

**CITY OF MERIDEN, CONNECTICUT**

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

**For**

***For The Fiscal Year Ended***

**June 30, 2006**

***Prepared by***

**City of Meriden Department of Finance**

**Robert M. Curry  
Finance Director**

**CITY OF MERIDEN, CONNECTICUT**

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FINANCE DEPARTMENT  
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142 EAST MAIN STREET  
MERIDEN, CONNECTICUT 06450-8022

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, 2006.

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

Levitsky & Berney, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion of the City of Meriden's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

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

Yours truly,

CITY OF MERIDEN

*Robert Curry*  
Robert Curry  
Finance Director

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## PROFILE OF THE GOVERNMENT

### *Description of the Municipality*

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 59,163 in 2004, an increase of 919 people since 2000. Meriden is located midway between the cities of Hartford and New Haven in New Haven County at the crossroads of I-91, I-691, State Rt. 15 (Wilbur Cross Parkway) and U.S. 5. I-691 links I-91 and I-84.

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

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

### *Form of Government*

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

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

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

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

### *Principal City Officials*

<u>City Officials</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Years of Service</u>	<u>Employed Last</u>
Mayor .....	Mark D. Benigni	Popularly elected	5	School Vice Principal
City Manager .....	Lawrence J. Kendzior	Appointed - indefinite	2	Corporation Counsel
Finance Director/Treasurer .....	Robert M. Curry	Appointed - indefinite	4	Director of Accounting
Superintendent of Schools .....	Mary Cortright	Appointed - indefinite	4	School Principal

**Mark Benigni, Mayor:** Mayor Benigni graduated from Western Connecticut State University and received a Bachelor's of Science degree in Business Administration. Mayor Benigni earned both a Masters in Education and a Doctorate in Education from the University of Hartford, in Connecticut. Prior to election as mayor, Mr. Benigni served on the City Council for four years. He is currently in the first



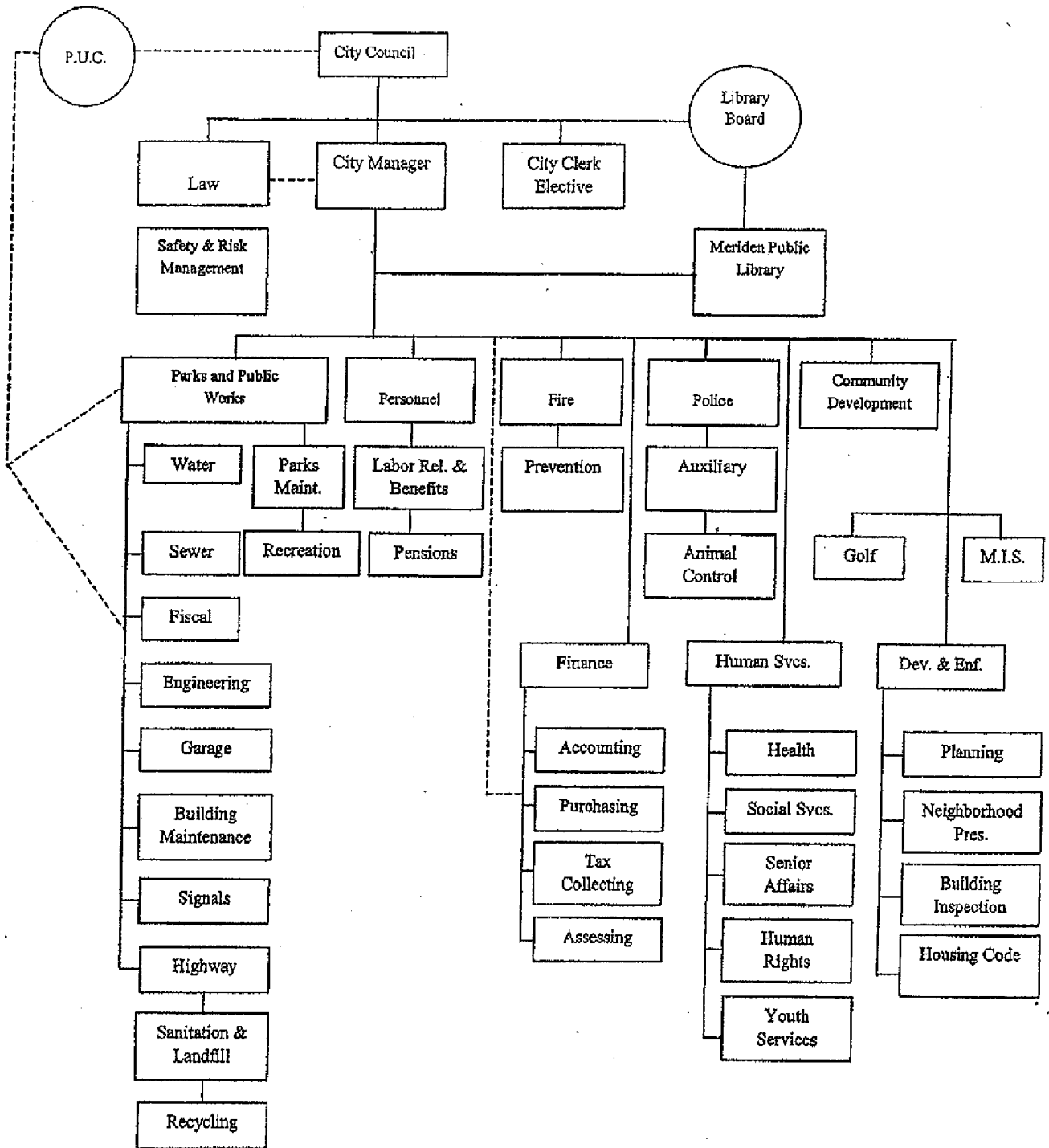
year of his third term. In addition, to serving as mayor, Mr. Benigni is currently the assistant principal at Berlin High School. His prior work experience includes focus in special education.

**Lawrence J. Kendzior, City Manager:** Mr. Kendzior was appointed as City Manager in June 2005, after serving as Acting City Manager for five months. He also served as the Corporation Counsel since 1985 and as City Attorney since 1993. He graduated from New York University, cum laude, and was elected to Phi Beta Kappa. He received his Juris Doctorate (J.D.) from Boston University. Mr. Kendzior formerly was a partner in the law firm of Tonkonow and Kendzior in Meriden, Connecticut.

**Robert Curry, Finance Director, Treasurer:** Mr. Curry, Director of Finance and Treasurer, earned a Bachelor's of Science degree in Accounting from Central Connecticut State University. He received a Master's in Business Administration from the University of New Haven. Before his appointment to Finance Director Mr. Curry was Director of Accounting for the City of Meriden for twenty two years. He also worked for the State of Connecticut in an accounting capacity at the Department of Education in the Grant Processing Unit and at the Department of Housing in the Management Division. Mr. Curry held these positions with the State for four years. Mr. Curry is a Certified Public Finance Officer.

**Mary Cortright, Superintendent of Schools:** Mary N. Cortright, Superintendent of Schools, graduated from University of Connecticut with a Bachelor's of Art in English. She earned a Master of Science in Education and a Sixth Year Certificate in Administration and Supervision from Southern Connecticut State University. She is currently a doctoral candidate at the University of Connecticut. Mrs. Cortright has worked as a teacher nearly thirteen years, an Assistant Principal of a middle school for three years, and a Principal of an elementary school for eight years. She has been Superintendent of Schools for three years.

# ORGANIZATIONAL CHART



## **ECONOMIC CONDITIONS AND DEVELOPMENT**

### ***Economic Development***

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

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

Meriden Manufacturing Assistance Program (MMAP). Meriden offers subordinate financing to manufacturers planning to expand their operations in the city 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. Five manufacturers have taken advantage of this program to date. The program supports the expansion and retention of the city's manufacturing base.

The U.S. Environmental Protection Agency gave the City a grant of \$200,000 in late 2004 to fund environmental assessments on contaminated properties throughout the city. This agency also provided the City with two grants of \$147,000 and \$200,000 for environmental assessments and remediation of the City's HUB site downtown. This grant will assist the City in creating more available land for commercial development.

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

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

The City's Comprehensive Economic Development Strategy Plan (CEDS) was approved by the US Economic Development Administration (EDA) in 2000. EDA has approved all annual reports submitted since that time. Thirty-five community leaders and company representatives sit on a steering committee, which guides the planning effort and implementation activities. This Plan allows the city to apply for funding from EDA for economic development projects. The City is currently approaching EDA for funding for the downtown HUB site project.

### ***Commercial Industrial Development***

Thompson Brands Meriden's 125 year-old chocolate manufacturer, closed its Fairfield, California facility and consolidated those operations at its South Vine Street site in Meriden. The consolidation saved 100 jobs and added 70 jobs in Meriden. The consolidation was supported by financing provided by Webster Financial, the State of Connecticut, the Connecticut Development Authority and the City's Manufacturing Assistance Loan program. The City's loan supported \$500,000 of building renovations.

Webster Insurance is currently moving one of its policy services operations into a building at 530 Preston Ave. and bringing with it up to 200 jobs. Webster Insurance is a subsidiary of Webster Financial Corp., the parent of Webster Bank, headquartered in Waterbury, Connecticut.

Aplicare, Inc., has moved its headquarters from Branford into 200,000 square feet at 550 Research Parkway. This manufacturer of topical antimicrobial drug products will also move its Virginia manufacturing operations to Meriden in 2007. The consolidation represents 180 jobs and a \$2.6 million dollar investment in renovations.

J & J Tri-State Delivery Service, Inc. of Totowa, New Jersey located its first Connecticut logistics center at 550 Research Parkway. J&J has leased 125,000 square feet and will hire 35 new employees. The company's subsidiary, Infinity Warehouse and Distribution will also have an operations base in Meriden.

The owner of Advanced Turbine Services on High Street recently expanded into North Colony Street. The company provides turbine engine repair and overhaul services to both the United States Navy and a variety of commercial clients.

SRL Realty has acquired the former City-owned properties on North Broad Street for Central Auto Auction/Statewide Recovery. The auto auction is located next door and will build a new \$1 million facility on the City's property.

Closets, Etc has signed a five-year lease to expand to 11,500 square feet at 200 Research Parkway bringing five employees to Meriden. The company previously occupied 4000 square feet in Cheshire, Connecticut.

Parker Bros. Makers, Inc. recently opened on High Street in Meriden. Founded in 1999, owner Ernie Lazor has revived the Parker Bros. Shotgun and is continuing the legacy started by the original Parker Bros. company that manufactured quality firearms in Meriden between 1863 and 1934. The company plans to custom-fit its international customers at its Meriden offices.

The following list contains additional highlights in relation to the City's commercial & industrial development over the past year:

- Dr. Hergot added 3,200 sq. ft. to his medical building at 166 South Broad Street;
- Mr. Amaya renovated 10,000 sq. ft. commercial space into a restaurant at 2103 North Broad Street;
- A & D Cabinetry built and occupied a 12,000 sq. ft. building at 1592 North Broad Street;
- Barker built and opened a new self-storage facility (60,300 sq. ft. at 5 Prestige Drive;
- Southwick & Meister added 10,000 sq. ft. to the existing factory on North Colony Road;
- New England Freight added 8,000 sq. ft. to the trucking facility on Research Parkway;
- Waste Trucking Inc. added 25,000 sq. ft. to the trucking facility on Gracey Avenue;
- Auto Recycling is constructing a new 12,000 sq. ft. facility at 756 Berlin Turnpike
- Enterprise Auto is constructing a new 7,500 sq. ft. rental agency at 412 South Broad;
- Glisham Assoc. began construction of a new 12,000 sq. ft. self-storage building on Centennial Avenue.

### ***Downtown Activity and Planned Redevelopment***

The City has hired the engineering firm, Milone and MacBroom (M&M) and, environmental engineers, Metcalf & Eddy, to design the conversion of the 15-acre HUB parcel into a downtown park. Harbor Brook, currently culverted under the site, will be day-lighted and two commercial development pads are anticipated. During project design, M&M will facilitate community meetings to finalize the design concept. M&M will complete final designs, help the City procure and manage firms to construct improvements and obtain necessary permits. TRC Environmental Corp. is managing the demolition of the vacant 150,000 square foot building on the site. Demolition work will be bid in July with demolition planned for late summer/early fall of 2006. The City received a \$2 million state grant for demolition. The City has title to the site. Redevelopment of this site will have a strong positive impact on downtown revitalization efforts.

The U.S. Environmental Protection Agency's Brownfields Program recently awarded a \$200,000 clean-up grant to the City to help remediate the 15-acre HUB site downtown. This grant will leverage \$2.5 million in state and USEPA grants already committed to the project. The City Council has approved \$300,000 for engineering services.

A wireless network provides free Internet access to downtown business owners, residents and visitors. Service, started in November 2005, will begin at the corner of Colony and West Main streets and run 1000 feet west down West Main Street and 1000 feet north down Colony Street. City officials believe that free wireless access will further stimulate business activity and reinvestment downtown. Meriden is one of only two Connecticut cities offering free WIFI in its downtown.

Middlesex Community College renewed its lease at 55 W. Main Street and will be expanding the first floor of that building –offering additional classroom and lab space to students. The college now has over 500 full and part-time students. The college's presence has re-energized downtown activity.

The City completed a comprehensive parking study of the downtown. Fuss & O'Neill made a series of short and long term recommendations which are currently being implemented. These parking improvements will meet the additional demand created by downtown reinvestment and development.

The clean up of vacant Factory H on Cooper Street has begun. Major environmental hazards located on the seven-acre site have been removed to add more developable land and open space to our downtown. A USEPA grant is funding additional assessments at the site and neighborhood planning meetings have been held to help determine future uses for the site.

The former City-owned properties at 11 and 13-17 Colony Street have been sold to and rehabilitated by a developer who is marketing the property to attract office, retail and restaurant tenants.

Gulino Associates renovated and leased 5,000 sq. ft. retail office building at 31-37 West Main Street in addition to converting a 6,400 sq. ft. office building into 8 residential apartments;

Auto Zone is building a new 7,000 sq. ft. retail facility at the westerly entrance to the CBD (140 West Main Street).

### ***Retail Development***

The following represent highlights to the City's recent retail development:

Lowe's Companies Inc. and WP Realty Inc. recently met with City officials to discuss plans to build a Lowes at the Meriden Parkade on East Main Street. The former Ames building will be demolished to create a 125,000 sq. ft home improvement center. The project is expected to be on the Planning Commission's agenda in July 2006.

A Borders bookstore/café and a Starbucks will soon open on property owned by Westfield Shoppingtown Meriden. The mall is negotiating with Borders for the remaining 20,000 square feet of space vacated by Lord & Taylor over a year ago. The new Borders will have entrances in the mall and exterior of the mall. Westfield is also talking with several restaurants hoping to fill space in the Best Buy/ Dick's Sporting Goods wing. Westfield also owns a four-acre pad site north of the mall driveway which is currently used for parking. Mall managers are in discussions with Starbucks and Talbots as possible tenants for that site.

Circuit City renovated and occupied a 53,400 sq. ft. building at 495 Chamberlain Highway.

Best Buy and Dick's Sporting Goods occupied a 42,000 sq. ft. addition to Westfield Shopping Center.

Saab Auto opened a new 10,000 sq. ft. dealership at 171-195 South Broad Street.

Sleepy's Mattress built and occupied a new 5,000 sq. ft. building on Chamberlain Highway.

Burnham Builders is completing a new 48,000 sq. ft. shipping center on the corner Dunkin Donuts, Aarons Furniture, bank and restaurant.

Burger King and Walgreen's are constructing 2 new buildings (17,500 sq. ft.) at 852 East Main Street.

492 So. Broad Street Associates is constructing a 26,000 sq. ft. restaurant/commercial building at 492 South Broad Street (Major tenants are expected to be Starbucks and Talbots).

### ***Municipal and Public Facility Development***

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

Government officials broke ground in April for the new USPS post office on Center Street, the site of the former Jefferson School. The new building will be a 31,000 square foot "state of the art" facility with 156 parking spaces for employees and the public. The new post office is scheduled to open in early 2007.

The City's Meriden-Markham Municipal Airport reopened this month after surfacing renovations of the runway and taxiway. New lighting and a new beacon were also included in the \$1.5 million project 98 percent funded by the Federal Aviation Administration and the CT Department of Transportation.

Lincoln Middle School has been completed and occupied. It replaced an aging building with a new state-of-the-art facility with a special focus on the arts.

The City is currently completing a new large ballfield park complex. The twenty acre site on Thorpe Avenue will greatly expand recreational opportunities for the City's youth and young adults, and is also expected to host regional sports events.

The City of Meriden built and occupied a new 12,000 sq. ft. animal shelter on East Road.

MidState Medical Center added 31,500 sq. ft. to the hospital.

### ***Residential Development***

During the two year period July 2004 – 2006, the residential activity was very strong with 237 new housing units being approved and another 180 units occupied. Some of the major residential developments include:

#### Newly Occupied:

- Hidden Valley: 27 single-family homes;
- Maplewood Construction: 13 multi-family units;
- Coppola: 24 multi-family units – Quarry Lane
- B & L: 180 multi-family units – Pomeroy Avenue;
- Murdy: 1 multi-family units – Woodland Street;
- Silver Island Homes: 24 single-family homes

#### Larger new residential developments currently under construction:

- 201 Prospect Avenue: 13 single-family homes;
- Sperry Lane: 13 single-family homes;
- New Hanover: 6 single-family homes
- Hollowbrook: 30 multi-family units;

- Bridgestone Commons: 32 single-family homes;
- Cobblestone Subdivision: 39 single-family homes

Larger Residential Developments expected to begin construction within one year:

- Sunset Village: 8 multi-family units;
- Brownstone Common: 10 single-family homes.

### ***Community Development Program***

The City of Meriden, as an entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, has received approximately \$27,722,000 in federal funds under the Community Development Block Grant for fiscal years 1976 through 2004.

Under the Community Development Program, the City has made a major commitment to preserving and rehabilitating Meriden's inner-city neighborhoods. To date, some \$17 million of Community Development funds has been coupled with more that \$5 million of private funds and \$1.6 million of City bond funds to implement the rehabilitation and maintenance of inner-city housing.

Other Community Development projects have included both a wide range of physical development activities such as a new Senior Citizens Center, a West Side Firehouse, a handicapped facility, a St. Vincent DePaul Homeless Shelter, the American Silver Museum, the demolition of hazardous structures, and a variety of service delivery programs for the elderly, low and moderate income persons and infrastructure improvements in inner-city neighborhoods.

Additionally, economic development and planning activities in the area of Central Business District Revitalization, zoning ordinance revisions, and the master plan have been funded. The City has developed a plan for a special targeted neighborhood improvement program within the inner city.

The City has focused its efforts to clean up its neighborhoods and to encourage reinvestment in their "inner core" areas. This focus is achieved through a series of changes to the established loan tools which will encourage more owner/occupant investment. Also, the City is actively working with the private sector to augment the public loans with their private funding. Another part of this focus is through a more intense code enforcement effort. Such an effort includes the assignment of housing inspectors to work with community police officers throughout the "inner-core". Consortiums of social service agencies have developed to address youth problems. The City has assisted the organization of 28 inner-city neighborhood associations. Lastly, the City has received a \$2 million State grant to demolish the old HUB building in the center of town.

The Meriden Housing Authority has begun the total reconstruction of the 124-unit Chamberlain Heights housing development. Estimated cost is \$13 million.

## **Awards and Acknowledgements**

The Government Finance Officer's Association of the United States and Canada (GFOA) 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, 2005. This was the second 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.



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Meriden Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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



President

Executive Director

**Financial Section**



## LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
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203 389-6371 • FAX 203 389-4430

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Meriden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2006, on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

December 21, 2006

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2006**

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, 2006. 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, excluding component units, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$162.6 million. Total net assets for Governmental Activities at fiscal year-end were \$57.4 million and total net assets for Business-Type Activities were \$105.1 million.
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$8.7 million or 6%, from \$153.9 million to \$162.6 million. Net assets increased by \$9.8 million for Governmental Activities and decreased by \$1.2 million for Business-Type Activities. Government-wide expenses were \$180.7 million, while revenues were \$190.5 million.
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of -\$6.6 million, a decrease of \$10.4 million from the prior fiscal year.
- ◆ At the end of the current fiscal year, the total fund balance for the general fund alone was \$9.8 million, an increase of \$.2 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2006, \$3.0 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 1.80% of total general fund expenditures (\$167.0 million).

## **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

### Fund Financial Statements

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

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 41 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the City of Meriden include: Airport Improvement, Community Development Block Grant, Day Care Center, Health Department-WIC Program, Insurance Reserve Fund, Neighborhood Mobile Health, Special Projects-Health, Tri-Town Medical Transportation, Neighborhood Preservation Program, Asset Forfeiture Fund, State & Federal Education

Grants, Underage Drinking, Transit Welfare to Work, Dog Fund, Landfill Reclamation, Cafeteria, Meriden Public School Rental, Adult Evening School, Safe Neighborhoods, Railroad Right-of-Way, Drivers Education Training, Student Fund, AmeriCorps, Summer Youth Initiative, Law Enforcement Block Grant, Lorenzo Fuller Award, Charlotte Yale Ives, Downtown Property Management, School Readiness, Cops More 98, C.P. Bradley Park, Hubbard Park Fund, Liberty Trust Fund, Reading Video, CP National Science Foundation, Document Preservation, Arts District Feasibility, EPA Brownfield Assessment, Parks & Recreation Capitol & Non-Recurring, Capitol & Non-Recurring. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on pages 71-75 and in the combining statement of revenues, expenditures and changes in fund balance on pages 76-84.

The City of Meriden adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in unreserved fund balance on a budgetary basis can be found on page 10.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 7-8 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a non-major fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 11-16 of this report.



**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, four agency funds and four private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 17 and 18 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-50 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 41-48 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden governmental activities assets exceeded liabilities by \$162.6 million on June 30, 2006.

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

	June 30, 2005			June 30, 2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	54,753	19,813	74,566	49,427	17,650	67,077
Non-current	28,653	0	28,653	24,423	0	24,423
Capital assets	152,785	98,913	251,698	163,159	98,513	261,672
<b>Total Assets</b>	<b>236,191</b>	<b>118,726</b>	<b>354,917</b>	<b>237,009</b>	<b>116,163</b>	<b>353,172</b>
Current liabilities	45,519	1,606	47,125	51,334	1,510	52,844
Long-term liabilities outstanding	143,050	10,802	153,852	128,249	9,507	137,756
<b>Total Liabilities</b>	<b>188,569</b>	<b>12,408</b>	<b>200,977</b>	<b>179,583</b>	<b>11,017</b>	<b>190,600</b>
Net Assets:						
Invested in capital assets, net of related debt	104,144	89,673	193,817	107,105	85,780	192,885
Restricted	6,485	0	6,485	5,284	0	5,284
Unrestricted	-63,007	16,644	-46,353	-54,963	19,366	-35,597
<b>Total Net Assets</b>	<b>47,622</b>	<b>106,317</b>	<b>153,939</b>	<b>57,426</b>	<b>105,146</b>	<b>162,572</b>

At the end of the current fiscal year, the City of Meriden is able to report positive balances in all two categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of net assets was restricted in June 30, 2006 as a result of enabling legislation and the early implementation of the Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation – An Amendment to GASB Statement 34*. These restrictions are further explained in Note 11 of the financial statements.

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

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

	June 30, 2005			June 30, 2006		
	Governmental Activities	Business-Type Activities	Total Government	Governmental Activities	Business-Type Activities	Total Government
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	8,571	13,630	22,201	7,747	14,413	22,160
Operating Grants and contributions	12,437		12,437	76,517		76,517
Capital Grants and contributions	11,140		11,140	5,895		5,895
<b>General Revenues:</b>						
Property Tax	92,580		92,580	94,042		94,042
Grants not restricted to specific programs	57,502		57,502 *			
Unrestricted investment earnings	925		925	1,455	461	1,916
Miscellaneous Income	6,731	241	6,972 *	4,866		4,866
<b>Total revenues</b>	<b>189,886</b>	<b>13,871</b>	<b>203,757</b>	<b>190,522</b>	<b>14,874</b>	<b>205,396</b>
<b>Expenses:</b>						
General Government	20,386		20,386	37,796		37,796
Education	101,315		101,315	105,537		105,537
Public Safety	28,844		28,844	18,406		18,406
Public Works	9,876		9,876	9,262		9,262
Human Services	8,869		8,869	5,997		5,997
Interest on long term debt	6,584		6,584	3,720	555	3,720
WPCA Sewer		6,389	6,389		6,662	6,662
Water		8,014	8,014		7,885	7,885
Hunter Golf Course		755	755		944	944
<b>Total Expenses</b>	<b>175,874</b>	<b>15,158</b>	<b>191,032</b>	<b>180,718</b>	<b>16,046</b>	<b>196,764</b>
Change in Net Assets	14,012	-1,286	12,726	9,804	-1,172	8,632
Net Assets-Beginning	33,610	107,604	141,214	47,622	106,318	153,940
<b>214</b>	<b>47,622</b>	<b>106,318</b>	<b>153,940</b>	<b>57,426</b>	<b>105,146</b>	<b>162,572</b>

\* Totals differ from previous reported totals because of a change in interpretations of "general revenues"

The City's net assets increased by \$8.6 million during the fiscal year, with net assets of Governmental Activities increasing \$9.8 million and business-type activities decreasing by \$1.2 million

### **Governmental Activities**

Almost 49% of the revenues were derived from property taxes, followed by 40% from State and Federal Government program revenues, then 3% from other revenues.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2006 reflect an increase in the City's tax rate of approximately 3.1% and total assessed value of all taxable property increased by .065%.
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant 2.80 million in revenue for fiscal year 2006. This is the fourth year of the agreement.

For Governmental Activities, more than 58.8% of the City's expenditures relate to education, 16.3% relate to public safety, 13.76% to general government, more than 5.6% relate to public works, 3.6% to human services, 9.94% to principal and interest payments on long term debt and the remaining relates to government, community services, administration and other areas.

Major expenditure factors include:

- ◆ Increases in employee wages averaged approximately 3.0%, resulting from negotiated step and general wage increases.
- ◆ Employee benefit costs rose more than 6.5%, due to rising health insurance costs and pension funding requirements.
- ◆ The cost of education services increased, due to negotiated wage settlements, employee health insurance cost increases, special education cost increases, and rising school enrollment.

### **Business-Type Activities**

Business-Type activities decreased the City's net assets by \$1,171,613.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$3.0 million while total fund balance reached \$9.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1.80% of total general fund expenditures, while total fund balance represents 5.87% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$199,481 during the current fiscal year. Key factors in this increase are as follows:

- ◆ Property tax revenues recorded for fiscal year 2006 reflect an increase in the City's tax rate of approximately 3.2%, and the total assessed value of all taxable property of 1.48%.
- ◆ The General Fund used \$1.5 million Reserved For Future Debt Repayment during the current fiscal year. These funds are the result of Bond Premiums, loan repayments, and interest income.
- ◆ The NRG Electrical Generating Plant provided \$2.80 million in revenues for the fourth year of a thirty year agreement in lieu of taxes.

The Bonded Projects Fund has a total fund balance of -\$21.8 million, down from -\$10.6 million in the prior year. This decrease can be explained by BAN proceeds and state grants received in the current year.

The Other Governmental Funds has a total fund balance of \$5.3 million, up from a restated \$4.8 million in the prior year. The \$.5 million increase was primarily due to the Other Grants Program where we experienced an increase in grants in the current year.

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

Net assets of the Water Fund at the end of the year were \$48.2 million, with unrestricted net assets of \$4.4 million. The Water Fund experienced operating loss of \$594,217.

Net assets of the Sewer fund were \$56.9 million. Unrestricted net assets were \$5.4 million. The Sewer Fund experienced an operating loss of \$411,806.

#### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$807,700. The original budget included a contingency of \$370,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The major additional appropriations approved during the year are summarized below:

- ◆ \$337,700 for Capital Equipment.
- ◆ \$250,000 for City's Bicentennial Celebration
- ◆ \$220,000 for Board of Education.
- ◆ The Contingency Fund was reduced by \$53,000 to fund some of the above increases.

Several departments exceeded their budgets during the fiscal year. The Parks Division was \$153,818 over their budget mainly due to energy related costs and vehicle maintenance. The Highway Division was over their budget by \$53,000 due to Snow and Ice Control and energy related costs. Waste collection was over their budget by \$68,000 due to higher tipping fees. During the year, actual revenues on a budgetary basis were \$167.4 million, which was less than budgetary estimates by nearly \$600,000. Actual tax revenues were less than budget by \$868,000. Actual investment income totaled \$1,455,000 was approximately \$755,000 above the \$700,000 that had been anticipated.

Actual expenditures and operating transfers out on a budgetary basis and other financing uses totaled \$167.0 million, exceeding actual revenues on a budgetary basis by \$199,481. The final net increase in unreserved fund balance on a budgetary basis was \$199,481.

### 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, 2006, amount to \$286 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. This is the fourth year the City of Meriden has reported its' investment in capital assets.

#### CITY OF MERIDEN, CONNECTICUT

#### CAPITAL ASSETS (net of depreciation)

#### Primary Government

	June 30, 2005			June 30, 2006		
	Governmental Activities	Business-	Total	Governmental Activities	Business-	Total
		Type Activities			Type Activities	
Land	17,943	916	18,760	20,546	916	21,784
Land improvements	3,761	93	3,913	5,054	74	5,128
Buildings and improvements	79,374	19,591	98,681	112,190	22,084	134,274
Infrastructure	28,691	71,502	104,059	41,031	69,891	110,922
Machinery and equipment	4,244	5,395	8,552	3,502	5,553	9,055
Vehicles	2,7790	0	3,344	1,382		1,382
Construction in progress	5,142	1,415	7,155	3,877		3,877
<b>Total</b>	<b>141,934</b>	<b>102,530</b>	<b>244,464</b>	<b>187,582</b>	<b>98,518</b>	<b>286,100</b>

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

- ◆ \$3,601,000 for bridge and road reconstruction.
- ◆ \$3,181,000 for Hanover Pond Dam.

- ◆ \$2,979,000 for Landfill Closure.
- ◆ \$2,336,000 for Johnson Hill Water Tank Covers.
- ◆ \$2,175,000 for road paving.
- ◆ \$1,953,000 million for Thorpe Avenue Ballfields.
- ◆ \$1,631,000 million for Airport Runway/Taxiway Reconstruction.

Additional information on the City of Meriden's capital assets can be found in Note 7 on pages 34 – 36 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$89 million. 100% of this debt is backed by the full faith and credit of the City.

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

	<b>June 30, 2005</b>			<b>June 30, 2006</b>		
	<b>Governmental</b>	<b>Business- Type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business- Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>		<b>Activities</b>	<b>Activities</b>	
General obligation bonds	93,486	9,459	102,945	80,477	8,309	88,785
Bond anticipation notes	13,135	1,850	14,985	22,250	3,550	25,800
Notes payable		1,343	1,343		1,199	1,119
<b>Totals</b>	<b>106,621</b>	<b>12,652</b>	<b>119,273</b>	<b>102,727</b>	<b>13,057</b>	<b>115,784</b>

The City of Meriden's bonded debt decreased by \$14.2 million or 13.8% during the 2005-2006 fiscal year. During the current fiscal year of 2005-2006, the City issued \$25.8 million in bond anticipation notes.

The City of Meriden increased its' rating from Moody's Investors Service from BAA1 to A3 and from Fitch Ratings Service from BBB+ to A-.

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$659,508,647. As of June 30, 2006, the City recorded long-term debt of \$80.5 million related to Governmental Activities and \$8.3 million related to Business-Type Activities, well below its statutory debt limits.

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

**Economic Factors**

The City of Meriden has not been immune from the effects of the national economic downturn. As of June 2006, the unemployment rate for the Meriden labor Market Area was 5.2%, down from 6.1% in the prior year. This compares with the New Haven Labor market of 5.3%. Connecticut's overall unemployment rate stands at 4.4%, compared with 5.3% for the same time last year. In addition, it is forecasted that State and federal governments will continue the trend of reducing grants to municipalities.



Nevertheless, the City of Meriden is well positioned to deal with the present economic downturn. A new power generating plant will add at least \$3 million annually for the next thirty years. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone and a Technology Zone to provide incentives to businesses relocating to Meriden.

### **Requests for Information**

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

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**Basic Financial Statements**

## STATEMENT OF NET ASSETS

June 30, 2006

	Primary Government		
	Governmental Activities	Proprietary Activities	Total*
<b>Assets:</b>			
Cash and cash equivalents	\$ 34,108,520	514,773	34,623,293
Investments	1,899,165	13,189,730	15,088,895
Receivables, net of allowance for collections:			
Property taxes	3,174,454		3,174,454
Accounts receivable	421,118	1,885,724	2,306,842
Federal and state governments	2,649,570		2,649,570
Estimated unbilled usage		3,716,793	3,716,793
Loans receivable, net	4,988,716		4,988,716
Internal balances	1,662,896	(1,662,896)	-
Inventories and other assets	177,594		177,594
Net pension assets	345,505		345,505
Noncurrent assets:			
Capital assets, not being depreciated	24,422,760		24,422,760
Capital assets, being depreciated, net of accumulated depreciation	163,158,983	98,518,882	261,677,865
<b>Total assets</b>	<b>\$ 237,009,281</b>	<b>116,183,006</b>	<b>353,172,287</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	\$ 22,416,356	1,510,017	23,926,373
Retainage payable	1,293,421		1,293,421
Unearned revenue	1,824,388		1,824,388
Temporary notes payable	25,800,000		25,800,000
Noncurrent liabilities:			
Due within one year	23,548,730	1,535,195	25,083,925
Due in more than one year	104,700,251	7,971,803	112,672,054
<b>Total liabilities</b>	<b>\$ 179,583,146</b>	<b>11,017,015</b>	<b>190,600,161</b>
<b>Net Assets:</b>			
Investment in capital assets, net of related debt	\$ 107,105,034	85,779,662	192,884,696
Restricted for debt payments	3,500,000		3,500,000
Restricted for enabling legislation	1,784,411		1,784,411
Unrestricted	(54,963,310)	19,366,329	(35,596,981)
<b>Total net assets</b>	<b>\$ 57,426,135</b>	<b>105,145,991</b>	<b>162,572,126</b>

\*After internal balances have been eliminated.

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

**CITY OF MERIDEN, CONNECTICUT**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2006**

<b>Functions/programs</b>	<b>Expenses</b>	<b>Program Revenues</b>
	<b>Expenses</b>	<b>Charges for Services</b>
<b>Primary Government:</b>		
<b>Governmental activities:</b>		
General government	\$ 24,803,750	5,662,437
Education	106,286,788	1,385,598
Public safety	29,390,461	111,903
Public works	10,103,876	222,680
Human services	6,413,252	364,659
Interest on long-term debt	3,720,131	
<b>Total governmental activities</b>	<b>\$ 180,718,258</b>	<b>7,747,257</b>
<b>Business-type activities:</b>		
Sewer Authority	\$ 6,662,154	6,169,287
Water Authority	7,885,251	7,458,236
George Hunter Golf Course	944,110	785,704
Interest on long-term services	554,512	
<b>Total business-type activities</b>	<b>\$ 16,046,027</b>	<b>14,413,227</b>
<b>Total primary government</b>	<b>\$ 196,764,285</b>	<b>22,160,484</b>

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

Program Revenues		Net (Expenses) Revenue and Changes in Net Assets Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
1,176,973		(17,964,340)		(17,964,340)
15,356,042	1,502,421	(88,042,727)		(88,042,727)
9,598		(29,268,960)		(29,268,960)
667,582	4,392,558	(4,821,076)		(4,821,076)
4,054,596		(1,993,997)		(1,993,997)
		(3,720,131)		(3,720,131)
<u>21,264,791</u>	<u>5,894,979</u>	<u>(145,811,231)</u>	<u>-</u>	<u>(145,811,231)</u>
			(492,867)	(492,867)
			(427,015)	(427,015)
			(158,406)	(158,406)
			(554,512)	(554,512)
			<u>(1,632,800)</u>	<u>(1,632,800)</u>
<u>21,264,791</u>	<u>5,894,979</u>	<u>(145,811,231)</u>	<u>(1,632,800)</u>	<u>(147,444,031)</u>
<b>General revenues:</b>				
Property taxes	\$	94,042,214		94,042,214
Grants and contributions not restricted for specific programs		55,252,164		55,252,164
Unrestricted investment earnings		1,454,787	461,187	1,915,974
Miscellaneous income		4,866,230		4,866,230
<b>Total general revenues</b>	<b>\$</b>	<b>155,615,395</b>	<b>461,187</b>	<b>156,076,582</b>
<b>Change in net assets</b>	<b>\$</b>	<b>9,804,164</b>	<b>(1,171,813)</b>	<b>8,632,551</b>
<b>Net assets, beginning</b>		<b>47,621,971</b>	<b>106,317,804</b>	<b>153,939,575</b>
<b>Net assets, ending</b>	<b>\$</b>	<b>57,426,135</b>	<b>105,145,991</b>	<b>162,572,126</b>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2006

	General	Bonded Projects	Other Governmental	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 19,193,358	4,287,935	4,806,069	28,287,362
Investments	-		1,899,165	1,899,165
Receivables, net of allowance for collections:				
Property taxes	3,174,454			3,174,454
Accounts receivable	257,217	15,238	65,919	338,374
Federal and state governments	2,298,514		351,056	2,649,570
Loans receivable		2,555,080	2,433,836	4,988,716
Other assets	78,581		99,013	177,594
Due from other funds	327,786	532,104	150,000	1,009,890
Advance to golf fund	988,600			988,600
<b>Total assets</b>	<b>\$ 26,318,510</b>	<b>7,390,357</b>	<b>9,804,858</b>	<b>43,513,725</b>
<b>Liabilities</b>				
Accounts payable	\$ 11,913,090	2,087,071	496,721	14,496,882
Retainage payable		1,293,421		1,293,421
Due to other funds			335,594	335,594
Deferred revenue	4,593,787	1,333	3,626,225	8,221,345
Temporary notes payable		25,800,000		25,800,000
<b>Total liabilities</b>	<b>\$ 16,506,877</b>	<b>29,181,825</b>	<b>4,458,540</b>	<b>50,147,242</b>
<b>Fund Balances</b>				
Reserved for:				
Inventory	\$		99,013	99,013
Encumbrances	259,555	2,588,837		2,848,392
Donor intentions	269,864		238,164	508,028
Loans receivable		2,555,080		2,555,080
Long term advances	988,600			988,600
Debt payments	3,500,000			3,500,000
Enabling Legislation	1,784,411			1,784,411
Unreserved, undesignated reported in:				
General fund	3,009,203			3,009,203
Special revenue funds			5,128,894	5,128,894
Capital project funds		(26,935,385)	(119,753)	(27,055,138)
<b>Total fund balances</b>	<b>\$ 9,811,633</b>	<b>(21,791,468)</b>	<b>5,346,318</b>	<b>(6,633,517)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,318,510</b>	<b>7,390,357</b>	<b>9,804,858</b>	

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

Capital assets purchased in the governmental funds are reported as expenditures however the statement of net assets includes those capital assets among the assets of the City as a whole.	187,581,743
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	6,742,462
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net assets.	674,945
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(130,939,498)

**Net assets of governmental activities** **\$ 57,426,135**

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

## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)

## GOVERNMENTAL FUNDS

For the Year ended June 30, 2006

	General	Bonded Projects	Other Governmental	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 95,955,630			95,955,630
Federal and state government	60,209,360	4,392,558	19,035,963	83,637,881
Charges for services	5,649,007		2,098,250	7,747,257
Investment income	1,395,995		58,792	1,454,787
Other revenues	4,172,296	82,897	611,037	4,866,230
<b>Total revenues</b>	<b>\$ 167,382,288</b>	<b>4,475,455</b>	<b>21,804,042</b>	<b>193,661,785</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 17,757,578		8,116,796	25,874,374
Public safety	28,129,333		428,895	28,558,228
Public works	6,617,173			6,617,173
Human services	3,269,905		3,071,944	6,341,849
Education	93,307,731		9,456,743	102,764,474
Debt service:				
Principal retirements	13,009,197			13,009,197
Interest and other charges	4,949,949			4,949,949
Capital outlay	-	15,879,315	87,975	15,967,290
<b>Total expenditures</b>	<b>\$ 167,040,866</b>	<b>15,879,315</b>	<b>21,162,353</b>	<b>204,082,534</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 341,422</b>	<b>(11,403,860)</b>	<b>641,689</b>	<b>(10,420,749)</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 100,000	241,941		341,941
Transfers out	(241,941)		(100,000)	(341,941)
Bond proceeds				-
<b>Total other financing sources (uses)</b>	<b>\$ (141,941)</b>	<b>241,941</b>	<b>(100,000)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ 199,481</b>	<b>(11,161,919)</b>	<b>541,689</b>	<b>(10,420,749)</b>
<b>Fund balances (deficits) - beginning</b>	<b>9,612,152</b>	<b>(10,629,549)</b>	<b>4,804,629</b>	<b>3,787,232</b>
<b>Fund balances (deficits) - ending</b>	<b>\$ 9,811,633</b>	<b>(21,791,468)</b>	<b>5,346,318</b>	<b>(6,633,517)</b>

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



**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
June 30, 2006

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Net change in fund balances - total governmental funds	\$ (10,420,749)
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,143,601
Revenues previously recognized in the statement of activities that provided current financial resources in the current year.	(3,139,363)
Change in net pension assets.	345,505
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	14,800,742
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.	1,229,818
The net expense of certain activities of internal service funds is reported with governmental activities.	<u>844,610</u>
Change in net assets of governmental activities	<u>\$ 9,804,164</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 97,868,004	97,868,004	95,955,630	(1,912,374)
Intergovernmental	57,284,026	57,284,026	57,347,074	63,048
Charges for services	6,669,175	6,669,175	5,649,007	(1,020,168)
Investment income	700,000	700,000	1,395,995	695,995
Other revenues	2,743,282	2,743,282	4,172,296	1,429,014
<b>Total revenues</b>	<b>\$ 165,264,487</b>	<b>165,264,487</b>	<b>164,520,002</b>	<b>(744,485)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 32,902,958	33,152,958	30,750,095	2,402,863
Education	90,793,861	91,013,861	89,708,195	1,305,666
Public safety	17,371,142	17,371,144	17,144,333	226,811
Public works	5,623,384	5,623,386	5,775,684	(152,298)
Human services	3,057,828	3,057,828	2,853,877	203,951
<b>Debt service:</b>				
Principal retirements	13,009,197	13,009,197	13,009,197	-
Interest and other charges	5,016,113	5,016,113	4,949,949	66,164
<b>Total expenditures</b>	<b>\$ 167,774,483</b>	<b>168,244,487</b>	<b>164,191,330</b>	<b>4,053,157</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (2,509,996)</b>	<b>(2,980,000)</b>	<b>328,672</b>	<b>3,308,672</b>
<b>Other financing (uses):</b>				
Contribution from fund balance	\$ 1,110,000	1,110,000	-	1,110,000
Transfers from other fund or designation	1,600,000	1,600,000	1,600,000	-
Transfers to other funds	(200,000)	(537,700)	(430,287)	(107,413)
<b>Total other financing resources</b>	<b>\$ 2,510,000</b>	<b>2,172,300</b>	<b>1,169,713</b>	<b>(1,002,587)</b>
<b>Net change in undesignated fund balance</b>	<b>\$ 4</b>	<b>(807,700)</b>	<b>1,498,385</b>	<b>2,306,085</b>

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

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FUND EQUITIES  
 PROPRIETARY FUNDS  
 June 30, 2006

	Business-Type Activities -	
	Major Funds	
	Water	Sewer
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 469,974	20,887
Receivables, net of allowance for collection losses:		
Use charges	955,060	917,663
Unbilled services	2,116,468	1,600,325
Other	-	-
Investments	7,085,000	5,880,000
Due from other funds	24,936	-
<b>Total current assets</b>	<b>\$ 10,651,438</b>	<b>8,418,875</b>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	\$ 44,842,652	52,663,671
<b>Total noncurrent assets</b>	<b>\$ 44,842,652</b>	<b>52,663,671</b>
<b>Total assets</b>	<b>\$ 55,494,090</b>	<b>61,082,546</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable & accrued liabilities	\$ 878,752	544,271
Retiree payable	-	-
Claims payable	-	-
Bonds payable - current	1,052,840	471,688
Due to other funds	-	699,232
<b>Total current liabilities</b>	<b>\$ 1,931,592</b>	<b>1,715,191</b>
Noncurrent liabilities:		
Bonds payable	\$ 5,357,941	2,496,530
Long term claims payable	-	-
Advance from general fund	-	-
<b>Total noncurrent liabilities</b>	<b>\$ 5,357,941</b>	<b>2,496,530</b>
<b>Total liabilities</b>	<b>\$ 7,289,533</b>	<b>4,211,721</b>
<b>Fund Equities:</b>		
Invested in capital assets, net of related debt	\$ 43,789,812	51,492,751
Unrestricted	4,414,745	5,378,074
<b>Total fund equities</b>	<b>\$ 48,204,557</b>	<b>56,870,825</b>

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

EXHIBIT G

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
23,912	514,773	5,821,158
13,001	1,885,724	
-	3,716,793	
-	-	82,744
224,730	13,189,730	
-	24,936	
<u>261,643</u>	<u>19,331,956</u>	<u>5,903,902</u>
<u>1,012,559</u>	<u>98,518,882</u>	<u>-</u>
<u>1,012,559</u>	<u>98,518,882</u>	<u>-</u>
<u>1,274,202</u>	<u>117,850,838</u>	<u>5,903,902</u>
86,994	1,510,017	202,809
-	-	2,941
-	-	2,351,806
10,667	1,535,195	-
-	699,232	-
<u>97,661</u>	<u>3,744,444</u>	<u>2,557,356</u>
117,332	7,971,803	-
-	-	2,671,601
988,600	988,600	-
<u>1,105,932</u>	<u>8,960,403</u>	<u>2,671,601</u>
<u>1,203,593</u>	<u>12,704,847</u>	<u>5,228,957</u>
1,001,892	96,284,455	-
(931,283)	8,861,536	674,945
<u>70,609</u>	<u>105,145,991</u>	<u>674,945</u>

**CITY OF MERIDEN, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITIES (DEFICIT)  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2006**

	<u>Business-Type Activities -</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Operating revenues:</b>		
Charges for services	\$ 6,272,650	6,118,228
Fiscal Division	1,046,848	-
Miscellaneous	138,738	51,059
<b>Total operating revenues</b>	<u>\$ 7,458,236</u>	<u>6,169,287</u>
<b>Operating expenses:</b>		
Salaries, benefits and claims	\$ 2,875,125	1,336,258
Material and supplies	270,317	358,853
Depreciation	1,523,024	1,933,623
Utilities	775,400	775,148
Administration and operation	2,441,385	2,258,272
<b>Total operating expenses</b>	<u>\$ 7,885,251</u>	<u>6,662,154</u>
<b>Operating income (loss)</b>	<u>\$ (427,015)</u>	<u>(492,867)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	\$ 262,237	198,950
Interest expense	(429,439)	(117,889)
<b>Total nonoperating revenues (expenses)</b>	<u>\$ (167,202)</u>	<u>81,061</u>
<b>Change in Net Assets</b>	<u>\$ (594,217)</u>	<u>(411,806)</u>
<b>FUND EQUITIES, (DEFICIT), Beginning</b>	<u>\$ 48,798,774</u>	<u>57,282,631</u>
<b>FUND EQUITIES, (DEFICIT), Ending</b>	<u>\$ 48,204,557</u>	<u>56,870,825</u>

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

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
777,610	13,168,488	24,930,021
-	1,046,848	-
8,094	197,891	-
<u>785,704</u>	<u>14,413,227</u>	<u>24,930,021</u>
421,163	4,632,546	23,966,454
280,311	909,481	-
160,912	3,617,559	-
-	1,550,548	-
81,724	4,781,381	151,607
<u>944,110</u>	<u>15,491,515</u>	<u>24,118,061</u>
<u>(158,406)</u>	<u>(1,078,288)</u>	<u>811,960</u>
-	461,187	32,650
<u>(7,184)</u>	<u>(554,512)</u>	<u>-</u>
<u>(7,184)</u>	<u>(93,325)</u>	<u>32,650</u>
<u>(165,590)</u>	<u>(1,171,613)</u>	<u>844,610</u>
<u>236,199</u>	<u>106,317,604</u>	<u>(169,665)</u>
<u>70,609</u>	<u>105,145,991</u>	<u>674,945</u>

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2006

	<u>Business-Type Activities</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 5,438,055	5,035,461
Payments to suppliers	(679,101)	(1,013,088)
Payments to employees	(2,986,514)	(1,362,704)
<b>Net cash flows from operating activities</b>	<u>\$ 1,772,440</u>	<u>2,659,669</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of Capital assets	\$ (1,272,790)	(1,950,490)
Principal payments on capital debt	(877,540)	(407,188)
Interest paid on capital debt	(429,439)	(117,889)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>\$ (2,579,769)</u>	<u>(2,475,567)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	\$	(532,000)
Sale of investments	355,000	
Interest received on investments	262,237	198,950
<b>Net cash provided by investing activities</b>	<u>\$ 617,237</u>	<u>(333,050)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>\$ (190,092)</u>	<u>(148,948)</u>
<b>Cash and Cash Equivalents, Beginning Balance</b>	<u>660,066</u>	<u>169,835</u>
<b>Cash and Cash Equivalents, Ending Balance</b>	<u>\$ 469,974</u>	<u>20,887</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>		
Operating Income (Loss)	\$ (427,015)	(492,867)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	1,523,024	1,933,623
Changes in assets and liabilities:		
Decrease (increase) in receivable accounts	(155,405)	(99,029)
Decrease (increase) in due from other funds	935,144	602,615
Increase (decrease) in accounts payable	(103,308)	16,095
Increase (decrease) in claims incurred but not reported		-
Increase (decrease) in due to other funds		699,232
	<u>\$ 1,772,440</u>	<u>2,659,669</u>

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

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
777,610	11,251,126	20,819,427
(368,043)	(2,060,232)	(20,133,605)
(415,870)	(4,765,088)	
(6,303)	4,425,806	685,822
	(3,223,280)	
(10,667)	(1,295,395)	
(7,184)	(554,512)	
(17,851)	(5,073,187)	-
	(532,000)	
25,270	380,270	
-	461,187	32,650
25,270	309,457	32,650
1,116	(337,924)	718,472
22,796	852,697	5,102,686
23,912	514,773	5,821,158
(158,406)	(1,078,288)	811,960
160,912	3,617,559	
(18)	(254,452)	(79,833)
	1,537,759	
(8,791)	(96,004)	(95,923)
	-	49,618
	699,232	
(6,303)	4,425,806	685,822



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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
<b>Contributions:</b>		
Employer contributions	\$ 6,259,932	
Plan member contributions	1,983,607	
Donations and other	<u>74,736</u>	<u>47,658</u>
<b>Total contributions</b>	<b>\$ <u>8,318,275</u></b>	<b><u>47,658</u></b>
<b>Investment earnings:</b>		
Net increase in fair value of investments	\$ 26,133,300	
Interest and dividends	4,842,149	
Less : Investment expenses	<u>-</u>	<u>3,837</u>
<b>Total investment earnings</b>	<b>\$ <u>30,975,449</u></b>	<b><u>(3,837)</u></b>
<b>Total additions</b>	<b>\$ <u>39,293,724</u></b>	<b><u>43,821</u></b>
<b>DEDUCTIONS</b>		
Benefits	\$ 12,678,716	
Other deductions	<u>2,054,952</u>	<u>71,426</u>
<b>Total deductions</b>	<b>\$ <u>14,733,668</u></b>	<b><u>71,426</u></b>
<b>Change in net assets</b>	<b>\$ <u>24,560,056</u></b>	<b><u>(27,605)</u></b>
<b>NET ASSETS, beginning</b>	<b>\$ <u>195,636,235</u></b>	<b><u>114,260</u></b>
<b>NET ASSETS, ending</b>	<b>\$ <u><u>220,196,291</u></u></b>	<b><u><u>86,655</u></u></b>

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

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2006

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

##### Reporting Entity

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated in 1807 and as a City in 1867. The City covers an area of 24 square miles, and is located midway between the cities of Hartford and New Haven. The City operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

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

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

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

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

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. *Government activities*, which is normally supported by taxes and intergovernmental revenues, are reported separately than *business-type activities*, which rely to a significant extent on fees and charges for support.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2006

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revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

#### **Fund financial statements**

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability has occurred, as under accrual accounting. However expenditures related to long-term liabilities, such as debt service payments and compensated absences, are recorded only when payment is due.

Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property tax revenue to be available if they are collected within 60 days of the end of the fiscal year.

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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The City reports the following major governmental funds:

The **general fund** is the general operating fund of the City's government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the City, which were not paid through a special fund.

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

The City reports the following major proprietary funds:

The **water fund** accounts for the operations of the City's water supply system. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

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

Additionally, the City reports the following fund types:

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

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

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

The **agency funds** account for monies held as a custodian for outside groups and agencies.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Assets or Equity

**Cash and cash equivalents**

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

**Investments**

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

**Inventories**

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

**Receivables and payables**

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

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

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

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

**Capital assets**

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2006

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

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

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

<u>Asset</u>	<u>Years</u>
Buildings	40-50
Building Improvements	20
Distribution and collection systems	50
Public domain infrastructure	50
Infrastructure	30
Machinery and equipment	5 - 20

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

#### Compensated absences

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

#### Deferred revenue

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

#### Long-term obligations

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

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2006

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In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Pension accounting**

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

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

#### **Fund equity and net assets**

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

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

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

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

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

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

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



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**June 30, 2006**

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

**Note 2 - Budgets and Budgetary Accounting**

**General Fund**

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

- A. The manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- B. The City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- C. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- D. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy-five (75) days prior to the beginning of the fiscal year.
- E. Within twenty days after the final public hearing the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- F. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- G. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- H. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- I. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations, must be approved by the City Council. Additional appropriations by the City Council may not exceed 1 ½ % of the general fund budget as established for the current year, without levying a special tax. There were additional appropriations of approximately \$807,704 during the year ended June 30, 2006.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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

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

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
<b>Balance, budgetary basis</b>	\$ 166,120,002	164,621,617
Encumbrances of June 30, 2006		(201,095)
Amount budgeted for transfer from designated fund balance was not recognized as revenues for financial reporting purposes	(1,500,000)	
State Teachers' Retirement and on-behalf payment, not recognized for budgetary Purposes	<u>2,862,286</u>	<u>2,862,286</u>
<b>Balance, GAAP basis</b>	<u>\$ 167,482,288</u>	<u>167,282,808</u>

Special Revenue Funds

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

Capital Projects Funds

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**June 30, 2006**

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

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The detail of this \$(130,939,498) difference is as follows:

Bonds payable	\$ (80,476,709)
Heart and hypertension	(1,054,470)
Compensated absences	(16,158,155)
Claims and judgments	(1,600,000)
Post-closure landfill costs	(2,279,705)
Accrued interest	(2,690,517)
Net pension obligation	<u>(26,679,942)</u>
Net Adjustment to Reduce Fund Balance - Total Government Funds to Arrive at Net Assets - Governmental Activities	  <u>\$ (130,939,498)</u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$ 187,581,743 difference are as follows:

Capital outlay	\$ 196,265,347
Depreciation expense	<u>(8,683,604)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	  <u>\$ 187,581,743</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this \$ 14,800,742 difference are as follows:

Principal Repayments:		
General Obligation Debt	\$	13,009,196
Capital Leases		<u>50,116</u>
Net Decrease in Long-Term Debt	\$	13,059,312
Net (Increase) In Compensated Absences		(435,127)
Net Decrease In Claims and Judgments		200,000
Net Decrease in Heart and Hypertension		61,537
Net (Increase) in Net Pension Obligation		(399,592)
Net Decrease In Landfill Closure and post-closure		<u>2,314,612</u>
Net Adjustment to Increase Net Changes In Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$	<u>14,800,742</u>

**Note 4 - Deposits and Investments**

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

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental funds	\$ 9,256,999	19,030,363	28,287,362
Proprietary funds	927,223	5,408,710	6,335,933
Fiduciary funds	4,042,670	39,646,874	43,689,544
<b>Investments:</b>			
Governmental funds		1,899,165	1,899,165
Proprietary funds	13,189,730		13,189,730
Fiduciary funds		<u>179,885,602</u>	<u>179,885,602</u>
<b>Total Deposits and Investments</b>	\$ <u>27,416,622</u>	<u>245,870,714</u>	<u>273,287,336</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Deposits

The carrying amounts of the City's deposits at June 30, 2006 consist of the following:

Bank Deposit Accounts	\$	14,225,967
Certificate of Deposits		13,189,730
Cash on Hand		<u>925</u>
<b>Total Deposits</b>	<b>\$</b>	<b><u>27,416,622</u></b>

**Custodial Credit Risk**

As of June 30, 2006, the carrying amount of the City's deposits had bank balances of approximately \$29,116,163. The amount of the bank balance covered under federal depository insurance was approximately \$877,000. The remaining deposits were uninsured, however, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2006 approximately \$4,814,652 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2006, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Money market accounts	Governmental	93,337	.02
State investment fund	Governmental	18,937,026	.02
Repurchase agreement	Internal Service	5,408,710	.02
Money market account	Pension Trust	39,646,874	.02
U.S. Treasury obligations	Pension Trust	5,125,609	7.84
Corporate bonds	Pension Trust	3,111,943	9.91
Common equity securities	Pension Trust	137,277,050	.02
Partnerships	Pension Trust	34,323,762	.02
Common equity securities	Permanent Fund	862,556	.02
Common equity securities	Permanent Fund	20,240	.02
Mutual funds	Permanent Fund	516,264	.02
Money market account	Permanent Fund	45,534	.02
U.S. Treasury obligations	Permanent Fund	70,230	5.15
Corporate bonds	Permanent Fund	169,877	.02
U.S. Treasury obligation	Private Purpose	47,658	.02
U.S. Government agency bonds	Permanent Fund	28,017	.02
Mutual Funds	Permanent Fund	<u>186,027</u>	.02
<b>Total Investments</b>		<b>\$ <u>245,870,714</u></b>	

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

## **CITY OF MERIDEN, CONNECTICUT**

### **NOTES TO THE FINANCIAL STATEMENTS, Continued**

**June 30, 2006**

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#### **Interest Rate Risk**

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### **Credit Risk**

State Law limits investments of public funds to the obligations of the United States of America, including the joint and several obligations of the Federal Home Mortgage Corporation, Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, all the federal intermediate credit banks, the Central Bank of Cooperatives, the Tennessee Valley Authority, or any other Agency of the United States Government.

#### **Pension Investment Policies**

Pension investments have the following limitations:

1. Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and supporting regulations, unless specifically exempted by a vote of the Board.
2. Equity investments in any one company by any one advisor shall be limited at purchase to 10% of the total assets under management and/or 5% of the company's total outstanding equity.
3. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio.
4. In no event should the debt securities of any corporation exceed 10% of the assets under the management of any one advisor.
5. There shall be no investments in:
  - a. Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depositary Receipts (ADR's) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager,
  - b. Securities issued by a participating employer, except to the extent permitted under the Employee Retirement Income Security Act of 1974,
  - c. Private placements, without affirmative Board approval,
  - d. Real Estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**June 30, 2006**

6. Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.
7. Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board.
8. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.

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

Receivables

The receivables as of June 30, 2006 for the City's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<b>Governmental</b>			<b>Total</b>
	<b>General Fund</b>	<b>Bond Projects Fund</b>	<b>Non-major Governmental Funds</b>	
Property Taxes	\$ 5,159,719			5,159,719
Intergovernmental	2,298,514		351,056	2,649,570
Accounts	257,217	15,238	65,919	338,374
Loans		3,409,080	2,433,636	5,842,716
Gross Receivables	\$ 7,715,450	3,424,318	2,850,611	13,990,379
Allowance For Collection Losses	(1,985,265)	(854,000)		(2,839,265)
<b>Net Total Receivables</b>	<b>\$ 5,730,185</b>	<b>2,570,318</b>	<b>2,850,611</b>	<b>11,151,114</b>

	<b>Business-type</b>			<b>Total</b>
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>George Hunter Memorial Golf Course</b>	
Use Charges	\$ 1,216,979	1,067,663	13,001	2,297,643
Unbilled	2,116,468	1,600,325		3,716,793
Gross Receivables	\$ 3,333,447	2,667,988	13,001	6,014,436
Allowance For Collection Losses	(261,919)	(150,000)		(411,919)
<b>Net Total Receivables</b>	<b>\$ 3,071,528</b>	<b>2,517,988</b>	<b>13,001</b>	<b>5,602,517</b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>General Fund:</b>			
Delinquent property taxes	\$ 2,289,800		2,289,800
Notes receivable	1,673,521		1,673,521
Advanced tax collections		630,467	630,467
<b>Bonded Project Funds:</b>			
Advance payments on grants		1,333	1,333
<b>Non-major Governmental Funds:</b>			
Advance payments on grants		1,192,589	1,192,589
Loans receivables	2,433,636		2,433,636
<b>Total Deferred Revenue</b>	<b>\$ 6,396,957</b>	<b>1,824,389</b>	<b>8,221,346</b>

Payables

Payables as of June 30, 2006 for the City's individual major funds and nonmajor funds were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Cash Over Drafts</u>	<u>Total</u>
General Fund	\$ 3,331,174	7,886,635	695,281	11,913,090
Bond Fund	2,085,872	1,199		2,087,071
Non-major Funds	496,721			496,721
<b>Total Governmental Funds</b>	<b>\$ 5,913,767</b>	<b>7,887,834</b>	<b>695,281</b>	<b>14,496,882</b>
Water Authority	309,749	556,596	12,407	878,752
Sewer Authority	313,744	230,527		544,271
George Hunter Memorial Golf Course	20,322	66,672		86,994
Internal Service Funds	202,809			202,809
<b>Total Payables</b>	<b>\$ 6,760,391</b>	<b>8,741,629</b>	<b>707,688</b>	<b>16,209,708</b>



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Temporary Notes Payables

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond Anticipation Notes	\$ 14,895	25,800,000	14,895	25,800,000

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

Inter-funds Receivables and Payables

Inter-fund receivables and payable at June 30, 2006 consisted of the following:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>Bonded Projects</u>	<u>Non-major Governmental Funds</u>	<u>Sewer Fund</u>	
General Fund	\$ 142,192	185,594		327,786
Non-major Funds		150,000		150,000
Water Authority	24,936			24,936
Bond Fund			699,232	699,232
<b>Total</b>	<b>\$ 167,128</b>	<b>335,594</b>	<b>699,232</b>	<b>1,201,954</b>

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

Inter-fund Advances

Prior to fiscal year ended June 30, 2006, the general fund advanced \$988,600 to the George Hunter Memorial Golf Course with the anticipation that the Golf Course would return the funds to the general fund when funds were available. As of June 30, 2006, no funds were repaid to the general fund.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Inter-fund Transfers

Inter-fund transfers during the year ended June 30, 2006 were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Reason</u>
General fund	Capital and nonrecurring	\$ 241,941	Budgeted transfer to be expended on capital projects
Health Programs Fund	General Fund	100,000	Reimbursement of shared costs

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2006 was as follows:

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2006</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 20,432,224	194,482	80,825	20,545,881
Construction in progress	<u>8,221,059</u>		<u>4,344,180</u>	<u>3,876,879</u>
Total capital assets, not being depreciated	\$ <u>28,653,283</u>	<u>194,482</u>	<u>4,425,005</u>	<u>24,422,760</u>
Capital Assets, Being Depreciated:				
Land improvements	\$ 11,306,352	258,100		11,563,452
Buildings and improvements	160,398,562	6,097,460		166,496,022
Machinery and equipment	9,561,086	366,960		9,918,046
Vehicles	11,692,389	915,115	266,465	12,341,039
Infrastructure	<u>68,192,307</u>	<u>11,430,093</u>		<u>79,622,400</u>
Total capital assets being depreciated	\$ <u>261,149,696</u>	<u>19,057,728</u>	<u>266,465</u>	<u>279,940,959</u>
Less Accumulated Depreciation:				
Land improvements	\$ 6,061,848	447,553		6,509,401
Buildings and improvements	50,582,634	3,723,642		54,306,276
Machinery and equipment	5,612,533	803,174		6,415,707
Vehicles	10,296,800	929,052	266,465	10,959,387
Infrastructure	<u>35,811,022</u>	<u>2,780,183</u>		<u>38,591,205</u>
Total accumulated depreciation	\$ <u>108,364,837</u>	<u>8,683,604</u>	<u>266,465</u>	<u>116,781,976</u>
Capital Assets Being Depreciated, Net of Depreciation	\$ <u>152,784,859</u>	<u>10,374,124</u>	<u>-</u>	<u>163,158,983</u>
<b>Total Governmental Activities</b>	\$ <u>181,438,142</u>	<u>10,568,606</u>	<u>4,425,005</u>	<u>187,581,743</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2006</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 915,981			915,981
Construction in Progress	<u>1,415,125</u>		<u>1,415,125</u>	<u>-</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 2,331,106</b>		<b>1,415,125</b>	<b>915,981</b>
Capital Assets, Being Depreciated:				
Land Improvements	\$ 668,423			668,423
Buildings and Improvements	40,814,416	4,514,806	1,032,913	44,296,309
Machinery and Equipment	15,191,220	885,070		16,076,290
Vehicles	78,980			78,980
Infrastructure	<u>115,350,014</u>	<u>237,126</u>		<u>115,587,140</u>
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 172,103,053</b>	<b>5,637,002</b>	<b>1,032,913</b>	<b>176,707,142</b>
Less, Accumulated Depreciation:				
Land Improvements	\$ 574,943	19,255		594,198
Buildings and Improvements	21,223,228	988,386		22,211,614
Machinery and Equipment	9,795,680	727,585		10,523,265
Vehicles	78,980			78,980
Infrastructure	<u>43,848,167</u>	<u>1,848,017</u>		<u>45,696,184</u>
<b>Total Accumulated Depreciation</b>	<b>\$ 75,520,998</b>	<b>3,583,243</b>	<b>-</b>	<b>79,104,241</b>
<b>Capital Assets Being Depreciated, Net of Depreciation</b>	<b>\$ 96,582,055</b>	<b>2,053,759</b>	<b>1,032,913</b>	<b>97,602,901</b>
<b>Total business-type activities</b>	<b>\$ 98,913,161</b>	<b>2,053,759</b>	<b>2,448,038</b>	<b>98,518,882</b>
<b>Total capital assets</b>	<b>\$ 280,351,303</b>	<b>12,622,365</b>	<b>6,873,043</b>	<b>286,100,625</b>

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

<b>Governmental Activities:</b>	
General Government	\$ 285,512
Education	3,522,314
Public Safety	832,233
Public Works	3,486,703
Human Services	<u>556,842</u>
<b>Total depreciation expense-governmental activities</b>	<b>\$ 8,683,604</b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

<b>Business-type Activities:</b>	
Sewer Authority	\$ 1,933,623
Water Fund	1,523,024
Golf Fund	<u>126,596</u>
<b>Total depreciation expense-</b> <b>business-type activities</b>	<b>\$ <u>3,583,243</u></b>

**Note 8 - Long-Term Liabilities**

Long-term debt liabilities activity for the year ended June 30, 2006 was as follows:

<u>Due Within</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
<b>Governmental Activities:</b>					
Long Term Debt:					
General obligation bonds	\$ 93,485,905		13,009,196	80,476,709	13,889,397
Capital leases	<u>50,116</u>		<u>50,116</u>		
Total Long-Term Debt	\$ 93,536,021		13,059,312	80,476,709	13,889,397
<b>Other Long-Term Liabilities:</b>					
Compensated absences	15,723,028	590,569	155,442	16,158,155	6,410,400
Heart and hypertension	1,116,007	494,748	556,285	1,054,470	454,948
Landfill post-closure monitoring	4,594,317		2,314,612	2,279,705	477,339
Net pension obligation	26,280,350	5,846,416	5,446,824	26,679,942	2,316,646
Claims and judgments	<u>1,800,000</u>		<u>200,000</u>	<u>1,600,000</u>	
Total governmental activities long-term liabilities	\$ <u>143,049,723</u>	<u>6,931,733</u>	<u>21,732,475</u>	<u>128,248,981</u>	<u>23,548,730</u>
<b>Business-type Activities:</b>					
General obligation bonds	\$ 9,459,095		1,150,803	8,308,292	1,390,603
Clean water fund notes	<u>1,343,298</u>		<u>144,592</u>	<u>1,198,706</u>	<u>144,592</u>
Total Business-type Activities Long-Term Liabilities	\$ <u>10,802,393</u>		<u>1,295,395</u>	<u>9,506,998</u>	<u>1,535,195</u>
Total Long-Term Liabilities	\$ <u>153,852,116</u>	<u>6,931,733</u>	<u>23,027,870</u>	<u>137,755,979</u>	<u>25,083,925</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business type activities and are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 15 year or 20 year serial bonds with equal amounts of principal maturing each year. As of June 30, 2006, the outstanding general obligation bonded indebtedness of the City was as follows:

	<u>Governmental</u>	<u>Business-type</u>
<b>\$23,945,000 GOB 1988</b> , issue of 10/01/1988, due 10/01/2008, interest at 6.75% to 7%, annual Principal payments of \$500,000	\$ 1,500,000	
<b>\$12,332,000 GOB 1989</b> , issue of 7/15/1989, due 7/15/2009, interest at 5.5% to 7.5%, annual Principal payments of \$200,000	800,000	
<b>\$23,600,000 GOB 1991</b> , issue of 1/15/91, due 1/15/2011, interest at 6.5%, annual Principal payments of \$50,000	250,000	
<b>\$22,025,000 GOB 1996</b> , issue of 8/01/96, due 8/01/2016, interest at 4.25% to 6.25%, annual Principal payments of \$175,000 to \$2,235,000	2,806,000	69,000
<b>\$23,900,000 GOB 1998</b> , issue of 2/01/98, due 2/01/2008, interest at 4.1% to 4.5%, annual Principal payments of \$765,000 to 2,115,000	4,075,000	150,000
<b>\$24,050,000 GOB 1999</b> , issue of 8/01/1999, due 8/01/2009, interest at 4.35% to 4.8%, annual Principal payments of \$2,115,000 to \$2,670,000	7,032,000	1,528,000
<b>\$39,200,000 GOB 2002</b> , issue of 8/01/2002, due 8/01/2022, interest at 3.0% to 5.0%, annual Principal payments of \$350,000 to \$3,340,000	28,380,209	799,792
<b>\$600,000 GOB 2002</b> , issue of 10/01/88, due 08/01/2012, interest at 5.60%, annual Principal payments of \$60,000	420,000	
<b>\$9,090,000 GOB 2003</b> , issue of 4/15/03, due 8/1/2012, interest at 2.50% to 5.00%, annual Principal payments of \$480,000 to \$2,240,000	3,415,000	
<b>\$520,000 GOB 2003</b> , issue of 04/15/03, due 04/15/2012, interest at 3.00% to 5.00%, annual Principal payments of \$65,000	325,000	
<b>\$39,665,000 GOB 2004</b> , issue of 8/1/04, due 8/01/2014, interest at 3.00% to 5.00%, annual Principal payments of \$2,430,000	31,473,500	5,761,500
<b>Total general obligation bonds</b>	<u>\$ 80,476,709</u>	<u>8,308,292</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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

Year Ended, June 30	Governmental Activity		Business-type Activity	
	Principal	Interest	Principal	Interest
	\$			
2007	13,889,397	3,212,166	1,390,603	327,499
2008	12,128,097	2,611,257	1,321,903	269,042
2009	8,684,917	2,105,583	1,170,083	214,796
2010	8,194,917	1,713,881	1,170,083	158,099
2011	5,751,917	1,432,170	788,083	95,504
2012-2016	23,418,132	3,910,195	2,426,868	169,574
2017-2021	7,709,332	752,034	40,668	
2022-2023	700,000	31,500		
	\$			
	<u>80,476,709</u>	<u>15,768,786</u>	<u>8,308,291</u>	<u>1,234,514</u>

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2006 was approximately \$ 1,450,035. The City expects to receive \$ 1,561,778 in principal payments and \$ 69,017 in interest payments over the next 2 years. The principal portion of the receivable is included in the government-wide financial statements.

**Bonds authorized but unissued**

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

The City has authorized but unissued bonds relating to capital projects at June 30, 2006, as follows:

Sewer	\$ 30,821,212
General Purpose	67,611,436
Schools	<u>38,599,000</u>
Total	<u>\$ 137,031,648</u>

**Clean Water Fund Loans Payable**

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

These loans bear interest at 2% per annum. The balance of these loans as of June 30, 2006 was \$ 1,198,706 and the annual debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Business-type Activity</u>	
	<u>Principal</u>	<u>Interest</u>
	\$	
2007	144,592	22,649
2008	144,592	19,757
2009	144,592	16,865
2010	144,592	13,973
2011	144,592	31,772
2012-2016	432,898	44,382
2017	42,848	2,394
	\$	
	<u>1,198,706</u>	<u>151,792</u>

Other Long-term Liabilities

**Landfill post-closure monitoring**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The liability for the landfill post-closure care, aggregating \$2,279,705 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, 2006. However, the actual cost of closure and post-closure care maybe higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The Landfill was considered to capacity and was closed prior to June 30, 2006.

**Note 9 - Commitments and Contingencies**

Lawsuits

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

Contracts

**School transportation**

The City is contracted with several bus companies for the transport of students. The future payments the City is obligated to pay the bus company are approximately:

<u>Year Ended</u>		<u>Amount</u>
2007	\$	3,317,520
2008		3,415,698
Total	\$	<u>6,733,218</u>

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2006

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#### **Municipal solid waste management services contract**

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

Under the Service Contract, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (the Service Payment). The current fee is \$56 per ton. The aggregated minimum commitment of the five Contracting Municipalities is 125,000 tons per year. The City's Service Payment commitment is a "put-or-pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

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

Service payments shall be payable so long as the system is accepting solid waste delivered by on behalf of the City, whether or not such solid waste is processed at the Facility. The City has pledged its full faith and credit to the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as maybe necessary to provide for the payment of the Service Payments.

#### **Risk Management and Self-Insurance**

The City is exposed to various risks of loss including torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks for workers' compensation and employee health and medical claims. Under the City's current policy, the Meriden health insurance funds cover amounts exceeding the limit. The City also purchases the aggregate maximum per year. Settled claims for all types have not exceeded commercial coverage in any of the past three years.

The workers' compensation fund is funded by the General Fund, Sewer Authority, Water Authority and the George Hunter Memorial Golf Fund. Payments to the fund are estimated based on the number and dollar amount of claims over the past five years.

The health insurance fund is funded by monthly contributions from all funds incurring payroll charges. Blue Cross/Blue Shield, the administrator of the claims process, provides the City with



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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suggested rates for various types of coverage. The City uses monthly employee counts and suggested rates to compute fund contributions.

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

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

Changes in the balance of claims liabilities were as follows:

<b>Fiscal Year Ended June 30,</b>	<b>Claims Payable Beginning</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable Ending</b>
Medical:				
2006	1,506,113	22,556,677	22,542,043	1,520,747
2005	1,573,834	19,888,393	19,956,114	1,506,113
Workers' Compensation				
2006	3,471,736	1,455,135	1,424,411	3,502,460
2005	3,502,460	1,692,267	1,722,991	3,471,736

**Note 10 - Employee Retirement Plans**

Plan Description

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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

	<u>Latest Available Actuarial Valuation</u>
Employees' Retirement	July 1, 2004
-City Employees	
-Police Employees hired after March 1, 2003	
-Fire Employees hired after March 1, 2003	
Police Pension	July 1, 2004
Firefighters Pension	July 1, 2004

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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

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

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

The significant actuarial assumptions are as follows:

	<u>Employees'</u> <u>Retirement</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Valuation Date	7/1/04	7/1/04	7/1/04
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	16 years	25 years	25 years
Asset valuation method	5 year smoothed market	20% annual phase-in	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases	5.25	3.00-5.25	3.00-5.25

The City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2006 were as follows:

	<u>Employees'</u> <u>Retirement</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Annual Required Contribution	\$ 74,741	3,540,516	2,574,201
Interest on Net Pension Obligation (Asset)	(28,460)	1,064,586	1,037,842
Adjustment To Annual Required Contribution	<u>38,703</u>	<u>(1,200,443)</u>	<u>(1,170,286)</u>
Annual Pension Cost	\$ 84,984	3,404,659	2,441,757
Contributions Made	<u>(74,736)</u>	<u>(3,240,504)</u>	<u>(2,206,320)</u>
Increase (Decrease) In Net Pension Obligation (Asset)	\$ 10,248	164,155	235,437
Net Pension Obligation (Asset) Beginning of Year	<u>(355,753)</u>	<u>13,307,325</u>	<u>12,973,025</u>
Net Pension Obligation (Asset) End of Year	<u>\$ (345,505)</u>	<u>13,471,480</u>	<u>13,208,462</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Three Year Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<b>Employees' Retirement</b>			
6/30/06	\$ 84,984	87.9 %	(345,505)
6/30/05	9,335	n/a	(355,753)
6/30/04	8,499	n/a	(365,088)
<b>Police Pension</b>			
6/30/06	\$ 3,404,659	90.3 %	13,471,480
6/30/05	3,291,555	102.3	13,307,325
6/30/04	3,255,707	75.1	13,396,165
<b>Firefighters' Pension</b>			
6/30/06	\$ 2,441,757	85.7 %	13,208,462
6/30/05	1,787,441	106.7	12,973,025
6/30/04	1,768,189	94.7	13,091,904

Schedule of Employer Contributions:

<u>Year Ended June 30,</u>	<u>Employees' Retirement</u>		<u>Police Pension</u>		<u>Firefighters' Pension</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2006	74,741	100 %	3,540,516	91.5 %	2,574,201	85.7
2005	-	N/A	3,413,205	99.0	1,906,328	100.0%
2004	-	N/A	3,357,184	72.9	1,872,975	89.4
2003	-	N/A	2,489,520	98.3	1,682,036	99.5
2002	-	N/A	2,440,500	91.7	1,647,793	99.0
2001	-	N/A	2,046,300	62.5	1,494,200	63.9
2000	-	N/A	3,951,500	0	3,334,200	0

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

Schedule of Funding Progress:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL As A Percentage of Covered Payroll ((b-a)/c)</b>
<b>Employees' Retirement:</b>						
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	\$ 122,127,232	103,416,190	(18,711,042)	118.09 %	27,345,499	(68.42)%
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	118,086,359	95,327,362	(22,758,997)	123.87	23,977,682	(94.92)
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	109,269,458	82,598,002	(26,671,456)	132.29	21,181,333	(125.92)
<b>Police Pension:</b>						
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	\$ 48,752,364	72,823,660	24,071,296	66.95	7,039,682	341.94
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	45,554,515	70,304,895	23,750,380	66.22	6,771,911	350.72
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	47,533,800	62,801,100	15,267,400	75.69	6,098,900	250.33
<b>Firefighters' Pension:</b>						
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	\$ 43,396,288	64,094,542	20,698,254	67.71	5,134,902	403.09
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	48,479,287	61,095,615	12,616,328	79.35	5,147,294	245.11
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	49,656,100	59,676,600	10,020,500	83.21	4,463,500	224.50

Teachers' Retirement System

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

**Covered Employees**

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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**Vesting Requirements**

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

**Pension Contribution Requirements/Amounts by State**

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-183l and 10-183z. For the fiscal year ended June 30, 2006, \$185,348,143 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2006 did not contain information which would show the development of the State's actuarial cost by local school district. The State's estimated total payroll was \$3,049,413,412. The State's appropriation represented 6.08% of the estimated total payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by CGS Section 10-183b(7). For the 2004-2005 school year, 7.25% mandatory contributions were deducted from the salaries of teachers who were participants in the plan during the school year. The estimated covered payroll for the City was \$34,997,214.

For the year ended June 30 2006, the following information is applicable to the City:

Total Number of Teachers Participants	723
Participant Contributions	\$ 3,313,677
On-Behalf State Payments	2,778,918

**Post employment Healthcare Plan**

The City of Meriden administers the Employee Retirement Healthcare Plan (ERHCP), a single employer defined benefit post employment healthcare plan. ERHCP provides a healthcare premium subsidy to retirees of the City who retire under the provisions of the Employees' Retirement Plan.

The ERHCP is available to all employees who retire with at least 15 years of service. Authority to establish and amend benefit provisions is granted through City Charter.

ERHCP membership consisted of the following at July 1, 2004, the date of the last actuarial valuation:

Retirees and beneficiaries receiving healthcare benefits	391
Terminated plan members entitled to but not yet receiving Healthcare benefits	53
Active plan members	<u>636</u>
Total	<u>1,080</u>

ERHCP's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and healthcare premium subsidies are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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Plan members are required to contribute 2% of their annual covered salary to the plan. Administrative costs are financed through investment earnings.

**Other Post-employment benefits**

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

For fiscal year 2006, the payments aggregated approximately \$1,044,457. The approximate number of participants eligible to receive these benefits was 108 for police retirees and 94 for fire department retirees.

The City also provides benefits to certain retired members and their families of the police and fire department for claims resulting from hypertension and heart disease, as required by provisions of the Connecticut General Statutes. Approximately 20 retirees and their families are currently receiving benefits under this provision and expenditures are recognized and funded on a pay as you go basis. Benefits paid in the year ended June 30, 2006 approximated \$493,906.

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

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

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

**Fund Deficits**

The City has the following Fund Deficits at June 30, 2006 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>June 30, 2006</u>	<u>Fund Deficit Plan for Eliminating Deficit</u>
Community development block grant	\$ 47,579	Future federal grants receipts
Safe neighborhood programs	6,527	Future federal grants receipts
Railroad right of way	10,330	Future federal grants receipts
Americorps	51,338	Future federal grants receipts
Summer youth initiative	1,468	Future federal grants receipts
School readiness program	51,679	Future federal grants receipts
Capital and nonrecurring	121,871	Future federal grants receipts
Bonded projects	21,791,468	Future G.O. Bond Issuance



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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**Restricted Net Assets**

In fiscal year ended June 30, 2006, the City Council enacted enabling legislation to restrict \$1,784,411 for future debt payments. In accordance with GASB Statement 46, *Net Assets Restricted by Enabling Legislation*, this amount is presented in the government-wide financial statements as restricted net assets. The assets were restricted for the following:

	<u>Flood Control</u>	<u>Economic Development and Open Space</u>	<u>Total</u>
Balance on July 1, 2005	\$ 703,000	781,734	1,484,734
Additional funds added		299,677	299,677
Funds expended			-
Balance on June 30, 2006	<u>703,000</u>	<u>1,081,411</u>	<u>1,784,411</u>

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

**Note 12 - Subsequent Events**

**Bond Anticipation Note**

On August 1, 2006, the City issued a bond anticipation note in the amount of \$17,125,000. The note will be due August 3, 2007 with interest of 4.5%. The purpose of the note was to pay the refund a portion of the bond anticipation note issued August 4, 2006 and to provide interim funding for several capital projects.

**General Obligation Bond**

On August 1, 2006, the City issued general obligation bonds in the amount of \$20,245,000. The bonds were issued to permanently finance a portion of bond anticipation notes maturing on August 4, 2006 that were issued for various capital projects, and to provide funding for several other projects.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2006**

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Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2006 that have effective dates that may impact future financial presentations and have not been implemented as of June 30, 2006.

The following statements are expected to have a significant impact on the financial statements.

*GASB's Statement No. 43, Financial Reporting for Post employment Benefit Plans Other Than Pension Plans* establishes uniform financial reporting standards for OPEB plans and the required schedules (RSI) that provide actuarially determined historical trend information from a long-term perspective.

*GASB's Statement No 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

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

**General Fund**

## **GENERAL FUND**

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

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>PROPERTY TAXES:</b>				
Current year's levy	\$ 93,968,004	93,968,004	92,903,500	(1,064,504)
Prior years' levies	2,500,000	2,500,000	1,716,826	(783,174)
Motor vehicle supplement	1,400,000	1,400,000	1,335,304	(64,696)
<b>Total property taxes</b>	<b>\$ 97,868,004</b>	<b>97,868,004</b>	<b>95,955,630</b>	<b>(1,912,374)</b>
<b>INTERGOVERNMENTAL:</b>				
State property pilot	\$ 563,520	563,520	574,678	11,158
Circuit court rent and fees	655,260	655,260	599,270	(55,990)
Public Act 217A-private schools	96,000	96,000	143,695	47,695
In lieu of taxes 080 pilot-6	-	-	127,287	127,287
In lieu of taxes hospitals and colleges	1,010,983	1,010,983	1,028,034	17,051
LoCIP reimbursement	530,044	530,044	529,441	(603)
Town aid roads	294,428	294,428	329,029	34,601
Public act 461 manufacturers inventory	1,197,504	1,197,504	1,078,106	(119,398)
Transportation non-public schools	255,099	255,099	230,642	(24,457)
Interest subsidy-school bonds	162,701	162,701	162,700	(1)
In lieu of taxes-boats	8,815	8,815	8,815	-
Transit district	207,837	207,837	178,005	(29,832)
Reimbursed exemptions	700,661	700,661	712,390	11,729
Telephone access line	615,534	615,534	406,611	(208,923)
School building grants	1,502,421	1,502,421	1,502,421	-
Transportation	1,005,859	1,005,859	1,006,551	692
Special education	910,000	910,000	939,267	29,267
Education for the blind	82,400	82,400	-	(82,400)
State pequot grant	1,420,565	1,420,565	1,393,203	(27,362)
State education ECS grant	45,994,365	45,994,365	46,331,310	336,945
State aviation pilot	40,030	40,030	39,271	(759)
Welfare reimbursement	-	-	7,919	7,919
Narcotics task force	30,000	30,000	18,429	(11,571)
<b>Total intergovernmental</b>	<b>\$ 57,284,026</b>	<b>57,284,026</b>	<b>57,347,074</b>	<b>63,048</b>
<b>CHARGES FOR SERVICES:</b>				
<b>Police Department:</b>				
Parking tag fund	\$ 25,000	25,000	11,487	(13,513)
Licenses and permits	7,000	7,000	6,708	(292)
Administrative charges	35,000	35,000	42,309	7,309
Abandoned motor vehicle	5,000	5,000	2,470	(2,530)
Alarm fees	20,000	20,000	12,875	(7,125)
<b>Total police department</b>	<b>\$ 92,000</b>	<b>92,000</b>	<b>75,849</b>	<b>(16,151)</b>
<b>Building Department:</b>				
Building department fees	\$ 900,000	900,000	603,491	(296,509)
<b>Total building department</b>				
<b>City Clerk:</b>				
City clerk fees	\$ 2,250,000	2,250,000	2,068,159	(181,841)
<b>Total city clerk</b>				

(Continued)

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Tax Collector:</b>				
Interest	\$ 1,800,000	1,800,000	1,264,606	(535,394)
Lien fees	30,000	30,000	27,532	(2,468)
<b>Total tax collector</b>	<b>\$ 1,830,000</b>	<b>1,830,000</b>	<b>1,292,138</b>	<b>(537,862)</b>
<b>Water Department:</b>				
Tax collector service	\$ 976,600	976,600	976,600	-
<b>Total water department</b>				
<b>Sewer Department:</b>				
Tax collector service	\$ 542,245	542,245	542,245	-
<b>Total sewer department</b>				
<b>Health Department:</b>				
Licenses and fees	\$ 60,000	60,000	73,104	13,104
<b>Total Health Department</b>	<b>\$ 60,000</b>	<b>60,000</b>	<b>73,104</b>	<b>13,104</b>
<b>Parks and Recreation:</b>				
Recreation fees	\$ 4,500	4,500	3,590	(910)
<b>Total parks and recreation</b>	<b>\$ 4,500</b>	<b>4,500</b>	<b>3,590</b>	<b>(910)</b>
<b>Library:</b>				
Fines - Lost and Damaged Books	\$ 13,830	13,830	13,832	2
<b>Total library</b>				
<b>Total charges for services</b>	<b>\$ 6,669,175</b>	<b>6,669,175</b>	<b>5,649,008</b>	<b>(1,020,167)</b>
<b>INVESTMENT INCOME:</b>				
<b>Income From Investments:</b>				
General fund	\$ 300,000	300,000	1,107,703	807,703
Bonded projects fund	400,000	400,000	288,292	(111,708)
<b>Total investment income</b>	<b>\$ 700,000</b>	<b>700,000</b>	<b>1,395,995</b>	<b>695,995</b>
<b>OTHER REVENUE:</b>				
<b>Miscellaneous:</b>				
Interest - Joseph E Coe Estate	\$ 9,624	9,624	9,860	236
Other revenues	733,000	733,000	814,316	81,316
Sales of surplus property	200,000	200,000	158,977	(41,023)
YMCA reimbursement	25,298	25,298	25,825	527
Recycling tipping fees	55,000	55,000	57,113	2,113
Bond loan repayments	185,000	185,000	142,192	(42,808)
Parking commission revenue	135,360	135,360	92,626	(42,734)
Bulk waste fees	150,000	150,000	72,921	(77,079)
NRG Contract	1,250,000	1,250,000	2,798,465	1,548,465
<b>Total miscellaneous revenue</b>	<b>\$ 2,743,282</b>	<b>2,743,282</b>	<b>4,172,295</b>	<b>1,429,013</b>
<b>TOTAL REVENUES</b>	<b>\$ 165,264,487</b>	<b>165,264,487</b>	<b>164,520,002</b>	<b>(744,485)</b>

(Continued)



**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), Continued  
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OTHER FINANCING SOURCES</b>				
Contribution from Fund Balance	\$ 1,110,000	1,110,000	-	(1,110,000)
<b>Transfers From Other Funds:</b>				
Health special-project reimbursement	100,000	100,000	100,000	-
Designated Fund Balance	1,500,000	1,500,000	1,500,000	-
<b>Total other financing sources</b>	<u>\$ 2,710,000</u>	<u>2,710,000</u>	<u>1,600,000</u>	<u>(1,110,000)</u>
<b>TOTAL</b>	<u>\$ 167,974,487</u>	<u>167,974,487</u>	166,120,002	<u>(1,854,485)</u>
State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for City teachers are not budgeted.			2,862,286	
Amount budgeted for transfer from designated fund balance not recognized for financial reporting purposes.			<u>(1,500,000)</u>	
Total expenditures and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit D			<u>167,482,288</u>	

GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
<b>Court of Common Council:</b>				
Elected officials	\$ 65,567	65,567	67,588	(2,021)
Codification	5,000	5,000	4,650	350
Council of governments	25,000	25,000	-	25,000
Office expenditures and supplies	30,000	26,285	27,791	(1,506)
Administration	34,094	34,094	34,502	(408)
MMEA	77,015	78,515	78,785	(270)
Meetings and memberships	20,000	22,215	22,215	-
<b>Total Court of Common Council</b>	<b>\$ 256,676</b>	<b>256,676</b>	<b>235,531</b>	<b>21,145</b>
<b>City Manager:</b>				
Administration	\$ 259,240	259,240	213,162	46,078
MMEA	70,197	70,197	78,210	(8,013)
Deferred compensation	-	-	8,336	(8,336)
Vehicle maintenance	6,000	6,000	6,430	(430)
Management non-union	50,000	50,000	-	50,000
Office expenditures and supplies	15,000	15,000	8,850	6,150
Membership and meetings	44,194	44,194	41,390	2,804
<b>Total City Manager</b>	<b>\$ 444,631</b>	<b>444,631</b>	<b>356,378</b>	<b>88,253</b>
<b>Legal:</b>				
Administration	\$ 195,369	115,369	114,374	995
MMEA	143,767	143,767	145,226	(1,459)
Streets and sidewalks	15,000	9,600	8,015	1,585
Attorney fees	388,000	526,400	538,077	(11,677)
Assessment filing fees	35,000	15,000	14,575	425
Office expenditures and supply	20,000	22,667	21,370	1,297
Membership and meetings	5,300	2,633	2,492	141
Deferred compensation	8,500	8,500	196	8,304
Supervisors	121,944	121,944	122,175	(231)
<b>Total Legal</b>	<b>\$ 932,880</b>	<b>965,880</b>	<b>966,500</b>	<b>(620)</b>
<b>Personnel:</b>				
Administration	\$ 123,888	123,888	129,455	(5,567)
MMEA	44,342	44,342	45,011	(669)
EAP services	10,000	10,000	7,224	2,776
Training	1,500	-	-	-
Tuition reimbursement	12,000	12,000	8,835	3,165
Alcohol/drug testing	5,000	5,000	3,028	1,972
Office expenditures and supply	11,000	14,500	13,129	1,371
Meetings and memberships	7,500	5,500	4,460	1,040
Recruitment	1	1	-	1
Attorney fees	1	1	-	1
<b>Total Personnel</b>	<b>\$ 215,232</b>	<b>215,232</b>	<b>211,142</b>	<b>4,090</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Library:</b>				
Vehicle maintenance	\$ 1,000	1,000	904	96
Grounds maintenance	2,000	2,000	-	2,000
Miscellaneous part time	26,864	30,023	30,023	-
Administrative	85,168	59,718	36,213	23,505
MMEA	626,125	626,125	603,939	22,186
Public utilities	70,000	95,450	93,300	2,150
Telephones	7,000	7,000	5,394	1,606
Security service	700	700	84	616
Other purchased services	99,400	99,400	79,793	19,607
Building supplies and materials	38,000	38,000	33,009	4,991
Library books & materials	150,000	150,000	144,265	5,735
Office expenditures and supplies	40,000	40,000	26,351	13,649
Memberships and meetings	2,410	2,410	985	1,425
Supervisors	766,282	763,123	680,076	83,047
Video services	20,000	20,000	17,203	2,797
<b>Total Library</b>	<b>\$ 1,934,949</b>	<b>1,934,949</b>	<b>1,751,539</b>	<b>183,410</b>
<b>City Clerk:</b>				
Elected official	\$ 68,949	68,949	69,025	(76)
Overtime contingency	11,000	10,932	3,111	7,821
Other non-union	30,268	30,268	30,337	(69)
MMEA	205,412	205,412	205,774	(362)
Land records	90,000	90,000	94,723	(4,723)
Vital statistics	8,000	8,000	7,999	1
Office expenditures and supplies	18,000	18,000	18,628	(628)
Memberships and meetings	3,570	3,638	3,637	1
Restoration	2,500	2,500	2,500	-
<b>Total City Clerk</b>	<b>\$ 437,699</b>	<b>437,699</b>	<b>435,734</b>	<b>1,965</b>
<b>Aviation:</b>				
Airport taxes	\$ 39,480	39,480	39,099	381
Office expenditures and supplies	400	400	687	(287)
Aviation maintenance	20,000	20,000	11,597	8,403
Other purchased services	2,000	2,000	591	1,409
<b>Total Aviation</b>	<b>\$ 61,880</b>	<b>61,880</b>	<b>51,974</b>	<b>9,906</b>
<b>Elections:</b>				
Primaries	\$ 40,000	40,000	9,782	30,218
Membership and meetings	1,000	1,000	852	148
Elected officials	49,976	49,976	47,027	2,949
Other non-union	42,753	42,753	44,030	(1,277)
Office expenditures and supplies	15,000	15,000	11,173	3,827
Elections	50,000	50,000	38,141	11,859
<b>Total Elections</b>	<b>\$ 198,729</b>	<b>198,729</b>	<b>151,005</b>	<b>47,724</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Finance:</b>				
Administrative	\$ 99,647	99,647	100,728	(1,081)
Overtime contingency	1,000	1,000	-	1,000
MMEA	180,548	180,548	181,574	(1,026)
Supervisors	195,244	195,244	192,829	2,415
Deferred compensation	2,500	2,500	2,510	(10)
Vehicle maintenance	3,600	3,600	3,200	400
Telephone	115,000	115,000	104,142	10,858
Office expenditures and supplies	28,000	28,000	23,599	4,401
Contingency	370,000	317,000	54,541	262,459
Membership and meetings	4,685	4,685	4,650	35
General office supplies	1	1	-	1
<b>Total Finance</b>	<b>\$ 1,000,225</b>	<b>947,225</b>	<b>667,773</b>	<b>279,452</b>
<b>Insurance:</b>				
Boilers and machinery	\$ 7,366	7,366	7,366	-
Bond money and securities	8,998	8,998	8,998	-
Fire and vandalism	159,656	184,640	172,220	12,420
Liability insurance	1,102,506	1,102,506	1,101,662	844
Workers' compensation	1,200,047	1,200,047	1,200,047	-
Police professional liability	93,313	82,536	82,536	-
Public official liability	60,447	46,240	46,240	-
Second injury fund	169,207	169,207	169,207	-
Workers' compensation excess liability	58,678	58,678	53,204	5,474
<b>Total Insurance</b>	<b>\$ 2,860,218</b>	<b>2,860,218</b>	<b>2,841,480</b>	<b>18,738</b>
<b>Employee Benefits:</b>				
Life insurance	\$ 70,830	62,284	70,430	(8,146)
Longevity	72,000	72,000	69,954	2,046
Employee retirement	-	74,741	74,736	5
Unemployment compensation	85,000	85,000	120,375	(35,375)
Unused sick leave	270,000	270,000	256,369	13,631
Hypertension	593,972	593,972	556,285	37,687
Social security	1,937,895	1,937,895	2,071,450	(133,555)
Police benefits	950,000	950,000	963,661	(13,661)
Police retiree medical benefits	353,000	353,000	352,992	8
Police social security Medicare	66,346	66,346	85,634	(19,288)
Police retirement	2,887,516	2,893,521	2,887,512	6,009
Police medical	1,658,773	1,658,773	1,097,524	561,249
Police life	25,933	25,933	20,199	5,734
Police with compensation and hypertension	442,952	480,331	417,509	62,822
Fire benefits	1,050,000	1,050,000	844,700	205,300
Police vision pool	6,000	6,000	4,757	1,243
Police hearing pool	1,500	1,500	-	1,500

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Employee Benefits: (Continued)</b>				
Fire retiree medical benefits	\$ 460,200	460,200	460,200	-
Fire social security	36,321	36,321	47,271	(10,950)
Fire retirement	1,746,128	1,746,128	1,746,120	8
Fire medical	1,308,358	1,308,358	885,966	422,392
Fire life	19,252	19,252	15,666	3,586
Fire with compensation and hypertension	289,617	252,238	230,349	21,889
Police certification bonus	70,800	70,800	61,550	9,250
Police longevity	40,200	-	-	-
Fire longevity	32,000	-	-	-
Fire vision pool	7,800	7,800	2,755	5,045
Fire hearing pool	1,500	1,500	-	1,500
Uniforms guards	7,800	7,800	4,843	2,957
City medical benefits	2,592,812	2,592,812	2,114,903	477,909
CASA medical	5,552	5,552	4,030	1,522
<b>Total Employee Benefits</b>	<b>\$ 17,090,057</b>	<b>17,090,057</b>	<b>15,467,740</b>	<b>1,622,317</b>
<b>Finance &amp; General Administration:</b>				
Transit	\$ 216,535	216,535	193,280	23,255
Pupil transportation	666,777	666,777	645,737	21,040
Advertising, printing, binding	5,000	5,000	-	5,000
Street lighting	576,000	576,000	611,242	(35,242)
Water	100,000	100,000	109,864	(9,864)
Hydrants	65,000	65,000	65,000	-
Sewers	70,000	70,000	68,911	1,089
Rod and gun fish club	1,000	1,000	1,000	-
Cultural diversity fund	7,000	7,000	4,957	2,043
Park maintenance	7,500	7,500	4,270	3,230
Maloney scholarship	24,000	24,000	24,000	-
Veterans' organization	37,550	37,550	37,550	-
Ambulance	128,750	128,750	128,750	-
Meriden day camp	54,380	54,380	54,380	-
Daycare	5,000	5,000	5,000	-
C Med	126,697	126,697	117,706	8,991
Audit	70,000	70,000	63,911	6,089
Probate court	20,000	20,000	19,055	945
Zoning expenditures and supplies	12,000	15,500	15,093	407
Solomon Goffe House	500	500	420	80
Handicapped commission	1,000	1,000	-	1,000
Daffodil festival	30,000	30,000	30,000	-
Regional mental health	1,000	1,000	1,000	-
Repay housing authority	11,411	11,411	11,411	-

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Finance &amp; General Administration: (Continued)</b>				
Emergency medical dispatch	\$ 37,595	37,595	37,595	-
Textbook loan	38,000	38,000	37,661	339
Special events and celebrations	42,931	292,931	295,948	(3,017)
Conservation committee	750	750	160	590
Marketing promotion	32,000	32,000	26,770	5,230
Flood supplies	3,500	3,500	1,174	2,326
Regional growth partners	19,362	19,362	19,362	-
Humane society	-	20,000	19,461	539
Friends of library	18,000	18,000	18,000	-
Economic Development	40,000	40,000	22,296	17,704
Day camp	10,000	10,000	7,500	2,500
Camp vol. program	7,500	7,500	7,500	-
Meriden scholastic scholars	40,000	40,000	28,000	12,000
Neighborhood associations	5,000	5,000	1,616	3,384
Teen satellite programs	149,750	149,750	147,800	1,950
Gallery 53	5,000	5,000	5,000	-
Curtis utilization	11,000	11,000	11,000	-
<b>Total Finance &amp; General Administration</b>	<b>\$ 2,697,488</b>	<b>2,970,988</b>	<b>2,899,380</b>	<b>71,608</b>
<b>Purchasing:</b>				
MMEA	\$ 130,188	130,188	130,501	(313)
Supervisors	82,386	82,386	76,788	5,598
Office expenditures and supplies	4,000	4,000	3,612	388
Memberships, meetings and other	2,500	2,500	1,977	523
Petty cash	1	1	-	1
Storeroom	1	1	187	(186)
<b>Total Purchasing</b>	<b>\$ 219,076</b>	<b>219,076</b>	<b>213,065</b>	<b>6,011</b>
<b>Tax Collector:</b>				
Overtime contingency	\$ 4,500	4,500	2,179	2,321
MMEA	228,649	228,649	221,525	7,124
Supervisors	131,317	131,317	131,544	(227)
Office expenditures and supplies	75,000	75,000	75,415	(415)
Memberships and meetings	3,000	3,000	1,962	1,038
<b>Total Tax Collector</b>	<b>\$ 442,466</b>	<b>442,466</b>	<b>432,625</b>	<b>9,841</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Information Systems:</b>				
Supervisors	\$ 195,181	190,587	180,003	10,584
Administrative	85,465	86,833	86,833	-
Overtime contingency	1,000	1,000	144	856
MMEA	153,918	157,144	157,144	-
Training	5,000	5,000	4,569	431
Rental of equipment	260,810	260,810	258,021	2,789
Office expenditures and supplies	17,000	17,000	13,978	3,022
Software	12,000	12,000	11,584	416
Memberships and meetings	2,225	2,225	2,048	177
Telephones	63,960	63,960	57,369	6,591
<b>Total Information Systems</b>	<b>\$ 796,559</b>	<b>796,559</b>	<b>771,693</b>	<b>24,866</b>
<b>Assessor:</b>				
Audit	\$ 10,000	10,000	4,000	6,000
MMEA	188,071	188,071	184,763	3,308
Supervisors	154,635	154,635	153,582	1,053
Revaluation	264,650	264,650	200,719	63,931
Office expenditures and supplies	11,270	10,770	10,626	144
Membership and meetings	1,730	1,730	1,628	102
Vehicle maintenance	500	1,000	1,138	(138)
<b>Total Assessor</b>	<b>\$ 630,866</b>	<b>630,866</b>	<b>556,456</b>	<b>74,400</b>
<b>Board of Tax Relief:</b>				
Miscellaneous part-time	\$ 1,500	1,500	1,500	-
Other expenditures and supplies	750	750	235	515
<b>Total Board of Tax Relief</b>	<b>\$ 2,250</b>	<b>2,250</b>	<b>1,735</b>	<b>515</b>
<b>Planning:</b>				
Miscellaneous part-time	\$ 1,500	1,500	-	1,500
Administrative	92,406	92,406	93,723	(1,317)
Overtime	6,000	6,000	2,282	3,718
MMEA	421,698	421,698	406,684	15,014
Supervisors	152,090	152,090	151,005	1,085
Vehicle maintenance	9,000	9,000	12,853	(3,853)
Design review board	150	150	115	35
Office expenditures and supplies	7,000	7,000	7,988	(988)
Memberships and meetings	6,700	3,200	3,023	177
Plan of conservation & development	50,000	50,000	485	49,515
<b>Total Planning</b>	<b>\$ 746,544</b>	<b>743,044</b>	<b>678,158</b>	<b>64,886</b>
<b>Inland Wetlands:</b>				
Office expenditures and supplies	700	1,200	1,434	(234)
Memberships and meetings	500	-	-	-
<b>Total Inland Wetlands</b>	<b>\$ 1,200</b>	<b>1,200</b>	<b>1,434</b>	<b>(234)</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Parks:</b>				
Miscellaneous part-time	\$ 70,000	63,500	64,598	(1,098)
Administrative	102,636	102,636	102,885	(249)
Overtime contingency	78,000	78,000	92,186	(14,186)
Public works	773,091	773,091	793,511	(20,420)
Supervisors	69,308	69,308	69,427	(119)
Parks and rec. expenses and supplies	66,000	66,000	67,230	(1,230)
Vehicle maintenance	70,000	70,000	110,026	(40,026)
Heat, energy and lights	95,000	95,000	148,818	(53,818)
Park maintenance	20,000	20,000	17,915	2,085
Security	10,000	10,000	9,825	175
Memberships and meetings	3,000	3,000	2,997	3
Tree removal and replacement	10,000	10,000	7,709	2,291
Downtown	15,000	13,326	13,326	-
<b>Total Parks</b>	<b>\$ 1,382,035</b>	<b>1,373,861</b>	<b>1,500,453</b>	<b>(126,592)</b>
<b>Recreation:</b>				
Other non-union	\$ 80,000	88,174	92,504	(4,330)
Public works	89,999	89,999	90,618	(619)
MMEA	106,998	106,998	106,655	343
Recreation program expense	10,000	10,000	9,959	41
Concerts	4,000	4,000	4,000	-
League subsidy	30,000	30,000	30,000	-
Office expenditures and supplies	9,000	9,000	8,309	691
Memberships and meetings	1,800	1,800	1,795	5
Supervisors	53,373	53,373	53,448	(75)
Holiday display replacement	3,000	3,000	2,934	66
Overtime	7,500	7,500	11,755	(4,255)
Gulfrida Camp	8,000	8,000	8,000	-
<b>Total Recreation</b>	<b>\$ 403,670</b>	<b>411,844</b>	<b>419,977</b>	<b>(8,133)</b>
<b>Parking Administrative:</b>				
Secretarial fees	\$ 85,117	72,617	59,065	13,552
Vehicle maintenance	1,000	1,000	932	68
Parking maintenance	2,000	14,500	11,502	2,998
Parking telephones	600	600	335	265
Parking utilities	15,000	15,000	24,285	(9,285)
Parking general	3,500	3,500	2,555	945
Supervisors	40,421	40,421	39,649	772
<b>Total Parking Administrative</b>	<b>\$ 147,638</b>	<b>147,638</b>	<b>138,323</b>	<b>9,315</b>
<b>Total General Government</b>	<b>\$ 32,902,958</b>	<b>33,152,958</b>	<b>30,750,095</b>	<b>2,402,863</b>
<b>School Building Committee:</b>				
Salary clerical	\$ 1,000	1,000	789	211
Other purchased services	300	300	-	300
<b>Total School Building Committee</b>	<b>\$ 1,300</b>	<b>1,300</b>	<b>789</b>	<b>511</b>
<b>Total Education</b>	<b>\$ 90,793,861</b>	<b>91,013,861</b>	<b>89,708,195</b>	<b>1,305,666</b>

(Continued)



**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EDUCATION:</b>				
<b>Board of Education:</b>				
Certified salary	\$ 44,642,816	44,708,138	44,281,697	426,441
Classified salary	9,769,982	9,769,982	9,572,265	197,717
Life/disability insurance	178,711	178,711	153,217	25,494
Health insurance	11,494,320	11,494,320	11,494,320	-
Social security	567,109	567,109	538,745	28,364
Longevity	52,930	52,930	54,278	(1,348)
Severance	50,000	50,000	81,391	(31,391)
Retirement	619,873	619,873	713,831	(93,958)
Instruction		69,000	32,001	36,999
Instructional programs	188,818	188,818	163,767	25,051
Other Pro-technology expenses	1,640,587	1,640,587	1,845,085	(204,498)
Public utilities	1,172,350	1,172,350	1,404,611	(232,261)
Repairs and maintenance supplies	1,607,045	1,607,045	1,574,295	32,750
Pupil transportation	3,963,513	3,963,513	3,604,176	359,337
Other insurance and judgments	21,100	21,100	10,153	10,947
Commercial, advertising, print and bind	602,185	602,185	769,647	(167,462)
Tuitions	10,504,016	10,504,016	9,351,347	1,152,669
Travel other	204,616	247,799	187,713	60,086
Other purchased services	72,080	72,080	77,123	(5,043)
Instructional supplies	780,124	780,124	854,330	(74,206)
Maintenance supplies	660,738	660,738	817,172	(156,434)
Heat and energy	813,198	854,606	715,020	139,586
Transportation supplies	20,000	20,000	16,357	3,643
Textbooks	432,433	432,433	403,762	28,671
Library Books	101,670	101,670	101,770	(100)
Other supplies and materials	575,478	576,565	628,002	(51,437)
Equipment replacement			212,007	(212,007)
Reimbursements	1	1	-	1
Dues and fees	56,868	56,868	49,324	7,544
<b>Total Board of Education</b>	<b>\$ 90,792,561</b>	<b>91,012,561</b>	<b>89,707,406</b>	<b>1,305,155</b>
<b>PUBLIC SAFETY:</b>				
<b>Police:</b>				
Administrative	\$ 183,227	187,003	187,003	-
Overtime contingency	650,000	1,000,209	1,000,209	-
MMEA	592,317	547,955	510,791	37,164
Police	7,106,159	6,706,465	6,706,465	-
Crossing Guards	268,566	268,566	256,605	11,961
Vehicle maintenance	210,000	210,000	224,562	(14,562)
Communications and maintenance	85,000	80,000	73,839	6,161
Training	144,975	184,975	165,307	19,668
South central justice	10,500	10,500	10,500	-

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Police: (Continued)</b>				
Auxiliary police	14,000	14,000	5,225	8,775
Police expenditures and supplies	100,000	175,000	142,977	32,023
Memberships and meetings	\$ 7,050	7,050	6,524	526
Police private duty	-	1	(23,287)	23,288
Public works	63,864	63,936	63,935	1
MIS technology	195,000	175,000	154,804	20,196
Bicycle patrol	8,800	8,800	6,479	2,321
Hostage crisis	21,000	21,000	19,893	1,107
Accreditation	8,700	8,700	4,260	4,440
Crime prevention	15,000	15,000	12,702	2,298
<b>Total Police</b>	<b>\$ 9,684,158</b>	<b>9,684,160</b>	<b>9,528,793</b>	<b>155,367</b>
<b>Fire:</b>				
Office expenditures and supplies	\$ 15,000	17,024	16,374	650
Administrative	180,524	168,734	168,734	-
Overtime contingency	730,000	887,365	887,366	(1)
Public works	58,713	58,791	58,791	-
Fire	5,348,356	5,229,660	5,229,660	-
MMEA	90,078	90,288	90,288	-
Vehicle maintenance	50,000	63,000	77,314	(14,314)
Communication maintenance	20,000	11,231	10,840	391
Training	20,000	11,725	8,317	3,408
Physicals	30,000	28,500	24,747	3,753
Maintenance supplies	30,000	32,422	28,057	4,365
Heat energy lights	70,000	88,700	122,234	(33,534)
Fire equipment	40,000	29,997	27,934	2,063
Memberships and meetings	7,000	5,397	4,947	450
<b>Total Fire</b>	<b>\$ 6,689,671</b>	<b>6,722,834</b>	<b>6,755,603</b>	<b>(32,768)</b>
<b>South Meriden Fire Department:</b>				
Firefighter physicals	\$ 9,000	9,000	3,544	5,456
Hepatitis vaccine	1,500	1,500	135	1,365
Vehicle maintenance	5,460	5,460	3,109	2,351
Communications and maintenance	8,860	8,860	8,263	597
Training	4,100	4,100	2,045	2,055
Maintenance supplies	800	800	679	121
Heat, energy, lights	10,720	10,720	10,939	(219)
Food	2,700	2,700	2,700	-
Office expenditures and supplies	600	600	399	201
Fire equipment	24,000	24,000	20,649	3,351
Membership and meetings	1,000	1,000	791	209
Fire prevention and education	350	350	350	-
<b>Total South Meriden Fire Department</b>	<b>\$ 69,090</b>	<b>69,090</b>	<b>53,603</b>	<b>15,487</b>

(continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety Dispatch:</b>				
Office expenditures and supplies	\$ 5,000	7,000	6,765	235
Administration	60,000	-	-	-
MMEA	603,623	561,535	509,543	51,992
Training	5,000	3,000	45	2,955
Overtime contingency	235,000	235,000	211,608	23,392
Communications and maintenance	7,500	7,500	-	7,500
Fire	-	68,925	68,925	-
<b>Total Public Safety Dispatch</b>	<b>\$ 916,123</b>	<b>882,960</b>	<b>796,886</b>	<b>86,074</b>
<b>Civil Preparedness:</b>				
Miscellaneous part-time	\$ 8,000	8,000	7,333	667
Civil preparedness	2,500	1,700	-	1,700
Office expenditures and supplies	1,600	2,400	2,115	285
<b>Total Civil Preparedness</b>	<b>\$ 12,100</b>	<b>12,100</b>	<b>9,448</b>	<b>2,652</b>
<b>Total Public Safety</b>	<b>\$ 17,371,142</b>	<b>17,371,144</b>	<b>17,144,333</b>	<b>226,811</b>
<b>PUBLIC WORKS:</b>				
<b>Engineering:</b>				
Overtime	\$ 7,500	6,300	5,692	608
MMEA	430,427	430,427	429,113	1,314
Supervisors	240,952	240,952	238,699	2,253
Vehicle maintenance	6,500	6,500	12,895	(6,395)
Office expenditures and supplies	9,000	10,200	10,261	(61)
Memberships and meetings	3,500	3,500	2,696	804
<b>Total Engineering</b>	<b>697,879</b>	<b>697,879</b>	<b>699,356</b>	<b>(1,477)</b>
<b>Garage and Warehouse:</b>				
Overtime contingency	\$ 7,500	7,500	4,210	3,290
Public works	346,978	346,979	348,515	(1,536)
MMEA	57,211	57,211	57,280	(69)
Repairs and maintenance	9,000	9,000	9,568	(568)
Office expenditures and supplies	5,500	5,500	4,826	674
Memberships and meetings	1,000	1,000	30	970
Garage materials	-	1	27,207	(27,206)
<b>Total Garage and Warehouse</b>	<b>\$ 427,189</b>	<b>427,191</b>	<b>451,636</b>	<b>(24,445)</b>
<b>Traffic Engineering:</b>				
Street Lighting	\$ 10,000	10,000	6,181	3,819
Supervisors	82,386	82,386	82,528	(142)
Overtime contingency	18,000	18,000	20,482	(2,482)
MMEA	211,592	211,592	212,045	(453)
Vehicle maintenance	12,000	12,000	22,264	(10,264)
Safety equipment	1,000	1,000	-	1,000
Signalization	78,660	78,660	88,568	(9,908)
Signs and lines	40,000	40,000	37,743	2,257
Alarm systems	2,000	2,000	1,423	577
Office expenditures and supplies	1,000	1,000	806	194
Memberships and meetings	4,000	4,000	1,621	2,379
<b>Total Traffic Engineering</b>	<b>\$ 460,638</b>	<b>460,638</b>	<b>473,661</b>	<b>(13,023)</b>

(continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL (Continued)**

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Highway:</b>				
Office expenditures and supplies	\$ 7,135	7,135	7,250	(115)
Overtime contingency	25,000	25,000	68,986	(43,986)
Public works	824,824	824,824	771,689	53,135
Supervisors	136,533	136,533	71,924	64,609
Snow and ice control	450,000	450,000	519,070	(69,070)
Vehicle maintenance	150,000	150,000	227,580	(77,580)
Street maintenance supplies	11,000	11,000	7,444	3,556
Sidewalk, basin construction	3,500	3,500	193	3,307
Street construction	28,000	28,000	24,770	3,230
Storm drain construction	8,000	8,000	6,306	1,694
Brook dredging	2,500	2,500	300	2,200
Memberships and meetings	1,000	1,000	-	1,000
Bulky waste	15,000	15,000	11,676	3,324
Clothing	6,000	6,000	4,665	1,335
<b>Total Highway</b>	<b>\$ 1,668,492</b>	<b>1,668,492</b>	<b>1,721,853</b>	<b>(53,361)</b>
<b>Landfill Operations:</b>				
Overtime contingency	\$ 46,000	46,000	20,810	25,190
Monitoring	35,975	35,975	23,504	12,471
Vehicle maintenance	12,500	12,500	11,938	562
Other purchased services	7,500	7,500	6,513	987
Office expenditures and supplies	2,000	2,000	3,618	(1,618)
<b>Total Landfill Operations</b>	<b>\$ 103,975</b>	<b>103,975</b>	<b>66,383</b>	<b>37,592</b>
<b>Waste Collection Second District:</b>				
Office expenditures and supplies	\$ 250	250	215	35
Dumping fees	600,000	600,000	659,025	(59,025)
Contract	488,199	488,199	496,007	(7,808)
<b>Total Waste Collection Second District</b>	<b>\$ 1,088,449</b>	<b>1,088,449</b>	<b>1,155,247</b>	<b>(66,798)</b>
<b>Bulky Waste Collection Bureau:</b>				
Overtime contingency	\$ 3,000	3,000	8,385	(5,385)
Vehicle maintenance	13,000	13,000	12,613	387
Office expenditures and supplies	2,300	2,300	1,020	1,280
Public works	147,439	147,439	143,256	4,183
MMEA	24,184	24,184	24,972	(788)
Dumping fees	125,000	125,000	112,184	12,816
Clothing allowance	2,300	2,300	2,006	294
<b>Total Bulky Waste Collection Bureau</b>	<b>\$ 317,223</b>	<b>317,223</b>	<b>304,436</b>	<b>12,787</b>
<b>Building Maintenance:</b>				
Overtime contingency	\$ 40,000	40,000	42,036	(2,036)
Public works	270,329	270,329	260,948	9,381
Supervisors	63,510	63,510	63,628	(118)
Vehicle maintenance	700	700	1,199	(499)
Maintenance supplies	35,000	35,000	32,290	2,710
Heat, energy, lights	450,000	450,000	503,011	(53,011)
<b>Total Building Maintenance</b>	<b>\$ 859,539</b>	<b>859,539</b>	<b>903,112</b>	<b>(43,573)</b>
<b>Total Public Works</b>	<b>\$ 5,623,384</b>	<b>5,623,386</b>	<b>5,775,684</b>	<b>(152,298)</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>HUMAN SERVICES:</b>				
<b>Health Department:</b>				
Certified salaries	\$ 391,303	389,224	321,770	67,454
Miscellaneous part-time	5,000	5,000	4,500	500
Administration	92,708	92,810	92,810	-
Overtime contingency	1	1	-	1
Public health nurses	992,898	992,898	924,228	68,670
MMEA	542,434	542,434	486,620	55,814
Supervisors	150,964	151,217	151,217	-
Vehicle maintenance	5,000	5,953	5,953	-
Other purchased services	1	1	-	1
Office expenditures and supplies	11,000	11,000	10,770	230
Environmental supplies	12,000	12,000	11,993	7
Health supplies	8,000	8,000	7,432	568
Public act 10 217A supplies	10,000	10,000	7,868	2,132
Memberships and meetings	5,000	3,692	2,931	761
Special projects	1	1	439	(438)
Rabies exposure	1	1	-	1
Lead program	3,000	3,000	2,743	257
Emergency fund sewer	1	1	-	1
<b>Total Health Department</b>	<b>\$ 2,229,312</b>	<b>2,227,233</b>	<b>2,031,274</b>	<b>195,959</b>
<b>Social Services:</b>				
MMEA	\$ 123,912	124,177	124,178	(1)
Office expenditure and supplies	1,020	1,020	1,020	-
Evictions	65,000	64,735	56,617	8,118
<b>Total Social Services</b>	<b>\$ 189,932</b>	<b>189,932</b>	<b>181,815</b>	<b>8,117</b>
<b>Senior Affairs:</b>				
Supervisors	\$ 75,482	75,609	75,609	-
Memberships and meetings	1,000	345	345	-
Other non-union	30,920	23,673	23,673	-
MMEA	347,804	352,029	352,029	-
Vehicle maintenance	10,000	16,088	16,087	1
Office expenditures and supplies	13,000	9,806	10,160	(354)
Elderly nutrition	26,855	29,590	29,590	-
<b>Total Senior Affairs</b>	<b>\$ 505,061</b>	<b>507,140</b>	<b>507,493</b>	<b>(353)</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Youth Services Bureau:</b>				
Overtime contingency	\$ 520	520	416	104
Memberships and meetings	1,190	999	892	107
MMEA	52,831	52,895	52,895	-
Office expenditures and supplies	1,500	1,500	1,500	-
Youth activities	2,000	2,000	1,983	17
Supervisors	75,482	75,609	75,609	-
<b>Total Youth Services Bureau</b>	<b>\$ 133,523</b>	<b>133,523</b>	<b>133,295</b>	<b>228</b>
<b>Total Human Services</b>	<b>\$ 3,057,828</b>	<b>3,057,828</b>	<b>2,853,877</b>	<b>203,951</b>
<b>Debt Service:</b>				
Principal bonds	\$ 13,009,197	13,009,197	13,009,197	-
Interest	4,555,904	4,555,904	4,555,903	1
BAN interest	460,209	460,209	394,046	66,163
<b>Total Debt Service</b>	<b>\$ 18,025,310</b>	<b>18,025,310</b>	<b>17,959,146</b>	<b>66,164</b>
<b>Total Expenditures</b>	<b>\$ 167,774,483</b>	<b>168,244,487</b>	<b>164,191,331</b>	<b>4,053,156</b>
<b>OTHER FINANCING USES:</b>				
<b>Transfers to Other Funds:</b>				
Capital Outlay	\$ 200,000	537,700	430,286	107,414
<b>Total other financing uses</b>	<b>\$ 200,000</b>	<b>537,700</b>	<b>430,286</b>	<b>107,414</b>
<b>Total</b>	<b>\$ 167,974,483</b>	<b>168,782,187</b>	<b>164,621,616</b>	<b>4,160,571</b>
State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for City teachers are not budgeted.			2,882,286	
Encumbrances for commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			(201,095)	
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit D.			<u>\$ 167,282,807</u>	

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**Nonmajor Governmental Funds**



## **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

**Health Department WIC Program** – is used to account for grants from the State Department of Social Services.

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

**Neighborhood Mobile Health** – is used to account for grant funds from the State Health Department.

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

**Tri-Town Medical Transportation** – is used to account for revenues and grant funds from the State of Connecticut.

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

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

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

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

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

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

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

**Cafeteria** – is used to account for operations of the school lunch program.

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

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

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

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

**Drivers Education Training** – is used to account for activities relating to the drivers education program.

**CP National Science Foundation** – is used by the schools for this grant activity.

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

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

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

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

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

**Cops More 98** – is used to account for grants for law enforcement.

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

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

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

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

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

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

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

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

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

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CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Revenue		
	Airport Improvement	Community Development Block Grant	Day Care Center
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,744	10,045	29,575
Investments			
Accounts receivable		1,524	240
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Inventory			
<b>Total Assets</b>	<b>\$ 14,744</b>	<b>11,569</b>	<b>29,815</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$	59,148	9,883
Deferred revenue			
Due to other funds			
<b>Total Liabilities</b>	<b>\$ -</b>	<b>59,148</b>	<b>9,883</b>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	14,744	(47,579)	19,932
<b>Total Fund Balances (Deficits)</b>	<b>\$ 14,744</b>	<b>(47,579)</b>	<b>19,932</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 14,744</b>	<b>11,569</b>	<b>29,815</b>

Special Revenue					
Health Department WIC Program	Insurance Reserve Fund	Special Projects Health	Tri-Town Medical Transportation	Neighborhood Preservation Program	Asset Forfeiture Fund
92,263	213,659	479,978	212,220	205,785	14,320
		29,804	1,269	338	
		150,000		2,433,636	
<u>92,263</u>	<u>213,659</u>	<u>659,782</u>	<u>213,489</u>	<u>2,639,759</u>	<u>14,320</u>
5,928		58,475	12,520		
60,000		-		2,433,636	
<u>65,928</u>	<u>-</u>	<u>58,475</u>	<u>12,520</u>	<u>2,433,636</u>	<u>-</u>
<u>26,335</u>	<u>213,659</u>	<u>601,307</u>	<u>200,969</u>	<u>206,123</u>	<u>14,320</u>
<u>26,335</u>	<u>213,659</u>	<u>601,307</u>	<u>200,969</u>	<u>206,123</u>	<u>14,320</u>
<u>92,263</u>	<u>213,659</u>	<u>659,782</u>	<u>213,489</u>	<u>2,639,759</u>	<u>14,320</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	State & Federal Education Grants	Underage Drinking	Transit Welfare to Work
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,017,425	9,322	4,175
Investments			
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Inventory			
<b>Total Assets</b>	<b>\$ 2,017,425</b>	<b>9,322</b>	<b>4,175</b>
<b>LIABILITIES AND FUND BALANCE (Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$		
Deferred revenue	1,192,589		
Due to other funds			
<b>Total Liabilities</b>	<b>\$ 1,192,589</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	824,836	9,322	4,175
<b>Total Fund Balances (Deficits)</b>	<b>\$ 824,836</b>	<b>9,322</b>	<b>4,175</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 2,017,425</b>	<b>9,322</b>	<b>4,175</b>

Special Revenue					
Dog Fund	Landfill Reclamation	Cafeteria	Meriden Public School Rental	Adult Evening School	Safe Neighborhood
	55,746	433,755	145,309	28,054	-
28,004		130,331			
		4,340			
		351,056			
		99,013			
<u>28,004</u>	<u>55,746</u>	<u>1,018,495</u>	<u>145,309</u>	<u>28,054</u>	<u>-</u>
21,407		11,665	18,958	410	6,527
<u>21,407</u>	<u>-</u>	<u>11,665</u>	<u>18,958</u>	<u>410</u>	<u>6,527</u>
		99,013			
<u>6,597</u>	<u>55,746</u>	<u>907,817</u>	<u>126,351</u>	<u>27,644</u>	<u>(6,527)</u>
<u>6,597</u>	<u>55,746</u>	<u>1,006,830</u>	<u>126,351</u>	<u>27,644</u>	<u>(6,527)</u>
<u>28,004</u>	<u>55,746</u>	<u>1,018,495</u>	<u>145,309</u>	<u>28,054</u>	<u>-</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	Railroad Right of Way	Drivers Education Training	CP National Science Foundation
<b>ASSETS</b>			
Cash and cash equivalents	\$		
Investments			
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Inventory			
<b>Total Assets</b>	\$ -	-	-
<b>LIABILITIES AND FUND BALANCE (Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 10,330		-
Deferred revenue			
Due to other funds			
<b>Total Liabilities</b>	\$ 10,330	-	-
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	(10,330)		-
<b>Total Fund Balances (Deficits)</b>	\$ (10,330)	-	-
<b>Total Liabilities and Fund Balances (Deficits)</b>	\$ -	-	-



Special Revenue

<u>AmeriCorps</u>	<u>Summer Youth Initiative</u>	<u>Law Enforcement Block Grant</u>	<u>Downtown Property Management</u>	<u>School Readiness</u>	<u>Reading Video</u>
		3,408	172,535	170,738	
			400		
<u>-</u>	<u>-</u>	<u>3,408</u>	<u>172,935</u>	<u>170,738</u>	<u>-</u>
1,338	1,468	1,403	1,073	182,417	
50,000				40,000	
<u>51,338</u>	<u>1,468</u>	<u>1,403</u>	<u>1,073</u>	<u>222,417</u>	<u>-</u>
<u>(51,338)</u>	<u>(1,468)</u>	<u>2,005</u>	<u>171,862</u>	<u>(51,679)</u>	<u>-</u>
<u>(51,338)</u>	<u>(1,468)</u>	<u>2,005</u>	<u>171,862</u>	<u>(51,679)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>3,408</u>	<u>172,935</u>	<u>170,738</u>	<u>-</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	Cops More 98	Document Preservation	Arts District Feasibility
<b>ASSETS</b>			
Cash and cash equivalents	\$	1,703	3,643
Investments			
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Inventory			
<b>Total Assets</b>	<b>\$ -</b>	<b>1,703</b>	<b>3,643</b>
<b>LIABILITIES AND FUND BALANCE (Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$		
Deferred revenue			
Due to other funds			
<b>Total Liabilities</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Reserved for inventory			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	-	1,703	3,643
<b>Total Fund Balances (Deficits)</b>	<b>\$ -</b>	<b>1,703</b>	<b>3,643</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ -</b>	<b>1,703</b>	<b>3,643</b>

Special Revenue		Permanent			
EPA Brownfield Assessment	Paddock Ave Rental	C. P. Bradley Park Fund	Walter Hubbard Park Fund	Library Trust Fund	Lorenzo Fuller Award
49,599	4,978	99,601 1,048,259	576,947	246,644 143,628	7,710
<u>49,599</u>	<u>4,978</u>	<u>1,147,860</u>	<u>576,947</u>	<u>390,272</u>	<u>7,710</u>
33,528	44,670		6,180		-
<u>33,528</u>	<u>44,670</u>	<u>-</u>	<u>6,180</u>	<u>-</u>	<u>-</u>
16,071	(39,692)	50,000 1,097,860	50,000 520,767	134,147 256,125	1,017 6,893
<u>16,071</u>	<u>(39,692)</u>	<u>1,147,860</u>	<u>570,767</u>	<u>390,272</u>	<u>7,710</u>
<u>49,599</u>	<u>4,978</u>	<u>1,147,860</u>	<u>576,947</u>	<u>390,272</u>	<u>7,710</u>

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COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Permanent	Capital Projects		Totals
	Charlotte Yale Ives	Parks and Recreation Capital and Non-Recurring	Capital and Non-Recurring	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,178	2,118	72,839	4,806,069
Investments				1,899,165
Accounts receivable				65,919
Intergovernmental receivable				351,056
Loans receivable, net				2,433,636
Due from other funds				150,000
Inventory				99,013
<b>Total Assets</b>	<b>\$ 4,178</b>	<b>2,118</b>	<b>72,839</b>	<b>9,804,858</b>
<b>LIABILITIES AND FUND BALANCE (Deficits)</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 277		9,116	496,721
Deferred revenue				3,626,225
Due to other funds			185,594	335,594
<b>Total Liabilities</b>	<b>\$ 277</b>	<b>-</b>	<b>194,710</b>	<b>4,458,540</b>
<b>Fund Balances (Deficits)</b>				
Reserved for inventory				99,013
Reserved for loans receivable	\$			-
Reserved for donor's intentions	3,000			238,164
Unreserved and undesignated	901	2,118	(121,871)	5,009,141
<b>Total Fund Balances (Deficits)</b>	<b>\$ 3,901</b>	<b>2,118</b>	<b>(121,871)</b>	<b>5,346,318</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,178</b>	<b>2,118</b>	<b>72,839</b>	<b>9,804,858</b>

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Revenue		
	Airport Improvement	Community Development Block Grant	Day Care Center
<b>Revenues</b>			
Intergovernmental	\$	1,161,330	2,794,287
Charges for services			109,071
Investment income			
Other			
<b>Total revenues</b>	\$ -	1,161,330	2,903,358
<b>Expenditures</b>			
General	\$	1,168,360	
Education			
Human services			2,927,466
Public safety			
Capital outlay			
<b>Total expenditures</b>	\$ -	1,168,360	2,927,466
<b>Revenue over (under) expenditures</b>	\$ -	(7,030)	(24,108)
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total other financing sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ -	(7,030)	(24,108)
<b>Fund Balances - (Deficits) Beginning</b>	\$ 14,744	(40,549)	44,040
<b>Fund Balances (Deficits) - Ending</b>	\$ 14,744	(47,579)	19,932

Special Revenue					
Health Department WIC Program	Insurance Reserve Fund	Special Projects Health	Tri-Town Medical Transportation	Neighborhood Preservation Program	Asset Forfeiture Fund
331,484	15,000	769,542 135,730	159,283 46,754		1,348
		6,035	4,585	21,413	
331,484	15,000	911,307	210,622	21,413	1,348
		875,327			10,921
240,731			144,478		
240,731	-	875,327	144,478	-	10,921
90,753	15,000	35,980	66,144	21,413	(9,573)
(100,000)					
(100,000)	-	-	-	-	-
(9,247)	15,000	35,980	66,144	21,413	(9,573)
35,582	198,659	565,327	134,825	184,710	23,893
26,335	213,659	601,307	200,969	206,123	14,320

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	State & Federal Education Grants	Underage Drinking	Transit Welfare to Work
<b>Revenues</b>			
Intergovernmental	\$ 9,392,238		
Charges for services			
Investment income			
Other			
<b>Total Revenues</b>	<u>\$ 9,392,238</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
General	\$ -		
Education	9,456,333		
Human services			
Public safety			
Capital outlay			
<b>Total expenditures</b>	<u>\$ 9,456,333</u>	<u>-</u>	<u>-</u>
<b>Revenue Over (Under) Expenditures</b>	<u>\$ (64,095)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ (64,095)</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits) - Beginning</b>	<u>\$ 888,931</u>	<u>9,322</u>	<u>4,175</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 824,836</u>	<u>9,322</u>	<u>4,175</u>



Special Revenue					
Dog Fund	Landfill Reclamation	Cafeteria	Meriden Public School Rental	Adult Evening School	Safe Neighborhood
		1,981,373		129,641	
36,054		1,370,768			
			4,013		
25,000		385,028	53,695		
61,054	-	3,737,169	57,708	129,641	-
41,980		3,140,540	48,672		
29,408			-	116,900	
71,388	-	3,140,540	48,672	116,900	-
(10,334)	-	596,629	9,036	12,741	-
-	-	-	-	-	-
(10,334)	-	596,629	9,036	12,741	-
16,931	55,746	410,201	117,315	14,903	(6,527)
6,597	55,746	1,006,830	126,351	27,644	(6,527)

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	Railroad Right of Way	Drivers Education Training	AmeriCorps
<b>Revenues</b>			
Intergovernmental	\$	16,419	
Charges for services		14,830	
Investment income			
Other			
<b>Total Revenues</b>	\$ -	31,249	-
<b>Expenditures</b>			
General	\$	38,622	
Education			
Human services			
Public safety			
Capital outlay			
<b>Total expenditures</b>	\$ -	38,622	-
<b>Revenue Over (Under) Expenditures</b>	\$ -	(7,373)	-
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ -	(7,373)	-
<b>Fund Balances (Deficits) - Beginning</b>	\$ (10,330)	7,373	(51,338)
<b>Fund Balances (Deficits) - Ending</b>	\$ (10,330)	-	(51,338)

Special Revenue					
Summer Youth Initiative	Law Enforcement Block Grant	Downtown Property Management	School Readiness	Reading Video	CP National Science Foundation
	8,250	76,244	2,136,984		70
-	8,250	76,244	2,136,984	-	70
		19,137	2,148,022	10,677	410
	25,254				
-	25,254	19,137	2,148,022	10,677	410
-	(17,004)	57,107	(11,038)	(10,677)	(340)
-	-	-	-	-	-
-	(17,004)	57,107	(11,038)	(10,677)	(340)
(1,468)	19,009	114,755	(40,641)	10,677	340
(1,468)	2,005	171,862	(51,679)	-	-

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For the Year Ended June 30, 2006

	Special Revenue		
	Cops More 98	Document Preservation	Arts District Feasibility
<b>Revenues</b>			
Intergovernmental	\$	12,000	3,643
Charges for services			
Investment income			
Other			
<b>Total Revenues</b>	\$ -	12,000	3,643
<b>Expenditures</b>			
General	\$	12,000	
Education			
Human services			
Public safety	16,602		
Capital outlay			
<b>Total expenditures</b>	\$ 16,602	12,000	-
<b>Revenue Over (Under) Expenditures</b>	\$ (16,602)	-	3,643
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ (16,602)	-	3,643
<b>Fund Balances (Deficits) - Beginning</b>	\$ 16,602	1,703	
<b>Fund Balances (Deficits) - Ending</b>	\$ -	1,703	3,643

Special Revenue		Permanent			
EPA Brownfield Assessment	Paddock Ave Rental	C. P. Bradley Park Fund	Walter Hubbard Park Fund	Library Trust Fund	Lorenzo Fuller Award
138,141	293,799	19,368	34,917	115,281	275
<u>138,141</u>	<u>293,799</u>	<u>19,368</u>	<u>34,917</u>	<u>115,281</u>	<u>275</u>
133,031	333,491	6,279	49,095	80,365	
<u>133,031</u>	<u>333,491</u>	<u>6,279</u>	<u>49,095</u>	<u>80,365</u>	<u>-</u>
5,110	(39,692)	13,089	(14,178)	34,916	275
<u>5,110</u>	<u>(39,692)</u>	<u>13,089</u>	<u>(14,178)</u>	<u>34,916</u>	<u>275</u>
-	-	-	-	-	-
<u>5,110</u>	<u>(39,692)</u>	<u>13,089</u>	<u>(14,178)</u>	<u>34,916</u>	<u>275</u>
10,961	-	1,134,771	584,945	355,356	7,435
<u>10,961</u>	<u>-</u>	<u>1,134,771</u>	<u>584,945</u>	<u>355,356</u>	<u>7,435</u>
16,071	(39,692)	1,147,860	570,767	390,272	7,710
<u>16,071</u>	<u>(39,692)</u>	<u>1,147,860</u>	<u>570,767</u>	<u>390,272</u>	<u>7,710</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Permanent	Capital Projects		Totals
	Charlotte Yale Ives	Parks and Recreation Capital and Non-Recurring	Capital and Non-Recurring	
<b>Revenues</b>				
Intergovernmental	\$			19,035,963
Charges for services				2,098,250
Investment income		149		58,792
Other				611,037
<b>Total Revenues</b>	\$	149	-	21,804,042
<b>Expenditures</b>				
General	\$	277		8,116,796
Education				9,456,743
Human services				3,071,944
Public safety				428,895
Capital outlay			87,975	87,975
<b>Total expenditures</b>	\$	277	-	21,162,353
<b>Revenue Over (Under) Expenditures</b>	\$	(128)	-	641,689
<b>Other Financing Sources</b>				
Transfers in	\$			-
Transfers (out)				(100,000)
<b>Total Other Financing Sources</b>	\$	-	-	(100,000)
<b>Changes in Fund Balances (Deficits)</b>	\$	(128)	-	541,689
<b>Fund Balances (Deficits) - Beginning</b>	\$	4,029	2,118	4,804,629
<b>Fund Balances (Deficits) - Ending</b>	\$	3,901	2,118	5,346,318

**Internal Service Funds**

## **INTERNAL SERVICE FUNDS**

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

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

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



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**For the Year Ended June 30, 2006**

	Governmental Activities		
	Workers' Compensation Fund	Meriden Health Insurance	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 412,448	5,408,710	5,821,158
Investments			-
Accounts receivable	352	82,392	82,744
<b>Total Current Assets</b>	<b>\$ 412,800</b>	<b>5,491,102</b>	<b>5,903,902</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 202,809		202,809
Retiree payable		2,941	2,941
Claims payable	830,859	1,520,747	2,351,606
<b>Total Current Liabilities</b>	<b>\$ 1,033,668</b>	<b>1,523,688</b>	<b>2,557,356</b>
<b>Noncurrent Liabilities</b>			
Long-term claims payable	\$ 2,671,601	-	2,671,601
<b>Total Noncurrent Liabilities</b>	<b>2,671,601</b>	<b>-</b>	<b>2,671,601</b>
<b>Total Liabilities</b>	<b>\$ 3,705,269</b>	<b>1,523,688</b>	<b>5,228,957</b>
<b>NET ASSETS (DEFICIT)</b>	<b>\$ (3,292,469)</b>	<b>3,967,414</b>	<b>674,945</b>

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2006**

	Governmental Activities		
	Workers' Compensation Fund	Meriden Health Insurance	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,882,818	23,047,203	24,930,021
Other revenues			-
<b>Total operating revenues</b>	<b>\$ 1,882,818</b>	<b>23,047,203</b>	<b>24,930,021</b>
<b>OPERATING EXPENSES</b>			
Claims	\$ 1,424,411	22,542,043	23,966,454
Administrative	149,182		149,182
Other expenses	2,425		2,425
<b>Total operating expenses</b>	<b>\$ 1,576,018</b>	<b>22,542,043</b>	<b>24,118,061</b>
<b>Operating income (loss)</b>	<b>\$ 306,800</b>	<b>505,160</b>	<b>811,960</b>
<b>NONOPERATING REVENUES</b>			
Investment income	\$ 3,840	28,810	32,650
<b>Total nonoperating revenues</b>	<b>\$ 3,840</b>	<b>28,810</b>	<b>32,650</b>
<b>Changes in net assets</b>	<b>\$ 310,640</b>	<b>533,970</b>	<b>844,610</b>
<b>NET ASSETS (DEFICIT), beginning of year</b>	<b>(3,603,109)</b>	<b>3,433,444</b>	<b>(169,665)</b>
<b>NET ASSETS (DEFICIT), ending of year</b>	<b>\$ (3,292,469)</b>	<b>3,967,414</b>	<b>674,945</b>

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For The Year Ended June 30, 2006**

	Governmental		
	Workers' Compensation Fund	Meriden Health Insurance	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,820,023	18,999,404	20,819,427
Payments to suppliers	(1,575,127)	(18,558,478)	(20,133,605)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 244,896</u>	<u>440,926</u>	<u>685,822</u>
<b>Cash Flows From Investing Activities</b>			
Interest received on investment	\$ 3,840	28,810	32,650
Purchase of Investments	-	-	-
<b>Net cash flow provided by (used in) investing activities</b>	<u>\$ 3,840</u>	<u>28,810</u>	<u>32,650</u>
<b>Net (Increase) Decrease in Cash and Cash Equivalents</b>	\$ 248,736	469,736	718,472
<b>Cash and Cash Equivalents, beginning of year</b>	<u>163,712</u>	<u>4,938,974</u>	<u>5,102,686</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 412,448</u>	<u>5,408,710</u>	<u>5,821,158</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>			
Operating Income	\$ 306,800	505,160	811,960
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
(Increase) decrease in accounts receivable	1,976	(81,809)	(79,833)
increase (decrease) in accounts payable	(94,604)	(1,320)	(95,923)
Increase (decrease) in claims incurred but not reported	30,724	18,895	49,618
<b>Net cash flow provided by (used in) operating activities</b>	<u>\$ 244,896</u>	<u>440,926</u>	<u>685,822</u>

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**Fiduciary Funds**

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

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

CITY OF MERIDEN, CONNECTICUT

**PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF PLAN NET ASSETS**  
 June 30, 2006

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Post Employment Healthcare Plan</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,815,198	7,874,990	8,995,692	316,790
Accounts receivable	181,191	220,879	313,905	
Investments	<u>101,036,537</u>	<u>34,947,587</u>	<u>41,643,812</u>	<u>2,161,722</u>
<b>Total Assets</b>	<u>\$ 123,031,926</u>	<u>43,043,456</u>	<u>50,953,409</u>	<u>2,478,512</u>
<b>LIABILITIES</b>				
Other liabilities	<u>\$ 434</u>	<u>2,034</u>	<u>2,034</u>	
<b>Total Liabilities</b>	<u>\$ 434</u>	<u>2,034</u>	<u>2,034</u>	<u>-</u>
<b>PLAN NET ASSETS</b>				
Held in trust for pension benefits and other purposes	<u>\$ 123,031,492</u>	<u>43,041,422</u>	<u>50,951,375</u>	<u>2,478,512</u>

SCHEDULE 8

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<u>Firemen's Health Fund</u>	<u>Policemen's Health Fund</u>	<u>Total Pension Trust Funds</u>
160,861	483,343	39,646,874
		715,975
<u>13,615</u>	<u>35,671</u>	<u>179,837,944</u>
<u>174,476</u>	<u>519,014</u>	<u>220,200,793</u>
		<u>4,502</u>
		<u>4,502</u>
<u>174,476</u>	<u>519,014</u>	<u>220,196,291</u>



CITY OF MERIDEN, CONNECTICUT

PENSION TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
 For The Year Ended June 30, 2006

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>	<u>Police Pension</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$	2,206,320	3,240,504
Plan members	1,210,818	350,789	422,000
Donations and other	74,736		
<b>Total contributions</b>	<u>\$ 1,285,554</u>	<u>2,557,109</u>	<u>3,662,504</u>
<b>Investment earnings:</b>			
Net increase in fair value of investments	\$ 15,031,993	4,958,411	5,824,871
Interest and dividends	2,718,069	949,435	1,116,954
<b>Net investment earnings</b>	<u>\$ 17,750,062</u>	<u>5,907,846</u>	<u>6,941,825</u>
<b>Total additions</b>	<u>\$ 19,035,616</u>	<u>8,464,955</u>	<u>10,604,329</u>
<b>DEDUCTIONS</b>			
Benefits	\$ 4,953,960	3,506,866	4,217,890
Other deductions	863,486	258,368	342,265
<b>Total deductions</b>	<u>\$ 5,817,446</u>	<u>3,765,234</u>	<u>4,560,155</u>
<b>Change in net assets</b>	<u>\$ 13,218,170</u>	<u>4,699,721</u>	<u>6,044,174</u>
<b>Plan Net Assets - beginning</b>	<u>109,813,322</u>	<u>38,341,701</u>	<u>44,907,201</u>
<b>Plan Net Assets - ending</b>	<u>\$ 123,031,492</u>	<u>43,041,422</u>	<u>50,951,375</u>

SCHEDULE 9

<u>Post Employment Healthcare Plan</u>	<u>Firemen's Health Fund</u>	<u>Policemen's Health Fund</u>	<u>Total Pension Trust Funds</u>
605,409	53,968	153,731	6,259,932
			1,983,607
			74,736
<u>605,409</u>	<u>53,968</u>	<u>153,731</u>	<u>8,318,275</u>
311,217	1,881	4,927	26,133,300
56,380	362	949	4,842,149
<u>367,597</u>	<u>2,243</u>	<u>5,876</u>	<u>30,975,449</u>
<u>973,006</u>	<u>56,211</u>	<u>159,607</u>	<u>39,293,724</u>
			12,678,716
590,548	79	206	2,054,952
<u>590,548</u>	<u>79</u>	<u>206</u>	<u>14,733,668</u>
382,458	56,132	159,401	24,560,056
<u>2,096,054</u>	<u>118,344</u>	<u>359,613</u>	<u>195,636,235</u>
<u>2,478,512</u>	<u>174,476</u>	<u>519,014</u>	<u>220,196,291</u>

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**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**June 30, 2006**

	Scholarship Funds	Police Evidence Fund	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,806	37,191	38,997
Investments	<u>47,658</u>	<u>          </u>	<u>47,658</u>
<b>Total Assets</b>	<b>\$ <u>49,464</u></b>	<b><u>37,191</u></b>	<b><u>86,655</u></b>
<b>LIABILITIES</b>			
Other liabilities	\$ <u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 49,464</u>	<u>37,191</u>	<u>86,655</u>

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2006**

	Scholarship Funds	Police Evidence Fund	Total Private Purpose Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Other	\$ -	-	-
<b>Total contributions</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Investment earnings:</b>			
Net increase in fair value of investments	\$ -	-	-
Interest and dividends	47,658	-	47,658
Less Investment Expenses	<u>3,837</u>	<u>-</u>	<u>3,837</u>
<b>Total investment earnings</b>	<u>\$ 43,821</u>	<u>-</u>	<u>43,821</u>
<b>DEDUCTIONS</b>			
Benefits	\$ -	-	-
Other	-	71,426	71,426
<b>Total deductions</b>	<u>\$ -</u>	<u>71,426</u>	<u>71,426</u>
<b>Change in net assets</b>	<u>\$ 43,821</u>	<u>(71,426)</u>	<u>(27,605)</u>
<b>Net Assets - beginning net assets</b>	<u>5,643</u>	<u>108,617</u>	<u>114,260</u>
<b>Net Assets - ending net assets</b>	<u>\$ 49,464</u>	<u>37,191</u>	<u>86,655</u>

**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2006**

	<u>Project RAVE</u>	<u>Senior Trips</u>	<u>Student Activity Fund</u>	<u>Performance Bonds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,585	6,643	650,963	3,340,482	4,003,673
Accounts receivable					
Investments					
<b>Total Assets</b>	<b>\$ 5,585</b>	<b>6,643</b>	<b>650,963</b>	<b>3,340,482</b>	<b>4,003,673</b>
<b>LIABILITIES</b>					
Other liabilities	\$ 5,585	6,643	650,963	3,340,482	4,003,673
<b>Total Liabilities</b>	<b>\$ 5,585</b>	<b>6,643</b>	<b>650,963</b>	<b>3,340,482</b>	<b>4,003,673</b>
<b>NET ASSETS</b>					
Held in trust for pension benefits and other purposes	\$ -	-	-	-	-

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**Other Schedules**



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CITY OF MERIDEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2006

Grand List Year	Uncollected Balance July 1, 2005	Current Year Levy	Lawful Corrections	Transfers to (Recoveries From) Suspense	Balance to be Collected
1989	\$ 39,780		(39,780)		-
1990	42,514		(1,006)	2,260	43,768
1991	42,197		(1,397)	4,726	45,526
1992	28,411		(678)	3,214	30,947
1993	36,529		(472)	3,709	39,766
1994	37,200		(798)	4,099	40,501
1995	73,231		(13,849)	5,903	65,285
1996	78,914		(14,137)	4,414	69,191
1997	73,729		(13,412)	5,577	65,894
1998	355,777		(14,045)		341,732
1999	425,685		(15,989)		409,696
2000	554,511		(18,378)		536,133
2001	329,314		(35,700)		293,614
2002	730,575		(124,336)		606,239
2003	2,731,964		(265,551)		2,466,413
Total	\$ 5,580,331	-	(559,528)	33,902	5,054,705
2004		95,948,966	(476,687)		95,472,279
2004*		1,647,655	(43,344)		1,604,311
	\$ 5,580,331	97,596,621	(1,079,559)	33,902	102,131,295

\* Supplemental tax levy

Collections				Uncollected Balance June 30, 2006
Taxes	Interest	Lien Fees	Total	
			-	-
1,253	2,121		3,374	42,515
2,932	6,078		9,010	42,594
2,503	5,116	24	7,643	28,444
13,088	25,812	48	38,948	26,678
11,493	21,941	48	33,482	29,008
20,123	33,228	168	53,519	45,162
21,016	27,757	120	48,893	48,175
22,304	23,692	144	46,140	43,590
27,478	28,356	288	56,122	314,254
38,619	32,990	384	71,993	371,077
56,669	41,934	504	99,107	479,464
(139,424)	72,366	1,152	(65,906)	433,038
(4,028)	133,121	2,803	131,896	610,267
<u>1,445,296</u>	<u>295,849</u>	<u>15,464</u>	<u>1,756,609</u>	<u>1,021,117</u>
1,519,322	750,361	21,147	2,290,830	3,535,383
92,664,367	616,164	5,193	93,285,724	2,807,912
<u>1,330,256</u>	<u>17,553</u>		<u>1,347,809</u>	<u>274,055</u>
<u>95,513,945</u>	<u>1,384,078</u>	<u>26,340</u>	<u>96,924,363</u>	<u>6,617,350</u>

CITY OF MERIDEN, CONNECTICUT

SEWER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For the Year Ended June 30, 2006

Fiscal Year	Uncollected Balance July 1, 2005	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1991	\$ 895			531	364
1992	2,370				2,370
1993	3,322				3,322
1994	3,508				3,508
1995	2,235			44	2,191
1996	3,496			33	3,463
1997	2,455				2,455
1998	4,056				4,056
1999	13,171			9,232	3,939
2000	21,883			20,468	1,415
2001	5,927			3,068	2,859
2002	10,115			3,063	7,052
2003	16,918			2,219	14,699
2004	67,874			1,976	65,898
2005	954,480		23	495	954,008
Prior Years Total \$	1,112,705	-	23	41,129	1,071,599
2006		5,493,138	45	57,131	5,436,052
	\$ 1,112,705	5,493,138	68	98,260	6,507,651

Water Use Charges	Collections			Uncollected Balance June 30, 2006
	Interest	Liens	Total	
			-	364
			-	2,370
			-	3,322
			-	3,508
			-	2,191
			-	3,463
			-	2,455
			-	4,056
			-	3,939
			-	1,415
625	392	168	1,185	2,234
4,671	3,375	375	8,421	2,381
7,598	3,832	840	12,270	7,101
53,004	13,978	3,568	70,550	12,894
<u>918,837</u>	<u>64,287</u>	<u>39,663</u>	<u>1,022,787</u>	<u>35,171</u>
984,735	85,864	44,614	1,115,213	86,864
<u>4,455,254</u>	<u>35,532</u>	<u>13,249</u>	<u>4,504,035</u>	<u>980,798</u>
<u>5,439,989</u>	<u>121,396</u>	<u>57,863</u>	<u>5,619,248</u>	<u>1,067,662</u>

CITY OF MERIDEN, CONNECTICUT

WATER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For the Year Ended June 30, 2006

Fiscal Year	Uncollected Balance July 1, 2005	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1990	\$ 1,099			849	250
1991	1,693			682	1,011
1992	2,326			1	2,325
1993	5,446				5,446
1994	5,881			2	5,879
1995	4,307			62	4,245
1996	6,094			358	5,736
1997	4,876			1	4,875
1998	8,057			2	8,055
1999	20,375			13,565	6,810
2000	34,065			30,573	3,492
2001	10,597			5,524	5,073
2002	15,630			5,517	10,113
2003	20,340			4,619	15,721
2004	67,950			381	67,569
2005	1,101,961			591	1,101,370
<b>Prior Years Total \$</b>	<b>1,310,697</b>	<b>-</b>	<b>-</b>	<b>62,727</b>	<b>1,247,970</b>
2006		6,168,170	25	3,058	6,165,137
	<b>\$ 1,310,697</b>	<b>6,168,170</b>	<b>25</b>	<b>65,785</b>	<b>7,413,107</b>

Collections				Uncollected Balance June 30, 2006
Water Use Charges	Interest	Lien Fees	Total	
250	695	72	1,017	-
543	1,431	144	2,118	468
989	2,433	144	3,566	1,336
69	134	24	227	5,377
1,040	2,135	144	3,319	4,839
1,123	2,153	144	3,420	3,122
778	1,319	72	2,169	4,958
1,352	2,121	144	3,617	3,523
976	1,352	144	2,472	7,079
1,158	1,383	144	2,685	5,652
1,472	1,511	144	3,127	2,020
1,877	1,385	312	3,574	3,196
6,725	4,766	504	11,995	3,388
9,191	4,813	1,032	15,036	6,530
55,102	13,024	3,631	71,757	12,467
<u>1,064,317</u>	<u>68,813</u>	<u>38,856</u>	<u>1,171,986</u>	<u>37,053</u>
<u>1,146,962</u>	<u>109,468</u>	<u>45,655</u>	<u>1,302,085</u>	<u>101,008</u>
<u>5,049,171</u>	<u>40,826</u>	<u>12,877</u>	<u>5,102,874</u>	<u>1,115,966</u>
<u>6,196,133</u>	<u>150,294</u>	<u>58,532</u>	<u>6,404,959</u>	<u>1,216,974</u>

**SEWER AUTHORITY SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OPERATING EXPENDITURES</b>				
Memberships and meeting	\$ 6,000	6,000	1,226	4,774
Overtime	146,674	146,674	116,923	29,751
Labor public works	606,271	572,271	510,047	62,224
Administration:				
MMEA	48,368	48,368	48,426	(58)
CWA	413,597	413,597	352,676	60,921
Employee benefits	452,760	363,991	334,632	29,359
Hepatitis B shots	7,500	7,500	175	7,325
Repairs and maintenance	175,000	175,000	147,399	27,601
Nitrogen credit purchase	100,000	100,000	45,285	54,715
Fiscal division services	494,845	494,845	494,845	
Pumping station operations	60,000	60,000	24,953	35,047
Sewer expense and supplies	316,750	350,750	254,884	95,866
Insurance	500,416	500,416	465,928	34,488
Utilities	655,750	655,750	775,148	(119,398)
Call before you dig	10,000	10,000	-	10,000
Vehicle maintenance	52,510	52,510	30,761	21,749
Audit fees	8,554	8,554	8,819	(265)
Allocation general fund	542,245	542,245	542,245	
Disposal bio solids	560,000	648,769	644,035	4,734
<b>Total operating expenditures</b>	<b>\$ 5,157,240</b>	<b>5,157,240</b>	<b>4,798,407</b>	<b>358,833</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 407,188	407,188	407,188	-
Debt service - interest	135,405	135,405	135,425	(20)
BANS - Interest	8,938	8,938	11,750	(2,812)
<b>Total nonoperating expenditures</b>	<b>\$ 551,531</b>	<b>551,531</b>	<b>554,363</b>	<b>(2,832)</b>
<b>Total expenditures</b>	<b>\$ 5,708,771</b>	<b>5,708,771</b>	<b>5,352,770</b>	<b>356,001</b>



**WATER FUND SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OPERATING EXPENDITURES</b>				
<b>Fiscal Division:</b>				
Overtime	\$ 5,000	2,000	1,265	735
Public works	132,151	132,151	131,962	189
MMEA	48,368	48,368	48,426	(58)
Supervisor	63,510	63,510	63,622	(112)
Employee benefits	160,988	154,447	132,657	21,790
Vehicle maintenance	4,000	13,000	11,911	1,089
Attorney fees	20,000	20,000	(12,344)	32,344
Other purchased services	36,000	36,000	32,665	3,335
Hepatitis B shots	400	400	-	400
Office expenses and supplies	1,100	1,100	1,077	23
Liability insurance	62,741	63,282	63,282	-
Meter materials	15,000	15,000	14,657	343
Tax collector services	447,478	447,478	447,478	-
Water meters	21,500	21,500	18,571	2,929
<b>Total fiscal division</b>	<b>\$ 1,018,236</b>	<b>1,018,236</b>	<b>955,229</b>	<b>63,007</b>
<b>Water Division</b>				
Overtime	\$ 157,000	142,000	123,252	18,748
Public works	1,377,079	1,311,379	1,279,446	31,933
MMEA	101,553	101,553	101,676	(123)
Supervisor	228,386	228,386	228,768	(382)
Employee benefits	1,046,002	966,002	875,440	90,562
Taxes to other towns	44,268	14,268	4,514	9,754
Public utilities	633,596	698,596	775,400	(76,804)
Repairs and maintenance	10,000	10,000	9,527	473
Vehicle maintenance	90,000	120,700	112,238	8,462
Audit and attorney	9,554	9,554	10,570	(1,016)
Water purchased	101,400	116,400	108,106	8,294
Fiscal division services	552,003	552,003	552,003	-
Assessment general fund	529,122	529,122	529,122	-
Office expense and supplies	44,100	44,100	49,201	(5,101)
Hepatitis B shots	2,000	2,000	1,255	745
<b>Maintenance:</b>				
Mains and accessories	25,000	25,000	13,567	11,433
Reservoirs	30,000	40,000	29,842	10,158
Pump stations	35,000	35,000	35,026	(26)
Service-materials	5,000	5,000	(3,345)	8,345
Treatment expense	414,250	499,250	470,905	28,345
Capital outlays	-	265,063	211,392	53,671
Water equipment	12,700	12,700	4,556	8,144
Hydrants-materials	5,000	5,000	3,548	1,452
Memberships and meetings	10,000	10,000	7,474	2,526
Insurance	355,138	340,138	307,599	32,539

(Continued)

**WATER FUND SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Water Division, continued</b>				
New mains and accessories	1	1		1
Repair trenches	16,000	16,000	14,951	1,049
<b>Total water division</b>	<b>\$ 5,834,152</b>	<b>6,099,215</b>	<b>5,856,033</b>	<b>243,182</b>
<b>Total operating expenses</b>	<b>\$ 6,852,388</b>	<b>7,117,451</b>	<b>6,811,262</b>	<b>306,189</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 1,090,205	877,540	877,540	-
Debt service - interest	185,453	398,118	398,118	-
BANS - Interest	41,938	41,938	44,344	(2,406)
<b>Total nonoperating expenses</b>	<b>\$ 1,317,596</b>	<b>1,317,596</b>	<b>1,320,002</b>	<b>(2,406)</b>
<b>Total expenditures</b>	<b>\$ 8,169,984</b>	<b>8,435,047</b>	<b>8,131,264</b>	<b>303,783</b>

**GEORGE HUNTER MEMORIAL GOLF COURSE SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING EXPENDITURES</b>				
Liabilities and general insurance	\$ 96,715	80,715	79,759	956
Miscellaneous part-time	97,340	97,340	87,579	9,761
Overtime	13,980	13,980	11,666	2,314
Public works	163,353	163,353	158,462	4,891
Supervisor	71,185	71,185	69,814	1,371
Employee benefits	107,559	89,559	88,349	1,210
Golf expense and supplies	186,996	207,296	189,405	17,891
Golf pro	10,000	10,000	10,000	-
Capital equipment	48,992	49,692	49,608	84
Memberships and meeting	2,400	2,400	1,965	435
Clubhouse expense	25,680	38,680	31,298	7,382
<b>Total operating expenditures</b>	<b>\$ 824,200</b>	<b>824,200</b>	<b>777,905</b>	<b>46,295</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 10,667	10,667	10,667	-
Debt service - interest	5,541	5,541	5,580	(39)
<b>Total nonoperating expenditures</b>	<b>\$ 16,208</b>	<b>16,208</b>	<b>16,247</b>	<b>(39)</b>
<b>Total expenditures</b>	<b>\$ 840,408</b>	<b>840,408</b>	<b>794,152</b>	<b>46,256</b>

CITY OF MERIDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
For the Year Ended June 30, 2006

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	<u>General Purpose</u>
<b>Debt Limitation:</b>	
2 1/4 Times Base	\$ 211,984,922
4 1/2 Times Base	
3 3/4 Times Base	
3 1/4 Times Base	
3 Times Base	
7 Times Base	
	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 211,984,922</b>
<b>Indebtedness:</b>	
Bonds payable	\$ 62,780,108
Clean water debt	
Bonds authorized and unissued	<hr/> 67,611,436
	<hr/>
<b>Total Indebtedness</b>	<b>\$ 130,391,544</b>
<b>Less: School Construction Grants Receivable</b>	<hr/>
	<hr/>
<b>Total Indebtedness of the City</b>	<b>\$ 130,391,544</b>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ 81,593,378</b>

Total Tax Collections (Including Interest and Lien Fees)  
 For The Year Ended June 30, 2006 \$ 94,195,638

Reimbursement For Revenue Loss On:  
 Elderly Tax Relief 19,883

**Base** \$ 94,215,521

<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
423,969,845	353,308,204	306,200,443	282,646,563	<u>659,508,647</u>
<u>423,969,845</u>	<u>353,308,204</u>	<u>306,200,443</u>	<u>282,646,563</u>	<u>659,508,647</u>
19,555,380	1,769,513	4,680,000		88,785,001
	1,198,706			1,198,706
<u>38,599,000</u>	<u>30,821,212</u>			<u>137,031,648</u>
58,154,380	33,789,431	4,680,000		227,015,355
<u>1,561,778</u>				<u>1,561,778</u>
<u>56,592,602</u>	<u>33,789,431</u>	<u>4,680,000</u>	<u>-</u>	<u>225,453,577</u>
<u>367,377,243</u>	<u>319,518,773</u>	<u>301,520,443</u>	<u>282,646,563</u>	<u>434,055,070</u>

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**Statistical Section**

## Statistical Section

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

### Contents

### Page

#### **Financial Trends**

**A**

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

#### **Revenue Capacity**

**B**

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

#### **Debt Capacity**

**C**

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

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

**D**

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

#### **Operating Information**

**E**

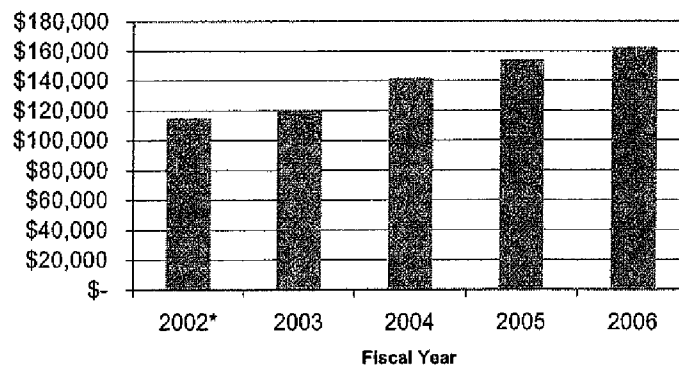
*These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.*



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

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

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



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

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

	Fiscal Year				
	2002*	2003	2004	2005	2006
<b>Expenses</b>					
Governmental activities:					
General government	\$ 21,904	\$ 15,518	\$ 16,967	\$ 64,519	24,804
Education	88,865	100,467	96,877	90,527	106,287
Public safety	24,873	25,072	27,820	18,104	29,390
Public works	8,725	9,399	9,202	9,277	10,104
Human services	6,595	6,761	6,546	8,719	6,413
Interest on long-term debt	4,821	4,381	4,095	6,583	4,275
Total governmental activities	\$ 155,783	161,598	161,507	197,729	181,273
Business-type activities:					
Sewer Authority	5,689	6,018	6,074	6,390	6,662
Water Authority	7,201	8,180	8,424	8,015	7,885
George Hunter Golf Course	686	775	793	754	944
Total business-type activities	\$ 13,576	14,973	15,291	15,159	15,491
<b>Total primary government expenses</b>	<b>\$ 169,359</b>	<b>176,571</b>	<b>176,798</b>	<b>212,888</b>	<b>196,764</b>
<b>Program Revenues</b>					
Governmental activities:					
General government	4,948	10,243	21,696	28,163	6,839
Education	56,653	59,458	61,825	12,120	18,244
Public safety	522	279	158	150	122
Public works	1,178	978	151	7,875	5,283
Human services	3,510	3,296	3,461	5,694	4,419
Total governmental activities	66,811	74,254	87,291	54,002	34,907
Business-type activities:					
Sewer Authority	4,352	5,093	5,601	4,950	6,169
Water Authority	7,421	7,790	7,911	7,855	7,458
George Hunter Golf Course	752	650	687	826	786
Total business-type activities	\$ 12,525	13,533	14,199	13,631	14,413
<b>Total primary government revenues</b>	<b>\$ 79,336</b>	<b>\$ 87,787</b>	<b>\$ 101,490</b>	<b>\$ 67,633</b>	<b>211,177</b>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (88,972)	\$ (87,344)	\$ (74,216)	\$(143,727)	\$(146,366)
Business-type activities	(1,051)	(1,440)	(1,092)	(1,528)	(1,078)
	<b>\$ (90,023)</b>	<b>\$ (88,784)</b>	<b>\$ (75,308)</b>	<b>\$(145,255)</b>	<b>\$(147,444)</b>

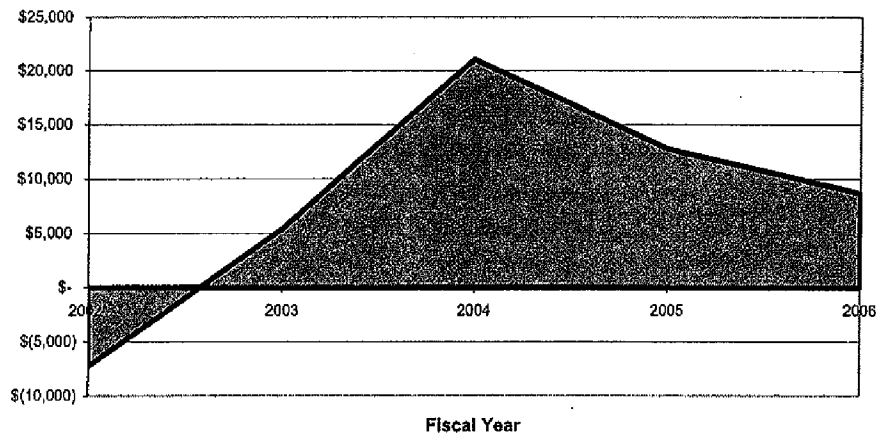
(Continued)

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

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

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

Total Change in Net Assets (Thousands)

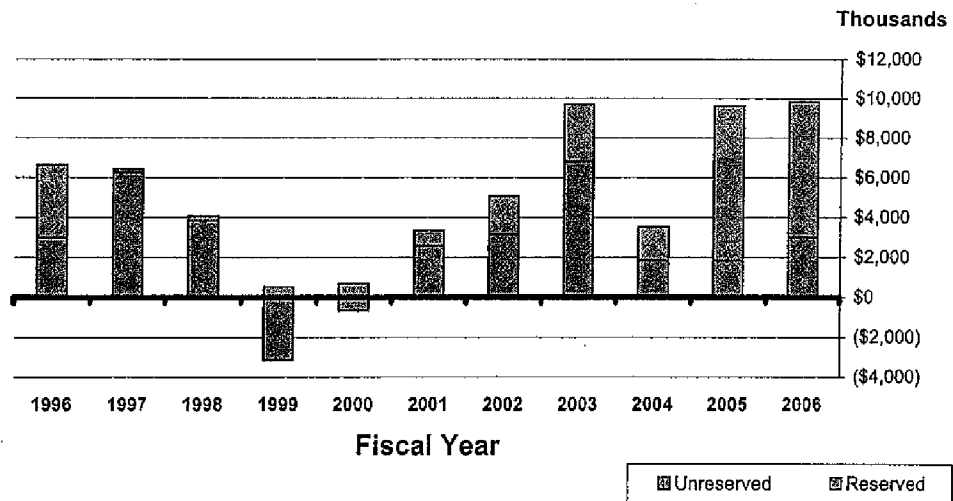


\* The information was not maintained prior to fiscal year ended June 30, 2002

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

Fiscal Year	General Fund			All Other Government Funds				Total
	Reserved	Unreserved	Total	Reserved	Special revenue funds	Capital projects funds	Total All Other Government Funds	
1996	\$ 3,648	2,983	6,631	14,571	998	(15,912)	2,849	9,480
1997	176	6,240	6,416	16,487	904	(29,526)	(12,135)	(5,719)
1998	231	3,819	4,050	9,909	1,322	(14,931)	(3,700)	350
1999	512	(3,146)	(2,634)	12,812	1,293	(10,538)	3,567	933
2000	687	2,566	26	14,084	1,332	(13,655)	1,761	1,787
2001	782	2,566	3,348	12,635	1,527	(25,831)	(11,669)	(8,321)
2002	1,889	3,146	5,035	-	6,910	402	7,312	12,347
2003	2,900	6,778	9,678	3,072	4,069	47	7,188	16,866
2004	1,692	1,825	3,517	2,782	4,156	(181)	6,757	10,274
2005	7,779	1,833	9,612	238	4,598	(32)	4,804	14,416
2006	6,803	3,009	9,812	5,481	5,128	(27,054)	(16,445)	(6,633)

**Total General Fund Balances**



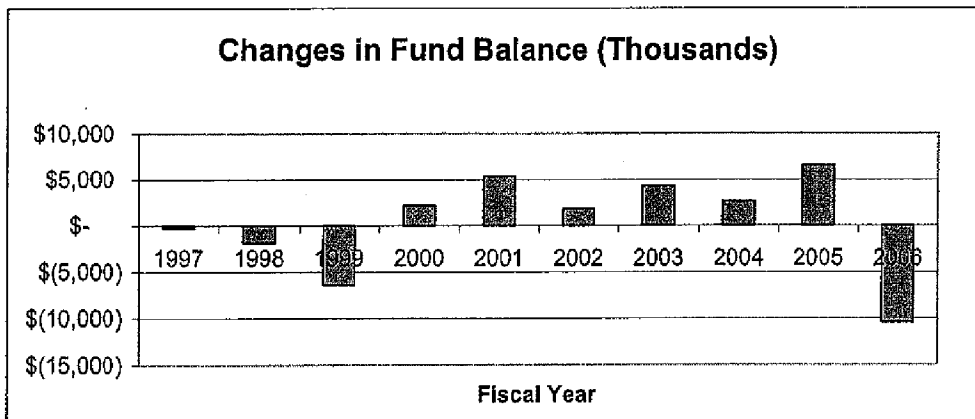
**CITY OF MERIDEN, CONNECTICUT**

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

	Fiscal Year			
	1997	1998	1999	2000
<b>Revenues:</b>				
Property taxes	\$ 62,885	64,507	64,949	67,005
Federal and state government	58,014	61,154	63,655	66,114
Charges for services	4,058	4,189	4,984	5,396
Investment income	997	482	317	612
Other revenues	1,958	1,833	1,731	1,483
<b>Total revenues</b>	<b>\$ 127,912</b>	<b>132,165</b>	<b>135,636</b>	<b>140,610</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 27,374	27,880	31,389	26,521
Public safety	12,716	13,078	13,617	14,642
Public works	5,211	5,102	5,142	4,852
Human services	8,597	8,532	5,549	5,515
Education	60,764	63,424	69,302	72,156
Debt service:	13,119	15,191	17,072	14,890
Capital outlay				872
<b>Total expenditures</b>	<b>\$ 127,781</b>	<b>133,207</b>	<b>142,071</b>	<b>139,448</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 131</b>	<b>-1,042</b>	<b>-6,435</b>	<b>1,162</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 449	49	41	620
Transfers out	(879)	(848)		
Bond proceeds				
Lease proceeds				369
<b>Total other financing sources (uses)</b>	<b>\$ (430)</b>	<b>-799</b>	<b>41</b>	<b>989</b>
<b>Net changes in fund balances</b>	<b>\$ (299)</b>	<b>-1,841</b>	<b>-6,394</b>	<b>2,151</b>

TABLE A-4

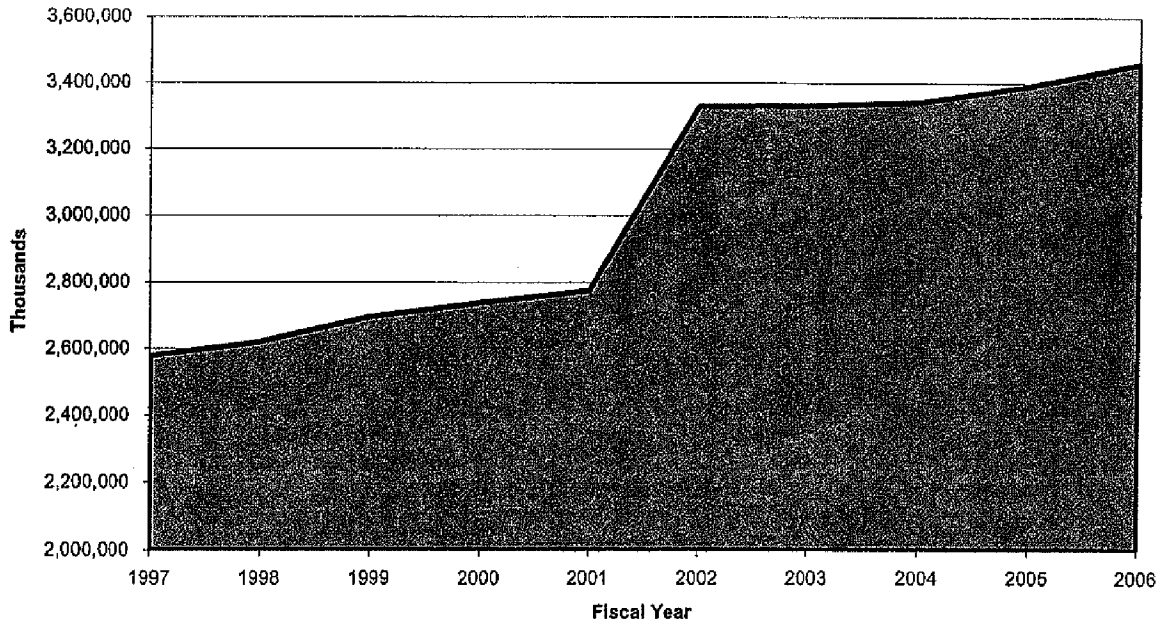
Fiscal Year					
2001	2002	2003	2004	2005	2006
77,363	79,388	84,906	88,259	91,365	95,956
71,656	73,615	72,812	75,879	71,693	83,638
5,682	5,940	9,060	8,065	8,097	7,747
927	750	508	854	802	1,455
1,408	1,310	2,921	5,870	5,310	4,866
157,036	161,003	170,207	178,927	177,267	193,662
32,650	34,418	35,706	37,593	41,190	25,874
15,115	15,812	16,402	17,029	17,479	28,558
5,352	4,956	5,401	5,392	5,903	6,617
4,997	5,693	5,556	7,924	8,246	6,342
77,313	82,930	87,909	90,525	86,754	102,764
17,316	14,800	14,408	17,400	15,869	17,959
224	813	797	477	257	15967
152,967	159,422	166,179	176,340	175,698	204,081
4,069	1,581	4,028	2,587	1,569	-10,419
145	918	258	100	5,550	342
887	(681)		(100)	(550)	(342)
224					
1,256	237	258	0	5,000	0
5,325	1,818	4,286	2,587	6,569	-10,419



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

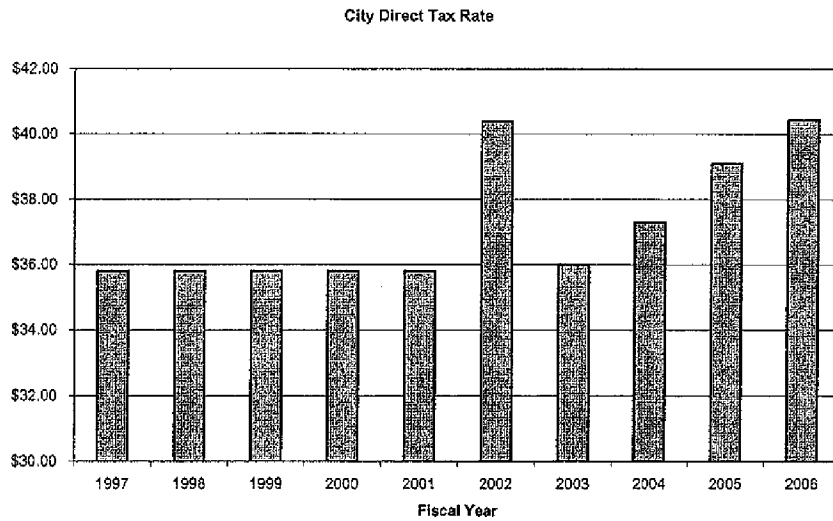
Fiscal Year ended June 30,	Residential Property	Commercial/Industrial Property	Less: Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
1997	1,000,290	337,727	79,258	2,578,067	\$ 35.8	1,804,647	70%
1998	1,000,738	340,565	86,381	2,619,733	\$ 35.8	1,833,813	70%
1999	999,851	353,047	100,557	2,695,016	\$ 35.8	1,886,511	70%
2000	1,552,145	511,907	95,922	2,737,470	\$ 40.4	1,916,229	70%
2001	1,558,776	518,667	96,222	2,773,623	\$ 36.0	1,941,536	70%
2002	1,848,883	795,469	90,129	3,328,321	\$ 37.3	2,329,825	70%
2003	1,771,890	799,349	211,036	3,330,620	\$ 39.1	2,331,434	70%
2004	1,800,892	788,517	193,055	3,341,173	\$ 37.3	2,338,821	70%
2005	1,854,673	793,407	148,428	3,390,627	\$ 39.1	2,373,439	70%
2006	1,884,648	802,272	140,582	3,458,070	\$ 43.4	2,420,649	70%

**Total Assessed Value**



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

Fiscal Year	City Direct Rate	Overlapping Rates	
	Basic Rate	District 1	District 2
1997	\$ 35.80	0.00	2.10
1998	35.80	0.00	2.10
1999	35.80	0.00	2.10
2000	35.80	0.00	2.10
2001	35.80	0.00	2.10
2002	40.40	0.00	2.10
2003	36.00	0.00	1.80
2004	37.30	0.00	1.90
2005	39.09	0.00	1.90
2006	40.43	0.00	1.90





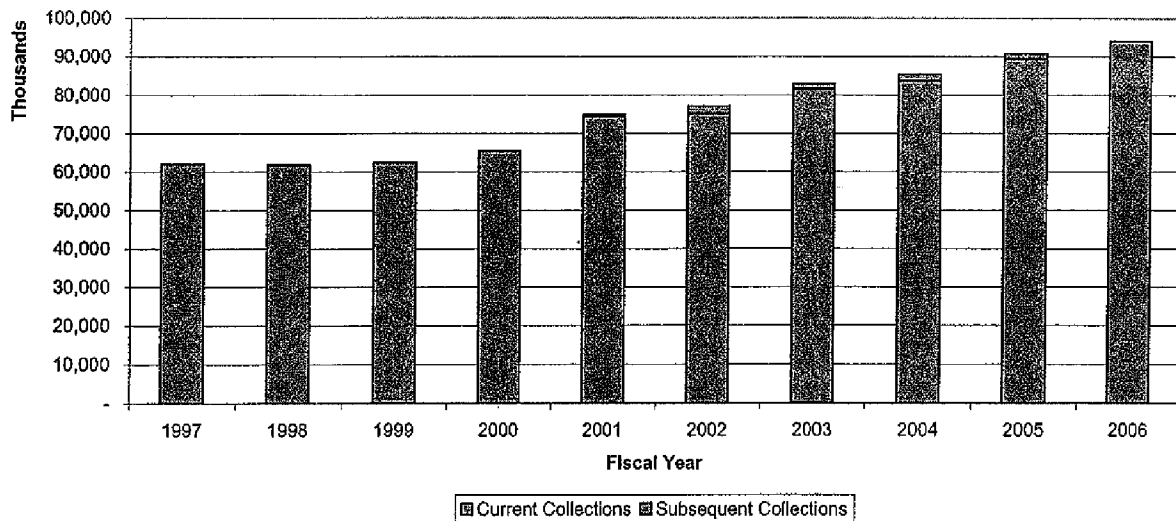
**PRINCIPAL PROPERTY TAX PAYERS**  
 Current Year and Nine Years Ago

TAXPAYER	Fiscal Year Ended June 30, 2006		
	ASSESSMENT <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value
Meriden Square #3 LLC et al	\$ 49,320,460	1	2.11 %
Meriden Square Partnership	26,318,530	2	1.13
Connecticut Light & Power	26,924,220	3	1.15
Radio Frequency System	19,684,120	4	0.84
Yankee Gas	17,335,740	5	0.79
Urstadt Biddle Properties, Inc.	15,105,030	6	0.65
CUNO, Inc.	14,578,120	7	0.62
CSC Outsourcing, Inc.	13,142,920	8	0.56
May Department Stores	10,415,230	9	0.45
Carabetta Enterprises, Inc.	9,486,030	10	0.41
	<u>\$ 202,310,400</u>		<u>8.71 %</u>

TAXPAYER	Fiscal Year Ended June 30, 1997		
	ASSESSMENT <sup>1</sup>	Rank	Percentage of Total City Taxable Assessed Value
Yankee Gas	\$ 51,544,680	1	2.87 %
Connecticut Light & Power	28,827,760	2	1.61
Southern New England Telephone	13,329,710	3	0.74
HRE Properties	11,044,660	4	0.62
Meriden Square Partnership	10,647,520	5	0.59
Meadow Haven, Inc.	8,415,820	6	0.47
C.S.C Outsourcing, Inc.	8,173,110	7	0.46
Carabetta Enterprises, Inc.	7,578,050	8	0.42
Fusco-Meriden	7,228,570	9	0.40
CUNO	7,205,260	10	0.40
	<u>\$ 153,895,140</u>		<u>8.58 %</u>

**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Years

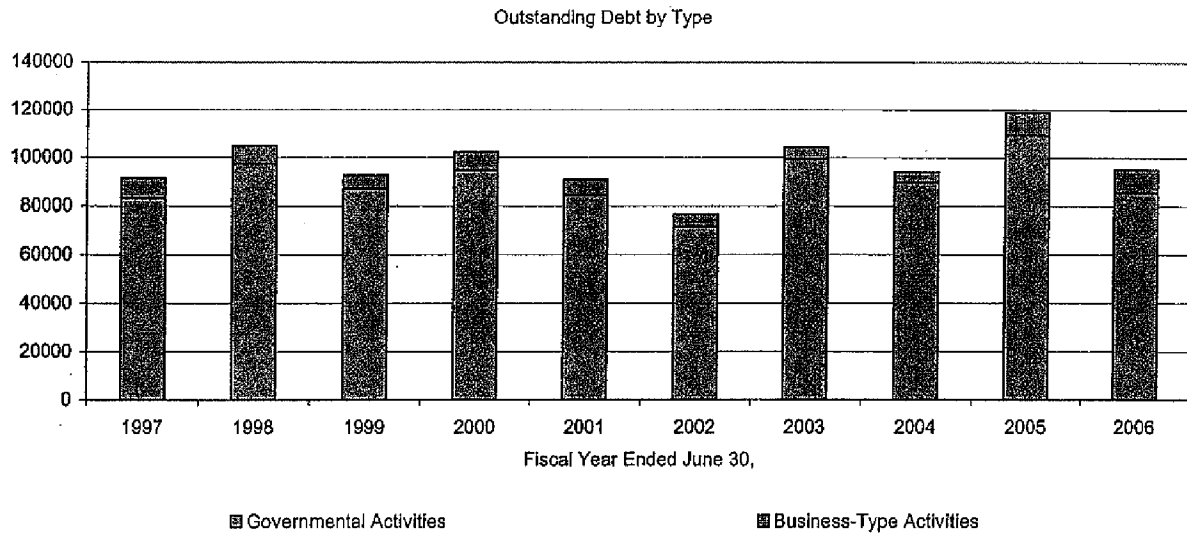
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
1997	\$ 65,600,945	\$ 62,058,494	94.6	54,964	62,113,458	94.7%
1998	65,923,290	61,770,123	93.7	74,473	61,844,596	93.8%
1999	66,813,524	62,337,018	93.3	118,008	62,455,026	93.5%
2000	68,779,625	65,340,644	95.0	190,247	65,530,891	95.3%
2001	78,808,547	74,395,268	94.4	538,210	74,933,478	95.1%
2002	78,356,632	75,144,010	95.9	1,984,382	77,128,392	98.4%
2003	84,733,897	81,598,743	96.3	1,243,465	82,842,208	97.8%
2004	86,939,798	83,723,025	96.3	1,670,967	85,393,992	98.2%
2005	92,971,816	89,339,544	96.8	1,445,296	90,784,840	97.6%
2006	97,596,621	93,994,623	96.3	-	93,994,623	96.3%



**CITY OF MERIDEN, CONNECTICUT**

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

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Capital Leases	Resources Restricted For Debt Payments <sup>1</sup>	Water Bonds	Sewer Bonds	Golf Course Bonds
1997	\$ 70,058	1	13,119	5,710	2,024	572
1998	82,200	1	15,192	4,786	1,991	775
1999	69,956	1	17,072	3,498	1,493	708
2000	79,325	283	14,891	6,223	1,353	299
2001	66,721	409	17,316	5,167	1,063	200
2002	56,257	327	14,800	4,286	798	10
2003	85,006	240	14,174	3,874	923	167
2004	72,224	147	17,400	3,284	794	153
2005	93,486	50	15,867	7,288	2,082	139
2006	80,476	0	5,062	6,411	2,968	128



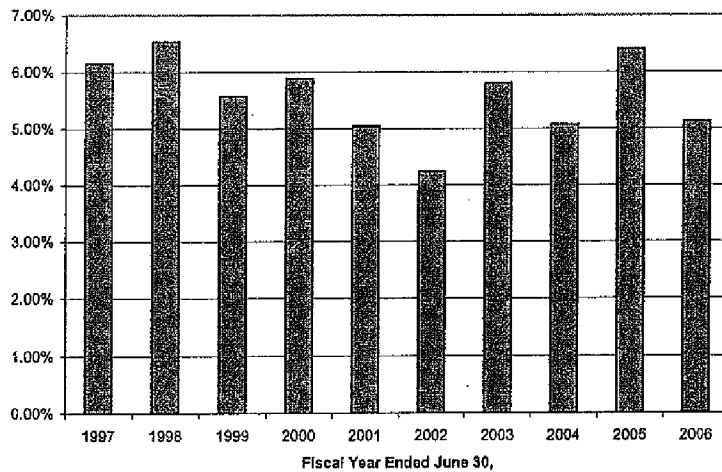
<sup>1</sup> Includes Intergovernmental Grants Receivable from the State Department of Education and restrictions from enabling legislation

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

TABLE C-1

Total Primary Government <sup>2</sup>	Percentage of Personal Income	Aggregate Personal Income	Population <sup>3</sup>	Per Capita <sup>3</sup>
91,484	6.15%	1,486,975	59	25
104,945	6.53%	1,605,933	59	27
92,728	5.57%	1,665,412	59	28
102,374	5.88%	1,740,000	58	30
90,876	5.03%	1,805,564	58	31
76,478	4.24%	1,805,564	58	31
104,384	5.81%	1,798,000	58	31
94,002	5.06%	1,856,000	58	32
118,912	6.41%	1,856,000	58	32
95,045	5.12%	1,856,000	58	32

% Debt Per Personal Income

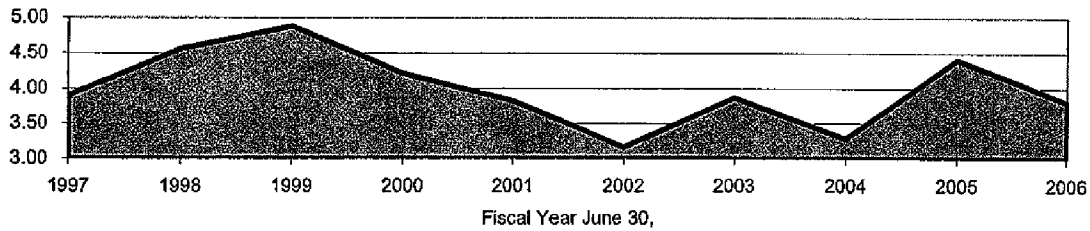


<sup>3</sup> The source of this information is U.S. Bureau of Economic Analysis

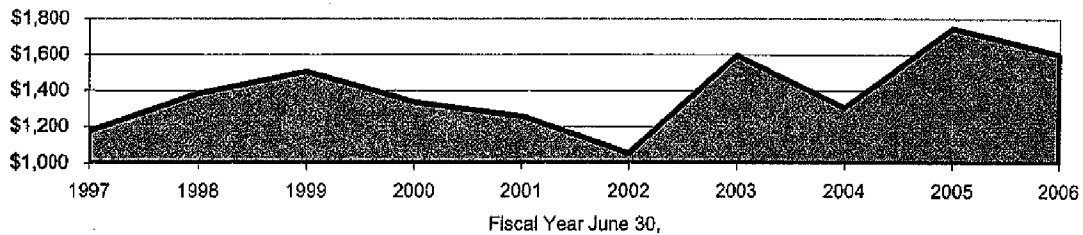
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Bonded Debt (Thousands)</b>	<b>Net Assessed Value (Thousands)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
1997	69,790	1,793,118	3.89	59,479	1,173
1998	82,199	1,804,647	4.55	59,479	1,382
1999	89,406	1,833,813	4.88	59,479	1,503
2000	79,324	1,886,511	4.20	59,479	1,334
2001	73,150	1,916,270	3.82	58,244	1,256
2002	61,350	1,941,536	3.16	58,244	1,053
2003	89,970	2,329,825	3.86	58,244	1,594
2004	76,455	2,331,434	3.28	58,675	1,303
2005	102,945	2,338,868	4.40	58,962	1,746
2006	88,785	2,338,868	3.80	58,962	1,600

**Bonds Debt to Net Assesed Value**



**Debt Per Capita**



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

**Legal Debt Margin Calculation for Fiscal Year 2006:**

Property taxes Collected	94,195,638
Less: Elderly Tax	<u>19,883</u>
<b>Total Base</b>	<b>94,215,521</b>
Debt limitation Multiple	<u>x           7</u>
<b>Legal Debt Limitation</b>	<b><u>659,508,647</u></b>

<u>Fiscal Year ended June 30,</u>	<u>Debt Limitation</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Debt Applicable to the limit as a</u>
1997	454,145	91,484	362,661	20.1%
1998	464,428	104,945	359,483	22.6%
1999	462,089	92,728	369,361	20.1%
2000	482,345	102,374	379,971	21.2%
2001	514,622	90,876	423,746	17.7%
2002	554,098	76,478	477,620	13.8%
2003	593,370	104,384	488,986	17.6%
2004	626,277	94,002	532,275	15.0%
2005	648,281	118,912	529,369	18.3%
2006	659,509	95,045	564,464	14.4%

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

---

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemploy-ment Rate</u>
1997	59,479	25,334	6.7
1998	59,479	26,883	4.1
1999	59,479	27,939	3.9
2000	59,479	29,847	3.1
2001	58,244	30,580	4.1
2002	58,244	30,795	5.2
2003	56,451	31,459	7.0
2004	58,675	31,459	5.9
2005	58,962	31,459	4.7
2006	58,962	31,459	4.7

*Source: Department of Labor, State of Connecticut*

**PRINCIPAL EMPLOYERS**  
**Current Year**

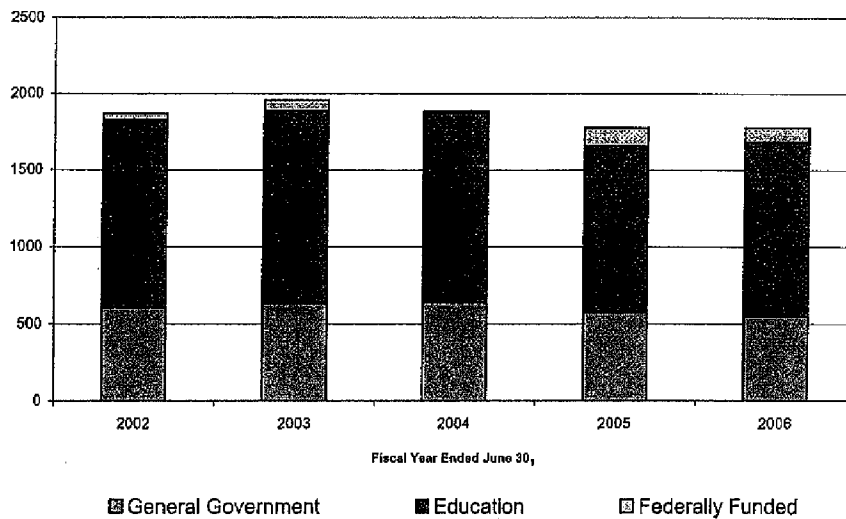
Employer	Employees	Rank	Percentage of Total City Employment
SBC / SNET	1150	1	4.1%
Midstate Medical Center	1120	2	4.0%
CUNO, Inc	400	3	1.4%
Hunters Ambulance	395	4	1.4%
State of Connecticut	359	5	1.3%
Bob's Stores	354	6	1.3%
File's Department Store	300	7	1.1%
Stop and Shop Supermarkets	268	8	1.0%
Target Stores	202	9	0.7%
TI Automotive	187	10	0.7%



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

Fiscal Year Ended June 30,	General Government	Education	Federally Funded	Total
2002	606	1221	42	1869
2003	632	1257	69	1958
2004	638	1234	15	1887
2005	572	1084	119	1775
2006	549	1130	99	1778

**Employees by Function/Program**



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

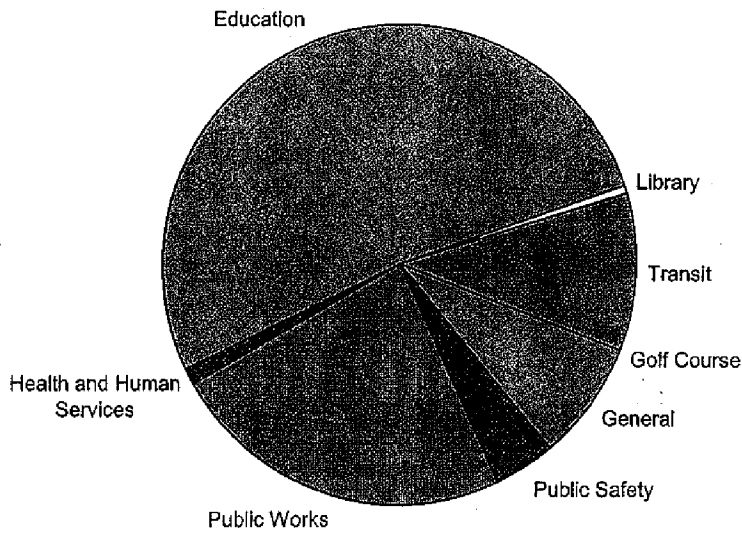
<b>Function / Operating Indicator</b>	<b>2006*</b>
<b>Police</b>	
Cases Investigated	36,812
Arrests	3,059
Traffic Citations	5,809
Parking Citations	922
<b>Fire</b>	
Emergency Responses	5,787
Non-emergency Responses	1,965
Inspections	2,335
<b>Refuse Collection</b>	
Refuse Collected (Tons)	23,215
Recyclables Collected (Tons)	1,797
<b>Other Public Works</b>	
Street Resurfacing (Miles)	5
Potholes Repaired	275
<b>Library</b>	
Volumes in Collection (Print)	239,196
Volumes in Collection (Non-print)	27,742
Total Volumes Borrowed	202,214
<b>Water</b>	
Average Daily Production (thousands of gallons)	6,893
Average Daily Demand (thousands of gallons)	6,880
<b>Wastewater</b>	
Average Daily Treatment (thousands of gallons)	9,400
<b>Transit</b>	
Total Route Miles	52,980
Passengers	18,638
<b>Human Services</b>	
Food Service Inspections and Responses	2,989
Health and Clinic Services Provided	89,200
Social Services Provided	451
Youth Program Participants	5,562
Senior Program Participants	19,246

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

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

<u>Function / Operating Indicator</u>	<u>2006*</u>
General	15,193,896
Public Safety	7,456,735
Public Works	44,314,779
Health and Human Services	2,102,474
Education	97,767,155
Library	697,977
Transit	19,830,512
Golf Course	42,896

**Capital Assets by function, Current Year**



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