

**CITY OF MERIDEN
CONNECTICUT**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2009

CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Department of Finance

Michael Lupkas, CPFO
Director of Finance

Introductory Section

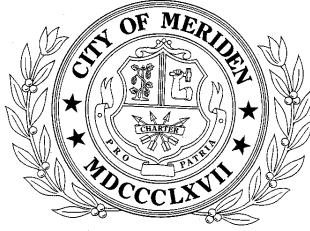
CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

December 14, 2009

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

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

Blum, Shapiro & Company, P.C., Certified Public Accounts, have issued an unqualified opinion of the City of Meriden's financial statements for the year ended June 30, 2009. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A 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 an estimated 60,158 in 2008, an increase of 1,914 people since 2000. Meriden is located midway between the cities of Hartford and New Haven within New Haven County at the crossroads of Interstate 91, Interstate 691, State Rt.15 (Wilbur Cross Parkway) and U.S. Rt. 5. Interstate 691 links Interstate 91 and Interstate 84.

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

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

Form of Government

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

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

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

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

ECONOMIC CONDITIONS AND DEVELOPMENT

Meriden's development points to a stable economy of consistent growth in all sectors (commercial/industrial and residential). The annual growth rate for commercial/industrial development rate is 126,400 square feet. This is the growth rate of land use approvals in the last two fiscal years 2007-2008 and 2008-2009 (see matrix "Development Projects Approved").

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

- 38 units to the housing stock;
- 252,800 sq. ft. to the commercial/industrial base; and
- 70,500 sq. ft. to the institutional base.

These numbers demonstrate to a stable expansion of the residential and the commercial/industrial base. The residential annual growth rate of 38 units is a healthy increase particularly in the quality of the developments. The commercial/industrial annual rate (161,650 sq. ft.) is a positive sign of the vitality of the City’s economic base. The development activity is charted below per type and status:

DEVELOPMENT PROJECTS APPROVED

Type of Use	Approved by Planning	Occupied	Under Construction	Anticipated Construction
Office Light Indus.	171,800 sq.ft.	126,800 sq. ft.	24,300 sq. ft.	20,700 sq. ft.
Industrial	16,000 sq.ft.	1,000 sq. ft.		15,000 sq. ft.
Commercial Retail	65,000 sq.ft.	44,000 sq. ft.	11,800 sq. ft.	9,200 sq. ft.
TOTAL COMMERCIAL	252,800 sq.ft.	171,800 sq. ft.	36,100 sq. ft.	44,900 sq. ft.
Multi-Family Residential	23 units	3 units		8 units
Single Family Residential	27 lots	3 lots		24 lots
TOTAL RESIDENTIAL	50 units	6 units		32 units
TOTAL INSTITUTIONAL	70,500 sq. ft.		70,500 sq. ft.	

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

- 86% (278,400 sq. ft.) of the total commercial development square footage (323,300 sq. ft.) approved this year by the Planning Commission has already been built or is under construction.

The City is weathering the 2008-2009 Bush/Obama recession. There was a reduction in commercial development in 2009 from the previous year, and a decrease in approved single family residential units; however there was a substantial increase in completed occupied non-residential space in 2009.

COMPREHENSIVE PLANNING

The City has recently completed the most important planning process a community faces, that is the preparation of the Plan of Conservation & Development (a.k.a. “Master Plan” or “Plan of Development”). In March 2009, the Planning Commission approved the City’s Plan of Conservation & Development. The City Council, also strongly endorsed this Plan, recognizing the importance and excellence of it. The Council had allocated over \$125,000 in the City budget to hire a consultant to prepare the Plan that reviewed and addressed the following aspects of City function:

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

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

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

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

The plan includes specific actions to promote the objectives, including targeted investments, regulatory changes and economic development. Further, immediately upon adoption of the Plan, the City’s comprehensive planning implementation 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 fiscal year 2009, over 4,500 code violations were cited on approximately 2,100 properties. As of 2009, after nine (9) rounds, well over 90% of these violations have been corrected and over 90% of the properties have been brought into compliance. Code violations include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc.

In order to build upon the Code Enforcement and to address quality of life and aesthetic issues in our neighborhoods, in 2004, the City Council adopted an “AntiBlight Ordinance.” This ordinance attacks poorly maintained and dilapidated properties. It also addresses properties that are not covered by the safety codes. The AntiBlight Ordinance covers not only buildings; it addresses unoccupied structures and commercial properties. In the four years the ordinance has been enforced, the City has identified 84 properties in violation and has already received compliance on 58 of the said properties. In 2009 the compliance ratio was substantially increased.

In 2009, the City also began a Neighborhood Stabilization program wherein 7 vacant bank foreclosed properties have been purchased for rehabilitation and sale to income qualified homebuyers. Currently, the City is also pursuing regulatory updates to promote higher quality neighborhood development and redevelopment.

B. ENVIRONMENTAL PLANNING

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

Also, the City has recently completed a nature walk/bike trail project, the Meriden Quinnipiac Trail in South Meriden, considered one of the best riparian environment based trails in the state. The City also completed the engineering for the next trail phase which will traverse from the Quinnipiac Trail toward the Central Business District (“CBD”). Said trail will eventually extend to the northeast corner of the City. This is a regional project that will connect with an existing bikeway in Cheshire and a proposed bikeway in Wallingford. This project will run parallel to the Harbor Brook Flood Control project.

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

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

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

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the CBD. The 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. The City has a concept plan for developing for an urban center park that provides further development potential.

The new Plan of Conservation and Development includes an open space and recreation component and recommendations regarding environmentally sensitive lands. It can be a major tool in the City’s preservation and balanced development efforts. For instance the Plan recommends preserving one half of a large 289 acre parcel that the City recently acquired; specific areas are being delineated.

C. ECONOMIC DEVELOPMENT

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

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

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

The City has a comprehensive program to remediate brownfield sites and return them to active reuse. In 2006 the City received a \$200,000 EPA grant to remediate the vacant HUB site downtown. Over the past 3 years, the U.S. Environmental Protection Agency has given the City a total of \$2.7 million to help redevelop Brownfield sites in Meriden. In May of 2007, the City was awarded \$600,000 in EPA grants for environmental testing and for clean up of the abandoned Factory H site on Cooper and Butler Streets. In January of 2008, EPA's Hazards Removal Division removed hazardous asbestos materials from the Factory H site at a cost of \$1.5 million. In late 2009, the City was awarded \$600,000 from the State of Connecticut for HUB site cleanup and transportation improvement and reuse planning efforts. These grants and EPA monetary support the City's in creation of more available land for commercial development.

The City is continuing to position itself to begin major downtown redevelopment. The City owns a vacant 14 acre site adjacent to its Amtrak train station. The Station is slated to be the only full service stop on the upcoming commuter rail service between New Haven and Hartford. The City also purchased another large site on the west side of the downtown zoned and planned for commercial and high density residential use.

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

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

The City's Economic Development Office continues to contract with CoStar Inc. to provide real-time, on-line access to commercial property databases listing all commercial, industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-time lease and "For Sale" information to companies wishing to locate to or expand in the City. The database also provides real estate analysis

(vacancy rates, lease histories and property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

The City's Comprehensive Economic Development Strategy Plan (CEDS) was approved by the U.S. Economic Development Administration (EDA) in 2000. This Plan allows the City to apply for funding from EDA for economic development projects.

COMMUNITY DEVELOPMENT PROGRAM

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

The City of Meriden is a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated "distressed" municipality pursuant to Section 32-9j of the Connecticut General Statutes. During fiscal year 2009, the City of Meriden received \$790,776 in US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) "entitlement" funds, which are used to promote decent housing, suitable living environment, and economic opportunities in Meriden's low and moderate income areas. Programs funded with CDBG funds include a portion of the City's code enforcement and demolition activities, as well as social services for Meriden residents that are elderly, homeless, or handicapped. Public services programs supporting at-risk youth also receive CDBG funds. CDBG funds are used to support a revolving loan program that funds housing rehabilitation projects. During FY 2009, no new loans were made as the City focused its efforts on implementing programs to eliminate lead hazards in properties that were rehabilitated in prior years. At the end of FY 2009, there were 145 outstanding CDBG loans with a total principal balance of \$2,262,695. During FY 2009 the City also received in \$1.785 in US Department of Housing and Urban Development Neighborhood Stabilization Program (NSP) funds administered by the Connecticut Department of Economic and Community Development. Grant funds will be used to purchase, rehabilitate and resell homes that have been foreclosed. During FY 2009, the Meriden Housing Authority used approximately \$10 million to provide affordable rental housing options to low income Meriden residents. MHA manages 1,232 affordable housing units that meet the Section 215 definition of affordable housing.

During FY 2009, the Community Development office managed several other state and federal grants totaling over \$8 million. The US Environmental Protection Agency and Connecticut Department of Economic and Community Development provided grants for brownfields remediation at the "HUB" and Factory H sites. The US Department of Homeland Security-Federal Emergency Management Agency, US Department of Justice and the CT Department of Emergency Management and Homeland Security provided grants for personnel and equipment costs. The Federal Aviation Authority and the Connecticut Department of Transportation provided grants improvement of the Meriden-Markham Airport. The Connecticut Department of Transportation also provided grants for streetscape improvements, road repair and for the purchase of clean fuel vehicles.

Key accomplishments of the Community Development Program office during the 2009 fiscal year included:

- Assisted 18 local non-profit agencies provide 27,431 units of service to approximately 13,715 people, 98 percent of which are moderate or low income.
- Assisted the Meriden Council of Neighborhoods to complete community organizing and community service activities citywide.
- Assisted two non-profit organizations to participate and benefit from the state Neighborhood Assistance Act program.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Meriden, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,



Michael Lupkas, CPFO
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Meriden
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



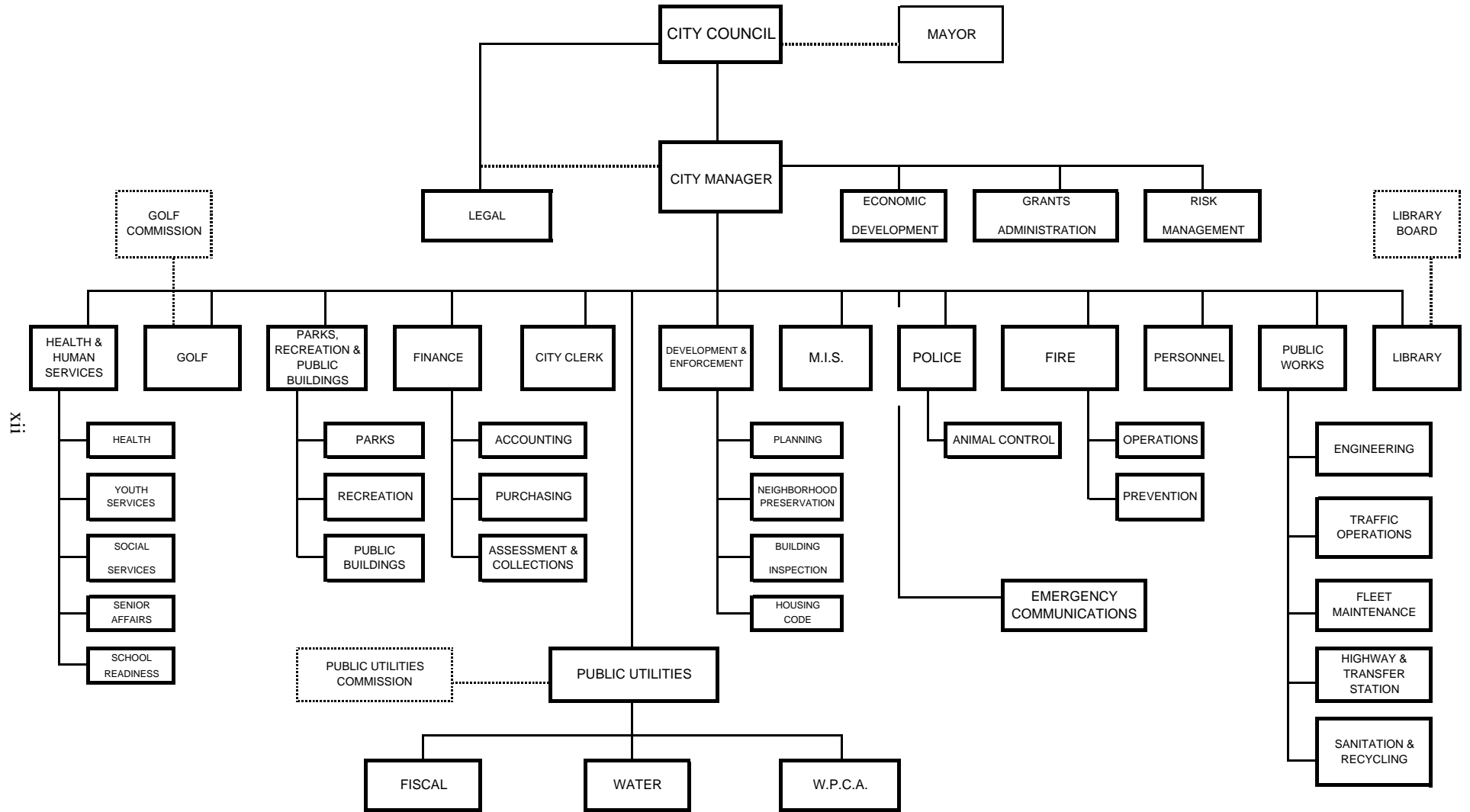
A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

President

A handwritten signature in black ink that reads "Jeffrey R. Enos".

Executive Director

CITY OF MERIDEN ORGANIZATIONAL CHART



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS
JUNE 30, 2009

MAYOR

Michael S. Rohde

CITY COUNCIL

Matthew C. Dominello, Sr., Deputy Mayor
Keith Gordon, Majority Leader
George E. McGoldrick, Deputy Majority Leader
Trevor Thorpe, Deputy Majority Leader
Walter A. Shamock, Minority Leader
Dante' J.C. Bartolomeo, City Councilor
Brian P. Daniels, City Councilor
Brian F. Kogut, City Councilor
David J. Salafia, City Councilor
Hilda E. Santiago, City Councilor
John J. Thorp, City Councilor
Anthony D. Tomasseti, City Councilor

CITY MANAGER

Lawrence Kendzior

ADMINISTRATION

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

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

BOARD OF EDUCATION

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

BOARD OF EDUCATION ADMINISTRATION

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

Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blum, Shapiro & Company, P.C.

WEST HARTFORD • SHELTON
Westport • Waterbury • New York

An Independent Member of Baker Tilly International

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2009 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

December 14, 2009

**City of Meriden, Connecticut
Management's Discussion and Analysis
June 30, 2009**

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, 2009. 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 \$196.6 million. Total net assets for Governmental Activities at fiscal year-end were \$67.3 million and total net assets for Business-Type Activities were \$129.3 million.
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$27.0 million or 15.9%, from \$169.6 million to \$196.6 million. Net assets decreased by \$1.5 million for Governmental Activities and increased by \$28.5 million for Business-Type Activities. Governmental activities expenses were \$215.0 million, while revenues were \$213.5 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 \$20.7 million, an increase of \$20.1 million from the prior fiscal year (Exhibit IV).
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$14.3 million, an increase of \$4.8 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2009, \$13.3 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 7.58% of total general fund expenditures (\$175.5 million), an increase of 4.72% from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of net assets presents information on all of Meriden's assets and liabilities, with the difference reported as net assets. One can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city

is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, as such changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City of Meriden.

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

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

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

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

Fund Financial Statements

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

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

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

The City of Meriden maintains 42 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, both of which are

considered to be major funds. Data from the other 40 governmental funds are combined into a single, aggregated presentation as nonmajor governmental funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-59 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 49-50 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net assets exceeded liabilities by \$196.6 million on June 30, 2009. Governmental activities assets exceeded liabilities by \$67.3 million. Business-type activities assets exceeded liabilities by \$129.3 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 61,195	\$ 53,547	\$ 24,728	\$ 21,963	\$ 85,923	\$ 75,510
Capital assets, net of accumulated depreciation	183,909	186,912	128,318	101,025	312,227	287,937
Total assets	<u>245,104</u>	<u>240,459</u>	<u>153,046</u>	<u>122,988</u>	<u>398,150</u>	<u>363,447</u>
Current liabilities	35,577	47,445	5,120	12,155	40,697	59,600
Long-term liabilities outstanding	142,191	124,136	18,671	10,147	160,862	134,283
Total liabilities	<u>177,768</u>	<u>171,581</u>	<u>23,791</u>	<u>22,302</u>	<u>201,559</u>	<u>193,883</u>
Net Assets:						
Invested in capital assets, net of related debt	104,751	101,766	116,827	84,022	221,578	185,788
Restricted	825	4,220			825	4,220
Unrestricted	<u>(38,240)</u>	<u>(37,108)</u>	<u>12,428</u>	<u>16,664</u>	<u>(25,812)</u>	<u>(20,444)</u>
Total Net Assets	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>

A portion of net assets was restricted in June 30, 2009 as a result of enabling legislation. Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to this.

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

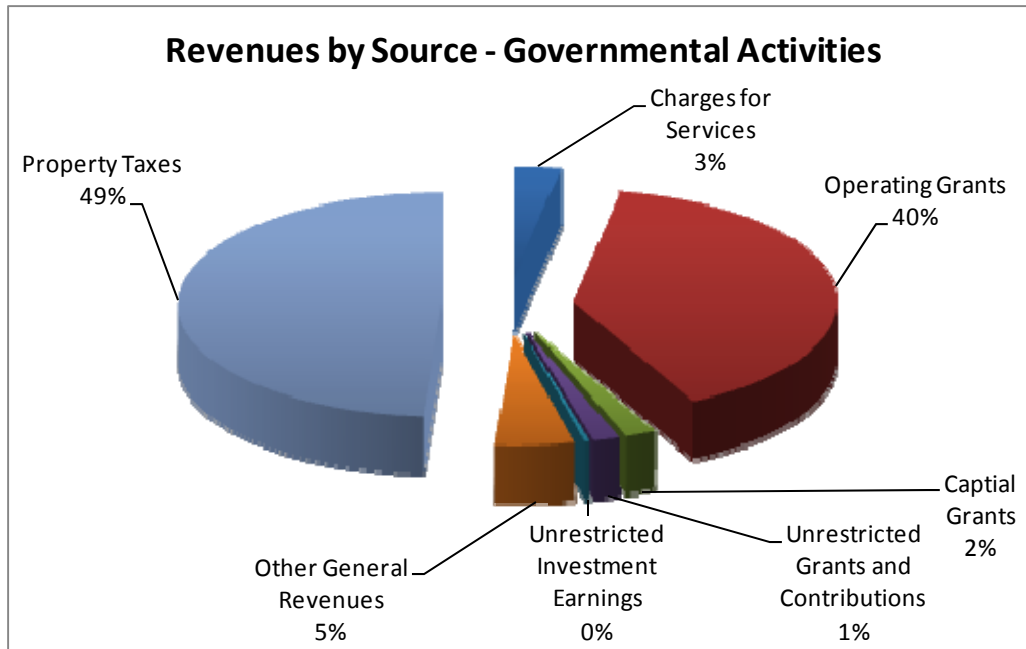
City of Meriden, Connecticut
Changes in Net Assets (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 6,120	\$ 7,217	\$ 14,457	\$ 14,499	\$ 20,577	\$ 21,716
Operating grants and contributions	84,594	109,132			84,594	109,132
Capital grants and contributions	3,989	6,413	33,245		37,234	6,413
General revenues:						
Property taxes	104,384	100,322			104,384	100,322
Grants not restricted to specific programs	3,425	3,917			3,425	3,917
Unrestricted investment earnings	693	1,430	121	400	814	1,830
Miscellaneous income	10,300	4,207	892	914	11,192	5,121
Total revenues	<u>213,505</u>	<u>232,638</u>	<u>48,715</u>	<u>15,813</u>	<u>262,220</u>	<u>248,451</u>
Expenses:						
General government	29,068	35,682			29,068	35,682
Education	133,861	158,801			133,861	158,801
Public safety	23,155	23,479			23,155	23,479
Public works	10,849	10,037			10,849	10,037
Human services	9,675	8,665			9,675	8,665
Cultural and recreation	4,472	4,287			4,472	4,287
Interest on long-term debt	3,967	3,209			3,967	3,209
Sewer Authority			8,552	8,114	8,552	8,114
Water Authority			10,628	10,312	10,628	10,312
George Hunter Golf Course			966	927	966	927
Total expenses	<u>215,047</u>	<u>244,160</u>	<u>20,146</u>	<u>19,353</u>	<u>235,193</u>	<u>263,513</u>
Change in net assets	(1,542)	(11,522)	28,569	(3,540)	27,027	(15,062)
Net Assets at Beginning of Year	<u>68,878</u>	<u>80,400</u>	<u>100,686</u>	<u>104,226</u>	<u>169,564</u>	<u>184,626</u>
Net Assets at End of Year	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>

The City's net assets increased by \$27.0 million during the fiscal year, with net assets of governmental activities decreasing \$1.6 million and business-type activities increasing by \$28.6 million.

Governmental Activities

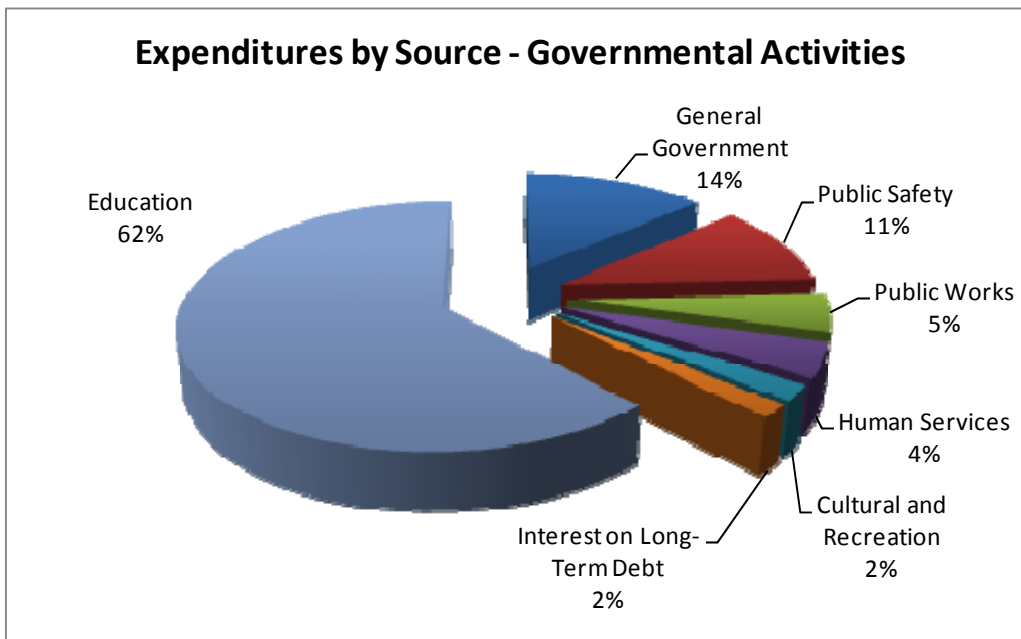
Almost 49% of the revenues were derived from property taxes, followed by 40% from State and Federal Government program revenues, then 5% from other revenues.



Major revenue factors included:

- ◆ Property tax revenues increased by \$4.1 million, for fiscal year 2009, due to legal settlements which reduced tax revenues in fiscal year 2008, the City's tax rate remained constant between the two years and total assessed value of all taxable property increased by 1.0%. Property revaluation was implemented for the calculation of property taxes for FY 2008. (Property Taxes)
- ◆ The reduction in operating grants was due to a one-time revenue (approx. \$31 million) received from the State of Connecticut during fiscal year 2008 relating to additional pension plan contributions for teachers. (Operating Grants)
- ◆ The distribution of accumulated reserves from the Municipal Solid Waste Management Services Contract amounted to \$5,953,740 of unbudgeted revenue. (Miscellaneous Income)
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant of \$2.88 million in revenue for fiscal year 2009. This is the seventh year of the agreement. (Miscellaneous Income)

For Governmental Activities, 62.2% of the City's expenditures relate to education, 13.5% to general government, 10.8% relate to public safety, 5.0% to public works, 4.5% to health and human services, 2.1% to culture and recreation and 1.8% on interest on long term debt.



Major expenditure factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 1.3% to 3.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs rose 6.1%, due to health insurance costs and pension funding requirements.
- ◆ The cost of education services increased \$6.06 million due to negotiated wage settlements, employee health insurance cost increases and special education cost increases. The change stated is net of the one-time expenditure (approx. \$31 million) from the State of Connecticut during fiscal year 2008 relating to additional pension plan contributions for teachers.
- ◆ General government expenditures for fiscal year 2008 were restated for the amount estimated for property remediation (\$7.0 million). Other expenditures within general government remained flat between the two compared years.

Business-Type Funds

Business-type activities increased the City's net assets by \$28,569,000.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13.3 million while total fund balance was \$14.3

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 7.58% of total General Fund expenditures (\$175.5 million), while total fund balance represents 8.15% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$4,776,336 during the current fiscal year. The increase in fund balance was attributed to unbudgeted revenues offset by the use of \$775,000 of fund balance which was included as part of the FY2009 modified budget.

The Bonded Projects Fund has a total fund balance of \$571,451, an increase of \$15,634,193 from the prior year. This increase can be explained by the issuance of long term bonds during fiscal year 2009.

The Nonmajor Governmental Funds has a total fund balance of \$5,847,061, down from \$6,196,898 in the prior year. The \$349,837 decrease was recognition of expenditures 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 \$43.6 million, with unrestricted net assets of \$7.4 million. The Water Fund experienced an operating loss of \$1,639,523.

Net assets of the Sewer fund were \$85.9 million. Unrestricted net assets were \$6.0 million. The Sewer Fund experienced an operating loss of \$2,187,934.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was \$500,000. Unrelated to that difference, is the fact that the original budget included a contingency of \$500,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The major additional appropriation approved during the year is summarized below:

- ◆ \$500,000 contribution to the Other Post Retirement Benefits (OPEB) Trust Fund

Several departments had favorable variances in their budgets during the fiscal year. The Employee Benefits department was \$1,093,570 under budget due mainly to a favorable experience in the health insurance fund from which the department is charged. The Public Safety function was under their budget by \$107,594. The Public Works function was under their budget by \$90,572. During the year, actual revenues on a budgetary basis were \$181.5 million, which exceeded budgetary estimates by \$4,051,764. Total property tax revenues were less than budget by \$1,570,237. Actual investment income totaled \$992,104 which was \$417,912 below the budgeted amount.

Actual revenues and other financing sources on a budgetary basis totaled \$181.5 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$5,750,112.

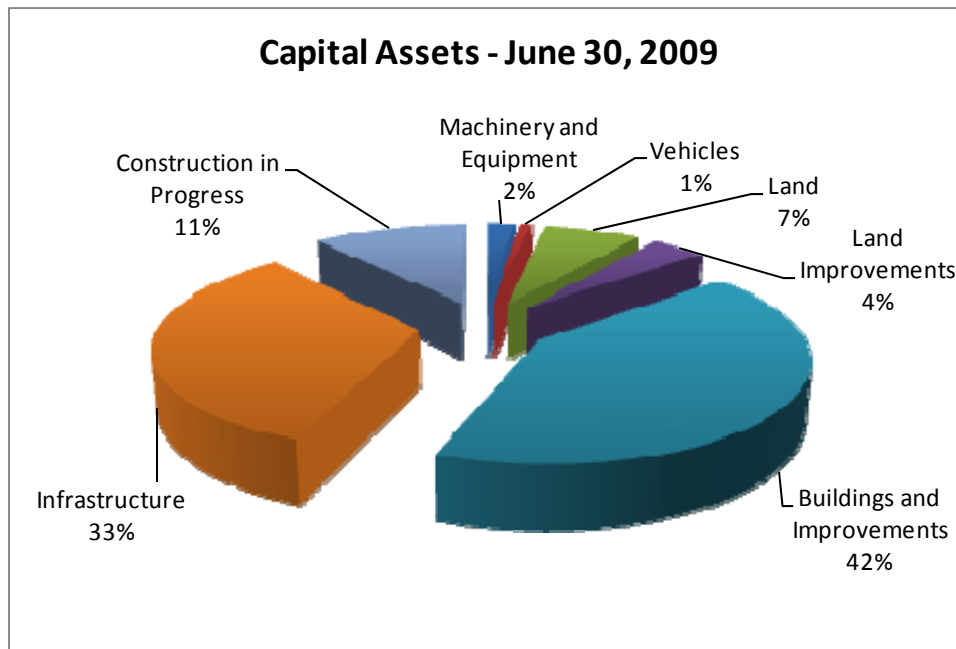
Capital Asset and Debt Administration

Capital Assets. The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amount to \$312.2 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment,

park facilities, roads, sewers and bridges. This is the seventh year the City of Meriden has reported its investment in capital assets.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 21,206	\$ 20,769	\$ 887	\$ 916	\$ 22,093	\$ 21,685
Land improvements	9,153	8,356	3,391	2,550	12,544	10,906
Buildings and improvements	112,430	113,408	18,264	19,291	130,694	132,699
Infrastructure	35,712	36,509	66,932	66,680	102,644	103,189
Machinery and equipment	2,345	2,500	4,092	4,858	6,437	7,358
Vehicles	2,562	2,820	32	45	2,594	2,865
Construction in progress	501	2,550	34,720	6,685	35,221	9,235
Total	\$ 183,909	\$ 186,912	\$ 128,318	\$ 101,025	\$ 312,227	\$ 287,937



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

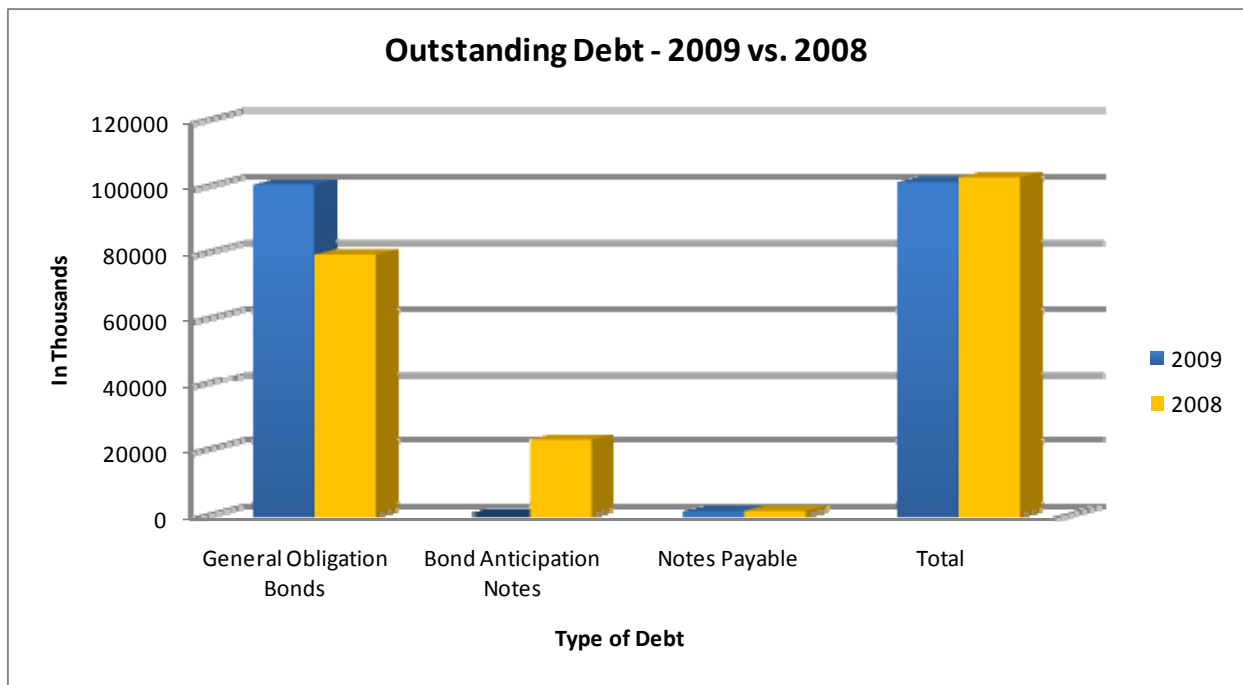
- ◆ \$29,465,301 for Construction at the Water Pollution Control Facility
- ◆ \$1,746,891 for Water Department Projects
- ◆ \$1,237,964 for Roadway Paving and Road Construction
- ◆ \$1,100,446 for Manufacturer Assistance Program
- ◆ \$975,699 for Falcon Field Construction
- ◆ \$335,195 for Completion of Lincoln Middle School

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 39-40 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$100.0 million. All of this debt is backed by the full faith and credit of the City.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 80,903	\$ 69,944	\$ 19,077	\$ 8,941	\$ 99,980	\$ 78,885
Bond anticipation notes		15,202		7,153		22,355
Notes payable			765	910	765	910
Total	\$ 80,903	\$ 85,146	\$ 19,842	\$ 17,004	\$ 100,745	\$ 102,150



The City of Meriden’s bonded debt increased by \$21.1 million or 26.7% during the 2008-2009 fiscal year. During the current fiscal year the City issued \$30.1 million in long term bonds which included the repayment of \$22.4 million of outstanding notes from the prior year.

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or approximately \$729,330,000. As of June 30, 2009, the City recorded long-term debt of \$80.9 million related to Governmental Activities and \$19.1 million related to Business-Type Activities, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 40-43 of this report.

Economic Factors (Updated through September 2009)

The City of Meriden has not been immune from the effects of the national economic downturn. As of September 2009, the unemployment rate for the Meriden Labor Market Area was 10.2%, an increase from 6.5% in the prior year. This compares with the September 2009 New Haven Labor Market rate of 8.2%. Larger cities in Connecticut have higher unemployment rates than the City of Meriden, the City of New Haven at 11.3% and the City of Hartford at 14.5%. In September 2009 Connecticut's overall unemployment rate stands at 8.4%, compared with 6.2% for the same time last year. The United States' September 2009 unemployment rate is 9.8% compared to 6.2% percent last year. In addition, it is forecasted that state and federal governments will continue the trend of reducing grants to municipalities.

Nevertheless, the City of Meriden is well positioned to deal with the present economic downturn. A power generating plant PILOT agreement will add in excess of \$2.5 million annually for the next thirty years. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone, a Technology Zone and financing incentives for businesses relocating to or expanding in Meriden.

Requests for Information

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

Basic Financial Statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 44,041,614	\$ 9,920,943	\$ 53,962,557
Investments	6,891,693	991,363	7,883,056
Receivables, net	17,129,429	6,378,852	23,508,281
Internal balances	(7,437,527)	7,437,527	-
Inventory	238,338		238,338
Pension assets	330,669		330,669
Capital assets, nondepreciable	21,707,750	35,606,990	57,314,740
Capital assets, net of accumulated depreciation	162,201,726	92,710,809	254,912,535
Total assets	<u>245,103,692</u>	<u>153,046,484</u>	<u>398,150,176</u>
Liabilities:			
Accounts payable and accrued liabilities	18,585,207	2,709,847	21,295,054
Retainage payable	47,989		47,989
Due to other governments	3,114		3,114
Accrued interest	1,311,840		1,311,840
Unearned revenue	1,657,321		1,657,321
Noncurrent liabilities:			
Due within one year	13,971,199	2,411,156	16,382,355
Due in more than one year	142,190,727	18,670,563	160,861,290
Total liabilities	<u>177,767,397</u>	<u>23,791,566</u>	<u>201,558,963</u>
Net Assets:			
Invested in capital assets, net of related debt	104,751,737	116,827,293	221,579,030
Restricted for:			
Enabling legislation	825,001		825,001
Unrestricted	(38,240,443)	12,427,625	(25,812,818)
Total Net Assets	<u>\$ 67,336,295</u>	<u>\$ 129,254,918</u>	<u>\$ 196,591,213</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 29,067,795	\$ 2,930,953	\$ 1,713,288	\$ 2,220,431	\$ (22,203,123)	\$	\$ (22,203,123)
Education	133,862,446	1,208,817	80,489,676		(52,163,953)		(52,163,953)
Public safety	23,154,655	41,942	35,020	879,750	(22,197,943)		(22,197,943)
Public works	10,848,927	1,633,941		888,361	(8,326,625)		(8,326,625)
Human services	9,675,095	273,970	2,177,420		(7,223,705)		(7,223,705)
Culture and recreation	4,471,566	30,814	178,494		(4,262,258)		(4,262,258)
Interest on long-term debt	3,967,334				(3,967,334)		(3,967,334)
Total governmental activities	<u>215,047,818</u>	<u>6,120,437</u>	<u>84,593,898</u>	<u>3,988,542</u>	<u>(120,344,941)</u>	<u>-</u>	<u>(120,344,941)</u>
Business-type activities:							
Sewer Authority	8,552,241	5,967,492		33,244,705		30,659,956	30,659,956
Water Authority	10,628,492	7,662,583				(2,965,909)	(2,965,909)
George Hunter Golf Course	965,856	826,967				(138,889)	(138,889)
Total business-type activities	<u>20,146,589</u>	<u>14,457,042</u>	<u>-</u>	<u>33,244,705</u>	<u>-</u>	<u>27,555,158</u>	<u>27,555,158</u>
Total Primary Government	<u>\$ 235,194,407</u>	<u>\$ 20,577,479</u>	<u>\$ 84,593,898</u>	<u>\$ 37,233,247</u>	<u>(120,344,941)</u>	<u>27,555,158</u>	<u>(92,789,783)</u>
General revenues:							
Property taxes					104,384,209		104,384,209
Grants and contributions not restricted to specific programs					3,425,194		3,425,194
Unrestricted investment earnings					693,285	121,299	814,584
Miscellaneous income					10,300,250	892,480	11,192,730
Total general revenues					<u>118,802,938</u>	<u>1,013,779</u>	<u>119,816,717</u>
Change in net assets					(1,542,003)	28,568,937	27,026,934
Net Assets at Beginning of Year, as Restated					<u>68,878,298</u>	<u>100,685,981</u>	<u>169,564,279</u>
Net Assets at End of Year					<u>\$ 67,336,295</u>	<u>\$ 129,254,918</u>	<u>\$ 196,591,213</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 21,632,601	\$ 10,281,102	\$ 5,663,577	\$ 37,577,280
Investments	5,421,001		1,470,692	6,891,693
Receivables, net of allowance for collections	4,284,587	1,702,211	3,811,774	9,798,572
Inventory	132,810		105,528	238,338
Due from other funds	1,363,937	515,831	244,500	2,124,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 32,834,936</u>	<u>\$ 12,499,144</u>	<u>\$ 11,296,071</u>	<u>\$ 56,630,151</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,876,888	\$ 1,300,920	\$ 1,734,443	\$ 16,912,251
Retainage payable		47,989		47,989
Due to other governments			3,114	3,114
Due to other funds	1,483,003	8,433,972	367,492	10,284,467
Deferred revenue	3,223,337	2,144,812	3,343,961	8,712,110
Total liabilities	<u>18,583,228</u>	<u>11,927,693</u>	<u>5,449,010</u>	<u>35,959,931</u>
Fund balances:				
Reserved:				
Encumbrances	26,872	1,336,606		1,363,478
Inventory	132,810		105,528	238,338
Donor intentions			1,749,318	1,749,318
Loans receivable		1,687,479		1,687,479
Enabling legislation	825,001			825,001
Unreserved and reported in:				
General fund	13,267,025			13,267,025
Special revenue funds			3,722,868	3,722,868
Capital projects funds		(2,452,634)	269,347	(2,183,287)
Total fund balances	<u>14,251,708</u>	<u>571,451</u>	<u>5,847,061</u>	<u>20,670,220</u>
Total Liabilities and Fund Balances	<u>\$ 32,834,936</u>	<u>\$ 12,499,144</u>	<u>\$ 11,296,071</u>	<u>\$ 56,630,151</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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

Fund balances - total governmental funds (Exhibit III)	\$ 20,670,220
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 323,169,411	
Less accumulated depreciation	<u>(139,259,935)</u>	
Net capital assets		183,909,476

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

Net pension assets	330,669
Property tax receivables greater than 60 days	2,568,890
Loan receivables greater than 60 days	4,485,899
Interest and lien receivable on property taxes	7,330,858

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

521,434

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

Bonds payable	(80,903,298)
Bond premium	(55,284)
Interest payable on bonds	(1,311,840)
Compensated absences	(16,134,567)
Landfill post-closure monitoring	(2,144,755)
Net pension obligation	(25,774,354)
OPEB obligation	(18,707,053)
Pollution remediation	(7,000,000)
Claims and judgments	<u>(450,000)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 67,336,295</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 104,179,020	\$	\$	\$ 104,179,020
Federal and state government	69,491,660	495,081	22,020,893	92,007,634
Charges for services	4,619,605		1,500,832	6,120,437
Investment income (loss)	486,060	312,877	(156,023)	642,914
Other local revenues	9,062,688	22,300	245,632	9,330,620
Total revenues	<u>187,839,033</u>	<u>830,258</u>	<u>23,611,334</u>	<u>212,280,625</u>
Expenditures:				
Current:				
General government	28,564,423		451,373	29,015,796
Public safety	20,082,788		442,303	20,525,091
Public works	7,127,528			7,127,528
Health and welfare	3,067,450		5,469,987	8,537,437
Culture and recreation	3,877,415		85,769	3,963,184
Education	106,175,816		16,392,263	122,568,079
Debt service:				
Principal retirement	10,409,917			10,409,917
Interest and other charges	3,791,129			3,791,129
Capital outlay	462,980	5,926,176	1,319,810	7,708,966
Total expenditures	<u>183,559,446</u>	<u>5,926,176</u>	<u>24,161,505</u>	<u>213,647,127</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,279,587</u>	<u>(5,095,918)</u>	<u>(550,171)</u>	<u>(1,366,502)</u>
Other Financing Sources (Uses):				
Issuance of bonds		21,369,000		21,369,000
Bond premium		58,194		58,194
Transfers in	714,238		300,334	1,014,572
Transfers out	(217,489)	(697,083)	(100,000)	(1,014,572)
Total other financing sources (uses)	<u>496,749</u>	<u>20,730,111</u>	<u>200,334</u>	<u>21,427,194</u>
Net Change in Fund Balances	4,776,336	15,634,193	(349,837)	20,060,692
Fund Balances at Beginning of Year, as Restated	<u>9,475,372</u>	<u>(15,062,742)</u>	<u>6,196,898</u>	<u>609,528</u>
Fund Balances at End of Year	<u>\$ 14,251,708</u>	<u>\$ 571,451</u>	<u>\$ 5,847,061</u>	<u>\$ 20,670,220</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 20,060,692
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	6,589,896
Depreciation expense	(9,109,311)
Loss on disposal of capital assets	(483,529)

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

Property taxes collected after 60 days	57,829
Other receivables collected after 60 days	(14,490)
Loans collected after 60 days	984,120
Decrease in interest and liens receivable	147,360
Change in pension assets	(11,058)

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

Bond proceeds	(21,369,000)
Premium on bonds issued	(58,194)
Accrued interest	(179,114)
Principal payments	10,409,917
Amortization of premium	2,910

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

Change in long-term compensated absences	(67,186)
Change in landfill post-closure monitoring	44,496
Change in net pension obligation	241,576
Change in OPEB obligation	(7,155,919)
Change in claims and judgments	50,000

The net expense of the internal service funds is reported with governmental activities.	<u>(1,682,998)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u><u>\$ (1,542,003)</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Property taxes, interest and lien fees	\$ 105,749,257	\$ 105,749,257	\$ 104,179,020	\$ (1,570,237)
Intergovernmental revenues	61,768,860	61,768,860	61,635,925	(132,935)
Charges for services	5,008,676	5,008,676	4,619,605	(389,071)
Investment income	1,410,016	1,410,016	992,104	(417,912)
Other revenues	2,711,500	2,711,500	9,168,688	6,457,188
Total revenues	<u>176,648,309</u>	<u>176,648,309</u>	<u>180,595,342</u>	<u>3,947,033</u>
Expenditures:				
Current:				
General government	29,313,015	29,262,343	27,347,739	1,914,604
Finance	1,647,268	1,653,609	1,644,728	8,881
Public safety	19,847,334	20,202,882	20,095,288	107,594
Public works	7,067,745	7,218,100	7,127,528	90,572
Health and welfare	3,030,828	3,067,476	3,067,450	26
Culture and recreation	3,913,018	3,914,798	3,877,415	37,383
Education	98,165,522	98,165,522	98,164,778	744
Debt service:				
Principal retirement	10,151,417	10,151,417	10,409,917	(258,500)
Interest and other charges	3,787,162	3,787,162	3,791,129	(3,967)
Total expenditures	<u>176,923,309</u>	<u>177,423,309</u>	<u>175,525,972</u>	<u>1,897,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(275,000)</u>	<u>(775,000)</u>	<u>5,069,370</u>	<u>5,844,370</u>
Other Financing Sources (Uses):				
Contribution from fund balance	275,000	775,000		(775,000)
Cancellation of prior year encumbrances			2,537	2,537
Transfers in			108,194	108,194
Transfers out			(204,989)	(204,989)
Total other financing sources (uses)	<u>275,000</u>	<u>775,000</u>	<u>(94,258)</u>	<u>(869,258)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>4,975,112</u>	<u>\$ 4,975,112</u>
Fund Balance at Beginning of Year			<u>9,249,724</u>	
Fund Balance at End of Year			<u>\$ 14,224,836</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Internal
	Water	Sewer	George		
			Hunter	Memorial	Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$ 4,810,963	\$ 4,955,827	\$ 154,153	\$ 9,920,943	\$ 6,464,334
Accounts receivable, net	3,301,726	3,077,126		6,378,852	
Investments	497,174	494,189		991,363	
Due from other funds	7,245,307	1,104,136	1,684	8,351,127	722,672
Total current assets	<u>15,855,170</u>	<u>9,631,278</u>	<u>155,837</u>	<u>25,642,285</u>	<u>7,187,006</u>
Noncurrent assets:					
Capital assets, nondepreciable	668,275	34,888,716	49,999	35,606,990	
Capital assets, net of accumulated depreciation	43,816,707	48,057,346	836,756	92,710,809	
Total noncurrent assets	<u>44,484,982</u>	<u>82,946,062</u>	<u>886,755</u>	<u>128,317,799</u>	<u>-</u>
Total assets	<u>60,340,152</u>	<u>92,577,340</u>	<u>1,042,592</u>	<u>153,960,084</u>	<u>7,187,006</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	341,583	2,309,334	58,930	2,709,847	29,603
Claims payable				-	3,307,559
Due to other funds			913,600	913,600	
Current portion of bonds and notes payable	1,592,020	671,988	14,667	2,278,675	
Current portion of compensated absences	75,279	30,329	26,873	132,481	
Total current liabilities	<u>2,008,882</u>	<u>3,011,651</u>	<u>1,014,070</u>	<u>6,034,603</u>	<u>3,337,162</u>
Noncurrent liabilities:					
Compensated absences	802,977	197,138	107,490	1,107,605	
Bonds and notes payable, less current portion	13,930,060	3,505,567	127,331	17,562,958	
Claims incurred but not reported				-	3,328,410
Total noncurrent liabilities	<u>14,733,037</u>	<u>3,702,705</u>	<u>234,821</u>	<u>18,670,563</u>	<u>3,328,410</u>
Total liabilities	<u>16,741,919</u>	<u>6,714,356</u>	<u>1,248,891</u>	<u>24,705,166</u>	<u>6,665,572</u>
Net Assets:					
Invested in capital assets, net of related debt	36,208,209	79,872,643	746,441	116,827,293	
Unrestricted	7,390,024	5,990,341	(952,740)	12,427,625	521,434
Total Net Assets	<u>\$ 43,598,233</u>	<u>\$ 85,862,984</u>	<u>\$ (206,299)</u>	<u>\$ 129,254,918</u>	<u>\$ 521,434</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>		
Operating Revenues:					
Charges for services	\$ 7,662,583	\$ 5,967,492	\$ 826,967	\$ 14,457,042	\$ 21,376,697
Miscellaneous	644,856	229,002	18,622	892,480	282,454
Total operating revenues	<u>8,307,439</u>	<u>6,196,494</u>	<u>845,589</u>	<u>15,349,522</u>	<u>21,659,151</u>
Operating Expenses:					
Salaries and benefits	3,567,264	1,411,172	516,418	5,494,854	
Medical claims				-	22,196,029
Materials and supplies	2,880,414	1,914,440	163,319	4,958,173	
Utilities	1,036,814	973,107		2,009,921	
Administration and operation	274,804	567,045		841,849	1,165,351
Depreciation	1,612,841	2,034,268	66,639	3,713,748	
Other	574,825	1,484,396	212,223	2,271,444	31,140
Total operating expenses	<u>9,946,962</u>	<u>8,384,428</u>	<u>958,599</u>	<u>19,289,989</u>	<u>23,392,520</u>
Operating Loss	<u>(1,639,523)</u>	<u>(2,187,934)</u>	<u>(113,010)</u>	<u>(3,940,467)</u>	<u>(1,733,369)</u>
Nonoperating Revenues (Expenses):					
Federal and state grants		33,244,705		33,244,705	
Interest income	66,777	58,029	(3,507)	121,299	50,371
Interest expense	(681,530)	(167,813)	(7,257)	(856,600)	
Total nonoperating revenues (expenses)	<u>(614,753)</u>	<u>33,134,921</u>	<u>(10,764)</u>	<u>32,509,404</u>	<u>50,371</u>
Change in Net Assets	(2,254,276)	30,946,987	(123,774)	28,568,937	(1,682,998)
Net Assets at Beginning of Year, as Restated	<u>45,852,509</u>	<u>54,915,997</u>	<u>(82,525)</u>	<u>100,685,981</u>	<u>2,204,432</u>
Net Assets at End of Year	<u>\$ 43,598,233</u>	<u>\$ 85,862,984</u>	<u>\$ (206,299)</u>	<u>\$ 129,254,918</u>	<u>\$ 521,434</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 8,258,975	\$ 6,131,548	\$ 851,489	\$ 15,242,012	\$ 21,678,046
Receipts from interfund services provided	(2,622,875)	472,478	36,868	(2,113,529)	(722,672)
Payments to suppliers	(4,854,283)	(5,327,474)	(372,511)	(10,554,268)	(1,176,850)
Payments to employees	(3,429,948)	(1,509,948)	(492,594)	(5,432,490)	(20,968,074)
Payments for interfund services used	(14,584)	(2,891)	(25,000)	(42,475)	(147,327)
Net cash used in operating activities	<u>(2,662,715)</u>	<u>(236,287)</u>	<u>(1,748)</u>	<u>(2,900,750)</u>	<u>(1,336,877)</u>
Cash Flows from Capital and Related Financing Activities					
Grants received from state and federal government		33,244,705		33,244,705	
Additions to property, plant and equipment	(1,495,831)	(29,456,693)	(53,891)	(31,006,415)	
Issuance of capital debt	4,562,000	-	-	4,562,000	
Principal payments of capital debt	(828,020)	(862,988)	(32,667)	(1,723,675)	
Interest paid on capital debt	(681,530)	(167,813)	(7,257)	(856,600)	
Net cash provided by (used in) capital and related financing activities	<u>1,556,619</u>	<u>2,757,211</u>	<u>(93,815)</u>	<u>4,220,015</u>	<u>-</u>
Cash Flows from Investing Activities					
Sales of investments	3,701,381	271,415		3,972,796	
Interest on investments	66,777	58,029	(3,507)	121,299	50,371
Net cash provided by (used in) investing activities	<u>3,768,158</u>	<u>329,444</u>	<u>(3,507)</u>	<u>4,094,095</u>	<u>50,371</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,662,062	2,850,368	(99,070)	5,413,360	(1,286,506)
Cash and Cash Equivalents at Beginning of Year	<u>2,148,901</u>	<u>2,105,459</u>	<u>253,223</u>	<u>4,507,583</u>	<u>7,750,840</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,810,963</u>	<u>\$ 4,955,827</u>	<u>\$ 154,153</u>	<u>\$ 9,920,943</u>	<u>\$ 6,464,334</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:					
Operating loss	\$ (1,639,523)	\$ (2,187,934)	\$ (113,010)	\$ (3,940,467)	\$ (1,733,369)
Adjustments to reconcile operating loss to net cash provided by used in operating activities:					
Depreciation	1,612,841	2,034,268	66,639	3,713,748	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(48,464)	(64,946)	5,900	(107,510)	18,895
(Increase) decrease in due from other funds	(2,622,875)	472,478	36,868	(2,113,529)	(722,672)
Increase (decrease) in accounts payable and accrued items	(87,426)	(388,486)	3,031	(472,881)	19,641
Increase (decrease) in compensated absences	137,316	(98,776)	23,824	62,364	1,227,955
Increase (decrease) in due to other funds	(14,584)	(2,891)	(25,000)	(42,475)	(147,327)
Total adjustments	<u>(1,023,192)</u>	<u>1,951,647</u>	<u>111,262</u>	<u>1,039,717</u>	<u>396,492</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,662,715)</u>	<u>\$ (236,287)</u>	<u>\$ (1,748)</u>	<u>\$ (2,900,750)</u>	<u>\$ (1,336,877)</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2009

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 13,258,170	\$	\$ 204,291	\$ 3,487,820
Investments, at fair value:				
Stocks and options	122,724,207			
Fixed income securities	34,156,932			
Mutual funds	2,115,872			
Preferreds/fixed rate cap secs	212,970			
Other	25,937,446			
Total investments	<u>198,405,597</u>	<u>-</u>	<u>204,291</u>	<u>3,487,820</u>
Accounts receivable	480,524	500,000		
Due from other funds		1,226,500		
Total assets	<u>198,886,121</u>	<u>1,726,500</u>	<u>204,291</u>	<u>3,487,820</u>
Liabilities:				
Other liabilities	44,244			3,487,820
Due to other funds	1,226,500			
Total liabilities	<u>1,270,744</u>	<u>-</u>	<u>-</u>	<u>3,487,820</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 197,615,377</u>	<u>\$ 1,726,500</u>	<u>\$ 204,291</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund Scholarship Fund</u>
Additions:			
Contributions:			
Employer	\$ 6,785,359	\$ 3,516,897	\$
Plan members	2,930,560	3,206,146	
Total contributions	<u>9,715,919</u>	<u>6,723,043</u>	<u>-</u>
Investment earnings (losses):			
Net decrease in fair value of investments	(55,016,618)		
Interest and dividends	5,785,647		20,189
Total investment earnings (losses)	<u>(49,230,971)</u>		<u>20,189</u>
Less investment expenses:			
Investment management fees	794,752		
Net investment earnings	<u>(50,025,723)</u>	<u>-</u>	<u>20,189</u>
Total additions (reductions)	<u>(40,309,804)</u>	<u>6,723,043</u>	<u>20,189</u>
Deductions:			
Benefits	17,001,111	5,988,405	5,572
Administrative expense	104,663	234,638	
Other	471,273		4,237
Total deductions	<u>17,577,047</u>	<u>6,223,043</u>	<u>9,809</u>
Change in Net Assets Before Transfers	(57,886,851)	500,000	10,380
Transfers	<u>(1,226,500)</u>	<u>1,226,500</u>	
Change in Net Assets	(59,113,351)	1,726,500	10,380
Net Assets at Beginning of Year	<u>256,728,728</u>	<u>-</u>	<u>193,911</u>
Net Assets at End of Year	<u>\$ 197,615,377</u>	<u>\$ 1,726,500</u>	<u>\$ 204,291</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

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

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

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

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if

purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

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

H. Compensated Absences

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

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

Governmental Funds:

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

J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are

reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Equity

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

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

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

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

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

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

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

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

L. Property Taxes

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

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

years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

- a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.
- e. Within twenty days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may

not exceed 1 ½ % of the General Fund budget as established for the current year, without levying a special tax. There were additional appropriations of \$500,000 for the general fund, \$378,917 for sewer fund, \$97,500 for the water fund, during the year ended June 30, 2009, which was funded through fund balance.

- j. The Board of Education may transfer unexpected balances from one account to another within its line appropriation. A number of such transfers occurred during the year.
- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

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

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

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>	<u>Fund Balance</u>
Balance, budgetary basis	\$ 180,706,073	\$ 175,730,961	\$ 14,224,836
Encumbrances outstanding at June 30, 2008, liquidated during the year ended June 30, 2009		208,861	
Encumbrances outstanding at June 30, 2009, charged to budgetary expenditures during the year ended June 30, 2009		(18,622)	18,622
Encumbrances outstanding at June 30, 2008, still outstanding at June 30, 2009			8,250
Encumbrances outstanding at June 30, 2008, canceled during the year ended June 30, 2009	(2,537)		
Revenue recognized for budgetary purposes, not for GAAP	(6,000)		
State Teachers' Retirement on-behalf payment	<u>7,855,735</u>	<u>7,855,735</u>	<u> </u>
Balance, GAAP Basis	<u>\$ 188,553,271</u>	<u>\$ 183,776,935</u>	<u>\$ 14,251,708</u>

B. Deficit Fund Equity

For the year ended June 30, 2009, the following funds had deficit balances:

Nonmajor Enterprise Fund:		
George Hunter Memorial Golf Course	\$	206,299
Nonmajor Governmental Funds:		
Airport Improvement Fund		433
Law Enforcement Block Grant		25,786
Capital and Nonrecurring		62,286
Internal Service Fund:		
Workers' Compensation Fund		4,567,999

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

C. Fund Balance Designations

Fund balance of \$1,000,000 has been designated for subsequent year's budget in the General Fund for the year ended June 30, 2009.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$53,854,656 of the City's bank balance of \$56,404,692 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 48,294,290
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>5,560,366</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 53,854,656</u>

Cash Equivalents

At June 30, 2009 the City's cash equivalents amounted to \$14,414,503. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard and Poor's
Bank of America - Cash Management Assets	AAA
State Short-Term Investment Fund (STIF)	AAAm
Wachovia (pension funds)	*

*Not rated

Investments

As of June 30, 2009, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
Mutual Funds	N/A	\$ 2,303,637	\$ 2,303,637	\$	\$	\$
U.S. Government Agencies	AAA	1,415				1,415
Corporate and Foreign Bonds	AAA	45,666		25,254	20,412	
Corporate and Foreign Bonds	AA	61,863			61,863	
Corporate and Foreign Bonds	A	114,252		32,250	79,002	
Corporate and Foreign Bonds	B	26,014			26,014	
Certificates of Deposit	N/A	6,617,147	24,935	1,681,962	4,910,250	
Common Equity Securities	N/A	610,469	610,469			
Preferred Equity Securities	N/A	29,820	29,820			
Fixed Income Securities	AAA	20,843,239		3,466,992	17,376,247	
Fixed Income Securities	AA	4,054,032			4,054,032	
Fixed Income Securities	A	9,259,661		668,584	8,591,077	
Taxable Fixed Income Funds	N/A	171,574	171,574			
Closed End Fixed Income	N/A	21,853	21,853			
Stocks and Options	N/A	122,724,211	122,724,211			
Preferreds/Fixed Rate Cap Securities	N/A	212,971	212,971			
Other	N/A	25,937,446	25,937,446			
Total Investments		<u>\$ 193,035,270</u>	<u>\$ 152,036,914</u>	<u>\$ 5,875,042</u>	<u>\$ 35,118,897</u>	<u>\$ 1,415</u>

N/A - Not applicable

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2009, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

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

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

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

There shall be no investments in:

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

- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

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

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

4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2009 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Governmental and Fiduciary Type Funds			
	General Fund	Bonded Projects Fund	Nonmajor and Fiduciary Funds	Total
Property taxes	\$ 7,170,117	\$ 14,732	\$ 1,085,193	\$ 7,170,117
Accounts	391,517	14,732	1,085,193	1,491,442
Intergovernmental	559,372		908,685	1,468,057
Loans		1,687,479	2,919,737	4,607,216
Gross receivables	8,121,006	1,702,211	4,913,615	14,736,832
Less: Allowance for collection losses	3,836,419	-	121,317	3,957,736
Net Total Receivables	<u>\$ 4,284,587</u>	<u>\$ 1,702,211</u>	<u>\$ 4,792,298</u>	<u>\$ 10,779,096</u>
	Business Type Funds			
	Water Authority	Sewer Authority	Nonmajor and Internal Service Funds	Total
Use charges	\$ 1,584,272	\$ 1,497,457	\$ -	\$ 3,081,729
Unbilled	1,975,041	1,725,365	-	3,700,406
Other	4,332	4,304	-	8,636
Gross receivables	3,563,645	3,227,126	-	6,790,771
Less: Allowance for collection losses	261,919	150,000	-	411,919
Net Total Receivables	<u>\$ 3,301,726</u>	<u>\$ 3,077,126</u>	<u>\$ -</u>	<u>\$ 6,378,852</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 2,568,890	\$
Property taxes collected in advance		654,447
Bonded Projects:		
Loans receivable	1,687,479	
Premium on temporary notes		457,333
Nonmajor governmental funds:		
Advances on grants		545,541
Loans receivable	<u>2,798,420</u>	
Total Deferred Revenue for Governmental Funds	<u>\$ 7,054,789</u>	<u>\$ 1,657,321</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,768,981	\$ 496,619	\$ 59,160	\$ 21,206,440
Construction in progress	<u>2,550,075</u>	<u>550,046</u>	<u>2,598,811</u>	<u>501,310</u>
Total capital assets not being depreciated	<u>23,319,056</u>	<u>1,046,665</u>	<u>2,657,971</u>	<u>21,707,750</u>
Capital assets being depreciated:				
Land improvements	15,935,463	1,476,771		17,412,234
Buildings and improvements	175,617,781	3,366,562	669,716	178,314,627
Machinery and equipment	10,529,511	729,385	2,506,394	8,752,502
Vehicles	13,966,084	518,222	2,103,113	12,381,193
Infrastructure	<u>82,550,003</u>	<u>2,051,102</u>		<u>84,601,105</u>
Total capital assets being depreciated	<u>298,598,842</u>	<u>8,142,042</u>	<u>5,279,223</u>	<u>301,461,661</u>
Less accumulated depreciation for:				
Land improvements	7,579,854	679,364		8,259,218
Buildings and improvements	62,210,003	4,036,130	361,302	65,884,831
Machinery and equipment	8,029,219	773,075	2,394,684	6,407,610
Vehicles	11,145,905	772,608	2,098,868	9,819,645
Infrastructure	<u>46,040,497</u>	<u>2,848,134</u>		<u>48,888,631</u>
Total accumulated depreciation	<u>135,005,478</u>	<u>9,109,311</u>	<u>4,854,854</u>	<u>139,259,935</u>
Total capital assets being depreciated, net	<u>163,593,364</u>	<u>(967,269)</u>	<u>424,369</u>	<u>162,201,726</u>
Governmental Activities Capital Assets, Net	<u>\$ 186,912,420</u>	<u>\$ 79,396</u>	<u>\$ 3,082,340</u>	<u>\$ 183,909,476</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 915,981	\$	\$ 28,700	\$ 887,281
Construction in progress	6,685,247	29,590,536	1,556,074	34,719,709
Total capital assets not being depreciated	<u>7,601,228</u>	<u>29,590,536</u>	<u>1,584,774</u>	<u>35,606,990</u>
Capital assets being depreciated:				
Land improvements	3,237,964	1,029,079	29,655	4,237,388
Buildings and improvements	43,631,484		338,470	43,293,014
Machinery and equipment	16,888,910	230,457	2,514,372	14,604,995
Vehicles	216,590			216,590
Infrastructure	115,948,686	2,056,842		118,005,528
Total capital assets being depreciated	<u>179,923,634</u>	<u>3,316,378</u>	<u>2,882,497</u>	<u>180,357,515</u>
Less accumulated depreciation for:				
Land improvements	687,789	161,612	3,089	846,312
Buildings and improvements	24,271,570	1,040,600	283,066	25,029,104
Machinery and equipment	12,031,194	693,699	2,212,005	10,512,888
Vehicles	171,620	13,230		184,850
Infrastructure	49,268,945	1,804,607		51,073,552
Total accumulated depreciation	<u>86,431,118</u>	<u>3,713,748</u>	<u>2,498,160</u>	<u>87,646,706</u>
Total capital assets being depreciated, net	<u>93,492,516</u>	<u>(397,370)</u>	<u>384,337</u>	<u>92,710,809</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,093,744</u>	<u>\$ 29,193,166</u>	<u>\$ 1,969,111</u>	<u>\$ 128,317,799</u>

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

Governmental activities:	
General government	\$ 385,246
Education	3,626,655
Public safety	749,360
Public works	3,494,666
Human services	853,384
Total Depreciation Expense - Governmental Activities	<u>\$ 9,109,311</u>
Business-type activities:	
Water Authority	\$ 1,612,841
Sewer Authority	2,034,268
Golf Course	66,639
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,713,748</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 367,492
	Bonded Projects Fund	82,845
	Nonmajor Proprietary Fund	<u>913,600</u>
		1,363,937
Bonded Projects Fund	General Fund	515,831
Nonmajor Governmental Funds	General Fund	244,500
Water Fund	Bonded Projects Fund	7,245,307
Sewer Fund	Bonded Projects Fund	1,104,136
Nonmajor Proprietary Funds	Bonded Projects Fund	1,684
Internal Service	General Fund	<u>722,672</u>
		\$ <u><u>11,198,067</u></u>

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

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

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 217,489	\$ 217,489
Bonded Projects Fund	614,238	82,845	697,083
Nonmajor governmental Funds	<u>100,000</u>		<u>100,000</u>
Total Transfers In	\$ <u><u>714,238</u></u>	\$ <u><u>300,334</u></u>	\$ <u><u>1,014,572</u></u>

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 69,944,215	\$ 21,369,000	\$ 10,409,917	\$ 80,903,298	\$ 10,985,917
Premium on bonds		58,194	2,910	55,284	2,910
Compensated absences	16,067,381	1,350,618	1,283,432	16,134,567	1,018,167
Workman's compensation	1,733,262	1,376,377	1,513,834	1,595,805	531,935
Heart and hypertension	2,118,430	4,500,705	3,222,325	3,396,810	1,132,270
Landfill post-closure monitoring	2,189,251		44,496	2,144,755	50,000
Net pension obligation	26,015,930	5,779,646	6,021,222	25,774,354	
OPEB obligation	11,551,134	10,672,816	3,516,897	18,707,053	
Pollution remediation	7,000,000			7,000,000	
Claims and judgments	500,000	450,000	500,000	450,000	250,000
Total Governmental Activities Long-Term Liabilities	\$ 137,119,603	\$ 45,557,356	\$ 26,515,033	\$ 156,161,926	\$ 13,971,199
Business-Type Activities:					
General obligation bonds	\$ 8,940,785	\$ 11,681,000	\$ 1,545,083	\$ 19,076,702	\$ 2,134,083
Compensated absences	1,177,723	142,729	80,366	1,240,086	132,481
Clean water fund notes	909,513		144,582	764,931	144,592
Total Business-Type Activities Long-Term Liabilities	\$ 11,028,021	\$ 11,823,729	\$ 1,770,031	\$ 21,081,719	\$ 2,411,156

For the governmental activities, compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2009</u>
Governmental:						
General purpose:						
General obligation	7/15/89	7/15/09	5.5-7.5%	\$ 12,332,000	\$ 200,000	\$ 200,000
General obligation	1/15/91	1/15/11	6.50%	23,600,000	50,000	100,000
General obligation	8/1/96	8/1/16	4.25-6.25%	21,997,500	various	525,000
General obligation	8/1/99	8/1/09	4.35-4.8%	20,126,400	various	1,758,000
General obligation	8/1/02	8/1/22	3-5%	37,936,400	various	19,517,198
General obligation	10/1/02	8/1/12	5.60%	600,000	60,000	240,000
General obligation	4/15/03	8/1/12	2.5-5%	9,090,000	various	480,000
General obligation	4/15/03	4/15/12	3-5%	520,000	55,000	155,000
General obligation	8/1/04	8/1/14	3-5%	33,433,300	2,899,700	22,799,100
General obligation	8/1/06	8/1/16	4.5-5%	16,134,700	various	13,760,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	21,369,000
Total governmental activities						<u>80,903,298</u>
Business-Type:						
General purpose:						
General obligation	8/1/99	8/1/09	4.35-4.8%	3,923,600	various	382,000
General obligation	8/1/02	8/1/22	3-5%	1,263,600	various	412,802
General obligation	8/1/04	8/1/14	3-5%	6,231,700	710,300	3,630,900
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	2,970,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	11,681,000
Total business-type activities						<u>19,076,702</u>
Total Outstanding						<u>\$ 99,980,000</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 10,985,917	\$ 3,197,059	\$ 2,134,083	\$ 771,334
2011	8,542,917	2,806,912	1,742,083	693,520
2012	8,491,917	2,488,562	1,743,083	631,251
2013	8,267,217	2,134,886	1,532,783	566,619
2014	7,494,666	1,788,462	1,475,334	504,201
2015	7,494,666	1,479,048	1,475,334	444,080
2016	5,619,666	1,204,018	975,334	393,207
2017	5,619,666	962,256	975,334	351,212
2018	2,799,666	782,652	605,334	317,711
2019	2,470,000	673,509	585,000	293,513
2020	2,466,000	565,246	584,000	266,848
2021	1,416,000	474,103	584,000	237,647
2022	1,416,000	405,052	584,000	208,448
2023	1,417,000	335,978	583,000	179,272
2024	1,067,000	274,752	583,000	150,123
2025	1,067,000	224,070	583,000	122,430
2026	1,067,000	175,388	583,000	95,831
2027	1,067,000	126,039	583,000	68,867
2028	1,067,000	76,024	583,000	41,539
2029	1,067,000	25,341	583,000	13,846
Total	\$ <u>80,903,298</u>	\$ <u>20,199,357</u>	\$ <u>19,076,702</u>	\$ <u>6,351,499</u>

Clean Water Fund Loans Payable

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

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

<u>Year Ending</u> <u>June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 144,592	\$ 15,298
2011	144,592	12,407
2012	144,592	9,515
2013	144,592	6,623
2014	86,569	3,721
2015-2018	99,994	4,571
	\$ <u>764,931</u>	\$ <u>52,145</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2009 is \$20,504,885. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The liability for the landfill post-closure care, aggregating \$2,144,755 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, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

Pursuant to local laws, the City has recorded a liability of \$7,000,000 for remediation of Factory H. The Management has estimated this liability taking in to account data based on estimates from the engineering department. Management anticipates possible recoveries from the State and Federal government. Provision for the recovery amount has not been factored into the liability because it is too early to determine. This amount has been recorded as a liability in the government-wide financial statements effective July 1, 2008; accordingly a prior period adjustment was made to increase liabilities and decrease beginning net assets.

8. SHORT-TERM OBLIGATIONS

Bond Anticipation Notes

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

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding, beginning of year	\$ 22,355,000
New borrowings	-
Repayments	<u>22,355,000</u>
Outstanding, End of Year	<u><u>\$ -</u></u>

9. RISK MANAGEMENT

The City of Meriden is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2009.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$500,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund.

Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

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

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

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension				
2008-09	\$ 3,851,692	\$ 5,877,082	\$ 4,736,159	\$ 4,992,615
2007-08	3,310,277	3,960,139	3,418,724	3,851,692
Health Insurance				
2008-09	\$ 1,556,323	\$ 17,546,901	\$ 17,459,870	\$ 1,643,354
2007-08	1,544,992	21,859,080	21,847,749	1,556,323

10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

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

Plan Description

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

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.	2.5% of average annual pay for the first 20 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 50% of salary.	2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 50% of salary.
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	2% per year beginning the later of 2 years from retirement age or age 62 (50% max).	2% after 20 years, 3% after 25 years (50% max).	3% after 25 years (50% max).
Early retirement provisions	City employees - age 65, 10 years of service or Rule of 80 - full benefits. Age 55, 10 years of service - reduced benefits. Police and Fire - none.	25 th anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	Employee - 6% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.

At July 1, 2008, Plan membership consisted of the following:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Retirees and beneficiaries currently receiving benefits	427	132	105
Vested terminated employees	100	1	-
Active participants	641	75	76
 Total Participants	 <u>1,168</u>	 <u>208</u>	 <u>181</u>

Summary of Significant Accounting Policies

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

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

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

The individual plan net assets at June 30, 2009 and changes in net assets for the year then ended are as follows:

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	\$ 8,129,835	\$ 2,636,505	\$ 2,304,358	\$ (434,310)	\$ 423,097	\$ 198,685	\$ 13,258,170
Interest receivable	271,084	111,024	91,834	6,442	101	39	480,524
Investments, at fair value:							
Stocks and options	66,859,705	29,684,438	24,553,832	1,588,809	27,087	10,336	122,724,207
Fixed income securities	20,087,347	7,433,863	6,149,008	477,342	6,783	2,589	34,156,932
Mutual funds	1,078,237	553,489	457,825	25,623	505	193	2,115,872
Preferreds/fixed rate cap secs	116,918	51,013	42,196	2,778	47	18	212,970
Other	12,791,851	7,023,331	5,809,432	303,977	6,409	2,446	25,937,446
Total investments	100,934,058	44,746,134	37,012,293	2,398,529	40,831	15,582	185,147,427
Total assets	109,334,977	47,493,663	39,408,485	1,970,661	464,029	214,306	198,886,121
Liabilities:							
Other liabilities	10,835	7,392	5,091	12,926	5,000	3,000	44,244
Interfund balances	939,524	211,424	75,552				1,226,500
Total liabilities	950,359	218,816	80,643	12,926	5,000	3,000	1,270,744
Net Assets:							
Held in Trust for Pension							
Benefits and Other Purposes	\$ 108,384,618	\$ 47,274,847	\$ 39,327,842	\$ 1,957,735	\$ 459,029	\$ 211,306	\$ 197,615,377

Pension Trust Funds

	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 764,137	\$ 3,556,861	\$ 2,464,361	\$	\$	\$	\$ 6,785,359
Plan members	<u>1,384,662</u>	<u>311,704</u>	<u>301,099</u>	<u>692,331</u>	<u>103,901</u>	<u>136,863</u>	<u>2,930,560</u>
Total contributions	<u>2,148,799</u>	<u>3,868,565</u>	<u>2,765,460</u>	<u>692,331</u>	<u>103,901</u>	<u>136,863</u>	<u>9,715,919</u>
Investment earnings (losses):							
Net increase in fair value of investments	(30,587,356)	(12,966,876)	(10,750,739)	(695,856)	(11,429)	(4,362)	(55,016,618)
Dividends and interest	<u>3,217,550</u>	<u>1,362,845</u>	<u>1,130,710</u>	<u>72,884</u>	<u>1,200</u>	<u>458</u>	<u>5,785,647</u>
Total investment earnings	<u>(27,369,806)</u>	<u>(11,604,031)</u>	<u>(9,620,029)</u>	<u>(622,972)</u>	<u>(10,229)</u>	<u>(3,904)</u>	<u>(49,230,971)</u>
Less investment expenses:							
Investment management fees	<u>444,909</u>	<u>191,266</u>	<u>158,577</u>	<u></u>	<u></u>	<u></u>	<u>794,752</u>
Net investment earnings (losses)	<u>(27,814,715)</u>	<u>(11,795,297)</u>	<u>(9,778,606)</u>	<u>(622,972)</u>	<u>(10,229)</u>	<u>(3,904)</u>	<u>(50,025,723)</u>
Total additions (reductions)	<u>(25,665,916)</u>	<u>(7,926,732)</u>	<u>(7,013,146)</u>	<u>69,359</u>	<u>93,672</u>	<u>132,959</u>	<u>(40,309,804)</u>
Deductions:							
Benefits	6,202,078	5,334,491	4,205,152	919,512	220,793	119,085	17,001,111
Administration	24,604	24,600	24,603	22,623	5,169	3,064	104,663
Other	<u>409,778</u>	<u>50,129</u>	<u>11,366</u>	<u></u>	<u></u>	<u></u>	<u>471,273</u>
Total deductions	<u>6,636,460</u>	<u>5,409,220</u>	<u>4,241,121</u>	<u>942,135</u>	<u>225,962</u>	<u>122,149</u>	<u>17,577,047</u>
Change in net assets before transfers	(32,302,376)	(13,335,952)	(11,254,267)	(872,776)	(132,290)	10,810	(57,886,851)
Transfers	<u>(939,524)</u>	<u>(211,425)</u>	<u>(75,551)</u>	<u></u>	<u></u>	<u></u>	<u>(1,226,500)</u>
Change in net assets	(33,241,900)	(13,547,377)	(11,329,818)	(872,776)	(132,290)	10,810	(59,113,351)
Net Assets at Beginning of Year	<u>141,626,518</u>	<u>60,822,224</u>	<u>50,657,660</u>	<u>2,830,511</u>	<u>591,319</u>	<u>200,496</u>	<u>256,728,728</u>
Net Assets at End of Year	<u>\$ 108,384,618</u>	<u>\$ 47,274,847</u>	<u>\$ 39,327,842</u>	<u>\$ 1,957,735</u>	<u>\$ 459,029</u>	<u>\$ 211,306</u>	<u>\$ 197,615,377</u>

Annual Pension Cost and Net Pension Obligations

The City of Meriden's annual pension cost and net pension obligation (asset) for the year ended June 30, 2009 were as follows:

	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Annual required contribution (ARC)	\$ 764,137	\$ 3,556,861	\$ 2,464,361
Interest on net pension obligation (asset)	(27,338)	1,050,905	1,030,370
Adjustment to annual required contribution	<u>38,396</u>	<u>(1,172,885)</u>	<u>(1,149,966)</u>
Annual pension cost	775,195	3,434,881	2,344,765
Contributions made	<u>764,137</u>	<u>3,556,861</u>	<u>2,464,361</u>
Increase (decrease) in net pension obligation	11,058	(121,980)	(119,596)
Net pension obligation (asset), beginning of year	<u>(341,727)</u>	<u>13,136,309</u>	<u>12,879,621</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (330,669)</u>	<u>\$ 13,014,329</u>	<u>\$ 12,760,025</u>

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

	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial valuation date	7/1/08	7/1/08	7/1/08
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	14 years	23 years	23 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases	5.00%	4.25%	4.00%

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Retirement Plan			
6/30/09	\$ 775,195	98.60%	\$ (330,669)
6/30/08	662,084	99.60	(341,727)
6/30/07	196,764	99.40	(344,269)
Police Pension Plan			
6/30/09	3,434,881	103.60%	13,014,329
6/30/08	3,338,792	105.12	13,136,309
6/30/07	3,446,801	104.80	13,307,109
Firefighters' Pension Plan			
6/30/09	2,344,765	105.10%	12,760,025
6/30/08	2,267,926	107.38	12,879,621
6/30/07	2,453,709	106.60	13,047,095

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Under Funded AAL as a % of Covered Payroll ((a-b)/c)
Employees' Retirement Plan						
7/01/08	\$ 140,853,728	\$ 123,480,133	\$ (17,373,595)	114.07%	\$ 31,405,160	(55.32)%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	128,680,666	114,597,050	(14,083,616)	112.29	30,170,844	(46.68)
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	122,127,232	103,416,190	(18,711,042)	118.09	27,345,499	(68.42)
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
Police Pension Plan						
7/01/08	60,974,656	89,709,424	28,734,768	67.97%	5,030,979	571.16%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	53,745,820	79,947,211	26,201,391	67.23	5,940,009	441.10
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	48,752,364	72,823,660	24,071,296	66.95	7,039,682	341.94
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
Firefighters' Pension Plan						
7/01/08	51,281,856	70,302,239	19,020,383	72.94%	4,696,251	405.01%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	46,026,189	65,036,368	19,010,179	70.77	4,971,096	382.41
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	43,396,288	64,094,542	20,698,254	67.71	5,134,902	403.09
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended	Employees' Retirement Plan		Police Pension Plan		Firefighters' Pension Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/09	\$ 764,137	100.0%	\$ 3,556,861	100.0%	\$ 2,464,361	100.0%
6/30/08	649,414	101.6	3,509,801	100.0	2,435,594	100.0
6/30/07	185,534	105.4	3,601,118	100.3	2,605,081	100.4
6/30/06	74,741	100.0	3,540,516	91.5	2,574,201	85.7
6/30/05	-	N/A	3,413,205	99.0	1,906,328	100.0
6/30/04	-	N/A	3,357,184	72.9	1,872,975	89.4

B. Teachers' Retirement

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$50,870,552.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. In the current year, an additional amount was contributed to the plan by the State from proceeds of pension obligation bonds. For the year ended June 30, 2009 the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$7,855,735 as payments made by the State of Connecticut on behalf of the City. This amount is significantly lower than the prior year because of a one-time prior year increase in the contribution by the State of Connecticut due to the State issuing pension obligation bonds. The City does not have any liability for teacher pensions.

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

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

Summary of Significant Accounting Policies

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

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

Plan Description

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

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

At July 1, 2008, plan membership consisted of the following:

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees	113	94	323	734	307	1,571
Retired employees*	54	53	194	165	68	534
Total Participants	167	147	517	899	375	2,105

*Counts do not include spouses of retirees

Funding Policy

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

City/Non-Teacher BOE	2.00% of Salary
Police	2.00% of Salary
Fire	1.00% of Salary
Teachers	1.25% of Salary

For the year ended June 30, 2009, plan members contributed \$3,206,146. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$3,516,897 were made in accordance with actuarially determined requirements. Of this amount \$3,016,897 represents premium payments, and \$500,000 was contributed to prefund future benefits.

Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Health Plan
Annual required contribution (ARC)	\$ 10,698,778
Interest on net OPEB obligation	924,091
Adjustment to annual required contribution	(950,053)
	<hr/>
Annual OPEB cost (expense)	10,672,816
Contributions made	3,516,897
	<hr/>
Increase in net OPEB obligation	7,155,919
Net OPEB obligation, beginning of year	11,551,134
	<hr/>
Net OPEB Obligation, End of Year	\$ <u>18,707,053</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009 is presented below. Data is only presented for the fiscal years ended June 30, 2009 and June 30, 2008 due to June 30, 2008 being the year of transition.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/09	\$ 10,672,816	\$ 3,516,897	33.00%	\$ 18,707,053
6/30/08	16,701,796	5,150,662	30.84	11,551,134

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are

compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Postemployment Healthcare Plan						
7/1/2008	\$ 3,622,326	\$ 102,478,635	\$ 98,856,309	3.5%	\$ 105,582,188	93.6%
7/1/2006	3,172,002	231,478,641	228,306,639	1.4%	n/a	n/a

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

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2009	\$ 10,698,778	32.90%
6/30/2008	16,701,796	30.84

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

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method. The remaining amortization period at July 1, 2008 was 30 years.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

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

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

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

Construction Commitments

The government has active construction projects as of June 30, 2009. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Gravel & Baldwin Reconstruction	\$ 617,800
Street Improvements	30,849
Water Line and Tank Rehabilitation	16,559
Merimere Elemere Study	1,501
Carpenter Ave	9,200
Water Supply Plan	4,500
Water Upgrades	40,562
Water Heating System	4,408
Water Level A Mapping	12,420
Water Roof Repair	7,859
Water GIS	18,001
Bridges Reconstruction Design	159,920
Police Radio Trans	8,800
Sewer Projects	57,040
Engineering Landfill Closure	115,103
West Main St Traffic Study	59,021
Traffic Signal Upgrade Program	271,512
Flood Improvements	208,328
Falcon Field Construction	31,000
Hanover Elementary	79,440
Fire Building Renovations	8,112
City Wide Drainage	59,816
Sodom Brook Trail	119,180

Cheshire Road Drainage	953
Emergency Back Up Generator	133,978
Sidewalk Program	2,600
2007 Paving Program	61,690
City Hall Air Handler	18,012
Parks Tractor	43,681
Curtis St Reconstruction	595,941
Spoonshop Brook Study	27,930
City Wide Sidewalks	367,396
MIS Technology Upgrade	3,338
PW Dump Truck Replacement	61,845
Signal Upgrade Program	33,086
Roof Repair Michael Drive	17,168
Police Public Safety Software	193
Fire Radio Equipment	40,972
WPCF Facility Improvements	7,489,740
SCADA Technology Upgrade	155,156
Elmere/Merimere Pilot Testing	483,475
	<hr/>
	<u>\$ 11,478,085</u>

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

Municipal Solid Waste Management Services Contract

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

Under the Service Contract, the City is required to deliver, or cause to be delivered to the System solid waste generated within its boundaries with a minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (Service Payment). The current fee is \$61 per ton. The aggregated minimum commitment of the Contracting Municipalities is 125,000 tons per year. The City's Service Payment commitment is a "Put-or-Pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of the Contracting Municipalities in any year, the City must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

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

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

13. PRIOR PERIOD ADJUSTMENTS

Adjustments to Fund Balances

Bonded Projects Fund - Long term loans receivable were not deferred in the prior year resulting in a decrease in fund balance and an increase in deferred revenue of \$687,479.

Sewer Assessment Fund - Accounts payable was incorrectly reported in the prior year, resulting in a decrease in accounts payable and an increase in fund balance of \$221,839.

State and Federal Education Grants Fund - Deferred revenue was incorrectly reported in the prior year resulting in an increase in deferred revenue and a decrease in Fund balance of \$90,986.

Summer Student Fund - This fund was incorrectly omitted from the prior year, resulting in an increase cash and fund balance of \$1,762.

Adjustments to Net Assets

As a result of the above adjustments, beginning net assets decreased by \$89,224 for governmental funds, and decreased by \$221,839 for business-type funds.

In addition, as noted in Note 7, an increase to liabilities and a decrease to beginning net assets of \$7,000,000 have been recorded for a pollution remediation obligation.

Adjustments to Agency Funds

The cash balances in the student activity agency fund was incorrectly reported it the prior year. As a result, cash and deposits held for others increased by \$72,810.

**Supplemental, Combining
and Individual Fund**

Statements

and

Schedules

General Fund

GENERAL FUND

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

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Current year's levy	\$ 100,549,257	\$ 100,549,257	\$ 99,569,258	\$ (979,999)
Prior years' levies	2,500,000	2,500,000	2,595,093	95,093
Motor vehicle supplement	1,400,000	1,400,000	901,191	(498,809)
Suspense	25,000	25,000	8,162	(16,838)
Interest and liens	1,275,000	1,275,000	1,105,316	(169,684)
Total property taxes	<u>105,749,257</u>	<u>105,749,257</u>	<u>104,179,020</u>	<u>(1,570,237)</u>
Intergovernmental:				
State grants for education	55,423,066	55,423,066	55,335,461	(87,605)
Other state grants	6,345,794	6,345,794	6,283,964	(61,830)
Federal grant			16,500	16,500
Total intergovernmental	<u>61,768,860</u>	<u>61,768,860</u>	<u>61,635,925</u>	<u>(132,935)</u>
Charges for services:				
Licenses and permits and fines	129,215	129,215	169,240	40,025
Department fees and other	4,203,671	4,203,671	3,757,209	(446,462)
Rents	675,790	675,790	693,156	17,366
Total charges for services	<u>5,008,676</u>	<u>5,008,676</u>	<u>4,619,605</u>	<u>(389,071)</u>
Investment income	<u>1,410,016</u>	<u>1,410,016</u>	<u>992,104</u>	<u>(417,912)</u>
Miscellaneous revenues	<u>2,711,500</u>	<u>2,711,500</u>	<u>9,168,688</u>	<u>6,457,188</u>
Other financing sources:				
Cancellation of prior year encumbrances			2,537	2,537
Appropriation of fund balance	275,000	775,000	775,000	-
Transfers in			108,194	108,194
Total other financing sources	<u>275,000</u>	<u>775,000</u>	<u>885,731</u>	<u>110,731</u>
Total revenues and other financing sources	<u>176,923,309</u>	<u>177,423,309</u>	<u>181,481,073</u>	<u>4,057,764</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
Expenditures:				
General government:				
City council	\$ 223,264	\$ 223,264	\$ 216,077	\$ 7,187
City manager	560,662	567,262	554,663	12,599
Legal	709,199	709,199	659,904	49,295
Personnel	241,398	241,398	224,370	17,028
City clerk	471,897	471,897	436,556	35,341
Aviation	45,956	45,956	35,273	10,683
Elections	216,505	216,505	185,336	31,169
Insurance	3,024,364	2,959,252	2,959,252	-
Employee benefits	18,437,437	18,352,712	17,259,142	1,093,570
Finance general administration	2,673,511	2,799,376	2,754,839	44,537
Capital equipment	510,400	510,400	428,044	82,356
Management information systems	844,064	844,064	830,512	13,552
Development and enforcement	710,004	708,932	672,072	36,860
Inland wetlands	1,200	2,272	2,272	-
Parking	143,154	143,154	129,427	13,727
Contingency	500,000	466,700		466,700
Total general government	<u>29,313,015</u>	<u>29,262,343</u>	<u>27,347,739</u>	<u>1,914,604</u>
Finance:				
Finance	648,651	666,286	663,715	2,571
Purchasing	242,276	243,982	243,357	625
Tax collector/Assessor	753,091	740,091	734,656	5,435
Board of assessment appeals	3,250	3,250	3,000	250
Total finance	<u>1,647,268</u>	<u>1,653,609</u>	<u>1,644,728</u>	<u>8,881</u>
Public safety:				
Police	11,174,176	11,174,176	11,089,339	84,837
Fire	7,646,500	8,002,048	7,990,413	11,635
Emergency communications	939,107	939,107	937,415	1,692
South Meriden volunteer fire	73,951	73,951	69,993	3,958
Emergency management	13,600	13,600	8,128	5,472
Total public safety	<u>19,847,334</u>	<u>20,202,882</u>	<u>20,095,288</u>	<u>107,594</u>
Public works:				
Engineering	812,918	823,482	823,482	-
Garage and warehouse	399,032	403,150	380,613	22,537
Traffic engineering	532,949	530,447	528,789	1,658
Highway safety	2,196,270	2,434,443	2,371,084	63,359
Transfer station	95,800	78,026	78,026	-
Waste collection	1,532,096	1,427,205	1,427,205	-
Bulky waste	292,757	288,786	288,786	-
Building maintenance	1,205,923	1,232,561	1,229,543	3,018
Total public works	<u>7,067,745</u>	<u>7,218,100</u>	<u>7,127,528</u>	<u>90,572</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Health	\$ 2,198,925	\$ 2,205,039	\$ 2,205,029	\$ 10
Social services	193,207	197,034	197,021	13
Senior center	491,082	519,319	519,316	3
Youth services	147,614	146,084	146,084	-
Total health and welfare	<u>3,030,828</u>	<u>3,067,476</u>	<u>3,067,450</u>	<u>26</u>
Culture and recreation:				
Library	2,006,015	2,006,015	1,983,769	22,246
Parks	1,434,816	1,495,599	1,495,235	364
Recreation	472,187	413,184	398,411	14,773
Total culture and recreation	<u>3,913,018</u>	<u>3,914,798</u>	<u>3,877,415</u>	<u>37,383</u>
Education:				
Board of Education	98,164,522	98,164,522	98,164,275	247
School building committee	1,000	1,000	503	497
Total education	<u>98,165,522</u>	<u>98,165,522</u>	<u>98,164,778</u>	<u>744</u>
Debt service:				
Principal retirement	10,151,417	10,151,417	10,409,917	(258,500)
Interest	3,787,162	3,787,162	3,791,129	(3,967)
Total debt service	<u>13,938,579</u>	<u>13,938,579</u>	<u>14,201,046</u>	<u>(262,467)</u>
Other financing uses:				
Transfers out			204,989	(204,989)
Total expenditures and other financing uses	<u>176,923,309</u>	<u>177,423,309</u>	<u>175,730,961</u>	<u>1,692,348</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,750,112</u>	<u>\$ 5,750,112</u>

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

Neighborhood Preservation Program - To account for revolving loan funds.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

Assistance to Firefighters' Grant Fund - To account for homeland security grant.

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

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

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

CAPITAL PROJECT FUNDS

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUNDS

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

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

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

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

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

CITY OF MERIDEN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds								
	Document Preservation Fund	Airport Improvement Fund	School Resource Office Grant	Community Development Block Grant	Day Care Center	Women Infant and Children Program	Insurance Reserve Fund	Health Grants	Meals on Wheels Program
ASSETS									
Cash and cash equivalents	\$ 68,212	\$ 201	\$	\$	\$ 88,903	\$ 223,703	\$ 176,975	\$ 665,071	\$ 208,497
Investments									
Accounts receivable		44,366		258,706					
Due from other funds			25,962	1,049			80,000		
Inventory									
Total Assets	\$ 68,212	\$ 44,567	\$ 25,962	\$ 259,755	\$ 88,903	\$ 223,703	\$ 176,975	\$ 745,071	\$ 208,497
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 14,949	\$	\$ 578	\$ 55,258	\$ 33,437	\$ 53,415	\$ 4,094	\$ 59,891	\$ 5,288
Deferred revenue									
Due to other governments									
Due to other funds		45,000	25,384	202,020		40,000			
Total liabilities	14,949	45,000	25,962	257,278	33,437	93,415	4,094	59,891	5,288
Fund Balances:									
Reserved for inventory									
Reserved for donors' intentions									
Unreserved and undesignated	53,263	(433)		2,477	55,466	130,288	172,881	685,180	203,209
Total fund balances	53,263	(433)	-	2,477	55,466	130,288	172,881	685,180	203,209
Total Liabilities and Fund Balances	\$ 68,212	\$ 44,567	\$ 25,962	\$ 259,755	\$ 88,903	\$ 223,703	\$ 176,975	\$ 745,071	\$ 208,497

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(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds								
	Tree Preservation Fund	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Emergency Services Grant	Underage Drinking	Downtown Property Management
ASSETS									
Cash and cash equivalents	\$ 122,319	\$ 125,073	\$ 199,915	\$ 204,184	\$ 174,153	\$ -	\$ 3,003	\$ 687	\$ 149,652
Investments									
Accounts receivable		2,141,378	657,042		214,354				
Due from other funds									
Inventory									
Total Assets	<u>\$ 122,319</u>	<u>\$ 2,266,451</u>	<u>\$ 856,957</u>	<u>\$ 204,184</u>	<u>\$ 388,507</u>	<u>\$ -</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 149,652</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 47,449	\$ 220,433	\$ 1,461	\$ -	\$ -	\$ 1,817
Deferred revenue		2,141,378	657,042						
Due to other governments		3,114							
Due to other funds					40,000	24,325			
Total liabilities	<u>-</u>	<u>2,144,492</u>	<u>657,042</u>	<u>47,449</u>	<u>260,433</u>	<u>25,786</u>	<u>-</u>	<u>-</u>	<u>1,817</u>
Fund Balances:									
Reserved for inventory									
Reserved for donors' intentions									
Unreserved and undesignated	122,319	121,959	199,915	156,735	128,074	(25,786)	3,003	687	147,835
Total fund balances	<u>122,319</u>	<u>121,959</u>	<u>199,915</u>	<u>156,735</u>	<u>128,074</u>	<u>(25,786)</u>	<u>3,003</u>	<u>687</u>	<u>147,835</u>
Total Liabilities and Fund Balances	<u>\$ 122,319</u>	<u>\$ 2,266,451</u>	<u>\$ 856,957</u>	<u>\$ 204,184</u>	<u>\$ 388,507</u>	<u>\$ -</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 149,652</u>

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(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds								
	Brownfield Assessment	Education Grants	Dog Fund	Public School Lunch	Public School Rental	Adult Evening School	Reading Video	Anti-Blight Fund	Smoke Detector Fund
ASSETS									
Cash and cash equivalents	\$ 53,784	\$ 2,093,565	\$ 10,032	\$ 495,960	\$ 110,619	\$ 53,240	\$ 1,288	\$ 4,602	\$ 23
Investments									
Accounts receivable	26,318	528		437,285					
Due from other funds			12,500						
Inventory				105,528					
Total Assets	<u>\$ 80,102</u>	<u>\$ 2,094,093</u>	<u>\$ 22,532</u>	<u>\$ 1,038,773</u>	<u>\$ 110,619</u>	<u>\$ 53,240</u>	<u>\$ 1,288</u>	<u>\$ 4,602</u>	<u>\$ 23</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 30,518	\$ 1,097,804	\$ 20,319	\$ 35,797	\$ 15,205	\$ 750	\$	\$	\$
Deferred revenue		545,541							
Due to other governments									
Due to other funds									
Total liabilities	<u>30,518</u>	<u>1,643,345</u>	<u>20,319</u>	<u>35,797</u>	<u>15,205</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Reserved for inventory				105,528					
Reserved for donors' intentions									
Unreserved and undesignated	49,584	450,748	2,213	897,448	95,414	52,490	1,288	4,602	23
Total fund balances	<u>49,584</u>	<u>450,748</u>	<u>2,213</u>	<u>1,002,976</u>	<u>95,414</u>	<u>52,490</u>	<u>1,288</u>	<u>4,602</u>	<u>23</u>
Total Liabilities and Fund Balances	<u>\$ 80,102</u>	<u>\$ 2,094,093</u>	<u>\$ 22,532</u>	<u>\$ 1,038,773</u>	<u>\$ 110,619</u>	<u>\$ 53,240</u>	<u>\$ 1,288</u>	<u>\$ 4,602</u>	<u>\$ 23</u>

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

JUNE 30, 2009

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>			
	<u>Asst to Firefighters Grant Fund</u>	<u>Misc. Grants Fund</u>	<u>Summer Student Fund</u>	<u>NSP Program Fund</u>	<u>P & R Capital and Nonrecurring</u>	<u>Capital and Nonrecurring</u>	<u>Land Acquisition</u>	<u>Planning Commission Subdivision Development</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$ 11,108	\$ 550	\$ 122	\$ 6,088	\$ 45,668	\$ 80,854
Investments								
Accounts receivable		30,660		1,137				
Due from other funds						204,989		
Inventory								
Total Assets	\$ -	\$ 30,660	\$ 11,108	\$ 1,687	122	6,088	250,657	80,854
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 24,456	\$	\$ 687		3,937		
Deferred revenue								
Due to other governments								
Due to other funds		5,326		1,000		64,437		
Total liabilities	-	29,782	-	1,687	-	68,374	-	-
Fund Balances:								
Reserved for inventory								
Reserved for donors' intentions								
Unreserved and undesignated	-	878	11,108	-	122	(62,286)	250,657	80,854
Total fund balances	-	878	11,108	-	122	(62,286)	250,657	80,854
Total Liabilities and Fund Balances	\$ -	\$ 30,660	\$ 11,108	\$ 1,687	\$ 122	\$ 6,088	\$ 250,657	\$ 80,854

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CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Permanent Funds						Total
	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	Eliminating Entries	
ASSETS							
Cash and cash equivalents	\$ 45,258	\$ 112,200	\$ 116,329	\$ 8,522	\$ 3,217	\$	\$ 5,663,577
Investments	423,218	847,474	200,000				1,470,692
Accounts receivable							3,811,774
Due from other funds	2,158					(82,158)	244,500
Inventory							105,528
Total Assets	<u>\$ 470,634</u>	<u>\$ 959,674</u>	<u>\$ 316,329</u>	<u>\$ 8,522</u>	<u>\$ 3,217</u>	<u>\$ (82,158)</u>	<u>\$ 11,296,071</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 900	\$ 6,000	\$	\$	\$	\$	\$ 1,734,443
Deferred revenue							3,343,961
Due to other governments							3,114
Due to other funds		2,158				(82,158)	367,492
Total liabilities	<u>900</u>	<u>8,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,158)</u>	<u>5,449,010</u>
Fund Balances:							
Reserved for inventory							105,528
Reserved for donors' intentions	469,734	951,516	316,329	8,522	3,217		1,749,318
Unreserved and undesignated							3,992,215
Total fund balances	<u>469,734</u>	<u>951,516</u>	<u>316,329</u>	<u>8,522</u>	<u>3,217</u>	<u>-</u>	<u>5,847,061</u>
Total Liabilities and Fund Balances	<u>\$ 470,634</u>	<u>\$ 959,674</u>	<u>\$ 316,329</u>	<u>\$ 8,522</u>	<u>\$ 3,217</u>	<u>\$ (82,158)</u>	<u>\$ 11,296,071</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds								
	Document Preservation Fund	Airport Improvement Fund	School Resource Office Grant	Community Development Block Grant	Day Care Center	Women Infant and Children Program	Insurance Reserve Fund	Health Grants	Meals on Wheels Program
Revenues:									
Intergovernmental revenues	\$ 42,364	\$ 818,151	\$	\$ 1,047,005	\$ 279,529	\$ 843,840	\$	\$ 852,402	\$ 201,649
Charges for services	18,061							168,618	33,400
Investment income (loss)									
Other			3,260	2,477			5,647		3,395
Total revenues	<u>60,425</u>	<u>818,151</u>	<u>3,260</u>	<u>1,049,482</u>	<u>279,529</u>	<u>843,840</u>	<u>5,647</u>	<u>1,021,020</u>	<u>238,444</u>
Expenditures:									
General government	54,212			121,383					
Public safety				297,813					
Health and welfare				627,809	402,518	757,325	4,094	902,628	195,073
Culture and recreation									
Capital outlay		824,572							
Education									
Total expenditures	<u>54,212</u>	<u>824,572</u>	<u>-</u>	<u>1,047,005</u>	<u>402,518</u>	<u>757,325</u>	<u>4,094</u>	<u>902,628</u>	<u>195,073</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,213</u>	<u>(6,421)</u>	<u>3,260</u>	<u>2,477</u>	<u>(122,989)</u>	<u>86,515</u>	<u>1,553</u>	<u>118,392</u>	<u>43,371</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out								(100,000)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	6,213	(6,421)	3,260	2,477	(122,989)	86,515	1,553	18,392	43,371
Fund Balances at Beginning of Year, as Restated	<u>47,050</u>	<u>5,988</u>	<u>(3,260)</u>	<u>-</u>	<u>178,455</u>	<u>43,773</u>	<u>171,328</u>	<u>666,788</u>	<u>159,838</u>
Fund Balances at End of Year	<u>\$ 53,263</u>	<u>\$ (433)</u>	<u>\$ -</u>	<u>\$ 2,477</u>	<u>\$ 55,466</u>	<u>\$ 130,288</u>	<u>\$ 172,881</u>	<u>\$ 685,180</u>	<u>\$ 203,209</u>

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CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds								
	Tree Preservation Fund	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)	Asset Forfeiture Fund	School Readiness	Law Enforcement Block Grant	Emergency Services Grant	Underage Drinking	Downtown Property Management
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$ 192,100	\$ 2,773,362	\$ 11,365	\$	\$	\$
Charges for services									56,727
Investment income (loss)									
Other		63,293	45,830						5,116
Total revenues	<u>-</u>	<u>63,293</u>	<u>45,830</u>	<u>192,100</u>	<u>2,773,362</u>	<u>11,365</u>	<u>-</u>	<u>-</u>	<u>61,843</u>
Expenditures:									
General government	3,650		34,625						49,672
Public safety				56,504		37,151			
Health and welfare					2,580,540				
Culture and recreation									
Capital outlay				30,250					
Education									
Total expenditures	<u>3,650</u>	<u>-</u>	<u>34,625</u>	<u>86,754</u>	<u>2,580,540</u>	<u>37,151</u>	<u>-</u>	<u>-</u>	<u>49,672</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,650)</u>	<u>63,293</u>	<u>11,205</u>	<u>105,346</u>	<u>192,822</u>	<u>(25,786)</u>	<u>-</u>	<u>-</u>	<u>12,171</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,650)</u>	<u>63,293</u>	<u>11,205</u>	<u>105,346</u>	<u>192,822</u>	<u>(25,786)</u>	<u>-</u>	<u>-</u>	<u>12,171</u>
Fund Balances at Beginning of Year, as Restated	<u>125,969</u>	<u>58,666</u>	<u>188,710</u>	<u>51,389</u>	<u>(64,748)</u>	<u>-</u>	<u>3,003</u>	<u>687</u>	<u>135,664</u>
Fund Balances at End of Year	<u>\$ 122,319</u>	<u>\$ 121,959</u>	<u>\$ 199,915</u>	<u>\$ 156,735</u>	<u>\$ 128,074</u>	<u>\$ (25,786)</u>	<u>\$ 3,003</u>	<u>\$ 687</u>	<u>\$ 147,835</u>

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CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

Special Revenue Funds

	Brownfield Assessment	Education Grants	Dog Fund	Public School Lunch	Public School Rental	Adult Evening School	Reading Video	Anti-Blight Fund	Smoke Detector Fund
Revenues:									
Intergovernmental revenues	\$ 103,707	\$ 11,796,329	\$	\$ 2,627,645	\$	\$	\$	\$	\$
Charges for services			14,709	1,107,144	43,822	57,851		500	
Investment income (loss)				10,025	879				
Other				65,842					
Total revenues	<u>103,707</u>	<u>11,796,329</u>	<u>14,709</u>	<u>3,810,656</u>	<u>44,701</u>	<u>57,851</u>	<u>-</u>	<u>500</u>	<u>-</u>
Expenditures:									
General government	110,930								
Public safety			33,905						1,045
Health and welfare									
Culture and recreation									
Capital outlay									
Education		12,377,801		3,913,350	43,046	34,552			
Total expenditures	<u>110,930</u>	<u>12,377,801</u>	<u>33,905</u>	<u>3,913,350</u>	<u>43,046</u>	<u>34,552</u>	<u>-</u>	<u>-</u>	<u>1,045</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,223)</u>	<u>(581,472)</u>	<u>(19,196)</u>	<u>(102,694)</u>	<u>1,655</u>	<u>23,299</u>	<u>-</u>	<u>500</u>	<u>(1,045)</u>
Other Financing Sources (Uses):									
Transfers in			12,500						
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(7,223)</u>	<u>(581,472)</u>	<u>(6,696)</u>	<u>(102,694)</u>	<u>1,655</u>	<u>23,299</u>	<u>-</u>	<u>500</u>	<u>(1,045)</u>
Fund Balances at Beginning of Year, as Restated	<u>56,807</u>	<u>1,032,220</u>	<u>8,909</u>	<u>1,105,670</u>	<u>93,759</u>	<u>29,191</u>	<u>1,288</u>	<u>4,102</u>	<u>1,068</u>
Fund Balances at End of Year	<u>\$ 49,584</u>	<u>\$ 450,748</u>	<u>\$ 2,213</u>	<u>\$ 1,002,976</u>	<u>\$ 95,414</u>	<u>\$ 52,490</u>	<u>\$ 1,288</u>	<u>\$ 4,602</u>	<u>\$ 23</u>

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CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds				Capital Project Funds			Planning Commission Subdivision Development
	Asst to Firefighters Grant Fund	Misc. Grants Fund	Summer Student Fund	NSP Program Fund	P & R Capital and Nonrecurring	Capital and Nonrecurring	Land Acquisition	
Revenues:								
Intergovernmental revenues	\$ 310,576	\$ 32,184	\$	\$ 1,137	\$	\$ 40,000	\$ 47,548	\$
Charges for services								
Investment income (loss)								
Other		9,380	32,860			500		8,032
Total revenues	<u>310,576</u>	<u>41,564</u>	<u>32,860</u>	<u>1,137</u>	<u>-</u>	<u>40,500</u>	<u>47,548</u>	<u>8,032</u>
Expenditures:								
General government				1,137			1,880	
Public safety		15,885						
Health and welfare		7,915				1,300		
Culture and recreation	393,421	16,886				40,000		14,681
Capital outlay								
Education			23,514					
Total expenditures	<u>393,421</u>	<u>40,686</u>	<u>23,514</u>	<u>1,137</u>	<u>-</u>	<u>41,300</u>	<u>1,880</u>	<u>14,681</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(82,845)</u>	<u>878</u>	<u>9,346</u>	<u>-</u>	<u>-</u>	<u>(800)</u>	<u>45,668</u>	<u>(6,649)</u>
Other Financing Sources (Uses):								
Transfers in	82,845						204,989	
Transfers out								
Total other financing sources (uses)	<u>82,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,989</u>	<u>-</u>
Net Change in Fund Balances	-	878	9,346	-	-	(800)	250,657	(6,649)
Fund Balances at Beginning of Year, as Restated	-	-	1,762	-	122	(61,486)	-	87,503
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 878</u>	<u>\$ 11,108</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ (62,286)</u>	<u>\$ 250,657</u>	<u>\$ 80,854</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Permanent Funds						Total
	Walter Hubbard Park	C.P. Bradley Park Fund	Library Trust Fund	Lorenzo Fuller Award	Charlotte Yale Ives	Eliminating Entries	
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 22,020,893
Charges for services							1,500,832
Investment income (loss)	(78,324)	(171,418)	82,638	123	54		(156,023)
Other							245,632
Total revenues	<u>(78,324)</u>	<u>(171,418)</u>	<u>82,638</u>	<u>123</u>	<u>54</u>	<u>-</u>	<u>23,611,334</u>
Expenditures:							
General government	28,886	44,175			823		451,373
Public safety							442,303
Health and welfare							5,469,987
Culture and recreation			76,554				85,769
Capital outlay							1,319,810
Education							16,392,263
Total expenditures	<u>28,886</u>	<u>44,175</u>	<u>76,554</u>	<u>-</u>	<u>823</u>	<u>-</u>	<u>24,161,505</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(107,210)</u>	<u>(215,593)</u>	<u>6,084</u>	<u>123</u>	<u>(769)</u>		<u>(550,171)</u>
Other Financing Sources (Uses):							
Transfers in							300,334
Transfers out							(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,334</u>
Net Change in Fund Balances	(107,210)	(215,593)	6,084	123	(769)		(349,837)
Fund Balances at Beginning of Year, as Restated	<u>576,944</u>	<u>1,167,109</u>	<u>310,245</u>	<u>8,399</u>	<u>3,986</u>	<u>-</u>	<u>6,196,898</u>
Fund Balances at End of Year	<u>\$ 469,734</u>	<u>\$ 951,516</u>	<u>\$ 316,329</u>	<u>\$ 8,522</u>	<u>\$ 3,217</u>	<u>\$ -</u>	<u>\$ 5,847,061</u>

Internal Service Funds

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

JUNE 30, 2009

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 406,374	\$ 6,057,960	\$ 6,464,334
Due from other funds	28,141	694,531	722,672
Total assets	<u>434,515</u>	<u>6,752,491</u>	<u>7,187,006</u>
Liabilities:			
Current liabilities:			
Accounts payable	9,899	19,704	29,603
Claims payable	1,664,205	1,643,354	3,307,559
Total current liabilities	<u>1,674,104</u>	<u>1,663,058</u>	<u>3,337,162</u>
Noncurrent liabilities:			
Claim incurred but not reported	<u>3,328,410</u>		<u>3,328,410</u>
Total liabilities	<u>5,002,514</u>	<u>1,663,058</u>	<u>6,665,572</u>
Total Net Assets	<u>\$ (4,567,999)</u>	<u>\$ 5,089,433</u>	<u>\$ 521,434</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Operating Revenues:			
Charges for services	\$ 3,282,719	\$ 18,093,978	\$ 21,376,697
Other revenues	282,454		282,454
Total operating revenues	<u>3,565,173</u>	<u>18,093,978</u>	<u>21,659,151</u>
Operating Expenses:			
Claims	4,736,159	17,459,870	22,196,029
Administrative	104,102	1,061,249	1,165,351
Other expenses	1,140	30,000	31,140
Total operating expenses	<u>4,841,401</u>	<u>18,551,119</u>	<u>23,392,520</u>
Operating Income (Loss)	<u>(1,276,228)</u>	<u>(457,141)</u>	<u>(1,733,369)</u>
Nonoperating Revenues:			
Investment income	5,029	45,342	50,371
Total nonoperating revenues	<u>5,029</u>	<u>45,342</u>	<u>50,371</u>
Change in Net Assets	(1,271,199)	(411,799)	(1,682,998)
Net Assets at Beginning of Year	<u>(3,296,800)</u>	<u>5,501,232</u>	<u>2,204,432</u>
Net Assets at End of Year	<u>\$ (4,567,999)</u>	<u>\$ 5,089,433</u>	<u>\$ 521,434</u>

CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 3,565,173	\$ 18,112,873	\$ 21,678,046
Receipts from interfund services provided	(28,141)	(694,531)	(722,672)
Payments to suppliers	(102,267)	(1,074,583)	(1,176,850)
Payments to vendors	(3,595,235)	(17,372,839)	(20,968,074)
Payments for interfund services used		(147,327)	(147,327)
Net cash used in operating activities	<u>(160,470)</u>	<u>(1,176,407)</u>	<u>(1,336,877)</u>
Cash Flows from Investing Activities:			
Interest on investments	5,029	45,342	50,371
Net cash provided by investing activities	<u>5,029</u>	<u>45,342</u>	<u>50,371</u>
Net Decrease in Cash and Cash Equivalents	(155,441)	(1,131,065)	(1,286,506)
Cash and Cash Equivalents at Beginning of Year	<u>561,815</u>	<u>7,189,025</u>	<u>7,750,840</u>
Cash and Cash Equivalents at End of Year	<u>\$ 406,374</u>	<u>\$ 6,057,960</u>	<u>\$ 6,464,334</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (1,276,228)	\$ (457,141)	\$ (1,733,369)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		18,895	18,895
(Increase) decrease in due from other fund	(28,141)	(694,531)	(722,672)
Increase (decrease) in accounts payable	2,975	16,666	19,641
Increase (decrease) in claims payable	1,140,924	87,031	1,227,955
Increase (decrease) in due to other fund:		(147,327)	(147,327)
Total adjustments	<u>1,115,758</u>	<u>(719,266)</u>	<u>396,492</u>
Net Cash Used in Operating Activities	<u>\$ (160,470)</u>	<u>\$ (1,176,407)</u>	<u>\$ (1,336,877)</u>

Fiduciary Funds

FIDUCIARY FUNDS

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

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

CITY OF MERIDEN, CONNECTICUT

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Project RAVE				
Assets:				
Cash and cash equivalents	\$ 7,940	\$ 51,313	\$ 54,635	\$ 4,618
Liabilities:				
Deposits held for others	\$ 7,940	\$ 51,313	\$ 54,635	\$ 4,618
Senior Trips Activities Fund				
Assets:				
Cash and cash equivalents	\$ 1,100	\$ 27,168	\$ 25,803	\$ 2,465
Liabilities:				
Deposits held for others	\$ 1,100	\$ 27,168	\$ 25,803	\$ 2,465
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 605,250	\$ 1,340,357	\$ 1,351,966	\$ 593,641
Liabilities:				
Deposits held for others	\$ 605,250	\$ 1,340,357	\$ 1,351,966	\$ 593,641

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CITY OF MERIDEN, CONNECTICUT

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ <u>2,938,598</u>	\$ <u>178,838</u>	\$ <u>574,981</u>	\$ <u>2,542,455</u>
Liabilities:				
Deposits held for others	\$ <u>2,938,598</u>	\$ <u>178,838</u>	\$ <u>574,981</u>	\$ <u>2,542,455</u>
Police Evidence Fund				
Assets:				
Cash and cash equivalents	\$ <u>47,595</u>	\$ <u>347,516</u>	\$ <u>50,470</u>	\$ <u>344,641</u>
Liabilities:				
Deposits held for others	\$ <u>47,595</u>	\$ <u>347,516</u>	\$ <u>50,470</u>	\$ <u>344,641</u>
Total				
Assets:				
Cash and cash equivalents	\$ <u>3,600,483</u>	\$ <u>1,945,192</u>	\$ <u>2,057,855</u>	\$ <u>3,487,820</u>
Liabilities:				
Deposits held for others	\$ <u>3,600,483</u>	\$ <u>1,945,192</u>	\$ <u>2,057,855</u>	\$ <u>3,487,820</u>

Other Schedules

CITY OF MERIDEN, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2009

Grand List of October 1,	Uncollected Balance July 1, 2008	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2009
						Taxes	Interest	Liens	Total	
1992	\$ 4,400	\$	\$ (4,400)	\$	\$ -	\$	\$	\$	\$ -	\$ -
1993	7,659		(1,192)	64	6,531	64	171		235	6,467
1994	9,082		(890)	681	8,873	681	1,712		2,393	8,192
1995	17,599		(3,574)	1,684	15,709	1,684	3,432		5,116	14,025
1996	12,573		(873)	2,678	14,378	2,678	5,575		8,253	11,700
1997	7,789		(982)	3,055	9,862	3,055	5,675		8,730	6,807
1998	267,894		(1,891)		266,003	4,369	7,533	14	11,916	261,634
1999	314,915		(2,356)		312,559	6,335	9,870	24	16,229	306,224
2000	413,691		(2,636)		411,055	8,751	12,759	24	21,534	402,304
2001	374,901		(2,675)		372,226	14,512	14,760	72	29,344	357,714
2002	445,059		(4,407)		440,652	25,367	24,465	467	50,299	415,285
2003	458,466		(3,697)		454,769	33,456	26,432	384	60,272	421,313
2004	727,649		(1,091)		726,558	91,198	51,882	1,095	144,175	635,360
2005	1,091,762		31,864		1,123,626	450,307	158,374	3,497	612,178	673,319
2006	2,776,053		(14,938)		2,761,115	1,960,799	355,913	15,502	2,332,214	800,316
TOTAL	6,929,492		(13,738)	8,162	6,923,916	2,603,256	678,553	21,079	3,302,888	4,320,660
2007		104,302,088	(1,021,791)		103,280,297	100,430,840	401,678	4,007	100,836,525	2,849,457
	<u>\$ 6,929,492</u>	<u>\$ 104,302,088</u>	<u>\$ (1,035,529)</u>	<u>\$ 8,162</u>	<u>\$ 110,204,213</u>	<u>\$ 103,034,096</u>	<u>\$ 1,080,231</u>	<u>\$ 25,086</u>	<u>\$ 104,139,413</u>	<u>\$ 7,170,117</u>

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2009

Fiscal Year	Uncollected Balance July 1, 2008	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2009
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1992	\$ 2,385	\$	\$	\$ 2,385	\$ -	\$	\$	\$	\$ -	\$ -
1993	2,247			2,247	-				-	-
1994	1,055				1,055				-	1,055
1995	2,386				2,386				-	2,386
1996	1,558				1,558				-	1,558
1997	1,411				1,411				-	1,411
1998	1,714				1,714				-	1,714
1999	1,214				1,214				-	1,214
2000	954				954				-	954
2001	1,562				1,562				-	1,562
2002	5,340			427	4,913	464	105		569	4,449
2003	6,076			1,941	4,135	467	208	72	747	3,668
2004	5,843			2,371	3,472	1,456	769	231	2,456	2,016
2005	9,651				9,651	7,201	3,592	848	11,641	2,450
2006	70,225		224	214	70,235	59,525	16,754	6,305	82,584	10,710
2007	1,288,280		856	3,935	1,285,201	1,196,447	88,036	55,542	1,340,025	88,754
Total	1,401,901	-	1,080	13,520	1,389,461	1,265,560	109,464	62,998	1,438,022	123,901
2008		5,933,277	2,085	34,373	5,900,989	4,527,433	39,988	16,552	4,583,973	1,373,556
	\$ 1,401,901	\$ 5,933,277	\$ 3,165	\$ 47,893	\$ 7,290,450	\$ 5,792,993	\$ 149,452	\$ 79,550	\$ 6,021,995	\$ 1,497,457

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2009

Fiscal Year	Uncollected Balance July 1, 2008	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2009
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1992	\$ 3,837	\$	\$	\$ 3,837	\$ -	\$	\$	\$	\$ -	\$ -
1993	3,098			3,098	-				-	-
1994	1,498				1,498				-	1,498
1995	3,418				3,418				-	3,418
1996	2,221				2,221				-	2,221
1997	2,007				2,007				-	2,007
1998	2,443				2,443				-	2,443
1999	1,724				1,724				-	1,724
2000	1,350				1,350				-	1,350
2001	2,220				2,220				-	2,220
2002	4,744			473	4,271	(473)	(96)		(569)	4,744
2003	6,474			2,141	4,333	197	163	72	432	4,136
2004	5,797			2,616	3,181	1,067	571	216	1,854	2,114
2005	9,483				9,483	7,293	2,923	816	11,032	2,190
2006	59,889		161		60,050	51,300	13,853	5,931	71,084	8,750
2007	<u>1,398,932</u>		<u>348</u>	<u>4,103</u>	<u>1,395,177</u>	<u>1,320,189</u>	<u>95,190</u>	<u>53,818</u>	<u>1,469,197</u>	<u>74,988</u>
Total	<u>1,509,135</u>	-	<u>509</u>	<u>16,268</u>	<u>1,493,376</u>	<u>1,379,573</u>	<u>112,604</u>	<u>60,853</u>	<u>1,553,030</u>	<u>113,803</u>
2008		<u>6,748,997</u>	<u>1,773</u>	<u>35,379</u>	<u>6,715,391</u>	<u>5,244,922</u>	<u>45,375</u>	<u>16,248</u>	<u>5,306,545</u>	<u>1,470,469</u>
	<u>\$ 1,509,135</u>	<u>\$ 6,748,997</u>	<u>\$ 2,282</u>	<u>\$ 51,647</u>	<u>\$ 8,208,767</u>	<u>\$ 6,624,495</u>	<u>\$ 157,979</u>	<u>\$ 77,101</u>	<u>\$ 6,859,575</u>	<u>\$ 1,584,272</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Sewer connection and use charges	\$ 6,461,356	\$ 6,461,356	\$ 5,967,492	\$ (493,864)
Miscellaneous income	166,000	166,000	229,002	63,002
Total operating revenues	<u>6,627,356</u>	<u>6,627,356</u>	<u>6,196,494</u>	<u>(430,862)</u>
Operating Expenses:				
Overtime	179,970	179,970	152,413	27,557
Wages - public works	592,484	592,484	590,030	2,454
Wages - MMEA	53,854	53,854	53,769	85
Wages - supervisor	464,255	464,255	352,101	112,154
Employee benefits	456,375	456,375	262,859	193,516
Utilities	1,111,487	1,110,775	973,107	137,668
Repairs and maintenance	208,800	229,800	195,715	34,085
Vehicle maintenance	54,160	42,160	33,292	8,868
Audit fees	7,500	10,138	8,888	1,250
Call before you dig	1	1		1
Hepatitis B shots	7,500	7,357	2,993	4,364
Fiscal division services	582,045	582,045	577,224	4,821
General fund services	544,056	544,056	544,056	-
Claims	10,000	10,000		10,000
Nitrogen credit purchase	180,000	373,439	373,439	-
Supplies	313,200	313,200	262,412	50,788
Biosolid disposals	644,000	644,000	579,051	64,949
Pumping station operations	44,000	42,075	29,942	12,133
Capital outlay	1	185,478	110,136	75,342
Memberships and meeting	7,500	8,500	7,708	792
Insurance	568,291	558,291	558,290	1
Total operating expenses	<u>6,029,479</u>	<u>6,408,253</u>	<u>5,667,425</u>	<u>740,828</u>
Nonoperating Revenues (Expenses):				
Interest on investments	235,000	235,000	58,029	(176,971)
Debt service - principal	(625,988)	(625,988)	(625,988)	-
Debt service - interest	(163,414)	(163,414)	(156,916)	6,498
Debt service - BANS interest	(43,475)	(43,618)	(10,897)	32,721
Total nonoperating revenues (expenses)	<u>(597,877)</u>	<u>(598,020)</u>	<u>(735,772)</u>	<u>(137,752)</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>(378,917)</u>	\$ <u>(206,703)</u>	\$ <u>172,214</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Water sales and charges	\$ 8,095,686	\$ 8,095,686	\$ 7,662,583	\$ (433,103)
Miscellaneous income	612,045	612,045	644,856	32,811
Total operating revenues	<u>8,707,731</u>	<u>8,707,731</u>	<u>8,307,439</u>	<u>(400,292)</u>
Operating Expenses:				
Part time seasonal		4,573	4,573	-
Administration	103,566	106,710	106,707	3
Overtime	162,000	162,000	144,215	17,785
Wages - public works	1,575,763	1,539,746	1,526,426	13,320
Wages - MMEA	166,959	166,959	166,708	251
Wages - supervisor	233,424	219,750	219,606	144
Employee benefits	1,448,453	1,269,573	1,399,029	(129,456)
Taxes paid to other towns	54,974	44,974	43,126	1,848
Utilities	961,000	929,674	902,279	27,395
Repairs and maintenance	17,600	32,600	21,474	11,126
Vehicle maintenance	133,900	203,198	175,125	28,073
Attorney fees	14,000	14,000	2,700	11,300
Audit fees	7,500	9,425	8,888	537
Water purchased	141,315	141,315	134,535	6,780
Other purchased services	44,900	44,900	28,520	16,380
Hepatitis B shots	3,400	3,400	2,490	910
Fiscal division services	629,757	629,757	629,757	-
General fund services	1,037,787	1,037,787	1,037,787	-
Maintenance of mains	25,000	25,000	18,411	6,589
Maintenance of reservoirs	40,000	40,000	19,466	20,534
Maintenance of pump station	40,000	40,000	29,647	10,353
Maintenance of meters	15,000	15,000	13,614	1,386
Supplies	47,250	58,350	56,213	2,137
Services - materials	6,450	13,950	(5,965)	19,915
Treatment expenses	478,700	580,000	533,113	46,887
Water equipment	36,100	36,100	17,508	18,592
Hydrants and mains - materials	5,001	5,001	2,108	2,893
Repairs - trenches	21,000	21,000	18,685	2,315
Capital outlay	91,500	181,500	102,529	78,971
Memberships and meeting	10,000	10,023	10,023	-
Insurance	361,157	329,859	329,325	534
Total operating expenses	<u>7,913,456</u>	<u>7,916,124</u>	<u>7,698,622</u>	<u>217,502</u>
Nonoperating Revenues (Expenses):				
Interest on investments	250,000	250,000	66,777	(183,223)
Debt service - principal	(1,051,020)	(1,051,020)	(1,051,020)	-
Debt service - interest	(367,362)	(461,617)	(461,617)	-
Debt service - BANS interest	(219,336)	(219,913)	(219,913)	-
Total nonoperating revenues (expenses)	<u>(1,387,718)</u>	<u>(1,482,550)</u>	<u>(1,665,773)</u>	<u>(183,223)</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(593,443)</u>	\$ <u>(690,943)</u>	\$ <u>(1,056,956)</u>	\$ <u>(366,013)</u>

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Golf fees	\$ 860,406	\$ 860,406	\$ 826,967	\$ (33,439)
Miscellaneous income			18,622	18,622
Total operating revenues	<u>860,406</u>	<u>860,406</u>	<u>845,589</u>	<u>(14,817)</u>
Operating Expenses:				
Miscellaneous overtime	93,170	93,170	90,558	2,612
Overtime	16,480	16,480	18,964	(2,484)
Wages - public works	186,464	186,464	194,267	(7,803)
Wages - supervisors	83,490	83,490	83,345	145
Employee benefits	89,995	89,995	129,284	(39,289)
Golf supplies and expenses	195,530	195,030	184,021	11,009
Golf pros	10,000	10,000	10,000	-
Club house expenses	31,300	31,300	28,545	2,755
Liability an general insurance	69,085	69,085	69,053	32
Gas		500	545	(45)
Capital outlay	40,000	40,000	38,506	1,494
Memberships and meeting	2,400	2,400	2,230	170
Total operating expenses	<u>817,914</u>	<u>817,914</u>	<u>849,318</u>	<u>(31,404)</u>
Nonoperating Expenses:				
Debt service - principal	37,667	37,667	37,667	-
Debt service - interest	4,825	4,825	7,257	(2,432)
Total nonoperating expenses	<u>42,492</u>	<u>42,492</u>	<u>44,924</u>	<u>(2,432)</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(48,653)</u>	\$ <u>(48,653)</u>

Statistical Section

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

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

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

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

CITY OF MERIDEN, CONNECTICUT

NET ASSETS BY COMPONENT

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

	FISCAL YEAR							
	2009	2008	2007	2006	2005	2004	2003	2002*
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105	\$ 104,144	\$ 59,323	\$ 42,360	\$ 37,844
Restricted	825	4,220	6,497	5,284	6,485			
Unrestricted	<u>(38,240)</u>	<u>(37,108)</u>	<u>(20,224)</u>	<u>(54,963)</u>	<u>(63,007)</u>	<u>(24,950)</u>	<u>(29,882)</u>	<u>(32,248)</u>
Total Governmental Activities Net Assets	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 80,400</u>	<u>\$ 57,426</u>	<u>\$ 47,622</u>	<u>\$ 34,373</u>	<u>\$ 12,478</u>	<u>\$ 5,596</u>
Business-Type Activities:								
Invested in capital assets, net of related debt	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780	\$ 89,674	\$ 88,752	\$ 93,251	\$ 94,508
Unrestricted	<u>12,428</u>	<u>16,664</u>	<u>27,207</u>	<u>19,366</u>	<u>18,644</u>	<u>18,262</u>	<u>14,641</u>	<u>14,926</u>
Total Business-Type Activities Net Assets	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 104,226</u>	<u>\$ 105,146</u>	<u>\$ 108,318</u>	<u>\$ 107,014</u>	<u>\$ 107,892</u>	<u>\$ 109,434</u>
Primary Government:								
Invested in capital assets, net of related debt	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885	\$ 193,818	\$ 148,075	\$ 135,611	\$ 132,352
Restricted	825	4,220	6,497	5,284	6,485			
Unrestricted	<u>(25,812)</u>	<u>(20,444)</u>	<u>6,983</u>	<u>(35,597)</u>	<u>(44,363)</u>	<u>(6,688)</u>	<u>(15,241)</u>	<u>(17,322)</u>
Total Governmental Activities net assets	<u>\$ 196,591</u>	<u>\$ 169,564</u>	<u>\$ 184,626</u>	<u>\$ 162,572</u>	<u>\$ 155,940</u>	<u>\$ 141,387</u>	<u>\$ 120,370</u>	<u>\$ 115,030</u>

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

CITY OF MERIDEN, CONNECTICUT

CHANGES IN NET ASSETS

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

	FISCAL YEAR							
	2009	2008	2007	2006	2005	2004	2003	2002*
Expenses:								
Governmental activities:								
General government	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804	\$ 64,519	\$ 16,967	\$ 15,518	\$ 21,904
Education	133,862	158,802	115,598	106,287	90,527	96,877	100,467	88,865
Public safety	23,155	23,479	19,433	29,390	18,104	27,820	25,072	24,873
Public works	10,849	10,037	10,569	10,104	9,277	9,202	9,399	8,725
Human services	9,675	8,665	10,262	6,413	8,719	6,546	6,761	6,595
Culture and recreation	4,472	4,287						
Interest on long-term debt	3,967	3,209	3,614	4,275	6,583	4,095	4,381	4,821
Total governmental activities expenses	<u>215,048</u>	<u>237,161</u>	<u>194,230</u>	<u>181,273</u>	<u>197,729</u>	<u>161,507</u>	<u>161,598</u>	<u>155,783</u>
Business-type activities:								
Sewer Authority	8,552	7,893	7,480	6,662	6,390	6,074	6,018	5,689
Water Authority	10,628	10,312	8,276	7,885	8,015	8,424	8,180	7,201
George Hunter Golf Course	966	927	881	944	754	793	775	686
Total business-type activities expenses	<u>20,146</u>	<u>19,132</u>	<u>16,637</u>	<u>15,491</u>	<u>15,159</u>	<u>15,291</u>	<u>14,973</u>	<u>13,576</u>
Total Primary Government Expenses	<u>\$ 235,194</u>	<u>\$ 256,293</u>	<u>\$ 210,867</u>	<u>\$ 196,764</u>	<u>\$ 212,888</u>	<u>\$ 176,798</u>	<u>\$ 176,571</u>	<u>\$ 169,359</u>
Program Revenues:								
Governmental activities:								
Charges for services:								
General government	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662	\$ 28,079	\$ 9,791	\$ 8,656	\$ 11,067
Education	1,208	1,207	1,742	1,386	1,510	1,541	1,599	4,906
Public safety	42	65	991	112	118	111	112	1,992
Public works	1,634	1,583	117	223	166	7	788	10,182
Human services	274	723	195	365	553	978	719	1,277
Culture and recreation	31	42	6					1,519
Operating grants and contributions	84,594	109,223	19,914	21,265	12,437	60,009	60,335	34,192
Capital grants and contributions	3,989	6,413	6,491	5,895	11,140	14,854	2,045	2,500
Total governmental activities	<u>94,703</u>	<u>122,853</u>	<u>32,832</u>	<u>34,908</u>	<u>54,003</u>	<u>87,291</u>	<u>74,254</u>	<u>67,635</u>
Business-type activities:								
Charges for services:								
Sewer Authority	5,967	5,964	7,023	6,169	4,950	5,601	5,093	4,352
Water Authority	7,663	7,719	7,322	7,458	7,855	7,911	7,790	7,421
George Hunter Golf Course	827	816	798	786	826	687	650	752
Capital grants and contributions	33,244							
Total business-type activities	<u>47,701</u>	<u>14,499</u>	<u>15,143</u>	<u>14,413</u>	<u>13,631</u>	<u>14,199</u>	<u>13,533</u>	<u>12,525</u>
Total Primary Government Revenues	<u>\$ 142,404</u>	<u>\$ 137,352</u>	<u>\$ 47,975</u>	<u>\$ 49,321</u>	<u>\$ 67,634</u>	<u>\$ 101,490</u>	<u>\$ 87,787</u>	<u>\$ 80,160</u>
Net Revenues (Expenses):								
Governmental activities	\$ (120,345)	\$ (114,308)	\$ (161,399)	\$ (146,366)	\$ (143,727)	\$ (74,216)	\$ (87,344)	\$ (88,972)
Business-type activities	<u>27,555</u>	<u>(4,633)</u>	<u>(1,494)</u>	<u>(1,078)</u>	<u>(1,528)</u>	<u>(1,092)</u>	<u>(1,440)</u>	<u>(1,051)</u>
Total Primary Government Net Expense	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,893)</u>	<u>\$ (147,444)</u>	<u>\$ (145,255)</u>	<u>\$ (75,308)</u>	<u>\$ (88,784)</u>	<u>\$ (90,023)</u>
General Revenues and Other								
Changes in Net Assets:								
Governmental activities:								
Property taxes	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042	\$ 92,580	\$ 89,175	\$ 86,176	\$ 72,155
Grants and contributions not restricted to specific programs	3,425	3,917	59,928	55,252	57,502	6,071	7,533	9,732
Unrestricted investment earnings	694	1,430	2,483	1,455	925	865	508	637
Miscellaneous income	10,300	4,207	6,512	4,866	6,731			
Transfers							10	
Total governmental activities	<u>118,803</u>	<u>109,876</u>	<u>174,277</u>	<u>155,615</u>	<u>157,738</u>	<u>96,111</u>	<u>94,227</u>	<u>82,524</u>
Business-type activities:								
Unrestricted investment earnings	121	400	574	461	242	214	(93)	183
Miscellaneous income	893	914						
Transfers							(10)	
Total business-type activities	<u>1,014</u>	<u>1,314</u>	<u>574</u>	<u>461</u>	<u>242</u>	<u>214</u>	<u>(103)</u>	<u>183</u>
Total Primary Government	<u>\$ 119,817</u>	<u>\$ 111,190</u>	<u>\$ 174,851</u>	<u>\$ 156,076</u>	<u>\$ 157,980</u>	<u>\$ 96,325</u>	<u>\$ 94,124</u>	<u>\$ 82,707</u>
Change in Net Assets:								
Governmental activities	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249	\$ 14,011	\$ 21,895	\$ 6,883	\$ (6,448)
Business-type activities	<u>28,569</u>	<u>(3,319)</u>	<u>(920)</u>	<u>(617)</u>	<u>(1,286)</u>	<u>(878)</u>	<u>(1,543)</u>	<u>(868)</u>
Total Primary Government	<u>\$ 27,027</u>	<u>\$ (7,751)</u>	<u>\$ 11,958</u>	<u>\$ 8,632</u>	<u>\$ 12,725</u>	<u>\$ 21,017</u>	<u>\$ 5,340</u>	<u>\$ (7,316)</u>

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

CITY OF MERIDEN, CONNECTICUT

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(In Thousands)

(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund:										
Reserved	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803	\$ 7,779	\$ 1,692	\$ 2,900	\$ 1,889	\$ 782	\$ 687
Unreserved	13,267	3,960	3,644	3,009	1,833	1,825	6,778	3,146	2,566	(661)
Total General Fund	<u>\$ 14,252</u>	<u>\$ 9,475</u>	<u>\$ 11,494</u>	<u>\$ 9,812</u>	<u>\$ 9,612</u>	<u>\$ 3,517</u>	<u>\$ 9,678</u>	<u>\$ 5,035</u>	<u>\$ 3,348</u>	<u>\$ 26</u>
All other governmental funds:										
Reserved	\$ 4,879	\$ 5,716	\$ 6,823	\$ 5,481	\$ 238	\$ 2,782	\$ 3,072	\$	\$ 12,635	\$ 14,084
Unreserved, reported in:										
Special revenue funds	3,723	4,038	4,152	5,128	4,598	4,156	4,069	6,910	1,527	1,332
Capital projects funds	(2,183)	(17,843)	(16,392)	(27,054)	(32)	(181)	47	402	(25,831)	(13,655)
Total All Other Governmental Funds	<u>\$ 6,419</u>	<u>\$ (8,089)</u>	<u>\$ (5,417)</u>	<u>\$ (16,445)</u>	<u>\$ 4,804</u>	<u>\$ 6,757</u>	<u>\$ 7,188</u>	<u>\$ 7,312</u>	<u>\$ (11,669)</u>	<u>\$ 1,761</u>
Total	<u>\$ 20,671</u>	<u>\$ 1,386</u>	<u>\$ 6,077</u>	<u>\$ (6,633)</u>	<u>\$ 14,416</u>	<u>\$ 10,274</u>	<u>\$ 16,866</u>	<u>\$ 12,347</u>	<u>\$ (8,321)</u>	<u>\$ 1,787</u>

CITY OF MERIDEN, CONNECTICUT

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(In Thousands)

(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Property taxes, interest and lien fees	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956	\$ 91,365	\$ 88,259	\$ 84,907	\$ 79,388	\$ 77,364	\$ 67,005
Federal and state government	92,008	119,192	87,064	83,638	82,828	87,574	74,388	75,161	74,672	91,190
Charges for services	6,120	7,217	8,198	7,747	8,097	8,065	9,060	5,940	5,682	5,396
Investment income	643	1,311	2,646	1,455	910	854	508	750	927	611
Other revenues	9,331	4,441	5,252	4,866	5,954	5,890	2,973	1,746	1,724	1,764
Total revenues	<u>212,281</u>	<u>234,666</u>	<u>206,895</u>	<u>193,662</u>	<u>189,154</u>	<u>190,642</u>	<u>171,836</u>	<u>162,985</u>	<u>160,369</u>	<u>165,966</u>
Expenditures:										
Current:										
General government	29,016	30,830	34,809	25,875	41,189	37,593	35,705	49,507	32,650	26,521
Public safety	20,525	19,673	18,608	28,558	17,478	17,029	16,402	15,812	15,115	14,642
Public works	7,128	6,191	6,038	6,617	5,903	5,392	5,401	4,956	5,352	4,852
Health and welfare	8,537	7,457	9,574	6,342	8,246	7,924	5,556	5,693	4,997	5,515
Culture and recreation	3,963	3,817								
Education	122,568	148,186	112,427	102,765	86,755	90,525	87,909	82,930	77,310	72,156
Debt service:										
Principal	10,410	12,778	13,889	13,009	41,062	12,500	10,378	10,753	12,702	10,874
Interest	3,791	4,206	4,174	4,950	3,696	4,900	4,031	4,047	4,614	4,216
Capital outlay	7,709	6,219	11,201	15,967	28,504	25,771	6,899	15,352	17,963	32,436
Total expenditures	<u>213,647</u>	<u>239,357</u>	<u>210,720</u>	<u>204,083</u>	<u>232,833</u>	<u>201,634</u>	<u>172,281</u>	<u>189,050</u>	<u>170,703</u>	<u>171,212</u>
Excess (Deficiency) of Revenues over Expenditures	(1,366)	(4,691)	(3,825)	(10,421)	(43,679)	(10,992)	(445)	(26,065)	(10,334)	(5,246)
Other Financing Sources (Uses):										
Transfers in	1,015	570	693	342	5,550	100	258	918	1,032	619
Transfers out	(1,015)	(570)	(693)	(342)	(5,550)	(100)	(248)	(918)	(1,032)	(619)
Bond proceeds	21,369		16,135		34,460					4,600
Bond premium	58									
Proceeds refunding bonds							8,274			
Payment to escrow							(8,039)			
Lease proceeds									224	369
Total other financing sources (uses)	<u>21,427</u>	<u>-</u>	<u>16,135</u>	<u>-</u>	<u>34,460</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>224</u>	<u>4,969</u>
Net Change in Fund Balances	\$ <u>20,061</u>	\$ <u>(4,691)</u>	\$ <u>12,310</u>	\$ <u>(10,421)</u>	\$ <u>(9,219)</u>	\$ <u>(10,992)</u>	\$ <u>(200)</u>	\$ <u>(26,065)</u>	\$ <u>(10,110)</u>	\$ <u>(277)</u>
Debt service as a percentage of noncapital expenditures	6.9%	7.3%	9.1%	9.5%	21.8%	9.9%	8.7%	8.4%	11.3%	10.9%

CITY OF MERIDEN, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
(In Thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Basic Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2009	\$ 2,411,971	\$ 851,316	\$ 220,274	\$ 3,879,478	\$ 27.96	70%	\$ 5,542,111
2008	2,382,465	850,333	221,915	3,830,329	27.96	70%	5,471,899
2007	* 2,381,692	865,337	599,566	2,561,231	42.20	70%	3,658,901
2006	1,884,648	802,272	140,582	2,521,867	40.40	70%	3,602,667
2005	1,854,673	793,407	148,428	2,531,849	39.10	70%	3,616,927
2004	1,800,892	788,517	193,055	2,539,654	37.30	70%	3,628,077
2003	1,771,890	799,349	211,036	2,419,954	36.00	70%	3,457,077
2002	* 1,848,883	795,469	90,129	2,037,758	40.40	70%	2,911,083
2001	1,558,776	518,667	96,222	2,012,192	35.80	70%	2,874,560
2000	1,552,145	511,907	95,922	1,987,068	35.80	70%	2,838,669

* Revaluation year

CITY OF MERIDEN, CONNECTICUT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

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

Fiscal Year	City Direct Rate	Overlapping Rates	
	Basic Rate	District 1	District 2
2009	27.96	0.00	1.93
2008	27.96	0.00	2.31
2007	42.20	0.00	2.31
2006	40.43	0.00	1.90
2005	39.09	0.00	1.90
2004	37.30	0.00	1.90
2003	36.00	0.00	1.80
2002	40.40	0.00	2.10
2001	35.80	0.00	2.10
2000	35.80	0.00	2.10

TABLE 7

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

	<u>Fiscal Year Ended June 30, 2009</u>			Taxpayer	<u>Fiscal Year Ended June 30, 2000</u>		
	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Meriden Square #3 LLC et al	\$ 141,266,270	1	3.88 %	Meriden Square Partnership	\$ 26,956,860	3	1.41 %
Computer Sciences Corp.	53,973,960	2	1.48	C.S.C. Outsourcing, Inc.	14,127,600	4	0.73
Connecticut Light & Power	39,802,840	3	1.09	Connecticut Light & Power	29,960,640	2	1.56
Urstadt Biddle Properties, Inc.	23,350,670	4	0.64				
Radio Frequency System	22,270,460	5	0.61				
Yankee Gas	19,289,670	6	0.53	Yankee Gas	39,322,760	1	2.05
Carabetta Enterprises, Inc.	14,999,610	7	0.41				
AT&T Mobility LLC	14,940,050	8	0.41				
Newbury Village Development	12,705,460	9	0.35				
Denmeri Associates LP	11,593,880	10	0.32				
	<u>\$ 354,192,870</u>		<u>9.73 %</u>	Southern New England Telephone	11,052,250	5	0.59
				HRE Properties	11,044,660	6	0.59
				Springwich Cellular Ltd.	8,391,040	7	0.44
				CUNO, Inc	8,129,200	8	0.42
				SNET Real Estate, Inc.	7,725,410	9	0.40
				Fusco-Meriden Assoc. Ltd.	7,229,310	10	0.38
					<u>\$ 163,939,730</u>		<u>8.57 %</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2000	\$ 68,777,734	\$ 65,340,644	95.00%	\$ 3,175,455	\$ 68,516,099	99.62%
2001	78,806,191	74,395,268	94.40%	4,104,699	78,499,967	99.61%
2002	78,353,996	75,144,010	95.90%	2,807,682	77,951,692	99.49%
2003	84,731,222	81,598,743	96.30%	2,774,765	84,373,508	99.58%
2004	86,935,391	83,723,025	96.30%	2,797,081	86,520,106	99.52%
2005	92,968,119	89,339,544	96.10%	3,207,262	92,546,806	99.55%
2006	97,595,530	93,994,623	96.31%	2,965,547	96,960,170	99.35%
2007	104,173,221	100,818,674	96.78%	2,681,228	103,499,902	99.35%
2008	103,064,985	99,842,370	96.87%	2,422,299	102,264,669	99.22%
2009	103,280,297	100,430,840	97.24%	-	100,430,840	97.24%

CITY OF MERIDEN, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(In Thousands)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total Primary Government (2)	Percentage of Personal Income	Aggregate Personal Income	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds					
2009	\$ 80,903	\$	\$	\$ 15,522	\$ 3,413	\$ 142	\$ 99,980	5.07 %	\$ 1,972,000	59	34
2008	69,944		275	5,860	2,956	125	79,160	4.01	1,972,000	58	34
2007	82,722		1,875	7,223	3,663	141	95,624	4.85	1,972,000	58	34
2006	80,476		5,062	6,411	2,968	128	95,045	5.12	1,856,000	58	32
2005	93,486	50	15,867	7,288	2,082	139	118,912	6.41	1,856,000	58	32
2004	72,224	147	17,400	3,284	794	153	94,002	5.06	1,856,000	58	32
2003	85,006	240	14,174	3,874	923	167	104,384	5.81	1,798,000	58	31
2002	56,257	327	14,800	4,286	798	10	76,478	4.24	1,805,564	58	31
2001	66,721	409	17,316	5,167	1,063	200	90,876	5.03	1,805,564	58	31
2000	79,325	283	14,891	6,223	1,353	299	102,374	5.88	1,740,000	58	30

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

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

(3) U.S. Bureau of Economic Analysis

CITY OF MERIDEN, CONNECTICUT

RATIOS OF GENERAL BONDED DEBT OUSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Bonded Debt (thousands)	Net Assessed Value (thousands)	Ratio of Net Bonded Debt to Net Assessed Value	Population	Debt Per Capita
2009	\$ 99,980	\$ 3,659,204	2.73	59,186 *	\$ 1,689
2008	78,885	3,608,414	2.19	59,468	1,327
2007	93,750	2,420,649	3.87	59,468	1,576
2006	88,785	2,373,437	3.74	59,468	1,493
2005	102,945	2,338,868	4.40	58,962	1,746
2004	76,455	2,331,434	3.28	58,675	1,303
2003	89,970	2,329,825	3.86	58,244	1,545
2002	61,350	1,941,536	3.16	58,244	1,053
2001	73,150	1,916,270	3.82	58,244	1,256
2000	79,324	1,886,511	4.20	59,479	1,334
1999	89,406	1,833,813	4.88	59,479	1,503

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

CITY OF MERIDEN, CONNECTICUT

DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 104,139
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>51</u>
Base	<u><u>\$ 104,190</u></u>

	<u>General Long-Term Debt</u>				
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Sewers</u> (3.75 x base)	<u>Pension Bonding</u> (3.00 x base)
Debt Limitation: Statutory debt limits by function	\$ <u>234,428</u>	\$ <u>468,855</u>	\$ <u>338,618</u>	\$ <u>390,713</u>	\$ <u>312,570</u>
Debt:					
Bonds payable	80,903				
Bonds authorized but unissued	<u>12,236</u>	<u>6,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>93,139</u>	<u>6,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u><u>\$ 141,289</u></u>	<u><u>\$ 462,578</u></u>	<u><u>\$ 338,618</u></u>	<u><u>\$ 390,713</u></u>	<u><u>\$ 312,570</u></u>

*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$729,330.

CITY OF MERIDEN, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS
(In Thousands)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt limitation	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509	\$ 648,281	\$ 626,277	\$ 593,370	\$ 554,098	\$ 514,622	\$ 482,345
Total net debt applicable to limit	<u>99,416</u>	<u>130,409</u>	<u>194,045</u>	<u>95,045</u>	<u>118,912</u>	<u>94,002</u>	<u>104,384</u>	<u>76,478</u>	<u>90,876</u>	<u>102,374</u>
Legal Debt Margin	<u>\$ 629,914</u>	<u>\$ 587,259</u>	<u>\$ 540,774</u>	<u>\$ 564,464</u>	<u>\$ 529,369</u>	<u>\$ 532,275</u>	<u>\$ 488,986</u>	<u>\$ 477,620</u>	<u>\$ 423,746</u>	<u>\$ 379,971</u>
Total net debt applicable to the limit as a percentage of debt limit	13.6%	18.2%	26.4%	14.4%	18.3%	15.0%	17.6%	13.8%	17.7%	21.2%

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

CITY OF MERIDEN, CONNECTICUT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	59,493	\$ 49,644 *	10.0 %
2008	59,653	49,644 *	6.5
2007	59,653	49,644 *	5.1
2006	59,653	31,459	5.4
2005	59,653	31,459	5.9
2004	59,653	31,459	5.9
2003	59,171	31,459	6.8
2002	58,961	30,795	5.2
2001	58,622	30,580	3.8
2000	58,419	29,847	2.9

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

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

TABLE 14

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

Employer	2009			Employer	2000		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Midstate Medical Center	1,203	1	4.1 %	Midstate Medical Center	945	2	3.2 %
AT&T Corp.	890	2	3.0	Southern New England Telephone	1,470	1	5.0
Hunter's Ambulance and Transportation	450	3	1.5				
CUNO, Inc.	350	4	1.2	CUNO, Inc.	357	6	1.2
Canberra Industries, Inc.	350	4	1.2				
Radio Frequency System	300	6	1.0				
Macy's Stores	160	7	0.5				
Target Corporation	140	8	0.5				
Sears, Roebuck and Co.	125	9	0.4	Sears Roebuck and Co.	215	8	0.7
BL Company	111	10	0.4				
			<u>13.8 %</u>	State of Connecticut	870	3	2.9
				Walbro Automotive	641	4	2.2
				Bob's Stores	360	5	1.2
				Filene's	300	7	1.0
				J.C. Penney Co., Inc.	215	8	0.7
				AGC, Inc.	213	10	0.7
							<u>18.9 %</u>

Source: Connecticut Department of Labor

CITY OF MERIDEN, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST FOUR FISCAL YEARS*

	FISCAL YEAR ENDED JUNE 30,			
	2009	2008	2007	2006*
General Government	174	178	185.5	185
Public Safety				
Police				
Officers	118	115	121	116
Civilians	31	30.5	31.5	31
Fire				
Firefighters and officers	96	97	95	95
Civilians	3	3	3	3
Emergency Communications	15	14	15	13
Highways and Streets				
Engineering	12	11	12.5	12.5
Maintenance	29	29	32	31
Culture and Recreation	29	35.5	32.5	34.5
Golf	13	14	14	12
Water	34	30.5	30.5	34
Sewer	15	18.5	19	17
Total	<u>569</u>	<u>576</u>	<u>591.5</u>	<u>584</u>

* City began to collect information in fiscal year ended 2006

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

Function / Operating Indicator	FISCAL YEAR			
	2006*	2007	2008	2009
<u>Police</u>				
Cases Investigated	36,812	34,784	38,313	34,390
Arrests	3,059	3,147	3,225	3,083
Traffic Citations	6,809	6,866	4,520	7,579
Parking Citations	922	1,229	1,693	1,396
<u>Fire</u>				
Emergency Responses	5,787	6,033	6,021	6,424
Non-emergency Responses	1,965	1,643	1,911	1,937
Inspections	2,335	1,527	2,542	2,656
<u>Refuse Collection</u>				
Refuse Collected (Tons)	23,215	34,952	31,978	31,908
Recyclables Collected (Tons)	1,797	1,777	1,775	1,812
<u>Other Public Works</u>				
Street Resurfacing (Miles)	5	2	1	2.24
Potholes Repaired	275	705	650	900
<u>Library</u>				
Volumes in Collection (Print)	239,196	239,314	234,897	233,157
Volumes in Collection (Non-print)	27,742	13,546	14,069	16,860
Total Volumes Borrowed	202,214	208,194	191,651	228,224
<u>Water</u>				
Average Daily Production (thousands of gallons)	6,893	6,504	6,050	5,960
Average Daily Demand (thousands of gallons)	6,880	6,333	5,980	5,960
<u>Wastewater</u>				
Average Daily Treatment (thousands of gallons)	9,400	9,400	11,800	11,400
<u>Transit</u>				
Total Route Miles	52,980	52,926	52,999	52,999
Passengers	18,638	16,493	15,537	17,521
<u>Human Services</u>				
Environmental inspections and Responses	2,989	2,885	2,402	3,454
Health and Clinic Services Provided	89,200	5,252	4,869	2,982
School Health Services Provided	93,429	107,061	138,513	116,696
Social Services Provided	451	2,377	2,233	1,572
Youth Program Participants	5,562	6,843	8,576	10,765
Senior Program Participants	19,246	20,204	20,471	19,947

*City began to collect information in fiscal year ended 2006

CITY OF MERIDEN, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST FIVE FISCAL YEARS*

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

* only five years of data is available