

CITY OF MERIDEN CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2015

CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Department of Finance

Michael Lupkas, CPFO
Director of Finance

**CITY OF MERIDEN
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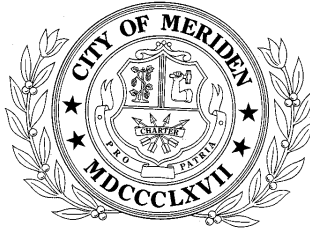
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Introductory Section



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

December 4, 2015

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, 2015.

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

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion of the City of Meriden's financial statements for the year ended June 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Description of the Municipality

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

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

Manufacturing firms produce a diversified product line, which includes electronic components, biopharmaceuticals, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, plastics 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 to the approval of the City Council and serves at the pleasure of the City Council. The Director is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

ECONOMIC CONDITIONS AND DEVELOPMENT

Meriden's development points to a stable, slowly growing economy. The average annual growth rate for approved commercial/industrial site plan development is 68,715 square feet. This is the growth rate of land use approvals of applications in the two most recent calendar years (2013 and 2014).

In calendar year 2014, the Planning Commission or Planning Director approved Site Plan projects which, when constructed, will add:

- 85,100 sq. ft. to the commercial/industrial base; and
- 14,000 sq. ft. to the remaining non-residential base; and
- 10 multi-family units

**SITE PLAN DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION / DIRECTOR IN
CALENDAR YEARS 2013-2014**

Type of Use/Business	2013 Building Sq. Ft.	2014 Building Sq. Ft.	Total 2013-2014 Sq. Ft.
Commercial Office/Service	10,140		10,140
Commercial Retail	25,890	11,800	37,690
Industrial/Light Ind.	16,300	73,300	89,600
TOTAL COMMERCIAL/INDUSTRIAL	52,330	85,100	137,430
Institutional	8,750	14,000	22,750
TOTAL NON-RESIDENTIAL	61,080	99,100	160,180
	2013 Units	2014 Units	Total 2013- 2014 Units
Multi-Family Residential	133	10	143

Approved residential development has increased recently and a large mixed use project recently started construction. Constructed residential units are indicated below.

**RESIDENTIAL NEW CONSTRUCTION
PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2013-2015**

Type	FY2013 Units	FY2014 Units	FY2015 Units	Total FY2013-FY2015 Units
Multi-Family Residential	12	0	71	83
Single Family Residential	7	8	5	20
TOTAL RESIDENTIAL	19	8	76	103

COMPREHENSIVE PLANNING

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). The Plan addressed the following aspects of City function:

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

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

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

Adopted in 2009 by the City Planning Commission and the City Council, the POCD includes specific Actions to promote its objectives, including targeted investments, regulatory changes and economic development. In 2013, a four year review of progress implementing the POCD found that 28 Plan Actions were completed, and another 36 Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The City’s comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development.

TRANSIT ORIENTED DEVELOPMENT (“TOD”)

The Transit Oriented Development (“TOD”) Plan was the major special study completed in 2012, as part of the implementation of the POCD. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a central park that can support flood control. The park is now well into construction. Additional information can be found on the website <http://meriden2020.com/>.



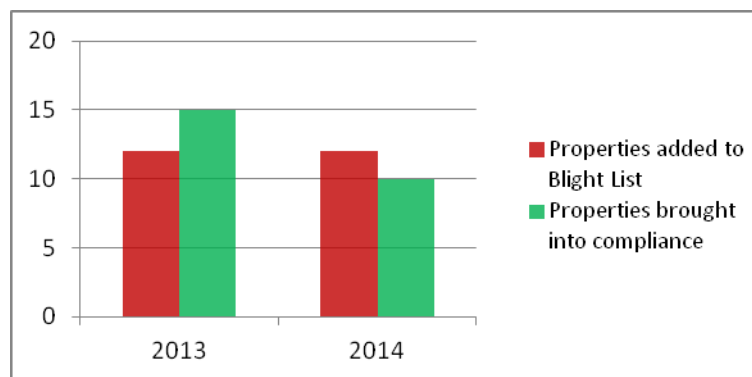
To ensure that new high quality development is facilitated, in June of 2013, a complete revision to downtown zoning to promote Transit Oriented Development was approved by the City Council. In November 2013, the Planning Director approved the first major mixed use TOD building project. The four story building will include first floor commercial space and 63 units of mixed income housing. Also, a large multi-story parking garage was recently approved to accommodate the transit center and rail service. In March 2015 construction began on the project.

Various underdeveloped properties downtown provide opportunities for future high density mixed use redevelopment, and the City is actively pursuing development of such property that it owns. In early 2015, the City, through an RFP process, identified preferred developers for several major mixed use, mixed income developments in the downtown TOD area. Said development will eventually add hundreds of new units within close proximity of the transit station. The City, through a consultant, also completed a Historic Resources Inventory of the downtown and a presentation of findings was made in the April 2014.

Beyond the downtown area, planning to develop large sites for mid to long term economic development continued. A focus of such efforts in 2014-2015 was an economic development feasibility study for a large City-Owned site on South Mountain Road. The study indicated potential to build office-flex type building space and road improvements to facilitate this were identified. Also, in 2014, City Planning produced a Sidewalk Inventory and Plan for sustaining and further connecting the citywide sidewalk network.

NEIGHBORHOOD PLANNING:

The City continued its efforts to ensure the preservation and the improvement of the quality of life in our distinct and historical neighborhoods. The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This continuing program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Code violations reviewed include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc. 94% of all code violations discovered during the period of September 2011 through May 2013 have been corrected.



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. Two major retention projects were begun in 2014; one was completed. The City has already improved some bridges and culverts in the last couple years, and is implementing plans for the remaining necessary work.

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

The Conservation Commission, the Inland Wetlands and Watercourse Commission and Planning staffs are active in preserving environmentally sensitive land throughout the City. In the summer of 2011, the City Council designated 71 additional acres of permanent Open Space of a large undeveloped property owned by the City, commonly known as Cathole Mountain. In 2015, the Meriden Land Trust preserved the “Bilger Farm”, one of the last active farms in Meriden. Also, 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 important, centrally located sites:

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the CBD. Demolition of the obsolete Factory “H” structures was completed in the summer of 2012.
2. Downtown HUB - The site is across from the train center, Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. The park project is under construction.

These properties have redevelopment proposals that are advancing. Adjacent and nearby properties will also present many development opportunities.

C. ECONOMIC DEVELOPMENT

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

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

The office of Economic Development manages the City’s business incentive programs, which are further described on www.meridenbiz.com. Incentives, which are designed to assist businesses that locate or expand in Meriden, include the following:

- Meriden’s Enterprise Zone (EZ) State Incentives: Meriden has a state-designated Enterprise Zone, which provides tax incentives to manufacturers and warehousing and distribution companies that locate to or expand in Meriden’s Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. Ten Meriden-based companies have participated in the state EZ program.

- Meriden's Enterprise Zone - City of Meriden Incentives: Companies locating to or expanding in the Enterprise Zone that do not qualify for the State's EZ program may qualify for Enterprise Zone incentives under the Meriden Enterprise Zone incentive program. Thirteen Meriden-based companies have participated in the City's EZ program.
- Urban Jobs State Incentive Program: Manufacturing and warehousing/distribution companies located outside of the Enterprise Zone may qualify for the same benefits as those located within the Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. Five Meriden-based companies have participated in the Urban Jobs program.
- Meriden's Information Technology Zone (ITZ) Incentives: Meriden has an information technology zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings also receive personal property tax abatements. Two Meriden-based companies have participated in the ITZ program.
- Meriden's Manufacturing Assistance Program (MAP): 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. Eight manufacturers have taken advantage of this program to date. Three loans are currently outstanding. The program supports the expansion and retention of the City's manufacturing base.
- C-Pace a State of CT Energy Program: Commercial Property Assessed Clean Energy ("C-PACE") is a program allowing commercial and industrial building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Meriden has entered into an agreement with the Connecticut Energy Finance and Investment Authority to participate in this program. One company is currently participating in the C-PACE program.
- East Main Street Incentive Program: In 2015, the City Council adopted the East Main Street Incentive, which provides tax abatements for property owners that make significant improvements to real properties located on East Main Street from Bee Street to the Middlefield town line. The incentive is available until February 2020.

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

Brownfields Redevelopment

Meriden is engaged in a long-term commitment to assess and clean up Brownfield sites in our community and return them to active reuse. Since 1992, the City has evaluated 23 Brownfield sites totaling over 36 acres of land. Cleanup of 11 sites has been completed or is ongoing. The City has leveraged over \$23 million for assessment, cleanup and remediation activities of those sites since 2002. These grants have supported creation of more available land for housing and commercial development. Current Brownfield related grants include \$240,000 from USEPA (FY 2012) for Cleanup of 116 Cook Ave., \$240,000 from USEPA (FY 2013) for cleanup of 50 East Main Street, and \$8.9 million in DEEP grants administered by DECD for the HUB project, \$597,000 in DECD funds for the cleanup of 177 State Street, and \$200,000 to assess the properties comprising the Mills Public Housing Complex.

Transit Oriented Development (TOD) Planning and Implementation

Over the past several years, the City has positioned its downtown to be able to take advantage of development opportunities resulting from improvements to rail infrastructure in Meriden and along the Hartford-New Haven rail line. The Connecticut Department of Transportation is in the process of constructing a new, \$20 million rail station to replace the aging Amtrak station in Meriden. The investment is part of the New Haven-Hartford-Springfield (NHHS) rail program, a \$467 million commuter/high speed rail service utilizing the existing Amtrak rail corridor. Meriden has been designated a key station stop along the NHHS rail line. At full capacity, Meriden will have 56 bi-directional trains daily serving the Springfield to New Haven corridor and improved transit bus service.

In 2014, the City was awarded a \$125,000 grant from the State of Connecticut to further implement its TOD plan. During the fiscal year, the City used a portion of the TOD Pilot funds to further design the TOD traffic improvements recommended by the 2012 TOD Plan. During the fiscal year, the City also selected three private developers who have proposed the development of 435 housing units on four city owned sites including the HUB, 116 Cook Avenue, Factory H, and 11 Crown Street. During the fiscal year, construction commenced at 24 Colony Street, a 63-unit, 11,000 square footage mixed use \$30 million transit oriented development. This will be wrapped around a 273 space parking structure. The project is the City's first major transit oriented development project and is due to be completed in 2016.

Downtown Redevelopment and Flood Control Infrastructure Improvement

The City has received significant funding through the State of Connecticut for flood infrastructure improvements in the downtown, including \$13.6 million in state bonds to construct the flood control plan and park improvements at the HUB site. The project includes transforming the 14.4-acre Brownfield site into a park that serves the dual purposes of providing public green space and flood storage downtown. Construction commenced in this project in early 2014. A key element includes removing Harbor Brook from the concrete culvert underneath the HUB site, restoring it into an open channel stream habitat and allowing Harbor Brook to flood during storm events to alleviate flooding conditions downstream. Once the flood control infrastructure is completed, the HUB site will include a public park and flood storage area on 11 acres of the site. The remaining 3.4 acres will be available for future development. HUB construction is ongoing and on scheduled to be completed in 2016.

Development outside of the downtown

Meriden is home to 1,300 businesses employing over 25,000 people. Manufacturing firms produce a diversified product line which includes electronic components, biopharmaceuticals, plastics, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts, and video/data transmission equipment. Recently, several industrial and commercial businesses, including Accel, Ragozzino Foods, and Boscov's, have undertaken major expansion projects in Meriden. The Plan of Conservation & Development identified four large undeveloped/underdeveloped sites, three adjacent to interstate highways, for mid to long-term economic development, and efforts are ongoing to promote this. During the fiscal year, CERC and the South Central Council of Governments completed a market feasibility and transportation study of the City-owned parcels surrounding the former NRG site.

Marketing and Regional Coordination

Meriden is in second year of its "Meriden 2020: Bringing It Together" marketing campaign focusing on providing information on the positive changes happening in Meriden, particularly in the downtown. This past year a budget allowed the City to update and maintain online communications, including the meridenbiz.com and meriden2020.com websites and to develop and implement a marketing plan to use 2,000 hours per year of electronic billboard space.

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 "for 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 continues to partner with Midstate Chamber, SBA, SCORE, State of CT and other agencies to help bring in financial literacy courses, financial resources and technical assistance to current businesses and starting entrepreneurs. During the fiscal year, the City partnered with the Midstate Chamber and SBA to hold small business training sessions for over 25 small businesses.

The City is included within the South Central CT's Regional Comprehensive Economic Development Strategy Plan (CEDS) that was approved by the U.S. Economic Development Administration (EDA) in 2006 and updated in 2014. This Plan allows the City to apply for funding from EDA for economic development projects.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG")

The primary function of the City's Community Development Office (CD Office) is to administer the City's CDBG program. CDBG funds two City departments and 22 local non-profit agencies that provide services to low and moderate income persons and oversees the NPP Residential loan program for income eligible homeowners. The office manages other municipal grants in transportation, hazard mitigation, energy, open space, economic development, Brownfields and public safety.

Key accomplishments of the CDBG Program during the 2015 Fiscal Year included:

- Funding 22 public service programs that served over 34,000 low and moderate income Meriden residents.
- Conducting 4,503 code enforcement inspections in the CDBG target areas.
- Coordinating the preparation of the Choice Neighborhood Transformation Plan and other activities required under Choice Neighborhood Planning Grant.
- Administering over \$5.4 million in FEMA Hazard Mitigation funding to replace generators at both the Water Pollution Control Facility and the Water Department and replace an Amtrak Bridge.

The City of Meriden is considered 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 FY 2015, the City of Meriden received \$814,162 in HUD CDBG "entitlement" funds, which were used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate income persons. Programs funded in FY 2015 with CDBG funds include a portion of the City's code enforcement activities, youth services, sidewalk improvements and public services for the elderly, homeless, handicapped and at-risk youth. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects. During FY 2015, the City and the Meriden Housing Authority worked to fulfill the key requirement of the \$500,000 HUD Choice Neighborhood Planning grant – writing a Neighborhood Transformation Plan. Residents were engaged in a needs assessment and then a series of focus groups and task forces in order to obtain their input and ensure that the plan contained their vision for their neighborhood. The CD office was essential in assisting with implementing the many activities necessary to prepare the plan, the draft of which was presented at a city-wide public meeting on June 4, 2015.

During FY 2015, the Community Development office managed approximately 25 other state and federal grants totaling over \$20 million. The U.S. Department of Homeland Security-Federal Emergency Management Agency, U.S. Department of Justice and the Connecticut Department of Emergency Management and Homeland Security provided grants for personnel and equipment costs. The DOT also provided grants for streetscape improvements and road repair. The CD office continues to administer \$13M in HUB funds received from both DEEP and DECD to remediate and revitalize the HUB Park, including attending project meetings, processing payments, submitting reimbursements requests and submitting semi-annual financial reports to DECD

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, 2014. This was the eleventh 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, Frank Ocskasy Jr., Director of Accounting, Margaret Leighton and Agnes Puzio, Accountants. I would also like to thank Donna Carnot and Kristin Culver from the Board of Education business office.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is fluid and cursive, with a prominent initial "M" and a stylized "L".

Michael Lupkas, CPFO
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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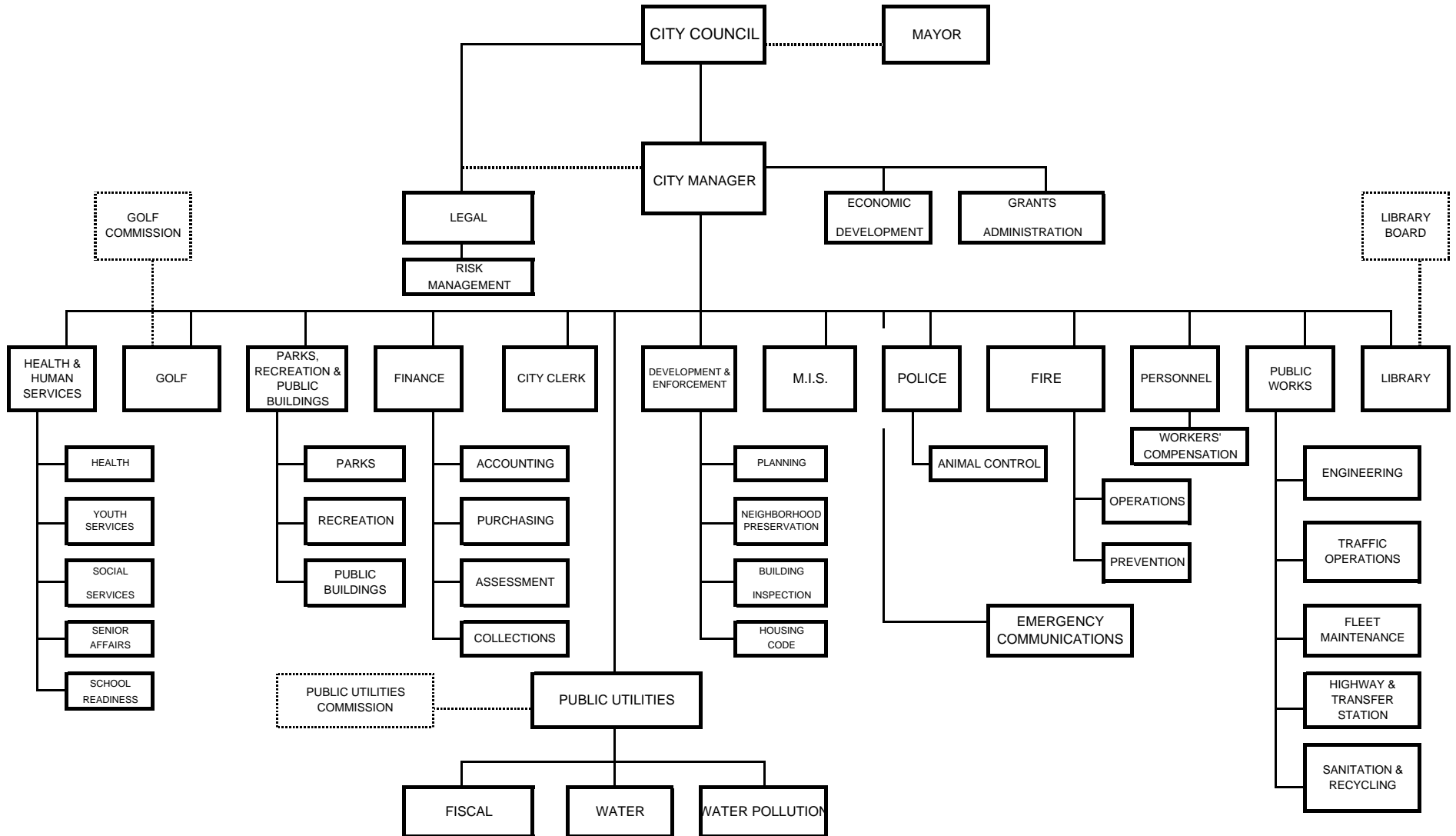
**City of Meriden
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**CITY OF MERIDEN
ORGANIZATIONAL CHART**



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS

JUNE 30, 2015

MAYOR

Manual A. Santos

CITY COUNCIL

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

CITY MANAGER

Lawrence Kendzior

ADMINISTRATION

City Clerk	Irene Masse
Director of Finance	Michael Lupkas
Police Chief	Jeffry Cossette
Fire Chief	Kenneth Morgan
Corporation Counsel	Brian Hoeing
City Attorney	Deborah Moore
Director of Development and Enforcement	Dominick Caruso
Director of Economic Development	Juliet Burdelski
Director of Emergency Communications	Frank Kiernan
Director of Health and Human Services	Lea Crown
Director of Management Information Systems	Stephen Montemurro
Director of Parks, Recreation and Building Maintenance	Mark Zebora
Director of Personnel	Caroline Beitman
Director of Public Works	Robert J. Bass
Director of Public Utilities	Dennis Waz
Library Director	Karen Roesler
Golf Course Facilities Manager	Thomas DeVaux

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Michael P. Cardona, Vice President
John D. Lineen, Treasurer
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Dr. Steven J. O'Donnell
Kyle J. Abercrombie
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the City has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the pension schedules on pages 72 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 4, 2015

**CITY OF MERIDEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net position at the close of the fiscal year of \$159.8 million. Total net position for Governmental Activities at fiscal year-end was \$67.9 million and total net position for Business-Type Activities was \$91.9 million. (Exhibit I)
- ◆ On a government-wide basis, during the year, the City's net position increased by \$51.5 million or 47.6%, from \$108.3 million to \$159.8 million. Net position increased by \$51.7 million for Governmental Activities and decreased by \$0.2 million for Business-Type Activities. Governmental Activities expenses were \$240.7 million, while revenues were \$292.4 million. The large increase in governmental activities net position is primarily due to the receipt of education capital grants and construction in progress during the year. (Exhibit II)
- ◆ 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 \$59.2 million, an increase of \$47.1 million from the prior fiscal year. The increase is primarily attributable to the receipt of bond proceeds of \$50.4 million in the Bonded Projects Fund. (Exhibit IV)
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.7 million, an increase of \$0.2 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2015, \$16.3 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 8.1% of total General Fund expenditures and transfers out (\$200.8 million), a decrease of 0.1% from the prior year. (Exhibit III, Exhibit IV)

Overview of the Financial Statements

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

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 portrayed 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.

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 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 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 35 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-71 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's pension plan such as the net pension liability, employer contributions and investment returns on pension assets. Required supplementary information can be found on pages 72-81 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net position exceeded liabilities by \$159.8 million on June 30, 2015. Governmental activities assets exceeded liabilities by \$67.9 million. Business-type activities assets exceeded liabilities by \$91.9 million.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 105,838	\$ 64,321	\$ 17,538	\$ 17,409	\$ 123,376	\$ 81,730
Capital assets, net of accumulated depreciation	310,052	255,167	140,502	127,604	450,554	382,771
Total assets	<u>415,890</u>	<u>319,488</u>	<u>158,040</u>	<u>145,013</u>	<u>573,930</u>	<u>464,501</u>
Deferred outflow of resources	16,741	2,248	669	729	17,410	2,977
Current liabilities	48,740	52,390	17,659	4,839	66,399	57,229
Long-term liabilities outstanding	313,669	251,874	49,102	48,732	362,771	300,606
Total liabilities	<u>362,409</u>	<u>304,264</u>	<u>66,761</u>	<u>53,571</u>	<u>429,170</u>	<u>357,835</u>
Deferred inflow of resources	2,368	1,312			2,368	1,312
Net Position:						
Net investment in capital assets	237,700	187,903	80,266	78,893	317,966	266,796
Restricted	1,357	1,357			1,357	1,357
Unrestricted	<u>(171,203)</u>	<u>(173,100)</u>	<u>11,682</u>	<u>13,278</u>	<u>(159,521)</u>	<u>(159,822)</u>
Total Net Position	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 91,948</u>	<u>\$ 92,171</u>	<u>\$ 159,802</u>	<u>\$ 108,331</u>

A portion of net position was restricted in June 30, 2015 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million) and the corpus of various trusts (\$.4 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

By far the largest portion of the City of Meriden's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden's

investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

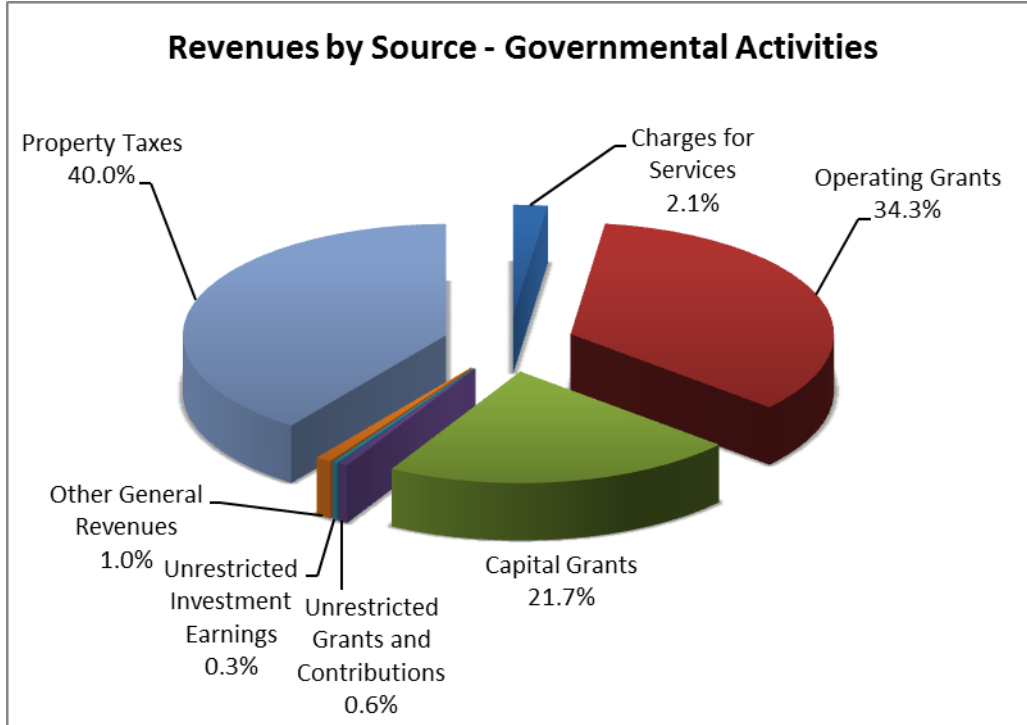
City of Meriden, Connecticut
Changes in Net Position (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,076	\$ 5,453	\$ 19,245	\$ 20,043	\$ 25,321	\$ 25,496
Operating grants and contributions	100,182	100,071			100,182	100,071
Capital grants and contributions	63,460	41,292	3,744	128	67,204	41,420
General revenues:						
Property taxes	117,045	113,452			117,045	113,452
Grants not restricted to specific programs	1,728	1,752			1,728	1,752
Unrestricted investment earnings	856	1,327	66	76	922	1,403
Miscellaneous income	3,017	2,904	1,237	1,558	4,254	4,462
Total revenues	<u>292,364</u>	<u>266,251</u>	<u>24,292</u>	<u>21,805</u>	<u>316,656</u>	<u>288,056</u>
Expenses:						
General government	12,020	15,304			12,020	15,304
Education	137,161	141,547			137,161	141,547
Public safety	54,674	42,606			54,674	42,606
Public works	12,378	14,168			12,378	14,168
Human services	13,029	11,513			13,029	11,513
Cultural and recreation	7,180	5,721			7,180	5,721
Interest on long-term debt	4,228	3,340			4,228	3,340
Sewer Authority			11,374	11,206	11,374	11,206
Water Authority			11,674	11,073	11,674	11,073
George Hunter Golf Course			1,467	1,134	1,467	1,134
Total expenses	<u>240,670</u>	<u>234,199</u>	<u>24,515</u>	<u>23,413</u>	<u>265,185</u>	<u>257,612</u>
Change in Net Position	51,694	32,052	(223)	(1,608)	51,471	30,444
Net Position at Beginning of Year	<u>16,160</u>	<u>62,635</u>	<u>92,171</u>	<u>93,779</u>	<u>108,331</u>	<u>156,414</u>
Restatements for GASB 68		<u>(78,527)</u>				<u>(78,527)</u>
Net Position at End of Year	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 91,948</u>	<u>\$ 92,171</u>	<u>\$ 159,802</u>	<u>\$ 108,331</u>

The City's net position increased by \$51.5 million during the fiscal year, with net position of governmental activities increasing by \$51.7 million and business-type activities decreasing by \$0.2 million.

Governmental Activities

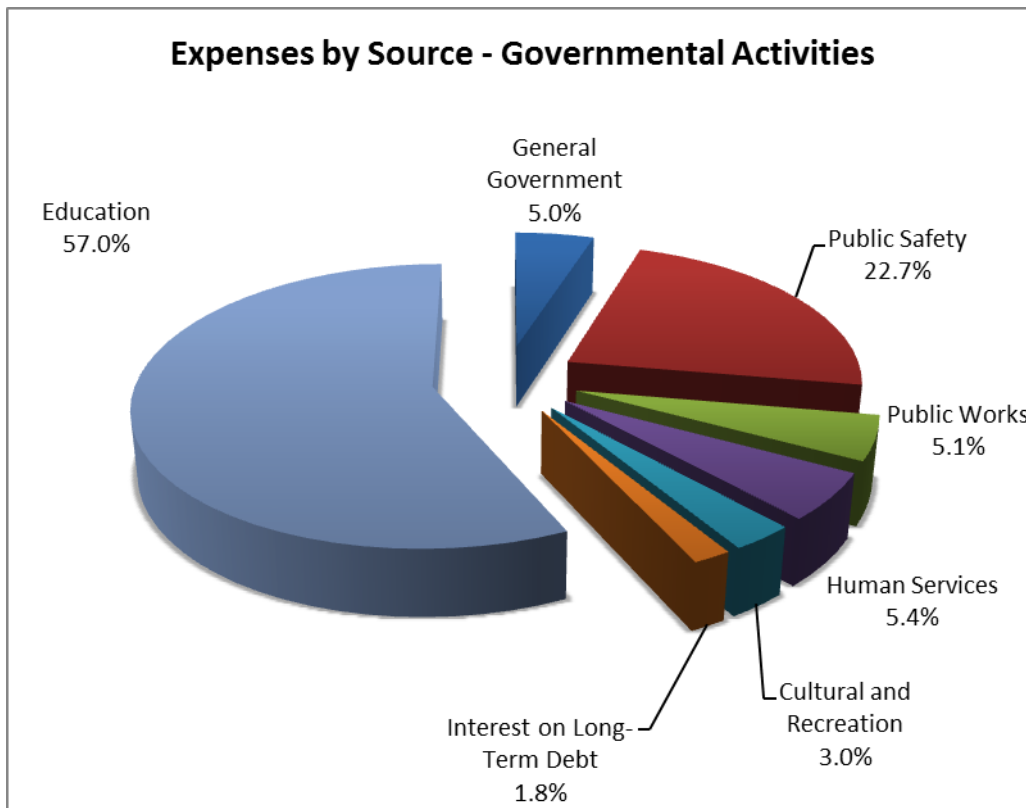
56.6% of the revenues were derived from State and Federal Government program revenues, followed by 40.0% from property taxes, and 2.1% from charges for services.



Major revenue factors included:

- ◆ Capital grants and contributions increased by \$22.2 million from 2014. The Maloney High School and Platt High School “renovation-like-new” construction continued in fiscal year 2015. \$26.1 million was reimbursed by the State for Maloney renovation expenditures and \$29.6 million was reimbursed by the State for Platt renovation expenditures. (Capital Grants)
- ◆ Property tax revenues increased \$3.6 million or 3.2% from 2014 due to an increase in the mill rate resulting in an increased original tax levy for 2015 and increased collections on back taxes owed.

For Governmental Activities, 57.0% of the City's expenses relate to education, 22.7% relate to public safety, 5.4% to health and human services, 5.1% to public works, 5.0% to general government, 3.0% to culture and recreation and 1.8% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ General government expenses for fiscal year 2015 decreased by \$3.3 million or 21.4% and public safety expenses increased by \$12.1 million or 28.3% primarily due to the allocation of the net pension liability.
- ◆ Interest on long-term debt increased by \$.9 million or 26.6% due to a bond issuance in fiscal year 2015.

Business-Type Funds

Business-type activities capital grants and contributions increased by \$3.6 million due to \$1.4 million in capital contributions from the general fund related to golf course improvements and \$2.2 million in federal and state grants.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16.3 million while total fund balance was \$17.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both

unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.1% of total General Fund expenditures and transfers out (\$200.8 million), while total fund balance represents 8.8% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$0.2 million during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts.

The Bonded Projects Fund has a total fund balance of \$35.8 million, an increase of \$48.4 million from the prior year. This increase can be explained by the timing of expenditures and the issuance of long-term bonds.

The Nonmajor Governmental Funds have a total fund balance of \$5.7 million, down from \$7.1 million in the prior year. The \$1.4 million decrease related primarily to the spending of accumulated fund balance in the educational grants and programs fund and the transfer of the Meriden Gas Turbine, LLC performance bond from the capital and nonrecurring fund to the general fund during the current year.

Proprietary Funds

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

Net position of the Water Fund at the end of the year was \$39.8 million, with unrestricted net position of \$6.6 million. The Water Fund experienced an operating loss of \$39,000 but also had capital grants of over \$1.5 million from the drinking water state revolving funds received from the State of Connecticut Department of Public Health which fueled the increase in net position in fiscal year 2015.

Net position of the Sewer Fund was \$52.4 million. Unrestricted net position was \$8.2 million. The Sewer Fund experienced an operating loss of \$2.2 million, due primarily to depreciation expense, which was \$4.0 million in 2015 and is not budgeted.

The George Hunter Memorial Golf Course Fund had a deficit in net position at the end of the year of \$0.3 million. The Golf Fund experienced an operational loss of \$0.1 million, incurred a loss on disposal of assets damaged in a fire of \$0.3 million, and had interest expenses of \$0.1 million but also received \$1.4 million in capital contributions from the general fund which resulted in an increase in net position for the year of \$0.9 million.

General Fund Budgetary Highlights

There were no additional appropriations made from the original \$185.0 million that was legally adopted. The original budget included a contingency of \$0.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses.

During the year, actual revenues on a budgetary basis were \$185.0 million, which was extremely consistent with the estimated budget as adopted. Intergovernmental revenues were \$1.1 million less than budget, which is mainly due to the E-911, ECS, and special education grant revenues coming in under budget. Actual transfers in on a budgetary basis were \$1.1 million, which was significantly higher than budget primarily due to the transfer of the performance bond from the Capital and Non-recurring fund.

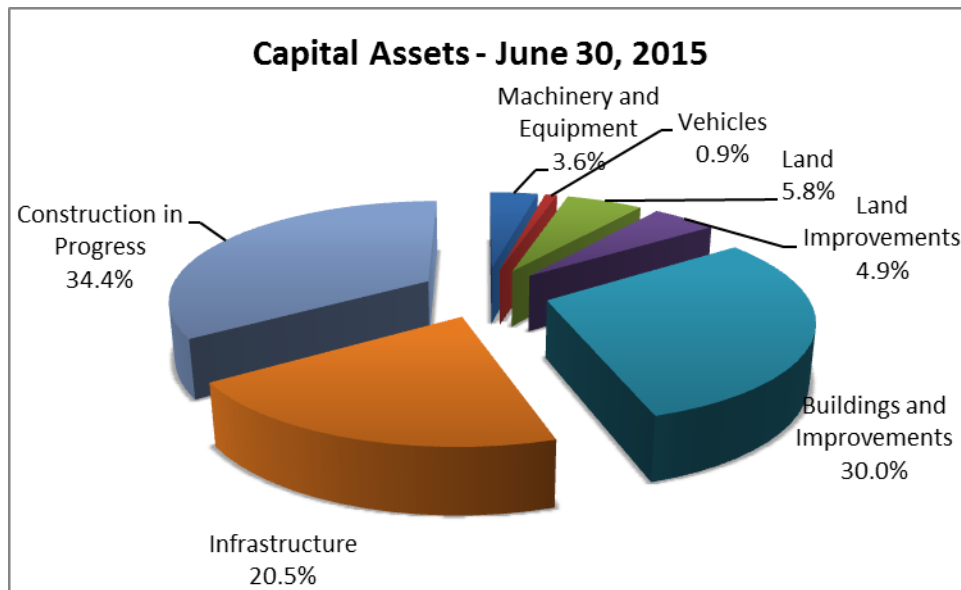
Actual revenues and other financing sources on a budgetary basis totaled \$185.0 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$0.3 million.

Capital Asset and Debt Administration

Capital Assets. The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$450.6 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.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 24,800	\$ 24,749	\$ 1,138	\$ 1,138	\$ 25,938	\$ 25,887
Land improvements	8,685	7,808	13,310	12,872	21,995	20,680
Buildings and improvements	99,452	102,650	35,696	36,366	135,148	139,016
Infrastructure	33,928	32,788	58,447	60,245	92,375	93,033
Machinery and equipment	4,741	4,860	11,359	12,780	16,100	17,640
Vehicles	3,635	3,442	435	350	4,070	3,792
Construction in progress	134,811	78,870	20,117	3,853	154,928	82,723
Total	\$ 310,052	\$ 255,167	\$ 140,502	\$ 127,604	\$ 450,554	\$ 382,771

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



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

- ◆ \$25.5 million for the Maloney High School Renovation
- ◆ \$24.0 million for the Platt High School Renovation
- ◆ \$14.2 million on the Broad Brook Treatment Plant Upgrade
- ◆ \$8.1 million on HUB demolition and other redevelopment activities
- ◆ \$3.7 million for Public Works Projects (Road Construction, Paving, Improvements, Flood Control)

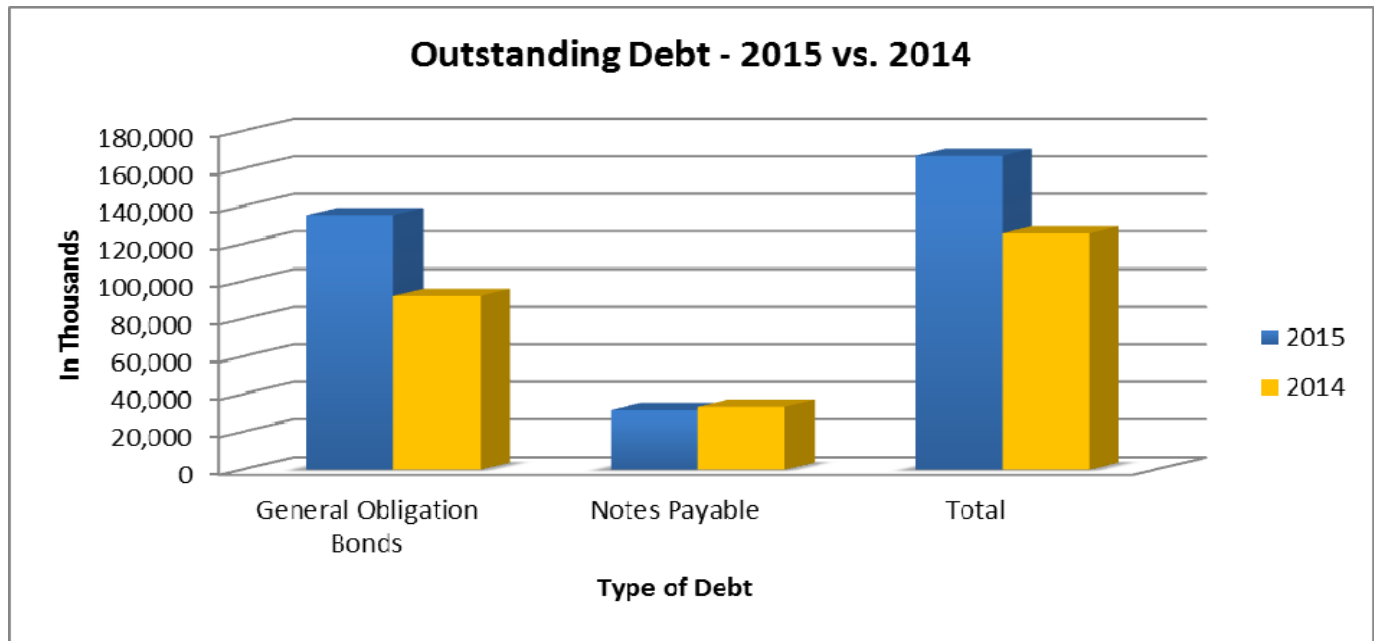
- ◆ \$2.4 million on water and sewer generators
- ◆ \$1.3 million on the Quinnipiac Trail Improvements
- ◆ \$.8 million for the Nathan Hale School Roof
- ◆ \$.8 million on Elmere Lagoon Improvements
- ◆ \$.5 million for the Israel Putnam School Boiler Replacement

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 40-41 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$135.4 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 118,715	\$ 77,383	\$ 16,644	\$ 14,797	\$ 135,359	\$ 92,180
Notes payable			31,720	33,458	31,720	33,458
Total	\$ 118,715	\$ 77,383	\$ 48,364	\$ 48,255	\$ 167,079	\$ 125,638



The City of Meriden’s bonded debt increased by \$43.2 million or 46.9% during fiscal year 2015.

On August 26, 2014, the City issued \$50.3 million of tax exempt general obligation bonds and also issued \$3.5 million in taxable general obligation bonds.

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

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$827.2 million. As of June 30, 2015, the City recorded long-term debt of \$133.3 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 43-50 of this report.

Economic Factors (Updated through September 2015)

The national economic downturn continued to ease during 2015. As of September 2015, the unemployment rate for Meriden was 7.0%, a decrease from 7.4% in the prior year. Although Meriden's unemployment rate is above the September 2015 New Haven Labor Market Area, which had an unemployment rate of 5.2%, Meriden's unemployment rate in September 2015 remained lower than larger Connecticut cities including the City of New Haven at 9.8% and the City of Hartford at 11.0%. In September 2015, Connecticut's overall unemployment rate stood at 5.8% (seasonally adjusted) compared with 6.4% for the same time a year ago. The United States' September 2015 unemployment rate stood at 5.8% compared to 5.9% percent in September 2014.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. 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. To foster economic development and continued expansion of the tax base, the City administers several business incentive programs, including Enterprise Zone, the Manufacturing Assistance Loan Program, and the C-PACE program, designed to attract, retain and grow business entities in Meriden.

Requests for Information

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

Basic Financial Statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 70,576,852	\$ 6,091,062	\$ 76,667,914
Investments	21,714,888	1,123,153	22,838,041
Receivables, net	15,347,460	8,285,356	23,632,816
Internal balances	(2,038,276)	2,038,276	-
Inventory	208,646		208,646
Other assets	28,996		28,996
Capital assets, nondepreciable	159,611,848	21,255,538	180,867,386
Capital assets, net of accumulated depreciation	<u>150,439,953</u>	<u>119,246,637</u>	<u>269,686,590</u>
Total assets	<u>415,890,367</u>	<u>158,040,022</u>	<u>573,930,389</u>
Deferred Outflows of Resources:			
Difference between expected and actuarial experience for pensions	14,209,736		14,209,736
Difference between projected and actual earnings on pension plan investments	484,509		484,509
Deferred charge on refunding	<u>2,046,835</u>	<u>669,441</u>	<u>2,716,276</u>
Total deferred outflows of resources	<u>16,741,080</u>	<u>669,441</u>	<u>17,410,521</u>
Liabilities:			
Accounts payable and accrued liabilities	30,072,214	2,204,534	32,276,748
Accrued interest	2,408,389	281,020	2,689,409
Unearned revenue	767,554		767,554
Interim funding obligation loans		11,847,073	11,847,073
Noncurrent liabilities:			
Due within one year	15,492,610	3,325,956	18,818,566
Due in more than one year	<u>313,668,997</u>	<u>49,103,163</u>	<u>362,772,160</u>
Total liabilities	<u>362,409,764</u>	<u>66,761,746</u>	<u>429,171,510</u>
Deferred Inflows of Resources:			
Difference between expected and actuarial experience for pensions	1,782,842		1,782,842
Advance property tax collections	<u>585,000</u>		<u>585,000</u>
Total deferred inflows of resources	<u>2,367,842</u>	<u>-</u>	<u>2,367,842</u>
Net Position:			
Net investment in capital assets	237,700,445	80,266,087	317,966,532
Restricted:			
Expendable - Wallingford Regional Solid Waste Reserve	445,133		445,133
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(171,203,285)</u>	<u>11,681,630</u>	<u>(159,521,655)</u>
Total Net Position	<u>\$ 67,853,841</u>	<u>\$ 91,947,717</u>	<u>\$ 159,801,558</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF ACTIVITIES
JUNE 30, 2015

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 12,019,987	\$ 2,642,880	\$ 1,907,278	\$ 5,714,492	\$ (1,755,337)	\$	\$ (1,755,337)
Education	137,160,968	1,138,751	88,324,783	56,055,906	8,358,472		8,358,472
Public safety	54,674,184	78,701	1,073,338	148,867	(53,373,278)		(53,373,278)
Public works	12,377,791	1,981,538	198	1,419,443	(8,976,612)		(8,976,612)
Human services	13,029,426	203,900	8,453,154		(4,372,372)		(4,372,372)
Culture and recreation	7,179,633	29,113	423,318	121,125	(6,606,077)		(6,606,077)
Interest on long-term debt	4,228,084				(4,228,084)		(4,228,084)
Total governmental activities	<u>240,670,073</u>	<u>6,074,883</u>	<u>100,182,069</u>	<u>63,459,833</u>	<u>(70,953,288)</u>	<u>-</u>	<u>(70,953,288)</u>
Business-type activities:							
Sewer Authority	11,374,190	8,128,055		826,472		(2,419,663)	(2,419,663)
Water Authority	11,673,845	10,170,731		1,518,527		15,413	15,413
George Hunter Golf Course	1,467,661	945,970		1,398,654		876,963	876,963
Total business-type activities	<u>24,515,696</u>	<u>19,244,756</u>	<u>-</u>	<u>3,743,653</u>	<u>-</u>	<u>(1,527,287)</u>	<u>(1,527,287)</u>
Total	<u>\$ 265,185,769</u>	<u>\$ 25,319,639</u>	<u>\$ 100,182,069</u>	<u>\$ 67,203,486</u>	<u>(70,953,288)</u>	<u>(1,527,287)</u>	<u>(72,480,575)</u>
General revenues:							
Property taxes					117,045,240		117,045,240
Grants and contributions not restricted to specific programs					1,727,673		1,727,673
Unrestricted investment earnings					856,211	66,219	922,430
Miscellaneous income					3,017,669	1,237,458	4,255,127
Total general revenues					<u>122,646,793</u>	<u>1,303,677</u>	<u>123,950,470</u>
Change in net position					51,693,505	(223,610)	51,469,895
Net Position at Beginning of Year, as Restated					<u>16,160,336</u>	<u>92,171,327</u>	<u>108,331,663</u>
Net Position at End of Year					<u>\$ 67,853,841</u>	<u>\$ 91,947,717</u>	<u>\$ 159,801,558</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 11,872,523	\$ 50,781,769	\$ 5,978,563	\$ 68,632,855
Investments	14,580,008		1,806,550	16,386,558
Receivables, net of allowance for uncollectibles	6,635,560	2,592,849	5,682,214	14,910,623
Inventory	149,036		59,610	208,646
Other assets	5,476			5,476
Due from other funds	<u>5,246,509</u>			<u>5,246,509</u>
Total Assets	<u>\$ 38,489,112</u>	<u>\$ 53,374,618</u>	<u>\$ 13,526,937</u>	<u>\$ 105,390,667</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,546,063	\$ 11,041,212	\$ 3,582,966	\$ 28,170,241
Due to other funds		5,387,285	1,897,500	7,284,785
Unearned revenue	7,617	634,283	125,654	767,554
Total liabilities	<u>13,553,680</u>	<u>17,062,780</u>	<u>5,606,120</u>	<u>36,222,580</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,306,853			5,306,853
Unavailable revenue - loans receivable	1,375,009	483,118	2,233,711	4,091,838
Advance property tax collections	585,000			585,000
Total deferred inflows of resources	<u>7,266,862</u>	<u>483,118</u>	<u>2,233,711</u>	<u>9,983,691</u>
Fund Balances:				
Nonspendable	149,036		491,157	640,193
Restricted	937,864	35,828,720	3,353,624	40,120,208
Committed	285,459		1,842,325	2,127,784
Unassigned	16,296,211			16,296,211
Total fund balances	<u>17,668,570</u>	<u>35,828,720</u>	<u>5,687,106</u>	<u>59,184,396</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,489,112</u>	<u>\$ 53,374,618</u>	<u>\$ 13,526,937</u>	<u>\$ 105,390,667</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2015

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

Fund balances - total governmental funds (Exhibit III)	\$ 59,184,396
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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	\$ 497,501,637	
Less accumulated depreciation	<u>(187,449,836)</u>	
Net capital assets		310,051,801

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

Property tax receivables greater than 60 days	5,306,853
Build America Bonds long-term interest receivable	29,490
Loans receivable greater than 60 days	4,091,838
Deferred outflows related to pension actuarial experience	484,509
Deferred outflows related to changes in projected investment earnings	14,209,736

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(1,467,131)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(118,714,700)
Notes payable	(1,275,000)
Bond premium	(5,141,764)
Deferred charge on refunding	2,046,835
Interest payable on bonds and notes	(2,408,390)
Compensated absences	(20,077,351)
Landfill post-closure monitoring	(497,434)
OPEB obligation	(42,771,274)
Pollution remediation	(9,823,997)
Deferred inflows related to pension actuarial experience	(1,782,842)
Net pension liability	(122,056,734)
Claims and judgments	<u>(1,535,000)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 67,853,841</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, 2015

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 117,378,964	\$	\$	\$ 117,378,964
Federal and state government	74,501,716	57,586,742	32,487,184	164,575,642
Charges for services	4,748,576		1,326,307	6,074,883
Investment income	356,324	220,540	101,283	678,147
Other local revenues	2,278,717	475,978	1,058,154	3,812,849
Total revenues	<u>199,264,297</u>	<u>58,283,260</u>	<u>34,972,928</u>	<u>292,520,485</u>
Expenditures:				
Current:				
General government	37,475,036		289,805	37,764,841
Public safety	22,282,907		985,389	23,268,296
Public works	7,437,557		1,547	7,439,104
Health and welfare	6,427,626		6,015,362	12,442,988
Culture and recreation	4,332,835		184,349	4,517,184
Education	110,843,185		23,082,069	133,925,254
Debt service:				
Principal retirement	9,048,203		75,000	9,123,203
Interest and other charges	2,900,225		49,530	2,949,755
Capital outlay	17,494	61,785,309	4,834,953	66,637,756
Total expenditures	<u>200,765,068</u>	<u>61,785,309</u>	<u>35,518,004</u>	<u>298,068,381</u>
Deficiency of Revenues over Expenditures	<u>(1,500,771)</u>	<u>(3,502,049)</u>	<u>(545,076)</u>	<u>(5,547,896)</u>
Other Financing Sources (Uses):				
Bond issuance		50,379,700		50,379,700
Bond premium		2,280,878		2,280,878
Transfers in	1,680,702		38,197	1,718,899
Transfers out	(38,197)	(778,190)	(902,512)	(1,718,899)
Total other financing sources (uses)	<u>1,642,505</u>	<u>51,882,388</u>	<u>(864,315)</u>	<u>52,660,578</u>
Net Change in Fund Balances	141,734	48,380,339	(1,409,391)	47,112,682
Fund Balances at Beginning of Year	<u>17,526,836</u>	<u>(12,551,619)</u>	<u>7,096,497</u>	<u>12,071,714</u>
Fund Balances at End of Year	<u>\$ 17,668,570</u>	<u>\$ 35,828,720</u>	<u>\$ 5,687,106</u>	<u>\$ 59,184,396</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, 2015

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) \$ 47,112,682

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	64,375,060
Depreciation expense	(9,471,505)
Loss on disposal of capital assets	(18,306)

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	(327,057)
Loan principal collected	(539,027)
Change in Build America Bonds interest receivable	(1,247)
Change in interest and liens receivable	(6,668)
Change in deferred outflows related to pension actuarial experience	484,509
Change in deferred outflows related to changes in projected investment earnings	14,209,736

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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	(50,379,700)
Principal payments on bonds and notes	9,123,203
Premium on bonds issued	(2,280,878)

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 accrued interest on bonds and notes	(1,365,634)
Amortization of premium on refunding	288,794
Amortization of deferred charge on refunding	(201,489)
Change in long-term compensated absences	(231,372)
Change in landfill post-closure monitoring	88,414
Change in pollution remediation obligation	860,480
Change in net pension liability	(18,621,481)
Change in OPEB obligation	(1,373,016)
Change in deferred inflows related to changes in projected investment earnings	(1,782,842)
Change in claims and judgments	(186,199)

The net expense of the internal service funds is reported with governmental activities. 1,937,048

Change in Net Position of Governmental Activities (Exhibit II) \$ 51,693,505

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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Property taxes, interest and lien fees	\$ 117,310,498	\$ 117,310,498	\$ 117,378,964	\$ 68,466
Intergovernmental revenues	61,880,036	61,880,036	60,807,761	(1,072,275)
Charges for services	4,352,569	4,352,569	4,748,576	396,007
Investment income	404,652	323,535	355,699	32,164
Other revenues	859,964	859,964	622,471	(237,493)
Total revenues	<u>184,807,719</u>	<u>184,726,602</u>	<u>183,913,471</u>	<u>(813,131)</u>
Expenditures:				
Current:				
General government	36,731,223	36,224,625	35,931,587	293,038
Finance	1,850,314	1,706,688	1,706,674	14
Public safety	22,111,413	22,012,740	22,012,713	27
Public works	6,600,343	7,402,943	7,402,907	36
Health and welfare	2,723,328	2,572,378	2,572,361	17
Culture and recreation	4,221,837	4,304,416	4,304,403	13
Education	99,609,840	99,609,840	99,609,840	-
Debt service:				
Principal retirement	9,048,203	9,048,203	9,048,203	-
Interest and other charges	2,096,218	2,096,218	2,114,168	(17,950)
Total expenditures	<u>184,992,719</u>	<u>184,978,051</u>	<u>184,702,856</u>	<u>275,195</u>
Deficiency of Revenues over Expenditures	<u>(185,000)</u>	<u>(251,449)</u>	<u>(789,385)</u>	<u>(537,936)</u>
Other Financing Sources (Uses):				
Transfers in	200,000	281,117	1,122,590	841,473
Transfers out	<u>(15,000)</u>	<u>(29,668)</u>	<u>(54,195)</u>	<u>(24,527)</u>
Total other financing sources	<u>185,000</u>	<u>251,449</u>	<u>1,068,395</u>	<u>816,946</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	279,010	\$ <u>279,010</u>
Fund Balance at Beginning of Year			<u>17,127,007</u>	
Fund Balance at End of Year			\$ <u>17,406,017</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Activities
	Water	Sewer	George Hunter Memorial Golf Course		Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$ 2,753,160	\$ 2,800,208	\$ 537,694	\$ 6,091,062	\$ 1,943,997
Investments	563,274	559,879		1,123,153	5,328,330
Accounts receivable, net	4,234,542	4,050,814		8,285,356	407,346
Due from other funds	3,161,165	2,142,465	18,322	5,321,952	
Other assets				-	23,520
Total current assets	<u>10,712,141</u>	<u>9,553,366</u>	<u>556,016</u>	<u>20,821,523</u>	<u>7,703,193</u>
Noncurrent assets:					
Capital assets, nondepreciable	19,766,474	1,489,064		21,255,538	
Capital assets, net of accumulated depreciation	<u>38,116,727</u>	<u>78,309,206</u>	<u>2,820,704</u>	<u>119,246,637</u>	
Total noncurrent assets	<u>57,883,201</u>	<u>79,798,270</u>	<u>2,820,704</u>	<u>140,502,175</u>	<u>-</u>
Total assets	<u>68,595,342</u>	<u>89,351,636</u>	<u>3,376,720</u>	<u>161,323,698</u>	<u>7,703,193</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	<u>634,540</u>	<u>34,901</u>		<u>669,441</u>	
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	1,691,735	443,243	69,556	2,204,534	18,465
Accrued interest	196,526	82,992	1,502	281,020	
Due to other funds			3,283,676	3,283,676	
Current portion of claims incurred but not reported				-	2,422,784
Interim funding obligation loans	11,847,073			11,847,073	
Current portion of bonds payable	906,900	508,700	15,700	1,431,300	
Current portion of notes payable	68,333	1,703,329		1,771,662	
Current portion of compensated absences	88,491	21,958	12,545	122,994	
Total current liabilities	<u>14,799,058</u>	<u>2,760,222</u>	<u>3,382,979</u>	<u>20,942,259</u>	<u>2,441,249</u>
Noncurrent liabilities:					
Claims incurred but not reported					6,729,075
Bonds payable, less current portion	10,902,682	4,654,300	68,800	15,625,782	
Notes payable, less current portion	1,348,990	28,599,702		29,948,692	
Compensated absences	1,005,329	404,453	148,735	1,558,517	
OPEB obligation	1,363,801	533,170	73,201	1,970,172	
Total noncurrent liabilities	<u>14,620,802</u>	<u>34,191,625</u>	<u>290,736</u>	<u>49,103,163</u>	<u>6,729,075</u>
Total liabilities	<u>29,419,860</u>	<u>36,951,847</u>	<u>3,673,715</u>	<u>70,045,422</u>	<u>9,170,324</u>
Net Position:					
Net investment in capital assets	33,247,237	44,284,148	2,734,702	80,266,087	
Unrestricted	<u>6,562,785</u>	<u>8,150,542</u>	<u>(3,031,697)</u>	<u>11,681,630</u>	<u>(1,467,131)</u>
Total Net Position	<u>\$ 39,810,022</u>	<u>\$ 52,434,690</u>	<u>\$ (296,995)</u>	<u>\$ 91,947,717</u>	<u>\$ (1,467,131)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Operating Revenues:					
Charges for services	\$ 10,170,731	\$ 8,128,055	\$ 945,970	\$ 19,244,756	\$ 28,807,446
Miscellaneous	977,543	238,558	21,357	1,237,458	1,586,736
Total operating revenues	<u>11,148,274</u>	<u>8,366,613</u>	<u>967,327</u>	<u>20,482,214</u>	<u>30,394,182</u>
Operating Expenses:					
Salaries and benefits	3,719,746	1,784,753	433,182	5,937,681	
Medical claims				-	23,519,747
Materials and supplies	703,592	1,489,020	396,223	2,588,835	
Utilities	1,130,308	1,097,417		2,227,725	
Administration and operation	3,266,470	813,035		4,079,505	2,515,387
Depreciation	1,753,724	4,019,474	126,616	5,899,814	
Other	613,858	1,338,957	152,742	2,105,557	2,600,065
Total operating expenses	<u>11,187,698</u>	<u>10,542,656</u>	<u>1,108,763</u>	<u>22,839,117</u>	<u>28,635,199</u>
Operating Income (Loss)	<u>(39,424)</u>	<u>(2,176,043)</u>	<u>(141,436)</u>	<u>(2,356,903)</u>	<u>1,758,983</u>
Nonoperating Revenues (Expenses):					
Interest income	23,779	42,201	239	66,219	178,065
Interest expense	(486,147)	(831,534)	(44,741)	(1,362,422)	
Loss on disposal of assets			(314,157)	(314,157)	
Total nonoperating revenues (expenses)	<u>(462,368)</u>	<u>(789,333)</u>	<u>(358,659)</u>	<u>(1,610,360)</u>	<u>178,065</u>
Income (Loss) Before Contributions	<u>(501,792)</u>	<u>(2,965,376)</u>	<u>(500,095)</u>	<u>(3,967,263)</u>	<u>1,937,048</u>
Contributions:					
Capital grants and contributions	<u>1,518,527</u>	<u>826,472</u>	<u>1,398,654</u>	<u>3,743,653</u>	
Change in Net Position	1,016,735	(2,138,904)	898,559	(223,610)	1,937,048
Net Position at Beginning of Year	<u>38,793,287</u>	<u>54,573,594</u>	<u>(1,195,554)</u>	<u>92,171,327</u>	<u>(3,404,179)</u>
Net Position at End of Year	<u>\$ 39,810,022</u>	<u>\$ 52,434,690</u>	<u>\$ (296,995)</u>	<u>\$ 91,947,717</u>	<u>\$ (1,467,131)</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, 2015**

	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	\$ 11,063,808	\$ 8,563,884	\$ 967,327	\$ 20,595,019	\$ 30,264,731
Payments to suppliers	(4,881,133)	(4,586,575)	(509,976)	(9,977,684)	(28,253,101)
Payments to employees	(3,590,642)	(1,741,513)	(423,238)	(5,755,393)	
Net receipts from interfund transactions	(654,743)	(531,250)	326,499	(859,494)	(1,849,095)
Net cash provided by operating activities	<u>1,937,290</u>	<u>1,704,546</u>	<u>360,612</u>	<u>4,002,448</u>	<u>162,535</u>
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	1,518,527	826,472		2,344,999	
Purchase of capital assets	(15,943,571)	(1,769,679)		(17,713,250)	
Receipts of interim funding drinking water loans	11,847,073			11,847,073	
Issuance of bonds	1,747,800	1,654,000	17,500	3,419,300	
Principal payments of bonds	(1,166,726)	(390,071)	(15,000)	(1,571,797)	
Principal payments of clean water fund loans	(66,981)	(1,670,196)		(1,737,177)	
Interest paid on capital debt	(442,194)	(788,572)	(44,483)	(1,275,249)	
Net cash used in capital and related financing activities	<u>(2,506,072)</u>	<u>(2,138,046)</u>	<u>(41,983)</u>	<u>(4,686,101)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchases of investments	(6,067)	(6,027)		(12,094)	(1,870,739)
Sale of investments				-	1,792,125
Interest on investments	23,779	42,201	239	66,219	177,523
Net cash provided by investing activities	<u>17,712</u>	<u>36,174</u>	<u>239</u>	<u>54,125</u>	<u>98,909</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(551,070)	(397,326)	318,868	(629,528)	261,444
Cash and Cash Equivalents at Beginning of Year	<u>3,304,230</u>	<u>3,197,534</u>	<u>218,826</u>	<u>6,720,590</u>	<u>1,682,553</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,753,160</u>	<u>\$ 2,800,208</u>	<u>\$ 537,694</u>	<u>\$ 6,091,062</u>	<u>\$ 1,943,997</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ (39,424)	\$ (2,176,043)	\$ (141,436)	\$ (2,356,903)	\$ 1,758,983
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	1,753,724	4,019,474	126,616	5,899,814	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(84,466)	197,271		112,805	(129,451)
(Increase) decrease in due from other funds	(654,743)	(531,250)	3,363	(1,182,630)	
Increase (decrease) in accounts payable and accrued items	833,095	151,854	38,989	1,023,938	382,098
Increase (decrease) in compensated absences	132,161	44,436	10,108	186,705	
Increase (decrease) in OPEB obligation	(3,057)	(1,196)	(164)	(4,417)	
Increase (decrease) in due to other funds			323,136	323,136	(1,849,095)
Total adjustments	<u>1,976,714</u>	<u>3,880,589</u>	<u>502,048</u>	<u>6,359,351</u>	<u>(1,596,448)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,937,290</u>	<u>\$ 1,704,546</u>	<u>\$ 360,612</u>	<u>\$ 4,002,448</u>	<u>\$ 162,535</u>
Noncash Investing, Capital and Financing Activities:					
Construction in progress completed	\$ (335,113)			\$ (335,113)	\$
Capital contributions			1,398,654		-

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 16,199,147	\$ 2,190,629
Investments, at fair value:		
US treasury bonds	6,671,132	
Corporate bonds	18,212,489	
Equities	174,845,477	
Mutual funds	11,532,289	
Other	45,903,395	232,166
Total investments	<u>257,164,782</u>	<u>232,166</u>
Accounts receivable	<u>906,163</u>	<u>30,034</u>
Total assets	274,270,092	2,452,829
Liabilities:		
Other liabilities	<u>45,262</u>	<u>2,452,829</u>
Net Position:		
Held in Trust for Pension Benefits and Other Purposes	\$ <u><u>274,224,830</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 15,294,859
Plan members	7,326,921
Total contributions	<u>22,621,780</u>
Investment earnings:	
Net increase in fair value of investments	78,127
Interest and dividends	5,057,426
Total investment earnings	<u>5,135,553</u>
Less investment expenses:	
Investment management fees	1,452,594
Net investment earnings	<u>3,682,959</u>
Total additions	<u>26,304,739</u>
Deductions:	
Benefits	28,437,648
Administrative expense	635,410
Other	298,761
Total deductions	<u>29,371,819</u>
Change in Net Position	(3,067,080)
Net Position at Beginning of Year	<u>277,291,910</u>
Net Position at End of Year	<u>\$ 274,224,830</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Additionally, the City reports the following fund types:

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

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

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

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

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds, performance bonds, and South Meriden Volunteer Fire Department Award Program.

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

E. Inventories

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

F. Receivables and Payables

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

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

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

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources for advance property tax collections and for differences between expected and actual experience related to pensions in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between expected and actual experience, these amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. 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 and sick days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are paid for accumulated vacation and sick time. 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. Compensated absences are reported in governmental funds only if they have matured.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Net Other Post Employment (OPEB) Obligations

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

M. Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restrictions are externally imposed on net position by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance

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

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

N. Property Taxes

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

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

O. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

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

There were additional appropriations of \$60,500 for the Water Fund during the year ended June 30, 2015, which was funded through fund balance/net position.

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>	<u>Fund Balance</u>
Balance, budgetary basis	\$ 185,036,061	\$ 184,757,051	\$ 17,406,017
Excess cost grant (net for budgetary)	902,638	902,638	
BABs subsidy	227,945	227,945	
Premium on bonds	558,112	558,112	
State Teachers' Retirement on-behalf payment	10,334,706	10,334,706	
State of Connecticut WIC on-behalf payment	2,456,611	2,456,611	
Funds consolidated for GASB 54 purposes	<u>1,428,926</u>	<u>1,566,202</u>	<u>262,553</u>
Balance, GAAP Basis	<u>\$ 200,944,999</u>	<u>\$ 200,803,265</u>	<u>\$ 17,668,570</u>

B. Overexpended Appropriations

The debt service interest in the legally-adopted budget was overspent by \$17,950 due to federal sequestration.

C. Deficit Fund Equity

For the year ended June 30, 2015, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 296,995
Internal Service Fund:	
Workers' Compensation Fund	5,300,000

These amounts will be funded through local general fund contributions or future revenues.

**CITY OF MERIDEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$80,949,992 of the City’s bank balance of \$84,195,357 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 72,554,991
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>8,395,001</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 80,949,992</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Cash Equivalents

At June 30, 2015, the City's cash equivalents amounted to \$14,611,013. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Multi-Bank Securities, Inc.	*
Northern Capital Investments	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

* Not rated

Investments

As of June 30, 2015, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
U.S. Government Agencies	AAA	\$ 11,505,533	\$	\$ 5,334,372	\$ 6,170,835	\$ 326
U.S. Treasury Bonds	AAA	55,526				55,526
Corporate and Foreign Bonds	AAA	573,694			573,694	
Corporate and Foreign Bonds	Aa2	807,344			807,344	
Corporate and Foreign Bonds	A1	2,505,311		791,236	1,714,075	
Corporate and Foreign Bonds	A2	2,087,721		541,580	1,546,141	
Corporate and Foreign Bonds	A3	1,100,877			1,100,877	
Corporate and Foreign Bonds	Baa1	2,276,148		19,036	2,257,112	
Corporate and Foreign Bonds	Baa2	1,724,047		25,062	1,698,985	
Corporate and Foreign Bonds	Baa3	68,057			68,057	
Corporate and Foreign Bonds	Ba3	25,000		25,000		
Foreign Obligations	A2	1,846,928			1,846,928	
Foreign Obligations	Baa1	329,409			329,409	
Mutual Funds	N/A	1,265,521	1,265,521			
Certificates of Deposit	N/A	15,795,778		2,853,773	12,942,005	
Common Equity Securities	N/A	935,007	935,007			
Preferred Equity Securities	N/A	19,808	19,808			
Fixed Income Securities	N/A	13,304,289	13,304,289			
Closed End Fixed Income	N/A	194,519	194,519			
Stocks and Options	N/A	181,402,784	181,402,784			
Other	N/A	42,411,688	42,411,688			
Total Investments		<u>\$ 280,234,989</u>	<u>\$ 239,533,616</u>	<u>\$ 9,590,059</u>	<u>\$ 31,055,462</u>	<u>\$ 55,852</u>

N/A - Not applicable

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 fair 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, 2015, 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.

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

The receivables as of June 30, 2015 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Governmental and Fiduciary Type Funds			
	General Fund	Bonded Projects Fund	Nonmajor, Internal Service, and Fiduciary Funds	Total
Property taxes	\$ 8,588,228	\$	\$	\$ 8,588,228
Interest and liens	8,147,615			8,147,615
Accounts	515,639	31,679	453,263	1,000,581
Intergovernmental	11,924	2,078,052	3,400,364	5,490,340
Loans		483,118	2,472,434	2,955,552
Other	26,199		938,419	964,618
Gross receivables	<u>17,289,605</u>	<u>2,592,849</u>	<u>7,264,480</u>	<u>27,146,934</u>
Less: Allowance for collection losses	<u>10,654,045</u>		<u>238,722</u>	<u>10,892,767</u>
Net Total Receivables	<u>\$ 6,635,560</u>	<u>\$ 2,592,849</u>	<u>\$ 7,025,758</u>	<u>\$ 16,254,167</u>

	Business-Type Funds		
	Water Authority	Sewer Authority	Total
Use charges	\$ 1,347,205	\$ 1,367,197	\$ 2,714,402
Interest and liens	188,697	201,528	390,225
Assessments		144,454	144,454
Unbilled	3,072,974	2,754,325	5,827,299
Other	5,872	2,557	8,429
Gross receivables	<u>4,614,748</u>	<u>4,470,061</u>	<u>9,084,809</u>
Less: Allowance for collection losses	<u>380,206</u>	<u>419,247</u>	<u>799,453</u>
Net Total Receivables	<u>\$ 4,234,542</u>	<u>\$ 4,050,814</u>	<u>\$ 8,285,356</u>

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 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	\$ 24,747,963	\$ 53,215	\$	\$ 24,801,178
Construction in progress	78,869,933	58,974,047	3,033,310	134,810,670
Total capital assets not being depreciated	<u>103,617,896</u>	<u>59,027,262</u>	<u>3,033,310</u>	<u>159,611,848</u>
Capital assets being depreciated:				
Land improvements	19,339,030	1,600,798		20,939,828
Buildings and improvements	187,892,037	1,159,675		189,051,712
Machinery and equipment	12,510,772	680,573		13,191,345
Vehicles	14,312,747	1,085,332	271,874	15,126,205
Infrastructure	95,725,969	3,854,730		99,580,699
Total capital assets being depreciated	<u>329,780,555</u>	<u>8,381,108</u>	<u>271,874</u>	<u>337,889,789</u>
Less accumulated depreciation for:				
Land improvements	11,531,253	723,835		12,255,088
Buildings and improvements	85,241,666	4,358,168		89,599,834
Machinery and equipment	7,650,944	799,504		8,450,448
Vehicles	10,870,312	874,859	253,568	11,491,603
Infrastructure	62,937,724	2,715,139		65,652,863
Total accumulated depreciation	<u>178,231,899</u>	<u>9,471,505</u>	<u>253,568</u>	<u>187,449,836</u>
Total capital assets being depreciated, net	<u>151,548,656</u>	<u>(1,090,397)</u>	<u>18,306</u>	<u>150,439,953</u>
Governmental Activities Capital Assets, Net	<u>\$ 255,166,552</u>	<u>\$ 57,936,865</u>	<u>\$ 3,051,616</u>	<u>\$ 310,051,801</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,138,531	\$	\$	\$ 1,138,531
Construction in progress	<u>3,853,225</u>	<u>16,598,895</u>	<u>335,113</u>	<u>20,117,007</u>
Total capital assets not being depreciated	<u>4,991,756</u>	<u>16,598,895</u>	<u>335,113</u>	<u>21,255,538</u>
Capital assets being depreciated:				
Land improvements	16,349,745	1,270,589		17,620,334
Buildings and improvements	68,973,364	1,398,654	902,966	69,469,052
Machinery and equipment	27,162,490			27,162,490
Vehicles	2,288,919	178,879		2,467,798
Infrastructure	<u>120,692,592</u>			<u>120,692,592</u>
Total capital assets being depreciated	<u>235,467,110</u>	<u>2,848,122</u>	<u>902,966</u>	<u>237,412,266</u>
Less accumulated depreciation for:				
Land improvements	3,479,119	832,343		4,311,462
Buildings and improvements	32,607,068	1,754,662	588,809	33,772,921
Machinery and equipment	14,382,698	1,420,686		15,803,384
Vehicles	1,938,528	94,041		2,032,569
Infrastructure	<u>60,447,211</u>	<u>1,798,082</u>		<u>62,245,293</u>
Total accumulated depreciation	<u>112,854,624</u>	<u>5,899,814</u>	<u>588,809</u>	<u>118,165,629</u>
Total capital assets being depreciated, net	<u>122,612,486</u>	<u>(3,051,692)</u>	<u>314,157</u>	<u>119,246,637</u>
Business-Type Activities Capital Assets, Net	<u>\$ 127,604,242</u>	<u>\$ 13,547,203</u>	<u>\$ 649,270</u>	<u>\$ 140,502,175</u>

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

Governmental activities:	
General government	\$ 328,303
Education	3,534,446
Public safety	1,097,669
Public works	3,536,318
Library	71,664
Recreation	814,506
Human services	<u>88,599</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,471,505</u>
Business-type activities:	
Water Authority	\$ 1,753,724
Sewer Authority	4,019,474
Golf Course	<u>126,616</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 5,899,814</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 65,333
	Nonmajor Governmental Funds	1,897,500
	Nonmajor Proprietary Fund	<u>3,283,676</u>
		5,246,509
Water Fund	Bonded Projects Fund	3,161,165
Sewer Fund	Bonded Projects Fund	2,142,465
Nonmajor Proprietary Fund	Bonded Projects Fund	<u>18,322</u>
		<u>\$ 10,568,461</u>

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

During the year, transfers are used to 1) move resources from the health grants and programs fund to the general fund, 2) provide resources from the bonded projects fund to the general fund for debt service relief, and 3) provide local match spending requirements from the general fund to nonmajor funds for grants requiring local spending.

In addition, during the year ended June 30, 2015, the City made a one-time transfer of \$702,512 from the Capital and Nonrecurring Fund to the General Fund as the City fulfilled its spending obligation under a performance bond it originally took ownership of in 2014.

	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:			
General Fund	\$	\$ 38,197	\$ 38,197
Bonded Projects Fund	778,190		778,190
Nonmajor Governmental Funds	<u>902,512</u>		<u>902,512</u>
Total Transfers In	<u>\$ 1,680,702</u>	<u>\$ 38,197</u>	<u>\$ 1,718,899</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 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	\$ 77,383,203	\$ 50,379,700	\$ 9,048,203	\$ 118,714,700	\$ 10,107,700
Premium on bonds	3,149,680	2,280,878	288,794	5,141,764	
Notes payable	1,350,000		75,000	1,275,000	75,000
Compensated absences	19,845,979	1,503,847	1,272,475	20,077,351	1,313,729
Workman's compensation	2,125,020	799,237	1,198,645	1,725,612	575,169
Heart and hypertension	4,757,305	3,487,718	2,702,282	5,542,741	1,847,615
Landfill post-closure monitoring	585,848		88,414	497,434	81,000
Net pension liability	103,435,253	18,621,481		122,056,734	
OPEB obligation	41,398,258	7,309,205	5,936,189	42,771,274	
Pollution remediation	10,684,477		860,480	9,823,997	1,377,397
Claims and judgments	1,348,801	336,199	150,000	1,535,000	115,000
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 266,063,824</u>	<u>\$ 84,718,265</u>	<u>\$ 21,620,482</u>	<u>\$ 329,161,607</u>	<u>\$ 15,492,610</u>
Business-Type Activities:					
General obligation bonds	\$ 14,796,797	\$ 3,419,300	\$ 1,571,797	\$ 16,644,300	\$ 1,431,300
Premium on bonds	457,109		44,327	412,782	
Compensated absences	1,494,806	186,705		1,681,511	122,994
OPEB obligation	1,974,589	274,586	279,003	1,970,172	
Clean water/drinking water notes	33,457,531		1,737,177	31,720,354	1,771,662
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 52,180,832</u>	<u>\$ 3,880,591</u>	<u>\$ 3,632,304</u>	<u>\$ 52,429,119</u>	<u>\$ 3,325,956</u>

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

General Obligation Bonds

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

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015</u>
Governmental:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	\$ 16,134,700	various	\$ 3,440,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	2,140,000
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	various	6,029,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	various	12,606,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	18,764,086	various	14,277,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	various	6,290,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	various	23,553,000
General obligation, Series A	9/8/14	3/1/34	3-5%	47,515,700	various	47,515,700
General obligation, Series B	9/8/14	3/1/34	2-3%	2,864,000	various	2,864,000
Total governmental activities						<u>118,714,700</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	4,110,300	various	740,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	1,170,000
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	various	61,000
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	various	4,084,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	3,565,914	various	2,713,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	various	3,440,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	various	1,017,000
General obligation, Series A	9/8/14	3/1/34	3-5%	2,789,300	various	2,789,300
General obligation, Series B	9/8/14	3/1/34	2-3%	630,000	various	630,000
Total business-type activities						<u>16,644,300</u>
Total Outstanding						<u>\$ 135,359,000</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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>
2016	\$ 10,107,700	\$ 5,088,960	\$ 1,431,300	\$ 650,081
2017	10,318,700	3,776,269	1,446,300	536,198
2018	7,852,300	3,397,703	1,087,700	485,038
2019	7,539,300	3,066,746	1,075,700	439,483
2020	7,543,300	2,752,758	1,076,700	394,305
2021	6,495,300	2,453,265	1,079,700	350,643
2022	6,484,300	2,203,530	1,080,700	308,236
2023	6,492,200	1,950,606	1,082,800	262,503
2024	6,142,200	1,724,573	1,082,800	217,819
2025	5,862,800	1,515,522	1,012,200	179,726
2026	6,081,000	1,346,397	1,014,000	151,073
2027	6,065,000	1,169,297	1,005,000	121,803
2028	6,047,000	988,437	993,000	91,755
2029	6,029,000	801,207	981,000	60,972
2030	4,955,000	630,341	395,000	39,173
2031	4,001,000	471,290	214,000	25,791
2032	4,001,000	344,530	214,000	18,976
2033	4,000,900	217,770	214,100	12,161
2034	<u>2,696,700</u>	<u>91,014</u>	<u>158,300</u>	<u>5,343</u>
Total	\$ <u>118,714,700</u>	\$ <u>33,990,215</u>	\$ <u>16,644,300</u>	\$ <u>4,351,079</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,044,466 for governmental activities and \$388,582 for business-type activities.

General Obligation Bonds - New Issue

On August 26, 2014, the City issued \$50,305,000 of Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A, with fixed interest rates ranging from 3% to 5% and a final maturity of March 1, 2034. The City also issued \$3,494,000 Taxable General Obligation Bonds, Issue of 2014 - Lot B, with fixed interest rates ranging from 2% and 3% and a final maturity of March 1, 2024.

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

The balance in escrow for the refunding issuance dated May 4, 2010 was \$12,024,277 at June 30, 2015. The outstanding balance of the defeased bonds as of June 30, 2015 is \$11,560,000.

The balance in escrow for the refunding issuance dated December 27, 2012 was \$8,768,936 at June 30, 2015. The outstanding balance for the defeased bonds as of June 30, 2015 is \$8,250,000.

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Build America Bonds

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2015, subsidy payments received were reduced by 7.3% or \$21,361.

Water Fund Loans Payable

Clean Water Fund Loans

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.

Drinking Water Fund Loans

The Drinking Water Fund Program issued a permanent funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2015. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plant. The obligation will be paid from future user fees.

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

Year Ending June 30	Clean Water Notes		Drinking Water Notes		Total Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,703,329	\$ 590,502	\$ 68,333	\$ 27,722	\$ 1,771,662	\$ 618,224
2017	1,737,133	556,127	69,712	26,343	1,806,845	582,470
2018	1,757,336	521,129	71,119	24,936	1,828,455	546,065
2019	1,778,235	485,863	72,554	23,501	1,850,789	509,364
2020	1,814,127	449,970	74,019	22,036	1,888,146	472,006
2021	1,850,744	413,353	75,513	20,542	1,926,257	433,895
2022	1,888,100	375,997	77,037	19,018	1,965,137	395,015
2023	1,926,211	337,887	78,592	17,463	2,004,803	355,350
2024	1,965,090	299,008	80,178	15,877	2,045,268	314,885
2025	2,004,754	259,344	81,797	14,258	2,086,551	273,602
2026	2,045,218	218,879	83,448	12,607	2,128,666	231,486
2027	2,086,500	177,598	85,132	10,923	2,171,632	188,521
2028	2,128,615	135,483	86,850	9,205	2,215,465	144,688
2029	2,171,580	92,518	88,603	7,451	2,260,183	99,969
2030	2,215,411	48,687	90,392	5,663	2,305,803	54,350
2031	1,177,269	8,473	92,216	3,839	1,269,485	12,312
2032	53,380	313	94,078	1,977	147,458	2,290
2033			47,749	279	47,749	279
	<u>\$ 30,303,032</u>	<u>\$ 4,971,131</u>	<u>\$ 1,417,322</u>	<u>\$ 263,640</u>	<u>\$ 31,720,354</u>	<u>\$ 5,234,771</u>

HUD Loan

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

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

		HUD Note	
		<u>Principal</u>	<u>Interest</u>
2016	\$	75,000	\$ 32,336
2017		75,000	31,530
2018		75,000	30,495
2019		75,000	29,254
2020		75,000	27,821
2021		75,000	26,134
2022		75,000	24,255
2023		75,000	22,282
2024		75,000	20,179
2025		75,000	17,978
2026		75,000	15,739
2027		75,000	13,451
2028		75,000	11,130
2029		75,000	8,764
2030		75,000	6,337
2031		75,000	3,855
2032		75,000	1,297
		<u>\$ 1,275,000</u>	<u>\$ 322,837</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2015 is \$13,351,598, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post-Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$497,434, 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, 2015. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

“Factory H” includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is \$7,752,000, which is made up of \$10,352,000 less estimated recoveries from the state and federal governments of \$2,600,000. Management has estimated this liability taking into account data based on estimates from the engineering department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden HUB project. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$300,000 from the State of Connecticut Department of Economic and Community Development (DECD).

The “HUB” also includes two City parcels (1-77 State Street and 50 East Main Street), which also have contaminated soils. The liability is \$1,337,397, which is made up of \$2,694,811 less estimated recoveries from the federal and state governments of \$1,357,414. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for the Meriden HUB is based on environmental reports prepared for the City of Meriden by AECOM, including “Remedial Action Plan, Meriden HUB Site, Prepared by AECOM, June 2012,” and “Engineer’s Opinion of Probable Costs for Flood Control, Site Remediation, and Site Improvements to Harbor Brook/HUB Meriden, Meriden, Connecticut MMI No. 1261-30 September 13, 2013.” Projected environmental liabilities assumes the removal of contaminated soils that exceed specific Connecticut Remediation Standard Regulations (RSR) criteria, including extractable petroleum hydrocarbons, semi-volatile organic compounds, volatile organic compounds (including trichloroethylene) and a number of metals (antimony, arsenic, lead and mercury); soil management during construction of a flood storage basin; and construction of an Engineered Control (EC) cap to gain compliance with the Connecticut RSR Direct Exposure Criteria for soil/fill that will remain on-site following construction of the flood control storage area. Following the construction of the flood basin and implementation of the Remedial Action Plan, an Environmental Land Use Restriction will remain on the site in perpetuity to ensure that there will be no disturbance of the EC cap and materials beneath the cap. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City was awarded \$200,000 from the United States Environmental Protection Agency for cleanup of 50 East Main Street, which is part of the HUB site, and was awarded \$1,157,414 from the State of Connecticut DECD and Department of Energy and Environmental Protection for cleanup activities.

116 Cook Avenue has contaminated soil and a 70,000 square foot structure. Projected environmental liabilities assume the removal of hazardous substances, including PCBs, asbestos, mercury and lead, from the building, which is comprised of three sections and 85,944 total square feet. The liability is \$734,600, which is made up of \$1,269,600 less estimated recoveries from the federal government of \$535,000. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City of Meriden by Tighe and Bond, including “Phase III Environmental Site Assessment report, dated July 2012,” and “Opinion of Probable Demolition Costs, dated July 2012.” Further remediation costs associated with soils below the existing building slab are unknown and may require further remediation depending on the future land use. The City assumes

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removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City was awarded \$200,000 from the United States Environmental Protection Agency, and of that amount \$118,528 has been spent. The City also received approval to use the \$335,000 of unspent Section 108 Federal funds to offset the remediation cost.

The City acquired 11 Crown Street in May 2014 for redevelopment purposes. In 2014, the City retained Tighe and Bond to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs (soil remediation and hazardous building materials) include engineering, oversight and monitoring. The liability at June 30, 2014 was \$525,480. Management estimated this liability taking into account data based on estimates from its consulting firm. In fiscal year 2015, the City received a state grant to cover all the estimated costs to remediate this property.

The City acquired 177 State Street in May 2014 for redevelopment purposes. In 2014, the City retained AECOM to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs include engineering, oversight and monitoring. There is no liability recorded as a result of costs of \$597,257 less estimated recoveries from the State of \$597,257. Management has estimated this liability taking into account data based on estimates from its consulting firm. As of June 30, 2015, the City was awarded \$597,257 in DECD cleanup funds to remediate the City. The City spent \$2,587 in legal and startup costs in fiscal year 2015 and expects to complete the remediation in fiscal year 2016.

The City acquired the former Meriden Wallingford hospital site, located at 1 King Place, in January 2014 in a tax foreclosure. In 2014, the City retained VHB to complete a Phase I assessment. A Phase II and hazardous building materials survey was recommended. In 2014, the City was awarded \$180,000 to further assess the building and property. As of June 30, 2015, the City did not expend any funds on the remediation of this property. Interim remediation of this property, totaling \$221,000, is expected to be completed in fiscal year 2016. Additional remediation will be completed in future fiscal years as additional funding is obtained.

Overlapping Debt

The City's indebtedness does not exceed the legal debt limitations as established by Connecticut General Statutes as reflected in the following schedule (in thousands):

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purposes	\$ 265,878	\$ 70,450	\$ 195,428
Schools	531,756	62,890	468,866
Urban Renewal	384,046		384,046
Sewers	443,130		443,130
Pension bonding	354,504		354,504

In no case shall total indebtedness exceed seven times annual receipts from taxation (\$827,176).

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8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 149,036		\$ 59,610	\$ 208,646
Permanent fund principal			431,547	431,547
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	445,939			445,939
Federal and State grants	11,924		1,380,928	1,392,852
Bonds		35,828,720		35,828,720
Park trusts			1,808,422	1,808,422
Library trusts			156,022	156,022
Education trusts			7,801	7,801
Health trusts			328	328
Capital and nonrecurring			123	123
Committed to:				
Special assessment project			176,482	176,482
Education			1,164,841	1,164,841
Planning and development			53,329	53,329
School readiness			128,647	128,647
Anti-blight			152,394	152,394
Misc. programs			78,406	78,406
Meals on wheels			81,749	81,749
Airport improvement			5,178	5,178
Dog fund			1,299	1,299
Insurance refunds	94,486			94,486
Tree preservation	25,610			25,610
Downtown property management	124,851			124,851
Vehicle replacement	40,512			40,512
Unassigned	16,296,211			16,296,211
Total Fund Balances	\$ 17,668,570	\$ 35,828,720	\$ 5,687,106	\$ 59,184,396

Significant encumbrances of \$94,987,766 are included in the bonded projects fund and \$7,185,517 are included in the nonmajor funds as of June 30, 2015.

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 NOTES TO FINANCIAL STATEMENTS
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9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2015.

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

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

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
Workers' Compensation and Heart and Hypertension				
2014-15	\$ 6,882,325	\$ 3,900,927	\$ 3,514,899	\$ 7,268,353
2013-14	7,011,658	3,252,941	3,382,274	6,882,325
Health Insurance				
2014-15	\$ 1,883,506	\$ 19,618,820	\$ 19,618,820	\$ 1,883,506
2013-14	2,210,781	21,700,312	22,027,587	1,883,506

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10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

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

Management of the plans rest with the Pension Board, which consists of eleven members: three elected by plan members, six appointed by City Council and the City Treasurer and Personnel Director who both serve as ex-officio members.

Plan Description and Benefits Provided

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	<p>Firefighters and BOE employees receive 2% of average final pay (average of three highest calendar years out of the last ten) multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.</p> <p>Police and nonBOE City employees receive 2% of average final pay for the first 20 years, plus 2½% of average final pay multiplied by years of service for years 21-32 thereafter, with a maximum of 70% of salary.</p>	<p>2% of base pay times years of service up to 20 years plus 1.6% of base pay times years of service in excess of 20 and less than 30 years plus 50% of current emoluments.</p>	<p>2.2% of base pay times the years of service up to 30 years plus 50% of emoluments.</p>
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Earlier of 25 years of service or age 65
Cost of living adjustment	<p>Retirement prior to July 1, 1989: No COLA adjustments.</p> <p>Retirement after July 1, 1989 and prior to July 1, 2000: 3% every other year beginning after the later of 3 years from retirement age or age 65 with a lifetime cap of 50% of original pension.</p> <p>Retirement after July 1, 2000: 2% each year beginning after the later of 2 years from retirement date or age 62. For police and firefighters with 25 years of service the COLA begins 1 year from date of retirement with a lifetime cap of 50% of original pension.</p>	<p>Retirement prior to January 1, 2003: based on increases to base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (25 or more years of service): 3% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (between 20-25 years of service): 2% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (less than 20 years of service): none.</p>	<p>Retirement prior to January 1, 2003: based on increase in base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (with at least 25 years of service): 3% of base pay, excluding emoluments.</p>
Early retirement provisions	City and police employees - 10 years of service and age 55. Firefighters- none.	None.	None.

**CITY OF MERIDEN, CONNECTICUT
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<u>Provisions</u>	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contributions	<p>NonBOE City employees 11% of earnings (includes 7% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>BOE employees - 8% of earnings (includes 4% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits)</p> <p>Police employees - (hired prior to July 1, 2012) - 8.5% of earnings (includes 6% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired after July 1, 2012) - 7% of earnings (includes 4.5% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Fire employees - 6% of earnings (includes 4% of earnings to pension and 2% of earnings contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>

At July 1, 2014, Plan membership consisted of the following:

	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	459	141	117
Vested terminated employees	93	1	
Active participants	<u>598</u>	<u>52</u>	<u>54</u>
Total Participants	<u><u>1,150</u></u>	<u><u>194</u></u>	<u><u>171</u></u>

The Employees' Retirement Plan was closed to nonpolice personnel as of July 1, 2011 and to police personnel as of July 1, 2012. The Police and Firefighter's plans were closed to new entrants as of March 18, 2003.

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Administrative Costs

Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2015 and changes in net position for the year then ended are as follows:

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	\$ 8,435,634	\$ 3,596,747	\$ 2,989,223	\$ 73,820	\$ -	\$ -	\$ 15,095,424
Interest receivable	473,073	203,874	162,771	4,594	-	-	844,312
Investments, at fair value:							
U.S. treasury bonds	4,505,595	1,179,825	941,960	43,752	-	-	6,671,132
Corporate bonds	10,150,276	4,345,631	3,469,507	98,566	-	-	18,063,980
Equities	85,700,315	37,402,365	29,861,666	832,208	-	-	153,796,554
Mutual funds	7,257,278	2,337,946	1,866,592	70,473	-	-	11,532,289
Other	22,885,305	11,492,744	9,175,690	222,232	-	-	43,775,971
Total investments	<u>130,498,769</u>	<u>56,758,511</u>	<u>45,315,415</u>	<u>1,267,231</u>	<u>-</u>	<u>-</u>	<u>233,839,926</u>
Total assets	<u>139,407,476</u>	<u>60,559,132</u>	<u>48,467,409</u>	<u>1,345,645</u>	<u>-</u>	<u>-</u>	<u>249,779,662</u>
Liabilities:							
Other liabilities	<u>12,005</u>	<u>6,378</u>	<u>6,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,762</u>
Net Position:							
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 139,395,471</u>	<u>\$ 60,552,754</u>	<u>\$ 48,461,030</u>	<u>\$ 1,345,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,754,900</u>

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	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	\$ 2,307,742	\$ 3,941,030	\$ 2,568,521	\$	\$ 286,258	\$ 255,128	\$ 9,358,679
Plan members	2,099,957	248,967	253,190	1,234,330	82,989	84,397	4,003,830
Total contributions	<u>4,407,699</u>	<u>4,189,997</u>	<u>2,821,711</u>	<u>1,234,330</u>	<u>369,247</u>	<u>339,525</u>	<u>13,362,509</u>
Investment earnings:							
Net increase (decrease) in fair value of investments	(521,205)	(180,238)	(143,318)	(4,887)			(849,648)
Dividends and interest	2,643,239	1,108,400	895,545	24,783			4,671,967
Total investment earnings	2,122,034	928,162	752,227	19,896	-	-	3,822,319
Less investment expenses:							
Investment management fees	814,892	352,730	284,972				1,452,594
Net investment earnings	<u>1,307,142</u>	<u>575,432</u>	<u>467,255</u>	<u>19,896</u>	<u>-</u>	<u>-</u>	<u>2,369,725</u>
Total additions	<u>5,714,841</u>	<u>4,765,429</u>	<u>3,288,966</u>	<u>1,254,226</u>	<u>369,247</u>	<u>339,525</u>	<u>15,732,234</u>
Deductions:							
Benefits	8,960,559	6,775,097	5,350,549	1,439,565	369,247	339,525	23,234,542
Administration	29,710	29,710	29,710	7,643			96,773
Other	231,874	7,692	7,771				247,337
Total deductions	<u>9,222,143</u>	<u>6,812,499</u>	<u>5,388,030</u>	<u>1,447,208</u>	<u>369,247</u>	<u>339,525</u>	<u>23,578,652</u>
Change in net position	(3,507,302)	(2,047,070)	(2,099,064)	(192,982)	-	-	(7,846,418)
Net Position at Beginning of Year	<u>142,902,773</u>	<u>62,599,824</u>	<u>50,560,094</u>	<u>1,538,627</u>	<u>-</u>	<u>-</u>	<u>257,601,318</u>
Net Position at End of Year	<u>\$ 139,395,471</u>	<u>\$ 60,552,754</u>	<u>\$ 48,461,030</u>	<u>\$ 1,345,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,754,900</u>

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of January 10, 2012, reaffirmed February 10, 2015:

Asset Class	Target
Equity - domestic	35 %
Equity - international	20
Fixed Income	20
Real Estate	4
Hedge Funds	7
Private Equity	7
Commodities	2
Cash	5
Total	<u>100 %</u>

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Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

City	0.76%
Police	0.92%
Firefighters'	0.93%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2015 were as follows:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Total pension liability	\$ 173,994,515	\$ 111,077,573	\$ 85,393,901	\$ 370,465,989
Plan fiduciary net position	<u>139,395,471</u>	<u>60,552,754</u>	<u>48,461,030</u>	<u>248,409,255</u>
City's Net Pension Liability	<u>\$ 34,599,044</u>	<u>\$ 50,524,819</u>	<u>\$ 36,932,871</u>	<u>\$ 122,056,734</u>
Plan fiduciary net position as a percentage of the total liability	80.11 %	54.51 %	56.75 %	

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>
Inflation	3.0%	3.0%	3.5%
Salary increases	3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond, including inflation	3.0%, per annum (compounded), including inflation	3.0%, per annum (compounded), including inflation
Investment rate of return	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

**CITY OF MERIDEN, CONNECTICUT
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2015 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>
Equity - domestic	5.5 %
Equity - international	7.9
Fixed Income	2.5
Real Estate	6.2
Hedge Funds	5.8
Private Equity	8.2
Commodities	3.6
Cash	0.5

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MERIDEN, CONNECTICUT
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Changes in the Net Pension Liability

	City		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 167,487,666	\$ 142,902,773	\$ 24,584,893
Changes for the year:			
Service cost	4,197,148		4,197,148
Interest on total pension liability	13,383,258		13,383,258
Differences between expected and actual experience	(2,112,998)		(2,112,998)
Employer contributions		2,307,742	(2,307,742)
Member contributions		2,099,957	(2,099,957)
Net investment income		1,307,142	(1,307,142)
Benefit payments, including refund of employee contributions	(8,960,559)	(8,960,559)	-
Administrative expenses		(29,710)	29,710
Other changes		(231,874)	231,874
Net changes	<u>6,506,849</u>	<u>(3,507,302)</u>	<u>10,014,151</u>
Balances as of June 30, 2015	<u>\$ 173,994,515</u>	<u>\$ 139,395,471</u>	<u>\$ 34,599,044</u>

	Police		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 108,584,553	\$ 62,599,903	\$ 45,984,650
Changes for the year:			
Service cost	959,988		959,988
Interest on total pension liability	8,483,287		8,483,287
Differences between expected and actual experience	194,089		194,089
Employer contributions		4,227,288	(4,227,288)
Member contributions		331,956	(331,956)
Net investment income		575,432	(575,432)
Benefit payments	(7,144,344)	(7,144,344)	-
Administrative expenses		(29,710)	29,710
Other changes		(7,771)	7,771
Net changes	<u>2,493,020</u>	<u>(2,047,149)</u>	<u>4,540,169</u>
Balances as of June 30, 2015	<u>\$ 111,077,573</u>	<u>\$ 60,552,754</u>	<u>\$ 50,524,819</u>

**CITY OF MERIDEN, CONNECTICUT
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	Firefighters'		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 83,425,804	\$ 50,560,094	\$ 32,865,710
Changes for the year:			
Service cost	628,936		628,936
Interest on total pension liability	6,501,155		6,501,155
Differences between expected and actual experience	528,080		528,080
Employer contributions		2,823,649	(2,823,649)
Member contributions		337,587	(337,587)
Net investment income		467,255	(467,255)
Benefit payments	(5,690,074)	(5,690,074)	-
Administrative expenses		(29,710)	29,710
Other changes		(7,771)	7,771
Net changes	1,968,097	(2,099,064)	4,067,161
Balances as of June 30, 2015	\$ 85,393,901	\$ 48,461,030	\$ 36,932,871

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	City		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 54,373,507	\$ 34,599,044	\$ 17,792,559
	Police		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 63,044,167	\$ 50,524,819	\$ 40,065,970
	Firefighters'		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 46,108,018	\$ 36,932,871	\$ 29,196,099

**CITY OF MERIDEN, CONNECTICUT
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$15,068,757. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (1,782,842)
Net difference between projected and actual earning on pension plan investments	<u>7,963,520</u>	<u> </u>
Total	<u>\$ 7,963,520</u>	<u>\$ (1,782,842)</u>
	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,453	\$
Net difference between projected and actual earning on pension plan investments	<u>3,464,228</u>	<u> </u>
Total	<u>\$ 3,580,681</u>	<u>\$ -</u>
	Firefighters'	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 368,056	\$
Net difference between projected and actual earning on pension plan investments	<u>2,781,988</u>	<u> </u>
Total	<u>\$ 3,150,044</u>	<u>\$ -</u>

**CITY OF MERIDEN, CONNECTICUT
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,

2016	\$	3,459,938
2017		3,421,119
2018		3,270,286
2019		3,222,278
2020		(330,156)
Thereafter		(132,062)

B. Pension Plan - Money Purchase Pension Plan

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

Summary Plan Description

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

Employee Obligations

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

Employer Obligations

The City shall make a contribution in an amount equal to 5% of the member's compensation. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of service, the amount of such City contributions shall increase to 6% of the member's compensation. City contributions shall be allocated as of the last day of each week to a member's City Contribution Account, provided that the member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of 3% of the member's non-base pay, but excluding private duty pay. The amount of City contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to the member's City Contribution Account. Employer contributions are calculated and paid each pay period.

Contribution Requirements/Contributions Made

The total City contribution during the year ended June 30, 2015 was \$260,272 and represented 5% of covered payroll. The employees' required contributions were \$310,240 and represented 6% of covered payroll.

C. Teachers Retirement

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

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Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>137,743,578</u>
Total	\$	<u>137,743,578</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense and revenue of \$10,334,706 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (Non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The City's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**CITY OF MERIDEN, CONNECTICUT
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Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

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 Plan.

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

Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. City employees hired prior to July 1, 2011 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, 2014, plan membership consisted of the following:

	<u>City</u>			<u>Board of Education</u>		<u>Total</u>
	<u>Police</u>	<u>Fire</u>	<u>Other</u>	<u>Teachers</u>	<u>Other</u>	
Active employees	106	98	238	690	249	1,381
Retired employees*	70	66	200	85	100	521
Total Participants	<u>176</u>	<u>164</u>	<u>438</u>	<u>775</u>	<u>349</u>	<u>1,902</u>

* Counts do not include spouses of retirees

**CITY OF MERIDEN, CONNECTICUT
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Funding Policy

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

City	4.00% of salary
Non-Teacher BOE	4.00% of salary
Police (in City Plan)	2.50% of salary
Police (in Police Plan)	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2015, plan members contributed \$3,323,091. 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 were \$6,215,192 which represent 80.92% of the actuarially determined annual required contribution.

Annual OPEB Cost and Net OPEB Obligations

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

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 7,680,809
Interest on net OPEB obligation	3,469,828
Adjustment to annual required contribution	<u>(3,566,846)</u>
Annual OPEB cost (expense)	7,583,791
Contributions made	<u>6,215,192</u>
Increase in net OPEB obligation	1,368,599
Net OPEB obligation, beginning of year	<u>43,372,847</u>
Net OPEB Obligation, End of Year	<u><u>\$ 44,741,446</u></u>

**CITY OF MERIDEN, CONNECTICUT
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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, 2015 is presented below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 7,583,791	\$ 6,215,192	81.95 %	\$ 44,741,446
6/30/2014	7,633,127	5,483,979	71.84	43,372,847
6/30/2013	7,606,424	5,726,019	75.28	41,223,699

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Postemployment Healthcare Plan						
7/1/2014	\$ 20,830,636	\$ 89,516,332	\$ 68,685,696	23.3 %	\$ 95,450,755	72.0 %
7/1/2012	10,416,198	80,957,206	70,541,008	12.9	95,772,885	73.7
7/1/2010	5,142,767	104,364,393	99,221,626	4.9	94,310,588	105.2

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2015	\$ 7,680,809	80.92 %
6/30/2014	7,725,338	70.99
6/30/2013	7,694,428	74.42

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.

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In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 9% for 2014, decreasing 0.5% per year, to an ultimate rate of 5% for 2022 and later. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on an open basis.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There are various suits and claims pending against the City, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position. Management has estimated a liability of \$1,535,000 at June 30, 2015, which is recorded in the government-wide financial statements.

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

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

**CITY OF MERIDEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

Construction Commitments

The government has active construction projects as of June 30, 2015. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Platt School Addition and Replacement	\$ 47,592,011
Maloney School Addition and Replacement	43,507,664
Water Treatment Plant Upgrade	2,972,150
Flood Control	982,714
Replacement Boilers	451,680
School Roof Replacement	449,176
Citywide Road/Sidewalk Reconstruction	402,372
Railroad Bridge	384,404
HUB Renovation	349,685
Other School Improvements	297,092
Generator Replacement	160,462
City Building Repair/Upgrade	145,057
Airport Construction	111,601
Landfill	99,372
Vehicles	73,632
Citywide Drainage	66,245
WPCF - Facility/Collection Improvements	47,434
City Parks Upgrades	45,923
Linear Trail	44,465
Upgrade/Replace Pump Stations	27,200
Fuel Islands/Pumps/Tanks	6,307
Public Safety Improvements/Equipment	5,166
	<u>\$ 98,221,812</u>

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27:

Net position balance at June 30 2014, as previously reported	\$	94,687,029
Adjustments:		
Eliminate net pension obligation reported per GASB No. 27		25,226,920
Eliminate net pension assets reported per GASB No. 27		(318,360)
Record starting net pension liability per GASB No. 68		<u>(103,435,253)</u>
Net Position Balance at July 1, 2014, as Restated	\$	<u><u>16,160,336</u></u>

Required Supplementary Information

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 4,197,148	\$ 4,260,041
Interest	13,383,258	12,718,166
Differences between expected and actual experience	(2,112,998)	
Benefit payments, including refunds of member contributions	<u>(8,960,559)</u>	<u>(8,256,310)</u>
Net change in total pension liability	6,506,849	8,721,897
Total pension liability - beginning	<u>167,487,666</u>	<u>158,765,769</u>
Total pension liability - ending	<u>173,994,515</u>	<u>167,487,666</u>
Plan fiduciary net position:		
Contributions - employer	2,307,742	2,316,905
Contributions - member	2,099,957	2,096,283
Net investment income	1,307,142	18,083,974
Benefit payments, including refunds of member contributions	(8,960,559)	(8,256,310)
Administrative expense	(29,710)	(29,362)
Other	<u>(231,874)</u>	<u>(308,727)</u>
Net change in plan fiduciary net position	(3,507,302)	13,902,763
Plan fiduciary net position - beginning	<u>142,902,773</u>	<u>129,000,010</u>
Plan fiduciary net position - ending	<u>139,395,471</u>	<u>142,902,773</u>
Net Pension Liability - Ending	<u>\$ 34,599,044</u>	<u>\$ 24,584,893</u>
Plan fiduciary net position as a percentage of the total pension liability	80.11%	85.32%
Covered-employee payroll	\$ 38,311,000	\$ 41,094,000
Net pension liability as a percentage of covered-employee payroll	90.31%	59.83%

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 959,988	\$ 1,078,300
Interest	8,483,287	8,304,594
Differences between expected and actual experience	194,089	
Benefit payments	<u>(7,144,344)</u>	<u>(6,921,764)</u>
Net change in total pension liability	2,493,020	2,461,130
Total pension liability - beginning	<u>108,584,553</u>	<u>106,123,423</u>
Total pension liability - ending	<u>111,077,573</u>	<u>108,584,553</u>
Plan fiduciary net position:		
Contributions - employer	4,227,288	4,201,553
Contributions - member	331,956	359,530
Net investment income	575,432	8,188,947
Benefit payments	(7,144,344)	(6,921,764)
Administrative expense	(29,710)	(29,361)
Other	<u>(7,771)</u>	<u>(2,171)</u>
Net change in plan fiduciary net position	(2,047,149)	5,796,734
Plan fiduciary net position - beginning	<u>62,599,903</u>	<u>56,803,169</u>
Plan fiduciary net position - ending	<u>60,552,754</u>	<u>62,599,903</u>
Net Pension Liability - Ending	<u>\$ 50,524,819</u>	<u>\$ 45,984,650</u>
Plan fiduciary net position as a percentage of the total pension liability	54.51%	57.65%
Covered-employee payroll	\$ 3,790,000	\$ 4,302,000
Net pension liability as a percentage of covered-employee payroll	1,333.11%	1,068.91%

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS'
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 628,936	\$ 769,596
Interest	6,501,155	6,385,020
Differences between expected and actual experience	528,080	
Benefit payments	<u>(5,690,074)</u>	<u>(5,439,284)</u>
Net change in total pension liability	1,968,097	1,715,332
Total pension liability - beginning	<u>83,425,804</u>	<u>81,710,472</u>
Total pension liability - ending	<u>85,393,901</u>	<u>83,425,804</u>
Plan fiduciary net position:		
Contributions - employer	2,823,649	2,808,242
Contributions - member	337,587	360,575
Net investment income	467,255	6,653,019
Benefit payments	(5,690,074)	(5,439,284)
Administrative expense	(29,710)	(29,361)
Other	<u>(7,771)</u>	<u>(1,002)</u>
Net change in plan fiduciary net position	(2,099,064)	4,352,189
Plan fiduciary net position - beginning	<u>50,560,094</u>	<u>46,207,905</u>
Plan fiduciary net position - ending	<u>48,461,030</u>	<u>50,560,094</u>
Net Pension Liability - Ending	<u>\$ 36,932,871</u>	<u>\$ 32,865,710</u>
Plan fiduciary net position as a percentage of the total pension liability	56.75%	60.59%
Covered-employee payroll	\$ 3,430,000	\$ 3,554,000
Net pension liability as a percentage of covered-employee payroll	1,076.76%	925.01%

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 2,307,742	\$ 2,302,606	\$ 2,038,150	\$ 1,898,009	\$ 479,981	\$ 354,382	\$ 764,137	\$ 649,414	\$ 185,534	\$ 74,741
Contributions in relation to the actuarially determined contribution	2,307,742	2,316,905	2,056,897	1,906,102	489,450	362,432	764,137	659,542	195,528	74,736
Contribution Deficiency (Excess)	\$ -	\$ (14,299)	\$ (18,747)	\$ (8,093)	\$ (9,469)	\$ (8,050)	\$ -	\$ (10,128)	\$ (9,994)	\$ 5
Covered-employee payroll	\$ 38,311,000	\$ 41,094,000	\$ 39,897,000	\$ 38,734,928	\$ 34,128,961	\$ 34,128,961	\$ 31,405,160	\$ 31,405,160	\$ 30,170,844	\$ 30,170,844
Contributions as a percentage of covered-employee payroll	6.02%	5.64%	5.16%	4.92%	1.43%	1.06%	2.43%	2.10%	0.65%	0.25%

Notes to Schedule

Valuation date: July 1, 2014
 Measurement date: June 30, 2015
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age
- Amortization method: Level dollar, closed
- Remaining amortization period: 23 years
- Asset valuation method: 5-year smoothed market
- Inflation: 3.5%
- Salary increases: 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond
- Investment rate of return: 8.00%, net of pension plan investment expense
- Retirement age:
 - City:
 - Later of 10 years of service and age 65
 - Any combination of years of service and age equaling 80, with a minimum of 10 years of service
 - Police:
 - Completion of 25 years of service
 - Any combination of years of service and age equaling 80, with a minimum of 10 years of service
 - Age 65
 - Firefighters:
 - Completion of 25 years of service
 - Age 65

Mortality: In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,227,288	\$ 4,201,533	\$ 4,066,540	\$ 4,028,938	\$ 3,683,113	\$ 3,646,850	\$ 3,556,861	\$ 3,509,801	\$ 3,601,188	\$ 3,540,516
Contributions in relation to the actuarially determined contribution	4,227,288	4,201,553	4,066,540	4,028,938	3,683,113	3,646,850	3,556,861	3,509,592	3,611,172	3,240,504
Contribution Deficiency (Excess)	\$ -	\$ (20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209	\$ (9,984)	\$ 300,012
Covered-employee payroll	\$ 3,790,000	\$ 4,302,000	\$ 4,382,000	\$ 4,462,636	\$ 5,027,254	\$ 5,027,254	\$ 5,030,979	\$ 5,030,979	\$ 5,940,009	\$ 5,940,009
Contributions as a percentage of covered-employee payroll	111.54%	97.67%	92.80%	90.28%	73.26%	72.54%	70.70%	69.76%	60.79%	54.55%

Notes to Schedule

Valuation date: July 1, 2014
 Measurement date: June 30, 2015
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age
 Amortization method Level dollar, closed
 Remaining amortization period 28 years
 Asset valuation method 5-year smoothed market
 Inflation 3.0%
 Salary increases 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond
 Investment rate of return 8.00%, net of pension plan investment expense
 Retirement age Earlier of:
 - 20 years of service
 - Age 65 and 10 years of service

Mortality In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS'
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 2,823,649	\$ 2,808,242	\$ 2,643,414	\$ 2,620,905	\$ 2,441,615	\$ 2,419,234	\$ 2,464,361	\$ 2,435,594	\$ 2,605,081	\$ 2,574,201
Contributions in relation to the actuarially determined contribution	<u>2,823,649</u>	<u>2,808,242</u>	<u>2,643,414</u>	<u>2,620,905</u>	<u>2,441,615</u>	<u>2,419,234</u>	<u>2,464,361</u>	<u>2,435,400</u>	<u>2,615,076</u>	<u>2,206,320</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>194</u>	\$ <u>(9,995)</u>	\$ <u>367,881</u>
Covered-employee payroll	\$ 3,430,000	\$ 3,554,000	\$ 3,902,000	\$ 4,349,943	\$ 4,800,571	\$ 4,800,571	\$ 4,696,251	\$ 4,696,251	\$ 4,791,096	\$ 4,791,096
Contributions as a percentage of covered-employee payroll	82.32%	79.02%	67.75%	60.25%	50.86%	50.39%	52.48%	51.86%	54.58%	46.05%

Notes to Schedule

Valuation date: July 1, 2014
 Measurement date: June 30, 2015
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age
 Amortization method Level dollar, closed
 Remaining amortization period 28 years
 Asset valuation method 5-year smoothed market
 Inflation 3.0%
 Salary increases 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond
 Investment rate of return 8.00%, net of pension plan investment expense
 Retirement age Earlier of:
 - 25 years of service
 - Age 65

Mortality In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.76%	13.97%

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.92%	14.68%

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS'
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	0.93%	14.72%

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR**

	<u>2015</u>
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>137,743,578</u>
Total	<u>\$ 137,743,578</u>
City's covered-employee payroll	\$ 52,602,518
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

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.

There are also funds that do not meet the definition of a special revenue fund in accordance with GASB 54, which are combined with the General Fund. Schedule A-1 applies only to the General Fund.

Foreclosure Fund - To account for expenditures and costs recovered related to collections on foreclosed properties.

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

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

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

Vehicle Replacement Fund - To account for vehicle purchases.

**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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Current years' levy	\$ 112,398,273	\$ 112,398,273	\$ 112,389,099	\$ (9,174)
Prior years' levies	2,523,225	2,523,225	2,353,045	(170,180)
Motor vehicle supplement	1,100,500	1,100,500	1,270,902	170,402
Suspense	2,500	2,500		(2,500)
Interest and liens	1,286,000	1,286,000	1,365,918	79,918
Total property taxes	<u>117,310,498</u>	<u>117,310,498</u>	<u>117,378,964</u>	<u>68,466</u>
Intergovernmental:				
State grants for education	55,855,575	55,855,575	55,427,014	(428,561)
Other state grants	6,024,461	6,024,461	5,380,747	(643,714)
Total intergovernmental	<u>61,880,036</u>	<u>61,880,036</u>	<u>60,807,761</u>	<u>(1,072,275)</u>
Charges for services:				
Licenses and permits and fines	198,000	198,000	200,922	2,922
Department fees and other	3,932,317	3,932,317	4,307,111	374,794
Rents	222,252	222,252	240,543	18,291
Total charges for services	<u>4,352,569</u>	<u>4,352,569</u>	<u>4,748,576</u>	<u>396,007</u>
Investment income	<u>404,652</u>	<u>323,535</u>	<u>355,699</u>	<u>32,164</u>
Miscellaneous revenues	<u>859,964</u>	<u>859,964</u>	<u>622,471</u>	<u>(237,493)</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>281,117</u>	<u>1,122,590</u>	<u>841,473</u>
Total revenues and other financing sources	<u>185,007,719</u>	<u>185,007,719</u>	<u>185,036,061</u>	<u>28,342</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
City council	\$ 225,644	\$ 231,890	\$ 231,887	\$ 3
City manager	648,915	517,056	517,053	3
Legal	813,029	1,150,151	1,150,144	7
Personnel	276,272	272,601	272,597	4
City clerk	398,309	379,794	379,792	2
Aviation	404,450	366,127	366,126	1
Elections	231,714	217,760	217,756	4
Insurance	3,192,730	3,076,154	3,076,154	-
Employee benefits	24,934,841	24,557,921	24,557,920	1
Finance general administration	2,934,742	3,044,016	3,044,008	8
Capital equipment	432,363	412,363	354,284	58,079
Management information systems	894,697	881,714	881,707	7
Development and enforcement	705,600	750,055	750,051	4
Inland wetlands	850	677	676	1
Parking	137,067	131,435	131,432	3
Contingency	500,000	234,911		234,911
Total general government	<u>36,731,223</u>	<u>36,224,625</u>	<u>35,931,587</u>	<u>293,038</u>
Finance:				
Finance	736,674	715,983	715,978	5
Purchasing	280,470	263,475	263,472	3
Tax collector	454,033	424,803	424,801	2
Tax Assessor	376,387	299,193	299,190	3
Board of assessment appeals	2,750	3,234	3,233	1
Total finance	<u>1,850,314</u>	<u>1,706,688</u>	<u>1,706,674</u>	<u>14</u>
Public safety:				
Police	12,024,243	11,888,284	11,888,273	11
Fire	8,765,866	8,833,355	8,833,344	11
Emergency communications	1,147,104	1,145,070	1,145,068	2
South Meriden volunteer fire	163,100	137,277	137,275	2
Emergency management	11,100	8,754	8,753	1
Total public safety	<u>22,111,413</u>	<u>22,012,740</u>	<u>22,012,713</u>	<u>27</u>
Public works:				
Engineering	715,918	698,081	698,075	6
Garage and warehouse	429,306	489,596	489,591	5
Traffic engineering	539,373	532,963	532,955	8
Highway safety	2,040,373	2,744,660	2,744,656	4
Transfer station	126,800	116,811	116,807	4
Waste collection	1,433,204	1,462,366	1,462,365	1
Bulky waste	174,383	159,809	159,807	2
Building maintenance	1,140,986	1,198,657	1,198,651	6
Total public works	<u>6,600,343</u>	<u>7,402,943</u>	<u>7,402,907</u>	<u>36</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and welfare:				
Health	\$ 2,045,411	\$ 1,921,390	\$ 1,921,381	\$ 9
Social services	113,316	122,477	122,477	-
Senior center	402,460	374,978	374,973	5
Youth services	162,141	153,533	153,530	3
Total health and welfare	<u>2,723,328</u>	<u>2,572,378</u>	<u>2,572,361</u>	<u>17</u>
Culture and recreation:				
Library	2,168,654	2,168,654	2,168,653	1
Parks	1,619,576	1,657,144	1,657,135	9
Recreation	433,607	478,618	478,615	3
Total culture and recreation	<u>4,221,837</u>	<u>4,304,416</u>	<u>4,304,403</u>	<u>13</u>
Education:				
Board of Education	99,608,340	99,608,340	99,608,340	-
School building committee	1,500	1,500	1,500	-
Total education	<u>99,609,840</u>	<u>99,609,840</u>	<u>99,609,840</u>	<u>-</u>
Debt service:				
Principal retirement	9,048,203	9,048,203	9,048,203	-
Interest	2,096,218	2,096,218	2,114,168	(17,950)
Total debt service	<u>11,144,421</u>	<u>11,144,421</u>	<u>11,162,371</u>	<u>(17,950)</u>
Other financing uses:				
Transfers out	<u>15,000</u>	<u>29,668</u>	<u>54,195</u>	<u>(24,527)</u>
Total expenditures and other financing uses	<u>185,007,719</u>	<u>185,007,719</u>	<u>184,757,051</u>	<u>250,668</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>279,010</u>	\$ <u>279,010</u>

CITY OF MERIDEN, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2015

	General	Foreclosure Fund	Insurance Refund Fund	Tree Preservation Fund	Downtown Property Management Fund	Vehicle Replacement Fund	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 11,676,005	\$ 382	\$ 1,648	\$ 29,210	\$ 124,766	\$ 40,512		\$ 11,872,523
Investments	14,580,008							14,580,008
Receivables, net of allowance for uncollectibles	6,609,361	1,239	24,769		191			6,635,560
Inventory	149,036							149,036
Other assets	5,476							5,476
Due from other funds	5,063,236		260,273				(77,000)	5,246,509
Total Assets	\$ 38,083,122	\$ 1,621	\$ 286,690	\$ 29,210	\$ 124,957	\$ 40,512	\$ (77,000)	\$ 38,489,112
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 13,402,626	\$ 2,527	\$ 137,204	\$ 3,600	\$ 106			\$ 13,546,063
Due to other funds		22,000	55,000				(77,000)	-
Unearned revenue	7,617							7,617
	<u>13,410,243</u>	<u>24,527</u>	<u>192,204</u>	<u>3,600</u>	<u>106</u>	<u>-</u>	<u>(77,000)</u>	<u>13,553,680</u>
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	5,306,853							5,306,853
Unavailable revenue - loans receivable	1,375,009							1,375,009
Advance property tax collections	585,000							585,000
Total deferred inflows of resources	<u>7,266,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,266,862</u>
Fund Balances:								
Reserved for:								
Nonspendable	149,036							149,036
Restricted	937,864							937,864
Committed			94,486	25,610	124,851	40,512		285,459
Unassigned	16,319,117	(22,906)						16,296,211
Total fund balances	<u>17,406,017</u>	<u>(22,906)</u>	<u>94,486</u>	<u>25,610</u>	<u>124,851</u>	<u>40,512</u>	<u>-</u>	<u>17,668,570</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 38,083,122	\$ 1,621	\$ 286,690	\$ 29,210	\$ 124,957	\$ 40,512	\$ (77,000)	\$ 38,489,112

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Foreclosure Fund</u>	<u>Insurance Refund Fund</u>	<u>Tree Preservation Fund</u>	<u>Downtown Property Management Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Transfer Elimination</u>	<u>Total</u>
Revenues:								
Property taxes, interest and lien fees	\$ 117,378,964	\$	\$	\$	\$	\$	\$	\$ 117,378,964
Federal and state government	74,501,716							74,501,716
Charges for services	4,748,576							4,748,576
Investment income	355,699				625			356,324
Other local revenues	850,416	23,832	1,352,652		51,817			2,278,717
Total revenues	<u>197,835,371</u>	<u>23,832</u>	<u>1,352,652</u>	<u>-</u>	<u>52,442</u>	<u>-</u>	<u>-</u>	<u>199,264,297</u>
Expenditures:								
Current:								
General government	37,356,100	41,659		14,700	62,577			37,475,036
Public safety	22,242,310		40,597					22,282,907
Public works	7,427,036		10,521					7,437,557
Health and welfare	5,028,972		1,398,654					6,427,626
Culture and recreation	4,332,835							4,332,835
Education	110,843,185							110,843,185
Debt service:								
Principal retirement	9,048,203							9,048,203
Interest and other charges	2,900,225							2,900,225
Capital outlay						17,494		17,494
Total expenditures	<u>199,178,866</u>	<u>41,659</u>	<u>1,449,772</u>	<u>14,700</u>	<u>62,577</u>	<u>17,494</u>	<u>-</u>	<u>200,765,068</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,343,495)</u>	<u>(17,827)</u>	<u>(97,120)</u>	<u>(14,700)</u>	<u>(10,135)</u>	<u>(17,494)</u>		<u>(1,500,771)</u>
Other Financing Sources (Uses):								
Transfers in	1,680,702					20,000	(20,000)	1,680,702
Transfers out	(58,197)						20,000	(38,197)
Total other financing sources	<u>1,622,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>1,642,505</u>
Net Change in Fund Balances	279,010	(17,827)	(97,120)	(14,700)	(10,135)	2,506	-	141,734
Fund Balances at Beginning of Year	<u>17,127,007</u>	<u>(5,079)</u>	<u>191,606</u>	<u>40,310</u>	<u>134,986</u>	<u>38,006</u>		<u>17,526,836</u>
Fund Balances at End of Year	<u>\$ 17,406,017</u>	<u>\$ (22,906)</u>	<u>\$ 94,486</u>	<u>\$ 25,610</u>	<u>\$ 124,851</u>	<u>\$ 40,512</u>	<u>\$ -</u>	<u>\$ 17,668,570</u>

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Education Grants and Programs - To account for education related grants from the state and federal governments.

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

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

Neighborhood Preservation Program - To account for revolving loan funds.

Asset Forfeiture - To account for drug seizure money from the state and federal governments.

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

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

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

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

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

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

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

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

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

Summer Student - To account for the summer school program.

CAPITAL PROJECT FUNDS

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted or committed for capital outlays including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

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

Miscellaneous Capital Project Grants - To account for grants for various capital projects.

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

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

PERMANENT FUNDS

Permanent Funds – Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

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

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

Library Trust - 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, 2015

	Special Revenue Funds								
	Document Preservation	Community Development Block Grant	COPS Hiring Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Meals on Wheels Program	Neighborhood Preservation (CDBG)
ASSETS									
Cash and cash equivalents	\$ 99,546	\$ 9,347	\$ 1,416	\$ 136,987	\$ 125,561	\$ 2,384,776	\$ 307,440	\$ 77,904	\$ 133,672
Investments									
Accounts receivable	276	188,237	263,584	74		16,730	47,795	4,339	1,850,915
Inventory									
Total Assets	\$ 99,822	\$ 197,584	\$ 265,000	\$ 137,061	\$ 125,561	\$ 2,401,506	\$ 355,235	\$ 82,243	\$ 1,984,587
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$ 37,598	\$	\$ 72,793	\$ 67,547	\$ 2,106,544	\$ 39,448	\$ 494	\$ 141
Unearned revenue					58,014		62,647		
Due to other funds		155,000	265,000			177,500			
Total liabilities	-	192,598	265,000	72,793	125,561	2,284,044	102,095	494	141
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable									1,850,915
Fund Balances:									
Nonspendable									
Restricted	99,822	4,986		64,268		117,462	253,140		133,531
Committed								81,749	
Total fund balances	99,822	4,986	-	64,268	-	117,462	253,140	81,749	133,531
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 99,822	\$ 197,584	\$ 265,000	\$ 137,061	\$ 125,561	\$ 2,401,506	\$ 355,235	\$ 82,243	\$ 1,984,587

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CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds								
	Neighborhood Preservation (Bonded)	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight
ASSETS									
Cash and cash equivalents	\$ 96,765	\$ 304,894	\$ 73,667	\$ 6,471	\$ 15,305	\$ 389,179	\$ 232,925	\$ 109,950	\$ 152,394
Investments									
Accounts receivable	382,796		310,032		3,567	729,096			
Inventory						59,610			
Total Assets	<u>\$ 479,561</u>	<u>\$ 304,894</u>	<u>\$ 383,699</u>	<u>\$ 6,471</u>	<u>\$ 18,872</u>	<u>\$ 1,177,885</u>	<u>\$ 232,925</u>	<u>\$ 109,950</u>	<u>\$ 152,394</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$ 11,129	\$ 255,052	\$ 1,512	\$ 17,573	\$ 296,309	\$	\$	\$
Unearned revenue				4,959					
Due to other funds									
Total liabilities	<u>-</u>	<u>11,129</u>	<u>255,052</u>	<u>6,471</u>	<u>17,573</u>	<u>296,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable	382,796								
Fund Balances:									
Nonspendable						59,610			
Restricted	96,765	293,765							
Committed			128,647		1,299	821,966	232,925	109,950	152,394
Total fund balances	<u>96,765</u>	<u>293,765</u>	<u>128,647</u>	<u>-</u>	<u>1,299</u>	<u>881,576</u>	<u>232,925</u>	<u>109,950</u>	<u>152,394</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 479,561</u>	<u>\$ 304,894</u>	<u>\$ 383,699</u>	<u>\$ 6,471</u>	<u>\$ 18,872</u>	<u>\$ 1,177,885</u>	<u>\$ 232,925</u>	<u>\$ 109,950</u>	<u>\$ 152,394</u>

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CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue Funds			Capital Project Funds					Misc. Capital Project Grants
	Smoke Detector	Misc. Grants and Programs	Summer Student	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition	
ASSETS									
Cash and cash equivalents	\$	\$ 91,892	\$	\$ 123	\$	\$ 9,663	\$ 65,152	\$ 352,189	\$ 11,219
Investments									
Accounts receivable		40,077				68,161	20,205		1,750,379
Inventory									
Total Assets	\$ -	\$ 131,969	\$ -	\$ 123	\$ -	\$ 77,824	\$ 85,357	\$ 352,189	\$ 1,761,598
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$ 53,529	\$	\$	\$	\$ 7,646	\$ 15,308	\$	\$ 561,598
Unearned revenue		34							
Due to other funds						65,000		35,000	1,200,000
Total liabilities	-	53,563	-	-	-	72,646	15,308	35,000	1,761,598
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable									
Fund Balances:									
Nonspendable									
Restricted				123				317,189	
Committed		78,406				5,178	70,049		
Total fund balances	-	78,406	-	123	-	5,178	70,049	317,189	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 131,969	\$ -	\$ 123	\$ -	\$ 77,824	\$ 85,357	\$ 352,189	\$ 1,761,598

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CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Capital Project Funds		Permanent Funds						Eliminating Entries	Total
	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Library Trust	Lorenzo Fuller Award	Charlotte Yale Ives			
ASSETS										
Cash and cash equivalents	\$ 142,178	\$ 53,329	\$ 23,382	\$ 75,539	\$ 483,552	\$ 8,818	\$ 3,328		\$ 5,978,563	
Investments			692,044	1,114,506					1,806,550	
Accounts receivable			2,148	3,803					5,682,214	
Inventory									59,610	
Total Assets	<u>\$ 142,178</u>	<u>\$ 53,329</u>	<u>\$ 717,574</u>	<u>\$ 1,193,848</u>	<u>\$ 483,552</u>	<u>\$ 8,818</u>	<u>\$ 3,328</u>	<u>\$ -</u>	<u>\$ 13,526,937</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$ 35,745		\$ 3,000						\$ 3,582,966	
Unearned revenue									125,654	
Due to other funds									1,897,500	
Total liabilities	<u>35,745</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,606,120</u>	
Deferred Inflows of Resources:										
Unavailable revenue - loans receivable									2,233,711	
Fund Balances:										
Nonspendable			50,000	50,000	327,530	1,017	3,000		491,157	
Restricted			664,574	1,143,848	156,022	7,801	328		3,353,624	
Committed	106,433	53,329							1,842,325	
Total fund balances	<u>106,433</u>	<u>53,329</u>	<u>714,574</u>	<u>1,193,848</u>	<u>483,552</u>	<u>8,818</u>	<u>3,328</u>	<u>-</u>	<u>5,687,106</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 142,178</u>	<u>\$ 53,329</u>	<u>\$ 717,574</u>	<u>\$ 1,193,848</u>	<u>\$ 483,552</u>	<u>\$ 8,818</u>	<u>\$ 3,328</u>	<u>\$ -</u>	<u>\$ 13,526,937</u>	

**CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds								
	Document Preservation	Community Development Block Grant	COPS Hiring Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Meals on Wheels Program	Neighborhood Preservation (CDBG)
Revenues:									
Intergovernmental revenues	\$ 7,500	\$ 972,343	\$ 348,889	\$ 422,007	\$ 790,464	\$ 16,355,003	\$ 753,929	\$ 20,036	\$
Charges for services	20,420						116,945	6,773	
Investment income									
Other						649,762	8,500	119	93,544
Total revenues	<u>27,920</u>	<u>972,343</u>	<u>348,889</u>	<u>422,007</u>	<u>790,464</u>	<u>17,004,765</u>	<u>879,374</u>	<u>26,928</u>	<u>93,544</u>
Expenditures:									
General government	17,017	211,060							41,283
Public safety		326,217	348,889						
Public works									
Health and welfare		310,535		422,007	790,464		819,109	5,755	
Culture and recreation									
Capital outlay									
Education						17,856,843			
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>17,017</u>	<u>847,812</u>	<u>348,889</u>	<u>422,007</u>	<u>790,464</u>	<u>17,856,843</u>	<u>819,109</u>	<u>5,755</u>	<u>41,283</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,903</u>	<u>124,531</u>				<u>(852,078)</u>	<u>60,265</u>	<u>21,173</u>	<u>52,261</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out		(124,531)					(200,000)		
Total other financing sources (uses)	<u>-</u>	<u>(124,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10,903	-	-	-	-	(852,078)	(139,735)	21,173	52,261
Fund Balances at Beginning of Year	<u>88,919</u>	<u>4,986</u>	<u>-</u>	<u>64,268</u>	<u>-</u>	<u>969,540</u>	<u>392,875</u>	<u>60,576</u>	<u>81,270</u>
Fund Balances at End of Year	<u>\$ 99,822</u>	<u>\$ 4,986</u>	<u>\$ -</u>	<u>\$ 64,268</u>	<u>\$ -</u>	<u>\$ 117,462</u>	<u>\$ 253,140</u>	<u>\$ 81,749</u>	<u>\$ 133,531</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, 2015**

	Special Revenue Funds								
	Neighborhood Preservation (Bonded)	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight
Revenues:									
Intergovernmental revenues	\$	\$ 148,867	\$ 3,657,694	\$ 35,872	\$	\$ 4,003,977	\$	\$	\$
Charges for services					15,082	1,001,502	121,067	14,232	28,336
Investment income						908			
Other	41,363	3,625				97,419			
Total revenues	<u>41,363</u>	<u>152,492</u>	<u>3,657,694</u>	<u>35,872</u>	<u>15,082</u>	<u>5,103,806</u>	<u>121,067</u>	<u>14,232</u>	<u>28,336</u>
Expenditures:									
General government									
Public safety		27,024		40,254	27,473				
Public works									
Health and welfare			3,657,694						
Culture and recreation									
Capital outlay									
Education						5,150,049	45,922	27,305	
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>-</u>	<u>27,024</u>	<u>3,657,694</u>	<u>40,254</u>	<u>27,473</u>	<u>5,150,049</u>	<u>45,922</u>	<u>27,305</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>41,363</u>	<u>125,468</u>		<u>(4,382)</u>	<u>(12,391)</u>	<u>(46,243)</u>	<u>75,145</u>	<u>(13,073)</u>	<u>28,336</u>
Other Financing Sources (Uses):									
Transfers in				4,367		4,002			
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,367</u>	<u>-</u>	<u>4,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	41,363	125,468	-	(15)	(12,391)	(42,241)	75,145	(13,073)	28,336
Fund Balances at Beginning of Year	<u>55,402</u>	<u>168,297</u>	<u>128,647</u>	<u>15</u>	<u>13,690</u>	<u>923,817</u>	<u>157,780</u>	<u>123,023</u>	<u>124,058</u>
Fund Balances at End of Year	<u>\$ 96,765</u>	<u>\$ 293,765</u>	<u>\$ 128,647</u>	<u>\$ -</u>	<u>\$ 1,299</u>	<u>\$ 881,576</u>	<u>\$ 232,925</u>	<u>\$ 109,950</u>	<u>\$ 152,394</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, 2015**

	Special Revenue Funds			Capital Project Funds					Misc. Capital Project Grants
	Smoke Detector	Misc. Grants and Programs	Summer Student	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition	
Revenues:									
Intergovernmental revenues	\$	\$ 341,680	\$	\$	\$	\$ 231,144	\$ 292,377	\$ 228	\$ 4,105,174
Charges for services			1,950						
Investment income				1				300	
Other		33,705				10,609			
Total revenues	<u>-</u>	<u>375,385</u>	<u>1,950</u>	<u>1</u>	<u>-</u>	<u>241,753</u>	<u>292,377</u>	<u>528</u>	<u>4,105,174</u>
Expenditures:									
General government		20,445							
Public safety	247	215,285							
Public works		1,547							
Health and welfare		9,798							
Culture and recreation									
Capital outlay		143,677				244,100	294,908		4,105,174
Education			1,950						
Debt service:									
Principal retirement								75,000	
Interest and other charges								49,530	
Total expenditures	<u>247</u>	<u>390,752</u>	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>244,100</u>	<u>294,908</u>	<u>124,530</u>	<u>4,105,174</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(247)</u>	<u>(15,367)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(2,347)</u>	<u>(2,531)</u>	<u>(124,002)</u>	<u>-</u>
Other Financing Sources (Uses):									
Transfers in		22,303				7,525		124,530	
Transfers out					(702,511)				
Total other financing sources (uses)	<u>-</u>	<u>22,303</u>	<u>-</u>	<u>-</u>	<u>(702,511)</u>	<u>7,525</u>	<u>-</u>	<u>124,530</u>	<u>-</u>
Net Change in Fund Balances	(247)	6,936	-	1	(702,511)	5,178	(2,531)	528	-
Fund Balances at Beginning of Year	247	71,470	-	122	702,511	-	72,580	316,661	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 78,406</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ 5,178</u>	<u>\$ 70,049</u>	<u>\$ 317,189</u>	<u>\$ -</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, 2015**

	Capital Project Funds		Permanent Funds					Eliminating Entries	Total
	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Library Trust	Lorenzo Fuller Award	Charlotte Yale Ives		
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$ 32,487,184
Charges for services									1,326,307
Investment income			54,997	44,817		189	71		101,283
Other		46			119,462				1,058,154
Total revenues	<u>-</u>	<u>46</u>	<u>54,997</u>	<u>44,817</u>	<u>119,462</u>	<u>189</u>	<u>71</u>	<u>-</u>	<u>34,972,928</u>
Expenditures:									
General government									289,805
Public safety									985,389
Public works									1,547
Health and welfare									6,015,362
Culture and recreation			22,695	72,088	89,566				184,349
Capital outlay	40,206	6,888							4,834,953
Education									23,082,069
Debt service:									
Principal retirement									75,000
Interest and other charges									49,530
Total expenditures	<u>40,206</u>	<u>6,888</u>	<u>22,695</u>	<u>72,088</u>	<u>89,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,518,004</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(40,206)</u>	<u>(6,842)</u>	<u>32,302</u>	<u>(27,271)</u>	<u>29,896</u>	<u>189</u>	<u>71</u>	<u>-</u>	<u>(545,076)</u>
Other Financing Sources (Uses):									
Transfers in								(124,530)	38,197
Transfers out								124,530	(902,512)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(864,315)</u>
Net Change in Fund Balances	(40,206)	(6,842)	32,302	(27,271)	29,896	189	71	-	(1,409,391)
Fund Balances at Beginning of Year	146,639	60,171	682,272	1,221,119	453,656	8,629	3,257	-	7,096,497
Fund Balances at End of Year	<u>\$ 106,433</u>	<u>\$ 53,329</u>	<u>\$ 714,574</u>	<u>\$ 1,193,848</u>	<u>\$ 483,552</u>	<u>\$ 8,818</u>	<u>\$ 3,328</u>	<u>\$ -</u>	<u>\$ 5,687,106</u>

Internal Service Funds

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

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

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

**CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,071,024	\$ 872,973	\$ 1,943,997
Investments	900,000	4,428,330	5,328,330
Accounts receivable		407,346	407,346
Other assets		23,520	23,520
Total assets	<u>1,971,024</u>	<u>5,732,169</u>	<u>7,703,193</u>
Liabilities:			
Current liabilities:			
Accounts payable	2,671	15,794	18,465
Current portion of claims incurred but not reported	<u>2,422,784</u>	<u> </u>	<u>2,422,784</u>
Total current liabilities	2,425,455	15,794	2,441,249
Noncurrent liabilities:			
Claims incurred but not reported, less current portion	<u>4,845,569</u>	<u>1,883,506</u>	<u>6,729,075</u>
Total liabilities	<u>7,271,024</u>	<u>1,899,300</u>	<u>9,170,324</u>
Total Net Position	<u>\$ (5,300,000)</u>	<u>\$ 3,832,869</u>	<u>\$ (1,467,131)</u>

**CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Operating Revenues:			
Charges for services	\$ 3,976,448	\$ 24,830,998	\$ 28,807,446
Other revenues	390,784	1,195,952	1,586,736
Total operating revenues	<u>4,367,232</u>	<u>26,026,950</u>	<u>30,394,182</u>
Operating Expenses:			
Claims	3,900,927	19,618,820	23,519,747
Administrative	31,027	2,484,360	2,515,387
Other expenses	2,409	2,597,656	2,600,065
Total operating expenses	<u>3,934,363</u>	<u>24,700,836</u>	<u>28,635,199</u>
Operating Income	432,869	1,326,114	1,758,983
Nonoperating Revenues:			
Investment income		178,065	178,065
Change in Net Position	432,869	1,504,179	1,937,048
Net Position at Beginning of Year	<u>(5,732,869)</u>	<u>2,328,690</u>	<u>(3,404,179)</u>
Net Position at End of Year	<u>\$ (5,300,000)</u>	<u>\$ 3,832,869</u>	<u>\$ (1,467,131)</u>

**CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 4,367,232	\$ 25,897,499	\$ 30,264,731
Payments to suppliers	(30,765)	(5,088,617)	(5,119,382)
Payments to vendors	(3,514,899)	(19,618,820)	(23,133,719)
Payments for interfund services used	(1,849,095)		(1,849,095)
Net cash provided by (used in) operating activities	<u>(1,027,527)</u>	<u>1,190,062</u>	<u>162,535</u>
Cash Flows from Investing Activities:			
Sales of investments	1,792,125		1,792,125
Purchase of investments		(1,870,739)	(1,870,739)
Interest on investments		177,523	177,523
Net cash provided by (used in) investing activities	<u>1,792,125</u>	<u>(1,693,216)</u>	<u>98,909</u>
Net Increase (Decrease) in Cash and Cash Equivalents	764,598	(503,154)	261,444
Cash and Cash Equivalents at Beginning of Year	<u>306,426</u>	<u>1,376,127</u>	<u>1,682,553</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,071,024</u>	<u>\$ 872,973</u>	<u>\$ 1,943,997</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating income	\$ 432,869	\$ 1,326,114	\$ 1,758,983
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		(129,451)	(129,451)
Increase (decrease) in accounts payable	2,671	(6,601)	(3,930)
Increase (decrease) in claims payable	386,028		386,028
Increase (decrease) in due to other funds	(1,849,095)		(1,849,095)
Total adjustments	<u>(1,460,396)</u>	<u>(136,052)</u>	<u>(1,596,448)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,027,527)</u>	<u>\$ 1,190,062</u>	<u>\$ 162,535</u>

Fiduciary Funds

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

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

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

AGENCY FUNDS

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

- Senior Trips
- Student Activity Fund
- Performance Bonds
- Police Evidence Fund
- License to Work Fund
- South Meriden Volunteer Firefighters' Award Program

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2015**

	Pension Trust Funds	OPEB Trust Funds	East Cemetery Trust Fund	Scholarship Trust Fund	Total
Assets:					
Cash and cash equivalents	\$ 15,095,424	\$ 858,326	\$ 144,166	\$ 101,231	\$ 16,199,147
Investments, at fair value:					
U.S. treasury bonds	6,671,132				6,671,132
Corporate bonds	18,063,980			148,509	18,212,489
Equities	153,796,554	21,048,923			174,845,477
Mutual funds	11,532,289				11,532,289
Other	43,775,971	2,127,424			45,903,395
Total investments	<u>233,839,926</u>	<u>23,176,347</u>	<u>-</u>	<u>148,509</u>	<u>257,164,782</u>
Accounts receivable	<u>844,312</u>	<u>61,851</u>			<u>906,163</u>
Total assets	<u>249,779,662</u>	<u>24,096,524</u>	<u>144,166</u>	<u>249,740</u>	<u>274,270,092</u>
Liabilities:					
Other liabilities	<u>24,762</u>	<u>20,500</u>			<u>45,262</u>
Net Position:					
Held for Trust Purposes	<u>\$ 249,754,900</u>	<u>\$ 24,076,024</u>	<u>\$ 144,166</u>	<u>\$ 249,740</u>	<u>\$ 274,224,830</u>

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Pension Trust Funds	OPEB Trust Funds	East Cemetery Trust Fund	Scholarship Trust Fund	Total
Additions:					
Contributions:					
Employer	\$ 9,358,679	\$ 5,936,180	\$	\$	\$ 15,294,859
Plan members	4,003,830	3,323,091			7,326,921
Total contributions	<u>13,362,509</u>	<u>9,259,271</u>			<u>22,621,780</u>
Investment earnings:					
Net increase (decrease) in fair value of investments	(849,648)	927,775			78,127
Interest and dividends	4,671,967	378,639	144	6,676	5,057,426
Total investment earnings	<u>3,822,319</u>	<u>1,306,414</u>	<u>144</u>	<u>6,676</u>	<u>5,135,553</u>
Less investment expenses					
Investment management fees	1,452,594				1,452,594
Net investment earnings	<u>2,369,725</u>	<u>1,306,414</u>	<u>144</u>	<u>6,676</u>	<u>3,682,959</u>
Total additions	<u>15,732,234</u>	<u>10,565,685</u>	<u>144</u>	<u>6,676</u>	<u>26,304,739</u>
Deductions:					
Benefits	23,234,542	5,191,609		11,497	28,437,648
Administrative expense	96,773	538,637			635,410
Other	247,337	51,424			298,761
Total deductions	<u>23,578,652</u>	<u>5,781,670</u>		<u>11,497</u>	<u>29,371,819</u>
Change in Net Position	(7,846,418)	4,784,015	144	(4,821)	(3,067,080)
Net Position at Beginning of Year	<u>257,601,318</u>	<u>19,292,009</u>	<u>144,022</u>	<u>254,561</u>	<u>277,291,910</u>
Net Position at End of Year	<u>\$ 249,754,900</u>	<u>\$ 24,076,024</u>	<u>\$ 144,166</u>	<u>\$ 249,740</u>	<u>\$ 274,224,830</u>

**CITY OF MERIDEN, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Senior Trips Activities Fund				
Assets:				
Cash and cash equivalents	\$ <u>409</u>	\$ <u>1,400</u>	\$ <u>825</u>	\$ <u>984</u>
Liabilities:				
Deposits held for others	\$ <u>409</u>	\$ <u>1,400</u>	\$ <u>825</u>	\$ <u>984</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 651,170	\$ 1,478,475	\$ 1,386,013	\$ 743,632
Investments	<u>53,894</u>		<u>53,894</u>	-
Total Assets	\$ <u>705,064</u>	\$ <u>1,478,475</u>	\$ <u>1,439,907</u>	\$ <u>743,632</u>
Liabilities:				
Deposits held for others	\$ <u>705,064</u>	\$ <u>1,478,475</u>	\$ <u>1,439,907</u>	\$ <u>743,632</u>
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 2,227,358	\$ 190,325	\$ 1,156,448	\$ 1,261,235
Accounts receivable	<u>30,034</u>			<u>30,034</u>
Total Assets:	\$ <u>2,257,392</u>	\$ <u>190,325</u>	\$ <u>1,156,448</u>	\$ <u>1,291,269</u>
Liabilities:				
Deposits held for others	\$ <u>2,257,392</u>	\$ <u>190,325</u>	\$ <u>1,156,448</u>	\$ <u>1,291,269</u>
Police Evidence Fund				
Assets:				
Cash and cash equivalents	\$ <u>51,582</u>	\$ <u>65,186</u>	\$ <u>41,990</u>	\$ <u>74,778</u>
Liabilities:				
Deposits held for others	\$ <u>51,582</u>	\$ <u>65,186</u>	\$ <u>41,990</u>	\$ <u>74,778</u>

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**CITY OF MERIDEN, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
License to Work Fund				
Assets:				
Cash and cash equivalents	\$ <u>56,250</u>	\$ <u>22,500</u>	\$ <u>11,250</u>	\$ <u>67,500</u>
Liabilities:				
Deposits held for others	\$ <u>56,250</u>	\$ <u>22,500</u>	\$ <u>11,250</u>	\$ <u>67,500</u>
South Meriden Volunteer Firefighters' Award Program				
Assets:				
Cash and cash equivalents	\$ 41,434	\$ 1,066	\$	\$ 42,500
Investments	<u>147,492</u>	<u>87,991</u>	<u>3,317</u>	<u>232,166</u>
Total Assets	\$ <u>188,926</u>	\$ <u>89,057</u>	\$ <u>3,317</u>	\$ <u>274,666</u>
Liabilities:				
Deposits held for others	\$ <u>188,926</u>	\$ <u>89,057</u>	\$ <u>3,317</u>	\$ <u>274,666</u>
Total				
Assets:				
Cash and cash equivalents	\$ 3,028,203	\$ 1,758,952	\$ 2,596,526	\$ 2,190,629
Investments	201,386	87,991	57,211	232,166
Accounts receivable	<u>30,034</u>	<u></u>	<u></u>	<u>30,034</u>
Total Assets	\$ <u>3,259,623</u>	\$ <u>1,846,943</u>	\$ <u>2,653,737</u>	\$ <u>2,452,829</u>
Liabilities:				
Deposits held for others	\$ <u>3,259,623</u>	\$ <u>1,846,943</u>	\$ <u>2,653,737</u>	\$ <u>2,452,829</u>

Other Schedules

CITY OF MERIDEN, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2015

Grand List of October 1,	Uncollected Balance July 1, 2014	Current Year Levy	Lawful Corrections	Balance to be Collected	Collections			Uncollected Balance June 30, 2015	
					Taxes	Interest	Liens		Total
1998	\$ 240,361	\$	\$ (240,361)	\$ -	\$	\$	\$ -	\$ -	
1999	277,386			277,386	2,396	6,168		8,564	274,990
2000	357,379		(181)	357,198	2,269	5,127		7,396	354,929
2001	323,714		(668)	323,046	1,639	3,273		4,912	321,407
2002	365,156		(417)	364,739	9,099	4,295	24	13,418	355,640
2003	348,664		(100)	348,564	3,993	6,478	24	10,495	344,571
2004	515,510		(220)	515,290	7,140	7,949	24	15,113	508,150
2005	413,323		(158)	413,165	11,403	15,647	24	27,074	401,762
2006	267,537		(749)	266,788	8,246	10,417		18,663	258,542
2007	291,952		(2,380)	289,572	11,583	15,249	120	26,952	277,989
2008	310,132		(2,890)	307,242	15,087	15,095	120	30,302	292,155
2009	489,952		(4,279)	485,673	132,481	66,692	384	199,557	353,192
2010	769,882		(7,055)	762,827	312,031	160,690	864	473,585	450,796
2011	1,230,631		(227,206)	1,003,425	381,494	189,276	2,192	572,962	621,931
2012	3,043,627		(342,962)	2,700,665	1,735,130	363,567	12,540	2,111,237	965,535
Total prior years	9,245,206	-	(829,626)	8,415,580	2,633,991	869,923	16,316	3,520,230	5,781,589
2013		117,460,121	(947,370)	116,512,751	113,706,112	474,847	4,832	114,185,791	2,806,639
Total	\$ 9,245,206	\$ 117,460,121	\$ (1,776,996)	\$ 124,928,331	\$ 116,340,103	\$ 1,344,770	\$ 21,148	\$ 117,706,021	\$ 8,588,228

CITY OF MERIDEN, CONNECTICUT
 SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2015
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
1999	\$ 114	\$	\$	\$	\$ 114	\$	\$	\$	\$ -	\$ 114
2000	68				68				-	68
2001	61				61				-	61
2002	756				756				-	756
2003	60				60				-	60
2004	88				88				-	88
2005	45				45				-	45
2006					-				-	-
2007	16				16				-	16
2008	258				258				-	258
2009	2,189				2,189	783	814	120	1,717	1,406
2010	10,254				10,254	5,008	4,098	713	9,819	5,246
2011	53,249				53,249	22,858	15,197	2,202	40,257	30,391
2012	155,876			3	155,873	85,342	43,969	2,372	131,683	70,531
2013	200,649			386	200,263	122,300	41,931	3,472	167,703	77,963
2014	1,151,281		2,019	9,172	1,144,128	1,005,972	75,170	10,486	1,091,628	138,156
Total prior years	1,574,964	-	2,019	9,561	1,567,422	1,242,263	181,179	19,365	1,442,807	325,159
2015		8,006,965	34,906	61,823	7,980,048	6,938,010	67,687	39,003	7,044,700	1,042,038
Total	\$ 1,574,964	\$ 8,006,965	\$ 36,925	\$ 71,384	\$ 9,547,470	\$ 8,180,273	\$ 248,866	\$ 58,368	\$ 8,487,507	\$ 1,367,197

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2015
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
1999	\$ 152	\$	\$	\$	\$ 152	\$	\$	\$	\$ -	\$ 152
2000	75				75				-	75
2001	69				69				-	69
2002	1,064				1,064				-	1,064
2003	67				67				-	67
2004	99				99				-	99
2005	81				81				-	81
2006	32				32				-	32
2007	34				34				-	34
2008	279				279				-	279
2009	3,207				3,207	471	461	120	1,052	2,736
2010	9,015				9,015	3,504	2,575	744	6,823	5,511
2011	45,914				45,914	19,211	12,582	2,256	34,049	26,703
2012	136,835		688	500	137,023	78,516	37,604	2,390	118,510	58,507
2013	178,963		688	853	178,798	110,057	38,259	3,920	152,236	68,741
2014	1,091,307		1,692	3,142	1,089,857	960,816	70,640	23,984	1,055,440	129,041
Total prior years	1,467,193	-	3,068	4,495	1,465,766	1,172,575	162,121	33,414	1,368,110	293,191
2015		8,677,767	34,376	36,917	8,675,226	7,621,212	70,991	38,739	7,730,942	1,054,014
Total	\$ 1,467,193	\$ 8,677,767	\$ 37,444	\$ 41,412	\$ 10,140,992	\$ 8,793,787	\$ 233,112	\$ 72,153	\$ 9,099,052	\$ 1,347,205

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -
BUDGET AND ACTUAL - SEWER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Sewer connection and use charges	\$ 8,857,288	\$ 8,857,288	\$ 8,128,055	\$ (729,233)
Miscellaneous income	577,991	877,991	497,494	(380,497)
Total operating revenues	<u>9,435,279</u>	<u>9,735,279</u>	<u>8,625,549</u>	<u>(1,109,730)</u>
Operating Expenses:				
Part-time seasonal	1	1		1
Overtime	120,000	120,000	101,628	18,372
Wages - public works	640,872	640,872	687,001	(46,129)
Wages - MME	59,754	59,754	59,791	(37)
Wages - supervisor	419,250	419,250	365,227	54,023
Employee benefits	703,296	703,296	571,106	132,190
Utilities	985,000	985,000	1,105,491	(120,491)
Repairs and maintenance	130,500	130,500	111,203	19,297
Vehicle maintenance	21,500	21,500	17,131	4,369
Audit fees	10,500	10,500	8,554	1,946
Hepatitis B shots	5,000	5,000	2,018	2,982
Fiscal division services	813,035	813,035	813,035	-
General fund services	666,565	666,565	666,565	-
Claims	5,000	5,000		5,000
Supplies	604,341	604,341	424,932	179,409
Biosolid disposals	710,000	710,000	675,088	34,912
Pumping station operations	60,000	60,000	47,812	12,188
Capital outlay	1	300,001	472,239	(172,238)
Memberships and meeting	8,000	8,000	8,000	-
Insurance	737,094	737,094	712,575	24,519
Total operating expenses	<u>6,699,709</u>	<u>6,999,709</u>	<u>6,849,396</u>	<u>150,313</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(2,060,266)	(2,060,266)	(2,060,266)	-
Interest on investments	11,850	11,850	13,508	1,658
Debt service - interest	(754,137)	(754,137)	(802,841)	(48,704)
Total nonoperating expenses	<u>(2,802,553)</u>	<u>(2,802,553)</u>	<u>(2,849,599)</u>	<u>(47,046)</u>
Other Financing Sources (Uses):				
Contribution from net position	66,983	66,983	-	(66,983)
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,073,446)</u>	\$ <u>(1,073,446)</u>

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -
BUDGET AND ACTUAL - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Operating Revenues:				
Water sales and charges	\$ 9,623,005	\$ 9,623,005	\$ 9,138,141	\$ (484,864)
Miscellaneous income	1,893,632	1,893,632	2,007,021	113,389
Total operating revenues	<u>11,516,637</u>	<u>11,516,637</u>	<u>11,145,162</u>	<u>(371,475)</u>
Operating Expenses:				
Part-time seasonal			11,858	(11,858)
Administration	116,294	116,294	118,393	(2,099)
Overtime	145,000	145,000	155,854	(10,854)
Wages - public works	1,654,184	1,654,184	1,764,492	(110,308)
Wages - MME	189,360	189,360	186,490	2,870
Wages - supervisor	282,510	282,510	240,785	41,725
Employee benefits	1,615,372	1,615,372	1,241,874	373,498
Gasoline	50,100	50,100	66,394	(16,294)
Taxes paid to other towns	63,656	63,656	56,344	7,312
Utilities	825,000	825,000	742,623	82,377
Repairs and maintenance	20,000	20,000	22,451	(2,451)
Vehicle maintenance	81,900	81,900	65,238	16,662
Attorney fees	9,000	9,000	2,272	6,728
Audit fees	10,500	10,500	8,554	1,946
Water purchased	327,880	327,880	387,685	(59,805)
Other purchased services	86,575	86,575	49,533	37,042
Hepatitis B shots	4,250	4,250	4,170	80
Fiscal division services	901,505	901,505	901,505	-
General fund services	1,276,253	1,276,253	1,276,253	-
Maintenance of mains	25,000	25,000	20,692	4,308
Maintenance of reservoirs	40,000	40,000	43,193	(3,193)
Maintenance of pump station	40,000	40,000	33,511	6,489
Maintenance of meters	15,000	15,000	13,898	1,102
Supplies	61,000	61,000	50,245	10,755
Services - materials	6,550	6,550	(1,503)	8,053
Treatment expenses	536,700	536,700	387,260	149,440
Water equipment	23,000	23,000	20,960	2,040
Hydrants and mains - materials	10,000	10,000	8,881	1,119
Repairs - trenches	40,000	40,000	38,707	1,293
Capital outlay		60,500	162,670	(102,170)
Memberships and meeting	11,575	11,575	12,122	(547)
Insurance	1,086,808	1,086,808	1,015,111	71,697
Total operating expenses	<u>9,554,972</u>	<u>9,615,472</u>	<u>9,108,515</u>	<u>506,957</u>
Nonoperating Revenues (Expenses):				
Interest on investments	9,650	9,650	9,398	(252)
Debt service - principal	(1,549,343)	(1,549,343)	(1,233,707)	315,636
Debt service - interest	(421,972)	(421,972)	(471,766)	(49,794)
Total nonoperating expenses	<u>(1,961,665)</u>	<u>(1,961,665)</u>	<u>(1,696,075)</u>	<u>265,590</u>
Other Financing Sources (Uses):				
Contribution from net position	-	60,500	-	(60,500)
Excess of Revenues over Expenses	\$ -	\$ -	\$ 340,572	\$ 340,572

**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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Operating Revenues:				
Golf fees	\$ 1,029,547	\$ 1,029,547	\$ 869,523	\$ (160,024)
Miscellaneous income			862	862
Total operating revenues	<u>1,029,547</u>	<u>1,029,547</u>	<u>870,385</u>	<u>(159,162)</u>
Operating Expenses:				
Miscellaneous overtime	92,050	92,050	90,925	1,125
Overtime	16,350	16,350	11,572	4,778
Wages - public works	101,533	101,533	103,539	(2,006)
Wages - supervisors	93,398	93,398	93,482	(84)
Employee benefits	139,247	139,247	133,664	5,583
Golf supplies and expenses	175,437	175,437	202,416	(26,979)
Golf pros	251,000	251,000	224,354	26,646
Club house expenses	35,500	35,500	24,859	10,641
Liability and general insurance	65,339	65,339	66,247	(908)
Capital outlay	15,000	15,000	16,316	(1,316)
Memberships and meeting	1,750	1,750	1,503	247
Total operating expenses	<u>986,604</u>	<u>986,604</u>	<u>968,877</u>	<u>17,727</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(40,000)	(40,000)	(15,000)	25,000
Debt service - interest	<u>(2,943)</u>	<u>(2,943)</u>	<u>(3,219)</u>	<u>(276)</u>
Total nonoperating expenses	<u>(42,943)</u>	<u>(42,943)</u>	<u>(18,219)</u>	<u>24,724</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(116,711)</u>	\$ <u>(116,711)</u>

Statistical Section

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

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

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

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

CITY OF MERIDEN, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN YEARS
(In Thousands)
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net investment in capital assets	\$ 237,700	\$ 187,903	\$ 130,773	\$ 122,787	\$ 101,928	\$ 113,033	\$ 104,751	\$ 101,766	\$ 94,127	\$ 107,105
Restricted	1,357	1,357	1,356	952	1,347	1,257	825	4,220	6,497	5,284
Unrestricted	<u>(171,203)</u>	<u>(173,100)</u> *	<u>(69,494)</u>	<u>(62,882)</u>	<u>(40,973)</u>	<u>(51,488)</u>	<u>(38,240)</u>	<u>(37,108)</u>	<u>(20,224)</u>	<u>(54,963)</u>
Total Governmental Activities Net Position	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 62,635</u>	<u>\$ 60,857</u>	<u>\$ 62,302</u>	<u>\$ 62,802</u>	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 80,400</u>	<u>\$ 57,426</u>
Business-Type Activities:										
Net investment in capital assets	\$ 80,266	\$ 78,893	\$ 81,045	\$ 81,563	\$ 89,259	\$ 91,927	\$ 116,827	\$ 84,022	\$ 77,019	\$ 85,780
Unrestricted	<u>11,682</u>	<u>13,279</u>	<u>12,734</u>	<u>15,870</u>	<u>11,855</u>	<u>10,671</u>	<u>12,428</u>	<u>16,664</u>	<u>27,207</u>	<u>19,366</u>
Total Business-Type Activities Net Position	<u>\$ 91,948</u>	<u>\$ 92,172</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 101,114</u>	<u>\$ 102,598</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 104,226</u>	<u>\$ 105,146</u>
Primary Government:										
Net investment in capital assets	\$ 317,966	\$ 266,796	\$ 211,818	\$ 204,350	\$ 191,187	\$ 204,960	\$ 221,578	\$ 185,788	\$ 171,146	\$ 192,885
Restricted	1,357	1,357	1,356	952	1,347	1,257	825	4,220	6,497	5,284
Unrestricted	<u>(159,521)</u>	<u>(159,821)</u>	<u>(56,760)</u>	<u>(47,012)</u>	<u>(29,118)</u>	<u>(40,817)</u>	<u>(25,812)</u>	<u>(20,444)</u>	<u>6,983</u>	<u>(35,597)</u>
Total Primary Government Net Position	<u>\$ 159,802</u>	<u>\$ 108,332</u>	<u>\$ 156,414</u>	<u>\$ 158,290</u>	<u>\$ 163,416</u>	<u>\$ 165,400</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>	<u>\$ 184,626</u>	<u>\$ 162,572</u>

* Note: Balance was restated for implementation of GASB 68.

CITY OF MERIDEN, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN YEARS
(In Thousands)
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
General government	\$ 12,020	\$ 15,303	\$ 13,392	\$ 35,202	\$ 30,816	\$ 29,931	\$ 29,068	\$ 28,682	\$ 34,754	\$ 24,804
Program and project expenses										
Education	137,161	141,547	132,521	136,298	138,091	132,771	133,862	158,802	115,598	106,287
Public safety	54,674	42,606	44,424	24,364	23,810	24,051	23,155	23,479	19,433	29,390
Public works	12,378	14,168	14,604	10,705	9,249	9,866	10,849	10,037	10,569	10,104
Human services	13,029	11,513	10,560	8,053	8,652	9,233	9,675	8,665	10,262	6,413
Culture and recreation	7,180	5,721	6,689	5,408	5,075	4,414	4,472	4,287		
Interest on long-term debt	4,228	3,340	2,957	3,052	3,024	2,806	3,967	3,209	3,614	4,275
Total governmental activities expenses	<u>240,670</u>	<u>234,198</u>	<u>225,147</u>	<u>223,082</u>	<u>218,717</u>	<u>213,072</u>	<u>215,048</u>	<u>237,161</u>	<u>194,230</u>	<u>181,273</u>
Business-type activities:										
Sewer Authority	11,374	11,206	11,441	10,816	9,659	7,951	8,552	7,893	7,480	6,662
Water Authority	11,674	11,073	11,334	9,882	10,256	10,546	10,628	10,312	8,276	7,885
George Hunter Golf Course	1,468	1,135	1,184	1,303	1,126	976	966	927	881	944
Total business-type activities expenses	<u>24,516</u>	<u>23,414</u>	<u>23,959</u>	<u>22,001</u>	<u>21,041</u>	<u>19,473</u>	<u>20,146</u>	<u>19,132</u>	<u>16,637</u>	<u>15,491</u>
Total Primary Government Expenses	<u>\$ 265,186</u>	<u>\$ 257,612</u>	<u>\$ 249,106</u>	<u>\$ 245,083</u>	<u>\$ 239,758</u>	<u>\$ 232,545</u>	<u>\$ 235,194</u>	<u>\$ 256,293</u>	<u>\$ 210,867</u>	<u>\$ 196,764</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,643	\$ 2,108	\$ 1,959	\$ 1,955	\$ 2,522	\$ 2,246	\$ 2,931	\$ 3,597	\$ 3,376	\$ 5,662
Education	1,139	1,029	1,048	1,061	1,047	1,143	1,208	1,207	1,742	1,386
Public safety	79	77	75	47	50	46	42	65	991	112
Public works	1,982	1,919	1,865	1,813	1,737	1,691	1,634	1,583	117	223
Human services	204	292	314	243	289	378	274	723	195	365
Culture and recreation	29	27	29	43	33	34	31	42	6	
Operating grants and contributions	100,182	100,071	94,358	94,000	89,914	87,388	84,594	109,223	19,914	21,265
Capital grants and contributions	63,460	41,292	10,379	4,094	3,744	2,543	3,989	6,413	6,491	5,895
Total governmental activities	<u>169,718</u>	<u>146,815</u>	<u>110,027</u>	<u>103,256</u>	<u>99,336</u>	<u>95,469</u>	<u>94,703</u>	<u>122,853</u>	<u>32,832</u>	<u>34,908</u>
Business-type activities:										
Charges for services:										
Sewer Authority	8,128	8,629	8,228	8,615	8,507	6,459	5,967	5,964	7,023	6,169
Water Authority	10,171	10,433	9,065	8,255	8,935	8,719	7,663	7,719	7,322	7,458
George Hunter Golf Course	946	982	958	1,074	779	787	827	816	798	786
Capital grants and contributions	3,744	128	284		161	2,676	33,244			
Total business-type activities	<u>22,989</u>	<u>20,172</u>	<u>18,535</u>	<u>17,944</u>	<u>18,382</u>	<u>18,641</u>	<u>47,701</u>	<u>14,499</u>	<u>15,143</u>	<u>14,413</u>
Total Primary Government Program Revenues	<u>\$ 192,707</u>	<u>\$ 166,987</u>	<u>\$ 128,562</u>	<u>\$ 121,200</u>	<u>\$ 117,718</u>	<u>\$ 114,110</u>	<u>\$ 142,404</u>	<u>\$ 137,352</u>	<u>\$ 47,975</u>	<u>\$ 49,321</u>
Net Revenues (Expenses):										
Governmental activities	\$ (70,952)	\$ (87,383)	\$ (115,120)	\$ (119,826)	\$ (119,381)	\$ (117,603)	\$ (120,345)	\$ (114,308)	\$ (161,398)	\$ (146,365)
Business-type activities	<u>(1,527)</u>	<u>(3,242)</u>	<u>(5,424)</u>	<u>(4,057)</u>	<u>(2,659)</u>	<u>(832)</u>	<u>27,555</u>	<u>(4,633)</u>	<u>(1,494)</u>	<u>(1,078)</u>
Total Primary Government Net Expenses	<u>\$ (72,479)</u>	<u>\$ (90,625)</u>	<u>\$ (120,544)</u>	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>	<u>\$ (118,941)</u>	<u>\$ (162,892)</u>	<u>\$ (147,443)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 117,045	\$ 113,452	\$ 108,622	\$ 110,885	\$ 109,377	\$ 106,619	\$ 104,384	\$ 100,322	\$ 105,354	\$ 94,042
Grants and contributions not restricted to specific programs	1,728	1,752	1,801	1,873	2,598	2,720	3,425	3,917	59,928	55,252
Unrestricted investment earnings	856	1,327	680	914	1,218	856	694	1,430	2,483	1,455
Miscellaneous income	3,017	2,904	5,795	3,654	7,391	3,073	10,300	4,207	6,512	4,866
Transfers						836				
Total governmental activities	<u>122,646</u>	<u>119,435</u>	<u>116,898</u>	<u>117,326</u>	<u>120,584</u>	<u>114,104</u>	<u>118,803</u>	<u>109,876</u>	<u>174,277</u>	<u>155,615</u>
Business-type activities:										
Unrestricted investment earnings	66	76	69	92	85	70	121	400	574	461
Miscellaneous income	1,237	1,558	1,702	1,337	1,024	1,043	893	914		
Transfers						(836)				
Total business-type activities	<u>1,303</u>	<u>1,634</u>	<u>1,771</u>	<u>1,429</u>	<u>1,109</u>	<u>277</u>	<u>1,014</u>	<u>1,314</u>	<u>574</u>	<u>461</u>
Total Primary Government	<u>\$ 123,949</u>	<u>\$ 121,069</u>	<u>\$ 118,669</u>	<u>\$ 118,755</u>	<u>\$ 121,693</u>	<u>\$ 114,381</u>	<u>\$ 119,817</u>	<u>\$ 111,190</u>	<u>\$ 174,851</u>	<u>\$ 156,076</u>
Change in Net Position:										
Governmental activities	\$ 51,694	\$ 32,052	\$ 1,778	\$ (2,500)	\$ 1,203	\$ (3,499)	\$ (1,542)	\$ (4,432)	\$ 12,878	\$ 9,249
Business-type activities	<u>(224)</u>	<u>(1,608)</u>	<u>(3,653)</u>	<u>(2,628)</u>	<u>(1,550)</u>	<u>(555)</u>	<u>28,569</u>	<u>(3,319)</u>	<u>(920)</u>	<u>(617)</u>
Total Primary Government	<u>\$ 51,470</u>	<u>\$ 30,444</u>	<u>\$ (1,875)</u>	<u>\$ (5,128)</u>	<u>\$ (347)</u>	<u>\$ (4,054)</u>	<u>\$ 27,027</u>	<u>\$ (7,751)</u>	<u>\$ 11,958</u>	<u>\$ 8,632</u>

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$ 982	\$ 985	\$ 5,515	\$ 7,850	\$ 6,803
Unreserved						13,321	13,267	3,960	3,644	3,009
Nonspendable	149	131	126	134	133					
Restricted	938	948	1,010	520	825					
Committed	285	405	637	580	547					
Assigned										
Unassigned	16,296	16,043	15,725	16,024	16,761					
Total General Fund	\$ 17,668	\$ 17,527	\$ 17,498	\$ 17,258	\$ 18,266	\$ 14,303	\$ 14,252	\$ 9,475	\$ 11,494	\$ 9,812
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$ 6,923	\$ 4,879	\$ 5,716	\$ 6,823	\$ 5,481
Unreserved, reported in:										
Special revenue funds						3,725	3,723	4,038	4,152	5,128
Capital projects funds						(12,326)	(2,183)	(17,843)	(16,392)	(27,054)
Permanent funds						1,391				
Nonspendable	491	517	520	537	522					
Restricted	39,182	5,795	4,465	3,787	6,171					
Committed	1,843	785	19,609	1,178	1,526					
Assigned										
Unassigned		(12,552)		(4,264)	4,813					
Total All Other Governmental Funds	\$ 41,516	\$ (5,455)	\$ 24,594	\$ 1,238	\$ 13,032	\$ (287)	\$ 6,419	\$ (8,089)	\$ (5,417)	\$ (16,445)
Total	\$ 59,184	\$ 12,072	\$ 42,092	\$ 18,496	\$ 31,298	\$ 14,016	\$ 20,671	\$ 1,386	\$ 6,077	\$ (6,633)

Note: The government applied GASB 54 in Fiscal 2011, which accounts for the fund balance categories being different than in previous years.

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Property taxes, interest and lien fees	\$ 117,379	\$ 114,075	\$ 113,887	\$ 109,910	\$ 108,759	\$ 106,583	\$ 104,179	\$ 102,505	\$ 103,735	\$ 95,956
Federal and state government	164,576	141,474	106,500	100,238	96,231	92,650	92,008	119,192	87,064	83,638
Charges for services	6,075	5,453	5,290	5,163	5,678	5,538	6,120	7,217	8,198	7,747
Investment income	678	766	581	533	741	743	643	1,311	2,646	1,455
Other revenues	3,813	2,973	5,908	3,384	7,405	3,481	9,331	4,441	5,252	4,866
Total revenues	<u>292,521</u>	<u>264,741</u>	<u>232,166</u>	<u>219,228</u>	<u>218,814</u>	<u>208,995</u>	<u>212,281</u>	<u>234,666</u>	<u>206,895</u>	<u>193,662</u>
Expenditures:										
Current:										
General government	37,765	34,735	37,906	35,154	30,815	29,900	29,016	30,830	34,809	25,875
Public safety	23,268	22,715	22,614	21,853	21,840	21,052	20,525	19,673	18,608	28,558
Public works	7,439	6,877	7,025	7,017	6,835	6,798	7,128	6,191	6,038	6,617
Health and welfare	12,443	8,255	8,401	7,817	8,281	8,232	8,537	7,457	9,574	6,342
Culture and recreation	4,517	4,259	4,306	4,168	4,020	3,980	3,963	3,817		
Education	133,925	133,770	127,605	128,009	126,494	123,442	122,568	148,186	112,427	102,765
Debt service:										
Principal	9,123	8,309	8,672	8,959	9,542	10,986	10,410	12,778	13,889	13,009
Interest	2,950	3,265	2,938	3,237	3,055	3,413	3,791	4,206	4,174	4,950
Capital outlay	66,638	72,490	14,224	17,217	8,002	8,902	7,709	6,219	11,201	15,967
Total expenditures	<u>298,068</u>	<u>294,675</u>	<u>233,691</u>	<u>233,431</u>	<u>218,884</u>	<u>216,705</u>	<u>213,647</u>	<u>239,357</u>	<u>210,720</u>	<u>204,083</u>
Deficiency of Revenues over Expenditures	<u>(5,547)</u>	<u>(29,934)</u>	<u>(1,525)</u>	<u>(14,203)</u>	<u>(70)</u>	<u>(7,710)</u>	<u>(1,366)</u>	<u>(4,691)</u>	<u>(3,825)</u>	<u>(10,421)</u>
Other Financing Sources (Uses):										
Transfers in	1,719	1,430	372	484	608	1,712	1,015	570	693	342
Transfers out	(1,719)	(1,430)	(372)	(484)	(608)	(876)	(1,015)	(570)	(693)	(342)
Bond issuance	50,380		24,423	1,500	18,764		21,369		16,135	
Bond premium	2,280		609				58			
Issuance of refunding bonds			6,400			32,769				
Premium on refunding bonds			145			3,490				
Payment to escrow			(6,453)			(36,040)				
Lease proceeds										
Total other financing sources	<u>52,660</u>	<u>-</u>	<u>25,124</u>	<u>1,500</u>	<u>18,764</u>	<u>1,055</u>	<u>21,427</u>	<u>-</u>	<u>16,135</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 47,113</u>	<u>\$ (29,934)</u>	<u>\$ 23,599</u>	<u>\$ (12,703)</u>	<u>\$ 18,694</u>	<u>\$ (6,655)</u>	<u>\$ 20,061</u>	<u>\$ (4,691)</u>	<u>\$ 12,310</u>	<u>\$ (10,421)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.2%	5.2%	5.3%	5.6%	5.9%	6.9%	6.9%	7.3%	8.6%	9.1%

**CITY OF MERIDEN, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (In Thousands)**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2015	\$ 2,059,909	\$ 666,466	\$ 64,436	\$ 3,291,848	35.74	70%	\$ 4,702,640
2014	2,001,846	825,224	230,230	3,447,307	34.99	70%	4,924,724
2013	* 2,011,418	842,711	230,411	3,479,853	34.70	70%	4,971,219
2012	2,426,231	843,535	279,450	3,877,407	29.83	70%	5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339
2010	2,419,387	844,179	230,017	3,864,377	28.85	70%	5,520,539
2009	2,411,971	851,316	220,274	3,879,478	27.96	70%	5,542,111
2008	* 2,382,465	850,333	221,915	3,830,329	27.96	70%	5,471,899
2007	2,381,692	865,337	599,566	2,561,231	42.20	70%	3,658,901
2006	1,884,648	802,272	140,582	2,521,867	40.40	70%	3,602,667

Source: City of Meriden Tax Assessor

* Revaluation year

**CITY OF MERIDEN, CONNECTICUT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Rates per \$1,000 of Assessed Value)**

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2015	32.06	3.68	35.74	2.09	2.09	37.83
2014	31.40	3.59	34.99	2.10	2.10	37.09
2013	31.13	3.57	34.70	1.82	1.82	36.52
2012	26.44	3.39	29.83	1.90	1.90	31.73
2011	26.10	3.43	29.53	1.74	1.74	31.27
2010	24.93	3.92	28.85	1.93	1.93	30.78
2009	24.12	3.84	27.96	2.31	2.31	30.27
2008	23.35	4.61	27.96	2.31	2.31	30.27
2007	34.88	7.32	42.20	1.90	1.90	44.10
2006	32.99	7.44	40.43	1.90	1.90	42.33

Source: City of Meriden Tax Collector

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

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

TABLE 7

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

Taxpayer	Fiscal Year Ended June 30, 2015			Taxpayer	Fiscal Year Ended June 30, 2006		
	Assessment	Rank	Percentage of Total City Taxable Assessed Value		Assessment	Rank	Percentage of Total City Taxable Assessed Value
Connecticut Light & Power	\$ 62,129,118	1	1.89 %	Connecticut Light & Power	\$ 26,924,220	2	1.07 %
Meriden Square Partnership	61,596,460	2	1.87	Meriden Square Partnership	26,318,530	3	1.04
Yankee Gas	27,413,640	3	0.83	Yankee Gas	17,335,740	5	0.69
Computer Sciences Corp.	22,867,640	4	0.69	C.S.C. Outsourcing, Inc.	14,578,120	7	0.58
Urstadt Biddle Properties, Inc.	22,050,000	5	0.67	Urstadt Biddle Properties, Inc.	15,109,080	6	0.60
Meriden Square #3 LLC et al	19,991,770	6	0.61	Meriden Square #3 LLC et al	49,320,460	1	1.96
Radio Frequency Systems, Inc.	18,073,420	7	0.55	Radio Frequency Systems, Inc.	19,654,120	4	0.78
Newbury Properties de LLC	15,960,000	8	0.48				
Carabetta Enterprises, Inc.	13,003,260	9	0.40	Carabetta Enterprises, Inc.	10,415,230	9	0.41
Merritt Station LLC	11,207,820	10	0.34	CUNO, Inc.	13,142,920	8	0.52
	<u>\$ 274,293,128</u>		<u>8.33 %</u>	May Department Stores	9,486,030	10	0.38
					<u>\$ 202,284,450</u>		<u>8.03 %</u>

Source: City of Meriden Tax Assessor

**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
2015	\$ 116,512,751	\$ 113,706,112	97.59%	\$ -	\$ 113,706,112	97.59%
2014	113,821,418	110,777,791	97.33%	2,078,092	112,855,883	99.15%
2013	113,481,335	110,334,477	97.23%	2,524,927	112,859,404	99.45%
2012	109,965,111	107,069,554	97.37%	2,444,761	109,514,315	99.59%
2011	108,579,493	105,858,662	97.49%	2,367,639	108,226,301	99.67%
2010	105,882,618	103,229,589	97.49%	2,360,874	105,590,463	99.72%
2009	103,280,297	100,430,840	97.24%	2,571,468	103,002,308	99.73%
2008	103,064,985	99,842,370	96.87%	2,964,073	102,806,443	99.75%
2007	104,173,221	100,818,674	96.78%	2,952,785	103,771,459	99.61%
2006	97,595,530	93,994,623	96.31%	3,092,757	97,087,380	99.48%

Source: City of Meriden Tax Collector

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 (3)	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Notes Payable	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds						
2015	\$ 123,857	\$	\$ 1,275	\$	\$ 13,227	\$ 35,466	\$ 85	\$ 173,910	8.82 %	\$ 1,972,000	61	32	
2014	80,533		1,350		12,757	35,872	82	130,594	6.62	1,972,000	61	32	
2013	89,056		1,425		12,547	37,944	97	141,069	7.15	1,972,000	61	32	
2012	71,879		1,500		12,940	39,477	109	125,905	6.38	1,972,000	61	32	
2011	81,087				14,185	42,059	125	137,456	6.97	1,972,000	59	33	
2010	72,115				14,347	37,319	122	123,903	6.28	1,972,000	59	33	
2009	80,903				15,522	30,280	142	126,847	6.43	1,972,000	58	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	5.15	1,856,000	58	32	
2006	80,476			5,062	6,411	2,968	128	95,045	5.12	1,856,000	58	32	

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

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

(3) U.S. Bureau of Economic Analysis

**CITY OF MERIDEN, CONNECTICUT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Bonded Debt (thousands)	Net Assessed Value (thousands)	Ratio of Net Bonded Debt to Net Assessed Value	Population	Debt Per Capita
2015	\$ 172,635	\$ 3,227,412	5.35	60,691	* \$ 2,844
2014	129,244	3,217,077	4.02	60,456	2,138
2013	139,644	3,249,442	4.30	60,868	2,294
2012	124,405	3,597,957	3.46	60,868	2,044
2011	137,456	3,630,227	3.79	60,868	2,258
2010	123,903	3,634,360	3.41	59,186	2,093
2009	126,847	3,659,204	3.47	59,186	2,143
2008	78,885	3,608,414	2.19	59,468	1,327
2007	93,750	2,420,649	3.87	59,468	1,576
2006	88,785	2,373,437	3.74	59,468	1,493

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

**CITY OF MERIDEN, CONNECTICUT
DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 117,706
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>462</u>
Base	<u>\$ 118,168</u>

	<u>General Long-Term Debt</u>				<u>Pension Bonding</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)	
Debt Limitation: Statutory debt limits by function	\$ <u>265,878</u>	\$ <u>531,756</u>	\$ <u>384,046</u>	\$ <u>443,130</u>	\$ <u>354,504</u>
Debt:					
Notes payable	1,275				
Bonds payable	66,958	51,756			
Bonds authorized but unissued	<u>2,217</u>	<u>11,134</u>			
	<u>70,450</u>	<u>62,890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 195,428</u>	<u>\$ 468,866</u>	<u>\$ 384,046</u>	<u>\$ 443,130</u>	<u>\$ 354,504</u>

*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$827,176.

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limitation	\$ 827,176	\$ 799,316	\$ 798,819	\$ 771,316	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668	\$ 734,819	\$ 659,509
Total net debt applicable to limit	<u>133,340</u>	<u>133,910</u>	<u>130,069</u>	<u>129,058</u>	<u>131,935</u>	<u>94,205</u>	<u>99,416</u>	<u>130,409</u>	<u>194,045</u>	<u>95,045</u>
Legal Debt Margin	<u>\$ 693,836</u>	<u>\$ 665,406</u>	<u>\$ 668,750</u>	<u>\$ 642,258</u>	<u>\$ 633,942</u>	<u>\$ 655,257</u>	<u>\$ 629,914</u>	<u>\$ 587,259</u>	<u>\$ 540,774</u>	<u>\$ 564,464</u>
Total net debt applicable to the limit as a percentage of debt limit	16.1%	16.8%	16.3%	16.7%	17.2%	12.6%	13.6%	18.2%	26.4%	14.4%

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
2015	60,691	\$ 53,831	7.0 %
2014	60,456	53,831	8.3
2013	60,868	52,788	9.8
2012	60,868	52,788	10.0
2011	60,868	52,788	10.8
2010	59,186	52,788	10.4
2009	59,186	52,788	10.2
2008	59,468	52,788	6.5
2007	59,468	52,788	5.1
2006	59,468	31,459 *	5.4

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

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

TABLE 14

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

Employer	2015		Employer	2006	
	Employees	Rank		Employees	Rank
Midstate Medical Center	1,200	1	Midstate Medical Center	1,120	2
AT&T	653	2			
Hunter's Ambulance Service	440	3	Hunter's Ambulance Service	395	4
Bob's Stores Corp	320	4	Bob's Stores Corp	354	6
Canberra Industries, Inc.	317	5			
Carabetta Management	315	6			
CUNO, Inc.	280	7	CUNO, Inc.	400	3
Target Corporation	230	8	Target Stores	202	9
RFS Cable	219	9			
Verizon Wireless	85	10			
			SBC/SNET	1150	1
			State of Connecticut	359	5
			Filene's Department Store	300	7
			Stop and Shop Supermarkets	268	8
			TI Automotive	187	10

Source: Connecticut Department of Labor, City of Meriden Economic Development Office

**CITY OF MERIDEN, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDED JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government	158.5	167.5	166.5	169.5	165	165.5	174	178	185.5	185
Public Safety:										
Police										
Officers	122	121	120	118	117	118	118	115	121	116
Civilians	27	24	18.5	18.5	35.5	32	31	30.5	31.5	31
Fire:										
Firefighters and officers	100	98	99	100	97	96	96	97	95	95
Civilians	3	3	3	3	3	3	3	3	3	3
Emergency Communications	16	17	18	13	13	14	15	14	15	13
Highways and Streets:										
Engineering	9	9	9.5	12	11.5	12	12	11	12.5	12.5
Maintenance	29.5	30	27	28	29	28	29	29	32	31
Culture and Recreation	33.5	45.5	43.5	47.5	29.5	36	29	35.5	32.5	34.5
Golf	13	10	11	12	12	15	13	14	14	12
Water	31	30.5	32	33	33	34	34	30.5	30.5	34
Sewer	15	17	15	14	17	16	15	18.5	19	17
Total	<u>557.5</u>	<u>572.5</u>	<u>563.0</u>	<u>568.5</u>	<u>562.5</u>	<u>569.5</u>	<u>569.0</u>	<u>576.0</u>	<u>591.5</u>	<u>584.0</u>

Source: City of Meriden Payroll System

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

Function / Operating Indicator	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Cases Investigated	11,097	11,298	14,363 B)	n/a B)	27,872 B)	35,973	34,390	38,313	34,784	36,812
Calls for Service	44,705	41,116	44,279 B)	56,178 B)						
Arrests	3,428	3,495	3,012	3,592	3,809	3,491	3,083	3,225	3,147	3,059
Traffic Citations	3,764	3,426	2,723	3,071	4,233	5,958	7,579	4,520	6,866	6,809
Parking Citations	1,981	1,465	1,105	1,050	2,063	1,442	1,396	1,693	1,229	922
Fire										
Emergency Responses	7,710	7,692	7,738	8,650	7,256	7,299	6,424	6,021	6,033	5,787
Non-emergency Responses	1,642	1,471	1,403	1,656	1,574	1,612	1,937	1,911	1,643	1,965
Inspections	2,307	3,359	4,091	4,123	2,409	1,774	2,656	2,542	1,527	2,335
Fire Investigations (C)	70	73	63							
Refuse Collection										
Refuse Collected (Tons)	30,253	28,929	30,297	32,175	32,067	32,702	31,908	31,978	34,952	23,215
Recyclables Collected (Tons)	1,105 F)	2,426	2,775	2,797	2,521	1,813	1,812	1,775	1,777	1,797
Other Public Works										
Street Resurfacing (Miles)	4.26	5.75	5.68	2.04	2.5	2.17	2.24	1	2	5
Potholes Repaired	6,406	7,654	4,792 E)	800	800	785	900	650	705	275
Library										
Volumes in Collection (Print)	249,190	245,620	239,686	234,772	235,134	232,783	233,157	234,897	239,314	239,196
Volumes in Collection (Non-print)	20,857	19,239	18,111	16,707	15,332	14,028	16,860	14,069	13,546	27,742
Total Volumes Borrowed	242,368	251,687	246,198	232,141	231,325	248,017	228,224	191,651	208,194	202,214
Annual Library Visits	288,000	312,442	308,801	307,904	292,421	278,629				
Water										
Average Daily Production (thousands of gallons)	5,001	5,234	5,379	5,560	5,720	5,422	5,960	6,050	6,504	6,893
Average Daily Demand (thousands of gallons)	5,001	5,234	5,379	5,560	5,720	5,422	5,960	5,980	6,333	6,880
Wastewater										
Average Daily Treatment (thousands of gallons)	9,200	10,005	10,983	11,925	12,080	12,917	11,400	11,800	9,400	9,400
Transit										
Total Route Miles	25,243	27,600 A)	27,600 A)	27,600 A)	27,600 A)	27,600 A)	52,999	52,999	52,926	52,980
Passengers	12,847	15,233	17,549	18,274	18,734	18,638	17,521	15,537	16,493	18,638
Human Services										
Environmental Inspections and Responses	3,208	2,919	2,616 D)	2,988	3,621	3,251	3,454	2,402	2,885	2,989
Health and Clinic Services Provided	4,203	4,272	4,892 D)	4,385	4,913	9,366	2,982	4,869	5,252	89,200
School Health Services Provided	83,113	96,690	91,814 D)	134,031	147,718	158,557	116,696	138,513	107,061	93,429
Social Service Worker Clients	381	683	1,102 D)	1,211	1,953	1,683	1,572	2,233	2,377	451
Youth Program Participants	648 G)	5,429	2,081 D)	11,673	11,087	10,498	10,765	8,576	6,843	5,562
Senior Program Participants	20,721	20,400	20,400 D)	8,922	15,287	17,973	19,947	20,471	20,204	19,246

Sources: Various City of Meriden Departments

- A) Change in formula used by the State of Connecticut implemented in 2010.
 B) New police software implemented in 2011 uses new criteria to calculate investigations.
 C) New in 2013 - Fire Investigations completed by the Fire Marshals Office required by State Statute
 D) Calculation methods were changed in 2013
 E) New pothole machine was purchased
 F) Includes inner city only (excludes outer district trash haulers)
 G) Decrease in number is due to not conducting educational programming in Meriden Public Schools

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

Function	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	3	2	3	3	3	3
Fire stations	5	5	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Fields - Municipa	11	11	11	11	11	11	8	8	8	8
Fields - Schools	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (Municipal) (feet)	1,278,060	1,276,601	1,275,235	1,218,960	1,218,120	1,217,120	1,216,560	1,210,732	1,205,030	1,203,815
Fire hydrants (Municipal)	1,493	1,493	1,493	1,496	1,544	1,544	1,552	1,552	1,549	1,544
Fire hydrants (Private)	340	340	339	282	275	275	274	256	239	239
Wastewater										
Sewer line (feet)	1,126,179	1,123,712	1,111,214	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026	1,111,026
Highway										
Paved miles	187.83	187.83	187.36	187.45	187.45	187.45	187.45	187.45	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

Sources: Various City of Meriden Departments