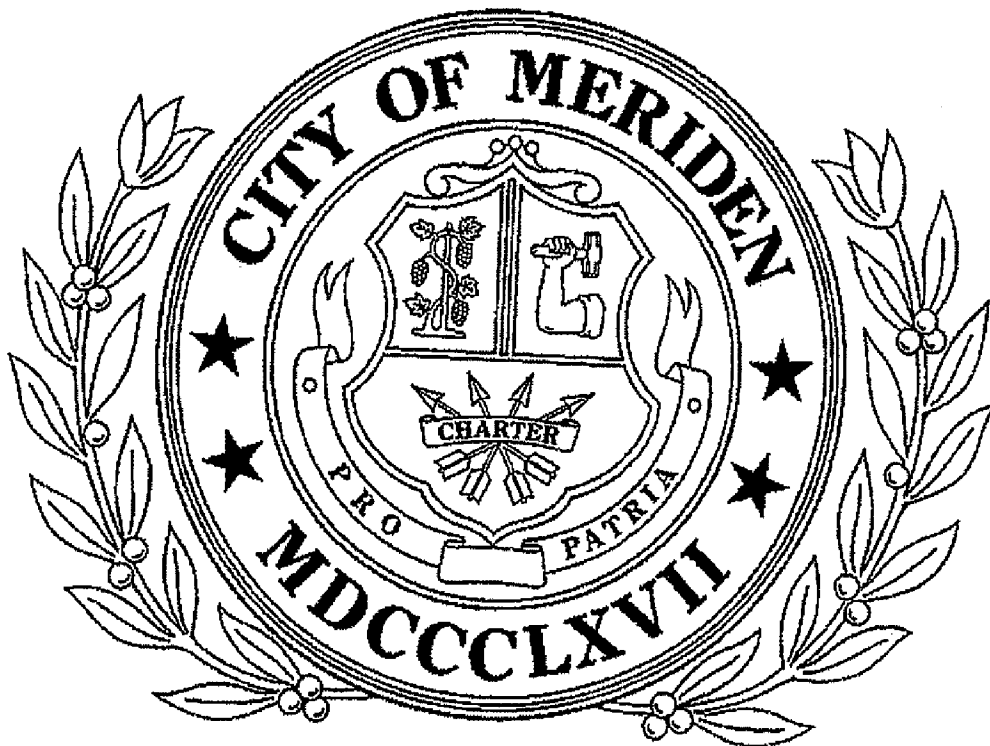


**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHESIVE ANNUAL FINANCIAL REPORT**



**FISCAL YEAR ENDED JUNE 30, 2005**

**DEPARTMENT OF FINANCE**

**MERIDEN, CONNECTICUT**

**CITY OF MERIDEN, CONNECTICUT**

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

**For**

***For The Fiscal Year Ended***

**June 30, 2005**

***Prepared by***

**City of Meriden Department of Finance**

**Robert M. Curry  
Finance Director**

**CITY OF MERIDEN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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FINANCE DEPARTMENT  
ROOM 212 CITY HALL  
142 EAST MAIN STREET  
MERIDEN, CONNECTICUT 06450-8022

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, 2005.

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

Levitsky & Berney, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion the City of Meriden's financial statements for the year ended June 30, 2005. The independent auditor's report is located at the front of the financial section of this report.

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

Yours truly,

CITY OF MERIDEN

*Robert Curry*

Robert Curry  
Finance Director

**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 59,412 in 2003, an increase of 1,268 people since 2000. Meriden is located midway between the cities of Hartford and New Haven in New Haven County at the crossroads of I-91, I-691, State Rt. 15 (Wilbur Cross Parkway) and U.S. 5. I-691 links I-91 and I-84.

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

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

**Form of Government**

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

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

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

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

**Principal City Officials**

<i>City Officials</i>	<i>Name</i>	<i>Manner of Selection/Term</i>	<i>Years of Service</i>	<i>Employed Last Five Years</i>
Mayor .....	Mark D. Benigni	Popularly elected	4	School Vice Principal
City Manager .....	Lawrence Kendzior	Appointed - indefinite	1/2	Corporation Counsel
Finance Director/Treasurer .....	Robert M. Curry	Appointed - indefinite	3	Director of Accounting
Superintendent of Schools .....	Mary Cortright	Appointed - indefinite	3	School Principal



**Mark Benigni, Mayor:** Mayor Benigni graduated from Western Connecticut State University and received a Bachelor's of Science degree in Business Administration. Mayor Benigni earned both a Masters in Education and a Doctorate in Education from the University of Hartford, in Connecticut. Prior to election as mayor, Mr. Benigni served on the City Council for four years. He is currently in the third year of his second term. In addition, to serving as mayor, Mr. Benigni is currently the assistant principal at Berlin High School. His prior work experience includes focus in special education.

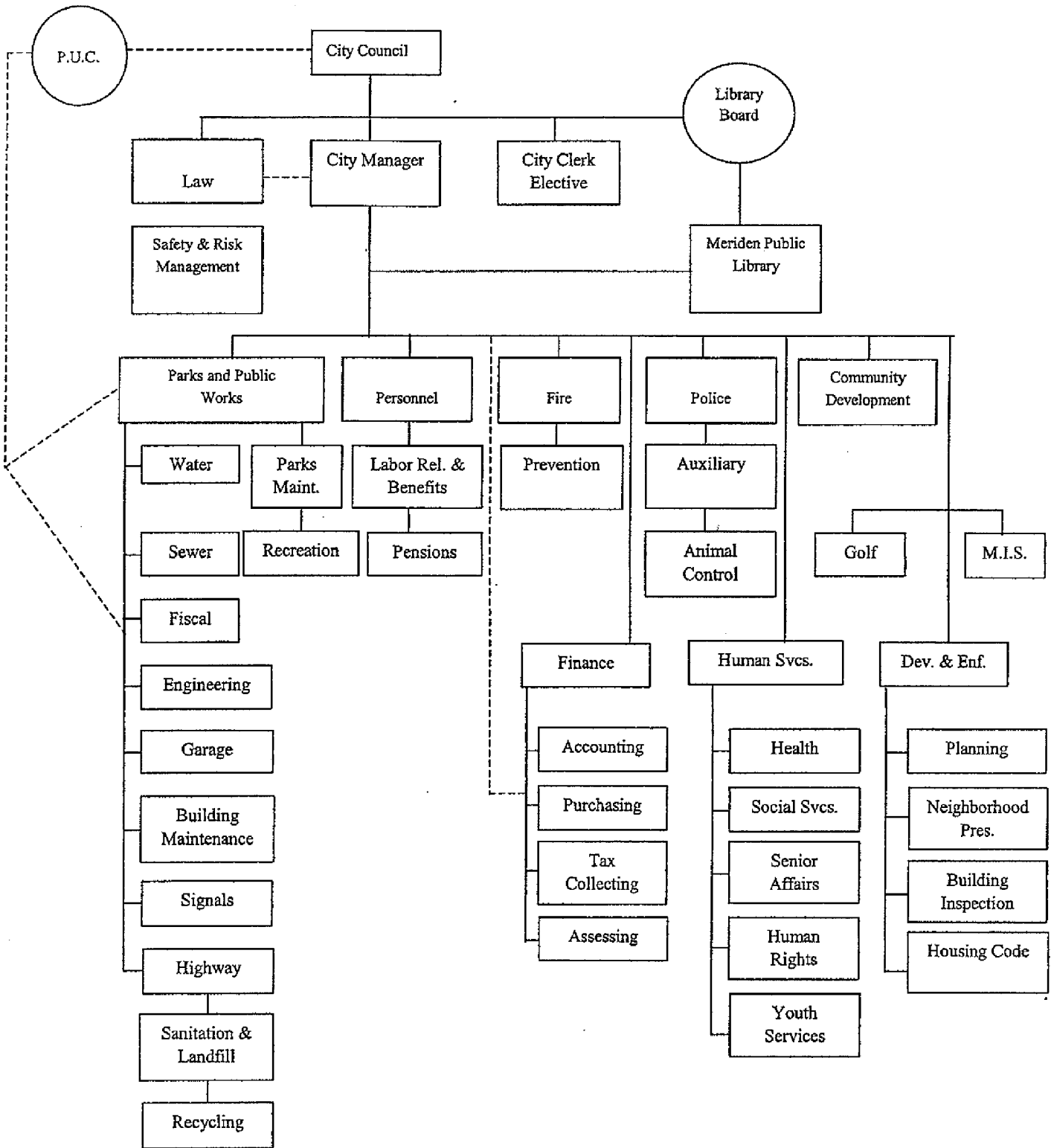
**Larry Kendzior, City Manager:**

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

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

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

# ORGANIZATIONAL CHART



## **Economic Development**

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

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

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

The U.S. Environmental Protection Agency gave the City a grant of \$200,000 in late 2004 to fund environmental assessments on contaminated properties throughout the city. This grant will assist the City in creating more available land for commercial development.

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

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

The City's Comprehensive Economic Development Strategy Plan (CEDS) was approved by the US Economic Development Administration (EDA) in 2000. EDA has approved all annual reports submitted since that time. Thirty-five community leaders and company representatives sit on a steering committee, which guides the planning effort and implementation activities.

## **Commercial/Industrial Development**

Aplicare, Inc., leased 200,000 square feet at 550 Research Parkway. This manufacturer of topical antimicrobial drug products headquartered in Branford, Connecticut, will be moving to consolidate its manufacturing and warehousing operations to Meriden. Aplicare plans to begin moving its operations in September of 2005, with completion projected by June 2006. The consolidation will bring approximately 180 jobs to Meriden and a \$2.6 million dollar investment in renovations.

Civic Development Group of New Jersey opened a new call center at 210 Pomeroy Avenue. This center will create 150-200 new jobs. CDG operates as Civic Development Group and Millennium Teleservices nationwide and in Canada. Based in Edison, New Jersey, they are formally ranked as the largest outbound telemarketer in the United States, operating 38 call centers in twelve states and employing over 7,000 people.

MidState VNA & Hospice, a full-service health care provider, leased 15,000 square feet at One Research Parkway.

The owner of Advanced Turbine Services acquired 137 South Colony Street and plans to expand this manufacturing operation at that site. The company provides turbine engine repair and overhaul services to both the United States Navy and a variety of commercial clients.

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

Protein Sciences received site plan approval from the Planning Commission to construct a new building on-site for this company's bioscience expansion.

The City sold 230 East Main Street to a developer who will complete renovation by July 2005. The building is currently available for lease to commercial tenants.

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

The State of Connecticut has awarded Meriden a \$2 million state grant to demolish the Meriden HUB building. Once the 200,000 square foot vacant building is demolished, the 15-acre site will be converted to a downtown park.

In 2004, the US Environmental Protection Agency provided Meriden with a \$100,000 grant to conduct a Phase 2 environmental assessment of the fifteen acre HUB site in the downtown. The Connecticut Department of Environmental Protection committed to fund another \$100,000 for testing, which will begin in July 2005. Testing is a prerequisite for redevelopment of the site.

The City Center Initiative Plan was completed in April 2005. Supported by a \$250,000 state grant, the study delineated a redevelopment plan targeting fifty eight acres in our downtown and staged the work into four phases. The plan will be reviewed by City Council and local land use boards over the next four months.

The City has earmarked funds to hire a traffic consultant/engineering company to conduct a comprehensive parking study of the downtown. The study by Fuss & O'Neill is 90 per cent complete. As new investment spurs the need for additional parking for commercial and residential tenants and customers, the City wishes to develop a parking plan that meets increased demand.

The City contracted with an arts/entertainment planning and development consultant to undertake a \$75,000 arts district study of the downtown. The study is 90 percent complete. It surveyed market demand for two performance venues and artist housing and will determine feasible strategies to attract the arts, artist tenants and develop a realistic implementation plan to attract developers and funding.

The cleanup of vacant Factory H on Cooper Street has begun. Environmental hazards located on the seven-acre site are now being removed to add more developable land and open space to our downtown. Funding for this initial cleanup comes from a \$1 million trust fund monitored by the Connecticut Department of Environmental Protection.

The City has selected a developer for 9-11 and 13-17 Colony Street. The City Council approved the transfer of 9-11 and 13-17 Colony Street to a Rocky Hill developer who will invest over \$325,000 to renovate the buildings into a combination of office and retail space. He will also move his business into one of the properties.

Corporation Tanjill LLC of Long Island purchased 43 ½ Colony Street. The downtown building consists of six storefronts and six office units. The new owner is renovating the building's interior and doing exterior improvements.

Newly renovated 35 West Main Street attracted a retail tenant and creates eleven totally modernized apartments downtown. Outsource Solutions, an expanding staffing agency, moved into the property. New tenants occupy nine of the eleven newly renovated efficiency and one-bedroom modern apartments. Each has dedicated, secure parking, modern amenities and is a two-minute walk to Middlesex Community College-Meriden Center.

## **Retail Development**

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

- Starbucks may open soon on Route 5. New England Real Properties has submitted plans for the 2.8-acre site along the street at 500 South Broad Street. The 2.8-acre pad site can be divided into one or two retail parcels.
- Famous Footwear joined Townline Plaza's family of retail stores along Route 5 / South Broad Street.
- Best Buy and Dick's Sporting Goods opened at Westfield Shoppingtown-Meriden.
- Circuit City opened at the former Walbaum's Shopping Plaza on Kensington Avenue.
- A local developer is constructing new retail, restaurant and office space development on 2.4 acres at the corner of West Main Street and Centennial Avenue.
- Autozone has executed a sales agreement to purchase Carlberg gas station on West Main Street.
- The new Saab car dealership has opened at 171-195 South Broad Street.
- A new farmers' shop has been built at 1320 East Main Street. The market is named Spoon Shop Brook.
- The City is negotiating with the State to take ownership of half of the State's Undercliff Road property located adjacent to Target and across from Westfield Shopping Town Meriden. This site is prime for retail development.

## **Municipal and Public Facility Development**

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

- Midstate Medical Center is constructing a new 40,000 square foot, two-story administrative office at the Center's northeast corner. The addition will house medical and business offices.
- Lincoln Middle School has been completed and occupied. It replaces an aging building with a new state-of-the-art facility with a special focus on the arts.
- The City is currently completing a new large ballfields park complex. The twenty acre site on Thorpe Avenue will greatly expand recreational opportunities for the City's youth and young adults, and is also expected to host regional sports events.
- The City has completed streetscape improvements to Lewis Avenue. The project replaces sidewalks and installed landscape plantings and street furniture such as lighting and benches.
- The Meriden Boys and Girls Club have \$250,000 in funding for improvement and expansion of camp facilities planned to commence in the summer of 2005.
- New Post Office construction will start in October 2005. The U.S. Post Office will begin construction of a new 30,000 square foot downtown facility at 190 Center Street this coming October. Design will be completed by June, and construction work will then be bid. Once started, the project should be completed in twelve months. The new facility will have increased mail-handling operations, a postal store and additional parking. This Center Street site formerly housed Meriden's Jefferson School. After demolition of the school and clean up, the City sold the site to the Post Office.

## **Residential Development**

On the west side of the City, "Rolling Hills" (Final Phase), a forty six lot single family subdivision is currently nearing completion.

On the east side of the City, Daniel Way, a twelve lot single family subdivision has been completed . Also on the east side, "Blue Grass Farms," a thirty four lot single family subdivision is under construction .

On the south side of the City, Walt Drive, a twenty lot single family subdivision has been completed .

A 180 unit rental housing complex on Pomeroy Avenue near Research Parkway is nearing completion. The development, which will include a clubhouse, is expected to be upscale and meet the need for housing for young professionals.

A thirty two unit garden apartment complex (Hidden Gables) and a twenty four unit condominium complex (Quarry Farms) is under construction .

## **Community Development Program**

The City of Meriden, as an entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, has received approximately \$26,639,000 in federal funds under the Community Development Block Grant for fiscal years 1976 through 2004.

Under the Community Development Program, the City has made a major commitment to preserving and rehabilitating Meriden's inner-city neighborhoods. To date, some \$15 million of Community Development funds has been coupled with more that \$5 million of private funds and \$1.6 million of City bond funds to implement the rehabilitation and maintenance of inner-city housing.

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

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

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

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

# 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, 2004

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



*Nancy L. Zelle*

President

*Jeffrey R. Emery*

Executive Director

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## LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
100 BRADLEY ROAD • WOODBRIDGE, CONNECTICUT 06525-2384  
203 389-5371 • FAX 203 389-4430

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Meriden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2005, on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 15, and page 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

November 30, 2005

**City of Meriden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2005**

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, 2005. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, excluding component units, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$153.9 million. Total net assets for Governmental Activities at fiscal year-end were \$47.6 million and total net assets for Business-Type Activities were \$106.3 million.
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$12.5 million or 9%, from \$141.2 million to \$153.9 million. Net assets increased by \$13.2 million for Governmental Activities and decreased by \$.07 million for Business-Type Activities. Government-wide expenses were \$197.7 million, while revenues were \$225.6 million.
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$3.8 million, a decrease of \$10.9 million from the prior fiscal year.
- ◆ At the end of the current fiscal year, the total fund balance for the general fund alone was \$9.6 million, a increase of \$6.1 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2004, \$1.8 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 1.12% of total general fund expenditures (\$160.6 million).

## **Overview of the Financial Statements**

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

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

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

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

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

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

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

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 17-18 of this report.

### **Fund Financial Statements**

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

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

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

The City of Meriden maintains 41 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the City of Meriden include: Airport Improvement, Community Development Block Grant, Day Care Center, Health Department-WIC Program, Insurance Reserve Fund, Neighborhood

Mobile Health, Special Projects-Health, Tri-Town Medical Transportation, Neighborhood Preservation Program, Asset Forfeiture Fund, State & Federal Education Grants, Underage Drinking, Transit Welfare to Work, Dog Fund, Landfill Reclamation, Cafeteria, Meriden Public School Rental, Adult Evening School, Safe Neighborhoods, Railroad Right-of-Way, Drivers Education Training, Student Fund, AmeriCorps, Summer Youth Initiative, Law Enforcement Block Grant, Lorenzo Fuller Award, Charlotte Yale Ives, Downtown Property Management, School Readiness, Cops More 98, C.P. Bradley Park, Hubbard Park Fund, Liberty Trust Fund, Reading Video, CP National Science Foundation, Document Preservation, Arts District Feasibility, EPA Brownfield Assessment, Parks & Recreation Capitol & Non-Recurring, Capitol & Non-Recurring. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets in Schedule 3 and in the combining statement of revenues, expenditures and changes in fund balance in Schedule 4 of this report.

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

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found in Exhibit C and Exhibit D of this report.

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, four agency funds and four private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found in Exhibit K 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 31-65 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 58-65 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden governmental activities assets exceeded liabilities by \$153.9 million on June 30, 2005.

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

	June 30, 2005			June 30, 2004		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	54,753	19,813	74,566	47,839	20,028	67,867
Non-current	28,653	0	28,653	4,828	0	4,828
Capital assets	152,785	98,913	251,698	160,586	101,030	261,616
<b>Total Assets</b>	<b>236,191</b>	<b>118,726</b>	<b>354,917</b>	<b>213,253</b>	<b>121,058</b>	<b>334,311</b>
Current liabilities	45,519	1,606	47,125	29,759	1,551	31,310
Long-term liabilities outstanding	143,050	10,802	153,852	149,121	12,493	161,614
<b>Total Liabilities</b>	<b>188,569</b>	<b>12,408</b>	<b>200,977</b>	<b>178,880</b>	<b>14,044</b>	<b>192,924</b>
Net Assets:						
Invested in capital assets, net of related debt	104,144	89,673	193,817	59,323	88,752	148,075
Restricted	6,485	0	6,485	0	0	0
Unrestricted	-63,007	16,644	-46,353	-24,950	18,262	-6,688
<b>Total Net Assets</b>	<b>47,622</b>	<b>106,317</b>	<b>153,939</b>	<b>34,373</b>	<b>107,014</b>	<b>141,387</b>

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

A portion of net assets was restricted in June 30, 2005 as a result of enabling legislation and the early implementation of the Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation – An Amendment to GASB*



Statement 34. These restrictions are further explained in Note 11 of the financial statements.

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

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

	June 30, 2005			June 30, 2004		
	Governmental Activities	Business-Type Activities	Total Government	Governmental Activities	Business-Type Activities	Total Government
<b>Revenues:</b>						
Program Revenues:						
Charges for services	8,571	13,630	22,201	12,428	14,199	26,627
Operating Grants and contributions	12,437		12,437	60,009		60,009
Capital Grants and contributions	11,140		11,140	14,845		14,845
General Revenues:						
Property Tax	92,580		92,580	89,175		89,175
Grants not restricted to specific programs	57,502		57,502 *	6,071		6,071
Unrestricted investment earnings	925		925	865	214	1,079
Miscellaneous Income	6,731	241	6,972 *			
<b>Total revenues</b>	<b>189,886</b>	<b>13,871</b>	<b>203,757</b>	<b>183,402</b>	<b>14,413</b>	<b>197,815</b>
<b>Expenses:</b>						
General Government	20,386		20,386	16,967		16,967
Education	101,315		101,315	96,877		96,877
Public Safety	28,844		28,844	27,820		27,820
Public Works	9,876		9,876	9,202		9,202
Human Services	8,869		8,869	6,546		6,546
Interest on long term debt	6,584		6,584	4,095		4,095
WPCA Sewer		6,389	6,389		6,074	6,074
Water		8,014	8,014		8,424	8,424
Hunter Golf Course		755	755		793	793
<b>Total Expenses</b>	<b>175,874</b>	<b>15,158</b>	<b>191,032</b>	<b>161,507</b>	<b>15,291</b>	<b>176,798</b>
Change in Net Assets	14,012	-1,286	12,726	21,895	-878	21,017
Net Assets-Beginning	33,610	107,604	141,214	12,478	107,892	120,370
<b>Net Assets-Ending</b>	<b>47,622</b>	<b>106,318</b>	<b>153,940</b>	<b>34,373</b>	<b>107,014</b>	<b>141,387</b>

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

The City's net assets increased by \$12.7 million during the fiscal year, with net assets of Governmental Activities increasing \$14.0 million and business-type activities decreasing by \$1.3 million

### **Governmental Activities**

Almost 44% of the revenues were derived from property taxes, followed by 38% from State and Federal Government program revenues, then 3% from other revenues.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2004 reflect an increase in the City's tax rate of approximately 3.2% and total assessed value of all taxable property increased by .03%.
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant 3.08 million in revenue for fiscal year 2005. This is the third year of the agreement.

For Governmental Activities, more than 45.8% of the City's expenditures relate to education, 4.7% relate to public safety, 32.6% to general government, more than 4.7% relate to public works, 4.4% to human services, 3.3% to principal and interest payments on long term debt and the remaining relates to government, community services, administration and other areas.

Major expenditure factors include:

- ◆ Increases in employee wages averaged approximately 3.0%, resulting from negotiated step and general wage increases.
- ◆ Employee benefit costs rose more than 9.5%, due to rising health insurance costs and pension funding requirements.
- ◆ The cost of education services increased, due to negotiated wage settlements, employee health insurance cost increases, special education cost increases, and rising school enrollment.

### **Business-Type Activities**

Business-Type activities decreased the City's net assets by \$1,286,000.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1.8 million while total fund balance reached \$9.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1.14% of total general fund expenditures, while total fund balance represents 5.98% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$6.6 million during the current fiscal year. Key factors in this increase are as follows:

- ◆ Property tax revenues recorded for fiscal year 2004 reflect an increase in the City's tax rate of approximately 3.2%, and the total assessed value of all taxable property of .03%.
- ◆ The Bond Account transferred \$5 million to the General Fund to be used for future debt repayment. These funds are the result of Bond Premiums, loan repayments and interest income.
- ◆ The NRG Electrical Generating Plant provided \$3.0 million in revenues for the second year of a thirty year agreement in lieu of taxes.

The Bonded Projects Fund has a total fund balance of -\$10.6 million, down from \$4.5 million in the prior year. In addition, a \$5 million transfer to the General Fund. The decrease can be further explained by bond proceeds and state grants received in the current year.

The Other Governmental Funds has a total fund balance of \$4.8 million, up from a restated \$4.9 million in the prior year. The restated balance was a result of loans receivable from HUD sponsored grants that were improperly recognized the prior year. The \$.1 million decrease was primarily due to the Other Grants Program where we experienced an increase in grants in the current year.

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

Net assets of the Water Fund at the end of the year were \$48.8 million, with unrestricted net assets of \$10.0 million. The Water Fund experienced operating income of \$36,000.

Net assets of the Sewer fund were \$57.3 million. Unrestricted net assets were \$7.4 million. The Sewer Fund experienced an operating loss of \$367,000.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$262,651. The original budget included a contingency of \$300,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The major additional appropriations approved during the year are summarized below:

- ◆ \$400,000 for Capital Equipment.
- ◆ \$35,000 for Waste Collection Dumping Fees.

- ◆ The Contingency Fund was reduced by \$125,000 to fund the above increases.

Several departments exceeded their budgets during the fiscal year. The Highway Division was \$491,000 over their budget mainly due to snow and ice control. Fire has mandatory overtime and exceeded their budget by \$284,000. Waste collection was over their budget by \$112,000 due to higher tipping fees. During the year, actual revenues on a budgetary basis were \$164.9 million, which was more than budgetary estimates by \$4.3 million. Actual tax revenues were less than budget by \$1.6 million. Actual investment income was approximately \$681,000 above the \$358,000 that had been anticipated.

Actual expenditures and operating transfers out on a budgetary basis and other financing uses totaled \$164.9 million, exceeding actual revenues on a budgetary basis by \$6,621,929. The final net increase in unreserved fund balance on a budgetary basis was \$6,621,929 after an adjustment to restate fund balance by -\$526,238.

### 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, 2005, amount to \$280.2 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. This is the fourth year the City of Meriden has reported its' investment in capital assets.

**CITY OF MERIDEN, CONNECTICUT**  
**CAPITAL ASSETS (net of depreciation)**  
**Primary Government**

	June 30, 2005			June 30, 2004		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	17,943	916	18,760	20,753	1,031	21,784
Land improvements	3,761	93	3,913	4,433	1,539	5,972
Buildings and improvements	79,374	19,591	98,681	78,574	18,291	96,865
Infrastructure	28,691	71,502	104,059	27,273	73,359	100,632
Machinery and equipment	4,244	5,395	8,552	7,316	4,348	11,664
Vehicles	2,7790	0	3,344	2,835	404	3,239
Construction in progress	5,142	1,415	7,155	19,402	2,058	21,460
<b>Total</b>	<b>141,934</b>	<b>102,530</b>	<b>244,464</b>	<b>160,586</b>	<b>101,030</b>	<b>261,616</b>

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

- ◆ \$7,652,000 million Construction of Lincoln Middle School.

- ◆ \$5,901,761 million for Platt and Maloney Roofs.
- ◆ \$1,572,000 million for Landfill Closure.
- ◆ \$1,547,000 million for Airport Runway/Taxiway Reconstruction.
- ◆ \$1,460,000 million for Flood Control-Hanover Pond Dam.

Additional information on the City of Meriden's capital assets can be found in Note 7 on pages 44 – 46 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$103 million. 100% of this debt is backed by the full faith and credit of the City.

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

	JUNE 30, 2005			JUNE 30, 2004		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation bonds	93,486	9,459	102,945	72,224	4,231	76,455
Bond anticipation notes	14,895		14,895	28,891	5,643	34,534
Notes payable		1,343	1,343		1,487	1,487
<b>Totals</b>	<b>108,381</b>	<b>10,802</b>	<b>119,183</b>	<b>101,115</b>	<b>11,361</b>	<b>112,476</b>

The City of Meriden's total debt increased by \$26.3 million or 23.4% during the 2004-2005 fiscal year. During the current fiscal year of 2005-2006, the City issued \$25.8 million in bond anticipation notes due mainly to a \$39.7 million GOB issue.

The City of Meriden maintains a BAA1 rating from Moody's Investors Service.

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$648,281,368. As of June 30, 2005, the City recorded long-term debt of \$93.5 million related to Governmental Activities and \$9.5 million related to Business-Type Activities, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 9 on pages 55 - 61 of this report.

**Economic Factors**

The City of Meriden has not been immune from the effects of the national economic downturn. As of May 2005, the unemployment rate for the Meriden labor Market Area was 6.1%, down from 6.3% in the prior year. This compares with the New Haven Labor market of 5.4%. Connecticut's overall unemployment rate stands at 5.3%, compared with 5.8% for the same time last year. In addition, it is forecasted that State and federal governments will continue the trend of reducing grants to municipalities.

Nevertheless, the City of Meriden is well positioned to deal with the present economic downturn. A new power generating plant will add at least \$3 million annually for the next thirty years. With an overwhelming reliance on property taxes, Meriden's income

stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone and a Technology Zone to provide incentives to businesses relocating to Meriden.

### **Requests for Information**

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

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**STATEMENT OF NET ASSETS**  
**June 30, 2005**

	Primary Government		
	Governmental Activities	Proprietary Activities	Total*
<b>Assets:</b>			
Cash and cash equivalents	\$ 33,003,901	852,697	33,856,598
Investments	1,934,202	13,038,000	14,972,202
Receivables, net of allowance for collections:			
Property taxes	4,682,195		4,682,195
Accounts receivable	649,591	5,348,065	5,997,656
Federal and states governments	9,477,289		9,477,289
Estimated unbilled usage			
Loans receivable, net	5,145,138		5,145,138
Internal balances	(574,095)	574,095	
Inventories and other assets	79,200		79,200
Net pension assets	355,753		355,753
Noncurrent assets:			
Capital assets, not being depreciated	28,653,283	2,331,106	30,984,389
Capital assets, being depreciated, net of accumulated depreciation	152,784,859	96,582,055	249,366,914
<b>Total assets</b>	<b>\$ 236,191,316</b>	<b>118,726,018</b>	<b>354,917,334</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	\$ 27,418,253	1,606,021	29,024,274
Retainage payable	1,085,205		1,085,205
Unearned revenue	2,031,164		2,031,164
Temporary notes payable	14,985,000		14,985,000
Noncurrent liabilities:			
Due within one year	22,537,878	1,295,395	23,833,273
Due in more than one year	120,511,845	9,506,998	130,018,843
<b>Total liabilities</b>	<b>\$ 188,569,345</b>	<b>12,408,414</b>	<b>200,977,759</b>
<b>Net Assets:</b>			
Investment in capital assets, net of related debt	\$ 104,143,934	89,673,463	193,817,397
Restricted for debt payments	5,000,000		5,000,000
Restricted for flood control	1,484,734		1,484,734
Unrestricted	(63,006,697)	16,644,141	(46,362,556)
<b>Total net assets</b>	<b>\$ 47,621,971</b>	<b>106,317,604</b>	<b>153,939,575</b>

\*After internal balances have been eliminated.

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

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2005

Functions/programs	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>
<b>Primary Government:</b>		
Governmental activities:		
General government	\$ 64,519,195	28,079,369
Education	90,526,753	1,509,919
Public safety	18,104,314	117,591
Public works	9,276,540	166,307
Human services	8,719,129	553,058
Interest on long-term debt	6,583,331	
<b>Total governmental activities</b>	<u>\$ 197,729,262</u>	<u>30,426,244</u>
Business-type activities:		
Sewer Authority	\$ 6,389,979	4,949,557
Water Authority	8,014,600	7,854,707
George Hunter Golf Course	753,646	826,394
<b>Total business-type activities</b>	<u>\$ 15,158,225</u>	<u>13,630,658</u>
<b>Total primary government</b>	<u>\$ 212,887,487</u>	<u>44,056,902</u>

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

Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-type Activities	Total
83,481		(14,078,554)		(14,078,554)
7,180,018	3,430,406	(89,194,517)		(89,194,517)
32,056		(28,694,351)		(28,694,351)
	7,709,352	(2,000,881)		(2,000,881)
5,141,118		(3,174,953)		(3,174,953)
		(6,583,331)		(6,583,331)
<u>12,436,673</u>	<u>11,139,758</u>	<u>(143,726,587)</u>	<u>-</u>	<u>(143,726,587)</u>
				-
			(1,440,422)	(1,440,422)
			(159,893)	(159,893)
			72,748	72,748
			<u>(1,527,567)</u>	<u>(1,527,567)</u>
<u>12,436,673</u>	<u>11,139,758</u>	<u>(143,726,587)</u>	<u>(1,527,567)</u>	<u>(145,254,154)</u>
<b>General revenues:</b>				
Property taxes		\$ 92,580,400		92,580,400
Grants and contributions not restricted for specific programs		57,502,213		57,502,213
Unrestricted investment earnings		924,876		924,876
Miscellaneous income		6,731,106	241,478	6,972,584
<b>Total general revenues</b>		<u>\$ 157,738,595</u>	<u>241,478</u>	<u>157,980,073</u>
<b>Change in net assets</b>		<u>\$ 14,012,008</u>	<u>(1,286,089)</u>	<u>12,725,919</u>
Net assets, beginning		\$ 34,373,553	107,014,067	141,387,620
Adjustments to beginning net assets		(763,590)	589,626	(173,964)
<b>Net assets, beginning - restated</b>		<u>\$ 33,609,963</u>	<u>107,603,693</u>	<u>141,213,656</u>
<b>Net assets, ending</b>		<u>\$ 47,621,971</u>	<u>106,317,604</u>	<u>153,939,575</u>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2005, Revised

	General	Bonded Projects	Other Governmental	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 16,652,109	6,616,676	4,632,430	27,901,215
Investments			1,934,202	1,934,202
Receivables, net of allowance for collections:				
Property taxes	4,682,195			4,682,195
Accounts receivable	540,187		106,493	646,680
Federal and state governments	3,681,963	5,742,107	53,219	9,477,289
Loans receivable		2,563,321	2,581,817	5,145,138
Other assets	79,200			79,200
Due from other funds	5,215,988		150,000	5,365,988
Advance to golf fund	988,600			988,600
<b>Total assets</b>	<b>\$ 31,840,242</b>	<b>14,922,104</b>	<b>9,458,161</b>	<b>56,220,507</b>
<b>Liabilities</b>				
Accounts payable	\$ 13,813,884	3,760,560	648,212	18,222,656
Retainage payable	843,140	242,065		1,085,205
Due to other funds		6,562,695	365,988	6,928,683
Deferred revenue	7,571,066	1,333	3,639,332	11,211,731
Temporary notes payable		14,985,000		14,985,000
<b>Total liabilities</b>	<b>\$ 22,228,090</b>	<b>25,551,653</b>	<b>4,653,532</b>	<b>52,433,275</b>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	\$ 58,460	2,588,837		2,647,297
Donor restrictions	247,435		238,164	485,599
Loans receivable		2,563,324		2,563,324
Long term advances	988,600			988,600
Debt payments	5,000,000			5,000,000
Flood control	1,484,734			1,484,734
Unreserved, undesignated reported in:				-
General fund	1,832,923			1,832,923
Special revenue funds			4,598,243	4,598,243
Capital project funds		(15,781,710)	(31,778)	(15,813,488)
<b>Total fund balances</b>	<b>\$ 9,612,152</b>	<b>(10,629,549)</b>	<b>4,804,629</b>	<b>3,787,232</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,840,242</b>	<b>14,922,104</b>	<b>9,458,161</b>	

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

Capital assets purchased in the governmental funds are reported as expenditures however the statement of net assets includes those capital assets among the assets of the City as a whole.	\$ 181,438,142
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	9,536,320
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net assets.	(169,665)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(146,970,058)
<b>Net assets of governmental activities</b>	<b>\$ 47,621,971</b>

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

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
For the Year ended June 30, 2005**

	General	Bonded Projects	Other Governmental	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 91,365,055			91,365,055
Federal and state government	59,251,401	11,134,158	12,442,273	82,827,832
Charges for services	6,145,088		1,952,148	8,097,236
Investment income	681,633	108,491	120,073	910,197
Other revenues	5,047,207	643,281	263,401	5,953,889
<b>Total revenues</b>	<b>\$ 162,490,384</b>	<b>11,885,930</b>	<b>14,777,895</b>	<b>189,154,209</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 40,218,634		970,778	41,189,412
Public safety	17,440,527		37,701	17,478,228
Public works	5,902,541			5,902,541
Human services	2,840,481		5,405,726	8,246,207
Education	78,349,396		8,405,291	86,754,687
Debt service:				
Principal retirements	12,171,247	28,891,200		41,062,447
Interest and other charges	3,695,629			3,695,629
Capital outlay		28,247,292	256,852	28,504,144
<b>Total expenditures</b>	<b>\$ 160,618,455</b>	<b>57,138,492</b>	<b>15,076,348</b>	<b>232,833,295</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 1,871,929</b>	<b>(45,252,562)</b>	<b>(298,453)</b>	<b>(43,679,086)</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 5,150,000		400,000	5,550,000
Transfers out	(400,000)	(5,000,000)	(150,000)	(5,550,000)
Bond proceeds		34,460,326		34,460,326
<b>Total other financing sources (uses)</b>	<b>\$ 4,750,000</b>	<b>29,460,326</b>	<b>250,000</b>	<b>34,460,326</b>
<b>Net changes in fund balances</b>	<b>\$ 6,621,929</b>	<b>(15,792,236)</b>	<b>(48,453)</b>	<b>(9,218,760)</b>
<b>Fund balances - beginning</b>	<b>\$ 3,516,461</b>	<b>4,457,668</b>	<b>6,757,164</b>	<b>14,731,293</b>
Adjustments to beginning fund balances	(526,238)	705,019	(1,904,082)	(1,725,301)
<b>Fund balances - beginning, restated</b>	<b>\$ 2,990,223</b>	<b>5,162,687</b>	<b>4,853,082</b>	<b>13,005,992</b>
<b>Fund balances (deficits) - ending</b>	<b>\$ 9,612,152</b>	<b>(10,629,549)</b>	<b>4,804,629</b>	<b>3,787,232</b>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2005**

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

Net change in fund balances - total governmental funds	\$ (9,218,760)
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	19,145,559
Revenues previously recognized in the statement of activities that provided current financial resources in the current year.	(533,843)
Change in net pension assets.	(9,335)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,726,669
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.	(3,513,057)
The net expense of certain activities of internal service funds is reported with governmental activities.	<u>414,775</u>
Change in net assets of governmental activities	<u>\$ 14,012,008</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 92,992,678	92,992,678	91,365,055	(1,627,623)
Intergovernmental	56,621,864	56,621,864	56,472,483	(149,381)
Charges for services	6,560,147	6,560,147	6,145,088	(415,059)
Investment income	358,000	358,000	681,633	323,633
Other revenues	3,831,451	3,831,451	5,047,207	1,215,756
<b>Total revenues</b>	<b>\$ 160,364,140</b>	<b>160,364,140</b>	<b>159,711,466</b>	<b>(652,674)</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 43,167,725	42,981,076	40,218,634	2,762,442
Education	76,076,494	76,076,494	75,628,938	447,556
Public safety	17,093,566	17,108,566	17,440,527	(331,961)
Public works	5,279,890	5,313,990	5,902,541	(588,551)
Human services	3,008,064	3,008,064	2,840,481	167,583
Debt service:				
Principal retirements	12,171,247	12,171,247	12,171,247	-
Interest and other charges	3,794,567	3,794,567	3,695,629	98,938
<b>Total expenditures</b>	<b>\$ 160,591,353</b>	<b>160,454,004</b>	<b>157,897,997</b>	<b>2,556,007</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (227,213)</b>	<b>(89,864)</b>	<b>1,813,469</b>	<b>1,903,333</b>
<b>Other financing (uses):</b>				
Transfers from other funds	\$ 150,000	150,000	5,150,000	5,000,000
Transfers to other funds		(400,000)	(400,000)	-
<b>Total other financing resources</b>	<b>\$ 150,000</b>	<b>(250,000)</b>	<b>4,750,000</b>	<b>5,000,000</b>
<b>Net change in undesignated fund balance</b>	<b>\$ (77,213)</b>	<b>(339,864)</b>	<b>6,563,469</b>	<b>6,903,333</b>

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

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FUND EQUITIES  
 PROPRIETARY FUNDS

June 30, 2005

	<u>Business-Type Activities -</u>	
	<u>Major Funds</u>	
	<u>Water</u>	<u>Sewer</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 660,066	169,835
Receivables, net of allowance for collection losses:		
Use charges	1,047,678	1,011,972
Unbilled services	1,843,678	1,398,729
Other	24,767	8,258
Investments	7,440,000	5,348,000
Due from other funds	960,080	602,615
<b>Total current assets</b>	<u>\$ 11,976,269</u>	<u>8,539,409</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	\$ 45,092,886	52,646,804
<b>Total noncurrent assets</b>	<u>\$ 45,092,886</u>	<u>52,646,804</u>
<b>Total assets</b>	<u>\$ 57,069,155</u>	<u>61,186,213</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable & accrued liabilities	\$ 982,060	528,176
Claims payable		
Bonds payable - current	877,540	407,188
<b>Total current liabilities</b>	<u>\$ 1,859,600</u>	<u>935,364</u>
Noncurrent liabilities:		
Bonds payable	\$ 6,410,781	2,968,218
Long term claims payable		
Advance from general fund		
<b>Total noncurrent liabilities</b>	<u>\$ 6,410,781</u>	<u>2,968,218</u>
<b>Total liabilities</b>	<u>\$ 8,270,381</u>	<u>3,903,582</u>
<b>Fund Equities:</b>		
Invested in capital assets, net of related debt	\$ 38,764,645	49,874,013
Unrestricted	10,034,129	7,408,618
<b>Total fund equities</b>	<u>\$ 48,798,774</u>	<u>57,282,631</u>

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



Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
22,796	852,697	5,102,686
12,983	2,072,633	2,911
	3,242,407	
	33,025	
250,000	13,038,000	
	1,562,695	
<u>285,779</u>	<u>20,801,457</u>	<u>5,105,597</u>
1,173,471	98,913,161	
<u>1,173,471</u>	<u>98,913,161</u>	<u>-</u>
<u>1,459,250</u>	<u>119,714,618</u>	<u>5,105,597</u>
95,785	1,606,021	301,673
	-	2,349,599
10,667	1,295,395	
<u>106,452</u>	<u>2,901,416</u>	<u>2,651,272</u>
127,999	9,506,998	
	-	2,623,989
988,600	988,600	
<u>1,116,599</u>	<u>10,495,598</u>	<u>2,623,989</u>
<u>1,223,051</u>	<u>13,397,014</u>	<u>5,275,261</u>
1,034,805	89,673,463	
(798,606)	16,644,141	(169,664)
<u>236,199</u>	<u>106,317,604</u>	<u>(169,664)</u>

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITIES (DEFICIT)  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2005

	<b>Business-Type Activities -</b>	
	<b>Major Funds</b>	
	<b>Water</b>	<b>Sewer</b>
<b>Operating revenues:</b>		
Charges for services	\$ 6,724,188	4,930,657
Fiscal Division	1,056,763	
Miscellaneous	73,756	18,900
<b>Total operating revenues</b>	<b>\$ 7,854,707</b>	<b>4,949,557</b>
<b>Operating expenses:</b>		
Salaries, benefits and claims	\$ 2,709,803	1,352,146
Material and supplies	562,519	791,031
Depreciation	1,458,691	1,830,376
Utilities	667,597	599,542
Administration and operation	2,419,942	1,694,656
<b>Total operating expenses</b>	<b>\$ 7,818,552</b>	<b>6,267,751</b>
<b>Operating income (loss)</b>	<b>\$ 36,155</b>	<b>(1,318,194)</b>
<b>Nonoperating revenues (expenses):</b>		
Interest income	\$ 116,805	124,673
Interest expense	(196,048)	(122,228)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (79,243)</b>	<b>2,445</b>
<b>Change in Net Assets</b>	<b>\$ (43,088)</b>	<b>(1,315,749)</b>
<b>FUND EQUITIES, (DEFICIT), Beginning</b>	<b>\$ 50,018,360</b>	<b>56,832,256</b>
Adjustments to beginning balances	(1,176,498)	1,766,124
<b>FUND EQUITIES, (DEFICIT), Beginning - Restated</b>	<b>\$ 48,841,862</b>	<b>58,598,380</b>
<b>FUND EQUITIES, (DEFICIT), Ending</b>	<b>\$ 48,798,774</b>	<b>57,282,631</b>

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

EXHIBIT H

Enterprise Funds		Governmental Activities
Nonmajor Funds		
George Hunter Memorial Golf	Totals	Internal Service Fund
822,629	12,477,474	21,855,389
	1,056,763	
3,765	96,421	223,812
<u>826,394</u>	<u>13,630,658</u>	<u>22,079,201</u>
253,617	4,315,566	21,305,669
407,398	1,760,948	
	3,289,067	
	1,267,139	
86,588	4,201,186	235,845
<u>747,603</u>	<u>14,833,906</u>	<u>21,541,514</u>
<u>78,791</u>	<u>(1,203,248)</u>	<u>400,096</u>
	241,478	14,679
<u>(6,043)</u>	<u>(324,319)</u>	<u>14,679</u>
<u>(6,043)</u>	<u>(82,841)</u>	<u>14,679</u>
<u>72,748</u>	<u>(1,286,089)</u>	<u>414,775</u>
163,451	107,014,067	(584,440)
	589,626	
<u>163,451</u>	<u>107,603,693</u>	<u>(584,440)</u>
<u>236,199</u>	<u>106,317,604</u>	<u>(169,665)</u>

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2005

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**Cash Flows From Operating Activities**

Receipts from customers

Payments to suppliers

**Net cash flows from operating activities**

**Cash Flows From Capital and Related Financing Activities**

Purchase of Capital assets

Principal payments on capital debt

Interest paid on capital debt

Proceeds from notes payable

**Net cash provided by (used in) capital and related financing activities**

**Cash Flows From Investing Activities**

Purchase of Investments

Interest received on investments

**Net cash provided by investing activities**

**Net increase (decrease) in cash and cash equivalents**

**Cash and Cash Equivalents, beginning Balance**

**Cash and Cash Equivalents, Ending Balance**

**Reconciliation of Operating Loss to Net Cash Provided by (Used In)**

**Operating Activities:**

Operating Loss

Adjustments to reconcile operating loss to net cash provided by (used in)

operating activities:

Adjustments to beginning net equities

Depreciation

Changes in assets and liabilities:

Decrease (increase) in receivable accounts

Decrease (increase) in Due from other funds

Increase (decrease) in accounts payable

Increase (decrease) in Claims Incurred but not reported

Increase (decrease) in Due to other funds

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

EXHIBIT I

Business-Type Activities - Enterprise Funds				Governmental Activities
Major Funds		Nonmajor Funds	Totals	Internal Service Fund
Water	Sewer	George Hunter Memorial Golf		
\$ 7,274,867	6,702,955	813,411	14,791,233	22,278,459
(8,677,029)	(2,598,228)	(757,711)	(12,032,968)	(21,747,207)
\$ (1,402,162)	4,104,727	55,700	2,758,265	531,252
282,170	(1,454,093)		(1,171,923)	
\$ (2,161,158)	(5,368,844)	(13,917)	(7,543,919)	
(196,048)	(122,228)	(6,043)	(324,319)	
3,595,054	3,389,426		6,984,480	
\$ 1,520,018	(3,555,739)	(19,960)	(2,055,681)	-
\$ (7,440,000)	(5,348,000)	(238,374)	(13,026,374)	4,500,043
116805	124,673		241,478	14,679
\$ (7,323,195)	(5,223,327)	(238,374)	(12,784,896)	4,514,722
\$ (7,205,339)	(4,674,339)	(202,634)	(12,082,312)	5,045,974
\$ 7865405	4,844,174	225,430	12,935,009	56,712
\$ 660,066	169,835	22,796	852,697	5,102,686
\$ 36,155	(1,318,194)	78,791	(1,203,248)	400,096
(1,176,498)	1,766,124		589,626	
1,458,691	1,830,376		3,289,067	
175,991	399,898	(12,983)	562,906	199,258
(755,831)	1,353,500		597,669	
(174,541)	73,023	14,118	(87,400)	(68,102)
(966,129)		(24,226)	(990,355)	
\$ (1,402,162)	4,104,727	55,700	2,758,265	531,252

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**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2005**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,398,717	114,260	2,866,341
Accounts Receivables	644,699		
Investments, at fair value:			
U.S. government obligations	10,258,136		
Corporate bonds	5,843,993		
Corporate equities	120,157,225		
Mutual funds	38,248,477		
Other	13,182,825		
Total Investments	<u>\$ 187,690,656</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 195,734,072</u>	<u>114,260</u>	<u>2,866,341</u>
<b>Liabilities</b>			
Other liabilities	<u>\$ 97,836</u>	<u>-</u>	<u>2,866,341</u>
<b>Total liabilities</b>	<u>\$ 97,836</u>	<u>-</u>	<u>2,866,341</u>
<b>Net Assets</b>			
Held in trust for pension benefits and other purposes	<u>\$ 195,636,236</u>	<u>114,260</u>	<u>-</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Pension</u> <u>Trust Funds</u>	<u>Private</u> <u>Purpose</u> <u>Trust Funds</u>
<b>ADDITIONS</b>		
<b>Contributions:</b>		
Employer contributions	\$ 6,115,525	
Plan member contributions	1,866,400	
<b>Total contributions</b>	<u>\$ 7,981,925</u>	<u>-</u>
<b>Investment earnings:</b>		
Net increase in fair value of investments	\$ 8,361,885	
Interest and dividends	5,812,805	1,046
Less: Investment expenses	1,408,660	
<b>Total investment earnings</b>	<u>\$ 12,766,030</u>	<u>1,046</u>
<b>Total additions</b>	<u>\$ 20,747,955</u>	<u>1,046</u>
<b>DEDUCTIONS</b>		
Benefits	\$ 12,153,218	
Other deductions	498,512	7,870
<b>Total deductions</b>	<u>\$ 12,651,730</u>	<u>7,870</u>
<b>Change in net assets</b>	<u>\$ 8,096,225</u>	<u>(6,824)</u>
<b>NET ASSETS, beginning</b>	\$ 187,540,011	261,592
Adjustment to beginning net assets		(140,508)
<b>NET ASSETS, beginning - restated</b>	<u>\$ 187,540,011</u>	<u>121,084</u>
<b>NET ASSETS, ending</b>	<u>\$ 195,636,236</u>	<u>114,260</u>

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



## CITY OF MERIDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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

##### Reporting Entity

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

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

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

##### **Blended component unit**

The Meriden Childcare Center, Inc. (The Center) is governed by a separate board of directors. Although it is legally separate from the City, the Center is reported as if it were part of the primary government because its sole purpose is to create a learning environment for the preschool and school aged children of Meriden. All funds are managed by the City. The complete financial statements of the component unit can be obtained from its respective administrative office located at the Center.

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

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

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

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

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

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2005

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provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

#### **Fund financial statements**

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

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

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

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

Assets, Liabilities and Net Assets or Equity

**Cash and cash equivalents**

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

**Investments**

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

**Inventories**

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

**Receivables and payables**

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

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

**Capital assets**

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

The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets lives are not capitalized.

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

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

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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**Compensated absences**

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

**Deferred revenue**

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

**Long-term obligations**

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

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

**Pension accounting**

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

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

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

**Fund equity and net assets**

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

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

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

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

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

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

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

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

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

Adjustments and Restatements to Beginning Balances

**Fund balances**

The beginning fund balances in the government funds financial statements were adjusted for the following:

	<u>General Fund</u>	<u>Bonded Projects</u>	<u>Non-major Governmental</u>	<u>Total</u>
Beginning fund balances	\$ 3,516,461	4,457,668	6,757,164	14,731,293
Grant revenues received from cost reimbursement grants were improperly deferred in prior years.	\$		639,468	639,468
School construction grant revenues received in August, 2004 was improperly recognized as revenue in the prior year.	(810,443)			(810,443)
Several items, including restricted donations and reserved funds, were improperly classified as current liabilities.	284,205			284,205
Loans receivable from HUD sponsored grants improperly recognized in prior years.			(2,543,550)	(2,543,550)
Premiums on bonds recorded as cash received in prior years.		(134,837)		(134,837)
Inter-governmental receivables and payables did not properly reflect the assets available		(3,219,848)		(3,219,848)
To adjust construction In Progress from bond proceeds, payable to the enterprise funds		1,516,632		1,516,632
To record loans receivable, not recorded in prior years		2,543,072		2,543,072
<b>Total prior year adjustments</b>	<b>\$ (526,238)</b>	<b>705,019</b>	<b>(1,904,082)</b>	<b>(1,725,301)</b>
<b>Fund balances – Beginning, Restated</b>	<b>\$ 2,990,223</b>	<b>5,162,687</b>	<b>4,853,082</b>	<b>13,005,992</b>



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

**Fund equities**

The beginning fund equity balances in the proprietary fund financial statements were adjusted for the following:

	<b>Water Authority Fund</b>	<b>Sewer Authority Fund</b>	<b>George Hunter Memorial Golf Course</b>	<b>Total Proprietary Funds</b>
Fund equity at July 1, 2004	\$ <u>50,018,360</u>	<u>56,832,256</u>	<u>163,451</u>	<u>107,014,067</u>
Proceeds from the August 2003 BAN was improperly allocated between funds	\$ (2,254,435)	1,665,535		(588,900)
To properly account for contributed capital in prior years	(361,854)			(361,854)
To adjust June 30, 2004 capital assets actual physical count	(1,616,925)	(62,543)		(1,679,468)
To recognize construction In Progress from prior years	\$ <u>3,056,716</u>	<u>163,132</u>		<u>3,219,848</u>
<b>Total prior year adjustments</b>	\$ <u>(1,176,498)</u>	<u>1,766,124</u>	-	<u>589,626</u>
<b>Fund equities – Beginning, Restated</b>	\$ <u>48,841,862</u>	<u>58,598,380</u>	<u>163,451</u>	<u>107,603,693</u>

**Net assets**

The beginning net assets in the government-wide financial statements were adjusted for the following:

	<b>Governmental Activity</b>	<b>Business-type Activity</b>	<b>Total</b>
Net Assets at July 1, 2004	\$ <u>34,373,553</u>	<u>107,014,067</u>	<u>141,387,620</u>
Restatements in fund balances to the governmental funds, described above	\$ (1,725,301)		(1,725,301)
Restatements in fund equity to the business-type funds, described above		589,626	589,626
To restate property taxes receivable to properly account for balance at June 30, 2005	285,242		285,242
Mathematical error in the net pension obligation.	(10,000)		(10,000)
To restate capital asset balance to actual	1,706,432		1,706,432
Recognition of long-term liabilities related to heart and hypertension, which is accounted for in the general fund	(1,019,963)		(1,019,963)
<b>Total prior year adjustments</b>	\$ <u>(763,590)</u>	<u>589,626</u>	<u>(173,964)</u>
<b>Net assets - Beginning</b>	\$ <u>33,609,963</u>	<u>107,603,693</u>	<u>141,213,656</u>

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2005

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#### Note 2 - Budgets and Budgetary Accounting

##### General Fund

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

- A. The manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- B. The City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- C. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- D. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy-five (75) days prior to the beginning of the fiscal year.
- E. Within twenty days after the final public hearing the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- F. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- G. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- H. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- I. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations, must be approved by the City Council. Additional appropriations by the City Council may not exceed 1 ½ % of the general fund budget as established for the current year, without levying a special tax. There were additional appropriations of approximately \$262,651 during the year ended June 30, 2005.
- 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**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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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 other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

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

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
<b>Balance, budgetary basis</b>	\$ 159,711,466	157,897,997
Encumbrances at June 30, 2005		(58,460)
State Teachers' Retirement and on-behalf payment, not recognized for budgetary purposes	<u>2,778,918</u>	<u>2,778,918</u>
<b>Balance, GAAP basis</b>	<u>\$ 162,490,384</u>	<u>160,618,455</u>

Special Revenue Funds

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

Capital Projects Funds

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

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

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

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The detail of this (\$146,977,082) difference is as follows:

Bonds payable	(\$ 93,485,905)
Capital leases payable	( 50,116)
Heart and hypertension	( 1,116,007)
Compensated absences	( 15,723,028)
Claims and judgments	( 1,800,000)
Post-closure landfill costs	( 4,594,317)
Accrued interest	( 3,920,335)
Net pension obligation	<u>( 26,280,350)</u>
Net Adjustment to Reduce Fund Balance - Total Government Funds to Arrive at Net Assets - Governmental Activities	<u>(\$ 146,970,058)</u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$19,145,559 difference are as follows:

Capital outlay	\$ 27,111,388
Depreciation expense	(7,525,563)
Disposal	<u>(440,266)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 19,145,559</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this \$7,726,669 difference are as follows:

Debt Issued or Incurred:	
General Obligation Debt	\$ (33,433,299)
Principal Repayments:	
General Obligation Debt	12,171,247
Bond Anticipation Notes	28,891,200
Capital Leases	<u>97,521</u>
Net Adjustment to Increase Net Changes In Fund Balances - Total Governmental Funds To Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 7,726,669</u>

Another element of that reconciliation states that "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". The details of this (\$3,520,078) difference are as follows:

Net (Increase) In Compensated Absences	\$ (1,442,710)
Net (Increase) In Accrued Interest	(2,887,702)
Net (Increase) in Heart and Hypertension	(96,044)
Net Decrease in Net Pension Obligation	207,716
Net Decrease In Landfill Closure and post-closure	<u>705,683</u>
Net Adjustment to Decrease Net Changes In Fund Balances Total Governmental Funds to Arrive At Changes In Net Assets of Governmental Activities	<u>\$ (3,513,057)</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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**Note 4 - Deposits and Investments**

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

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental funds	\$ 10,403,142	17,498,073	27,901,215
Proprietary funds	1,148,800	4,806,583	5,955,383
Fiduciary funds	3,196,658	7,182,660	10,379,318
<b>Investments:</b>			
Governmental funds	125,986	1,808,216	1,934,202
Proprietary funds	13,038,000		13,038,000
Fiduciary funds		187,690,656	187,690,656
<b>Total Deposits and Investments</b>	<b>\$ 27,912,586</b>	<b>218,986,188</b>	<b>246,898,774</b>

Deposits

The carrying amounts of the City's deposits at June 30, 2005 consist of the following:

Bank Deposit Accounts	\$ 14,623,661
Certificate of Deposits	13,288,000
Cash on Hand	925
Total Deposits	<u>\$ 27,912,586</u>

**Custodial Credit Risk**

As of June 30, 2005, the carrying amount of the City's deposits was \$27,912,586 with bank balances of approximately \$30,376,756. The amount of the bank balance covered under federal depository insurance was approximately \$500,000. The remaining \$29,876,756 of deposits were uninsured, however provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2005 approximately \$3,038,000 of uninsured deposits were collateralized under the provision.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

Investments

As of June 30, 2005, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Money market accounts	Governmental	\$ 985,890	.02
State investment fund	Governmental	16,471,253	.02
Repurchase agreement	Internal Service	4,806,583	.02
Money market account	Pension Trust	7,182,660	.02
U.S. Treasury obligations	Pension Trust	10,258,136	5.15
Corporate bonds	Pension Trust	5,843,993	7.55*
Common equity securities	Pension Trust	120,157,225	.02
Partnerships	Pension Trust	13,182,825	.02
Mutual funds	Pension Trust	38,248,477	.02
Common equity securities	Permanent Fund	10,257	.02
Common equity securities	Permanent Fund	36,984	.02
Mutual funds	Permanent Fund	82,189	.02
Money market account	Permanent Fund	53,131	.02
U.S. Treasury obligations	Permanent Fund	72,540	5.15
Corporate bonds	Permanent Fund	217,822	.02
U.S. Government agency bonds	Permanent Fund	55,104	.02
Mutual Funds	Permanent Fund	212,923	.02
Common equity securities	Permanent Fund	1,108,196	.02
<b>Total Investments</b>		<b>\$ 218,986,188</b>	

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

**Interest Rate Risk**

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

**Credit Risk**

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

**Pension Investment Policies**

Pension investments have the following limitations:

1. Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and supporting regulations, unless specifically exempted by a vote of the Board.
2. Equity investments in any one company by any one advisor shall be limited at purchase to 10% of the total assets under management and/or 5% of the company's total outstanding equity.
3. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio.
4. In no event should the debt securities of any corporation exceed 10% of the assets under the management of any one advisor.
5. There shall be no investments in:
  - a. Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depository Receipts (ADR's) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager,
  - b. Securities issued by a participating employer, except to the extent permitted under the Employee Retirement Income Security Act of 1974,
  - c. Private placements, without affirmative Board approval,
  - d. Real Estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.
6. Uninvested cash balances should be kept a minimum through the prompt investment of available funds in short-term or more permanent security holdings.
7. Each Investment Advisor, consultant, custodian or contractor shall be required to be available for a least one annual meeting with the Meriden Retirement Board.
8. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.



CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

Note 5 - Receivables, Deferred Revenue and Payables

Receivables

The receivables as of June 30, 2005 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Governmental			Total
	General Fund	Bond Projects Fund	Nonmajor Governmental Funds	
Property Taxes	\$ 5,580,331			5,580,331
Intergovernmental	3,681,963	5,742,107	53,219	9,477,289
Accounts	540,187		106,493	646,680
Loans		3,417,321	2,950,605	6,367,926
Gross Receivables	\$ 9,802,481	9,159,428	3,110,317	22,072,226
Allowance For Collection Losses	(898,136)	(854,000)	(368,788)	(2,120,924)
<b>Net Total Receivables</b>	<b>\$ 8,904,345</b>	<b>8,305,428</b>	<b>2,741,529</b>	<b>19,951,302</b>

	Business-type			Total
	Water Authority	Sewer Authority	George Hunter Memorial Golf Course	
Use Charges	\$ 1,310,697	1,112,705	12,983	2,436,385
Unbilled	1,843,678	1,398,729		3,242,407
Other	24,767	8,258		33,025
Gross Receivables	\$ 3,179,142	2,519,692	12,983	5,711,817
Allowance For Collection Losses	(263,019)	(100,733)		(363,752)
<b>Net Total Receivables</b>	<b>\$ 2,916,123</b>	<b>2,418,959</b>	<b>12,983</b>	<b>5,348,065</b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>General Fund:</b>			
Delinquent property taxes	\$ 3,586,937		3,586,937
Notes receivable	3,011,813		3,011,813
Advanced tax collections		972,316	972,316
<b>Bonded Project Funds:</b>			
Advance payments on grants		1,333	1,333
<b>Nonmajor Governmental Funds:</b>			
Advance payments on grants		1,057,515	1,057,515
Loans receivables	<u>2,581,817</u>		<u>2,581,817</u>
<b>Total Deferred Revenue</b>	<b>\$ <u>9,180,567</u></b>	<b><u>2,031,164</u></b>	<b><u>11,211,731</u></b>

Payables

Payables as of June 30, 2005 for the City's individual major funds and nonmajor funds were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Cash Over Drafts</u>	<u>Total</u>
General Fund	\$ 2,262,781	8,804,979	2,746,124	13,813,884
Bond Fund	3,757,796	2,764		3,760,560
Nonmajor Funds	<u>590,996</u>	<u>37,553</u>	<u>19,663</u>	<u>648,212</u>
<b>Total Governmental Funds</b>	<b>\$ 6,611,573</b>	<b>8,845,296</b>	<b>2,765,787</b>	<b>18,222,656</b>
Water Authority	281,964	700,096		982,060
Sewer Authority	228,420	299,756		528,176
George Hunter Memorial Golf Course	80,545	15,240		95,785
Internal Service Funds	<u>301,673</u>			<u>301,673</u>
<b>Total Payables</b>	<b>\$ <u>7,504,175</u></b>	<b><u>9,860,388</u></b>	<b><u>2,765,787</u></b>	<b><u>20,130,350</u></b>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

**REVISED**

Temporary Notes Payables

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond Anticipation Notes	\$ 34,534,000	14,985,000	34,534,000	14,985,000

**Note 6 - Interfund Receivables, Payables and Transfers**

Interfunds Receivables and Payables

Interfund receivables and payable at June 30, 2005 consisted of the following:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>Bonded Projects</u>	<u>Non-major Governmental Funds</u>	<u>George Hunter Memorial Golf Course</u>	
General Fund	\$ 5,000,000	215,988	988,600	6,204,588
Nonmajor Funds		150,000		150,000
Water Authority	960,080			960,080
Sewer authority	602,615			602,615
<b>Total</b>	<b>\$ 6,562,695</b>	<b>365,988</b>	<b>988,600</b>	<b>7,917,283</b>

Interfund balances resulted from the time lag between date payments occur between funds for various activities, which include capital outlay.

Interfund Transfers

Interfund transfers during the year ended June 30, 2005 were as follows

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Reason</u>
General fund	Capital and nonrecurring	\$ 400,000	Budgeted transfer to be expended on capital projects
Bonded projects	General Fund	5,000,000	Residual equity transfer

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2005 was as follows:

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2005</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 20,156,734	291,290	15,800	20,432,224
Construction in progress	<u>19,130,962</u>	<u>6,874,517</u>	<u>17,784,420</u>	<u>8,221,059</u>
Total capital assets, not being depreciated	<u>\$ 39,287,696</u>	<u>7,165,807</u>	<u>17,800,220</u>	<u>28,653,283</u>
Capital Assets, Being Depreciated:				
Land improvements	\$ 9,858,092	1,447,260		11,305,352
Buildings and improvements	129,275,949	31,570,401	447,788	160,398,562
Machinery and equipment	8,601,271	959,815		9,561,086
Vehicles	10,891,625	861,892	61,128	11,692,389
Infrastructure	<u>65,301,674</u>	<u>2,890,633</u>		<u>68,192,307</u>
Total capital assets being depreciated	<u>\$ 223,928,611</u>	<u>37,730,001</u>	<u>508,916</u>	<u>261,149,696</u>
Less, Accumulated Depreciation:				
Land improvements	\$ 5,624,145	437,703		6,061,848
Buildings and improvements	47,692,832	2,913,124	23,322	50,582,634
Machinery and equipment	4,971,522	641,011		5,612,533
Vehicles	7,773,737	2,584,191	61,128	10,296,800
Infrastructure	<u>34,861,488</u>	<u>949,534</u>		<u>35,811,022</u>
Total accumulated depreciation	<u>\$ 100,923,724</u>	<u>7,525,563</u>	<u>84,450</u>	<u>108,364,837</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>\$ 123,004,887</u>	<u>30,204,438</u>	<u>424,466</u>	<u>152,784,859</u>
<b>Total Governmental Activities</b>	<u>\$ 162,292,583</u>	<u>37,370,245</u>	<u>18,224,686</u>	<u>181,438,142</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2005</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 915,981			915,981
Construction in Progress	<u>148,600</u>	<u>1,366,581</u>	<u>100,056</u>	<u>1,415,125</u>
Total Capital Assets, Not Being Depreciated	<u>\$ 1,064,581</u>	<u>1,366,581</u>	<u>100,056</u>	<u>2,331,106</u>
Capital Assets, Being Depreciated:				
Land Improvements	\$ 668,423			668,423
Buildings and Improvements	40,672,880	141,536		40,814,416
Machinery and Equipment	13,747,894	1,443,326		15,191,220
Vehicles	78,980			78,980
Infrastructure	<u>115,272,898</u>	<u>77,116</u>		<u>115,350,014</u>
Total Capital Assets Being Depreciated	<u>\$ 170,441,075</u>	<u>1,661,978</u>	<u>-</u>	<u>172,103,053</u>
Less, Accumulated Depreciation:				
Land Improvements	\$ 546,754	28,189		574,943
Buildings and Improvements	20,238,569	984,659		21,223,228
Machinery and Equipment	9,230,637	565,043		9,795,680
Vehicles	78,980			78,980
Infrastructure	<u>42,136,991</u>	<u>1,711,176</u>		<u>43,848,167</u>
Total Accumulated Depreciation	<u>\$ 72,231,931</u>	<u>3,289,067</u>	<u>-</u>	<u>75,520,998</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>\$ 98,209,144</u>	<u>(1,627,089)</u>	<u>-</u>	<u>96,582,055</u>
<b>Total business-type activities</b>	<u>\$ 99,273,725</u>	<u>(260,508)</u>	<u>100,056</u>	<u>98,913,161</u>
<b>Total capital assets</b>	<u>\$ 261,566,308</u>	<u>37,109,737</u>	<u>18,324,742</u>	<u>280,351,303</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 130,622
Education	2,734,215
Public Safety	813,805
Public Works	3,373,999
Human Services	<u>472,922</u>
<b>Total depreciation expense-</b> <b>governmental activities</b>	<u>\$ 7,525,563</u>

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

<b>Business-type Activities:</b>	
Sewer Authority	\$ 1,830,376
Water Fund	<u>1,458,691</u>
<b>Total depreciation expense- business-type activities</b>	<b><u>\$ 3,289,067</u></b>

**Note 8 - Long-Term Liabilities**

Long-term debt liabilities activity for the year ended June 30, 2005 was as follows:

<u>Due Within</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
<b>Governmental Activities:</b>					
Long Term Debt:					
General obligation bonds	\$ 72,223,853	33,433,299	12,171,247	93,485,905	13,009,196
Bond anticipation notes	28,891,200		28,891,200		
Capital leases	<u>147,637</u>		<u>97,521</u>	<u>50,116</u>	<u>50,116</u>
Total Long-Term Debt	\$ 101,262,690	33,433,299	41,159,968	93,536,021	13,059,312
Other Long-Term Liabilities:					
Compensated absences	14,280,318	5,822,196	4,379,486	15,723,028	6,410,400
Heart and hypertension	1,019,963	127,592	31,548	1,116,007	34,519
Landfill post-closure monitoring	5,300,000		705,683	4,594,317	717,001
Net pension obligation	26,478,069	2,119,045	2,316,764	26,280,350	2,316,646
Claims and judgments	<u>1,800,000</u>			<u>1,800,000</u>	
Total governmental activities long-term liabilities	\$ <u>150,141,040</u>	<u>41,502,132</u>	<u>48,593,449</u>	<u>143,049,723</u>	<u>22,537,878</u>
<b>Business-type Activities:</b>					
General obligation bonds	\$ 4,231,146	6,231,701	1,003,752	9,459,095	1,150,803
Clean water fund notes	1,487,890		144,592	1,343,298	144,592
Bond anticipation notes	<u>5,642,800</u>		<u>5,642,800</u>		
Total Business-type Activities Long-Term Liabilities	\$ <u>11,361,836</u>	<u>6,231,701</u>	<u>6,791,144</u>	<u>10,802,393</u>	<u>1,295,395</u>
Total Long-Term Liabilities	\$ <u>161,502,876</u>	<u>47,733,833</u>	<u>55,384,593</u>	<u>153,852,116</u>	<u>23,833,273</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business type activities and are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 15 year or 20 year serial bonds with equal amounts of principal maturing each year. As of June 30, 2005, the outstanding general obligation bonded indebtedness of the City was as follows:

	<u>Governmental</u>	<u>Business-type</u>
<b>\$23,945,000 GOB 1988</b> , issue of 10/01/1988, due 10/01/2008, interest at 6.75% to 6.9%, annual Principal payments of \$500,000	\$ 2,000,000	
<b>\$12,332,000 GOB 1989</b> , issue of 7/15/1989, due 7/15/2009, interest at 5.5% to 6.9%, annual Principal payments of \$200,000	1,000,000	
<b>\$23,600,000 GOB 1991</b> , issue of 7/15/91, due 7/15/2010, interest at 6.4%, annual Principal payments of \$50,000	300,000	
<b>\$22,025,000 GOB 1996</b> , issue of 8/01/96, due 8/01/2011, interest at 4.25% to 6.25%, annual Principal payments of \$175,000 to \$2,235,000	4,737,000	138,000
<b>\$23,900,000 GOB 1998</b> , issue of 2/01/98, due 2/01/2008, interest at 6.75% to 6.9%, annual Principal payments of \$500,000	6,115,000	225,000
<b>\$24,050,000 GOB 1999</b> , issue of 8/01/1999, due 8/01/2009, interest at 4.35% to 4.8%, annual Principal payments of \$2,115,000 to \$2,670,000	8,790,000	1,910,000
<b>\$39,200,000 GOB 2002</b> , issue of 8/01/2002, due 8/01/2023, interest at 1.42% to 4.629%, annual Principal payments of \$350,000 to \$3,340,000	31,565,605	954,395
<b>\$600,000 GOB 2002</b> , issue of 10/01/88, due 10/01/2008, interest at 6.75% to 6.9%, annual Principal payments of \$500,000	480,000	
<b>\$9,090,000 GOB 2003</b> , issue of 4/15/03, due 10/15/2009, interest at 0.00% to 3.625%, annual Principal payments of \$480,000 to \$2,240,000	4,675,000	
<b>\$520,000 GOB 2003</b> , issue of 10/01/88, due 10/01/2008, interest at 6.75% to 6.9%, annual Principal payments of \$500,000	390,000	
<b>\$39,665,000 GOB 2004</b> , issue of 8/1/04, due 8/01/2014, interest at 6.75% to 6.9%, annual Principal payments of \$500,000	<u>33,433,300</u>	<u>6,231,700</u>
<b>Total general obligation bonds</b>	<u>\$ 93,485,905</u>	<u>9,459,095</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

Year Ended, June 30	Governmental Activity		Business-type Activity	
	Principal	Interest	Principal	Interest
2006	\$ 13,009,196	4,538,654	1,150,803	513,524
2007	13,889,397	3,212,166	1,390,603	327,499
2008	12,128,097	2,611,257	1,321,903	269,042
2009	8,684,917	2,105,583	1,170,083	214,796
2010	8,194,917	1,713,881	1,170,083	158,099
2011-2015	26,340,383	4,931,824	3,194,618	309,001
2016-2020	10,188,998	1,123,200	61,002	3,825
2021-2025	1,050,000	70,875		
	<u>\$ 93,485,905</u>	<u>20,307,440</u>	<u>9,459,095</u>	<u>1,795,786</u>

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2005 was approximately \$1,749,188. The City expects to receive \$3,011,813 in principal payments and \$195,991 in interest payments over the next 16 years. The principal portion of the receivable is included in the government-wide financial statements.

**Bonds authorized but unissued**

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

The City has authorized but unissued bonds relating to capital projects at June 30, 2005, as follows:

Sewer	\$ 30,821,212
General Purpose	67,611,736
Schools	<u>38,599,000</u>
Total	<u>\$ 137,031,948</u>

**Clean Water Fund Loans Payable**

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



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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These loans bear interest at 2% per annum. The balance of these loans as of June 30, 2005 was \$1,343,298 and the annual debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Business-type Activity</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 144,592	25,541
2007	144,592	22,649
2008	144,592	19,757
2009	144,592	16,865
2010	144,592	13,973
2011-2015	548,922	28,954
2016-2020	71,416	1,845
	<u>\$ 1,343,298</u>	<u>129,584</u>

Capital Leases

Property and equipment carried at a cost of \$828,651 has been acquired under capital lease agreements. The yearly payment under these leases range from \$7,390 to \$338,717, at interest ranging from 5.15% to 7.05%, respectively.

Fiscal year ended June 30, 2006	\$ 53,000
Less, Amount Representing Interest	<u>(2,884)</u>
Total	<u>\$ 50,116</u>

Other Long-term Liabilities

**Landfill post-closure monitoring**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The liability for the landfill post-closure care, aggregating \$4,494,317, 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, 2005. However, the actual cost of closure and post-closure care maybe higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. Prior to June 30, 2005, the Landfill was considered to capacity and is closed.

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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**Note 9 - Commitments and Contingencies**

Lawsuits

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

Operating Lease Commitments

The City is committed under operating leases of real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2005 totaled approximately \$74,201. The future minimum lease payments under the noncancelable operating lease agreements are as follows:

<u>Year Ended</u>		<u>Amount</u>
2005	\$	54,500
2006		54,500
Total	\$	<u>109,000</u>

Contracts

**School transportation**

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

<u>Year Ended</u>		<u>Amount</u>
2006	\$	3,221,539
2007		3,317,520
2008		3,415,698
Total	\$	<u>9,954,757</u>

**Municipal solid waste management services contract**

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

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2005

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

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

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

#### Risk Management and Self-Insurance

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

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

The health insurance fund is funded by monthly contributions from all funds incurring payroll charges. Blue Cross/Blue Shield, the administrator of the claims process, provides the City with suggested rates for various types of coverage. The City uses monthly employee counts and suggested rates to compute fund contributions.

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

Changes in the balance of claims liabilities were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Claims Payable Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable Ending</u>
Medical:				
2005	1,573,834	19,888,393	19,956,114	1,506,113
2004	1,321,007	19,053,600	18,800,773	1,573,834
Workers' Compensation				
2005	3,502,460	1,692,267	1,722,991	3,471,736
2004	3,353,188	1,763,068	1,613,796	3,502,460

**Note 10 - Employee Retirement Plans**

Plan Description

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

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

	<u>Latest Available Actuarial Valuation</u> July 1, 2004		
	<u>Employees'</u> <u>Retirement</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Employees' Retirement			
-City Employees			
-Police Employees hired after March 1, 2003			
-Fire Employees hired after March 1, 2003			
Police Pension		July 1, 2004	
Firefighters Pension		July 1, 2004	
Retirees and Beneficiaries			
Currently Receiving Benefits	391	103	98
Terminated Employees Entitled To, But Not Yet Receiving Benefits	53		
Active Participants:			
Vested	332	72	26
Non-vested	304	50	66
	<u>1,080</u>	<u>225</u>	<u>190</u>

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

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

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

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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

The significant actuarial assumptions are as follows:

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

The City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2005 were as follows:

	<u>Employees' Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual Required Contribution	\$ -	3,413,205	1,906,328
Interest on Net Pension Obligation (Asset)	(29,207)	1,071,693	1,047,352
Adjustment To Annual Required Contribution	38,542	(1,193,343)	(1,166,239)
Annual Pension Cost	\$ 9,335	3,291,555	1,787,441
Contributions Made	-	3,380,395	1,906,320
Increase (Decrease) In Net Pension Obligation (Asset)	\$ 9,335	(88,840)	(118,879)
Net Pension Obligation (Asset) Beginning of Year	(365,088)	13,396,165	13,091,904
Net Pension Obligation (Asset) End of Year	\$ (355,753)	13,307,325	12,973,025

CITY OF MERIDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2005

Three Year Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<b>Employees' Retirement</b>			
6/30/05	\$ 9,335	0 %	(355,753)
6/30/04	8,499	0	(365,088)
6/30/03	7,855	0	(373,587)
<b>Police Pension</b>			
6/30/05	\$ 3,305,222	102.3 %	13,320,992
6/30/04	3,255,707	75.1	13,396,165
6/30/03	2,409,055	101.6	12,588,458
<b>Firefighters' Pension</b>			
6/30/05	\$ 1,787,441	106.7 %	12,973,025
6/30/04	1,768,189	94.7	13,081,904
6/30/03	1,587,072	105.5	12,988,915

Schedule of Employer Contributions:

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

Schedule of Funding Progress:

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

Teachers' Retirement System

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

**Covered Employees**

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



**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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**Vesting Requirements**

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

**Pension Contribution Requirements/Amounts by State**

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-183l and 10-183z. For the fiscal year ended June 30, 2005, \$185,348,143 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2005 did not contain information which would show the development of the State's actuarial cost by local school district. The State's estimated total payroll was \$3,049,413,412. The State's appropriation represented 6.08% of the estimated total payroll.

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

For the year ended June 30 2005, the following information is applicable to the City:

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

**Post employment Healthcare Plan**

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

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

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

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

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

Plan investments are reported at fair value.

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

**CITY OF MERIDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2005**

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**Other Post-employment benefits**

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

For fiscal year 2005, the payments aggregated approximately \$1,029,103. The approximate number of participants eligible to receive these benefits was 103 for police retirees and 98 for fire department retirees.

The City also provides benefits to certain retired members and their families of the police and fire department for claims resulting from hypertension and heart disease, as required by provisions of the Connecticut General Statutes. Approximately 25 retirees and their families are currently receiving benefits under this provision and expenditures are recognized and funded on a pay as you go basis. Benefits paid in the year ended June 30, 2005 approximated \$469,928.

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

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

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

**Fund Deficits**

The City has the following Fund Deficits at June 30, 2005 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>June 30, 2005</u>	<u>Fund Deficit Plan for Eliminating Deficit</u>
Community development block grant	\$ 40,549	Future federal grants receipts
Safe neighborhood programs	6,527	Future federal grants receipts
Railroad right of way	10,331	Future federal grants receipts
Americorps	51,338	Future federal grants receipts
Summer youth initiative	1,468	Future federal grants receipts
School readiness program	40,640	Future federal grants receipts
Capital and nonrecurring	17,533	Future federal grants receipts
Bonded projects	10,246,570	Future G.O. Bond Issuance

**Restricted Net Assets**

In fiscal year ended June 30, 2005, the City Council enacted enabling legislation to restrict \$5,000,000 for future debt payments. In accordance with GASB Statement 46, *Net Assets Restricted by Enabling Legislation*, this amount is presented in the government-wide financial statements as restricted net assets.

## CITY OF MERIDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2005

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Restricted net assets also contains \$1,484,734, which is restricted for flood control as a result of enabling legislation. Under this act, one half of the general fund surplus is to be restricted.

#### **Note 12 - Subsequent Events**

##### Bond Anticipation Note

On August 5, 2005, the City issued a bond anticipation note in the amount of \$25,800,000. The note will be due August 4, 2006 with interest of 4.0 %. The purpose of the note was to pay the bond anticipation note issued August 8, 2004 of \$14,985,000 and to provide interim funding for several capital projects.

##### Hospital Purchase

On October 31, 2005, the City purchased the land and building currently occupied by a Hospital through a quit claim agreement for one dollar. This was a result of a contingent requirement under a previous agreement. The fair market value of the building has not been determined, however the City's assessed value of the property is approximately 14 million.

##### Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2005 that have effective dates that may impact future financial presentations and have not been implemented as of June 30, 2005.

The following statements are not expected to have a significant impact on the financial statements.

*GASB Statement 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, will be effective for the government beginning with its year ending June 30, 2006. This statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

*GASB Statement 44, Economic Condition Reporting: The Statistical Section – An Amendment of NCGA Statement 1*, will be effective for the City beginning with its year ending June 30, 2006. This statement improves the understandability and usefulness of the statistical section information by addressing the comparability problems that have developed in practice by adding information from the new financial reporting model required by GASB Statement 34 and related statements.

*GASB Statement 47, Accounting for Termination Benefits*, issued June 2005, requires in financial statement prepared on the accrual basis of accounting, employers should recognize a liability expense for volunteer termination benefits when the offer is accepted and can be estimated. The statement is effective for fiscal year ending June 30, 2006.

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## **General Fund**

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

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**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
	Budget	Final		
<b>PROPERTY TAXES:</b>				
Current year's levy	\$ 89,192,678	89,192,678	88,639,273	(553,405)
Prior years' levies	2,500,000	2,500,000	1,498,195	(1,001,805)
Motor vehicle supplement	1,300,000	1,300,000	1,227,587	(72,413)
<b>Total property taxes</b>	<b>\$ 92,992,678</b>	<b>92,992,678</b>	<b>91,365,055</b>	<b>(1,627,623)</b>
<b>INTERGOVERNMENTAL:</b>				
State property pilot	\$ 544,685	544,685	541,297	(3,388)
Circuit court rent and fees	584,244	584,244	634,336	50,092
Public Act 217A-private schools	100,000	100,000	95,573	(4,427)
In lieu of taxes 080 pilot-6	133,849	133,849	151,346	17,497
In lieu of taxes hospitals and colleges	983,644	983,644	981,307	(2,337)
LoCIP reimbursement	1,023,940	1,023,940	1,057,077	33,137
Town aid roads	230,511	230,511	235,353	4,842
Public act 461 manufacturers inventory	1,432,600	1,432,600	1,220,427	(212,173)
Transportation non-public schools	211,535	211,535	216,906	5,371
Interest subsidy-school bonds	236,510	236,510	283,375	46,865
In lieu of taxes-boats	8,815	8,815	8,815	-
Transit district	200,000	200,000	178,402	(21,598)
Reimbursed exemptions	685,388	685,388	720,452	35,064
Telephone access line	613,524	613,524	615,534	2,010
School building grants	1,749,188	1,749,188	1,715,475	(33,713)
Transportation	876,614	876,614	908,219	31,605
Special education	810,000	810,000	846,099	36,099
Education for the blind	82,400	82,400		(82,400)
State pequot grant	1,440,416	1,440,416	1,454,573	14,157
State education ECS grant	44,602,471	44,602,471	44,537,036	(65,435)
State aviation pilot	40,030	40,030	30,397	(9,633)
Public Act 97-261 Pilot Municipal	7,500	7,500	-	(7,500)
Welfare reimbursement			484	484
Narcotics task force	24,000	24,000	40,000	16,000
<b>Total intergovernmental</b>	<b>\$ 56,621,864</b>	<b>56,621,864</b>	<b>56,472,483</b>	<b>(149,381)</b>
<b>CHARGES FOR SERVICES:</b>				
<b>Police Department:</b>				
Parking tag fund	\$ 25,000	25,000	19,145	(5,855)
Licenses and permits	6,500	6,500	8,682	2,182
Administrative charges	25,000	25,000	42,241	17,241
Abandoned motor vehicle			2,173	2,173
Alarm fees	10,000	10,000	10,133	133
<b>Total police department</b>	<b>\$ 66,500</b>	<b>66,500</b>	<b>82,374</b>	<b>15,874</b>
<b>Building Department:</b>				
Building department fees	\$ 1,000,000	1,000,000	1,020,313	20,313
<b>City Clerk:</b>				
City clerk fees	\$ 2,000,000	2,000,000	2,215,753	215,753

(Continued)

**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), Continued  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Budget	Final		
<b>Tax Collector:</b>				
Interest	\$ 1,879,671	1,879,671	1,202,506	(677,165)
Lien fees	35,000	35,000	24,272	(10,728)
<b>Total tax collector</b>	<b>\$ 1,914,671</b>	<b>1,914,671</b>	<b>1,226,778</b>	<b>(687,893)</b>
<b>Water Department:</b>				
Tax collector service	\$ 759,423	759,423	759,423	-
<b>Sewer Department:</b>				
Tax collector service	\$ 759,423	759,423	759,423	-
<b>Health Department:</b>				
Licenses and fees	\$ 44,300	44,300	62,546	18,246
<b>Total Health Department</b>	<b>\$ 44,300</b>	<b>44,300</b>	<b>62,546</b>	<b>18,246</b>
<b>Parks and Recreation:</b>				
Recreation fees	\$ 2,000	2,000	4,513	2,513
<b>Total parks and recreation</b>	<b>\$ 2,000</b>	<b>2,000</b>	<b>4,513</b>	<b>2,513</b>
<b>Library:</b>				
Fines - Lost and Damaged Books	\$ 13,830	13,830	13,965	135
<b>Total charges for services</b>	<b>\$ 6,560,147</b>	<b>6,560,147</b>	<b>6,145,088</b>	<b>(415,059)</b>
<b>INVESTMENT INCOME:</b>				
<b>Income From Investments:</b>				
General fund	\$ 108,000	108,000	381,633	273,633
Bonded projects fund	250,000	250,000	300,000	50,000
<b>Total investment income</b>	<b>\$ 358,000</b>	<b>358,000</b>	<b>681,633</b>	<b>323,633</b>
<b>OTHER REVENUE:</b>				
<b>Miscellaneous:</b>				
Interest - Joseph E Coe Estate	\$ 10,596	10,596	9,804	(792)
Other revenues	250,000	250,000	1,634,531	1,384,531
Sales of surplus property	250,000	250,000	130,871	(119,129)
YMCA reimbursement	26,089	26,089	26,084	(5)
Parking commission revenue	135,360	135,360	90,262	(45,098)
Bulk waste fees	150,000	150,000	76,045	(73,955)
NRG Contract	3,009,406	3,009,406	3,079,610	70,204
<b>Total other revenue</b>	<b>\$ 3,831,451</b>	<b>3,831,451</b>	<b>5,047,207</b>	<b>1,215,756</b>
<b>TOTAL REVENUES</b>	<b>\$ 160,364,140</b>	<b>160,364,140</b>	<b>159,711,466</b>	<b>(652,674)</b>

(Continued)



**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), Continued  
For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES</b>				
<b>Transfers From Other Funds:</b>				
Health reimbursements 101 nursing	\$ 50,000	50,000	50,000	-
Health special-project reimbursement	100,000	100,000	100,000	-
Bond Fund			5,000,000	5,000,000
<b>Total other financing sources</b>	<b>\$ 150,000</b>	<b>150,000</b>	<b>5,150,000</b>	<b>5,000,000</b>
<b>TOTAL</b>	<b>\$ 160,514,140</b>	<b>160,514,140</b>	<b>164,861,466</b>	<b>4,347,326</b>

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

For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
<b>Court of Common Council:</b>				
Elected officials	\$ 65,388	65,388	67,788	(2,400)
Codification	5,000	5,000	5,000	-
Council of governments	25,000	25,000		25,000
Office expenditures and supplies	26,029	26,029	28,817	(2,788)
Administration	31,000	31,000	34,131	(3,131)
MMEA	76,045	76,045	77,110	(1,065)
Meetings and memberships	18,971	18,971	20,759	(1,788)
<b>Total Court of Common Council</b>	<b>\$ 247,433</b>	<b>247,433</b>	<b>233,605</b>	<b>13,828</b>
<b>City Manager:</b>				
Administration	\$ 191,212	191,212	243,901	(52,689)
MMEA	52,167	52,167	52,540	(373)
Deferred compensation	8,500	8,500	8,075	425
Vehicle maintenance	7,800	7,800	6,758	1,042
Management non-union	40,000	40,000		40,000
Office expenditures and supplies	14,000	14,000	11,656	2,344
Membership and meetings	43,000	43,000	42,606	394
<b>Total City Manager</b>	<b>\$ 356,679</b>	<b>356,679</b>	<b>365,536</b>	<b>(8,857)</b>
<b>Legal:</b>				
Administration	\$ 180,726	180,726	144,855	35,871
MMEA	139,298	139,298	140,703	(1,405)
Streets and sidewalks	25,000	25,000	23,690	1,310
Attorney fees	426,701	426,701	547,419	(120,718)
Assessment filing fees	35,000	35,000	30,075	4,925
Office expenditures and supply	24,000	24,000	21,649	2,351
Membership and meetings	4,975	4,975	3,634	1,341
Deferred compensation	8,500	8,500	4,937	3,563
Supervisors	118,612	118,612	121,059	(2,447)
<b>Total Legal</b>	<b>\$ 962,812</b>	<b>962,812</b>	<b>1,038,021</b>	<b>(75,209)</b>
<b>Personnel:</b>				
Administration	\$ 121,154	121,154	124,289	(3,135)
MMEA	43,784	43,784	43,947	(163)
EAP services	15,000	15,000	7,224	7,776
Training	3,000	3,000	900	2,100
Tuition reimbursement	15,000	15,000	14,653	347
Alcohol/drug testing	7,000	7,000	2,487	4,513
Office expenditures and supply	11,000	11,000	12,488	(1,488)
Meetings and memberships	5,000	5,000	3,810	1,190
Attorney fees	1	1		1
<b>Total Personnel</b>	<b>\$ 220,939</b>	<b>220,939</b>	<b>209,798</b>	<b>11,141</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Library:</b>				
Vehicle maintenance	\$ 1,500	1,500	1,691	(191)
Grounds maintenance	2,500	2,500	673	1,827
Miscellaneous part time	33,559	33,559	27,956	5,603
Administrative	81,667	81,667	126,995	(45,328)
MMEA	675,285	675,285	642,960	32,325
Public utilities	69,000	69,000	72,476	(3,476)
Telephones	6,000	6,000	5,310	690
Security service	700	700	498	202
Other purchased services	81,000	81,000	73,110	7,890
Building supplies and materials	38,368	38,368	36,321	2,047
Library	149,000	149,000	147,373	1,627
Office expenditures and supplies	32,500	32,500	30,975	1,525
Memberships and meetings	2,360	2,360	1,428	932
Supervisors	704,299	704,299	703,494	805
Video services	20,000	20,000	20,000	-
<b>Total Library</b>	<b>\$ 1,897,738</b>	<b>1,897,738</b>	<b>1,891,260</b>	<b>6,478</b>
<b>City Clerk:</b>				
Elected official	\$ 64,053	64,053	66,622	(2,569)
Overtime contingency	12,000	12,000	7,649	4,351
Other non-union	29,864	29,864	30,078	(214)
MMEA	195,832	195,832	202,020	(6,188)
Land records	95,000	95,000	94,998	2
Vital statistics	8,000	8,000	7,990	10
Office expenditures and supplies	17,500	17,500	19,441	(1,941)
Memberships and meetings	3,000	3,000	3,000	-
Restoration	2,500	2,500	2,500	-
<b>Total City Clerk</b>	<b>\$ 427,749</b>	<b>427,749</b>	<b>434,298</b>	<b>(6,549)</b>
<b>Aviation:</b>				
Airport taxes	\$ 39,480	39,480	38,607	873
Office expenditures and supplies	400	400	196	204
Aviation maintenance	20,000	20,000	7,090	12,910
Other purchased services	1,500	1,500		1,500
<b>Total Aviation</b>	<b>\$ 61,380</b>	<b>61,380</b>	<b>45,893</b>	<b>15,487</b>
<b>Elections:</b>				
Primaries	\$ 34,600	34,600	13,466	21,134
Membership and meetings	750	750	749	1
Elected officials	43,639	43,639	45,399	(1,760)
Other non-union	46,040	46,040	45,771	269
Office expenditures and supplies	17,000	17,000	14,715	2,285
Elections	45,000	45,000	40,606	4,394
<b>Total Elections</b>	<b>\$ 187,029</b>	<b>187,029</b>	<b>160,706</b>	<b>26,323</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Finance:</b>				
Administrative	\$ 96,480	96,480	102,131	(5,651)
Overtime contingency	1,000	1,000	556	444
MMEA	154,847	154,847	172,403	(17,556)
Supervisors	180,542	180,542	183,711	(3,169)
Deferred compensation			135	(135)
Vehicle maintenance	3,000	3,000	3,350	(350)
Telephone	132,127	132,127	101,745	30,382
Office expenditures and supplies	35,520	35,520	21,151	14,369
Contingency	300,000	285,000	145,087	139,913
Membership and meetings	4,275	4,275	4,433	(158)
General office supplies	1	1	6,165	(6,164)
<b>Total Finance</b>	<b>\$ 907,792</b>	<b>892,792</b>	<b>740,867</b>	<b>151,925</b>
<b>Insurance:</b>				
Boilers and machinery	\$ 7,366	6,892	6,892	-
Bond money and securities	8,998	4,000	4,000	-
Fire and vandalism	159,656	163,953	159,649	4,304
Liability insurance	1,202,506	1,088,845	1,088,845	-
Workers' compensation	1,273,960	1,200,047	1,200,047	-
Police professional liability	73,913	82,536	82,536	-
Public official liability	34,935	40,447	40,447	-
Second injury fund	169,207	169,207	169,207	-
Workers' compensation excess liability	48,678	48,678	46,440	2,238
<b>Total Insurance</b>	<b>\$ 2,979,219</b>	<b>2,804,605</b>	<b>2,798,063</b>	<b>6,542</b>
<b>Employee Benefits:</b>				
Life insurance	\$ 60,514	60,514	69,143	(8,629)
Longevity	65,000	65,000	64,996	4
Severance				-
Unemployment compensation	80,000	80,000	104,301	(24,301)
Unused sick leave	250,000	250,000	256,642	(6,642)
Hypertension	491,536	491,536	489,564	1,972
Social security	1,912,706	1,912,706	1,995,538	(82,832)
Police benefits	1,000,000	1,000,000	1,081,998	(81,998)
Police pension funding				-
Police retiree medical benefits	353,000	353,000	352,992	8
Police social security medicare	64,219	64,219	86,317	(22,098)
Police retirement	3,060,205	3,060,205	3,027,403	32,802
Police medical	1,583,640	1,583,640	1,149,885	433,755
Police life	25,335	25,335	26,235	(900)
Police with compensation and hypertension	313,562	313,562	313,305	257
Fire benefits	1,196,000	1,196,000	934,543	261,457
Police vision pool	5,000	5,000	5,645	(645)
Police hearing pool	500	500		500

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the year ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Employee Benefits: (Continued)</b>				
Fire retiree medical benefits	\$ 460,200	460,200	460,244	(44)
Fire social security	46,000	46,000	45,711	289
Fire retirement	1,446,128	1,446,128	1,446,120	8
Fire medical	1,158,255	1,158,255	872,901	285,354
Fire life	18,725	18,725	17,127	1,598
Fire with compensation and hypertension	280,826	280,826	290,179	(9,353)
Police certification bonus	70,800	70,800	66,000	4,800
Police longevity	40,200	40,200	34,600	5,600
Fire longevity	32,000	32,000	28,625	3,375
Fire vision pool	8,500	8,500	7,698	802
Fire hearing pool	1,500	1,500		1,500
Uniforms guards	5,000	5,000	2,593	2,407
City medical benefits	2,802,999	2,802,999	2,093,759	709,240
Education medical benefits	10,994,320	10,994,320	9,988,107	1,006,213
AmeriCorps	9,847	9,847	4,103	5,744
Headstart				-
CASA medical	5,151	5,151	3,720	1,431
<b>Total Employee Benefits</b>	<b>\$ 27,841,668</b>	<b>27,841,668</b>	<b>25,319,994</b>	<b>2,521,674</b>
<b>Finance &amp; General Administration:</b>				
Transit	\$ 214,560	214,560	192,149	22,411
Pupil transportation	620,000	620,000	628,213	(8,213)
Advertising, printing, binding	5,000	2,572	1,828	744
Street lighting	598,895	593,184	551,294	41,890
Water	120,000	120,000	97,850	22,150
Hydrants	65,000	65,000	65,000	-
Sewers	75,000	75,000	66,319	8,681
Rod and gun fish club	1,000	1,000	1,000	-
Cultural diversity fund	5,000	5,000	4,501	499
Park maintenance	6,825	9,225	8,322	903
Maloney scholarship	24,100	24,100	24,000	100
Veterans' organization	35,000	35,000	35,000	-
Ambulance	128,750	128,750	128,750	-
Meriden day camp	54,380	54,380	49,720	4,660
Daycare	5,000	5,000	5,000	-
C Med	115,090	115,090	113,226	1,864
Audit	70,000	75,711	75,211	500
Probate court	20,000	22,500	24,341	(1,841)
Zoning expenditures and supplies	12,000	12,000	9,799	2,201
Solomon Goffe House	500	500	420	80
Handicapped commission	1,000	1,000		1,000
Daffodil festival				-
Regional mental health	1,000	1,000	1,000	-
Repay housing authority	11,411	11,411	11,411	-

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Finance &amp; General Administration: (Continued)</b>				
Emergency medical dispatch	\$ 38,500			
Textbook loan	38,000	38,000	36,101	1,899
Meriden symphony				-
Special events and celebrations	40,000	44,165	44,165	-
Conservation committee	500	500	59	441
Marketing promotion	32,000	32,000	31,017	983
Flood supplies	2,750	2,750	1,512	1,238
Cemetery maintenance		3,000	1,941	1,059
Regional growth partners	16,935	19,363	19,363	-
Humane society	6,000	6,000	6,866	(866)
Friends of library	18,000	18,000	18,000	-
AmeriCorps	8,750	8,750	8,750	-
Day camp	10,000	10,000	10,000	-
Camp vol. program	7,500	7,500	7,325	175
TROC	3,000			-
Medical dispatch		36,500	36,498	2
Meriden scholastic scholars	36,000	36,000	40,000	(4,000)
Neighborhood associations	5,000	1,300	2,103	(803)
Teen satellite programs	150,000	150,000	145,850	4,150
Gallery 53	5,000	5,000	5,000	-
Curtis utilization	22,000	22,000	22,000	-
<b>Total Finance &amp; General Administration</b>	<b>\$ 2,627,446</b>	<b>2,632,811</b>	<b>2,530,904</b>	<b>101,907</b>
<b>Purchasing:</b>				
Overtime contingency	\$ 500	500		500
MMEA	188,540	188,540	158,567	29,973
Supervisors	81,349	81,349	63,347	18,002
Office expenditures and supplies	4,000	4,000	3,250	750
Memberships, meetings and other	2,500	2,500	1,853	647
Petty cash	1	1		1
Storeroom	1	1	280	(279)
<b>Total Purchasing</b>	<b>\$ 276,891</b>	<b>276,891</b>	<b>227,297</b>	<b>49,594</b>
<b>Tax Collector:</b>				
Overtime contingency	\$ 2,000	2,000	2,904	(904)
MMEA	240,787	240,787	219,961	20,826
Supervisors	129,667	129,667	130,149	(482)
Office expenditures and supplies	73,000	73,000	72,385	615
Memberships and meetings	2,500	2,500	2,478	22
<b>Total Tax Collector</b>	<b>\$ 447,954</b>	<b>447,954</b>	<b>427,877</b>	<b>20,077</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Information Systems:</b>				
Supervisors	\$ 186,842	186,842	185,791	1,051
Administrative	80,339	80,339	85,559	(5,220)
Overtime contingency	1,000	1,000	493	507
MMEA	148,313	148,313	148,763	(450)
Training	10,000	10,000	9,631	369
Rental of equipment	247,100	247,100	247,100	-
Office expenditures and supplies	17,000	17,000	14,564	2,436
Software	15,000	15,000	15,000	-
Memberships and meetings	2,000	2,000	2,022	(22)
Telephones	63,960	63,960	59,584	4,376
<b>Total Information Systems</b>	<b>\$ 771,554</b>	<b>771,554</b>	<b>768,507</b>	<b>3,047</b>
<b>Assessor:</b>				
Audit	\$ 7,500	7,500	5,807	1,693
MMEA	184,186	184,186	184,996	(810)
Supervisors	144,602	144,602	149,455	(4,853)
Revaluation	16,000	16,000	15,053	947
Office expenditures and supplies	11,270	11,270	10,862	408
Membership and meetings	1,730	1,730	1,525	205
Vehicle maintenance	1,000	1,000	981	19
<b>Total Assessor</b>	<b>\$ 366,288</b>	<b>366,288</b>	<b>368,679</b>	<b>(2,391)</b>
<b>Board of Tax Relief:</b>				
Miscellaneous part-time	\$ 1,500	1,500	1,500	-
Other expenditures and supplies	750	750	750	-
<b>Total Board of Tax Relief</b>	<b>\$ 2,250</b>	<b>2,250</b>	<b>2,250</b>	<b>-</b>
<b>Planning:</b>				
Miscellaneous part-time	\$ 2,500	2,500		2,500
Administrative	89,469	89,469	92,507	(3,038)
Overtime	6,000	6,000	2,166	3,834
MMEA	415,260	415,260	416,806	(1,546)
Supervisors	145,681	145,681	144,934	747
Vehicle maintenance	7,000	7,000	11,025	(4,025)
Design review board	150	150		150
Office expenditures and supplies	7,000	7,000	5,689	1,311
Memberships and meetings	5,000	5,000	3,816	1,184
Unsafe buildings	500	500		500
<b>Total Planning</b>	<b>\$ 678,560</b>	<b>678,560</b>	<b>676,943</b>	<b>1,617</b>
<b>Inland Wetlands:</b>				
Other purchased services	\$ 1,500	1,500	1,000	500
Office expenditures and supplies	700	700	1,801	(1,101)
Memberships and meetings	200	200	100	100
<b>Total Inland Wetlands</b>	<b>\$ 2,400</b>	<b>2,400</b>	<b>2,901</b>	<b>(501)</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Parks:</b>				
Miscellaneous part-time	\$ 70,000	70,000	55,296	14,704
Administrative	99,375	99,375	102,749	(3,374)
Overtime contingency	70,000	70,000	110,087	(40,087)
Public works	764,024	764,024	758,559	5,465
Supervisors	68,432	68,432	69,612	(1,180)
Parks and rec. expenses and supplies	65,000	65,000	60,449	4,551
Vehicle maintenance	55,000	55,000	77,448	(22,448)
Heat, energy and lights	90,000	90,000	116,860	(26,860)
Park maintenance	20,000	20,000	18,668	1,332
Vandalism	5,000	5,000	4,077	923
Security	10,000	10,000	9,146	854
Memberships and meetings	2,500	2,500	2,339	161
Tree removal and replacement	15,000	10,000	9,364	636
Downtown	15,000	17,600	17,547	53
<b>Total Parks</b>	<b>\$ 1,349,331</b>	<b>1,346,931</b>	<b>1,412,201</b>	<b>(65,270)</b>
<b>Recreation:</b>				
Other non-union	\$ 80,000	80,000	86,947	(6,947)
Public works	87,901	87,901	88,551	(650)
MMEA	116,454	116,454	118,396	(1,942)
Recreation program expense	10,000	10,000	10,000	-
Concerts	4,000	4,000	4,000	-
League subsidy	30,000	30,000	30,000	-
Office expenditures and supplies	10,000	10,000	9,263	737
Memberships and meetings	1,500	1,500	1,500	-
Supervisors	51,168	51,168	52,894	(1,726)
Holiday display replacement	6,000	6,000	5,976	24
Overtime	7,500	7,500	7,910	(410)
Guiffrida Camp	8,000	8,000	8,000	-
<b>Total Recreation</b>	<b>\$ 412,523</b>	<b>412,523</b>	<b>423,437</b>	<b>(10,914)</b>
<b>Parking Administrative:</b>				
Secretarial fees	500	500		500
Vehicle maintenance	\$ 1,000	1,000	690	310
Parking administrative				-
Parking payroll	78,028	78,028	75,257	2,771
Parking maintenance	5,000	5,000	3,602	1,398
Parking telephones	600	600	306	294
Parking utilities	17,000	17,000	18,559	(1,559)
Parking general	3,500	3,500	3,486	14
Supervisors	36,462	36,462	37,697	(1,235)
<b>Total Parking Administrative</b>	<b>\$ 142,090</b>	<b>142,090</b>	<b>139,597</b>	<b>2,493</b>
<b>Total General Government</b>	<b>\$ 43,167,725</b>	<b>42,981,076</b>	<b>40,218,634</b>	<b>2,762,442</b>

(Continued)



**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EDUCATION:</b>				
<b>Board of Education:</b>				
Certified salary	\$ 42,530,787	42,530,787	42,530,787	-
Classified salary	9,343,946	9,343,946	9,343,946	-
Life/disability insurance	148,547	148,547	148,547	-
Social security	475,209	475,209	458,324	16,885
Longevity	50,958	50,958	49,317	1,641
Severance	50,000	50,000	47,577	2,423
Retirement	379,713	379,713	379,124	589
Instructional programs	188,818	188,818	150,338	38,480
Other Pro-technology expenses	1,666,028	1,666,028	1,666,028	-
Public utilities	999,868	999,868	999,868	-
Repairs and maintenance supplies	1,607,624	1,607,624	1,607,613	11
Public transportation	3,688,768	3,688,768	3,473,658	215,110
Other insurance and judgments	21,100	21,100	14,264	6,836
Commercial, advertising print and bind	610,513	610,513	610,513	-
Tuitions	10,086,391	10,086,391	10,061,500	24,891
Travel other	192,206	192,206	166,213	25,993
Other purchased services	106,835	106,835	66,331	40,504
Instructional supplies	982,248	982,248	982,248	-
Maintenance supplies	692,211	692,211	692,211	-
Heat and energy	487,624	487,624	487,624	-
Transportation supplies	20,000	20,000	11,463	8,537
Textbooks	432,433	432,433	382,910	49,523
Library Books	100,655	100,655	94,847	5,808
Other supplies and materials	637,178	637,178	637,176	2
Equipment replacement	518,665	518,665	518,665	-
Reimbursements	1	1		1
Dues and fees	56,868	56,868	47,138	9,730
<b>Total Board of Education</b>	<b>\$ 76,075,194</b>	<b>76,075,194</b>	<b>75,628,230</b>	<b>446,964</b>
<b>School Building Committee:</b>				
Salary clerical	\$ 1,000	1,000	708	292
Other purchased services	300	300		300
<b>Total School Building Committee</b>	<b>\$ 1,300</b>	<b>1,300</b>	<b>708</b>	<b>592</b>
<b>Total Education</b>	<b>\$ 76,076,494</b>	<b>76,076,494</b>	<b>75,628,938</b>	<b>447,556</b>
<b>PUBLIC SAFETY:</b>				
<b>Police:</b>				
Administrative	\$ 180,147	180,147	186,794	(6,647)
Overtime contingency	575,000	575,000	757,948	(182,948)
MMEA	575,192	575,192	430,058	145,134
Police	7,042,063	7,042,063	7,115,802	(73,739)
Supervisors	305,318	305,318	252,309	53,009
Vehicle maintenance	210,000	210,000	217,911	(7,911)
Communications and finance	80,000	80,000	69,168	10,832
Training	140,000	140,000	133,797	6,203
South central justice	10,500	10,500	10,500	-
Auxiliary police	5,000	5,000	4,853	147
Canine unit	4,000	4,000	1,901	2,099
Police expenditures and supplies	121,437	121,437	111,394	10,043

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Police:</b>				
Memberships and meetings	7,000	7,000	3,650	3,350
Police private duty	1	1	(3,725)	3,726
Public works	63,003	63,003	63,237	(234)
MIS technology	181,294	181,294	158,498	22,796
Bicycle patrol	3,000	3,000	1,446	1,554
Hostage crisis	21,000	21,000	17,318	3,682
Accreditation	18,200	18,200	15,780	2,420
Crime prevention	15,000	15,000	14,400	600
<b>Total Police</b>	<b>\$ 9,557,155</b>	<b>9,557,155</b>	<b>9,563,039</b>	<b>(5,884)</b>
<b>Fire:</b>				
Office expenditures and supplies	\$ 18,500	18,500	15,463	3,037
Administrative	169,669	169,669	169,532	137
Overtime contingency	685,000	685,000	859,671	(174,671)
Public works	57,928	57,928	58,143	(215)
Fire	5,336,048	5,336,048	5,454,318	(118,270)
MMEA	82,692	82,692	76,742	5,950
Vehicle maintenance	58,000	78,800	66,112	12,688
Communication maintenance	20,000	20,000	18,730	1,270
Training	30,000	24,200	23,954	246
Physicals	32,000	32,000	29,641	2,359
Maintenance supplies	36,500	36,500	31,533	4,967
Heat energy lights	65,000	65,000	93,209	(28,209)
Fire equipment	40,000	40,000	33,413	6,587
Memberships and meetings	5,500	5,500	5,366	134
<b>Total Fire</b>	<b>\$ 6,636,837</b>	<b>6,651,837</b>	<b>6,935,827</b>	<b>(283,990)</b>
<b>South Meriden Fire Department:</b>				
Firefighter physicals	\$ 7,606	7,606	6,938	668
Hepatitis vaccine	1,500	1,500	1,417	83
Vehicle maintenance	5,200	5,200	3,757	1,443
Communications and maintenance	10,660	10,660	9,650	1,010
Training	4,100	4,100	1,703	2,397
Maintenance supplies	700	700	679	21
Heat, energy, lights	9,800	9,800	11,687	(1,887)
Food	2,700	2,700	2,700	-
Office expenditures and supplies	500	500	617	(117)
Fire equipment	25,059	25,059	24,377	682
Membership and meetings	1,000	1,000	862	138
Fire prevention and education	300	300	300	-
<b>Total South Meriden Fire Department</b>	<b>\$ 69,125</b>	<b>69,125</b>	<b>64,687</b>	<b>4,438</b>
<b>Public Safety Dispatch:</b>				
Office expenditures and supplies	\$ 5,000	5,000	3,164	1,836
MMEA	522,469	522,469	510,194	12,275
Training	3,500	3,500	6,927	(3,427)
Overtime contingency	212,169	212,169	276,841	(64,672)
Communications and printing	7,400	7,400	1,387	6,013
Fire	68,661	68,661	68,910	(249)
<b>Total Public Safety Dispatch</b>	<b>\$ 819,199</b>	<b>819,199</b>	<b>867,423</b>	<b>(48,224)</b>

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Civil Preparedness:</b>				
Miscellaneous part-time	\$ 8,250	8,250	8,250	-
Civil preparedness	1,400	1,400		1,400
Office expenditures and supplies	1,600	1,600	1,301	299
<b>Total Civil Preparedness</b>	<b>\$ 11,250</b>	<b>11,250</b>	<b>9,551</b>	<b>1,699</b>
<b>Total Public Safety</b>	<b>\$ 17,093,566</b>	<b>17,108,566</b>	<b>17,440,527</b>	<b>(331,961)</b>
<b>PUBLIC WORKS:</b>				
<b>Engineering:</b>				
Overtime	\$ 7,500	7,500	3,941	3,559
MMEA	395,716	395,716	420,922	(25,206)
Supervisors	226,651	226,651	229,059	(2,408)
Vehicle maintenance	6,500	6,500	6,711	(211)
Office expenditures and supplies	9,000	9,000	8,485	515
Memberships and meetings	2,000	2,000	1,989	11
<b>Total Engineering</b>	<b>647,367</b>	<b>647,367</b>	<b>671,107</b>	<b>(23,740)</b>
<b>Garage and Warehouse:</b>				
Overtime contingency	\$ 9,000	9,000	5,636	3,364
Public works	343,887	343,887	308,008	35,879
MMEA	54,818	54,818	55,003	(185)
Repairs and maintenance	9,000	9,000	6,493	2,507
Office expenditures and supplies	5,953	5,953	4,326	1,627
Memberships and meetings	1,547	1,547	152	1,395
Garage materials	1	1		1
<b>Total Garage and Warehouse</b>	<b>\$ 424,206</b>	<b>424,206</b>	<b>379,618</b>	<b>44,588</b>
<b>Traffic Engineering:</b>				
Street Lighting	\$ 10,000	10,000	8,794	1,206
Supervisors	81,349	81,349	81,651	(302)
Part time summer help	12,000	12,000	10,591	1,409
Overtime contingency	20,000	20,000	22,575	(2,575)
MMEA	206,892	206,892	207,649	(757)
Vehicle maintenance	12,000	12,000	20,248	(8,248)
Safety equipment	1,000	1,000	938	62
Signalization	75,183	75,183	77,550	(2,367)
Signs and alarms	40,000	40,000	36,255	3,745
Alarm systems	2,000	2,000	1,237	763
Office expenditures and supplies	1,000	1,000	1,419	(419)
Memberships and meetings	1,500	1,500	864	636
<b>Total Traffic Engineering</b>	<b>\$ 462,924</b>	<b>462,924</b>	<b>469,771</b>	<b>(6,847)</b>

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

For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Highway:</b>				
Office expenditures and supplies	\$ 7,500	7,500	8,767	(1,267)
Overtime contingency	21,830	21,830	18,265	3,565
Public works	803,679	803,679	880,943	(77,264)
Supervisors	159,511	159,511	160,355	(844)
Snow and ice control	375,000	375,000	778,155	(403,155)
Vehicle maintenance	150,000	150,000	203,922	(53,922)
Street maintenance supplies	12,000	12,000	8,196	3,804
Sidewalk, basin construction	4,000	4,000	1,199	2,801
Street construction	\$ 30,000	30,000	20,867	9,133
Storm drain construction	8,000	8,000	6,970	1,030
Brook dredging	20,000	20,000	4,881	15,119
Memberships and meetings	12,000	12,000		12,000
Bulky waste	1,000	1,000	5,269	(4,269)
Clothing	7,000	7,000	5,184	1,816
<b>Total Highway</b>	<b>\$ 1,611,520</b>	<b>1,611,520</b>	<b>2,102,973</b>	<b>(491,453)</b>
<b>Landfill Operations:</b>				
Overtime contingency	\$ 23,000	23,000	12,104	10,896
Monitoring	27,000	27,000	20,275	6,725
Vehicle maintenance	12,500	12,500	10,201	2,299
Other purchased services	8,000	8,000	8,000	-
Office expenditures and supplies	2,000	2,000	857	1,143
<b>Total Landfill Operations</b>	<b>\$ 72,500</b>	<b>72,500</b>	<b>51,437</b>	<b>21,063</b>
<b>Waste Collection Second District:</b>				
Office expenditures and supplies	\$ 250	250		250
Dumping fees	500,000	534,300	637,165	(102,865)
Contract	459,667	459,667	468,350	(8,683)
<b>Total Waste Collection Second District</b>	<b>\$ 959,917</b>	<b>994,217</b>	<b>1,105,515</b>	<b>(111,298)</b>
<b>Bulky Waste Collection Bureau:</b>				
Overtime contingency	\$ 4,100	4,100	2,132	1,968
Vehicle maintenance	17,500	17,500	11,527	5,973
Office expenditures and supplies	2,300	2,300	284	2,016
Public works	72,727	72,727	63,867	8,860
MMEA	11,939	11,939	10,464	1,475
Dumping fees	125,000	125,000	119,477	5,523
Clothing allowance	2,300	2,300	1,783	517
<b>Total Bulky Waste Collection Bureau</b>	<b>\$ 235,866</b>	<b>235,866</b>	<b>209,534</b>	<b>26,332</b>
<b>Building Maintenance:</b>				
Overtime contingency	\$ 50,000	50,000	52,337	(2,337)
Public works	283,858	283,858	286,961	(3,103)
Supervisors	62,712	62,712	62,945	(233)
Vehicle maintenance	700	700	1,964	(1,264)
Maintenance supplies	35,000	35,000	31,010	3,990
Heat, energy, lights	433,120	433,120	477,369	(44,249)
<b>Total Building Maintenance</b>	<b>\$ 865,390</b>	<b>865,390</b>	<b>912,586</b>	<b>(47,196)</b>
<b>Total Public Works</b>	<b>\$ 5,279,690</b>	<b>5,313,990</b>	<b>5,902,541</b>	<b>(588,551)</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>HUMAN SERVICES:</b>				
<b>Health Department:</b>				
Certified salaries	\$ 388,460	388,460	307,040	81,420
Miscellaneous part-time	5,000	5,000	4,500	500
Administration	89,761	89,761	92,809	(3,048)
Overtime contingency	1,600	1,600		1,600
Public health nurses	972,013	972,013	944,622	27,391
MMEA	529,172	529,172	498,947	30,225
Supervisors	149,053	149,053	147,605	1,448
Vehicle maintenance	5,000	5,000	6,141	(1,141)
Other purchased services	1	1		1
Office expenditures and supplies	11,000	11,000	10,776	224
Environmental supplies	12,000	12,000	11,735	265
Health supplies	8,000	8,000	8,000	-
Public act 10 217A supplies	11,215	11,215	10,745	470
Memberships and meetings	4,500	4,500	634	3,866
Special projects	1	1	616	(615)
Rabies exposure	200	200		200
Lead program	3,000	3,000	1,731	1,269
Emergency fund sewer	1	1		1
<b>Total Health Department</b>	<b>\$ 2,189,977</b>	<b>2,189,977</b>	<b>2,045,901</b>	<b>144,076</b>
<b>Social Services:</b>				
MMEA	\$ 122,346	122,346	122,800	(454)
Office expenditure and supplies	950	950	984	(34)
Evictions	65,000	65,000	51,983	13,017
Memberships and meetings	100	100	86	14
<b>Total Social Services</b>	<b>\$ 188,396</b>	<b>188,396</b>	<b>175,853</b>	<b>12,543</b>
<b>Senior Affairs:</b>				
Supervisors	\$ 74,526	74,526	74,803	(277)
Memberships and meetings	1,000	1,000	380	620
Other non-union	25,000	26,000	24,888	1,112
MMEA	335,952	335,952	339,406	(3,454)
Vehicle maintenance	10,000	10,000	12,320	(2,320)
Office expenditures and supplies	15,000	14,000	11,488	2,512
Elderly nutrition	35,901	35,901	22,745	13,156
<b>Total Senior Affairs</b>	<b>\$ 497,379</b>	<b>497,379</b>	<b>486,030</b>	<b>11,349</b>

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Youth Services Bureau:</b>				
Overtime contingency	\$ 520	520	401	119
Memberships and meetings	1,000	1,000	1,004	(4)
MMEA	52,166	52,166	52,384	(218)
Office expenditures and supplies	1,600	1,600	1,593	7
Youth activities	2,500	2,500	2,512	(12)
Supervisors	74,526	74,526	74,803	(277)
<b>Total Youth Services Bureau</b>	<b>\$ 132,312</b>	<b>132,312</b>	<b>132,697</b>	<b>(385)</b>
<b>Total Human Services</b>	<b>\$ 3,008,064</b>	<b>3,008,064</b>	<b>2,840,481</b>	<b>167,583</b>
<b>Debt Service:</b>				
Principal bonds	\$ 12,171,247	12,171,247	12,171,247	-
Interest	3,016,743	3,016,743	3,016,744	(1)
BAN interest	777,824	777,824	678,885	98,939
<b>Total Debt Service</b>	<b>\$ 15,965,814</b>	<b>15,965,814</b>	<b>15,866,876</b>	<b>98,938</b>
<b>Total expenditures</b>	<b>\$ 160,591,353</b>	<b>160,454,004</b>	<b>157,897,997</b>	<b>2,556,007</b>
<b>OTHER FINANCING USES:</b>				
<b>Transfers to Other Funds:</b>				
Capital Outlay	\$ -	400,000	400,000	-
<b>Total other financing uses</b>	<b>\$ -</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>
<b>Total</b>	<b>\$ 160,591,353</b>	<b>160,854,004</b>	<b>158,297,997</b>	<b>2,556,007</b>

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

**Underage Drinking** – is used to account for programs to curb underage drinking.

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

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

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

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

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

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

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

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

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

**Student Fund** – is used by the schools for various miscellaneous activities.

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

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

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

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

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

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



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

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

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

**Permanent Funds** – used to report resources that are legally restricted to the extent that only the earnings and not the principal, may be used for purposes that support the governments programs.

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

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

**C.P. Bradley Park Fund** – is used to account for funds used to care for the public parks of the City.

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

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

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

For The Year Ended June 30, 2005, Revised

	Special Revenue		
	Airport Improvement	Community Development Block Grant	Day Care Center
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,744	22,701	72,742
Accounts receivable			4,472
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Investments			
<b>Total Assets</b>	<b>\$ 14,744</b>	<b>22,701</b>	<b>77,214</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$	63,250	33,174
Deferred revenue			
Due to other funds			
<b>Total Liabilities</b>	<b>\$ -</b>	<b>63,250</b>	<b>33,174</b>
<b>Fund Balances (Deficits)</b>			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	14,744	(40,549)	44,040
<b>Total Fund Balances (Deficits)</b>	<b>\$ 14,744</b>	<b>(40,549)</b>	<b>44,040</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 14,744</b>	<b>22,701</b>	<b>77,214</b>

Special Revenue					
Health Department WIC Program	Insurance Reserve Fund	Special Projects Health	Tri-Town Medical Transportation	Neighborhood Preservation Program	Asset Forfeiture Fund
105,188	198,659	587,815	152,860	160,277	23,893
		27,541	1,245	24,433	
		150,000		2,581,817	
<u>105,188</u>	<u>198,659</u>	<u>765,356</u>	<u>154,105</u>	<u>2,766,527</u>	<u>23,893</u>
9,606		50,029	19,280		
60,000		150,000		2,581,817	
<u>69,606</u>	-	<u>200,029</u>	<u>19,280</u>	<u>2,581,817</u>	-
<u>35,582</u>	<u>198,659</u>	<u>565,327</u>	<u>134,825</u>	<u>184,710</u>	<u>23,893</u>
<u>35,582</u>	<u>198,659</u>	<u>565,327</u>	<u>134,825</u>	<u>184,710</u>	<u>23,893</u>
<u>105,188</u>	<u>198,659</u>	<u>765,356</u>	<u>154,105</u>	<u>2,766,527</u>	<u>23,893</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	Special Revenue		
	State & Federal Education Grants	Underage Drinking	Transit Welfare to Work
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,149,587	9,322	4,175
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Investments			
<b>Total Assets</b>	<b>\$ 2,149,587</b>	<b>9,322</b>	<b>4,175</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>(Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 203,141		
Deferred revenue	1,057,515		
Due to other funds			
<b>Total Liabilities</b>	<b>\$ 1,260,656</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	888,931	9,322	4,175
<b>Total Fund Balances (Deficits)</b>	<b>\$ 888,931</b>	<b>9,322</b>	<b>4,175</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 2,149,587</b>	<b>9,322</b>	<b>4,175</b>

<b>Special Revenue</b>					
<b>Dog Fund</b>	<b>Landfill Reclamation</b>	<b>Cafeteria</b>	<b>Meriden Public School Rental</b>	<b>Adult Evening School</b>	<b>Safe Neighborhood</b>
13,931 1,075	55,746	210,642 91,265	120,964	19,221 (393)	
		125,986			
<u>15,006</u>	<u>55,746</u>	<u>427,893</u>	<u>120,964</u>	<u>18,828</u>	<u>-</u>
(1,925)		17,692	3,649	3,925	6,527
<u>(1,925)</u>	<u>-</u>	<u>17,692</u>	<u>3,649</u>	<u>3,925</u>	<u>6,527</u>
<u>16,931</u>	<u>55,746</u>	<u>410,201</u>	<u>117,315</u>	<u>14,903</u>	<u>(6,527)</u>
<u>16,931</u>	<u>55,746</u>	<u>410,201</u>	<u>117,315</u>	<u>14,903</u>	<u>(6,527)</u>
<u>15,006</u>	<u>55,746</u>	<u>427,893</u>	<u>120,964</u>	<u>18,828</u>	<u>-</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	Special Revenue		
	Railroad Right of Way	Drivers Education Training	Student Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$	7,119	
Accounts receivable		254	
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Investments			
<b>Total Assets</b>	\$ -	7,373	-
<b>LIABILITIES AND FUND BALANCE</b>			
<b>(Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 10,331		
Deferred revenue			
Due to other funds			
<b>Total Liabilities</b>	\$ 10,331	-	-
<b>Fund Balances (Deficits)</b>			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	(10,331)	7,373	
<b>Total Fund Balances (Deficits)</b>	\$ (10,331)	7,373	-
<b>Total Liabilities and Fund Balances (Deficits)</b>	\$ -	7,373	-

**Special Revenue**

<b>AmeriCorps</b>	<b>Summer Youth Initiative</b>	<b>Law Enforcement Block Grant</b>	<b>Downtown Property Management</b>	<b>School Readiness</b>	<b>Reading Video</b>
		21,307	112,098 3,380	171,204 6,440	10,677
<u>-</u>	<u>-</u>	<u>21,307</u>	<u>115,478</u>	<u>177,644</u>	<u>10,677</u>
1,338	1,468	2,298	723	178,284	
<u>50,000</u>				<u>40,000</u>	
<u>51,338</u>	<u>1,468</u>	<u>2,298</u>	<u>723</u>	<u>218,284</u>	<u>-</u>
<u>(51,338)</u>	<u>(1,468)</u>	<u>19,009</u>	<u>114,755</u>	<u>(40,640)</u>	<u>10,677</u>
<u>(51,338)</u>	<u>(1,468)</u>	<u>19,009</u>	<u>114,755</u>	<u>(40,640)</u>	<u>10,677</u>
<u>-</u>	<u>-</u>	<u>21,307</u>	<u>115,478</u>	<u>177,644</u>	<u>10,677</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	<u>Special Revenue</u>		
	<u>CP National Science Foundation</u>	<u>Cops More 98</u>	<u>Document Preservation</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 340	16,602	1,704
Accounts receivable			
Intergovernmental receivable			
Loans receivable, net			
Due from other funds			
Investments			
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 340</b>	<b>16,602</b>	<b>1,704</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCE (Deficits)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$		
Deferred revenue			
Due to other funds			
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Fund Balances (Deficits)</b>			
Reserved for loans receivable	\$		
Reserved for donor's intentions			
Unreserved and undesignated	340	16,602	1,704
	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 340</b>	<b>16,602</b>	<b>1,704</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 340</b>	<b>16,602</b>	<b>1,704</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Special Revenue		Permanent			
Arts District Feasibility	EPA Brownfield Assessment	C. P. Bradley Park Fund	Walter Hubbard Park Fund	Library Trust Fund	Lorenzo Fuller Award
	11,125	18,996	34,135	225,189	
		1,115,775	550,810	130,167	7,435
-	11,125	1,134,771	584,945	355,356	7,435
	165				
-	165	-	-	-	-
	10,960	50,000 1,084,771	50,000 534,945	134,147 221,209	1,017 6,418
-	10,960	1,134,771	584,945	355,356	7,435
-	11,125	1,134,771	584,945	355,356	7,435

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COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	Permanent	Capital Projects		Totals	
		Charlotte Yale Ives	Parks and Recreation Capital and Non-Recurring		Capital and Non-Recurring
<b>ASSETS</b>					
Cash and cash equivalents	\$		2,118	77,349	4,632,430
Accounts receivable					106,493
Intergovernmental receivable					53,219
Loans receivable, net					2,581,817
Due from other funds					150,000
Investments		4,029			1,934,202
<b>Total Assets</b>	\$	<u>4,029</u>	<u>2,118</u>	<u>77,349</u>	<u>9,458,161</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>(Deficits)</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$			45,257	648,212
Deferred revenue					3,639,332
Due to other funds				65,988	365,988
<b>Total Liabilities</b>	\$	<u>-</u>	<u>-</u>	<u>111,245</u>	<u>4,653,532</u>
<b>Fund Balances (Deficits)</b>					
Reserved for loans receivable	\$				-
Reserved for donor's intentions		3,000			238,164
Unreserved and undesignated		1,029	2,118	(33,896)	4,566,465
<b>Total Fund Balances (Deficits)</b>	\$	<u>4,029</u>	<u>2,118</u>	<u>(33,896)</u>	<u>4,804,629</u>
<b>Total Liabilities and Fund Balances</b>	\$	<u>4,029</u>	<u>2,118</u>	<u>77,349</u>	<u>9,458,161</u>

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended June 30, 2005, Revised

	<u>Special Revenue</u>		
	<u>Airport Improvement</u>	<u>Community Development Block Grant</u>	<u>Day Care Center</u>
<b>Revenues</b>			
Intergovernmental	\$	1,429,470	328,736
Charges for services			147,496
Investment income			
Other			11,531
<b>Total revenues</b>	<u>\$ -</u>	<u>1,429,470</u>	<u>487,763</u>
<b>Expenditures</b>			
General	\$		517,155
Education			
Human services		1,428,110	
Public safety			
Capital outlay			
<b>Total expenditures</b>	<u>\$ -</u>	<u>1,428,110</u>	<u>517,155</u>
<b>Revenue over (under) expenditures</b>	<u>\$ -</u>	<u>1,360</u>	<u>(29,392)</u>
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ -</u>	<u>1,360</u>	<u>(29,392)</u>
<b>Fund Balances - Beginning</b>	\$ 14,744	(41,909)	73,432
<b>Prior Period Adjustments</b>			
<b>Fund Balances - Beginning, restated</b>	<u>\$ 14,744</u>	<u>(41,909)</u>	<u>73,432</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 14,744</u>	<u>(40,549)</u>	<u>44,040</u>

<b>Special Revenue</b>					
<b>Health Department WIC Program</b>	<b>Insurance Reserve Fund</b>	<b>Special Projects Health</b>	<b>Tri-Town Medical Transportation</b>	<b>Neighborhood Preservation Program</b>	<b>Asset Forfeiture Fund</b>
2,658,042		757,817 102,616	32,541 189,197	212,350	14,903
		3,050			
<u>2,658,042</u>	-	<u>863,483</u>	<u>221,738</u>	<u>212,350</u>	<u>14,903</u>
	50,000				
2,648,306		700,328	154,698	375,743	
<u>2,648,306</u>	<u>50,000</u>	<u>700,328</u>	<u>154,698</u>	<u>375,743</u>	-
9,736	(50,000)	163,155	67,040	(163,393)	14,903
		(150,000)			
-	-	(150,000)	-	-	-
9,736	(50,000)	13,155	67,040	(163,393)	14,903
25,846	248,659	552,172	67,785	2,891,653 (2,543,550)	8,990
<u>25,846</u>	<u>248,659</u>	<u>552,172</u>	<u>67,785</u>	<u>348,103</u>	<u>8,990</u>
<u>35,582</u>	<u>198,659</u>	<u>565,327</u>	<u>134,825</u>	<u>184,710</u>	<u>23,893</u>

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	Special Revenue		
	State & Federal Education Grants	Underage Drinking	Transit Welfare to Work
<b>Revenues</b>			
Intergovernmental	\$ 3,100,640		34,213
Charges for services			
Investment income			
Other			
<b>Total Revenues</b>	<u>\$ 3,100,640</u>	<u>-</u>	<u>34,213</u>
<b>Expenditures</b>			
General	\$ 2,851,177		
Education			
Human services			35,952
Public safety			
Capital outlay			
<b>Total Expenditures</b>	<u>\$ 2,851,177</u>	<u>-</u>	<u>35,952</u>
<b>Revenue Over (Under) Expenditures</b>	<u>\$ 249,463</u>	<u>-</u>	<u>(1,739)</u>
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ 249,463</u>	<u>-</u>	<u>(1,739)</u>
<b>Fund Balances (Deficits) - Beginning</b>	\$ -	9,322	5,914
<b>Prior Period Adjustments</b>	<u>639,468</u>		
<b>Fund Balances - Beginning, restated</b>	<u>\$ 639,468</u>	<u>9,322</u>	<u>5,914</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 888,931</u>	<u>9,322</u>	<u>4,175</u>

<b>Special Revenue</b>					
<b>Dog Fund</b>	<b>Landfill Reclamation</b>	<b>Cafeteria</b>	<b>Meriden Public School Rental</b>	<b>Adult Evening School</b>	<b>Safe Neighborhood</b>
		1,696,413			
35,217		1,337,093		100,920	
3,916	500		2,181		
			66,860		
39,133	500	3,033,506	69,041	100,920	-
		3,189,348	55,850	187,591	
37,701					
37,701	-	3,189,348	55,850	187,591	-
1,432	500	(155,842)	13,191	(86,671)	-
-	-	-	-	-	-
1,432	500	(155,842)	13,191	(86,671)	-
15,499	55,246	566,043	104,124	101,574	(6,527)
15,499	55,246	566,043	104,124	101,574	(6,527)
16,931	55,746	410,201	117,315	14,903	(6,527)

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	<u>Special Revenue</u>		
	<u>Railroad Right of Way</u>	<u>Drivers Education Training</u>	<u>Student Fund</u>
<b>Revenues</b>			
Intergovernmental	\$		
Charges for services			25,330
Investment income			
Other			
<b>Total Revenues</b>	\$ -	-	25,330
<b>Expenditures</b>			
General	\$		
Education		8,410	25,178
Human services			
Public safety			
Capital outlay			
<b>Total Expenditures</b>	\$ -	8,410	25,178
<b>Revenue Over (Under) Expenditures</b>	\$ -	(8,410)	152
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ -	(8,410)	152
<b>Fund Balances (Deficits) - Beginning</b>	\$ (10,331)	15,783	(152)
<b>Prior Period Adjustments</b>			
<b>Fund Balances - Beginning, restated</b>	\$ (10,331)	15,783	(152)
<b>Fund Balances (Deficits) - Ending</b>	\$ (10,331)	7,373	-



<b>Special Revenue</b>					
<b>AmeriCorps</b>	<b>Summer Youth Initiative</b>	<b>Law Enforcement Block Grant</b>	<b>Downtown Property Management</b>	<b>School Readiness</b>	<b>Reading Video</b>
16,685		14,153		2,054,229	
14,279					
			83,500		
30,964	-	14,153	83,500	2,054,229	-
		28,919			
34,574			28,015	2,087,737	
34,574	-	28,919	28,015	2,087,737	-
(3,610)	-	(14,766)	55,485	(33,508)	-
-	-	-	-	-	-
(3,610)	-	(14,766)	55,485	(33,508)	-
(47,728)	(1,468)	33,775	59,270	(7,132)	10,677
(47,728)	(1,468)	33,775	59,270	(7,132)	10,677
(51,338)	(1,468)	19,009	114,755	(40,640)	10,677

(Continued)

CITY OF MERIDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 For The Year Ended June 30, 2005, Revised

	Special Revenue		
	CP National Science Foundation	Cops More 98	Document Preservation
<b>Revenues</b>			
Intergovernmental	\$	3,000	2,500
Charges for services			
Investment income	98		
Other			
<b>Total Revenues</b>	\$ 98	3,000	2,500
<b>Expenditures</b>			
General	\$		796
Education			
Human services			
Public safety			
Capital outlay			
<b>Total Expenditures</b>	\$ -	-	796
<b>Revenue Over (Under) Expenditures</b>	\$ 98	3,000	1,704
<b>Other Financing Sources</b>			
Transfers in	\$		
Transfers (out)			
<b>Total Other Financing Sources</b>	\$ -	-	-
<b>Changes in Fund Balances (Deficits)</b>	\$ 98	3,000	1,704
<b>Fund Balances (Deficits) - Beginning Prior Period Adjustments</b>	\$ 242	13,602	-
<b>Fund Balances - Beginning, restated</b>	\$ 242	13,602	-
<b>Fund Balances (Deficits) - Ending</b>	\$ 340	16,602	1,704

Special Revenue		Permanent			
Arts District Feasibility	EPA Brownfield Assessment	C. P. Bradley Park Fund	Walter Hubbard Park Fund	Library Trust Fund	Lorenzo Fuller Award
69,856	11,125				
		53,845	62,879	94,044	990
69,856	11,125	53,845	62,879	94,044	990
69,856	165	83,265	22,445	198,177	
69,856	165	83,265	22,445	198,177	-
-	10,960	(29,420)	40,434	(104,133)	990
-	-	-	-	-	-
-	10,960	(29,420)	40,434	(104,133)	990
-	-	1,164,191	544,511	459,489	6,445
-	-	1,164,191	544,511	459,489	6,445
-	10,960	1,134,771	584,945	355,356	7,435

(Continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005, Revised**

	Permanent	Capital Projects		Totals
	Charlotte Yale Ives	Parks and Recreation Capital and Non-Recurring	Capital and Non-Recurring	
<b>Revenues</b>				
Intergovernmental	\$		5,600	12,442,273
Charges for services				1,952,148
Investment income	80			120,073
Other				263,401
<b>Total Revenues</b>	<u>\$ 80</u>	<u>-</u>	<u>5,600</u>	<u>14,777,895</u>
<b>Expenditures</b>				
General	\$			970,778
Education				8,405,291
Human services				5,405,726
Public safety				37,701
Capital outlay			256,852	256,852
<b>Total Expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>256,852</u>	<u>15,076,348</u>
<b>Revenue Over (Under) Expenditures</b>	<u>\$ 80</u>	<u>-</u>	<u>(251,252)</u>	<u>(298,453)</u>
<b>Other Financing Sources</b>				
Transfers in	\$		400,000	400,000
Transfers (out)				(150,000)
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>-</u>	<u>400,000</u>	<u>250,000</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ 80</u>	<u>-</u>	<u>148,748</u>	<u>(48,453)</u>
<b>Fund Balances (Deficits) - Beginning</b>	<u>\$ 3,949</u>	<u>2,118</u>	<u>(182,644)</u>	<u>6,757,164</u>
<b>Prior Period Adjustments</b>				<u>(1,904,082)</u>
<b>Fund Balances - Beginning, restated</b>	<u>\$ 3,949</u>	<u>2,118</u>	<u>(182,644)</u>	<u>4,853,082</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 4,029</u>	<u>2,118</u>	<u>(33,896)</u>	<u>4,804,629</u>

## ***Internal Service Funds***

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

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

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

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
For the Year Ended June 30, 2005**

	<u>Governmental Activities</u>		
	<u>Workers' Compensation Fund</u>	<u>Meriden Health Insurance</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 163,712	4,938,974	5,102,686
Investments			-
Accounts receivable	2,328	583	2,911
<b>Total Current Assets</b>	<u>\$ 166,040</u>	<u>4,939,557</u>	<u>5,105,597</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 297,413	1,320	298,733
Retiree payable		2,941	2,941
Claims payable	847,747	1,501,852	2,349,599
<b>Total Current Liabilities</b>	<u>\$ 1,145,160</u>	<u>1,506,113</u>	<u>2,651,273</u>
<b>Noncurrent Liabilities</b>			
Long-term claims payable	\$ 2,623,989	-	2,623,989
<b>Total Noncurrent Liabilities</b>	<u>2,623,989</u>		<u>2,623,989</u>
<b>Total Liabilities</b>	<u>\$ 3,769,149</u>	<u>1,506,113</u>	<u>5,275,262</u>
<b>NET ASSETS (DEFICIT)</b>	<u>\$ (3,603,109)</u>	<u>3,433,444</u>	<u>(169,665)</u>

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For The Year Ended June 30, 2005**

	<u>Governmental Activities</u>		
	<u>Workers' Compensation Fund</u>	<u>Meriden Health Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,643,162	20,212,227	21,855,389
Other revenues	223,812		223,812
<b>Total operating revenues</b>	<u>\$ 1,866,974</u>	<u>20,212,227</u>	<u>22,079,201</u>
<b>OPERATING EXPENSES</b>			
Claims	\$ 1,402,634	19,903,035	21,305,669
Administrative	137,591		137,591
Other expenses	182,766	53,079	235,845
<b>Total operating expenses</b>	<u>\$ 1,722,991</u>	<u>19,956,114</u>	<u>21,679,105</u>
<b>Operating income (loss)</b>	<u>\$ 143,983</u>	<u>256,113</u>	<u>400,096</u>
<b>NONOPERATING REVENUES</b>			
Investment income	\$ 1,240	13,439	14,679
<b>Total nonoperating revenues</b>	<u>\$ 1,240</u>	<u>13,439</u>	<u>14,679</u>
<b>Changes in net assets</b>	<u>\$ 145,223</u>	<u>269,552</u>	<u>414,775</u>
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>(3,748,332)</u>	<u>3,163,892</u>	<u>(584,440)</u>
<b>NET ASSETS (DEFICIT), ending of year</b>	<u>\$ (3,603,109)</u>	<u>3,433,444</u>	<u>(169,665)</u>

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For The Year Ended June 30, 2005**

	<b>Governmental</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,876,133	20,402,326	22,278,459
Payments to suppliers	(1,720,431)	(20,026,776)	(21,747,207)
<b>Net cash provided by (used in) operating Activities</b>	<b>\$ 155,702</b>	<b>375,550</b>	<b>531,252</b>
<b>Cash Flows From Investing Activities</b>			
Interest received on investment	\$ 1,240	13,439	14,679
Purchase of investments	(1,240)	(4,500,043)	(4,500,043)
<b>Net cash flow provided by (used in) investing activities</b>	<b>\$ 1,240</b>	<b>4,513,482</b>	<b>4,514,722</b>
<b>Net Decrease (Increase) in Cash and Cash Equivalents</b>	<b>\$ 156,942</b>	<b>4,889,032</b>	<b>5,045,974</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>6,770</b>	<b>49,942</b>	<b>56,712</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 163,712</b>	<b>4,938,974</b>	<b>5,102,686</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>			
Operating Income	\$ 143,983	256,113	400,096
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	9,159	190,099	199,258
Increase (decrease) in accounts payable	2,560	(70,662)	(68,102)
<b>Net cash flow provided by (Used In) operating activities</b>	<b>\$ 155,702</b>	<b>375,550</b>	<b>531,252</b>



## ***Fiduciary Funds***

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

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

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

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

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

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

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

CITY OF MERIDEN, CONNECTICUT

PENSION TRUST FUNDS  
 COMBINING STATEMENT OF PLAN NET ASSETS  
 June 30, 2005

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Post Employment Healthcare Plan</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,701,092	1,095,901	1,174,727	
Accounts receivable	131,589	323,799	189,311	
Investments	<u>104,995,733</u>	<u>43,489,160</u>	<u>36,978,772</u>	<u>2,176,031</u>
<b>Total Assets</b>	<b>\$ <u>109,828,414</u></b>	<b><u>44,908,860</u></b>	<b><u>38,342,810</u></b>	<b><u>2,176,031</u></b>
<b>LIABILITIES</b>				
Other liabilities	<u>\$ 15,092</u>	<u>1,658</u>	<u>1,109</u>	<u>79,977</u>
<b>Total Liabilities</b>	<b>\$ <u>15,092</u></b>	<b><u>1,658</u></b>	<b><u>1,109</u></b>	<b><u>79,977</u></b>
<b>PLAN NET ASSETS</b>				
Held in trust for pension benefits and other purposes	<u>\$ 109,813,322</u>	<u>44,907,202</u>	<u>38,341,701</u>	<u>2,096,054</u>

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<u>Firemen's Health Fund</u>	<u>Policemen's Health Fund</u>	<u>Total Pension Trust Funds</u>
104,267	322,730	7,398,717
14,077	36,883	644,699
<u>118,344</u>	<u>359,613</u>	<u>187,690,656</u>
		<u>195,734,072</u>
		<u>97,836</u>
-	-	<u>97,836</u>
<u>118,344</u>	<u>359,613</u>	<u>195,636,236</u>

**PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET ASSETS  
June 30, 2005**

	<u>Scholarship Funds</u>	<u>Police Evidence Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,643	108,617	114,260
Accounts receivable			
Investments			
<b>Total Assets</b>	<u>\$ 5,643</u>	<u>108,617</u>	<u>114,260</u>
<b>LIABILITIES</b>			
Other liabilities	<u>\$ 5,643</u>		<u>5,643</u>
<b>Total Liabilities</b>	<u>\$ 5,643</u>	<u>-</u>	<u>5,643</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>108,617</u>	<u>108,617</u>

AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 June 30, 2005

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	<u>Project RAVE</u>	<u>Senior Trips</u>	<u>Student Activity Fund</u>	<u>Performance Bonds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,459	8,235	295,598	2,553,049	2,866,341
Accounts receivable					
Investments					
<b>Total Assets</b>	<u>\$ 9,459</u>	<u>8,235</u>	<u>295,598</u>	<u>2,553,049</u>	<u>2,866,341</u>
<b>LIABILITIES</b>					
Other liabilities	<u>\$ 9,459</u>	<u>8,235</u>	<u>295,598</u>	<u>2,553,049</u>	<u>2,866,341</u>
<b>Total Liabilities</b>	<u>\$ 9,459</u>	<u>8,235</u>	<u>295,598</u>	<u>2,553,049</u>	<u>2,866,341</u>
<b>NET ASSETS</b>					
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF MERIDEN, CONNECTICUT

PENSION TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
 For The Year Ended June 30, 2005

	<u>Employees Retirement</u>	<u>Firefighters' Pension</u>	<u>Police Pension</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$	3,380,395	1,906,320
Plan members	1,140,124	378,321	347,955
Donations and other			
<b>Total contributions</b>	<u>\$ 1,140,124</u>	<u>3,758,716</u>	<u>2,254,275</u>
Investment earnings:			
Net increase in fair value of investments	\$ 4,625,146	1,944,126	1,697,585
Interest and dividends	3,400,452	1,249,835	1,092,865
	<u>\$ 8,025,598</u>	<u>3,193,961</u>	<u>2,790,450</u>
Less investment expenses	810,223	310,620	271,206
<b>Net investment earnings</b>	<u>\$ 7,215,375</u>	<u>2,883,341</u>	<u>2,519,244</u>
<b>Total additions</b>	<u>\$ 8,355,499</u>	<u>6,642,057</u>	<u>4,773,519</u>
<b>DEDUCTIONS</b>			
Benefits	\$ 4,710,304	3,695,865	3,285,994
Other deductions	323,292	136,730	38,490
<b>Total deductions</b>	<u>\$ 5,033,596</u>	<u>3,832,595</u>	<u>3,324,484</u>
<b>Change in net assets</b>	<u>\$ 3,321,903</u>	<u>2,809,462</u>	<u>1,449,035</u>
<b>Plan Net Assets - beginning</b>	\$ 106,491,419	42,097,740	36,892,666
<b>Adjustment to beginning plan net assets</b>			
<b>Plan Net Assets - beginning, restated</b>	<u>\$ 106,491,419</u>	<u>42,097,740</u>	<u>36,892,666</u>
<b>Plan Net Assets - ending</b>	<u>\$ 109,813,322</u>	<u>44,907,202</u>	<u>38,341,701</u>

**SCHEDULE 11**

<b>Post Employment Healthcare Plan</b>	<b>Firemen's Health Fund</b>	<b>Policemen's Health Fund</b>	<b>Total Pension Trust Funds</b>
570,057	69,593	189,160	6,115,525 1,866,400 -
<u>570,057</u>	<u>69,593</u>	<u>189,160</u>	<u>7,981,925</u>
92,744	631	1,653	8,361,885
68,186	405	1,062	5,812,805
160,930	1,036	2,715	14,174,690
16,247	100	264	1,408,660
144,683	936	2,451	12,766,030
<u>714,740</u>	<u>70,529</u>	<u>191,611</u>	<u>20,747,955</u>
461,055			12,153,218 498,512
<u>461,055</u>	<u>-</u>	<u>-</u>	<u>12,651,730</u>
<u>253,685</u>	<u>70,529</u>	<u>191,611</u>	<u>8,096,225</u>
1,842,369	47,815	168,002	187,540,011
<u>1,842,369</u>	<u>47,815</u>	<u>168,002</u>	<u>187,540,011</u>
<u>2,096,054</u>	<u>118,344</u>	<u>359,613</u>	<u>195,636,236</u>

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**  
**For The Year Ended June 30, 2005**

	<u>Scholarship Funds</u>	<u>Police Evidence Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$		-
Plan Members			-
<b>Total contributions</b>	<u>\$</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	\$		-
Interest and Dividends			-
	<u>\$</u>	<u>-</u>	<u>-</u>
Less Investment Expenses	1,046		1,046
<b>Net investment earnings</b>	<u>\$</u>	<u>-</u>	<u>1,046</u>
<b>Total additions</b>	<u>\$</u>	<u>-</u>	<u>1,046</u>
<b>DEDUCTIONS</b>			
Benefits	\$		-
Other	2,834	5,036	7,870
<b>Total deductions</b>	<u>\$</u>	<u>5,036</u>	<u>7,870</u>
<b>Change in net assets</b>	<u>\$</u>	<u>(5,036)</u>	<u>(6,824)</u>
<b>Net Assets - beginning net assets</b>	\$	10,679	261,592
<b>Adjustments to beginning net assets</b>	<u>(140,508)</u>		<u>(140,508)</u>
<b>Net Assets</b>	<u>\$</u>	<u>10,679</u>	<u>121,084</u>
<b>Net Assets - ending</b>	<u>\$</u>	<u>5,643</u>	<u>114,260</u>



**Other Schedules**

CITY OF MERIDEN, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
 For The Year Ended June 30, 2005

Grand List Year	Uncollected Balance July 1, 2004**	Current Year Levy	Lawful Corrections	Transfers to (Recoveries From) Suspense	Balance to be Collected
1988	\$ -		-		-
1989	40,959		(1,327)	2,118	41,750
1990	52,052		(7,024)	1,728	46,756
1991	58,662		(12,774)	870	46,758
1992	49,781		(11,139)	(98)	38,544
1993	45,504		(905)	1,979	46,578
1994	49,298		(4,266)	3,944	48,976
1995	127,828		(30,991)	3,351	100,188
1996	124,618		(29,520)	3,788	98,886
1997	151,955		(56,428)	5,180	100,707
1998	469,073		(71,061)	(2,948)	395,064
1999	571,966		(75,444)	(2,849)	493,673
2000	748,325		(77,077)	(2,116)	669,132
2001	1,045,261		(324,416)	(1,702)	719,143
2002	2,775,825		(372,792)	(1,491)	2,401,542
Total	\$ 6,311,107	-	(1,075,164)	11,754	5,247,697
2003		91,501,818	(649,114)		90,852,704
2003*		1,469,998	(23,536)		1,446,462
	\$ 6,311,107	92,971,816	(1,747,814)	11,754	97,546,863

\* Supplemental tax levy

\*\* The beginning balance was restated by \$285,239 to accurately state the June 30, 2004 balance

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SCHEDULE 13

Collections				Uncollected Balance June 30, 2005
Taxes	Interest	Lien Fees	Total	
			-	
1,970	5,230	24	7,224	39,780
4,242	7,568	24	11,834	42,514
4,561	9,420	24	14,005	42,197
10,133	19,702	48	29,883	28,411
10,049	18,614	72	28,735	36,529
11,776	19,675	72	31,523	37,200
26,957	40,458	144	67,559	73,231
19,972	25,767	120	45,859	78,914
26,978	27,794	192	54,964	73,729
39,287	34,869	317	74,473	355,777
67,988	49,444	576	118,008	425,685
114,621	65,769	9,857	190,247	554,511
389,829	139,015	9,366	538,210	329,314
<u>1,670,967</u>	<u>298,114</u>	<u>15,301</u>	<u>1,984,382</u>	<u>730,575</u>
2,399,330	761,439	36,137	3,196,906	2,848,367
88,339,544	429,803	2,536	88,771,883	2,513,160
<u>1,227,658</u>	<u>15,807</u>		<u>1,243,465</u>	<u>218,804</u>
<u>91,966,532</u>	<u>1,207,049</u>	<u>38,673</u>	<u>93,212,254</u>	<u>5,580,331</u>

CITY OF MERIDEN, CONNECTICUT

SEWER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For The Year Ended June 30, 2005

Fiscal Year	Uncollected Balance July 1, 2004	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1990	\$ 631			631	-
1991	2,174			1,279	895
1992	5,646			2,792	2,854
1993	4,385			674	3,711
1994	4,936			1,096	3,840
1995	3,248		45	45	3,248
1996	5,793		33	1,539	4,287
1997	7,049			3,614	3,435
1998	12,108			7,884	4,224
1999	14,878		492	1,999	13,371
2000	23,810		352	777	23,385
2001	9,506		341	1,240	8,607
2002	21,621		32	369	21,284
2003	41,690		9,387	70	51,007
2004	973,133		2,072	248	974,957
<b>Prior Years Total \$</b>	<b>1,130,608</b>	<b>-</b>	<b>12,754</b>	<b>24,257</b>	<b>1,119,105</b>
2005		5,147,691	2,848	73,027	5,077,512
	<b>\$ 1,130,608</b>	<b>5,147,691</b>	<b>15,602</b>	<b>97,284</b>	<b>6,196,617</b>

SCHEDULE 14

Water Use Charges	Collections			Uncollected Balance June 30, 2005
	Interest	Liens	Total	
			-	895
484	1,100	48	1,632	2,370
389	844	48	1,281	3,322
332	661	48	1,041	3,508
1,013	1,739	96	2,848	2,235
791	1,272	96	2,159	3,496
980	1,580	120	2,680	2,455
168	131	96	395	4,056
200	219	144	563	13,171
1,502	856	337	2,695	21,883
2,680	1,773	596	5,049	5,927
11,169	4,894	1,449	17,512	10,115
34,089	9,521	4,784	48,394	16,918
907,083	59,604	42,911	1,009,598	67,874
960,880	84,194	50,773	1,095,847	158,225
4,123,032	29,332	13,082	4,165,446	954,480
5,083,912	113,526	63,855	5,261,293	1,112,705

CITY OF MERIDEN, CONNECTICUT

WATER AUTHORITY  
 SCHEDULE OF COLLECTIONS OF USE CHARGES  
 For The Year Ended June 30, 2005

Fiscal Year	Uncollected Balance July 1, 2004	Current Year Charges	Corrections		Balance to be Collected
			Additions	Deletions	
1990	\$ 1,099				1,099
1991	3,317			1,624	1,693
1992	6,781			3,881	2,900
1993	7,275			1,134	6,141
1994	7,878			1,540	6,338
1995	5,756		63	63	5,756
1996	7,356		358	490	7,224
1997	11,782			5,507	6,275
1998	19,941			11,651	8,290
1999	23,123		1,010	3,484	20,649
2000	36,457		808	1,417	35,848
2001	14,707		793	2,077	13,423
2002	30,193		348	848	29,693
2003	64,315		667	380	64,602
2004	1,030,635		3,073	604	1,033,104
Prior Years Total \$	1,270,615	-	7,120	34,700	1,243,035
2005		5,969,134	893	4,170	5,965,857
	\$ 1,270,615	5,969,134	8,013	38,870	7,208,892

SCHEDULE 15

<b>Collections</b>				<b>Uncollected Balance June 30, 2005</b>
<b>Water Use Charges</b>	<b>Interest</b>	<b>Lien Fees</b>	<b>Total</b>	
			-	1,099
			-	1,693
574	1,328	48	1,950	2,326
695	1,514	48	2,257	5,446
457	909	48	1,414	5,881
1,449	2,386	96	3,931	4,307
1,130	1,811	96	3,037	6,094
1,399	2,718	120	4,237	4,876
233	179	96	508	8,057
274	299	144	717	20,375
1,783	1,016	336	3,135	34,065
2,826	1,389	576	4,791	10,597
14,063	6,291	1,512	21,866	15,630
44,262	12,009	4,620	60,891	20,340
965,154	64,017	40,664	1,069,835	67,950
1,034,299	95,866	48,404	1,178,569	208,736
4,863,896	34,007	12,865	4,910,768	1,101,961
5,898,195	129,873	61,269	6,089,337	1,310,697



**SEWER AUTHORITY SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
	Budget	Final		
<b>OPERATING EXPENDITURES</b>				
Memberships and meeting	\$ 6,000	6,000	3,473	2,527
Overtime	145,514	145,514	109,869	35,645
Labor public works	621,835	621,835	494,891	126,944
Administration:				
MMEA	47,757	47,757	47,763	(6)
CWA	408,379	408,379	407,456	923
Employee benefits	446,530	446,530	317,591	128,939
Hepatitis B shots	5,000	5,000	2,661	2,339
Repairs and maintenance	216,800	216,800	153,002	63,798
Nitrogen credit purchase		41,448	41,448	-
Fiscal division services	500,778	500,778	500,778	-
Pumping station operations	66,000	66,000	4,548	61,452
Sewer expense and supplies	348,750	348,750	231,033	117,717
Insurance	473,241	473,241	448,633	24,608
Claims	10,000	10,000	10,000	10,000
Utilities	594,000	594,000	599,542	(5,542)
Call before you dig	10,000	10,000		10,000
Vehicle maintenance	54,510	54,510	29,575	24,935
Audit fees	8,554	8,554	9,741	(1,187)
Allocation general fund	542,245	542,245	542,245	-
Disposal bio solids	518,550	518,550	518,550	-
<b>Total operating expense</b>	<b>\$ 5,024,443</b>	<b>5,065,891</b>	<b>4,462,799</b>	<b>603,092</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 313,888	313,888	313,888	-
Debt service - interest	60,334	60,334	60,334	-
BANS - Interest	61,451	61,451	64,892	(3,441)
<b>Total nonoperating expenditures and transfers</b>	<b>\$ 435,673</b>	<b>435,673</b>	<b>439,114</b>	<b>(3,441)</b>
<b>Total expenditures</b>	<b>\$ 5,460,116</b>	<b>5,501,564</b>	<b>4,901,913</b>	<b>599,651</b>

**WATER FUND SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Final</b>		
<b>OPERATING EXPENDITURES</b>				
<b>Fiscal Division:</b>				
Overtime	\$ 15,000	15,000	241	14,759
Public works	142,293	142,293	130,576	11,717
MMEA	66,715	66,715	47,934	18,781
Supervisor	62,712	62,712	62,945	(233)
Employee benefits	138,060	138,060	118,189	19,871
Vehicle maintenance	8,060	8,060	6,653	1,407
Attorney fees	24,000	24,000	(28,240)	52,240
Other purchased services	47,810	47,810	45,131	2,679
Hepatitis B shots	400	400		400
Office expenses and supplies	1,100	1,100	922	178
Liability insurance	66,635	66,635	60,884	5,751
Meter materials	15,000	15,000	13,856	1,144
Tax collector services	447,478	447,478	447,478	-
Water meters	21,500	21,500	18,538	2,962
<b>Total fiscal division</b>	<b>\$ 1,056,763</b>	<b>1,056,763</b>	<b>925,107</b>	<b>131,656</b>
<b>Water Division</b>				
Overtime	\$ 162,500	162,500	147,937	14,563
Public works	1,265,749	1,265,749	1,237,995	27,754
MMEA	100,277	100,277	100,649	(372)
Supervisor	225,492	225,492	226,330	(838)
Employee benefits	892,314	892,314	797,670	94,644
Taxes to other towns	87,714	87,714	40,295	47,419
Public utilities	633,596	633,596	667,597	(34,001)
Repairs and maintenance	10,000	10,000	9,867	133
Vehicle maintenance	146,676	146,676	94,595	52,081
Audit and attorney	10,554	10,554	9,741	813
Water purchased	101,400	101,400	94,320	7,080
Call before you dig	25,000	25,000	-	25,000
Fiscal division services	556,069	556,069	556,069	-
Assessment general fund	529,122	529,122	529,122	-
Office expense and supplies	55,091	55,091	50,015	5,076
Hepatitis B shots	2,000	2,000		2,000
<b>Maintenance:</b>				
Mains and accessories	25,000	25,000	12,642	12,358
Reservoirs	30,000	30,000	14,534	15,466
Pump stations	35,000	35,000	33,146	1,854
Service-materials	5,000	5,000	(11,961)	16,961
Treatment expense	414,250	414,250	403,043	11,207
Capital outlays	55,000	240,868	230,143	10,725
Water equipment	12,700	12,700	9,432	3,268
Hydrants-materials	5,000	5,000	3,959	1,041
Memberships and meetings	8,000	8,000	7,673	327
Insurance	353,982	353,982	315,545	38,437

(Continued)

**WATER FUND SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**  
**For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Budget</u>	<u>Final</u>		
<b>Water Division, continued</b>				
New mains and accessories	1	1	-	1
Repair trenches	16,000	16,000	15,059	941
<b>Total water division</b>	<b>\$ 5,763,487</b>	<b>5,949,355</b>	<b>5,595,417</b>	<b>353,938</b>
<b>Total operating expenses</b>	<b>\$ 6,820,250</b>	<b>7,006,118</b>	<b>6,520,524</b>	<b>485,594</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 820,540	820,540	820,540	-
Debt service - interest	130,197	130,197	130,197	-
BANS - Interest	61,405	61,405	65,851	(4,446)
<b>Total nonoperating expenses</b>	<b>\$ 1,012,142</b>	<b>1,012,142</b>	<b>1,016,588</b>	<b>(4,446)</b>
<b>Total expenditures</b>	<b>\$ 7,832,392</b>	<b>8,018,260</b>	<b>7,537,112</b>	<b>481,148</b>

**GEORGE HUNTER MEMORIAL GOLF COURSE SCHEDULE OF EXPENDITURES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Budget	Final		
<b>OPERATING EXPENDITURES</b>				
Liabilities and general insurance	\$ 94,105	94,105	84,163	9,942
Miscellaneous part-time	111,769	111,769	104,688	7,081
Overtime	12,660	12,660	12,391	269
Public works	125,163	125,163	121,120	4,043
Supervisor	64,085	64,085	66,232	(2,147)
Employee benefits	79,162	79,162	70,308	8,854
Golf expense and supplies	236,996	236,996	207,212	29,784
Golf pro	10,000	10,000	10,000	-
Capital equipment	47,430	47,430	40,713	6,717
Memberships and meeting	3,735	3,735	2,423	1,312
Clubhouse expense	34,680	34,680	28,353	6,327
<b>Total operating expense</b>	<b>\$ 819,785</b>	<b>819,785</b>	<b>747,603</b>	<b>72,182</b>
<b>NONOPERATING EXPENDITURES</b>				
Debt service - principal	\$ 13,917	13,917	13,917	-
Debt service - interest	6,043	6,043	6,043	-
<b>Total nonoperating expenditure</b>	<b>\$ 19,960</b>	<b>19,960</b>	<b>19,960</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 839,745</b>	<b>839,745</b>	<b>767,563</b>	<b>72,182</b>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
Year Ended June 30, 2005

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	<u>General Purpose</u>
<b>Debt Limitation:</b>	
2 1/4 Times Base	\$ 208,376,154
4 1/2 Times Base	
3 3/4 Times Base	
3 1/4 Times Base	
3 Times Base	
7 Times Base	
	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 208,376,154</b>
<b>Indebtedness:</b>	
Bonds payable	\$ 63,394,764
Clean water debt	
Bonds authorized and unissued	<u>30,821,212</u>
	<hr/>
<b>Total Indebtedness</b>	<b>\$ 94,215,976</b>
<b>Less: School Construction Grants Receivable</b>	<hr/>
	<hr/>
<b>Total Indebtedness of the City</b>	<b>\$ 94,215,976</b>
	<hr/>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ <u>114,160,178</u></b>

SCHEDULE 19

Total Tax Collections (Including Interest and Lien Fees)  
For The Year Ended June 30, 2005 \$ 92,591,833

Reimbursement For Revenue Loss On:  
Elderly Tax Relief 19,791

**Base** \$ 92,611,624

<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
416,752,308	347,293,590	300,987,778	277,834,872	<u>648,281,368</u>
<u>416,752,308</u>	<u>347,293,590</u>	<u>300,987,778</u>	<u>277,834,872</u>	<u>648,281,368</u>
20,830,380	12,589,855	6,130,000		102,944,999
	1,343,298			1,343,298
<u>67,611,436</u>	<u>38,599,000</u>			<u>137,031,648</u>
88,441,816	52,532,153	6,130,000		241,319,945
<u>(3,011,813)</u>				<u>(3,011,813)</u>
<u>85,430,003</u>	<u>52,532,153</u>	<u>6,130,000</u>	-	<u>238,308,132</u>
<u>331,322,305</u>	<u>294,761,437</u>	<u>294,857,778</u>	<u>277,834,872</u>	<u>409,973,236</u>

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**GENERAL FUND REVENUES AND TRANSFERS BY SOURCE**  
**Last Ten Fiscal Years (GAAP Basis)**  
**(Thousands)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Intergovernment</b>	<b>Other</b>	<b>Total</b>
1995 - 1996	66,821	44,952	5,791	117,564
1996 - 1997	63,673	47,542	4,927	116,142
1997 - 1998	64,507	48,473	4,501	117,481
1998 - 1999	64,949	51,028	5,191	121,168
1999 - 2000	67,005	54,205	6,691	127,901
2000 - 2001	77,363	58,055	5,827	141,245
2001 - 2002	79,388	58,856	10,444	148,688
2002 - 2003	84,906	57,538	9,669	152,113
2003 - 2004	88,259	59,810	12,269	160,338
2004 - 2005	91,365	59,251	17,023	167,639



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**GENERAL FUND EXPENDITURES AND TRANSFERS OUT BY FUNCTION**  
**Last Ten Fiscal Years**  
**(Thousands)**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Education</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Total</u>
1995 - 1996	\$ 27,682	51,292	11,562	5,687	3,877	14,383	114,483
1996 - 1997	28,252	54,377	12,071	5,211	3,326	13,120	116,357
1997 - 1998	28,728	55,807	12,534	5,102	2,483	15,192	119,846
1998 - 1999	31,389	58,730	13,088	5,142	2,431	17,073	127,853
1999 - 2000	27,025	62,026	13,962	4,852	2,486	14,890	125,241
2000 - 2001	33,761	64,468	14,741	5,352	2,510	17,316	138,148
2001 - 2002	34,174	69,584	15,265	4,956	2,621	14,800	141,400
2002 - 2003	35,533	73,736	16,148	5,401	2,723	14,174	147,715
2003 - 2004	37,333	75,327	16,944	5,392	4,923	17,400	157,319
2004 - 2005	40,619	78,349	17,441	5,902	2,841	15,866	161,018

CITY OF MERIDEN, CONNECTICUT

SUMMARY OF REVENUES, EXPENDITURES, TRANSFERS AND  
CHANGES IN FUND BALANCE (DEFICIT) - GENERAL FUND  
Last Ten Fiscal Years

	<u>1995 - 1996</u>	<u>1996 - 1997</u>	<u>1997 - 1998</u>	<u>1998 - 1999</u>
<b>REVENUES AND TRANSFERS:</b>				
Property Taxes	\$ 66,821,102	63,672,601	64,506,758	64,948,840
Intergovernmental	44,952,222	47,541,527	48,473,245	51,028,144
Other revenues and transfers	5,845,446	4,928,164	4,500,168	5,191,437
<b>Total Revenues and Transfers</b>	<b>\$ 117,618,770</b>	<b>116,142,292</b>	<b>117,480,171</b>	<b>121,168,421</b>
<b>EXPENDITURES AND TRANSFERS:</b>				
General government	\$ 27,681,694	28,252,398	28,728,008	31,389,384
Education	51,291,852	54,377,310	55,807,188	58,729,805
Public safety	11,561,924	12,070,649	12,534,128	13,088,297
Public works	5,687,321	5,210,701	5,101,786	5,142,299
Human services	3,877,604	3,326,170	2,482,980	2,431,339
Debt service	14,382,693	13,119,342	15,191,816	17,071,535
<b>Total Expenditures and Transfers</b>	<b>\$ 114,483,088</b>	<b>116,356,570</b>	<b>119,845,906</b>	<b>127,852,659</b>
<b>Change in fund balance (deficit)</b>	<b>\$ 3,135,682</b>	<b>(214,278)</b>	<b>(2,365,735)</b>	<b>(6,684,238)</b>
<b>FUND BALANCE (DEFICIT), beginning</b>	<b>\$ 3,494,813</b>	<b>6,630,495</b>	<b>6,416,217</b>	<b>4,050,482</b>
<b>FUND BALANCE (DEFICIT), ending</b>	<b>\$ 6,630,495</b>	<b>6,416,217</b>	<b>4,050,482</b>	<b>(2,633,756)</b>

\* The General Fund' fund balance was restated as of July 1, 2003 to record earned but unpaid wages that were not previously recorded

\* General Fund - fund balance was restated as of July 1, 2003 to record earned but unpaid wages that were not previously recorded.

TABLE 3

<u>1999 - 2000</u>	<u>2000 - 2001</u>	<u>2001 - 2002</u>	<u>2002 - 2003</u>	<u>2003 - 2004</u>	<u>2004 - 2005</u>
67,004,837	77,363,055	79,387,699	84,906,039	88,259,403	91,365,055
54,204,986	58,055,306	58,856,398	57,538,170	59,809,983	59,251,401
7,059,676	5,827,509	5,523,385	9,913,880	12,268,819	17,023,928
<u>128,269,499</u>	<u>141,245,870</u>	<u>143,767,482</u>	<u>152,358,089</u>	<u>160,338,205</u>	<u>167,640,384</u>
27,392,317	33,536,892	34,855,210	35,533,421	37,333,093	40,618,634
62,026,715	64,467,649	69,583,833	73,736,502	75,326,596	78,349,396
13,961,527	14,741,369	15,265,107	16,147,749	16,943,650	17,440,527
4,852,324	5,351,824	4,956,248	5,401,140	5,392,356	5,902,541
2,485,720	2,510,468	2,621,178	2,722,687	4,923,236	2,840,481
14,890,455	17,315,907	14,799,855	14,173,605	17,400,188	15,866,876
<u>125,609,058</u>	<u>137,924,109</u>	<u>142,081,431</u>	<u>147,715,104</u>	<u>157,319,119</u>	<u>161,018,455</u>
2,660,441	3,321,761	1,686,051	4,642,985	3,019,086	6,621,929
(2,633,756)	26,685	3,348,446	5,034,497	497,375*	2,990,223
<u>26,685</u>	<u>3,348,446</u>	<u>5,034,497</u>	<u>9,677,482</u>	<u>3,019,086</u>	<u>9,612,152</u>

**GENERAL FUND BALANCE (DEFICIT) COMPARED TO ANNUAL  
EXPENDITURES/TRANSFERS  
Last Ten Fiscal Years**

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<u>Fiscal Year Ending June 30th</u>	<u>Undesignated Fund Balance (Deficit)</u>	<u>Annual Expenditures and Transfers GAAP Basis</u>	<u>Balance as % of Expenditures and Transfers</u>
1996	2,982,840	114,483,088	2.61%
1997	2,151,423	116,356,570	1.85%
1998	(769,626)	119,845,906	-0.64%
1999	(8,234,766)	127,852,659	-6.44%
2000	(747,022)	125,609,058	-0.59%
2001	1,896,234	137,924,109	1.37%
2002	5,034,497	142,081,431	3.54%
2003	9,677,472	147,950,414	6.54%
2004	3,516,461	157,319,119	2.24%
2005	1,832,923	161,018,455	1.14%

**PROPERTY TAX RATES (MILLS)**  
**Last Ten Fiscal Years**

<b>Tax List</b>	<b>Year</b>	<b>Dist. 1</b>	<b>Dist. 2*</b>	<b>Total</b>
October 1, 1994	1995-96	\$ 35.80	2.50	38.30
October 1, 1995	1996-97	35.80	2.50	38.30
October 1, 1996	1997-98	35.80	2.10	37.90
October 1, 1997	1998-99	35.80	2.10	37.90
October 1, 1998	1999-00	35.80	2.10	37.90
October 1, 1999	2000-01	35.80	2.10	37.90
October 1, 2000	2001-02	40.40	2.10	42.50
October 1, 2001	2002-03	36.00	1.80	37.80
October 1, 2002	2003-04	37.30	1.90	39.20
October 1, 2003	2004-05	39.09	1.90	40.99

\* District 2 required to pay District 1 taxes - differences cover refuse collection.  
 District 1 does not have to pay the additional District 2 taxes.

CITY OF MERIDEN, CONNECTICUT

TAXABLE GRAND LIST (000'S)  
Last Ten Fiscal Years

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<u>Grand List as of Oct.1</u>	<u>Real Residential Property</u>	<u>Commercial &amp; Industrial Real Property</u>	<u>All Land</u>	<u>Personal Property</u>
1994	733,637	252,643	509,104	118,771
1995	731,248	243,892	507,253	197,916
1996	731,637	245,812	507,088	211,215
1997	734,043	249,787	508,521	239,141
1998	737,051	260,885	510,315	279,207
*1999	1,140,721	375,463	12,733	265,384
2000	1,145,722	379,821	12,497	269,011
2001	1,343,075	578,369	9,680	251,675
2002	1,352,595	610,192	10,170	325,436
2003	1,364,649	597,509	10,127	326,604

\* Revaluation Year

**TABLE 6**

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<b>Motor Vehicle</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>
162,649	1,776,804	54,892	1,721,912
183,960	1,864,269	71,151	1,793,118
188,153	1,883,905	79,258	1,804,647
188,702	1,920,194	86,381	1,833,813
199,610	1,987,068	100,557	1,886,511
217,850	2,012,151	95,922	1,916,229
230,707	2,037,758	96,222	1,941,536
237,155	2,419,954	90,129	2,329,825
244,077	2,542,470	211,036	2,331,434
232,927	2,531,816	193,055	2,338,821



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**PROPERTY TAX LEVIES AND COLLECTION - GENERAL FUND**  
**Last Ten Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxable Grand List</b>	<b>District</b>	<b>Tax Rate (in mills)</b>	<b>Total Adjusted Tax Levy Before Lawful Collections<sup>1</sup></b>	<b>% Collected as of June 30 Each Year</b>
<b>1996</b>	1,721,912,000	<b>First Second</b>	35.80 2.50	62,746,772	94.60
<b>1997</b>	1,793,118,310	<b>First Second</b>	35.80 2.50	65,600,945	93.10
<b>1998</b>	1,804,647,490	<b>First Second</b>	35.80 2.10	65,923,290	93.70
<b>1999</b>	1,833,812,830	<b>First Second</b>	35.80 2.10	66,813,524	93.30
<b>2000</b>	1,886,510,860	<b>First Second</b>	35.80 2.10	68,779,625	95.00
<b>2001</b>	1,916,269,649	<b>First Second</b>	35.80 2.10	78,808,547	94.40
<b>2002</b>	1,941,535,686	<b>First Second</b>	40.40 2.10	78,356,632	95.90
<b>2003</b>	2,329,824,832	<b>First Second</b>	36.00 1.80	84,733,897	96.30
<b>2004</b>	2,331,434,357	<b>First Second</b>	37.30 1.90	86,939,798	96.30
<b>2005</b>	2,338,867,898	<b>First Second</b>	39.09 1.09	92,971,816	96.82

<sup>1</sup> The amount collected to the end of each fiscal year represents collections of twelve months. Taxes for the fiscal year are levied on the Grand List of October 1, and are due and payable in four equal installments, July 1, October 1, January 1 and April 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent (effective July 1, 1982 P A 82-141 of the 1982 Connecticut General Assembly). If the installment is not paid by August 1, the tax becomes delinquent and a penalty of 1-1/2% per month (18% per annum) is charged from the due date on the tax.

Note: The City of Meriden is not subject to property taxes of overlapping governments and is not obligated for special assessment debt.

Source: City of Meriden, Tax Collectors Office

## PRINCIPAL TAXPAYERS

TAXPAYER	NATURE OF BUSINESS	ASSESSMENT <sup>1</sup>	PERCENT OF NET TAXABLE GRAND LIST
Meriden Square #3 LLC et al	Shopping Center	\$ 49,320,460	2.11 %
Meriden Square Partnership	Shopping Center	26,318,530	1.13
Connecticut Light & Power	Public Utility	26,924,220	1.15
Radio Frequency System	RF Communications Manufacturer	19,684,120	0.84
Yankee Gas	Public Utility	17,335,740	0.79
Urstadt Biddle Properties, Inc.	Shopping Center	15,105,030	0.65
CUNO, Inc.	Filter Manufacturer	14,578,120	0.62
CSC Outsourcing, Inc.	Telecommunications Data Center	13,142,920	0.56
May Department Stores	Retail Sales	10,415,230	0.45
Carabella Enterprises, Inc.	Real Estate Developer	9,486,030	0.41
		<u>\$ 202,310,400</u>	<u>8.71 %</u>

<sup>1</sup> Based on net taxable grand list for October 1, 2004.

Source: Assessor's Office, City of Meriden

**RATIO OF BONDED DEBT TO ASSESSED VALUE AND NET BONDED  
DEBT PER CAPITA  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Bonded Debt</b>	<b>Net Assessed Value (000's)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
1996	\$ 70,106,579	1,721,912	4.07 %	59,479	1,179
1997	69,790,110	1,793,118	3.89	59,479	1,173
1998	82,199,848	1,804,647	4.55	59,479	1,382
1999	89,406,345	1,833,813	4.88	59,479	1,503
2000	79,324,702	1,886,511	4.20	59,479	1,334
2001	73,150,000	1,916,270	3.82	58,244	1,256
2002	61,350,000	1,941,536	3.16	58,244	1,053
2003	89,970,000	2,329,825	3.86	56,451	1,594
2004	76,455,000	2,331,434	3.28	58,675	1,303
2005	102,945,000	2,338,868	4.40	58,962	1,746

**RATIO OF DEBT SERVICE EXPENDITURES FOR GENERAL  
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES - BUDGET BASIS  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total General Fund Expenditures	Long-Term Debt Service			Ratio of Total Debt Service to Total Expenditures
		Principal	Interest	Total	
1996	\$ 114,483,088	9,532,659	4,850,034	14,382,693	12.56 %
1997	116,356,570	9,039,865	4,079,477	13,119,342	11.28
1998	119,845,906	9,971,482	5,220,334	15,191,816	12.68
1999	127,852,659	12,922,705	4,148,830	17,071,535	13.35
2000	125,609,058	10,874,360	4,016,095	14,890,455	11.85
2001	137,261,101	12,694,500	4,621,407	17,315,907	12.61
2002	142,081,431	10,752,850	4,047,005	14,799,855	10.42
2003	147,715,104	10,378,350	3,795,255	14,173,605	9.60
2004	159,631,660	12,500,047	4,900,141	17,400,188	10.90
2005	160,618,455	12,171,247	2,988,312	15,159,559	9.44

**CHANGES IN NOTE INDEBTEDNESS**  
**For the Year Ended June 30, 2005**

Description	Date of Note	Maturity Date	Interest Rate %	Balance June 30, 2004	Additional Borrowings	Retired During Year	Balance June 30, 2005
State Street Bank & Trust	8/8/2003	8/8/2004	2.00	\$ 33,534,000		33,534,000	
State Street Bank & Trust	8/8/2003	8/8/2004	1.50	1,000,000		1,000,000	
State Street Bank & Trust	8/6/2005	8/6/2005			14,985,000		14,985,000
				<u>\$ 34,534,000</u>	<u>14,985,000</u>	<u>34,534,000</u>	<u>14,985,000</u>

CITY OF MERIDEN, CONNECTICUT

CHANGES IN BOND INDEBTEDNESS  
For the Year Ended June 30, 2005

Description	Date of Issue	Interest Rate %	Original Amount	O/S July 1, 2004	Issued July 1, 2004 - June 30, 2005	Retired 04 - 05
GPIB	10/1/1988	6.75,6.9,7.0	\$ 23,945,000	2,500,000		500,000
GPIB	7/15/1989	5.5,6.0,6.1, 6.2,6.25,6.3, 6.4,6.5,6.8,7.5	12,332,000	1,200,000		200,000
GPIB	1/15/1991	6.4,6.5	23,600,000	350,000		50,000
GPIB	8/1/1996	4.25,4.4,4.6, 4.7,4.8,4.9,6.25	10,502,000	3,416,000		847,000
GPIB	8/1/1996	4.25,4.4,4.6, 4.7,4.8,4.9,6.25	11,523,000	3,459,000		1,153,000
GPIB	2/1/1998	4.1,4.2,4.25 4.3,5.0	11,108,000	3,355,000		840,000
GPIB	2/1/1998	4.1,4.2,4.25 4.3,5.0	12,792,000	5,100,000		1,275,000
GPIB	8/1/1999	4.35,4.45,4.55 4.6,4.65,4.75,4.8	24,050,000	13,370,000		2,670,000
GPIB	8/1/2002	1.427 to 4.62	39,200,000	35,860,000		3,340,000
GPIB	8/1/2002	2.25 to 4.53	600,000	540,000		60,000
GPIB	4/15/2003		9,610,000	7,305,000		2,240,000
GPIB	8/1/2005	3,3.75,4,4.125 4.2,5.0	39,655,000		39,665,000	
			<u>\$ 218,917,000</u>	<u>76,455,000</u>	<u>39,665,000</u>	<u>13,175,000</u>

\* Note: Excludes Clean Water Fund Notes of \$1,343,298

TABLE 12

<u>O/S June 30, 2005</u>	<u>General Fund</u>	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Total*</u>
2,000,000	2,000,000				2,000,000
1,000,000	1,000,000				1,000,000
300,000	300,000				300,000
2,569,000	2,431,000	96,000	42,000		2,569,000
2,306,000	2,306,000				2,306,000
2,515,000	2,290,000	135,000	90,000		2,515,000
3,825,000	3,825,000				3,825,000
10,700,000	8,790,000	1,770,000	190,000		10,700,000
32,520,000	31,565,606	462,620	353,108	138,666	32,520,000
480,000	480,000				480,000
5,065,000	5,065,000				5,065,000
39,665,000	33,433,300	4,824,700	1,407,000		39,665,000
<u>102,945,000</u>	<u>93,485,906</u>	<u>7,288,320</u>	<u>2,082,108</u>	<u>138,666</u>	<u>102,945,000</u>



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## DEMOGRAPHIC DATA

## POPULATION AND DENSITY \*

Year	Population <sup>(1)</sup>	% Change	Density <sup>(2)</sup>
1960	51,850	17.6	2,160
1970	55,959	7.9	2,332
1980	57,118	2.1	2,380
1990	59,479	4.1	2,478
2000	58,244	(2.1)	2,427

(1) 1960-2000, U.S. Department of Commerce, Bureau of Census

(2) Per square mile: 24 square miles

## AGE

Age	CITY OF MERIDEN		STATE OF CONNECTICUT	
	2000	Percent	2000	Percent
Under 5	4,143	7.1	223,344	6.5
5-9	4,338	7.5	244,144	7.2
10-14	4,182	7.2	241,587	7.1
15-19	3,572	6.1	216,627	6.3
20-24	3,470	6.0	187,571	5.5
25-34	8,236	14.1	451,640	13.3
35-44	9,355	16.1	581,049	17.1
45-54	7,880	13.5	480,807	14.1
55-59	2,796	4.8	176,961	5.2
60-64	2,061	3.5	131,652	3.9
65-74	3,867	6.6	231,565	6.8
75-84	3,229	5.6	174,345	5.1
85 & Over	1,115	1.9	64,273	1.9
	<u>58,244</u>	<u>100.0</u>	<u>3,405,565</u>	<u>100.0</u>
Median Age (Years)		<u>36.2</u>		<u>37.4</u>

\* Source: U.S. Department of Commerce, Bureau of Census, 2000

## DEMOGRAPHIC DATA

## INCOME DISTRIBUTION

	City of Meriden		State of Connecticut	
	Households	Percent	Households	Percent
Less Than \$ 10,000	863	5.7 %	33,423	3.8 %
\$ 10,000 - 14,999	525	3.5	23,593	2.7
15,000 - 24,999	1,638	10.9	63,262	7.1
25,000 - 34,999	1,613	10.7	75,413	8.5
35,000 - 49,999	2,344	15.5	120,134	13.6
50,000 - 74,999	3,725	24.7	198,924	22.5
75,000 - 99,999	2,390	15.8	141,981	16.0
100,000 - 149,000	1,558	10.3	132,177	14.9
150,000 - 199,999	239	1.6	42,472	4.8
200,000 or more	192	1.3	54,368	6.1
	<u>15,087</u>	<u>100.0 %</u>	<u>885,747</u>	<u>100.0 %</u>

Source: U.S. Department of Commerce, Bureau of Census, 2000

## INCOME LEVELS

	City of Meriden	State of Connecticut
Per Capita Income, 1999	\$ 20,597	28,766
Per Capita Income, 1989	15,618	20,189
Per Capita Income, 1979	7,496	8,598
Median Family Income, 1999	\$ 52,788	65,521
Median Family Income, 1989	41,910	49,199
Median Family Income, 1979	21,087	23,151
Percent Below Poverty Level 1999	11.0 %	7.9 %

Source: U.S. Department of Commerce, Bureau of Census, 1980, 1990, 2000

## DEMOGRAPHIC DATA

## EMPLOYMENT DATA

Period	City of Meriden		Percentage Unemployed		
	Employed	Unemployed	City of Meriden	New Haven Labor Market	State of Connecticut
May 2005	28,665	1,866	6.1 %	5.4	5.3 %
<u>Annual Average</u>					
2004	29,186	1,812	5.8	4.7	4.7
2003	29,237	2,208	7.0	5.4	5.5
2002	29,503	1,616	5.2	4.1	4.3
2001	28,818	1,245	4.1	3.2	3.3
2000	29,664	950	3.1	2.3	2.3
1999	28,448	1,150	3.9	3.1	3.2
1998	28,575	1,208	4.1	3.3	3.4
1997	28,154	2,018	6.7	5.2	5.1
1996	27,957	2,242	7.4	5.8	5.7
1995	27,633	2,242	7.5	5.5	5.5

MISCELLANEOUS STATISTICS

VALUE OF BUILDING PERMITS						
Fiscal Year Ended	Single	Apartment	Commercial Industrial	Municipal	Other	Total
1995	\$ 2,518,377	90,560	4,617,771		9,370,631	16,597,339
1996	2,626,987		36,532,304	11,530,000	5,514,554	56,203,845
1997	2,729,193		37,340,554	1,227,500	28,323,894	69,621,141
1998	3,095,485	872,100	4,621,152	276,500	19,813,529	28,678,766
1999	3,284,110	980,700	23,809,105	1,949,000	27,547,892	57,570,807
2000	3,975,200		10,922,349	11,169,000	29,397,729	55,464,278
2001	4,883,935		11,083,349		17,746,339	33,713,623
2002	6,324,410	118,000	19,038,089	2,749,000	15,491,913	43,721,412
2003	6,189,449		7,205,786	142,416	17,945,119	31,482,770
2004	7,159,323	133,380	11,175,442	10,338,711	23,273,192	52,080,048
2005						-

BUDGETED FULL-TIME MUNICIPAL PERSONNEL  
2004 - 2005

Function	
General Government	603
Board of Education	1,083
Federally Funded	129
Total Municipal Employees	1,815