

**CITY OF MERIDEN  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2017**

**CITY OF MERIDEN, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**DEPARTMENT OF FINANCE  
MICHAEL LUPKAS, CPFO  
DIRECTOR OF FINANCE**

**CITY OF MERIDEN  
TABLE OF CONTENTS  
JUNE 30, 2017**

| <b>Introductory Section</b>               |   | <b>Page</b> |
|---|---|-------------|
|   | Letter of Transmittal   | i-xv        |
|   | GFOA Certificate of Achievement   | xvi         |
|   | Organizational Chart  | xvii        |
|   | List of Principal Officials   | xviii       |
| <b>Financial Section</b>                  |   |             |
|   | Independent Auditors' Report  | 1-3         |
|   | Management's Discussion and Analysis  | 4-15        |
| <b>Basic Financial Statements</b>         |   |             |
| <b>Exhibit</b>                            |   |             |
|   | Government-Wide Financial Statements:   |             |
| I   | Statement of Net Position   | 16          |
| II  | Statement of Activities   | 17          |
|   | Fund Financial Statements:  |             |
| III                                       | Balance Sheet - Governmental Funds  | 18-19       |
| IV  | Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds                                | 20-21       |
| V   | Statement of Revenues, Expenditures and Changes in Fund Balance -<br>Budget and Actual - Budgetary Basis - General Fund | 22          |
| VI  | Statement of Net Position - Proprietary Funds   | 23          |
| VII                                       | Statement of Revenues, Expenses and Changes in Net Position -<br>Proprietary Funds                                      | 24          |
| VIII                                      | Statement of Cash Flows - Proprietary Funds   | 25          |
| IX  | Statement of Fiduciary Net Position - Fiduciary Funds   | 26          |
| X   | Statement of Changes in Fiduciary Net Position - Fiduciary Funds  | 27          |
|   | Notes to the Financial Statements   | 28-81       |
| <b>Required Supplementary Information</b> |   |             |
| RSI-1a                                    | Schedule of Changes in Net Pension Liability and Related Ratios - City  | 82          |
| RSI-1b                                    | Schedule of Changes in Net Pension Liability and Related Ratios - Police  | 83          |
| RSI-1c                                    | Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters'   | 84          |
| RSI-2a                                    | Schedule of Employer Contributions - City   | 85          |
| RSI-2b                                    | Schedule of Employer Contributions - Police   | 86          |
| RSI-2c                                    | Schedule of Employer Contributions - Firefighters'  | 87          |
| RSI-3a                                    | Schedule of Investment Returns - City   | 88          |
| RSI-3b                                    | Schedule of Investment Returns - Police   | 89          |
| RSI-3c                                    | Schedule of Investment Returns - Firefighters'  | 90          |
| RSI-4                                     | Schedule of the City's Proportionate Share of the Net Pension Liability -<br>Teachers Retirement Plan                   | 91          |
| RSI-5                                     | Schedule of Changes in Net OPEB Liability and Related Ratios  | 92          |
| RSI-6                                     | Schedule of Employer Contributions - OPEB   | 93          |
| RSI-7                                     | Schedule of Investment Returns - OPEB   | 94          |

**Exhibit****Page**

## Supplemental, Combining and Individual Fund Statements and Schedules

|                              |   |         |
|------------------------------|---|---------|
| General Fund:                |   |         |
| A-1                          | Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -<br>Budget and Actual - Non-GAAP Budgetary Basis | 95-106  |
| A-2                          | Combining Balance Sheet Schedule  | 107     |
| A-3                          | Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  | 108     |
| Nonmajor Governmental Funds: |   |         |
| B-1                          | Combining Balance Sheet - Nonmajor Governmental Funds   | 109-112 |
| B-2                          | Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Governmental Funds             | 113-116 |
| Nonmajor Proprietary Funds:  |   |         |
| C-1                          | Combining Statement of Net Position - Internal Service Funds  | 117     |
| C-2                          | Combining Statement of Revenues, Expenses and Changes in Net Position -<br>Internal Service Funds                       | 118     |
| C-3                          | Combining Statement of Cash Flows - Internal Service Funds  | 119     |
| Fiduciary Funds:             |   |         |
| D-1                          | Statement of Fiduciary Net Position - Private Purpose Trust Funds   | 120     |
| D-2                          | Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds  | 121     |
| E                            | Statement of Changes in Assets and Liabilities - Agency Funds   | 122-123 |
| Other Schedules:             |   |         |
| F                            | Property Taxes Levied, Collected and Outstanding  | 124     |
| G-1                          | Collections of Use Charges - Sewer Authority  | 125     |
| G-2                          | Collections of Use Charges - Water Authority  | 126     |
| H-1                          | Revenues and Expenses - Budgetary Basis - Budget and Actual - Sewer Authority   | 127     |
| H-2                          | Revenues and Expenses - Budgetary Basis - Budget and Actual - Water Authority   | 128     |
| H-3                          | Revenues and Expenses - Budgetary Basis - Budget and Actual -<br>George Hunter Memorial Golf Course                     | 129     |

## Statistical Section

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### Table

|    |  |     |
|----|--|-----|
|    | Financial Trends:  |     |
| 1  | Net Position by Component  | 130 |
| 2  | Changes in Net Position  | 131 |
| 3  | Fund Balances - Governmental Funds                                       | 132 |
| 4  | Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 133 |
|    | Revenue Capacity:  |     |
| 5  | Assessed Value and Estimated Actual Value of Taxable Property            | 134 |
| 6  | Direct and Overlapping Property Tax Rates                                | 135 |
| 7  | Principal Property Taxpayers   | 136 |
| 8  | Property Tax Levies and Collections                                      | 137 |
|    | Debt Capacity:   |     |
| 9  | Ratios of Outstanding Debt by Type                                       | 138 |
| 10 | Ratios of General Bonded Debt Outstanding                                | 139 |
| 11 | Debt Limitation  | 140 |
| 12 | Legal Debt Margin Information  | 141 |
|    | Demographic and Economic Statistics:                                     |     |
| 13 | Demographic and Economic Statistics                                      | 142 |
| 14 | Principal Employers  | 143 |
|    | Operating Information:   |     |
| 15 | Full-Time Equivalent City Government Employees by Function/Program       | 144 |
| 16 | Operating Indicators by Function/Type                                    | 145 |
| 17 | Capital Asset Statistics by Function/Program                             | 146 |

# Introductory Section



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

December 26, 2017

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, 2017.

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

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion of the City of Meriden's financial statements for the year ended June 30, 2017. The independent auditors' report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

### *Description of the Municipality*

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

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

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

### *Form of Government*

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

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

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

A Director of Finance is appointed by the City Manager, subject 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 71,685 square feet. This is the growth rate of land use approvals of applications in the three most recent calendar years (2014, 2015 and 2016).

In calendar year 2016, the Planning Commission or Planning Director approved Site Plan projects which, when constructed, will add:

- 77,625 sq. ft. to the commercial/industrial base; and
- 75 multi-family units



**SITE PLAN DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION / DIRECTOR IN  
CALENDAR YEARS 2014-2016**

| <b>Type of Use/Business</b>            | <b>2014<br/>Building<br/>Sq. Ft.</b> | <b>2015<br/>Building<br/>Sq. Ft.</b> | <b>2016<br/>Building<br/>Sq. Ft.</b> | <b>Total<br/>2014-2016<br/>Sq. Ft.</b> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Commercial Office/Service              |                                      | 17,570                               | 3,000                                | 20,570                                 |
| Commercial Retail                      | 11,800                               | 45,805                               | 18,790                               | 76,395                                 |
| Industrial/Light Ind.                  | 73,300                               | 14,250                               | 48,600                               | 136,150                                |
| <b>TOTAL<br/>COMMERCIAL/INDUSTRIAL</b> | <b>85,100</b>                        | <b>77,625</b>                        | <b>70,390</b>                        | <b>233,115</b>                         |
| Institutional                          | 14,000                               |                                      | 6,200                                | 20,200                                 |
| <b>TOTAL NON-RESIDENTIAL</b>           | <b>61,080</b>                        | <b>77,625</b>                        | <b>76,590</b>                        | <b>253,315</b>                         |
|  | <b>2014<br/>Units</b>                | <b>2015<br/>Units</b>                | <b>2016<br/>Units</b>                | <b>Total 2014-2016<br/>Units</b>       |
| <b>Multi-Family Residential</b>        | <b>10</b>                            | <b>75</b>                            | <b>283</b>                           | <b>368</b>                             |

Approved residential development has increased recently and a large mixed use project is nearing completion. Constructed residential units are indicated below.

**RESIDENTIAL NEW CONSTRUCTION  
PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2014-2016**

| <b>Type</b>               | <b>FY2014<br/>Units</b> | <b>FY2015<br/>Units</b> | <b>FY2016<br/>Units</b> | <b>Total FY2014-FY2016<br/>Units</b> |
|---------------------------|-------------------------|-------------------------|-------------------------|--------------------------------------|
| Multi-Family Residential  | 0                       | 71                      | 75                      | 146                                  |
| Single Family Residential | 8                       | 5                       | 4                       | 17                                   |
| <b>TOTAL RESIDENTIAL</b>  | <b>8</b>                | <b>76</b>               | <b>79</b>               | <b>163</b>                           |

**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.”*

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). 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 2016, a review of progress implementing the POCD found that 33 Plan Actions were completed, and another 40 Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The Planning Department is preparing to do an update of the POCD over the next two years.

### **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 construction of the park was completed in the July of 2016, the Meriden Transit Center was substantially completed in 2017, and a new 63-unit mixed use development and parking garage was completed. Additional information can be found on the website <http://www.meriden2020.com/Downtown-Redevelopment/mixed-use-development-projects/>.



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. A major City proposal in 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 Two/Three Family Residential to R-1 Single Family Residential. Staff research indicated that the nine areas were primarily composed of single family homes, and revising zoning would help to maintain the neighborhoods. Following a public hearing, the City Council changed the Zoning Map designation for these properties. A recent review of these areas indicates the neighborhoods are stable or improving – specifically in areas previously showing a decline.

The Transit Oriented Development (“TOD”) Plan is being implemented on several fronts. First, the Meriden Green park and flood control plan was completed in 2016 and is open for public use. Three acres of the Meriden Green site are set aside for future economic development. The Meriden Transit Center, a \$20 million multi modal facility owned and operated by the Connecticut Department of Transportation, was substantially completed in 2017 and commuter rail service to the station will commence in 2018. A new 63-unit mixed use development at 24 Colony Street was completed in 2016 in addition to a 273 space parking garage shared by the new development and rail commuters. Three additional mixed use development totaling 232 housing units are fully funded, permitted, and are in the construction stage.

Beyond the downtown area, planning to develop large sites for mid to long term economic development continued. Just outside of downtown, the city advanced redevelopment plans for the former Meriden Wallingford hospital site that includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. Just to the east of the former hospital site is 116 Cook Avenue, a 73,000 square foot former medical office building on 10 acres that includes the former Insilco Factory H site. The City selected a master developer for both sites through a competitive bid process in 2017. Funds have been awarded by the State of Connecticut for site cleanup that will commence in 2018. Within the last two years, the City adopted the East Main Incentive the East Main Street commercial corridor. The incentive provides a tax abatement for improvements to real estate for properties located along East Main Street. Several new commercial/retail developments have taken advantage of this incentive including Family Dollar (1324 East Main Street), JD Byrider (1187 East Main Street), Taino’s Smokehouse (under construction at 1388 East Main Street) and Huxley’s restaurant (under construction at 1376 East Main Street). Development along South Broad Street also included a new CVS retail store that opened in 2017.

#### **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. The Falcon Field detention basin located on Westfield Road and the Meriden Green detention basins have been 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 Transit Oriented Development zoning district. Demolition of the obsolete Factory “H” structures was completed in the summer of 2012.
2. Meriden Green - 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 was completed in the July of 2016.
3. 177 State Street – cleanup of the site was completed in the spring of 2017 in advance of construction of a four story mixed use building. The City transferred the site to the Meriden Housing Authority in 2017 for the purposes of developing a two phased mixed use development and the demolition of the Mills public housing project.
4. 11 Crown Street - demolition of the site was substantially completed in 2017. The city has partnered with a private developer to construct and 81 unit mixed use development on the site in 2018-2019.

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

### **C. ECONOMIC DEVELOPMENT**

The goal of the Economic Development Office is to sustain and grow the tax base, foster job growth, and create economic activity across our community. Key economic development activities include managing the City’s business incentive programs, repurposing brownfield sites, marketing and outreach, and fostering transit-oriented development.

#### Incentive Programs

The office of Economic Development manages the City’s business incentive programs, further described on <http://www.meridenbiz.com/incentives/>. Incentives, and are designed to assist businesses that locate or expand in Meriden. Such programs 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.
- **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.
- **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.

- **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 may also receive personal property tax abatements.
- **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. One loan is current and one additional loan has been approved. Seven loans have been paid back in full. The program supports the expansion and retention of the City's manufacturing base. This program also offers a relocation incentive up to \$15,000 per business for companies relocating to Meriden.
- **Commercial Property Assessed Clean Energy ("C-PACE"):** A State of Connecticut Energy 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. To date two companies are participating in the C-PACE program.
- **East Main Street Incentive:** In 2015, the City adopted the East Main Street Incentive to encourage private investment in underutilized and vacant properties, increase traffic to existing businesses, and improve the economic vitality of Meriden's east side. The incentive provides tax abatements related to the improvement of underutilized and vacant properties zoned commercial and located along East Main Street from Bee Street to the Middlefield town line.

In 2016-2017, the following incentives were approved under these aforementioned incentives programs:

**Two (2) CT Small Business Express and/or Manufacturing Assistance Act grant/loans awarded:**

- Nina's Café (\$30,000 grant/loan awarded)
- Logan Steel (\$1 million grant awarded)

**Four (4) State of CT Enterprise Zone (EZ) or Urban Jobs Tax Abatements:**

- Mirion (formerly Canberra)
- Accel International
- Logan Steel
- Aperture Optical Sciences

**Seven (7) City of Meriden EZ Tax Abatements:**

- Wepa art studio, 35 West Main St.
- Genesis hair salon, 45 Colony
- La Poblanita Grocery, 39 Colony
- Meriden Community Pharmacy, 152 Colony
- C-Town, 160 Colony Street
- United Laundry, 72 Cook Avenue
- Ebenezer Restaurant

**One (1) Community Economic Dev. Fund Loans:**

- Moran's TV and Appliance (\$100,000 loan)

**Two (2) tax incentives for proposed, large scale TOD mixed use projects:**

- Michaels Org, 11 Crown Street
- Pennrose 177 State/62 Cedar

### Two (2) City of Meriden IT Zone Property Tax Abatements:

- Record Journal, 500 South Broad Street
- Money Source, 500 South Broad Street

### Two (2) City of Meriden E. Main St. Tax Abatements:

- 1324 East Main Street. Family Dollar. East Main Street incentive.
- 1388 East Main Street. Taino's. East Main Street incentive.

### One (1) City of Meriden Manufacturing Loan

- Aperture, 170 Pond View Drive

### **Brownfields Redevelopment**

Meriden is engaged in a long-term commitment to assess and clean up brownfield sites in the 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. Since 2002 the City has leveraged over \$23 million for assessment, cleanup and remediation activities of those sites. These grants have supported the creation of more available land for housing and commercial development.

### **Marketing and Outreach**

Meriden is in its 15th year of a marketing campaign focusing on business retention and business development. The “Meriden 2020: Bringing It/Together” campaign was launched in 2015 to include electronic and print media campaigns allowing the City to update and maintain online communications, including meridenbiz.com and meriden2020.com websites, and to develop and implement a marketing plan for the use of the 2,000 hours/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 and 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, property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

### **Commercial/Industrial Development**

Recently, several industrial and commercial businesses have undertaken major expansion projects in Meriden. Highlights include the following:

- CVS. 143 South Broad Street. New construction of a 14,000 sf retail pharmacy completed in 2016.
- Aperture Optical. 170 Pond View Dr. Repurpose of a vacant 20,000 sf commercial facility into an office and manufacturing facility. Completed in 2016.
- Family Dollar. 1326 East Main Street. New construction of a 9,250 sf commercial retail facility. Completed in 2016.
- 300 Research Parkway. Repurpose of vacant 35,000 sf commercial/office building into plumbing supply retail/office. To be completed in 2017.
- 1388 East Main Street. Repurpose vacant 8,500 sf former restaurant into new restaurant. To be completed in 2018.
- 1376 East Main Street. New 4,500 sf restaurant completed in 2017.
- 161/177 State Street. New construction of 75-unit mixed use development with 6,500 sf commercial space to be completed in 2018. Total development cost \$24 million.

## **Downtown and Transit-Oriented Development Opportunities**

The City has positioned its downtown for significant change. The City's goal is to transform its city center into a modern, urban area that offers new, mixed-use development in a pedestrian-friendly environment with public open space and access to public transit service. The City has worked in close collaboration with State and federal agencies, educational institutions, non-profit organizations, foundations, and private sector partners to resolve historic flooding issues, clean up underutilized brownfield sites, remake the current rail station area and redevelop the obsolete and the distressed public housing complex at the core of the city center. More than \$100 million in federal, state and City funding is or will be invested in these efforts in the next few years.

The Connecticut Department of Transportation has substantially completed constructions of a \$20 million rail station to replace the aging Amtrak station. The investment is part of the New Haven-Hartford-Springfield ("Hartford 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.

Adjacent to the new transit station at the Meriden Green, the City has completed construction of a \$14 million City park and flood storage area that is part of a \$34 million citywide flood control infrastructure upgrade and the City's Linear Trail system. Implementation of the flood control program will significantly reduce flooding risks for existing and new development in downtown and create an attractive public park, linear greenway trail and central town green around which development can be constructed.

In 2013, the City adopted a Transit-Oriented Development ("TOD") District Zoning Regulation to ensure that new development is of high quality and blends with the existing historic character. The zoning regulation is supported by the 2009 Plan of Conservation and Development. The TOD Zoning Regulation, which covers roughly the one-half mile area surrounding the Meriden Transit Center, provides flexibility in terms of use while establishing design criteria, flexible adaptive reuse guidelines and a streamlined permitting process. A new, mixed-use development at 24 Colony Street was completed in 2016. The \$22 million project is the City's first transit oriented development project. Meriden Commons I, a mixed-use development at 177 State St. is under construction and plan for Meriden Commons II and 11 Crown St. mixed-use developments were approved by the Director of Development & Enforcement. These mixed-use developments will bring in over \$70 million in new development in the TOD. Plans are also underway to transform the Mills Memorial Public Housing Complex using a US Department of Housing and Urban Development ("HUD") "Choice Neighborhoods" planning grant.

New development throughout the TOD District will take advantage of Meriden's central location and proximity to major employment centers. Once the rail service is operational, nearly 140,000 workers located within one mile of a rail station will be able to commute to Meriden within a 40-minute ride. An analysis of residential supply and demand indicates a potential demand for 600 to 1,000 housing units in the TOD District and up to 30,000 square feet of service and specialty retail to support the new development. This new housing and retail will be attractive to young workers and empty nesters seeking high quality affordable and workforce housing.

The City recently selected three developers to complete mixed use development at key development areas around the TOD District. One King Place LLC has been selected to develop 116 Cook Ave., the former Factory H site, and the former Meriden Wallingford hospital site, Pennrose Properties, has been selected to develop around the Meriden Green at 1-77 State Street, and the Michaels Organization has been selected to develop 11 Crown Street following demolition of the former Record Journal building.

- **116 Cook Avenue:** Once a part of the International Silver manufacturing complex, the complex was converted into medical office space in the 1980's, but has been vacant since the 1990's. The City acquired 116 Cook Ave. in 2010 for redevelopment. The property includes a 74,000 square foot vacant building on 5.64 acres.
- **Factory H:** 77 Cooper Street, 85 Cooper Street, and 104 Butler Street, formerly known as "Factory H" together comprise 7.54 acres. The site, which previously housed an International Silver Company manufacturing facility dating back to the 1890's, ceased operation in the 1970's and was abandoned for over 40 years. The City acquired Factory H in 2010, demolished the former industrial buildings in 2012, and completed extensive environmental assessment and cleanup, and disposal of hazardous materials. The former boiler house remains on the site as well as the slab that was underneath the former factory buildings. The City envisions redevelopment of this parcel into a mixed use area that includes housing units and links to the regional greenway trail. This site has the potential to be combined with 116 Cook Ave. to comprise a 10-acre development parcel. The site is zoned TOD Hanover.
- **Meriden Green:** Located at 1-77 State Street and 30-50 East Main Street, the Meriden Green is a 14.4-acre City-owned parcel that has undergone extensive environmental assessment and cleanup. The City has transformed the site into a City park that serves the purposes of providing public green space, flood storage and 3 acres for economic development. Repurposing this centrally located parcel is key to the success of the new transit center and the transit-oriented development district. The site historically served as a center of industrial and commercial activity in Meriden's downtown, and the City's goal is to make this a premier economic development and community gathering spot again. Construction at the Meriden Green site commenced in January 2014 and was completed in 2016. The \$14 million project includes several key features, including a public park with gathering places and links to the regional greenway system, pedestrian links to the new transit center, an amphitheater and great lawn area for public events, and a day-lighted Harbor Brook. The site is zoned TOD Park. Development parcels, totaling 3.4 acres, are located in the northwest corner along State Street and on the east side along Pratt Street. These areas will lie outside of the 100-year floodplain. Plans for the site include 170 rental housing units and 60,000 square foot of leasable commercial space. Future development must take into consideration the Environmental Land Use Controls that were put in place as part of the construction of the Harbor Brook Flood Control Plan. Completed environmental assessments include Phase I/II/III environmental site assessments, hazardous building materials survey, NEPA Environmental Assessment, soil investigation and other work.
- **11 Crown Street, Former Record Journal Site:** The City acquired the 1.6-acre property in 2014 for redevelopment purposes. Demolition of the 33,000 sf office building was substantially completed in 2017. The parcel is zoned TOD Park.
- **1 King Place-Former Meriden Wallingford Hospital:** Located within a half block of the Factory H site is the former Meriden-Wallingford Medical Center, located at 1 King Place. The site includes a 245,000 square foot building occupying two city blocks totaling 5.64 acres. The parcel is zoned TOD Hanover. The City acquired the property through tax foreclosure in 2014. The City has signed a contract with One King Place LLC to conduct an adaptive reuse study of the parcel. Preliminary concepts include medical office space, housing, grocery store in addition to other amenities.



## **Municipal and Public Facility Development**

The following represent highlights to the City's recent municipal and public facility development:

In November 2007, the City opened a nature walk/bike recreation trail along the Quinnipiac River, the first phase of a linear trail planned to transect the City diagonally from the southwest to the northeast. It is heavily utilized and popular. It was designated as an official Connecticut Greenway in 2012. Phase II of the trail system, funded by a combination of federal and State funding, was completed in 2013 and was designated an official Connecticut Greenway in June 2014. Design for Phases III and IV, which will bring the trail close to the City center, was approved in the City's 2015 Capital Improvement Plan. Funding will be sought through the Regional Council of Governments TIP program. In 2008, the City completed construction of Falcon Field, a new state of the art municipal artificial turf football and soccer field facility. The facility, funded by a State grant, hosts numerous events including state-wide playoff games and is rented to private and public users. In 2010, the City completed an irrigation project at Hunter Memorial Golf Course, funded through user fees paid into the golf enterprise fund. City athletic field upgrades, including irrigation, replacement fencing and new lighting, were completed in 2011, bringing to a close the City's five-year park and recreation plan for that period. The Park and Recreation Task Force was reconvened in 2011, resulting in a new five-year plan beginning in 2012. In addition to the Meriden Green project described below, the City has completed improvements to City Park which is located near the City center, funded through a combination of City, State and private foundation grants. The Meriden Green park and flood control project was completed in September 2016 and is now open to the public providing 14 acres of open space and floodwater detention in downtown.

New high efficiency boilers were installed in City Hall in 2009 through American Recovery and Reinvestment Act ("ARRA") funding. Similar high efficiency systems were installed in the Meriden Public Library ("Library"), funded by a combination of State and local sources. Energy costs in both facilities have been reduced by approximately \$75,000 per year. The City also completed an addition to the Library parking lot, repair of its elevator and will complete other interior and exterior Library projects shortly, all of which projects were partially funded through State Library grant funds. Additionally, replacement of oil fired boilers in four City elementary schools, over the next three years, is currently underway. A backup power generator, funded by a State of Connecticut Department of Public Utility Control grant, was added to City Hall in 2009. Beginning in 2008, the City replaced its traffic signal lights with LED lighting, resulting in energy cost savings. The City completed installation of a compressed natural gas fueling station, with ARRA funds obtained as a sub-recipient to the Clean Cities coalition. The City has nine CNG powered passenger vehicles, one van and traffic sign truck. Cost differential in the purchase price have been funded through grants from the State. The City is considering the installation of a second CNG fueling station for use by private businesses that have expressed an interest in such a facility. The City has installed four electric vehicle charging stations, which are open to the public, and purchased one dedicated electric vehicle. Funds for this project were provided by the CT Department of Energy and Environmental Protection. The City has been awarded a \$2.3 million grant in FEMA Hazard Mitigation to replace all its public utility back-up generators.

The City purchased the street light network from Eversource and installed new LED lamps. Phase I (cobra style overhead lighting) and Phase II (decorative lighting) has been completed. Phase III (parking lot and sport lighting) is under design. The cost for the project was funded through the Capital Improvement Program and rebates from Eversource are assisting in reducing the overall cost of the project.

In 2010, the City completed a \$46 million comprehensive upgrade to its municipal sewer treatment facility. The facility has expanded capacity, improved water pollution results, reduced nitrogen levels (allowing the City to be a seller of nitrogen credits rather than a purchaser of credits) and reduced electricity usage. The project was funded through grants and low interest loans to be repaid through user fees. For more information, refer to the section entitled "Clean Water Fund Program" herein. The City completed work on the \$19 million Broad Brook water treatment plant upgrade in 2016. This upgrade was funded through grants and low interest loans to be repaid through user fees.

The City purchased a new \$1.2 million fire ladder truck, funded 50% through federal Fire Act funds. The City has taken delivery of the new truck. The City has completed renovations to its emergency communications center, including a new fourth public safety answering point, funded through State grant and City funds.

In addition to its regular road maintenance program, the City completed a major road reconstruction and streetscape project on Curtis Street in 2009, a major road reconstruction of Baldwin Avenue and Gravel Street which serves as the primary access road to Maloney High School, and in 2015 completed the West Main Street Streetscape Project, reconstructing the roadway and sidewalks with period lighting and other amenities on West Main Street, the main roadway from the City center to the western section of the City, and completed sidewalk reconstruction on West Main Street from Cook Ave. to Grove Street. This project was funded by a combination of federal and State funds. The City has been awarded nearly \$3 million in CMAQ funding approval to undertake a traffic signal modernization and upgrade program and approximately \$3 million in LOTCIP funds to upgrade Pratt Street in downtown Meriden.

The City has continued work on the Harbor Brook Flood Control Project. In 2012, the City was awarded permits from the State Department of Energy and Environmental Protection, and the Army Corps of Engineers for the entire Harbor Brook flood control plan. The State of Connecticut has completed work on the Cook Avenue Bridge and the installation of the Columbus Avenue Relief Culvert has been completed. The City completed construction of detention projects at Westfield Road (Falcon Field) and at the Meriden Green. The Meriden Green project transformed an underutilized City brownfield property in the City Center into a flood control area that will detain 53 acre feet of water in high storm conditions and allow use of the property as a central park and green space in normal conditions. The park features amenities such as a performance amphitheater, public plazas, a great lawn area, an iconic pedestrian bridge and nearly a three-acre footprint for economic development purposes. The final cost of the Meriden Green project is in excess of \$14 million. The City of Meriden received \$615,000 in US Environmental Protection Agency funds, \$4 million in Urban Act, Brownfields Pilot and other funds administered by the State of Connecticut Department of Economic and Community Development (DECD), and \$8.8 million in funds provided through the Connecticut Department of Energy and Environmental Protection (DEEP). The City of Meriden provided local funds for construction administration and flood control engineering services. Engineering work has begun on the Amtrak Railroad Bridge Bypass Culvert, channel improvements between Bradley/Coe Avenues and Cooper Street, Cooper Street bridge replacement, the Dog's Misery Swamp Mitigation project, invasive species management at Brookside Park, and the Center Street Bridge project. Completion of the Harbor Brook project will reduce the floodplain from 225 to 95 acres and the number of properties and structures in the floodplain from over 300 to 50. The \$105 million "like new" renovation of Francis T Maloney High School will be substantially complete by the end of 2016 and the \$110 million "like new" renovation of Orville Platt High School will be substantially complete by August 2017. Both of these projects are expected to receive grant funding of approximately 77%.

### **Residential Development**

During 2016, and in the first half of 2017 residential development activity continued to progress. One major residential development is the Meriden Commons I which consists of 75 residential units and 5,500 square feet retail space

## **Comprehensive Planning and Future Mixed Use Developments**

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). Adopted in 2009 by the City Planning Commission and the City Council, the POCD includes specific Plan Actions to promote its objectives, including targeted investments, regulatory changes and economic development. In 2016, a review of progress implementing the POCD found that 33 Plan Actions were completed, and another 40 Plan Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The Planning Department is preparing to do an update of the POCD over the next two years.

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. A major City proposal in 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 Two/Three Family Residential to R-1 Single Family Residential. Staff research indicated that the nine areas were primarily composed of single family homes, and revising zoning would help to maintain the neighborhoods. Following a public hearing, the City Council changed the Zoning Map designation for these properties. A recent review of these areas indicates the neighborhoods are stable or improving – specifically in areas previously showing a decline.

The Transit-Oriented Development (“TOD”) Plan has started to be implemented. 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 new central park (“Meriden Green”) that can support flood control. The Meriden Green was completed in July 2016 and multiple, mixed-use, development proposals surrounding the new park have been given conditional zoning approval.

To ensure that new high quality development is facilitated, the Planning Director has worked closely with the City Manager and Economic Development to review and advise the major mixed use TOD building projects. The first project approved was a four story building which includes first floor retail space, 63 units of mixed income housing and a 273 space multi-story parking garage to accommodate the transit center and rail service. The project was completed and ready for occupancy by December 1, 2016. The second development to begin was Meriden Commons I, which includes 75 mixed-income apartments and 5,500 square feet of first floor retail space.

Beyond the downtown area, planning to develop large sites for mid to long term economic development has continued. A focus of such efforts in 2016 is a large City owned site on South Mountain Road and a former hospital site in the TOD zone. The former Meriden Wallingford Hospital site includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. In addition, the Planning Department, along with the Economic Development Office, completed the study, “First Mile, Last Mile” to evaluate the area’s mass transit bus service and how coordination with the new commuter rail line could benefit City residents and those who work within the City.

## **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 contribute to the funding of three City departments and 23 local non-profit agencies that provide services to low and moderate income persons, and funds 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 2017 Fiscal Year included:

- Funding 23 public service programs that served over 77,000 low and moderate income Meriden residents.
- Conducting 4,921 code enforcement inspections in the CDBG target areas.
- Coordinating the preparation of the Choice Neighborhood Implementation Plan in an effort to secure \$20 million in HUD grant funds connected to the \$500,000 Choice Planning grant that was previously awarded to Meriden.
- 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 2017, the City of Meriden received \$892,364 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 2017 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. The Meriden Housing Authority and the City are joint recipients of a \$500,000 HUD Choice Neighborhood Planning grant. The purpose of the grant is to develop a Transformation Plan for the redevelopment of the Mills Memorial public housing site and the surrounding central business district. This activity is coupled with other initiatives already underway in Meriden, including the Meriden Family Zone Promise Neighborhood, the Meriden Green Redevelopment and Remediation/Park project, Transit Oriented Development and the New Haven-Hartford-Springfield High Speed Intercity Passenger Rail Corridor Program and a focus on crime reduction strategies all in the CDBG Target Area.

During FY 2017, the Community Development office managed approximately 25 other state and federal grants totaling over \$7 million. The Economic Development Department continues to administer \$4M in funds from DECD for assessment, remediation and demolition projects 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, 2016. This was the thirteenth 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, Agnes Puzio, Accountant II and Karen Ferrigno, Accountant. 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 written in a cursive, flowing style.

Michael Lupkas, CPFO  
Director of Finance



Government Finance Officers Association

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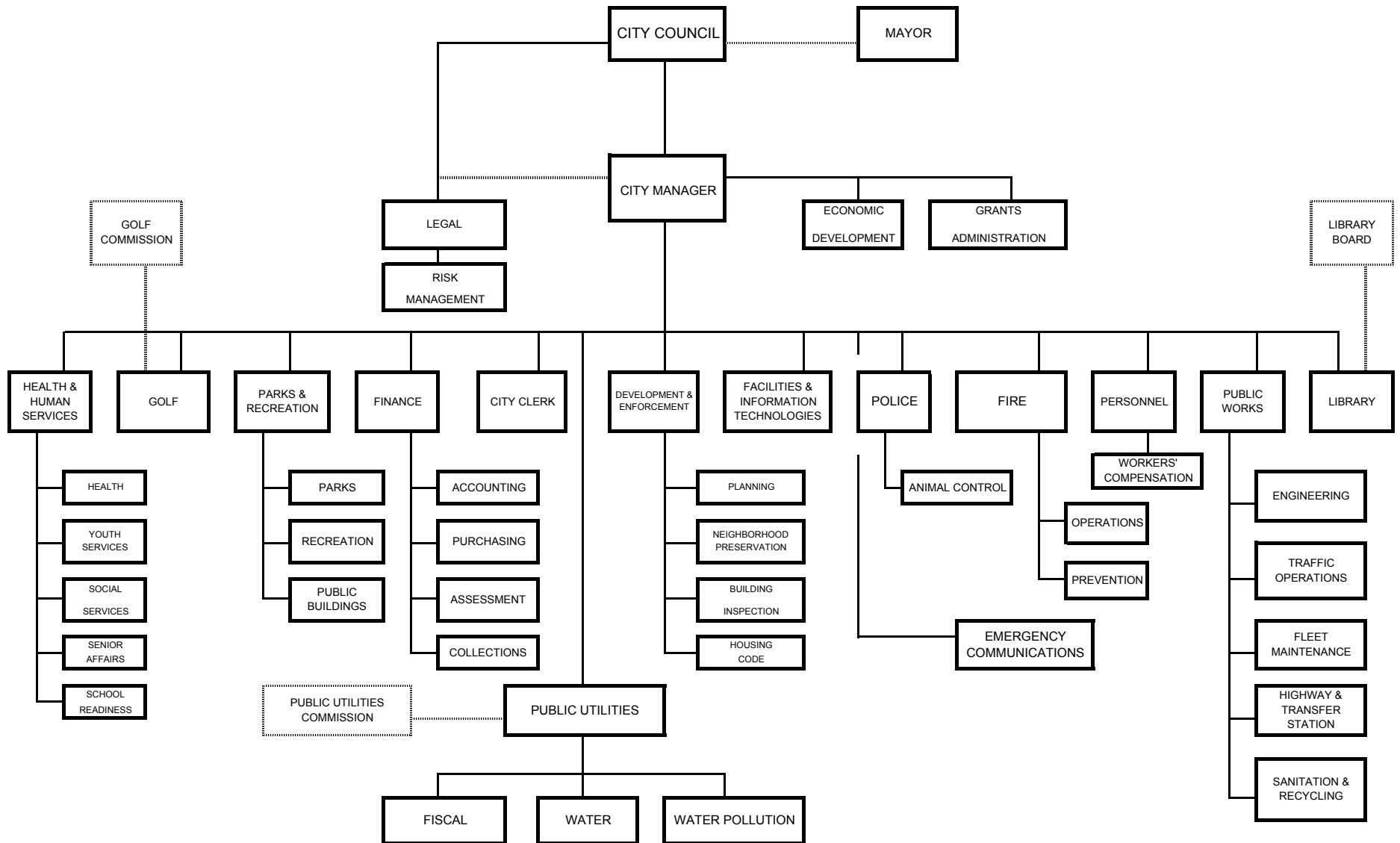
**City of Meriden  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

**CITY OF MERIDEN  
ORGANIZATIONAL CHART**



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2017

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**MAYOR**

Kevin M. Scarpati

**CITY COUNCIL**

Michael P. Cardona, Deputy Mayor  
Brian P. Daniels, Majority Leader  
Daniel Brunet, Minority Leader  
Catherine R. Battista, Deputy Majority Leader  
David D. Lowell, Deputy Majority Leader  
Walter A. Shamock, Deputy Minority Leader  
Joseph Carabetta III, City Councilor  
Miguel Castro, City Councilor  
Larue A. Graham, City Councilor  
Sonya R. Jelks, City Councilor  
Lenny Rich, City Councilor  
Bob Williams, Jr., City Councilor

**CITY MANAGER**

Guy Scaife

**ADMINISTRATION**

|   |                  |
|---|------------------|
| City Clerk  | Denise Grandy    |
| Director of Finance                               | Michael Lupkas   |
| Police Chief                                      | Jeffry Cossette  |
| Fire Chief  | Kenneth Morgan   |
| Corporation Counsel                               | Michael Quinn    |
| City Attorney                                     | Deborah Moore    |
| Director of Development and Enforcement           | Robert Seale     |
| Director of Economic Development                  | Juliet Burdelski |
| Director of Emergency Communications              | Doree Price      |
| Director of Health and Human Services             | Lea Crown        |
| Director of Facilities & Information Technologies | Russell Ford     |
| Director of Parks and Recreation                  | Chris Bourdon    |
| Director of Personnel                             | Marci Nogueira   |
| Director of Public Works                          | Robert J. Bass   |
| Director of Public Utilities                      | Dennis Waz       |
| Library Director                                  | Karen Roesler    |
| Golf Course Facilities Manager                    | Thomas DeVaux    |

**BOARD OF EDUCATION**

Mark A. Hughes, President  
Dr. Steven J. O'Donnell, V. President  
John D. Lineen Treasurer  
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Allan E. Pronovost  
Marisol Estrada  
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**BOARD OF EDUCATION ADMINISTRATION**

Dr. Mark Benigni, Superintendent of Schools  
Dr. Miguel A. Cardona, Assistant Superintendent, Teaching and Learning  
Michael Grove, Assistant Superintendent, Finance and Administration  
Louis Bronk, Director of Talent Development  
Patricia Sullivan-Kowalski, Director of Pupil Personnel & Special Education Programs



# Financial Section



Accounting | Tax | Business Consulting

## **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, 2017, 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 from 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, 2017 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 Principles***

As discussed in Note 11 and Note 13 to the financial statements, respectively, during the fiscal year ended June 30, 2017, the City adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to these matters.

## ***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 15, and the pension schedules on pages 82 through 94 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 26, 2017 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Meriden, Connecticut's 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 26, 2017

**CITY OF MERIDEN, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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, 2017. 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 \$178 million. Total net position for Governmental Activities at fiscal year-end was \$96.7 million and total net position for Business-Type Activities was \$81.3 million. (Exhibit I)
- On a government-wide basis, during the year, the City's net position decreased by \$11.5 million or 6.1%, from \$189.5 million to \$178 million. Net position decreased by \$7.8 million for Governmental Activities and decreased by \$3.7 million for Business-Type Activities. Governmental Activities expenses were \$272.9 million, while revenues were \$265.1 million. The large decrease in governmental activities net position is primarily due to the increase in depreciation expenses associated with newly constructed schools. (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 \$79.4 million, an increase of \$55 million from the prior fiscal year. The increase is primarily attributable to the receipt of bond proceeds in the current period resulting in an increase in fund balance of \$55 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 \$18.3 million, an increase of \$0.2 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2017, \$16.8 million represents unassigned General Fund fund balance. Unassigned General Fund fund balance at year-end represents 7.8% of total General Fund expenditures and transfers out (\$215.9 million), which is a decrease of 0.3% 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 31 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 29 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 28-81 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 82-94 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 \$178 million on June 30, 2017. Governmental activities assets exceeded liabilities by \$96.7 million. Business-type activities assets exceeded liabilities by \$81.3 million.

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

|  | Governmental<br>Activities |                   | Business-Type<br>Activities |                  | Total             |                   |
|--|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
|  | 2017                       | 2016              | 2017                        | 2016             | 2017              | 2016              |
| Current and other assets                           | \$ 116,841                 | \$ 74,361         | \$ 26,664                   | \$ 19,578        | \$ 143,505        | \$ 93,939         |
| Capital assets, net of<br>accumulated depreciation | 406,194                    | 379,297           | 135,390                     | 140,249          | 541,584           | 519,546           |
| Total assets                                       | <u>523,035</u>             | <u>453,658</u>    | <u>162,054</u>              | <u>159,827</u>   | <u>685,089</u>    | <u>613,485</u>    |
| Deferred outflow of<br>resources                   | <u>22,813</u>              | <u>30,468</u>     | <u>2,005</u>                | <u>2,753</u>     | <u>24,818</u>     | <u>33,221</u>     |
| Current liabilities                                | 54,844                     | 48,024            | 7,703                       | 6,356            | 62,547            | 54,380            |
| Long-term liabilities<br>outstanding               | <u>387,138</u>             | <u>327,283</u>    | <u>74,714</u>               | <u>70,957</u>    | <u>461,852</u>    | <u>398,240</u>    |
| Total liabilities                                  | <u>441,982</u>             | <u>375,307</u>    | <u>82,417</u>               | <u>77,313</u>    | <u>524,399</u>    | <u>452,620</u>    |
| Deferred inflow of<br>resources                    | <u>7,208</u>               | <u>4,415</u>      | <u>295</u>                  | <u>183</u>       | <u>7,503</u>      | <u>4,598</u>      |
| Net Position:                                      |                            |                   |                             |                  |                   |                   |
| Net investment in<br>capital assets                | 288,360                    | 283,492           | 67,843                      | 80,893           | 356,203           | 364,385           |
| Restricted   | 1,361                      | 1,359             |                             |                  | 1,361             | 1,359             |
| Unrestricted                                       | <u>(193,063)</u>           | <u>(180,447)</u>  | <u>13,504</u>               | <u>4,191</u>     | <u>(179,559)</u>  | <u>(176,256)</u>  |
| Total Net Position                                 | <u>\$ 96,658</u>           | <u>\$ 104,404</u> | <u>\$ 81,347</u>            | <u>\$ 85,084</u> | <u>\$ 178,005</u> | <u>\$ 189,488</u> |

A portion of net position was restricted in June 30, 2017 as a result of the Wallingford Regional Solid Waste Reserve (\$.5 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.

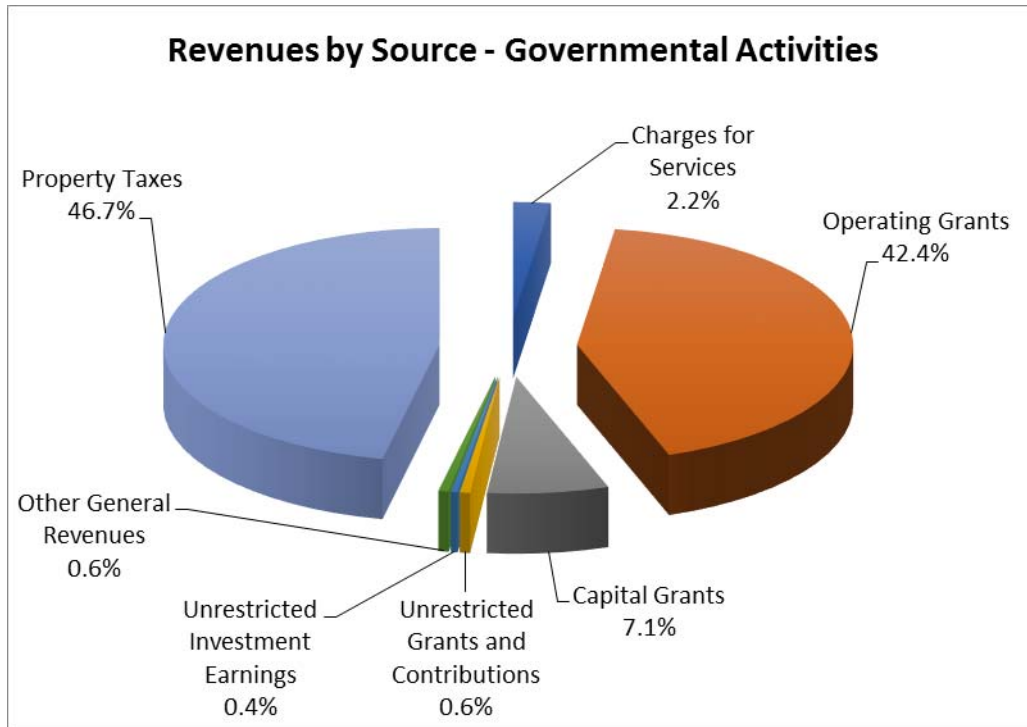
**City of Meriden, Connecticut**  
**Changes in Net Position (\$000s)**  
**Primary Government**

|  | <b>Governmental</b> |                   | <b>Business-Type</b> |                  | <b>Total</b>      |                   |
|--|---------------------|-------------------|----------------------|------------------|-------------------|-------------------|
|  | <b>Activities</b>   |                   | <b>Activities</b>    |                  |                   |                   |
|  | <b>2017</b>         | <b>2016</b>       | <b>2017</b>          | <b>2016</b>      | <b>2017</b>       | <b>2016</b>       |
| Revenues:                                      |                     |                   |                      |                  |                   |                   |
| Program revenues:                              |                     |                   |                      |                  |                   |                   |
| Charges for services                           | \$ 5,707            | \$ 6,231          | \$ 20,533            | \$ 19,825        | \$ 26,240         | \$ 26,056         |
| Operating grants and contributions             | 112,424             | 104,644           |                      |                  | 112,424           | 104,644           |
| Capital grants and contributions               | 18,776              | 48,613            | 343                  | 1,400            | 19,119            | 50,013            |
| General revenues:                              |                     |                   |                      |                  |                   |                   |
| Property taxes                                 | 123,890             | 120,489           |                      |                  | 123,890           | 120,489           |
| Grants not restricted to specific programs     | 1,685               | 1,757             |                      |                  | 1,685             | 1,757             |
| Unrestricted investment earnings               | 1,026               | 877               | 56                   | 29               | 1,082             | 906               |
| Miscellaneous income                           | 1,607               | 2,228             | 1,741                | 1,730            | 3,348             | 3,958             |
| Total revenues                                 | <u>265,115</u>      | <u>284,839</u>    | <u>22,673</u>        | <u>22,984</u>    | <u>287,788</u>    | <u>307,823</u>    |
| Expenses:                                      |                     |                   |                      |                  |                   |                   |
| General government                             | 20,257              | 14,166            |                      |                  | 20,257            | 14,166            |
| Education                                      | 155,752             | 142,844           |                      |                  | 155,752           | 142,844           |
| Public safety                                  | 53,345              | 60,112            |                      |                  | 53,345            | 60,112            |
| Public works                                   | 18,596              | 11,788            |                      |                  | 18,596            | 11,788            |
| Human services                                 | 12,478              | 12,553            |                      |                  | 12,478            | 12,553            |
| Cultural and recreation                        | 7,154               | 7,121             |                      |                  | 7,154             | 7,121             |
| Interest on long-term debt                     | 5,279               | 4,151             |                      |                  | 5,279             | 4,151             |
| Sewer Authority                                |                     |                   | 11,587               | 11,104           | 11,587            | 11,104            |
| Water Authority                                |                     |                   | 13,462               | 11,893           | 13,462            | 11,893            |
| George Hunter Golf Course                      |                     |                   | 1,361                | 1,295            | 1,361             | 1,295             |
| Total expenses                                 | <u>272,861</u>      | <u>252,735</u>    | <u>26,410</u>        | <u>24,292</u>    | <u>299,271</u>    | <u>277,027</u>    |
| Change in Net Position                         | (7,746)             | 32,104            | (3,737)              | (1,308)          | (11,483)          | 30,796            |
| Net Position at Beginning of Year, as Restated | <u>104,404</u>      | <u>72,300</u>     | <u>85,084</u>        | <u>86,392</u>    | <u>189,488</u>    | <u>158,692</u>    |
| Net Position at End of Year                    | <u>\$ 96,658</u>    | <u>\$ 104,404</u> | <u>\$ 81,347</u>     | <u>\$ 85,084</u> | <u>\$ 178,005</u> | <u>\$ 189,488</u> |

The City's net position decreased by \$11.5 million during the fiscal year, with net position of governmental activities decreasing by \$7.8 million and business-type activities decreasing by \$3.7 million.

## Governmental Activities

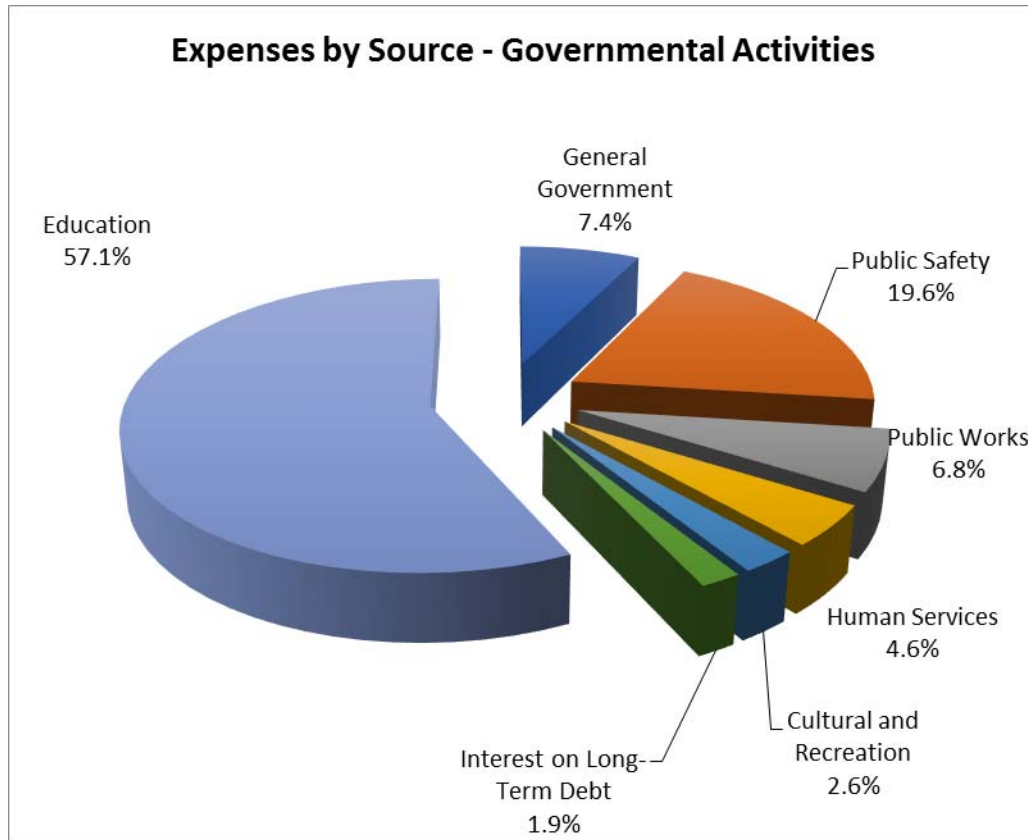
50.1% of the revenues were derived from State and Federal Government program revenues, followed by 46.7% from property taxes, and 2.2% from charges for services.



Major revenue factors included:

- Capital grants and contributions decreased by \$29.8 million from 2016. This decrease is primarily due to the following items: \$12.5 million and \$11.3 million decreases in the Maloney High School and Platt High School construction grants, respectively, along with an approximate \$5.9 million decrease in Meriden Green and flood control grants.
- Operating grants and contributions increased by 7.8 million primarily attributable to a \$9.1 million increase in State Teachers' Retirement on-behalf payments.
- Property tax revenues increased \$3.4 million or 2.8% from 2016 primarily due to an increase in the mill rate resulting in an increased original tax levy for 2017 and increased collections on back taxes owed.

For Governmental Activities, 57.1% of the City's expenses relate to education, 19.6% relate to public safety, 7.4% to general government, 6.8% to public works, 4.6% to health and human services, 2.6% to culture and recreation and 1.9% 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.
- Education expenses for fiscal year 2017 increased by \$12.9 million or 9% primarily due to increases in the State Teachers' Retirement on-behalf payments and increases to depreciation expenses.
- Public works expenses for fiscal year 2017 increased by \$6.8 million or 57.8% primarily due to increases in the allocation of pollution remediation liabilities.
- General government expenses for fiscal year 2017 increased by \$6.1 million or 43% and public safety expenses decreased by \$6.8 million or 11.3% primarily due to the allocation of net pension liabilities.

**Business-Type Funds**

Business-type activities capital grants and contributions decreased by \$1.1 million due to decreases in grant funding.

Business-type activities expenses increased by \$2.1 million primarily within the Water Authority Fund (1.6 million) due to depreciation (.6 million), salaries and benefits (.5 million), interest expense (.4 million), and materials and supplies (.1 million).

## **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 \$16.8 million while total fund balance was \$18.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.8% of total General Fund expenditures and transfers out (\$215.9 million), while total fund balance represents 8.5% 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 \$54.7 million, an increase of \$55 million from the prior year. This increase is directly attributable to the receipt of bond proceeds which are unspent as of June 30, 2017.

The Nonmajor Governmental Funds have a total fund balance of \$6.3 million, down from \$6.6 million in the prior year. The \$0.3 million decrease is derived from the use of a significant portion of fund balance within education grants and programs (.4 million), brownfield assessment (.4 million), document preservation (.1 million), and asset forfeiture (.1 million) offset by an increase of \$0.7 million in the capital non-recurring fund generated by transfers from the general fund.

### 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 \$35.8 million, with unrestricted net position of \$6.1 million. The Water Fund experienced an operating loss of \$0.6 million which was primarily attributable to increases in depreciation expenses.

Net position of the Sewer Fund was \$46.8 million. Unrestricted net position was \$10.6 million. The Sewer Fund experienced an operating loss of \$1.5 million, due primarily to depreciation expense, which was \$4.1 million in 2017 and is not budgeted.

The George Hunter Memorial Golf Course Fund had a deficit in net position at the end of the year of \$1.2 million. The Golf Fund experienced an operational loss of \$0.2 million.

## General Fund Budgetary Highlights

There were additional appropriations of \$0.6 million for increased health insurance contributions. 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 \$190.7 million, which was extremely consistent with the estimated budget as adopted. Property tax revenue exceeded budget by \$0.6 million due a high collection rate while charges for services revenues fell short of the budgetary expectation by \$0.3 million. Actual transfers in on a budgetary basis were \$0.7 million, which was slightly higher than budget primarily due to the transfer of funds from closed bonded projects.

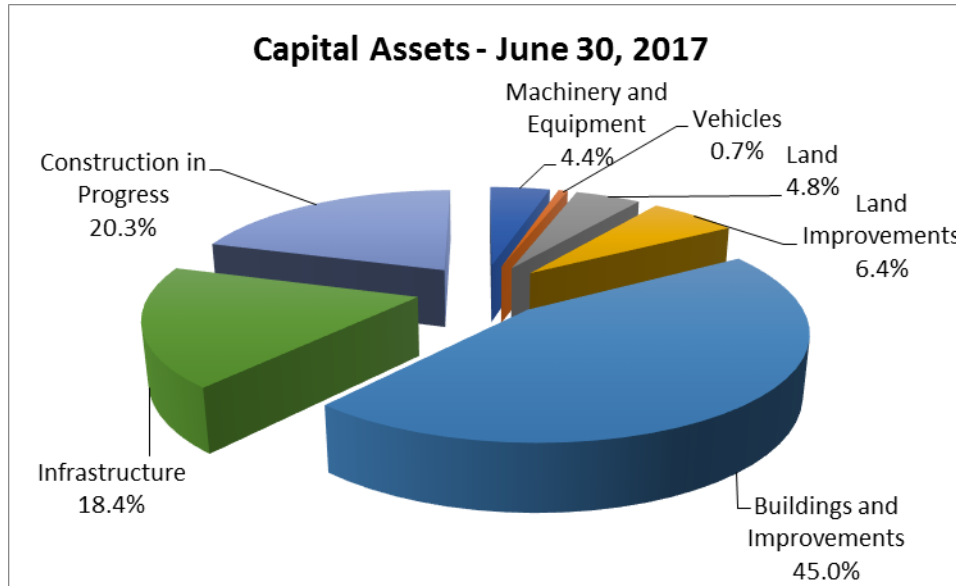
Actual revenues and other financing sources on a budgetary basis totaled \$191.4 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$0.2 million.

## 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, 2017 amount to \$541.6 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<br>Activities |                   | Business-Type<br>Activities |                   | Total             |                   |
|----------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|                            | 2017                       | 2016              | 2017                        | 2016              | 2017              | 2016              |
| Land                       | \$ 24,845                  | \$ 24,778         | \$ 1,138                    | \$ 1,138          | \$ 25,983         | \$ 25,916         |
| Land improvements          | 17,889                     | 10,233            | 17,007                      | 17,370            | 34,896            | 27,603            |
| Buildings and improvements | 200,024                    | 97,482            | 43,792                      | 45,880            | 243,816           | 143,362           |
| Infrastructure             | 41,935                     | 37,260            | 57,654                      | 57,612            | 99,589            | 94,872            |
| Machinery and equipment    | 9,042                      | 4,637             | 14,727                      | 16,068            | 23,769            | 20,705            |
| Vehicles                   | 3,270                      | 3,669             | 445                         | 389               | 3,715             | 4,058             |
| Construction in progress   | 109,189                    | 201,238           | 627                         | 1,792             | 109,816           | 203,030           |
| <b>Total</b>               | <b>\$ 406,194</b>          | <b>\$ 379,297</b> | <b>\$ 135,390</b>           | <b>\$ 140,249</b> | <b>\$ 541,584</b> | <b>\$ 519,546</b> |

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



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

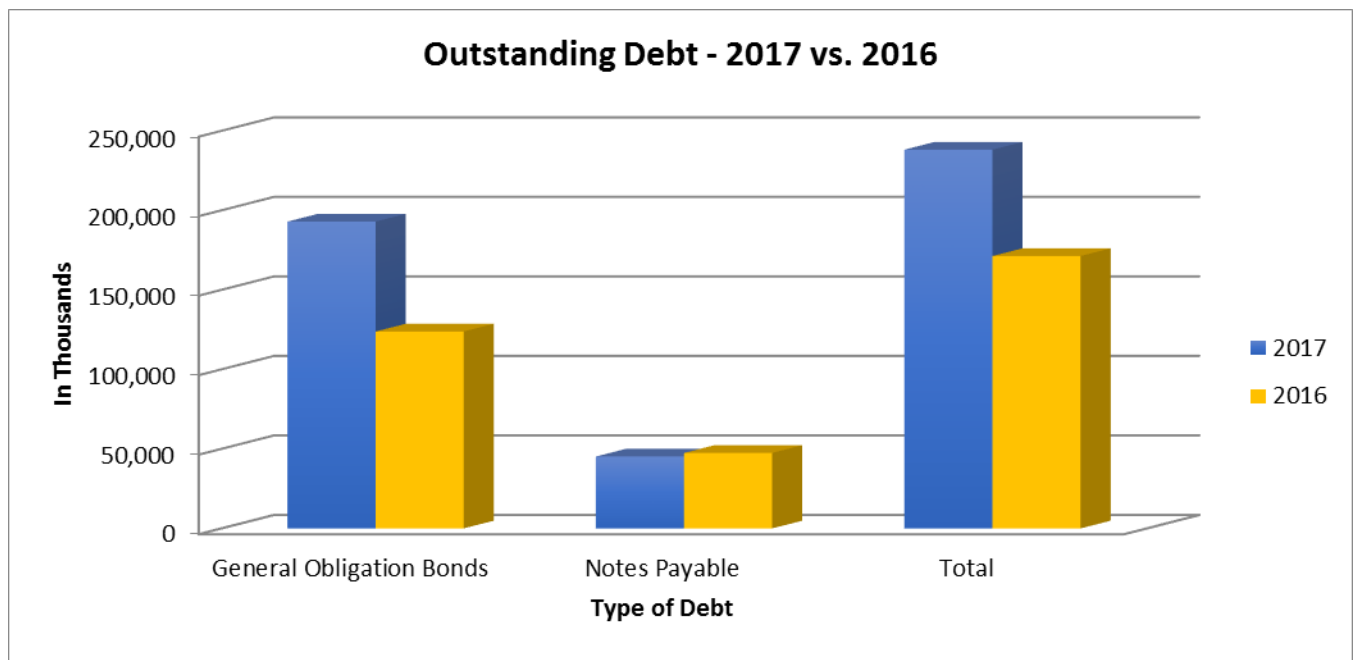
- \$94.4 million in Maloney High School CIP transfer to depreciable assets
- \$18.0 million in Meriden Green and flood control CIP transfer to depreciable assets
- \$1.5 million in water main CIP transfer to depreciable assets
- \$19.9 million for the Platt High School Renovation CIP additions
- \$10.9 million for the Maloney High School Renovation additions
- \$6.1 million for Public Works Projects (Road Construction, Paving, Improvements, Flood Control)
- \$1.1 million on water main systems

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 43-44 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$192.9 million. All of this debt is backed by the full faith and credit of the City.

**Outstanding Debt (\$000s)**  
**General Obligation and Revenue Bonds**

|                          | Governmental Activities |                   | Business-Type Activities |                  | Total             |                   |
|--------------------------|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
|                          | 2017                    | 2016              | 2017                     | 2016             | 2017              | 2016              |
| General obligation bonds | \$ 168,538              | \$ 108,607        | \$ 24,382                | \$ 15,213        | \$ 192,920        | \$ 123,820        |
| Notes payable            |                         |                   | 45,222                   | 47,436           | 45,222            | 47,436            |
| <b>Total</b>             | <b>\$ 168,538</b>       | <b>\$ 108,607</b> | <b>\$ 69,604</b>         | <b>\$ 62,649</b> | <b>\$ 238,142</b> | <b>\$ 171,256</b> |



The City of Meriden’s bonded debt increased by \$69.1 million or 55.8% during fiscal year 2017. This was attributable to the issuance of \$68.2 million in general obligation bonds in fiscal year 2017.

The City of Meriden has received an underlying rating of AA from S&P Global Ratings and AA- from Fitch Ratings.

In reviewing the City’s financial management, S&P Global Ratings 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 \$871.7 million. As of June 30, 2017, the City recorded long-term debt of \$170.7 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden’s long-term debt can be found in Note 7 on pages 46-53 of this report.

## **Economic Factors (Updated through October 2017)**

The national economic downturn continued to ease during 2017. As of October 2017, the unemployment rate for Meriden was 5.5%, a decrease from 5.6% in the prior year. Although Meriden's unemployment rate is above the October 2017 State of Connecticut, which had an unemployment rate of 4.5%, Meriden's unemployment rate in October 2017 remained lower than larger Connecticut cities including the City of New Haven at 5.8% and the City of Hartford at 7.9%.

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, 2017**

|   | <b>Primary Government</b>          |                                     |                              |
|---|------------------------------------|-------------------------------------|------------------------------|
|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>                 |
| <b>Assets:</b>                                  |                                    |                                     |                              |
| Cash and cash equivalents                       | \$ 76,868,983                      | \$ 6,744,303                        | \$ 83,613,286                |
| Cash with fiscal agent                          | 11,782,102                         | 2,242,888                           | 14,024,990                   |
| Investments                                     | 23,357,851                         | 1,132,295                           | 24,490,146                   |
| Receivables, net                                | 12,700,034                         | 8,411,994                           | 21,112,028                   |
| Internal balances                               | (8,132,127)                        | 8,132,127                           | -                            |
| Inventory                                       | 237,362                            |                                     | 237,362                      |
| Other assets                                    | 27,166                             |                                     | 27,166                       |
| Capital assets, nondepreciable                  | 134,033,596                        | 1,765,233                           | 135,798,829                  |
| Capital assets, net of accumulated depreciation | <u>272,160,901</u>                 | <u>133,624,678</u>                  | <u>405,785,579</u>           |
| <b>Total assets</b>                             | <b><u>523,035,868</u></b>          | <b><u>162,053,518</u></b>           | <b><u>685,089,386</u></b>    |
| <b>Deferred Outflows of Resources:</b>          |                                    |                                     |                              |
| Related to pension                              | 21,169,255                         | 1,453,902                           | 22,623,157                   |
| Deferred charge on refunding                    | <u>1,643,857</u>                   | <u>551,034</u>                      | <u>2,194,891</u>             |
| <b>Total deferred outflows of resources</b>     | <b><u>22,813,112</u></b>           | <b><u>2,004,936</u></b>             | <b><u>24,818,048</u></b>     |
| <b>Liabilities:</b>                             |                                    |                                     |                              |
| Accounts payable and accrued liabilities        | 24,467,879                         | 881,498                             | 25,349,377                   |
| Accrued interest                                | 2,813,527                          | 411,582                             | 3,225,109                    |
| Unearned revenue                                | 966,025                            |                                     | 966,025                      |
| Noncurrent liabilities:                         |                                    |                                     |                              |
| Due within one year                             | 26,597,030                         | 6,409,040                           | 33,006,070                   |
| Due in more than one year                       | <u>387,138,039</u>                 | <u>74,714,240</u>                   | <u>461,852,279</u>           |
| <b>Total liabilities</b>                        | <b><u>441,982,500</u></b>          | <b><u>82,416,360</u></b>            | <b><u>524,398,860</u></b>    |
| <b>Deferred Inflows of Resources:</b>           |                                    |                                     |                              |
| Related to pension                              | 5,263,243                          | 294,927                             | 5,558,170                    |
| Advance property tax collections                | <u>1,944,981</u>                   |                                     | <u>1,944,981</u>             |
| <b>Total deferred inflows of resources</b>      | <b><u>7,208,224</u></b>            | <b><u>294,927</u></b>               | <b><u>7,503,151</u></b>      |
| <b>Net Position:</b>                            |                                    |                                     |                              |
| Net investment in capital assets                | 288,360,290                        | 67,842,609                          | 356,202,899                  |
| Restricted:                                     |                                    |                                     |                              |
| Solid Waste Reserve                             | 449,720                            |                                     | 449,720                      |
| Expendable - Flood Control                      | 480,001                            |                                     | 480,001                      |
| Nonexpendable - purposes of trust               | 431,547                            |                                     | 431,547                      |
| Unrestricted                                    | <u>(193,063,302)</u>               | <u>13,504,558</u>                   | <u>(179,558,744)</u>         |
| <b>Total Net Position</b>                       | <b><u>\$ 96,658,256</u></b>        | <b><u>\$ 81,347,167</u></b>         | <b><u>\$ 178,005,423</u></b> |

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2017

| 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   | \$ 20,257,394         | \$ 2,445,777         | \$ 3,226,503                       | \$ 3,831,454                     | \$ (10,753,660)                                   | \$                       | \$ (10,753,660)       |
| Education  | 155,751,703           | 893,713              | 100,090,337                        | 14,111,683                       | (40,655,970)                                      |                          | (40,655,970)          |
| Public safety  | 53,344,839            | 96,188               | 299,776                            | 61,139                           | (52,887,736)                                      |                          | (52,887,736)          |
| Public works   | 18,595,726            | 2,078,021            | 21,127                             | 760,526                          | (15,736,052)                                      |                          | (15,736,052)          |
| Human services   | 12,478,247            | 171,124              | 8,470,412                          |                                  | (3,836,711)                                       |                          | (3,836,711)           |
| Culture and recreation                                       | 7,154,394             | 21,590               | 315,530                            | 11,594                           | (6,805,680)                                       |                          | (6,805,680)           |
| Interest on long-term debt                                   | 5,278,551             |                      |                                    |                                  | (5,278,551)                                       |                          | (5,278,551)           |
| Total governmental activities                                | <u>272,860,854</u>    | <u>5,706,413</u>     | <u>112,423,685</u>                 | <u>18,776,396</u>                | <u>(135,954,360)</u>                              | <u>-</u>                 | <u>(135,954,360)</u>  |
| Business-type activities:                                    |                       |                      |                                    |                                  |   |                          |                       |
| Sewer Authority  | 11,587,196            | 8,513,039            |                                    |                                  |   | (3,074,157)              | (3,074,157)           |
| Water Authority  | 13,461,687            | 11,000,304           |                                    | 343,111                          |   | (2,118,272)              | (2,118,272)           |
| George Hunter Golf Course                                    | 1,361,402             | 1,019,972            |                                    |                                  |   | (341,430)                | (341,430)             |
| Total business-type activities                               | <u>26,410,285</u>     | <u>20,533,315</u>    | <u>-</u>                           | <u>343,111</u>                   | <u>-</u>  | <u>(5,533,859)</u>       | <u>(5,533,859)</u>    |
| Total  | <u>\$ 299,271,139</u> | <u>\$ 26,239,728</u> | <u>\$ 112,423,685</u>              | <u>\$ 19,119,507</u>             | <u>(135,954,360)</u>                              | <u>(5,533,859)</u>       | <u>(141,488,219)</u>  |
| General revenues:  |                       |                      |                                    |                                  |   |                          |                       |
| Property taxes   |                       |                      |                                    |                                  | 123,890,121                                       |                          | 123,890,121           |
| Grants and contributions not restricted to specific programs |                       |                      |                                    |                                  | 1,685,040   |                          | 1,685,040             |
| Unrestricted investment earnings                             |                       |                      |                                    |                                  | 1,025,673   | 55,846                   | 1,081,519             |
| Miscellaneous income   |                       |                      |                                    |                                  | 1,607,410   | 1,741,075                | 3,348,485             |
| Total general revenues                                       |                       |                      |                                    |                                  | <u>128,208,244</u>                                | <u>1,796,921</u>         | <u>130,005,165</u>    |
| Change in net position                                       |                       |                      |                                    |                                  | (7,746,116)                                       | (3,736,938)              | (11,483,054)          |
| Net Position at Beginning of Year, as Restated               |                       |                      |                                    |                                  | <u>104,404,372</u>                                | <u>85,084,105</u>        | <u>189,488,477</u>    |
| Net Position at End of Year                                  |                       |                      |                                    |                                  | <u>\$ 96,658,256</u>                              | <u>\$ 81,347,167</u>     | <u>\$ 178,005,423</u> |

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017**

|   | <u>General</u>       | <u>Bonded<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|----------------------------|--|---|
| <b>ASSETS</b>   |                      |                            |  |   |
| Cash and cash equivalents   | \$ 7,619,312         | \$ 60,498,436              | \$ 6,347,537                               | \$ 74,465,285                           |
| Cash with fiscal agent  |                      | 11,782,102                 |  | 11,782,102                              |
| Investments   | 15,845,301           |                            | 1,851,412                                  | 17,696,713                              |
| Receivables, net of allowance<br>for uncollectibles                   | 6,031,997            | 1,375,217                  | 4,787,279                                  | 12,194,493                              |
| Inventory   | 130,224              |                            | 107,138                                    | 237,362                                 |
| Other assets  | 9,147                |                            |  | 9,147                                   |
| Due from other funds  | <u>8,775,148</u>     |                            |  | <u>8,775,148</u>                        |
| Total Assets  | <u>\$ 38,411,129</u> | <u>\$ 73,655,755</u>       | <u>\$ 13,093,366</u>                       | <u>\$ 125,160,250</u>                   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>   |                      |                            |  |   |
| Liabilities:  |                      |                            |  |   |
| Accounts payable and accrued<br>liabilities                           | \$ 12,033,108        | \$ 6,815,561               | \$ 3,116,711                               | \$ 21,965,380                           |
| Due to other funds  |                      | 11,471,448                 | 1,322,233                                  | 12,793,681                              |
| Unearned revenue  | 8,189                | 568,540                    | 389,296                                    | 966,025                                 |
| Total liabilities   | <u>12,041,297</u>    | <u>18,855,549</u>          | <u>4,828,240</u>                           | <u>35,725,086</u>                       |
| Deferred Inflows of Resources:  |                      |                            |  |   |
| Unavailable revenue - property taxes                                  | 4,835,997            |                            |  | 4,835,997                               |
| Unavailable revenue - loans receivable                                | 1,257,270            | 83,300                     | 1,925,872                                  | 3,266,442                               |
| Advance property tax collections                                      | 1,944,981            |                            |  | 1,944,981                               |
| Total deferred inflows of resources                                   | <u>8,038,248</u>     | <u>83,300</u>              | <u>1,925,872</u>                           | <u>10,047,420</u>                       |
| Fund Balances:  |                      |                            |  |   |
| Nonspendable  | 139,371              |                            | 538,685                                    | 678,056                                 |
| Restricted  | 932,863              | 54,716,906                 | 3,258,561                                  | 58,908,330                              |
| Committed   | 419,991              |                            | 2,579,480                                  | 2,999,471                               |
| Unassigned  | 16,839,359           |                            | (37,472)                                   | 16,801,887                              |
| Total fund balances   | <u>18,331,584</u>    | <u>54,716,906</u>          | <u>6,339,254</u>                           | <u>79,387,744</u>                       |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>\$ 38,411,129</u> | <u>\$ 73,655,755</u>       | <u>\$ 13,093,366</u>                       | <u>\$ 125,160,250</u>                   |

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**

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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) | \$ 79,387,744 |
|--|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

|                               |                      |             |
|-------------------------------|----------------------|-------------|
| Governmental capital assets   | \$ 614,693,554       |             |
| Less accumulated depreciation | <u>(208,499,057)</u> |             |
| Net capital assets            |                      | 406,194,497 |

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     | 4,835,997  |
| Build America Bonds long-term interest receivable | 26,580     |
| Loans receivable greater than 60 days             | 3,266,442  |
| Deferred outflows related to pension              | 21,169,255 |

|  |             |
|--|-------------|
| 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. | (5,367,133) |
|--|-------------|

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

|                                     |                    |
|-------------------------------------|--------------------|
| Bonds payable                       | (168,537,602)      |
| Notes payable                       | (1,125,000)        |
| Bond premium                        | (10,311,342)       |
| Deferred charge on refunding        | 1,643,857          |
| Interest payable on bonds and notes | (2,813,527)        |
| Compensated absences                | (19,067,908)       |
| Landfill post-closure monitoring    | (355,649)          |
| OPEB obligation                     | (48,568,195)       |
| Pollution remediation               | (13,366,050)       |
| Deferred inflows related to pension | (5,263,243)        |
| Net pension liability               | (143,438,467)      |
| Claims and judgments                | <u>(1,652,000)</u> |

|   |                      |
|---|----------------------|
| Net Position of Governmental Activities (Exhibit I) | <u>\$ 96,658,256</u> |
|---|----------------------|

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, 2017**

|   | <u>General</u>       | <u>Bonded<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|----------------------------|--|---|
| Revenues:   |                      |                            |  |   |
| Property taxes, interest and lien fees            | \$ 124,070,787       | \$                         | \$   | \$ 124,070,787                          |
| Federal and state government                      | 85,353,221           | 14,347,521                 | 31,337,708                                 | 131,038,450                             |
| Charges for services                              | 4,673,123            |                            | 1,033,049                                  | 5,706,172                               |
| Investment income                                 | 149,932              | 349,944                    | 192,941                                    | 692,817                                 |
| Other local revenues                              | 1,144,308            | 118,947                    | 2,192,605                                  | 3,455,860                               |
| Total revenues                                    | <u>215,391,371</u>   | <u>14,816,412</u>          | <u>34,756,303</u>                          | <u>264,964,086</u>                      |
| Expenditures:                                     |                      |                            |  |   |
| Current:  |                      |                            |  |   |
| General government                                | 38,700,393           |                            | 398,122                                    | 39,098,515                              |
| Public safety                                     | 23,740,191           |                            | 486,036                                    | 24,226,227                              |
| Public works                                      | 6,875,012            |                            |  | 6,875,012                               |
| Health and welfare                                | 4,976,836            |                            | 6,039,688                                  | 11,016,524                              |
| Culture and recreation                            | 4,532,201            |                            | 149,024                                    | 4,681,225                               |
| Education   | 121,738,848          |                            | 25,926,894                                 | 147,665,742                             |
| Debt service:                                     |                      |                            |  |   |
| Principal retirement                              | 10,318,700           |                            | 75,000                                     | 10,393,700                              |
| Interest and other charges                        | 4,001,217            | 332,519                    | 31,530                                     | 4,365,266                               |
| Capital outlay                                    |                      | 35,515,025                 | 2,668,420                                  | 38,183,445                              |
| Total expenditures                                | <u>214,883,398</u>   | <u>35,847,544</u>          | <u>35,774,714</u>                          | <u>286,505,656</u>                      |
| Excess (Deficiency) of Revenues over Expenditures | <u>507,973</u>       | <u>(21,031,132)</u>        | <u>(1,018,411)</u>                         | <u>(21,541,570)</u>                     |
| Other Financing Sources (Uses):                   |                      |                            |  |   |
| Bond issuance                                     |                      | 59,643,302                 |  | 59,643,302                              |
| Bond premium                                      |                      | 4,804,404                  |  | 4,804,404                               |
| Refunding bonds issued                            |                      | 10,606,000                 |  | 10,606,000                              |
| Premium on refunding bonds                        |                      | 1,466,403                  |  | 1,466,403                               |
| Transfers in                                      | 684,045              |                            | 1,005,729                                  | 1,689,774                               |
| Transfers out                                     | (1,005,729)          | (442,682)                  | (241,363)                                  | (1,689,774)                             |
| Total other financing sources (uses)              | <u>(321,684)</u>     | <u>76,077,427</u>          | <u>764,366</u>                             | <u>76,520,109</u>                       |
| Net Change in Fund Balances                       | 186,289              | 55,046,295                 | (254,045)                                  | 54,978,539                              |
| Fund Balances at Beginning of Year                | <u>18,145,295</u>    | <u>(329,389)</u>           | <u>6,593,299</u>                           | <u>24,409,205</u>                       |
| Fund Balances at End of Year                      | <u>\$ 18,331,584</u> | <u>\$ 54,716,906</u>       | <u>\$ 6,339,254</u>                        | <u>\$ 79,387,744</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, 2017**

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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) \$ 54,978,539

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                     | 39,139,376   |
| Depreciation expense               | (12,149,139) |
| Loss on disposal of capital assets | (93,033)     |

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            | (107,818)   |
| Loan principal collected                          | (187,409)   |
| Change in Build America Bonds interest receivable | (1,538)     |
| Change in interest and liens receivable           | (72,848)    |
| Change in deferred outflows related to pension    | (7,453,472) |

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                         | (59,643,302) |
| Refunding bond proceeds               | (10,606,000) |
| Principal payments on bonds and notes | 10,393,700   |
| Premium on bonds issued               | (4,804,404)  |
| Premium on refunding bond issued      | (1,466,403)  |

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 | (1,309,788) |
| Amortization of premium on refunding          | 597,994     |
| Amortization of deferred charge on refunding  | (201,489)   |
| Change in long-term compensated absences      | 1,241,407   |
| Change in landfill post-closure monitoring    | 68,480      |
| Change in pollution remediation obligation    | (4,879,450) |
| Change in net pension liability               | (148,274)   |
| Change in OPEB obligation                     | (3,053,560) |
| Change in deferred inflows related to pension | (3,993,682) |
| Change in claims and judgments                | 206,000     |

The net expense of the internal service funds is reported with governmental activities. (4,200,003)

Change in Net Position of Governmental Activities (Exhibit II) \$ (7,746,116)

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, 2017**

|   | Budgeted Amounts   |                    | Actual               | Variance with                            |
|---|--------------------|--------------------|----------------------|--|
|   | Original           | Final              |                      | Final Budget -<br>Positive<br>(Negative) |
| Revenues:   |                    |                    |                      |  |
| Property taxes, interest and lien fees  | \$ 121,464,170     | \$ 123,398,258     | \$ 124,070,787       | \$ 672,529                               |
| Intergovernmental revenues  | 61,424,519         | 61,140,942         | 60,991,214           | (149,728)                                |
| Charges for services  | 6,172,815          | 4,927,338          | 4,673,123            | (254,215)                                |
| Investment income   | 383,380            | 383,380            | 149,613              | (233,767)                                |
| Other revenues  | 835,550            | 885,267            | 815,440              | (69,827)                                 |
| Total revenues  | <u>190,280,434</u> | <u>190,735,185</u> | <u>190,700,177</u>   | <u>(35,008)</u>                          |
| Expenditures:   |                    |                    |                      |  |
| Current:  |                    |                    |                      |  |
| General government  | 37,185,015         | 37,019,579         | 36,985,479           | 34,100                                   |
| Finance   | 2,087,968          | 1,921,571          | 1,921,558            | 13                                       |
| Public safety   | 23,784,026         | 23,480,038         | 23,480,018           | 20                                       |
| Public works  | 6,661,492          | 6,852,388          | 6,852,355            | 33                                       |
| Health and welfare  | 2,635,157          | 2,588,106          | 2,588,092            | 14                                       |
| Culture and recreation  | 4,430,533          | 4,523,321          | 4,523,304            | 17                                       |
| Education   | 99,759,840         | 99,760,550         | 99,760,549           | 1  |
| Debt service:   |                    |                    |                      |  |
| Principal retirement  | 10,318,700         | 10,318,700         | 10,318,700           | -  |
| Interest and other charges  | 3,791,566          | 3,791,566          | 3,791,566            | -  |
| Total expenditures  | <u>190,654,297</u> | <u>190,255,819</u> | <u>190,221,621</u>   | <u>34,198</u>                            |
| Deficiency of Revenues over Expenditures  | <u>(373,863)</u>   | <u>479,366</u>     | <u>478,556</u>       | <u>(810)</u>                             |
| Other Financing Sources (Uses):   |                    |                    |                      |  |
| Transfers in  | 391,363            | 526,363            | 684,045              | 157,682                                  |
| Transfers out   | <u>(17,500)</u>    | <u>(1,005,729)</u> | <u>(1,005,729)</u>   | <u>-</u>                                 |
| Total other financing sources   | <u>373,863</u>     | <u>(479,366)</u>   | <u>(321,684)</u>     | <u>157,682</u>                           |
| Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | \$ <u>-</u>        | \$ <u>-</u>        | 156,872              | \$ <u>156,872</u>                        |
| Fund Balance at Beginning of Year   |                    |                    | <u>17,758,222</u>    |  |
| Fund Balance at End of Year   |                    |                    | \$ <u>17,915,094</u> |  |

The accompanying notes are an integral part of the financial statements



**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2017**

|   | Business-Type Activities - Enterprise Funds |                      |                                    |                      | Governmental           |
|---|---|----------------------|------------------------------------|----------------------|------------------------|
|   | Major Funds                                 |                      | Nonmajor Fund                      | Total                | Internal Service Funds |
|   | Water                                       | Sewer                | George Hunter Memorial Golf Course |                      |                        |
| <b>Assets:</b>                                      |   |                      |                                    |                      |                        |
| Current assets:                                     |   |                      |                                    |                      |                        |
| Cash and cash equivalents                           | \$ 4,476,827                                | \$ 2,003,468         | \$ 264,008                         | \$ 6,744,303         | \$ 2,403,698           |
| Cash with fiscal agent                              | 742,075                                     | 1,487,482            | 13,331                             | 2,242,888            |                        |
| Investments   | 567,859                                     | 564,436              |                                    | 1,132,295            | 5,661,138              |
| Accounts receivable, net                            | 4,221,478                                   | 4,190,406            | 110                                | 8,411,994            | 365,366                |
| Due from other funds                                | 5,581,957                                   | 5,224,313            | 355,766                            | 11,162,036           |                        |
| Other assets  |   |                      |                                    | -                    | 18,019                 |
| Total current assets                                | <u>15,590,196</u>                           | <u>13,470,105</u>    | <u>633,215</u>                     | <u>29,693,516</u>    | <u>8,448,221</u>       |
| Noncurrent assets:                                  |   |                      |                                    |                      |                        |
| Capital assets, nondepreciable                      | 1,121,315                                   | 643,918              |                                    | 1,765,233            |                        |
| Capital assets, net of accumulated depreciation     | 58,559,832                                  | 72,188,643           | 2,876,203                          | 133,624,678          |                        |
| Total noncurrent assets                             | <u>59,681,147</u>                           | <u>72,832,561</u>    | <u>2,876,203</u>                   | <u>135,389,911</u>   | <u>-</u>               |
| Total assets  | <u>75,271,343</u>                           | <u>86,302,666</u>    | <u>3,509,418</u>                   | <u>165,083,427</u>   | <u>8,448,221</u>       |
| <b>Deferred Outflows of Resources:</b>              |   |                      |                                    |                      |                        |
| Related to pension                                  | 929,808                                     | 376,528              | 147,566                            | 1,453,902            |                        |
| Deferred charge on refunding                        | 521,303                                     | 29,731               |                                    | 551,034              |                        |
| Total deferred outflows of resources                | <u>1,451,111</u>                            | <u>406,259</u>       | <u>147,566</u>                     | <u>2,004,936</u>     |                        |
| <b>Liabilities:</b>                                 |   |                      |                                    |                      |                        |
| Current liabilities:                                |   |                      |                                    |                      |                        |
| Accounts payable and accrued liabilities            | 499,928                                     | 306,018              | 75,552                             | 881,498              | 413,333                |
| Accrued interest                                    | 246,964                                     | 146,167              | 18,451                             | 411,582              |                        |
| Due to other funds                                  |   |                      | 3,029,909                          | 3,029,909            | 4,000,000              |
| Current portion of claims incurred but not reported |   |                      |                                    | -                    | 2,437,619              |
| Current portion of bonds payable                    | 1,687,743                                   | 1,967,387            | 58,268                             | 3,713,398            |                        |
| Current portion of notes payable                    | 843,080                                     | 1,757,337            |                                    | 2,600,417            |                        |
| Current portion of compensated absences             | 70,334                                      | 15,769               | 9,122                              | 95,225               |                        |
| Total current liabilities                           | <u>3,348,049</u>                            | <u>4,192,678</u>     | <u>3,191,302</u>                   | <u>10,732,029</u>    | <u>6,850,952</u>       |
| Noncurrent liabilities:                             |   |                      |                                    |                      |                        |
| Claims incurred but not reported                    |   |                      |                                    |                      | 6,964,402              |
| Bonds payable, less current portion                 | 12,611,800                                  | 7,391,100            | 666,100                            | 20,669,000           |                        |
| Notes payable, less current portion                 | 17,516,361                                  | 25,105,233           |                                    | 42,621,594           |                        |
| Premium on refunding bonds                          | 726,980                                     | 484,388              | 51,328                             | 1,262,696            |                        |
| Compensated absences                                | 1,060,603                                   | 486,807              | 186,819                            | 1,734,229            |                        |
| Net pension liability                               | 4,138,745                                   | 1,675,996            | 656,840                            | 6,471,581            |                        |
| OPEB obligation                                     | 1,357,692                                   | 530,782              | 66,666                             | 1,955,140            |                        |
| Total noncurrent liabilities                        | <u>37,412,181</u>                           | <u>35,674,306</u>    | <u>1,627,753</u>                   | <u>74,714,240</u>    | <u>6,964,402</u>       |
| Total liabilities                                   | <u>40,760,230</u>                           | <u>39,866,984</u>    | <u>4,819,055</u>                   | <u>85,446,269</u>    | <u>13,815,354</u>      |
| Deferred inflows of resources related to pension    | <u>188,613</u>                              | <u>76,380</u>        | <u>29,934</u>                      | <u>294,927</u>       |                        |
| <b>Net Position:</b>                                |   |                      |                                    |                      |                        |
| Net investment in capital assets                    | 29,634,473                                  | 36,123,080           | 2,085,056                          | 67,842,609           |                        |
| Unrestricted  | <u>6,139,138</u>                            | <u>10,642,481</u>    | <u>(3,277,061)</u>                 | <u>13,504,558</u>    | <u>(5,367,133)</u>     |
| <b>Total Net Position</b>                           | <u>\$ 35,773,611</u>                        | <u>\$ 46,765,561</u> | <u>\$ (1,192,005)</u>              | <u>\$ 81,347,167</u> | <u>\$ (5,367,133)</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, 2017**

|  | <b>Business-Type Activities - Enterprise Funds</b> |                      |   |                      | <b>Governmental<br/>Activities</b>    |
|--|--|----------------------|---|----------------------|---------------------------------------|
|  | <b>Major Funds</b>                                 |                      | <b>Nonmajor<br/>Fund</b>                              | <b>Total</b>         | <b>Internal<br/>Service<br/>Funds</b> |
|  | <b>Water</b>                                       | <b>Sewer</b>         | <b>George<br/>Hunter<br/>Memorial<br/>Golf Course</b> |                      |                                       |
| Operating Revenues:                            |  |                      |   |                      |                                       |
| Charges for services                           | \$ 11,000,304                                      | \$ 8,513,039         | \$ 1,019,972  | \$ 20,533,315        | \$ 28,182,851                         |
| Miscellaneous                                  | 987,067  | 703,704              | 50,304  | 1,741,075            | 1,878,701                             |
| Total operating revenues                       | <u>11,987,371</u>                                  | <u>9,216,743</u>     | <u>1,070,276</u>                                      | <u>22,274,390</u>    | <u>30,061,552</u>                     |
| Operating Expenses:                            |  |                      |   |                      |                                       |
| Salaries and benefits                          | 4,355,740  | 2,129,162            | 534,463   | 7,019,365            |                                       |
| Medical claims                                 |  |                      |   | -                    | 29,202,852                            |
| Materials and supplies                         | 973,640  | 1,323,855            | 428,921   | 2,726,416            |                                       |
| Utilities                                      | 816,051  | 940,623              |   | 1,756,674            |                                       |
| Administration and operation                   | 3,014,069  | 845,150              |   | 3,859,219            | 3,194,194                             |
| Depreciation                                   | 2,779,951  | 4,105,062            | 158,417   | 7,043,430            |                                       |
| Other  | 650,700  | 1,374,923            | 181,513   | 2,207,136            | 2,197,365                             |
| Total operating expenses                       | <u>12,590,151</u>                                  | <u>10,718,775</u>    | <u>1,303,314</u>                                      | <u>24,612,240</u>    | <u>34,594,411</u>                     |
| Operating Loss                                 | <u>(602,780)</u>                                   | <u>(1,502,032)</u>   | <u>(233,038)</u>                                      | <u>(2,337,850)</u>   | <u>(4,532,859)</u>                    |
| Nonoperating Revenues (Expenses):              |  |                      |   |                      |                                       |
| Interest income                                | 16,882   | 38,616               | 348   | 55,846               | 332,856                               |
| Interest expense                               | (871,536)  | (868,421)            | (58,088)  | (1,798,045)          |                                       |
| Total nonoperating revenues (expenses)         | <u>(854,654)</u>                                   | <u>(829,805)</u>     | <u>(57,740)</u>                                       | <u>(1,742,199)</u>   | <u>332,856</u>                        |
| Income (Loss) Before Contributions             | (1,457,434)  | (2,331,837)          | (290,778)   | (4,080,049)          | (4,200,003)                           |
| Contributions:                                 |  |                      |   |                      |                                       |
| Capital grants and contributions               | <u>343,111</u>                                     |                      |   | <u>343,111</u>       |                                       |
| Change in Net Position                         | (1,114,323)  | (2,331,837)          | (290,778)   | (3,736,938)          | (4,200,003)                           |
| Net Position at Beginning of Year, as Restated | <u>36,887,934</u>                                  | <u>49,097,398</u>    | <u>(901,227)</u>                                      | <u>85,084,105</u>    | <u>(1,167,130)</u>                    |
| Net Position at End of Year                    | <u>\$ 35,773,611</u>                               | <u>\$ 46,765,561</u> | <u>\$ (1,192,005)</u>                                 | <u>\$ 81,347,167</u> | <u>\$ (5,367,133)</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, 2017**

|  | Business-Type Activities - Enterprise Funds |                       |                                    |                       | Governmental           |
|--|---|-----------------------|------------------------------------|-----------------------|------------------------|
|  | Major Funds                                 |                       | Nonmajor Fund                      | Total                 | Internal Service Funds |
|  | Water                                       | Sewer                 | George Hunter Memorial Golf Course |                       |                        |
| <b>Cash Flows from Operating Activities:</b>   |   |                       |                                    |                       |                        |
| Receipts from customers and users  | \$ 11,897,817                               | \$ 8,844,624          | \$ 1,070,166                       | \$ 21,812,607         | \$ 30,105,979          |
| Payments to suppliers  | (5,386,217)                                 | (4,613,859)           | (638,450)                          | (10,638,526)          | (33,838,957)           |
| Payments to employees  | (3,748,877)                                 | (1,872,234)           | (440,187)                          | (6,061,298)           |                        |
| Net receipts from interfund transactions   | (2,687,719)                                 | (3,501,078)           | (322,190)                          | (6,510,987)           | 4,000,000              |
| Net cash provided by (used in) operating activities  | 75,004                                      | (1,142,547)           | (330,661)                          | (1,398,204)           | 267,022                |
| <b>Cash Flows from Capital and Related Financing Activities:</b>   |   |                       |                                    |                       |                        |
| Receipts of capital grants   | 343,111                                     |                       |                                    | 343,111               |                        |
| Purchase of capital assets   | (1,423,654)                                 | (420,604)             | (340,330)                          | (2,184,588)           |                        |
| Issuance of bonds  | 4,723,643                                   | 5,219,687             | 672,368                            | 10,615,698            |                        |
| Premium on bonds   | 326,691                                     | 312,598               | 53,194                             | 692,483               |                        |
| Issuance of clean water fund loans   | 320,281                                     |                       |                                    | 320,281               |                        |
| Premium on refunding bonds   | 92,359                                      | 185,132               |                                    | 277,491               |                        |
| Principal payments of bonds  | (914,000)                                   | (515,500)             | (16,800)                           | (1,446,300)           |                        |
| Principal payments of clean water fund loans   | (796,868)                                   | (1,737,137)           |                                    | (2,534,005)           |                        |
| Interest paid on capital debt  | (785,651)                                   | (786,249)             | (42,487)                           | (1,614,387)           |                        |
| Net cash provided by (used in) capital and related financing activities                                  | 1,885,912                                   | 2,257,927             | 325,945                            | 4,469,784             | -                      |
| <b>Cash Flows from Investing Activities:</b>   |   |                       |                                    |                       |                        |
| Sale of investments  |   |                       |                                    | -                     | 173,683                |
| Purchases of investments   | 8,763                                       | 8,711                 |                                    | 17,474                | (400,000)              |
| Interest on investments  | 16,882                                      | 38,616                | 348                                | 55,846                | 333,413                |
| Net cash provided by (used in) investing activities  | 25,645                                      | 47,327                | 348                                | 73,320                | 107,096                |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>  | <b>1,986,561</b>                            | <b>1,162,707</b>      | <b>(4,368)</b>                     | <b>3,144,900</b>      | <b>374,118</b>         |
| <b>Cash and Cash Equivalents at Beginning of Year</b>  | <b>3,232,341</b>                            | <b>2,328,243</b>      | <b>281,707</b>                     | <b>5,842,291</b>      | <b>2,029,580</b>       |
| <b>Cash and Cash Equivalents at End of Year</b>  | <b>\$ 5,218,902</b>                         | <b>\$ 3,490,950</b>   | <b>\$ 277,339</b>                  | <b>\$ 8,987,191</b>   | <b>\$ 2,403,698</b>    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b> |   |                       |                                    |                       |                        |
| Operating income (loss)  | \$ (602,780)                                | \$ (1,502,032)        | \$ (233,038)                       | \$ (2,337,850)        | \$ (4,532,859)         |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |   |                       |                                    |                       |                        |
| Depreciation   | 2,779,951                                   | 4,105,062             | 158,417                            | 7,043,430             |                        |
| Change in assets and liabilities:  |   |                       |                                    |                       |                        |
| (Increase) decrease in accounts receivable   | (89,554)                                    | (372,119)             | (110)                              | (461,783)             | 44,427                 |
| (Increase) decrease in due from other funds  | (2,687,719)                                 | (3,501,078)           | (337,444)                          | (6,526,241)           |                        |
| Increase (decrease) in accounts payable and accrued items  | 68,243                                      | (129,308)             | (28,016)                           | (89,081)              | 755,454                |
| Increase (decrease) in compensated absences  | 36,667                                      | 40,114                | 16,982                             | 93,763                |                        |
| Increase (decrease) in Net Pension Liability   | 69,842                                      | 7,924                 | (12,399)                           | 65,367                |                        |
| Increase (decrease) in OPEB obligation   | (3,058)                                     | (1,196)               | 2,617                              | (1,637)               |                        |
| Increase (decrease) in due to other funds  |   |                       | 15,254                             | 15,254                | 4,000,000              |
| (Increase) decrease in deferred outflows of resources  | 431,111                                     | 181,389               | 76,273                             | 688,773               |                        |
| Increase (decrease) in deferred inflows of resources   | 72,301                                      | 28,697                | 10,803                             | 111,801               |                        |
| Total adjustments  | 677,784                                     | 359,485               | (97,623)                           | 939,646               | 4,799,881              |
| <b>Net Cash Provided by (Used in) Operating Activities</b>   | <b>\$ 75,004</b>                            | <b>\$ (1,142,547)</b> | <b>\$ (330,661)</b>                | <b>\$ (1,398,204)</b> | <b>\$ 267,022</b>      |
| <b>Noncash Investing, Capital and Financing Activities:</b>  |   |                       |                                    |                       |                        |
| Construction in progress completed   | \$ (1,507,786)                              | \$ -                  | \$ -                               | \$ (1,507,786)        | \$ -                   |

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2017**

|                             | <b>Pension<br/>and Other<br/>Employee<br/>Benefit<br/>Trust Funds</b> | <b>Private<br/>Purpose<br/>Trust Funds</b> | <b>Agency<br/>Funds</b>     |
|-----------------------------|---|--|-----------------------------|
|                             | <u>                    </u>   | <u>                    </u>                | <u>                    </u> |
| Assets:                     |   |  |                             |
| Cash and cash equivalents   | \$ 12,341,479   | \$ 212,170                                 | \$ 2,052,480                |
| Investments, at fair value: |   |  |                             |
| US treasury bonds           | 6,898,593   | 52,632                                     |                             |
| Corporate bonds             | 20,510,882  |  |                             |
| Equities                    | 156,266,116   |  |                             |
| Mutual funds                | 30,168,102  |  |                             |
| Certificates of deposit     |   | 92,432                                     |                             |
| Other                       | 50,145,397  |  | 325,077                     |
| Total investments           | <u>263,989,090</u>  | <u>145,064</u>                             | <u>325,077</u>              |
| Accounts receivable         | <u>809,091</u>  |  | <u>30,034</u>               |
| Total assets                | <u>277,139,660</u>  | <u>357,234</u>                             | <u>2,407,591</u>            |
| Liabilities:                |   |  |                             |
| Other liabilities           | 56,576  | 783  | 2,407,591                   |
| Due to other funds          | 113,594   |  |                             |
| Total liabilities           | <u>170,170</u>  | <u>783</u>                                 | <u>2,407,591</u>            |
| Net Position:               |   |  |                             |
| Restricted for Pension      |   |  |                             |
| Benefits and Other Purposes | <u>\$ 276,969,490</u>   | <u>\$ 356,451</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, 2017**

|   | <b>Pension<br/>and Other<br/>Employee<br/>Benefit<br/>Trust Funds</b> | <b>Private<br/>Purpose<br/>Trust Funds</b> |
|---|---|--|
|   | <u>                    </u>   | <u>                    </u>                |
| Additions:                              |   |  |
| Contributions:                          |   |  |
| Employer                                | \$ 15,405,193   | \$   |
| Plan members                            | 6,686,231   |  |
| Total contributions                     | <u>22,091,424</u>   | <u>-</u>                                   |
| Investment earnings (losses):           |   |  |
| Net change in fair value of investments | 21,976,728  |  |
| Interest and dividends                  | 5,120,011   | 9,569                                      |
| Total investment earnings (losses)      | <u>27,096,739</u>   | <u>9,569</u>                               |
| Less investment expenses:               |   |  |
| Investment management fees              | 1,210,337   |  |
| Net investment earnings (losses)        | <u>25,886,402</u>   | <u>9,569</u>                               |
| Total additions                         | <u>47,977,826</u>   | <u>9,569</u>                               |
| Deductions:                             |   |  |
| Benefits                                | 30,196,186  | 17,689                                     |
| Administrative expense                  | 502,628   |  |
| Other                                   | 656,032   | 27,309                                     |
| Total deductions                        | <u>31,354,846</u>   | <u>44,998</u>                              |
| Change in Net Position                  | 16,622,980  | (35,429)                                   |
| Net Position at Beginning of Year       | <u>260,346,510</u>  | <u>391,880</u>                             |
| Net Position at End of Year             | <u>\$ 276,969,490</u>   | <u>\$ 356,451</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, 2017**

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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 and Other Employee Benefits 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. These funds are also 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, 2017**

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**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 acquisition value rather than at fair 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 the following 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. Budget transfers 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 \$589,751 for the General Fund, which was funded through fund balance, and \$75,025 for the Water Fund during the year ended June 30, 2017, which was funded through net position.

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

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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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:

|   | <b>Revenues<br/>and Other<br/>Financing<br/>Sources</b> | <b>Expenditures<br/>and Other<br/>Financing<br/>Uses</b> | <b>Fund<br/>Balance</b> |
|---|---|--|-------------------------|
| Balance, budgetary basis                        | \$ 191,384,222  | \$ 191,227,350   | \$ 17,915,094           |
| Excess cost grant (net for budgetary)           | 924,895   | 924,895  |                         |
| BABs subsidy                                    | 209,651   | 209,651  |                         |
| State Teachers’ Retirement<br>on-behalf payment | 21,048,368  | 21,048,368   |                         |
| State of Connecticut WIC<br>on-behalf payment   | 2,388,744   | 2,388,744  |                         |
| Funds consolidated for GASB 54 purposes         | <u>119,536</u>  | <u>90,119</u>  | <u>416,490</u>          |
| Balance, GAAP Basis                             | <u>\$ 216,075,416</u>                                   | <u>\$ 215,889,127</u>                                    | <u>\$ 18,331,584</u>    |

**B. Deficit Fund Equity**

For the year ended June 30, 2017, the following funds had deficit balances:

|                                    |           |
|------------------------------------|-----------|
| Nonmajor Governmental Funds:       |           |
| Misc. Grants and Programs          | \$ 37,244 |
| Factory H Demolition               | 228       |
| Nonmajor Enterprise Fund:          |           |
| George Hunter Memorial Golf Course | 1,192,005 |
| Internal Service Fund:             |           |
| Workers’ Compensation Fund         | 5,200,001 |
| Meriden Health Insurance           | 167,132   |

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

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**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*, \$98,425,618 of the City’s bank balance of \$101,405,338 was exposed to custodial credit risk as follows:

|   |                      |
|---|----------------------|
| Uninsured and uncollateralized  | \$ 88,333,056        |
| Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name | <u>10,092,562</u>    |
| Total Amount Subject to Custodial Credit Risk   | <u>\$ 98,425,618</u> |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Cash Equivalents**

At June 30, 2017, the City's cash equivalents amounted to \$11,848,276. 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>S &amp; P<br/>Global</u> |
|---|-----------------------------|
| State Short-Term Investment Fund (STIF) | AAAm                        |
| Multi-Bank Securities, Inc.             | *                           |
| TD Bank                                 | *                           |
| Northern Capital Investments            | *                           |
| Wells Fargo                             | *                           |
| Stifel Nicolaus & Company, Incorporated | *                           |

\* Not rated

**Investments**

As of June 30, 2017, the City had the following investments:

|                               | <u>Fair Value</u>     | <u>Investment Maturities (Years)</u> |                      |                     |
|-------------------------------|-----------------------|--------------------------------------|----------------------|---------------------|
|                               |                       | <u>Less than 1</u>                   | <u>1-10</u>          | <u>More than 10</u> |
| Interest-bearing investments: |                       |                                      |                      |                     |
| Certificates of Deposit       | \$ 8,817,700          | \$ 1,300,339                         | \$ 7,517,361         | \$                  |
| U.S. Government Securities    | 1,669,510             | 1,669,510                            |                      |                     |
| U.S. Government Agencies      | 6,951,175             | 3,497,418                            | 3,453,757            |                     |
| Corporate Bonds               | <u>21,291,574</u>     | <u>3,558,423</u>                     | <u>17,022,352</u>    | <u>710,799</u>      |
| Total                         | 38,729,959            | <u>\$ 10,025,690</u>                 | <u>\$ 27,993,470</u> | <u>\$ 710,799</u>   |
| Other investments:            |                       |                                      |                      |                     |
| Mutual Funds                  | 59,966,699            |                                      |                      |                     |
| Common Stock                  | 131,455,550           |                                      |                      |                     |
| Preferred Stock               | 399,448               |                                      |                      |                     |
| Alternative investments       | <u>58,397,721</u>     |                                      |                      |                     |
| Total Investments             | <u>\$ 288,949,377</u> |                                      |                      |                     |



**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

| <u>Average Rating</u> | <u>Corporate Bonds</u> | <u>U.S. Government Securities</u> | <u>U.S. Government Agencies</u> | <u>Certificate of Deposit</u> |
|-----------------------|------------------------|-----------------------------------|---------------------------------|-------------------------------|
| Aaa                   | \$ 4,544,198           | \$ 1,669,510                      | \$ 6,951,175                    | \$                            |
| Aa2                   | 759,473                |                                   |                                 |                               |
| Aa3                   | 1,460,016              |                                   |                                 |                               |
| A1                    | 1,868,833              |                                   |                                 |                               |
| A2                    | 2,807,093              |                                   |                                 |                               |
| A3                    | 3,026,941              |                                   |                                 |                               |
| Baa1                  | 3,809,093              |                                   |                                 |                               |
| Baa2                  | 2,082,711              |                                   |                                 |                               |
| Baa3                  | 463,396                |                                   |                                 |                               |
| Ba1                   | 259,820                |                                   |                                 |                               |
| Ba2                   | 210,000                |                                   |                                 |                               |
| Unrated               |                        |                                   |                                 | 8,817,328                     |
| Total                 | \$ <u>21,291,574</u>   | \$ <u>1,669,510</u>               | \$ <u>6,951,175</u>             | \$ <u>8,817,328</u>           |

**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. In addition, per policy, a depository's long-term debt must be rated at least C by Thompson Bank Watch and A- by Standard & Poor's, A3 by Moody's or A- by Fitch; and its short-term debt must be rated at least TBW-1 by Thomson Bank Watch and A-1 by Standard & Poors, P-1 by Moody's or F-1 by Fitch or the depository's total risk-based capital ratio must exceed ten percent (10%).

**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, 2017, 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.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Pension**

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

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

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

There shall be no investments in:

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

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

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

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**Fair Value**

The City adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2017:

|  | June 30,<br>2017 | Fair Value Measurements Using |               |               |
|--|------------------|-------------------------------|---------------|---------------|
|  |                  | Level 1                       | Level 2       | Level 3       |
| Investments by fair value level:               |                  |                               |               |               |
| U.S. Government securities                     | \$ 1,669,510     |                               | 1,669,510     |               |
| U.S. Government agencies                       | 6,951,175        |                               | 6,951,175     |               |
| Corporate bonds                                | 21,291,574       |                               | 21,291,574    |               |
| Common stock                                   | 131,455,550      | 131,455,550                   |               |               |
| Preferred stock                                | 399,448          | 391,939                       | 7,509         |               |
| Mutual funds                                   | 59,966,699       | 59,966,699                    |               |               |
| Alternative investments                        | 48,445,355       |                               |               | 48,445,355    |
| Total investments by fair value level          | 270,179,311      | \$ 191,814,188                | \$ 29,919,768 | \$ 48,445,355 |
| Investments measured at net asset value (NAV): |                  |                               |               |               |
| Private equity holdings                        | 9,952,366        |                               |               |               |
| Certificates of deposit                        | 8,817,700        |                               |               |               |
| Total Investments                              | \$ 288,949,377   |                               |               |               |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

Private equity funds - international are valued as described in the following schedule.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

|  | <u>Fair Value</u>   | <u>Unfunded Commitments</u> | <u>Redemption Frequency (If Currently Eligible)</u> | <u>Redemption Notice Period</u> |
|--|---------------------|-----------------------------|---|---------------------------------|
| Central Park Group: Brookfield Real Estate | \$ 1,905,921        | \$ 1,098,900                | Quarterly, annually                                 | 30-60 days                      |
| Central Park Group: Carlyle CEOF           | 462,675             | 419,788                     | Quarterly, annually                                 | 30-60 days                      |
| Central Park Group: WP PVT WPXI            | 3,450,603           | 639,056                     | Quarterly, annually                                 | 30-60 days                      |
| Central Park Group: WPXXX Energy           | 598,538             | 820,878                     | Quarterly, annually                                 | 30-60 days                      |
| iCapital KV Seed                           | 437,598             | 207,177                     | Quarterly, annually                                 | 30-60 days                      |
| iCapital Apollo Structured                 | 1,779,848           | 924,000                     | Quarterly, annually                                 | 30-60 days                      |
| Portfolio Advisors Secondary Fund II       | 1,317,183           | 441,904                     | Quarterly, annually                                 | 30-60 days                      |
|  | <u>\$ 9,952,366</u> | <u>\$ 4,551,703</u>         |   |                                 |

**4. RECEIVABLES**

The receivables as of June 30, 2017 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:

|                                      | <u>Governmental and Fiduciary Type Funds</u> |                             |  |                      |
|--------------------------------------|--|-----------------------------|--|----------------------|
|                                      | <u>General Fund</u>                          | <u>Bonded Projects Fund</u> | <u>Nonmajor, Internal Service, and Fiduciary Funds</u> | <u>Total</u>         |
| Property taxes                       | \$ 8,203,866                                 | \$                          | \$   | \$ 8,203,866         |
| Interest and liens                   | 7,902,632                                    |                             |  | 7,902,632            |
| Accounts                             | 443,405                                      | 18,416                      | 383,917  | 845,738              |
| Intergovernmental                    | 6,171  | 1,273,501                   | 2,842,856  | 4,122,528            |
| Loans                                |  | 83,300                      | 2,188,688  | 2,271,988            |
| Other                                | 461  |                             | 839,125  | 839,586              |
| Gross receivables                    | <u>16,556,535</u>                            | <u>1,375,217</u>            | <u>6,254,586</u>                                       | <u>24,186,338</u>    |
| Less allowance for collection losses | <u>10,524,538</u>                            |                             | <u>262,816</u>   | <u>10,787,354</u>    |
| Net Total Receivables                | <u>\$ 6,031,997</u>                          | <u>\$ 1,375,217</u>         | <u>\$ 5,991,770</u>                                    | <u>\$ 13,398,984</u> |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|                                      | <b>Business-Type Funds</b> |                        |                      | <b>Total</b>        |
|--------------------------------------|----------------------------|------------------------|----------------------|---------------------|
|                                      | <b>Water Authority</b>     | <b>Sewer Authority</b> | <b>Nonmajor Fund</b> |                     |
| Use charges                          | \$ 1,114,448               | \$ 1,049,398           | \$                   | \$ 2,163,846        |
| Interest and liens                   | 117,396                    | 116,680                |                      | 234,076             |
| Assessments                          |                            | 140,069                |                      | 140,069             |
| Unbilled                             | 3,194,214                  | 3,088,928              |                      | 6,283,142           |
| Other                                | <u>10,354</u>              | <u>16,033</u>          | <u>110</u>           | <u>26,497</u>       |
| Gross receivables                    | 4,436,412                  | 4,411,108              | 110                  | 8,847,630           |
| Less allowance for collection losses | <u>214,934</u>             | <u>220,702</u>         |                      | <u>435,636</u>      |
| Net Total Receivables                | \$ <u>4,221,478</u>        | \$ <u>4,190,406</u>    | \$ <u>110</u>        | \$ <u>8,411,994</u> |

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

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

|   | <b>Beginning Balance</b> | <b>Increases</b>      | <b>Decreases</b>      | <b>Ending Balance</b> |
|---|--------------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities:                    |                          |                       |                       |                       |
| Capital assets not being depreciated:       |                          |                       |                       |                       |
| Land  | \$ 24,777,485            | \$ 112,600            | \$ 45,375             | \$ 24,844,710         |
| Construction in progress                    | <u>201,238,397</u>       | <u>21,664,941</u>     | <u>113,714,452</u>    | <u>109,188,886</u>    |
| Total capital assets not being depreciated  | <u>226,015,882</u>       | <u>21,777,541</u>     | <u>113,759,827</u>    | <u>134,033,596</u>    |
| Capital assets being depreciated:           |                          |                       |                       |                       |
| Land improvements                           | 23,275,217               | 8,709,994             |                       | 31,985,211            |
| Buildings and improvements                  | 191,506,823              | 108,687,616           | 184,492               | 300,009,947           |
| Machinery and equipment                     | 13,720,223               | 5,424,525             | 123,396               | 19,021,352            |
| Vehicles                                    | 15,880,039               | 549,524               | 247,787               | 16,181,776            |
| Infrastructure                              | <u>105,757,044</u>       | <u>7,704,628</u>      |                       | <u>113,461,672</u>    |
| Total capital assets being depreciated      | <u>350,139,346</u>       | <u>131,076,287</u>    | <u>555,675</u>        | <u>480,659,958</u>    |
| Less accumulated depreciation for:          |                          |                       |                       |                       |
| Land improvements                           | 13,042,182               | 1,054,526             |                       | 14,096,708            |
| Buildings and improvements                  | 94,024,874               | 6,096,256             | 136,834               | 99,984,296            |
| Machinery and equipment                     | 9,082,780                | 1,020,468             | 123,396               | 9,979,852             |
| Vehicles                                    | 12,210,958               | 948,160               | 247,787               | 12,911,331            |
| Infrastructure                              | <u>68,497,141</u>        | <u>3,029,729</u>      |                       | <u>71,526,870</u>     |
| Total accumulated depreciation              | <u>196,857,935</u>       | <u>12,149,139</u>     | <u>508,017</u>        | <u>208,499,057</u>    |
| Total capital assets being depreciated, net | <u>153,281,411</u>       | <u>118,927,148</u>    | <u>47,658</u>         | <u>272,160,901</u>    |
| Governmental Activities Capital Assets, Net | \$ <u>379,297,293</u>    | \$ <u>140,704,689</u> | \$ <u>113,807,485</u> | \$ <u>406,194,497</u> |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>      | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|--|------------------------------|-----------------------|---------------------|---------------------------|
| Business-type activities:                    |                              |                       |                     |                           |
| Capital assets not being depreciated:        |                              |                       |                     |                           |
| Land   | \$ 1,138,531                 | \$                    | \$                  | \$ 1,138,531              |
| Construction in progress                     | 1,792,075                    | 342,413               | 1,507,786           | 626,702                   |
| Total capital assets not being depreciated   | <u>2,930,606</u>             | <u>342,413</u>        | <u>1,507,786</u>    | <u>1,765,233</u>          |
| Capital assets being depreciated:            |                              |                       |                     |                           |
| Land improvements                            | 22,667,142                   | 768,090               |                     | 23,435,232                |
| Buildings and improvements                   | 81,579,449                   |                       |                     | 81,579,449                |
| Machinery and equipment                      | 32,497,367                   | 597,376               |                     | 33,094,743                |
| Vehicles                                     | 2,530,996                    | 177,524               |                     | 2,708,520                 |
| Infrastructure                               | 121,600,637                  | 1,806,971             |                     | 123,407,608               |
| Total capital assets being depreciated       | <u>260,875,591</u>           | <u>3,349,961</u>      | <u>-</u>            | <u>264,225,552</u>        |
| Less accumulated depreciation for:           |                              |                       |                     |                           |
| Land improvements                            | 5,297,728                    | 1,131,638             |                     | 6,429,366                 |
| Buildings and improvements                   | 35,699,743                   | 2,087,544             |                     | 37,787,287                |
| Machinery and equipment                      | 16,429,151                   | 1,938,221             |                     | 18,367,372                |
| Vehicles                                     | 2,141,797                    | 121,406               |                     | 2,263,203                 |
| Infrastructure                               | 63,989,025                   | 1,764,621             |                     | 65,753,646                |
| Total accumulated depreciation               | <u>123,557,444</u>           | <u>7,043,430</u>      | <u>-</u>            | <u>130,600,874</u>        |
| Total capital assets being depreciated, net  | <u>137,318,147</u>           | <u>(3,693,469)</u>    | <u>-</u>            | <u>133,624,678</u>        |
| Business-Type Activities Capital Assets, Net | <u>\$ 140,248,753</u>        | <u>\$ (3,351,056)</u> | <u>\$ 1,507,786</u> | <u>\$ 135,389,911</u>     |

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

|   |                      |
|---|----------------------|
| Governmental activities:                              |                      |
| General government                                    | \$ 397,218           |
| Education   | 5,361,175            |
| Public safety   | 1,078,020            |
| Public works  | 52,380               |
| Library   | 4,251,864            |
| Recreation  | 914,592              |
| Human services  | <u>93,890</u>        |
| Total Depreciation Expense - Governmental Activities  | <u>\$ 12,149,139</u> |
| Business-type activities:                             |                      |
| Water Authority                                       | \$ 2,779,951         |
| Sewer Authority                                       | 4,105,062            |
| Golf Course   | <u>158,417</u>       |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 7,043,430</u>  |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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, 2017 is as follows:

| <u>Receivable Fund</u>    | <u>Payable Fund</u>         | <u>Amount</u>        |
|---------------------------|-----------------------------|----------------------|
| General Fund              | Bonded Projects Fund        | \$ 309,412           |
|                           | Nonmajor Governmental Funds | 1,322,233            |
|                           | Internal Service Fund       | 4,000,000            |
|                           | OPEB Trust Funds            | 113,594              |
|                           | Nonmajor Proprietary Fund   | <u>3,029,909</u>     |
|                           |                             | 8,775,148            |
| Water Fund                | Bonded Projects Fund        | 5,581,957            |
| Sewer Fund                | Bonded Projects Fund        | 5,224,313            |
| Nonmajor Proprietary Fund | Bonded Projects Fund        | <u>355,766</u>       |
|                           |                             | <u>\$ 19,937,184</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.

|                                | <u>Transfers In</u>     |  | <u>Total<br/>Transfers<br/>Out</u> |
|--------------------------------|-------------------------|--|------------------------------------|
|                                | <u>General<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> |                                    |
| Transfers out:                 |                         |  |                                    |
| General Fund                   | \$                      | \$ 1,005,729                               | \$ 1,005,729                       |
| Bonded Projects Fund           | 442,682                 |  | 442,682                            |
| Nonmajor Governmental<br>Funds | <u>241,363</u>          |  | <u>241,363</u>                     |
| Total Transfers In             | <u>\$ 684,045</u>       | <u>\$ 1,005,729</u>                        | <u>\$ 1,689,774</u>                |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2017 was as follows:

|   | <u>Beginning<br/>Balance</u> |           | <u>Increases</u>  |           | <u>Decreases</u>  |           | <u>Ending<br/>Balance</u> |           | <u>Due Within<br/>One Year</u> |
|---|------------------------------|-----------|-------------------|-----------|-------------------|-----------|---------------------------|-----------|--------------------------------|
| Governmental Activities:  |                              |           |                   |           |                   |           |                           |           |                                |
| General obligation bonds  | \$ 108,607,000               | \$        | 70,249,302        | \$        | 10,318,700        | \$        | 168,537,602               | \$        | 22,716,602                     |
| Premium on bonds  | 4,638,529                    |           | 6,270,807         |           | 597,994           |           | 10,311,342                |           |                                |
| Notes payable   | 1,200,000                    |           |                   |           | 75,000            |           | 1,125,000                 |           | 75,000                         |
| Compensated absences  | 20,309,315                   |           | 467,118           |           | 1,708,525         |           | 19,067,908                |           | 1,019,809                      |
| Worker's compensation   | 1,545,013                    |           | 1,227,418         |           | 334,812           |           | 2,437,619                 |           | 812,540                        |
| Heart and hypertension  | 5,562,668                    |           | 2,249,456         |           | 2,936,887         |           | 4,875,237                 |           | 1,625,079                      |
| Landfill post-closure monitoring                                | 424,129                      |           |                   |           | 68,480            |           | 355,649                   |           | 80,000                         |
| Net pension liability   | 143,290,193                  |           | 148,274           |           |                   |           | 143,438,467               |           |                                |
| OPEB obligation   | 45,514,635                   |           | 3,053,560         |           |                   |           | 48,568,195                |           |                                |
| Pollution remediation   | 8,486,600                    |           | 4,879,450         |           |                   |           | 13,366,050                |           |                                |
| Claims and judgments  | 1,858,000                    |           | 392,000           |           | 598,000           |           | 1,652,000                 |           | 268,000                        |
| <b>Total Governmental Activities<br/>Long-Term Liabilities</b>  | <b>\$ 341,436,082</b>        | <b>\$</b> | <b>88,937,385</b> | <b>\$</b> | <b>16,638,398</b> | <b>\$</b> | <b>413,735,069</b>        | <b>\$</b> | <b>26,597,030</b>              |
| Business-Type Activities:                                       |                              |           |                   |           |                   |           |                           |           |                                |
| General obligation bonds  | \$ 15,213,000                | \$        | 10,615,698        | \$        | 1,446,300         | \$        | 24,382,398                | \$        | 3,713,398                      |
| Premium on bonds  | 368,455                      |           | 969,974           |           | 75,733            |           | 1,262,696                 |           |                                |
| Compensated absences  | 1,735,691                    |           | 98,443            |           | 4,680             |           | 1,829,454                 |           | 95,225                         |
| Net pension liability   | 6,406,214                    |           | 65,367            |           |                   |           | 6,471,581                 |           |                                |
| OPEB obligation   | 1,956,777                    |           |                   |           | 1,637             |           | 1,955,140                 |           |                                |
| Clean water/drinking water notes                                | 47,435,735                   |           | 320,281           |           | 2,534,005         |           | 45,222,011                |           | 2,600,417                      |
| <b>Total Business-Type Activities<br/>Long-Term Liabilities</b> | <b>\$ 73,115,872</b>         | <b>\$</b> | <b>12,069,763</b> | <b>\$</b> | <b>4,062,355</b>  | <b>\$</b> | <b>81,123,280</b>         | <b>\$</b> | <b>6,409,040</b>               |

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, 2017**

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, 2017</u> |
|--------------------------------|----------------------|-------------------------|--------------------------|---------------------------------|-------------------------|--|
| Governmental:                  |                      |                         |                          |                                 |                         |  |
| General purpose:               |                      |                         |                          |                                 |                         |  |
| General obligation, Series A   | 5/4/10               | 8/1/22                  | 3-5%                     | 11,627,000                      | Various                 | \$ 2,450,000                             |
| General obligation, Series B   | 5/4/10               | 8/1/23                  | 3-5%                     | 21,142,000                      | Various                 | 10,606,000                               |
| General obligation BABs        | 7/13/10              | 5/15/30                 | 1-5.75%                  | 18,764,086                      | Various                 | 12,377,000                               |
| General obligation             | 12/18/12             | 8/1/28                  | 1-2.65%                  | 6,400,000                       | Various                 | 6,134,000                                |
| General obligation             | 1/31/13              | 2/15/33                 | 1-3%                     | 24,423,203                      | Various                 | 20,935,000                               |
| General obligation, Series A   | 9/8/14               | 3/1/34                  | 3-5%                     | 47,515,700                      | Various                 | 43,548,600                               |
| General obligation, Series B   | 9/8/14               | 3/1/24                  | 2-3%                     | 2,864,000                       | Various                 | 2,237,700                                |
| General obligation             | 11/1/16              | 5/1/36                  | 3-5%                     | 59,643,302                      | Various                 | 59,643,302                               |
| General obligation             | 11/15/16             | 5/15/30                 | 3-5%                     | 10,606,000                      | Various                 | 10,606,000                               |
| Total governmental activities  |                      |                         |                          |                                 |                         | <u>168,537,602</u>                       |
| Business-Type:                 |                      |                         |                          |                                 |                         |  |
| General purpose:               |                      |                         |                          |                                 |                         |  |
| General obligation, Series A   | 5/4/10               | 8/1/22                  | 3-5%                     | 163,000                         | Various                 | 20,000                                   |
| 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                 | 2,353,000                                |
| General obligation             | 12/18/12             | 8/1/28                  | 1-2.65%                  | 3,500,000                       | Various                 | 3,356,000                                |
| General obligation             | 1/31/13              | 2/15/33                 | 1-3%                     | 1,056,797                       | Various                 | 905,000                                  |
| General obligation, Series A   | 9/8/14               | 3/1/34                  | 3-5%                     | 2,789,300                       | Various                 | 2,556,400                                |
| General obligation, Series B   | 9/8/14               | 3/1/24                  | 2-3%                     | 630,000                         | Various                 | 492,300                                  |
| General obligation             | 11/1/16              | 5/1/36                  | 3-5%                     | 8,596,698                       | Various                 | 8,596,698                                |
| General obligation             | 11/15/16             | 5/15/30                 | 3-5%                     | 2,019,000                       | Various                 | 2,019,000                                |
| Total business-type activities |                      |                         |                          |                                 |                         | <u>24,382,398</u>                        |
| Total Outstanding              |                      |                         |                          |                                 |                         | \$ <u>192,920,000</u>                    |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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>     |
| 2018* \$ | 22,716,602                     | \$ 7,012,351         | \$ 3,713,398                    | \$ 1,001,700        |
| 2019     | 10,649,300                     | 5,375,362            | 1,465,700                       | 774,849             |
| 2020     | 10,653,300                     | 4,890,838            | 1,466,700                       | 707,323             |
| 2021     | 9,870,300                      | 4,421,581            | 1,519,700                       | 641,460             |
| 2022     | 9,862,300                      | 3,992,264            | 1,522,700                       | 574,987             |
| 2023     | 9,482,200                      | 3,550,748            | 1,527,800                       | 503,399             |
| 2024     | 9,149,200                      | 3,156,060            | 1,530,800                       | 432,806             |
| 2025     | 8,882,800                      | 2,778,433            | 1,462,200                       | 368,833             |
| 2026     | 9,118,000                      | 2,442,869            | 1,467,000                       | 314,731             |
| 2027     | 9,106,000                      | 2,138,994            | 1,459,000                       | 266,337             |
| 2028     | 9,088,000                      | 1,862,770            | 1,447,000                       | 221,880             |
| 2029     | 9,074,000                      | 1,580,795            | 1,436,000                       | 176,805             |
| 2030     | 7,992,000                      | 1,294,355            | 848,000                         | 137,995             |
| 2031     | 7,034,000                      | 1,020,900            | 666,000                         | 107,837             |
| 2032     | 7,034,000                      | 803,150              | 666,000                         | 87,462              |
| 2033     | 7,032,900                      | 585,400              | 667,100                         | 67,087              |
| 2034     | 5,728,700                      | 367,684              | 611,300                         | 46,679              |
| 2035     | 3,032,000                      | 185,710              | 453,000                         | 27,746              |
| 2036     | 3,032,000                      | 94,750               | 453,000                         | 14,156              |
| Total    | <u>\$ 168,537,602</u>          | <u>\$ 47,555,014</u> | <u>\$ 24,382,398</u>            | <u>\$ 6,474,072</u> |

\* Includes payments on a crossover refunding in the amount of \$11,427,000 for Governmental Activities and \$2,173,000 for Business-Type Activities.

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$437,592 for governmental activities and \$83,180 for business-type activities.

**General Obligation Bonds - Current Crossover Refunding**

On November 3, 2016, the City issued \$12,625,000 of general obligation refunding bonds with interest rates ranging from 3.0 to 5.0%. The bonds were issued to crossover refinance previously issued Taxable Build America Bonds dated July 1, 2010. The net proceeds of \$14,307,428 (including a premium of \$1,745,553 and issuance costs of \$63,125) were deposited into an escrow account which remains in the City's possession until the crossover date of May 15, 2018. At the crossover date, the Taxable Build America Bonds will be considered defeased and the liability for those bonds as well as the funds deposited into the escrow account will be removed from the statement of net position. The refunding will reduce total debt service payments by \$975,000 from fiscal year 2019 through 2030, and represents an economic gain (difference between present values of the debt service payments on the old and the new debt) of \$627,712.

**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 2017, subsidy payments received were reduced by 6.8% or \$18,472.

**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, 2017. 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.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

| Year Ending<br>June 30 | Clean Water Notes    |                     | Drinking Water Notes |                     | Total<br>Business-Type |                     |
|------------------------|----------------------|---------------------|----------------------|---------------------|------------------------|---------------------|
|                        | Principal            | Interest            | Principal            | Interest            | Principal              | Interest            |
| 2018                   | \$ 1,757,336         | \$ 521,129          | \$ 843,081           | \$ 359,489          | \$ 2,600,417           | \$ 880,618          |
| 2019                   | 1,778,235            | 485,863             | 860,098              | 342,471             | 2,638,333              | 828,334             |
| 2020                   | 1,814,127            | 449,970             | 877,459              | 325,111             | 2,691,586              | 775,081             |
| 2021                   | 1,850,744            | 413,353             | 895,169              | 307,400             | 2,745,913              | 720,753             |
| 2022                   | 1,888,100            | 375,997             | 913,238              | 289,332             | 2,801,338              | 665,329             |
| 2023                   | 1,926,210            | 337,887             | 931,671              | 270,898             | 2,857,881              | 608,785             |
| 2024                   | 1,965,090            | 299,008             | 950,476              | 252,093             | 2,915,566              | 551,101             |
| 2025                   | 2,004,754            | 259,344             | 969,661              | 232,909             | 2,974,415              | 492,253             |
| 2026                   | 2,045,218            | 218,879             | 989,233              | 213,337             | 3,034,451              | 432,216             |
| 2027                   | 2,086,500            | 177,598             | 1,009,200            | 193,370             | 3,095,700              | 370,968             |
| 2028                   | 2,128,615            | 135,483             | 1,029,570            | 172,999             | 3,158,185              | 308,482             |
| 2029                   | 2,171,579            | 92,518              | 1,050,351            | 152,218             | 3,221,930              | 244,736             |
| 2030                   | 2,215,411            | 48,687              | 1,071,552            | 131,018             | 3,286,963              | 179,705             |
| 2031                   | 1,177,268            | 8,473               | 1,093,180            | 109,389             | 2,270,448              | 117,862             |
| 2032                   | 53,381               | 313                 | 1,115,246            | 87,324              | 1,168,627              | 87,637              |
| 2033                   |                      |                     | 1,089,528            | 65,014              | 1,089,528              | 65,014              |
| 2034                   |                      |                     | 1,062,807            | 43,707              | 1,062,807              | 43,707              |
| 2035                   |                      |                     | 1,084,259            | 22,255              | 1,084,259              | 22,255              |
| 2036                   |                      |                     | 509,034              | 3,349               | 509,034                | 3,349               |
| 2037                   |                      |                     | 14,630               | 37                  | 14,630                 | 37                  |
|                        | <u>\$ 26,862,568</u> | <u>\$ 3,824,502</u> | <u>\$ 18,359,443</u> | <u>\$ 3,573,720</u> | <u>\$ 45,222,011</u>   | <u>\$ 7,398,222</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.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

|      |    | <b>HUD Note</b>     |                   |
|------|----|---------------------|-------------------|
|      |    | <u>Principal</u>    | <u>Interest</u>   |
| 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>\$ 1,125,000</u> | <u>\$ 258,971</u> |

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2017 is \$1,482,954, 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 \$355,649, 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, 2017. 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 \$7,752,222, which is made up of \$10,352,000 less estimated recoveries from the State and Federal government 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 Green (formerly the 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, 2017, 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.

116 Cook Avenue has contaminated soil and hazardous building materials contributing to the contamination. The liability is \$1,574,050, and is made up of \$2,098,000 less estimated recoveries from the Federal government (HUD and US EPA) of \$523,950. Management has estimated this liability taking into account data based on estimates from their consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City of Meriden by Tighe and Bond, including "Phase III Environmental Site Assessment report, dated July 2012," and an "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 of Meriden assumes removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2017, the City utilized \$523,950 in federal funds to remove hazardous building materials and universal waste and to remove an underground storage tank (UST) from the site.

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. As of June 30, 2017, the City was awarded and was in the process of utilizing a \$1.27 million state grant from the CT Department of Economic and Community Development to complete building demolition and site remediation. All remediation work is expected to be completed by October 30, 2017. Following site remediation, the site will be transferred to a private developer in 2018. Ongoing liability may require two years of groundwater monitoring after the site redevelopment is completed after 2020. The estimated cost of groundwater monitoring is less than \$20,000 total.

**CITY OF MERIDEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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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. The liability is made up of \$565,812 less recoveries from the State of \$565,812. Management has estimated this liability taking into account data based on estimates from their consulting firm. As of June 30, 2017, the City was awarded and completed soil remediation utilizing a \$597,000 state grant from the CT Department of Economic and Community Development to complete site remediation. All remediation work is completed. The site was transferred to a private developer in April 2017. Ongoing liability may require two years of groundwater monitoring after the site redevelopment is completed after 2020. The estimated cost of groundwater monitoring is less than \$20,000 total.

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 was awarded \$180,000 to further assess the building and property and \$221,000 in state forgivable loans for cleanup. An engineer’s probable cost estimate to remediate the site is approximately \$4 million for soil and building materials clean up where no funding for clean up has yet to be identified. The City submitted an application to the CT Department of Economic and Community Development to complete site remediation and the removal of hazardous building materials. The application is currently under review by the State of Connecticut.

**Claims and Judgments**

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 \$1,652,000 at June 30, 2017.

**Debt Limitation**

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 | \$ 280,193             | \$ 90,765           | \$ 189,428     |
| Schools          | 560,385                | 79,905              | 480,480        |
| Urban renewal    | 404,723                |                     | 404,723        |
| Sewers           | 466,988                | 9,833               | 457,155        |
| Pension bonding  | 373,590                |                     | 373,590        |

In no case shall total indebtedness exceed seven times annual receipts from taxation (\$871,710).

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

|  | <u>General<br/>Fund</u> | <u>Bonded<br/>Projects<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|--|-------------------------|-------------------------------------|--|----------------------|
| Fund balances:                           |                         |                                     |  |                      |
| Nonspendable:                            |                         |                                     |  |                      |
| Inventory                                | \$ 130,224              | \$                                  | \$ 107,138                                 | \$ 237,362           |
| Prepaid Expenses                         | 9,147                   |                                     |  | 9,147                |
| Permanent fund principal                 |                         |                                     | 431,547                                    | 431,547              |
| Restricted for:                          |                         |                                     |  |                      |
| Flood control                            | 480,001                 |                                     |  | 480,001              |
| Wallingford Regional Solid Waste Reserve | 449,720                 |                                     |  | 449,720              |
| Federal and State grants                 | 3,142                   |                                     | 1,130,863                                  | 1,134,005            |
| Bonds                                    |                         | 54,716,906                          |  | 54,716,906           |
| Park trusts                              |                         |                                     | 1,898,538                                  | 1,898,538            |
| Library trusts                           |                         |                                     | 220,552                                    | 220,552              |
| Education trusts                         |                         |                                     | 8,059                                      | 8,059                |
| Health trusts                            |                         |                                     | 426  | 426                  |
| Capital and nonrecurring                 |                         |                                     | 123  | 123                  |
| Committed to:                            |                         |                                     |  |                      |
| Special assessment project               |                         |                                     | 107,090                                    | 107,090              |
| Education                                |                         |                                     | 1,354,118                                  | 1,354,118            |
| Planning and development                 |                         |                                     | 58,214                                     | 58,214               |
| School readiness                         |                         |                                     | 128,648                                    | 128,648              |
| Anti-blight                              |                         |                                     | 152,666                                    | 152,666              |
| Airport improvement                      |                         |                                     | 9,845                                      | 9,845                |
| Dog fund                                 |                         |                                     | 7,090                                      | 7,090                |
| Capital and nonrecurring                 |                         |                                     | 743,330                                    | 743,330              |
| Insurance refunds                        | 258,537                 |                                     |  | 258,537              |
| Tree preservation                        | 2,985                   |                                     |  | 2,985                |
| Downtown property management             | 117,957                 |                                     |  | 117,957              |
| Vehicle replacement                      | 40,512                  |                                     |  | 40,512               |
| Public safety                            |                         |                                     | 18,479                                     | 18,479               |
| Unassigned                               | <u>16,839,359</u>       |                                     | <u>(37,472)</u>                            | <u>16,801,887</u>    |
| <b>Total Fund Balances</b>               | <u>\$ 18,331,584</u>    | <u>\$ 54,716,906</u>                | <u>\$ 6,339,254</u>                        | <u>\$ 79,387,744</u> |

Significant encumbrances of \$13,042,086 are included in the bonded projects fund and \$2,312,309 are included in the nonmajor funds as of June 30, 2017.



**CITY OF MERIDEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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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, 2017.

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:

|   | <b>Accrued<br/>Liability<br/>Beginning of<br/>Fiscal Year</b> |    | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> |    | <b>Accrued<br/>Liability<br/>Claim<br/>Payments</b> |    | <b>Accrued<br/>Liability<br/>End of<br/>Fiscal Year</b> |
|---|---|----|---|----|---|----|---|
| <b>Workers' Compensation and Heart and Hypertension</b> |   |    |   |    |   |    |   |
| 2016-17   | \$ 7,107,681  | \$ | 3,271,699   | \$ | 3,066,524   | \$ | 7,312,856   |
| 2015-16   | 7,268,353   |    | 3,603,124   |    | 3,763,796   |    | 7,107,681   |
| <b>Health Insurance</b>                                 |   |    |   |    |   |    |   |
| 2016-17   | \$ 1,592,400  | \$ | 25,931,153  | \$ | 25,434,388  | \$ | 2,089,165   |
| 2015-16   | 2,210,781   |    | 22,297,859  |    | 22,916,240  |    | 1,592,400   |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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:

| <b>Provisions</b>           | <b>Employees' Retirement Plan</b>  | <b>Police Pension Plan</b>  | <b>Firefighters' Pension Plan</b>   |
|-----------------------------|--|---|---|
| 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.  | Earlier of 20 years of service or age 65  | 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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

---

| <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) - 10% of earnings (includes 6% of earnings to pension and 4% 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> |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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At July 1, 2016, Plan membership consisted of the following:

|   | <b>Employees'<br/>Retirement<br/>Plan</b> | <b>Police<br/>Pension<br/>Plan</b> | <b>Firefighters'<br/>Pension<br/>Plan</b> |
|---|---|------------------------------------|---|
|   | <u>          </u>                         | <u>          </u>                  | <u>          </u>                         |
| Retirees and beneficiaries currently receiving benefits | 486                                       | 145                                | 122                                       |
| Vested terminated employees                             | 107                                       | 1                                  |   |
| Active participants                                     | <u>531</u>                                | <u>46</u>                          | <u>47</u>                                 |
| <br>Total Participants                                  | <br><u><u>1,124</u></u>                   | <br><u><u>192</u></u>              | <br><u><u>169</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.

**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.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**Administrative Costs**

Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2017 and changes in net position for the year then ended are as follows:

|   | <b>Pension Trust Funds</b>                |                                    |   |  |
|---|---|------------------------------------|---|--|
|   | <b>Employees'<br/>Retirement<br/>Plan</b> | <b>Police<br/>Pension<br/>Fund</b> | <b>Firefighters'<br/>Pension<br/>Plan</b> | <b>Total<br/>Pension<br/>Trust Funds</b> |
| <b>Assets:</b>  |   |                                    |   |  |
| Cash and cash equivalents                             | \$ 5,540,612                              | \$ 3,020,436                       | \$ 2,519,935                              | \$ 11,080,983                            |
| Accounts receivable                                   | 161,693                                   | 13,992                             | 17,482                                    | 193,167                                  |
| Interest receivable                                   | 285,406                                   | 122,715                            | 92,192                                    | 500,313                                  |
|   | <u>447,099</u>                            | <u>136,707</u>                     | <u>109,674</u>                            | <u>693,480</u>                           |
| <b>Investments, at fair value:</b>                    |   |                                    |   |  |
| U.S. treasury bonds                                   | 4,298,118                                 | 1,460,825                          | 1,139,650                                 | 6,898,593                                |
| Corporate bonds                                       | 11,635,442                                | 4,985,805                          | 3,889,635                                 | 20,510,882                               |
| Equities  | 73,589,134                                | 30,789,900                         | 24,020,483                                | 128,399,517                              |
| Mutual funds  | 19,278,952                                | 6,117,013                          | 4,772,137                                 | 30,168,102                               |
| Other   | 24,469,395                                | 12,520,902                         | 9,768,077                                 | 46,758,374                               |
| Total investments                                     | <u>133,271,041</u>                        | <u>55,874,445</u>                  | <u>43,589,982</u>                         | <u>232,735,468</u>                       |
| Total assets  | <u>139,258,752</u>                        | <u>59,031,588</u>                  | <u>46,219,591</u>                         | <u>244,509,931</u>                       |
| <b>Liabilities:</b>                                   |   |                                    |   |  |
| Obligations Under Securities Lending                  |   |                                    |   |  |
| Other liabilities                                     | <u>26,192</u>                             | <u>14,192</u>                      | <u>14,192</u>                             | <u>54,576</u>                            |
| <b>Net Position:</b>                                  |   |                                    |   |  |
| Restricted for Pension<br>Benefits and Other Purposes | <u>\$ 139,232,560</u>                     | <u>\$ 59,017,396</u>               | <u>\$ 46,205,399</u>                      | <u>\$ 244,455,355</u>                    |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|  | <b>Pension Trust Funds</b>                |                                    |   |  |
|--|---|------------------------------------|---|--|
|  | <b>Employees'<br/>Retirement<br/>Plan</b> | <b>Police<br/>Pension<br/>Fund</b> | <b>Firefighters'<br/>Pension<br/>Plan</b> | <b>Total<br/>Pension<br/>Trust Funds</b> |
| Additions:   |   |                                    |   |  |
| Contributions:                                       |   |                                    |   |  |
| Employer   | \$ 3,316,370                              | \$ 4,464,984                       | \$ 3,054,069                              | \$ 10,835,423                            |
| Plan members   | 2,076,909                                 | 198,574                            | 234,116                                   | 2,509,599                                |
| Total contributions                                  | <u>5,393,279</u>                          | <u>4,663,558</u>                   | <u>3,288,185</u>                          | <u>13,345,022</u>                        |
| Investment earnings (losses):                        |   |                                    |   |  |
| Net increase (decrease) in fair value of investments | 10,836,705                                | 4,519,831                          | 3,652,701                                 | 19,009,237                               |
| Dividends and interest                               | <u>2,599,109</u>                          | <u>1,061,781</u>                   | <u>834,480</u>                            | <u>4,495,370</u>                         |
| Total investment earnings (losses)                   | 13,435,814                                | 5,581,612                          | 4,487,181                                 | 23,504,607                               |
| Less investment expenses:                            |   |                                    |   |  |
| Investment management fees                           | <u>685,485</u>                            | <u>293,355</u>                     | <u>231,497</u>                            | <u>1,210,337</u>                         |
| Net investment earnings (losses)                     | <u>12,750,329</u>                         | <u>5,288,257</u>                   | <u>4,255,684</u>                          | <u>22,294,270</u>                        |
| Total additions                                      | <u>18,143,608</u>                         | <u>9,951,815</u>                   | <u>7,543,869</u>                          | <u>35,639,292</u>                        |
| Deductions:  |   |                                    |   |  |
| Benefits   | 10,171,401                                | 7,395,323                          | 5,954,632                                 | 23,521,356                               |
| Administration                                       | 38,998                                    | 38,997                             | 38,998                                    | 116,993                                  |
| Other  | <u>536,118</u>                            | <u>14,103</u>                      | <u>14,105</u>                             | <u>564,326</u>                           |
| Total deductions                                     | <u>10,746,517</u>                         | <u>7,448,423</u>                   | <u>6,007,735</u>                          | <u>24,202,675</u>                        |
| Change in net position                               | 7,397,091                                 | 2,503,392                          | 1,536,134                                 | 11,436,617                               |
| Net Position at Beginning of Year                    | <u>131,835,469</u>                        | <u>56,514,004</u>                  | <u>44,669,265</u>                         | <u>233,018,738</u>                       |
| Net Position at End of Year                          | <u>\$ 139,232,560</u>                     | <u>\$ 59,017,396</u>               | <u>\$ 46,205,399</u>                      | <u>\$ 244,455,355</u>                    |

**CITY OF MERIDEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

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**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 January 12, 2016:

| <u>Asset Class</u>     | <u>Target</u> |          |
|------------------------|---------------|----------|
| Equity - domestic      | 45            | %        |
| Equity - international | 12            |          |
| Fixed Income           | 18            |          |
| Real Estate            | 3             |          |
| Hedge Funds            | 4             |          |
| Managed Futures        | 10            |          |
| Private Equity         | 6             |          |
| Commodities            | 0             |          |
| Cash                   | 2             |          |
|                        | <hr/>         |          |
| Total                  | <u>100</u>    | <u>%</u> |

**Concentrations**

Within the City’s alternative investments, is an investment in The Campbell Fund. This investment has a fair market value of \$13,318,799 at June 30, 2017 and represents more than 5% of net position in the Employee’s Retirement Plan, the Police Pension Fund and the Firefighters’ Pension Plan.

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

|               |       |
|---------------|-------|
| City          | 9.42% |
| Police        | 9.54% |
| Firefighters’ | 9.77% |

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

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Net Pension Liability**

The components of the net pension liability of the City at June 30, 2017 were as follows:

|  | <u>Employees'</u>    | <u>Police</u>        | <u>Firefighters'</u> | <u>Total</u>          |
|--|----------------------|----------------------|----------------------|-----------------------|
| Total pension liability  | \$ 191,409,076       | \$ 116,265,923       | \$ 86,690,405        | \$ 394,365,404        |
| Plan fiduciary net position  | <u>139,232,560</u>   | <u>59,017,396</u>    | <u>46,205,399</u>    | <u>244,455,355</u>    |
| City's Net Pension Liability                                       | <u>\$ 52,176,516</u> | <u>\$ 57,248,527</u> | <u>\$ 40,485,006</u> | <u>\$ 149,910,049</u> |
| Plan fiduciary net position as a percentage of the total liability | 72.74 %              | 50.76 %              | 53.30 %              |                       |

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           | <u>Employees'</u>  | <u>Police</u>  | <u>Firefighters'</u>   |
|---------------------------|--|--|--|
| Inflation                 | 2.75%  | 2.75%  | 2.75%  |
| Salary increases          | 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation | 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation | 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation |
| Investment rate of return | 7.75%, net of pension plan investment expense  | 7.75%, net of pension plan investment expense  | 7.75%, net of pension plan investment expense  |

Mortality rates were based on RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016.



**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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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, 2017 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

| <u>Asset Class</u>     | <u>Long-Term<br/>Real Rate of<br/>Return</u> |   |
|------------------------|--|---|
| Equity - domestic      | 5.8  | % |
| Equity - international | 6  |   |
| Fixed Income           | 2.5  |   |
| Real Estate            | 4.3  |   |
| Hedge Funds            | 4.9  |   |
| Managed Futures        | 4.5  |   |
| Private Equity         | 10.7   |   |
| Commodities            | 2.3  |   |
| Cash                   | 0.5  |   |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. 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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**Changes in the Net Pension Liability**

|  | <b>Employees'</b>                          |  |  |
|--|--|--|--|
|  | <b>Increase (Decrease)</b>                 |  |  |
|  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a)-(b)</b> |
| Balances as of July 1, 2016                                  | \$ 182,654,326                             | \$ 131,835,469                                 | \$ 50,818,857                                |
| Changes for the year:  |  |  |  |
| Service cost   | 4,197,148                                  |  | 4,197,148                                    |
| Interest on total pension liability                          | 14,549,089                                 |  | 14,549,089                                   |
| Differences between expected and actual experience           | 1,714,155                                  |  | 1,714,155                                    |
| Changes in assumptions                                       | (1,534,241)                                |  | (1,534,241)                                  |
| Employer contributions                                       |  | 3,316,370                                      | (3,316,370)                                  |
| Member contributions   |  | 2,076,909                                      | (2,076,909)                                  |
| Net investment income  |  | 12,750,329                                     | (12,750,329)                                 |
| Benefit payments, including refund of employee contributions | (10,171,401)                               | (10,171,401)                                   | -  |
| Administrative expenses                                      |  | (38,998)                                       | 38,998                                       |
| Other changes  |  | (536,118)                                      | 536,118                                      |
| Net changes  | <u>8,754,750</u>                           | <u>7,397,091</u>                               | <u>1,357,659</u>                             |
| Balances as of June 30, 2017                                 | <u>\$ 191,409,076</u>                      | <u>\$ 139,232,560</u>                          | <u>\$ 52,176,516</u>                         |

|  | <b>Police</b>                              |  |  |
|--|--|--|--|
|  | <b>Increase (Decrease)</b>                 |  |  |
|  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a)-(b)</b> |
| Balances as of July 1, 2016                        | \$ 113,372,222                             | \$ 56,514,004                                  | \$ 56,858,218                                |
| Changes for the year:                              |  |  |  |
| Service cost                                       | 959,988                                    |  | 959,988                                      |
| Interest on total pension liability                | 8,856,455                                  |  | 8,856,455                                    |
| Differences between expected and actual experience | (5,236,845)                                |  | (5,236,845)                                  |
| Changes in assumptions                             | 5,709,426                                  |  | 5,709,426                                    |
| Employer contributions                             |  | 4,464,984                                      | (4,464,984)                                  |
| Member contributions                               |  | 198,574  | (198,574)                                    |
| Net investment income                              |  | 5,288,257                                      | (5,288,257)                                  |
| Benefit payments                                   | (7,395,323)                                | (7,395,323)                                    | -  |
| Administrative expenses                            |  | (38,997)                                       | 38,997                                       |
| Other changes                                      |  | (14,103)                                       | 14,103                                       |
| Net changes  | <u>2,893,701</u>                           | <u>2,503,392</u>                               | <u>390,309</u>                               |
| Balances as of June 30, 2017                       | <u>\$ 116,265,923</u>                      | <u>\$ 59,017,396</u>                           | <u>\$ 57,248,527</u>                         |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|  | <b>Firefighters'</b>                       |  |  |
|--|--|--|--|
|  | <b>Increase (Decrease)</b>                 |  |  |
|  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a)-(b)</b> |
| Balances as of July 1, 2016                        | \$ 86,688,597                              | \$ 44,669,265                                  | \$ 42,019,332                                |
| Changes for the year:                              |  |  |  |
| Service cost                                       | 628,936                                    |  | 628,936                                      |
| Interest on total pension liability                | 6,751,800                                  |  | 6,751,800                                    |
| Differences between expected and actual experience | (3,286,413)                                |  | (3,286,413)                                  |
| Changes in assumptions                             | 1,862,117                                  |  | 1,862,117                                    |
| Employer contributions                             |  | 3,054,069                                      | (3,054,069)                                  |
| Member contributions                               |  | 234,116  | (234,116)                                    |
| Net investment income                              |  | 4,255,684                                      | (4,255,684)                                  |
| Benefit payments                                   | (5,954,632)                                | (5,954,632)                                    | -  |
| Administrative expenses                            |  | (38,998)                                       | 38,998                                       |
| Other changes                                      |  | (14,105)                                       | 14,105                                       |
| Net changes  | 1,808                                      | 1,536,134                                      | (1,534,326)                                  |
| Balances as of June 30, 2017                       | \$ 86,690,405                              | \$ 46,205,399                                  | \$ 40,485,006                                |

**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 7.75%, 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 (6.75%) or 1 percentage point higher (8.75%) than the current rate:

|                       | <b>Employees'</b>              |  |                                |
|-----------------------|--------------------------------|--|--------------------------------|
|                       | <b>1% Decrease<br/>(6.75%)</b> | <b>Current<br/>Discount Rate<br/>(7.75%)</b> | <b>1% Increase<br/>(8.75%)</b> |
| Net Pension Liability | \$ 74,587,972                  | \$ 52,176,516                                | \$ 33,287,694                  |
|                       | <b>Police</b>                  |  |                                |
|                       | <b>1% Decrease<br/>(6.75%)</b> | <b>Current<br/>Discount Rate<br/>(7.75%)</b> | <b>1% Increase<br/>(8.75%)</b> |
| Net Pension Liability | \$ 7,099,140                   | \$ 57,248,527                                | \$ 45,879,237                  |
|                       | <b>Firefighters'</b>           |  |                                |
|                       | <b>1% Decrease<br/>(6.75%)</b> | <b>Current<br/>Discount Rate<br/>(7.75%)</b> | <b>1% Increase<br/>(8.75%)</b> |
| Net Pension Liability | \$ 50,169,633                  | \$ 40,485,006                                | \$ 32,352,527                  |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the City recognized pension expense as follows:

|                 | <u>Employees'</u> | <u>Police</u> | <u>Firefighters'</u> |
|-----------------|-------------------|---------------|----------------------|
| Pension Expense | \$ 10,874,518     | \$ 7,582,356  | \$ 4,839,920         |

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|   | <u>Employees'</u>                             |  |
|---|---|--|
|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Differences between expected and actual experience                              | \$ 1,402,490                                  | \$ (1,122,530)                               |
| Changes of assumptions  |   | (1,255,289)                                  |
| Net difference between projected and actual earning on pension plan investments | <u>10,319,456</u>                             |  |
| Total   | <u>\$ 11,721,946</u>                          | <u>\$ (2,377,819)</u>                        |

|   | <u>Police</u>                                 |  |
|---|---|--|
|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Differences between expected and actual experience                              | \$  | \$ (1,208,503)                               |
| Changes of assumptions  | 1,317,560                                     |  |
| Net difference between projected and actual earning on pension plan investments | <u>4,721,407</u>                              |  |
| Total   | <u>\$ 6,038,967</u>                           | <u>\$ (1,208,503)</u>                        |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|   | <b>Firefighters'</b>                          |  |
|---|---|--|
|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Differences between expected and actual experience                              | \$ 48,008                                     | \$ (1,971,848)                               |
| Changes of assumptions  | 1,117,270                                     |  |
| Net difference between projected and actual earning on pension plan investments | <u>3,696,966</u>                              |  |
| Total   | <u>\$ 4,862,244</u>                           | <u>\$ (1,971,848)</u>                        |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <b><u>Year Ending June 30,</u></b> | <b><u>Employees'</u></b> | <b><u>Police</u></b> | <b><u>Firefighters'</u></b> |
|------------------------------------|--------------------------|----------------------|-----------------------------|
| 2018                               | \$ 3,966,902             | 2,029,971            | 995,033                     |
| 2019                               | 3,966,902                | 1,920,914            | 1,231,883                   |
| 2020                               | 1,976,020                | 1,054,856            | 821,248                     |
| 2021                               | (582,051)                | (175,277)            | (157,768)                   |
| 2022                               | 16,354                   |                      |                             |

**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, 2017 was \$452,905 and represented 5% of covered payroll. The employees' required contributions were \$513,761 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](http://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).

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

---

**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.

**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, 2017, 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>193,009,397</u>        |
| Total   | \$ | <u><u>193,009,397</u></u> |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2017, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2017, the City recognized pension expense and revenue of \$21,048,368 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, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.75%  |
| Salary increase           | 3.25-6.50%, including inflation                                    |
| Investment rate of return | 8.00%, net of pension plan investment expense, including inflation |

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.



**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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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%                     | 0.4%  |
| Total                       | <u>100.0%</u>            |   |

**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 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.

**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](http://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.

Management of the post employment benefits plan, including policy oversight, rests is vested with the Pension Board. Town Manager and Director of Finance. Policy oversight is provided by the OPEB Committee, which Pension Board consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education and two alternate 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.

At July 1, 2016, plan membership consisted of the following:

|                           | <b>City</b>   |             |              | <b>Board of Education</b> |              | <b>Total</b> |
|---------------------------|---------------|-------------|--------------|---------------------------|--------------|--------------|
|                           | <b>Police</b> | <b>Fire</b> | <b>Other</b> | <b>Teachers</b>           | <b>Other</b> |              |
| Active employees          | 97            | 99          | 269          | 696                       | 208          | 1,369        |
| Retired employees*        | 58            | 63          | 201          | 58                        | 104          | 484          |
| <b>Total Participants</b> | <b>155</b>    | <b>162</b>  | <b>470</b>   | <b>754</b>                | <b>312</b>   | <b>1,853</b> |

\* Counts do not include spouses of retirees

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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) hired prior to July 1, 2012 | 4.00% of salary |
| Police (in Police Plan)                           | 2.50% of salary |
| Fire  | 2.00% of salary |
| Teachers  | 2.00% of salary |

For the year ended June 30, 2017, plan members contributed \$4,176,632. 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 \$4,569,770 which represents 59.13% of the actuarially determined annual required contribution.

The individual plan net position at June 30, 2017 and changes in net position for the year then ended are as follows:

|  | OPEB Trust Funds     |                        |                               |                                  |                               |                                  |                              |                                     | Total<br>OPEB<br>Trust Funds |
|--|----------------------|------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|------------------------------|-------------------------------------|------------------------------|
|  | City<br>OPEB<br>Fund | Police<br>OPEB<br>Fund | Firefighters'<br>OPEB<br>Fund | BOE<br>Noncertified<br>OPEB Plan | BOE<br>Certified<br>OPEB Fund | Employees'<br>Healthcare<br>Plan | Police<br>Healthcare<br>Plan | Firefighters'<br>Healthcare<br>Plan |                              |
| <b>Assets:</b>   |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Cash and cash equivalents                                | \$ 1,148,672         | \$ (84,828)            | \$ (114,972)                  | \$ 108,928                       | \$ 202,696                    | \$ -                             | \$ -                         | \$ -                                | \$ 1,260,496                 |
| Accounts Receivable                                      |                      |                        |                               |                                  |                               | 101,407                          | 6,360                        | 5,827                               | 113,594                      |
| Interest receivable                                      | 612                  | 393                    | 337                           | 236                              | 439                           |                                  |                              |                                     | 2,017                        |
|  | 612                  | 393                    | 337                           | 236                              | 439                           | 101,407                          | 6,360                        | 5,827                               | 115,611                      |
| Investments, at fair value:                              |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Mutual funds   | 8,455,303            | 5,429,618              | 4,654,779                     | 3,260,196                        | 6,066,703                     |                                  |                              |                                     | 27,866,599                   |
| Other  | 1,027,693            | 659,939                | 565,762                       | 396,257                          | 737,372                       |                                  |                              |                                     | 3,387,023                    |
| Total investments  | 9,482,996            | 6,089,557              | 5,220,541                     | 3,656,453                        | 6,804,075                     |                                  |                              |                                     | 31,253,622                   |
| Total assets   | 10,632,280           | 6,005,122              | 5,105,906                     | 3,765,617                        | 7,007,210                     | 101,407                          | 6,360                        | 5,827                               | 32,629,729                   |
| <b>Liabilities:</b>                                      |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Other liabilities  | 521                  | 451                    | 343                           | 337                              | 348                           |                                  |                              |                                     | 2,000                        |
| Internal balances  |                      |                        |                               |                                  |                               | 101,407                          | 6,360                        | 5,827                               | 113,594                      |
| Total liabilities  | 521                  | 451                    | 343                           | 337                              | 348                           | 101,407                          | 6,360                        | 5,827                               | 115,594                      |
| <b>Net Position:</b>                                     |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Held in Trust for Pension<br>Benefits and Other Purposes | \$ 10,631,759        | \$ 6,004,671           | \$ 5,105,563                  | \$ 3,765,280                     | \$ 7,006,862                  | \$ -                             | \$ -                         | \$ -                                | \$ 32,514,135                |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

|  | OPEB Trust Funds     |                        |                               |                                  |                               |                                  |                              |                                     | Total<br>OPEB<br>Trust Funds |
|--|----------------------|------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|------------------------------|-------------------------------------|------------------------------|
|  | City<br>OPEB<br>Fund | Police<br>OPEB<br>Fund | Firefighters'<br>OPEB<br>Fund | BOE<br>Noncertified<br>OPEB Plan | BOE<br>Certified<br>OPEB Fund | Employees'<br>Healthcare<br>Plan | Police<br>Healthcare<br>Plan | Firefighters'<br>Healthcare<br>Plan |                              |
| Additions:   |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Contributions:                                       |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Employer   | \$ 1,184,316         | \$ 573,539             | \$ 524,430                    | \$ 799,194                       | \$ 919,464                    | \$ -                             | \$ 282,158                   | \$ 286,669                          | \$ 4,569,770                 |
| Plan members   | 682,143              | 647,441                | 347,229                       | 219,554                          | 833,488                       | 1,278,477                        | 90,261                       | 78,039                              | 4,176,632                    |
| Total contributions                                  | <u>1,866,459</u>     | <u>1,220,980</u>       | <u>871,659</u>                | <u>1,018,748</u>                 | <u>1,752,952</u>              | <u>1,278,477</u>                 | <u>372,419</u>               | <u>364,708</u>                      | <u>8,746,402</u>             |
| Investment earnings:                                 |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Net increase (decrease) in fair value of investments | 880,460              | 565,392                | 484,708                       | 339,488                          | 631,733                       | 65,710                           | -                            | -                                   | 2,967,491                    |
| Dividends and interest                               | 184,812              | 118,678                | 101,742                       | 71,260                           | 132,603                       | 15,546                           | -                            | -                                   | 624,641                      |
| Total investment earnings                            | <u>1,065,272</u>     | <u>684,070</u>         | <u>586,450</u>                | <u>410,748</u>                   | <u>764,336</u>                | <u>81,256</u>                    | <u>-</u>                     | <u>-</u>                            | <u>3,592,132</u>             |
| Total additions                                      | <u>2,931,731</u>     | <u>1,905,050</u>       | <u>1,458,109</u>              | <u>1,429,496</u>                 | <u>2,517,288</u>              | <u>1,359,733</u>                 | <u>372,419</u>               | <u>364,708</u>                      | <u>12,338,534</u>            |
| Deductions:  |                      |                        |                               |                                  |                               |                                  |                              |                                     |                              |
| Benefits   | 147,345              | 899,841                | 654,170                       | 674,548                          | 1,104,227                     | 2,457,572                        | 372,419                      | 364,708                             | 6,674,830                    |
| Administration                                       | 79,648               | 78,711                 | 50,256                        | 57,567                           | 115,346                       | 4,107                            | -                            | -                                   | 385,635                      |
| Other  | 30,437               | 31,752                 | 28,828                        | 340                              | 349                           | -                                | -                            | -                                   | 91,706                       |
| Total deductions                                     | <u>257,430</u>       | <u>1,010,304</u>       | <u>733,254</u>                | <u>732,455</u>                   | <u>1,219,922</u>              | <u>2,461,679</u>                 | <u>372,419</u>               | <u>364,708</u>                      | <u>7,152,171</u>             |
| Change in net assets                                 | 2,674,301            | 894,746                | 724,855                       | 697,041                          | 1,297,366                     | (1,101,946)                      | -                            | -                                   | 5,186,363                    |
| Net Position at Beginning of Year                    | <u>7,957,458</u>     | <u>5,109,925</u>       | <u>4,380,708</u>              | <u>3,068,239</u>                 | <u>5,709,496</u>              | <u>1,101,946</u>                 | <u>-</u>                     | <u>-</u>                            | <u>27,327,772</u>            |
| Net Position at End of Year                          | <u>\$ 10,631,759</u> | <u>\$ 6,004,671</u>    | <u>\$ 5,105,563</u>           | <u>\$ 3,765,280</u>              | <u>\$ 7,006,862</u>           | <u>\$ -</u>                      | <u>\$ -</u>                  | <u>\$ -</u>                         | <u>\$ 32,514,135</u>         |

**Investments**

**Investment Policy**

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Pension Board'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.

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 12.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

**Receivables**

The OPEB Plan recognized receivables in the amount of \$113,594 which represent employee contributions that were in transit during the fiscal year end.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**Net OPEB Liability of the Town**

During the year, the City implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan’s fiduciary net position. The components of the net OPEB liability of the City at June 30, 2017, were as follows:

|  |    |                          |
|--|----|--------------------------|
| Total OPEB liability   | \$ | 85,768,002               |
| Plan fiduciary net position  |    | <u>32,514,135</u>        |
| Net OPEB Liability   | \$ | <u><u>53,253,867</u></u> |
| Plan fiduciary net position as a<br>percentage of the total OPEB liability |    | 37.91%                   |

The City’s net OPEB liability will be required to be recorded on the government-wide financial statement of net position at June 30, 2018.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |  |
|-----------------------------|--|
| Inflation                   | 2.75%  |
| Salary increases            | 5.0%, average, including inflation   |
| Investment rate of return   | 7.75%, net of OPEB plan investment expense, including inflation                                |
| Healthcare cost trend rates | 8.25% for 2016, decreasing 0.5% per year to an ultimate rate of 4.75% for 2023 and later years |

Mortality for the City and BOE is based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2016. For Police and Fire, it is based RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - July 1, 2014.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

The long-term expected rate of return on OPEB 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 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

| <b>Asset Class</b>     | <b>Target<br/>Allocation</b> | <b>Long-Term<br/>Expected</b> |
|------------------------|------------------------------|-------------------------------|
| Equity - Domestic      | 45 %                         | 5.75 %                        |
| Equity - International | 12                           | 6.00                          |
| Fixed Income           | 18                           | 2.50                          |
| Real Estate            | 3                            | 4.25                          |
| Hedge Funds            | 4                            | 4.90                          |
| Managed Futures        | 10                           | 4.50                          |
| Private Equity         | 6                            | 10.70                         |
| Commodities            | -                            | 2.30                          |
| Cash                   | 2                            | 0.50                          |
| <b>Total</b>           | <b>100 %</b>                 |                               |

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.75% (prior 8.0%). The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current discount rate:

|                    | <b>1%<br/>Decrease<br/>(6.75%)</b> | <b>Current<br/>Discount Rate<br/>(7.75%)</b> | <b>1%<br/>Increase<br/>(8.75%)</b> |
|--------------------|------------------------------------|--|------------------------------------|
| Net OPEB liability | \$ 64,687,895                      | \$ 53,253,867                                | \$ 43,738,614                      |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.25% decreasing to 3.75%) or 1 percentage point higher (9.25% decreasing to 5.75%) than the current healthcare cost trend rates:

|                            | <b>1% Decrease<br/>(7.25% decreasing<br/>to 3.75%)</b> | <b>Healthcare cost<br/>Trend Rates<br/>(8.25% decreasing<br/>to 4.75%)</b> | <b>1% Increase<br/>(9.25% decreasing<br/>to 5.75%)</b> |
|----------------------------|--|--|--|
| Net OPEB liability (asset) | \$ 41,951,082  | \$ 53,253,867  | \$ 67,177,291  |

**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:

|  | <b>Retiree<br/>Health Plan</b> |
|--|--------------------------------|
| Annual required contribution (ARC)         | \$ 7,728,391                   |
| Interest on net OPEB obligation            | 3,797,713                      |
| Adjustment to annual required contribution | <u>(3,904,411)</u>             |
| Annual OPEB cost (expense)                 | 7,621,693                      |
| Contributions made                         | <u>4,569,770</u>               |
| Change in net OPEB obligation              | 3,051,923                      |
| Net OPEB obligation, beginning of year     | <u>47,471,412</u>              |
| Net OPEB Obligation, End of Year           | <u><u>\$ 50,523,335</u></u>    |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2017 is presented below.

| <b>Fiscal<br/>Year<br/>Ended</b> | <b>Annual<br/>OPEB<br/>Cost (AOC)</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>of AOC<br/>Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|----------------------------------|---------------------------------------|--------------------------------|--|------------------------------------|
| 6/30/2017                        | \$ 7,621,693                          | \$ 4,569,770                   | 61.45 %                                      | \$ 50,523,335                      |
| 6/30/2016                        | 7,413,486                             | 4,683,520                      | 63.18  | 47,471,412                         |
| 6/30/2015                        | 7,583,791                             | 6,215,192                      | 81.95  | 44,741,446                         |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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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<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability (AAL)<br/>Projected<br/>Unit Credit</u> | <u>Unfunded<br/>AAL<br/>(UAAL)</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage<br/>of<br/>Covered<br/>Payroll</u> |
|---|--|--|------------------------------------|-------------------------|----------------------------|--|
| <b>Postemployment Healthcare Plan</b>   |  |  |                                    |                         |                            |  |
| 7/1/2016                                | \$ 26,225,826                            | \$ 80,060,837  | \$ 53,835,011                      | 32.8 %                  | \$ 99,427,684              | 54.1 %   |
| 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   |

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

In the July 1, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 7.75% 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 8.25% for 2016, decreasing 0.5% per year, to an ultimate rate of 4.75% for 2023 and later. The annual dental cost trend rate is 5%. The general inflation assumption is 2.75%. 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 over a period of 30 years.



**12. CONTINGENCIES AND COMMITMENTS**

**Contingent Liabilities**

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

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

**Construction Commitments**

The government has active construction projects as of June 30, 2017. At year end, the government's commitments with contractors are as follows:

| <u>Project</u>                          | <u>Commitment</u>    |
|---|----------------------|
| Platt School Addition and Replacement   | \$ 7,015,249         |
| Public Safety Improvements/Equipment    | 348,748              |
| City Building Repair/Upgrade            | 429,140              |
| Water Treatment Plant Upgrade           | 51,287               |
| Meriden Green Renovation                | 65,219               |
| School Roof Replacement                 | 309,765              |
| Citywide Drainage                       | 11,405               |
| Citywide Road/Sidewalk Reconstruction   | 1,510,038            |
| City Parks Upgrades                     | 43,744               |
| Landfill                                | 86,866               |
| Maloney School Addition and Replacement | 2,276,315            |
| Flood Control                           | 250,769              |
| Bridges                                 | 211,871              |
| WPCF - Facility/Collection Improvements | 1,591,512            |
| Upgrade/Replace Pump Stations           | 210,663              |
| Vehicles                                | <u>941,805</u>       |
|   | <u>\$ 15,354,396</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, 2017**

**13. TAX ABATEMENTS**

As of June 30, 2017, the City provides tax abatements through multiple programs:

- Distressed Municipality
- Commercial/Residential Property Incentive
- East Main Street Incentive Zone
- Enterprise Zone

| Program  | Distressed Municipality  | Commercial/Residential Property Incentive               | East Main Street Incentive Zone  | Enterprise Zone   |
|--|--|---|--|---|
| <b>Purpose</b>   | To incentivize investment in manufacturing   | To provide affordable housing                           | Encourage private investment in underutilized and vacant properties, increase traffic to existing businesses along East Main Street and improve the economic vitality of Meriden's east side | Promote economic activity in state-designated Enterprise Zone   |
| <b>Tax being abated</b>                                  | Real Property, Personal Property   | Real Property   | Real Property and Manufacturing Machinery and Equipment  | Real Property, Personal Property  |
| <b>Authority under which agreements are entered into</b> | C.G.S. Sec 12-81, Sec 32-9   | C.G.S. Sec. 8-215                                       | C.G.S. Sec 12-65(b)<br>City of Meriden Resolution  | Real Estate improvement abatements, City Code Sec. Ch 19-1.<br>Personal Property City Code Sec. 19-5    |
| <b>Eligibility criteria for tax abatement</b>            | 30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment | Develop a building                                      | Improvements subject to various thresholds in various categories such as office use, retail use, manufacturing use etc. for property located in certain sections of Meriden                  | Improvements to property located in a state-designated Enterprise Zone                                  |
| <b>How recipient's tax are reduced</b>                   | credit against taxes   | credit against taxes                                    | credit against taxes   | credit against taxes  |
| <b>How the tax abatement is determined</b>               | 5-year 80% abatement of local property taxes on all qualifying real and personal property  | 15-year or 17-year 80% abatement of real property taxes | 100% of the tax in the various categories  | Real Property 7 years. New personal property equipment. Exemption is: Year 1 and 2 - 100%, Year 3 - 50% |

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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**14. PRIOR PERIOD ADJUSTMENT**

The following restatements were made to beginning net position of the Business-Type Activities as well as the Water Fund to recognize the existence of a Drinking Water State Revolving Fund note payable. The funds were received by the City in the prior year, but were recorded as intergovernmental revenue, as opposed to a note payable.

The following restatements were also made to the beginning net position of governmental activities as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, within the proprietary funds (Water, Sewer and the George Hunter Memorial Golf Course) as well as the Business-Type Activities. This restatement also impacts the Governmental Activities as the effects of GASB Statement No. 68 were previously recorded there.

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Water</u>       | <u>Sewer</u>       | <u>George Hunter<br/>Memorial<br/>Golf Course</u> |
|--|------------------------------------|-------------------------------------|--------------------|--------------------|---|
| Net Position as previously reported at June 30, 2016   | \$ 99,957,710                      | \$ 90,640,429                       | \$ 40,821,891      | \$ 50,255,235      | \$ (436,697)                                      |
| Adjustment:  |                                    |                                     |                    |                    |   |
| To record Drinking Water State Revolving Fund note payable which was recognized as intergovernmental revenue in the prior year.  |                                    | (1,109,662)                         | (1,109,662)        |                    |   |
| To record the net pension liability and deferred outflows/inflows related to pension within the Proprietary Funds. Amounts recorded entirely within governmental activities in the prior year. | <u>4,446,662</u>                   | <u>(4,446,662)</u>                  | <u>(2,824,295)</u> | <u>(1,157,837)</u> | <u>(464,530)</u>                                  |
| Net Position as Restated as of July 1, 2016  | 104,404,372                        | 85,084,105                          | 36,887,934         | 49,097,398         | (901,227)   |

# **Required Supplementary Information**

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

|  | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| Total pension liability:   |                      |                      |                      |                      |
| Service cost   | \$ 4,197,148         | \$ 4,323,062         | \$ 4,197,148         | \$ 4,260,041         |
| Interest   | 14,549,089           | 13,890,604           | 13,383,258           | 12,718,166           |
| Differences between expected and actual experience                         | 1,714,155            |                      | (2,112,998)          |                      |
| Changes of assumptions   | (1,534,241)          |                      |                      |                      |
| Benefit payments, including refunds of member contributions                | <u>(10,171,401)</u>  | <u>(9,553,855)</u>   | <u>(8,960,559)</u>   | <u>(8,256,310)</u>   |
| Net change in total pension liability                                      | 8,754,750            | 8,659,811            | 6,506,849            | 8,721,897            |
| Total pension liability - beginning  | <u>182,654,326</u>   | <u>173,994,515</u>   | <u>167,487,666</u>   | <u>158,765,769</u>   |
| Total pension liability - ending   | <u>191,409,076</u>   | <u>182,654,326</u>   | <u>173,994,515</u>   | <u>167,487,666</u>   |
| Plan fiduciary net position  |                      |                      |                      |                      |
| Contributions - employer   | 3,316,370            | 3,264,731            | 2,307,742            | 2,316,905            |
| Contributions - member   | 2,076,909            | 2,086,049            | 2,099,957            | 2,096,283            |
| Net investment income  | 12,750,329           | (2,815,325)          | 1,307,142            | 18,083,974           |
| Benefit payments, including refunds of member contributions                | (10,171,401)         | (9,553,855)          | (8,960,559)          | (8,256,310)          |
| Administrative expense   | (38,998)             | (30,816)             | (29,710)             | (29,362)             |
| Other  | <u>(536,118)</u>     | <u>(510,786)</u>     | <u>(231,874)</u>     | <u>(308,727)</u>     |
| Net change in plan fiduciary net position                                  | 7,397,091            | (7,560,002)          | (3,507,302)          | 13,902,763           |
| Plan fiduciary net position - beginning                                    | <u>131,835,469</u>   | <u>139,395,471</u>   | <u>142,902,773</u>   | <u>129,000,010</u>   |
| Plan fiduciary net position - ending                                       | <u>139,232,560</u>   | <u>131,835,469</u>   | <u>139,395,471</u>   | <u>142,902,773</u>   |
| Net Pension Liability - Ending   | <u>\$ 52,176,516</u> | <u>\$ 50,818,857</u> | <u>\$ 34,599,044</u> | <u>\$ 24,584,893</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 72.74%               | 72.18%               | 80.11%               | 85.32%               |
| Covered-employee payroll   | \$ 35,780,810        | \$ 39,460,000        | \$ 38,311,000        | \$ 41,094,000        |
| Net pension liability as a percentage of covered-employee payroll          | 145.82%              | 128.79%              | 90.31%               | 59.83%               |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

|  | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| Total pension liability:   |                      |                      |                      |                      |
| Service cost   | \$ 959,988           | \$ 988,788           | \$ 959,988           | \$ 1,078,300         |
| Interest   | 8,856,455            | 8,676,168            | 8,483,287            | 8,304,594            |
| Differences between expected and actual experience                         | (5,236,845)          |                      | 194,089              |                      |
| Changes of assumptions   | 5,709,426            |                      |                      |                      |
| Benefit payments   | <u>(7,395,323)</u>   | <u>(7,370,307)</u>   | <u>(7,144,344)</u>   | <u>(6,921,764)</u>   |
| Net change in total pension liability                                      | 2,893,701            | 2,294,649            | 2,493,020            | 2,461,130            |
| Total pension liability - beginning  | <u>113,372,222</u>   | <u>111,077,573</u>   | <u>108,584,553</u>   | <u>106,123,423</u>   |
| Total pension liability - ending   | <u>116,265,923</u>   | <u>113,372,222</u>   | <u>111,077,573</u>   | <u>108,584,553</u>   |
| Plan fiduciary net position:   |                      |                      |                      |                      |
| Contributions - employer   | 4,464,984            | 4,441,422            | 4,227,288            | 4,201,553            |
| Contributions - member   | 198,574              | 332,597              | 331,956              | 359,530              |
| Net investment income  | 5,288,257            | (1,409,597)          | 575,432              | 8,188,947            |
| Benefit payments   | (7,395,323)          | (7,370,307)          | (7,144,344)          | (6,921,764)          |
| Administrative expense   | (38,997)             | (30,815)             | (29,710)             | (29,361)             |
| Other  | <u>(14,103)</u>      | <u>(2,050)</u>       | <u>(7,771)</u>       | <u>(2,171)</u>       |
| Net change in plan fiduciary net position                                  | 2,503,392            | (4,038,750)          | (2,047,149)          | 5,796,734            |
| Plan fiduciary net position - beginning                                    | <u>56,514,004</u>    | <u>60,552,754</u>    | <u>62,599,903</u>    | <u>56,803,169</u>    |
| Plan fiduciary net position - ending                                       | <u>59,017,396</u>    | <u>56,514,004</u>    | <u>60,552,754</u>    | <u>62,599,903</u>    |
| Net Pension Liability - Ending   | <u>\$ 57,248,527</u> | <u>\$ 56,858,218</u> | <u>\$ 50,524,819</u> | <u>\$ 45,984,650</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 50.76%               | 49.85%               | 54.51%               | 57.65%               |
| Covered-employee payroll   | \$ 3,915,359         | \$ 3,904,000         | \$ 3,790,000         | \$ 4,302,000         |
| Net pension liability as a percentage of covered-employee payroll          | 1462.15%             | 1456.41%             | 1333.11%             | 1068.91%             |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

|  | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| Total pension liability:   |                      |                      |                      |                      |
| Service cost   | \$ 628,936           | \$ 647,804           | \$ 628,936           | \$ 769,596           |
| Interest   | 6,751,800            | 6,647,913            | 6,501,155            | 6,385,020            |
| Differences between expected and actual experience                         | (3,286,413)          |                      | 528,080              |                      |
| Changes of assumptions   | 1,862,117            |                      |                      |                      |
| Benefit payments   | <u>(5,954,632)</u>   | <u>(6,001,021)</u>   | <u>(5,690,074)</u>   | <u>(5,439,284)</u>   |
| Net change in total pension liability                                      | 1,808                | 1,294,696            | 1,968,097            | 1,715,332            |
| Total pension liability - beginning  | <u>86,688,597</u>    | <u>85,393,901</u>    | <u>83,425,804</u>    | <u>81,710,472</u>    |
| Total pension liability - ending   | <u>86,690,405</u>    | <u>86,688,597</u>    | <u>85,393,901</u>    | <u>83,425,804</u>    |
| Plan fiduciary net position:   |                      |                      |                      |                      |
| Contributions - employer   | 3,054,069            | 3,040,690            | 2,823,649            | 2,808,242            |
| Contributions - member   | 234,116              | 324,312              | 337,587              | 360,575              |
| Net investment income  | 4,255,684            | (1,122,881)          | 467,255              | 6,653,019            |
| Benefit payments   | (5,954,632)          | (6,001,021)          | (5,690,074)          | (5,439,284)          |
| Administrative expense   | (38,998)             | (30,815)             | (29,710)             | (29,361)             |
| Other  | <u>(14,105)</u>      | <u>(2,050)</u>       | <u>(7,771)</u>       | <u>(1,002)</u>       |
| Net change in plan fiduciary net position                                  | 1,536,134            | (3,791,765)          | (2,099,064)          | 4,352,189            |
| Plan fiduciary net position - beginning                                    | <u>44,669,265</u>    | <u>48,461,030</u>    | <u>50,560,094</u>    | <u>46,207,905</u>    |
| Plan fiduciary net position - ending                                       | <u>46,205,399</u>    | <u>44,669,265</u>    | <u>48,461,030</u>    | <u>50,560,094</u>    |
| Net Pension Liability - Ending   | <u>\$ 40,485,006</u> | <u>\$ 42,019,332</u> | <u>\$ 36,932,871</u> | <u>\$ 32,865,710</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 53.30%               | 51.53%               | 56.75%               | 60.60%               |
| Covered-employee payroll   | \$ 3,831,328         | \$ 3,533,000         | \$ 3,430,000         | \$ 3,554,000         |
| Net pension liability as a percentage of covered-employee payroll          | 1056.68%             | 1189.34%             | 1076.76%             | 924.75%              |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

|  | 2017               | 2016               | 2015          | 2014               | 2013               | 2012              | 2011              | 2010              | 2009          | 2008               |
|--|--------------------|--------------------|---------------|--------------------|--------------------|-------------------|-------------------|-------------------|---------------|--------------------|
| Actuarially determined employer contribution                         | \$ 3,284,920       | \$ 3,218,884       | \$ 2,307,742  | \$ 2,302,606       | \$ 2,038,150       | \$ 1,898,009      | \$ 479,981        | \$ 354,382        | \$ 764,137    | \$ 649,414         |
| Contributions in relation to the actuarially determined contribution | 3,316,370          | 3,264,731          | 2,307,742     | 2,316,905          | 2,056,897          | 1,906,102         | 489,450           | 362,432           | 764,137       | 659,542            |
| Contribution Deficiency (Excess)                                     | <u>\$ (31,450)</u> | <u>\$ (45,847)</u> | <u>\$ -</u>   | <u>\$ (14,299)</u> | <u>\$ (18,747)</u> | <u>\$ (8,093)</u> | <u>\$ (9,469)</u> | <u>\$ (8,050)</u> | <u>\$ -</u>   | <u>\$ (10,128)</u> |
| Covered-employee payroll   | \$ 35,780,810      | \$ 39,460,000      | \$ 38,311,000 | \$ 41,094,000      | \$ 39,897,000      | \$ 38,734,928     | \$ 34,128,961     | \$ 34,128,961     | \$ 31,405,160 | \$ 31,405,160      |
| Contributions as a percentage of covered-employee payroll            | 9.27%              | 8.27%              | 6.02%         | 5.64%              | 5.16%              | 4.92%             | 1.43%             | 1.06%             | 2.43%         | 2.10%              |

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2017  
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: 21 years  
Asset valuation method: 5-year smoothed market  
Inflation: 2.75%  
Salary increases: 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond  
Investment rate of return: 7.75%, 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: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2016.



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

|  | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      | <u>2011</u>      | <u>2010</u>      | <u>2009</u>      | <u>2008</u>      |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined employer contribution                         | \$ 4,464,984     | \$ 4,441,422     | \$ 4,227,288     | \$ 4,201,533     | \$ 4,066,540     | \$ 4,028,938     | \$ 3,683,113     | \$ 3,646,850     | \$ 3,556,861     | \$ 3,509,801     |
| Contributions in relation to the actuarially determined contribution | <u>4,464,984</u> | <u>4,441,422</u> | <u>4,227,288</u> | <u>4,201,553</u> | <u>4,066,540</u> | <u>4,028,938</u> | <u>3,683,113</u> | <u>3,646,850</u> | <u>3,556,861</u> | <u>3,509,592</u> |
| Contribution Deficiency (Excess)                                     | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>(20)</u>   | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>209</u>    |
| Covered-employee payroll   | \$ 3,915,359     | \$ 3,904,000     | \$ 3,790,000     | \$ 4,302,000     | \$ 4,382,000     | \$ 4,462,636     | \$ 5,027,254     | \$ 5,027,254     | \$ 5,030,979     | \$ 5,030,979     |
| Contributions as a percentage of covered-employee payroll            | 114.04%          | 113.77%          | 111.54%          | 97.67%           | 92.80%           | 90.28%           | 73.26%           | 72.54%           | 70.70%           | 69.76%           |

**Notes to Schedule**

Valuation date: July 1, 2016  
 Measurement date: June 30, 2017  
 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   26 years  
 Asset valuation method       5-year smoothed market  
 Inflation                        2.75%  
 Salary increases                2.75%  
 Investment rate of return       7.75%, net of pension plan investment expense

Retirement age                Earlier of:  
   - 20 years of service  
   - Age 65 and 10 years of service

Mortality                         RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016.

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

|  | 2017         | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined employer contribution                         | \$ 3,054,069 | \$ 3,040,690 | \$ 2,823,649 | \$ 2,808,242 | \$ 2,643,414 | \$ 2,620,905 | \$ 2,441,615 | \$ 2,419,234 | \$ 2,464,361 | \$ 2,435,594 |
| Contributions in relation to the actuarially determined contribution | 3,054,069    | 3,040,690    | 2,823,649    | 2,808,242    | 2,643,414    | 2,620,905    | 2,441,615    | 2,419,234    | 2,464,361    | 2,435,400    |
| Contribution Deficiency (Excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 194       |
| Covered-employee payroll   | \$ 3,831,328 | \$ 3,533,000 | \$ 3,430,000 | \$ 3,554,000 | \$ 3,902,000 | \$ 4,349,943 | \$ 4,800,571 | \$ 4,800,571 | \$ 4,696,251 | \$ 4,696,251 |
| Contributions as a percentage of covered-employee payroll            | 79.71%       | 86.07%       | 82.32%       | 79.02%       | 67.75%       | 60.25%       | 50.86%       | 50.39%       | 52.48%       | 51.86%       |

**Notes to Schedule**

Valuation date: July 1, 2016  
 Measurement date: June 30, 2017  
 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: 26 years  
 Asset valuation method: 5-year smoothed market  
 Inflation: 2.75%  
 Salary increases: 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond  
 Investment rate of return: 7.75%, net of pension plan investment expense  
 Retirement age: Earlier of:  
 - 25 years of service  
 - Age 65  
 Mortality: RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016.

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

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|   | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 9.42%       | (2.42%)     | 0.76%       | 13.97%      |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

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|   | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 9.54%       | (2.38%)     | 0.92%       | 14.68%      |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

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|   | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 9.77%       | (2.38%)     | 0.93%       | 14.72%      |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

|   | <u>2017</u>           | <u>2016</u>           | <u>2015</u>           |
|---|-----------------------|-----------------------|-----------------------|
| City's proportion of the net pension liability  | 0.00%                 | 0.00%                 | 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>193,009,397</u>    | <u>149,024,816</u>    | <u>137,743,578</u>    |
| Total   | <u>\$ 193,009,397</u> | <u>\$ 149,024,816</u> | <u>\$ 137,743,578</u> |
| City's covered-employee payroll   | \$ 32,979,226         | \$ 53,762,278         | \$ 52,602,518         |
| City's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 0.00%                 | 0.00%                 | 0.00%                 |
| Plan fiduciary net position as a percentage of the total pension liability                              | 52.26%                | 59.50%                | 61.51%                |

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

|                               |  |
|-------------------------------|--|
| Changes in benefit terms      | None   |
| Changes of assumptions        | <p>During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely 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, 2015.</p> <p>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.</p> |
| Actuarial cost method         | Entry age  |
| Amortization method           | Level percent of salary, closed  |
| Remaining amortization period | 20.4 years   |
| Asset valuation method        | 4-year smoothed market   |
| Investment rate of return     | 8.50%, net of investment related expense   |

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST FISCAL YEAR\***

|   | <u>2017</u>          |
|---|----------------------|
| Total OPEB liability:   |                      |
| Service cost  | \$ 2,137,397         |
| Interest  | 6,267,766            |
| Differences between expected and actual experience                      | 1,724,320            |
| Benefit payments  | <u>(4,422,318)</u>   |
| Net change in total OPEB liability                                      | 5,707,165            |
| Total OPEB liability - beginning  | <u>80,060,837</u>    |
| Total OPEB liability - ending   | <u>85,768,002</u>    |
| Plan fiduciary net position:  |                      |
| Contributions - employer  | 4,569,770            |
| Contributions - member  | 1,446,777            |
| Net investment income (loss)  | 3,592,134            |
| Benefit payments  | <u>(4,422,318)</u>   |
| Net change in plan fiduciary net position                               | 5,186,363            |
| Plan fiduciary net position - beginning                                 | <u>27,327,772</u>    |
| Plan fiduciary net position - ending                                    | <u>32,514,135</u>    |
| Net OPEB Liability - Ending   | <u>\$ 53,253,867</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 37.91%               |
| Covered-employee payroll  | 102,161,945          |
| Net OPEB liability as a percentage of covered-employee payroll          | 52.13%               |

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

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

|  | <u>2008</u>          | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         | <u>2012</u>         | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         | <u>2016</u>         | <u>2017</u>         |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution (1)                              | \$ 16,701,796        | \$ 10,698,778       | \$ 10,871,305       | \$ 11,043,833       | \$ 11,081,681       | \$ 7,694,428        | \$ 7,725,338        | \$ 7,680,809        | \$ 7,513,565        | \$ 7,728,391        |
| Contributions in relation to the actuarially determined contribution | <u>5,150,662</u>     | <u>3,516,897</u>    | <u>3,218,187</u>    | <u>3,351,825</u>    | <u>5,613,907</u>    | <u>5,726,019</u>    | <u>5,483,979</u>    | <u>6,215,192</u>    | <u>4,683,520</u>    | <u>4,569,770</u>    |
| Contribution Deficiency (Excess)                                     | \$ <u>11,551,134</u> | \$ <u>7,181,881</u> | \$ <u>7,653,118</u> | \$ <u>7,692,008</u> | \$ <u>5,467,774</u> | \$ <u>1,968,409</u> | \$ <u>2,241,359</u> | \$ <u>1,465,617</u> | \$ <u>2,830,045</u> | \$ <u>3,158,621</u> |
| Covered-employee payroll   | \$ 105,582,188       | \$ 105,582,188      | \$ 94,310,588       | \$ 94,310,588       | \$ 95,772,885       | \$ 95,772,885       | \$ 95,450,755       | \$ 95,450,755       | \$ 99,427,684       | \$ 102,161,945      |
| Contributions as a percentage of covered-employee payroll            | 4.88%                | 3.33%               | 3.41%               | 3.55%               | 5.86%               | 5.98%               | 5.75%               | 6.51%               | 4.71%               | 4.47%               |

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date:

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 percentage of payroll, closed   |
| Amortization period         | 30 years  |
| Asset valuation method      | 5-year smoothed market  |
| Inflation                   | 2.75%   |
| Healthcare cost trend rates | 8.25% initial, decreasing 0.5% per year to an ultimate rate of 4.75%  |
| Salary increases            | 5.0%, average, including inflation  |
| Investment rate of return   | 7.75%, net of pension plan investment expense, including inflation  |
| Retirement age              | In the 2016 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience  |
| Mortality                   | City and BOE Retirements: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2016.<br>Police and Fire Retirements: RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016. |



**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB  
LAST FISCAL YEAR\***

---

**2017**

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Annual money-weighted rate of return,  
net of investment expense

12.15%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

**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, 2017**

|                                      | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|--------------------|--------------------|---|
|                                      | Original           | Final              |                    |   |
| <b>Revenues:</b>                     |                    |                    |                    |   |
| <b>Property taxes:</b>               |                    |                    |                    |   |
| Property Taxes Current Year          | \$ 116,642,260     | \$ 118,221,597     | \$ 119,170,620     | \$ 949,023  |
| Property Taxes Prior Years           | 2,350,000          | 2,350,000          | 2,120,647          | (229,353)   |
| Property Taxes MV Supplement         | 1,197,160          | 1,551,911          | 1,602,417          | 50,506  |
| Property Taxes Suspense              | 1,250              | 1,250              |                    | (1,250)   |
| Tax Collector Interest               | 1,250,000          | 1,250,000          | 1,154,938          | (95,062)  |
| Tax Collector Lien Fees              | 23,500             | 23,500             | 22,165             | (1,335)   |
| Total property taxes                 | <u>121,464,170</u> | <u>123,398,258</u> | <u>124,070,787</u> | <u>672,529</u>  |
| <b>Intergovernmental:</b>            |                    |                    |                    |   |
| E911 Quarterly                       | 12,225             | 12,225             | 12,179             | (46)  |
| Transportation Non-Public Schools    | 174,348            |                    |                    | -   |
| State Education ECS Grant            | 53,479,711         | 53,479,649         | 53,687,450         | 207,801   |
| Transportation Public Schools        | 453,573            |                    |                    | -   |
| Special Education                    | 1,200,000          | 1,200,000          | 793,989            | (406,011)   |
| Select Pilot Account                 | 259,564            |                    |                    | -   |
| State Property Pilot                 | 193,862            | 192,354            | 192,354            | -   |
| Pa 217A Private Schools              | 31,603             | 31,603             | 32,056             | 453   |
| State Pilot Hospitals & Colleges     | 1,185,011          | 1,175,795          | 1,175,795          | -   |
| Town Aid To Roads                    | 666,851            | 666,851            | 665,434            | (1,417)   |
| State Pequot / Mohegan Grant         | 867,785            | 865,535            | 865,535            | -   |
| Reimbursed Exemptions                | 532,517            | 532,517            | 537,036            | 4,519   |
| Transit District                     | 239,000            | 239,000            | 272,158            | 33,158  |
| MRSA Payments                        | 946,706            | 1,563,650          | 1,563,650          | -   |
| Telecommunications Personal Property | 288,122            | 288,122            | 282,469            | (5,653)   |
| Miscellaneous State Grants           |                    |                    | 17,468             | 17,468  |
| Municipal Fund Revenue Sharing Grant | 893,641            | 893,641            | 893,641            | -   |
| Total intergovernmental              | <u>61,424,519</u>  | <u>61,140,942</u>  | <u>60,991,214</u>  | <u>(149,728)</u>  |
| <b>Charges for services:</b>         |                    |                    |                    |   |
| Motor Vehicle Mill Rate Cap          | 1,245,477          |                    |                    | -   |
| Police Parking Tag Fund              | 47,375             | 47,375             | 46,130             | (1,245)   |
| Licenses & Permits                   | 43,200             | 43,200             | 30,932             | (12,268)  |
| Parking Commission Revenue           | 130,000            | 181,360            | 181,899            | 539   |
| Fines Lost & Damaged Books           | 13,525             | 13,525             | 11,485             | (2,040)   |
| Salary - Administrative Charges      | 83,000             | 83,000             | 79,179             | (3,821)   |
| Alarm Fees                           | 1,000              | 1,000              | 22,725             | 21,725  |
| Building Department Fees             | 875,000            | 875,000            | 753,311            | (121,689)   |
| Anti-Blight Fines                    | 10,000             | 10,000             |                    | (10,000)  |
| City Clerk Fees                      | 1,350,000          | 1,350,000          | 1,178,602          | (171,398)   |
| Health Licenses & Fees               | 80,000             | 80,000             | 81,091             | 1,091   |
| Recreation Fees                      | 6,250              | 6,250              | 6,680              | 430   |
| Park Concession Leases               | 8,250              | 8,250              | 3,425              | (4,825)   |
| Cost Allocation Enterprise Funds     | 2,023,921          | 2,023,921          | 2,023,921          | -   |
| Bulky Waste Fees                     | 38,700             | 38,700             | 54,100             | 15,400  |
| Circuit Court Rent & Fees            | 129,252            | 77,892             | 77,892             | -   |
| Hispanos Unidos, Inc. Rental         | 5,000              | 5,000              | 5,000              | -   |
| Aviation Rent & Fees                 | 82,865             | 82,865             | 113,624            | 30,759  |
| Aviation - Land Use Rent             |                    |                    | 3,127              | 3,127   |
| Total charges for services           | <u>6,172,815</u>   | <u>4,927,338</u>   | <u>4,673,123</u>   | <u>(254,215)</u>  |
| <b>Investment income:</b>            |                    |                    |                    |   |
| Income From Investment - General     | 375,000            | 375,000            | 133,736            | (241,264)   |
| Interest - Coe Estate                | 8,380              | 8,380              | 15,877             | 7,497   |
| Total investment income              | <u>383,380</u>     | <u>383,380</u>     | <u>149,613</u>     | <u>(233,767)</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, 2017**

|   | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              |                    |   |
| Miscellaneous revenues:                       |                    |                    |                    |   |
| Tax Collector Fees                            | \$ 550             | \$ 550             | \$ 533             | \$ (17)   |
| Billboard Rental                              | 76,500             | 76,500             | 79,500             | 3,000   |
| Tax Collector DMV Fees                        | 75,900             | 75,900             | 76,036             | 136   |
| Aviation - Fuel Sales                         | 336,375            | 336,375            | 321,660            | (14,715)  |
| Aviation - Ramp Fees                          |                    |                    | 241                | 241   |
| Other Revenue                                 | 41,789             | 91,506             | 3,318              | (88,188)  |
| Sale Of Surplus Property                      | 40,000             | 40,000             | 57,456             | 17,456  |
| Misc. Revenue - Rental Income                 | 17,820             | 17,820             | 18,020             | 200   |
| Misc. Revenue - Police                        | 47,600             | 47,600             | 37,887             | (9,713)   |
| Misc. Revenue - Engineering                   | 18,700             | 18,700             | 27,878             | 9,178   |
| Misc. Revenue - Planning                      | 13,850             | 13,850             | 15,297             | 1,447   |
| Misc. Revenue - Assessment & Collection       | 1,300              | 1,300              | 1,944              | 644   |
| Misc. Revenue - Fire                          | 1,600              | 1,600              |                    | (1,600)   |
| Misc. Revenue - Recycling                     | 15,300             | 24,300             | 11,160             | (13,140)  |
| Misc. Revenue - Thomas Edison                 | 31,850             | 31,850             | 36,444             | 4,594   |
| Misc. Revenue - Personnel                     |                    |                    | 33                 | 33  |
| Misc. Revenue - Aircraft Registration         | 2,590              | 2,590              | 2,860              | 270   |
| Principal Revenue - Irrigation Loan           | 43,574             | 43,574             | 54,069             | 10,495  |
| Interest Revenue - Irrigation Loan            | 41,252             | 41,252             | 40,254             | (998)   |
| Misc. Revenue - Recycling                     | 9,000              |                    | 2,855              | 2,855   |
| Bank Of America Pcard Rebates                 | 20,000             | 20,000             | 27,995             | 7,995   |
| Total miscellaneous revenues                  | <u>835,550</u>     | <u>885,267</u>     | <u>815,440</u>     | <u>(69,827)</u>   |
| Other financing sources:                      |                    |                    |                    |   |
| Transfers In - Fund 122                       | 41,363             | 41,363             | 41,363             | -   |
| Transfers In - Bond Fund - Project Closures   |                    | 135,000            | 135,000            | -   |
| Transfers In - Health Fund                    | 200,000            | 200,000            | 200,000            | -   |
| Transfers In - Bond Fund - Interest recapture | 150,000            | 150,000            | 307,682            | 157,682   |
| Total other financing sources                 | <u>391,363</u>     | <u>526,363</u>     | <u>684,045</u>     | <u>157,682</u>  |
| Total revenues and other financing sources    | <u>190,671,797</u> | <u>191,261,548</u> | <u>191,384,222</u> | <u>122,674</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, 2017**

|                                  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|----------------------------------|------------------|------------------|------------------|---|
|                                  | Original         | Final            | Actual           |   |
| Expenditures:                    |                  |                  |                  |   |
| General government:              |                  |                  |                  |   |
| Contingency                      | \$ 500,000       | \$               | \$               | \$ -  |
| City council:                    |                  |                  |                  |   |
| Salary - Elected Officials       | 68,388           | 71,111           | 71,111           | -   |
| Salary - Salary - Administrative | 46,968           | 48,340           | 48,339           | 1   |
| Salary - MME                     | 66,556           | 73,894           | 73,893           | 1   |
| Council Of Governments           | 16,300           | 16,300           | 16,300           | -   |
| Office Expenses & Supplies       | 23,400           | 28,673           | 28,673           | -   |
| Meetings & Memberships           | 4,500            | 2,460            | 2,460            | -   |
| Total city council               | <u>226,112</u>   | <u>240,778</u>   | <u>240,776</u>   | <u>2</u>  |
| City manager:                    |                  |                  |                  |   |
| Salary - Administrative          | 333,311          | 474,075          | 474,074          | 1   |
| Salary - MME                     | 90,925           | 92,870           | 92,869           | 1   |
| Deferred Compensation            | 12,500           | 9,235            | 9,235            | -   |
| Vehicle Maintenance              | 3,600            | 3,850            | 3,850            | -   |
| Management Non Union             | 50,000           |                  |                  | -   |
| Recruitment                      |                  | 12,154           | 12,153           | 1   |
| Office Expenses & Supplies       | 29,000           | 10,284           | 10,284           | -   |
| Meetings & Memberships           | 44,800           | 45,259           | 45,258           | 1   |
| Total city manager               | <u>564,136</u>   | <u>647,727</u>   | <u>647,723</u>   | <u>4</u>  |
| Legal:                           |                  |                  |                  |   |
| Salary - Seasonal Workers        |                  | 1,705            | 1,704            | 1   |
| Salary - Administrative          | 257,231          | 263,724          | 263,724          | -   |
| Overtime                         |                  | 13               | 13               | -   |
| Salary - MME                     | 133,111          | 136,000          | 135,999          | 1   |
| Salary - Supervisors             | 93,621           | 51,377           | 51,376           | 1   |
| Safety & Risk Claims             | 10,000           | 7,337            | 7,337            | -   |
| Legal Fees & Deductibles         | 325,000          | 597,643          | 597,643          | -   |
| Assessment Appeals Fees          | 30,000           | 24,600           | 24,600           | -   |
| Office Expenses & Supplies       | 29,000           | 21,728           | 21,728           | -   |
| Meetings & Memberships           | 4,500            | 2,203            | 2,203            | -   |
| Total legal                      | <u>882,463</u>   | <u>1,106,330</u> | <u>1,106,327</u> | <u>3</u>  |
| Personnel:                       |                  |                  |                  |   |
| Salary - Seasonal Workers        | 5,500            | 10,384           | 10,383           | 1   |
| Salary - Administrative          | 176,017          | 241,645          | 241,645          | -   |
| Overtime                         |                  | 1,669            | 1,668            | 1   |
| Salary - MME                     | 55,918           | 57,100           | 57,100           | -   |
| EAP Services                     | 4,964            | 4,552            | 4,551            | 1   |
| Fees                             | 2,000            | 4,550            | 4,550            | -   |
| Training                         |                  | 40               | 40               | -   |
| Tuition Reimbursement            | 11,000           | 18,038           | 18,038           | -   |
| Alcohol/Drug Testing             | 7,500            | 8,290            | 8,289            | 1   |
| Office Expenses & Supplies       | 8,500            | 9,073            | 9,072            | 1   |
| Meetings & Memberships           | 4,000            | 1,776            | 1,776            | -   |
| Total personnel                  | <u>275,399</u>   | <u>357,117</u>   | <u>357,112</u>   | <u>5</u>  |
| City clerk:                      |                  |                  |                  |   |
| Salary - Elected Officials       | 73,197           | 73,281           | 73,281           | -   |
| Overtime                         | 5,000            | 2,375            | 2,375            | -   |
| Salary - MME                     | 238,832          | 235,457          | 235,456          | 1   |
| Land Records                     | 45,000           | 39,749           | 39,748           | 1   |
| Vital Statistics                 | 2,500            | 2,293            | 2,293            | -   |
| Office Expenses & Supplies       | 15,000           | 14,819           | 14,818           | 1   |
| Elections                        | 4,000            | 4,565            | 4,565            | -   |
| Meetings & Memberships           | 3,300            | 1,740            | 1,739            | 1   |
| Total city clerk                 | <u>386,829</u>   | <u>374,279</u>   | <u>374,275</u>   | <u>4</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, 2017**

|   | Budgeted Amounts |                  |                  | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            | Actual           |   |
| Aviation:                                       |                  |                  |                  |   |
| Salary - Seasonal Workers                       | \$ 66,453        | \$ 33,442        | \$ 33,441        | \$ 1  |
| Overtime  |                  | 68               | 67               | 1   |
| Salary - Supervisors                            |                  | 26,600           | 26,599           | 1   |
| Other Purchased Services                        | 1,500            | 1,480            | 1,480            | -   |
| Office Expenses & Supplies                      | 4,200            | 6,457            | 6,457            | -   |
| Aviation Maintenance                            | 77,500           | 67,609           | 67,609           | -   |
| Operating Costs                                 |                  | 91               | 91               | -   |
| Fuel Costs                                      | 292,500          | 260,437          | 260,436          | 1   |
| Banking Services                                |                  | 7                | 6                | 1   |
| Total aviation                                  | <u>442,153</u>   | <u>396,191</u>   | <u>396,186</u>   | <u>5</u>  |
| Elections:                                      |                  |                  |                  |   |
| Salary - Elected Officials                      | 57,071           | 59,531           | 59,531           | -   |
| Salary - Seasonal Workers                       |                  | 3,776            | 3,776            | -   |
| Salary - Other Non-Union                        | 36,619           | 53,382           | 53,382           | -   |
| Primaries                                       | 35,000           | 12,481           | 12,481           | -   |
| Office Expenses & Supplies                      | 12,500           | 17,640           | 17,640           | -   |
| Elections                                       | 80,000           | 64,561           | 64,560           | 1   |
| Meetings & Memberships                          | 5,500            | 5,435            | 5,434            | 1   |
| Total elections                                 | <u>226,690</u>   | <u>216,806</u>   | <u>216,804</u>   | <u>2</u>  |
| Insurance:                                      |                  |                  |                  |   |
| Boilers & Machinery                             | 7,154            | 6,594            | 6,594            | -   |
| Bonds Money & Securities                        | 5,231            | 1,782            | 1,782            | -   |
| Fire & Vandalism                                | 227,779          | 228,333          | 228,333          | -   |
| Liability Insurance                             | 1,035,000        | 1,022,922        | 1,022,922        | -   |
| Police Professional Liability                   | 125,000          | 127,392          | 127,392          | -   |
| Public Official Liability                       | 80,000           | 92,485           | 92,485           | -   |
| Workers Compensation Indemnity                  | 585,578          | 442,407          | 442,407          | -   |
| Workers Compensation Medical                    | 399,586          | 399,586          | 399,586          | -   |
| Second Injury Fund                              | 138,985          | 138,985          | 138,985          | -   |
| Workers Compensation Excess Liability Insurance | 125,000          | 138,145          | 138,145          | -   |
| Total insurance                                 | <u>2,729,313</u> | <u>2,598,631</u> | <u>2,598,631</u> | <u>-</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, 2017**

|                                       | Budgeted Amounts |              |              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------------|------------------|--------------|--------------|---|
|                                       | Original         | Final        | Actual       |   |
| Employee benefits:                    |                  |              |              |   |
| City Medical Benefits                 | \$ 2,452,417     | \$ 3,090,544 | \$ 3,056,494 | \$ 34,050   |
| Post Retirement Benefits (OPEB)       | 2,992,170        | 2,192,170    | 2,192,170    | -   |
| Life Insurance                        | 75,500           | 84,499       | 84,499       | -   |
| Longevity                             | 83,400           | 78,929       | 78,928       | 1   |
| Employee Retirement                   | 2,888,372        | 2,888,372    | 2,888,372    | -   |
| Defined Contribution Plan             | 320,000          | 441,718      | 441,717      | 1   |
| Police Defined Contribution Plan      | 9,500            | 13,770       | 13,770       | -   |
| Fire Defined Contribution Plan        |                  | 498          | 498          | -   |
| Unemployment Compensation             | 150,000          | 132,558      | 132,558      | -   |
| Unused Sick Leave                     | 352,000          | 346,824      | 346,824      | -   |
| Hypertension                          | 350,000          | 350,000      | 350,000      | -   |
| Social Security                       | 2,966,237        | 3,166,741    | 3,166,741    | -   |
| Police Benefits                       | 958,983          | 1,243,642    | 1,243,642    | -   |
| Police Social Security / Medicare     | 127,844          | 63,965       | 63,965       | -   |
| Police Retirement                     | 4,464,984        | 4,464,984    | 4,464,984    | -   |
| Police Medical                        | 1,097,287        | 1,098,817    | 1,098,817    | -   |
| Police Life                           | 19,495           | 17,034       | 17,034       | -   |
| Police Hypertension                   | 415,000          | 415,000      | 415,000      | -   |
| Fire Benefits                         | 1,204,576        | 1,234,896    | 1,234,896    | -   |
| Fire Social Security / Medicare       | 60,185           | 50,200       | 50,199       | 1   |
| Fire Retirement                       | 3,054,069        | 3,054,069    | 3,054,069    | -   |
| Fire Medical                          | 961,900          | 961,900      | 961,900      | -   |
| Fire Life                             | 14,977           | 13,987       | 13,987       | -   |
| Fire Hypertension                     | 425,000          | 425,000      | 425,000      | -   |
| Police Longevity                      | 48,300           | 52,150       | 52,150       | -   |
| Fire Longevity                        | 23,850           | 39,050       | 39,050       | -   |
| Uniforms Guards                       | 3,250            | 2,526        | 2,526        | -   |
| Total employee benefits               | 25,519,296       | 25,923,843   | 25,889,790   | 34,053  |
| Finance general administration:       |                  |              |              |   |
| Transit                               | 291,653          | 236,567      | 236,567      | -   |
| Pupil Transportation                  | 1,049,309        | 1,055,247    | 1,055,246    | 1   |
| Street Lighting                       | 675,000          | 438,439      | 438,439      | -   |
| Water                                 | 215,000          | 232,011      | 232,011      | -   |
| Hydrants                              | 65,000           | 65,000       | 65,000       | -   |
| Sewers                                | 140,000          | 135,900      | 135,899      | 1   |
| Platt Band Uniform                    |                  | 5,000        | 5,000        | -   |
| Maloney Scholarship                   | 24,000           | 24,000       | 24,000       | -   |
| Veterans Organization                 | 18,000           | 18,000       | 18,000       | -   |
| Ambulance                             | 153,735          | 153,735      | 153,735      | -   |
| Emergency Medical Dispatch            | 38,723           | 38,723       | 38,723       | -   |
| Nerden RTC Day Camp                   | 40,000           | 40,000       | 40,000       | -   |
| C-Med                                 | 23,276           | 23,213       | 23,213       | -   |
| Audit                                 | 76,000           | 82,075       | 82,075       | -   |
| Probate Court                         | 15,000           | 14,519       | 14,519       | -   |
| Zoning Expenses & Supplies            | 7,500            | 4,825        | 4,825        | -   |
| Economic Development                  | 100,000          | 101,800      | 101,799      | 1   |
| Housing Authority                     | 11,411           | 11,411       | 11,411       | -   |
| Textbooks                             | 15,000           | 14,941       | 14,940       | 1   |
| Special Events & Celebrations         | 90,500           | 88,986       | 88,986       | -   |
| Solomon Goffe House                   | 500              | 420          | 420          | -   |
| Conservation Committee                | 100              |              |              | -   |
| Marketing Promotion                   | 20,000           | 11,164       | 11,163       | 1   |
| Flood Control Agency                  | 500              |              |              | -   |
| Meriden Scholastic Scholarship        | 45,000           | 21,500       | 21,500       | -   |
| Neighborhood Associations             | 3,500            | 3,550        | 3,549        | 1   |
| Curtis Utilization                    | 2,200            |              |              | -   |
| Youth Activities                      | 80,000           | 78,125       | 78,125       | -   |
| Linear Trail Advisory Committee       | 2,000            | 1,093        | 1,093        | -   |
| Total finance general administration: | 3,202,907        | 2,900,244    | 2,900,238    | 6   |

(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, 2017**

|  | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             | Actual            |   |
| Capital equipment:                           |                   |                   |                   |   |
| Capital Equipment - Planning & Enforcement   | \$ 15,000         | \$                | \$                | \$ -  |
| Capital Equipment - MIS                      | 87,730            | 83,002            | 83,000            | 2   |
| Capital Equipment - Parking                  | 15,000            | 12,689            | 12,689            | -   |
| Capital Equipment - Police                   | 207,900           | 178,538           | 178,537           | 1   |
| Capital Equipment - Fire                     |                   | 50,040            | 50,040            | -   |
| Capital Equipment - Emergency Communications | 7,500             | 9,280             | 9,280             | -   |
| Capital Equipment - Emergency Management     | 1,800             |                   |                   | -   |
| Capital Equipment - SMVFD                    | 31,500            | 9,035             | 9,035             | -   |
| Capital Equipment - Engineering              | 5,900             | 4,430             | 4,430             | -   |
| Capital Equipment - Parks                    | 21,000            | 8,933             | 8,933             | -   |
| Total capital equipment:                     | <u>393,330</u>    | <u>355,947</u>    | <u>355,944</u>    | <u>3</u>  |
| Management information systems:              |                   |                   |                   |   |
| Salary - Administrative                      | 112,300           | 156,298           | 156,298           | -   |
| Overtime                                     | 500               | 124               | 124               | -   |
| Salary - MME                                 | 157,451           | 153,673           | 153,672           | 1   |
| Salary - Supervisors                         | 179,482           | 207,748           | 207,747           | 1   |
| Rentals                                      | 383,920           | 400,014           | 400,013           | 1   |
| Telephones                                   | 52,940            | 42,986            | 42,986            | -   |
| Training                                     | 4,250             | 4,577             | 4,577             | -   |
| Office Expenses & Supplies                   | 6,000             | 6,715             | 6,715             | -   |
| Software                                     | 8,500             | 2,441             | 2,440             | 1   |
| Meetings & Memberships                       | 2,630             | 1,595             | 1,595             | -   |
| Total management information systems         | <u>907,973</u>    | <u>976,171</u>    | <u>976,167</u>    | <u>4</u>  |
| Development and enforcement:                 |                   |                   |                   |   |
| Salary - Administrative                      | 120,323           | 122,319           | 122,318           | 1   |
| Overtime                                     | 5,000             | 5,289             | 5,288             | 1   |
| Salary - MME                                 | 462,831           | 386,258           | 386,257           | 1   |
| Salary - Supervisors                         | 164,303           | 228,646           | 228,645           | 1   |
| Gasoline                                     | 3,000             | 3,107             | 3,107             | -   |
| Vehicle Maintenance                          | 5,200             | 11,624            | 11,624            | -   |
| Office Expenses & Supplies                   | 20,000            | 23,208            | 23,207            | 1   |
| Meetings & Memberships                       | 3,500             | 2,936             | 2,936             | -   |
| Total development and enforcement            | <u>784,157</u>    | <u>783,387</u>    | <u>783,382</u>    | <u>5</u>  |
| Inland wetlands:                             |                   |                   |                   |   |
| Office Expenses & Supplies                   | 1,000             | 2,137             | 2,136             | 1   |
| Parking:                                     |                   |                   |                   |   |
| Payroll                                      | 74,181            | 73,810            | 73,809            | 1   |
| Salary - Supervisors                         | 51,026            | 53,341            | 53,340            | 1   |
| Maintenance                                  | 1,500             | 335               | 335               | -   |
| Gasoline                                     | 900               | 603               | 602               | 1   |
| Vehicle Maintenance                          | 250               | 255               | 255               | -   |
| Telephones                                   | 900               | 884               | 884               | -   |
| Utilities                                    | 12,000            | 8,145             | 8,145             | -   |
| General Expenses                             | 2,500             | 2,618             | 2,618             | -   |
| Total parking                                | <u>143,257</u>    | <u>139,991</u>    | <u>139,988</u>    | <u>3</u>  |
| Total general government                     | <u>37,185,015</u> | <u>37,019,579</u> | <u>36,985,479</u> | <u>34,100</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, 2017**

|                                   | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------|---|
|                                   | Original         | Final            |                  |   |
| Finance:                          |                  |                  |                  |   |
| Finance:                          |                  |                  |                  |   |
| Salary - Seasonal Workers         | \$               | \$ 1,105         | \$ 1,105         | \$ -  |
| Salary - Administrative           |                  | 131,569          | 136,118          | 1   |
| Overtime                          |                  | 3,500            | 1,245            | 1   |
| Salary - MME                      |                  | 157,931          | 149,249          | -   |
| Salary - Supervisors              |                  | 252,128          | 254,583          | -   |
| Vehicle Maintenance               |                  | 2,400            | 2,400            | -   |
| Telephone                         |                  | 120,000          | 94,332           | -   |
| Office Expenses & Supplies        |                  | 29,000           | 22,976           | 1   |
| Banking Fees                      |                  | 65,100           | 52,253           | -   |
| Meetings & Memberships            |                  | 4,750            | 1,451            | -   |
| General Office Supplies           |                  | 1                | 1                | 1   |
| Total finance                     |                  | <u>766,379</u>   | <u>715,709</u>   | <u>4</u>  |
| Purchasing:                       |                  |                  |                  |   |
| Overtime                          |                  | 1,000            | 110              | -   |
| Salary - MME                      |                  | 155,968          | 147,422          | 1   |
| Salary - Supervisors              |                  | 202,678          | 115,801          | -   |
| Office Expenses & Supplies        |                  | 5,000            | 4,999            | -   |
| Meetings & Memberships            |                  | 5,000            | 2,079            | 1   |
| Storeroom                         |                  | 1                | 1                | 1   |
| Total purchasing                  |                  | <u>369,647</u>   | <u>270,412</u>   | <u>3</u>  |
| Tax collector:                    |                  |                  |                  |   |
| Salary - Seasonal Workers         |                  |                  | 1,306            | 1   |
| Overtime                          |                  | 4,500            | 2,378            | 1   |
| Salary - MME                      |                  | 180,437          | 185,905          | -   |
| Salary - Supervisors              |                  | 160,619          | 160,790          | -   |
| Office Expenses & Supplies        |                  | 80,535           | 65,488           | 1   |
| Meetings & Memberships            |                  | 1,485            | 686              | -   |
| Total tax collector               |                  | <u>427,576</u>   | <u>416,550</u>   | <u>3</u>  |
| Tax assessor:                     |                  |                  |                  |   |
| Overtime                          |                  | 6,188            | 1,691            | 1   |
| Salary - MME                      |                  | 179,268          | 183,052          | -   |
| Salary - Supervisors              |                  | 167,810          | 174,836          | -   |
| Gasoline                          |                  | 150              | 145              | 1   |
| Vehicle Maintenance               |                  | 150              | 20               | -   |
| Revaluation                       |                  | 153,000          | 143,418          | -   |
| Office Expenses & Supplies        |                  | 11,000           | 10,617           | 1   |
| Meetings & Memberships            |                  | 1,550            | 1,004            | -   |
| Total tax assessor                |                  | <u>519,116</u>   | <u>514,780</u>   | <u>3</u>  |
| Board of assessment appeals:      |                  |                  |                  |   |
| Salary - Part-Time                |                  | 5,000            | 4,000            | -   |
| Office Expenses & Supplies        |                  | 250              | 110              | -   |
| Total board of assessment appeals |                  | <u>5,250</u>     | <u>4,110</u>     | <u>-</u>  |
| Total finance                     |                  | <u>2,087,968</u> | <u>1,921,571</u> | <u>13</u>   |
| Public safety:                    |                  |                  |                  |   |
| Police:                           |                  |                  |                  |   |
| Salary - Administrative           |                  | 232,127          | 277,351          | -   |
| Overtime                          |                  | 1,050,000        | 1,721,094        | -   |
| Salary - Other Non Union          |                  | 89,164           | 85,982           | 1   |
| Salary - Public Works             |                  | 83,624           | 83,708           | -   |
| Salary - MME                      |                  | 580,003          | 574,997          | 1   |
| Salary - Police Patrol            |                  | 9,555,368        | 8,869,964        | 1   |
| Salary - Supervisors              |                  | 72,150           | 72,224           | -   |
| Salary - Crossing Guards          |                  | 261,170          | 213,935          | 1   |

(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, 2017**

|                                    | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|------------------------------------|------------------|------------|------------|---|
|                                    | Original         | Final      |            |   |
| Public safety (continued):         |                  |            |            |   |
| Gasoline                           | \$ 170,050       | \$ 153,603 | \$ 153,603 | \$ -  |
| Vehicle Maintenance                | 60,000           | 7,481      | 7,481      | -   |
| Communications & Maintenance       | 100,800          | 108,520    | 108,520    | -   |
| Training                           | 193,500          | 219,598    | 219,598    | -   |
| South Central Justice              | 12,325           | 12,000     | 12,000     | -   |
| Explorers / Auxiliary Police       | 6,500            | 6,499      | 6,499      | -   |
| Canine Unit                        | 4,000            | 1,285      | 1,284      | 1   |
| Bicycle Patrol                     | 2,200            | 1,721      | 1,721      | -   |
| Police Expenses & Supplies         | 102,400          | 102,898    | 102,897    | 1   |
| Crime Prevention                   | 1,000            | 938        | 938        | -   |
| Hostage Crisis                     | 20,000           | 15,042     | 15,042     | -   |
| MIS Technology                     | 256,516          | 254,952    | 254,952    | -   |
| Body Camera / Taser Expense        | 131,000          |            |            | -   |
| Meetings & Memberships             | 6,000            | 5,580      | 5,579      | 1   |
| Police Private Duty                |                  | 32,391     | 32,390     | 1   |
| Total police                       | 12,989,897       | 12,821,763 | 12,821,755 | 8   |
| Fire:                              |                  |            |            |   |
| Salary - Seasonal Workers          |                  | 1,131      | 1,131      | -   |
| Salary - Administrative            | 209,478          | 218,930    | 218,930    | -   |
| Overtime                           | 950,000          | 1,138,422  | 1,138,421  | 1   |
| Salary - Public Works              | 83,624           | 82,154     | 82,154     | -   |
| Salary - Fire                      | 7,541,462        | 7,298,536  | 7,298,535  | 1   |
| Salary - MME                       | 110,731          | 103,637    | 103,637    | -   |
| Gasoline                           | 40,000           | 37,649     | 37,649     | -   |
| Vehicle Maintenance                | 60,000           | 99,373     | 99,372     | 1   |
| Communications & Maintenance       | 35,000           | 28,020     | 28,020     | -   |
| Training                           | 40,000           | 25,884     | 25,884     | -   |
| Physicals                          | 30,000           | 5,679      | 5,678      | 1   |
| Recruitment                        | 3,000            |            |            | -   |
| Maintenance Supplies               | 39,000           | 31,670     | 31,670     | -   |
| Heat, Energy, & Lights             | 130,000          | 106,329    | 106,329    | -   |
| Office Expenses & Supplies         | 15,500           | 16,918     | 16,918     | -   |
| Fire Equipment                     | 72,000           | 81,297     | 81,297     | -   |
| Meetings & Memberships             | 11,665           | 11,629     | 11,628     | 1   |
| Total fire                         | 9,371,460        | 9,287,258  | 9,287,253  | 5   |
| Emergency communications:          |                  |            |            |   |
| Salary - Seasonal Workers          |                  | 8,439      | 8,438      | 1   |
| Salary - Administrative            | 81,424           | 97,834     | 97,834     | -   |
| Overtime                           | 180,000          | 361,929    | 361,929    | -   |
| Salary - Dispatch                  | 1,006,795        | 769,462    | 769,462    | -   |
| Vehicle Maintenance                |                  | 2,200      | 2,200      | -   |
| Communications & Maintenance       | 2,500            | 4,426      | 4,426      | -   |
| Training                           | 30,000           | 11,101     | 11,100     | 1   |
| Office Expenses & Supplies         | 20,000           | 20,488     | 20,488     | -   |
| Total emergency communications     | 1,320,719        | 1,275,879  | 1,275,877  | 2   |
| South Meriden volunteer fire:      |                  |            |            |   |
| Firefighter Physicals              | 4,500            | 3,986      | 3,986      | -   |
| SMVFD Merit Plan                   | 35,000           | 33,000     | 33,000     | -   |
| Gasoline                           | 2,500            | 1,744      | 1,744      | -   |
| Vehicle Maintenance                | 2,500            | 295        | 294        | 1   |
| Communication & Maintenance        | 5,300            | 7,141      | 7,141      | -   |
| Training                           | 5,000            | 4,324      | 4,324      | -   |
| Maintenance Supplies               | 500              | 601        | 600        | 1   |
| Heat Energy Lights                 | 12,000           | 12,149     | 12,149     | -   |
| Food                               | 2,000            | 1,015      | 1,015      | -   |
| Office Expenses & Supplies         | 400              | 240        | 239        | 1   |
| Fire Equipment                     | 23,000           | 21,881     | 21,880     | 1   |
| Meetings & Memberships             | 500              | 50         | 50         | -   |
| Total South Meriden volunteer fire | 93,200           | 86,426     | 86,422     | 4   |

(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, 2017**

|                               | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------|-------------------|-------------------|-------------------|---|
|                               | Original          | Final             | Actual            |   |
| Emergency management:         |                   |                   |                   |   |
| Salary - Part-Time            | \$ 8,000          | \$ 8,000          | \$ 8,000          | \$ -  |
| Office Expenses & Supplies    | 750               | 712               | 711               | 1   |
| Total emergency management    | <u>8,750</u>      | <u>8,712</u>      | <u>8,711</u>      | <u>1</u>  |
| Total public safety           | <u>23,784,026</u> | <u>23,480,038</u> | <u>23,480,018</u> | <u>20</u>   |
| Public Works:                 |                   |                   |                   |   |
| Engineering:                  |                   |                   |                   |   |
| Capital Equipment             |                   | 12,000            | 12,000            | -   |
| Salary - Administrative       | 113,367           | 119,114           | 119,114           | -   |
| Overtime                      | 4,500             | 3,077             | 3,076             | 1   |
| Salary - MME                  | 331,793           | 325,284           | 325,284           | -   |
| Salary - Supervisors          | 203,887           | 205,001           | 205,001           | -   |
| Inspections - Dams & Bridges  | 4,000             | 4,000             | 4,000             | -   |
| Gasoline                      | 8,000             | 7,268             | 7,267             | 1   |
| Vehicle Maintenance           | 6,000             | 7,009             | 7,009             | -   |
| Office Expenses & Supplies    | 10,000            | 10,789            | 10,788            | 1   |
| Meetings & Memberships        | 2,500             | 2,071             | 2,071             | -   |
| Total engineering             | <u>684,047</u>    | <u>695,613</u>    | <u>695,610</u>    | <u>3</u>  |
| Garage and warehouse:         |                   |                   |                   |   |
| Overtime                      | 4,000             | 2,702             | 2,701             | 1   |
| Salary - Public Works         | 387,737           | 385,882           | 385,882           | -   |
| Salary - MME                  | 50,243            | 54,954            | 54,954            | -   |
| Repairs & Maintenance Service | 5,000             | 4,862             | 4,862             | -   |
| Gasoline                      | 2,100             | 1,021             | 1,020             | 1   |
| Vehicle Maintenance           | 1                 | 585               | 585               | -   |
| Office Expenses & Supplies    | 7,500             | 6,019             | 6,018             | 1   |
| Meetings & Memberships        | 500               | 75                | 75                | -   |
| Garage Materials              |                   | (7,269)           | (7,269)           | -   |
| CNG Fueling Station           | 7,500             | 7,500             | 7,500             | -   |
| Total garage and warehouse    | <u>464,581</u>    | <u>456,331</u>    | <u>456,328</u>    | <u>3</u>  |
| Traffic engineering:          |                   |                   |                   |   |
| Salary - Part Time            | 16,000            | 19,353            | 19,353            | -   |
| Overtime                      | 12,000            | 7,980             | 7,980             | -   |
| Salary - MME                  | 204,442           | 205,518           | 205,518           | -   |
| Salary - Supervisors          | 106,181           | 106,301           | 106,300           | 1   |
| Street Light Maintenance      | 3,000             | 931               | 931               | -   |
| Gasoline                      | 9,500             | 7,854             | 7,854             | -   |
| Vehicle Maintenance           | 11,500            | 9,737             | 9,736             | 1   |
| Safety Equipment              | 5,100             | 3,868             | 3,867             | 1   |
| Signalization                 | 58,000            | 55,345            | 55,344            | 1   |
| Signs & Lines                 | 40,000            | 31,211            | 31,211            | -   |
| Alarm Systems                 | 1,000             |                   |                   | -   |
| Office Expense                | 1,750             | 1,938             | 1,937             | 1   |
| Meetings & Memberships        | 1,200             | 1,480             | 1,480             | -   |
| Total traffic engineering     | <u>469,673</u>    | <u>451,516</u>    | <u>451,511</u>    | <u>5</u>  |
| Highway safety:               |                   |                   |                   |   |
| Snow & Ice Control            | 600,000           | 819,907           | 819,907           | -   |
| Overtime                      | 31,000            | 36,319            | 36,319            | -   |
| Salary - Public Works         | 996,474           | 964,148           | 964,148           | -   |
| Salary - Supervisors          | 86,672            | 89,430            | 89,429            | 1   |
| Gasoline                      | 95,000            | 63,143            | 63,142            | 1   |
| Vehicle Maintenance           | 195,000           | 188,772           | 188,772           | -   |
| Street Maintenance Supplies   | 16,000            | 15,590            | 15,589            | 1   |
| Sidewalk Basin Construction   | 3,000             | 2,990             | 2,990             | -   |
| Storm Drain Construction      | 6,500             | 3,369             | 3,368             | 1   |
| Roadside Bulky Waste          | 500               | 390               | 390               | -   |
| Safety & Health Plan          | 3,000             | 2,956             | 2,956             | -   |

(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, 2017**

|                               | Budgeted Amounts |           |           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------|------------------|-----------|-----------|---|
|                               | Original         | Final     | Actual    |   |
| Highway safety (continued):   |                  |           |           |   |
| Office Expenses & Supplies    | \$ 6,000         | \$ 5,647  | \$ 5,646  | \$ 1  |
| Clothing                      | 6,500            | 5,489     | 5,488     | 1   |
| Soil / Catch Basin Disposal   | 35,000           | 54,990    | 54,989    | 1   |
| Meetings & Memberships        | 250              | 75        | 75        | -   |
| Total highway safety          | 2,080,896        | 2,253,215 | 2,253,208 | 7   |
| Transfer station:             |                  |           |           |   |
| Overtime                      | 20,000           | 19,424    | 19,423    | 1   |
| Monitoring                    | 81,000           | 62,119    | 62,119    | -   |
| Recycling - Hazardous Waste   |                  | 10,000    | 10,000    | -   |
| Gasoline                      | 1,500            | 6,073     | 6,073     | -   |
| Vehicle Maintenance           | 9,000            | 37,652    | 37,652    | -   |
| Other Purchased Services      | 1,500            | 848       | 847       | 1   |
| Office Expenses & Supplies    | 3,000            | 2,413     | 2,412     | 1   |
| Total transfer station        | 116,000          | 138,529   | 138,526   | 3   |
| Waste collection:             |                  |           |           |   |
| Recycling                     | 10,000           |           |           | -   |
| Dumping Fees                  | 539,500          | 524,580   | 524,579   | 1   |
| Contract                      | 934,100          | 886,677   | 886,676   | 1   |
| Office Expenses & Supplies    | 25,250           | 319       | 319       | -   |
| Total waste collection        | 1,508,850        | 1,411,576 | 1,411,574 | 2   |
| Bulky waste:                  |                  |           |           |   |
| Overtime                      |                  | 2,024     | 2,024     | -   |
| Salary - Public Works         | 76,952           | 77,048    | 77,047    | 1   |
| Salary - MME                  | 22,302           | 16,149    | 16,149    | -   |
| Gasoline                      | 2,000            | 3,260     | 3,259     | 1   |
| Vehicle Maintenance           | 3,000            | 6,689     | 6,688     | 1   |
| Dump Fees                     | 66,500           | 94,736    | 94,736    | -   |
| Office Expenses & Supplies    | 2,100            | 1,885     | 1,885     | -   |
| Clothing Allowance            | 725              | 291       | 290       | 1   |
| Total bulky waste             | 173,579          | 202,082   | 202,078   | 4   |
| Building maintenance:         |                  |           |           |   |
| Salary - Part-Time            | 20,000           | 32,427    | 32,426    | 1   |
| Salary - Administrative       |                  | 75,693    | 75,692    | 1   |
| Overtime                      | 40,000           | 49,432    | 49,432    | -   |
| Salary - Public Works         | 367,527          | 388,242   | 388,241   | 1   |
| Salary - Supervisors          | 89,339           | 85,111    | 85,111    | -   |
| Gasoline                      | 1,500            | 1,424     | 1,423     | 1   |
| Vehicle Maintenance           | 2,500            | 2,434     | 2,434     | -   |
| Repairs & Upgrades            | 20,000           | 23,169    | 23,168    | 1   |
| Maintenance Supplies          | 43,000           | 42,117    | 42,116    | 1   |
| Heat, Energy, & Lights        | 580,000          | 543,477   | 543,477   | -   |
| Total building maintenance    | 1,163,866        | 1,243,526 | 1,243,520 | 6   |
| Total public works            | 6,661,492        | 6,852,388 | 6,852,355 | 33  |
| Health and welfare:           |                  |           |           |   |
| Health:                       |                  |           |           |   |
| Certified Salaries            | 125,000          | 120,892   | 120,892   | -   |
| Salary - Part-Time            | 5,160            | 5,160     | 5,160     | -   |
| Salary - Administrative       | 105,791          | 108,918   | 108,917   | 1   |
| Overtime                      | 3,500            | 1,302     | 1,301     | 1   |
| Salary - Public Health Nurses | 929,230          | 950,574   | 950,574   | -   |
| Salary - MME                  | 539,558          | 540,865   | 540,865   | -   |
| Salary - Supervisors          | 281,600          | 286,291   | 286,290   | 1   |
| Gasoline                      | 1,750            | 1,414     | 1,413     | 1   |
| Vehicle Maintenance           | 3,400            | 3,384     | 3,384     | -   |
| Office Expenses & Supplies    | 10,000           | 8,282     | 8,282     | -   |

(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, 2017**

|                                 | Budgeted Amounts |                  |                  | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------|------------------|------------------|------------------|---|
|                                 | Original         | Final            | Actual           |   |
| Health and welfare (continued): |                  |                  |                  |   |
| Health:                         |                  |                  |                  |   |
| Environmental Supplies          | \$ 4,000         | \$ 3,908         | \$ 3,907         | \$ 1  |
| Health Supplies                 | 8,000            | 7,760            | 7,760            | -   |
| P.A. 10-217A Supplies           | 2,750            | 2,655            | 2,654            | 1   |
| Lead Program                    | 4,100            | 3,869            | 3,868            | 1   |
| Meetings & Memberships          | 3,000            | 2,713            | 2,713            | -   |
| Total health                    | <u>2,026,839</u> | <u>2,047,987</u> | <u>2,047,980</u> | <u>7</u>  |
| Social services:                |                  |                  |                  |   |
| Evictions                       | 35,000           | 35,200           | 35,200           | -   |
| Senior center:                  |                  |                  |                  |   |
| Salary - Seasonal Workers       |                  | 531              | 530              | 1   |
| Salary - Other Non-Union        | 30,275           | 28,845           | 28,845           | -   |
| Salary - MME                    | 308,480          | 286,258          | 286,258          | -   |
| Salary - Supervisors            | 89,818           | 89,931           | 89,930           | 1   |
| Elderly Nutrition               | 9,000            | 8,142            | 8,141            | 1   |
| Gasoline                        | 12,000           | 12,390           | 12,389           | 1   |
| Vehicle Maintenance             | 5,900            | 6,194            | 6,194            | -   |
| Office Expenses & Supplies      | 15,900           | 16,298           | 16,297           | 1   |
| Meetings & Memberships          | 1,250            | 1,260            | 1,260            | -   |
| Total senior center             | <u>472,623</u>   | <u>449,849</u>   | <u>449,844</u>   | <u>5</u>  |
| Youth services:                 |                  |                  |                  |   |
| Salary - Supervisors            | 97,315           | 53,380           | 53,379           | 1   |
| Office Expenses & Supplies      | 1,450            | 1,140            | 1,139            | 1   |
| Youth Activities                | 1,350            |                  |                  | -   |
| Meetings & Memberships          | 580              | 550              | 550              | -   |
| Total youth services            | <u>100,695</u>   | <u>55,070</u>    | <u>55,068</u>    | <u>2</u>  |
| Total health and welfare        | <u>2,635,157</u> | <u>2,588,106</u> | <u>2,588,092</u> | <u>14</u>   |
| Culture and recreation:         |                  |                  |                  |   |
| Library:                        |                  |                  |                  |   |
| Salary - Part-Time              | 68,250           | 66,701           | 66,701           | -   |
| Salary - Administrative         | 99,185           | 101,817          | 101,816          | 1   |
| Overtime                        |                  | 1,222            | 1,221            | 1   |
| Salary - MME                    | 678,108          | 677,395          | 677,394          | 1   |
| Salary - Supervisors            | 905,111          | 891,183          | 891,183          | -   |
| Public Utilities                | 115,000          | 130,307          | 130,307          | -   |
| Gasoline                        | 1,100            | 613              | 612              | 1   |
| Vehicle Maintenance             | 950              | 2,089            | 2,089            | -   |
| Telephones                      | 4,081            | 3,358            | 3,358            | -   |
| Security Service                | 700              | 700              | 700              | -   |
| Other Purchased Services        | 84,544           | 77,526           | 77,525           | 1   |
| Video Services                  | 21,000           | 17,700           | 17,700           | -   |
| Building Supplies & Materials   | 50,000           | 47,911           | 47,911           | -   |
| Library Books & Materials       | 175,000          | 175,000          | 175,000          | -   |
| Office Expenses & Supplies      | 30,000           | 30,862           | 30,862           | -   |
| Meetings & Memberships          | 3,700            | 3,213            | 3,210            | 3   |
| Capital Equipment - Library     | 2,400            | 2,150            | 2,150            | -   |
| Total library                   | <u>2,239,129</u> | <u>2,229,747</u> | <u>2,229,739</u> | <u>8</u>  |
| Parks:                          |                  |                  |                  |   |
| Capital Equipment               |                  | 19,100           | 19,100           | -   |
| Salary - Part-Time              | 101,722          | 92,565           | 92,564           | 1   |
| Salary - Administrative         | 122,130          | 196,086          | 196,085          | 1   |
| Overtime                        | 95,000           | 130,169          | 130,168          | 1   |
| Salary - Public Works           | 914,644          | 941,643          | 941,643          | -   |
| Salary - Supervisors            | 91,708           | 36,808           | 36,808           | -   |

(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, 2017**

|   | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              | Actual             |   |
| Parks (continued):  |                    |                    |                    |   |
| Expenses & Supplies   | \$ 75,000          | \$ 86,170          | \$ 86,169          | \$ 1  |
| Cemetery Maintenance  | 8,500              | 3,600              | 3,600              | -   |
| Gasoline  | 45,000             | 40,527             | 40,527             | -   |
| Vehicle Maintenance   | 68,000             | 87,379             | 87,378             | 1   |
| Heat, Energy, & Lights  | 195,000            | 184,528            | 184,527            | 1   |
| Security  | 2,000              | 4,028              | 4,028              | -   |
| Meetings & Memberships  | 2,000              | 1,931              | 1,931              | -   |
| Downtown  | 3,500              | 3,501              | 3,500              | 1   |
| Turf Management   | 18,000             | 18,000             | 18,000             | -   |
| Total parks   | <u>1,742,204</u>   | <u>1,846,035</u>   | <u>1,846,028</u>   | <u>7</u>  |
| Recreation:   |                    |                    |                    |   |
| Overtime  | 8,000              | 9,252              | 9,251              | 1   |
| Salary - Other Non-Union  | 130,000            | 135,806            | 135,805            | 1   |
| Salary - Public Works   | 127,826            | 127,995            | 127,995            | -   |
| Salary - MME  | 122,474            | 115,129            | 115,129            | -   |
| Recreation Program Expense  | 14,000             | 13,980             | 13,980             | -   |
| League Subsidy  | 30,000             | 30,000             | 30,000             | -   |
| Safety Surface Replacement  | 4,400              | 4,400              | 4,400              | -   |
| Office Expenses & Supplies  | 10,000             | 9,492              | 9,492              | -   |
| Meetings & Memberships  | 2,500              | 1,485              | 1,485              | -   |
| Total recreation  | <u>449,200</u>     | <u>447,539</u>     | <u>447,537</u>     | <u>2</u>  |
| Total culture and recreation  | <u>4,430,533</u>   | <u>4,523,321</u>   | <u>4,523,304</u>   | <u>17</u>   |
| Education:  |                    |                    |                    |   |
| Board of Education:   | 99,758,340         | 99,758,340         | 99,758,340         | -   |
| School building committee:  |                    |                    |                    |   |
| Salary Expense  | 1,500              | 2,210              | 2,209              | 1   |
| Total Education   | <u>99,759,840</u>  | <u>99,760,550</u>  | <u>99,760,549</u>  | <u>1</u>  |
| Debt service:   |                    |                    |                    |   |
| Principal retirement:   |                    |                    |                    |   |
| Principal Bonds   | <u>10,318,700</u>  | <u>10,318,700</u>  | <u>10,318,700</u>  | <u>-</u>  |
| Interest:   |                    |                    |                    |   |
| Interest Bonds  | 4,001,217          | 4,001,217          | 4,001,217          | -   |
| BAB Federal Subsidies   | (209,651)          | (209,651)          | (209,651)          | -   |
| Total interest  | <u>3,791,566</u>   | <u>3,791,566</u>   | <u>3,791,566</u>   | <u>-</u>  |
| Total debt service  | <u>14,110,266</u>  | <u>14,110,266</u>  | <u>14,110,266</u>  | <u>-</u>  |
| Other financing uses:   |                    |                    |                    |   |
| Transfers out:  |                    |                    |                    |   |
| Transfer Out - Bond Fund  |                    | 800,000            | 800,000            | -   |
| Transfer Out - Dog Fund   | 10,000             | 12,500             | 12,500             | -   |
| Meriden Green Financial Assurance Fund  | 7,500              | 7,500              | 7,500              | -   |
| Transfers Out - Capital   |                    | 185,729            | 185,729            | -   |
| Total transfers out   | <u>17,500</u>      | <u>1,005,729</u>   | <u>1,005,729</u>   | <u>-</u>  |
| Total expenditures and other financing uses   | <u>190,671,797</u> | <u>191,261,548</u> | <u>191,227,350</u> | <u>34,198</u>   |
| Excess of Revenues and Other Financing Sources<br>over Expenditures and Other Financing Uses: | \$ <u>-</u>        | \$ <u>-</u>        | \$ <u>156,872</u>  | \$ <u>156,872</u>   |



**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND  
COMBINING BALANCE SHEET SCHEDULE  
JUNE 30, 2017**

|   | <u>General</u>       | <u>Foreclosure<br/>Fund</u> | <u>Insurance<br/>Refund<br/>Fund</u> | <u>Tree<br/>Preservation<br/>Fund</u> | <u>Downtown<br/>Property<br/>Management<br/>Fund</u> | <u>Vehicle<br/>Replacement<br/>Fund</u> | <u>Eliminations</u> | <u>Total</u>         |
|---|----------------------|-----------------------------|--------------------------------------|---------------------------------------|--|---|---------------------|----------------------|
| <b>ASSETS</b>   |                      |                             |                                      |                                       |  |   |                     |                      |
| Cash and cash equivalents   | \$ 7,192,689         | \$ 6,499                    | \$ 258,076                           | \$ 2,985                              | \$ 118,551   | \$ 40,512                               |                     | \$ 7,619,312         |
| Investments   | 15,845,301           |                             |                                      |                                       |  |   |                     | 15,845,301           |
| Receivables, net of allowance for uncollectibles                          | 6,031,536            |                             | 461                                  |                                       |  |   |                     | 6,031,997            |
| Inventory   | 130,224              |                             |                                      |                                       |  |   |                     | 130,224              |
| Other assets  | 9,147                |                             |                                      |                                       |  |   |                     | 9,147                |
| Due from other funds  | 8,785,148            |                             |                                      |                                       |  |   | (10,000)            | 8,775,148            |
| <b>Total Assets</b>   | <b>\$ 37,994,045</b> | <b>\$ 6,499</b>             | <b>\$ 258,537</b>                    | <b>\$ 2,985</b>                       | <b>\$ 118,551</b>                                    | <b>\$ 40,512</b>                        | <b>\$ (10,000)</b>  | <b>\$ 38,411,129</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                      |                             |                                      |                                       |  |   |                     |                      |
| Liabilities:  |                      |                             |                                      |                                       |  |   |                     |                      |
| Accounts payable and accrued liabilities                                  | \$ 12,032,514        | \$                          | \$                                   | \$                                    | \$ 594   | \$                                      | \$                  | \$ 12,033,108        |
| Due to other funds  |                      | 10,000                      |                                      |                                       |  |   | (10,000)            | -                    |
| Unearned revenue  | 8,189                |                             |                                      |                                       |  |   |                     | 8,189                |
| <b>Total liabilities</b>  | <b>12,040,703</b>    | <b>10,000</b>               | <b>-</b>                             | <b>-</b>                              | <b>594</b>   | <b>-</b>                                | <b>(10,000)</b>     | <b>12,041,297</b>    |
| Deferred Inflows of Resources:  |                      |                             |                                      |                                       |  |   |                     |                      |
| Unavailable revenue - property taxes                                      | 4,835,997            |                             |                                      |                                       |  |   |                     | 4,835,997            |
| Unavailable revenue - loans receivable                                    | 1,257,270            |                             |                                      |                                       |  |   |                     | 1,257,270            |
| Advance property tax collections  | 1,944,981            |                             |                                      |                                       |  |   |                     | 1,944,981            |
| <b>Total deferred inflows of resources</b>                                | <b>8,038,248</b>     | <b>-</b>                    | <b>-</b>                             | <b>-</b>                              | <b>-</b>   | <b>-</b>                                | <b>-</b>            | <b>8,038,248</b>     |
| Fund Balances:  |                      |                             |                                      |                                       |  |   |                     |                      |
| Reserved for:   |                      |                             |                                      |                                       |  |   |                     |                      |
| Nonspendable  | 139,371              |                             |                                      |                                       |  |   |                     | 139,371              |
| Restricted  | 932,863              |                             |                                      |                                       |  |   |                     | 932,863              |
| Committed   |                      |                             | 258,537                              | 2,985                                 | 117,957  | 40,512                                  |                     | 419,991              |
| Unassigned  | 16,842,860           | (3,501)                     |                                      |                                       |  |   |                     | 16,839,359           |
| <b>Total fund balances</b>  | <b>17,915,094</b>    | <b>(3,501)</b>              | <b>258,537</b>                       | <b>2,985</b>                          | <b>117,957</b>                                       | <b>40,512</b>                           | <b>-</b>            | <b>18,331,584</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 37,994,045</b> | <b>\$ 6,499</b>             | <b>\$ 258,537</b>                    | <b>\$ 2,985</b>                       | <b>\$ 118,551</b>                                    | <b>\$ 40,512</b>                        | <b>\$ (10,000)</b>  | <b>\$ 38,411,129</b> |

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>General</u>       | <u>Foreclosure<br/>Fund</u> | <u>Insurance<br/>Refund<br/>Fund</u> | <u>Tree<br/>Preservation<br/>Fund</u> | <u>Downtown<br/>Property<br/>Management<br/>Fund</u> | <u>Vehicle<br/>Replacement<br/>Fund</u> | <u>Total</u>         |
|--|----------------------|-----------------------------|--------------------------------------|---------------------------------------|--|---|----------------------|
| Revenues:  |                      |                             |                                      |                                       |  |   |                      |
| Property taxes, interest and lien fees               | \$ 124,070,787       | \$                          | \$                                   | \$                                    | \$   | \$                                      | \$ 124,070,787       |
| Federal and state government                         | 85,353,221           |                             |                                      |                                       |  |   | 85,353,221           |
| Charges for services                                 | 4,673,123            |                             |                                      |                                       |  |   | 4,673,123            |
| Investment income                                    | 149,613              |                             |                                      |                                       | 319  |   | 149,932              |
| Other local revenues                                 | 1,025,091            | 26,769                      | 70,202                               |                                       | 22,246   |   | 1,144,308            |
| Total revenues                                       | <u>215,271,835</u>   | <u>26,769</u>               | <u>70,202</u>                        | <u>-</u>                              | <u>22,565</u>  | <u>-</u>                                | <u>215,391,371</u>   |
| Expenditures:  |                      |                             |                                      |                                       |  |   |                      |
| Current:   |                      |                             |                                      |                                       |  |   |                      |
| General government                                   | 38,641,782           | 16,644                      |                                      | 2,000                                 | 39,967   |   | 38,700,393           |
| Public safety  | 23,726,910           |                             | 13,281                               |                                       |  |   | 23,740,191           |
| Public works   | 6,856,785            |                             | 18,227                               |                                       |  |   | 6,875,012            |
| Health and welfare                                   | 4,976,836            |                             |                                      |                                       |  |   | 4,976,836            |
| Culture and recreation                               | 4,532,201            |                             |                                      |                                       |  |   | 4,532,201            |
| Education  | 121,738,848          |                             |                                      |                                       |  |   | 121,738,848          |
| Debt service:  |                      |                             |                                      |                                       |  |   |                      |
| Principal retirement                                 | 10,318,700           |                             |                                      |                                       |  |   | 10,318,700           |
| Interest and other charges                           | 4,001,217            |                             |                                      |                                       |  |   | 4,001,217            |
| Total expenditures                                   | <u>214,793,279</u>   | <u>16,644</u>               | <u>31,508</u>                        | <u>2,000</u>                          | <u>39,967</u>  | <u>-</u>                                | <u>214,883,398</u>   |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>478,556</u>       | <u>10,125</u>               | <u>38,694</u>                        | <u>(2,000)</u>                        | <u>(17,402)</u>                                      | <u>-</u>                                | <u>507,973</u>       |
| Other Financing Sources (Uses):                      |                      |                             |                                      |                                       |  |   |                      |
| Transfers in   | 684,045              |                             |                                      |                                       |  |   | 684,045              |
| Transfers out  | <u>(1,005,729)</u>   |                             |                                      |                                       |  |   | <u>(1,005,729)</u>   |
| Total other financing sources                        | <u>(321,684)</u>     | <u>-</u>                    | <u>-</u>                             | <u>-</u>                              | <u>-</u>   | <u>-</u>                                | <u>(321,684)</u>     |
| Net Change in Fund Balances                          | 156,872              | 10,125                      | 38,694                               | (2,000)                               | (17,402)   | -                                       | 186,289              |
| Fund Balances at Beginning of Year                   | <u>17,758,222</u>    | <u>(13,626)</u>             | <u>219,843</u>                       | <u>4,985</u>                          | <u>135,359</u>                                       | <u>40,512</u>                           | <u>18,145,295</u>    |
| Fund Balances at End of Year                         | <u>\$ 17,915,094</u> | <u>\$ (3,501)</u>           | <u>\$ 258,537</u>                    | <u>\$ 2,985</u>                       | <u>\$ 117,957</u>                                    | <u>\$ 40,512</u>                        | <u>\$ 18,331,584</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.

**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.

**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 operations of the summer student 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.

**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, 2017**

|   | Special Revenue Funds    |   |                       |   |  |                                     |  |
|---|--------------------------|---|-----------------------|---|--|-------------------------------------|--|
|   | Document<br>Preservation | Community<br>Development<br>Block Grant | Day<br>Care<br>Center | Women,<br>Infant and<br>Children<br>Program | Education<br>Grants<br>and<br>Programs | Health<br>Grants<br>and<br>Programs | Neighborhood<br>Preservation<br>(CDBG) |
| <b>ASSETS</b>   |                          |   |                       |   |  |                                     |  |
| Cash and cash equivalents   | \$ 25,432                | \$ 7,839                                | \$ 96,055             | \$ 35,454                                   | \$ 2,410,940                           | \$ 301,318                          | \$ 232,862                             |
| Investments   |                          |   |                       |   |  |                                     |  |
| Accounts receivable   | 234                      | 362,156                                 |                       | 2,885                                       | 405,993                                | 35,775                              | 1,624,446                              |
| Inventory   |                          |   |                       |   |  |                                     |  |
| <b>Total Assets</b>   | <u>\$ 25,666</u>         | <u>\$ 369,995</u>                       | <u>\$ 96,055</u>      | <u>\$ 38,339</u>                            | <u>\$ 2,816,933</u>                    | <u>\$ 337,093</u>                   | <u>\$ 1,857,308</u>                    |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                          |   |                       |   |  |                                     |  |
| <b>Liabilities:</b>   |                          |   |                       |   |  |                                     |  |
| Accounts payable and accrued liabilities                                      | \$                       | \$ 50,776                               | \$ 31,787             | \$ 38,339                                   | \$ 2,030,549                           | \$ 25,956                           | \$ 814                                 |
| Unearned revenue  |                          |   |                       |   | 319,977                                | 60,687                              |  |
| Due to other funds  |                          | 314,233                                 |                       |   | 95,000                                 |                                     |  |
| Total liabilities   | <u>-</u>                 | <u>365,009</u>                          | <u>31,787</u>         | <u>38,339</u>                               | <u>2,445,526</u>                       | <u>86,643</u>                       | <u>814</u>                             |
| <b>Deferred Inflows of Resources:</b>   |                          |   |                       |   |  |                                     |  |
| Unavailable revenue - loans receivable  |                          |   |                       |   |  |                                     | 1,624,446                              |
| <b>Fund Balances:</b>   |                          |   |                       |   |  |                                     |  |
| Nonspendable  |                          |   |                       |   |  |                                     |  |
| Restricted  | 25,666                   | 4,986                                   | 64,268                |   | 371,407                                | 250,450                             | 232,048                                |
| Committed   |                          |   |                       |   |  |                                     |  |
| Unassigned  |                          |   |                       |   |  |                                     |  |
| Total fund balances   | <u>25,666</u>            | <u>4,986</u>                            | <u>64,268</u>         | <u>-</u>                                    | <u>371,407</u>                         | <u>250,450</u>                      | <u>232,048</u>                         |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ 25,666</u>         | <u>\$ 369,995</u>                       | <u>\$ 96,055</u>      | <u>\$ 38,339</u>                            | <u>\$ 2,816,933</u>                    | <u>\$ 337,093</u>                   | <u>\$ 1,857,308</u>                    |

CITY OF MERIDEN, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

|   | Special Revenue Funds                    |                     |                     |                                      |                  |                           |                            |                            |
|---|--|---------------------|---------------------|--------------------------------------|------------------|---------------------------|----------------------------|----------------------------|
|   | Neighborhood<br>Preservation<br>(Bonded) | Asset<br>Forfeiture | School<br>Readiness | Law<br>Enforcement<br>Block<br>Grant | Dog              | Public<br>School<br>Lunch | Public<br>School<br>Rental | Adult<br>Evening<br>School |
| <b>ASSETS</b>   |  |                     |                     |                                      |                  |                           |                            |                            |
| Cash and cash equivalents   | \$ 63,155                                | \$ 118,294          | \$ 154,073          | \$ 99,035                            | \$ 20,851        | \$ 484,639                | \$ 278,844                 | \$ 81,379                  |
| Investments   |  |                     |                     |                                      |                  |                           |                            |                            |
| Accounts receivable   | 301,426                                  |                     | 321,076             | 7,208                                | 4,646            | 723,421                   |                            |                            |
| Inventory   |  |                     |                     |                                      |                  | 107,138                   |                            |                            |
| Total Assets  | <u>\$ 364,581</u>                        | <u>\$ 118,294</u>   | <u>\$ 475,149</u>   | <u>\$ 106,243</u>                    | <u>\$ 25,497</u> | <u>\$ 1,315,198</u>       | <u>\$ 278,844</u>          | <u>\$ 81,379</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |  |                     |                     |                                      |                  |                           |                            |                            |
| Liabilities:  |  |                     |                     |                                      |                  |                           |                            |                            |
| Accounts payable and accrued liabilities                                | \$                                       | \$ 1,410            | \$ 346,501          | \$                                   | \$ 18,407        | \$ 214,995                | \$                         | \$ 240                     |
| Unearned revenue  |  |                     |                     | 7,764                                |                  |                           |                            |                            |
| Due to other funds  |  |                     |                     | 80,000                               |                  |                           |                            |                            |
| Total liabilities   | <u>-</u>                                 | <u>1,410</u>        | <u>346,501</u>      | <u>87,764</u>                        | <u>18,407</u>    | <u>214,995</u>            | <u>-</u>                   | <u>240</u>                 |
| Deferred Inflows of Resources:  |  |                     |                     |                                      |                  |                           |                            |                            |
| Unavailable revenue - loans receivable                                  | <u>301,426</u>                           |                     |                     |                                      |                  |                           |                            |                            |
| Fund Balances:  |  |                     |                     |                                      |                  |                           |                            |                            |
| Nonspendable  |  |                     |                     |                                      |                  | 107,138                   |                            |                            |
| Restricted  | 63,155                                   | 116,884             |                     |                                      |                  |                           |                            |                            |
| Committed   |  |                     | 128,648             | 18,479                               | 7,090            | 993,065                   | 278,844                    | 81,139                     |
| Unassigned  |  |                     |                     |                                      |                  |                           |                            |                            |
| Total fund balances   | <u>63,155</u>                            | <u>116,884</u>      | <u>128,648</u>      | <u>18,479</u>                        | <u>7,090</u>     | <u>1,100,203</u>          | <u>278,844</u>             | <u>81,139</u>              |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances   | <u>\$ 364,581</u>                        | <u>\$ 118,294</u>   | <u>\$ 475,149</u>   | <u>\$ 106,243</u>                    | <u>\$ 25,497</u> | <u>\$ 1,315,198</u>       | <u>\$ 278,844</u>          | <u>\$ 81,379</u>           |

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**CITY OF MERIDEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

|   | <u>Special Revenue Funds</u> |                           |  |                           | <u>Capital Project Funds</u>                      |   |                                |                                  |                                 |
|---|------------------------------|---------------------------|--|---------------------------|---|---|--------------------------------|----------------------------------|---------------------------------|
|   | <u>Anti-Blight</u>           | <u>Smoke<br/>Detector</u> | <u>Misc.<br/>Grants<br/>and<br/>Programs</u> | <u>Summer<br/>Student</u> | <u>P &amp; R<br/>Capital and<br/>Nonrecurring</u> | <u>Capital<br/>and<br/>Nonrecurring</u> | <u>Airport<br/>Improvement</u> | <u>Brownfield<br/>Assessment</u> | <u>Factory H<br/>Demolition</u> |
| <b>ASSETS</b>   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Cash and cash equivalents   | \$ 152,666                   | \$ 1,999                  | \$ 12,009                                    | \$ 1,070                  | \$ 123  | \$ 812,040                              | \$ 3,919                       | \$ 20,636                        | \$ 2,772                        |
| Investments   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Accounts receivable   |                              |                           | 52,769                                       |                           |   |   | 143,704                        | 501,831                          |                                 |
| Inventory   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| <b>Total Assets</b>   | <b>\$ 152,666</b>            | <b>\$ 1,999</b>           | <b>\$ 64,778</b>                             | <b>\$ 1,070</b>           | <b>\$ 123</b>                                     | <b>\$ 812,040</b>                       | <b>\$ 147,623</b>              | <b>\$ 522,467</b>                | <b>\$ 2,772</b>                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                              |                           |  |                           |   |   |                                |                                  |                                 |
| <b>Liabilities:</b>   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Accounts payable and accrued liabilities                                      | \$                           | \$                        | \$ 1,154                                     | \$                        | \$  | \$ 68,710                               | \$ 7,778                       | \$ 271,810                       | \$                              |
| Unearned revenue  |                              |                           | 868  |                           |   |   |                                |                                  |                                 |
| Due to other funds  |                              |                           | 100,000                                      |                           |   |   | 130,000                        | 250,000                          | 3,000                           |
| <b>Total liabilities</b>  | <b>-</b>                     | <b>-</b>                  | <b>102,022</b>                               | <b>-</b>                  | <b>-</b>  | <b>68,710</b>                           | <b>137,778</b>                 | <b>521,810</b>                   | <b>3,000</b>                    |
| <b>Deferred Inflows of Resources:</b>   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Unavailable revenue - loans receivable  |                              |                           |  |                           |   |   |                                |                                  |                                 |
| <b>Fund Balances:</b>   |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Nonspendable  |                              |                           |  |                           |   |   |                                |                                  |                                 |
| Restricted  |                              | 1,999                     |  |                           | 123   |   |                                |                                  |                                 |
| Committed   | 152,666                      |                           |  | 1,070                     |   | 743,330                                 | 9,845                          | 657                              |                                 |
| Unassigned  |                              |                           | (37,244)                                     |                           |   |   |                                |                                  | (228)                           |
| <b>Total fund balances</b>  | <b>152,666</b>               | <b>1,999</b>              | <b>(37,244)</b>                              | <b>1,070</b>              | <b>123</b>  | <b>743,330</b>                          | <b>9,845</b>                   | <b>657</b>                       | <b>(228)</b>                    |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <b>\$ 152,666</b>            | <b>\$ 1,999</b>           | <b>\$ 64,778</b>                             | <b>\$ 1,070</b>           | <b>\$ 123</b>                                     | <b>\$ 812,040</b>                       | <b>\$ 147,623</b>              | <b>\$ 522,467</b>                | <b>\$ 2,772</b>                 |

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**CITY OF MERIDEN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

|   | Capital Project Funds                 |                     |  | Permanent Funds           |                      |                   |                            |                           |             | Eliminating<br>Entries | Total                |
|---|---------------------------------------|---------------------|--|---------------------------|----------------------|-------------------|----------------------------|---------------------------|-------------|------------------------|----------------------|
|   | Misc.<br>Capital<br>Project<br>Grants | Land<br>Acquisition | Planning<br>Commission<br>Subdivision<br>Development | Walter<br>Hubbard<br>Park | C.P. Bradley<br>Park | Library<br>Trust  | Lorenzo<br>Fuller<br>Award | Charlotte<br>Yale<br>Ives |             |                        |                      |
| <b>ASSETS</b>   |                                       |                     |  |                           |                      |                   |                            |                           |             |                        |                      |
| Cash and cash equivalents   | \$ 50,291                             | \$ 106,433          | \$ 58,214  | \$ 33,243                 | \$ 121,368           | \$ 548,082        | \$ 9,076                   | \$ 3,426                  |             | \$                     | \$ 6,347,537         |
| Investments   |                                       |                     |  | 703,172                   | 1,148,240            |                   |                            |                           |             |                        | 1,851,412            |
| Accounts receivable   | 299,709                               |                     |  |                           |                      |                   |                            |                           |             |                        | 4,787,279            |
| Inventory   |                                       |                     |  |                           |                      |                   |                            |                           |             |                        | 107,138              |
| <b>Total Assets</b>   | <u>\$ 350,000</u>                     | <u>\$ 106,433</u>   | <u>\$ 58,214</u>                                     | <u>\$ 736,415</u>         | <u>\$ 1,269,608</u>  | <u>\$ 548,082</u> | <u>\$ 9,076</u>            | <u>\$ 3,426</u>           | <u>\$ -</u> |                        | <u>\$ 13,093,366</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                                       |                     |  |                           |                      |                   |                            |                           |             |                        |                      |
| <b>Liabilities:</b>   |                                       |                     |  |                           |                      |                   |                            |                           |             |                        |                      |
| Accounts payable and accrued liabilities                                      | \$                                    | \$                  | \$   | \$                        | \$ 7,485             | \$                | \$                         | \$                        | \$          | \$                     | \$ 3,116,711         |
| Unearned revenue  |                                       |                     |  |                           |                      |                   |                            |                           |             |                        | 389,296              |
| Due to other funds  | 350,000                               |                     |  |                           |                      |                   |                            |                           |             |                        | 1,322,233            |
| <b>Total liabilities</b>  | <u>350,000</u>                        | <u>-</u>            | <u>-</u>   | <u>-</u>                  | <u>7,485</u>         | <u>-</u>          | <u>-</u>                   | <u>-</u>                  | <u>-</u>    | <u>-</u>               | <u>4,828,240</u>     |
| <b>Deferred Inflows of Resources:</b>   |                                       |                     |  |                           |                      |                   |                            |                           |             |                        |                      |
| Unavailable revenue - loans receivable  |                                       |                     |  |                           |                      |                   |                            |                           |             |                        | 1,925,872            |
| <b>Fund Balances:</b>   |                                       |                     |  |                           |                      |                   |                            |                           |             |                        |                      |
| Nonspendable  |                                       |                     |  | 50,000                    | 50,000               | 327,530           | 1,017                      | 3,000                     |             |                        | 538,685              |
| Restricted  |                                       |                     |  | 686,415                   | 1,212,123            | 220,552           | 8,059                      | 426                       |             |                        | 3,258,561            |
| Committed   |                                       | 106,433             | 58,214   |                           |                      |                   |                            |                           |             |                        | 2,579,480            |
| Unassigned  |                                       |                     |  |                           |                      |                   |                            |                           |             |                        | (37,472)             |
| <b>Total fund balances</b>  | <u>-</u>                              | <u>106,433</u>      | <u>58,214</u>  | <u>736,415</u>            | <u>1,262,123</u>     | <u>548,082</u>    | <u>9,076</u>               | <u>3,426</u>              | <u>-</u>    |                        | <u>6,339,254</u>     |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ 350,000</u>                     | <u>\$ 106,433</u>   | <u>\$ 58,214</u>                                     | <u>\$ 736,415</u>         | <u>\$ 1,269,608</u>  | <u>\$ 548,082</u> | <u>\$ 9,076</u>            | <u>\$ 3,426</u>           | <u>\$ -</u> |                        | <u>\$ 13,093,366</u> |

CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

|  | Special Revenue Funds    |   |                       |   |  |                                     |  |
|--|--------------------------|---|-----------------------|---|--|-------------------------------------|--|
|  | Document<br>Preservation | Community<br>Development<br>Block Grant | Day<br>Care<br>Center | Women,<br>Infant and<br>Children<br>Program | Education<br>Grants<br>and<br>Programs | Health<br>Grants<br>and<br>Programs | Neighborhood<br>Preservation<br>(CDBG) |
| Revenues:  |                          |   |                       |   |  |                                     |  |
| Intergovernmental revenues                           | \$ 5,000                 | \$ 850,928                              | \$ 427,955            | \$ 878,961                                  | \$ 17,960,610                          | \$ 627,500                          | \$                                     |
| Charges for services                                 | 21,970                   |   |                       |   |  | 90,033                              |  |
| Investment income                                    |                          |   |                       |   |  |                                     |  |
| Other  |                          |   |                       |   | 1,840,838                              | 5,000                               | 88,180                                 |
| Total revenues                                       | <u>26,970</u>            | <u>850,928</u>                          | <u>427,955</u>        | <u>878,961</u>                              | <u>19,801,448</u>                      | <u>722,533</u>                      | <u>88,180</u>                          |
| Expenditures:  |                          |   |                       |   |  |                                     |  |
| General government                                   | 119,356                  | 218,794                                 |                       |   |  |                                     | 41,008                                 |
| Public safety  |                          | 261,211                                 |                       |   |  |                                     |  |
| Health and welfare                                   |                          | 264,393                                 | 427,955               | 878,961                                     |  | 607,898                             |  |
| Culture and recreation                               |                          |   |                       |   |  |                                     |  |
| Capital outlay                                       |                          |   |                       |   |  |                                     |  |
| Education  |                          |   |                       |   | 20,234,060                             |                                     |  |
| Debt service:  |                          |   |                       |   |  |                                     |  |
| Principal retirement                                 |                          |   |                       |   |  |                                     |  |
| Interest and other charges                           |                          |   |                       |   |  |                                     |  |
| Total expenditures                                   | <u>119,356</u>           | <u>744,398</u>                          | <u>427,955</u>        | <u>878,961</u>                              | <u>20,234,060</u>                      | <u>607,898</u>                      | <u>41,008</u>                          |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>(92,386)</u>          | <u>106,530</u>                          |                       |   | <u>(432,612)</u>                       | <u>114,635</u>                      | <u>47,172</u>                          |
| Other Financing Sources (Uses):                      |                          |   |                       |   |  |                                     |  |
| Transfers in   |                          |   |                       |   |  |                                     |  |
| Transfers out  |                          | (106,530)                               |                       |   |  | (200,000)                           |  |
| Total other financing sources (uses)                 | <u>-</u>                 | <u>(106,530)</u>                        | <u>-</u>              | <u>-</u>                                    | <u>-</u>                               | <u>(200,000)</u>                    | <u>-</u>                               |
| Change in Fund Balance                               | (92,386)                 | -                                       | -                     | -   | (432,612)                              | (85,365)                            | 47,172                                 |
| Fund Balances at Beginning of Year                   | <u>118,052</u>           | <u>4,986</u>                            | <u>64,268</u>         | <u>-</u>                                    | <u>804,019</u>                         | <u>335,815</u>                      | <u>184,876</u>                         |
| Fund Balances at End of Year                         | <u>\$ 25,666</u>         | <u>\$ 4,986</u>                         | <u>\$ 64,268</u>      | <u>\$ -</u>                                 | <u>\$ 371,407</u>                      | <u>\$ 250,450</u>                   | <u>\$ 232,048</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, 2017

|  | Special Revenue Funds                    |                     |                     |                                      |                 |                           |                            |                            |                   |
|--|--|---------------------|---------------------|--------------------------------------|-----------------|---------------------------|----------------------------|----------------------------|-------------------|
|  | Neighborhood<br>Preservation<br>(Bonded) | Asset<br>Forfeiture | School<br>Readiness | Law<br>Enforcement<br>Block<br>Grant | Dog             | Public<br>School<br>Lunch | Public<br>School<br>Rental | Adult<br>Evening<br>School | Anti-Blight       |
| Revenues:  |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Intergovernmental revenues                           | \$                                       | \$ 61,139           | \$ 3,840,055        | \$ 26,430                            | \$              | \$ 4,789,314              | \$                         | \$                         | \$                |
| Charges for services                                 |  |                     |                     |                                      | 15,522          | 753,794                   | 75,554                     | 63,295                     | 11,811            |
| Investment income                                    |  |                     |                     |                                      |                 | 935                       |                            |                            |                   |
| Other  |  |                     |                     |                                      |                 | 104,590                   |                            |                            |                   |
| Total revenues                                       | <u>-</u>                                 | <u>61,139</u>       | <u>3,840,055</u>    | <u>26,430</u>                        | <u>15,522</u>   | <u>5,648,633</u>          | <u>75,554</u>              | <u>63,295</u>              | <u>11,811</u>     |
| Expenditures:  |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| General government                                   |  |                     |                     |                                      |                 |                           |                            |                            | 14,439            |
| Public safety  |  | 22,806              |                     | 101,951                              | 27,170          |                           |                            |                            |                   |
| Health and welfare                                   |  |                     | 3,840,055           |                                      |                 |                           |                            |                            |                   |
| Culture and recreation                               |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Capital outlay                                       |  | 24,135              |                     |                                      |                 |                           |                            |                            |                   |
| Education  |  |                     |                     |                                      |                 | 5,511,420                 | 71,684                     | 109,730                    |                   |
| Debt service:  |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Principal retirement                                 |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Interest and other charges                           |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Total expenditures                                   | <u>-</u>                                 | <u>46,941</u>       | <u>3,840,055</u>    | <u>101,951</u>                       | <u>27,170</u>   | <u>5,511,420</u>          | <u>71,684</u>              | <u>109,730</u>             | <u>14,439</u>     |
| Excess (Deficiency) of Revenues<br>over Expenditures |  | <u>14,198</u>       |                     | <u>(75,521)</u>                      | <u>(11,648)</u> | <u>137,213</u>            | <u>3,870</u>               | <u>(46,435)</u>            | <u>(2,628)</u>    |
| Other Financing Sources (Uses):                      |  |                     |                     |                                      |                 |                           |                            |                            |                   |
| Transfers in   |  |                     |                     | 94,000                               | 12,500          |                           |                            |                            |                   |
| Transfers out  | (41,363)                                 | (134,000)           |                     |                                      |                 |                           |                            |                            |                   |
| Total other financing sources (uses)                 | <u>(41,363)</u>                          | <u>(134,000)</u>    | <u>-</u>            | <u>94,000</u>                        | <u>12,500</u>   | <u>-</u>                  | <u>-</u>                   | <u>-</u>                   | <u>-</u>          |
| Change in Fund Balance                               | (41,363)                                 | (119,802)           | -                   | 18,479                               | 852             | 137,213                   | 3,870                      | (46,435)                   | (2,628)           |
| Fund Balances at Beginning of Year                   | <u>104,518</u>                           | <u>236,686</u>      | <u>128,648</u>      | <u>-</u>                             | <u>6,238</u>    | <u>962,990</u>            | <u>274,974</u>             | <u>127,574</u>             | <u>155,294</u>    |
| Fund Balances at End of Year                         | <u>\$ 63,155</u>                         | <u>\$ 116,884</u>   | <u>\$ 128,648</u>   | <u>\$ 18,479</u>                     | <u>\$ 7,090</u> | <u>\$ 1,100,203</u>       | <u>\$ 278,844</u>          | <u>\$ 81,139</u>           | <u>\$ 152,666</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, 2017

|  | Special Revenue Funds |                                    |                   | Capital Project Funds                |                                |                        |                          |                         |                                       |
|--|-----------------------|------------------------------------|-------------------|--------------------------------------|--------------------------------|------------------------|--------------------------|-------------------------|---------------------------------------|
|  | Smoke<br>Detector     | Misc.<br>Grants<br>and<br>Programs | Summer<br>Student | P & R<br>Capital and<br>Nonrecurring | Capital<br>and<br>Nonrecurring | Airport<br>Improvement | Brownfield<br>Assessment | Factory H<br>Demolition | Misc.<br>Capital<br>Project<br>Grants |
| Revenues:  |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Intergovernmental revenues                           | \$                    | \$ 40,172                          | \$                | \$                                   | \$                             | \$ 141,603             | \$ 1,387,586             | \$                      | \$ 300,455                            |
| Charges for services                                 |                       |                                    | 1,070             |                                      |                                |                        |                          |                         |                                       |
| Investment income                                    |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Other  | 2,500                 | 19,299                             |                   |                                      |                                | 11,416                 |                          |                         |                                       |
| Total revenues                                       | <u>2,500</u>          | <u>59,471</u>                      | <u>1,070</u>      | <u>-</u>                             | <u>-</u>                       | <u>153,019</u>         | <u>1,387,586</u>         | <u>-</u>                | <u>300,455</u>                        |
| Expenditures:  |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| General government                                   |                       | 4,525                              |                   |                                      |                                |                        |                          |                         |                                       |
| Public safety  | 880                   | 72,018                             |                   |                                      |                                |                        |                          |                         |                                       |
| Health and welfare                                   |                       | 20,426                             |                   |                                      |                                |                        |                          |                         |                                       |
| Culture and recreation                               |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Capital outlay                                       |                       | 334,920                            |                   |                                      | 68,710                         | 159,216                | 1,780,756                | 228                     | 300,455                               |
| Education  |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Debt service:  |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Principal retirement                                 |                       |                                    |                   |                                      |                                |                        |                          | 75,000                  |                                       |
| Interest and other charges                           |                       |                                    |                   |                                      |                                |                        |                          | 31,530                  |                                       |
| Total expenditures                                   | <u>880</u>            | <u>431,889</u>                     | <u>-</u>          | <u>-</u>                             | <u>68,710</u>                  | <u>159,216</u>         | <u>1,780,756</u>         | <u>106,758</u>          | <u>300,455</u>                        |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>1,620</u>          | <u>(372,418)</u>                   | <u>1,070</u>      | <u>-</u>                             | <u>(68,710)</u>                | <u>(6,197)</u>         | <u>(393,170)</u>         | <u>(106,758)</u>        | <u>-</u>                              |
| Other Financing Sources (Uses):                      |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Transfers in   |                       | 221,189                            |                   |                                      | 812,040                        |                        |                          | 106,530                 |                                       |
| Transfers out  |                       |                                    |                   |                                      |                                |                        |                          |                         |                                       |
| Total other financing sources (uses)                 | <u>-</u>              | <u>221,189</u>                     | <u>-</u>          | <u>-</u>                             | <u>812,040</u>                 | <u>-</u>               | <u>-</u>                 | <u>106,530</u>          | <u>-</u>                              |
| Change in Fund Balance                               | 1,620                 | (151,229)                          | 1,070             | -                                    | 743,330                        | (6,197)                | (393,170)                | (228)                   | -                                     |
| Fund Balances at Beginning of Year                   | <u>379</u>            | <u>113,985</u>                     | <u>-</u>          | <u>123</u>                           | <u>-</u>                       | <u>16,042</u>          | <u>393,827</u>           | <u>-</u>                | <u>-</u>                              |
| Fund Balances at End of Year                         | <u>\$ 1,999</u>       | <u>\$ (37,244)</u>                 | <u>\$ 1,070</u>   | <u>\$ 123</u>                        | <u>\$ 743,330</u>              | <u>\$ 9,845</u>        | <u>\$ 657</u>            | <u>\$ (228)</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, 2017

|  | Capital Project Funds |  | Permanent Funds           |                      |                  |                            |                           | Eliminating<br>Entries | Total         |
|--|-----------------------|--|---------------------------|----------------------|------------------|----------------------------|---------------------------|------------------------|---------------|
|  | Land<br>Acquisition   | Planning<br>Commission<br>Subdivision<br>Development | Walter<br>Hubbard<br>Park | C.P. Bradley<br>Park | Library<br>Trust | Lorenzo<br>Fuller<br>Award | Charlotte<br>Yale<br>Ives |                        |               |
| Revenues:  |                       |  |                           |                      |                  |                            |                           |                        |               |
| Intergovernmental revenues                           | \$                    | \$   | \$                        | \$                   | \$               | \$                         | \$                        | \$                     | \$ 31,337,708 |
| Charges for services                                 |                       |  |                           |                      |                  |                            |                           |                        | 1,033,049     |
| Investment income                                    |                       |  | 79,981                    | 111,955              |                  | 51                         | 19                        |                        | 192,941       |
| Other  |                       | 42   |                           |                      | 120,740          |                            |                           |                        | 2,192,605     |
| Total revenues                                       | -                     | 42   | 79,981                    | 111,955              | 120,740          | 51                         | 19                        | -                      | 34,756,303    |
| Expenditures:  |                       |  |                           |                      |                  |                            |                           |                        |               |
| General government                                   |                       |  |                           |                      |                  |                            |                           |                        | 398,122       |
| Public safety  |                       |  |                           |                      |                  |                            |                           |                        | 486,036       |
| Health and welfare                                   |                       |  |                           |                      |                  |                            |                           |                        | 6,039,688     |
| Culture and recreation                               |                       |  | 35,092                    | 28,921               | 85,011           |                            |                           |                        | 149,024       |
| Capital outlay                                       |                       |  |                           |                      |                  |                            |                           |                        | 2,668,420     |
| Education  |                       |  |                           |                      |                  |                            |                           |                        | 25,926,894    |
| Debt service:  |                       |  |                           |                      |                  |                            |                           |                        |               |
| Principal retirement                                 |                       |  |                           |                      |                  |                            |                           |                        | 75,000        |
| Interest and other charges                           |                       |  |                           |                      |                  |                            |                           |                        | 31,530        |
| Total expenditures                                   | -                     | -  | 35,092                    | 28,921               | 85,011           | -                          | -                         | -                      | 35,774,714    |
| Excess (Deficiency) of Revenues<br>over Expenditures |                       | 42   | 44,889                    | 83,034               | 35,729           | 51                         | 19                        |                        | (1,018,411)   |
| Other Financing Sources (Uses):                      |                       |  |                           |                      |                  |                            |                           |                        |               |
| Transfers in   |                       |  |                           |                      |                  |                            |                           | (240,530)              | 1,005,729     |
| Transfers out  |                       |  |                           |                      |                  |                            |                           | 240,530                | (241,363)     |
| Total other financing sources (uses)                 | -                     | -  | -                         | -                    | -                | -                          | -                         | -                      | 764,366       |
| Change in Fund Balance                               | -                     | 42   | 44,889                    | 83,034               | 35,729           | 51                         | 19                        | -                      | (254,045)     |
| Fund Balances at Beginning of Year                   | 106,433               | 58,172   | 691,526                   | 1,179,089            | 512,353          | 9,025                      | 3,407                     | -                      | 6,593,299     |
| Fund Balances at End of Year                         | \$ 106,433            | \$ 58,214  | \$ 736,415                | \$ 1,262,123         | \$ 548,082       | \$ 9,076                   | \$ 3,426                  | \$ -                   | \$ 6,339,254  |

# 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, 2017**

|  | <b>Governmental Activities -<br/>Internal Service Funds</b> |   |                       |
|--|---|---|-----------------------|
|  | <b>Workers'<br/>Compensation<br/>Fund</b>                   | <b>Meriden<br/>Health<br/>Insurance</b> | <b>Total</b>          |
| <b>Assets:</b>   |   |   |                       |
| <b>Current assets:</b>                                 |   |   |                       |
| Cash and cash equivalents                              | \$ 212,855  | \$ 2,190,843                            | \$ 2,403,698          |
| Investments  | 1,900,000   | 3,761,138                               | 5,661,138             |
| Accounts receivable                                    |   | 365,366                                 | 365,366               |
| Other assets   |   | 18,019                                  | 18,019                |
| Total assets   | <u>2,112,855</u>  | <u>6,335,366</u>                        | <u>8,448,221</u>      |
| <b>Liabilities:</b>                                    |   |   |                       |
| <b>Current liabilities:</b>                            |   |   |                       |
| Accounts payable                                       |   | 413,333                                 | 413,333               |
| Current portion of claims incurred but not reported    | 2,437,619   |   | 2,437,619             |
| Due to other funds                                     |   | 4,000,000                               | 4,000,000             |
| Total current liabilities                              | <u>2,437,619</u>  | <u>4,413,333</u>                        | <u>6,850,952</u>      |
| <b>Noncurrent liabilities:</b>                         |   |   |                       |
| Claims incurred but not reported, less current portion | <u>4,875,237</u>  | <u>2,089,165</u>                        | <u>6,964,402</u>      |
| Total liabilities                                      | <u>7,312,856</u>  | <u>6,502,498</u>                        | <u>13,815,354</u>     |
| Total Net Position                                     | <u>\$ (5,200,001)</u>                                       | <u>\$ (167,132)</u>                     | <u>\$ (5,367,133)</u> |



**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017**

|                                   | <b>Governmental Activities -<br/>Internal Service Funds</b> |   |                       |
|-----------------------------------|---|---|-----------------------|
|                                   | <b>Workers'<br/>Compensation<br/>Fund</b>                   | <b>Meriden<br/>Health<br/>Insurance</b> | <b>Total</b>          |
| Operating Revenues:               |   |   |                       |
| Charges for services              | \$ 3,305,939  | \$ 24,876,912                           | \$ 28,182,851         |
| Other revenues                    | 97,972  | 1,780,729                               | 1,878,701             |
| Total operating revenues          | <u>3,403,911</u>  | <u>26,657,641</u>                       | <u>30,061,552</u>     |
| Operating Expenses:               |   |   |                       |
| Claims                            | 3,271,699   | 25,931,153                              | 29,202,852            |
| Administrative                    | 98,458  | 3,095,736                               | 3,194,194             |
| Other expenses                    | 886   | 2,196,479                               | 2,197,365             |
| Total operating expenses          | <u>3,371,043</u>  | <u>31,223,368</u>                       | <u>34,594,411</u>     |
| Operating Income (loss)           | 32,868  | (4,565,727)                             | (4,532,859)           |
| Nonoperating Revenues:            |   |   |                       |
| Investment income                 |   | <u>332,856</u>                          | <u>332,856</u>        |
| Change in Net Position            | 32,868  | (4,232,871)                             | (4,200,003)           |
| Net Position at Beginning of Year | <u>(5,232,869)</u>  | <u>4,065,739</u>                        | <u>(1,167,130)</u>    |
| Net Position at End of Year       | <u>\$ (5,200,001)</u>                                       | <u>\$ (167,132)</u>                     | <u>\$ (5,367,133)</u> |

**CITY OF MERIDEN, CONNECTICUT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

|  | <b>Governmental Activities -<br/>Internal Service Funds</b> |   |                     |
|--|---|---|---------------------|
|  | <b>Workers'<br/>Compensation<br/>Fund</b>                   | <b>Meriden<br/>Health<br/>Insurance</b> | <b>Total</b>        |
| <b>Cash Flows from Operating Activities:</b>   |   |   |                     |
| Receipts from customers and users  | \$ 3,403,911  | \$ 26,702,068                           | \$ 30,105,979       |
| Receipts for interfund services provided   |   | 4,000,000                               | 4,000,000           |
| Payments to suppliers  | (99,992)  | (5,238,053)                             | (5,338,045)         |
| Payments to vendors  | (3,066,524)   | (25,434,388)                            | (28,500,912)        |
| Net cash provided by (used in) operating activities  | <u>237,395</u>  | <u>29,627</u>                           | <u>267,022</u>      |
| <b>Cash Flows from Investing Activities:</b>   |   |   |                     |
| Sales of investments   |   | 173,683                                 | 173,683             |
| Purchase of investments  | (400,000)   |   | (400,000)           |
| Interest on investments  |   | 333,413                                 | 333,413             |
| Net cash provided by (used in) investing activities  | <u>(400,000)</u>  | <u>507,096</u>                          | <u>107,096</u>      |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (162,605)   | 536,723                                 | 374,118             |
| Cash and Cash Equivalents at Beginning of Year   | <u>375,460</u>  | <u>1,654,120</u>                        | <u>2,029,580</u>    |
| Cash and Cash Equivalents at End of Year   | <u>\$ 212,855</u>   | <u>\$ 2,190,843</u>                     | <u>\$ 2,403,698</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used in) Operating Activities:</b> |   |   |                     |
| Operating income (loss)  | \$ 32,868   | \$ (4,565,727)                          | \$ (4,532,859)      |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by (used in) operating activities:  |   |   |                     |
| Change in assets and liabilities:  |   |   |                     |
| (Increase) decrease in accounts receivable   |   | 44,427                                  | 44,427              |
| Increase (decrease) in accounts payable  | (648)   | 54,162                                  | 53,514              |
| Increase (decrease) in claims payable  | 205,175   | 496,765                                 | 701,940             |
| Increase (decrease) in due to other funds  |   | 4,000,000                               | 4,000,000           |
| Total adjustments  | <u>204,527</u>  | <u>4,595,354</u>                        | <u>4,799,881</u>    |
| Net Cash Provided by (Used in) Operating Activities  | <u>\$ 237,395</u>   | <u>\$ 29,627</u>                        | <u>\$ 267,022</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  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
TRUST FUNDS  
JUNE 30, 2017**

|                                    | <u>Pension<br/>Trust<br/>Funds</u> | <u>OPEB<br/>Trust<br/>Funds</u> | <u>Total<br/>Pension<br/>and Other<br/>Employee<br/>Benefit<br/>Trust Funds</u> | <u>East<br/>Cemetery<br/>Trust<br/>Fund</u> | <u>Scholarship<br/>Trust<br/>Fund</u> | <u>Total<br/>Private<br/>Purpose<br/>Trust Funds</u> |
|------------------------------------|------------------------------------|---------------------------------|---|---|---------------------------------------|--|
| <b>Assets:</b>                     |                                    |                                 |   |   |                                       |  |
| Cash and cash equivalents          | \$ 11,080,983                      | \$ 1,260,496                    | \$ 12,341,479   | \$ 117,957                                  | \$ 94,213                             | \$ 212,170   |
| <b>Investments, at fair value:</b> |                                    |                                 |   |   |                                       |  |
| U.S. treasury bonds                | 6,898,593                          |                                 | 6,898,593   |   | 52,632                                | 52,632   |
| Corporate bonds                    | 20,510,882                         |                                 | 20,510,882  |   |                                       |  |
| Equities                           | 128,399,517                        | 27,866,599                      | 156,266,116   |   |                                       |  |
| Mutual funds                       | 30,168,102                         |                                 | 30,168,102  |   |                                       |  |
| Certificates of deposit            |                                    |                                 |   |   | 92,432                                | 92,432   |
| Other                              | 46,758,374                         | 3,387,023                       | 50,145,397  |   |                                       |  |
| Total investments                  | <u>232,735,468</u>                 | <u>31,253,622</u>               | <u>263,989,090</u>  | -   | <u>145,064</u>                        | <u>145,064</u>                                       |
| Accounts receivable                | 693,480                            | 115,611                         | 809,091   |   |                                       | -  |
| Total assets                       | <u>244,509,931</u>                 | <u>32,629,729</u>               | <u>277,139,660</u>  | <u>117,957</u>                              | <u>239,277</u>                        | <u>357,234</u>                                       |
| <b>Liabilities:</b>                |                                    |                                 |   |   |                                       |  |
| Other liabilities                  | 54,576                             | 2,000                           | 56,576  | 783   |                                       | 783  |
| Due to other funds                 |                                    | 113,594                         | 113,594   |   |                                       |  |
| Total liabilities                  | <u>54,576</u>                      | <u>115,594</u>                  | <u>170,170</u>  | <u>783</u>                                  |                                       | <u>783</u>   |
| <b>Net Position:</b>               |                                    |                                 |   |   |                                       |  |
| Restricted for Pension             |                                    |                                 |   |   |                                       |  |
| Benefits and Other Purposes        | <u>\$ 244,455,355</u>              | <u>\$ 32,514,135</u>            | <u>\$ 276,969,490</u>   | <u>\$ 117,174</u>                           | <u>\$ 239,277</u>                     | <u>\$ 356,451</u>                                    |

**CITY OF MERIDEN, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Pension<br/>Trust<br/>Funds</u> | <u>OPEB<br/>Trust<br/>Funds</u> | <u>Total<br/>Pension<br/>and Other<br/>Employee<br/>Benefit<br/>Trust Funds</u> | <u>East<br/>Cemetery<br/>Trust<br/>Fund</u> | <u>Scholarship<br/>Trust<br/>Fund</u> | <u>Total<br/>Private<br/>Purpose<br/>Trust Funds</u> |
|--|------------------------------------|---------------------------------|---|---|---------------------------------------|--|
| Additions:   |                                    |                                 |   |   |                                       |  |
| Contributions:                                       |                                    |                                 |   |   |                                       |  |
| Employer   | \$ 10,835,423                      | \$ 4,569,770                    | \$ 15,405,193   | \$  | \$                                    | \$   |
| Plan members   | 2,509,599                          | 4,176,632                       | 6,686,231   |   |                                       |  |
| Total contributions                                  | <u>13,345,022</u>                  | <u>8,746,402</u>                | <u>22,091,424</u>   | <u>-</u>                                    | <u>-</u>                              | <u>-</u>   |
| Investment earnings (losses):                        |                                    |                                 |   |   |                                       |  |
| Net increase (decrease) in fair value of investments | 19,009,237                         | 2,967,491                       | 21,976,728  |   |                                       |  |
| Interest and dividends                               | 4,495,370                          | 624,641                         | 5,120,011   | 173   | 9,396                                 | 9,569  |
| Total investment earnings (losses)                   | <u>23,504,607</u>                  | <u>3,592,132</u>                | <u>27,096,739</u>   | <u>173</u>                                  | <u>9,396</u>                          | <u>9,569</u>   |
| Less investment expenses                             |                                    |                                 |   |   |                                       |  |
| Investment management fees                           | <u>1,210,337</u>                   |                                 | <u>1,210,337</u>  |   |                                       |  |
| Net investment earnings (losses)                     | <u>22,294,270</u>                  | <u>3,592,132</u>                | <u>25,886,402</u>   | <u>173</u>                                  | <u>9,396</u>                          | <u>9,569</u>   |
| Total additions                                      | <u>35,639,292</u>                  | <u>12,338,534</u>               | <u>47,977,826</u>   | <u>173</u>                                  | <u>9,396</u>                          | <u>9,569</u>   |
| Deductions:  |                                    |                                 |   |   |                                       |  |
| Benefits   | 23,521,356                         | 6,674,830                       | 30,196,186  |   | 17,689                                | 17,689   |
| Administrative expense                               | 116,993                            | 385,635                         | 502,628   |   |                                       |  |
| Other  | 564,326                            | 91,706                          | 656,032   | 27,309                                      |                                       | 27,309   |
| Total deductions                                     | <u>24,202,675</u>                  | <u>7,152,171</u>                | <u>31,354,846</u>   | <u>27,309</u>                               | <u>17,689</u>                         | <u>44,998</u>  |
| Change in Net Position                               | 11,436,617                         | 5,186,363                       | 16,622,980  | (27,136)                                    | (8,293)                               | (35,429)   |
| Net Position at Beginning of Year                    | <u>233,018,738</u>                 | <u>27,327,772</u>               | <u>260,346,510</u>  | <u>144,310</u>                              | <u>247,570</u>                        | <u>391,880</u>                                       |
| Net Position at End of Year                          | <u>\$ 244,455,355</u>              | <u>\$ 32,514,135</u>            | <u>\$ 276,969,490</u>   | <u>\$ 117,174</u>                           | <u>\$ 239,277</u>                     | <u>\$ 356,451</u>                                    |

**CITY OF MERIDEN, CONNECTICUT  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2017**

|                                     | <u>Balance<br/>July 1,<br/>2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>June 30,<br/>2017</u> |
|-------------------------------------|-------------------------------------|------------------|-------------------|--------------------------------------|
| <b>Senior Trips Activities Fund</b> |                                     |                  |                   |                                      |
| Assets:                             |                                     |                  |                   |                                      |
| Cash and cash equivalents           | \$ 2,081                            | \$ 31,499        | \$ 28,648         | \$ 4,932                             |
| Liabilities:                        |                                     |                  |                   |                                      |
| Deposits held for others            | \$ 2,081                            | \$ 31,499        | \$ 28,648         | \$ 4,932                             |
| <b>Student Activity Fund</b>        |                                     |                  |                   |                                      |
| Assets:                             |                                     |                  |                   |                                      |
| Cash and cash equivalents           | \$ 779,006                          | \$ 1,392,170     | \$ 1,484,550      | \$ 686,626                           |
| Liabilities:                        |                                     |                  |                   |                                      |
| Deposits held for others            | \$ 779,006                          | \$ 1,392,170     | \$ 1,484,550      | \$ 686,626                           |
| <b>Performance Bonds</b>            |                                     |                  |                   |                                      |
| Assets:                             |                                     |                  |                   |                                      |
| Cash and cash equivalents           | \$ 1,364,943                        | \$ 87,389        | \$ 216,117        | \$ 1,236,215                         |
| Accounts receivable                 | 30,034                              |                  |                   | 30,034                               |
| Total Assets:                       | \$ 1,394,977                        | \$ 87,389        | \$ 216,117        | \$ 1,266,249                         |
| Liabilities:                        |                                     |                  |                   |                                      |
| Deposits held for others            | \$ 1,394,977                        | \$ 87,389        | \$ 216,117        | \$ 1,266,249                         |
| <b>Police Evidence Fund</b>         |                                     |                  |                   |                                      |
| Assets:                             |                                     |                  |                   |                                      |
| Cash and cash equivalents           | \$ 36,994                           | \$ 25,451        | \$ 18,988         | \$ 43,457                            |
| Liabilities:                        |                                     |                  |                   |                                      |
| Deposits held for others            | \$ 36,994                           | \$ 25,451        | \$ 18,988         | \$ 43,457                            |

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Balance<br/>July 1,<br/>2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>June 30,<br/>2017</u> |
|--|-------------------------------------|------------------|-------------------|--------------------------------------|
| <b>License to Work Fund</b>                                    |                                     |                  |                   |                                      |
| Assets:  |                                     |                  |                   |                                      |
| Cash and cash equivalents                                      | \$ 70,000                           | \$ 12,500        | \$ 1,250          | \$ 81,250                            |
| Liabilities:   |                                     |                  |                   |                                      |
| Deposits held for others                                       | \$ 70,000                           | \$ 12,500        | \$ 1,250          | \$ 81,250                            |
| <b>South Meriden Volunteer Firefighters'<br/>Award Program</b> |                                     |                  |                   |                                      |
| Assets:  |                                     |                  |                   |                                      |
| Cash and cash equivalents                                      | \$ 39,192                           | \$               | \$ 39,192         | \$ -                                 |
| Investments  | 220,690                             | 104,387          |                   | 325,077                              |
| Total Assets   | \$ 259,882                          | \$ 104,387       | \$ 39,192         | \$ 325,077                           |
| Liabilities:   |                                     |                  |                   |                                      |
| Deposits held for others                                       | \$ 259,882                          | \$ 104,387       | \$ 39,192         | \$ 325,077                           |
| <b>Total</b>   |                                     |                  |                   |                                      |
| Assets:  |                                     |                  |                   |                                      |
| Cash and cash equivalents                                      | \$ 2,292,216                        | \$ 1,549,009     | \$ 1,788,745      | \$ 2,052,480                         |
| Investments  | 220,690                             | 104,387          |                   | 325,077                              |
| Accounts receivable  | 30,034                              |                  |                   | 30,034                               |
| Total Assets   | \$ 2,542,940                        | \$ 1,653,396     | \$ 1,788,745      | \$ 2,407,591                         |
| Liabilities:   |                                     |                  |                   |                                      |
| Deposits held for others                                       | \$ 2,542,940                        | \$ 1,653,396     | \$ 1,788,745      | \$ 2,407,591                         |
| Total Liabilities  | \$ 2,542,940                        | \$ 1,653,396     | \$ 1,788,745      | \$ 2,407,591                         |



## **Other Schedules**

**CITY OF MERIDEN, CONNECTICUT  
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2017**

| Grand List<br>of<br>October 1, | Uncollected<br>Balance<br>July 1, 2016 | Current<br>Year<br>Levy | Lawful<br>Corrections | Balance<br>to be<br>Collected | Collections    |              |                | Uncollected<br>Balance<br>June 30, 2017 |
|--------------------------------|--|-------------------------|-----------------------|-------------------------------|----------------|--------------|----------------|---|
|                                |  |                         |                       |                               | Taxes          | Interest     | Liens          |   |
| 2000                           | \$ 353,541                             | \$                      | \$ (352,861)          | \$ 680                        | \$ 680         | \$ 1,657     | \$ 2,337       | \$ -                                    |
| 2001                           | 320,448                                |                         | (248)                 | 320,200                       | 1,553          | 4,427        | 5,980          | 318,647                                 |
| 2002                           | 353,629                                |                         | (196)                 | 353,433                       | 6,079          | 10,376       | 16,455         | 347,354                                 |
| 2003                           | 342,657                                |                         | (66)                  | 342,591                       | 4,196          | 9,745        | 13,965         | 338,395                                 |
| 2004                           | 505,299                                |                         | (262)                 | 505,037                       | 4,848          | 10,123       | 14,995         | 500,189                                 |
| 2005                           | 396,452                                |                         | (446)                 | 396,006                       | 4,263          | 7,626        | 11,889         | 391,743                                 |
| 2006                           | 251,857                                |                         | (416)                 | 251,441                       | 2,752          | 4,533        | 7,285          | 248,689                                 |
| 2007                           | 266,133                                |                         | (248)                 | 265,885                       | 4,276          | 6,922        | 11,246         | 261,609                                 |
| 2008                           | 279,879                                |                         | (1,688)               | 278,191                       | 7,213          | 10,219       | 17,504         | 270,978                                 |
| 2009                           | 323,813                                |                         | (591)                 | 323,222                       | 6,459          | 8,282        | 14,789         | 316,763                                 |
| 2010                           | 318,652                                |                         | (467)                 | 318,185                       | 17,558         | 14,894       | 32,741         | 300,627                                 |
| 2011                           | 431,712                                |                         | (35,666)              | 396,046                       | 13,877         | 32,169       | 46,430         | 382,169                                 |
| 2012                           | 595,018                                |                         | (36,958)              | 558,060                       | 117,644        | 76,340       | 194,920        | 440,416                                 |
| 2013                           | 1,017,169                              |                         | (71,718)              | 945,451                       | 366,181        | 135,617      | 503,925        | 579,270                                 |
| 2014                           | 2,659,627                              |                         | (89,604)              | 2,570,023                     | 1,665,218      | 304,100      | 1,983,493      | 904,805                                 |
| Total prior years              | 8,415,886                              | -                       | (591,435)             | 7,824,451                     | 2,222,797      | 637,030      | 2,877,954      | 5,601,654                               |
| 2015                           |  | 123,549,936             | (226,284)             | 123,323,652                   | 120,721,440    | 517,907      | 121,243,384    | 2,602,212                               |
| Total                          | \$ 8,415,886                           | \$ 123,549,936          | \$ (817,719)          | \$ 131,148,103                | \$ 122,944,237 | \$ 1,154,937 | \$ 124,121,338 | \$ 8,203,866                            |

CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2017

| Fiscal Year       | Uncollected<br>Balance<br>July 1, 2016 | Current<br>Year<br>Charges | Corrections |            | Balance<br>to be<br>Collected | Collections             |            |           |              | Uncollected<br>Balance<br>June 30, 2017 |
|-------------------|--|----------------------------|-------------|------------|-------------------------------|-------------------------|------------|-----------|--------------|---|
|                   |  |                            | Additions   | Deductions |                               | Sewer<br>Use<br>Charges | Interest   | Liens     | Total        |   |
| 2002              | \$ 756                                 | \$                         | \$          | \$         | \$ 756                        | \$                      | \$         | \$        | \$ -         | \$ 756                                  |
| 2003              | 60                                     |                            |             |            | 60                            |                         |            |           | -            | 60                                      |
| 2004              | 88                                     |                            |             |            | 88                            |                         |            |           | -            | 88                                      |
| 2005              | 45                                     |                            |             |            | 45                            |                         |            |           | -            | 45                                      |
| 2006              |  |                            |             |            | -                             |                         |            |           | -            | -                                       |
| 2007              | 16                                     |                            |             |            | 16                            |                         |            |           | -            | 16                                      |
| 2008              | 52                                     |                            |             |            | 52                            |                         |            |           | -            | 52                                      |
| 2009              | 1,269                                  |                            |             |            | 1,269                         |                         |            |           | -            | 1,269                                   |
| 2010              | 4,020                                  |                            |             |            | 4,020                         | 2,184                   | 2,531      | 240       | 4,955        | 1,836                                   |
| 2011              | 11,938                                 |                            | 110         | 452        | 11,596                        | 7,064                   | 7,683      | 816       | 15,563       | 4,532                                   |
| 2012              | 28,314                                 |                            | 35          | 1,479      | 26,870                        | 16,023                  | 13,862     | 672       | 30,557       | 10,847                                  |
| 2013              | 30,761                                 |                            |             | 6,446      | 24,315                        | 11,832                  | 12,860     | 1,008     | 25,700       | 12,483                                  |
| 2014              | 62,309                                 |                            |             | 120        | 62,189                        | 38,040                  | 19,916     | 1,608     | 59,564       | 24,149                                  |
| 2015              | 97,984                                 |                            | 838         | 2,476      | 96,346                        | 61,898                  | 20,869     | 2,584     | 85,351       | 34,448                                  |
| 2016              | 953,331                                |                            | 6,607       | 24,407     | 935,531                       | 855,390                 | 67,595     | 8,753     | 931,738      | 80,141                                  |
| Total prior years | 1,190,943                              | -                          | 7,590       | 35,380     | 1,163,153                     | 992,431                 | 145,316    | 15,681    | 1,153,428    | 170,722                                 |
| 2017              |  | 8,085,543                  | 3,908       | 19,765     | 8,069,686                     | 7,191,010               | 64,680     | 34,735    | 7,290,425    | 878,676                                 |
| Total             | \$ 1,190,943                           | \$ 8,085,543               | \$ 11,498   | \$ 55,145  | \$ 9,232,839                  | \$ 8,183,441            | \$ 209,996 | \$ 50,416 | \$ 8,443,853 | \$ 1,049,398                            |

CITY OF MERIDEN, CONNECTICUT  
 SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY  
 FOR THE YEAR ENDED JUNE 30, 2017

| Fiscal Year       | Uncollected Balance<br>July 1, 2016 | Current Year<br>Charges | Corrections |            | Balance to be<br>Collected | Collections          |            |           |              | Uncollected<br>Balance<br>June 30, 2017 |
|-------------------|-------------------------------------|-------------------------|-------------|------------|----------------------------|----------------------|------------|-----------|--------------|---|
|                   |                                     |                         | Additions   | Deductions |                            | Water Use<br>Charges | Interest   | Liens     | Total        |   |
| 2002              | \$ 1,064                            | \$                      | \$          | \$         | \$ 1,064                   | \$                   | \$         | \$        | \$ -         | \$ 1,064                                |
| 2003              | 67                                  |                         |             |            | 67                         |                      |            |           | -            | 67                                      |
| 2004              | 99                                  |                         |             |            | 99                         |                      |            |           | -            | 99                                      |
| 2005              | 81                                  |                         |             |            | 81                         | 31                   | 66         | 48        | 145          | 50                                      |
| 2006              | 32                                  |                         |             |            | 32                         | 32                   | 60         | 48        | 140          | -                                       |
| 2007              | 34                                  |                         |             |            | 34                         | 16                   | 28         | 24        | 68           | 18                                      |
| 2008              | 50                                  |                         |             |            | 50                         |                      |            |           | -            | 50                                      |
| 2009              | 2,471                               |                         |             | (116)      | 2,587                      |                      |            |           | -            | 2,587                                   |
| 2010              | 4,245                               |                         |             |            | 4,245                      | 1,397                | 1,648      | 240       | 3,285        | 2,848                                   |
| 2011              | 11,526                              |                         | 98          | 763        | 10,861                     | 5,778                | 6,345      | 816       | 12,939       | 5,083                                   |
| 2012              | 24,671                              |                         | 32          | 1,331      | 23,372                     | 14,258               | 12,430     | 696       | 27,384       | 9,114                                   |
| 2013              | 27,241                              |                         |             | 5,951      | 21,290                     | 10,716               | 11,448     | 1,056     | 23,220       | 10,574                                  |
| 2014              | 57,456                              |                         | 7           | 133        | 57,330                     | 36,101               | 18,617     | 1,656     | 56,374       | 21,229                                  |
| 2015              | 96,039                              |                         | 851         | 2,510      | 94,380                     | 61,998               | 20,975     | 2,885     | 85,858       | 32,382                                  |
| 2016              | 1,017,451                           |                         | 6,387       | 19,485     | 1,004,353                  | 925,833              | 70,518     | 18,879    | 1,015,230    | 78,520                                  |
| Total prior years | 1,242,527                           | -                       | 7,375       | 30,057     | 1,219,845                  | 1,056,160            | 142,135    | 26,348    | 1,224,643    | 163,685                                 |
| 2017              |                                     | 9,549,080               | 6,244       | 20,063     | 9,535,261                  | 8,584,498            | 70,897     | 37,519    | 8,692,914    | 950,763                                 |
| Total             | \$ 1,242,527                        | \$ 9,549,080            | \$ 13,619   | \$ 50,120  | \$ 10,755,106              | \$ 9,640,658         | \$ 213,032 | \$ 63,867 | \$ 9,917,557 | \$ 1,114,448                            |

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - SEWER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2017**

|                                      | Budgeted Amounts   |                    | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|--------------------|---------------------|---|
|                                      | Original           | Final              |                     |   |
| Operating Revenues:                  |                    |                    |                     |   |
| Sewer connection and use charges     | \$ 8,845,624       | \$ 8,845,624       | \$ 8,513,039        | \$ (332,585)  |
| Miscellaneous income                 | 433,680            | 433,680            | 707,305             | 273,625   |
| Total operating revenues             | <u>9,279,304</u>   | <u>9,279,304</u>   | <u>9,220,344</u>    | <u>(58,960)</u>   |
| Operating Expenses:                  |                    |                    |                     |   |
| Part-time seasonal                   | 1                  | 1                  |                     | 1   |
| Overtime                             | 105,000            | 105,000            | 97,579              | 7,421   |
| Wages - public works                 | 693,737            | 693,737            | 694,325             | (588)   |
| Wages - MME                          | 60,924             | 62,210             | 62,210              | -   |
| Wages - supervisor                   | 441,255            | 444,504            | 444,504             | -   |
| Employee benefits                    | 759,337            | 735,394            | 613,729             | 121,665   |
| Utilities                            | 1,110,000          | 1,110,000          | 949,277             | 160,723   |
| Repairs and maintenance              | 115,500            | 130,378            | 106,988             | 23,390  |
| Vehicle maintenance                  | 16,000             | 17,808             | 17,807              | 1   |
| Audit fees                           | 23,500             | 23,500             | 9,075               | 14,425  |
| Hepatitis B shots                    | 3,000              | 4,879              | 4,879               | -   |
| Fiscal division services             | 845,147            | 845,147            | 845,150             | (3)   |
| General fund services                | 669,945            | 669,945            | 669,945             | -   |
| Claims                               | 5,000              |                    |                     | -   |
| Supplies                             | 475,000            | 475,000            | 396,387             | 78,613  |
| Biosolid disposals                   | 700,000            | 700,000            | 658,352             | 41,648  |
| Pumping station operations           | 55,000             | 55,000             | 48,503              | 6,497   |
| Capital outlay                       | 1                  | 1                  | (5,687)             | 5,688   |
| Memberships and meeting              | 8,000              | 11,755             | 11,755              | -   |
| Insurance                            | 758,711            | 748,833            | 748,833             | -   |
| Total operating expenses             | <u>6,845,058</u>   | <u>6,833,092</u>   | <u>6,373,611</u>    | <u>459,481</u>  |
| Nonoperating Revenues (Expenses):    |                    |                    |                     |   |
| Debt service - principal             | (2,252,634)        | (2,252,634)        | (2,252,398)         | 236   |
| Interest on investments              | 13,500             | 13,500             | 12,214              | (1,286)   |
| Debt service - interest              | (708,730)          | (720,696)          | (842,019)           | (121,323)   |
| Total nonoperating expenses          | <u>(2,947,864)</u> | <u>(2,959,830)</u> | <u>(3,082,203)</u>  | <u>(122,373)</u>  |
| Other Financing Sources (Uses):      |                    |                    |                     |   |
| Contribution from net position       | 513,618            | 513,618            | -                   | (513,618)   |
| Deficiency of Revenues over Expenses | \$ <u>-</u>        | \$ <u>-</u>        | \$ <u>(235,470)</u> | \$ <u>(235,470)</u>                                       |

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - WATER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2017**

|                                   | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|--------------------|--------------------|---|
|                                   | Original           | Final              | Actual             |   |
| Operating Revenues:               |                    |                    |                    |   |
| Water sales and charges           | \$ 10,179,511      | \$ 10,179,511      | \$ 9,933,293       | \$ (246,218)  |
| Miscellaneous income              | 2,026,904          | 2,026,904          | 2,054,125          | 27,221  |
| Total operating revenues          | <u>12,206,415</u>  | <u>12,206,415</u>  | <u>11,987,418</u>  | <u>(218,997)</u>  |
| Operating Expenses:               |                    |                    |                    |   |
| Part-time seasonal                | 2                  | 2                  |                    | 2   |
| Administration                    | 119,940            | 134,602            | 134,602            | -   |
| Overtime                          | 163,100            | 173,499            | 172,537            | 962   |
| Wages - public works              | 1,773,488          | 1,773,488          | 1,663,562          | 109,926   |
| Wages - MME                       | 269,982            | 275,726            | 275,725            | 1   |
| Wages - supervisor                | 289,966            | 290,275            | 290,275            | -   |
| Employee benefits                 | 1,351,179          | 1,323,825          | 1,248,843          | 74,982  |
| Gasoline                          | 45,000             | 49,670             | 48,107             | 1,563   |
| Taxes paid to other towns         | 62,885             | 62,885             | 59,901             | 2,984   |
| Utilities                         | 1,049,100          | 1,002,910          | 785,260            | 217,650   |
| Repairs and maintenance           | 25,000             | 25,000             | 21,119             | 3,881   |
| Vehicle maintenance               | 71,900             | 82,924             | 80,076             | 2,848   |
| Attorney fees                     | 9,000              | 9,000              | (7,374)            | 16,374  |
| Audit fees                        | 23,500             | 23,500             | 9,075              | 14,425  |
| Water purchased                   | 124,150            | 124,150            | 30,791             | 93,359  |
| Other purchased services          | 86,576             | 86,576             | 50,384             | 36,192  |
| Hepatitis B shots                 | 4,250              | 4,533              | 3,883              | 650   |
| Fiscal division services          | 949,247            | 949,247            | 949,247            | -   |
| General fund services             | 1,353,976          | 1,353,976          | 1,353,976          | -   |
| Maintenance of mains              | 35,000             | 35,000             | 33,955             | 1,045   |
| Maintenance of reservoirs         | 45,000             | 45,000             | 36,028             | 8,972   |
| Maintenance of pump station       | 40,000             | 40,000             | 29,494             | 10,506  |
| Maintenance of meters             | 12,000             | 12,000             | 11,844             | 156   |
| Supplies                          | 68,000             | 68,000             | 50,013             | 17,987  |
| Services - materials              | 7,200              | 7,200              | 3,915              | 3,285   |
| Treatment expenses                | 557,000            | 557,000            | 523,604            | 33,396  |
| Water equipment                   | 27,000             | 27,388             | 24,288             | 3,100   |
| Hydrants and mains - materials    | 15,001             | 15,001             | 14,692             | 309   |
| Repairs - trenches                | 60,000             | 64,153             | 64,153             | -   |
| Capital outlay                    |                    | 75,025             | 68,132             | 6,893   |
| Memberships and meeting           | 11,951             | 13,971             | 13,971             | -   |
| Insurance                         | 1,096,050          | 1,050,874          | 1,043,579          | 7,295   |
| Total operating expenses          | <u>9,746,443</u>   | <u>9,756,400</u>   | <u>9,087,657</u>   | <u>668,743</u>  |
| Nonoperating Revenues (Expenses): |                    |                    |                    |   |
| Interest on investments           | 9,400              | 9,400              | 3,923              | (5,477)   |
| Debt service - principal          | (1,729,208)        | (1,759,035)        | (1,710,871)        | 48,164  |
| Debt service - interest           | (740,164)          | (775,405)          | (858,577)          | (83,172)  |
| Total nonoperating expenses       | <u>(2,459,972)</u> | <u>(2,525,040)</u> | <u>(2,565,525)</u> | <u>(40,485)</u>   |
| Other Financing Sources (Uses):   |                    |                    |                    |   |
| Contribution from net position    | -                  | 75,025             | -                  | (75,025)  |
| Excess of Revenues over Expenses  | \$ -               | \$ -               | \$ 334,236         | \$ 334,236  |

**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, 2017**

|                                      | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|------------------|------------------|---|
|                                      | <u>Original</u>         | <u>Final</u>     |                  |   |
| Operating Revenues:                  |                         |                  |                  |   |
| Golf fees                            | \$ 1,055,444            | \$ 1,055,444     | \$ 961,599       | \$ (93,845)   |
| Operating Expenses:                  |                         |                  |                  |   |
| Miscellaneous overtime               | 93,190                  | 93,190           | 82,271           | 10,919  |
| Overtime                             | 12,100                  | 13,784           | 13,784           | -   |
| Wages - public works                 | 107,898                 | 111,299          | 128,281          | (16,982)  |
| Wages - supervisors                  | 97,315                  | 97,427           | 97,426           | 1   |
| Employee benefits                    | 135,315                 | 135,405          | 135,404          | 1   |
| Golf supplies and expenses           | 200,437                 | 180,178          | 180,177          | 1   |
| Golf pros                            | 254,849                 | 275,175          | 274,656          | 519   |
| Club house expenses                  | 27,500                  | 18,469           | 18,468           | 1   |
| Liability and general insurance      | 66,250                  | 70,360           | 70,360           | -   |
| Capital outlay                       | 15,000                  | 14,529           | 13,367           | 1,162   |
| Memberships and meeting              | 1,500                   | 1,500            | 955              | 545   |
| Total operating expenses             | <u>1,011,354</u>        | <u>1,011,316</u> | <u>1,015,149</u> | <u>(3,833)</u>  |
| Nonoperating Revenues (Expenses):    |                         |                  |                  |   |
| Debt service - principal             | (41,800)                | (41,800)         | (16,800)         | 25,000  |
| Debt service - interest              | (2,290)                 | (2,328)          | (17,614)         | (15,286)  |
| Total nonoperating expenses          | <u>(44,090)</u>         | <u>(44,128)</u>  | <u>(34,414)</u>  | <u>9,714</u>  |
| Deficiency of Revenues over Expenses | \$ -                    | \$ -             | \$ (87,964)      | \$ (87,964)   |

# 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       |                    |                   |                    |                   |                   |                   |                   |                   |                   |
|---|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2017              | 2016               | 2015              | 2014               | 2013              | 2012              | 2011              | 2010              | 2009              | 2008              |
| Governmental Activities:                    |                   |                    |                   |                    |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 288,360        | \$ 283,492         | \$ 237,700        | \$ 187,903         | \$ 130,773        | \$ 122,787        | \$ 101,928        | \$ 113,033        | \$ 104,751        | \$ 101,766        |
| Restricted                                  | 1,361             | 1,359              | 1,357             | 1,357              | 1,356             | 952               | 1,347             | 1,257             | 825               | 4,220             |
| Unrestricted                                | <u>(193,063)</u>  | <u>(180,447) *</u> | <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>   |
| Total Governmental Activities Net Position  | <u>\$ 96,658</u>  | <u>\$ 104,404</u>  | <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>  |
| Business-Type Activities:                   |                   |                    |                   |                    |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 67,843         | \$ 83,376          | \$ 80,266         | \$ 78,893          | \$ 81,045         | \$ 81,563         | \$ 89,259         | \$ 91,927         | \$ 116,827        | \$ 84,022         |
| Unrestricted                                | <u>13,505</u>     | <u>1,708 *</u>     | <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>     |
| Total Business-Type Activities Net Position | <u>\$ 81,348</u>  | <u>\$ 85,084</u>   | <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> |
| Primary Government:                         |                   |                    |                   |                    |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets            | \$ 356,203        | \$ 366,868         | \$ 317,966        | \$ 266,796         | \$ 211,818        | \$ 204,350        | \$ 191,187        | \$ 204,960        | \$ 221,578        | \$ 185,788        |
| Restricted                                  | 1,361             | 1,359              | 1,357             | 1,357              | 1,356             | 952               | 1,347             | 1,257             | 825               | 4,220             |
| Unrestricted                                | <u>(179,558)</u>  | <u>(178,739)</u>   | <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>   |
| Total Primary Government Net Position       | <u>\$ 178,006</u> | <u>\$ 189,488</u>  | <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> |

\* 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         |                    |                    |                    |                     |                     |                     |                     |                    |                     |
|--|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
|  | 2017                | 2016               | 2015               | 2014               | 2013                | 2012                | 2011                | 2010                | 2009               | 2008                |
| <b>Expenses:</b>   |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Governmental activities:</b>                              |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| General government   | \$ 20,257           | \$ 10,476          | \$ 12,020          | \$ 15,303          | \$ 13,392           | \$ 35,202           | \$ 30,816           | \$ 29,931           | \$ 29,068          | \$ 28,682           |
| Education  | 155,752             | 142,710            | 137,161            | 141,547            | 132,521             | 136,298             | 138,091             | 132,771             | 133,862            | 158,802             |
| Public safety  | 53,345              | 59,490             | 54,674             | 42,606             | 44,424              | 24,364              | 23,810              | 24,051              | 23,155             | 23,479              |
| Public works   | 18,596              | 11,788             | 12,378             | 14,168             | 14,604              | 10,705              | 9,249               | 9,866               | 10,849             | 10,037              |
| Human services   | 12,478              | 12,553             | 13,029             | 11,513             | 10,560              | 8,053               | 8,652               | 9,233               | 9,675              | 8,665               |
| Culture and recreation                                       | 7,154               | 7,121              | 7,180              | 5,721              | 6,689               | 5,408               | 5,075               | 4,414               | 4,472              | 4,287               |
| Interest on long-term debt                                   | 5,279               | 4,151              | 4,228              | 3,340              | 2,957               | 3,052               | 3,024               | 2,806               | 3,967              | 3,209               |
| Total governmental activities expenses                       | <u>272,861</u>      | <u>248,289</u>     | <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>      |
| <b>Business-type activities:</b>                             |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Sewer Authority  | 11,587              | 12,262             | 11,374             | 11,206             | 11,441              | 10,816              | 9,659               | 7,951               | 8,552              | 7,893               |
| Water Authority  | 13,462              | 14,717             | 11,674             | 11,073             | 11,334              | 9,882               | 10,256              | 10,546              | 10,628             | 10,312              |
| George Hunter Golf Course                                    | 1,361               | 1,760              | 1,468              | 1,135              | 1,184               | 1,303               | 1,126               | 976                 | 966                | 927                 |
| Total business-type activities expenses                      | <u>26,410</u>       | <u>28,739</u>      | <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>       |
| Total Primary Government Expenses                            | <u>\$ 299,271</u>   | <u>\$ 277,028</u>  | <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>   |
| <b>Program Revenues:</b>                                     |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Governmental activities:</b>                              |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Charges for services:</b>                                 |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| General government   | \$ 2,446            | \$ 2,784           | \$ 2,643           | \$ 2,108           | \$ 1,959            | \$ 1,955            | \$ 2,522            | \$ 2,246            | \$ 2,931           | \$ 3,597            |
| Education  | 894                 | 1,143              | 1,139              | 1,029              | 1,048               | 1,061               | 1,047               | 1,143               | 1,208              | 1,207               |
| Public safety  | 96                  | 78                 | 79                 | 77                 | 75                  | 47                  | 50                  | 46                  | 42                 | 65                  |
| Public works   | 2,078               | 2,011              | 1,982              | 1,919              | 1,865               | 1,813               | 1,737               | 1,691               | 1,634              | 1,583               |
| Human services   | 171                 | 189                | 204                | 292                | 314                 | 243                 | 289                 | 378                 | 274                | 723                 |
| Culture and recreation                                       | 22                  | 25                 | 29                 | 27                 | 29                  | 43                  | 33                  | 34                  | 31                 | 42                  |
| Operating grants and contributions                           | 112,423             | 104,644            | 100,182            | 100,071            | 94,358              | 94,000              | 89,914              | 87,388              | 84,594             | 109,223             |
| Capital grants and contributions                             | 18,776              | 48,613             | 63,460             | 41,292             | 10,379              | 4,094               | 3,744               | 2,543               | 3,989              | 6,413               |
| Total governmental activities                                | <u>136,906</u>      | <u>159,487</u>     | <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>      |
| <b>Business-type activities:</b>                             |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Charges for services:</b>                                 |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Sewer Authority  | 8,513               | 8,079              | 8,128              | 8,629              | 8,228               | 8,615               | 8,507               | 6,459               | 5,967              | 5,964               |
| Water Authority  | 11,000              | 9,533              | 10,171             | 10,433             | 9,065               | 8,255               | 8,935               | 8,719               | 7,663              | 7,719               |
| George Hunter Golf Course                                    | 1,020               | 1,103              | 946                | 982                | 958                 | 1,074               | 779                 | 787                 | 827                | 816                 |
| Capital grants and contributions                             | 343                 | 1,400              | 3,744              | 128                | 284                 |                     | 161                 | 2,676               | 33,244             |                     |
| Total business-type activities                               | <u>20,876</u>       | <u>20,115</u>      | <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>       |
| Total Primary Government Program Revenues                    | <u>\$ 157,782</u>   | <u>\$ 179,602</u>  | <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>   |
| <b>Net Revenues (Expenses):</b>                              |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Governmental activities                                      | \$ (135,955)        | \$ (88,802)        | \$ (70,952)        | \$ (87,383)        | \$ (115,120)        | \$ (119,826)        | \$ (119,381)        | \$ (117,603)        | \$ (120,345)       | \$ (114,308)        |
| Business-type activities                                     | <u>(5,534)</u>      | <u>(8,624)</u>     | <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>      |
| Total Primary Government Net Expenses                        | <u>\$ (141,489)</u> | <u>\$ (97,426)</u> | <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> |
| <b>General Revenues and Other</b>                            |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Changes in Net Position:</b>                              |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| <b>Governmental activities:</b>                              |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Property taxes   | \$ 123,890          | \$ 120,490         | \$ 117,045         | \$ 113,452         | \$ 108,622          | \$ 110,885          | \$ 109,377          | \$ 106,619          | \$ 104,384         | \$ 100,322          |
| Grants and contributions not restricted to specific programs | 1,685               | 1,758              | 1,728              | 1,752              | 1,801               | 1,873               | 2,598               | 2,720               | 3,425              | 3,917               |
| Unrestricted investment earnings                             | 1,026               | 877                | 856                | 1,327              | 680                 | 914                 | 1,218               | 856                 | 694                | 1,430               |
| Miscellaneous income   | 1,608               | 2,227              | 3,017              | 2,904              | 5,795               | 3,654               | 7,391               | 3,073               | 10,300             | 4,207               |
| Transfers  |                     |                    |                    |                    |                     |                     |                     | 836                 |                    |                     |
| Total governmental activities                                | <u>128,209</u>      | <u>125,352</u>     | <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>      |
| <b>Business-type activities:</b>                             |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Unrestricted investment earnings                             | 56                  | 29                 | 66                 | 76                 | 69                  | 92                  | 85                  | 70                  | 121                | 400                 |
| Miscellaneous income   | 1,741               | 1,731              | 1,237              | 1,558              | 1,702               | 1,337               | 1,024               | 1,043               | 893                | 914                 |
| Transfers  |                     |                    |                    |                    |                     |                     |                     | (836)               |                    |                     |
| Total business-type activities                               | <u>1,797</u>        | <u>1,760</u>       | <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>        |
| Total Primary Government                                     | <u>\$ 130,006</u>   | <u>\$ 127,112</u>  | <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>   |
| <b>Change in Net Position:</b>                               |                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |
| Governmental activities                                      | \$ (7,746)          | \$ 36,550          | \$ 51,694          | \$ 32,052          | \$ 1,778            | \$ (2,500)          | \$ 1,203            | \$ (3,499)          | \$ (1,542)         | \$ (4,432)          |
| Business-type activities                                     | <u>(3,737)</u>      | <u>(6,864)</u>     | <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>      |
| Total Primary Government                                     | <u>\$ (11,483)</u>  | <u>\$ 29,686</u>   | <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>   |

TABLE 3

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

|   | FISCAL YEAR      |                  |                  |                   |                  |                  |                  |                  |                  |                   |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|   | 2017             | 2016             | 2015             | 2014              | 2013             | 2012             | 2011             | 2010             | 2009             | 2008              |
| General Fund:                             |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |
| Reserved                                  | \$               | \$               | \$               | \$                | \$               | \$               | \$               | 982              | \$ 985           | \$ 5,515          |
| Unreserved                                |                  |                  |                  |                   |                  |                  |                  | 13,321           | 13,267           | 3,960             |
| Nonspendable                              | 139              | 137              | 149              | 131               | 126              | 134              | 133              |                  |                  |                   |
| Restricted                                | 933              | 943              | 938              | 948               | 1,010            | 520              | 825              |                  |                  |                   |
| Committed                                 | 420              | 401              | 285              | 405               | 637              | 580              | 547              |                  |                  |                   |
| Unassigned                                | 16,839           | 16,665           | 16,296           | 16,043            | 15,725           | 16,024           | 16,761           |                  |                  |                   |
| <b>Total General Fund</b>                 | <b>\$ 18,331</b> | <b>\$ 18,146</b> | <b>\$ 17,668</b> | <b>\$ 17,527</b>  | <b>\$ 17,498</b> | <b>\$ 17,258</b> | <b>\$ 18,266</b> | <b>\$ 14,303</b> | <b>\$ 14,252</b> | <b>\$ 9,475</b>   |
| All other governmental funds:             |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |
| Reserved                                  | \$               | \$               | \$               | \$                | \$               | \$               | \$               | 6,923            | \$ 4,879         | \$ 5,716          |
| Unreserved, reported in:                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |
| Special revenue funds                     |                  |                  |                  |                   |                  |                  |                  | 3,725            | 3,723            | 4,038             |
| Capital projects funds                    |                  |                  |                  |                   |                  |                  |                  | (12,326)         | (2,183)          | (17,843)          |
| Permanent funds                           |                  |                  |                  |                   |                  |                  |                  | 1,391            |                  |                   |
| Nonspendable                              | 539              | 491              | 491              | 517               | 520              | 537              | 522              |                  |                  |                   |
| Restricted                                | 57,975           | 3,818            | 39,182           | 5,795             | 4,465            | 3,787            | 6,171            |                  |                  |                   |
| Committed                                 | 2,579            | 2,284            | 1,843            | 785               | 19,609           | 1,178            | 1,526            |                  |                  |                   |
| Unassigned                                | (37)             | (329)            |                  | (12,552)          |                  | (4,264)          | 4,813            |                  |                  |                   |
| <b>Total All Other Governmental Funds</b> | <b>\$ 61,056</b> | <b>\$ 6,264</b>  | <b>\$ 41,516</b> | <b>\$ (5,455)</b> | <b>\$ 24,594</b> | <b>\$ 1,238</b>  | <b>\$ 13,032</b> | <b>\$ (287)</b>  | <b>\$ 6,419</b>  | <b>\$ (8,089)</b> |
| <b>Total</b>                              | <b>\$ 79,387</b> | <b>\$ 24,410</b> | <b>\$ 59,184</b> | <b>\$ 12,072</b>  | <b>\$ 42,092</b> | <b>\$ 18,496</b> | <b>\$ 31,298</b> | <b>\$ 14,016</b> | <b>\$ 20,671</b> | <b>\$ 1,386</b>   |

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      |                    |                  |                    |                  |                    |                  |                   |                  |                   |
|--|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|-------------------|------------------|-------------------|
|  | 2017             | 2016               | 2015             | 2014               | 2013             | 2012               | 2011             | 2010              | 2009             | 2008              |
| <b>Revenues:</b>   |                  |                    |                  |                    |                  |                    |                  |                   |                  |                   |
| Property taxes, interest and lien fees                         | \$ 124,071       | \$ 120,780         | \$ 117,379       | \$ 114,075         | \$ 113,887       | \$ 109,910         | \$ 108,759       | \$ 106,583        | \$ 104,179       | \$ 102,505        |
| Federal and state government                                   | 131,038          | 153,125            | 164,576          | 141,474            | 106,500          | 100,238            | 96,231           | 92,650            | 92,008           | 119,192           |
| Charges for services   | 5,706            | 6,231              | 6,075            | 5,453              | 5,290            | 5,163              | 5,678            | 5,538             | 6,120            | 7,217             |
| Investment income  | 693              | 711                | 678              | 766                | 581              | 533                | 741              | 743               | 643              | 1,311             |
| Other revenues   | 3,456            | 4,118              | 3,813            | 2,973              | 5,908            | 3,384              | 7,405            | 3,481             | 9,331            | 4,441             |
| <b>Total revenues</b>  | <b>264,964</b>   | <b>284,965</b>     | <b>292,521</b>   | <b>264,741</b>     | <b>232,166</b>   | <b>219,228</b>     | <b>218,814</b>   | <b>208,995</b>    | <b>212,281</b>   | <b>234,666</b>    |
| <b>Expenditures:</b>   |                  |                    |                  |                    |                  |                    |                  |                   |                  |                   |
| <b>Current:</b>  |                  |                    |                  |                    |                  |                    |                  |                   |                  |                   |
| General government   | 39,099           | 39,050             | 37,765           | 34,735             | 37,906           | 35,154             | 30,815           | 29,900            | 29,016           | 30,830            |
| Public safety  | 24,226           | 23,889             | 23,268           | 22,715             | 22,614           | 21,853             | 21,840           | 21,052            | 20,525           | 19,673            |
| Public works   | 6,875            | 6,612              | 7,439            | 6,877              | 7,025            | 7,017              | 6,835            | 6,798             | 7,128            | 6,191             |
| Health and welfare   | 11,017           | 11,117             | 12,443           | 8,255              | 8,401            | 7,817              | 8,281            | 8,232             | 8,537            | 7,457             |
| Culture and recreation   | 4,681            | 4,518              | 4,517            | 4,259              | 4,306            | 4,168              | 4,020            | 3,980             | 3,963            | 3,817             |
| Education  | 147,666          | 137,765            | 133,925          | 133,770            | 127,605          | 128,009            | 126,494          | 123,442           | 122,568          | 148,186           |
| <b>Debt service:</b>   |                  |                    |                  |                    |                  |                    |                  |                   |                  |                   |
| Principal  | 10,394           | 10,183             | 9,123            | 8,309              | 8,672            | 8,959              | 9,542            | 10,986            | 10,410           | 12,778            |
| Interest   | 4,365            | 5,357              | 2,950            | 3,265              | 2,938            | 3,237              | 3,055            | 3,413             | 3,791            | 4,206             |
| Capital outlay   | 38,183           | 81,248             | 66,638           | 72,490             | 14,224           | 17,217             | 8,002            | 8,902             | 7,709            | 6,219             |
| <b>Total expenditures</b>                                      | <b>286,506</b>   | <b>319,739</b>     | <b>298,068</b>   | <b>294,675</b>     | <b>233,691</b>   | <b>233,431</b>     | <b>218,884</b>   | <b>216,705</b>    | <b>213,647</b>   | <b>239,357</b>    |
| <b>Deficiency of Revenues over Expenditures</b>                | <b>(21,542)</b>  | <b>(34,774)</b>    | <b>(5,547)</b>   | <b>(29,934)</b>    | <b>(1,525)</b>   | <b>(14,203)</b>    | <b>(70)</b>      | <b>(7,710)</b>    | <b>(1,366)</b>   | <b>(4,691)</b>    |
| <b>Other Financing Sources (Uses):</b>                         |                  |                    |                  |                    |                  |                    |                  |                   |                  |                   |
| Transfers in   | 1,690            | 2,765              | 1,719            | 1,430              | 372              | 484                | 608              | 1,712             | 1,015            | 570               |
| Transfers out  | (1,690)          | (2,765)            | (1,719)          | (1,430)            | (372)            | (484)              | (608)            | (876)             | (1,015)          | (570)             |
| Bond issuance  | 59,644           |                    | 50,380           |                    | 24,423           | 1,500              | 18,764           |                   | 21,369           |                   |
| Bond premium   | 4,804            |                    | 2,280            |                    | 609              |                    |                  |                   | 58               |                   |
| Issuance of refunding bonds                                    | 10,606           |                    |                  |                    | 6,400            |                    |                  | 32,769            |                  |                   |
| Premium on refunding bonds                                     | 1,466            |                    |                  |                    | 145              |                    |                  | 3,490             |                  |                   |
| Payment to escrow  |                  |                    |                  |                    | (6,453)          |                    |                  | (36,040)          |                  |                   |
| <b>Total other financing sources</b>                           | <b>76,520</b>    | <b>-</b>           | <b>52,660</b>    | <b>-</b>           | <b>25,124</b>    | <b>1,500</b>       | <b>18,764</b>    | <b>1,055</b>      | <b>21,427</b>    | <b>-</b>          |
| <b>Net Change in Fund Balances</b>                             | <b>\$ 54,978</b> | <b>\$ (34,774)</b> | <b>\$ 47,113</b> | <b>\$ (29,934)</b> | <b>\$ 23,599</b> | <b>\$ (12,703)</b> | <b>\$ 18,694</b> | <b>\$ (6,655)</b> | <b>\$ 20,061</b> | <b>\$ (4,691)</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | <b>6.0%</b>      | <b>6.5%</b>        | <b>5.2%</b>      | <b>5.2%</b>        | <b>5.3%</b>      | <b>5.6%</b>        | <b>5.9%</b>      | <b>6.9%</b>       | <b>6.9%</b>      | <b>7.3%</b>       |

**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/<br/>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> |
|--------------------|-----------------------------|--|----------------------------|---------------------------------|------------------------------|---|-----------------------------------|
| 2017               | \$ 2,005,036                | \$ 713,988                                 | \$ 79,078                  | \$ 3,307,941                    | 37.47                        | 70%   | \$ 4,725,630                      |
| 2016               | 2,062,045                   | 660,026                                    | 70,752                     | 3,289,089                       | 36.63                        | 70%   | 4,698,699                         |
| 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                         |

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 |                                  |
| 2017        | 33.11            | 4.36                            | 37.47             | 2.23                        | 2.23                   | 39.70                            |
| 2016        | 31.92            | 4.71                            | 36.63             | 2.14                        | 2.14                   | 38.77                            |
| 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                            |

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, 2017 |      |   | Taxpayer                        | Fiscal Year Ended June 30, 2008 |      |   |
|-------------------------------|---------------------------------|------|---|---------------------------------|---------------------------------|------|---|
|                               | Assessment                      | Rank | Percentage of Total City Taxable Assessed Value |                                 | Assessment                      | Rank | Percentage of Total City Taxable Assessed Value |
| Connecticut Light & Power     | \$ 65,967,838                   | 1    | 1.99 %  | Connecticut Light & Power       | \$ 32,128,890                   | 4    | 0.84 %  |
| Meriden Square Partnership    | 61,512,620                      | 2    | 1.86  | Meriden Square Partnership      | 59,940,230                      | 2    | 1.56  |
| Yankee Gas                    | 32,909,540                      | 3    | 0.99  | Yankee Gas                      | 19,289,670                      | 7    | 0.50  |
| TLS Group                     | 22,050,000                      | 4    | 0.67  |                                 |                                 |      |   |
| Computer Sciences Corp.       | 21,412,020                      | 5    | 0.65  | Computer Sciences Corp.         | 47,914,380                      | 3    | 1.25  |
| Meriden Square #3 LLC et al   | 19,986,400                      | 6    | 0.60  | Meriden Square #3 LLC et al     | 82,691,380                      | 1    | 2.16  |
| Radio Frequency Systems, Inc. | 18,089,840                      | 7    | 0.55  | Radio Frequency Systems, Inc.   | 21,810,680                      | 6    | 0.57  |
| 211 Pomeroy LLC               | 16,024,270                      | 8    | 0.48  |                                 |                                 |      |   |
| Carabetta Enterprises, Inc.   | 13,005,710                      | 9    | 0.39  | Carabetta Enterprises, Inc.     | 15,667,690                      | 8    | 0.41  |
| Par Merritt LLC               | 10,936,240                      | 10   | 0.33  |                                 |                                 |      |   |
|                               | <u>\$ 281,894,478</u>           |      | <u>8.51 %</u>                                   | Urstadt Biddle Properties, Inc. | 23,350,670                      | 5    | 0.61  |
|                               |                                 |      |   | Newbury Village Development     | 12,697,740                      | 9    | 0.33  |
|                               |                                 |      |   | Fusco Meriden Assoc. LLP        | 10,388,690                      | 10   | 0.27  |
|                               |                                 |      |   |                                 | <u>\$ 325,880,020</u>           |      | <u>8.50 %</u>                                   |

Source: City of Meriden Tax Assessor



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

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes<br>Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                                   |                                       | Total<br>Collections to Date |                       |
|-------------------------------------|---|---|-----------------------------------|---------------------------------------|------------------------------|-----------------------|
|                                     |   | Amount  | Percentage of<br>Original<br>Levy | Collections in<br>Subsequent<br>Years | Amount                       | Percentage<br>of Levy |
| 2017                                | \$ 123,323,652                            | \$ 120,721,441                                  | 97.89%                            | \$                                    | \$ 120,721,441               | 97.89%                |
| 2016                                | 119,663,352                               | 117,093,329                                     | 97.85%                            | 1,665,218                             | 118,758,547                  | 99.24%                |
| 2015                                | 116,377,368                               | 113,706,112                                     | 97.70%                            | 2,091,986                             | 115,798,098                  | 99.50%                |
| 2014                                | 113,735,097                               | 110,777,791                                     | 97.40%                            | 2,516,890                             | 113,294,681                  | 99.61%                |
| 2013                                | 113,406,771                               | 110,334,477                                     | 97.29%                            | 2,690,125                             | 113,024,602                  | 99.66%                |
| 2012                                | 109,961,141                               | 107,069,554                                     | 97.37%                            | 2,590,960                             | 109,660,514                  | 99.73%                |
| 2011                                | 108,576,351                               | 105,858,662                                     | 97.50%                            | 2,400,926                             | 108,259,588                  | 99.71%                |
| 2010                                | 105,878,672                               | 103,229,589                                     | 97.50%                            | 2,378,105                             | 105,607,694                  | 99.74%                |
| 2009                                | 103,279,748                               | 100,430,840                                     | 97.24%                            | 2,587,299                             | 103,018,139                  | 99.75%                |
| 2008                                | 103,062,744                               | 99,842,370                                      | 96.88%                            | 2,971,685                             | 102,814,055                  | 99.76%                |

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 |    |                              |                               |                               |                |                |
| 2017                       | \$ 178,849               | \$             | \$ 1,125      | \$   | 2017                     | \$ 36,705   | \$ 776            | \$ | 219,472                      | 11.13 %                       | \$ 1,972,000                  | 60             | 33             |
| 2016                       | 113,246                  |                | 1,200         |  | 2016                     | 33,254      | 69                |    | 149,785                      | 7.60                          | 1,972,000                     | 61             | 32             |
| 2015                       | 123,857                  |                | 1,275         |  | 2015                     | 35,466      | 85                |    | 162,698                      | 8.25                          | 1,972,000                     | 61             | 32             |
| 2014                       | 80,533                   |                | 1,350         |  | 2014                     | 35,872      | 82                |    | 119,851                      | 6.08                          | 1,972,000                     | 61             | 32             |
| 2013                       | 89,056                   |                | 1,425         |  | 2013                     | 37,944      | 97                |    | 130,535                      | 6.62                          | 1,972,000                     | 61             | 32             |
| 2012                       | 71,879                   |                | 1,500         |  | 2012                     | 39,477      | 109               |    | 114,977                      | 5.83                          | 1,972,000                     | 61             | 32             |
| 2011                       | 81,087                   |                |               |  | 2011                     | 42,059      | 125               |    | 125,282                      | 6.35                          | 1,972,000                     | 59             | 33             |
| 2010                       | 72,115                   |                |               |  | 2010                     | 37,319      | 122               |    | 111,566                      | 5.66                          | 1,972,000                     | 59             | 33             |
| 2009                       | 80,903                   |                |               |  | 2009                     | 30,280      | 142               |    | 113,334                      | 5.75                          | 1,972,000                     | 58             | 34             |
| 2008                       | 69,944                   |                |               | 275  | 2008                     | 2,956       | 125               |    | 75,308                       | 3.82                          | 1,972,000                     | 58             | 34             |

(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**

| <b>Fiscal Year Ended June 30,</b> | <b>Bonded Debt (thousands)</b> | <b>Net Assessed Value (thousands)</b> | <b>Ratio of Net Bonded Debt to Net Assessed Value</b> | <b>Population</b> | <b>Debt Per Capita</b> |
|-----------------------------------|--------------------------------|---------------------------------------|---|-------------------|------------------------|
| 2017                              | \$ 204,494                     | \$ 3,228,863                          | 6.33  | 59,622            | * \$ 3,430             |
| 2016                              | 128,827                        | 3,218,337                             | 4.00  | 61,119            | 2,108                  |
| 2015                              | 140,914                        | 3,227,412                             | 4.37  | 60,691            | 2,322                  |
| 2014                              | 95,787                         | 3,217,077                             | 2.98  | 60,456            | 1,584                  |
| 2013                              | 105,975                        | 3,249,442                             | 3.26  | 60,868            | 1,741                  |
| 2012                              | 88,961                         | 3,597,957                             | 2.47  | 60,868            | 1,462                  |
| 2011                              | 100,014                        | 3,630,227                             | 2.76  | 60,868            | 1,643                  |
| 2010                              | 89,444                         | 3,634,360                             | 2.46  | 59,186            | 1,511                  |
| 2009                              | 99,980                         | 3,659,204                             | 2.73  | 59,186            | 1,689                  |
| 2008                              | 78,885                         | 3,608,414                             | 2.19  | 59,468            | 1,327                  |

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

**CITY OF MERIDEN, CONNECTICUT  
DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2017  
(In Thousands)**

|   |                   |
|---|-------------------|
| Total Tax Collections, Including Interest and Lien Fees,<br>for Current Fiscal Year | \$ 124,121        |
| Reimbursement for Revenue Loss on:<br>Tax relief for elderly and disabled           | <u>409</u>        |
| Base  | <u>\$ 124,530</u> |

|  | <u>General Long-Term Debt</u>                |                                 |   |                                |   |
|--|--|---------------------------------|---|--------------------------------|---|
|  | <u>General<br/>Purposes</u><br>(2.25 x base) | <u>Schools</u><br>(4.50 x base) | <u>Urban<br/>Renewal</u><br>(3.25 x base) | <u>Sewers</u><br>(3.75 x base) | <u>Pension<br/>Bonding</u><br>(3.00 x base) |
| Debt Limitation:<br>Statutory debt limits by<br>function | \$ <u>280,193</u>                            | \$ <u>560,385</u>               | \$ <u>404,723</u>                         | \$ <u>466,988</u>              | \$ <u>373,590</u>                           |
| Debt:  |  |                                 |   |                                |   |
| Notes payable  | 1,125  |                                 |   |                                |   |
| Bonds payable  | 88,671                                       | 79,866                          |   | 9,358                          |   |
| Bonds authorized but unissued**                          | <u>969</u>                                   | <u>39</u>                       |   | <u>475</u>                     |   |
|  | <u>90,765</u>                                | <u>79,905</u>                   | <u>-</u>                                  | <u>9,833</u>                   | <u>-</u>                                    |
| Debt Limitation in Excess of<br>Debt*                    | <u>\$ 189,428</u>                            | <u>\$ 480,480</u>               | <u>\$ 404,723</u>                         | <u>\$ 457,155</u>              | <u>\$ 373,590</u>                           |

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$871,710.

\*\*At June 30, 2017 the City has \$21.6 million of debt in excess of the amount authorized related to the Platt and Maloney High School Renovation projects. This excess is fully expected to be reimbursed through State School Building Construction Grants.

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

|   | FISCAL YEAR       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2017              | 2016              | 2015              | 2014              | 2013              | 2012              | 2011              | 2010              | 2009              | 2008              |
| Debt limitation   | \$ 871,710        | \$ 848,400        | \$ 827,176        | \$ 799,316        | \$ 798,819        | \$ 771,316        | \$ 765,877        | \$ 749,462        | \$ 729,330        | \$ 717,668        |
| Total net debt applicable to limit                                      | <u>170,670</u>    | <u>135,481</u>    | <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>    |
| Legal Debt Margin   | <u>\$ 701,040</u> | <u>\$ 712,919</u> | <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> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 19.6%             | 16.0%             | 16.1%             | 16.8%             | 16.3%             | 16.7%             | 17.2%             | 12.6%             | 13.6%             | 18.2%             |

Notes: 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.

The City has no overlapping debt.

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

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| <u>Fiscal<br/>Year</u> | <u>Population</u> |    | <u>Median<br/>Family<br/>Income</u> | <u>Unemployment<br/>Rate</u> |
|------------------------|-------------------|----|-------------------------------------|------------------------------|
| 2017                   | 59,622            | \$ | 54,588                              | 5.5 %                        |
| 2016                   | 61,119            |    | 54,588                              | 5.6                          |
| 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                          |

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**

| <b>2017</b>                |                  |             |                                       | <b>2008</b>                |                  |             |                                       |
|----------------------------|------------------|-------------|---------------------------------------|----------------------------|------------------|-------------|---------------------------------------|
| <b>Employer</b>            | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total Employment</b> | <b>Employer</b>            | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total Employment</b> |
| City of Meriden            | 1,618            | 1           | 5.3%                                  |                            |                  |             |                                       |
| Midstate Medical Center    | 1,200            | 2           | 3.9%                                  | Midstate Medical Center    | 1,100            | 1           | 3.9%                                  |
| Hunter's Ambulance Service | 390              | 3           | 1.3%                                  | Hunter's Ambulance Service | 470              | 4           | 1.7%                                  |
| Carabetta Management       | 320              | 4           | 1.0%                                  |                            |                  |             |                                       |
| EM (Formerly CUNO, Inc.)   | 300              | 5           | 1.0%                                  | CUNO, Inc.                 | 350              | 5           | 1.2%                                  |
| Canberra Industries, Inc.  | 300              | 6           | 1.0%                                  | Canberra Industries, Inc.  | 350              | 6           | 1.2%                                  |
| RFS Cable                  | 243              | 7           | 0.8%                                  |                            |                  |             |                                       |
| BOSCOV                     | 200              | 8           | 0.7%                                  |                            |                  |             |                                       |
| Clorox                     | 200              | 9           | 0.7%                                  |                            |                  |             |                                       |
| Target Corporation         | 175              | 10          | 0.6%                                  | Target Corporation         | 233              | 8           | 0.8%                                  |
|                            |                  |             |                                       | AT&T                       | 890              | 2           | 3.2%                                  |
|                            |                  |             |                                       | Radio Frequency System     | 500              | 3           | 1.8%                                  |
|                            |                  |             |                                       | Bob's Stores               | 336              | 7           | 1.2%                                  |
|                            |                  |             |                                       | BL Company                 | 230              | 9           | 0.8%                                  |
|                            |                  |             |                                       | Record Journal             | 194              | 10          | 0.7%                                  |
| Totals                     | <u>4,946</u>     |             | <u>16.3%</u>                          | Totals                     | <u>4,653</u>     |             | <u>16.5%</u>                          |

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, |              |              |              |              |              |              |              |              |              |
|---------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                           | 2017                       | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         |
| General Government        | 172                        | 156          | 158.5        | 167.5        | 166.5        | 169.5        | 165          | 165.5        | 174          | 178          |
| Public Safety:            |                            |              |              |              |              |              |              |              |              |              |
| Police                    |                            |              |              |              |              |              |              |              |              |              |
| Officers                  | 113                        | 121          | 122          | 121          | 120          | 118          | 117          | 118          | 118          | 115          |
| Civilians                 | 20                         | 29           | 27           | 24           | 18.5         | 18.5         | 35.5         | 32           | 31           | 30.5         |
| Fire:                     |                            |              |              |              |              |              |              |              |              |              |
| Firefighters and officers | 100                        | 95.5         | 100          | 98           | 99           | 100          | 97           | 96           | 96           | 97           |
| Civilians                 | 3                          | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            |
| Emergency Communications  | 14.5                       | 17.5         | 16           | 17           | 18           | 13           | 13           | 14           | 15           | 14           |
| Highways and Streets:     |                            |              |              |              |              |              |              |              |              |              |
| Engineering               | 10.5                       | 10.5         | 9            | 9            | 9.5          | 12           | 11.5         | 12           | 12           | 11           |
| Maintenance               | 39.5                       | 42.5         | 29.5         | 30           | 27           | 28           | 29           | 28           | 29           | 29           |
| Culture and Recreation    | 45.5                       | 30.5         | 33.5         | 45.5         | 43.5         | 47.5         | 29.5         | 36           | 29           | 35.5         |
| Golf                      | 13.5                       | 13           | 13           | 10           | 11           | 12           | 12           | 15           | 13           | 14           |
| Water                     | 33.5                       | 31.5         | 31           | 30.5         | 32           | 33           | 33           | 34           | 34           | 30.5         |
| Sewer                     | 16                         | 17           | 15           | 17           | 15           | 14           | 17           | 16           | 15           | 18.5         |
| <b>Total</b>              | <b>581.0</b>               | <b>567.0</b> | <b>557.5</b> | <b>572.5</b> | <b>563.0</b> | <b>568.5</b> | <b>562.5</b> | <b>569.5</b> | <b>569.0</b> | <b>576.0</b> |

Source: City of Meriden Payroll System



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

| Function / Operating Indicator                     | FISCAL YEAR |         |          |           |           |           |           |           |         |         |
|--|-------------|---------|----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
|  | 2017        | 2016    | 2015     | 2014      | 2013      | 2012      | 2011      | 2010      | 2009    | 2008    |
| <u>Police</u>                                      |             |         |          |           |           |           |           |           |         |         |
| Cases Investigated                                 | 8,895       | 10,972  | 11,097   | 11,298    | 14,363 B) | n/a B)    | 27,872 B) | 35,973    | 34,390  | 38,313  |
| Calls for Service                                  | 40,585      | 45,826  | 44,705   | 41,116    | 44,279 B) | 56,178 B) |           |           |         |         |
| Arrests  | 3,173       | 3,373   | 3,428    | 3,495     | 3,012     | 3,592     | 3,809     | 3,491     | 3,083   | 3,225   |
| Traffic Citations                                  | 2,153       | 3,023   | 3,764    | 3,426     | 2,723     | 3,071     | 4,233     | 5,958     | 7,579   | 4,520   |
| Parking Citations                                  | 1,607       | 1,781   | 1,981    | 1,465     | 1,105     | 1,050     | 2,063     | 1,442     | 1,396   | 1,693   |
| <u>Fire</u>  |             |         |          |           |           |           |           |           |         |         |
| Emergency Responses                                | 7,314       | 8,016   | 7,710    | 7,692     | 7,738     | 8,650     | 7,256     | 7,299     | 6,424   | 6,021   |
| Non-emergency Responses                            | 1,378       | 1,510   | 1,642    | 1,471     | 1,403     | 1,656     | 1,574     | 1,612     | 1,937   | 1,911   |
| Inspections  | 1,518       | 1,283   | 2,307    | 3,359     | 4,091     | 4,123     | 2,409     | 1,774     | 2,656   | 2,542   |
| Fire Investigations (C)                            | 100         | 121     | 70       | 73        | 63        |           |           |           |         |         |
| <u>Refuse Collection</u>                           |             |         |          |           |           |           |           |           |         |         |
| Refuse Collected (Tons)                            | 17,890      | 18,000  | 30,253   | 28,929    | 30,297    | 32,175    | 32,067    | 32,702    | 31,908  | 31,978  |
| Recyclables Collected (Tons)                       | 1,276       | 2,800   | 1,105 F) | 2,426     | 2,775     | 2,797     | 2,521     | 1,813     | 1,812   | 1,775   |
| <u>Other Public Works</u>                          |             |         |          |           |           |           |           |           |         |         |
| Street Resurfacing (Miles)                         | 9.27        | 6.82    | 4.26     | 5.75      | 5.68      | 2.04      | 2.5       | 2.17      | 2.24    | 1       |
| Potholes Repaired                                  | 6,450       | 5,284   | 6,406    | 7,654     | 4,792 E)  | 800       | 800       | 785       | 900     | 650     |
| <u>Library</u>                                     |             |         |          |           |           |           |           |           |         |         |
| Volumes in Collection (Print)                      | 212,888     | 206,436 | 249,190  | 245,620   | 239,686   | 234,772   | 235,134   | 232,783   | 233,157 | 234,897 |
| Volumes in Collection (Non-print)                  | 20,966      | 16,002  | 20,857   | 19,239    | 18,111    | 16,707    | 15,332    | 14,028    | 16,860  | 14,069  |
| Total Volumes Borrowed                             | 218,291     | 238,710 | 242,368  | 251,687   | 246,198   | 232,141   | 231,325   | 248,017   | 228,224 | 191,651 |
| Annual Library Visits                              | 284,587     | 281,655 | 288,000  | 312,442   | 308,801   | 307,904   | 292,421   | 278,629   |         |         |
| <u>Water</u>                                       |             |         |          |           |           |           |           |           |         |         |
| Average Daily Production<br>(thousands of gallons) | 5.178       | 5.318   | 5.001    | 5.234     | 5.379     | 5.560     | 5.720     | 5.422     | 5.960   | 6.050   |
| Average Daily Demand<br>(thousands of gallons)     | 5.178       | 5.318   | 5.001    | 5.234     | 5.379     | 5.560     | 5.720     | 5.422     | 5.960   | 5.980   |
| <u>Wastewater</u>                                  |             |         |          |           |           |           |           |           |         |         |
| Average Daily Treatment<br>(thousands of gallons)  | 9           | 8,600   | 9,200    | 10,005    | 10,983    | 11,925    | 12,080    | 12,917    | 11,400  | 11,800  |
| <u>Transit</u>                                     |             |         |          |           |           |           |           |           |         |         |
| Total Route Miles                                  | 23,936      | 24,495  | 25,243   | 27,600 A) | 27,600 A) | 27,600 A) | 27,600 A) | 27,600 A) | 52,999  | 52,999  |
| Passengers   | 10,068      | 10,514  | 12,847   | 15,233    | 17,549    | 18,274    | 18,734    | 18,638    | 17,521  | 15,537  |
| <u>Human Services</u>                              |             |         |          |           |           |           |           |           |         |         |
| Environmental Inspections and Responses            | 2,941       | 4,736   | 3,208    | 2,919     | 2,616 D)  | 2,988     | 3,621     | 3,251     | 3,454   | 2,402   |
| Health and Clinic Services Provided                | 3,829       | 2,858   | 4,203    | 4,272     | 4,892 D)  | 4,385     | 4,913     | 9,366     | 2,982   | 4,869   |
| School Health Services Provided                    | 106,083     | 104,392 | 83,113   | 96,690    | 91,814 D) | 134,031   | 147,718   | 158,557   | 116,696 | 138,513 |
| Social Service Worker Clients                      | 1,258       | 1,037   | 381      | 683       | 1,102 D)  | 1,211     | 1,953     | 1,683     | 1,572   | 2,233   |
| Youth Program Participants                         | 274         | 345     | 648 G)   | 5,429     | 2,081 D)  | 11,673    | 11,087    | 10,498    | 10,765  | 8,576   |
| Senior Program Participants                        | 25,278      | 26,792  | 20,721   | 20,400    | 20,400 D) | 8,922     | 15,287    | 17,973    | 19,947  | 20,471  |

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 |           |           |           |           |           |           |           |           |           |
|--------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                | 2017        | 2016      | 2015      | 2014      | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      |
| Police stations                | 1           | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Police sub-stations            | 3           | 3         | 3         | 3         | 3         | 3         | 3         | 2         | 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 - Municipal             | 11          | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 8         | 8         |
| Fields - Schools               | 9           | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| Water                          |             |           |           |           |           |           |           |           |           |           |
| Water mains (Municipal) (feet) | 1,280,788   | 1,279,148 | 1,278,060 | 1,276,601 | 1,275,235 | 1,218,960 | 1,218,120 | 1,217,120 | 1,216,560 | 1,210,732 |
| Fire hydrants (Municipal)      | 1,495       | 1,493     | 1,493     | 1,493     | 1,493     | 1,496     | 1,544     | 1,544     | 1,552     | 1,552     |
| Fire hydrants (Private)        | 340         | 340       | 340       | 340       | 339       | 282       | 275       | 275       | 274       | 256       |
| Wastewater                     |             |           |           |           |           |           |           |           |           |           |
| Sewer line (feet)              | 1,126,675   | 1,126,560 | 1,126,179 | 1,123,712 | 1,111,214 | 1,111,026 | 1,111,026 | 1,111,026 | 1,111,026 | 1,111,026 |
| Highway                        |             |           |           |           |           |           |           |           |           |           |
| Paved miles                    | 187.83      | 187.83    | 187.83    | 187.83    | 187.36    | 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