Final Official Statement Dated January 31, 2013

New Money Issue: Book-Entry-Only ***RATINGS: Standard & Poor's Corporation "AA-"***
Fitch Ratings "AA-"

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

City of Meriden, Connecticut

$25,480,000

General Obligation Bonds, Issue of 2013

Dated: Date of Delivery ***Due: February 15, 2015-2033, as detailed below:***

The Bonds will bear interest payable August 15, 2013 and semiannually thereafter on February 15 and August 15 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

Year	*Principal*	*Coupon*	*Yield*	*CUSIP*	*Year*	*Principal*	*Coupon*	*Yield*	*CUSIP*
2015	$ 910,000	3.000%	0.550%	589535R54	2025	$ 1,365,000	2.500%	2.500%	589535S79
2016	1,365,000	3.000%	0.700%	589535R62	2026	1,365,000	2.500%	2.600%	589535S87
2017	1,365,000	4.000%	0.850%	589535R70	2027	1,365,000	2.625%	2.680%	589535S95
2018	1,365,000	4.000%	1.100%	589535R88	2028*	1,365,000	3.000%	2.750%	589535T29
2019	1,365,000	3.000%	1.400%	589535R96	2029*	1,365,000	3.000%	2.850%	589535T37
2020	1,365,000	4.000%	1.650%	589535S20	2030*	1,365,000	3.000%	2.950%	589535T45
2021	1,365,000	4.000%	1.900%	589535S38	2031	1,365,000	3.000%	3.030%	589535T52
2022	1,365,000	2.000%	2.080%	589535S46	2032	1,365,000	3.000%	3.080%	589535T60
2023	1,365,000	2.250%	2.280%	589535S53	2033	1,365,000	3.000%	3.130%	589535T78
2024	1,365,000	2.375%	2.400%	589535S61					

** Priced assuming redemption on February 15, 2021, however any such redemption is at the option of the City.*

The Bonds are subject to redemption prior to maturity as herein provided. See "Optional Redemption" herein.

Fidelity Capital Markets

The Bonds will be general obligations of the City of Meriden, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Registrar, Transfer Agent, Paying Agent and Certifying Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about February 15, 2013.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Certain information in this Official Statement has been obtained by the City from other sources. Neither the City, nor the Financial Advisor guaranty the accuracy or completeness of such information, however, and such information is not to be construed as a representation of any of the foregoing.

The independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth in Appendix B, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

The City currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

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Appendix A - Excerpts from the City's 2012 Comprehensive Annual Financial Report
Appendix B - Form of Opinion of Bond Counsel
Appendix C - Form of Continuing Disclosure Agreement
Appendix D - Notice of Sale

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Bond Issue Summary

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Thursday, January 31, 2013, 11:30 A.M. (E.S.T.).
Issuer:	City of Meriden, Connecticut (the "City").
Issue:	$25,480,000 General Obligation Bonds, Issue of 2013 (the “Bonds”).
Dated Date:	February 15, 2013.
Interest Due:	August 15, 2013 and semiannually thereafter on February 15 and August 15, in each year until maturity.
Principal Due:	Serially, February 15, 2015 through 2033, as detailed in this Official Statement.
Purpose and Authority:	The Bonds are being issued to finance various general purpose, school, sewer and water projects as set forth in certain capital budgets of the City authorized by the City Council.
Redemption:	The Bonds are subject to redemption prior to maturity.(see “Optional Redemption” herein)
Security and Remedies:	The Bonds will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated as follows: "AA-" from Standard & Poor's Corporation and "AA-" from Fitch Ratings, respectively.
Bond Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors LLC, of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about February 15, 2013 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Michael Lupkas, Director of Finance/City Treasurer, City of Meriden, 142 East Main Street, Meriden, Connecticut 06450. Telephone (203) 630-4138.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Meriden, Connecticut (the "City"), in connection with the original issuance and sale of $25,480,000 General Obligation Bonds, Issue of 2013 (the “Bonds”) of the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinions) and they make no representation that they have independently verified the same.

The City deems this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

Financial Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as financial advisor to the City with respect to the issuance of the Bonds (the "Financial Advisor"). The information in this Official Statement has been prepared by the City with the help of the Financial Advisor. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rate or rates as set forth on the cover page of this Official Statement, payable on August 15, 2013 and semiannually thereafter on February 15 and August 15 in each year until maturity. Interest will be calculated on the basis of twelve thirty-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of January and July in each year by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the City shall agree.

Optional Redemption

The Bonds maturing on or before February 15, 2021 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2022 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after February 15, 2021 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

Period During Which Redeemed	*Redemption Prices*
February 15, 2021 and thereafter	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds, or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City of Meriden and certain bond resolutions adopted by the City Council of the City.

Use of Bond Proceeds

Proceeds of the Bonds will be used to finance the capital projects listed below:

Project	***Authorized***	***Estimated Grants***	***Debt Previously Issued***	***This Issue***
General Purpose Issue #49…………………	$ 100,000	$ -	$ 72,800	$ 27,200
General Purpose Issue #56…….…………	95,000	-	82,000	13,000
General Purpose Issue #58…….…………	8,561,500	1,918,221	3,186,857	3,456,422
General Purpose Issue #60…….…………	150,000	-	120,358	29,642
General Purpose Issue #61…….…………	300,000	-	250,000	50,000
General Purpose Issue #63…….…………	755,000	-	54,438	700,562
General Purpose Issue #64…….…………	1,645,000	1,124,547	137,890	382,563
General Purpose Issue #65…….…………	25,000	-	15,513	9,487
General Purpose Issue #66…….…………	220,000	-	90,000	130,000
General Purpose Issue #67…….…………	4,737,000	292,510	12,274	4,432,216
General Purpose Issue #68…….…………	216,700,000	166,858,999	432,856	9,596,834
General Purpose Issue #69…….…………	7,866,982	1,286,689	191,929	6,388,364
Various Capital Improvement Projects……	2,325,381	1,851,290	210,381	263,710
Total ……………………. …………....	$ 243,480,863	$ 173,332,256	$ 4,857,296	$ 25,480,000

General Purpose Issue #49:	Economic Development related studies.
General Purpose Issue #56:	Library parking lot drainage and renovation.
General Purpose Issue #58:	Various projects including public works equipment & trucks, highway resurfacing, bike rail trail, demolition of hazardous building, MIS technology upgrade, landfill closure and dam renovation.
General Purpose Issue #60:	Demolition / Acquisition of property.
General Purpose Issue #61:	Citywide drainage.
General Purpose Issue #63:	Baldwin Pond detention and citywide drainage.
General Purpose Issue #64:	Citywide drainage, bridge repairs, and Hubbard Park Playscape.
General Purpose Issue #65:	SMVFD Emergency Station Generator and computer upgrades.
General Purpose Issue #66:	GPS Vehicle Tracking System.
General Purpose Issue #67:	Various projects including city wide sidewalks and street paving, public works equipment and vehicles, roof repairs, demolition, sanitary sewer replacement, police radio system upgrade, updates for parks, and boiler replacement at the Board of Education Administrative Office.
General Purpose Issue #68:	Planning, design, acquisition and construction of renovations and additions to Maloney and Oliver Platt High Schools.
General Purpose Issue #69:	Various projects including city wide sidewalks and road reconstruction, traffic signal modernization, drainage repairs, replacement of fire aerial ladder truck, public works equipment and vehicles, roof replacement, demolition, updates for parks, and boiler replacement at Hanover School.
Various Capital Improvement projects:	Consists of several remaining capital improvement projects from various General Purpose issues. Internal account created by City for bookkeeping purposes.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for the purposes of computing the Federal alternative minimum tax imposed on certain corporations.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut inco me tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates rep resenting their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial

Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the CIty as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Security and Remedies

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.

Availability of Continuing Information

The City of Meriden prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management within six months of the end of its fiscal year.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and timely notice of the occurrence of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving at or prior to the delivery of the Bonds an executed copy of the Continuing Disclosure Agreement.

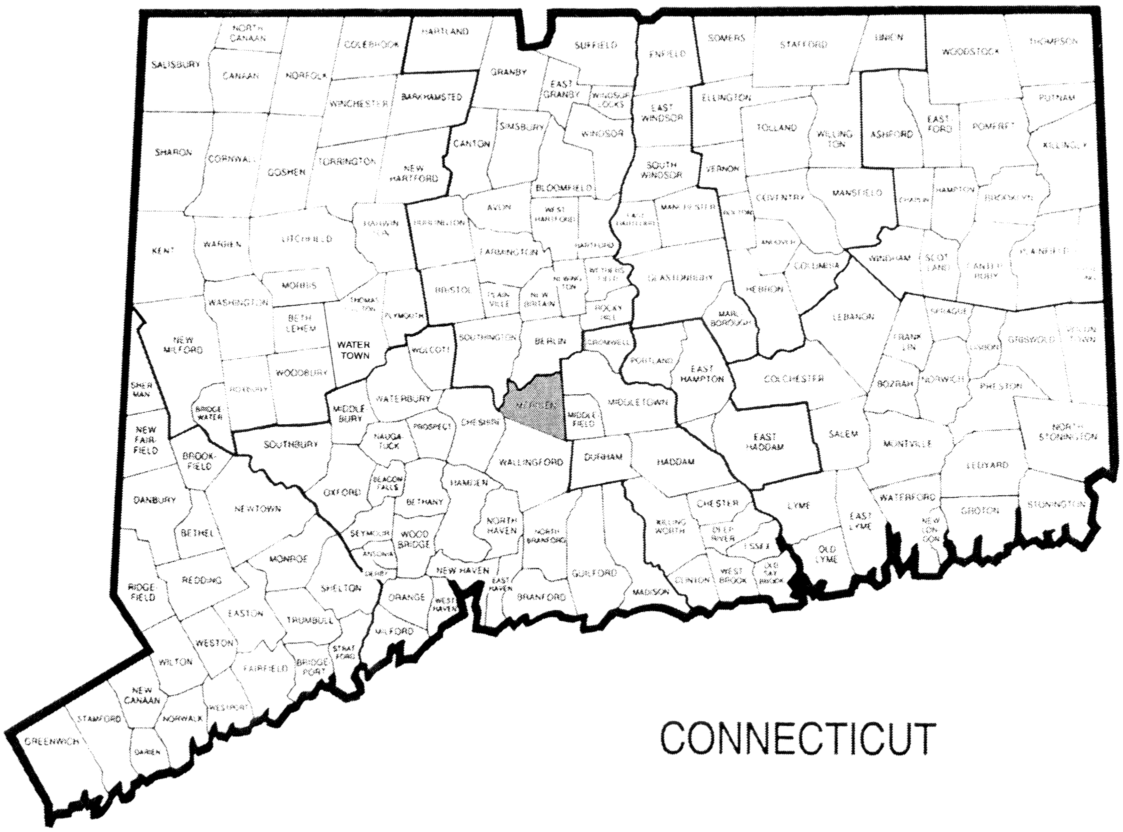
The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date the City has not failed to meet any of its undertakings under such agreements with the exception of its filing of the fiscal year ending June 30, 2008 CAFR in which the City filed the report three days late on March 3, 2009 with the nationally recognized municipal securities information repositories ("NRMSIRs") as a result of the City experiencing a change of personnel in the Finance department along with a change with the City's auditor. The City also failed to file notice of its failure to file such annual financial information on a timely basis with the NRMSIRs. The failure to file such notice has been remedied as of December 13, 2012, and the City has implemented procedures to ensure timely filing of future annual financial information with respect to its continuing disclosure undertakings.

Ratings

The Bonds are rated as follows: "AA-" from Standard & Poor's Corporation and "AA-" from Fitch Ratings, respectively.

The City's current underlying ratings are "AA-" from Standard & Poor's Corporation and "AA-" from Fitch Rating. Certain General Obligation Bonds of the City are rated "A1" by Moody's Investors Service. The City furnished to the Rating Agencies information and materials that they requested. The ratings, if obtained, will reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by any agency, if, in the judgment of such rating agency, circumstances so warrant. The rating agencies should be contacted directly for their ratings on the Bonds and the explanation of such rating. However, the City may issue short-term or other debt for which a rating is not required. The City's Financial Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

II. The Issuer



Description of the Municipality

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 60,868 as of the 2010 census, an increase of 4.4% since 2000. Meriden is located midway between the cities of Hartford and New Haven in New Haven County at the crossroads of Interstate 91, Interstate 691, State Route 15 (Wilbur Cross Parkway) and U.S. Route 5. Interstate 691 connects Interstates 91 and 84.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing to working families, more affluent suburban style developments, modern business facilities, a major mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge-top areas. There is local transit service, Amtrak and interstate buses provide passenger transportation connecting the City to major metropolitan centers. The City is a designated stop on the New Haven – Hartford – Springfield rail line, scheduled to begin service in 2016. 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 City 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 City 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 of Finance is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

Principal City Officials

City Officials	***Name***	***Manner of Selection/Term***	***Years of Service***	***Prior Employment***
Mayor …………………………	Michael S. Rohde	Popularly elected	4.5	Community Health Center/Ronald McDonald House
City Manager ………………….	Lawrence J. Kendzior	Appointed - indefinite	8	Corporation Counsel
Director of Finance/Treasurer …	Michael Lupkas	Appointed - indefinite	4	Director of Finance Bridgeport, CT
Superintendent of Schools …….	Dr. Mark D. Benigni	Appointed - indefinite	2.5	School Principal

Michael S. Rohde, Mayor: Mr. Rohde was sworn in as Mayor on July 21, 2008 and re-elected in November 2009 and again in 2011 for a two-year term. Mr. Rohde holds a Bachelor's Degree in Economics and Psychology from St. John Fisher College in Rochester, N.Y., and a Master's Degree in Human Services Administration from Antioch University in Keene, New Hampshire. Since 2009, Mr. Rohde has worked for the Community Health Center in the City of Meriden. Mr. Rohde was elected to the City Council in 1989 and served on the Council until his election as Mayor. He currently serves on the Board of Directors of the Connecticut Conference of Municipalities.

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

Michael Lupkas, Finance Director: Michael Lupkas, CPFO, has served for approximately four and one half years as Director of Finance in the City, after serving six years as Director of Finance and 13 years in other finance related positions with the City of Bridgeport. Mr. Lupkas received a bachelor’s degree from the University of Connecticut. He is a member of the National Government Finance Officers Association (“GFOA”) and the Connecticut chapter of the GFOA (GFOA-CT). He currently serves on the Board of Directors for the GFOA-CT. Mr. Lupkas received the designation of Certified Public Finance Official “CPFO” in June 2002.

Dr. Mark D. Benigni, Superintendent of Schools: Dr. Benigni is currently the Superintendent of the Meriden Public Schools, where he has spent the last three years. He has a Bachelor’s Degree in Business Administration, Masters in Education and Doctorate in Educational Leadership. He is a former special education teacher who spent eight years as Assistant Principal at Berlin High School, two years as Principal at Cromwell High School and over six years as Mayor of the City of Meriden. He has taught college classes in special education and curriculum development, as well as doctoral level classes, at Southern Connecticut State University. He has published numerous articles in national journals and Rowman and Littlefield, Education Division published his first book, "Mentoring Matters: A Toolkit for Organizing and Operating Student Advisory Programs".

Summary of Municipal Services

Police: The Meriden Police Department provides full-time police services. The staff consists of 128 authorized personnel, supplemented by 22 civilian positions and 35 school crossing guards. There are also seven Reserve Police Officers. The Meriden Police Department has also expanded the Community Police Division. In addition to regular patrol functions, the Department operates an active neighborhood initiative community policing service and other specialized units.

Fire Department: Fire and Emergency Services are provided by a career Fire Department and one volunteer Fire Department. The career department has 99 sworn fire personnel, two secretaries and one automotive mechanic. Operating out of six fire stations (including one volunteer station) and the Fire Marshal’s Office, the department provides fire suppression, hazardous materials leak and spill control and decontamination response; fire prevention and fire code enforcement; public fire education program; technical rescue services which includes confined space rescue, cold water and ice rescue, low angle and high angle rescue, automobile extrication rescue, industrial accident rescue; Emergency Medical Service First responder services includes mass casualty response, semi-automatic heart defibrillators, and administration of medically controlled drugs for heart attacks and anaphylaxis.

Emergency Communications: The Emergency Communications Center operates a 24/7/365 modern and recently updated public safety communication center with four public safety answering points, staffed by certified dispatch staff.

Traffic: The City is protected by a completely independent fire alarm signal system, Gamewell Signal, maintained by the Traffic Division of the Department of Public Works. There are over 200 boxes including master boxes at various locations throughout the City.

This Division installs and maintains all traffic devices, including traffic signals, warning lights, three (3) closed loop traffic signal systems, and the Master Closed Loop Computer. This Division also installs and maintains all warning signs, regulatory signs, parking signs, schools crossing signs, and pavement markings. In addition, this Division maintains 200 ornamental fixtures and 5 control cabinets in downtown and 40 ornamental street lights and associated control cabinets in South Meriden.

Parks: The Meriden parks system is the largest municipal parks system in New England, it is comprised of 26 public parks and 17 playgrounds, covering a total area of over 3,120 acres. Recreational facilities include a football/soccer stadium with artificial turf, ten tennis courts, 41 ball fields, nine basketball courts, ten picnic grounds (two with fireplaces), one outdoor swimming pool, a bandshell, a skatepark, a waterpark and 18 playscapes. The City of Meriden also owns and operates a 6,604-yard, 18-hole, par-71 golf course with a full-service restaurant. The city parks provide a wealth of recreational opportunities including hiking, playgrounds, concert venues and multi-cultural festivals.

Airport: The Meriden-Markham Airport is a general aviation facility owned by the City of Meriden and supports both light commercial and general aviation markets. The 119 acre airport facility is located on the boundary line between the South Meriden section of the City and the Yalesville section of the neighboring Town of Wallingford. Physical features include a 3,100' x 75' paved and lighted runway and taxiway, four aircraft storage hangars, a maintenance service hangar, and operations building. Instrument approach procedures with runway visual aids provide all-weather operation capability and ASOS, automated surface weather observation/reporting service, are located on the airport. Approximately 80 aircraft are based at the airport in single, multi-engine airplane, and rotorcraft categories. The airport master plan, updated in June 2000, addresses the need for additional aircraft hangars, a new maintenance facility, new operations building, and additional improvements. Airport improvements continue to be implemented through grants from the Federal Aviation Administration and the State of Connecticut Department of Transportation combined with City of Meriden efforts.

The airport is municipally-owned. Services are currently furnished by the city. The city is in the process of preparing a RFP for the operation of the airport. The RFP will select a fixed base operator which will provide a wide range of aviation services including furnishing aviation fuel, oil and lubricants, aircraft repairs and maintenance, flight training, aircraft rentals, air charter services and aircraft sales.

Sewers: Meriden presently has an advanced activated sludge wastewater treatment plant with ammonia removal denitrification and bio-phosphorus removal. There are 220 miles of sanitary sewers and three pumping stations in the collection and transportation system. Approximately 95% of the City's residents are served by this facility. There are 18 employees assigned to the Sewer Division. A complete $46 million plant upgrade including denitrification and bio-phosphorus removal was completed in June 2010. Meriden recently completed a $1.5 million Inflow and Infiltration project to reduce extraneous flows in the collection system. The average daily flow is 10.4 million gallons a day.

Water: Water service is provided to 17,824 customers in the City of Meriden. Water service is metered throughout the City and furnishes approximately 5.78 million gallons a day. The water system is made up of four surface water treatment facilities, two major well complexes, two seasonal wells, eight pumping stations and 12.65 million gallons of storage. Meriden recently completed two water treatment plant lagoon rehabilitation projects. Meriden's largest water treatment facility, Broad Brook WTP, is currently scheduled to be upgraded. The plant is currently in design, with construction planned for 2013. The system also consists of approximately 217 miles of water lines. Meriden has instituted a cleaning and cement lining program to rehabilitate its aging distribution system. Hundreds of feet of 12 and 16 inch water main were cleaned and cement lined in 2011 and 2012.

Municipal Solid Waste Services: The City and Covanta Projects of Wallingford, L.P. (Covanta) entered into a Municipal Solid Waste Disposal Agreement (Agreement), dated December 17, 2008, and amended by the First Amendment To Solid Waste Agreement, pursuant to which it participates with four other central Connecticut municipalities (Cheshire, Hamden, North Haven and Wallingford) in the operation by Covanta of a solid waste and resource recovery facility in Wallingford, Connecticut (the "Facility").

Under the Agreement, the City is required to deliver or cause to be delivered to the System solid waste generated within its boundaries and pay disposal fees for its minimum commitment based on a rolling five year average of the number of tons of acceptable solid waste delivered to the Facility by the City compared to the number of tons delivered by all the participating municipalities, starting with a first contract year minimum of 14,850 tons. The City delivered 32,175 tons in the 2012 fiscal year. The aggregate total of the five participating municipalities was approximately 139,630 for the 2012 fiscal year.

The disposal fee consists of the tip fee and any surcharge for certain change-in-law and facility force majeure costs as due pursuant to the Agreement. No such costs have been imposed to date. The City has pledged its full faith and credit for payment of all amounts to be paid pursuant to the Agreement and to annually appropriate funds or levy taxes to pay it obligation under the Agreement. The City's obligation to pay disposal fees not in dispute pursuant to the Agreement is absolute and unconditional and is not be subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other right which the City may have against Covanta or any other person for any reason whatsoever.

The tip fee is subject to an annual adjustment in the Consumer Price Index as defined in the Agreement, provided that the tip fee shall increase by a minimum of 1.75% per year but no more than 3.5% per year and provided further that the tip fee shall be reset after every five years of the term of the Agreement based on a local market average, as defined in the Agreement, consisting of at least six representative municipal solid waste agreements similar in scope to the Agreement and also provided further that the tip fee shall not be higher than the tip fee that Covanta charge any other municipality for substantially similar services under any contract having an initial term of at least five years. The fees payable under the Agreement may be offset by an electrical revenue share as calculated pursuant to the terms of the Agreement. The tip fee for the initial year of the Agreement was $65. The tip fee for fiscal year 2013 is $67.90 versus $66.21 the prior year.

The Agreement has a term of ten years, with two five year renewal terms at the option of the City. The participating municipalities each have a representative on the Policy Board with which Covanta consults in the operation of the Facility. The participating municipalities have established a solid waste project reserve fund by an interlocal agreement established pursuant to Section 7-339a of the Connecticut General Statutes with an initial balance of $2,000,000, of which the City paid in an initial amount equal to 22.16%. The agreement provides that the fund balance shall be maintained at the initial level either through an add-on to the tip fee or other mechanism as agreed to by the municipalities. The fund reserves may be used to pay anticipated or unanticipated future expenditures for which the municipalities may be liable pursuant to the Agreement.

Waste Collection: Waste collection, within the inner tax district has been contracted to a private hauler since July 1, 1994. Residents in the outer tax district and all commercial/industrial property owners are responsible for securing the services of a private hauler to dispose of their solid waste.

Recycling: The City has entered into an intra-community agreement with fifteen other Connecticut municipalities to establish the Tunxis Recycling Operating Committee ("TROC") for the purposes of meeting the State's recycling mandate. Under the agreement, the City is required to deliver or cause to be delivered to the regional recycling facility, all residential acceptable recyclable materials generated within its boundaries. The City is obligated to pay all tipping costs for the processing of acceptable recycling materials generated within its boundaries and delivered to the facility as well as its proportionate share of TROC's costs on a monthly basis. The tipping fee applicable in any given contract year is calculated by estimating and netting out facility costs and 50% of facility revenue for such contract year. Facility costs include the cost of operation and management of the facility. The City has not pledged its full faith and credit to the payment of "tipping fees" or TROC costs.

Revisions have been made by the TROC Board of Directors to eliminate the tipping fee paid by each community for FY2013 and FY2014. These fees are being paid from retained earnings that have accumulated over the years. The existing contract expires in June 2014.

Economic Development

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

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 City has a comprehensive program to remediate brownfield sites and return them to active reuse. Since 2003, the U.S. Environmental Protection Agency has given the City a total of $2.8 million to help redevelop Brownfield sites in Meriden. Since 2004 the State of Connecticut has provided $6.3 million for the redevelopment of brownfield sites. These grants support the City in creation of more available land for commercial development.

Meriden is in its tenth year of a marketing campaign focusing on business retention and business development. This past year a budget funded trade show exhibiting, promotions, advertising, 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.

Commercial/Industrial Development

The National Group and its affiliate National Default Services relocated its Connecticut corporate headquarters to Meriden in April 2012. Leasing 20,000 plus square feet of office space at 500 South Broad Street, the company brought 120 jobs to the City and is hiring 60 to 100 new people over the next two years. The company has developed software to assist the banking industry in credit and default counseling. It also operates a call center which provides counseling to homeowners involved in foreclosures.

Stormwater USA, a startup software and educational training company, located to 290 Pratt Street in Meriden this past year. It received Enterprise Zone tax abatements as well as financing and grants from the State of Connecticut. This emerging IT company has four employees and will expand to 8 employees by next year. Although small, Stormwater represents the continued interest of startup IT companies in Meriden and the City's ability to leverage incentives to make deals happen.

Q-S Technologies, Inc. currently located at 602 Pomeroy Avenue in Meriden is also expanding into 32,000 plus square feet at 95 Research Parkway. The company makes specialty wire and cable. Currently employing 24 people, the company will hire an additional seven over the next two years. The company will receive CT Enterprise Zone tax abatement incentives. 95 Research Parkway has been vacant for over 3 years. This expansion will keep Q-S Technologies in Meriden.

LaserShip moved its Wallingford freight shipping company to 1020 Research Parkway, a formerly vacant 43,100 square foot Circuit City warehouse, showroom and office. Data Partners LLC purchased the warehouse for $1.3 million in a deal that would allow LaserShip to enter into a long-term lease. LaserShip is located across the US and provides express parcel shipping and business services in the U.S. and 200 countries.

Protein Sciences Corporation is a vaccine development and protein production company that is dedicated to saving lives and improving health through the creation of innovative vaccines and biopharmaceuticals. In 2012, as a sign of strength in a turbulent economy, Protein Sciences opened a new state of the art Product Realization Laboratory on its Meriden, CT based campus. The lab is designed to accommodate the Company's growing Product Realization Group that focuses on providing support for the manufacture of FluBlok®, the Company's lead vaccine for seasonal influenza, and the development of other novel biologics.

Jonal Laboratories Inc., a manufacturer of high tech rubber products for the aerospace industry recently expanded its operation with the lease of an additional 9,000 square feet at 290 Pratt Street.

Downtown and Transit Oriented Development Opportunities

The State of Connecticut is expected to invest $20 million in rail infrastructure in Meriden as a part of the $467 million New Haven-Hartford-Springfield ("NHHS") rail program. Implementation of the important infrastructure programs is expected to foster the development of new mixed-use, walkable, transit- oriented, housing and mixed use commercial development. This Transit Oriented Development ("TOD") area includes all properties within a ½ mile radius from Meriden's future commuter rail stop in the center of the City's downtown. Specific development sites that have been identified include the HUB site, Factory H and 116 Cook Ave, the Mills Block, and infill sites throughout the City Center. Further information on the TOD plan, completed by the firm of Parsons Brinkerhoff, is available at www.meridentod.com.

Hub Site

As a part of the HUB flood control construction project, development pads will be established on approximately 3.4 acres of the HUB site acres comprising 24 percent of the site. The development pads will accommodate a development footprint of 150,000 square feet on the HUB site itself. In addition, City's TOD plan forecast that 140 to 260 new residential units and 53,000 to 97,000 square feet of commercial space will be developed around the HUB and Meriden Transit Center sites due to increased demand for housing and commercial space adjacent to public transit. The City's demographics suggest that up to 20-40% of the residential units will likely be developed as affordable units to support the existing market demand. Development in and around the MTC and HUB sites will have the benefit of being adjacent to an attractive amenity - a public park with gathering places and links to the regional greenway system and commuter rail system.

Factory H/116 Cook Avenue Redevelopment

The City recently acquired the Factory H and 116 Cook Avenue sites which together comprise 10 acres. Former industrial buildings at the Factory H site have been demolished and environmental assessment and cleanup is ongoing. The City's preliminary analysis of the site suggests that Factory H and 116 Cook Avenue together could accommodate 137 units of new housing. These properties are located within the proposed TOD zone and within walking distance to the NHHS rail service.

Meriden Transit Center

Under the NHHS program the Meriden Transit Center is scheduled to undergo significant redevelopment, including the development of a commuter parking area, construction of a pedestrian flyover and the creation of new rail passenger platforms. Under the plan, the existing train station located at 60 State Street would be demolished and replaced with parking and pedestrian areas. The City's TOD Plan envisions the development of a new intermodal transportation center (ITC) on Colony Street that connects to the pedestrian flyover and platforms. The development of a new ITC under a public private partnership could present new private development opportunities within the ITC.

West Main Street/Hanover Road

The City is in the process of developing preliminary traffic engineering plans that would convert West Main Street and Hanover Road from one-way traffic to two-way traffic. The restoration of two way traffic along these key thoroughfares has been identified by the Meriden business community to be a major driver of future economic growth in the downtown corridor. Two-way traffic will allow more motorists to see the downtown commercial opportunities and provides better access to the businesses. It is expected that a percentage of the existing downtown vacancy will be converted to occupied space upon the conversion, resulting in near-term job creation, an increased tax base and further development. This in turn will attract more residents and help fulfill the vision of a vibrant downtown and TOD. The City expects that the implementation of transportation improvements along West Main Street and Hanover Road will enhance the viability of properties along Hanover and South Butler Street including the 8 South Grove /Butler Street lot (existing commercial building located adjacent to City-owned parking lot).

Colony Street

The City is in the process of development preliminary traffic engineering plans that would covert Colony Street into a "complete street" by removing or reducing in size the existing bump outs, reconstructing sidewalks, improving bicycle and pedestrian access and improving the landscaping. Colony Street has significant vacancies. It is expected that a percentage of the vacancy on Colony Street will become occupied due to increased vehicular traffic and access resulting from two way operations along West Main Street and Hanover Street, due to the improvements on Colony Street and due to the increase in pedestrian traffic resulting from the NHHS rail service. The state is exploring the concept of acquiring 24 Colony Street for parking or future public/private development that serves the NHHS ridership.

"Pratt Boulevard"

The City is developing preliminary traffic engineering design plans that will reconstruct Pratt Street from East Main Street to Center Street. Improvements include a raised, planted median to create an aesthetically pleasing boulevard and new way finding signage that will allow Pratt Street to serve as the gateway to the City Center, bringing drivers south from I-691 into downtown and MTC. The City expects that the implementation of transportation improvements along Pratt Street will enhance the viability of properties along Pratt Street including 289 Pratt Street (vacant), and 45, 35, 31, 29 Pratt Street (commercial activity with potential for reuse).

TOD Pilot Project

From 2012-2014, the City will complete pre-development analyses and activities—including completing preliminary traffic engineering design as well as marketing, economic, and financial assessments--aimed at bringing the Meriden TOD project into the construction phase. $850,000 in funds provided by the Connecticut Department of Transportation will be used to complete these activities. The City is the sub recipient of $760,000 in grant funds from a HUD Sustainable Communities grant, for property acquisition in the TOD area.

TOD Zoning

The City is working to develop a new TOD Zoning District Regulation intended to promote and encourage pedestrian friendly, compact, mixed-uses as a part of the new Transit Oriented Development area. Approval is expected in early 2013.

Municipal and Public Facility Development

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

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

New high efficiency boilers were installed at City Hall in 2009 through ARRA funding. Similar high efficiency systems were installed in the Meriden Public Library, funded by a combination of state and local sources. Energy costs in both facilities have been reduced by approximately $75,000 per year. The City also completed an addition to the Library parking lot, repair of its elevator and will complete other interior and exterior Library projects in 2013, all of which projects were partially funded through State Library grant funds. Replacement of oil fired boilers at four city elementary schools over the next three years is currently underway. A new backup power generator, funded by a State of Connecticut Department of Public Utility Control grant, was added to City Hall in 2009. Beginning in 2008, the City replaced its traffic signal lights with LED lighting, resulting in energy cost savings. The City completed installation of a compressed natural gas fueling station, with ARRA funds obtained as a sub-recipient to the Clean Cities coalition. The City has seven CNG powered vehicles in its fleet, purchased with the differential in cost having been funded through State grants. The City is pursuing plans to install a second CNG fueling station for use by private businesses that have expressed an interest in such a facility.

In 2010, the City completed a $46 million comprehensive upgrade to its municipal sewer treatment facility. The facility has expanded capacity, improved water pollution results, reduced nitrogen levels (allowing the City to be a seller of nitrogen credits rather than a purchaser) and reduced electricity usage. The project was funded through grants and low interest loans repaid through user fees. For more information, refer to the section entitled “Clean Water Fund Program” herein. The City will begin work on the Broadbrook water treatment plant in 2013.

The City completed a $3.2 million upgrade to its public safety emergency communication system in 2011, eliminating “dead spots” in radio transmission and allowing the encryption of police communications. The City also purchased a new fire pumper truck, funded 50% through federal Fire Act funds. The City currently is awaiting delivery of a new fire ladder truck, similarly partially funded through the Fire Act grant. The City currently is completing renovations to its emergency communications center, including a new fourth public safety answering point, funded through State grant and City funds.

In addition to its regular road maintenance program, the City completed a major road reconstruction and streetscape project on Curtis Street, a section of historic older homes, in 2009 and in spring 2013 will complete the West Main Street Streetscape Project, reconstructing the roadway and sidewalks with period lighting and other amenities on West Main Street, the main roadway from the City center to the western section of the City. This project was funded by a combination of federal and State funds. The City is awaiting CMAQ funding approval to undertake a traffic signal modernization and upgrade program.

The City has continued work on the Harbor Brook Flood Control Project. In 2012, the City was awarded permits from the State Department of Energy and Environmental Protection, the Army Corps of Engineers and FEMA for the entire Harbor Brook flood control plan. The State of Connecticut is completing work on the Cook Avenue Bridge currently and the City is scheduled to bid and begin work on the Columbus Avenue Bridge in 2013. The City also will be undertaking detention projects at Westfield Road and the HUB site in 2013. The HUB project will take an underutilized City brownfield property in the City Center and transform it into a flood control area that will detain 53 acre feet of water in high storm conditions but allow use of the property as a central park and green space in normal conditions. The park will feature amenities such as a performance amphitheatre, public plazas, a great lawn area, an iconic pedestrian bridge and 150,000 square feet of footprint for economic development purposes. The City has received numerous EPA assessment and clean up grants for the project and currently has $6 million in approved State funding, with the expectation that further State funding will be approved in 2013 to complete the project budget of $13 million. Engineering work has begun on the Amtrak railroad bridge bypass culvert, the Dog’s Misery Swamp mitigation project and the Center Street bridge project. Completion of the Harbor Brook project will reduce the floodplain from 225 to 95 acres and the number of properties and structures in the floodplain from over 300 to 50.

Residential Development

During the last two year period, residential development activity has continued despite the overall national downturn in new housing starts. Some of the major residential developments include:

<u>*Under Construction / Completed:*</u>

- Cobblestone Subdivision:	39 single-family homes, 35 completed;
- Marina Court:	13 single-family homes, seven completed;
- Leonard Street:	38 multi-family units, eight completed;
- Preston Woods:	13 single-family Active Adult homes, seven completed.

Comprehensive Planning and Future Mixed Use Developments

The City recently completed the preparation of a Plan of Conservation & Development (“POCD”). In March 2009, the Planning Commission approved the POCD which was also endorsed by the City Council. The POCD includes specific actions to promote its objectives, including targeted investments, regulatory changes and economic development.

The City’s comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development. A major City proposal in FY2012 was to rezone over 540 residential properties in nine areas of the City from R-2 Two/Three Family Residential to R-1 Single Family Residential. Staff research indicated that the nine areas were primarily composed of single family homes, and revising zoning would help to maintain the neighborhoods. Following a public hearing, the City Council changed the Zoning Map designation for these properties.

The Transit Oriented Development (“TOD”) Plan was the major special study conducted in FY2012, as part of the implementation of the POCD. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a central park that can support flood control. In 2012, a complete revision to downtown zoning to promote Transit Oriented Development was begun by a consultant firm working with the Planning Department and other City staff. The TOD zoning amendment is expected to be considered in 2013.

Beyond the downtown area, the POCD identified four large undeveloped/underdeveloped sites for mid to long term economic development. Efforts to promote development include working with property owners, mixed use Interstate Development District zoning (approved in June, 2010), identification of potential development areas (South Mountain Road, 2011) and exploring development concepts. Flexible and mixed use developments proposals are anticipated.

Community Development Program

The City of Meriden is an entitlement community funded under the Housing and Community Development Act of 1974, as amended in 1977 and 1982. The Community Development Block Grant ("CDBG") Program has awarded over $34 million in entitlement funds to Meriden since its inception in 1976 through this CDBG's 38th Program Year.

Meriden has made a major commitment to preserving its "inner core" or target neighborhoods (those with the highest concentration of low/moderate income residents) and CDBG funds have been the main source of funding in that effort. To date over $18 million in Community Development Block Grants have been expended in those target neighborhoods to rehabilitate and maintain housing.

Community Development funds are being utilized to implement an intense code enforcement effort, our housing inspectors working in conjunction with community police officers throughout the "inner-core" neighborhoods identify incipient issues and code violations on an on-going basis. In addition monthly "code" walks are held with the City Manager, City Planning, the Health Department and Community Development to inspect those houses with violations that have been remedied, those that still require work and to identify new or additional areas of concern. The City has had good success with this targeted approach, owners and landlords have been responsive to addressing code violations. We find that this prevents deteriorating conditions in our neighborhoods as we catch violations early and remedy them before they affect the health and safety of residents.

The City to further its efforts to address conditions in our targeted neighborhoods also sought and received the Neighborhood Stabilization Program Funds (NSP-I). Through NSP-I the City purchased seven foreclosed properties, rehabilitated them and then sold them to qualified low and moderate income homebuyers. The seven properties, containing twelve units of housing, are now a welcome addition to our targeted neighborhoods. We have received another round of NSP funding, NSP-III, and anticipate rehabilitating and selling two to three additional foreclosed properties with this additional funding.

The City's focused efforts to maintain its neighborhoods and to encourage reinvestment in their "inner core" areas is also supplemented with the Neighborhood Preservation Program (NPP) a loan program which encourages owner/occupant investment. Currently, there is a waiting list of 75 properties which we are addressing on a first come-first served basis. In addition to these activities, CDBG funds are also used to replace sidewalks in our targeted neighborhoods and to fund 16 public service programs which provide a wide range of services to our low/moderate income residents ranging from job training, child crisis intervention and domestic violence to literacy and home and hospice care.

The Meriden Housing Authority recently completed the total reconstruction of its 124-unit Chamberlain Heights housing development, at a cost of approximately $13 million.

Employee Relations and Collective Bargaining

Municipal Employees [1]

Fiscal Year Ended June 30	*2012*	*2011*	*2010*	*2009*	*2008*
General Government (full-time)……..………	509	500	504	509	514
Board of Education and State Projects. [2] ……...	933	935	959	959	1,040
Grant / Other Funded (Incl. Cafeteria) [2] ……..….	173	199	190	190	152
Total…………………………………….……	1,615	1,634	1,653	1,658	1,706

[1] *Includes management and other non-union employees*

[2] *Changes for 2009 and 2012 are due to the classification concerning the American Recovery & Reinvestment Act funding.*

Employee Bargaining Organizations

Employees	*Organization*	*Number of Employees*	*Current Contract Expiration Date*
	General Government		
Nurses (Public Health)………...	AFSC, Unit 8, Connecticut Health Care Assoc. District 119, AFL-CIO	22	06/30/2013
Public Works……………...……	Local 740, AFL-CIO	81	06/30/2015
Fire Department…………..……	IAFF, Local 1148, AFL-CIO	98	06/30/2015
Municipal Employees………..…	Meriden Municipal Employees Local 595 AFSCME, AFL-CIO	116	06/30/2013
Police Department…………..…	AFSCME, Local 1016, Council 15, AFL-CIO	114	06/30/2014
Middle Management………....…	AFSCME Supervisors, Local 3430	48	06/30/2012 [1]
Crossing Guards…………...…...	AFSCME Local 3886	40	06/30/2014
Public Safety Dispatch.…………	AFSCME Dispatchers Local, #1303-405	16	06/30/2013
Total………………………………………………………………………		535	
	Board of Education		
Paraprofessionals………………	Meriden Federation of Paraprofessionals	172	08/31/2013
School Teachers…………..……	Meriden Federation of Teachers	639	08/31/2015
Clerical (Education)……………	Meriden Federation of Educational Secretaries	77	06/30/2013
Custodian (Education)…………	Meriden Federation of Municipal Employees	84	06/30/2013
Cafeteria (Education)…………..	Hotel and Restaurant Employees and Bartenders Union Local 217, AFL-CIO	63	06/30/2013
Education Administrators……...	Meriden Administrator's Association	31	06/30/2016
Education Administrators..……..	Meriden Federation of Non-Certified Supervisors	3	06/30/2013
Community Educators/ Attendance Counselors……...…	Meriden Federation of Community Educators and Attendance Counselors	4	08/31/2013
Total………………………………………………………………………		1,073	

[1] *In negotiation.*

General Statutes sections 7-473c, 7-474 and 10-153d provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of three arbitrators to review the decisions on each of the rejected issues. The panel may accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

School Facilities [1, 3]

School	Grades	Date Occupied	Dates of Additions/ Renovations	Number of Classrooms	Enrollment 10/1/12 [1]	Rated Capacity
John Barry……….........	K-5	1929	1953[2], 1965, 1996	26	479	620
Benjamin Franklin ..……	K-5	1951	1965[2]	26	500	620
Nathan Hale…..……..…	K-5	1956	1965[2], 1990	31	611	670
Hanover……………..….	K-5	1934	1954[2], 1965, 1994	31	566	585
Thomas Hooker…...…..	K-5	1963	2005 (roof)	21	428	500
Casimir Pulaski……...….	K-5	1972	2005 (roof)	31	594	646
Israel Putnam…..……….	Pre K-5	1951	1955[2], 1990	27	563	620
Roger Sherman……...….	Pre K-5	1929	1949, 1990	27	500	620
Lincoln………………....	6-8	2005	--	43	755	750
Washington………….....	6-8	1984	2007 (roof)	46	780	1,020
Maloney………………..	9-12	1959	1969[2]	47	1,219	1,400
Platt……………...……	9-12	1958	1969[2]	48	1,175	1,270
Totals ……………………………………………………….				404	8,170	9,321

[1] *There are also 4 parochial schools located in the City with an enrollment of approximately 447 Meriden students.*

[2] *Original building renovated at the time additions were constructed.*

[3] *The City owns the Thomas Edison Middle School, a state-of-the-art magnet school focusing on science and technology. Students from the City account for 572 students whose tuition of $5,041 is paid to ACES ("Area Cooperative Education Service"). The Magnet School also includes students from the following towns: Meriden, Middletown, Waterbury, Wallingford, Durham, Rockfall, Naugatuck, North Haven, Terryville, Hamden and New Britain. In addition, the Meriden Public Schools send 91 students to the Wintergreen Magnet School in Hamden whose tuition of $3,817 for 47 of the 91 students is paid to ACES. This school is run by ACES.*

Source: Superintendent of Schools, City of Meriden.

School Enrollment

As of 10/01	Grades Pre K - 5	Grades 6 - 8	Grades 9-12	Total
		Historical		
2003	4,807	1,698	2,392	8,897
2004	4,778	1,670	2,498	8,946
2005	4,686	1,608	2,589	8,883
2006	4,645	1,644	2,576	8,865
2007	4,634	1,645	2,538	8,817
2008	4,370	2,223	2,399	8,992
2009	4,300	2,189	2,261	8,750
2010	4,416	2,171	2,364	8,951
2011	4,407	2,120	2,382	8,909
2012	4,307	2,115	2,394	8,816
		Projected		
2013	4,375	2,129	2,331	8,835
2014	4,404	2,097	2,312	8,813
2015	4,373	2,074	2,283	8,730
2016	4,328	2,065	2,257	8,650
2017	4,338	2,064	2,250	8,652
2018	4,264	2,149	2,226	8,639

Source: Superintendent's Office

III. Economic and Demographic Information

Population and Density

	City of Meriden			New Haven County		State of Connecticut	
Year	Actual Population [1]	% Increase/ (Decrease)	Density [2]	Population	% Increase/ (Decrease)	Population	% Increase/ (Decrease)
1960	51,850	17.6%	2,160	660,315	21.0%	2,535,234	26.3%
1970	55,959	7.9	2,332	744,948	12.8	3,032,217	19.6
1980	57,118	2.1	2,380	761,337	2.2	3,107,576	2.5
1990	59,479	4.1	2,478	804,219	5.6	3,287,116	5.8
2000	58,244	(2.1)	2,427	824,008	2.5	3,405,565	3.6
2010	60,868	4.5	2,536	862,053	4.6	3,576,245	5.0

[1] *U.S. Department of Commerce, Bureau of Census.*

[2] *Per square mile: 24 square miles.*

Age Distribution of the Population

	City of Meriden		New Haven County		State of Connecticut	
	2010	Percent	2010	Percent	2010	Percent
Under 5…………………	3,829	6.3%	48,227	5.6%	200,070	5.6%
5 – 9……………………	3,586	7.5	49,088	5.7	221,506	6.2
10 – 14…………………..	4,255	7.2	58,561	6.8	239,369	6.7
15 – 19…………………..	4,498	6.1	62,006	7.2	253,660	7.1
20 – 24…………………..	4,376	6.0	59,422	6.9	225,078	6.3
25 – 34…………………..	7,841	14.1	107,649	12.5	421,575	11.8
35 – 44…………………..	8,449	16.1	113,677	13.2	485,883	13.6
45 – 54…………………..	8,874	13.5	132,624	15.4	571,628	16.0
55 – 59…………………..	4,133	4.8	55,977	6.5	239,369	6.7
60 – 64…………………..	2,614	3.5	49,949	5.8	207,215	5.8
65 – 74…………………..	4,133	6.6	61,145	7.1	257,232	7.2
75 – 84…………………..	2,674	5.6	40,476	4.7	167,916	4.7
85 years and over………	1,520	1.9	23,252	2.7	85,744	2.4
Total……………………	60,782	100%	862,053	100%	3,576,245	100%
Median Age (years)…….	36.2		37.0		37.4	

Source: U.S. Department of Commerce, Bureau of Census, 2010

Income Distribution

	City of Meriden		New Haven County		State of Connecticut	
	Households	Percent	Households	Percent	Households	Percent
Less than $10,000……….	1,638	7.1%	22,565	6.8%	77,277	5.7%
$10,000 to 14,999………..	1,230	5.3	16,068	4.9	56,969	4.2
$15,000 to 24,999………..	2,610	11.3	31,653	9.6	114,773	8.4
$25,000 to 34,999………..	3,132	13.6	29,749	9.0	108,338	8.0
$35,000 to 49,999………..	3,062	13.3	38,661	11.7	156,771	11.5
$50,000 to 74,999………..	4,533	19.6	56,922	17.3	228,341	16.8
$75,000 to 99,999………..	2,525	10.9	42,267	12.8	180,573	13.3
$100,000 to 149,999……..	2,913	12.6	51,130	15.5	222,896	16.4
$150 ,000 to 199,999……..	1,047	4.5	21,810	6.6	99,977	7.4
$200,000 or more………..	380	1.6	18,866	5.7	113,489	8.3
Total……………………	23,070	100%	329,691	100%	1,359,404	100%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Income Levels

	City of Meriden	State of Connecticut
Per Capita Income, 2010………………….	$24,814	$36,613
Per Capita Income, 1999………………….	20,597	28,766
Per Capita Income, 1989………………….	15,618	20,189
Median Family Income, 2010…………….	$56,092	$84,558
Median Family Income, 1999…………….	52,788	65,521
Median Family Income, 1989…………….	41,910	49,199
Percent Below Poverty Level 2010……….	14.6%	7.2%

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

Educational Attainment

Population 25 years and over

	City of Meriden		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade………………………	2,774	6.9%	27,443	4.7%	111,846	4.6%
9th to 12th grade, no diploma ……………	4,904	12.21	43,208	7.40	162,906	6.69
High school graduate…………………….	13,586	33.83	179,839	30.80	680,801	27.97
Some college, no degree………………….	8,160	20.32	104,517	17.90	430,363	17.68
Associate's degree………………………	2,854	7.11	40,289	6.90	177,495	7.29
Bachelor's degree………………………	4,703	11.71	102,765	17.60	491,149	20.18
Graduate or professional degree…………	3,175	7.91	85,832	14.70	379,303	15.58
Total……………………………………	40,156	100.00%	583,893	100.00%	2,433,863	100.00%
Percent high school graduate or higher		80.80%		87.90%		88.70%
Percent bachelor's degree or higher		19.60%		32.40%		35.80%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Major Employers

As of November 2012

Name	Business	Approximate Number of Employees
MidState Medical Center …………………	Hospital	1,293
AT&T Corp………………………………	Telephone Company	653
Hunter's Ambulance and Transportation…	Ambulance/Limousine Services	462
Carabetta Management……………………	Property Management	425
Canberra Industries, Inc…………………..	Radiation Detection	371
CUNO, Inc. ………………………………	Pumping Equipment and Industrial Filters	280
Bob's Store………………………………	Retail Sales	269
Verizon Wireless…………………………	CellularTelephone Company	260
Target Corporation………………………	Retail Sales	233
RFS Cable………………………………	Cable Manufacturer	219
Total……………………………………………………………………		4,465

Source: Finance Department, City of Meriden

Employment by Industry

Sector	City of Meriden Number	City of Meriden Percent	New Haven County Number	New Haven County Percent	State of Connecticut Number	State of Connecticut Percent
Agriculture, forestry, fishing and hunting, and mining….....	69	0.2%	1,444	0.3%	6,539	0.4%
Construction………………………………………………	1,585	5.7	21,467	5.1	101,094	5.8
Manufacturing……………………………………………	4,234	15.1	50,242	12.0	193,152	11.1
Wholesale Trade………………………………………….	905	3.2	10,325	2.5	43,227	2.5
Retail Trade………………………………………………	3,482	12.4	45,049	10.7	189,948	10.9
Transportation and warehousing, and utilities……..………	1,007	3.6	17,300	4.1	66,665	3.8
Information………………………………………………	812	2.9	10,179	2.4	42,113	2.4
Finance, insurance, real estate, and rental and leasing….....	2,042	7.3	27,632	6.6	162,400	9.3
Professional, scientific, management, administrative,						-
and waste management services…………………………	2,616	9.3	38,244	9.1	189,609	10.9
Educational, health and social services……………………	7,151	25.5	131,986	31.5	459,714	26.3
Arts, entertainment, recreation, accommodation and						-
food services……………………………………………	2,193	7.8	31,423	7.5	144,326	8.3
Other services (except public administration)……………..	1,025	3.7	17,299	4.1	80,265	4.6
Public Administration………………………………….	915	3.3	16,667	4.0	67,741	3.9
Total Labor Force, Employed……………………….	28,036	100.0%	419,257	100.0%	1,746,793	100.0%

Source: U.S. Department, Bureau of the Census, 2010

Employment Data
By Place of Residence [1]

Period	City of Meriden Employed	City of Meriden Unemployed	Percentage Unemployed City of Meriden	Percentage Unemployed New Haven Labor Market	Percentage Unemployed State of Connecticut
November 2012……..	29,102	3,196	9.9	8.6	8.3
Annual Average					
2011……….…..…	28,760	3,469	10.8	9.3	8.8
2010……….…..…	29,057	3,584	11.0	9.2	9.0
2009……….…..…	29,053	3,477	10.7	8.3	8.5
2008……….…..…	29,719	2,243	7.0	5.9	5.7
2007……….…..…	29,987	1,757	5.5	4.8	4.6
2006……….…..…	29,827	1,706	5.4	4.5	4.3
2005……….…..…	29,295	1,832	5.9	5.0	4.9
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

[1] *Not seasonally adjusted.*

Source: Department of Labor, State of Connecticut

Age Distribution of Housing

Year Built	City of Meriden Units	City of Meriden Percent	New Haven County Units	New Haven County Percent	State of Connecticut Units	State of Connecticut Percent
2005 or Later…………..…………	681	2.7%	8,946	2.5%	43,798	2.9%
2000 to 2004……………………..…	403	1.6	11,773	3.2	61,616	4.1
1990 to 1999………………..…...…	1187	4.7	25,176	6.9	108,904	7.3
1980 to 1989………………………	3,570	14.2	47,055	13.0	195,577	13.1
1970 to 1979………………………	3,500	13.9	47,982	13.2	201,264	13.5
1960 to 1969…………………..……	2,925	11.6	45,375	12.5	201,661	13.5
1950 to 1959…………………..……	3,984	15.8	53,999	14.9	229,476	15.4
1940 to 1949………………………	1,489	5.9	24,399	6.7	104,220	7.0
1939 or earlier……………………	7,437	29.5	97,594	26.9	342,759	23.0
Total housing units, 2010………	25,176	100.0%	362,299	100.0%	1,489,275	100.0%
Percent Owner Occupied, 2010..…		59.9%		63.1%		66.8%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Housing Inventory

Type	City of Meriden Units	City of Meriden Percent	New Haven County Units	New Haven County Percent	State of Connecticut Units	State of Connecticut Percent
1 unit detached…………….....	12,432	52.1%	185,240	56.0%	827,764	60.9%
1 unit attached………………	1,288	5.4	19,516	5.9	72,039	5.3
2 units………………………..	2,720	11.4	29,440	8.9	104,660	7.7
3 or 4 units…………………..	2,839	11.9	33,079	10.0	114,174	8.4
5 to 9 units………………..…	1,217	5.1	17,201	5.2	69,320	5.1
10 or more units…………….	3,174	13.3	44,325	13.4	159,029	11.7
Mobile home or other type….	191	0.8	1,985	0.6	12,233	0.9
Total Inventory……….	23,861	100.0%	330,785	100.0%	1,359,218	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Meriden Number	City of Meriden Percent	New Haven County Number	New Haven County Percent	State of Connecticut Number	State of Connecticut Percent
Less than $50,000……………………	381	2.7%	3,494	1.7%	17,014	1.8%
$ 50,000 to $ 99,999…………………	343	2.5	6,002	2.9	21,317	2.3
$100,000 to $149,999…………………	1,913	13.8	17,965	8.6	58,439	6.3
$150,000 to $199,999…………………	4,406	31.8	32,500	15.5	129,744	14.0
$200,000 to $299,999…………………	5,134	37.0	68,231	32.5	274,604	29.6
$300,000 to $499,000…………………	1,524	11.0	59,665	28.4	262,712	28.3
$500,000 to $999,999…………………	137	1.0	19,071	9.1	120,493	13.0
$1,000,000 or more……………………	32	0.2	3119	1.5	43,470	4.7
Totals ……………………………	13,870	100.0%	210,047	100.0%	927,793	100.0%
Median Sales Price……………………	$198,800		$265,100		$285,800	

Source: U.S. Department of Commerce, Bureau of Census, 2010

Building Permits

	2011-12 Value	2010-11 Value	2009-10 Value	2008-09 Value	2007-08 Value
Single……………………………………	$ 1,073,410	$ 1,127,516	$ 1,671,355	$ 1,327,570	$ 4,022,559
Apartment……………………………	-	-	-	-	82,670
Commercial/Industrial………………	1,579,800	2,404,157	2,569,894	10,735,838	11,956,444
Municipal…………………………………	3,337,402	160,000	122,988	100,993	2,150,783
Other……………………………………	12,009,068	15,219,864	21,223,787	19,707,655	7,977,737
All Categories (including above)……	$27,961,715	$32,386,470	$32,907,701	$54,207,798	$36,195,339

Source: Building Department, City of Meriden

Land Use Summary

	Total Area		Developed		Undeveloped	
Land Use/Category/Zoning	***Acres***	***Percent***	***Acres***	***Percent***	***Acres***	***Percent***
Residential……………………………	6,759	44.0%	6,689	99.0%	70	1.0%
Commercial/Industrial……………….	2,432	15.8%	1,679	69.0%	753	31.0%
Streets and Utilities………………….	2,120	13.8%	2,120	100.0%	0	0.0%
Open Space Public [1]…………………	1,982	12.9%	-	0.0%	1,982	100.0%
Open Space Private……………………	12	0.1%	-	0.0%	-	0.0%
Tax Exempt [2]......................................	1,591	10.4%	1,591	100.0%	-	0.0%
Other…………………………………	460	3.0%	460	100.0%	-	0.0%
Totals…………………………….	15,356	100.0%	12,539	81.7%	2,805	18.3%

Source: City of Meriden GIS, CAMA database

[1] *CT DEEP*

[2] *Includes schools, churches, government facilities.*

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IV. Tax Base Data

Property Tax

Assessments

The City of Meriden had a general property revaluation effective October 1, 2011. Under Section 12-62 of the Connecticut General Statutes, the City of Meriden must next revalue all real estate in 2016 and every fifth year thereafter. The next revaluation by physical inspection must be made no later than ten years from the preceding physical inspection. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the City on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list of assessments are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Secretary of the Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October first assessment date but before the next July first are subject to a pro rated property tax, which is a supplement to the preceding Grand List. The tax is not due until January first, a year and three months after the grand list date.

Property Tax Collection Procedure

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. All taxes are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due are past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

Comparative Assessed Valuation

Grand List as of 10/1	Residential Real Property (%)	Commercial/ Industrial Real Property (%)	All Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Growth
2011 [1]	57.8	24.2	0.3	9.2	8.5	$ 3,479,006	$ 230,427	$ 3,248,578	-10.7%
2010	62.2	21.8	0.4	8.5	7.1	3,877,407	237,947	3,639,460	0.3%
2009	62.2	21.8	0.4	8.6	7.0	3,865,978	236,110	3,629,868	-0.1%
2008	62.2	21.8	0.4	8.6	7.0	3,864,377	230,017	3,634,360	-0.7%
2007	61.8	21.9	0.4	8.7	7.2	3,879,478	220,274	3,659,204	1.4%
2006 [1]	62.2	22.2	0.3	8.1	7.2	3,830,329	221,915	3,608,414	49.1%
2005	54.5	23.2	0.4	11.5	10.4	2,561,231	140,582	2,420,649	2.0%
2004	54.7	23.4	0.4	11.6	9.9	2,521,867	148,428	2,373,439	1.5%
2003	53.9	23.6	0.4	12.9	9.2	2,531,816	193,055	2,338,821	0.3%
2002	53.2	24.0	0.4	12.8	9.6	2,542,470	211,036	2,331,434	1.0%

[1] *Revaluation.*

Source: City of Meriden, City Assessor's Office

Property Tax Levies and Collections

Grand List as of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	District	Mill Rate	Total Tax Levy	Uncollected: Percent of Annual Levy Collected at End of Fiscal Year [1]	Uncollected: Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Collected as of 6/30/12
2011	2013	$ 3,248,578,415	First	34.70	$ 113,336,732		*IN COLLECTION*	
			Second	2.10				
2010	2012	3,639,460,109	First	29.83	109,965,111	97.37%	2.63%	97.37%
			Second	1.82				
2009	2011	3,630,226,863	First	29.53	108,579,493	97.49%	2.51%	98.91%
			Second	1.90				
2008	2010	3,632,830,081	First	28.85	105,217,635	97.49%	2.51%	99.39%
			Second	1.74				
2007	2009	3,659,204,456	First	27.96	102,298,379	97.24%	2.76%	99.54%
			Second	1.93				
2006	2008	3,608,414,217	First	27.96	101,123,487	97.30%	2.70%	99.71%
			Second	2.31				
2005	2007	2,420,649,275	First	42.20	101,900,365	97.30%	2.70%	99.58%
			Second	2.31				
2004	2006	2,373,437,388	First	40.34	95,254,308	96.30%	3.70%	99.45%
			Second	2.31				
2003	2005	2,338,867,898	First	39.09	90,481,335	97.00%	3.00%	99.61%
			Second	1.90				
2002	2004	2,331,434,357	First	37.30	85,627,280	96.30%	3.70%	99.57%
			Second	1.90				

[1] *Taxes for the fiscal year are paid on the Grand List of October 1 prior to the beginning of the fiscal year, and are due and payable in four quarterly installments (July 1, October 1, January 1, and April 1) for real estate. Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in a single payment on July 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent and subject to interest charges of 1 1/2 per month (18% per annum). Real estate is liened for delinquent taxes within one year after the due date. The amount collected at the end of each fiscal year represents collection of twelve months.*

Source: City of Meriden, Tax Collector's Office

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List [1]
Meriden Square #3 LLC et al…………………	Shopping Center	$ 73,661,600	2.27%
Conn Light & Power…………………………	Public Utility	57,379,910	1.77%
Computer Sciences Corp………………………	Telecommunications Data Center	45,884,850	1.41%
Urstadt Biddle Properties Inc…………………	Shopping Center	23,665,670	0.73%
Yankee Gas………………………...………	Public Utility	21,336,020	0.66%
Radio Freq Systems Inc………………………	RF Communications Manufacturer	17,842,270	0.55%
Carabetta Enterprises Inc………………………	Real Estate Developer	15,121,590	0.47%
Newberry Properties DE LLC………………	Residential Real Estate	12,623,860	0.39%
Denmeri Associates LP………………………	Office Building	10,850,000	0.33%
TC Meriden LLC…………………………..…	Office Building	10,429,523	0.32%
Total …………………………………………………		$ 288,795,293	8.89%

1 *Based on a net taxable grand list October 1, 2011 of $3,248,578,000.*

Source: Assessor's Office, City of Meriden

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V. Financial Information

Fiscal Year

The City's fiscal year begins July 1 and ends June 30.

Basis of Accounting and Accounting Policies

The City's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The City's accounting records are maintained on a modified accrual basis, with revenues recognized as they become both measurable and available and expenditures recognized when incurred. (See Appendix A – "GENERAL PURPOSE FINANCIAL STATEMENTS, Notes to Financial Statements" herein.)

Governmental Fund Types

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. The various funds and account groups are grouped as follows in the financial statements.

Governmental Funds

General Fund – is the general operating fund of the City and operates under a legal budget. It is used to account for all financial transactions except those required to be accounted for in another fund.

Special revenue funds – are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Capital projects funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those accounted for in the enterprise funds.

Proprietary Funds

Enterprise funds – are used to account for operations:

a. that are financed and operated in a manner similar to private business enterprises;
b. where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise funds are its water fund, sewer authority, and golf course.

Internal service funds – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are its medical self-insurance fund and workers' compensation fund.

Fiduciary Funds

Trust and agency funds – are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds consist of expendable, nonexpendable, pension trust funds, and the post employment healthcare fund.

Budgetary Procedures

Budget Calendar

Timeline	***Action***
At least 180 days before fiscal year end	Final date for budget estimates to be submitted by Department Heads to Finance Director and by Finance Director to City Manager.
Not later than 120 days before fiscal year end.....	Final date for City Manager to submit proposed budget to City Council.
Not later than 75 days before fiscal year end.......	Final date for City Council to hold a public hearing on the proposed budget.
Within 20 days of last public hearing	Date by which budget must be adopted by City Council.
Within 5 days of adoption by City Council	Final date Mayor has veto power on a line item basis only. City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
Within 10 days of final adoption	Date by which tax rate must be set by City Council.

For additional information, see Appendix A – "FINANCIAL STATEMENTS, Note #3 – "Budgets and Budgetary Accounting" to the "General Purpose Financial Statements" herein.

Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The City of Meriden is in full compliance with said provisions. For the fiscal year ended June 30, 2012, the financial statements of the City were audited by the firm of Blum Shapiro & Company, P.C. attached hereto as Appendix A.

Pension Plans

The City of Meriden administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees (Employees' Pension Plan, Police Pension Plan and Firefighters' Plan). 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 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. Substantially all full-time employees of the City are eligible to participate.

For the fiscal year ended June 30, 2012, the City's contributions were $1,898,009 (100.4% of the ARC) for the Employees' Plan, $4,028,938 (100.0% of the ARC) for the Police Plan and $2,620,905 (100.0% of the ARC) for the Firefighters' Plan. Net Pension Obligations (Assets) as of June 30, 2012 were as follows: ($305,049) for the Employees' Plan, $12,795,238 for the Police Plan, and $12,545,214 for the Firefighters' Plan.

Schedule of Funding Progress

Employees' Retirement Plan

Actual Valuation Date	*Actuarial Value of Assets (a)*	*Actuarial Accrued Liability (b)*	*Unfunded Actuarial Accrued Liability (UAAL)(c)*	*Funded Ratio (a/b)*	*Covered Payroll (d)*	*UAAL as % of Covered Payroll (c/d)*
7/1/2010	$ 140,652,162	$ 133,912,594	$ (6,739,568)	105.0%	$ 34,128,961	-19.7%
7/1/2008	140,853,728	123,480,133	(17,373,595)	114.1%	31,405,160	-55.3%
7/1/2006	128,680,666	114,597,050	(14,083,616)	112.3%	30,170,844	-46.7%

Police Pension Plan

Actual Valuation Date	*Actuarial Value of Assets (a)*	*Actuarial Accrued Liability (b)*	*Unfunded Actuarial Accrued Liability (UAAL)(c)*	*Funded Ratio (a/b)*	*Covered Payroll (d)*	*UAAL as % of Covered Payroll (c/d)*
7/1/2010	$ 61,620,597	$ 98,013,777	$ 36,393,180	62.9%	$ 5,027,254	723.9%
7/1/2008	60,974,656	89,709,424	28,734,768	68.0%	5,030,979	571.2%
7/1/2006	53,745,820	79,947,211	26,201,391	67.2%	5,940,009	441.1%

Firefighters' Pension Plan

Actual Valuation Date	*Actuarial Value of Assets (a)*	*Actuarial Accrued Liability (b)*	*Unfunded Actuarial Accrued Liability (UAAL)(c)*	*Funded Ratio (a/b)*	*Covered Payroll (d)*	*UAAL as % of Covered Payroll (c/d)*
7/1/2010	$ 51,296,883	$ 74,993,738	$ 23,696,855	68.4%	$ 4,800,571	493.6%
7/1/2008	51,281,856	70,302,239	19,020,383	72.9%	4,696,251	405.0%
7/1/2006	46,026,189	65,036,368	19,010,179	70.8%	4,971,096	382.4%

See Appendix A -- "FINANCIAL STATEMENTS, Note #10 - "EMPLOYEE RETIREMENT PLANS" to "General Purpose Financial Statements" herein.

Other Post Employment Benefits

The Postemployment Healthcare Plan ("PHP") is a single-employer defined benefit healthcare plan administered by the City of Meriden. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. All employees of the City are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

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

The City has an actuarial accrued liability of $104,364,393 with respect to the plan and $5,142,767 in plan assets for an unfunded actuarial liability of $99,221,626. The actuarial assumption includes an 8.0% rate of return and annual health care cost trend at 10.0% initially and reduced by decrements to an ultimate rate of 5.0% after five years.

The City's Annual Required Contribution and Percentage Contributed by fiscal year is presented below.

Fiscal Year Ended	*Annual Required Contribution*	*Percentage Contributed*
6/30/2012	$ 11,081,681	50.7%
6/30/2011	11,043,833	29.6%
6/30/2010	10,871,305	32.9%

See Appendix A -- "FINANCIAL STATEMENTS, Note #11 - "Postemployment Healthcare Plan" to "General Purpose Financial Statements" herein.

Investment Policies and Procedures

The City Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan 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, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The City of Meriden manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

The City's investment policies and investments relative to the City's retirement and deferred compensation funds are available upon request to the Director of Finance.

General Fund - Comparative Balance Sheet

	Actual 2012	*Actual 2011*	*Actual 2010*	*Actual 2009*	*Actual 2008*
Assets:					
Cash and Cash Equivalents……….	$ 12,058,010	$ 19,321,153	$ 16,738,624	$ 21,632,601	$ 16,106,796
Investments………………………...	12,572,390	10,260,759	7,180,930	5,421,001	1,535,297
Receivables (net):					
Property Taxes…………………..	4,960,733	3,530,684	3,260,793	3,333,698	3,240,018
Accounts Receivable……………	699,123	616,899	367,671	391,517	1,274,036
Federal and State Governments….	2,256,783	81,152	5,697	559,372	1,311,447
Inventory…………………………	133,633	133,373	129,670	132,810	136,300
Other Assets………........……….	4,869	3,331	-	-	-
Due from Other Funds………..….	3,873,866	3,316,023	1,470,549	1,363,937 [1]	473,558
Advance to Golf Fund……………	-	-	-	- [1]	938,600
Total Assets…………………………	$ 36,559,407	$ 37,263,374	$ 29,153,934	$ 32,834,936	$ 25,016,052

[1] *Reclassified for proper illustration.*

Liabilities:	*Actual 2012*	*Actual 2011*	*Actual 2010*	*Actual 2009*	*Actual 2008*
Accounts Payable and					
Other Accrued Liabilities…..……….	$ 12,871,307	$ 12,797,573	$ 11,406,163	$ 13,876,888	$ 11,709,834
Due to Other Funds……………………	462,440	190,968	307,740	1,483,003	765,856
Deferred Revenue………………………	5,968,420	6,008,572	3,137,206	3,223,337	3,064,990
Total Liabilities……………………	$ 19,302,167	$ 18,997,113	$ 14,851,109	$ 18,583,228	$ 15,540,680
Municipal Equity:					
Fund Balances: [2]					
Reserved for:					
Encumbrances ………………………			$ 27,098	$ 26,872	$ 219,648
Inventory ……………………………			129,670	132,810	136,300
Long Term Advances ………………			-	- [1]	938,600
Debt Payments ………………………			-	-	275,000
Enabling Legislation…………………			825,001	825,001	3,944,990
Unreserved:					
Unreserved, Undesignated …………			13,321,056	13,267,025 [1]	3,960,834
Nonspendable…………………………	133,633	133,373			
Restricted………………………………	520,001	825,001			
Unassigned……………………………	16,603,606	17,307,887			
Total Municipal Equity…………………	$ 17,257,240	$ 18,266,261	$ 14,302,825	$ 14,251,708	$ 9,475,372
Total Liabilities and Fund Balance ….	$ 36,559,407	$ 37,263,374	$ 29,153,934	$ 32,834,936	$ 25,016,052

[1] *Reclassified for proper illustration.*

[2] *Reclassification following implementation of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions starting with the Fiscal Year Ending June 30, 2011.*

General Fund Revenues and Expenditures

Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And Current Budget (Budgetary Basis)

	Budget 2013 [1]	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Revenues:					
Property Taxes………….……	$ 114,157,111	$ 109,910,284	$ 108,758,729	$ 106,582,511	$ 104,179,020
Intergovernmental……………....	60,734,859	74,930,580 [4]	62,681,718	61,269,332	69,491,660
Charges for services…………..…	4,009,443	3,891,852	4,365,660	3,969,834	4,619,605
Investment Income…………..……	490,000	431,509	319,826	447,077	486,060
Other Revenues…….………….…	3,016,545	2,682,877	6,847,101	2,819,096	9,062,688
Transfers In……………...…...	40,014	434,448	598,460	811,979	714,238
Fund Balance Allocation………..	1,200,000	-	-	-	-
Total Revenues and Transfers In……………..….	$ 183,647,972	$ 192,281,550	$ 183,571,494	$ 175,899,829	$ 188,553,271
Expenditures:					
Current:					
General government…………..	36,761,078	34,351,681	29,921,136	28,071,602	28,564,423
Public safety…………………..	21,923,747	21,208,646	21,323,532	20,323,396	20,082,788
Public works…………………..	6,687,741	7,017,255	6,835,445	6,798,264	7,127,528
Health & Welfare……..………	2,855,697	2,806,114	2,742,645	2,840,372	3,067,450
Cultural & Recreation…..…….	4,108,764	4,020,009	3,934,675	3,845,039	3,877,415
Education [2]…………………..	99,609,841	111,433,666 [5]	101,978,309	99,309,776	106,175,816
Debt Service…………………….	11,144,421	12,196,166	12,596,778	14,398,546	14,201,046
Capital Outlay……………………	556,684	242,034	783,987	417,852	462,980
Transfers Out……………….....	-	15,000	10,000	62,875	217,489
Total Expenditures and Transfers Out…………	$ 183,647,972	$ 193,290,571	$ 180,126,507	$ 176,067,722	$ 183,776,935
Revenues Over Expenditures…	-	(1,009,021)	3,444,987	(167,893)	4,776,336
Other Financing Sources (Uses)					
Refunding Bonds Issued……….	-	-	-	32,769,000	-
Premium on Refunding Bonds….	-	-	-	3,490,123	-
Payment to Refunded Bonds Escrow Agent……………….	-	-	-	(36,040,113)	-
Total Other Financing …………	-	-	-	219,010	-
Operating Results ………………	-	(1,009,021)	3,444,987	51,117	4,776,336
Fund Balance, July 1 ……………	17,257,240	18,266,261	14,821,274 [3]	14,251,708	9,475,372
Fund Balance, June 30 …………	$ 17,257,240	$ 17,257,240	$ 18,266,261	$ 14,302,825	$ 14,251,708

[1] *Adopted Budget.*

[2] *Includes Education Health Insurance.*

[3] *As restated.*

[4] *Increase due to classification of previous Special Revenue Fund (ARRA) funds ($7.7 million) and additional contribution from the state into the teacher retirement fund ($2.5 million). Also included is Federal Emergency Management Agency (FEMA) revenue ($1.4 million).*

[5] *Increase due to classification of previous Special Revenue Fund (ARRA) funds ($7.7 million) and additional contribution from the state into the teacher retirement fund ($2.5 million).*

Analysis of General Fund Equity
(GAAP Basis)

Fund Balances: [3]	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Reserved for:					
Encumbrances…………………			$ 27,098	$ 26,872	$ 219,648
Inventory…..……………………			129,670	132,810	136,300
Enabling Legislation…………			825,001	825,001 [1, 2]	3,944,990
Unreserved Undesignated……….			13,321,056	13,267,025 [1, 2]	3,960,834
Nonspendable……………………	$ 133,633	$ 133,737			
Restricted………………………	520,001	825,001			
Unassigned………………………	16,603,606	17,307,887			
Total Fund Balance………………	$ 17,257,240	$ 18,266,625	$ 14,302,825	$ 14,251,708	$ 9,475,372
Unassigned Fund Balance as % of Total Expenditures……	8.6%	9.6%	7.6%	7.2%	2.2%

[1] *Reclassified for proper illustration.*

[2] *The pending claim that had previously been reserved for has been settled.*

[3] *Reclassification following implementation of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions starting with the Fiscal Year Ending June 30, 2011.*

Source: Comprehensive Annual Financial Reports: City of Meriden.

Intergovernmental Revenues as a Percent of General Fund Revenues

Fiscal Year Ended June 30	Intergovernmental Revenues	General Fund Revenues and Transfers	Percent
2013 [1]	$60,734,859	$183,647,972	33.07%
2012	74,930,580	192,281,550	38.97%
2011	62,681,718	183,571,494	34.15%
2010	61,269,332	175,899,829	34.83%
2009	69,491,660	188,553,271	36.86%

[1] *Adopted Budget.*

Source: Comprehensive Annual Financial Reports; 2009-2012; City of Meriden Budget: 2013.

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Enterprise Funds
Comparative Balance Sheet
As of June 30, 2012

Assets:	***Water***	***Sewer***	***George Hunter Memorial Golf***
Current assets:			
Cash and cash equivalents……	$ 3,611,269	$ 3,666,665	$ 164,393
Investments……	540,670	537,414	-
Accounts Receivable, net……	3,503,929	4,112,770	141
Due from other funds……	4,313,975	2,378,167	21,685
Total Current Assets……	11,969,843	10,695,016	186,219
Noncurrent assets:			
Capital assets (nondepreciable)……	2,295,321	219,256	-
Capital assets (net of accumulated depreciation)……	40,692,512	88,447,157	2,104,876
Total Noncurrent Assets……	42,987,833	88,666,413	2,104,876
Total Assets……	54,957,676	99,361,429	2,291,095
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities……	574,676	380,694	64,765
Accrued Interest……	212,425	41,884	1,654
Due to other funds……	-	-	2,812,336
Current portion of Bonds and Notes payable……	1,255,000	2,170,662	12,000
Current portion of compensated absences……	103,319	52,063	57,034
Total Current Liabilities……	2,145,420	2,645,303	2,947,789
Noncurrent liabilities:			
Compensated Absences……	1,033,191	312,379	114,068
Bonds and notes payable, less current portion……	11,214,000	37,305,953	97,000
Premium on refunding bonds……	470,734	-	-
Deferred amount in refunding……	(329,157)	-	-
OPEB Obligation……	881,561	293,738	45,035
Advance from general fund……	-	-	-
Total Noncurrent Liabilities……	13,270,329	37,912,070	256,103
Total Liabilities……	15,415,749	40,557,373	3,203,892
Net Assets:			
Invested in capital assets (net of related debt)……	30,377,256	49,189,798	1,995,876
Unrestricted……	9,164,671	9,614,258	(2,908,673)
Total Net Assets……	$39,541,927	$58,804,056	$ (912,797)

Water Fund
Historical Comparative Balance Sheet

Assets:	***Actual 2012***	***Actual 2011***	***Actual 2010***	***Actual 2009***	***Actual 2008***
Current Assets:					
Cash and Cash Equivalents………………………..…	$ 3,611,269	$ 3,752,779	$ 3,348,515	$ 4,810,963	$ 2,148,901
Investments…………………………………………	540,670	508,952	519,904	497,174	4,198,556
Receivables (net)……………………………………	3,503,929	3,757,901	3,466,632	3,301,726	3,253,262
Due from other funds………………………………	4,313,975	6,057,154	6,073,919	7,245,307	4,622,432
Total Current Assets……………………………	11,969,843	14,076,786	13,408,970	15,855,170	14,223,151
Noncurrent assets:					
Capital assets (nondepreciable)……..……….……	2,295,321	1,643,229	1,205,631	-	-
Capital assets (net of accumulated depreciation)….	40,692,512	40,863,228	42,511,434	44,484,982	44,601,992
Total Noncurrent Assets…………………………	$42,987,833	$42,506,457	$43,717,065	$44,484,982	$44,601,992
Total Assets…………………………………….	54,957,676	56,583,243	57,126,035	60,340,152	58,825,143
Liabilities and Municipal Equity:					
Liabilities:					
Accounts Payable & Other Accrued Liabilities…...	$ 574,676	$ 364,589	$ 403,649	$ 341,583	$ 429,020
Accrued Interest……………………………………	212,425	211,363	-	-	-
Due to Other Funds…………………………………	-	-	-	-	14,584
Bonds Payable – Current…………………………	1,255,000	1,205,489	1,264,020	1,592,020	1,051,020
Current Portion of Compensated Absences…...…	103,319	90,561	92,478	75,279	81,787
Compensated Absences……………………...…...	1,033,191	981,879	955,604	802,977	659,153
Bonds Payable, less current portion………………	11,214,000	12,469,000	12,533,489	13,930,060	4,809,070
Premium on refunding bonds………………………	470,734	510,514	550,294	-	-
Deferred amount in refunding………………………	(329,157)	(356,973)	(384,789)	-	-
OPEB obligation……………………………………	881,561	-	-	-	-
Temporary Note Payable…………….……………	-	-	-	-	5,928,000
Total Liabilities…………………………………	$15,415,749	$15,476,422	$15,414,745	$16,741,919	$12,972,634
Net Assets:					
Invested in Capital Assets…………………………	30,377,256	34,735,581	35,827,970	36,208,209	32,813,902
Unrestricted…………………………………………	9,164,671	6,371,300	5,883,320	7,390,024	13,038,607
Total Net Assets…………………………………	39,541,927	41,106,881	41,711,290	43,598,233	45,852,509
Total Liabilities and Net Assets Equity………	$54,957,676	$56,583,303	$57,126,035	$60,340,152	$58,825,143

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Sewer Authority
Historic Comparative Balance Sheet

Assets:	***Actual 2012***	***Actual 2011***	***Actual 2010***	***Actual 2009***	***Actual 2008***
Current Assets:					
Cash and Cash Equivalents……………………….	$ 3,666,665	$ 4,963,085	$ 4,474,781	$ 4,955,827	$ 2,105,459
Investments……………………………………….	537,414	508,424	516,779	494,189	765,604
Receivable (net)………………………………….	4,112,770	4,030,147	3,085,460	3,072,822	3,009,870
Due from other funds…………………………….	2,378,167	3,174,837	1,057,029	1,104,136	1,576,614
Other Accounts Receivables…………………….	-	-	-	4,304	2,310
Total Current Assets…………………………….	10,695,016	12,676,493	9,134,049	9,631,278	7,459,857
Noncurrent assets:					
Capital assets (nondepreciable)……..……..……	219,256	2,080,829	43,840,661	-	-
Capital assets (net of accumulated depreciation)..	88,447,157	89,202,892	46,421,576	82,946,062	55,523,637
Total Noncurrent Assets……………………….	88,666,413	91,283,721	90,262,237	82,946,062	55,523,637
Total Assets……………………………………….	$99,361,429	$ 103,960,214	$99,396,286	$92,577,340	$62,983,494
Liabilities:					
Accounts Payable & Other Current Liabilities….	$ 380,694	$ 753,842	$ 492,611	$ 2,309,334	$ 2,475,981
Accrued interest………………………………….	41,884	50,538	-	-	-
Due to Other Funds………………………………	-	-	-	-	2,891
Bonds Payable – Current……………………….	2,170,662	3,263,069	659,987	671,988	625,988
Current Portion of Compensated Absences…....…	52,063	42,833	38,583	30,329	36,012
Compensated Absences……………………...…..	312,379	349,098	270,080	197,138	290,231
Bonds and notes payable, less current portion…..	37,305,953	38,795,858	36,659,172	3,505,567	3,239,555
Premium on refunding bonds……………………	-	-	-	-	-
Deferred amount in refunding……………………	-	-	-	-	-
OPEB obligation………………………………….	293,738	-	-	-	-
Temporary Note Payable……………………..….	-	-	-	-	1,175,000
Total Liabilities…………………………………..	40,557,373	43,255,238	38,120,433	6,714,356	7,845,658
Net Assets:					
Invested in Capital Assets……………………..…	49,189,798	52,399,631	54,000,107	79,872,643	50,483,094
Unrestricted……………………………………….	9,614,258	8,305,345	7,275,746	5,990,341	4,654,742
Total Net Assets…………………………………..	58,804,056	60,704,976	61,275,853	85,862,984	55,137,836
Total Liabilities and Net Assets……………	$99,361,429	$ 103,960,214	$99,396,286	$92,577,340	$62,983,494

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Golf Course
Historic Comparative Balance Sheet

Assets:	***Actual 2012***	***Actual 2011***	***Actual 2010***	***Actual 2009***	***Actual 2008***
Current Assets:					
Cash and Cash Equivalents……………………………	$ 164,393	$ 176,784	$ 17,952	$ 154,153	$ 253,223
Investments…………………………………………	-	-	-	-	-
Charges Receivable, Net……………………………	141	-	-	-	5,900
Due from Other Funds………………………………	21,685	21,685	-	1,684	38,552
Other…………………………………………………	-	-	-	-	-
Total Current Assets………………………………	186,219	198,469	17,952	155,837	297,675
Noncurrent assets:					
Capital assets (nondepreciable)………………………	-	-	174,950	-	-
Capital assets (net of accumulated depreciation)……	2,104,876	2,227,202	2,045,621	886,755	899,503
Total Noncurrent Assets…………………………	2,104,876	2,227,202	2,220,571	886,755	899,503
Total Assets…………………………………………	$2,291,095	$2,425,671	$2,238,523	$1,042,592	$1,197,178
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable and Other Accrued Liabilities…..	$ 64,765	$ 68,743	$ 33,519	$ 58,930	$ 55,899
Accrued interest……………………………………	1,654	1,677	-	-	-
Due to Other Funds…………………………………	2,812,336	2,746,246	2,308,601	913,600[1]	-
Bonds Payable – Current……………………………	12,000	15,667	15,667	14,667	12,667
Current Portion of Compensated Absences…...…	57,034	33,709	32,815	26,873	12,201
Compensated Absences……………………………	114,068	147,728	131,261	107,490	98,338
Bonds and notes payable, less current portion………	97,000	109,000	105,667	127,331	111,998
Premium on refunding bonds………………………	-	-	-	-	-
Deferred amount in refunding………………………	-	-	-	-	-
OPEB obligation……………………………………	45,035	-	-	-	-
Temporary Note Payable……………………………	-	-	-	-	50,000
Advance from General Fund………………………	-	-	-	-[1]	938,600
Total Liabilities……………………………………	3,203,892	3,122,770	2,627,530	1,248,891	1,279,703
Net Assets:					
Invested in Capital……………………………………	1,995,876	2,124,220	2,098,937	746,441	724,838
Unrestricted……………………………………………	(2,908,673)	(2,821,319)	(2,488,244)	(952,740)	(807,363)
Total Net Assets……………………………………	(912,797)	(697,099)	(389,307)	(206,299)	(82,525)
Total Liabilities and Net Assets…………………………	$2,291,095	$2,425,671	$2,238,223	$1,042,592	$1,197,178

[1] *Reclassified for proper illustration.*

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Enterprise Funds
Comparative Statement of Revenues and Expenditures
As of June 30, 2012

	Water	Sewer	George Hunter Memorial Fund
Operating Revenues			
Charges for services	$ 8,255,373	$ 8,615,265	$ 1,074,364
Miscellaneous	787,670	497,248	51,767
Total operating revenues	9,043,043	9,112,513	1,126,131
Operating Expenses			
Salaries, benefits and claims	4,423,165	1,690,149	498,510
Materials and supplies	920,527	1,335,660	449,218
Utilities	910,306	960,044	-
Administration and operation	807,195	712,694	-
Depreciation	1,694,904	3,897,250	122,326
Other	560,150	1,332,922	192,512
Total operating expenses	9,316,247	9,928,719	1,262,566
Operating income (loss)	(273,204)	(816,206)	(136,435)
Nonoperating Revenues (Expenses)			
Interest income	34,863	56,524	281
Interest expense	(565,865)	(887,756)	(40,681)
Total nonoperating revenues (expenses)	(531,002)	(831,232)	(40,400)
Change in net assets	(804,206)	(1,647,438)	(176,835)
Net Assets (Deficit), beginning	40,346,133	60,451,494	(735,962)
Net Assets (Deficit), ending	$ 39,541,927	$ 58,804,056	$ (912,797)

Water Fund
Historical Comparative Statement of Revenues and Expenditures

	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Operating Revenues:					
Charges for Services	$ 8,255,373	$ 8,935,137	$ 8,719,026	$ 7,662,583	$ 7,719,351
Miscellaneous	787,670	734,747	744,933	644,856	701,387
Fiscal Division	-	-	-	-	-
Total Operating Revenue	9,043,043	9,669,884	9,463,959	8,307,439	8,420,738
Total Operating Expenses Before Depreciation	(7,621,343)	(7,902,949)	(8,243,493)	(7,621,343)	(8,252,758)
Operating Income Before Depreciation	1,421,700	1,766,935	1,220,466	686,096	167,980
Less Depreciation	(1,694,904)	(1,688,981)	(1,640,947)	(1,694,904)	(1,585,724)
Operating Income (Loss)	(273,204)	77,954	(420,481)	(1,008,808)	(1,417,744)
Add: Interest Income	34,863	31,169	31,359	66,777	201,876
Less: Interest Expense	(565,865)	(663,936)	(661,609)	(681,530)	(473,711)
Transfer Out	-	-	(836,212)	-	-
Net Income (Loss)	(804,206)	(554,813)	(1,886,943)	(1,623,561)	(1,689,579)
Fund Equities, Beginning	41,106,881	41,711,290	44,228,948	45,852,509	47,542,088
Adjustments to Beginning Balances	(760,748)	(49,596)	(630,715)	-	-
Fund Equities, Beginning - Restated	40,346,133	41,661,694	43,598,233	45,852,509	47,542,088
Fund Equities, Ending	$39,541,927	$41,106,881	$41,711,290	$44,228,948	$45,852,509

Sewer Authority
Historic Comparative Statement of Revenues and Expenditures

	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Operating Revenues:					
Charges for Services…………………………	$ 8,615,265	$ 8,507,029	$ 6,458,719	$ 5,967,492	$ 5,963,555
Miscellaneous………………………………	497,248	250,908	292,392	229,002	178,355
Total Operating Revenue…………………	9,112,513	8,757,937	6,751,111	6,196,494	6,141,910
Operating Expenses Before Depreciation……	(6,031,469)	(6,492,790)	(5,826,389)	(6,350,160)	(5,573,643)
Operating Income Before Depreciation…..…	3,081,044	2,265,147	924,722	(153,666)	568,267
Less Depreciation……………………………	(3,897,250)	(2,913,646)	(1,973,584)	(2,034,268)	(2,072,715)
Operating Income (Loss)…………………	(816,206)	(648,499)	(1,048,862)	(2,187,934)	(1,504,448)
Add: Federal and State Grants………………	-	-	-	33,244,705	-
Add: Interest Income…………………………	56,524	53,299	39,102	58,029	191,673
Less: Interest Expense………………………	(887,756)	(252,475)	(151,178)	(167,813)	(246,281)
Capital Contributions…………………………	-	160,555	2,675,980	-	-
Net Income (Loss)…………………………	(1,647,438)	(687,120)	1,515,042	30,946,987	(1,559,056)
Fund Equities, Beginning…………………	60,704,976	61,275,853	85,862,984	55,137,836	56,696,892
Adjustments to Beginning Balances	(253,482)	116,243	(26,102,173)	(221,839)	-
Fund Equities, Beginning - Restated……	60,451,494	61,392,096	59,760,811	54,915,997	56,696,892
Fund Equities, Ending………………………	$58,804,056	$60,704,976	$61,275,853	$85,862,984	$55,137,836

Year	***Water Fund Total Operating Revenue Generated***	***Sewer Authority Total Operating Revenue Generated***
2012	$9,043,043	$9,112,513
2011	9,669,884	8,757,937
2010	9,463,959	6,751,111
2009	8,307,439	6,196,494
2008	8,420,738	6,141,910

Golf Course
Historic Comparative Statement of Revenues and Expenditures

	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Operating Revenues:					
Operating Revenues…………………………………	$ 1,126,131	$ 817,905	$ 792,796	$ 845,589	$ 850,586
Less: Operating Expenses Before Depreciation…..	(1,140,240)	(965,483)	(882,162)	(891,960)	(829,947)
Net Operating Income……………………………	(14,109)	(147,578)	(89,366)	(46,371)	20,639
Less: Depreciation…………………………………	(122,326)	(121,385)	(88,170)	(66,639)	(88,933)
Net Operating Income (Loss)……………………	(136,435)	(268,963)	(177,536)	(113,010)	(68,294)
Add: Interest Income………………………………	281	140	5	(3,507)	6,408
Less: Interest Expense………………………………	(40,681)	(38,969)	(5,477)	(7,257)	(7,838)
Transfers out………………………………………	-	-	-	-	-
Net Income (Loss)…………………………………	(176,835)	(307,792)	(183,008)	(123,774)	(69,724)
Fund Equities, Beginning…………………………	(697,099)	(389,307)	(206,299)	(82,525)	(12,801)
Adjustments to Beginning Balances	(38,863)	-	-	-	-
Fund Equities, Beginning - Restated……………	(735,962)	(389,307)	(206,299)	(82,525)	(12,801)
Fund Equities, Ending……………………………	$ (912,797)	$ (697,099)	$ (389,307)	$ (206,299)	$ (82,525)

VI. Debt Summary

Principal Amount of Bonded Indebtedness
As of February 15, 2013
(Pro Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding[1]	Date of Fiscal Year Maturity
12/30/94	Clean Water Fund Loan………………	2.00	$ 2,320,480	$ 125,693	2014
01/26/98	Clean Water Fund Loan………………	2.00	571,353	145,218	2018
08/01/06	General Purpose ………………………	4.125-5.00	14,211,700	6,045,000	2017
08/01/06	School …………………………………	4.125-5.00	1,923,000	835,000	2017
08/01/06	Sewer …………………………………	4.125-5.00	2,220,900	800,000	2017
08/01/06	Water …………………………………	4.125-5.00	1,865,800	672,000	2017
08/01/06	Golf …………………………………	4.125-5.00	23,600	8,000	2017
08/01/08	General Purpose ………………………	3.00-5.00	18,206,000	3,469,000	2017
08/01/08	School …………………………………	3.00-5.00	3,163,000	608,000	2017
08/01/08	Sewer …………………………………	3.00-5.00	938,000	179,000	2017
08/01/08	Water …………………………………	3.00-5.00	10,713,000	2,041,000	2017
08/01/08	Golf …………………………………	3.00-5.00	30,000	8,000	2017
05/04/10	General Purpose Refunding (A&B)…..	3.00-5.00	23,418,000	19,522,000	2023
05/04/10	Schools Refunding (A&B)……………	3.00-5.00	9,351,000	8,248,000	2023
05/04/10	Sewer Refunding (A&B)………………	3.00-5.00	425,000	379,000	2023
05/04/10	Water Refunding (A&B)………………	3.00-5.00	5,229,000	4,702,000	2023
05/04/10	Golf Refunding (A&B)………………	3.00-5.00	67,000	59,000	2023
07/01/10	General Purpose ………………………	1.00-5.75	16,555,086	15,109,000	2023
07/01/10	School …………………………………	1.00-5.75	2,209,000	2,018,000	2023
07/01/10	Sewer …………………………………	1.00-5.75	2,360,914	2,154,000	2023
07/01/10	Water …………………………………	1.00-5.75	1,185,000	1,081,000	2023
07/01/10	Golf …………………………………	1.00-5.75	20,000	18,000	2023
06/30/11	Clean Water Fund Loan………………	2.00	35,860,708	32,703,934	2031
12/27/12	General Purpose Refunding………….	1.80-3.00	5,459,000	5,459,000	2029
12/27/12	Schools Refunding……………………	1.80-3.00	941,000	941,000	2029
12/27/12	Sewer Refunding………………………	1.80-3.00	283,000	283,000	2029
12/27/12	Water Refunding………………………	1.80-3.00	3,212,000	3,212,000	2029
12/27/12	Golf Refunding………………………	1.80-3.00	5,000	5,000	2029
	Total Outstanding Long-Term Debt……………………		$ 162,767,541	$ 110,829,845	
This Issue					
02/15/13	General Purpose……………………..….	2.00-4.00	$ 14,209,576	$ 14,209,576	2033
02/15/13	Schools…………………..……………	2.00-4.00	10,213,627	10,213,627	2033
02/15/13	Sewer…………………………….……	2.00-4.00	604,071	604,071	2033
02/15/13	Water……………...……………………	2.00-4.00	452,726	452,726	2033
	Sub-Total This Issue……………………..……		$ 25,480,000	$ 25,480,000	
	Total All Bonds………………………………..		$ 188,247,541	$ 136,309,845	

[1] *Excludes bonds refunded with this issue.*

Short Term Debt
As of February 15, 2013
(Pro Forma)

The City of Meriden does not have any short term debt outstanding.

Annual Bonded Debt Maturity Schedule

As of February 15, 2013
(Pro Forma)

Fiscal Year	Principal	Interest [2]	Total	Pro-forma: This Issue Gen. Purp.	Schools	Sewer	Water	Total	Cumulative Principal Retired
2013 [1]	$ 2,265,276	$ 1,932,747	$ 4,198,024	$ -	$ -	$ -	$ -	$ -	1.66%
2014	11,475,845	3,741,509	15,217,354	-	-	-	-	-	10.08%
2015	11,303,802	3,298,106	14,601,907	507,576	362,627	23,071	16,726	910,000	19.04%
2016	9,425,395	2,881,179	12,306,574	759,000	550,000	32,000	24,000	1,365,000	26.96%
2017	9,467,626	2,517,648	11,985,274	759,000	550,000	32,000	24,000	1,365,000	34.90%
2018	6,311,223	2,212,295	8,523,518	760,000	550,000	31,000	24,000	1,365,000	40.54%
2019	6,005,485	1,976,728	7,982,213	760,000	550,000	31,000	24,000	1,365,000	45.94%
2020	6,044,707	1,742,789	7,787,496	760,000	550,000	31,000	24,000	1,365,000	51.38%
2021	5,034,620	1,541,210	6,575,830	760,000	550,000	31,000	24,000	1,365,000	56.07%
2022	5,060,238	1,363,952	6,424,190	762,000	545,000	33,000	25,000	1,365,000	60.79%
2023	5,106,575	1,177,660	6,284,235	762,000	545,000	33,000	25,000	1,365,000	65.54%
2024	4,793,645	996,020	5,789,665	762,000	545,000	33,000	25,000	1,365,000	70.05%
2025	4,821,463	838,299	5,659,762	762,000	545,000	33,000	25,000	1,365,000	74.59%
2026	4,830,045	693,406	5,523,451	762,000	545,000	34,000	24,000	1,365,000	79.14%
2027	4,844,405	546,247	5,390,652	762,000	545,000	34,000	24,000	1,365,000	83.69%
2028	4,854,560	394,676	5,249,236	762,000	546,000	33,000	24,000	1,365,000	88.25%
2029	4,865,525	239,891	5,105,416	762,000	547,000	32,000	24,000	1,365,000	92.83%
2030	3,247,317	109,638	3,356,955	762,000	547,000	32,000	24,000	1,365,000	96.21%
2031	1,072,094	6,263	1,078,356	762,000	547,000	32,000	24,000	1,365,000	98.00%
2032	-	-	-	762,000	547,000	32,000	24,000	1,365,000	99.00%
2033	-	-	-	762,000	547,000	32,000	24,000	1,365,000	100.00%
Total……	$ 110,829,845	$ 28,210,262	$ 139,040,106	$ 14,209,576	$ 10,213,627	$ 604,071	$ 452,726	$ 25,480,000	

[1] *Excludes $9,703,225 in principal payments and $1,985,111 in interest payments from July 1, 2012 through February 15, 2013.*

[2] *Interest subsidy payments due from the Federal Government related to the City's Build America Bond issue of 2010 have not been accounted for in this table.*

Overlapping/Underlying Debt

As of February 15, 2013

The City of Meriden has neither overlapping nor underlying debt.

THE CITY OF MERIDEN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Debt Statement
As of February 15, 2013
(Pro Forma)

Long-Term Debt Outstanding:		
General Purpose (Includes this issue)		$ 63,813,576
Revitalization		-
Schools (Includes this issue)		22,863,627
Sewers (Includes this issue)		37,373,916[1]
Water (Includes this issue)		12,160,726[1]
Golf Course		98,000[1]
Total Long-Term Debt		136,309,845
Short-Term Debt:		
Interim Funding Obligation - Drinking Water State Revolving Fund		653,476
Total Direct Debt		136,963,320
Less: Amount to be provided by the State for school construction (As of 6/30/12)	-	
Self Supporting Long-Term and Short-Term Debt	(50,286,117)	(50,286,117)
Total Net Direct Debt		86,677,203
Plus: Overlapping/Underlying Debt		-
Total Overall Net Debt		$ 86,677,203

[1] *Self-Supporting Debt.*

Current Debt Ratios
As of February 15, 2013
(Pro Forma)

Population (2010) [1]	60,868
Net Taxable Grand List (10/1/11)	$ 3,248,578,000
Estimated Full Value (70%)	$ 4,640,825,714
Equalized Grand List (10/1/09) [2]	$ 5,064,112,331
Money Income per Capita (2010) [1]	$ 24,814

	Total Direct Debt $136,963,320	***Total Net Direct Debt $86,677,203***	***Total Overall Net Debt $86,677,203***
Per Capita	$2,250.17	$1,424.02	$1,424.02
Ratio to Net Taxable Grand List	4.22%	2.67%	2.67%
Ratio to Estimated Full Value	2.95%	1.87%	1.87%
Ratio to Equalized Grand List	2.70%	1.71%	1.71%
Debt per Capita to Money Income per Capita	9.07%	5.74%	5.74%

[1] *U.S. Department of Commerce, Bureau of Census*

[2] *Office of Policy and Management, State of Connecticut.*

Bond Authorization Procedure

The City of Meriden has the power to incur indebtedness as provided by the Connecticut General Statutes and the City Charter. The issuance of bonds and notes is authorized by the City Council. Bonds and notes may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for school and sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Clean Water Fund Program

The City of Meriden is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are finance with a 30% grant and a 70% loan).

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (Interim Funding Obligations). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each Loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The City has the following Clean Water Fund loans outstanding:

Project	***Original 2% Loan Amount***	***Amount Outstanding as of February 15, 2013***
CWF PLO 382-C	$ 35,860,708	$ 32,703,933
CWF PLO 209-CSL	1,785,546	1,785,546
TOTAL……………………	$37,646,254	$34,489,479

Drinking Water State Revolving Fund Program

The City is a participant in the State of Connecticut's Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance to the City through loans bearing interest at a rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the State of Connecticut as determined by the State Bond Commission. In April, 2012, the City entered into a funding agreement under the Drinking Water State Revolving Fund Program and the American Recovery and Reinvestment Act (ARRA) or stimulus funds. As a result, the City has one Interim Funding Obligation ("IFO") outstanding in the amount of up to $1,597,156 which matures June 30, 2013 of which $653,476 is currently drawn-down and subsidy commitments of up to $411,844. At maturity, it is expected that the IFO will be converted to a permanent loan obligation.

Pursuant to the Project Loan and Subsidy Agreement, the City is obligated to repay only that amount that it draws down for Loan for the repayment of project costs (Interim Fund Obligation). The City delivered to the State an obligation secured by the full faith and credit of the City.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

The City of Meriden will be requesting bonding authorization for the upcoming Broad Brook Water Treatment Plant upgrade. The State of Connecticut DWSRF program offers subsidies of 5% of the total project, along with a low interest loan funding rate of 2% per annum. Estimated cost of this facility upgrade is projected to be $19,845,197.

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Statement of Debt Limitation
As of February 15, 2013
(Pro Forma)

Total Tax Collections (including interest and lien fees):	
For the year ended June 30, 2012..	$109,831,000
Reimbursement For Revenue Loss On:	
Tax Relief for Elderly..	357,000
BASE	$110,188,000

	General Purpose	*Schools*	*Sewers*	*Urban Renewal*	*Unfunded Pension*
***Debt Limitation*:**					
2 1/4 times base........................	$ 247,923,000	$ -	$ -	$ -	$ -
4 1/2 times base........................	-	495,846,000	-	-	-
3 3/4 times base........................	-	-	413,205,000	-	-
3 1/4 times base........................	-	-	-	358,111,000	-
3 times base........................	-	-	-	-	330,564,000
Total Debt Limitation....................	247,923,000	495,846,000	413,205,000	358,111,000	330,564,000
Indebtedness:					
Outstanding Debt [1, 2]:					
Outstanding Bonds Payable..........	49,604,000	12,650,000	36,769,845	-	-
Bonds of This Issue..................	14,209,576	10,213,627	604,071	-	
Short-Term Debt (IFO-DWF)........	-	-	653,476	-	-
Bonds Authorized But Unissued.....	-	39,811,311	-	-	-
Total Indebtedness....................	63,813,576	62,674,938	38,027,391	-	-
Less School Construction Grants......	-	-	-	-	-
Total Net Indebtedness For Debt Limitation Calculation.................	63,813,576	62,674,938	38,027,391	-	-
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.................	$ 184,109,424	$ 433,171,062	$375,177,609	$358,111,000	$330,564,000

[1] *Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is $11,708,000 of outstanding water bonds and $452,726,000 of water bonds in this issue.*

[2] *Excludes outstanding self-supporting Golf Course bonds in the amount of $98,000.*

Note: Total debt limit is equal to seven times of base $771,316,000.

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Debt Authorized but Unissued [1]
As of February 15, 2013
(Pro Forma)

Project	Authorized	Estimated Grants/Subsidy	Debt Previously Issued	This Issue	Debt Authorized but Unissued: General Purpose	Schools	Sewers	Water
General Purpose Issue #49…………………	$ 100,000	$ -	$ 72,800	$ 27,200	$ -	$ -	$ -	$ -
General Purpose Issue #56……..…………	95,000	-	82,000	13,000	-	-	-	-
General Purpose Issue #58……..…………	8,561,500	1,918,221	3,186,857	3,456,422	-	-	-	-
General Purpose Issue #60……..…………	150,000	-	120,358	29,642	-	-	-	-
General Purpose Issue #61……..…………	300,000	-	250,000	50,000	-	-	-	-
General Purpose Issue #63……..…………	755,000	-	54,438	700,562	-	-	-	-
General Purpose Issue #64……..…………	1,645,000	1,124,547	137,890	382,563	-	-	-	-
General Purpose Issue #65……..…………	25,000	-	15,513	9,487	-	-	-	-
General Purpose Issue #66……..…………	220,000	-	90,000	130,000	-	-	-	-
General Purpose Issue #67……..…………	4,737,000	292,510	12,274	4,432,216	-	-	-	-
General Purpose Issue #68……..…………	216,700,000	166,858,999	432,856	9,596,834	-	39,811,311	-	-
General Purpose Issue #69……..…………	7,866,982	1,286,689	191,929	6,388,364	-	-	-	-
Various Capital Improvement Projects[2]….	2,325,381	1,851,290	210,381	263,710	-	-	-	-
Total……………………	$ 243,480,863	$ 173,332,256	$ 4,857,296	$ 25,480,000	$ -	$ 39,811,311	$ -	$ -

[1] *Total Authorized but Unissued does not include amounts paid down from the General Fund on outstanding notes or grants received.*

[2] *Consists of several remaining capital improvement projects from various General Purpose Issues. Internal Account created by the City for bookkeeping purposes.*

Principal Amount of Outstanding Debt
(Last Five Fiscal Years)

Fiscal Year	Notes	Bonds	Total	Water, Sewer and Golf [1]
2012	$ -	$ 68,929,000	$ 68,929,000	$ 16,611,000
2011	-	77,888,161	77,888,161	18,416,839
2010	-	68,666,078	68,666,078	16,778,922
2009	-	80,903,298	80,903,298	19,076,702
2008	22,355,000	69,944,215	92,299,215	8,940,785

[1]*Self-supporting.*

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Ratios of Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt [1]	Ratio of Net Long-Term Debt to Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population [2]	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income [3]
2012	$3,639,460	$5,199,229	$122,484	3.37%	2.36%	60,868	$2,012.29	8.11%
2011	3,629,868	5,185,526	133,746	3.68%	2.58%	60,868	2,197.31	8.86%
2010	3,634,360	5,191,943	119,904	3.30%	2.31%	60,868	1,969.90	7.94%
2009	3,659,204	5,227,434	100,745	2.75%	1.93%	60,868	1,655.14	6.67%
2008	3,608,414	5,154,877	79,795	2.21%	1.55%	60,868	1,310.95	5.28%

[1] *Consists of all General and Business-Type debt, including United States Department of Housing & Urban Development and Clean Water Fund loans.*

[2] *U.S. Department of Commerce, Bureau of Census, 2010.*

[3] *Income per Capita: $24,814 U.S. Department of Commerce, Bureau of Census, 2010*

Ratio of Annual Debt Service to Total General Fund Expenditures and Other Financing Uses (in 000's)

Fiscal Year Ended 6/30	Principal	Interest	Total	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures
2013	$ 8,487	$ 2,657	$11,144	$183,648	6.07%
2012	8,959	2,971	11,930	193,276	6.17%
2011	9,542	2,855	12,397	180,116	6.88%
2010	10,986	3,413	14,399	177,971	8.09%
2009	10,410	3,791	14,201	183,777	7.73%
2008	12,778	4,206	16,984	180,747[1]	9.40%

[1] *During FY2008, the State of Connecticut made an additional deposit (approximately $36.9 million) to the State Teacher's Pension Fund. This amount was in excess of $31 million from the prior year's contribution. In order to be comparable to prior and future years, this number has been reduced by $31 million.*

Source: Comprehensive Annual Financial Reports; 2008-2012. Adopted Budget, 2013.

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Capital Improvement Program

Fiscal Year 2013 through Fiscal Year 2018

Proposed Projects	Outstanding Prior Authorizations	2012-13 [1]	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Education …………………	$ 216,311,631[2]	$ 656,982	$ 2,783,818	$ 1,090,077	$ 2,460,339	$ 2,293,484	$ -	$ 225,596,331
Engineering ………………	12,144,859	2,819,121	3,619,121	3,964,121	5,474,121	6,244,121	3,819,121	38,084,585
Fire …………………………	195,859	1,253,500	476,800	86,000	610,000	998,000	850,000	4,470,159
Highway / Garage ………	340,000	271,000	923,500	589,000	461,000	548,000	224,000	3,356,500
Parks & Recreation ……..	954,410	525,000	1,070,000	1,045,000	670,000	465,000	600,000	5,329,410
Library ……………………	246,000	150,000	800,000	2,900,000	-	-	-	4,096,000
MIS …………………………	-	-	250,000	-	-	-	-	250,000
General ……………………	632,742	-	-	-	-	-	-	632,742
Traffic……………………	202,000	2,562,800	355,000	170,000	295,000	25,000	290,000	3,899,800
Landfill/Recycling/								-
Solid Waste ……………	-	325,000	430,000	-	-	-	-	755,000
Parking ……………………	250,000	-	-	-	-	-	-	250,000
Public Buildings ………..	20,000	20,000	15,000	-	-	-	-	55,000
Police ……………………	35,000	50,000	61,575	25,000	175,000	1,025,000	1,025,000	2,396,575
Aviation …………………	20,000	215,000	-	-	-	-	-	235,000
Water ……………………	1,761,879	304,500	17,482,000	3,911,000	2,181,000	612,000	1,955,000	28,207,379
Sewer ……………………	188,292	576,000	727,000	650,000	1,100,000	545,000	530,000	4,316,292
TOTAL ……………………	$ 233,302,672	$ 9,728,903	$ 28,993,814	$ 14,430,198	$ 13,426,460	$ 12,755,605	$ 9,293,121	$ 321,930,773

Proposed Funding

Sources	Outstanding Prior Authorization	2012-13 [1]	2013-14	2014-15	2015-16	2016-17	2017-18	Total
User Fees…………………	$ 192,797	$ 864,000	$ 14,130,250	$ 4,361,000	$ 3,003,500	$ 1,157,000	$ 2,185,000	$ 25,893,547
Federal/State Grants…….	174,606,668	4,348,610	7,209,735	3,085,434	3,452,824	4,695,211	1,139,121	198,537,604
City Funded………………	58,503,206	4,516,293	7,653,829	6,983,764	6,970,136	6,903,394	5,969,000	97,499,621
TOTAL ……………………	$ 233,302,672	$ 9,728,903	$ 28,993,814	$ 14,430,198	$ 13,426,460	$ 12,755,605	$ 9,293,121	$ 321,930,773

[1] *Fiscal Year 2012-2013 is the adopted budget authorized on June 18, 2012.*

[2] *Of the $216,700,000 authorized for high school renovations, approximately 77% will be paid through the State of Connecticut school building grant program. The City plans to bond for its net cost over three bond issues in 2014, 2015 and 2016. If anticipated State of Connecticut funding is eliminated or reduced, the projects will be reconsidered.*

School Projects

Pursuant to Public Act No. 97-11, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on school building projects approved after July 1, 1996. Under the new program, the City would receive progress payments for eligible construction costs.

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VII. Legal and Other Information

Litigation

The City of Meriden, its officers, employees and commissions are defendants in numerous lawsuits. In the opinion of the Corporation Counsel, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgment against the City that would materially adversely affect its financial position, taking into account current applicable insurance coverages. The following significant pending cases are noted.

Following the 2011 Grand List property revaluation, numerous property tax assessment appeals have been filed. While many appeals have been settled, several assessment appeals are still pending, including a number involving properties of significant value. Generally, in past years, assessment appeals have been settled without significant reductions in the amounts of the assessment which would in turn impact revenues.

Transcript and Closing Documents

The winning bidder will be furnished the following documents when the Bonds are delivered:

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.

2. Certificate on behalf of the City, signed by the City Manager and the Director of Finance/City Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that a at the time bids on the Bonds were accepted and as of the closing date, the description and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.

3. A Receipt for the purchase price of the Bonds.

4. The approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut, in substantially the form attached as Appendix B to this Official Statement.

5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.

6. The City of Meriden has prepared an Official Statement for the Bonds which is dated January 31, 2013. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds one hundred (100) copies of the Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening at the office of the City's Financial Advisor. If the City's Financial Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriters, the name of the insurer, if any, and any changes on the Bonds. The purchasers shall arrange with the Financial Advisor the method of delivery of the copies of the Official Statement to the purchasers. Additional copies of the Official Statement may be obtained by the purchasers at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City will be kept on file at the offices of U.S. Bank National Association in Hartford, Connecticut and will be available for examination upon reasonable notice.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City of Meriden by the following officials:

CITY OF MERIDEN, CONNECTICUT

By: /S/ *Lawrence J. Kendzior*

LAWRENCE J. KENDZIOR, *City Manager*

/S/ *Michael Lupkas*

Dated as of January 31, 2013

MICHAEL LUPKAS, *Director of Finance/City Treasurer*

Appendix A

2012 General Purpose Financial Statements
(Excerpted from the City's Comprehensive Annual Financial Report)

The following includes the General Purpose Financial Statements of the City of Meriden, Connecticut for the fiscal year ended June 30, 2012. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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Independent Auditors' Report

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

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, 2012, which collectively comprise the City of Meriden, Connecticut'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Meriden, Connecticut's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

December 3, 2012

City of Meriden, Connecticut
Management's Discussion and Analysis
June 30, 2012

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, 2012. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of $158.3 million. Total net assets for Governmental Activities at fiscal year-end were $60.9 million and total net assets for Business-Type Activities were $97.4 million.

- On a government-wide basis, during the year, the City's net assets decreased by $5.1 million or 3.24%, from $163.4 million to $158.3 million. Net assets decreased by $2.5 million for Governmental Activities and decreased by $2.6 million for Business-Type Activities. Governmental activities expenses were $223.1 million, while revenues were $220.6 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 $18.5 million, a decrease of $12.7 million from the prior fiscal year (Exhibit IV).

- At the end of the current fiscal year, the total fund balance for the General Fund was $17.3 million, a decrease of $1.0 million from the prior fiscal year balance. Of the total General Fund, fund balance as of June 30, 2012, $16.6 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 8.59% of total General Fund expenditures and transfers out ($193.3 million), a decrease of 1.02% from the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Meriden's basic financial statements. The basic financial statements 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, such as 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 George Hunter Memorial Golf Course. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets and statement of activities) can be found on Exhibits I and II 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Meriden maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 36 governmental funds are combined into a single, aggregated presentation as nonmajor governmental funds.

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

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

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

Proprietary funds. The City of Meriden maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Meriden uses enterprise funds to account for its Water Pollution Control Authority, the Water Division and the Hunter Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City of Meriden's various functions. The City of Meriden uses internal service funds to account for its risk management costs including 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 nonmajor fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-62 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 55-56 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 total net assets exceeded liabilities by $158.3 million on June 30, 2012. Governmental activities assets exceeded liabilities by $60.9 million. Business-type activities assets exceeded liabilities by $97.4 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Current and other assets	$ 61,975	$ 74,710	$ 20,039	$ 24,206	$ 82,014	$ 98,916
Capital assets, net of accumulated depreciation	189,185	181,164	133,759	136,017	322,944	317,181
Total assets	251,160	255,874	153,798	160,223	404,958	416,097
Current liabilities	34,013	33,685	4,926	6,102	38,939	39,787
Long-term liabilities outstanding	156,290	158,834	51,439	54,059	207,729	212,893
Total liabilities	190,303	192,519	56,365	60,161	246,668	252,680
Net Assets:						
Invested in capital assets, net of related debt	122,787	101,928	81,564	89,260	204,351	191,188
Restricted	952	1,347			952	1,347
Unrestricted	(62,882)	(39,920)	15,869	10,802	(47,013)	(29,118)
Total Net Assets	$ 60,857	$ 63,355	$ 97,433	$ 100,062	$ 158,290	$ 163,417

A portion of net assets was restricted in June 30, 2012 as a result of enabling legislation. Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to this.

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.

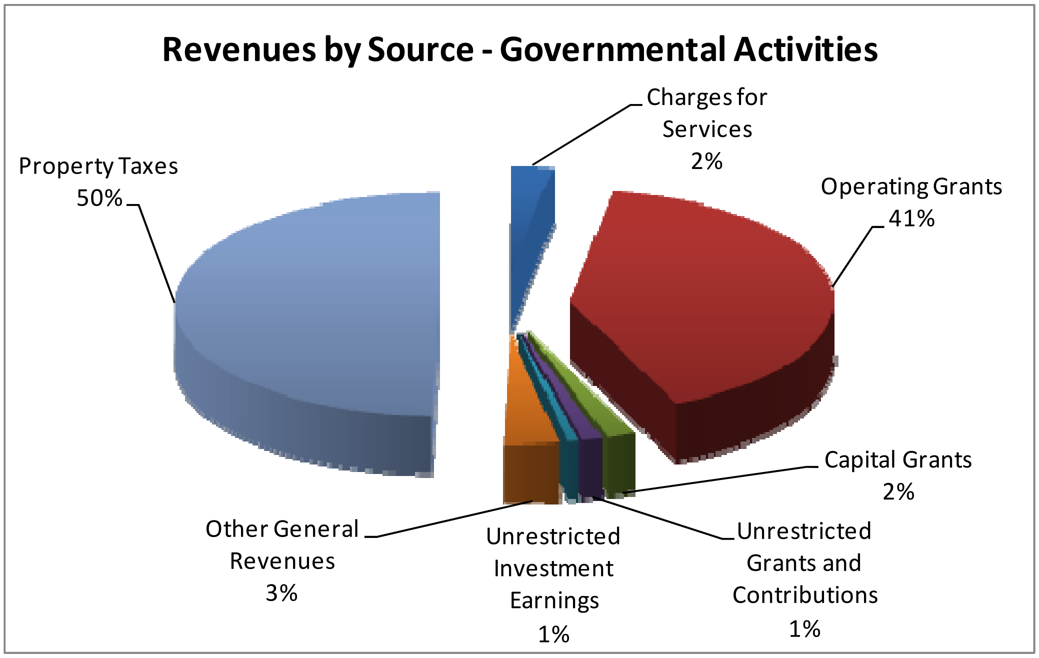
City of Meriden, Connecticut
Changes in Net Assets ($000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 5,163	$ 5,678	$ 17,945	$ 18,221	$ 23,108	$ 23,899
Operating grants and contributions	94,000	89,914			94,000	89,914
Capital grants and contributions	4,094	3,744		161	4,094	3,905
General revenues:						
Property taxes	110,885	109,377			110,885	109,377
Grants not restricted to specific programs	1,873	2,598			1,873	2,598
Unrestricted investment earnings	914	1,218	92	85	1,006	1,303
Miscellaneous income	3,654	7,391	1,337	1,024	4,991	8,415
Total revenues	220,583	219,920	19,374	19,491	239,957	239,411
Expenses:						
General government	35,201	30,816			35,201	30,816
Education	136,298	138,091			136,298	138,091
Public safety	24,364	23,810			24,364	23,810
Public works	10,705	9,249			10,705	9,249
Human services	8,053	8,652			8,053	8,652
Cultural and recreation	5,408	5,075			5,408	5,075
Interest on long-term debt	3,052	3,025			3,052	3,025
Sewer Authority			10,816	9,659	10,816	9,659
Water Authority			9,883	10,256	9,883	10,256
George Hunter Golf Course			1,304	1,126	1,304	1,126
Total expenses	223,081	218,718	22,003	21,041	245,084	239,759
Change in Net Assets	(2,498)	1,202	(2,629)	(1,550)	(5,127)	(348)
Net Assets at Beginning of Year	63,355	62,153	100,062	101,612	163,417	163,765
Net Assets at End of Year	$ 60,857	$ 63,355	$ 97,433	$ 100,062	$ 158,290	$ 163,417

The City's net assets decreased by $5.1 million during the fiscal year, with net assets of governmental activities decreasing $2.5 million and business-type activities decreasing by $2.6 million.

Governmental Activities

Almost 50.3% of the revenues were derived from property taxes, followed by 42.6% from State and Federal Government program revenues, then 2.3% from charges for services.



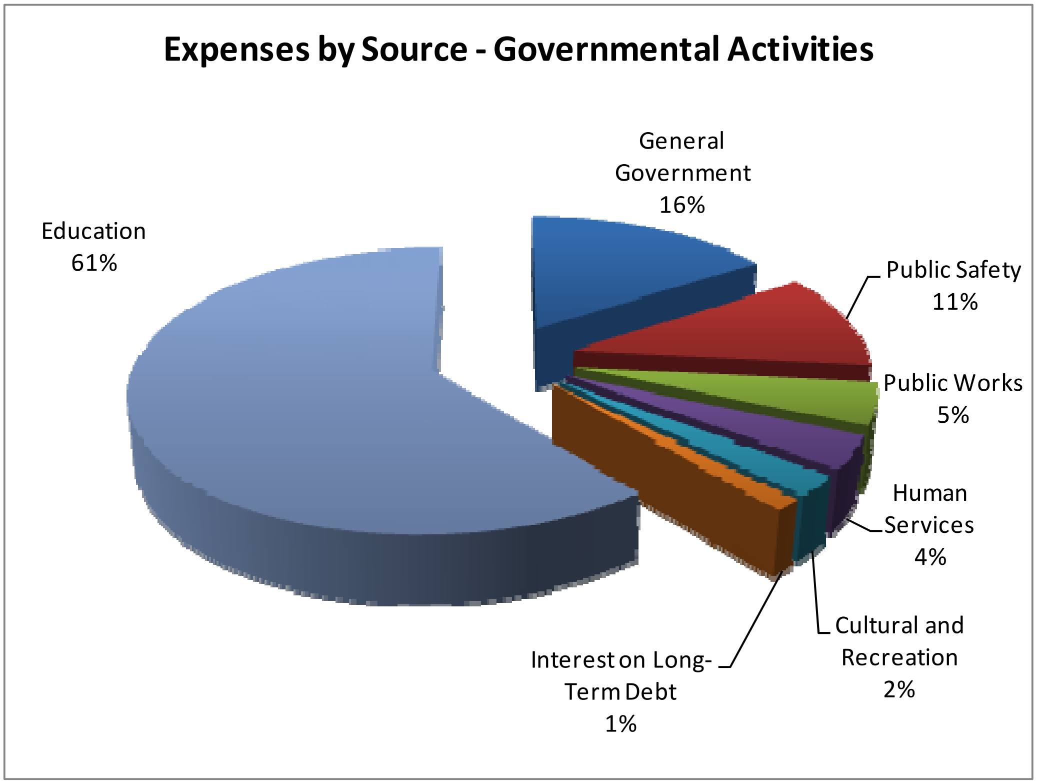
Major revenue factors included:

- ♦ Property tax revenues increased by $1.5 million, for fiscal year 2012, due to an increase in the mil rate levied against taxable property, the City's tax rate increased .30 of a mil between the two years and total assessed value of all taxable property increased by .22%. Property revaluation was implemented for the calculation of property taxes for fiscal year 2008. (Property Taxes)

- ♦ The decrease in miscellaneous local revenues is mainly due to the one-time distribution during fiscal year 2011 of $4,303,462 of accumulated reserves from the Municipal Solid Waste Management Services Contract.

- ♦ An agreement in lieu of taxes with NRG Electrical Generating Plant provided $1.92 million in revenue for fiscal year 2012. This is the tenth year of the agreement. (Miscellaneous Income)

For Governmental Activities, 61.1% of the City's expenses relate to education, 15.8% to general government, 10.9% relate to public safety, 4.8% to public works, 3.6% to health and human services, 2.4% to culture and recreation and 1.4% on interest on long-term debt.



Major expense factors include:

- Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.3% depending on the employee group. Some employees also received negotiated step increases.

- Employee benefit costs remained flat, due to favorable historical health insurance costs and pension funding requirements which do not reflect the effect of the current economy.

- The cost of education services remained level due to the allocation of post retirement benefit contributions, negotiated wage settlements, employee health insurance cost decreases and the maintenance of special education cost.

- General government expenses for fiscal year 2012 increased by 14% due to increased expenses incurred for increased pension costs, workers compensation cost and the increased OPEB contribution. Other expenses within general government remained flat between the two compared years.

- Interest on long-term debt increased by $27,000 or .9% based on the existing debt schedule.

<u>Business-Type Funds</u>

Business-type activities decreased the City's net assets by $2.6 million due primarily to expenses associated to the completion of the sewer plant upgrade including the initial repayment of associated debt.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was $16.6 million while total fund balance was $17.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.59% of total General Fund expenditures and transfers out ($193.3 million), while total fund balance represents 8.93% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund decreased by $1,009,021 during the current fiscal year. This fund balance decrease was attributed to the budgeted use of fund balance and prudent review and containment of expenditure accounts which resulted in this amount not being used in its entirety.

The Bonded Projects Fund has a total fund balance of ($4,062,440), a decrease of $11,175,748 from the prior year. This decrease can be explained by the timing of expenditures and the issuance of long-term bonds; a long-term borrowing is expected to take place during FY2013.

The Nonmajor Governmental Funds has a total fund balance of $5,299,445, down from $5,817,805 in the prior year. The $518,360 decrease was recognition of expenditures during the current year.

Proprietary Funds

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

Net assets of the Water Fund at the end of the year were $39.5 million, with unrestricted net assets of $9.2 million. The Water Fund experienced an operating loss of $273,204.

Net assets of the Sewer Fund were $58.8 million. Unrestricted net assets were $9.6 million. The Sewer Fund experienced an operating loss of $816,206. Included within the expenses for the Sewer Fund was an amount of $1,072,363 which was collected in the prior year, partially offsetting the increased debt service payment that was due December 2011.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was $455,000. The original budget included a contingency of $400,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The additional appropriation approved during the year is summarized below:

- The additional appropriation of $305,000 was for acquisition of property associated with Flood Control. This amount was held as Restricted Fund Balance in prior fiscal years.

- The additional appropriation of $150,000 was for the operation on the airport. The city has temporarily taken over the day to day operation of the airport. This amount is attributable to the amount expected to be spent for this time period. The miscellaneous revenue account was also modified by the identical amount.

During the year, actual revenues on a budgetary basis were $179.7 million, which was over budgetary estimates by $163,367. Total property tax revenues were less than budget by $950,084. Actual investment income totaled $430,742, which was $111,910 below the budgeted amount; this is attributable to the continuation of the national economic downturn.

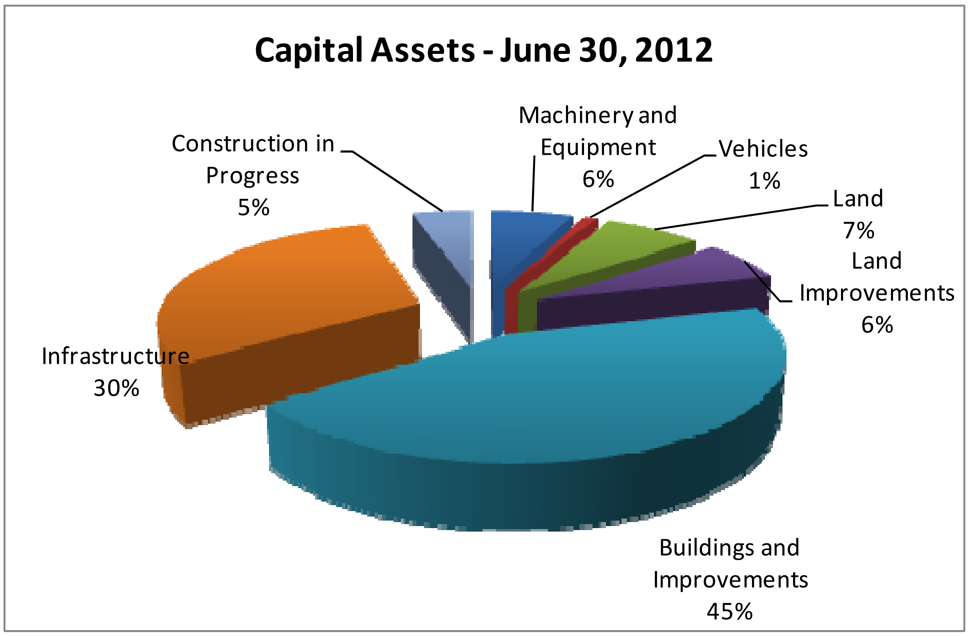
Actual revenues and other financing sources on a budgetary basis totaled $180.1 million, exceeding actual expenditures and other financing uses on a budgetary basis by $1,042,180.

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, 2012 amount to $322.9 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 tenth year the City of Meriden has reported its investment in capital assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 22,196	$ 21,883	$ 1,088	$ 1,088	$ 23,284	$ 22,971
Land improvements	8,645	8,555	12,047	10,113	20,692	18,668
Buildings and improvements	104,104	106,692	39,781	41,002	143,885	147,694
Infrastructure	34,001	34,401	63,838	64,297	97,839	98,698
Machinery and equipment	4,678	2,712	15,270	16,723	19,948	19,435
Vehicles	2,638	2,844	309	158	2,947	3,002
Construction in progress	12,923	4,077	1,426	2,636	14,349	6,713
Total	$ 189,185	$ 181,164	$ 133,759	$ 136,017	$ 322,944	$ 317,181



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

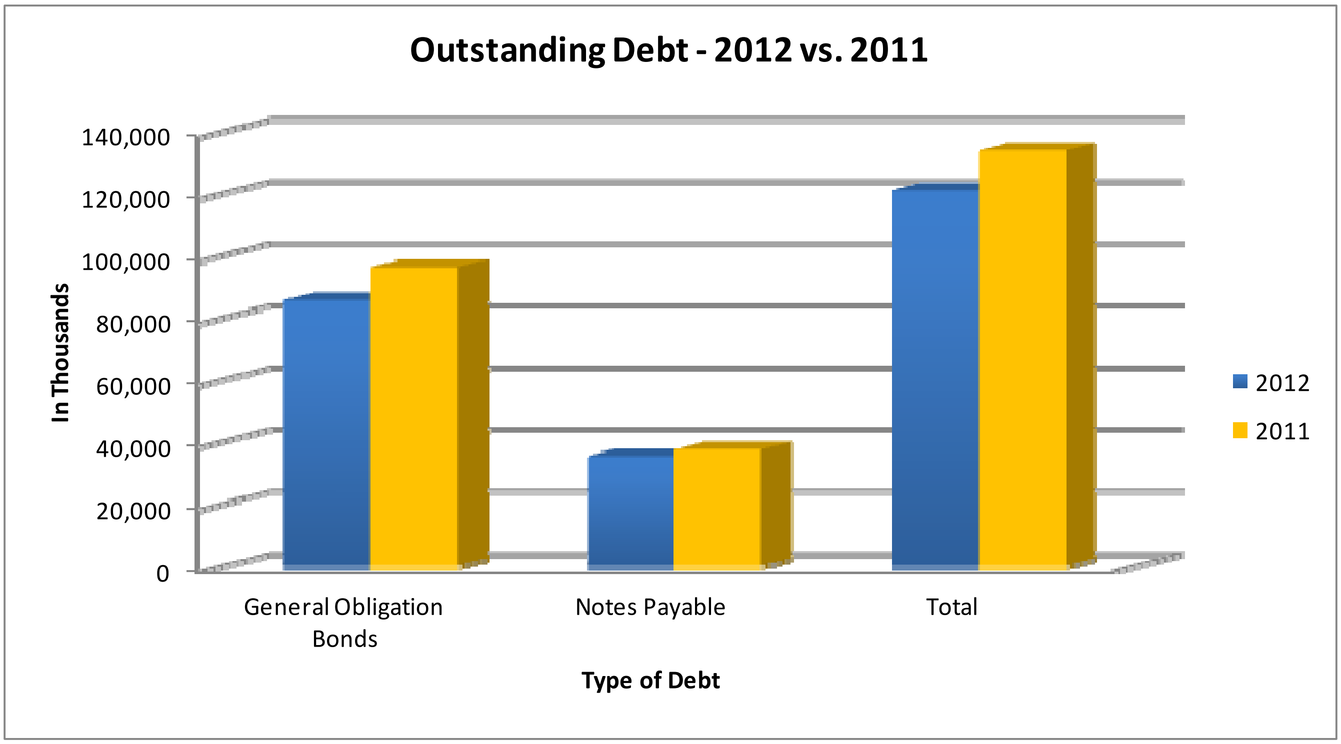
- $3,777,379 for the Maloney High School Renovation
- $2,546,349 for the Hanover School Kindergarten Addition
- $1,754,499 for Roadway Paving and Road Construction
- $1,525,007 for the Platt High School Renovation
- $1,517,882 for Water Department Projects
- $1,402,084 for Sewer Department Projects

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

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of $85.5 million. All of this debt is backed by the full faith and credit of the City.

City of Meriden, Connecticut
Outstanding Debt ($000s)
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
General obligation bonds	$ 68,929	$ 77,888	$ 16,611	$ 18,417	$ 85,540	$ 96,305
Notes payable			35,444	37,441	35,444	37,441
Total	$ 68,929	$ 77,888	$ 52,055	$ 55,858	$ 120,984	$ 133,746



The City of Meriden's bonded debt decreased by $10.8 million or 11.18% during the 2011-2012 fiscal year. During the current fiscal year, the City did not issue any long-term bonds.

On May 4, 2010, the City issued $38,490,000 of general obligation refunding bonds; these bonds along with premium received were placed in an irrevocable escrow account to currently refund outstanding principal amounts of $12,220,000 from general obligation bond issue 2002, $16,125,000 from general obligation bond issue 2004 and $11,560,000 from general obligation bond issue 2008. These amounts are now considered defeased. This transaction resulted in a reduction of debt service payments over the next 14 years of $1,632,666 and represents a present value savings of $1,555,973. The majority of the savings is spread between FY2011, FY2012 and FY2013.

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

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or $771,316,000. As of June 30, 2012, the City recorded long-term debt of $68.9 million related to Governmental Activities and $16.6 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 7 on pages 45-50 of this report.

Economic Factors (Updated through September 2012)

The City of Meriden has not been immune from the effects of the national economic downturn. As of September 2012, the unemployment rate for the Meriden Labor Market Area was 10.0%, a decrease from 10.7% in the prior year. This compares with the September 2012 New Haven Labor Market rate of 8.6%. Larger cities in Connecticut have higher September 2012 unemployment rates than the City of Meriden; the City of New Haven at 12.2% and the City of Hartford at 15.4%. In September 2012, Connecticut's overall unemployment rate stood at 8.2% compared with 9.0% for the same time a year ago. The United States' September 2012 unemployment rate is 7.6% compared to 9.1% percent last year.

Nevertheless, the City of Meriden is well positioned to deal with the economic recession. 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, an Information Technology Zone and financing incentives for businesses relocating to or expanding in Meriden.

Requests for Information

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

Basic Financial Statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2012

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets:			
Cash and cash equivalents	$ 23,734,770	$ 7,442,327	$ 31,177,097
Investments	20,095,337	1,078,084	21,173,421
Receivables, net	21,296,542	7,616,840	28,913,382
Internal balances	(3,901,491)	3,901,491	-
Inventory	239,341		239,341
Other assets	205,027		205,027
Pension assets	305,049		305,049
Capital assets, nondepreciable	35,118,866	2,514,577	37,633,443
Capital assets, net of accumulated depreciation	154,066,439	131,244,545	285,310,984
Total assets	251,159,880	153,797,864	404,957,744
Liabilities:			
Accounts payable and accrued liabilities	18,749,907	1,020,135	19,770,042
Retainage payable	241,357		241,357
Accrued interest	954,264	255,963	1,210,227
Unearned revenue	1,543,966		1,543,966
Noncurrent liabilities:			
Due within one year	12,523,369	3,650,078	16,173,447
Due in more than one year	156,290,291	51,438,502	207,728,793
Total liabilities	190,303,154	56,364,678	246,667,832
Net Assets:			
Invested in capital assets, net of related debt	122,786,716	81,562,930	204,349,646
Restricted:			
Expendable - flood control	520,001		520,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	(62,881,538)	15,870,256	(47,011,282)
Total Net Assets	$ 60,856,726	$ 97,433,186	$ 158,289,912

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
Function/Program Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities:							
General government	$ 35,202,446	$ 1,955,372	$ 2,270,458	$ 2,491,673	$ (28,484,943)	$	$ (28,484,943)
Education	136,297,870	1,061,090	84,417,334		(50,819,446)		(50,819,446)
Public safety	24,363,904	46,767	358,764	59,038	(23,899,335)		(23,899,335)
Public works	10,704,527	1,813,092		1,421,272	(7,470,163)		(7,470,163)
Human services	8,052,565	243,278	5,827,423		(1,981,864)		(1,981,864)
Culture and recreation	5,407,694	43,098	1,125,954	122,468	(4,116,174)		(4,116,174)
Interest on long-term debt	3,052,231				(3,052,231)		(3,052,231)
Total governmental activities	223,081,237	5,162,697	93,999,933	4,094,451	(119,824,156)	-	(119,824,156)
Business-type activities:							
Sewer Authority	10,816,475	8,615,265				(2,201,210)	(2,201,210)
Water Authority	9,882,112	8,255,373				(1,626,739)	(1,626,739)
George Hunter Golf Course	1,303,247	1,074,364				(228,883)	(228,883)
Total business-type activities	22,001,834	17,945,002	-	-	-	(4,056,832)	(4,056,832)
Total Primary Government	$ 245,083,071	$ 23,107,699	$ 93,999,933	$ 4,094,451	(119,824,156)	(4,056,832)	(123,880,988)
General revenues:							
Property taxes					110,884,688		110,884,688
Grants and contributions not restricted to specific programs					1,873,215		1,873,215
Unrestricted investment earnings					913,917	91,668	1,005,585
Miscellaneous income					3,654,170	1,336,685	4,990,855
Total general revenues					117,325,990	1,428,353	118,754,343
Change in net assets					(2,498,166)	(2,628,479)	(5,126,645)
Net Assets at Beginning of Year, as Restated					63,354,892	100,061,665	163,416,557
Net Assets at End of Year					$ 60,856,726	$ 97,433,186	$ 158,289,912

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

	General	Bonded Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 12,058,010	$ 3,773,174	$ 6,428,268	$ 22,259,452
Investments	12,572,390		1,693,673	14,266,063
Receivables, net of allowance for collections	7,916,639	2,165,709	3,655,954	13,738,302
Inventory	133,633		105,708	239,341
Other assets	4,869			4,869
Due from other funds	3,873,866	34,593	232,492	4,140,951
Total Assets	$ 36,559,407	$ 5,973,476	$ 12,116,095	$ 54,648,978
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 12,871,307	$ 1,709,442	$ 2,196,620	$ 16,777,369
Retainage payable		241,357		241,357
Due to other funds	462,440	6,779,160	996,197	8,237,797
Deferred revenue	5,968,420	1,305,957	3,623,833	10,898,210
Total liabilities	19,302,167	10,035,916	6,816,650	36,154,733
Fund Balances:				
Nonspendable	133,633		537,255	670,888
Restricted	520,001		3,787,009	4,307,010
Committed			1,177,622	1,177,622
Assigned		8,190,617		8,190,617
Unassigned	16,603,606	(12,253,057)	(202,441)	4,148,108
Total fund balances	17,257,240	(4,062,440)	5,299,445	18,494,245
Total Liabilities and Fund Balances	$ 36,559,407	$ 5,973,476	$ 12,116,095	$ 54,648,978

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

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

Fund balances - total governmental funds (Exhibit III)		$ 18,494,245
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	$ 352,677,621	
Less accumulated depreciation	(163,492,316)	
Net capital assets		189,185,305
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Net pension assets		305,049
Property tax receivables greater than 60 days		4,342,649
Build America Bonds long term interest receivable		10,650
Loan receivables greater than 60 days		5,011,595
Interest and lien receivable on property taxes		7,185,517
Issuance costs on refunding		185,115
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.		(910,860)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(68,929,000)
Notes payable		(1,500,000)
Bond premium		(2,949,984)
Deferred amount in refunding		1,707,221
Interest payable on bonds		(954,262)
Compensated absences		(18,168,846)
Landfill post-closure monitoring		(794,256)
Net pension obligation		(25,340,452)
OPEB obligation		(38,122,960)
Pollution remediation		(6,700,000)
Claims and judgments		(1,200,000)
Net Assets of Governmental Activities (Exhibit I)		$ 60,856,726

The accompanying notes are an integral part of the financial statements

EXHIBIT IV

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	General	Bonded Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes, interest and lien fees	$ 109,910,284	$	$	$ 109,910,284
Federal and state government	74,930,580	4,012,216	21,295,202	100,237,998
Charges for services	3,891,852		1,270,845	5,162,697
Investment income	431,509	97,332	4,172	533,013
Other local revenues	2,682,877	231,911	469,192	3,383,980
Total revenues	191,847,102	4,341,459	23,039,411	219,227,972
Expenditures:				
Current:				
General government	34,351,681		802,122	35,153,803
Public safety	21,208,646		644,021	21,852,667
Public works	7,017,255			7,017,255
Health and welfare	2,806,114		5,010,710	7,816,824
Culture and recreation	4,020,009		148,475	4,168,484
Education	111,433,666		16,575,481	128,009,147
Debt service:				
Principal retirement	8,959,161			8,959,161
Interest and other charges	3,237,005			3,237,005
Capital outlay	242,034	15,338,910	1,635,811	17,216,755
Total expenditures	193,275,571	15,338,910	24,816,620	233,431,101
Deficiency of Revenues over Expenditures	(1,428,469)	(10,997,451)	(1,777,209)	(14,203,129)
Other Financing Sources (Uses):				
Note proceeds			1,500,000	1,500,000
Transfers in	434,448	34,593	15,000	484,041
Transfers out	(15,000)	(212,890)	(256,151)	(484,041)
Total other financing sources (uses)	419,448	(178,297)	1,258,849	1,500,000
Net Change in Fund Balances	(1,009,021)	(11,175,748)	(518,360)	(12,703,129)
Fund Balances at Beginning of Year	18,266,261	7,113,308	5,817,805	31,197,374
Fund Balances at End of Year	$ 17,257,240	$ (4,062,440)	$ 5,299,445	$ 18,494,245

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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

Net change in fund balances - total governmental funds (Exhibit IV)	$ (12,703,129)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	17,019,262
Depreciation expense	(8,997,799)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes collected after 60 days	1,350,778
Loans collected after 60 days	(207,956)
Build America Bonds interest receivable	(209)
Decrease in interest and liens receivable	(376,374)
Change in pension assets	(10,168)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Note proceeds	(1,500,000)
Issuance costs on refunding	(15,644)
Accrued interest	95,397
Principal payments	8,959,161
Amortization of premium and deferred amount in refunding	105,023
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in long-term compensated absences	29,046
Change in landfill post-closure monitoring	162,826
Change in net pension obligation	56,810
Change in OPEB obligation	(5,224,589)
The net expense of the internal service funds is reported with governmental activities.	(1,240,601)
Change in Net Assets of Governmental Activities (Exhibit II)	$ (2,498,166)

The accompanying notes are an integral part of the financial statements

EXHIBIT V

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes, interest and lien fees	$ 110,860,368	$ 110,860,368	$ 109,910,284	$ (950,084)
Intergovernmental revenues	60,969,179	60,969,179	62,840,690	1,871,511
Charges for services	4,097,304	4,107,304	3,832,768	(274,536)
Investment income	542,652	542,652	430,742	(111,910)
Other revenues	2,911,807	3,037,807	2,666,193	(371,614)
Total revenues	179,381,310	179,517,310	179,680,677	163,367
Expenditures:				
Current:				
General government	40,515,733	32,735,051	32,584,172	150,879
Finance	1,945,530	1,941,208	1,941,167	41
Public safety	21,094,930	21,209,255	21,208,646	609
Public works	6,584,230	7,017,287	7,017,255	32
Health and welfare	2,846,609	2,831,129	2,806,114	25,015
Culture and recreation	3,973,476	4,020,025	4,020,009	16
Education	91,936,788	99,609,841	99,609,621	220
Debt service:				
Principal retirement	8,959,161	8,959,161	8,959,161	-
Interest and other charges	2,971,163	2,971,163	2,971,160	3
Total expenditures	180,827,620	181,294,120	181,117,305	176,815
Deficiency of Revenues over Expenditures	(1,446,310)	(1,776,810)	(1,436,628)	340,182
Other Financing Sources (Uses):				
Contribution from fund balance	1,144,000	1,449,000		(1,449,000)
Transfers in	353,810	367,810	434,448	66,638
Transfers out	(51,500)	(40,000)	(40,000)	-
Total other financing sources (uses)	1,446,310	1,776,810	394,448	(1,382,362)
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ -	$ -	(1,042,180)	$ (1,042,180)
Fund Balance at Beginning of Year			17,719,067	
Fund Balance at End of Year			$ 16,676,887	

The accompanying notes are an integral part of the financial statements

EXHIBIT VI

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water	Sewer	George Hunter Memorial Golf Course	Total	Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	$ 3,611,269	$ 3,666,665	$ 164,393	$ 7,442,327	$ 2,558,376
Investments	540,670	537,414		1,078,084	4,746,217
Accounts receivable, net	3,503,929	4,112,770	141	7,616,840	362,074
Due from other funds	4,313,975	2,378,167	21,685	6,713,827	195,355
Other assets				-	15,043
Total current assets	11,969,843	10,695,016	186,219	22,851,078	7,877,065
Noncurrent assets:					
Capital assets, nondepreciable	2,295,321	219,256		2,514,577	
Capital assets, net of accumulated depreciation	40,692,512	88,447,157	2,104,876	131,244,545	
Total noncurrent assets	42,987,833	88,666,413	2,104,876	133,759,122	-
Total assets	54,957,676	99,361,429	2,291,095	156,610,200	7,877,065
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	574,676	380,694	64,765	1,020,135	43,335
Accrued interest	212,425	41,884	1,654	255,963	
Claims payable				-	2,271,794
Due to other funds			2,812,336	2,812,336	
Current portion of bonds and notes payable	1,255,000	2,170,662	12,000	3,437,662	
Current portion of compensated absences	103,319	52,063	57,034	212,416	
Total current liabilities	2,145,420	2,645,303	2,947,789	7,738,512	2,315,129
Noncurrent liabilities:					
Compensated absences	1,033,191	312,379	114,068	1,459,638	
Bonds and notes payable, less current portion	11,214,000	37,305,953	97,000	48,616,953	
Premium on refunding bonds	470,734			470,734	
Deferred amount in refunding	(329,157)			(329,157)	
OPEB obligation	881,561	293,738	45,035	1,220,334	
Claims incurred but not reported				-	6,472,796
Total noncurrent liabilities	13,270,329	37,912,070	256,103	51,438,502	6,472,796
Total liabilities	15,415,749	40,557,373	3,203,892	59,177,014	8,787,925
Net Assets:					
Invested in capital assets, net of related debt	30,377,256	49,189,798	1,995,876	81,562,930	
Unrestricted	9,164,671	9,614,258	(2,908,673)	15,870,256	(910,860)
Total Net Assets	$ 39,541,927	$ 58,804,056	$ (912,797)	$ 97,433,186	$ (910,860)

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water	Sewer	George Hunter Memorial Golf Course	Total	Internal Service Funds
Operating Revenues:					
Charges for services	$ 8,255,373	$ 8,615,265	$ 1,074,364	$ 17,945,002	$ 26,673,069
Miscellaneous	787,670	497,248	51,767	1,336,685	1,292,762
Total operating revenues	9,043,043	9,112,513	1,126,131	19,281,687	27,965,831
Operating Expenses:					
Salaries and benefits	4,423,165	1,690,149	498,510	6,611,824	
Medical claims				-	27,763,082
Materials and supplies	920,527	1,335,660	449,218	2,705,405	
Utilities	910,306	960,044		1,870,350	
Administration and operation	807,195	712,694		1,519,889	1,529,521
Depreciation	1,694,904	3,897,250	122,326	5,714,480	
Other	560,150	1,332,922	192,512	2,085,584	294,733
Total operating expenses	9,316,247	9,928,719	1,262,566	20,507,532	29,587,336
Operating Loss	(273,204)	(816,206)	(136,435)	(1,225,845)	(1,621,505)
Nonoperating Revenues (Expenses):					
Interest income	34,863	56,524	281	91,668	380,904
Interest expense	(565,865)	(887,756)	(40,681)	(1,494,302)	
Total nonoperating revenues (expenses)	(531,002)	(831,232)	(40,400)	(1,402,634)	380,904
Change in Net Assets	(804,206)	(1,647,438)	(176,835)	(2,628,479)	(1,240,601)
Net Assets at Beginning of Year, as Restated	40,346,133	60,451,494	(735,962)	100,061,665	329,741
Net Assets at End of Year	$ 39,541,927	$ 58,804,056	$ (912,797)	$ 97,433,186	$ (910,860)

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water	Sewer	George Hunter Memorial Golf Course	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	$ 9,297,015	$ 9,029,890	$ 1,125,990	$ 19,452,895	$ 28,522,536
Payments to suppliers	(2,987,030)	(4,723,122)	(645,731)	(8,355,883)	(29,166,743)
Payments to employees	(4,238,220)	(1,677,383)	(502,673)	(6,418,276)	
Net receipts (disbursements) from interfund transactions	1,743,179	796,670	66,090	2,605,939	(4,387)
Net cash provided by (used in) operating activities	3,814,944	3,426,055	43,676	7,284,675	(648,594)
Cash Flows from Capital and Related Financing Activities:					
Additions to capital assets	(2,176,281)	(1,279,941)		(3,456,222)	
Issuance of clean water fund loans		1,785,546		1,785,546	
Principal payments of bonds	(1,205,489)	(584,683)	(15,667)	(1,805,839)	
Principal payments of clean water fund loans		(3,783,175)		(3,783,175)	
Interest paid on capital debt	(577,829)	(887,756)	(40,681)	(1,506,266)	
Net cash used in capital and related financing activities	(3,959,599)	(4,750,009)	(56,348)	(8,765,956)	-
Cash Flows from Investing Activities:					
Purchases of investments	(31,718)	(28,990)		(60,708)	(776,636)
Interest on investments	34,863	56,524	281	91,668	380,904
Net cash provided by (used in) investing activities	3,145	27,534	281	30,960	(395,732)
Net Decrease in Cash and Cash Equivalents	(141,510)	(1,296,420)	(12,391)	(1,450,321)	(1,044,326)
Cash and Cash Equivalents at Beginning of Year	3,752,779	4,963,085	176,784	8,892,648	3,602,702
Cash and Cash Equivalents at End of Year	$ 3,611,269	$ 3,666,665	$ 164,393	$ 7,442,327	$ 2,558,376
Reconciliation of Operating Loss to Net Cash Provided By (Used in) Operating Activities:					
Operating loss	$ (273,204)	$ (816,206)	$ (136,435)	$ (1,225,845)	$ (1,621,505)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,694,904	3,897,250	122,326	5,714,480	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	253,972	(82,623)	(141)	171,208	563,298
(Increase) decrease in due from other funds	1,743,179	796,670		2,539,849	(4,387)
(Increase) decrease in other assets				-	(6,593)
Increase (decrease) in accounts payable and accrued items	211,148	(381,802)	(4,001)	(174,655)	420,593
Increase (decrease) in compensated absences	64,130	(27,489)	(10,335)	26,306	
Increase (decrease) in OPEB obligation	120,815	40,255	6,172	167,242	
Increase (decrease) in due to other funds			66,090	66,090	
Total adjustments	4,088,148	4,242,261	180,111	8,510,520	972,911
Net Cash Provided by (Used in) Operating Activities	$ 3,814,944	$ 3,426,055	$ 43,676	$ 7,284,675	$ (648,594)
Noncash Investing, Capital, and Financing Activities:					
Construction in progress completed	$ (188,202)	$ (1,861,573)	-	$ (2,049,775)	$ -

The accompanying notes are an integral part of the financial statements

EXHIBIT IX

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012

	Pension Trust Funds	OPEB Trust Funds	Private Purpose Trust Fund	Agency Funds
Assets:				
Cash and cash equivalents	$ 12,272,242	$ 187,509	$ 188,500	$ 2,792,623
Investments, at fair value:				
Stocks and options	130,251,195	3,254,381		
Fixed income securities	45,146,067	4,669,476	224,916	
Mutual funds	9,887,575	398,187		
Preferreds/fixed rate cap secs	69,124			
Other	34,136,012	345,771		213,672
Total investments	219,489,973	8,667,815	224,916	213,672
Accounts receivable	331,964			
Total assets	232,094,179	8,855,324	413,416	$ 3,006,295
Liabilities:				
Other liabilities	1,542	-	-	$ 3,006,295
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	$ 232,092,637	$ 8,855,324	$ 413,416	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Pension Trust Funds	OPEB Trust Funds	Private Purpose Trust Fund
Additions:			
Contributions:			
Employer	$ 8,555,945	$ 5,613,907	$
Plan members	3,336,166	3,471,521	
Donations and other			198,994
Total contributions	11,892,111	9,085,428	198,994
Investment earnings:			
Net decrease in fair value of investments	(13,156,322)	(125,415)	
Interest and dividends	5,726,969	159,307	2,904
Total investment earnings (loss)	(7,429,353)	33,892	2,904
Less investment expenses:			
Investment management fees	1,322,296	7,011	
Net investment earnings (loss)	(8,751,649)	26,881	2,904
Total additions	3,140,462	9,112,309	201,898
Deductions:			
Benefits	19,464,690	5,351,641	54,515
Administrative expense	89,544	233,787	
Other	263,984	8,568	
Total deductions	19,818,218	5,593,996	54,515
Change in Net Assets	(16,677,756)	3,518,313	147,383
Net Assets at Beginning of Year	248,770,393	5,337,011	266,033
Net Assets at End of Year	$ 232,092,637	$ 8,855,324	$ 413,416

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds and performance bonds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and 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 business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

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

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

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

G. Capital Assets

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

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

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

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

H. 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.

I. Net Pension and Other Post Employment (OPEB) Obligations

Governmental Funds:

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

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net 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 term 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 debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

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

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

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

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund and Capital Projects Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

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

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

L. Property Taxes

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

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

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.

b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.

c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.

d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.

e. Within 20 days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.

f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.

g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.

h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.

i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may not exceed 1-1/2% of the General Fund budget as established for the current year, without levying a special tax.

   There were additional appropriations of $455,000 for the General Fund, $100,000 for the Sewer Fund, and $260,000 for the Water Fund during the year ended June 30, 2012, which was funded through net assets.

j. The Board of Education may transfer unexpended balances from one account to another within its line appropriation. A number of such transfers occurred during the year.

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

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

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	$ 180,115,125	$ 181,157,305	$ 16,676,887
Excess cost (net for budgetary)	1,336,001	1,336,001	
BABs subsidy	265,845	265,845	
State Teachers' Retirement on-behalf payment	10,488,044	10,488,044	
Funds consolidated for GASB 54 purposes	76,535	43,376	580,353
Balance, GAAP Basis	$ 192,281,550	$ 193,290,571	$ 17,257,240

B. Deficit Fund Equity

For the year ended June 30, 2012, the following funds had deficit balances:

Bonded Projects	$	4,062,440
Nonmajor Enterprise Fund:		
George Hunter Memorial Golf Course		912,797
Nonmajor Governmental Funds:		
Airport Improvement Fund		11,711
Brownsfield Assessment Fund		129,129
NSP Program Fund		7,640
Capital and Nonrecurring		53,961
Internal Service Fund:		
Workers' Compensation Fund		6,473,009

These amounts will be funded through bonds, contributions and future revenues.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, $36,723,009 of the City's bank balance of $39,295,729 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 32,825,709
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	3,897,300
Total Amount Subject to Custodial Credit Risk	$ 36,723,009

Cash Equivalents

At June 30, 2012, the City's cash equivalents amounted to $10,775,632. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Multi-Bank Securities, Inc.	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

*Not rated

Investments

As of June 30, 2012, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years) N/A	Less Than 1	1-10	More Than 10
Mutual Funds	N/A	$ 10,596,713	$ 10,596,713	$	$	$
U.S. Government Agencies	AAA	624				624
U.S. Treasury Bonds	AAA	61,156				61,156
Corporate and Foreign Bonds	AAA	28,555,421		9,058,656	14,646,600	4,850,165
Corporate and Foreign Bonds	A1	3,292,271		284,757	3,007,514	
Corporate and Foreign Bonds	A2	2,616,143		407,249	2,208,894	
Corporate and Foreign Bonds	A3	2,470,829		202,924	2,267,905	
Corporate and Foreign Bonds	AA2	495,108			495,108	
Corporate and Foreign Bonds	AA3	610,610		10,219	600,391	
Corporate and Foreign Bonds	Baa1	985,508			985,508	
Corporate and Foreign Bonds	Baa2	1,207,773			1,207,773	
Corporate and Foreign Bonds	N/A	7,199,393	5,166,250		2,033,143	
Certificates of Deposit	N/A	10,586,196			10,586,196	
Common Equity Securities	N/A	687,116	687,116			
Preferred Equity Securities	N/A	152,198	152,198			
Fixed Income Securities	N/A	1,654,896			643,266	1,011,630
Taxable Fixed Income Funds	N/A	3,754,696	112,347		3,642,349	
Closed End Fixed Income	N/A	45,077	45,077			
Stocks and Options	N/A	139,233,230	139,233,230			
Other	N/A	34,481,782	34,481,782			
Total Investments		$ 248,686,740	$ 190,474,713	$ 9,963,805	$ 42,324,647	$ 5,923,575

N/A - Not applicable

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400.

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2012, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

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

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

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

There shall be no investments in:

- Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depository Receipts (ADRs) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager;

- Securities issued by a participating employer, except to the extent permitted under ERISA;

- Private placements, without affirmative Board approval;

- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

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

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

4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2012 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Governmental and Fiduciary Type Funds			
	General Fund	Bonded Projects Fund	Nonmajor, Internal Service, and Fiduciary Funds	Total
Property taxes	$ 8,467,817	$	$	$ 8,467,817
Accounts	699,123	54,108	725,414	1,478,645
Intergovernmental	2,256,783	1,066,977	1,151,028	4,474,788
Loans		1,044,624	2,668,734	3,713,358
Gross receivables	11,423,723	2,165,709	4,545,176	18,134,608
Less: Allowance for collection losses	3,507,084		195,184	3,702,268
Net Total Receivables	$ 7,916,639	$ 2,165,709	$ 4,349,992	$ 14,432,340

	Business-Type Funds		
	Water Authority	Sewer Authority	Total
Use charges	$ 1,555,799	$ 1,793,920	$ 3,349,719
Assessments		20,222	20,222
Unbilled	2,131,229	2,204,839	4,336,068
Other	10,624	319,138	329,762
Gross receivables	3,697,652	4,338,119	8,035,771
Less: Allowance for collection losses	193,723	225,349	419,072
Net Total Receivables	$ 3,503,929	$ 4,112,770	$ 7,616,699

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

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of 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 current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund:		
Delinquent property taxes receivable	$ 4,342,649	$
Property taxes collected in advance		124,052
Loan receivable	1,493,422	
Advances on grants		3,077
Other receivable		5,220
Bonded Projects:		
Loans receivable	1,044,624	
Bond premium		261,333
Nonmajor governmental funds:		
Advances on grants		1,150,284
Loans receivable	2,473,549	
Total Deferred Revenue for Governmental Funds	$ 9,354,244	$ 1,543,966

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 21,882,279	$ 313,203	$	$ 22,195,482
Construction in progress	4,077,368	11,263,888	2,417,872	12,923,384
Total capital assets not being depreciated	25,959,647	11,577,091	2,417,872	35,118,866
Capital assets being depreciated:				
Land improvements	18,157,251	789,213		18,946,464
Buildings and improvements	180,455,329	1,552,742		182,008,071
Machinery and equipment	10,089,360	2,569,516	129,822	12,529,054
Vehicles	12,131,828	540,189	52,958	12,619,059
Infrastructure	89,047,724	2,408,383		91,456,107
Total capital assets being depreciated	309,881,492	7,860,043	182,780	317,558,755
Less accumulated depreciation for:				
Land improvements	9,601,859	699,328		10,301,187
Buildings and improvements	73,763,373	4,140,896		77,904,269
Machinery and equipment	7,377,781	602,612	129,822	7,850,571
Vehicles	9,287,677	746,215	52,958	9,980,934
Infrastructure	54,646,607	2,808,748		57,455,355
Total accumulated depreciation	154,677,297	8,997,799	182,780	163,492,316
Total capital assets being depreciated, net	155,204,195	(1,137,756)	-	154,066,439
Governmental Activities Capital Assets, Net	$ 181,163,842	$ 10,439,335	$ 2,417,872	$ 189,185,305

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,088,531	$	$	$ 1,088,531
Construction in progress	2,635,527	840,294	2,049,775	1,426,046
Total capital assets not being depreciated	3,724,058	840,294	2,049,775	2,514,577
Capital assets being depreciated:				
Land improvements	11,753,639	2,560,032		14,313,671
Buildings and improvements	68,389,120	511,097		68,900,217
Machinery and equipment	26,953,880			26,953,880
Vehicles	1,924,250	206,800		2,131,050
Infrastructure	119,179,320	1,387,774		120,567,094
Total capital assets being depreciated	228,200,209	4,665,703	-	232,865,912
Less accumulated depreciation for:				
Land improvements	1,640,572	626,288		2,266,860
Buildings and improvements	27,386,690	1,733,007		29,119,697
Machinery and equipment	10,230,905	1,452,978		11,683,883
Vehicles	1,766,197	55,392		1,821,589
Infrastructure	54,882,523	1,846,815		56,729,338
Total accumulated depreciation	95,906,887	5,714,480	-	101,621,367
Total capital assets being depreciated, net	132,293,322	(1,048,777)	-	131,244,545
Business-Type Activities Capital Assets, Net	$ 136,017,380	$ (208,483)	$ 2,049,775	$ 133,759,122

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

Governmental activities:		
General government	$	332,637
Education		3,364,657
Public safety		900,173
Public works		3,461,231
Recreation		751,722
Human services		187,379
Total Depreciation Expense - Governmental Activities	$	8,997,799
Business-type activities:		
Water Authority	$	1,694,904
Sewer Authority		3,897,250
Golf Course		122,326
Total Depreciation Expense - Business-Type Activities	$	5,714,480

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2012 is as follows:

Receivable Fund	Payable Fund		Amount
General Fund	Bonded Projects Fund	$	65,333
	Nonmajor Governmental Funds		996,197
	Nonmajor Proprietary Fund		2,812,336
			3,873,866
Bonded Projects Fund	General Fund		34,593
Nonmajor Governmental Funds	General Fund		232,492
Water Fund	Bonded Projects Fund		4,313,975
Sewer Fund	Bonded Projects Fund		2,378,167
Nonmajor Proprietary Fund	Bonded Projects Fund		21,685
Internal Service Funds	General Fund		195,355
		$	11,050,133

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

Interfund balances are a result of temporary loans to various funds. The transfers that occurred during the year are as follows:

	Transfers In			
	General Fund	**Bonded Project Fund**	**Nonmajor Governmental Funds**	**Total Transfers Out**
Transfers out:				
General Fund	$	$	$ 15,000	$ 15,000
Bonded Projects Fund	212,890			212,890
Nonmajor Governmental Funds	221,558	34,593		256,151
Total Transfers In	$ 434,448	$ 34,593	$ 15,000	$ 484,041

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 77,888,161	$	$ 8,959,161	$ 68,929,000	$ 8,487,000
Premium on bonds	3,199,279		249,295	2,949,984	
Deferred amount in refunding	(1,851,493)		(144,272)	(1,707,221)	
Notes payable		1,500,000		1,500,000	75,000
Compensated absences	18,197,892	1,122,021	1,151,067	18,168,846	1,174,574
Workman's compensation	2,366,198	1,740,818	1,846,951	2,260,065	753,355
Heart and hypertension	4,336,660	1,985,724	1,767,066	4,555,318	1,518,440
Landfill post-closure monitoring	957,082		162,826	794,256	15,000
Net pension obligation	25,397,262	8,499,135	8,555,945	25,340,452	
OPEB obligation	32,898,371	10,664,366	5,439,777	38,122,960	
Pollution remediation	6,700,000	2,350,000	2,350,000	6,700,000	
Claims and judgments	1,200,000	450,000	450,000	1,200,000	500,000
Total Governmental Activities Long-Term Liabilities	$ 171,289,412	$ 28,312,064	$ 30,787,816	$ 168,813,660	$ 12,523,369
Business-Type Activities:					
General obligation bonds	$ 18,416,839	$	$ 1,805,839	$ 16,611,000	$ 1,663,000
Premium on bonds	510,514		39,780	470,734	
Deferred amount in refunding	(356,973)		(27,816)	(329,157)	
Compensated absences	1,645,748	140,333	114,027	1,672,054	212,416
OPEB obligation	1,053,093	341,371	174,130	1,220,334	
Clean water fund notes	37,441,244	1,785,546	3,783,175	35,443,615	1,774,662
Total Business-Type Activities Long-Term Liabilities	$ 58,710,465	$ 2,267,250	$ 5,889,135	$ 55,088,580	$ 3,650,078

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

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2012
Governmental:						
General purpose:						
General obligation	10/1/02	8/1/12	5.60%	$ 600,000	$ various	$ 60,000
General obligation	8/1/06	8/1/16	4.125-5%	16,134,700	various	8,600,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	10,685,000
General obligation	5/4/10	8/1/22	3-5%	11,627,000	various	11,524,000
General obligation	5/4/10	8/1/23	3-5%	21,142,000	various	20,933,000
General obligation BABS	7/13/10	5/15/30	1-5.75%	18,764,086	various	17,127,000
Total governmental activities						68,929,000
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	1,850,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	5,840,000
General obligation	5/4/10	8/1/22	3-5%	163,000	various	161,000
General obligation	5/4/10	8/1/23	3-5%	5,558,000	various	5,507,000
General obligation BABS	7/13/10	5/15/30	1-5.75%	3,565,914	various	3,253,000
Total business-type activities						16,611,000
Total Outstanding						$ 85,540,000

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	$ 8,487,000	$ 2,657,421	$ 1,663,000	$ 662,643
2014	8,234,000	2,342,771	1,621,000	602,435
2015	8,381,000	1,998,853	1,644,000	538,017
2016	6,525,000	1,678,147	1,155,000	481,310
2017	6,534,000	1,408,727	1,156,000	435,461
2018	3,736,000	1,194,374	779,000	394,887
2019	3,421,000	1,044,221	764,000	360,878
2020	3,425,000	897,877	765,000	326,680
2021	2,373,000	782,282	767,000	295,217
2022	2,365,000	692,394	765,000	263,602
2023	2,370,000	597,310	765,000	229,133
2024	2,020,000	508,466	765,000	194,541
2025	2,020,000	428,359	765,000	161,229
2026	2,021,000	347,466	764,000	128,479
2027	2,021,000	265,252	764,000	92,279
2028	2,021,000	181,131	764,000	61,480
2029	2,021,000	95,723	764,000	27,200
2030	954,000	35,656	181,000	6,765
Total	$ 68,929,000	$ 17,156,430	$ 16,611,000	$ 5,262,236

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of $2,803,762 for governmental activities and $532,849 for business-type activities.

General Obligation Bonds - Advance Refunding

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. The balance in escrow was $13,305,950 at June 30, 2012. The outstanding balance of the defeased bonds as of June 30, 2012 is $16,125,000.

Build America Bonds

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

Clean Water Fund Loans Payable

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

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

Year Ending June 30	Business-Type Activities Principal	Business-Type Activities Interest
2013	$ 1,774,662	$ 694,090
2014	1,695,716	658,682
2015	1,670,195	624,471
2016	1,703,330	590,764
2017	1,737,134	556,389
2018	1,757,332	521,331
2019	1,778,235	485,863
2020	1,814,127	449,970
2021	1,850,744	413,353
2022	1,888,100	375,997
2023	1,926,210	337,887
2024	1,965,090	299,008
2025	2,004,754	259,344
2026	2,045,218	218,879
2027	2,086,500	177,598
2028	2,128,615	135,483
2029	2,171,579	92,518
2030	2,215,411	48,687
2031	1,177,268	8,473
2032	53,395	313
	$ 35,443,615	$ 6,949,100

HUD Loan

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

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

	HUD Note	
	Principal	Interest
2013	$ 75,000	$ 33,626
2014	75,000	33,349
2015	75,000	32,936
2016	75,000	32,336
2017	75,000	31,530
2018	75,000	30,495
2019	75,000	29,254
2020	75,000	27,821
2021	75,000	26,134
2022	75,000	24,255
2023	75,000	22,283
2024	75,000	20,179
2025	75,000	17,978
2026	75,000	15,739
2027	75,000	13,451
2028	75,000	11,130
2029	75,000	8,764
2030	75,000	6,337
2031	75,000	3,855
2032	75,000	1,298
	$ 1,500,000	$ 422,750

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2012 is $58,821,004, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating $794,256, 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, 2012. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

Pursuant to local laws, the City has recorded a liability of $6,700,000 for remediation of a parcel called “Factory H” due to various contaminants. This amount is made up of a liability of $9,050,000 less estimated recoveries from the State and Federal governments of $2,350,000. Management has estimated this liability taking in to account data based on estimates from the engineering department. The obligation is an estimate and is subject to revision because of price increases or reductions, changing in technology, or changes in applicable laws or regulations. As of June 30, 2012, the City has received a grant from the State of Connecticut in the amount of $850,000 and a loan for $1,500,000 from United States Department of Housing and Urban Development to demolish the factory building that is on the site. Management anticipates possible further recoveries from the State and Federal government, but does not know the amount nor the probability. Once the factory building is removed further testing of the soil needs to performed to determine the remaining liability.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2012 are as follows:

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total
Fund balances:				
Nonspendable:				
Inventory	$ 133,633	$	$ 105,708	$ 239,341
Permanent fund principal			431,547	431,547
Restricted for:				
Enabling legislation	520,001			520,001
Federal and State grants			2,235,070	2,235,070
Trust			1,551,939	1,551,939
Assigned to:				
Capital projects		8,190,617		8,190,617
Committed to:				
Capital projects			206,002	206,002
Education			665,601	665,601
General government			306,019	306,019
Unassigned	16,603,606	(12,253,057)	(202,441)	4,148,108
Total Fund Balances	$ 17,257,240	$ (4,062,440)	$ 5,299,445	$ 18,494,245

Significant encumbrances are included in the bonded projects fund as of June 30, 2012.

9. RISK MANAGEMENT

The City of Meriden is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2012.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding $500,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

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

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

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension				
2011-12	$ 6,702,858	$ 3,614,017	$ 3,501,493	$ 6,815,382
2010-11	6,010,610	4,606,656	3,914,408	6,702,858
Health Insurance				
2011-12	$ 1,624,845	$ 24,149,065	$ 23,844,702	$ 1,929,208
2010-11	1,584,845	20,669,721	20,629,721	1,624,845

10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

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

Plan Description

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

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary. Effective July 1, 2011, 2% of average annual pay for the first 20 years, 2½% thereafter, with a maximum of 70% of salary.	2.5% of average annual pay for the first 30 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 70% 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 66% of salary.
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 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). Effective July 1, 2011, 2% each year beginning on the second anniversary after the retirement.	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 and Fire - none.	25th anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	City Employee - 7% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 7% of earnings (includes 3% of earnings as contributed for post-employment healthcare benefits). Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits). Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.

At July 1, 2010, Plan membership consisted of the following:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Retirees and beneficiaries currently receiving benefits	431	132	106
Vested terminated employees	101	1	-
Active participants	648	69	70
Total Participants	1,180	202	176

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments are reported at market value. Investment income is recognized as earned.

Administrative Costs - Administrative costs of the Plan are financed through investment earnings.

The individual plan net assets at June 30, 2012 and changes in net assets for the year then ended are as follows:

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	$ 5,952,558	$ 3,401,086	$ 2,845,395	$ 69,207	$ (4,274)	$ 8,270	$ 12,272,242
Interest receivable	208,443	66,618	54,359	2,535		9	331,964
Investments, at fair value:							
Stocks and options	70,080,416	32,662,273	26,652,043	852,242		4,221	130,251,195
Fixed income securities	27,155,687	9,724,117	7,934,768	330,238		1,257	45,146,067
Mutual funds	5,808,446	2,207,177	1,801,031	70,636		285	9,887,575
Preferreds/fixed rate cap secs	37,838	16,974	13,850	460		2	69,124
Other	18,476,134	8,499,003	6,935,089	224,687		1,099	34,136,012
Total investments	121,558,521	53,109,544	43,336,781	1,478,263	-	6,864	219,489,973
Total assets	127,719,522	56,577,248	46,236,535	1,550,005	(4,274)	15,143	232,094,179
Liabilities:							
Other liabilities	514	514	514				1,542
Net Assets:							
Held in Trust for Pension Benefits and Other Purposes	$ 127,719,008	$ 56,576,734	$ 46,236,021	$ 1,550,005	$ (4,274)	$ 15,143	$ 232,092,637

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	$ 1,906,102	$ 4,028,938	$ 2,620,905	$	$	$	$ 8,555,945
Plan members	1,698,807	294,635	298,328	846,741	98,212	99,443	3,336,166
Total contributions	3,604,909	4,323,573	2,919,233	846,741	98,212	99,443	11,892,111
Investment earnings:							
Net decrease in fair value of investments	(7,282,489)	(3,178,583)	(2,609,120)	(85,733)		(397)	(13,156,322)
Dividends and interest	3,246,112	1,341,281	1,101,195	38,214		167	5,726,969
Total investment earnings (loss)	(4,036,377)	(1,837,302)	(1,507,925)	(47,519)	-	(230)	(7,429,353)
Less investment expenses:							
Investment management fees	733,810	323,194	265,292				1,322,296
Net investment earnings (loss)	(4,770,187)	(2,160,496)	(1,773,217)	(47,519)	-	(230)	(8,751,649)
Total additions	(1,165,278)	2,163,077	1,146,016	799,222	98,212	99,213	3,140,462
Deductions:							
Benefits	7,099,625	6,087,311	4,698,192	1,099,149	286,171	194,242	19,464,690
Administration	26,954	26,954	26,956	8,640		40	89,544
Other	254,894	8,090	1,000				263,984
Total deductions	7,381,473	6,122,355	4,726,148	1,107,789	286,171	194,282	19,818,218
Change in net assets	(8,546,751)	(3,959,278)	(3,580,132)	(308,567)	(187,959)	(95,069)	(16,677,756)
Net Assets at Beginning of Year	136,265,759	60,536,012	49,816,153	1,858,572	183,685	110,212	248,770,393
Net Assets at End of Year	$ 127,719,008	$ 56,576,734	$ 46,236,021	$ 1,550,005	$ (4,274)	$ 15,143	$ 232,092,637

Annual Pension Cost and Net Pension Obligations

The City of Meriden's annual pension cost and net pension obligation (asset) for the year ended June 30, 2012 were as follows:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution (ARC)	$ 1,898,009	$ 4,028,938	$ 2,620,905
Interest on net pension obligation (asset)	(25,217)	1,025,914	1,005,867
Adjustment to annual required contribution	43,478	(1,054,599)	(1,033,992)
Annual pension cost	1,916,270	4,000,253	2,592,780
Contributions made	1,906,102	4,028,938	2,620,905
Increase (decrease) in net pension obligation	10,168	(28,685)	(28,125)
Net pension obligation (asset), beginning of year	(315,217)	12,823,923	12,573,339
Net Pension Obligation (Asset), End of Year	$ (305,049)	$ 12,795,238	$ 12,545,214

The following is a summary of certain significant actuarial assumptions and other plan information:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	7/1/10	7/1/10	7/1/10
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	10 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases*	5.00%	4.00%	4.00%
*Includes inflation at	3.50%	3.00%	3.00%

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Retirement Plan			
6/30/12	$ 1,916,270	99.50 %	$ (305,049)
6/30/11	498,783	98.13	(315,217)
6/30/10	368,551	98.30	(324,550)
Police Pension Plan			
6/30/12	$ 4,000,253	100.72 %	$ 12,795,238
6/30/11	3,654,364	100.79	12,823,923
6/30/10	3,485,193	104.60	12,852,672
Firefighters' Pension Plan			
6/30/12	$ 2,592,780	101.08 %	$ 12,545,214
6/30/11	2,413,427	101.17	12,573,339
6/30/10	2,260,736	107.00	12,601,527

Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)			Covered Payroll (c)	Under Funded AAL as a % of Covered Payroll ((a-b)/c)	
Employees' Retirement Plan												
7/01/10	$	140,652,162	$	133,912,594	$	(6,739,568)	105.03	%	$	34,128,961	(19.75)	%
7/01/08		140,853,728		123,480,133		(17,373,595)	114.07			31,405,160	(55.32)	
7/01/06		128,680,666		114,597,050		(14,083,616)	112.29			30,170,844	(46.68)	
Police Pension Plan												
7/01/10	$	61,620,597	$	98,013,777	$	36,393,180	62.87	%	$	5,027,254	723.92	%
7/01/08		60,974,656		89,709,424		28,734,768	67.97			5,030,979	571.16	
7/01/06		53,745,820		79,947,211		26,201,391	67.23			5,940,009	441.10	
Firefighters' Pension Plan												
7/01/10	$	51,296,883	$	74,993,738	$	23,696,855	68.40	%	$	4,800,571	493.63	%
7/01/08		51,281,856		70,302,239		19,020,383	72.94			4,696,251	405.01	
7/01/06		46,026,189		65,036,368		19,010,179	70.77			4,971,096	382.41	

Schedule of Employer Contributions

		Employees' Retirement Plan				Police Pension Plan				Firefighters' Pension Plan		
Fiscal Year Ended		Annual Required Contribution	Percentage Contributed			Annual Required Contribution	Percentage Contributed			Annual Required Contribution	Percentage Contributed	
6/30/12	$	1,898,009	100.4	%	$	4,028,938	100.0	%	$	2,620,905	100.0	%
6/30/11		479,981	102.0			3,683,113	100.0			2,441,615	100.0	
6/30/10		354,382	102.3			3,646,850	100.0			2,419,234	100.0	
6/30/09		764,137	100.0			3,556,861	100.0			2,464,361	100.0	
6/30/08		649,414	101.6			3,509,801	100.0			2,435,594	100.0	
6/30/07		185,534	105.4			3,601,188	100.3			2,605,081	100.4	

B. Teachers' Retirement

All City of Meriden teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;

- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to $51,069,024.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2012, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of $10,488,044 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

Summary of Significant Accounting Policies

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

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

Plan Description

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

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

At July 1, 2010, plan membership consisted of the following:

	City			Board of Education		
	Police	**Fire**	**Other**	**Teachers**	**Other**	**Total**
Active employees	118	96	299	687	274	1,474
Retired employees*	52	53	198	159	71	533
Total Participants	170	149	497	846	345	2,007

* Counts do not include spouses of retirees

Funding Policy

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

City	2.00% of salary
Non-Teacher BOE	3.00% of salary
Police	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2012, plan members contributed $3,471,530. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of $5,613,907 were made in accordance with actuarially determined requirements.

Annual OPEB Cost and Net OPEB Obligations

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

		Retiree Health Plan
Annual required contribution (ARC)	$	11,081,681
Interest on net OPEB obligation		2,716,117
Adjustment to annual required contribution		(2,792,061)
Annual OPEB cost (expense)		11,005,737
Contributions made		5,613,907
Increase in net OPEB obligation		5,391,830
Net OPEB obligation, beginning of year		33,951,464
Net OPEB Obligation, End of Year	$	39,343,294

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012 is presented below.

Fiscal Year Ended		Annual OPEB Cost (AOC)		Actual Contribution	Percentage of AOC Contributed			Net OPEB Obligation
6/30/2012	$	11,005,737	$	5,613,907	51.01	%	$	39,343,294
6/30/2011		10,984,963		3,351,825	30.51			33,951,464
6/30/2010		10,829,460		3,218,187	29.72			26,318,326

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

Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets		Actuarial Accrued Liability (AAL) Projected Unit Credit		Unfunded AAL (UAAL)	Funded Ratio			Covered Payroll	UAAL as a Percentage of Covered Payroll	
Postemployment Healthcare Plan												
7/1/2010	$	5,142,767	$	104,364,393	$	99,221,626	4.9	%	$	94,310,588	105.2	%
7/1/2008		3,622,326		102,478,635		98,856,309	3.5			105,582,188	93.6	
7/1/2006		3,172,002		231,478,641		228,306,639	1.4			N/A	N/A	

n/a - The covered payroll is not available for the July 1, 2006 valuation.

Schedule of Employer Contributions

Year Ended		Annual Required Contribution	Percentage Contributed	
6/30/2012	$	11,081,681	50.66	%
6/30/2011		11,043,833	29.60	
6/30/2010		10,871,305	32.90	

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

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on a closed basis. The remaining amortization period at July 1, 2010 was 30 years.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There are various suits and claims pending against the City of Meriden, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position.

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

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

Construction Commitments

The government has active construction projects as of June 30, 2012. At year end, the government's commitments with contractors are as follows:

Project		Commitment
Water Roof Evaluation/Repair/Replacement	$	69,767
Flood Control		258,443
City Parks Upgrades		41,650
Citywide Drainage		37,280
Hanover Elementary School Kindergarten Addition		2,069,032
Public Works Equipment		232,073
City Building Repair/Upgrade		366,369
City-Wide Road/Sidewalk Reconstruction		857,415
Maloney School Addition and Replacement		1,386,366
Platt School Addition and Replacement		3,437,854
WPCF - Collection Improvements		304,819
Upgrade/Replace Pump Stations		1,112,221
Lagoon Rehabilitation		889,978
	$	11,063,267

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

13. PRIOR PERIOD ADJUSTMENTS

Adjustment to Enterprise Net Assets

The City conducted a review of the other post retirement benefit obligation (OPEB) in the current year for the water, sewer and golf departments, which resulted in a restatement of a liability in these funds. The Water Fund's OPEB obligation increased by $760,748 and net assets decreased by the same amount. The Sewer Fund's OPEB obligation increased by $253,482 and its net assets decreased by the same amount. The Golf Fund's OPEB obligation increased by $38,863 and its net assets decreased by the same amount. The beginning net assets of business-type activities decreased by the net of $1,053,093.

Adjustment to Net Assets

As a result of the above adjustments, beginning net assets increased by $1,053,093 for the government wide net assets, and the OPEB liability decreased by the same amount.

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Appendix B

Form of Opinion of Bond Counsel

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ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
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FORM OF OPINION OF BOND COUNSEL

February __, 2013

City of Meriden,
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated February 15, 2013 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of $25,480,000 City of Meriden, Connecticut General Obligation Bonds, Issue of 2013, dated February 15, 2013 (the "Bonds"), maturing on February 15 in each of the years, in the principal amounts and bearing interest payable on August 15, 2013 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate Per Annum	Year of Maturity	Principal Amount	Interest Rate Per Annum
2015	$ 910,000	%	2025	$1,365,000	%
2016	1,365,000		2026	1,365,000	
2017	1,365,000		2027	1,365,000	
2018	1,365,000		2028	1,365,000	
2019	1,365,000		2029	1,365,000	
2020	1,365,000		2030	1,365,000	
2021	1,365,000		2031	1,365,000	
2022	1,365,000		2032	1,365,000	
2023	1,365,000		2033	1,365,000	
2024	1,365,000				

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of January and July and in each year, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

Appendix C

Form of Continuing Disclosure Agreement

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FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of Meriden, Connecticut
$25,480,000 General Obligation Bonds, Issue of 2013
Dated February 15, 2013

February __, 2013

WHEREAS, the City of Meriden, Connecticut (the "City") has heretofore authorized the issuance of $25,480,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2013, dated February 15, 2013 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated January __, 2013 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated January 24, 2013 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF MERIDEN, CONNECTICUT

By: ________________________________
Lawrence J. Kendzior
City Manager

By: ________________________________
Michael Lupkas
Director of Finance and City Treasurer

Appendix D

Notice of Sale

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NOTICE OF SALE
$25,480,000
CITY OF MERIDEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2013

Electronic bids (as described herein) will be received by the **CITY OF MERIDEN**, **CONNECTICUT** (the "City"), until 11:30 A.M. (E.S.T.) Thursday,

JANUARY 31, 2013

for the purchase of all, but not less than all, of the $25,480,000 City of Meriden, Connecticut General Obligation Bonds, Issue of 2013 (the "Bonds"). Electronic bids must be submitted via ***PARITY®***. (See "Electronic Bidding Procedures").

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through ***PARITY®***. Prospective bidders are advised to check for such ***PARITY®*** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated February 15, 2013, mature in the principal amounts of $910,000 on February 15, 2015, and $1,365,000 in each of the years 2016-2033, both inclusive, bear interest payable on August 15, 2013 and semiannually thereafter on February 15 and August 15 in each year until maturity, or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated January 24, 2013 (the "Preliminary Official Statement").

The Bonds maturing on and after February 15, 2022 are subject to redemption prior to maturity, at the election of the City, on and after February 15, 2021, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective price (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

Redemption Date	Redemption Price
February 15, 2021 and thereafter	100%

Nature of Obligation

The full faith and credit of the City will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the City as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the City or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of ***PARITY®***. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of ***PARITY®*** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, ***PARITY®***, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by ***PARITY®*** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from ***PARITY®***, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department, (telephone: (212) 849-5021; email notice - parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by ***PARITY®*** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Each bid must be for the entire $25,480,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than two (2%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 15, 2013, the date of the Bonds, results in an amount equal to the purchase price for the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.S.T.) on January 31, 2013. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any proposal. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford. Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, but is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford. Connecticut, and will be available for examination upon request.

Settlement of the Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Bonds the prices at which a substantial amount of the Bonds of each maturity were initially offered and sold to the public.

The Bonds will be available for delivery on or about February 15, 2013. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from Matthew A. Spoerndle, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, Telephone No. (203) 878-4945.

LAWRENCE J. KENDZIOR
City Manager

MICHAEL LUPKAS
City Treasurer

January 24, 2013