	3,308,216	3,325,000		93,750,000
	147,591			147,591
<u>16,564,753</u>	<u>54,443,088</u>			<u>100,928,486</u>
34,298,393	57,898,895	3,325,000	-	194,826,077
<u>780,889</u>				<u>780,889</u>
<u>33,517,504</u>	<u>57,898,895</u>	<u>3,325,000</u>	<u>-</u>	<u>194,045,188</u>
<u><u>438,866,419</u></u>	<u><u>335,754,374</u></u>	<u><u>337,841,166</u></u>	<u><u>314,922,615</u></u>	<u><u>540,774,247</u></u>

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## Statistical Section

*This part of the City of Meriden, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

### Contents

### Page

#### **Financial Trends**

**A**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

**B**

*These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.*

#### **Debt Capacity**

**C**

*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

#### **Demographic and Economic Information**

**D**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.*

#### **Operating Information**

**E**

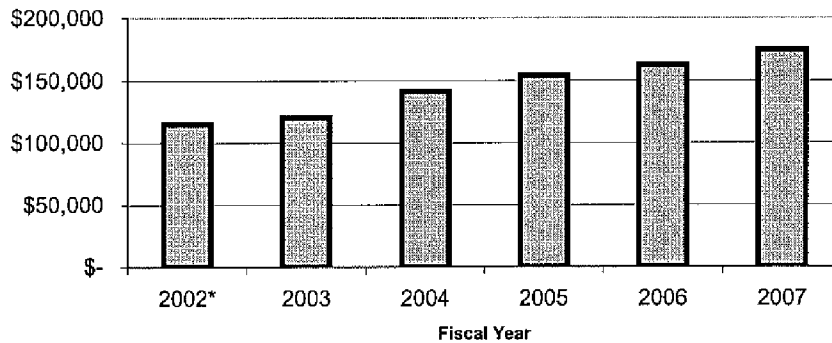
*These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.*



**NET ASSETS BY COMPONENT, Last Ten Years (In Thousands)**  
**(Accrual Basis of Accounting)**

	Fiscal Year					
	2002*	2003	2004	2005	2006	2007
<b>Government activities:</b>						
Invested in capital assets, net of related debt	\$ 37,844	42,360	59,323	104,144	107,105	94,127
Restricted				6,485	5,284	6,496
Unrestricted	(32,248)	(29,882)	(24,950)	(63,007)	(54,963)	(30,219)
<b>Total Governmental Activities net assets</b>	<b>\$ 5,596</b>	<b>12,478</b>	<b>34,373</b>	<b>47,622</b>	<b>57,426</b>	<b>70,404</b>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	\$ 94,508	93,251	88,752	89,674	85,780	77,019
Unrestricted	14,926	14,641	18,262	16,644	19,366	27,207
<b>Total Business-type Activities net assets</b>	<b>\$ 109,434</b>	<b>107,892</b>	<b>107,014</b>	<b>106,318</b>	<b>105,146</b>	<b>104,226</b>
<b>Primary government</b>						
Invested in capital assets, net of related debt	\$ 132,352	135,611	148,075	193,818	192,885	171,146
Restricted				6,485	5,284	6,496
Unrestricted	(17,322)	(15,241)	(6,688)	(46,363)	(35,597)	(3,012)
<b>Total Governmental Activities net assets</b>	<b>\$ 115,030</b>	<b>120,370</b>	<b>141,387</b>	<b>153,940</b>	<b>162,572</b>	<b>174,630</b>

**Total Governmental Activities Net Assets (Thousands)**



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

**CHANGES IN NET ASSETS, Last Ten Fiscal Years (In Thousands)**  
(Accrual Basis of Accounting)

	Fiscal Year					
	2002*	2003	2004	2005	2006	2007
<b>Expenses</b>						
Governmental activities:						
General government	\$ 21,904	15,518	16,967	64,519	24,804	34,754
Education	88,865	100,467	96,877	90,527	106,287	115,598
Public safety	24,873	25,072	27,820	18,104	29,390	19,433
Public works	8,725	9,399	9,202	9,277	10,104	10,569
Human services	6,595	6,761	6,546	8,719	6,413	10,262
Interest on long-term debt	4,821	4,381	4,095	6,583	4,275	3,614
Total governmental activities	\$ 155,783	161,598	161,507	197,729	181,273	194,230
Business-type activities:						
Sewer Authority	5,689	6,018	6,074	6,390	6,662	7,480
Water Authority	7,201	8,180	8,424	8,015	7,885	8,276
George Hunter Golf Course	686	775	793	754	944	881
Total business-type activities	\$ 13,576	14,973	15,291	15,159	15,491	16,637
<b>Total primary government expenses</b>	<b>\$ 169,359</b>	<b>176,571</b>	<b>176,798</b>	<b>212,888</b>	<b>196,764</b>	<b>210,867</b>
<b>Program Revenues</b>						
Governmental activities:						
General government	\$ 4,948	10,243	21,696	28,163	6,839	9,402
Education	56,653	59,458	61,825	12,120	18,244	17,518
Public safety	522	279	158	150	122	1,130
Public works	1,178	978	151	7,875	5,283	640
Human services	3,510	3,296	3,461	5,694	4,419	4,141
Total governmental activities	\$ 66,811	74,254	87,291	54,002	34,907	32,831
Business-type activities:						
Sewer Authority	\$ 4,352	5,093	5,601	4,950	6,169	7,023
Water Authority	7,421	7,790	7,911	7,855	7,458	7,322
George Hunter Golf Course	752	650	687	826	786	798
Total business-type activities	\$ 12,525	13,533	14,199	13,631	14,413	15,143
<b>Total primary government revenues</b>	<b>\$ 79,336</b>	<b>87,787</b>	<b>101,490</b>	<b>67,633</b>	<b>49,320</b>	<b>47,974</b>
<b>Net (Expense) Revenue</b>						
Governmental activities	\$ (88,972)	(87,344)	(74,216)	(143,727)	(146,366)	(161,399)
Business-type activities	(1,051)	(1,440)	(1,092)	(1,528)	(1,078)	(1,494)
	<b>\$ (90,023)</b>	<b>(88,784)</b>	<b>(75,308)</b>	<b>(145,255)</b>	<b>(147,444)</b>	<b>(162,893)</b>

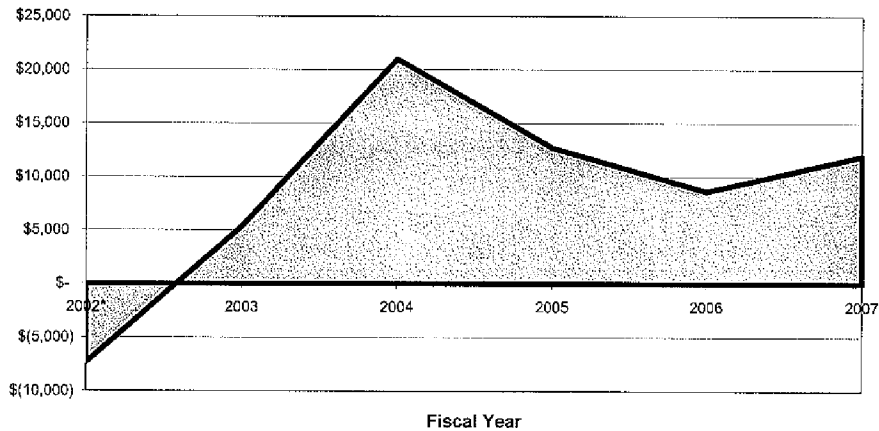
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\* The information was not maintained prior to fiscal year ended June 30, 2002

**CHANGES IN NET ASSETS, Last Ten Fiscal Years (In Thousands), Continued**  
(Accrual Basis of Accounting)

	Fiscal Year					
	2002*	2003	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes	\$ 72,155	86,176	89,175	92,580	94,042	105,354
Grants and contributions not restricted for specific programs	9,732	7,533	6,071	57,502	55,252	59,928
Unrestricted investment earnings	637	508	865	925	1,455	2,483
Miscellaneous income		10		6,731	4,866	6,512
Total governmental activities	\$ 82,524	94,227	96,111	157,738	155,615	174,277
Business-type activities:						
Miscellaneous income	\$ 183	(103)	214	242	461	574
Total business-type activities	\$ 183	(103)	214	242	461	574
Total primary government	\$ 82,707	94,124	96,325	157,980	156,076	174,851
<b>Changes in Net Assets</b>						
Governmental activities	\$ (6,448)	6,883	21,895	14,011	9,249	12,878
Business-Type activities	(868)	(1,543)	(878)	(1,286)	(617)	(920)
Total primary government	\$ (7,316)	5,340	21,017	12,725	8,632	11,958

**Total Change in Net Assets (Thousands)**

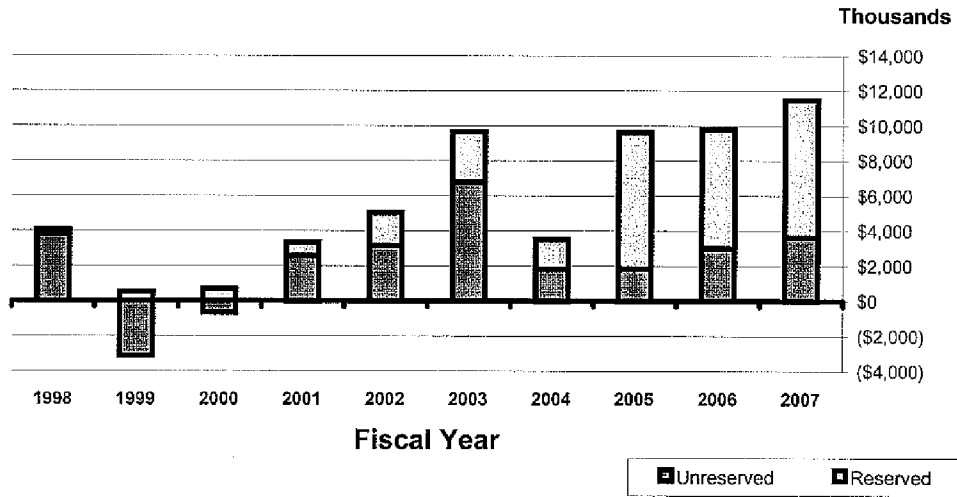


\* The information was not maintained prior to fiscal year ended June 30, 2002

**FUND BALANCES, Last Ten Fiscal Years** (In Thousands)  
 (Modified Accrual Basis of Accounting)

Fiscal Year	General Fund			All Other Government Funds				Total
	Reserved	Unreserved	Total	Reserved	Special revenue funds	Capital projects funds	Total All Other Government Funds	
1998	231	3,819	4,050	9,909	1,322	(14,931)	(3,700)	350
1999	512	(3,146)	(2,634)	12,812	1,293	(10,538)	3,567	933
2000	687	(661)	26	14,084	1,332	(13,655)	1,761	1,787
2001	782	2,566	3,348	12,635	1,527	(25,831)	(11,669)	(8,321)
2002	1,889	3,146	5,035	-	6,910	402	7,312	12,347
2003	2,900	6,778	9,678	3,072	4,069	47	7,188	16,866
2004	1,692	1,825	3,517	2,782	4,156	(181)	6,757	10,274
2005	7,779	1,833	9,612	238	4,598	(32)	4,804	14,416
2006	6,803	3,009	9,812	5,481	5,128	(27,054)	(16,445)	(6,633)
2007	7,850	3,644	11,494	6,823	3,751	(16,392)	(5,818)	5,676

**Total General Fund Balances**



CITY OF MERIDEN, CONNECTICUT

**CHANGES IN FUND BALANCES (GOVERNMENTAL FUNDS) , Last Ten Fiscal Years, (In Thousands)**  
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	1998	1999	2000	2001
<b>Revenues:</b>				
Property taxes	64,507	64,949	67,005	77,363
Federal and state government	61,154	63,655	66,114	71,656
Charges for services	4,189	4,984	5,396	5,682
Investment income	482	317	612	927
Other revenues	1,833	1,731	1,483	1,408
<b>Total revenues</b>	<b>132,165</b>	<b>135,636</b>	<b>140,610</b>	<b>157,036</b>
<b>Expenditures:</b>				
Current:				
General government	27,880	31,389	26,521	32,650
Public safety	13,078	13,617	14,642	15,115
Public works	5,102	5,142	4,852	5,352
Human services	8,532	5,549	5,515	4,997
Education	63,424	69,302	72,156	77,313
Debt service	15,191	17,072	14,890	17,316
Capital outlay			872	224
<b>Total expenditures</b>	<b>133,207</b>	<b>142,071</b>	<b>139,448</b>	<b>152,967</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,042)</b>	<b>(6,435)</b>	<b>1,162</b>	<b>4,069</b>
<b>Other financing sources (uses)</b>				
Transfers in	49	41	620	145
Transfers out	(848)			887
Bond proceeds				
Lease proceeds			369	224
<b>Total other financing sources (uses)</b>	<b>(799)</b>	<b>41</b>	<b>989</b>	<b>1,256</b>
<b>Net changes in fund balances</b>	<b>(1,841)</b>	<b>(6,394)</b>	<b>2,151</b>	<b>5,325</b>

**Revenues (Thousands)**

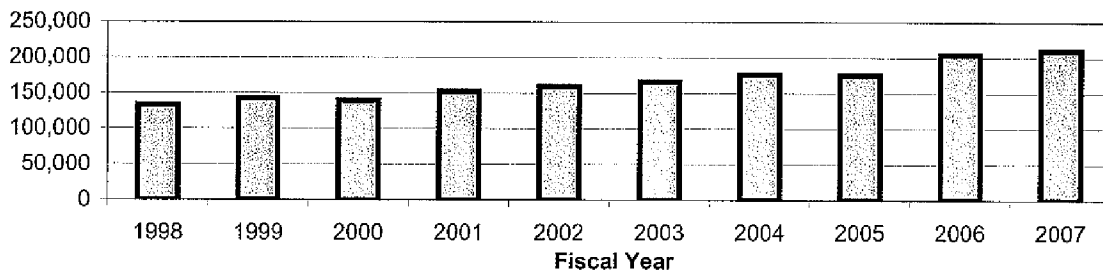
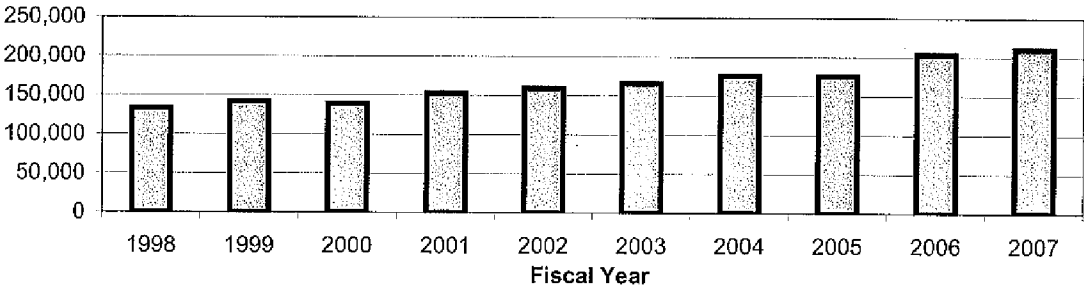


TABLE A-4

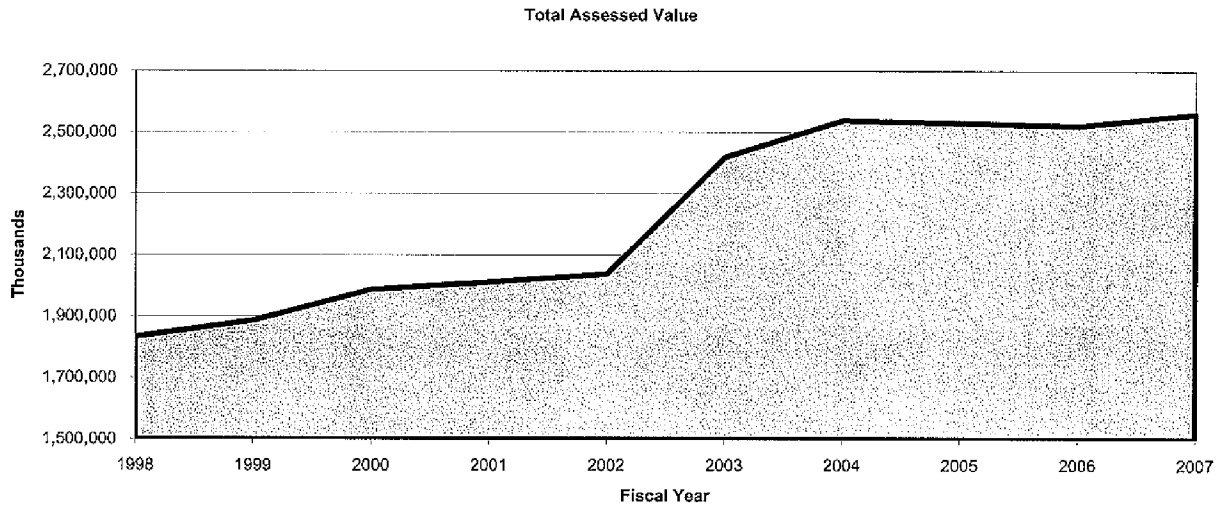
Fiscal Year					
2002	2003	2004	2005	2006	2007
79,388	84,906	88,259	91,365	95,956	103,735
73,615	72,812	75,879	71,693	83,638	87,064
5,940	9,060	8,065	8,097	7,747	8,198
750	508	854	802	1,455	2,646
1,310	2,921	5,870	5,310	4,866	5,252
161,003	170,207	178,927	177,267	193,662	206,895
34,418	35,706	37,593	41,190	25,874	34,808
15,812	16,402	17,029	17,479	28,558	18,608
4,956	5,401	5,392	5,903	6,617	6,038
5,693	5,556	7,924	8,246	6,342	9,574
82,930	87,909	90,525	86,754	102,764	112,427
14,800	14,408	17,400	15,869	17,959	18,063
813	797	477	257	15967	11201
159,422	166,179	176,340	175,698	204,081	210,719
1,581	4,028	2,587	1,569	(10,419)	(3,824)
918 (681)	258	100 (100)	5,550 (550)	342 (342)	
237	258	0	5,000	0	0
1,818	4,286	2,587	6,569	(10,419)	(3,824)

Expenditures (Thousands)



**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years (In Thousands)**

Fiscal Year ended June 30,	Residential Property	Commercial/Industrial Property	Tax Exempt Property	City-wide Assessed Value	Total Direct Basic Tax Rate	Assessed Value as a % of Actual	Estimated Actual Tax Value
1998	1,000,738	340,565	86,381	1,833,813	35.8	70%	2,619,733
1999	999,851	353,047	100,557	1,886,511	35.8	70%	2,695,016
2000	1,552,145	511,907	95,922	1,987,068	35.8	70%	2,838,669
2001	1,558,776	518,667	96,222	2,012,192	35.8	70%	2,874,560
2002	1,848,883	795,469	90,129	2,037,758	40.4	70%	2,911,083
2003	1,771,890	799,349	211,036	2,419,954	36.0	70%	3,457,077
2004	1,800,892	788,517	193,055	2,539,654	37.3	70%	3,628,077
2005	1,854,673	793,407	148,428	2,531,849	39.1	70%	3,616,927
2006	1,884,648	802,272	140,582	2,521,867	40.4	70%	3,602,667
2007	2,381,692	865,337	599,566	2,561,231	42.2	70%	3,658,901



**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**Last Ten Years (Rates per \$1,000 of Assessed Value)**

Fiscal Year	City Direct Rate	Overlapping Rates	
	Basic Rate	District 1	District 2
1998	35.80	0.00	2.10
1999	35.80	0.00	2.10
2000	35.80	0.00	2.10
2001	35.80	0.00	2.10
2002	40.40	0.00	2.10
2003	36.00	0.00	1.80
2004	37.30	0.00	1.90
2005	39.09	0.00	1.90
2006	40.43	0.00	1.90
2007	42.20	0.00	2.31





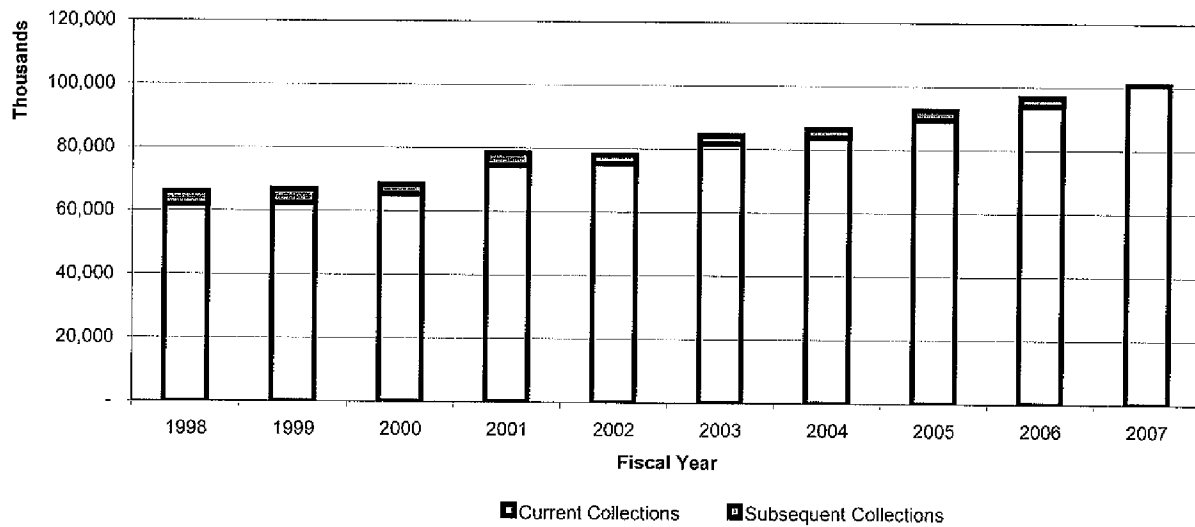
**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Nine Years Ago**

TAXPAYER	Fiscal Year Ended June 30, 2007		
	ASSESSMENT <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value
Meriden Square #3 LLC et al	\$ 49,320,460	1	2.11 %
Meriden Square Partnership	26,318,530	2	1.13
Connecticut Light & Power	26,924,220	3	1.15
Radio Frequency System	19,684,120	4	0.84
Yankee Gas	17,335,740	5	0.79
Urstadt Biddle Properties, Inc.	15,105,030	6	0.65
CUNO, Inc.	14,578,120	7	0.62
CSC Outsourcing, Inc.	13,142,920	8	0.56
May Department Stores	10,415,230	9	0.45
Carabetta Enterprises, Inc.	9,486,030	10	0.41
	<u>\$ 202,310,400</u>		<u>8.71 %</u>

TAXPAYER	Fiscal Year Ended June 30, 1998		
	ASSESSMENT <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value
Yankee Gas	\$ 51,544,680	1	2.87 %
Connecticut Light & Power	28,827,760	2	1.61
Southern New England Telephone	13,329,710	3	0.74
HRE Properties	11,044,660	4	0.62
Meriden Square Partnership	10,647,520	5	0.59
Meadow Haven, Inc.	8,415,820	6	0.47
C.S.C Outsourcing, Inc.	8,173,110	7	0.46
Carabetta Enterprises, Inc.	7,578,050	8	0.42
Fusco-Meriden	7,228,570	9	0.40
CUNO	7,205,260	10	0.40
	<u>\$ 153,995,140</u>		<u>8.58 %</u>

**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 Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
1998	\$ 65,923,290	\$ 61,770,123	93.7	4,118,792	65,888,915	99.9%
1999	66,813,524	62,337,018	93.3	4,443,838	66,780,856	100.0%
2000	68,779,625	65,340,644	95.0	3,133,427	68,474,071	99.6%
2001	78,808,547	74,395,268	94.4	4,062,059	78,457,327	99.6%
2002	78,356,632	75,144,010	95.9	2,759,628	77,903,638	99.4%
2003	84,733,897	81,598,743	96.3	2,741,221	84,339,964	99.5%
2004	86,939,798	83,723,025	96.3	2,742,743	86,465,768	99.5%
2005	92,971,816	89,339,544	96.8	3,130,419	92,469,963	99.5%
2006	97,596,621	93,994,623	96.3	2,670,598	96,665,221	99.0%
2007	104,141,357	100,818,674	96.8	-	100,818,674	96.8%

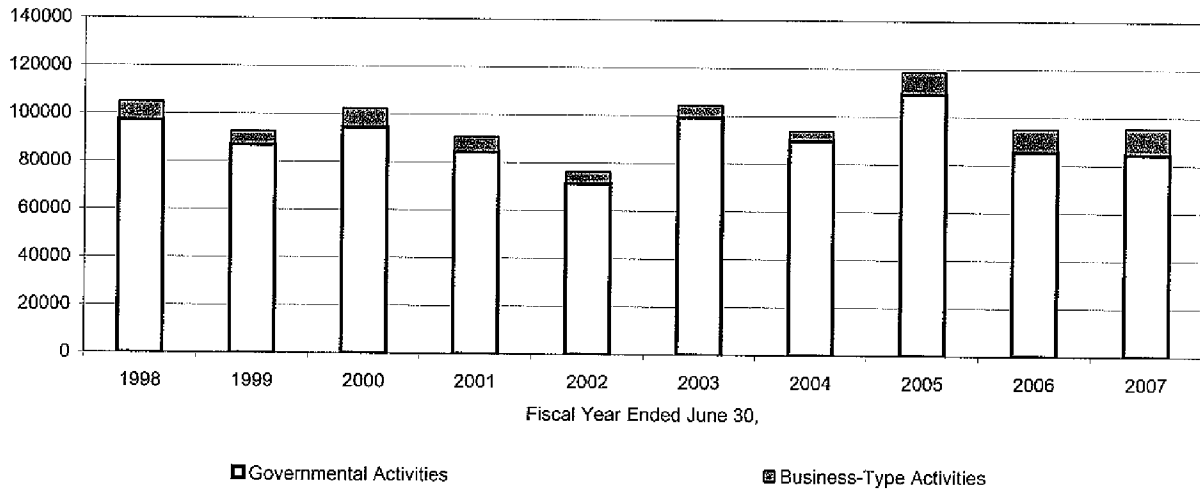


CITY OF MERIDEN, CONNECTICUT

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Years, (In Thousands)**

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Capital Leases	Resources Restricted For Debt Payments <sup>1</sup>	Water Bonds	Sewer Bonds	Golf Course Bonds
1998	82,200	1	15,192	4,786	1,991	775
1999	69,956	1	17,072	3,498	1,493	708
2000	79,325	283	14,891	6,223	1,353	299
2001	66,721	409	17,316	5,167	1,063	200
2002	56,257	327	14,800	4,286	798	10
2003	85,006	240	14,174	3,874	923	167
2004	72,224	147	17,400	3,284	794	153
2005	93,486	50	15,867	7,288	2,082	139
2006	80,476	0	5,062	6,411	2,968	128
2007	82,722	-	1,875	7,223	3,663	141

Outstanding Debt by Type



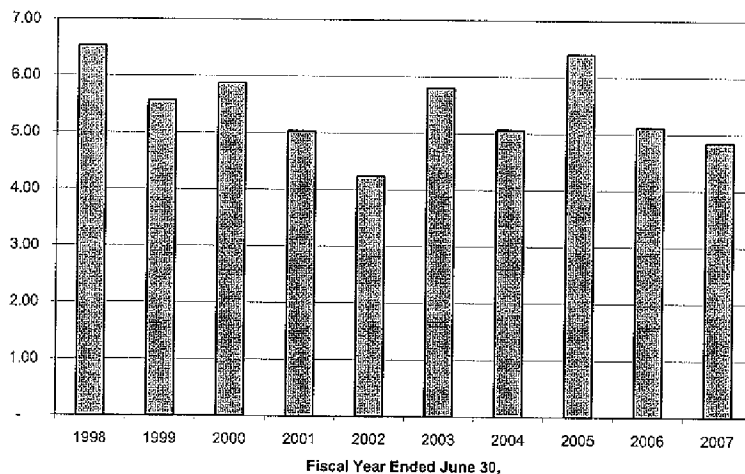
<sup>1</sup> Includes Intergovernmental Grants Receivable from the State Department of Education and restrictions from enabling legislation.

<sup>2</sup> All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged.

TABLE C-1

Total Primary Government <sup>2</sup>	Percentage of Personal Income	Aggregate Personal Income	Population <sup>3</sup>	Per Capita <sup>3</sup>
104,945	6.53 %	1,605,933	59	27
92,728	5.57	1,665,412	59	28
102,374	5.88	1,740,000	58	30
90,876	5.03	1,805,564	58	31
76,478	4.24	1,805,564	58	31
104,384	5.81	1,798,000	58	31
94,002	5.06	1,856,000	58	32
118,912	6.41	1,856,000	58	32
95,045	5.12	1,856,000	58	32
95,624	4.85	1,972,000	58	34

% Debt Per Personal Income

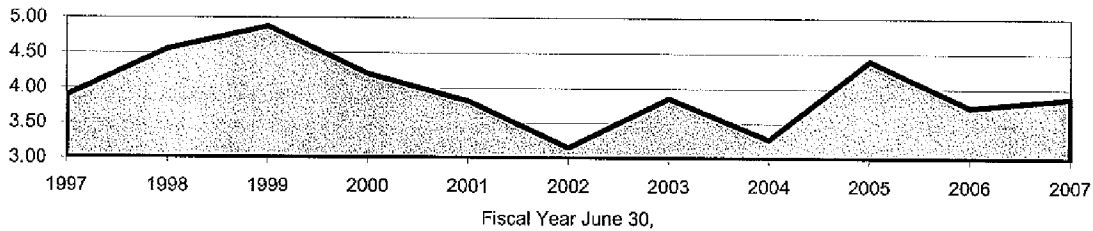


The source of this information is U.S. Bureau of Economic Analysis

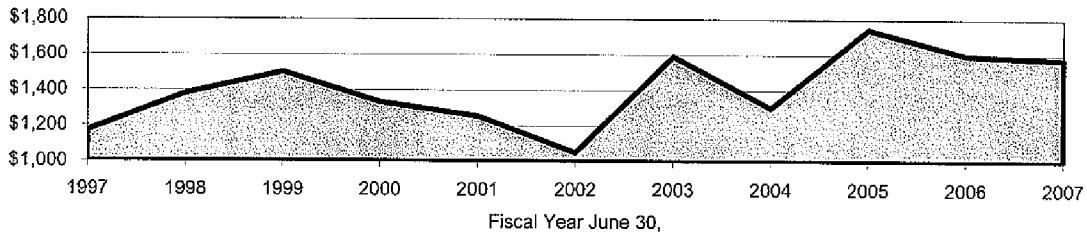
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Bonded Debt (Thousands)</b>	<b>Net Assessed Value (Thousands)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
1997	69,790	1,793,118	3.89	59,479	1,173
1998	82,199	1,804,647	4.55	59,479	1,382
1999	89,406	1,833,813	4.88	59,479	1,503
2000	79,324	1,886,511	4.20	59,479	1,334
2001	73,150	1,916,270	3.82	58,244	1,256
2002	61,350	1,941,536	3.16	58,244	1,053
2003	89,970	2,329,825	3.86	58,244	1,594
2004	76,455	2,331,434	3.28	58,675	1,303
2005	102,945	2,338,868	4.40	58,962	1,746
2006	88,785	2,373,437	3.74	59,468	1,600
2007	93,750	2,420,649	3.87	59,468	1,576

**Bonds Debt to Net Assesed Value**



**Debt Per Capita**



**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Years, (In Thousands)

**Legal Debt Margin Calculation for Fiscal Year 2007:**

Property taxes Collected	\$ 104,959
Less: Elderly Tax	<u>16</u>
Total Base	\$ 104,975
Debt limitation Multiple	<u>x 7</u>
<b>Legal Debt Limitation</b>	<b><u>\$ 734,825</u></b>

<u>Fiscal Year ended June 30,</u>	<u>Debt Limitation</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the limit as a percentage of Debt Limit</u>
1998	464,428	104,945	359,483	22.6 %
1999	462,089	92,728	369,361	20.1
2000	482,345	102,374	379,971	21.2
2001	514,622	90,876	423,746	17.7
2002	554,098	76,478	477,620	13.8
2003	593,370	104,384	488,986	17.6
2004	626,277	94,002	532,275	15.0
2005	648,281	118,912	529,369	18.3
2006	659,509	95,045	564,464	14.4
2007	734,819	194,045	540,774	26.4

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**


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<b>Year</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
1998	58,244	26,883	4.1
1999	58,275	27,939	3.9
2000	58,419	29,847	2.9
2001	58,622	30,580	3.8
2002	58,961	30,795	5.2
2003	59,171	31,459	6.8
2004	59,653	31,459	5.9
2005	59,653	31,459	5.9
2006	59,653	31,459	5.4
2007	59,653	49,644 *	5.1

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

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

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Current Year			
Employer	Employees	Rank	Percentage of Total City Employment
AT&T	1,150	1	4.1%
Midstate Medical Center	1,120	2	4.0%
CUNO, Inc	400	3	1.4%
Hunters Ambulance	395	4	1.4%
State of Connecticut	359	5	1.3%
Bob's Stores	354	6	1.3%
Filene's Department Store	300	7	1.1%
Stop and Shop Supermarkets	268	8	1.0%
Target Stores	202	9	0.7%
TI Automotive	187	10	0.7%

Nine Years Ago			
Employer	Employees	Rank	Percentage of Total City Employment
Southern New England Telephone	1,540	1	5.4%
Veterans Memorial Medical Center	1,427	2	5.0%
State of Connecticut	801	3	2.8%
Bob's Stores	575	4	2.0%
Walbor Automotive	521	5	1.8%
A.D.C. Broadband Communications	400	6	1.4%
CUNO	372	7	1.3%
Packard Biosciences	350	8	1.2%
J.C. Penney Co, Inc.	325	9	1.1%
Fosdick Corporation	175	10	0.6%

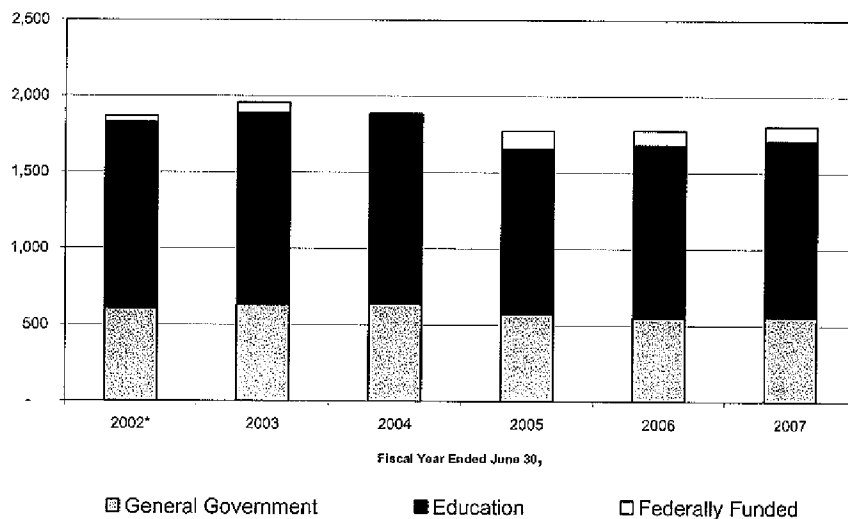
Source of information: Connecticut Department of Labor



**Full-Time Equivalent City Government Employees By Function/Program  
Last Ten Fiscal Years\***

<b>Fiscal Year Ended June 30,</b>	<b>General Government</b>	<b>Education</b>	<b>Federally Funded</b>	<b>Total</b>
2002*	606	1,221	42	1,869
2003	632	1,257	69	1,958
2004	638	1,234	15	1,887
2005	572	1,084	119	1,775
2006	549	1,130	99	1,778
2007	557	1,151	98	1,806

**Employees by Function/Program**



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

**OPERATING INDICATORS BY FUNCTION / TYPE**  
**Last Ten Fiscal Years\***

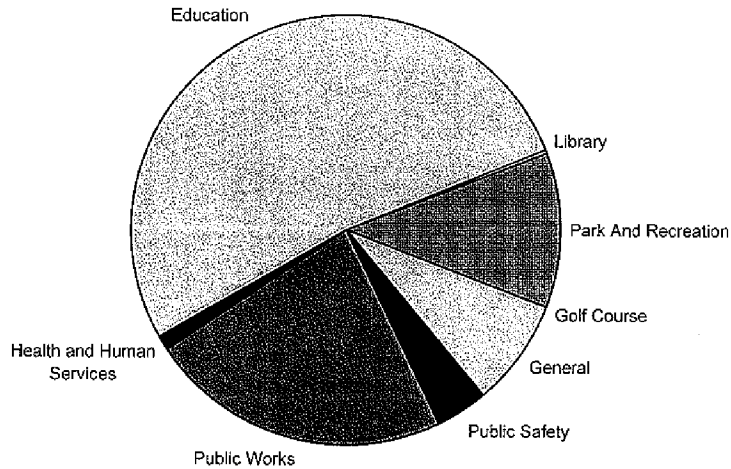
<b>Function / Operating Indicator</b>	<b>2006*</b>	<b>2007</b>
<b>Police</b>		
Cases Investigated	36,812	34,784
Arrests	3,059	3,147
Traffic Citations	5,809	6,866
Parking Citations	922	1,229
<b>Fire</b>		
Emergency Responses	5,787	6,033
Non-emergency Responses	1,965	1,643
Inspections	2,335	1,527
<b>Refuse Collection</b>		
Refuse Collected (Tons)	23,215	34,952
Recyclables Collected (Tons)	1,797	1,777
<b>Other Public Works</b>		
Street Resurfacing (Miles)	5	2
Potholes Repaired	275	705
<b>Library</b>		
Volumes in Collection (Print)	239,196	239,314
Volumes in Collection (Non-print)	27,742	13,546
Total Volumes Borrowed	202,214	208,194
<b>Water</b>		
Average Daily Production (thousands of gallons)	6,893	6,504
Average Daily Demand (thousands of gallons)	6,880	6,333
<b>Wastewater</b>		
Average Daily Treatment (thousands of gallons)	9,400	9,400
<b>Transit</b>		
Total Route Miles	52,980	52,926
Passengers	18,638	16,493
<b>Human Services</b>		
Food Service Inspections and Responses	2,989	2,885
Health and Clinic Services Provided	89,200	5,252
School Health Services Provided	93,429	107,061
Social Services Provided	451	2,377
Youth Program Participants	5,562	6,843
Senior Program Participants	19,246	20,204

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

**Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years\***

<b>Function / Operating Indicator</b>	<b>2007</b>	<b>2006*</b>
General	15,083,429	15,193,896
Public Safety	7,573,438	7,456,735
Public Works	42,938,174	44,314,779
Health and Human Services	2,132,417	2,102,474
Education	98,953,623	97,767,155
Library	618,868	697,977
Park And Recreation	21,961,680	19,830,512
Golf Course	25,737	42,896

Capital Assets by function, Current Year - 2007



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