

**CITY OF MERIDEN
CONNECTICUT**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2018

**CITY OF MERIDEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

DEPARTMENT OF FINANCE

**MICHAEL LUPKAS, CPFO
DIRECTOR OF FINANCE**

**CITY OF MERIDEN
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JUNE 30, 2018**

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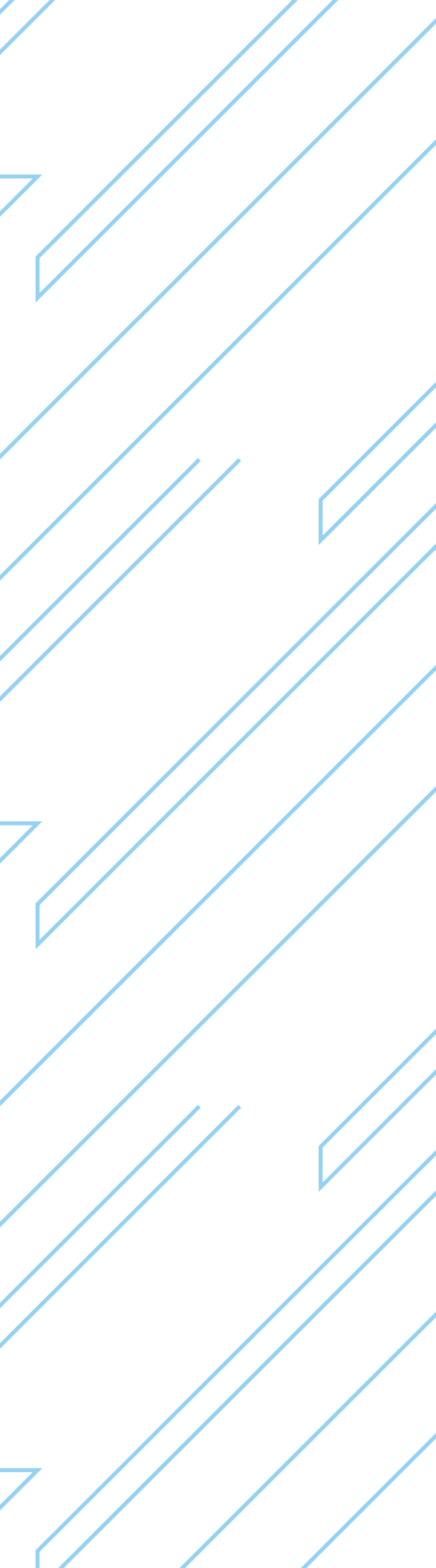
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Introductory Section



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

December 20, 2018

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, 2018.

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

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion of the City of Meriden's financial statements for the year ended June 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Description of the Municipality

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 59,622 in 2017. Meriden is located midway between the cities of Hartford and New Haven within New Haven County at the crossroads of Interstate 91, Interstate 691, State Rt. 15 (Wilbur Cross Parkway) and U.S. Rt. 5. Interstate 691 links Interstate 91 and Interstate 84.

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

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

Form of Government

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

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

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

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

ECONOMIC CONDITIONS AND DEVELOPMENT

Meriden's development points to a stable, slowly growing economy. The average annual growth rate for approved commercial/industrial site plan development is 140,057 square feet. This is the growth rate of land use approvals of applications in the three most recent calendar years (2015, 2016 and 2017).

**SITE PLAN DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION / DIRECTOR IN
CALENDAR YEARS 2015-2017**

Type of Use/Business	2015 Building Sq. Ft.	2016 Building Sq. Ft.	2017 Building Sq. Ft.	Total 2015-2017 Sq. Ft.
Commercial Office/Service	17,570	3,000	3,600	24,170
Commercial Retail	45,805	18,790	72,790	137,385
Industrial/Light Ind.	14,250	48,600	195,768	258,618
TOTAL COMMERCIAL/INDUSTRIAL	77,625	70,390	272,158	420,173
Institutional	0	6,200	8,320	14,520
TOTAL NON-RESIDENTIAL	77,625	76,590	280,478	434,693
	2015 Units	2016 Units	2017 Units	Total 2015-2017 Units
Multi-Family Residential	75	283	0	358

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

**RESIDENTIAL NEW CONSTRUCTION
PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2015-2017**

Type	FY2015 Units	FY2016 Units	FY2017 Units	Total FY2015-FY2017 Units
Multi-Family Residential	71	75	0	146
Single Family Residential	5	4	9	18
TOTAL RESIDENTIAL	76	79	9	164

COMPREHENSIVE PLANNING

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

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

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

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

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

TRANSIT ORIENTED DEVELOPMENT (“TOD”)

The Transit Oriented Development (“TOD”) Plan was the major special study completed in 2012, as part of the implementation of the POCD. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a central park that can support flood control.



1 Meriden Transit Center



2 Meriden Commons 161 State Street

The Transit Oriented Development (“TOD”) Plan is being implemented on several fronts. First, the Meriden Green park and flood control plan was completed in 2016 and is open for public use. Three acres of the Meriden Green site are set aside for future economic development. The Meriden Transit Center, a \$20 million multi modal facility owned and operated by the Connecticut Department of Transportation, was substantially completed in 2017 and formally opened for service in April 2018. The new station includes a commuter parking garage, surface parking lot, a new rail station with a pedestrian up and over, and extended platforms. The improvements support public transit bus service, Amtrak service, and new commuter rail service, known as the “Hartford Line”, to New Haven and Hartford that commenced in June 2018. Two new mixed-use private developments, including a 63-unit mixed-use development at 24 Colony Street and a 75-unit mixed-use development at 161 State Street are completed. Two additional mixed-use developments totaling 157 housing units are fully funded, permitted, and are in the construction stage. Additional information can be found on the website <http://www.meriden2020.com/Downtown-Redevelopment/mixed-use-development-projects/>.

Just outside of downtown, the City advanced redevelopment plans for the former Meriden Wallingford hospital site that includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. Just to the east of the former hospital site is 116 Cook Avenue, a 73,000 square foot former medical office building on 10 acres that includes the former Insilco Factory H site. The City selected a master developer for both sites through a competitive bid process in 2017. Funds have been awarded by the State of Connecticut for site cleanup that commenced in 2018.

NEIGHBORHOOD PLANNING:

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

ENVIRONMENTAL PLANNING

The top priority of all City projects is the Harbor Brook Flood Control and Linear Trail projects. This critical flood control project will protect most of the City through detention, improvement and creation of floodway, removal of obstructions and redirecting portions of the brook. The Falcon Field detention basin located on Westfield Road and the Meriden Green detention basins have been completed. The City has already improved some bridges and culverts in the last couple of years, and is implementing plans for the remaining necessary work.

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

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

efforts in the development, maintenance and protection of trail systems, the Connecticut Forest and Park Association designed the City as a “Connecticut Trail Town.”

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

The City has continued to make progress with environmental cleanup of two important, centrally located sites:

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the Transit Oriented Development zoning district. Demolition of the obsolete Factory “H” structures was completed in the summer of 2012.
2. Meriden Green - The site is across from the train center. Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. The park project was completed in the July of 2016.
3. 177 State Street – cleanup of the site was completed in the spring of 2017 in advance of construction of the Meriden Commons development. The City transferred the site to the Meriden Housing Authority in 2017 for the purposes of developing a two-phased mixed-use development and the demolition of the Mills public housing project. Transfer of the adjacent parcel, 62 Cedar Street, was completed in 2018 to facilitate a second phase of the Meriden Commons development project.
4. 11 Crown Street—demolition of the site and soil cleanup was substantially completed in 2018. The City has collaborated with a private developer to construct and 81-unit mixed-use development on the site in 2018-2019.

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

C. ECONOMIC DEVELOPMENT

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

Incentive Programs

The office of Economic Development manages the City’s business incentive programs that are designed to assist businesses that locate or expand in Meriden. A more detailed description of the available incentive programs can be found on <http://www.meridenbiz.com/incentives/>.

The incentives include:

- **Meriden's Enterprise Zone (“EZ”) State Incentives / State Urban Jobs M-55 Program:** Meriden has a State-designated Enterprise Zone, which provides tax incentives to manufacturers and warehousing and distribution companies that locate to or expand in Meriden's Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. During FY 2017-2018, the City approved 4 applicants for personal property and 5 applicants for real estate
- **Meriden's Enterprise Zone - City of Meriden Incentives:** Companies locating to or expanding in the Enterprise Zone that do not qualify for the State's EZ program may qualify for Enterprise Zone incentives under the Meriden Enterprise Zone incentive program. During FY 2017-2018, the City approved four applications for personal property and two applications for real estate.

- **Urban Jobs State Incentive Program:** Manufacturing and warehousing/distribution companies located outside of the Enterprise Zone may qualify for the same benefits as those located within the Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State.
- **Meriden's Information Technology Zone ("ITZ") Incentives:** Meriden has an Information Technology Zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings may also receive personal property tax abatements. During FY 2017-2018, the City approved one IT Zone application for personal property.
- **Meriden's Manufacturing Assistance Program ("MAP"):** Meriden offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Eight manufacturers have taken advantage of this program to date. One loan is current and one additional loan has been approved. Seven loans have been paid back in full. The program supports the expansion and retention of the City's manufacturing base. This program also offers a relocation incentive up to \$15,000 per business for companies relocating to Meriden.
- **Commercial Property Assessed Clean Energy ("C-PACE"):** A State of Connecticut Energy Program allowing commercial and industrial building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Meriden has entered into an agreement with the Connecticut Energy Finance and Investment Authority to participate in this program. To date two property owners are participating in the C-PACE program.
- **East Main Street Incentive:** In 2015, the City adopted the East Main Street Incentive to encourage private investment in underutilized and vacant properties, increase traffic to existing businesses, and improve the economic vitality of Meriden's east side. The incentive provides tax abatements related to the improvement of underutilized and vacant properties zoned commercial and located along East Main Street from Bee Street to the Middlefield town line. Several new commercial/retail developments have taken advantage of this incentive including Family Dollar (1324 East Main Street), JD Byrider (1187 East Main Street), Taino's Smokehouse (under construction at 1388 East Main Street) and Huxley's restaurant (under construction at 1376 East Main Street). In FY 2017-2018, the City approved three applications for real estate.

Brownfields Redevelopment

Meriden is engaged in a long-term commitment to assess and clean up brownfield sites in the community and return them to active reuse. Since 1992, the City has evaluated 23 brownfield sites totaling over 36 acres of land. Cleanup of 11 sites has been completed or is ongoing. Since 2002, the City has leveraged over \$30 million for assessment, cleanup and remediation activities of those sites. These grants have supported the creation of more available land for housing and commercial development.

Marketing and Outreach

Meriden is in its 15th year of a marketing campaign focusing on business retention and business development. The "Meriden 2020: Bringing It/Together" campaign was launched in 2015 to include electronic and print media campaigns allowing the City to update and maintain online communications, including meridenbiz.com and meriden2020.com websites, and to develop and implement a marketing plan for the use of the 2,000 hours/year of electronic billboard space.

The City's Economic Development Office continues to contract with CoStar Inc., to provide real-time, on-line access to commercial property databases listing all commercial and industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-

time “for lease” and “for sale” information to companies wishing to locate to or expand in the City. The database also provides real estate analysis (vacancy rates, lease histories, property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

Commercial/Industrial Development

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

- CVS. 143 South Broad Street. New construction of a 14,000 sf retail pharmacy completed in 2016.
- Aperture Optical. 170 Pond View Dr. Repurpose of a vacant 20,000 sf commercial facility into an office and manufacturing facility. Completed in 2016.
- Family Dollar. 1326 East Main Street. New construction of a 9,250 sf commercial retail facility. Completed in 2016.
- 300 Research Parkway - Plimpton Hills. Repurpose of vacant 35,000 sf commercial/office building into plumbing supply retail/office. Completed in 2018.
- 1388 East Main Street. Repurpose vacant 8,500 sf former restaurant into new restaurant. To be completed in 2018.
- 1376 East Main Street. New 4,500 sf restaurant to be completed in 2019.
- 161/177 State Street - Meriden Commons Phase 1. New construction of 75-unit mixed-use development with 5,500 sf commercial space to be completed in 2018. Total development cost \$24 million.
- 161/177 State Street - Meriden Commons Phase 2. New construction of 76-unit mixed-use development with 1,500 sf commercial space to be completed in 2019. Total development cost \$30 million.
- 11 Crown Street / 2 South Colony. New construction of 81-unit mixed-use development. Total development cost \$30 million.
- 30 Pomeroy Ave.-FW Webb. Major renovation of former car dealership into retail plumbing supply and showroom completed in 2018.
- 518 Broad Street. New construction 7000 sf auto parts retail store. Completed in 2018.

Municipal and Public Facility Development

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

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

The Meriden Green park and flood control project was completed in September 2016 and is now open to the public providing 14 acres of open space and floodwater detention in downtown.

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

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

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

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

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

The City has continued work on the Harbor Brook Flood Control Project. In 2012, the City was awarded permits from the State Department of Energy and Environmental Protection, and the Army Corps of Engineers for the entire Harbor Brook flood control plan. The State of Connecticut has competed

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

Residential Development

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

Comprehensive Planning and Future Mixed Use Developments

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

The City's comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development. A major City proposal in 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 Two/Three Family Residential to R-1 Single Family Residential. Staff research indicated that the nine areas were primarily composed of single-family homes, and revising zoning would help to maintain the neighborhoods. Following a public hearing, the City Council changed the Zoning Map designation for these properties. A recent review of these areas indicates the neighborhoods are stable or improving – specifically in areas previously showing a decline.

The Transit-Oriented Development ("TOD") Plan has started to be implemented. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a new central park ("Meriden Green") that can support flood control. The Meriden Green was completed in July 2016 and multiple, mixed-use, development proposals surrounding the new park have been given conditional zoning approval.

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

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

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG")

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

Key accomplishments of the CDBG Program during the 2018 Fiscal Year included:

- Funding 31 public service programs that served over 32,000 low and moderate-income Meriden residents.
- Conducting 5,193 code enforcement inspections in the CDBG target areas.
- Repairing 6 homeowner housing units through the NPP loan program
- Coordinating the preparation of the Choice Neighborhood Implementation Plan in an effort to secure \$18 million in HUD grant funds connected to the \$500,000 Choice Planning grant that was previously awarded to Meriden.

The City of Meriden is considered a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated "distressed" municipality pursuant to Section 32-9j of the Connecticut General Statutes. During FY 2018, the City of Meriden received \$934,701 in HUD CDBG "entitlement" funds, which were used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate-income persons. Programs funded in FY 2018 with CDBG funds include a portion of the City's code enforcement activities, youth services, sidewalk improvements and public services for the elderly, homeless, handicapped and at-risk youth. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects. The Meriden Housing Authority and the City are joint recipients of a \$500,000 HUD Choice Neighborhood Planning grant. The purpose of the grant is to develop a Transformation Plan for the redevelopment of the Mills Memorial public housing site and the surrounding central business district. This activity is coupled with other initiatives already underway in Meriden, including the Meriden Family Zone Promise Neighborhood, the Meriden Green Redevelopment and Remediation/Park project, Transit Oriented Development and the New Haven-Hartford-Springfield High Speed Intercity Passenger Rail Corridor Program and a focus on crime reduction strategies all in the CDBG Target Area.

During FY 2018, the Community Development office in partnership with the Economic Development Department managed over \$7 million in federal and state grants related to assessment, remediation and demolition projects including attending project meetings, processing payments, submitting reimbursements requests and submitting reports as required. These grants are vital to the implementation of long-term economic and community development goals for the City of Meriden.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Meriden, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report, in particular, Frank Ocskasy Jr., Director of Accounting, and Agnes Puzio, Accountant II. I would also like to thank Donna Carnot and Kristin Culver from the Board of Education business office.

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

Respectfully submitted,



Michael Lupkas, CPFO
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Meriden
Connecticut**

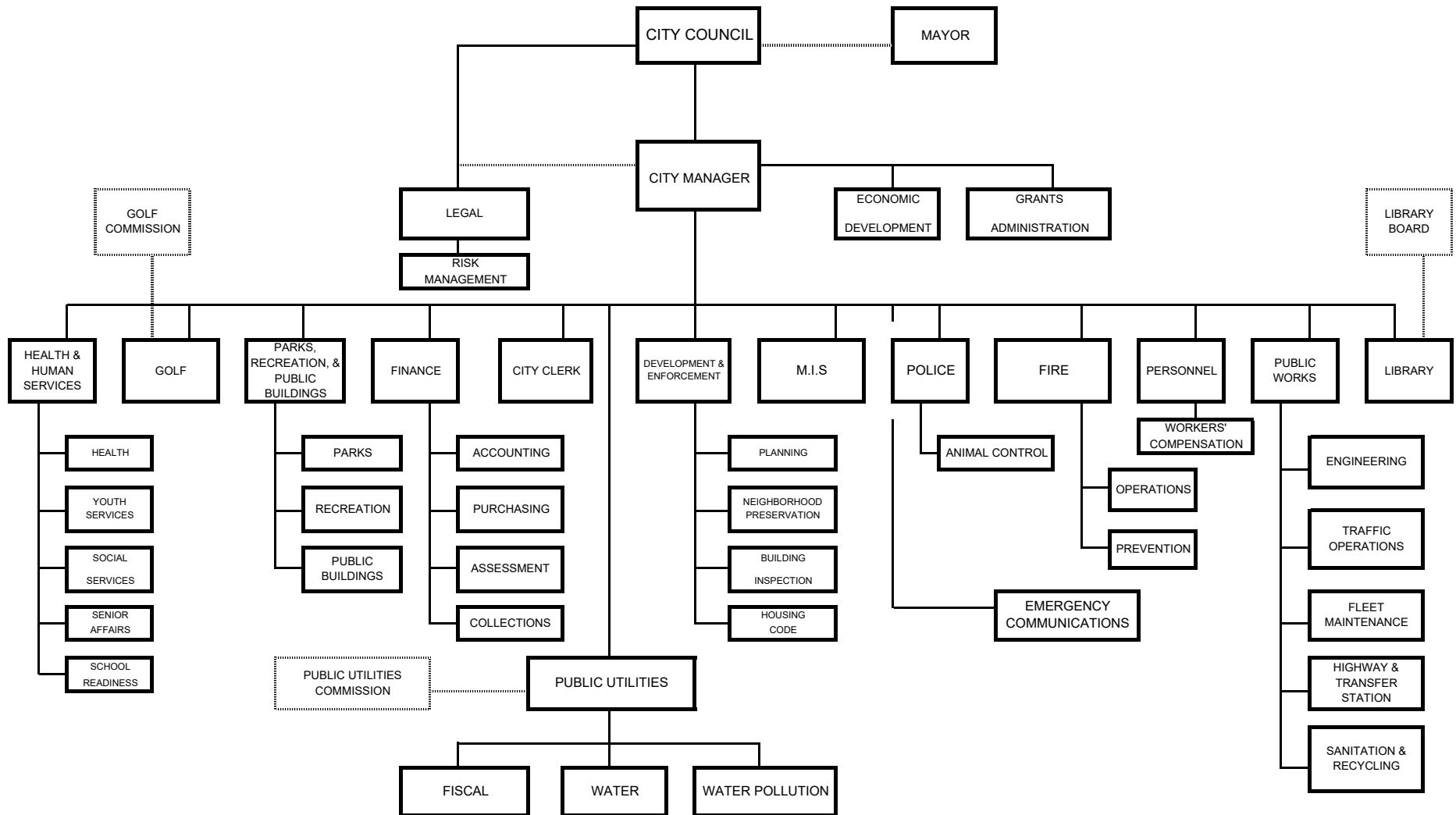
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF MERIDEN
ORGANIZATIONAL CHART**



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS
JUNE 30, 2018

MAYOR

Kevin M. Scarpati

CITY COUNCIL

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

CITY MANAGER

Timothy Coon

ADMINISTRATION

City Clerk
Director of Finance
Police Chief
Fire Chief
Corporation Counsel
City Attorney
Director of Development and Enforcement
Director of Economic Development
Director of Emergency Communications
Director of Health and Human Services
Information Technologies Manager
Director of Parks and Recreation
Director of Personnel
Director of Public Works
Director of Public Utilities
Library Director
Golf Course Facilities Manager

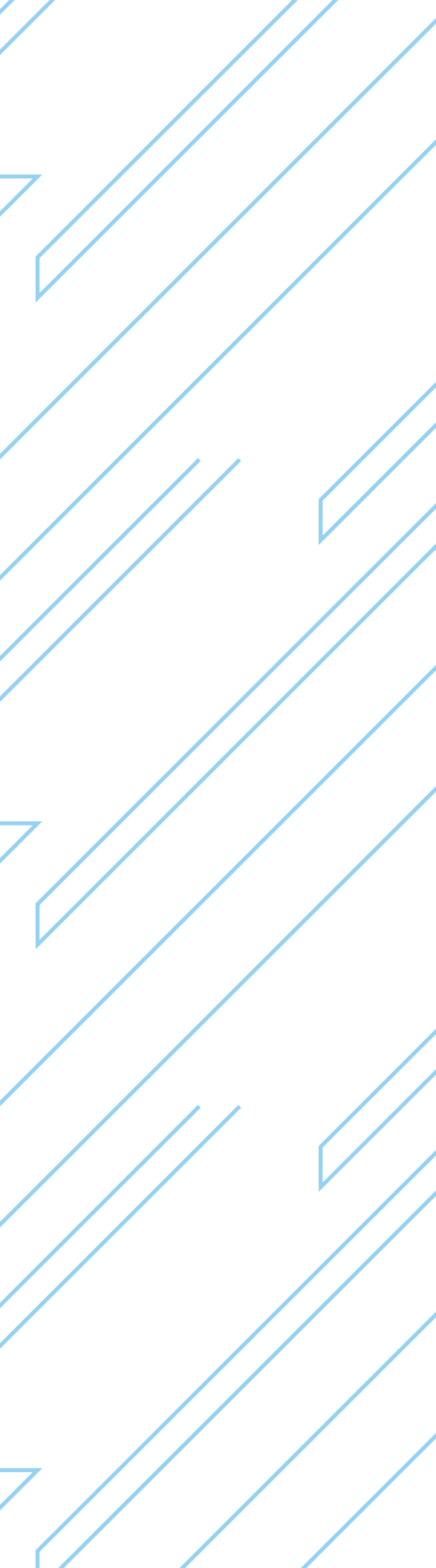
Denise Grandy
Michael Lupkas
Jeffry Cossette
Kenneth Morgan
Michael Quinn
Deborah Moore
Robert Seale
Juliet Burdelski
Doree Price
Lea Crown
Charles Carrozza
Chris Bourdon
Marc Nogueira
Robert J. Bass
Dennis Waz
Karen Roesler
Thomas DeVaux

BOARD OF EDUCATION

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Dr. Steven J. O'Donnell, V. President
John D. Lineen Treasurer
Robert E. Kosienski Jr., Secretary
Allan E. Pronovost
Marisol Estrada
Kim A. Carbone-Pandiani
Donald R. Green, Esq.
Pamela S. Bahre

BOARD OF EDUCATION ADMINISTRATION

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Dr. Miguel A. Cardona, Assistant Superintendent, Teaching and Learning
Michael Grove, Assistant Superintendent for Technology and Operations
Louis Bronk, Assistant Superintendent for Personnel and Talent Development
Patricia Sullivan-Kowalski, Senior Director of Student Supports and Special Education



Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 15 to the financial statements, during the fiscal year ended June 30, 2018, the City of Meriden, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the City of Meriden, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Meriden, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2018

**CITY OF MERIDEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net position at the close of the fiscal year of \$170.8 million. Total net position for Governmental Activities at fiscal year-end was \$90.8 million and total net position for Business-Type Activities was \$80.0 million. (Exhibit I)
- On a government-wide basis, during the year, the City's net position decreased by \$4.5 million or 2.6%, from \$175.3 million to \$170.8 million. Net position decreased by \$3.3 million for Governmental Activities and decreased by \$1.2 million for Business-Type Activities. Governmental Activities expenses were \$258.9 million, while revenues were \$255.6 million. The decrease in governmental activities net position is primarily due to the increase in pollution remediation and OPEB obligation long-term liabilities. (Exhibit II)
- At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$55.1 million, a decrease of \$24.3 million from the prior fiscal year. The decrease is primarily attributable to the spending of bond proceeds in the current period resulting in a decrease in fund balance of \$21.5 million in the Bonded Projects Fund. (Exhibit IV)
- At the end of the current fiscal year, the total fund balance for the General Fund was \$16.3 million, a decrease of \$2.0 million from the prior fiscal year. The decrease is primarily attributable to a reduction of intergovernmental revenues. Of the total General Fund, fund balance as of June 30, 2018, \$14.8 million represents unassigned General Fund fund balance. Unassigned General Fund fund balance at year-end represents 6.7% of total General Fund expenditures and transfers out (\$221.6 million), which is a decrease of 1.1% from the prior year. (Exhibit III, Exhibit IV)

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The City of Meriden maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered major funds. Data from the other 29 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-85 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's pension plan such as the net pension liability, employer contributions and investment returns on pension assets. Required supplementary information can be found on pages 86-99 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net position exceeded liabilities by \$170.8 million on June 30, 2018. Governmental activities assets exceeded liabilities by \$90.8 million. Business-type activities assets exceeded liabilities by \$80 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2017		2017		2017	
	2018	(as Restated)	2018	(as Restated)	2018	(as Restated)
Current and other assets	\$ 88,450	\$ 116,841	\$ 21,374	\$ 26,664	\$ 109,824	\$ 143,505
Capital assets, net of accumulated depreciation	407,528	406,194	132,810	135,390	540,338	541,584
Total assets	<u>495,978</u>	<u>523,035</u>	<u>154,184</u>	<u>162,054</u>	<u>650,162</u>	<u>685,089</u>
Deferred outflow of resources	9,499	22,813	1,148	2,005	10,647	24,818
Current liabilities	41,822	54,844	5,223	7,703	47,045	62,547
Long-term liabilities outstanding	370,398	389,702	69,887	74,880	440,285	464,582
Total liabilities	<u>412,220</u>	<u>444,546</u>	<u>75,110</u>	<u>82,583</u>	<u>487,330</u>	<u>527,129</u>
Deferred inflow of resources	2,477	7,208	220	295	2,697	7,503
Net Position:						
Net investment in capital assets	297,247	288,360	68,830	67,843	366,077	356,203
Restricted	1,034	1,361			1,034	1,361
Unrestricted	<u>(207,500)</u>	<u>(195,627)</u>	<u>11,172</u>	<u>13,338</u>	<u>(196,328)</u>	<u>(182,289)</u>
Total Net Position	<u>\$ 90,781</u>	<u>\$ 94,094</u>	<u>\$ 80,002</u>	<u>\$ 81,181</u>	<u>\$ 170,783</u>	<u>\$ 175,275</u>

A portion of net position was restricted at June 30, 2018 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million), and the corpus of various trusts (\$.1 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

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

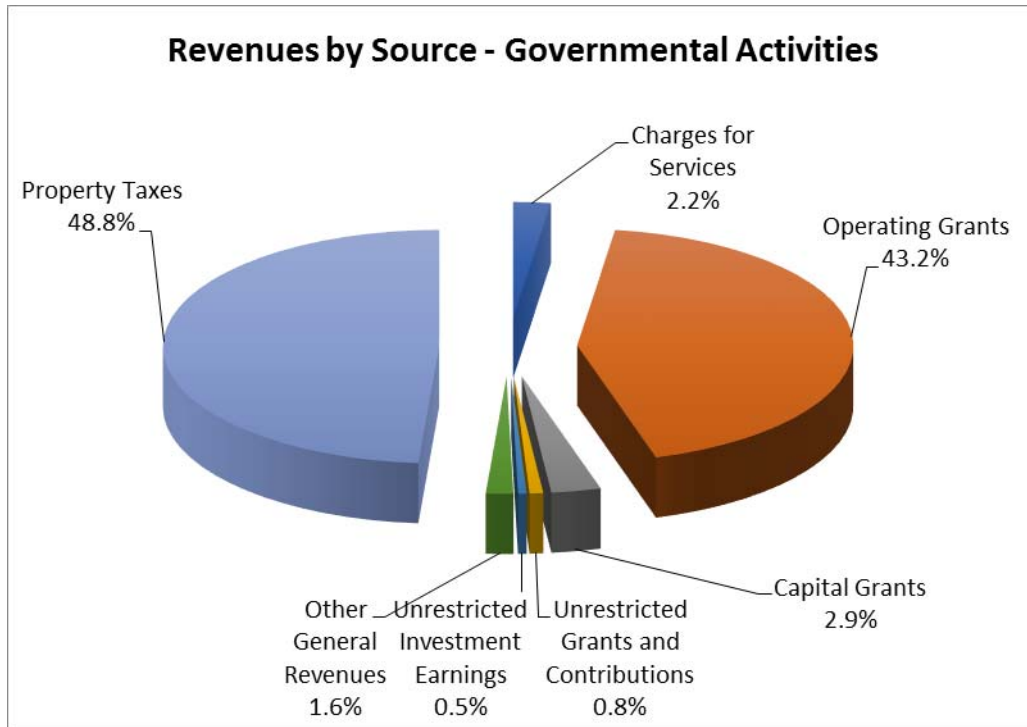
City of Meriden, Connecticut
Changes in Net Position (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 5,678	\$ 5,707	\$ 21,849	\$ 20,533	\$ 27,527	\$ 26,240
Operating grants and contributions	110,277	112,424			110,277	112,424
Capital grants and contributions	7,413	18,776	1,087	343	8,500	19,119
General revenues:						
Property taxes	124,596	123,890			124,596	123,890
Grants not restricted to specific programs	2,160	1,685			2,160	1,685
Unrestricted investment earnings	1,277	1,026	120	56	1,397	1,082
Miscellaneous income	4,139	1,607	1,356	1,741	5,495	3,348
Total revenues	<u>255,540</u>	<u>265,115</u>	<u>24,412</u>	<u>22,673</u>	<u>279,952</u>	<u>287,788</u>
Expenses:						
General government	21,494	20,257			21,494	20,257
Education	156,578	155,752			156,578	155,752
Public safety	49,296	53,345			49,296	53,345
Public works	11,772	18,596			11,772	18,596
Human services	10,033	12,478			10,033	12,478
Cultural and recreation	7,329	7,154			7,329	7,154
Interest on long-term debt	2,352	5,279			2,352	5,279
Sewer Authority			11,403	11,587	11,403	11,587
Water Authority			12,982	13,462	12,982	13,462
George Hunter Golf Course			1,205	1,361	1,205	1,361
Total expenses	<u>258,854</u>	<u>272,861</u>	<u>25,590</u>	<u>26,410</u>	<u>284,444</u>	<u>299,271</u>
Change in Net Position	(3,314)	(7,746)	(1,178)	(3,737)	(4,492)	(11,483)
Net Position at Beginning of Year	94,094	104,404	81,180	85,084	175,274	189,488
Restatement		(2,564)		(167)		(2,731)
Net Position at End of Year	<u>\$ 90,780</u>	<u>\$ 94,094</u>	<u>\$ 80,002</u>	<u>\$ 81,180</u>	<u>\$ 170,782</u>	<u>\$ 175,274</u>

The City’s net position decreased by \$4.5 million during the fiscal year, with net position of governmental activities decreasing by \$3.3 million and business-type activities decreasing by \$1.2 million.

Governmental Activities

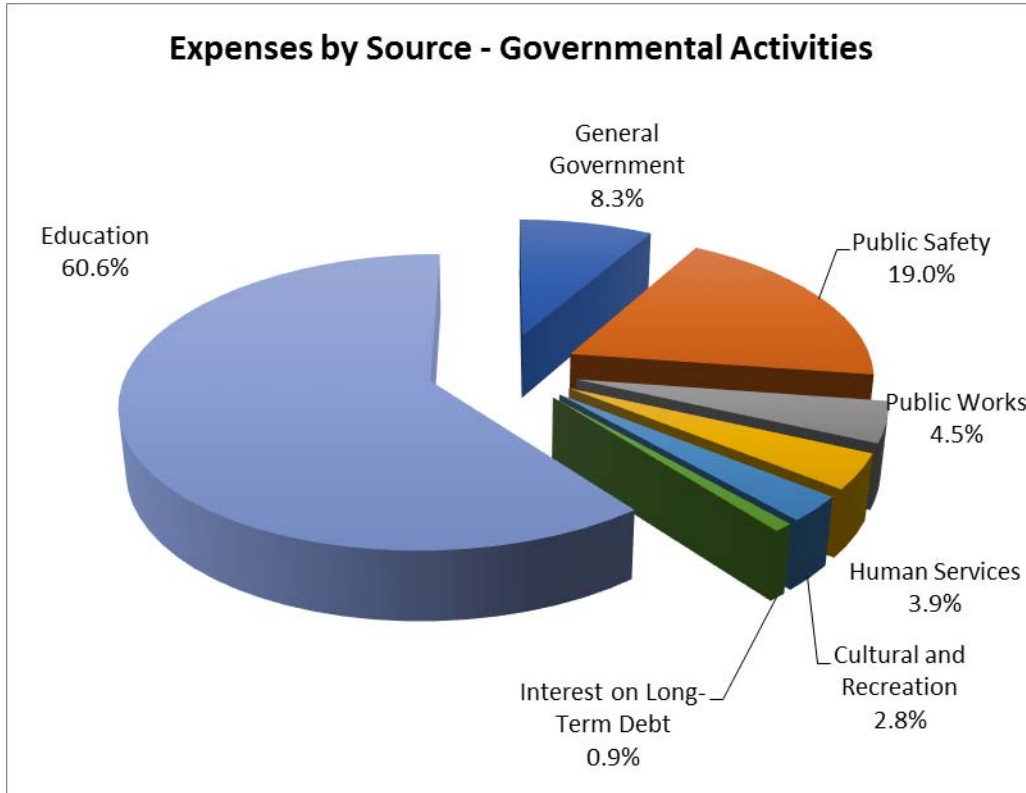
48.8% of the revenues were derived from property taxes, followed by 43.2% from State and Federal Government program revenues, and 2.2% from charges for services.



Major revenue factors included:

- Capital grants and contributions decreased by \$11.4 million from 2017 which is primarily due to the reduction of Maloney High School and Platt High School construction grants as the projects near completion.
- Miscellaneous income increased by \$2.6 million from 2017. This increase is a direct result of accounting for non-state and non-federal grant revenues from the education grants and programs fund as miscellaneous income in 2018 where it was recorded as operating grants and contributions in 2017. As such, there was also a decrease of \$2.1 million in operating grants and contributions from 2017 to 2018.

For Governmental Activities, 60.6% of the City's expenses relate to education, 19.0% relate to public safety, 8.3% to general government, 4.5% to public works, 3.9% to health and human services, 2.8% to culture and recreation and 0.9% on interest on long-term debt.



Major expense factors include:

- Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.25% depending on the employee group. Some employees also received negotiated step increases.
- Public works expenses for fiscal year 2018 decreased by \$6.8 million or 37% primarily due to decreases in the allocation of pollution remediation liabilities.
- Public safety expenses for fiscal year 2018 decreased by \$4.1 million or 8% primarily due to less activity.

Business-Type Funds

Business-type activities capital grants and contributions increased by \$0.7 million due to increases in grant funding. Charges for services revenues increased by \$1.3 million primarily due to user fee billing increases.

Business-type activities expenses were consistent from 2017 to 2018. The decrease of \$0.8 million represents only a 3.0% change from the prior year.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14.8 million while total fund balance was \$16.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.7% of total General Fund expenditures and transfers out (\$221.6 million), while total fund balance represents 7.4% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund decreased by \$2.0 million during the current fiscal year. This fund balance decrease was primarily attributable to reduction in state and federal intergovernmental revenues.

The Bonded Projects Fund has a total fund balance of \$33.2 million, a decrease of \$21.5 million from the prior year. This decrease is directly attributable to the spending of bond proceeds in the current period.

The Nonmajor Governmental Funds have a total fund balance of \$5.6 million, down from \$6.3 million in the prior year. The \$0.7 million decrease is primarily attributable to the spending of funds previously accumulated as fund balance in the capital and non-recurring fund (\$.6 million) and the educational grants and programs fund (\$.1 million).

Proprietary Funds

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

Net position of the Water Fund at the end of the year was \$34.8 million, with unrestricted net position of \$7.0 million. The Water Fund experienced an operating loss of \$0.7 million, which was primarily attributable to increases in other operating expenses.

Net position of the Sewer Fund was \$45.5 million. Unrestricted net position was \$7.2 million. The Sewer Fund experienced an operating loss of \$1.5 million.

The George Hunter Memorial Golf Course Fund had a deficit in net position at the end of the year of \$.3 million. The Golf Fund experienced an increase in net position of \$1.0 million in 2018, solely attributable to reductions in bonds payable obligations, as they have been reclassified as Governmental Activities debt obligations through City Council action.

General Fund Budgetary Highlights

There were no additional appropriations in fiscal year 2018. The original budget included a contingency of \$0.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses.

During the year, actual revenues on a budgetary basis were \$189.9 million, which was \$3.1 million lower than the estimated budget as adopted. Intergovernmental revenues fell short of the budgetary expectation by \$2.3 million, other revenues were short by \$.4 million, charges for services were short by \$.2 million, investment income was short by \$.1 million, and property taxes were short by \$.1 million.

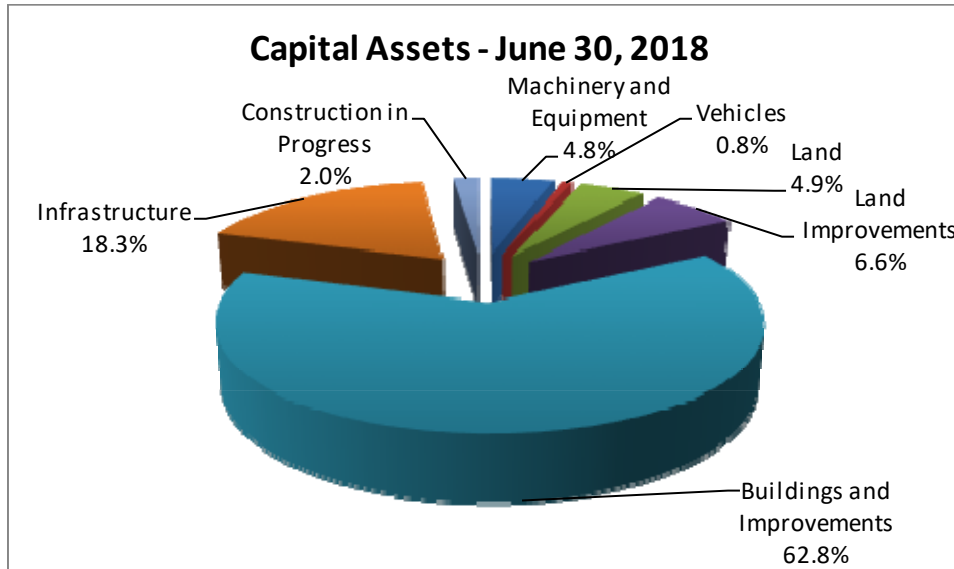
Actual revenues and other financing sources on a budgetary basis totaled \$190.7 million, \$2.0 million less than actual expenditures and other financing uses on a budgetary basis of \$192.7 million.

Capital Asset and Debt Administration

Capital Assets. The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amount to \$540.3 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 25,057	\$ 24,845	\$ 1,138	\$ 1,138	\$ 26,195	\$ 25,983
Land improvements	17,644	17,889	17,745	17,007	35,389	34,896
Buildings and improvements	297,443	200,024	41,736	43,792	339,179	243,816
Infrastructure	42,796	41,935	55,875	57,654	98,671	99,589
Machinery and equipment	12,930	9,042	13,043	14,727	25,973	23,769
Vehicles	3,817	3,270	410	445	4,227	3,715
Construction in progress	7,841	109,189	2,863	627	10,704	109,816
Total	\$ <u>407,528</u>	\$ <u>406,194</u>	\$ <u>132,810</u>	\$ <u>135,390</u>	\$ <u>540,338</u>	\$ <u>541,584</u>

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



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

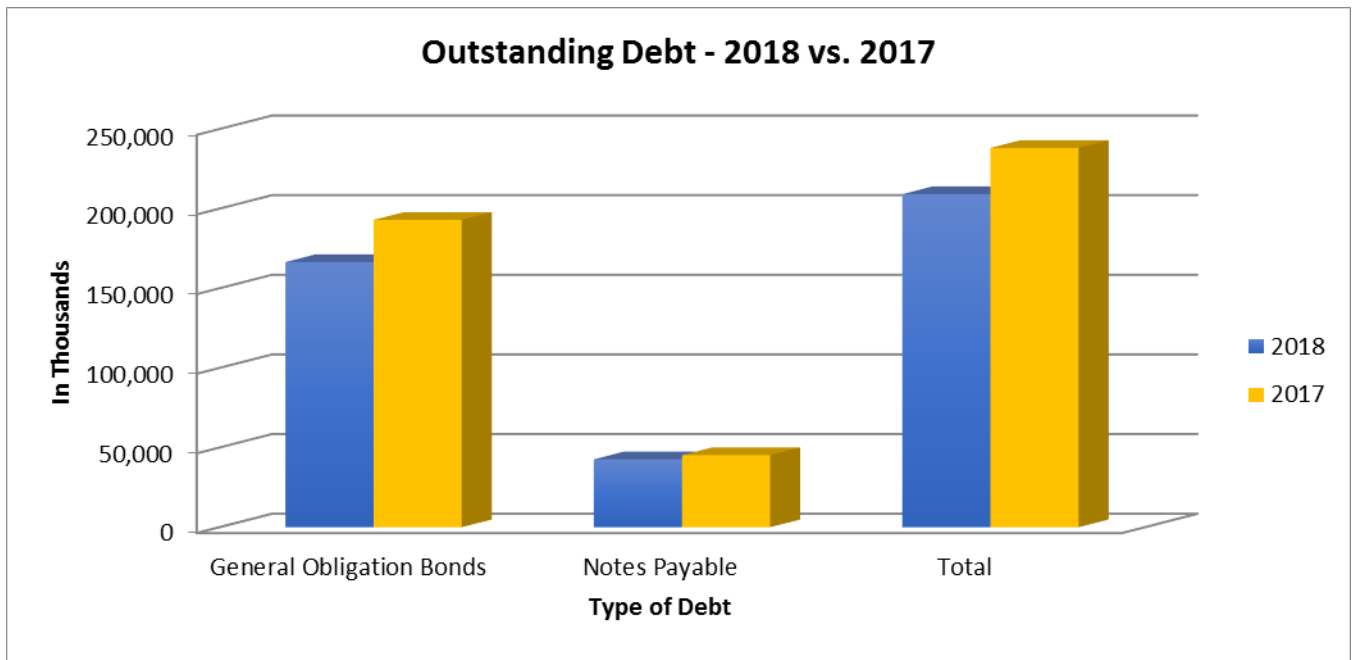
- \$100.9 million in Platt High School CIP transfer to depreciable assets
- \$3.8 million for Public Works Projects (Road Construction, Paving, Improvements, Flood Control)
- \$2.4 million in Maloney High School construction
- \$1.6 million in water distribution and facility improvements
- \$1.4 million in sewer phosphorous design and SCADA upgrades
- \$1.3 million in construction activities associated with 11 Crown Street
- \$1.0 million in sewer collection system improvements

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

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$166.4 million. All of this debt is backed by the full faith and credit of the City.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 146,448	\$ 168,538	\$ 20,042	\$ 24,382	\$ 166,490	\$ 192,920
Notes payable			42,622	45,222	42,622	45,222
Total	\$ 146,448	\$ 168,538	\$ 62,664	\$ 69,604	\$ 209,112	\$ 238,142



The City of Meriden’s bonded debt decreased by \$29 million or 12.2% during fiscal year 2018. This was attributable to the payment of expected debt obligations in the current year.

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

In reviewing the City’s financial management, S&P Global Ratings considers Meriden’s management practices “strong” under its FMA methodology, indicating practices that are strong, well embedded, and likely sustainable.” This is the highest level for “Financial Management Assessment.”

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$871.7 million. As of June 30, 2018, the City recorded long-term debt of \$171.8 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden’s long-term debt can be found in Note 8 on pages 47-55 of this report.

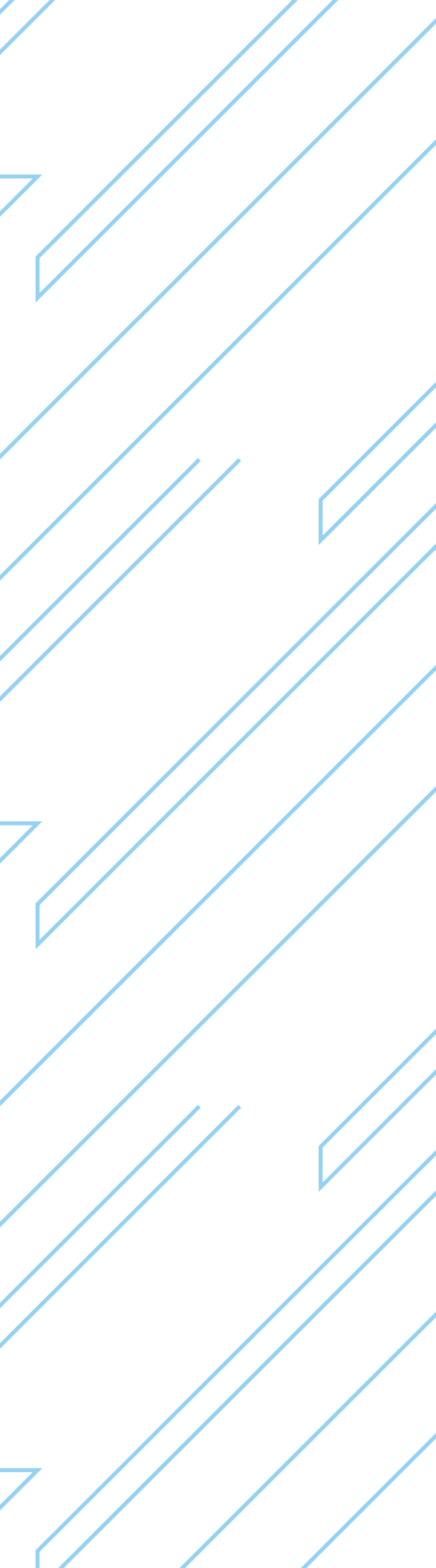
Economic Factors (Updated through October 2018)

The national economic downturn continued to ease during 2017. As of October 2018, the unemployment rate for Meriden was 5.1%, a decrease from 5.5% in the prior year. Although Meriden's unemployment rate is above the October 2018 State of Connecticut, which had an unemployment rate of 4.4%, Meriden's unemployment rate in October 2018 remained lower than larger Connecticut cities including the City of New Haven at 5.3% and the City of Hartford at 6.9%.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. To foster economic development and continued expansion of the tax base, the City administers several business incentive programs, including Enterprise Zone, the Manufacturing Assistance Loan Program, and the C-PACE program, designed to attract, retain and grow business entities in Meriden.

Requests for Information

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



Basic Financial Statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 54,953,463	\$ 7,107,235	\$ 62,060,698
Investments	23,558,195	1,156,097	24,714,292
Receivables, net	13,793,180	8,970,816	22,763,996
Internal balances	(4,139,712)	4,139,712	-
Inventory	229,915		229,915
Other assets	55,168		55,168
Capital assets, nondepreciable	32,898,458	4,001,106	36,899,564
Capital assets, net of accumulated depreciation	<u>374,630,024</u>	<u>128,808,744</u>	<u>503,438,768</u>
Total assets	<u>495,978,691</u>	<u>154,183,710</u>	<u>650,162,401</u>
Deferred Outflows of Resources:			
Related to pension	6,783,774	513,775	7,297,549
Related to OPEB	1,272,464	52,800	1,325,264
Deferred charge on refunding	1,442,368	581,067	2,023,435
Total deferred outflows of resources	<u>9,498,606</u>	<u>1,147,642</u>	<u>10,646,248</u>
Liabilities:			
Accounts payable and accrued liabilities	23,074,615	827,299	23,901,914
Accrued interest		257,486	257,486
Unearned revenue	3,989,541		3,989,541
Noncurrent liabilities:			
Due within one year	14,757,447	4,136,889	18,894,336
Due in more than one year	<u>370,397,557</u>	<u>69,887,411</u>	<u>440,284,968</u>
Total liabilities	<u>412,219,160</u>	<u>75,109,085</u>	<u>487,328,245</u>
Deferred Inflows of Resources:			
Related to pension	2,208,775	217,217	2,425,992
Related to OPEB	61,467	2,550	64,017
Advance property tax collections	206,405		206,405
Total deferred inflows of resources	<u>2,476,647</u>	<u>219,767</u>	<u>2,696,414</u>
Net Position:			
Net investment in capital assets	297,246,738	68,829,522	366,076,260
Restricted:			
Solid Waste Reserve	449,720		449,720
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	104,540		104,540
Unrestricted	<u>(207,499,509)</u>	<u>11,172,978</u>	<u>(196,326,531)</u>
Total Net Position	<u>\$ 90,781,490</u>	<u>\$ 80,002,500</u>	<u>\$ 170,783,990</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF ACTIVITIES
JUNE 30, 2018

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 21,491,664	\$ 2,479,100	\$ 1,616,210	\$ 3,004,130	\$ (14,392,224)	\$	\$ (14,392,224)
Education	156,578,069	812,769	101,254,921	3,539,977	(50,970,402)		(50,970,402)
Public safety	49,295,925	81,193	58,327	19,537	(49,136,868)		(49,136,868)
Public works	11,771,542	2,150,663	1,470	824,009	(8,795,400)		(8,795,400)
Human services	10,033,213	129,472	7,046,669		(2,857,072)		(2,857,072)
Culture and recreation	7,328,526	24,010	299,098	25,000	(6,980,418)		(6,980,418)
Interest on long-term debt	2,352,375				(2,352,375)		(2,352,375)
Total governmental activities	<u>258,851,314</u>	<u>5,677,207</u>	<u>110,276,695</u>	<u>7,412,653</u>	<u>(135,484,759)</u>	<u>-</u>	<u>(135,484,759)</u>
Business-type activities:							
Sewer Authority	11,402,639	9,526,986				(1,875,653)	(1,875,653)
Water Authority	12,982,223	11,266,770		90,000		(1,625,453)	(1,625,453)
George Hunter Golf Course	1,204,698	1,054,862		996,720		846,884	846,884
Total business-type activities	<u>25,589,560</u>	<u>21,848,618</u>	<u>-</u>	<u>1,086,720</u>	<u>-</u>	<u>(2,654,222)</u>	<u>(2,654,222)</u>
Total	<u>\$ 284,440,874</u>	<u>\$ 27,525,825</u>	<u>\$ 110,276,695</u>	<u>\$ 8,499,373</u>	<u>(135,484,759)</u>	<u>(2,654,222)</u>	<u>(138,138,981)</u>
General revenues:							
Property taxes					124,595,934		124,595,934
Grants and contributions not restricted to specific programs					2,160,342		2,160,342
Unrestricted investment earnings					1,276,664	120,127	1,396,791
Miscellaneous income					4,139,037	1,355,976	5,495,013
Total general revenues					<u>132,171,977</u>	<u>1,476,103</u>	<u>133,648,080</u>
Change in net position					(3,312,782)	(1,178,119)	(4,490,901)
Net Position at Beginning of Year, as Restated					<u>94,094,272</u>	<u>81,180,619</u>	<u>175,274,891</u>
Net Position at End of Year					<u>\$ 90,781,490</u>	<u>\$ 80,002,500</u>	<u>\$ 170,783,990</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,535,278	\$ 41,306,861	\$ 8,114,702	\$ 50,956,841
Investments	16,107,617		1,900,931	18,008,548
Receivables, net of allowance for uncollectibles	5,902,155	1,305,964	5,607,337	12,815,456
Inventory	122,777		107,138	229,915
Other assets	24,820		523	25,343
Due from other funds	<u>11,520,605</u>			<u>11,520,605</u>
Total Assets	<u>\$ 35,213,252</u>	<u>\$ 42,612,825</u>	<u>\$ 15,730,631</u>	<u>\$ 93,556,708</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,038,885	\$ 1,594,005	\$ 3,860,837	\$ 18,493,727
Due to other funds		7,220,465	1,057,251	8,277,716
Unearned revenue	4,836	565,003	3,419,702	3,989,541
Total liabilities	<u>13,043,721</u>	<u>9,379,473</u>	<u>8,337,790</u>	<u>30,760,984</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	4,454,167			4,454,167
Unavailable revenue - loans receivable	1,198,834	37,463	1,805,701	3,041,998
Advance property tax collections	206,405			206,405
Total deferred inflows of resources	<u>5,859,406</u>	<u>37,463</u>	<u>1,805,701</u>	<u>7,702,570</u>
Fund Balances:				
Nonspendable	147,597		211,678	359,275
Restricted	946,890	33,195,889	4,066,225	38,209,004
Committed	393,287		1,309,465	1,702,752
Unassigned	14,822,351		(228)	14,822,123
Total fund balances	<u>16,310,125</u>	<u>33,195,889</u>	<u>5,587,140</u>	<u>55,093,154</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,213,252</u>	<u>\$ 42,612,825</u>	<u>\$ 15,730,631</u>	<u>\$ 93,556,708</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

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

Fund balances - total governmental funds (Exhibit III)	\$ 55,093,154
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 631,350,090	
Less accumulated depreciation	<u>(223,821,608)</u>	
Net capital assets		407,528,482

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

Property tax receivables greater than 60 days	4,454,167
Loans receivable greater than 60 days	3,041,998
Deferred outflows related to pension	6,783,774
Deferred outflows related to OPEB	1,272,464

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(7,135,358)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(146,448,000)
Notes payable	(1,050,000)
Bond premium	(5,114,808)
Deferred charge on refunding	1,442,368
Interest payable on bonds and notes	(1,799,957)
Capital lease	(418,165)
Compensated absences	(18,580,017)
Landfill post-closure monitoring	(293,979)
OPEB liability	(54,729,602)
Pollution remediation	(9,587,050)
Deferred inflows related to pension	(2,208,775)
Deferred inflows related to OPEB	(61,467)
Net pension liability	(139,782,739)
Claims and judgments	<u>(1,625,000)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 90,781,490</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 124,977,764	\$	\$	\$ 124,977,764
Federal and state government	85,155,417	3,723,783	30,969,820	119,849,020
Charges for services	4,775,143		902,064	5,677,207
Investment income	271,682	596,395	98,278	966,355
Other local revenues	976,922	577,551	2,611,814	4,166,287
Total revenues	<u>216,156,928</u>	<u>4,897,729</u>	<u>34,581,976</u>	<u>255,636,633</u>
Expenditures:				
Current:				
General government	38,943,299		510,817	39,454,116
Public safety	23,423,210		118,593	23,541,803
Public works	7,993,104		16,934	8,010,038
Health and welfare	4,374,193		5,548,734	9,922,927
Culture and recreation	4,087,739		240,673	4,328,412
Education	123,978,485		25,016,527	148,995,012
Debt service:				
Principal retirement	11,322,970		75,000	11,397,970
Interest and other charges	7,264,613	441,714	30,495	7,736,822
Capital outlay		11,888,441	3,683,045	15,571,486
Total expenditures	<u>221,387,613</u>	<u>12,330,155</u>	<u>35,240,818</u>	<u>268,958,586</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,230,685)</u>	<u>(7,432,426)</u>	<u>(658,842)</u>	<u>(13,321,953)</u>
Other Financing Sources (Uses):				
Issuance of capital lease		452,440		452,440
Payment to refunded bond escrow agent		(11,425,077)		(11,425,077)
Transfers in	3,384,094		174,868	3,558,962
Transfers out	(174,868)	(3,115,954)	(268,140)	(3,558,962)
Total other financing sources (uses)	<u>3,209,226</u>	<u>(14,088,591)</u>	<u>(93,272)</u>	<u>(10,972,637)</u>
Net Change in Fund Balances	(2,021,459)	(21,521,017)	(752,114)	(24,294,590)
Fund Balances at Beginning of Year	<u>18,331,584</u>	<u>54,716,906</u>	<u>6,339,254</u>	<u>79,387,744</u>
Fund Balances at End of Year	<u>\$ 16,310,125</u>	<u>\$ 33,195,889</u>	<u>\$ 5,587,140</u>	<u>\$ 55,093,154</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (24,294,590)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	17,643,539
Depreciation expense	(16,279,906)
Loss on disposal of capital assets	(29,648)

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

Property taxes collected after 60 days	(360,791)
Loan principal collected	(224,444)
Change in Build America Bonds interest receivable	(26,580)
Change in interest and liens receivable	(21,039)
Change in deferred outflows related to pension	(14,385,481)
Change in deferred outflows related to OPEB	1,272,464

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

Principal payments on bonds and notes	22,164,602
Capital leases issued	(452,441)
Capital lease payments	34,276

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

Change in accrued interest on bonds and notes	1,013,571
Amortization of premium on refunding	5,196,534
Amortization of deferred charge on refunding	(201,489)
Change in long-term compensated absences	487,891
Change in landfill post-closure monitoring	61,670
Change in pollution remediation obligation	3,779,000
Change in net pension liability	3,655,728
Change in OPEB obligation	(3,597,423)
Change in deferred inflows related to pension	3,054,467
Change in deferred inflows related to OPEB	(61,467)
Change in claims and judgments	27,000

The net expense of the internal service funds is reported with governmental activities.	<u>(1,768,225)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (3,312,782)</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes, interest and lien fees	\$ 125,065,676	\$ 125,065,676	\$ 124,977,764	\$ (87,912)
Intergovernmental revenues	61,605,441	61,605,441	59,290,248	(2,315,193)
Charges for services	5,008,227	5,008,227	4,775,143	(233,084)
Investment income	404,072	404,072	271,343	(132,729)
Other revenues	973,678	973,678	613,730	(359,948)
Total revenues	<u>193,057,094</u>	<u>193,057,094</u>	<u>189,928,228</u>	<u>(3,128,866)</u>
Expenditures:				
Current:				
General government	37,698,338	37,937,382	37,144,886	792,496
Finance	1,768,857	1,716,207	1,716,199	8
Public safety	23,909,744	23,421,099	23,421,075	24
Public works	7,640,590	7,850,210	7,850,170	40
Health and welfare	2,747,733	2,728,301	2,728,290	11
Culture and recreation	4,247,553	4,087,749	4,087,739	10
Education	99,759,840	99,759,220	99,759,219	1
Debt service:				
Principal retirement	8,685,198	8,718,566	8,718,566	-
Interest and other charges	7,012,354	7,066,647	7,066,640	7
Total expenditures	<u>193,470,207</u>	<u>193,285,381</u>	<u>192,492,784</u>	<u>792,597</u>
Deficiency of Revenues over Expenditures	<u>(413,113)</u>	<u>(228,287)</u>	<u>(2,564,556)</u>	<u>(2,336,269)</u>
Other Financing Sources (Uses):				
Transfers in	428,155	428,155	774,705	346,550
Transfers out	<u>(15,042)</u>	<u>(199,868)</u>	<u>(199,868)</u>	<u>-</u>
Total other financing sources	<u>413,113</u>	<u>228,287</u>	<u>574,837</u>	<u>346,550</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,989,719)</u>	<u>\$ (1,989,719)</u>
Fund Balance at Beginning of Year			<u>17,915,094</u>	
Fund Balance at End of Year			<u>\$ 15,925,375</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Assets:					
Current assets:					
Cash and cash equivalents	\$ 4,654,345	\$ 2,258,234	\$ 194,656	\$ 7,107,235	\$ 3,996,622
Investments	579,796	576,301		1,156,097	5,549,647
Accounts receivable, net	4,418,646	4,546,442	5,728	8,970,816	241,376
Due from other funds	3,763,384	2,599,128	773,541	7,136,053	
Other assets				-	29,826
Total current assets	<u>13,416,171</u>	<u>9,980,105</u>	<u>973,925</u>	<u>24,370,201</u>	<u>9,817,471</u>
Noncurrent assets:					
Capital assets, nondepreciable	1,828,416	2,115,965	56,725	4,001,106	
Capital assets, net of accumulated depreciation	<u>56,925,804</u>	<u>69,165,153</u>	<u>2,717,787</u>	<u>128,808,744</u>	
Total noncurrent assets	<u>58,754,220</u>	<u>71,281,118</u>	<u>2,774,512</u>	<u>132,809,850</u>	<u>-</u>
Total assets	<u>72,170,391</u>	<u>81,261,223</u>	<u>3,748,437</u>	<u>157,180,051</u>	<u>9,817,471</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	492,866	88,201		581,067	
Related to pension	330,997	132,249	50,529	513,775	
Related to OPEB	40,191	9,355	3,254	52,800	
Total deferred outflows of resources	<u>864,054</u>	<u>229,805</u>	<u>53,783</u>	<u>1,147,642</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	343,109	407,245	76,945	827,299	443,464
Accrued interest	173,204	83,842	440	257,486	
Due to other funds			2,996,341	2,996,341	6,646,253
Current portion of claims incurred but not reported				-	2,508,548
Current portion of bonds payable	951,100	476,700	3,900	1,431,700	
Current portion of notes payable	860,097	1,778,236		2,638,333	
Current portion of compensated absences	55,491	2,474	8,891	66,856	
Total current liabilities	<u>2,383,001</u>	<u>2,748,497</u>	<u>3,086,517</u>	<u>8,218,015</u>	<u>9,598,265</u>
Noncurrent liabilities:					
Claims incurred but not reported					7,354,564
Bonds payable, less current portion	11,660,700	6,914,400	35,200	18,610,300	
Notes payable, less current portion	16,656,263	23,326,999		39,983,262	
Premium on bonds	658,352	453,695		1,112,047	
Compensated absences	991,663	530,385	192,813	1,714,861	
Net pension liability	3,991,723	1,594,885	609,373	6,195,981	
OPEB liability	1,728,636	402,351	139,973	2,270,960	
Total noncurrent liabilities	<u>35,687,337</u>	<u>33,222,715</u>	<u>977,359</u>	<u>69,887,411</u>	<u>7,354,564</u>
Total liabilities	<u>38,070,338</u>	<u>35,971,212</u>	<u>4,063,876</u>	<u>78,105,426</u>	<u>16,952,829</u>
Deferred Inflows of Resources:					
Related to pension	139,940	55,913	21,364	217,217	
Related to OPEB	1,941	452	157	2,550	
Total deferred inflows of resources	<u>141,881</u>	<u>56,365</u>	<u>21,521</u>	<u>219,767</u>	<u>-</u>
Net Position:					
Net investment in capital assets	27,834,695	38,256,601	2,738,226	68,829,522	
Unrestricted	6,987,531	7,206,850	(3,021,403)	11,172,978	(7,135,358)
Total Net Position	<u>\$ 34,822,226</u>	<u>\$ 45,463,451</u>	<u>\$ (283,177)</u>	<u>\$ 80,002,500</u>	<u>\$ (7,135,358)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Operating Revenues:					
Charges for services	\$ 11,266,770	\$ 9,526,986	\$ 1,054,862	\$ 21,848,618	\$ 29,507,239
Miscellaneous	903,705	396,469	55,802	1,355,976	2,780,874
Total operating revenues	<u>12,170,475</u>	<u>9,923,455</u>	<u>1,110,664</u>	<u>23,204,594</u>	<u>32,288,113</u>
Operating Expenses:					
Salaries and benefits	4,143,512	2,014,296	504,373	6,662,181	
Medical claims				-	32,207,211
Materials and supplies	1,107,454	1,383,826	353,116	2,844,396	
Utilities	775,424	961,188		1,736,612	
Administration and operation	1,920,526	785,425		2,705,951	305,925
Depreciation	2,697,633	4,113,980	158,419	6,970,032	
Other	1,457,013	1,324,255	149,371	2,930,639	1,853,511
Total operating expenses	<u>12,101,562</u>	<u>10,582,970</u>	<u>1,165,279</u>	<u>23,849,811</u>	<u>34,366,647</u>
Operating Income (Loss)	<u>68,913</u>	<u>(659,515)</u>	<u>(54,615)</u>	<u>(645,217)</u>	<u>(2,078,534)</u>
Nonoperating Revenues (Expenses):					
Interest income	27,683	22,196	70,248	120,127	310,309
Interest expense	(880,661)	(819,669)	(39,419)	(1,739,749)	
Total nonoperating revenues (expenses)	<u>(852,978)</u>	<u>(797,473)</u>	<u>30,829</u>	<u>(1,619,622)</u>	<u>310,309</u>
Income (Loss) Before Contributions	(784,065)	(1,456,988)	(23,786)	(2,264,839)	(1,768,225)
Contributions:					
Capital grants and contributions	<u>90,000</u>		<u>996,720</u>	<u>1,086,720</u>	
Change in Net Position	(694,065)	(1,456,988)	972,934	(1,178,119)	(1,768,225)
Net Position at Beginning of Year, as Restated	<u>35,516,291</u>	<u>46,920,439</u>	<u>(1,256,111)</u>	<u>81,180,619</u>	<u>(5,367,133)</u>
Net Position at End of Year	<u>\$ 34,822,226</u>	<u>\$ 45,463,451</u>	<u>\$ (283,177)</u>	<u>\$ 80,002,500</u>	<u>\$ (7,135,358)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 11,973,307	\$ 9,567,419	\$ 1,105,046	\$ 22,645,772	\$ 32,412,103
Payments to suppliers	(5,417,236)	(4,353,467)	(501,094)	(10,271,797)	(33,875,425)
Payments to employees	(4,157,310)	(1,823,768)	(451,506)	(6,432,584)	
Net receipts from interfund transactions	1,818,573	2,625,185	(451,343)	3,992,415	2,646,253
Net cash provided by (used in) operating activities	<u>4,217,334</u>	<u>6,015,369</u>	<u>(298,897)</u>	<u>9,933,806</u>	<u>1,182,931</u>
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	90,000		996,720	1,086,720	
Purchase of capital assets	(1,770,706)	(2,562,540)	(56,725)	(4,389,971)	
Principal payments of bonds	(945,668)	(479,905)	(671,937)	(2,097,510)	
Principal payments of clean water fund loans	(843,081)	(1,757,335)		(2,600,416)	
Interest paid on capital debt	(586,107)	(971,154)	(108,761)	(1,666,022)	
Net cash provided by (used in) capital and related financing activities	<u>(4,055,562)</u>	<u>(5,770,934)</u>	<u>159,297</u>	<u>(9,667,199)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Sale of investments	15,746	10,331	70,248	96,325	1,900,000
Purchases of investments				-	(1,490,007)
Net cash provided by (used in) investing activities	<u>15,746</u>	<u>10,331</u>	<u>70,248</u>	<u>96,325</u>	<u>409,993</u>
Net Increase (Decrease) in Cash and Cash Equivalents	177,518	254,766	(69,352)	362,932	1,592,924
Cash and Cash Equivalents at Beginning of Year	<u>4,476,827</u>	<u>2,003,468</u>	<u>264,008</u>	<u>6,744,303</u>	<u>2,403,698</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,654,345</u>	<u>\$ 2,258,234</u>	<u>\$ 194,656</u>	<u>\$ 7,107,235</u>	<u>\$ 3,996,622</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 68,913	\$ (659,515)	\$ (54,615)	\$ (645,217)	\$ (2,078,534)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,697,633	4,113,980	158,419	6,970,032	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(197,168)	(356,036)	(5,618)	(558,822)	123,990
(Increase) decrease in due from other funds	1,818,573	2,625,185	(417,775)	4,025,983	
Increase (decrease) in accounts payable and accrued items	(156,819)	101,227	1,393	(54,199)	491,222
Increase (decrease) in compensated absences	(83,783)	30,283	5,763	(47,737)	
Increase (decrease) in Net Pension Liability	(147,022)	(81,111)	(47,467)	(275,600)	
Increase (decrease) in OPEB liability	113,624	26,447	9,201	149,272	
Increase (decrease) in due to other funds			(33,568)	(33,568)	2,646,253
(Increase) decrease in deferred outflows of resources	150,115	234,924	93,783	478,822	
Increase (decrease) in deferred inflows of resources	(46,732)	(20,015)	(8,413)	(75,160)	
Total adjustments	<u>4,148,421</u>	<u>6,674,884</u>	<u>(244,282)</u>	<u>10,579,023</u>	<u>3,261,465</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,217,334</u>	<u>\$ 6,015,369</u>	<u>\$ (298,897)</u>	<u>\$ 9,933,806</u>	<u>\$ 1,182,931</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
Assets:			
Cash and cash equivalents	\$ 11,098,860	\$ 212,534	\$ 2,003,159
Investments, at fair value:			
US government securities	4,311,470	52,632	
Corporate bonds	18,620,350		
Equities	180,476,694		
Mutual funds	48,029,098		
Certificates of deposit		100,452	
Alternative investments	31,084,068		370,835
Total investments	<u>282,521,680</u>	<u>153,084</u>	<u>370,835</u>
Accounts receivable	<u>854,354</u>		<u>4,524</u>
Total assets	<u>294,474,894</u>	<u>365,618</u>	<u>2,378,518</u>
Liabilities:			
Deposits held for others			2,373,759
Other liabilities	2,429		4,759
Due to other funds	736,348		
Total liabilities	<u>738,777</u>	<u>-</u>	<u>2,378,518</u>
Net Position:			
Restricted for Pension Benefits and Other Purposes	<u>\$ 293,736,117</u>	<u>\$ 365,618</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 14,585,457	\$
Plan members	6,218,673	
Total contributions	<u>20,804,130</u>	<u>-</u>
Investment earnings (losses):		
Net change in fair value of investments	23,102,175	
Interest and dividends	5,822,917	30,942
Total investment earnings (losses)	<u>28,925,092</u>	<u>30,942</u>
Less investment expenses:		
Investment management fees	1,291,277	
Net investment earnings (losses)	<u>27,633,815</u>	<u>30,942</u>
Total additions	<u>48,437,945</u>	<u>30,942</u>
Deductions:		
Benefits	30,778,874	21,775
Administrative expense	469,694	
Other	422,750	
Total deductions	<u>31,671,318</u>	<u>21,775</u>
Change in Net Position	16,766,627	9,167
Net Position at Beginning of Year	<u>276,969,490</u>	<u>356,451</u>
Net Position at End of Year	<u>\$ 293,736,117</u>	<u>\$ 365,618</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Additionally, the City reports the following fund types:

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

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

The *Pension and Other Employee Benefits Trust Funds* are used to account for activities of the City's three defined benefit plans that accumulate resources for pension benefit payments to qualified employees. As part of these trust funds, an amount is segregated to pay for retiree health benefits. These funds are also presented with the pension trust funds. These funds are also used to account for the activities for both City and Board of Education for other post employment benefits (e.g., health insurance, life insurance) that accumulate resources for other post employment benefit payments to qualified employees.

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

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

**CITY OF MERIDEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

E. Inventories

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

F. Receivables and Payables

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

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

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

G. Capital Assets

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

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

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

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

H. Deferred Outflows/Inflows of Resources

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

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

I. Compensated Absences

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

J. Net Pension Liability

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

K. Net Other Post Employment (OPEB) Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

N. Property Taxes

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

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

O. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

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

There were no additional appropriations of for the General Fund. Additional appropriations from net position of \$43,500 were approved for the Water Fund and \$18,500 for the Sewer Fund.

- 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.

**CITY OF MERIDEN, CONNECTICUT
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- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

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

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
	<u> </u>	<u> </u>	<u> </u>
Balance, budgetary basis	\$ 190,702,933	\$ 192,692,652	\$ 15,925,375
Excess cost grant (net for budgetary)	875,457	875,457	
BABs subsidy	197,973	197,973	
Premium netted for budgetary purposes	2,604,404	2,604,404	
State Teachers’ Retirement on-behalf payment - pension	21,161,504	21,161,504	
State Teachers’ Retirement on-behalf payment - OPEB	2,182,305	2,182,305	
State of Connecticut WIC on-behalf payment	1,645,903	1,645,903	
Funds consolidated for GASB 54 purposes	<u>170,543</u>	<u>202,283</u>	<u>384,750</u>
Balance, GAAP Basis	<u>\$ 219,541,022</u>	<u>\$ 221,562,481</u>	<u>\$ 16,310,125</u>

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B. Deficit Fund Equity

For the year ended June 30, 2018, the following funds had deficit balances:

Nonmajor Governmental Funds:		
Factory H Demolition	\$	228
Nonmajor Enterprise Fund:		
George Hunter Memorial Golf Course		283,177
Internal Service Fund:		
Workers' Compensation Fund		5,168,483
Meriden Health Insurance		1,966,875

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General

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Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$66,679,227 of the City’s bank balance of \$69,065,663 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 60,011,304
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>6,667,923</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 66,679,227</u>

Cash Equivalents

At June 30, 2018, the City’s cash equivalents amounted to \$8,377,213. The following table provides a summary of the City’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>S & P Global</u>
State Short-Term Investment Fund (STIF)	AAAm
Multi-Bank Securities, Inc.	*
TD Bank	*
Northern Capital Investments	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

* Not rated

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Investments

As of June 30, 2018, the City had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less than 1</u>	<u>1-10</u>	<u>More than 10</u>
Interest-bearing investments:				
Certificates of Deposit	\$ 9,542,461	\$ 2,400,151	\$ 7,142,310	\$
U.S. Government Securities	4,364,102	968,901	3,395,201	
Corporate Bonds	<u>22,233,267</u>	<u>6,114,528</u>	<u>15,455,975</u>	<u>662,764</u>
Total	36,139,830	<u>\$ 9,483,580</u>	<u>\$ 25,993,486</u>	<u>\$ 662,764</u>
Other investments:				
Mutual Funds	81,665,963			
Common Stock	150,656,160			
Preferred Stock	7,533			
Alternative investments	<u>39,290,405</u>			
Total Investments	<u>\$ 307,759,891</u>			

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>Certificate of Deposit</u>
Aaa	\$ 4,951,360	\$ 4,364,102	\$
Aa2	829,917		
Aa3	687,724		
A1	1,736,807		
A2	2,590,789		
A3	3,651,372		
Baa1	2,870,343		
Baa2	4,379,277		
Baa3	535,678		
Unrated			<u>9,542,461</u>
Total	<u>\$ 22,233,267</u>	<u>\$ 4,364,102</u>	<u>\$ 9,542,461</u>

Interest Rate Risk

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400. In addition, per policy, a depository's long-term debt must be rated at least C by Thompson Bank Watch and A- by Standard & Poor's, A3 by Moody's or A- by Fitch; and its short-term debt must be rated at least TBW-1 by Thomson Bank Watch and A-1 by Standard & Poors, P-1 by Moody's or F-1 by Fitch or the depository's total risk-based capital ratio must exceed ten percent (10%).

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2018, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

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

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

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

There shall be no investments in:

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

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

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

Fair Value

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2018:

	June 30, 2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government agencies	\$ 4,364,102	\$	\$ 4,364,102	\$
Corporate bonds	22,233,267		22,233,267	
Common stock	150,656,160	150,656,160		
Preferred stock	7,533		7,533	
Mutual funds	81,665,960	81,665,960		
Alternative investments	28,000,236	59,233		27,941,003
Total investments by fair value level	286,927,258	\$ 232,381,353	\$ 26,604,902	\$ 27,941,003
Investments measured at net asset value (NAV):				
Private equity holdings	11,290,172			
Certificates of deposit	9,542,461			
Total Investments	\$ 307,759,891			

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

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

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Central Park Group	\$ 1,006,644	\$ 387,498	Quarterly, annually	30-60 days
Central Park Group: WP PVT	3,091,994	687,258	Quarterly, annually	30-60 days
Central Park Group: WPXXX	920,074	552,228	Quarterly, annually	30-60 days
Central Park Group:				
Brookfield Opportunistic	2,400,118	694,980	Quarterly, annually	30-60 days
iCapital KV Seed	577,348	1,347,481	Quarterly, annually	30-60 days
iCapital Apollo Structured	16,845	66,400	Quarterly, annually	30-60 days
Greenspring Associates	987,730	478,500	Quarterly, annually	30-60 days
Oak Hill Capital Partners	1,265,109	1,393,748	Quarterly, annually	30-60 days
Portfolio Advisors Secondary Fund II	<u>1,024,310</u>	<u>292,448</u>	Quarterly, annually	30-45 days
	<u>\$ 11,290,172</u>	<u>\$ 5,900,541</u>		

4. RECEIVABLES

The receivables as of June 30, 2018 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<u>Governmental and Fiduciary Type Funds</u>			
	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor, Internal Service, and Fiduciary Funds</u>	<u>Total</u>
Property taxes	\$ 7,887,156	\$	\$	\$ 7,887,156
Interest and liens	7,860,878			7,860,878
Accounts	633,181		283,003	916,184
Intergovernmental	13,536	1,268,501	3,760,009	5,042,046
Loans		37,463	1,805,701	1,843,164
Other	<u>6,590</u>		<u>858,878</u>	<u>865,468</u>
Gross receivables	16,401,341	<u>1,305,964</u>	<u>6,707,591</u>	<u>24,414,896</u>
Less allowance for collection losses	<u>10,499,186</u>			<u>10,499,186</u>
Net Total Receivables	<u>\$ 5,902,155</u>	<u>\$ 1,305,964</u>	<u>\$ 6,707,591</u>	<u>\$ 13,915,710</u>

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	Business-Type Funds			Total
	Water Authority	Sewer Authority	Nonmajor Fund	
Use charges	\$ 1,257,703	\$ 1,277,283	\$	\$ 2,534,986
Interest and liens	97,237	94,632		191,869
Assessments		124,763		124,763
Unbilled	3,205,556	3,174,538		6,380,094
Other	<u>9,972</u>	<u>15,529</u>	<u>5,728</u>	<u>31,229</u>
Gross receivables	4,570,468	4,686,745	5,728	9,262,941
Less allowance for collection losses	<u>151,822</u>	<u>140,303</u>		<u>292,125</u>
 Net Total Receivables	 <u>\$ 4,418,646</u>	 <u>\$ 4,546,442</u>	 <u>\$ 5,728</u>	 <u>\$ 8,970,816</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 24,844,710	\$ 237,234	\$ 24,486	\$ 25,057,458
Construction in progress	<u>109,188,886</u>	<u>2,407,591</u>	<u>103,755,477</u>	<u>7,841,000</u>
Total capital assets not being depreciated	<u>134,033,596</u>	<u>2,644,825</u>	<u>103,779,963</u>	<u>32,898,458</u>
Capital assets being depreciated:				
Land improvements	31,985,211	1,047,883		33,033,094
Buildings and improvements	300,009,947	106,798,287		406,808,234
Machinery and equipment	19,021,352	5,437,255	398,441	24,060,166
Vehicles	16,181,776	1,528,843	564,076	17,146,543
Infrastructure	<u>113,461,672</u>	<u>3,941,923</u>		<u>117,403,595</u>
Total capital assets being depreciated	<u>480,659,958</u>	<u>118,754,191</u>	<u>962,517</u>	<u>598,451,632</u>
Less accumulated depreciation for:				
Land improvements	14,096,708	1,292,126		15,388,834
Buildings and improvements	99,984,296	9,381,378		109,365,674
Machinery and equipment	9,979,852	1,548,806	398,441	11,130,217
Vehicles	12,911,331	976,787	558,914	13,329,204
Infrastructure	<u>71,526,870</u>	<u>3,080,809</u>		<u>74,607,679</u>
Total accumulated depreciation	<u>208,499,057</u>	<u>16,279,906</u>	<u>957,355</u>	<u>223,821,608</u>
Total capital assets being depreciated, net	<u>272,160,901</u>	<u>102,474,285</u>	<u>5,162</u>	<u>374,630,024</u>
Governmental Activities Capital Assets, Net	<u>\$ 406,194,497</u>	<u>\$ 105,119,110</u>	<u>\$ 103,785,125</u>	<u>\$ 407,528,482</u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,138,531	\$	\$	\$ 1,138,531
Construction in progress	<u>626,702</u>	<u>2,235,873</u>		<u>2,862,575</u>
Total capital assets not being depreciated	<u>1,765,233</u>	<u>2,235,873</u>	<u>-</u>	<u>4,001,106</u>
Capital assets being depreciated:				
Land improvements	23,435,232	1,938,358		25,373,590
Buildings and improvements	81,579,449			81,579,449
Machinery and equipment	33,094,743	125,145		33,219,888
Vehicles	2,708,520	90,595	20,852	2,778,263
Infrastructure	<u>123,407,608</u>			<u>123,407,608</u>
Total capital assets being depreciated	<u>264,225,552</u>	<u>2,154,098</u>	<u>20,852</u>	<u>266,358,798</u>
Less accumulated depreciation for:				
Land improvements	6,429,366	1,199,300		7,628,666
Buildings and improvements	37,787,287	2,055,957		39,843,244
Machinery and equipment	18,367,372	1,809,907		20,177,279
Vehicles	2,263,203	126,352	20,852	2,368,703
Infrastructure	<u>65,753,646</u>	<u>1,778,516</u>		<u>67,532,162</u>
Total accumulated depreciation	<u>130,600,874</u>	<u>6,970,032</u>	<u>20,852</u>	<u>137,550,054</u>
Total capital assets being depreciated, net	<u>133,624,678</u>	<u>(4,815,934)</u>	<u>-</u>	<u>128,808,744</u>
Business-Type Activities Capital Assets, Net	<u>\$ 135,389,911</u>	<u>\$ (2,580,061)</u>	<u>\$ -</u>	<u>\$ 132,809,850</u>

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

General government	\$ 459,251
Education	8,984,277
Public safety	1,073,499
Library	56,368
Public works	4,662,027
Recreation	948,611
Human services	<u>95,873</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 16,279,906</u>
Business-type activities:	
Water Authority	\$ 2,697,633
Sewer Authority	4,113,980
Golf Course	<u>158,419</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,970,032</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The composition of interfund balances as of June 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 84,412
	Nonmajor Governmental Funds	1,057,251
	Internal Service Fund	6,646,253
	OPEB Trust Funds	736,348
	Nonmajor Proprietary Fund	<u>2,996,341</u>
		11,520,605
Water Fund	Bonded Projects Fund	3,763,384
Sewer Fund	Bonded Projects Fund	2,599,128
Nonmajor Proprietary Fund	Bonded Projects Fund	<u>773,541</u>
		<u>\$ 18,656,658</u>

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

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

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Transfers out:			
General Fund	\$	\$ 174,868	\$ 174,868
Bonded Projects Fund	3,115,954		3,115,954
Nonmajor Governmental Funds	<u>268,140</u>		<u>268,140</u>
Total Transfers In	<u>\$ 3,384,094</u>	<u>\$ 174,868</u>	<u>\$ 3,558,962</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

7. LEASES

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of energy efficient lighting. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The gross amounts of assets acquired under capital leases, by major asset class, are shown below:

Buildings and improvements	\$	452,441
Less accumulated depreciation		<u>(18,854)</u>
Total	\$	<u><u>433,587</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

<u>Year Ending June 30</u>		<u>Amount</u>
2019	\$	82,262
2020		82,262
2021		82,262
2022		82,262
2023		82,262
Thereafter		<u>6,855</u>
Present Value of Minimum Lease Payments	\$	<u><u>418,165</u></u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:							
General obligation bonds	\$ 168,537,602	\$		\$	22,089,602	\$ 146,448,000	\$ 10,683,300
Premium on bonds	10,311,342				5,196,534	5,114,808	
Notes payable	1,125,000				75,000	1,050,000	75,000
Capital leases			452,441		34,276	418,165	82,262
Compensated absences	19,067,908		747,509		1,235,400	18,580,017	977,337
Worker's compensation	2,437,619		175,669		104,740	2,508,548	836,183
Heart and hypertension	4,875,237		3,437,919		3,296,060	5,017,096	1,672,365
Landfill post-closure monitoring	355,649				61,670	293,979	77,000
Net pension liability	143,438,467				3,655,728	139,782,739	
OPEB liability	51,132,179		3,597,423			54,729,602	
Pollution remediation	13,366,050		2,421,000		6,200,000	9,587,050	
Claims and judgments	1,652,000		503,000		530,000	1,625,000	354,000
						<u>385,155,004</u>	<u>14,757,447</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 416,299,053</u>	\$	<u>11,334,961</u>	\$	<u>42,479,010</u>	<u>\$ 385,155,004</u>	<u>\$ 14,757,447</u>
Business-Type Activities:							
General obligation bonds	\$ 24,382,398	\$		\$	4,340,398	\$ 20,042,000	\$ 1,431,700
Premium on bonds	1,262,696				150,649	1,112,047	
Compensated absences	1,829,454		36,046		83,783	1,781,717	66,856
Net pension liability	6,471,581				275,600	6,195,981	
OPEB liability	2,121,688		149,272			2,270,960	
Clean water/drinking water notes	45,222,011				2,600,416	42,621,595	2,638,333
						<u>74,024,300</u>	<u>4,136,889</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 81,289,828</u>	\$	<u>185,318</u>	\$	<u>7,450,846</u>	<u>\$ 74,024,300</u>	<u>\$ 4,136,889</u>

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

General Obligation Bonds

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

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2018</u>
Governmental:						
General purpose:						
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	Various	\$ 1,765,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	Various	8,505,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	Various	6,056,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	Various	19,625,000
General obligation, Series A	9/8/14	3/1/34	3-5%	47,515,700	Various	41,140,000
General obligation, Series B	9/8/14	3/1/24	2-3%	2,864,000	Various	1,918,000
General obligation	11/1/16	5/1/36	3-5%	59,643,302	Various	56,833,000
General obligation	11/15/16	5/15/30	3-5%	10,606,000	Various	10,606,000
Total governmental activities						<u>146,448,000</u>
Business-Type:						
General purpose:						
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	Various	
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	Various	3,505,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	Various	3,314,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	Various	850,000
General obligation, Series A	9/8/14	3/1/34	3-5%	2,789,300	Various	2,415,000
General obligation, Series B	9/8/14	3/1/24	2-3%	630,000	Various	422,000
General obligation	11/1/16	5/1/36	3-5%	8,596,698	Various	7,517,000
General obligation	11/15/16	5/15/30	3-5%	2,019,000	Various	2,019,000
Total business-type activities						<u>20,042,000</u>
Total Outstanding						\$ <u>166,490,000</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 10,683,300	\$ 5,400,106	\$ 1,431,700	\$ 750,105
2020	10,687,300	4,913,882	1,432,700	684,279
2021	9,904,300	4,442,925	1,485,700	620,116
2022	9,897,300	4,011,908	1,487,700	555,343
2023	9,517,200	3,568,642	1,492,800	485,505
2024	9,184,200	3,172,203	1,495,800	416,662
2025	8,917,800	2,792,826	1,427,200	354,439
2026	9,153,000	2,455,513	1,432,000	302,087
2027	9,141,000	2,150,238	1,424,000	255,093
2028	9,123,000	1,872,964	1,412,000	211,686
2029	9,109,000	1,589,939	1,401,000	167,661
2030	8,027,000	1,302,099	813,000	130,251
2031	7,069,000	1,027,244	631,000	101,493
2032	7,069,000	808,444	631,000	82,168
2033	7,067,900	589,644	632,100	62,843
2034	5,763,700	370,877	576,300	43,485
2035	3,067,000	187,854	418,000	25,603
2036	3,067,000	95,844	418,000	13,063
Total	\$ 146,448,000	\$ 40,753,152	\$ 20,042,000	\$ 5,261,882

General Obligation Bonds - Crossover Refunding

On November 3, 2016, the City issued \$12,625,000 of general obligation refunding bonds with interest rates ranging from 3.0 to 5.0%. The bonds were issued to crossover refinance previously issued Taxable Build America Bonds dated July 1, 2010. The net proceeds of \$14,307,428 (including a premium of \$1,745,553 and issuance costs of \$63,125) were deposited into an escrow account which remained in the City’s possession until the crossover date of May 15, 2018. At the crossover date, the Taxable Build America Bonds were considered defeased and the liability for those bonds was removed from the statement of net position. Monies from the escrow account were transferred to the refunding bond escrow agent at that date as well.

Build America Bonds

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2018, subsidy payments received were reduced by 6.9% or \$17,082. As of May 15, 2018, the Build America Bonds were refunded and the debt was defeased.

Water Fund Loans Payable

Clean Water Fund Loans

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

Drinking Water Fund Loans

The Drinking Water Fund Program issued a permanent funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2018. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plant. The obligation will be paid from future user fees.

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Project loan obligations payable to the State of Connecticut mature as follows:

Year Ending June 30	Clean Water Notes		Drinking Water Notes		Total Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,778,235	\$ 24,635	\$ 860,098	\$ 342,471	\$ 2,638,333	\$ 367,106
2020	1,814,127	22,965	877,459	325,111	2,691,586	348,076
2021	1,850,744	21,261	895,169	307,400	2,745,913	328,661
2022	1,888,100	19,523	913,238	289,332	2,801,338	308,855
2023	1,926,210	17,749	931,671	270,898	2,857,881	288,647
2024	1,965,090	15,940	950,476	252,093	2,915,566	268,033
2025	2,004,754	14,094	969,661	232,909	2,974,415	247,003
2026	2,045,218	12,211	989,233	213,337	3,034,451	225,548
2027	2,086,500	10,290	1,009,200	193,370	3,095,700	203,660
2028	2,128,615	8,330	1,029,570	172,999	3,158,185	181,329
2029	2,171,579	6,331	1,050,351	152,218	3,221,930	158,549
2030	2,215,411	4,291	1,071,552	131,018	3,286,963	135,309
2031	1,177,268	2,210	1,093,180	109,389	2,270,448	111,599
2032	53,381	312	1,115,246	87,324	1,168,627	87,636
2033			1,089,528	65,014	1,089,528	65,014
2034			1,062,807	43,707	1,062,807	43,707
2035			1,084,259	22,255	1,084,259	22,255
2036			509,034	3,349	509,034	3,349
2037			14,631	37	14,631	37
	<u>\$ 25,105,232</u>	<u>\$ 180,142</u>	<u>\$ 17,516,363</u>	<u>\$ 3,214,231</u>	<u>\$ 42,621,595</u>	<u>\$ 3,394,373</u>

HUD Loan

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Project loan obligations payable to the United States Department of Housing and Urban Development mature as follows:

	HUD Note	
	Principal	Interest
2019	\$ 75,000	\$ 29,254
2020	75,000	27,821
2021	75,000	26,134
2022	75,000	24,255
2023	75,000	22,282
2024	75,000	20,179
2025	75,000	17,978
2026	75,000	15,739
2027	75,000	13,451
2028	75,000	11,130
2029	75,000	8,764
2030	75,000	6,337
2031	75,000	3,855
2032	75,000	1,297
	<u>\$ 1,050,000</u>	<u>\$ 228,476</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2018 is \$23,385,367, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post-Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$293,979, 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, 2018. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

"Factory H" includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is made up of \$10,352,000 less estimated recoveries from the State and Federal government of \$2,600,000. Management has estimated this liability taking into account data based on estimates from the engineering department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden Green (formerly the HUB project). The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2018, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$300,000 from the State of Connecticut Department of Economic and Community Development.

Remediation of the Meriden Green (formerly the Meriden HUB) which is located at 1-77 State Street and 50 East Main Street was completed in June 2016. The work was completed in accordance with the environmental reports prepared for the City of Meriden by AECOM entitled "Remedial Action Plan, Meriden HUB Site, dated June 2012". The work included the construction of an Engineered Control (EC) cap to gain compliance with the Connecticut Remediation Standard Regulations (RSR) Direct Exposure Criteria (DEC) for soil/fill that remains on-site following completion of the flood control storage area. An Environmental Land Use Restriction has been completed and will remain in perpetuity to ensure that there will be no disturbance of the Engineered Control (EC) cap and materials beneath the cap.

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

The City acquired 11 Crown Street in May 2014 for redevelopment purposes. In 2014, the City retained Tighe and Bond to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Cleanup costs (soil remediation and hazardous building materials) include engineering, oversight and monitoring. As of June 30, 2018, the City was awarded and was in the process of utilizing a \$1.98 million state grant from the CT Department of Economic and Community Development to complete building demolition and site remediation. All remediation work was substantially completed in June 2018 and close out of the environmental documentation is in process. Following site

**CITY OF MERIDEN, CONNECTICUT
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remediation, the site will be transferred to a private developer beginning in 2018 under a long term lease agreement. Ongoing liability will require one year of groundwater monitoring after the site redevelopment is completed after 2020. The estimated cost of groundwater monitoring is less than \$20,000 total. Grant funds may be used for this purpose.

The City acquired 177 State Street in May 2014 for redevelopment purposes. In 2014, the City retained AECOM to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Cleanup costs include engineering, oversight and monitoring. The liability is made up of \$585,812 less recoveries from the State of \$565,812. Management has estimated this liability taking into account data based on actual cleanup costs. As of June 30, 2018, the City was awarded and completed soil remediation utilizing a \$597,000 state grant from the CT Department of Economic and Community Development to complete site remediation. All remediation work is completed. The site was transferred to a private developer in April 2017. Ongoing liability will require one year of groundwater monitoring after the site redevelopment is completed after 2020. The estimated cost of groundwater monitoring is less than \$20,000 total.

The City acquired the former Meriden Wallingford hospital site, located at 1 King Place, in January 2014 in a tax foreclosure. In 2014, the City was awarded \$180,000 to further assess the building and property and \$221,000 in state forgivable loans for cleanup. In 2018, the City was awarded a \$2 million grant and a \$2 million loan from the State of CT and a \$200,000 grant from the USEPA for site remediation. As of June 30, 2018, site cleanup commenced and is expected to be completed in 18 months. Abatement of hazardous building materials is \$3.4 million based contracts awarded. Additional costs for soils cleanup and contingency is estimated at \$800,000 based on prior engineer's estimates. The City has selected a private developer to purchase the site following site cleanup in 2019 or 2020.

The City acquired the former Mills Memorial Housing Complex, located at 144 Pratt Street, in May 2018 as a part of a property swap with the Meriden Housing Authority. Under the agreement, the City took title to 144 Pratt Street and transferred 177 State Street and 62 Cedar Street to the Meriden Housing Authority for future development. In 2014, the City was awarded \$180,000 from the State of CT to assess the building and property and in 2015 was awarded \$2,000,000 from the State of CT for abatement and demolition. As of June 30, 2018, demolition commenced and is expected to be completed in 9 months. Abatement of hazardous building materials is \$2.21 million based contracts awarded. Additional costs for soils cleanup and contingency are likely. The City will incorporate the site into the Harbor Brook Flood control plan following demolition.

Claims and Judgments

There are various suits and claims pending against the City, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position. Management has estimated a liability of \$1,625,000 at June 30, 2018.

**CITY OF MERIDEN, CONNECTICUT
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Debt Limitation

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

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purposes	\$ 280,193	\$ 84,624	\$ 195,569
Schools	560,385	73,195	487,190
Urban renewal	404,723		404,723
Sewers	466,988	13,934	453,054
Pension bonding	373,590		373,590

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

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 122,777	\$	\$ 107,138	\$ 229,915
Other assets	24,820		523	25,343
Permanent fund principal			104,017	104,017
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	456,349			456,349
Federal and State grants	10,540		1,630,689	1,641,229
Bonds		33,195,889		33,195,889
Park trusts			1,909,315	1,909,315
Library trusts			517,445	517,445
Education trusts			8,181	8,181
Health trusts			472	472
Capital and nonrecurring			123	123
Committed to:				
Special assessment project			100,433	100,433
Education			722,399	722,399
Planning and development			58,260	58,260
Anti-blight			154,622	154,622
Airport improvement			28,114	28,114
Dog fund			17,451	17,451
Capital and nonrecurring			149,036	149,036
Insurance refunds	211,669			211,669
Tree preservation	2,985			2,985
Downtown property management	121,460			121,460
Vehicle replacement	57,173			57,173
Public safety			79,150	79,150
Unassigned	14,822,351		(228)	14,822,123
Total Fund Balances	\$ 16,310,125	\$ 33,195,889	\$ 5,587,140	\$ 55,093,154

**CITY OF MERIDEN, CONNECTICUT
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Significant encumbrances of \$7,558,376 are included in the bonded projects fund and \$7,799,805 are included in the nonmajor funds as of June 30, 2018.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2018.

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

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

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

	Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Accrued Liability Claim Payments		Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension							
2017-18	\$ 7,312,856	\$	3,400,800	\$	3,188,012	\$	7,525,644
2016-17	7,107,681		3,271,699		3,066,524		7,312,856
Health Insurance							
2017-18	\$ 2,089,165	\$	28,806,411	\$	28,558,108	\$	2,337,468
2016-17	1,592,400		25,931,153		25,434,388		2,089,165

**CITY OF MERIDEN, CONNECTICUT
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11. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

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

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

Plan Description and Benefits Provided

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

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

**CITY OF MERIDEN, CONNECTICUT
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<u>Provisions</u>	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contributions	<p>NonBOE City employees 11% of earnings (includes 7% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>BOE employees - 8% of earnings (includes 4% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired prior to July 1, 2012) - 10% of earnings (includes 6% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired after July 1, 2012) - 7% of earnings (includes 4.5% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Fire employees - 6% of earnings (includes 4% of earnings to pension and 2% of earnings contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>

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

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Method Used to Value Investments

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Administrative Costs

Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2018 and changes in net position for the year then ended are as follows:

	Pension Trust Funds			
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Total Pension Trust Funds
Assets:				
Cash and cash equivalents	\$ 4,687,541	\$ 2,847,139	\$ 2,396,101	\$ 9,930,781
Interest receivable	337,812	144,172	111,283	593,267
Investments, at fair value:				
U.S. government securities	2,524,344	1,007,777	779,349	4,311,470
Corporate bonds	11,087,420	4,247,889	3,285,041	18,620,350
Equities	84,861,524	35,670,783	27,585,463	148,117,770
Mutual funds	29,400,855	10,504,639	8,123,604	48,029,098
Alternative investments	15,693,353	7,858,457	6,077,431	29,629,241
Total investments	<u>143,567,496</u>	<u>59,289,545</u>	<u>45,850,888</u>	<u>248,707,929</u>
Total assets	<u>148,592,849</u>	<u>62,280,856</u>	<u>48,358,272</u>	<u>259,231,977</u>
Liabilities:				
Other liabilities	<u>810</u>	<u>810</u>	<u>809</u>	<u>2,429</u>
Net Position:				
Restricted for Pension Benefits and Other Purposes	<u>\$ 148,592,039</u>	<u>\$ 62,280,046</u>	<u>\$ 48,357,463</u>	<u>\$ 259,229,548</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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	Pension Trust Funds			
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 4,058,052	\$ 4,769,583	\$ 3,201,799	\$ 12,029,434
Plan members	<u>2,053,469</u>	<u>174,763</u>	<u>231,994</u>	<u>2,460,226</u>
Total contributions	<u>6,111,521</u>	<u>4,944,346</u>	<u>3,433,793</u>	<u>14,489,660</u>
Investment earnings (losses):				
Net increase (decrease) in fair value of investments	12,106,350	5,166,305	4,029,120	21,301,775
Dividends and interest	<u>2,929,649</u>	<u>1,187,778</u>	<u>928,275</u>	<u>5,045,702</u>
Total investment earnings (losses)	15,035,999	6,354,083	4,957,395	26,347,477
Less investment expenses:				
Investment management fees	<u>730,496</u>	<u>314,449</u>	<u>246,332</u>	<u>1,291,277</u>
Net investment earnings (losses)	<u>14,305,503</u>	<u>6,039,634</u>	<u>4,711,063</u>	<u>25,056,200</u>
Total additions	<u>20,417,024</u>	<u>10,983,980</u>	<u>8,144,856</u>	<u>39,545,860</u>
Deductions:				
Benefits	10,699,435	7,682,367	5,954,841	24,336,643
Administration	25,118	25,118	25,118	75,354
Other	<u>332,992</u>	<u>13,845</u>	<u>12,833</u>	<u>359,670</u>
Total deductions	<u>11,057,545</u>	<u>7,721,330</u>	<u>5,992,792</u>	<u>24,771,667</u>
Change in net position	9,359,479	3,262,650	2,152,064	14,774,193
Net Position at Beginning of Year	<u>139,232,560</u>	<u>59,017,396</u>	<u>46,205,399</u>	<u>244,455,355</u>
Net Position at End of Year	<u>\$ 148,592,039</u>	<u>\$ 62,280,046</u>	<u>\$ 48,357,463</u>	<u>\$ 259,229,548</u>

**CITY OF MERIDEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
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Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of January 10, 2012, reaffirmed January 12, 2016:

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

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

City	10.19%
Police	10.43%
Firefighters'	10.43%

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Net Pension Liability

The components of the net pension liability of the City at June 30, 2018 were as follows:

	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Total pension liability	\$ 199,043,602	\$ 118,262,259	\$ 87,902,407	\$ 405,208,268
Plan fiduciary net position	<u>148,592,039</u>	<u>62,280,046</u>	<u>48,357,463</u>	<u>259,229,548</u>
City's Net Pension Liability	<u>\$ 50,451,563</u>	<u>\$ 55,982,213</u>	<u>\$ 39,544,944</u>	<u>\$ 145,978,720</u>
Plan fiduciary net position as a percentage of the total liability	74.65 %	52.66 %	55.01 %	

Actuarial Assumptions

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

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

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

**CITY OF MERIDEN, CONNECTICUT
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Changes in the Net Pension Liability

	Employees'		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2017	\$ 191,409,076	\$ 139,232,560	\$ 52,176,516
Changes for the year:			
Service cost	3,625,638		3,625,638
Interest on total pension liability	14,708,323		14,708,323
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		4,058,052	(4,058,052)
Member contributions		2,053,469	(2,053,469)
Net investment income		14,305,503	(14,305,503)
Benefit payments, including refund of employee contributions	(10,699,435)	(10,699,435)	-
Administrative expenses		(25,118)	25,118
Other changes		(332,992)	332,992
Net changes	<u>7,634,526</u>	<u>9,359,479</u>	<u>(1,724,953)</u>
Balances as of June 30, 2018	\$ <u>199,043,602</u>	\$ <u>148,592,039</u>	\$ <u>50,451,563</u>

	Police		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2017	\$ 116,265,923	\$ 59,017,396	\$ 57,248,527
Changes for the year:			
Service cost	891,166		891,166
Interest on total pension liability	8,787,537		8,787,537
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		4,769,583	(4,769,583)
Member contributions		174,763	(174,763)
Net investment income		6,039,634	(6,039,634)
Benefit payments	(7,682,367)	(7,682,367)	-
Administrative expenses		(25,118)	25,118
Other changes		(13,845)	13,845
Net changes	<u>1,996,336</u>	<u>3,262,650</u>	<u>(1,266,314)</u>
Balances as of June 30, 2018	\$ <u>118,262,259</u>	\$ <u>62,280,046</u>	\$ <u>55,982,213</u>

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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	Firefighters'		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2017	\$ 86,690,405	\$ 46,205,399	\$ 40,485,006
Changes for the year:			
Service cost	626,248		626,248
Interest on total pension liability	6,540,595		6,540,595
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		3,201,799	(3,201,799)
Member contributions		231,994	(231,994)
Net investment income		4,711,063	(4,711,063)
Benefit payments	(5,954,841)	(5,954,841)	-
Administrative expenses		(25,118)	25,118
Other changes		(12,833)	12,833
Net changes	<u>1,212,002</u>	<u>2,152,064</u>	<u>(940,062)</u>
Balances as of June 30, 2018	<u>\$ 87,902,407</u>	<u>\$ 48,357,463</u>	<u>\$ 39,544,944</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	Employees'		
	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 73,455,053	\$ 50,451,563	\$ 31,045,410

	Police		
	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 69,738,488	\$ 55,982,213	\$ 44,564,337

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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	<u>Firefighters'</u>		
	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Net Pension Liability	\$ 49,234,497	\$ 39,544,944	\$ 31,397,352

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

For the year ended June 30, 2018, the City recognized pension expense as follows:

	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>
Pension Expense	\$ 9,262,451	\$ 6,790,349	\$ 4,238,735

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Employees'</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,090,825	\$ (792,374)
Changes of assumptions		(976,335)
Net difference between projected and actual earning on pension plan investments	<u>3,092,659</u>	
Total	<u>\$ 4,183,484</u>	<u>\$ (1,768,709)</u>

	<u>Police</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earning on pension plan investments	<u>1,543,384</u>	
Total	<u>\$ 1,543,384</u>	<u>\$ -</u>

**CITY OF MERIDEN, CONNECTICUT
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	Firefighters'	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (657,283)
Changes of assumptions	372,423	
Net difference between projected and actual earning on pension plan investments	<u>1,198,258</u>	
Total	<u>\$ 1,570,681</u>	<u>\$ (657,283)</u>

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

<u>Year Ending June 30</u>	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>
2019	\$ 3,226,289	\$ 1,606,637	\$ 986,392
2020	1,235,407	740,579	575,757
2021	(1,322,664)	(489,554)	(403,259)
2022	(724,257)	(314,278)	(245,492)

B. Pension Plan - Money Purchase Pension Plan

The City is the administrator of the money purchase pension plan, a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all City employees hired after July 1, 2011. The plan was amended effective July 1, 2012 to reflect changes applicable to newly hired police officers and on July 1, 2016 to reflect changes applicable to newly hired fire fighters. Contributions are established and amended by the approval of the City Council. The plan is intended to be a governmental plan, as defined in Section 414(d) of the Internal Revenue Code.

Summary Plan Description

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

Employee Obligations

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

Employer Obligations

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

Contribution Requirements/Contributions Made

The total City contribution during the year ended June 30, 2018 was \$511,129 and represented 5% of covered payroll. The employees' required contributions were \$595,061 and represented 6% of covered payroll.

C. Teachers Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

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Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2018, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>182,945,968</u>
Total	\$	<u><u>182,945,968</u></u>

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The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the City recognized pension expense and revenue of \$21,161,504 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

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

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (Non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

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

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

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

Pension Plan Fiduciary Net Position

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

Other Information

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

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

A. Postemployment Healthcare Trust Fund

Summary of Significant Accounting Policies

Basis of Accounting

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

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

Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. City employees hired prior to July 1, 2011 are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

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

Management of the post employment benefits plan, including policy oversight, rests is vested with the Pension Board. Town Manager and Director of Finance. Policy oversight is provided by the OPEB Committee, which Pension Board consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education and two alternate members. three elected by plan members, six appointed by City Council, and the City Treasurer and Personnel Director who both serve as ex-officio members.

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

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

* Counts do not include spouses of retirees

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Funding Policy

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

City	4.00% of salary
Non-Teacher BOE	4.00% of salary
Police (in City Plan) hired prior to July 1, 2012	4.00% of salary
Police (in Police Plan)	2.50% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2018, plan members contributed \$3,758,447. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan were \$2,556,023 which represents 47.1% of the actuarially determined annual contribution.

The individual plan net position at June 30, 2018 and changes in net position for the year then ended are as follows:

	OPEB Trust Funds								
	City OPEB Fund	Police OPEB Fund	Firefighters' OPEB Fund	BOE Noncertified OPEB Plan	BOE Certified OPEB Fund	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total OPEB Trust Funds
Assets:									
Cash and cash equivalents	\$ 779,227	\$ 8,145	\$ 6,983	\$ 127,907	\$ 245,817	\$ -	\$ -	\$ -	\$ 1,168,079
Receivables:									
Accounts receivable	200,000								200,000
Interest receivable	18,535	11,902	10,204	7,147	13,299				61,087
	<u>218,535</u>	<u>11,902</u>	<u>10,204</u>	<u>7,147</u>	<u>13,299</u>	-	-	-	<u>261,087</u>
Investments, at fair value:									
Mutual funds	9,818,368	6,304,917	5,405,168	3,785,766	7,044,705				32,358,924
Alternative investments	441,425	283,463	243,011	170,205	316,723				1,454,827
Total investments	<u>10,259,793</u>	<u>6,588,380</u>	<u>5,648,179</u>	<u>3,955,971</u>	<u>7,361,428</u>	-	-	-	<u>33,813,751</u>
Total assets	<u>11,257,555</u>	<u>6,608,427</u>	<u>5,665,366</u>	<u>4,091,025</u>	<u>7,620,544</u>	-	-	-	<u>35,242,917</u>
Liabilities:									
Internal balances		321,404	414,944						736,348
Total liabilities	<u>-</u>	<u>321,404</u>	<u>414,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,348</u>
Net Position:									
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 11,257,555</u>	<u>\$ 6,287,023</u>	<u>\$ 5,250,422</u>	<u>\$ 4,091,025</u>	<u>\$ 7,620,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,506,569</u>

**CITY OF MERIDEN, CONNECTICUT
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	OPEB Trust Funds								
	City OPEB Fund	Police OPEB Fund	Firefighters' OPEB Fund	BOE Noncertified OPEB Plan	BOE Certified OPEB Fund	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total OPEB Trust Funds
Additions:									
Contributions:									
Employer	\$ 92,898	\$ 289,269	\$ 103,473	\$ 258,916	\$ 750,782	\$ 473,140	\$ 322,473	\$ 265,072	\$ 2,556,023
Plan members	590,133	495,887	375,835	223,818	685,471	1,230,534	79,438	77,331	3,758,447
Total contributions	<u>683,031</u>	<u>785,156</u>	<u>479,308</u>	<u>482,734</u>	<u>1,436,253</u>	<u>1,703,674</u>	<u>401,911</u>	<u>342,403</u>	<u>6,314,470</u>
Investment earnings:									
Net increase (decrease) in fair value of investments	579,159	341,599	292,850	205,112	381,680	-	-	-	1,800,400
Dividends and interest	235,823	151,435	129,824	90,929	169,204	-	-	-	777,215
Total investment earnings	<u>814,982</u>	<u>493,034</u>	<u>422,674</u>	<u>296,041</u>	<u>550,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,577,615</u>
Total additions	<u>1,498,013</u>	<u>1,278,190</u>	<u>901,982</u>	<u>778,775</u>	<u>1,987,137</u>	<u>1,703,674</u>	<u>401,911</u>	<u>342,403</u>	<u>8,892,085</u>
Deductions:									
Benefits	802,093	912,946	650,429	273,836	1,354,939	1,703,674	401,911	342,403	6,442,231
Administration	49,718	65,745	89,075	173,800	16,002	-	-	-	394,340
Other	20,406	17,147	17,619	5,394	2,514	-	-	-	63,080
Total deductions	<u>872,217</u>	<u>995,838</u>	<u>757,123</u>	<u>453,030</u>	<u>1,373,455</u>	<u>1,703,674</u>	<u>401,911</u>	<u>342,403</u>	<u>6,899,651</u>
Change in net assets	625,796	282,352	144,859	325,745	613,682	-	-	-	1,992,434
Net Position at Beginning of Year	<u>10,631,759</u>	<u>6,004,671</u>	<u>5,105,563</u>	<u>3,765,280</u>	<u>7,006,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,514,135</u>
Net Position at End of Year	<u>\$ 11,257,555</u>	<u>\$ 6,287,023</u>	<u>\$ 5,250,422</u>	<u>\$ 4,091,025</u>	<u>\$ 7,620,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,506,569</u>

Investments

Investment Policy

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Pension Board's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 7.98 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Receivables

The OPEB Plan recognized receivables in the amount of \$61,087 which represent employee contributions that were in transit during the fiscal year end.

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Net OPEB Liability of the City

The City’s net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018, were as follows:

Total OPEB liability	\$	91,507,131
Plan fiduciary net position		<u>34,506,569</u>
Net OPEB Liability	\$	<u><u>57,000,562</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		37.71%

Actuarial Assumptions

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

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

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

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

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
Equity - Domestic	45.00 %	5.75 %
Equity - International	12.00	6.00
Fixed Income	18.00	2.50
Real Estate	3.00	4.25
Hedge Funds	4.00	4.90
Managed Futures	10.00	4.50
Private Equity	6.00	10.70
Commodities	-	2.30
Cash	2.00	0.50
Total	100 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Changes in the Total OPEB Liability

	Employees'		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2017	\$ 85,768,002	\$ 32,514,135	\$ 53,253,867
Changes for the year:			
Service cost	2,196,175		2,196,175
Interest on total OPEB liability	6,643,615		6,643,615
Differences between expected and actual experience	1,464,765		1,464,765
Changes in assumptions			-
Employer contributions		2,556,023	(2,556,023)
Member contributions		1,487,302	(1,487,302)
Net investment income		2,577,615	(2,577,615)
Benefit payments, including refund of employee contributions	(4,565,426)	(4,565,426)	-
Administrative expenses		(63,080)	63,080
Other changes			-
Net changes	<u>5,739,129</u>	<u>1,992,434</u>	<u>3,746,695</u>
Balances as of June 30, 2018	\$ <u>91,507,131</u>	\$ <u>34,506,569</u>	\$ <u>57,000,562</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net OPEB liability	\$ 68,992,925	\$ 57,000,562	\$ 47,009,860

B. Teachers' Opeb

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

- Medicare Supplement with Prescriptions \$ 92
- Medicare Supplement with Prescriptions and Dental 136
- Medicare Supplement with Prescriptions, Dental, Vision & Hearing 141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of credited service

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

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Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>47,088,200</u>
Total	<u>\$ 47,088,200</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the City recognized OPEB expense and revenue of \$2,182,305 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

13. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

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

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

**CITY OF MERIDEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

Construction Commitments

The government has active construction projects as of June 30, 2018. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Economic Development - Rehab/Demo	\$ 5,867,318
Citywide Road/Sidewalk Reconstruction	3,089,931
Platt School Addition and Replacement	2,785,888
Sewer SCADA	2,466,271
Bridges	1,413,723
Meriden Green Renovation	524,627
Vehicles	511,930
School Boiler Replacement	428,922
City Building Repair/Upgrade	314,395
Water SCADA	188,833
Flood Control	136,914
Maloney School Addition and Replacement	129,195
Citywide Drainage	120,530
Golf Course Improvements	110,012
Public Safety Improvements/Equipment	85,601
Water Treatment Plant Upgrade	66,514
City Parks Upgrades	34,844
Upgrade/Replace Pump Stations	34,119
WPCF - Facility/Collection Improvements	22,498
Landfill	16,250
School Roof Replacement	2,444
	<u>\$ 18,350,759</u>

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

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

14. TAX ABATEMENTS

As of June 30, 2018, the City provides tax abatements through multiple programs:

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

Program	Distressed Municipality	Commercial/Residential Property Incentive	East Main Street Incentive Zone	Enterprise Zone
Purpose	To incentivize investment in manufacturing	To provide affordable housing	Encourage private investment in underutilized and vacant properties, increase traffic to existing businesses along East Main Street and improve the economic vitality of Meriden's east side	Promote economic activity in state-designated Enterprise Zone
Tax being abated	Real Property, Personal Property	Real Property	Real Property and Manufacturing Machinery and Equipment	Real Property, Personal Property
Authority under which agreements are entered into	C.G.S. Sec 12-81, Sec 32-9	C.G.S. Sec. 8-215	C.G.S. Sec 12-65(b) City of Meriden Resolution	Real Estate Improvement abatements, City Code Sec. Ch 19-1. Personal Property City Code Sec. 19-5
Eligibility criteria for tax abatement	30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment Act.	Develop a building	Improvements subject to various thresholds in various categories such as office use, retail use, manufacturing use etc. for property located in certain sections of Meriden	Improvements to property located in a state-designated Enterprise Zone
How recipient's tax is reduced	credit against taxes	credit against taxes	credit against taxes	credit against taxes
How the tax abatement is determined	5-year 80% abatement of local property taxes on all qualifying real and personal property	15-year or 17-year 80% abatement of real property taxes	100% of the tax in the various categories	personal property equipment. Exemption is: Year 1 and 2 - 100%; Year 3 - 50%
Provisions for recapturing abated taxes, if any	None Noted	None Noted	None Noted	None Noted
Other commitments made by the government	None Noted	None Noted	None Noted	None Noted
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement.	\$ 537,645	\$ 219,420	\$ 7,816	\$ 23,750
Other	An 80% tax abatement for 5 years on the increased real property taxes resulting from new construction or expanded space. For companies that wish to lease the space, you must lease it for 5 years with an option to purchase or renew the lease for 5 more years. The landlord must pass any tax abatement to you in your lease. An 80% real property tax abatement for 5 years on the existing real estate taxes of a qualified vacant building. If you move into a vacant building/space, the entire tax burden could be eligible for the incentive. An 80% personal property tax abatement for 5 years on any personal property new to Meriden's grand list			

**CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

15. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>
Net Position as previously reported at June 30, 2017	\$ 96,658,256	\$ 81,347,167	\$ 35,773,611	\$ 46,765,561	\$ (1,192,005)
Eliminate Net OPEB Obligation reported per GASB No. 45	48,568,195	1,955,140	1,357,692	530,782	66,666
Record Net OPEB Liability per GASB No. 75	<u>(51,132,179)</u>	<u>(2,121,688)</u>	<u>(1,615,012)</u>	<u>(375,904)</u>	<u>(130,772)</u>
Net Position as Restated as of July 1, 2018	<u>\$ 94,094,272</u>	<u>\$ 81,180,619</u>	<u>\$ 35,516,291</u>	<u>\$ 46,920,439</u>	<u>\$ (1,256,111)</u>



Required Supplementary Information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 3,625,638	\$ 4,197,148	\$ 4,323,062	\$ 4,197,148	\$ 4,260,041
Interest	14,708,323	14,549,089	13,890,604	13,383,258	12,718,166
Differences between expected and actual experience		1,714,155		(2,112,998)	
Changes of assumptions		(1,534,241)			
Benefit payments, including refunds of member contributions	(10,699,435)	(10,171,401)	(9,553,855)	(8,960,559)	(8,256,310)
Net change in total pension liability	7,634,526	8,754,750	8,659,811	6,506,849	8,721,897
Total pension liability - beginning	<u>191,409,076</u>	<u>182,654,326</u>	<u>173,994,515</u>	<u>167,487,666</u>	<u>158,765,769</u>
Total pension liability - ending	<u>199,043,602</u>	<u>191,409,076</u>	<u>182,654,326</u>	<u>173,994,515</u>	<u>167,487,666</u>
Plan fiduciary net position					
Contributions - employer	4,058,052	3,316,370	3,264,731	2,307,742	2,316,905
Contributions - member	2,053,469	2,076,909	2,086,049	2,099,957	2,096,283
Net investment income	14,305,503	12,750,329	(2,815,325)	1,307,142	18,083,974
Benefit payments, including refunds of member contributions	(10,699,435)	(10,171,401)	(9,553,855)	(8,960,559)	(8,256,310)
Administrative expense	(25,118)	(38,998)	(30,816)	(29,710)	(29,362)
Other	(332,992)	(536,118)	(510,786)	(231,874)	(308,727)
Net change in plan fiduciary net position	9,359,479	7,397,091	(7,560,002)	(3,507,302)	13,902,763
Plan fiduciary net position - beginning	<u>139,232,560</u>	<u>131,835,469</u>	<u>139,395,471</u>	<u>142,902,773</u>	<u>129,000,010</u>
Plan fiduciary net position - ending	<u>148,592,039</u>	<u>139,232,560</u>	<u>131,835,469</u>	<u>139,395,471</u>	<u>142,902,773</u>
Net Pension Liability - Ending	<u>\$ 50,451,563</u>	<u>\$ 52,176,516</u>	<u>\$ 50,818,857</u>	<u>\$ 34,599,044</u>	<u>\$ 24,584,893</u>
Plan fiduciary net position as a percentage of the total pension liability	74.65%	72.74%	72.18%	80.11%	85.32%
Covered payroll	\$ 35,780,810	\$ 35,780,810	\$ 39,460,000	\$ 38,311,000	\$ 41,094,000
Net pension liability as a percentage of covered payroll	141.00%	145.82%	128.79%	90.31%	59.83%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 891,166	\$ 959,988	\$ 988,788	\$ 959,988	\$ 1,078,300
Interest	8,787,537	8,856,455	8,676,168	8,483,287	8,304,594
Differences between expected and actual experience		(5,236,845)		194,089	
Changes of assumptions		5,709,426			
Benefit payments	<u>(7,682,367)</u>	<u>(7,395,323)</u>	<u>(7,370,307)</u>	<u>(7,144,344)</u>	<u>(6,921,764)</u>
Net change in total pension liability	1,996,336	2,893,701	2,294,649	2,493,020	2,461,130
Total pension liability - beginning	<u>116,265,923</u>	<u>113,372,222</u>	<u>111,077,573</u>	<u>108,584,553</u>	<u>106,123,423</u>
Total pension liability - ending	<u>118,262,259</u>	<u>116,265,923</u>	<u>113,372,222</u>	<u>111,077,573</u>	<u>108,584,553</u>
Plan fiduciary net position:					
Contributions - employer	4,769,583	4,464,984	4,441,422	4,227,288	4,201,553
Contributions - member	174,763	198,574	332,597	331,956	359,530
Net investment income	6,039,634	5,288,257	(1,409,597)	575,432	8,188,947
Benefit payments	(7,682,367)	(7,395,323)	(7,370,307)	(7,144,344)	(6,921,764)
Administrative expense	(25,118)	(38,997)	(30,815)	(29,710)	(29,361)
Other	<u>(13,845)</u>	<u>(14,103)</u>	<u>(2,050)</u>	<u>(7,771)</u>	<u>(2,171)</u>
Net change in plan fiduciary net position	3,262,650	2,503,392	(4,038,750)	(2,047,149)	5,796,734
Plan fiduciary net position - beginning	<u>59,017,396</u>	<u>56,514,004</u>	<u>60,552,754</u>	<u>62,599,903</u>	<u>56,803,169</u>
Plan fiduciary net position - ending	<u>62,280,046</u>	<u>59,017,396</u>	<u>56,514,004</u>	<u>60,552,754</u>	<u>62,599,903</u>
Net Pension Liability - Ending	<u>\$ 55,982,213</u>	<u>\$ 57,248,527</u>	<u>\$ 56,858,218</u>	<u>\$ 50,524,819</u>	<u>\$ 45,984,650</u>
Plan fiduciary net position as a percentage of the total pension liability	52.66%	50.76%	49.85%	54.51%	57.65%
Covered payroll	\$ 3,915,359	\$ 3,915,359	\$ 3,904,000	\$ 3,790,000	\$ 4,302,000
Net pension liability as a percentage of covered payroll	1429.81%	1462.15%	1456.41%	1333.11%	1068.91%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 626,248	\$ 628,936	\$ 647,804	\$ 628,936	\$ 769,596
Interest	6,540,595	6,751,800	6,647,913	6,501,155	6,385,020
Differences between expected and actual experience		(3,286,413)		528,080	
Changes of assumptions		1,862,117			
Benefit payments	<u>(5,954,841)</u>	<u>(5,954,632)</u>	<u>(6,001,021)</u>	<u>(5,690,074)</u>	<u>(5,439,284)</u>
Net change in total pension liability	1,212,002	1,808	1,294,696	1,968,097	1,715,332
Total pension liability - beginning	<u>86,690,405</u>	<u>86,688,597</u>	<u>85,393,901</u>	<u>83,425,804</u>	<u>81,710,472</u>
Total pension liability - ending	<u>87,902,407</u>	<u>86,690,405</u>	<u>86,688,597</u>	<u>85,393,901</u>	<u>83,425,804</u>
Plan fiduciary net position:					
Contributions - employer	3,201,799	3,054,069	3,040,690	2,823,649	2,808,242
Contributions - member	231,994	234,116	324,312	337,587	360,575
Net investment income	4,711,063	4,255,684	(1,122,881)	467,255	6,653,019
Benefit payments	(5,954,841)	(5,954,632)	(6,001,021)	(5,690,074)	(5,439,284)
Administrative expense	(25,118)	(38,998)	(30,815)	(29,710)	(29,361)
Other	<u>(12,833)</u>	<u>(14,105)</u>	<u>(2,050)</u>	<u>(7,771)</u>	<u>(1,002)</u>
Net change in plan fiduciary net position	2,152,064	1,536,134	(3,791,765)	(2,099,064)	4,352,189
Plan fiduciary net position - beginning	<u>46,205,399</u>	<u>44,669,265</u>	<u>48,461,030</u>	<u>50,560,094</u>	<u>46,207,905</u>
Plan fiduciary net position - ending	<u>48,357,463</u>	<u>46,205,399</u>	<u>44,669,265</u>	<u>48,461,030</u>	<u>50,560,094</u>
Net Pension Liability - Ending	<u>\$ 39,544,944</u>	<u>\$ 40,485,006</u>	<u>\$ 42,019,332</u>	<u>\$ 36,932,871</u>	<u>\$ 32,865,710</u>
Plan fiduciary net position as a percentage of the total pension liability	55.01%	53.30%	51.53%	56.75%	60.60%
Covered payroll	\$ 3,831,328	\$ 3,831,328	\$ 3,533,000	\$ 3,430,000	\$ 3,554,000
Net pension liability as a percentage of covered payroll	1032.15%	1056.68%	1189.34%	1076.76%	924.75%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined employer contribution	\$ 4,044,454	\$ 3,284,920	\$ 3,218,884	\$ 2,307,742	\$ 2,302,606	\$ 2,038,150	\$ 1,898,009	\$ 479,981	\$ 354,382	\$ 764,137
Contributions in relation to the actuarially determined contribution	<u>4,058,052</u>	<u>3,316,370</u>	<u>3,264,731</u>	<u>2,307,742</u>	<u>2,316,905</u>	<u>2,056,897</u>	<u>1,906,102</u>	<u>489,450</u>	<u>362,432</u>	<u>764,137</u>
Contribution Deficiency (Excess)	\$ <u>(13,598)</u>	\$ <u>(31,450)</u>	\$ <u>(45,847)</u>	\$ <u>-</u>	\$ <u>(14,299)</u>	\$ <u>(18,747)</u>	\$ <u>(8,093)</u>	\$ <u>(9,469)</u>	\$ <u>(8,050)</u>	\$ <u>-</u>
Covered payroll	\$ 35,780,810	\$ 35,780,810	\$ 39,460,000	\$ 38,311,000	\$ 41,094,000	\$ 39,897,000	\$ 38,734,928	\$ 34,128,961	\$ 34,128,961	\$ 31,405,160
Contributions as a percentage of covered payroll	11.34%	9.27%	8.27%	6.02%	5.64%	5.16%	4.92%	1.43%	1.06%	2.43%

Notes to Schedule

Valuation date: July 1, 2016
 Measurement date: June 30, 2018
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age
- Amortization method: Level dollar, closed
- Remaining amortization period: 21 years
- Asset valuation method: 5-year smoothed market
- Inflation: 2.75%
- Salary increases: 2.75%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond
- Investment rate of return: 7.75%, net of pension plan investment expense
- Retirement age:
 - City:
 - Later of 10 years of service and age 65
 - Any combination of years of service and age equaling 80, with a minimum of 10 years of service
 - Police:
 - Completion of 25 years of service
 - Any combination of years of service and age equaling 80, with a minimum of 10 years of service
 - Age 65
 - Firefighters:
 - Completion of 25 years of service
 - Age 65

Mortality: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2016.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined employer contribution	\$ 4,769,583	\$ 4,464,984	\$ 4,441,422	\$ 4,227,288	\$ 4,201,533	\$ 4,066,540	\$ 4,028,938	\$ 3,683,113	\$ 3,646,850	\$ 3,556,861
Contributions in relation to the actuarially determined contribution	<u>4,769,583</u>	<u>4,464,984</u>	<u>4,441,422</u>	<u>4,227,288</u>	<u>4,201,553</u>	<u>4,066,540</u>	<u>4,028,938</u>	<u>3,683,113</u>	<u>3,646,850</u>	<u>3,556,861</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(20)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 3,915,359	\$ 3,915,359	\$ 3,904,000	\$ 3,790,000	\$ 4,302,000	\$ 4,382,000	\$ 4,462,636	\$ 5,027,254	\$ 5,027,254	\$ 5,030,979
Contributions as a percentage of covered payroll	121.82%	114.04%	113.77%	111.54%	97.67%	92.80%	90.28%	73.26%	72.54%	70.70%

Notes to Schedule

Valuation date: July 1, 2016
 Measurement date: June 30, 2018
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age
 Amortization method: Level dollar, closed
 Remaining amortization period: 26 years
 Asset valuation method: 5-year smoothed market
 Inflation: 2.75%
 Salary increases: 2.75%
 Investment rate of return: 7.75%, net of pension plan investment expense

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined employer contribution	\$ 3,201,799	\$ 3,054,069	\$ 3,040,690	\$ 2,823,649	\$ 2,808,242	\$ 2,643,414	\$ 2,620,905	\$ 2,441,615	\$ 2,419,234	\$ 2,464,361
Contributions in relation to the actuarially determined contribution	<u>3,201,799</u>	<u>3,054,069</u>	<u>3,040,690</u>	<u>2,823,649</u>	<u>2,808,242</u>	<u>2,643,414</u>	<u>2,620,905</u>	<u>2,441,615</u>	<u>2,419,234</u>	<u>2,464,361</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,831,328	\$ 3,831,328	\$ 3,533,000	\$ 3,430,000	\$ 3,554,000	\$ 3,902,000	\$ 4,349,943	\$ 4,800,571	\$ 4,800,571	\$ 4,696,251
Contributions as a percentage of covered payroll	83.57%	79.71%	86.07%	82.32%	79.02%	67.75%	60.25%	50.86%	50.39%	52.48%

Notes to Schedule

Valuation date: July 1, 2016
 Measurement date: June 30, 2018
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.19%	9.42%	(2.42%)	0.76%	13.97%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.43%	9.54%	(2.38%)	0.92%	14.68%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.43%	9.77%	(2.38%)	0.93%	14.72%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>137,743,578</u>	<u>149,024,816</u>	<u>193,009,397</u>	<u>182,945,968</u>
Total	<u>\$ 137,743,578</u>	<u>\$ 149,024,816</u>	<u>\$ 193,009,397</u>	<u>\$ 182,945,968</u>
City's covered payroll	\$ 52,602,518	\$ 53,762,278	\$ 55,056,900	\$ 55,913,234
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%

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

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

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

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

	<u>2018</u>	<u>2017</u>
Total OPEB liability:		
Service cost	\$ 2,196,175	\$ 2,137,397
Interest	6,643,615	6,267,766
Differences between expected and actual experience	1,464,765	1,724,320
Benefit payments	<u>(4,565,426)</u>	<u>(4,422,318)</u>
Net change in total OPEB liability	5,739,129	5,707,165
Total OPEB liability - beginning	<u>85,768,002</u>	<u>80,060,837</u>
Total OPEB liability - ending	<u>91,507,131</u>	<u>85,768,002</u>
Plan fiduciary net position:		
Contributions - employer	2,556,023	4,569,770
Contributions - member	1,487,302	1,446,777
Net investment income (loss)	2,577,615	3,592,134
Benefit payments	<u>(4,565,426)</u>	<u>(4,422,318)</u>
Administrative expense	<u>(63,080)</u>	
Net change in plan fiduciary net position	1,992,434	5,186,363
Plan fiduciary net position - beginning	<u>32,514,135</u>	<u>27,327,772</u>
Plan fiduciary net position - ending	<u>34,506,569</u>	<u>32,514,135</u>
Net OPEB Liability - Ending	<u>\$ 57,000,562</u>	<u>\$ 53,253,867</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.71%	37.91%
Covered payroll	104,971,399	102,161,945
Net OPEB liability as a percentage of covered payroll	54.30%	52.13%

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution (1)	\$ 10,698,778	\$ 10,871,305	\$ 11,043,833	\$ 11,081,681	\$ 7,694,428	\$ 7,725,338	\$ 7,680,809	\$ 7,513,565	\$ 7,728,391	\$ 5,424,655
Contributions in relation to the actuarially determined contribution	<u>3,516,897</u>	<u>3,218,187</u>	<u>3,351,825</u>	<u>5,613,907</u>	<u>5,726,019</u>	<u>5,483,979</u>	<u>6,215,192</u>	<u>4,683,520</u>	<u>4,569,770</u>	<u>2,556,023</u>
Contribution Deficiency (Excess)	\$ <u>7,181,881</u>	\$ <u>7,653,118</u>	\$ <u>7,692,008</u>	\$ <u>5,467,774</u>	\$ <u>1,968,409</u>	\$ <u>2,241,359</u>	\$ <u>1,465,617</u>	\$ <u>2,830,045</u>	\$ <u>3,158,621</u>	\$ <u>2,868,632</u>
Covered payroll	\$ 105,582,188	\$ 94,310,588	\$ 94,310,588	\$ 95,772,885	\$ 95,772,885	\$ 95,450,755	\$ 95,450,755	\$ 99,427,684	\$ 102,161,945	\$ 104,971,399
Contributions as a percentage of covered payroll	3.33%	3.41%	3.55%	5.86%	5.98%	5.75%	6.51%	4.71%	4.47%	2.43%

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

Notes to Schedule

Valuation date: July 1, 2016

Measurement date: June 30, 2018

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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

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

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	7.98%	12.15%

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


**TOWN OF BLUM, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>47,088,200</u>
Total	<u>\$ 47,088,200</u>
Town's covered payroll	\$ 55,913,234
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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



**Supplemental, Combining
and Individual Fund
Statements and Schedules**



General Fund

GENERAL FUND

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

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

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

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

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

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

Vehicle Replacement Fund - To account for vehicle purchases.

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Property Taxes Current Year	\$ 120,215,383	\$ 120,215,383	\$ 120,155,755	\$ (59,628)
Property Taxes Prior Years	2,350,000	2,350,000	2,236,815	(113,185)
Property Taxes MV Supplement	1,404,000	1,404,000	1,506,357	102,357
Property Taxes Suspense	1,250	1,250		(1,250)
Tax Collector Interest	1,073,643	1,073,643	1,056,531	(17,112)
Tax Collector Lien Fees	21,400	21,400	22,306	906
Total property taxes	<u>125,065,676</u>	<u>125,065,676</u>	<u>124,977,764</u>	<u>(87,912)</u>
Intergovernmental:				
E911 Quarterly	12,177	12,177	12,118	(59)
State Education ECS Grant	53,783,711	53,783,711	53,584,040	(199,671)
Special Education	1,300,000	1,300,000	660,433	(639,567)
FEMA Recovery			35,156	35,156
State Property Pilot	192,354	192,354	192,354	-
Pa 217A Private Schools	31,603	31,603	30,721	(882)
State Pilot Hospitals & Colleges	1,175,795	1,175,795	772,912	(402,883)
Town Aid To Roads	665,433	665,433	663,740	(1,693)
State Pequot / Mohegan Grant	865,535	865,535	857,313	(8,222)
Reimbursed Exemptions	527,714	527,714	71,324	(456,390)
Transit District	255,000	255,000	281,650	26,650
MRSA Payments	1,563,650	1,563,650		(1,563,650)
Telecommunications Personal Property	282,469	282,469	191,833	(90,636)
Miscellaneous State Grants			3,141	3,141
Municipal Stabilization Grant			1,039,872	1,039,872
Municipal Fund Revenue Sharing Grant	950,000	950,000	893,641	(56,359)
Total intergovernmental	<u>61,605,441</u>	<u>61,605,441</u>	<u>59,290,248</u>	<u>(2,315,193)</u>
Charges for services:				
Police Parking Tag Fund	54,285	54,285	48,539	(5,746)
Licenses & Permits	49,543	49,543	14,248	(35,295)
Parking Commission Revenue	187,160	187,160	160,779	(26,381)
Fines Lost & Damaged Books	11,500	11,500	8,373	(3,127)
Salary - Administrative Charges	103,000	103,000	98,942	(4,058)
Alarm Fees	16,000	16,000	18,175	2,175
Building Department Fees	875,000	875,000	638,193	(236,807)
Anti-Blight Fines	5,000	5,000		(5,000)
City Clerk Fees	1,265,000	1,265,000	1,370,586	105,586
Health Licenses & Fees	82,000	82,000	79,169	(2,831)
Recreation Fees	9,000	9,000	8,802	(198)
Park Concession Leases	8,000	8,000	6,835	(1,165)
Cost Allocation Enterprise Funds	2,095,983	2,095,983	2,095,983	-
Bulky Waste Fees	65,000	65,000	54,680	(10,320)
Circuit Court Rent & Fees	65,892	65,892	46,857	(19,035)
Hispanos Unidos, Inc. Rental	5,000	5,000	5,000	-
Aviation Rent & Fees	105,500	105,500	115,812	10,312
Aviation - Land Use Rent	5,364	5,364	4,170	(1,194)
Total charges for services	<u>5,008,227</u>	<u>5,008,227</u>	<u>4,775,143</u>	<u>(233,084)</u>
Investment income:				
Income From Investment - General	395,000	395,000	266,776	(128,224)
Interest - Coe Estate	9,072	9,072	4,567	(4,505)
Total investment income	<u>404,072</u>	<u>404,072</u>	<u>271,343</u>	<u>(132,729)</u>

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**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Miscellaneous revenues:				
Tax Collector Fees	\$ 600	\$ 600	\$ 322	\$ (278)
Billboard Rental	78,000	78,000	79,500	1,500
Tax Collector DMV Fees	80,000	80,000	78,087	(1,913)
Aviation - Fuel Sales	350,000	350,000	264,089	(85,911)
Aviation - Ramp Fees	920	920	1,100	180
Other Revenue	61,047	61,047	(163,281)	(224,328)
Sale Of Surplus Property	100,000	100,000	39,145	(60,855)
Rent - Meriden Humane Society			2,000	2,000
Fire Recruitment Revenue			12,000	12,000
Misc. Revenue - Rental Income	18,100	18,100	16,470	(1,630)
Misc. Revenue - Police	49,500	49,500	43,963	(5,537)
Misc. Revenue - Engineering	26,000	26,000	23,599	(2,401)
Misc. Revenue - Planning	16,500	16,500	25,019	8,519
Misc. Revenue - Assessment & Collection	900	900	916	16
Misc. Revenue - Fire	1,000	1,000	100	(900)
Misc. Revenue - Recycling	20,175	20,175	5,284	(14,891)
Misc. Revenue - Purchasing			82	82
Misc. Revenue - Thomas Edison	35,250	35,250	35,639	389
Misc. Revenue - Aircraft Registration	2,860	2,860	4,360	1,500
Principal Revenue - Irrigation Loan	63,574	63,574	58,436	(5,138)
Interest Revenue - Irrigation Loan	41,252	41,252	39,419	(1,833)
Bank Of America Pcard Rebates	28,000	28,000	47,481	19,481
Total miscellaneous revenues	973,678	973,678	613,730	(359,948)
Other financing sources:				
Transfers In - Fund 122	63,155	63,155	63,155	-
Transfers In - Health Fund	200,000	200,000	200,000	-
Transfers In - Bond Fund - Interest	165,000	165,000	511,550	346,550
Total other financing sources	428,155	428,155	774,705	346,550
Total revenues and other financing sources	193,485,249	193,485,249	190,702,933	(2,782,316)

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Contingency	\$ 500,000	\$ 792,451	\$	\$ 792,451
City council:				
Salary - Elected Officials	65,388	68,667	68,666	1
Salary - Salary - Administrative	49,225	49,143	49,143	-
Salary - Overtime Contingency		8,478	8,477	1
Salary - MME	69,143	68,953	68,952	1
Council Of Governments	16,300	17,400	17,400	-
Office Expenses & Supplies	23,400	25,052	25,052	-
Meetings & Memberships	3,500	2,990	2,990	-
Total city council	226,956	240,683	240,680	3
City manager:				
Salary - Administrative	203,057	220,165	220,165	-
Salary - MME	94,459	101,411	101,411	-
Salary - Seasonal Workers		122	119	3
Salary - Overtime Contingency		1,469	1,469	-
Deferred Compensation	8,247	8,124	8,124	-
Vehicle Maintenance	3,600	1,500	1,500	-
Management Non Union	40,000			-
Recruitment		14,119	14,118	1
Office Expenses & Supplies	12,500	4,027	4,026	1
Meetings & Memberships	44,800	43,439	43,439	-
Total city manager	406,663	394,376	394,371	5
Legal:				
Salary - Seasonal Workers	3,000	1,799	1,799	-
Salary - Administrative	263,648	268,194	268,194	-
Overtime		2,188	2,187	1
Salary - MME	74,852	137,872	137,871	1
Safety & Risk Claims	8,000	9,935	9,934	1
Legal Fees & Deductibles	365,000	530,350	530,350	-
Assessment Appeals Fees	55,000	20,831	20,831	-
Office Expenses & Supplies	29,000	24,629	24,629	-
Meetings & Memberships	4,500	5,122	5,121	1
Total legal	803,000	1,000,920	1,000,916	4
Personnel:				
Salary - Seasonal Workers	5,000	17,104	17,103	1
Salary - Administrative	164,007	151,252	151,252	-
Overtime	1	1		1
Salary - MME	58,092	57,949	57,949	-
EAP Services	4,500	14,367	14,366	1
Fees	2,000	17,352	17,352	-
Training	1,800			-
Tuition Reimbursement	11,000	25,272	25,272	-
Alcohol/Drug Testing	7,600	7,900	7,900	-
Office Expenses & Supplies	8,000	9,600	9,599	1
Meetings & Memberships	2,500	916	916	-
Total personnel	264,500	301,713	301,709	4
City clerk:				
Salary - Elected Officials	77,000	81,161	81,160	1
Overtime	3,000	3,421	3,421	-
Salary - MME	257,281	218,254	218,254	-
Land Records	45,000	33,466	33,466	-
Vital Statistics	2,500	2,522	2,522	-
Office Expenses & Supplies	14,250	14,388	14,387	1
Elections	4,000	4,128	4,128	-
Meetings & Memberships	2,800	1,926	1,926	-
Total city clerk	405,831	359,266	359,264	2

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Aviation:				
Salary - Seasonal Workers	\$ 18,942	\$ 11,711	\$ 11,711	\$ -
Overtime	800	1,225	1,225	-
Salary - Supervisors	49,858	49,075	49,075	-
Other Purchased Services	1,500	1,500	1,500	-
Office Expenses & Supplies	4,000	3,722	3,722	-
Aviation Maintenance	50,000	72,024	72,024	-
Fuel Costs	317,000	230,633	230,633	-
Banking Services		18	18	-
Total aviation	<u>442,100</u>	<u>369,908</u>	<u>369,908</u>	<u>-</u>
Elections:				
Salary - Elected Officials	57,071	60,068	60,067	1
Salary - Seasonal Workers		4,096	4,096	-
Salary - Other Non-Union	43,149	45,439	45,438	1
Primaries	35,000	28,271	28,271	-
Office Expenses & Supplies	11,000	8,774	8,773	1
Elections	65,000	51,910	51,909	1
Meetings & Memberships	5,500	890	890	-
Total elections	<u>216,720</u>	<u>199,448</u>	<u>199,444</u>	<u>4</u>
Insurance:				
Boilers & Machinery	20,520	20,520	20,520	-
Bonds Money & Securities	2,466	2,466	2,466	-
Fire & Vandalism	168,760	168,760	168,760	-
Liability Insurance	822,089	835,122	835,122	-
Police Professional Liability	123,359	123,359	123,359	-
Public Official Liability	51,995	53,777	53,777	-
Workers Compensation Indemnity	2,314,149	1,779,022	1,779,022	-
Workers Compensation Excess Liability Insurance	216,065	216,065	216,065	-
Total insurance	<u>3,719,403</u>	<u>3,199,091</u>	<u>3,199,091</u>	<u>-</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Employee benefits:				
City Medical Benefits	\$ 7,077,322	\$ 7,624,489	\$ 7,624,488	\$ 1
Post Retirement Benefits (OPEB)	400,000	400,000	400,000	-
Life Insurance	115,350	119,805	119,805	-
Longevity	173,150	162,718	162,717	1
Employee Retirement	3,601,794	3,601,794	3,601,794	-
Defined Contribution Plan	500,000	508,573	508,572	1
Police Defined Contribution Plan	25,000	15,961	15,961	-
Fire Defined Contribution Plan	3,000	1,374	1,374	-
Unemployment Compensation	140,000	187,061	187,061	-
Unused Sick Leave	346,000	357,764	357,763	1
Social Security	3,100,187	3,333,351	3,333,351	-
Police Benefits	970,000	1,008,417	1,008,417	-
Police Retirement	4,769,583	4,769,583	4,769,583	-
Fire Benefits	1,205,000	1,263,639	1,263,639	-
Fire Retirement	3,201,799	3,201,799	3,201,799	-
Uniforms Guards	1,000	1,381	1,381	-
Total employee benefits	<u>25,629,185</u>	<u>26,557,709</u>	<u>26,557,705</u>	<u>4</u>
Finance general administration:				
Transit	295,000	336,135	336,135	-
Pupil Transportation	1,080,789	1,091,404	1,091,403	1
Water	275,000	198,805	198,804	1
Hydrants	65,000	65,000	65,000	-
Sewers	211,850	141,200	141,199	1
Maloney Scholarship	24,000	24,000	24,000	-
Veterans Organization	15,000	12,599	12,599	-
Ambulance	153,735	153,735	153,735	-
Emergency Medical Dispatch	38,723	38,723	38,723	-
Nerden RTC Day Camp	40,000	40,000	40,000	-
Audit	81,000	70,888	70,888	-
Probate Court	15,000	15,626	15,625	1
Zoning Expenses & Supplies	5,800	5,688	5,688	-
Housing Authority	11,411	11,411	11,411	-
Textbooks	15,000	14,984	14,984	-
Special Events & Celebrations	40,000	39,017	39,016	1
Meriden Scholastic Scholarship	40,000	30,500	30,500	-
Neighborhood Associations	3,500	3,492	3,492	-
Youth Activities	80,000	80,000	80,000	-
Linear Trail Advisory Committee	1,000	835	835	-
Total finance general administration:	<u>2,491,808</u>	<u>2,374,042</u>	<u>2,374,037</u>	<u>5</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Capital equipment:				
Capital Equipment - Pre-Buy	\$ (800,000)	\$	\$	\$ -
Capital Equipment - MIS	215,000			-
Capital Equipment - Aviation		1,160	1,160	-
Capital Equipment - Police	387,176			-
Capital Equipment - Fire	35,000			-
Capital Equipment - Emergency Communications	60,000			-
Capital Equipment - SMVFD	8,250			-
Capital Equipment - Engineering	35,000			-
Capital Equipment - Garage	38,000			-
Capital Equipment - Traffic	50,000			-
Capital Equipment - Highway	45,000			-
Capital Equipment - Facilities	111,400			-
Total capital equipment:	<u>184,826</u>	<u>1,160</u>	<u>1,160</u>	
Management information systems:				
Salary - Administrative	200,043	73,579	73,579	-
Overtime	500	21	21	-
Salary - MME	163,571	87,049	87,048	1
Salary - Supervisors	183,522	288,657	288,656	1
Rentals	383,920	300,429	300,429	-
Telephones	133,400	169,928	169,927	1
Training	12,500	8,728	8,727	1
Video Services	21,000	12,600	12,600	-
Office Expenses & Supplies	5,685	6,222	6,222	-
Software	8,000	4,620	4,620	-
Meetings & Memberships	2,755	1,374	1,374	-
Total management information systems	<u>1,114,896</u>	<u>953,207</u>	<u>953,203</u>	<u>4</u>
Development and enforcement:				
Salary - Administrative	123,338	125,222	125,221	1
Overtime	5,000	981	981	-
Salary - MME	437,316	418,228	418,227	1
Salary - Supervisors	255,723	232,512	232,511	1
Salary - Misc. Part Time		537	536	1
Gasoline	3,000	2,921	2,921	-
Vehicle Maintenance	5,200	4,567	4,566	1
Office Expenses & Supplies	21,000	17,112	17,111	1
Meetings & Memberships	4,000	3,365	3,365	-
Total development and enforcement	<u>854,577</u>	<u>805,445</u>	<u>805,439</u>	<u>6</u>
Parking:				
Payroll	85,450	71,086	71,086	-
Salary - Supervisors	53,103	54,052	54,052	-
Salary - Overtime Contingency		974	974	-
Maintenance	2,500			-
Gasoline	900	175	174	1
Vehicle Maintenance	250	3	2	1
General Expenses	2,500	2,547	2,546	1
Total parking	<u>144,703</u>	<u>128,837</u>	<u>128,834</u>	<u>3</u>
Economic Development:				
Administrative	200,170	167,334	167,334	-
Office Expenses & Supplies	5,000	6,157	6,157	-
Economic Development	85,000	82,635	82,634	1
Membership & Meetings	3,000	3,000	3,000	-
Total economic development	<u>293,170</u>	<u>259,126</u>	<u>259,125</u>	<u>1</u>
Total general government	<u>37,698,338</u>	<u>37,937,382</u>	<u>37,144,886</u>	<u>792,496</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Finance:				
Finance:				
Salary - Seasonal Workers	\$	\$ 187	\$ 187	\$ -
Salary - Administrative	136,174	135,800	135,800	-
Overtime	2,500	1,525	1,525	-
Salary - MME	153,996	144,549	144,549	-
Salary - Supervisors	257,649	257,175	257,175	-
Vehicle Maintenance	2,400	2,400	2,400	-
Office Expenses & Supplies	29,000	25,929	25,929	-
Banking Fees	61,850	60,907	60,907	-
Meetings & Memberships	2,500	2,344	2,344	-
General Office Supplies	1			-
Total finance	<u>646,070</u>	<u>630,816</u>	<u>630,816</u>	
Purchasing:				
Overtime	800	395	395	-
Salary - MME	133,761	132,060	132,059	1
Salary - Supervisors	118,281	117,957	117,957	-
Office Expenses & Supplies	4,500	1,555	1,554	1
Meetings & Memberships	2,500	2,054	2,054	-
Storeroom	1	1		1
Total purchasing	<u>259,843</u>	<u>254,022</u>	<u>254,019</u>	<u>3</u>
Tax collector:				
Salary - Seasonal Workers		1,224	1,224	-
Overtime	4,500	3,028	3,028	-
Salary - MME	204,657	196,341	196,340	1
Salary - Supervisors	166,232	165,777	165,776	1
Office Expenses & Supplies	73,500	42,605	42,604	1
Meetings & Memberships	1,000	539	539	-
Total tax collector	<u>449,889</u>	<u>409,514</u>	<u>409,511</u>	<u>3</u>
Tax assessor:				
Overtime	4,500	2,002	2,002	-
Salary - MME	186,236	220,619	220,619	-
Salary - Supervisors	186,844	172,108	172,107	1
Salary - Misc. Part-Time	3,000	3,500	3,500	-
Gasoline	200	110	110	-
Vehicle Maintenance	175	223	223	-
Audit	3,000	3,000	3,000	-
Revaluation	15,000	7,750	7,750	-
Office Expenses & Supplies	12,500	11,130	11,129	1
Meetings & Memberships	1,600	1,413	1,413	-
Total tax assessor	<u>413,055</u>	<u>421,855</u>	<u>421,853</u>	<u>2</u>
Total finance	<u>1,768,857</u>	<u>1,716,207</u>	<u>1,716,199</u>	<u>8</u>
Public safety:				
Police:				
Salary - Administrative	238,524	356,227	356,226	1
Overtime	1,526,250	1,515,084	1,515,084	-
Salary - Other Non Union	90,000	70,197	70,197	-
Salary - Public Works	85,494	72,853	72,852	1
Salary - MME	602,548	618,067	618,066	1
Salary - Police Patrol	9,161,000	8,781,089	8,781,089	-
Salary - Supervisors	73,772	129,615	129,614	1
Salary - Crossing Guards	267,127	209,044	209,044	-

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Public safety (continued):				
Salary - Part Time	\$ 4,000	\$ 4,073	\$ 4,072	\$ 1
Gasoline	175,000	158,770	158,770	-
Vehicle Maintenance	60,000	(31,493)	(31,494)	1
Communications & Maintenance	90,000	71,573	71,572	1
Training	193,500	219,266	219,266	-
South Central Justice	12,325	12,325	12,325	-
Explorers / Auxiliary Police	7,000	2,001	2,000	1
Canine Unit	5,000	4,523	4,523	-
Bicycle Patrol	2,500	2,479	2,479	-
Police Expenses & Supplies	95,000	137,667	137,667	-
Crime Prevention	2,500	2,235	2,234	1
Hostage Crisis	20,000	19,109	19,108	1
MIS Technology	250,000	243,970	243,970	-
Body Camera / Taser Expense	131,000	131,000	130,999	1
Meetings & Memberships	6,000	6,079	6,078	1
Police Private Duty	1	(78,491)	(78,492)	1
Total police	13,098,541	12,657,262	12,657,249	13
Fire:				
Salary - Seasonal Workers	4,000	5,993	5,993	-
Salary - Administrative	219,101	223,099	223,098	1
Overtime	1,025,000	993,076	993,076	-
Salary - Public Works	85,494	84,932	84,931	1
Salary - Fire	7,400,000	7,541,777	7,541,777	-
Salary - MME	109,743	108,338	108,337	1
Gasoline	45,000	37,237	37,236	1
Vehicle Maintenance	75,000	103,504	103,504	-
Communications & Maintenance	32,000	16,184	16,184	-
Training	40,000	16,237	16,237	-
Physicals	35,000	33,131	33,131	-
Recruitment	2,000	6,861	6,861	-
Maintenance Supplies	41,000	33,605	33,604	1
Office Expenses & Supplies	14,500	12,151	12,151	-
Fire Equipment	75,000	76,987	76,987	-
Personnel Protective Equipment	65,000	68,868	68,867	1
Meetings & Memberships	10,000	7,268	7,268	-
Total fire	9,277,838	9,369,248	9,369,242	6
Emergency communications:				
Salary - Seasonal Workers	15,000	6,769	6,769	-
Salary - Administrative	97,267	99,135	99,134	1
Overtime	250,000	385,763	385,762	1
Salary - Dispatch	1,009,072	780,837	780,836	1
Vehicle Maintenance	2,400	2,400	2,400	-
C-Med	23,276	23,848	23,848	-
Communications & Maintenance	5,000	4,501	4,501	-
Training	30,000	16,097	16,097	-
Office Expenses & Supplies	20,000	18,021	18,020	1
Total emergency communications	1,452,015	1,337,371	1,337,367	4
South Meriden volunteer fire:				
Firefighter Physicals	4,500	3,792	3,792	-
SMVFD Merit Plan	35,000	28,100	28,100	-
Gasoline	2,500	2,305	2,305	-
Vehicle Maintenance	2,500	2,220	2,219	1
Communication & Maintenance	5,300	600	600	-
Training	5,000	6,510	6,510	-
Maintenance Supplies	600	360	360	-
Food	2,000	705	705	-
Office Expenses & Supplies	450	326	326	-
Fire Equipment	23,000	11,850	11,850	-
Meetings & Memberships	500	450	450	-
Total South Meriden volunteer fire	81,350	57,218	57,217	1
Total public safety	23,909,744	23,421,099	23,421,075	24

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works:				
Engineering:				
Salary - Administrative	\$ 119,378	\$ 122,027	\$ 122,026	\$ 1
Overtime	5,000	7,243	7,242	1
Salary - MME	415,498	431,000	430,999	1
Salary - Supervisors	208,488	207,917	207,917	-
Salary - Seasonal Workers	9,600			-
Inspections - Dams & Bridges	3,500	3,300	3,300	-
Gasoline	8,000	6,530	6,529	1
Vehicle Maintenance	7,000	5,187	5,187	-
Office Expenses & Supplies	10,300	9,314	9,313	1
Software	6,800	6,770	6,770	-
Meetings & Memberships	2,500	2,227	2,226	1
Total engineering	<u>796,064</u>	<u>801,515</u>	<u>801,509</u>	<u>6</u>
Garage and warehouse:				
Overtime	3,000	6,427	6,427	-
Salary - Public Works	398,726	406,779	406,779	-
Salary - MME	59,652	59,488	59,488	-
Repairs & Maintenance Service	5,000	4,779	4,779	-
Gasoline	1,800	974	973	1
Vehicle Maintenance	2,300	2,407	2,407	-
Office Expenses & Supplies	6,500	3,635	3,634	1
Meetings & Memberships	500	170	170	-
Garage Materials	1	13,880	13,879	1
CNG Fueling Station	7,300	7,254	7,253	1
Total garage and warehouse	<u>484,779</u>	<u>505,793</u>	<u>505,789</u>	<u>4</u>
Traffic engineering:				
Salary - Part Time	16,000	16,380	16,379	1
Overtime	13,500	14,338	14,337	1
Salary - MME	218,240	214,517	214,517	-
Salary - Supervisors	108,583	108,285	108,285	-
Street Light Maintenance	2,500	289,342	289,342	-
Gasoline	10,000	7,624	7,623	1
Vehicle Maintenance	12,500	11,803	11,802	1
Safety Equipment	3,000	5,112	5,111	1
Signalization	58,000	54,340	54,339	1
Signs & Lines	40,000	35,188	35,187	1
Street Lighting	250,000			-
Alarm Systems	900			-
Office Expense	1,750	2,526	2,525	1
Meetings & Memberships	1,200	1,220	1,220	-
Total traffic engineering	<u>736,173</u>	<u>760,675</u>	<u>760,667</u>	<u>8</u>
Highway safety:				
Snow & Ice Control	675,000	730,153	730,152	1
Overtime	34,000	44,543	44,542	1
Salary - Public Works	1,022,939	1,056,371	1,056,371	-
Salary - Supervisors	91,334	91,084	91,083	1
Gasoline	95,000	77,961	77,960	1
Vehicle Maintenance	195,000	188,165	188,164	1
Street Maintenance Supplies	16,000	16,229	16,228	1
Sidewalk Basin Construction	3,000	2,737	2,737	-
Storm Drain Construction	6,500	6,009	6,009	-
Roadside Bulky Waste	500	500	500	-
Safety & Health Plan	3,000	3,421	3,421	-

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**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Highway safety (continued):				
Office Expenses & Supplies	\$ 6,000	\$ 5,576	\$ 5,576	\$ -
Clothing	6,500	6,364	6,363	1
Soil / Catch Basin Disposal	45,000	39,691	39,691	-
Meetings & Memberships	250	250	250	-
Total highway safety	<u>2,200,023</u>	<u>2,269,054</u>	<u>2,269,047</u>	<u>7</u>
Transfer station:				
Overtime	21,000	19,586	19,586	-
Monitoring	80,000	59,721	59,720	1
Recycling - Hazardous Waste	40,000	13,630	13,630	-
Gasoline	2,500	4,225	4,225	-
Vehicle Maintenance	9,000	22,466	22,466	-
Other Purchased Services	1,500	390	390	-
Office Expenses & Supplies	2,500	1,712	1,711	1
Total transfer station	<u>156,500</u>	<u>121,730</u>	<u>121,728</u>	<u>2</u>
Waste collection:				
Dumping Fees	542,400	559,577	559,576	1
Contract	856,000	841,449	841,449	-
Office Expenses & Supplies	500	312	312	-
Total waste collection	<u>1,398,900</u>	<u>1,401,338</u>	<u>1,401,337</u>	<u>1</u>
Bulky waste:				
Overtime	1	1		1
Salary - Public Works	78,694	3,019	3,018	1
Salary - MME	24,543			-
Gasoline	3,100	3,166	3,165	1
Vehicle Maintenance	4,500	10,226	10,225	1
Dump Fees	71,000	99,314	99,313	1
Office Expenses & Supplies	1,000	464	464	-
Clothing Allowance	375			-
Total bulky waste	<u>183,213</u>	<u>116,190</u>	<u>116,185</u>	<u>5</u>
Building maintenance:				
Salary - Part-Time	47,000	46,288	46,287	1
Salary - Administrative	60,165	37,272	37,272	-
Overtime	45,000	42,644	42,644	-
Salary - Public Works	376,139	411,540	411,539	1
Salary - Supervisors	91,334	90,236	90,235	1
Gasoline	1,500	1,758	1,757	1
Vehicle Maintenance	2,000	4,596	4,596	-
Repairs & Upgrades	260,000	303,882	303,881	1
Maintenance Supplies	43,000	37,778	37,777	1
Heat, Energy, & Lights	758,800	897,921	897,920	1
Total building maintenance	<u>1,684,938</u>	<u>1,873,915</u>	<u>1,873,908</u>	<u>7</u>
Total public works	<u>7,640,590</u>	<u>7,850,210</u>	<u>7,850,170</u>	<u>40</u>
Health and welfare:				
Health:				
Certified Salaries	141,063	109,083	109,082	1
Salary - Part-Time	5,160	5,160	5,160	-
Salary - Administrative	108,799	111,430	111,430	-
Overtime	3,000	2,650	2,650	-
Salary - Public Health Nurses	976,000	1,010,617	1,010,616	1
Salary - MME	639,944	665,417	665,417	-
Salary - Supervisors	291,273	290,444	290,443	1
Salary - Seasonal Workers		408	408	-
Gasoline	1,900	1,448	1,448	-
Vehicle Maintenance	3,400	4,406	4,405	1
Office Expenses & Supplies	9,000	7,195	7,194	1

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Health and welfare (continued):				
Health:				
Environmental Supplies	\$ 4,000	\$ 3,252	\$ 3,252	\$ -
Health Supplies	9,500	6,852	6,851	1
P.A. 10-217A Supplies	3,000	1,989	1,989	-
Lead Program	4,100	3,763	3,762	1
Meetings & Memberships	3,000	3,347	3,347	-
Total health	<u>2,203,139</u>	<u>2,227,461</u>	<u>2,227,454</u>	<u>7</u>
Social services:				
Evictions	<u>40,000</u>	<u>27,200</u>	<u>27,200</u>	
Senior center:				
Salary - Seasonal Workers		1,600	1,600	-
Salary - Other Non-Union	29,000	28,806	28,805	1
Salary - MME	333,470	305,233	305,232	1
Salary - Supervisors	93,774	93,517	93,517	-
Salary - Overtime Contingency	600	3,288	3,288	-
Elderly Nutrition	9,000	4,357	4,357	-
Gasoline	14,000	5,066	5,065	1
Vehicle Maintenance	6,500	16,481	16,480	1
Office Expenses & Supplies	16,750	13,974	13,974	-
Meetings & Memberships	1,500	1,318	1,318	-
Total senior center	<u>504,594</u>	<u>473,640</u>	<u>473,636</u>	<u>4</u>
Total health and welfare	<u>2,747,733</u>	<u>2,728,301</u>	<u>2,728,290</u>	<u>11</u>
Culture and recreation:				
Library:				
Salary - Part-Time	71,500	55,778	55,778	-
Salary - Administrative	101,729	103,683	103,682	1
Overtime		1,620	1,620	-
Salary - MME	707,920	702,204	702,204	-
Salary - Supervisors	934,177	926,382	926,382	-
Public Utilities	115,000			-
Gasoline	900	617	616	1
Vehicle Maintenance	1,500	403	403	-
Security Service	700	700	700	-
Other Purchased Services	75,000	76,504	76,503	1
Building Supplies & Materials	45,000	32,734	32,734	-
Library Books & Materials	150,000	173,475	173,474	1
Office Expenses & Supplies	28,000	23,414	23,413	1
Meetings & Memberships	2,500	4,037	4,036	1
Total library	<u>2,233,926</u>	<u>2,101,551</u>	<u>2,101,545</u>	<u>6</u>
Parks:				
Capital Equipment		30,576	30,575	1
Salary - Part-Time	80,000	69,313	69,313	-
Salary - Administrative	104,286	104,764	104,763	1
Overtime	100,000	91,006	91,005	1
Salary - Public Works	1,163,879	1,069,878	1,069,878	-
Salary - Supervisors		86,736	86,736	-

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Parks (continued):				
Expenses & Supplies	\$ 105,000	\$ 113,440	\$ 113,440	\$ -
Cemetery Maintenance	5,000	3,600	3,600	-
Gasoline	45,000	41,236	41,235	1
Vehicle Maintenance	68,000	79,338	79,338	-
Security	2,000	2,000	2,000	-
Meetings & Memberships	2,000	2,000	2,000	-
Downtown	3,500	3,476	3,476	-
Turf Management	18,000	18,000	18,000	-
Total parks	<u>1,696,665</u>	<u>1,715,363</u>	<u>1,715,359</u>	<u>4</u>
Recreation:				
Overtime	1,000	1,819	1,819	-
Salary - Other Non-Union	130,000	120,714	120,714	-
Salary - MME	126,062	89,217	89,217	-
Recreation Program Expense	14,000	14,398	14,398	-
League Subsidy	30,000	30,000	30,000	-
Safety Surface Replacement	4,400	3,707	3,707	-
Office Expenses & Supplies	9,000	8,480	8,480	-
Meetings & Memberships	2,500	2,500	2,500	-
Total recreation	<u>316,962</u>	<u>270,835</u>	<u>270,835</u>	<u>-</u>
Total culture and recreation	<u>4,247,553</u>	<u>4,087,749</u>	<u>4,087,739</u>	<u>10</u>
Education:				
Board of Education:	99,758,340	99,758,340	99,758,339	1
School building committee:				
Salary Expense	1,500	880	880	-
Total education	<u>99,759,840</u>	<u>99,759,220</u>	<u>99,759,219</u>	<u>1</u>
Debt service:				
Principal retirement:				
Principal Bonds	<u>8,685,198</u>	<u>8,718,566</u>	<u>8,718,566</u>	<u>-</u>
Interest:				
Interest Bonds	7,224,998	7,264,619	7,264,613	6
BAB Federal Subsidies	(212,644)	(197,972)	(197,973)	1
Total interest	<u>7,012,354</u>	<u>7,066,647</u>	<u>7,066,640</u>	<u>7</u>
Total debt service	<u>15,697,552</u>	<u>15,785,213</u>	<u>15,785,206</u>	<u>7</u>
Other financing uses:				
Transfers out:				
Transfer Out - Dog Fund	10,000	10,000	10,000	-
Meriden Green Financial Assurance Fund	15,000	15,000	15,000	-
Transfer Out - Bullet Proof Vest	(9,958)			-
Transfers Out - Capital		174,868	174,868	-
Total transfers out	<u>15,042</u>	<u>199,868</u>	<u>199,868</u>	<u>-</u>
Total expenditures and other financing uses	<u>193,485,249</u>	<u>193,485,249</u>	<u>192,692,652</u>	<u>792,597</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses:	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,989,719)</u>	\$ <u>(1,989,719)</u>

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2018**

	<u>General</u>	<u>Foreclosure Fund</u>	<u>Insurance Refund Fund</u>	<u>Tree Preservation Fund</u>	<u>Downtown Property Management Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 1,142,173	\$ -	\$ 209,691	\$ 2,985	\$ 123,256	\$ 57,173	\$ -	\$ 1,535,278
Investments	16,107,617							16,107,617
Receivables, net of allowance for uncollectibles	5,895,565		6,590					5,902,155
Inventory	122,777							122,777
Other assets	24,820							24,820
Due from other funds	11,529,142						(8,537)	11,520,605
Total Assets	\$ 34,822,094	\$ -	\$ 216,281	\$ 2,985	\$ 123,256	\$ 57,173	\$ (8,537)	\$ 35,213,252
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 13,032,477	\$ -	\$ 4,612	\$ -	\$ 1,796	\$ -	\$ -	\$ 13,038,885
Due to other funds		8,537					(8,537)	-
Unearned revenue	4,836							4,836
Total liabilities	13,037,313	8,537	4,612	-	1,796	-	(8,537)	13,043,721
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	4,454,167							4,454,167
Unavailable revenue - loans receivable	1,198,834							1,198,834
Advance property tax collections	206,405							206,405
Total deferred inflows of resources	5,859,406	-	-	-	-	-	-	5,859,406
Fund Balances:								
Reserved for:								
Nonspendable	147,597							147,597
Restricted	946,890							946,890
Committed			211,669	2,985	121,460	57,173		393,287
Unassigned	14,830,888	(8,537)						14,822,351
Total fund balances	15,925,375	(8,537)	211,669	2,985	121,460	57,173	-	16,310,125
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,822,094	\$ -	\$ 216,281	\$ 2,985	\$ 123,256	\$ 57,173	\$ (8,537)	\$ 35,213,252

**CITY OF MERIDEN, CONNECTICUT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Foreclosure Fund</u>	<u>Insurance Refund Fund</u>	<u>Tree Preservation Fund</u>	<u>Downtown Property Management Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Transfer Elimination</u>	<u>Total</u>
Revenues:								
Property taxes, interest and lien fees	\$ 124,977,764	\$	\$	\$	\$	\$	\$	\$ 124,977,764
Federal and state government	85,155,417							85,155,417
Charges for services	4,775,143							4,775,143
Investment income	271,343				339			271,682
Other local revenues	811,703	16,754	98,454		50,011			976,922
Total revenues	<u>215,991,370</u>	<u>16,754</u>	<u>98,454</u>	<u>-</u>	<u>50,350</u>	<u>-</u>	<u>-</u>	<u>216,156,928</u>
Expenditures:								
Current:								
General government	38,861,338	21,790			51,832	8,339		38,943,299
Public safety	23,420,732		2,478					23,423,210
Public works	7,850,260		142,844					7,993,104
Health and welfare	4,374,193							4,374,193
Culture and recreation	4,087,739							4,087,739
Education	123,978,485							123,978,485
Debt service:								
Principal retirement	11,322,970							11,322,970
Interest and other charges	7,264,613							7,264,613
Total expenditures	<u>221,160,330</u>	<u>21,790</u>	<u>145,322</u>	<u>-</u>	<u>51,832</u>	<u>8,339</u>	<u>-</u>	<u>221,387,613</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,168,960)</u>	<u>(5,036)</u>	<u>(46,868)</u>	<u>-</u>	<u>(1,482)</u>	<u>(8,339)</u>	<u>-</u>	<u>(5,230,685)</u>
Other Financing Sources (Uses):								
Transfers in	3,379,109				4,985	25,000	(25,000)	3,384,094
Transfers out	(199,868)						25,000	(174,868)
Total other financing sources	<u>3,179,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,985</u>	<u>25,000</u>	<u>-</u>	<u>3,209,226</u>
Net Change in Fund Balances	(1,989,719)	(5,036)	(46,868)	-	3,503	16,661	-	(2,021,459)
Fund Balances at Beginning of Year	<u>17,915,094</u>	<u>(3,501)</u>	<u>258,537</u>	<u>2,985</u>	<u>117,957</u>	<u>40,512</u>	<u>-</u>	<u>18,331,584</u>
Fund Balances at End of Year	<u>\$ 15,925,375</u>	<u>\$ (8,537)</u>	<u>\$ 211,669</u>	<u>\$ 2,985</u>	<u>\$ 121,460</u>	<u>\$ 57,173</u>	<u>\$ -</u>	<u>\$ 16,310,125</u>



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

Neighborhood Preservation Program - To account for revolving loan funds.

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

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

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

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

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

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

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

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

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

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

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

Summer Student - To account for operations of the summer student program.

CAPITAL PROJECT FUNDS

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

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

Capital and Nonrecurring - To account for the financial resources used for various capital projects.

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

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

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

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

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

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

PERMANENT FUNDS

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

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

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

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

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

CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds							
	Document Preservation	Community Development Block Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)
ASSETS								
Cash and cash equivalents	\$ 30,710	\$	\$ 123,070	\$ 204,606	\$ 2,188,618	\$ 98,912	\$ 279,908	\$ 42,720
Investments								
Accounts receivable	199	340,569			1,343,185	15,527	1,565,371	240,330
Inventory								
Other assets					523			
Total Assets	\$ <u>30,909</u>	\$ <u>340,569</u>	\$ <u>123,070</u>	\$ <u>204,606</u>	\$ <u>3,532,326</u>	\$ <u>114,439</u>	\$ <u>1,845,279</u>	\$ <u>283,050</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 49,472	\$ 58,802	\$ 13,550	\$ 2,432,426	\$ 22,799	\$ 1,338	\$
Unearned revenue				191,056	814,438	83,090		
Due to other funds		291,097						
Total liabilities	<u>-</u>	<u>340,569</u>	<u>58,802</u>	<u>204,606</u>	<u>3,246,864</u>	<u>105,889</u>	<u>1,338</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable revenue - loans receivable							1,565,371	240,330
Fund Balances:								
Nonspendable					523			
Restricted	30,909		64,268		284,939	8,550	278,570	42,720
Committed								
Unassigned								
Total fund balances	<u>30,909</u>	<u>-</u>	<u>64,268</u>	<u>-</u>	<u>285,462</u>	<u>8,550</u>	<u>278,570</u>	<u>42,720</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>30,909</u>	\$ <u>340,569</u>	\$ <u>123,070</u>	\$ <u>204,606</u>	\$ <u>3,532,326</u>	\$ <u>114,439</u>	\$ <u>1,845,279</u>	\$ <u>283,050</u>

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**CITY OF MERIDEN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds							
	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight
ASSETS								
Cash and cash equivalents	\$ 112,621	\$ 281,900	\$ 14,159	\$ 27,974	\$ 472,952	\$ 379,139	\$ 68,145	\$ 154,622
Investments								
Accounts receivable		333,778	6,820	3,788	842,134			
Inventory					107,138			
Other assets								
Total Assets	<u>\$ 112,621</u>	<u>\$ 615,678</u>	<u>\$ 20,979</u>	<u>\$ 31,762</u>	<u>\$ 1,422,224</u>	<u>\$ 379,139</u>	<u>\$ 68,145</u>	<u>\$ 154,622</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 487,030	\$ 1,140	\$ 14,311	\$ 346,648	\$ 16,194	\$ 184	\$
Unearned revenue			7,764					
Due to other funds								
Total liabilities	<u>-</u>	<u>487,030</u>	<u>8,904</u>	<u>14,311</u>	<u>346,648</u>	<u>16,194</u>	<u>184</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable revenue - loans receivable								
Fund Balances:								
Nonspendable					107,138			
Restricted	112,621				805,593			
Committed		128,648	12,075	17,451	162,845	362,945	67,961	154,622
Unassigned								
Total fund balances	<u>112,621</u>	<u>128,648</u>	<u>12,075</u>	<u>17,451</u>	<u>1,075,576</u>	<u>362,945</u>	<u>67,961</u>	<u>154,622</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 112,621</u>	<u>\$ 615,678</u>	<u>\$ 20,979</u>	<u>\$ 31,762</u>	<u>\$ 1,422,224</u>	<u>\$ 379,139</u>	<u>\$ 68,145</u>	<u>\$ 154,622</u>

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CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds				Capital Project Funds				
	Smoke Detector	Misc. Grants and Programs	Library Trust	Summer Student	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition
ASSETS									
Cash and cash equivalents	\$ 2,519	\$ 18,989	\$ 517,445	\$	\$ 123	\$ 153,751	\$	\$	\$
Investments									
Accounts receivable		58,253					442,754	414,629	
Inventory									
Other assets									
Total Assets	\$ 2,519	\$ 77,242	\$ 517,445	\$ -	\$ 123	\$ 153,751	\$ 442,754	\$ 414,629	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$ 3,917	\$	\$	\$	\$ 4,715	\$	\$ 63,343	\$
Unearned revenue		6,250							
Due to other funds							414,640	351,286	228
Total liabilities	-	10,167	-	-	-	4,715	414,640	414,629	228
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable									
Fund Balances:									
Nonspendable									
Restricted	2,519		517,445		123				
Committed		67,075				149,036	28,114		
Unassigned									(228)
Total fund balances	2,519	67,075	517,445	-	123	149,036	28,114	-	(228)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,519	\$ 77,242	\$ 517,445	\$ -	\$ 123	\$ 153,751	\$ 442,754	\$ 414,629	\$ -

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CITY OF MERIDEN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Capital Project Funds			Permanent Funds					Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Lorenzo Fuller Award	Charlotte Yale Ives	Eliminating Entries	
ASSETS									
Cash and cash equivalents	\$ 2,662,072	\$ 100,433	\$ 58,260	\$ 56,678	\$ 51,706	\$ 9,198	\$ 3,472	\$	\$ 8,114,702
Investments				694,571	1,206,360				1,900,931
Accounts receivable									5,607,337
Inventory									107,138
Other assets									523
Total Assets	\$ 2,662,072	\$ 100,433	\$ 58,260	\$ 751,249	\$ 1,258,066	\$ 9,198	\$ 3,472	\$ -	\$ 15,730,631
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 344,968	\$	\$	\$	\$	\$	\$	\$	\$ 3,860,837
Unearned revenue	2,317,104								3,419,702
Due to other funds									1,057,251
Total liabilities	2,662,072	-	-	-	-	-	-	-	8,337,790
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable									1,805,701
Fund Balances:									
Nonspendable				50,000	50,000	1,017	3,000		211,678
Restricted				701,249	1,208,066	8,181	472		4,066,225
Committed		100,433	58,260						1,309,465
Unassigned									(228)
Total fund balances	-	100,433	58,260	751,249	1,258,066	9,198	3,472	-	5,587,140
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,662,072	\$ 100,433	\$ 58,260	\$ 751,249	\$ 1,258,066	\$ 9,198	\$ 3,472	\$ -	\$ 15,730,631

CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds							
	Document Preservation	Community Development Block Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)
Revenues:								
Intergovernmental revenues	\$ 5,000	\$ 743,892	\$ 410,100	\$ 699,739	\$ 17,097,129	\$ 306,535	\$	\$
Charges for services	24,513					50,303		
Investment income							120	
Other					2,190,756	10,000	81,698	42,720
Total revenues	<u>29,513</u>	<u>743,892</u>	<u>410,100</u>	<u>699,739</u>	<u>19,287,885</u>	<u>366,838</u>	<u>81,818</u>	<u>42,720</u>
Expenditures:								
General government	24,270	443,251					35,296	
Public safety								
Public works		16,934						
Health and welfare		144,650	410,100	699,739		408,738		
Culture and recreation		33,563						
Capital outlay								
Education					19,373,830			
Debt service:								
Principal retirement								
Interest and other charges								
Total expenditures	<u>24,270</u>	<u>638,398</u>	<u>410,100</u>	<u>699,739</u>	<u>19,373,830</u>	<u>408,738</u>	<u>35,296</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,243</u>	<u>105,494</u>			<u>(85,945)</u>	<u>(41,900)</u>	<u>46,522</u>	<u>42,720</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out		(110,480)				(200,000)		(63,155)
Total other financing sources (uses)	<u>-</u>	<u>(110,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>(63,155)</u>
Change in Fund Balance	5,243	(4,986)			(85,945)	(241,900)	46,522	(20,435)
Fund Balances at Beginning of Year	<u>25,666</u>	<u>4,986</u>	<u>64,268</u>		<u>371,407</u>	<u>250,450</u>	<u>232,048</u>	<u>63,155</u>
Fund Balances at End of Year	<u>\$ 30,909</u>	<u>\$ -</u>	<u>\$ 64,268</u>	<u>\$ -</u>	<u>\$ 285,462</u>	<u>\$ 8,550</u>	<u>\$ 278,570</u>	<u>\$ 42,720</u>

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CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds							
	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight
Revenues:								
Intergovernmental revenues	\$ 19,537	\$ 3,877,902	\$ 2,213	\$	\$ 4,769,691	\$	\$	\$
Charges for services				12,523	665,755	131,207	15,807	1,956
Investment income					1,193			
Other					104,270			
Total revenues	<u>19,537</u>	<u>3,877,902</u>	<u>2,213</u>	<u>12,523</u>	<u>5,540,909</u>	<u>131,207</u>	<u>15,807</u>	<u>1,956</u>
Expenditures:								
General government								
Public safety	23,800		8,617	12,162				
Public works								
Health and welfare		3,877,902						
Culture and recreation								
Capital outlay								
Education					5,565,536	47,106	28,985	
Debt service:								
Principal retirement								
Interest and other charges								
Total expenditures	<u>23,800</u>	<u>3,877,902</u>	<u>8,617</u>	<u>12,162</u>	<u>5,565,536</u>	<u>47,106</u>	<u>28,985</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,263)</u>		<u>(6,404)</u>	<u>361</u>	<u>(24,627)</u>	<u>84,101</u>	<u>(13,178)</u>	<u>1,956</u>
Other Financing Sources (Uses):								
Transfers in				10,000				
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	(4,263)		(6,404)	10,361	(24,627)	84,101	(13,178)	1,956
Fund Balances at Beginning of Year	<u>116,884</u>	<u>128,648</u>	<u>18,479</u>	<u>7,090</u>	<u>1,100,203</u>	<u>278,844</u>	<u>81,139</u>	<u>152,666</u>
Fund Balances at End of Year	<u>\$ 112,621</u>	<u>\$ 128,648</u>	<u>\$ 12,075</u>	<u>\$ 17,451</u>	<u>\$ 1,075,576</u>	<u>\$ 362,945</u>	<u>\$ 67,961</u>	<u>\$ 154,622</u>

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CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds				Capital Project Funds				
	Smoke Detector	Misc. Grants and Programs	Library Trust	Summer Student	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition
Revenues:									
Intergovernmental revenues	\$	\$ 39,664	\$	\$	\$	\$	429,281	1,509,302	\$
Charges for services									
Investment income									
Other	670	72,024	84,553				25,077		
Total revenues	<u>670</u>	<u>111,688</u>	<u>84,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,358</u>	<u>1,509,302</u>	<u>-</u>
Expenditures:									
General government		2,000							
Public safety	150	73,864							
Public works									
Health and welfare		7,605							
Culture and recreation		5,900	115,190						
Capital outlay						677,162	436,089	1,509,959	
Education				1,070					
Debt service:									
Principal retirement									75,000
Interest and other charges									30,495
Total expenditures	<u>150</u>	<u>89,369</u>	<u>115,190</u>	<u>1,070</u>	<u>-</u>	<u>677,162</u>	<u>436,089</u>	<u>1,509,959</u>	<u>105,495</u>
Excess (Deficiency) of Revenues over Expenditures	<u>520</u>	<u>22,319</u>	<u>(30,637)</u>	<u>(1,070)</u>		<u>(677,162)</u>	<u>18,269</u>	<u>(657)</u>	<u>(105,495)</u>
Other Financing Sources (Uses):									
Transfers in		82,000				174,868			105,495
Transfers out						(92,000)			
Total other financing sources (uses)	<u>-</u>	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,868</u>	<u>-</u>	<u>-</u>	<u>105,495</u>
Change in Fund Balance	520	104,319	(30,637)	(1,070)		(594,294)	18,269	(657)	
Fund Balances at Beginning of Year	<u>1,999</u>	<u>(37,244)</u>	<u>548,082</u>	<u>1,070</u>	<u>123</u>	<u>743,330</u>	<u>9,845</u>	<u>657</u>	<u>(228)</u>
Fund Balances at End of Year	<u>\$ 2,519</u>	<u>\$ 67,075</u>	<u>\$ 517,445</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 149,036</u>	<u>\$ 28,114</u>	<u>\$ -</u>	<u>\$ (228)</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Capital Project Funds			Permanent Funds					Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Lorenzo Fuller Award	Charlotte Yale Ives	Eliminating Entries	
Revenues:									
Intergovernmental revenues	\$ 1,059,835	\$	\$	\$	\$	\$	\$	\$	\$ 30,969,820
Charges for services									902,064
Investment income				34,952	61,845	122	46		98,278
Other			46						2,611,814
Total revenues	<u>1,059,835</u>	<u>-</u>	<u>46</u>	<u>34,952</u>	<u>61,845</u>	<u>122</u>	<u>46</u>	<u>-</u>	<u>34,581,976</u>
Expenditures:									
General government		6,000							510,817
Public safety									118,593
Public works									16,934
Health and welfare									5,548,734
Culture and recreation				20,118	65,902				240,673
Capital outlay	1,059,835								3,683,045
Education									25,016,527
Debt service:									
Principal retirement									75,000
Interest and other charges									30,495
Total expenditures	<u>1,059,835</u>	<u>6,000</u>	<u>-</u>	<u>20,118</u>	<u>65,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,240,818</u>
Excess (Deficiency) of Revenues over Expenditures		(6,000)	46	14,834	(4,057)	122	46		(658,842)
Other Financing Sources (Uses):	10,795								
Transfers in								(197,495)	174,868
Transfers out								197,495	(268,140)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,272)</u>
Change in Fund Balance		(6,000)	46	14,834	(4,057)	122	46		(752,114)
Fund Balances at Beginning of Year	<u>-</u>	<u>106,433</u>	<u>58,214</u>	<u>736,415</u>	<u>1,262,123</u>	<u>9,076</u>	<u>3,426</u>	<u>-</u>	<u>6,339,254</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 100,433</u>	<u>\$ 58,260</u>	<u>\$ 751,249</u>	<u>\$ 1,258,066</u>	<u>\$ 9,198</u>	<u>\$ 3,472</u>	<u>\$ -</u>	<u>\$ 5,587,140</u>



Internal Service Funds

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

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

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

**CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,392,776	\$ 1,603,846	\$ 3,996,622
Investments		5,549,647	5,549,647
Accounts receivable		241,376	241,376
Other assets		29,826	29,826
Total assets	<u>2,392,776</u>	<u>7,424,695</u>	<u>9,817,471</u>
Liabilities:			
Current liabilities:			
Accounts payable	35,615	407,849	443,464
Current portion of claims incurred but not reported	2,508,548		2,508,548
Due to other funds		6,646,253	6,646,253
Total current liabilities	<u>2,544,163</u>	<u>7,054,102</u>	<u>9,598,265</u>
Noncurrent liabilities:			
Claims incurred but not reported, less current portion	<u>5,017,096</u>	<u>2,337,468</u>	<u>7,354,564</u>
Total liabilities	<u>7,561,259</u>	<u>9,391,570</u>	<u>16,952,829</u>
Total Net Position	<u>\$ (5,168,483)</u>	<u>\$ (1,966,875)</u>	<u>\$ (7,135,358)</u>

**CITY OF MERIDEN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Operating Revenues:			
Charges for services	\$ 2,908,591	\$ 26,598,648	\$ 29,507,239
Other revenues	681,995	2,098,879	2,780,874
Total operating revenues	<u>3,590,586</u>	<u>28,697,527</u>	<u>32,288,113</u>
Operating Expenses:			
Claims	3,400,800	28,806,411	32,207,211
Administrative	158,186	147,739	305,925
Other expenses	82	1,853,429	1,853,511
Total operating expenses	<u>3,559,068</u>	<u>30,807,579</u>	<u>34,366,647</u>
Operating Income (Loss)	31,518	(2,110,052)	(2,078,534)
Nonoperating Revenues:			
Investment income	<u> </u>	<u>310,309</u>	<u>310,309</u>
Change in Net Position	31,518	(1,799,743)	(1,768,225)
Net Position at Beginning of Year	<u>(5,200,001)</u>	<u>(167,132)</u>	<u>(5,367,133)</u>
Net Position at End of Year	<u>\$ (5,168,483)</u>	<u>\$ (1,966,875)</u>	<u>\$ (7,135,358)</u>

**CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Fund	Meriden Health Insurance	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 3,590,586	\$ 28,821,517	\$ 32,412,103
Receipts for interfund services provided		2,646,253	2,646,253
Payments to suppliers	(122,653)	(2,006,652)	(2,129,305)
Payments to vendors	(3,188,012)	(28,558,108)	(31,746,120)
Net cash provided by (used in) operating activities	<u>279,921</u>	<u>903,010</u>	<u>1,182,931</u>
Cash Flows from Investing Activities:			
Sales of investments	1,900,000		1,900,000
Purchase of investments		(1,490,007)	(1,490,007)
Net cash provided by (used in) investing activities	<u>1,900,000</u>	<u>(1,490,007)</u>	<u>409,993</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,179,921	(586,997)	1,592,924
Cash and Cash Equivalents at Beginning of Year	<u>212,855</u>	<u>2,190,843</u>	<u>2,403,698</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,392,776</u>	<u>\$ 1,603,846</u>	<u>\$ 3,996,622</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 31,518	\$ (2,110,052)	\$ (2,078,534)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		123,990	123,990
Increase (decrease) in accounts payable	35,615	(5,484)	30,131
Increase (decrease) in claims payable	212,788	248,303	461,091
Increase (decrease) in due to other funds		2,646,253	2,646,253
Total adjustments	<u>248,403</u>	<u>3,013,062</u>	<u>3,261,465</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 279,921</u>	<u>\$ 903,010</u>	<u>\$ 1,182,931</u>



Fiduciary Funds

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

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

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

AGENCY FUNDS

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

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

CITY OF MERIDEN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
JUNE 30, 2018

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Total Pension and Other Employee Benefit Trust Funds</u>	<u>East Cemetery Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
Assets:						
Cash and cash equivalents	\$ 9,930,781	\$ 1,168,079	\$ 11,098,860	\$ 117,409	\$ 95,125	\$ 212,534
Investments, at fair value:						
U.S. government securities	4,311,470		4,311,470		52,632	52,632
Corporate bonds	18,620,350		18,620,350			
Equities	148,117,770	32,358,924	180,476,694			
Mutual funds	48,029,098		48,029,098			
Certificates of deposit					100,452	100,452
Alternative investments	29,629,241	1,454,827	31,084,068			
Total investments	<u>248,707,929</u>	<u>33,813,751</u>	<u>282,521,680</u>	-	<u>153,084</u>	<u>153,084</u>
Accounts receivable	593,267	261,087	854,354			-
Total assets	<u>259,231,977</u>	<u>35,242,917</u>	<u>294,474,894</u>	<u>117,409</u>	<u>248,209</u>	<u>365,618</u>
Liabilities:						
Other liabilities	2,429		2,429			
Due to other funds		736,348	736,348			
Total liabilities	<u>2,429</u>	<u>736,348</u>	<u>738,777</u>	-	-	-
Net Position:						
Restricted for Pension						
Benefits and Other Purposes	<u>\$ 259,229,548</u>	<u>\$ 34,506,569</u>	<u>\$ 293,736,117</u>	<u>\$ 117,409</u>	<u>\$ 248,209</u>	<u>\$ 365,618</u>

**CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Total Pension and Other Employee Benefit Trust Funds</u>	<u>East Cemetery Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
Additions:						
Contributions:						
Employer	\$ 12,029,434	\$ 2,556,023	\$ 14,585,457	\$	\$	\$
Plan members	2,460,226	3,758,447	6,218,673			
Total contributions	<u>14,489,660</u>	<u>6,314,470</u>	<u>20,804,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings (losses):						
Net increase (decrease) in fair value of investments	21,301,775	1,800,400	23,102,175			
Interest and dividends	5,045,702	777,215	5,822,917	235	30,707	30,942
Total investment earnings (losses)	<u>26,347,477</u>	<u>2,577,615</u>	<u>28,925,092</u>	<u>235</u>	<u>30,707</u>	<u>30,942</u>
Less investment expenses						
Investment management fees	<u>1,291,277</u>		<u>1,291,277</u>			
Net investment earnings (losses)	<u>25,056,200</u>	<u>2,577,615</u>	<u>27,633,815</u>	<u>235</u>	<u>30,707</u>	<u>30,942</u>
Total additions	<u>39,545,860</u>	<u>8,892,085</u>	<u>48,437,945</u>	<u>235</u>	<u>30,707</u>	<u>30,942</u>
Deductions:						
Benefits	24,336,643	6,442,231	30,778,874		21,775	21,775
Administrative expense	75,354	394,340	469,694			
Other	359,670	63,080	422,750			
Total deductions	<u>24,771,667</u>	<u>6,899,651</u>	<u>31,671,318</u>	<u>-</u>	<u>21,775</u>	<u>21,775</u>
Change in Net Position	14,774,193	1,992,434	16,766,627	235	8,932	9,167
Net Position at Beginning of Year	<u>244,455,355</u>	<u>32,514,135</u>	<u>276,969,490</u>	<u>117,174</u>	<u>239,277</u>	<u>356,451</u>
Net Position at End of Year	<u>\$ 259,229,548</u>	<u>\$ 34,506,569</u>	<u>\$ 293,736,117</u>	<u>\$ 117,409</u>	<u>\$ 248,209</u>	<u>\$ 365,618</u>

**CITY OF MERIDEN, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Senior Trips Activities Fund				
Assets:				
Cash and cash equivalents	\$ 4,932	\$ 38,982	\$ 37,572	\$ 6,342
Liabilities:				
Deposits held for others	\$ 4,932	\$ 36,723	\$ 37,572	\$ 4,083
Accounts payable	-	2,259		2,259
Total Liabilities:	\$ 4,932	\$ 38,982	\$ 37,572	\$ 6,342
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 686,626	\$ 1,392,096	\$ 1,393,420	\$ 685,302
Liabilities:				
Deposits held for others	\$ 686,626	\$ 1,392,096	\$ 1,393,420	\$ 685,302
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 1,236,215	\$ 106,658	\$ 217,623	\$ 1,125,250
Accounts receivable	30,034		30,034	-
Total Assets:	\$ 1,266,249	\$ 106,658	\$ 247,657	\$ 1,125,250
Liabilities:				
Deposits held for others	\$ 1,266,249	\$ 106,658	\$ 247,657	\$ 1,125,250
Police Evidence Fund				
Assets:				
Cash and cash equivalents	\$ 43,457	\$ 95,334	\$ 56,731	\$ 82,060
Accounts receivable		4,524		4,524
Total Assets:	\$ 43,457	\$ 99,858	\$ 56,731	\$ 86,584
Liabilities:				
Deposits held for others	\$ 43,457	\$ 99,858	\$ 56,731	\$ 86,584

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**CITY OF MERIDEN, CONNECTICUT
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
License to Work Fund				
Assets:				
Cash and cash equivalents	\$ 81,250	\$ 18,750	\$ 3,750	\$ 96,250
Liabilities:				
Deposits held for others	\$ 81,250	\$ 16,250	\$ 3,750	\$ 93,750
Accounts payable	-	2,500		2,500
Total Liabilities:	\$ 81,250	\$ 18,750	\$ 3,750	\$ 96,250
South Meriden Volunteer Firefighters' Award Program				
Assets:				
Cash and cash equivalents	\$ -	\$ 7,955		\$ 7,955
Investments	325,077	45,758		370,835
Total Assets	\$ 325,077	\$ 53,713	\$ -	\$ 378,790
Liabilities:				
Deposits held for others	\$ 325,077	\$ 53,713	\$ -	\$ 378,790
Total				
Assets:				
Cash and cash equivalents	\$ 2,052,480	\$ 1,659,775	\$ 1,709,096	\$ 2,003,159
Investments	325,077	45,758		370,835
Accounts receivable	30,034	4,524	30,034	4,524
Total Assets	\$ 2,407,591	\$ 1,710,057	\$ 1,739,130	\$ 2,378,518
Liabilities:				
Deposits held for others	\$ 2,407,591	\$ 1,705,298	\$ 1,739,130	\$ 2,373,759
Accounts payable		4,759		4,759
Total Liabilities	\$ 2,407,591	\$ 1,710,057	\$ 1,739,130	\$ 2,378,518



Other Schedules

**CITY OF MERIDEN, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List of October 1,	Uncollected Balance July 1, 2017	Current Year Levy	Lawful Corrections	Transfers to (Recoveries from Suspense)	Balance to be Collected	Collections				Uncollected Balance June 30, 2018
						Taxes	Interest	Liens	Total	
2001	\$ 318,647	\$	\$ (318,647)	\$	\$ -	\$	\$	\$	\$ -	\$ -
2002	347,354		(86)		347,268	844	2,634	85	3,563	346,424
2003	338,395		65		338,460	1,173	2,587		3,760	337,287
2004	500,189		(91)		500,098	3,488	7,416		10,904	496,610
2005	391,743		(98)		391,645	3,839	8,032		11,871	387,806
2006	248,689		(154)	(1,125)	247,410	2,782	5,077		7,859	244,628
2007	261,609		(1,033)	(1,125)	259,451	5,958	6,193	72	12,223	253,493
2008	270,978		(1,054)	(1,161)	268,763	8,313	11,681	96	20,090	260,450
2009	316,763		(2,814)	(1,188)	312,761	12,813	16,136	144	29,093	299,948
2010	300,627		(4,266)	(1,200)	295,161	11,970	13,632	167	25,769	283,191
2011	382,169		(5,169)	(2,936)	374,064	23,064	20,565	288	43,917	351,000
2012	440,416		(6,593)	(5,774)	428,049	26,265	20,331	312	46,908	401,784
2013	579,270		(8,741)	(6,170)	564,359	82,399	40,630	744	123,773	481,960
2014	904,805		(24,318)	(6,323)	874,164	305,315	104,259	2,404	411,978	568,849
2015	2,602,212		(31,533)	(3,633)	2,567,046	1,784,328	305,934	14,001	2,104,263	782,718
Total prior years	8,203,866	-	(404,532)	(30,635)	7,768,699	2,272,551	565,107	18,313	2,855,971	5,496,148
2016		124,367,333	(393,843)	(4,828)	123,968,662	121,577,654	491,423	3,994	122,073,071	2,391,008
Total	\$ 8,203,866	\$ 124,367,333	\$ (798,375)	\$ (35,463)	\$ 131,737,361	\$ 123,850,205	\$ 1,056,530	\$ 22,307	\$ 124,929,042	\$ 7,887,156

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2018
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
2003 and prior	\$ 816	\$	\$	\$ 769	\$ 47	\$ 26	\$ 73	\$ 72	\$ 171	\$ 21
2004	88				88	32	83	48	163	56
2005	45				45	17	39	24	80	28
2006					-				-	-
2007	16				16	16	32	24	72	-
2008	52				52	52	94	72	218	-
2009	1,269				1,269	216	237	120	573	1,053
2010	1,836				1,836	416	591	144	1,151	1,420
2011	4,532			49	4,483	2,683	3,177	336	6,196	1,800
2012	10,847			16	10,831	6,546	6,896	240	13,682	4,285
2013	12,483				12,483	8,039	6,864	408	15,311	4,444
2014	24,149		50		24,199	16,944	11,626	621	29,191	7,255
2015	34,448		243	4	34,687	25,154	12,474	1,080	38,708	9,533
2016	80,141		302	243	80,200	64,898	20,410	2,309	87,617	15,302
2017	878,676		831	12,527	866,980	800,384	62,983	7,248	870,615	66,596
Total prior years	1,049,398	-	1,426	13,608	1,037,216	925,423	125,579	12,746	1,063,748	111,793
2018		9,460,484	4,374	32,190	9,432,668	8,267,178	76,240	25,506	8,368,924	1,165,490
Total	\$ 1,049,398	\$ 9,460,484	\$ 5,800	\$ 45,798	\$ 10,469,884	\$ 9,192,601	\$ 201,819	\$ 38,252	\$ 9,432,672	\$ 1,277,283

CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2018
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
2003 and prior	\$ 1,131	\$	\$	\$ 1,083	\$ 48	\$ 24	\$ 81	\$ 72	\$ 177	\$ 24
2004	99				99	36	93	48	177	63
2005	50				50	19	44	24	87	31
2006					-				-	-
2007	18				18	19	35	24	78	(1)
2008	50		500		550	50	90	72	212	500
2009	2,587		500		3,087	71	117	96	284	3,016
2010	2,848		500		3,348	93	137	96	326	3,255
2011	5,083		761		5,844	1,633	3,196	264	5,093	4,211
2012	9,114		500		9,614	5,532	5,798	216	11,546	4,082
2013	10,574		500		11,074	6,812	6,165	404	13,381	4,262
2014	21,229		500		21,729	14,534	9,920	600	25,054	7,195
2015	32,382		500		32,882	23,443	11,701	1,104	36,248	9,439
2016	78,520		500	263	78,757	61,828	19,159	2,528	83,515	16,929
2017	950,763		1,442	1,424	950,781	885,964	68,882	17,213	972,059	64,817
Total prior years	1,114,448	-	6,203	2,770	1,117,881	1,000,058	125,418	22,761	1,148,237	117,823
2018		9,990,202	3,211	10,871	9,982,542	8,842,662	74,368	25,121	8,942,151	1,139,880
Total	\$ 1,114,448	\$ 9,990,202	\$ 9,414	\$ 13,641	\$ 11,100,423	\$ 9,842,720	\$ 199,786	\$ 47,882	\$ 10,090,388	\$ 1,257,703

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -
BUDGET AND ACTUAL - SEWER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Sewer connection and use charges	\$ 9,280,019	\$ 9,280,019	\$ 9,515,705	\$ 235,686
Miscellaneous income	482,000	482,000	396,239	(85,761)
Total operating revenues	<u>9,762,019</u>	<u>9,762,019</u>	<u>9,911,944</u>	<u>149,925</u>
Operating Expenses:				
Part-time seasonal	1	1		1
Overtime	95,000	95,000	92,605	2,395
Wages - public works	718,485	718,485	701,270	17,215
Wages - MME	63,292	63,292	63,107	185
Wages - supervisor	453,164	453,164	452,442	722
Employee benefits	636,772	636,772	729,811	(93,039)
Utilities	1,095,000	1,042,000	972,114	69,886
Repairs and maintenance	105,500	136,934	132,976	3,958
Vehicle maintenance	15,000	42,290	30,023	12,267
Audit fees	17,500	17,500	9,344	8,156
Medical expenses	3,000	3,246	3,246	-
Fiscal division services	785,425	785,425	785,425	-
General fund services	705,976	705,976	705,976	-
Claims	1	1		1
Supplies	410,000	459,320	413,499	45,821
Biosolid disposals	845,000	770,000	747,712	22,288
Pumping station operations	38,000	68,000	57,608	10,392
Capital outlay	1	18,501	13,831	4,670
Memberships and meeting	11,000	11,000	7,905	3,095
Insurance	604,662	594,372	594,372	-
Total operating expenses	<u>6,602,779</u>	<u>6,621,279</u>	<u>6,513,266</u>	<u>108,013</u>
Nonoperating Revenues (Expenses):				
Interest on investments	17,000	17,000	22,196	5,196
Debt service - principal	(2,284,724)	(2,284,724)	(2,284,723)	1
Debt service - interest	(891,517)	(891,517)	(794,730)	96,787
Total nonoperating expenses	<u>(3,159,241)</u>	<u>(3,159,241)</u>	<u>(3,057,257)</u>	<u>101,984</u>
Other Financing Sources (Uses):				
Contribution from net position	1	18,501	-	(18,501)
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>341,421</u>	\$ <u>341,421</u>

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -
BUDGET AND ACTUAL - WATER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Water sales and charges	\$ 9,993,939	\$ 9,993,939	\$ 10,236,103	\$ 242,164
Miscellaneous income	1,889,154	1,889,154	1,934,372	45,218
Total operating revenues	<u>11,883,093</u>	<u>11,883,093</u>	<u>12,170,475</u>	<u>287,382</u>
Operating Expenses:				
Part-time seasonal	2	2		2
Administration	123,013	125,742	125,742	-
Overtime	163,100	185,371	180,621	4,750
Wages - public works	1,774,959	1,797,447	1,713,357	84,090
Wages - MME	207,818	207,818	207,251	567
Wages - supervisor	296,442	296,442	295,630	812
Employee benefits	1,203,500	1,207,776	1,620,911	(413,135)
Gasoline	55,000	55,000	47,887	7,113
Taxes paid to other towns	62,885	62,885	61,446	1,439
Utilities	925,000	875,900	748,987	126,913
Repairs and maintenance	25,000	25,000	19,154	5,846
Vehicle maintenance	66,900	66,900	56,507	10,393
Attorney fees	9,000	9,000	(7,566)	16,566
Audit fees	17,500	17,500	9,344	8,156
Water purchased	90,000	35,000	26,437	8,563
Other purchased services	60,000	60,000	53,561	6,439
Medical expense	4,250	4,250	3,169	1,081
Fiscal division services	871,219	871,219	871,219	-
General fund services	1,390,007	1,390,007	1,390,007	-
Maintenance of mains	35,000	35,040	35,040	-
Maintenance of reservoirs	45,000	45,000	33,506	11,494
Maintenance of pump station	40,000	50,000	39,728	10,272
Maintenance of meters	18,000	18,000	17,796	204
Supplies	61,200	61,200	59,486	1,714
Services - materials	10,000	(17,267)	(37,189)	19,922
Treatment expenses	525,000	585,463	585,463	-
Water equipment	31,000	31,000	26,597	4,403
Hydrants and mains - materials	15,002	15,002	14,154	848
Repairs - trenches	65,000	85,000	79,175	5,825
Capital outlay	30,000	73,500	60,683	12,817
Memberships and meeting	14,500	18,500	18,449	51
Insurance	888,500	873,600	870,754	2,846
Total operating expenses	<u>9,123,797</u>	<u>9,167,297</u>	<u>9,227,306</u>	<u>(60,009)</u>
Nonoperating Revenues (Expenses):				
Interest on investments	9,400	9,400	14,815	5,415
Debt service - principal	(1,816,320)	(1,816,320)	(1,809,824)	6,496
Debt service - interest	(952,377)	(952,377)	(867,793)	84,584
Total nonoperating expenses	<u>(2,759,297)</u>	<u>(2,759,297)</u>	<u>(2,662,802)</u>	<u>96,495</u>
Other Financing Sources (Uses):				
Contribution from net position	1	43,501	-	(43,501)
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>280,367</u>	\$ <u>280,367</u>

**CITY OF MERIDEN, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -
BUDGET AND ACTUAL - GEORGE HUNTER MEMORIAL GOLF COURSE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Golf fees	\$ 1,132,144	\$ 1,132,144	\$ 991,614	\$ (140,530)
Miscellaneous income			5,975	5,975
Total operating revenues	<u>1,132,144</u>	<u>1,132,144</u>	<u>997,589</u>	<u>(134,555)</u>
Operating Expenses:				
Wages - part-time	92,040	94,287	94,287	-
Wages - overtime	12,500	15,224	15,224	-
Wages - public works	111,920	111,613	117,375	(5,762)
Wages - supervisors	99,510	99,285	99,285	-
Employee benefits	130,555	131,100	178,201	(47,101)
Golf supplies and expenses	200,440	197,433	197,433	-
Golf professional expenses	296,430	296,430	287,344	9,086
Club house expenses	15,300	28,005	29,416	(1,411)
Liability and general insurance	44,330	43,100	43,100	-
Capital outlay	15,000	14,090	14,090	-
Memberships and meeting	1,520	1,390	1,390	-
Total operating expenses	<u>1,019,545</u>	<u>1,031,957</u>	<u>1,077,145</u>	<u>(45,188)</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(71,268)	(58,856)	(12,900)	45,956
Debt service - interest	<u>(41,331)</u>	<u>(41,331)</u>	<u>70,152</u>	<u>111,483</u>
Total nonoperating expenses	<u>(112,599)</u>	<u>(100,187)</u>	<u>57,252</u>	<u>157,439</u>
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(22,304)</u>	\$ <u>(22,304)</u>



Statistical Section

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

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

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

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$ 297,247	\$ 288,360	\$ 283,492	\$ 237,700	\$ 187,903	\$ 130,773	\$ 122,787	\$ 101,928	\$ 113,033	\$ 104,751
Restricted	1,034	1,361	1,359	1,357	1,357	1,356	952	1,347	1,257	825
Unrestricted	<u>(207,500)</u>	<u>(195,627)</u> **	<u>(180,447)</u> *	<u>(171,203)</u>	<u>(173,100)</u> *	<u>(69,494)</u>	<u>(62,882)</u>	<u>(40,973)</u>	<u>(51,488)</u>	<u>(38,240)</u>
Total Governmental Activities Net Position	<u>\$ 90,781</u>	<u>\$ 94,094</u>	<u>\$ 104,404</u>	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 62,635</u>	<u>\$ 60,857</u>	<u>\$ 62,302</u>	<u>\$ 62,802</u>	<u>\$ 67,336</u>
Business-Type Activities:										
Net investment in capital assets	\$ 68,830	\$ 67,843	\$ 83,376	\$ 80,266	\$ 78,893	\$ 81,045	\$ 81,563	\$ 89,259	\$ 91,927	\$ 116,827
Unrestricted	<u>11,173</u>	<u>13,338</u> **	<u>1,708</u> *	<u>11,682</u>	<u>13,279</u>	<u>12,734</u>	<u>15,870</u>	<u>11,855</u>	<u>10,671</u>	<u>12,428</u>
Total Business-Type Activities Net Position	<u>\$ 80,003</u>	<u>\$ 81,181</u>	<u>\$ 85,084</u>	<u>\$ 91,948</u>	<u>\$ 92,172</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 101,114</u>	<u>\$ 102,598</u>	<u>\$ 129,255</u>
Primary Government:										
Net investment in capital assets	\$ 366,077	\$ 356,203	\$ 366,868	\$ 317,966	\$ 266,796	\$ 211,818	\$ 204,350	\$ 191,187	\$ 204,960	\$ 221,578
Restricted	1,034	1,361	1,359	1,357	1,357	1,356	952	1,347	1,257	825
Unrestricted	<u>(196,327)</u>	<u>(182,289)</u>	<u>(178,739)</u>	<u>(159,521)</u>	<u>(159,821)</u>	<u>(56,760)</u>	<u>(47,012)</u>	<u>(29,118)</u>	<u>(40,817)</u>	<u>(25,812)</u>
Total Primary Government Net Position	<u>\$ 170,784</u>	<u>\$ 175,275</u>	<u>\$ 189,488</u>	<u>\$ 159,802</u>	<u>\$ 108,332</u>	<u>\$ 156,414</u>	<u>\$ 158,290</u>	<u>\$ 163,416</u>	<u>\$ 165,400</u>	<u>\$ 196,591</u>

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

** Note: Balance was restated for implementation of GASB 75.

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 21,492	\$ 20,257	\$ 10,476	\$ 12,020	\$ 15,303	\$ 13,392	\$ 35,202	\$ 30,816	\$ 29,931	\$ 29,068
Education	156,578	155,752	142,710	137,161	141,547	132,521	136,298	138,091	132,771	133,862
Public safety	49,296	53,345	59,490	54,674	42,606	44,424	24,364	23,810	24,051	23,155
Public works	11,772	18,596	11,788	12,378	14,168	14,604	10,705	9,249	9,866	10,849
Human services	10,033	12,478	12,553	13,029	11,513	10,560	8,053	8,652	9,233	9,675
Culture and recreation	7,329	7,154	7,121	7,180	5,721	6,689	5,408	5,075	4,414	4,472
Interest on long-term debt	2,352	5,279	4,151	4,228	3,340	2,957	3,052	3,024	2,806	3,967
Total governmental activities expenses	<u>258,852</u>	<u>272,861</u>	<u>248,289</u>	<u>240,670</u>	<u>234,198</u>	<u>225,147</u>	<u>223,082</u>	<u>218,717</u>	<u>213,072</u>	<u>215,048</u>
Business-type activities:										
Sewer Authority	11,403	11,587	12,262	11,374	11,206	11,441	10,816	9,659	7,951	8,552
Water Authority	12,982	13,462	14,717	11,674	11,073	11,334	9,882	10,256	10,546	10,628
George Hunter Golf Course	1,205	1,361	1,760	1,468	1,135	1,184	1,303	1,126	976	966
Total business-type activities expenses	<u>25,590</u>	<u>26,410</u>	<u>28,739</u>	<u>24,516</u>	<u>23,414</u>	<u>23,959</u>	<u>22,001</u>	<u>21,041</u>	<u>19,473</u>	<u>20,146</u>
Total Primary Government Expenses	<u>\$ 284,442</u>	<u>\$ 299,271</u>	<u>\$ 277,028</u>	<u>\$ 265,186</u>	<u>\$ 257,612</u>	<u>\$ 249,106</u>	<u>\$ 245,083</u>	<u>\$ 239,758</u>	<u>\$ 232,545</u>	<u>\$ 235,194</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,479	\$ 2,446	\$ 2,784	\$ 2,643	\$ 2,108	\$ 1,959	\$ 1,955	\$ 2,522	\$ 2,246	\$ 2,931
Education	813	894	1,143	1,139	1,029	1,048	1,061	1,047	1,143	1,208
Public safety	81	96	78	79	77	75	47	50	46	42
Public works	2,151	2,078	2,011	1,982	1,919	1,865	1,813	1,737	1,691	1,634
Human services	129	171	189	204	292	314	243	289	378	274
Culture and recreation	24	22	25	29	27	29	43	33	34	31
Operating grants and contributions	110,276	112,423	104,644	100,182	100,071	94,358	94,000	89,914	87,388	84,594
Capital grants and contributions	7,413	18,776	48,613	63,460	41,292	10,379	4,094	3,744	2,543	3,989
Total governmental activities	<u>123,366</u>	<u>136,906</u>	<u>159,487</u>	<u>169,718</u>	<u>146,815</u>	<u>110,027</u>	<u>103,256</u>	<u>99,336</u>	<u>95,469</u>	<u>94,703</u>
Business-type activities:										
Charges for services:										
Sewer Authority	9,527	8,513	8,079	8,128	8,629	8,228	8,615	8,507	6,459	5,967
Water Authority	11,267	11,000	9,533	10,171	10,433	9,065	8,255	8,935	8,719	7,663
George Hunter Golf Course	1,055	1,020	1,103	946	982	958	1,074	779	787	827
Capital grants and contributions	1,087	343	1,400	3,744	128	284	161	161	2,676	33,244
Total business-type activities	<u>22,936</u>	<u>20,876</u>	<u>20,115</u>	<u>22,989</u>	<u>20,172</u>	<u>18,535</u>	<u>17,944</u>	<u>18,382</u>	<u>18,641</u>	<u>47,701</u>
Total Primary Government Program Revenues	<u>\$ 146,302</u>	<u>\$ 157,782</u>	<u>\$ 179,602</u>	<u>\$ 192,707</u>	<u>\$ 166,987</u>	<u>\$ 128,562</u>	<u>\$ 121,200</u>	<u>\$ 117,718</u>	<u>\$ 114,110</u>	<u>\$ 142,404</u>
Net Revenues (Expenses):										
Governmental activities	\$ (135,486)	\$ (135,955)	\$ (88,802)	\$ (70,952)	\$ (87,383)	\$ (115,120)	\$ (119,826)	\$ (119,381)	\$ (117,603)	\$ (120,345)
Business-type activities	(2,654)	(5,534)	(8,624)	(1,527)	(3,242)	(5,424)	(4,057)	(2,659)	(832)	27,555
Total Primary Government Net Expenses	<u>\$ (138,140)</u>	<u>\$ (141,489)</u>	<u>\$ (97,426)</u>	<u>\$ (72,479)</u>	<u>\$ (90,625)</u>	<u>\$ (120,544)</u>	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>	<u>\$ (118,435)</u>	<u>\$ (92,790)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 124,596	\$ 123,890	\$ 120,490	\$ 117,045	\$ 113,452	\$ 108,622	\$ 110,885	\$ 109,377	\$ 106,619	\$ 104,384
Grants and contributions not restricted to specific programs	2,160	1,685	1,758	1,728	1,752	1,801	1,873	2,598	2,720	3,425
Unrestricted investment earnings	1,277	1,026	877	856	1,327	680	914	1,218	856	694
Miscellaneous income	4,139	1,608	2,227	3,017	2,904	5,795	3,654	7,391	3,073	10,300
Transfers									836	
Total governmental activities	<u>132,172</u>	<u>128,209</u>	<u>125,352</u>	<u>122,646</u>	<u>119,435</u>	<u>116,898</u>	<u>117,326</u>	<u>120,584</u>	<u>114,104</u>	<u>118,803</u>
Business-type activities:										
Unrestricted investment earnings	120	56	29	66	76	69	92	85	70	121
Miscellaneous income	1,356	1,741	1,731	1,237	1,558	1,702	1,337	1,024	1,043	893
Transfers									(836)	
Total business-type activities	<u>1,476</u>	<u>1,797</u>	<u>1,760</u>	<u>1,303</u>	<u>1,634</u>	<u>1,771</u>	<u>1,429</u>	<u>1,109</u>	<u>277</u>	<u>1,014</u>
Total Primary Government	<u>\$ 133,648</u>	<u>\$ 130,006</u>	<u>\$ 127,112</u>	<u>\$ 123,949</u>	<u>\$ 121,069</u>	<u>\$ 118,669</u>	<u>\$ 118,755</u>	<u>\$ 121,693</u>	<u>\$ 114,381</u>	<u>\$ 119,817</u>
Change in Net Position:										
Governmental activities	\$ (3,314)	\$ (7,746)	\$ 36,550	\$ 51,694	\$ 32,052	\$ 1,778	\$ (2,500)	\$ 1,203	\$ (3,499)	\$ (1,542)
Business-type activities	(1,178)	(3,737)	(6,864)	(224)	(1,608)	(3,653)	(2,628)	(1,550)	(555)	28,569
Total Primary Government	<u>\$ (4,492)</u>	<u>\$ (11,483)</u>	<u>\$ 29,686</u>	<u>\$ 51,470</u>	<u>\$ 30,444</u>	<u>\$ (1,875)</u>	<u>\$ (5,128)</u>	<u>\$ (347)</u>	<u>\$ (4,054)</u>	<u>\$ 27,027</u>

TABLE 3

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 982	\$ 985
Unreserved									13,321	13,267
Nonspendable	148	139	137	149	131	126	134	133		
Restricted	947	933	943	938	948	1,010	520	825		
Committed	393	420	401	285	405	637	580	547		
Unassigned	14,822	16,839	16,665	16,296	16,043	15,725	16,024	16,761		
Total General Fund	\$ <u>16,310</u>	\$ <u>18,331</u>	\$ <u>18,146</u>	\$ <u>17,668</u>	\$ <u>17,527</u>	\$ <u>17,498</u>	\$ <u>17,258</u>	\$ <u>18,266</u>	\$ <u>14,303</u>	\$ <u>14,252</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 6,923	\$ 4,879
Unreserved, reported in:										
Special revenue funds									3,725	3,723
Capital projects funds									(12,326)	(2,183)
Permanent funds									1,391	
Nonspendable	212	539	491	491	517	520	537	522		
Restricted	37,262	57,975	3,818	39,182	5,795	4,465	3,787	6,171		
Committed	1,309	2,579	2,284	1,843	785	19,609	1,178	1,526		
Unassigned		(37)	(329)		(12,552)		(4,264)	4,813		
Total All Other Governmental Funds	\$ <u>38,783</u>	\$ <u>61,056</u>	\$ <u>6,264</u>	\$ <u>41,516</u>	\$ <u>(5,455)</u>	\$ <u>24,594</u>	\$ <u>1,238</u>	\$ <u>13,032</u>	\$ <u>(287)</u>	\$ <u>6,419</u>
Total	\$ <u>55,093</u>	\$ <u>79,387</u>	\$ <u>24,410</u>	\$ <u>59,184</u>	\$ <u>12,072</u>	\$ <u>42,092</u>	\$ <u>18,496</u>	\$ <u>31,298</u>	\$ <u>14,016</u>	\$ <u>20,671</u>

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes, interest and lien fees	\$ 124,978	\$ 124,071	\$ 120,780	\$ 117,379	\$ 114,075	\$ 113,887	\$ 109,910	\$ 108,759	\$ 106,583	\$ 104,179
Federal and state government	119,849	131,038	153,125	164,576	141,474	106,500	100,238	96,231	92,650	92,008
Charges for services	5,677	5,706	6,231	6,075	5,453	5,290	5,163	5,678	5,538	6,120
Investment income	966	693	711	678	766	581	533	741	743	643
Other revenues	4,167	3,456	4,118	3,813	2,973	5,908	3,384	7,405	3,481	9,331
Total revenues	<u>255,637</u>	<u>264,964</u>	<u>284,965</u>	<u>292,521</u>	<u>264,741</u>	<u>232,166</u>	<u>219,228</u>	<u>218,814</u>	<u>208,995</u>	<u>212,281</u>
Expenditures:										
Current:										
General government	39,455	39,099	39,050	37,765	34,735	37,906	35,154	30,815	29,900	29,016
Public safety	23,542	24,226	23,889	23,268	22,715	22,614	21,853	21,840	21,052	20,525
Public works	8,010	6,875	6,612	7,439	6,877	7,025	7,017	6,835	6,798	7,128
Health and welfare	9,923	11,017	11,117	12,443	8,255	8,401	7,817	8,281	8,232	8,537
Culture and recreation	4,328	4,681	4,518	4,517	4,259	4,306	4,168	4,020	3,980	3,963
Education	148,995	147,666	137,765	133,925	133,770	127,605	128,009	126,494	123,442	122,568
Debt service:										
Principal	11,398	10,394	10,183	9,123	8,309	8,672	8,959	9,542	10,986	10,410
Interest	7,737	4,365	5,357	2,950	3,265	2,938	3,237	3,055	3,413	3,791
Capital outlay	15,571	38,183	81,248	66,638	72,490	14,224	17,217	8,002	8,902	7,709
Total expenditures	<u>268,959</u>	<u>286,506</u>	<u>319,739</u>	<u>298,068</u>	<u>294,675</u>	<u>233,691</u>	<u>233,431</u>	<u>218,884</u>	<u>216,705</u>	<u>213,647</u>
Deficiency of Revenues over Expenditures	<u>(13,322)</u>	<u>(21,542)</u>	<u>(34,774)</u>	<u>(5,547)</u>	<u>(29,934)</u>	<u>(1,525)</u>	<u>(14,203)</u>	<u>(70)</u>	<u>(7,710)</u>	<u>(1,366)</u>
Other Financing Sources (Uses):										
Transfers in	3,559	1,690	2,765	1,719	1,430	372	484	608	1,712	1,015
Transfers out	(3,559)	(1,690)	(2,765)	(1,719)	(1,430)	(372)	(484)	(608)	(876)	(1,015)
Bond issuance		59,644		50,380		24,423	1,500	18,764		21,369
Bond premium		4,804		2,280		609				58
Issuance of refunding bonds		10,606				6,400			32,769	
Premium on refunding bonds	452	1,466				145			3,490	
Payment to escrow	(11,425)					(6,453)			(36,040)	
Total other financing sources	<u>(10,973)</u>	<u>76,520</u>	<u>-</u>	<u>52,660</u>	<u>-</u>	<u>25,124</u>	<u>1,500</u>	<u>18,764</u>	<u>1,055</u>	<u>21,427</u>
Net Change in Fund Balances	<u>\$ (24,295)</u>	<u>\$ 54,978</u>	<u>\$ (34,774)</u>	<u>\$ 47,113</u>	<u>\$ (29,934)</u>	<u>\$ 23,599</u>	<u>\$ (12,703)</u>	<u>\$ 18,694</u>	<u>\$ (6,655)</u>	<u>\$ 20,061</u>
Debt Service as a Percentage of Noncapital Expenditures										
	7.6%	5.9%	6.5%	5.2%	5.2%	5.3%	5.6%	5.9%	6.9%	6.9%

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

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/ Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2018 * \$	1,834,034	\$ 785,703	\$ 105,632	\$ 3,204,402	39.92	70%	\$ 4,577,717
2017	2,005,036	713,988	79,078	3,307,941	37.47	70%	4,725,630
2016	2,062,045	660,026	70,752	3,289,089	36.63	70%	4,698,699
2015	2,059,909	666,466	64,436	3,291,848	35.74	70%	4,702,640
2014	2,001,846	825,224	230,230	3,447,307	34.99	70%	4,924,724
2013 *	2,011,418	842,711	230,411	3,479,853	34.70	70%	4,971,219
2012	2,426,231	843,535	279,450	3,877,407	29.83	70%	5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339
2010	2,419,387	844,179	230,017	3,864,377	28.85	70%	5,520,539
2009	2,411,971	851,316	220,274	3,879,478	27.96	70%	5,542,111

Source: City of Meriden Tax Assessor

* Revaluation year

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

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2018	33.81	6.11	39.92	2.14	2.14	42.06
2017	33.11	4.36	37.47	2.23	2.23	39.70
2016	31.92	4.71	36.63	2.14	2.14	38.77
2015	32.06	3.68	35.74	2.09	2.09	37.83
2014	31.40	3.59	34.99	2.10	2.10	37.09
2013	31.13	3.57	34.70	1.82	1.82	36.52
2012	26.44	3.39	29.83	1.90	1.90	31.73
2011	26.10	3.43	29.53	1.74	1.74	31.27
2010	24.93	3.92	28.85	1.93	1.93	30.78
2009	24.12	3.84	27.96	2.31	2.31	30.27

Source: City of Meriden Tax Collector

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

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

TABLE 7

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

Taxpayer	Fiscal Year Ended June 30, 2018			Taxpayer	Fiscal Year Ended June 30, 2009		
	Assessment	Rank	Percentage of Total City Taxable Assessed Value		Assessment	Rank	Percentage of Total City Taxable Assessed Value
Connecticut Light & Power	\$ 65,983,080	1	1.99 %	Connecticut Light & Power	\$ 39,802,840	3	1.03 %
Meriden Square Partnership	65,145,830	2	1.86	Yankee Gas	19,289,670	6	0.50
Yankee Gas	34,131,400	3	0.99	Meriden Square #3 LLC et al	141,266,270	1	3.64
TLS Group	28,284,410	4	0.67	Radio Frequency Systems, Inc.	22,270,460	5	0.57
Meriden Square #3 LLC et al	22,238,950	5	0.65	Carabetta Enterprises, Inc.	14,999,610	7	0.39
Computer Sciences Corp.	22,120,770	6	0.69	Computer Sciences Corp.	53,973,960	2	1.39
211 Pomeroy LLC	18,982,820	7	0.60	Urstadt Biddle Properties, Inc.	23,350,670	4	0.60
Radio Frequency Systems, Inc.	18,805,660	8	0.55	AT&T Mobility LLC	14,940,050	8	0.39
Carabetta Enterprises, Inc.	12,927,570	9	0.39	Newbury Village Development	12,705,460	9	0.33
Albany Road-Preston I LLC	11,580,450	10	0.33	Denmeri Associates LP	11,593,880	10	0.30
	<u>\$ 300,200,940</u>		<u>8.72 %</u>		<u>\$ 354,192,870</u>		<u>9.14 %</u>

Source: City of Meriden Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2018	\$ 123,968,662	\$ 121,577,654	98.07%	\$	\$ 121,577,654	98.07%
2017	123,288,487	120,721,441	97.92%	1,784,328	122,505,769	99.37%
2016	119,632,711	117,093,329	97.88%	1,970,533	119,063,862	99.52%
2015	116,362,457	113,706,112	97.72%	2,174,385	115,880,497	99.59%
2014	113,722,730	110,777,791	97.41%	2,543,155	113,320,946	99.65%
2013	113,398,666	110,334,477	97.30%	2,713,189	113,047,666	99.69%
2012	109,955,675	107,069,554	97.38%	2,602,930	109,672,484	99.74%
2011	108,572,349	105,858,662	97.50%	2,413,739	108,272,401	99.72%
2010	105,876,457	103,229,589	97.50%	2,386,418	105,616,007	99.75%
2009	103,277,590	100,430,840	97.24%	2,593,257	103,024,097	99.75%

Source: City of Meriden Tax Collector

**CITY OF MERIDEN, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(In Thousands)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government (2)	Percentage of Personal Income	Aggregate Personal Income (3)	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Notes Payable	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds						
2018	\$ 151,563	\$ 418,165	\$ 1,050	\$	\$ 30,787	\$ 32,950	\$ 39	\$ 634,554	32.18 %	\$ 1,972,000	60	33	
2017	178,849		1,125		33,386	36,705	776	250,841	12.72	1,972,000	60	33	
2016	113,246		1,200		28,585	33,254	69	176,354	8.94	1,972,000	61	32	
2015	123,857		1,275		13,227	35,466	85	173,910	8.82	1,972,000	61	32	
2014	80,533		1,350		12,757	35,872	82	130,594	6.62	1,972,000	61	32	
2013	89,056		1,425		12,547	37,944	97	141,069	7.15	1,972,000	61	32	
2012	71,879		1,500		12,940	39,477	109	125,905	6.38	1,972,000	61	32	
2011	81,087				14,185	42,059	125	137,456	6.97	1,972,000	59	33	
2010	72,115				14,347	37,319	122	123,903	6.28	1,972,000	59	33	
2009	80,903				15,522	30,280	142	126,847	6.43	1,972,000	58	34	

(1) Includes intergovernmental grants receivable from the State Department of Education and restrictions from enabling legislation
(2) All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged
(3) U.S. Bureau of Economic Analysis

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

Fiscal Year Ended June 30,		Bonded Debt (thousands)	Net Assessed Value (thousands)	Ratio of Net Bonded Debt to Net Assessed Value	Population		Debt Per Capita
2018	**	\$ 172,717	\$ 3,098,770	5.57	59,927	*	\$ 2,882
2017		204,494	3,228,863	6.33	59,622		3,430
2016		128,827	3,218,337	4.00	61,119		2,108
2015		140,914	3,227,412	4.37	60,691		2,322
2014		95,787	3,217,077	2.98	60,456		1,584
2013	**	105,975	3,249,442	3.26	60,868		1,741
2012		88,961	3,597,957	2.47	60,868		1,462
2011		100,014	3,630,227	2.76	60,868		1,643
2010		89,444	3,634,360	2.46	59,186		1,511
2009		99,980	3,659,204	2.73	59,186		1,689

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

** Revaluation year

**CITY OF MERIDEN, CONNECTICUT
DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)**

Total Tax Collections, Including Interest and Lien Fees, for June 30, 2017	\$ 124,121
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>409</u>
Base	<u>\$ 124,530</u>

	<u>General Long-Term Debt</u>				
	<u>General</u>		<u>Urban</u>		<u>Pension</u>
	<u>Purposes</u>	<u>Schools</u>	<u>Renewal</u>	<u>Sewers</u>	<u>Bonding</u>
	(2.25 x base)	(4.50 x base)	(3.25 x base)	(3.75 x base)	(3.00 x base)
Debt Limitation:					
Statutory debt limits by function	\$ <u>280,193</u>	\$ <u>560,385</u>	\$ <u>404,723</u>	\$ <u>466,988</u>	\$ <u>373,590</u>
Debt:					
Notes payable	1,050				
Bonds payable	73,253	73,195		7,391	
Bonds authorized but unissued**	<u>10,321</u>			<u>6,543</u>	
	<u>84,624</u>	<u>73,195</u>	<u>-</u>	<u>13,934</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 195,569</u>	<u>\$ 487,190</u>	<u>\$ 404,723</u>	<u>\$ 453,054</u>	<u>\$ 373,590</u>

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

**At June 30, 2018, the City has \$21.6 million of debt in excess of the amount authorized related to the Platt and Maloney High School Renovation projects. This excess is fully expected to be reimbursed through State School Building Construction Grants.

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 871,710	\$ 848,400	\$ 827,176	\$ 799,316	\$ 798,819	\$ 771,316	\$ 765,877	\$ 749,462	\$ 729,330	\$ 717,668
Total net debt applicable to limit	<u>157,819</u>	<u>170,670</u>	<u>135,481</u>	<u>133,340</u>	<u>133,910</u>	<u>130,069</u>	<u>129,058</u>	<u>131,935</u>	<u>94,205</u>	<u>99,416</u>
Legal Debt Margin	<u>\$ 713,891</u>	<u>\$ 677,730</u>	<u>\$ 691,695</u>	<u>\$ 665,976</u>	<u>\$ 664,909</u>	<u>\$ 641,247</u>	<u>\$ 636,819</u>	<u>\$ 617,527</u>	<u>\$ 635,125</u>	<u>\$ 618,252</u>
Total net debt applicable to the limit as a percentage of debt limit	18.1%	20.1%	16.4%	16.7%	16.8%	16.9%	16.9%	17.6%	12.9%	13.9%

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

The City has no overlapping debt.

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

<u>Fiscal Year</u>	<u>Population</u>		<u>Median Family Income</u>	<u>Unemployment Rate</u>
2018	59,927	\$	55,547	5.1 %
2017	59,622		54,588	5.5
2016	61,119		54,588	5.6
2015	60,691		53,831	7.0
2014	60,456		53,831	8.3
2013	60,868		52,788	9.8
2012	60,868		52,788	10.0
2011	60,868		52,788	10.8
2010	59,186		52,788	10.4
2009	59,186		52,788	10.2

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

TABLE 14

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

2018				2009			
Employer	Employees	Rank	Percentage of Total Employment	Employer	Employees	Rank	Percentage of Total Employment
City of Meriden	1,994	1	6.4%	Midstate Medical Center	1,203	1	4.1%
Midstate Medical Center	1,200	2	3.9%	Hunter's Ambulance Service	450	3	1.5%
Carabetta Management	470	3	1.5%	Radio Frequency System	300	6	1.0%
Hunters Ambulance	380	4	1.2%	Target Corporation	140	8	0.5%
3M Purification Inc.	280	5	0.9%	AT & T	890	2	3.0%
RFS Cable	240	6	0.8%	CUNO, Inc.	350	4	1.2%
Mirion Technologies, Inc	235	7	0.8%	Canberra Industries, Inc.	350	4	1.2%
BOSCOV	145	8	0.5%	Macy's	160	7	0.5%
Target Corporation	140	9	0.5%	Sears	125	9	0.4%
Medline Industries	130	10	0.4%	BL Company	111	10	0.4%
Totals	<u>5,214</u>		<u>16.9%</u>	Totals	<u>4,079</u>		<u>13.8%</u>

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	160	172	156	158.5	167.5	166.5	169.5	165	165.5	174
Public Safety:										
Police										
Officers	121	113	121	122	121	120	118	117	118	118
Civilians	26	20	29	27	24	18.5	18.5	35.5	32	31
Fire:										
Firefighters and officers	100	100	95.5	100	98	99	100	97	96	96
Civilians	3	3	3	3	3	3	3	3	3	3
Emergency Communications	14	14.5	17.5	16	17	18	13	13	14	15
Highways and Streets:										
Engineering	8.5	10.5	10.5	9	9	9.5	12	11.5	12	12
Maintenance	28.5	39.5	42.5	29.5	30	27	28	29	28	29
Culture and Recreation	39	45.5	30.5	33.5	45.5	43.5	47.5	29.5	36	29
Golf	14	13.5	13	13	10	11	12	12	15	13
Water	33	33.5	31.5	31	30.5	32	33	33	34	34
Sewer	17	16	17	15	17	15	14	17	16	15
Total	<u>564.0</u>	<u>581.0</u>	<u>567.0</u>	<u>557.5</u>	<u>572.5</u>	<u>563.0</u>	<u>568.5</u>	<u>562.5</u>	<u>569.5</u>	<u>569.0</u>

Source: City of Meriden Payroll System

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

Function / Operating Indicator	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Cases Investigated	10,382	8,895	10,972	11,097	11,298	14,363 B)	n/a B)	27,872 B)	35,973	34,390
Calls for Service	45,034	40,585	45,826	44,705	41,116	44,279 B)	56,178 B)			
Arrests	3,002	3,173	3,373	3,428	3,495	3,012	3,592	3,809	3,491	3,083
Traffic Citations	2,419	2,153	3,023	3,764	3,426	2,723	3,071	4,233	5,958	7,579
Parking Citations	1,639	1,607	1,781	1,981	1,465	1,105	1,050	2,063	1,442	1,396
Fire										
Emergency Responses	7,967	7,314	8,016	7,710	7,692	7,738	8,650	7,256	7,299	6,424
Non-emergency Responses	1,457	1,378	1,510	1,642	1,471	1,403	1,656	1,574	1,612	1,937
Inspections	1,537	1,518	1,283	2,307	3,359	4,091	4,123	2,409	1,774	2,656
Fire Investigations (C)	94	100	121	70	73	63				
Refuse Collection										
Refuse Collected (Tons)	18,005	17,890	18,000	30,253	28,929	30,297	32,175	32,067	32,702	31,908
Recyclables Collected (Tons)	N/A H)	1,276	2,800	1,105 F)	2,426	2,775	2,797	2,521	1,813	1,812
Other Public Works										
Street Resurfacing (Miles)	6.16	9.27	6.82	4.26	5.75	5.68	2.04	2.5	2.17	2.24
Potholes Repaired	6,225	6,450	5,284	6,406	7,654	4,792 E)	800	800	785	900
Library										
Volumes in Collection (Print)	183,214	212,888	206,436	249,190	245,620	239,686	234,772	235,134	232,783	233,157
Volumes in Collection (Non-print)	24,707	20,966	16,002	20,857	19,239	18,111	16,707	15,332	14,028	16,860
Total Volumes Borrowed	225,598	218,291	238,710	242,368	251,687	246,198	232,141	231,325	248,017	228,224
Annual Library Visits	261,087	284,587	281,655	288,000	312,442	308,801	307,904	292,421	278,629	
Water										
Average Daily Production (thousands of gallons)	5.205	5.178	5.318	5.001	5.234	5.379	5.560	5.720	5.422	5.960
Average Daily Demand (thousands of gallons)	5.205	5.178	5.318	5.001	5.234	5.379	5.560	5.720	5.422	5.960
Wastewater										
Average Daily Treatment (thousands of gallons)	10.0	9.0	9.0	9.0	10.0	11.0	12.0	12.0	13.0	11.0
Transit										
Total Route Miles	23,343	23,936	24,495	25,243	27,600 A)	27,600 A)	27,600 A)	27,600 A)	27,600 A)	52,999
Passengers	10,488	10,068	10,514	12,847	15,233	17,549	18,274	18,734	18,638	17,521
Human Services										
Environmental Inspections and Responses	2,433	2,941	4,736	3,208	2,919	2,616 D)	2,988	3,621	3,251	3,454
Health and Clinic Services Provided	4,225	3,829	2,858	4,203	4,272	4,892 D)	4,385	4,913	9,366	2,982
School Health Services Provided	99,338	106,083	104,392	83,113	96,690	91,814 D)	134,031	147,718	158,557	116,696
Social Service Worker Clients	1,300	1,258	1,037	381	683	1,102 D)	1,211	1,953	1,683	1,572
Youth Program Participants	672	274	345	648 G)	5,429	2,081 D)	11,673	11,087	10,498	10,765
Senior Program Participants	24,357	25,278	26,792	20,721	20,400	20,400 D)	8,922	15,287	17,973	19,947

Sources: Various City of Meriden Departments

- A) Change in formula used by the State of Connecticut implemented in 2010.
 B) New police software implemented in 2011 uses new criteria to calculate investigations.
 C) New in 2013 - Fire Investigations completed by the Fire Marshals Office required by State Statute
 D) Calculation methods were changed in 2013
 E) New pothole machine was purchased
 F) Includes inner city only (excludes outer district trash haulers)
 G) Decrease in number is due to not conducting educational programming in Meriden Public Schools
 H) Amount no longer required to be tracked per DEEP.

TABLE 17

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

Function	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	3	3	3	3	2	3
Fire stations	5	5	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1	1	1
Municipal buildings	10	10	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Fields - Municipal	11	11	11	11	11	11	11	11	11	8
Fields - Schools	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (Municipal) (feet)	1,297,632	1,280,788	1,279,148	1,278,060	1,276,601	1,275,235	1,218,960	1,218,120	1,217,120	1,216,560
Fire hydrants (Municipal)	1,509	1,495	1,493	1,493	1,493	1,493	1,496	1,544	1,544	1,552
Fire hydrants (Private)	347	340	340	340	340	339	282	275	275	274
Wastewater										
Sewer line (feet)	1,130,259	1,126,675	1,126,560	1,126,179	1,123,712	1,111,214	1,111,026	1,111,026	1,111,026	1,111,026
Highway										
Paved miles	187.83	187.83	187.83	187.83	187.83	187.36	187.45	187.45	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

Sources: Various City of Meriden Departments