

**Preliminary Official Statement Dated August 10, 2017**

**NEW MONEY: Book-Entry-Only**

**RATINGS: S&P Global Ratings: AA+ / SP-1+  
Fitch Ratings: AA+ / F1+**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and Notes is not included in gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code, and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Bonds and Notes may be includable in the calculation of certain taxes under the Code, including adjusted current earnings for purposes of calculating the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and Notes is excluded from 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 Appendix B – "Form of Opinions of Bond Counsel and Tax Exemption" herein.



**Town of Trumbull, Connecticut**

**\$9,060,000**

**General Obligation Bonds, Issue of 2017**

**Dated: Date of Delivery**

**Due: Serially August 15, 2018-2037  
as detailed below:**

Interest on the Bonds will be payable February 15, 2018 and semiannually thereafter on February 15 and August 15 in each year until maturity. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. The beneficial owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest payments on, the Bonds will be made by the Town of Trumbull, Connecticut (the "Town") to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Bonds are subject to redemption prior to maturity as more fully described under "Redemption Provisions" herein.

<b>Maturity</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>	<b>Maturity</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>
2018	\$ 445,000	.._%	.._%	898116___	2028	\$ 455,000	.._%	.._%	898116___
2019	445,000	.._%	.._%	898116___	2029	455,000	.._%	.._%	898116___
2020	445,000	.._%	.._%	898116___	2030	455,000	.._%	.._%	898116___
2021	450,000	.._%	.._%	898116___	2031	455,000	.._%	.._%	898116___
2022	450,000	.._%	.._%	898116___	2032	455,000	.._%	.._%	898116___
2023	455,000	.._%	.._%	898116___	2033	455,000	.._%	.._%	898116___
2024	455,000	.._%	.._%	898116___	2034	455,000	.._%	.._%	898116___
2025	455,000	.._%	.._%	898116___	2035	455,000	.._%	.._%	898116___
2026	455,000	.._%	.._%	898116___	2036	455,000	.._%	.._%	898116___
2027	455,000	.._%	.._%	898116___	2037	455,000	.._%	.._%	898116___

**Electronic bids only via PARITY® for the Bonds will be received until 12:00 Noon (E.D.T.) on Thursday, August 17, 2017, at Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, CT 06611.**

**\$9,210,000**

**General Obligation Bond Anticipation Notes**

**Dated: August 30, 2017**

**Rate: ..\_%**

**Due: August 29, 2018**

**Yield: ..\_%**

**CUSIP: 898116\_\_\_**

**Underwriter: TBD**

The Notes will be issued in book-entry-only form and will be registered in the name of Cede & Co., as noteowner and nominee for DTC, New York, New York. (See "Book-Entry-Only Transfer System" herein.) The Notes are not subject to redemption prior to maturity.

**Sealed proposals and electronic bids via PARITY® for the Notes will be received until 11:30 A.M. (E.D.T.) on Thursday, August 17, 2017, at Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, CT 06611. In order to assist bidders Phoenix Advisors, LLC, will transcribe onto Notice of Sale bid forms, proposals communicated over the telephone at (203) 452-5011, provided they are communicated in time and manner for written submission in accordance with the Notice of Sale.**

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

The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut 06103.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinion of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and Notes in book-entry-only form will be made to DTC on or about August 30, 2017.



No dealer, broker, salesman or other person has been authorized by the Town of Trumbull, Connecticut (the “Town”) to give any information or to make any representations other than that 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 Town. 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 or the Notes 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 Notes 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 or the Notes shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

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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.*

<b>Date of Sale:</b>	Thursday, August 17, 2017 at 12:00 Noon (E.D.T.).
<b>Location of Sale:</b>	Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611.
<b>Issuer:</b>	Town of Trumbull, Connecticut (the "Town").
<b>Issue:</b>	\$9,060,000 General Obligation Bonds, Issue of 2017 (the "Bonds").
<b>Dated Date:</b>	August 30, 2017.
<b>Principal and Interest Due:</b>	Principal due serially August 15, 2018 through August 15, 2037. Interest due February 15 and August 15 in each year until maturity, commencing February 15, 2018.
<b>Purpose:</b>	The Bond proceeds will be used to fund various town and school projects and permanently finance maturing notes.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity.
<b>Security:</b>	The Bonds will be general obligations of the Town of Trumbull, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have received ratings of "AA+" from S&P Global Ratings and "AA+" from Fitch Ratings.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds shall <u>NOT</u> be designated by the Town 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 of interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-1 to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, LLC, of Milford, Connecticut will act as Municipal Advisor. Telephone: (203) 878-4945.
<b>Legal Opinion:</b>	Joseph Fasi LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 30, 2017. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Ms. Maria T. Pires, Director of Finance, Trumbull Town Hall, 5866 Main Street, Trumbull, Connecticut 06611. Telephone (203) 452-5013.

## **Note Issue Summary**

*The information in this Note 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.*

<b>Date of Sale:</b>	Thursday, August 17, 2017 at 11:30 A.M. (E.D.T.).
<b>Location of Sale:</b>	Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611. Telephone: (203) 452-5011.
<b>Issuer:</b>	Town of Trumbull, Connecticut (the "Town").
<b>Issue:</b>	\$9,210,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	August 30, 2017.
<b>Principal and Interest Due:</b>	August 29, 2018.
<b>Purpose:</b>	The Note proceeds will be used to finance various school, public improvement, and sewer projects.
<b>Redemption:</b>	The Notes are NOT subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town of Trumbull, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	The Notes have received ratings of "SP-1+" from S&P Global Ratings and "F1+" from Fitch Ratings.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Notes shall <u>NOT</u> be designated by the Town 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 of interest expense allocable to the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-2 to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, LLC, of Milford, Connecticut will act as Municipal Advisor. Telephone: (203) 878-4945.
<b>Legal Opinion:</b>	Joseph Fasi LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about August 30, 2017. Delivery of the Notes will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Ms. Maria T. Pires, Director of Finance, Trumbull Town Hall, 5866 Main Street, Trumbull, Connecticut 06611. Telephone (203) 452-5013.

## ***I. Bond & Note Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Trumbull, Connecticut (the "Town"), in connection with the original issuance and sale of \$9,060,000 General Obligation Bonds, Issue of 2017 (the "Bonds") and \$9,210,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds or the Notes. 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. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

The Bonds and Notes are being offered for sale through public bidding. A Notice of Sale dated August 10, 2017 has been furnished to prospective bidders and is included herein as Appendix D for the Bonds and for the Notes. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

U.S. Bank National Association, will certify and act as Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Bonds and for the Notes.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A – Financial Statements excerpted from the Town's 2016 Annual Financial Report), and they make no representation that they have independently verified the same. The Auditors have not been engaged nor performed audit procedures regarding the past audit period nor reviewed the Official Statement. The Auditors have not provided their written consent to use their Independent Auditors Report.

Bond Counsel is not passing on and does not assume any responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement, other than matters expressly set forth as its opinion, and makes no representation that they have independently verified the same.

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

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data with respect to the Bonds and the Notes and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

### ***Municipal Advisor***

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the Town with respect to the issuance of the Bonds and the Notes (the "Municipal Advisor"). The Municipal 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 Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **The Bonds**

### **Description of the Bonds**

The Bonds will be dated August 30, 2017 and will bear interest at the rates per annum specified on the front cover page, payable semiannually on February 15 and August 15 in each year until maturity, commencing February 15, 2018. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. 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, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank National Association. The Bonds will be issued as fully registered in denominations of \$5,000 or any integral multiple thereof. The legal opinion for the Bonds will be rendered by Joseph Fasi LLC in substantially the form set forth in Appendix B-1 to this Official Statement.

### **Redemption Provisions**

The Bonds maturing on or before August 15, 2025 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2026 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 15, 2025, 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 Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 15, 2025 and thereafter .....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. 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 the Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds 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 Town, 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 Town will reduce the outstanding principal amount 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 redemptions 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 allocation of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

## The Notes

### Description of the Notes

The Notes will be dated August 30, 2017 and will be due and payable as to both principal and interest at maturity, August 29, 2018. The Notes are not subject to redemption prior to maturity and will bear interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, at the rate or rates per annum specified by the successful bidder or bidders. A book-entry system will be employed, evidencing ownership of Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership affected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein.) The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103. The legal opinion for the Notes will be rendered by Joseph Fasi LLC in substantially the form set forth in Appendix B-2 to this Official Statement.

## The Bonds and Notes

### Authorization and Purpose

The Bonds and Notes are issued pursuant to Title 7, Chapter 109, Sections 7-369 et seq. of the Connecticut General Statutes, as amended, the Charter of the Town of Trumbull, and bond resolutions approved by the Town's Board of Finance and Town Council. (See "Use of Proceeds" herein.)

### Use of Proceeds

Subject to the Issuer's election to reallocate proceeds among its bond authorized projects to meet its capital cash flow needs, the proceeds of the Bonds and Notes are expected to finance the following projects.

<i>Project</i>	<i>Notes Due 8/30/2017</i>	<i>THIS ISSUE:</i>	
		<i>Notes Due: Due: 8/29/18</i>	<i>The Bonds</i>
Capital Plan (2012-2013):			
Board of Education-various.....	\$ 810,000	\$ -	\$ 375,000
Capital Plan (2013-2014):			
Town.....	-	-	1,250,000
WPCA.....	1,910,000	560,000	-
Capital Plan (2014-2015):			
Board of Education-Variou.....	-	300,000	-
Town.....	510,000	510,000	-
WPCA.....	690,000	690,000	-
Capital Plan (2015-2016):			
Board of Education-Variou.....	1,000,000	-	1,000,000
Town.....	1,500,000	2,000,000	-
WPCA.....	-	300,000	-
Capital Plan (2016-2017):			
Board of Education-Variou.....	1,200,000	-	2,100,000
Town.....	1,500,000	800,000	1,825,000
Capital Plan (2017-18):			
Board of Education-Variou.....	-	750,000	-
Town.....	-	3,300,000	-
Land Acquisition.....	-	-	1,510,000
Police Department Improvements.....	1,000,000	-	1,000,000
<b>Total.....</b>	<b>\$ 10,120,000</b>	<b>\$ 9,210,000</b>	<b>\$ 9,060,000</b>

### Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds and the Notes (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. For the Bonds, 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. For the Notes, one fully-registered Security certificate will be issued for each interest rate of the Security.

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](http://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 representing 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. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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 Issuer 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, principal and interest 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 Issuer 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 Issuer, subject to any statutory or regulatory requirements



as may be in effect from time to time. Payment of redemption proceeds, distributions, principal and interest and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer 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 Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer 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 Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

### ***DTC Practices***

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds or Notes act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

### ***Replacement Bonds and Notes***

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds or Notes, and the Town fails to identify another qualified securities depository for the Bonds or the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds or the Notes, the Town is authorized to issue fully registered Bond or Note certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds or Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds or Notes.

### ***Security and Remedies***

The Bonds and the Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due.

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues of the Town. The Town has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the Town 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 and of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

Payment of the Bonds and the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

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

The Town is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. A Court of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Bonds and Notes from funds lawfully available therefor or, in the absence thereof, to order the Town 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 Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or, 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.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code 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 of Connecticut having the power to levy taxes and issue bonds or other obligations.

### ***Qualification for Financial Institutions***

The Bonds and the Notes shall NOT be designated by the Town 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 of interest expense allocable to the Bonds and the Notes.

### ***Availability of Continuing Information***

The Town prepares, in accordance with State law, annual independent audited financial statements and operating statements and files such annual reports with the State of Connecticut, Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide Fitch Ratings, Moody's Investors Service, Inc. and S&P Global Ratings ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds and the Notes, substantially in the forms attached as Appendix C to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), certain annual financial and operating information and the timely notice of the occurrence of certain material events with respect to the Bonds or the Notes.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds to provide audited financial statements, annual financial information and notices of certain listed events pursuant to SEC Rule 15c2-12(b)(5) (the "Prior Disclosure Undertakings"). The Town believes that it has complied in a timely manner with its obligations to file audited financial statements for each of the last five years, with the exception of filing the annual financial report for the year ending June 30, 2009 by the last day of February 2010 because the Town had inadvertently filed with the former NRMSIRs instead of the MSRB's EMMA system. We note that for the fiscal years ending June 30, 2009, 2012, and 2013, the Town timely filed its annual audited financial statements. Certain supplemental operating data, however, was not filed with such financial statements because such data was set forth in Official Statements prepared for bond financings that had been previously posted on EMMA. The Town has updated its annual financial statement filings on EMMA for 2009, 2012 and 2013 by cross referencing the applicable Official Statement containing the supplemental operating data.

### ***Ratings***

The Bonds have received ratings of "AA+" from S&P Global Ratings ("S&P") and "AA+" from Fitch Ratings ("Fitch") (collectively, the "Rating Agencies"). The Notes have received ratings of "SP-1+" from S&P and "F1+" from Fitch. The Town furnished the Rating Agencies with certain information and materials, some of which may not have been included in this Official Statement.

The ratings reflect only the views of the Rating Agencies and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds.

### ***Insurance***

The Town does not expect to direct purchase a credit enhancement facility.

## II. The Issuer



### **Description of the Municipality**

The Town first settled in the early 1600's as part of Stratford, was incorporated as a separate town in October, 1797, and covers an area of 23.5 square miles. It is located in Fairfield County approximately 60 miles from New York City, and 60 miles from Hartford, Connecticut. It is bounded on the north by the Town of Monroe, east by the City of Shelton, south by the City of Bridgeport, and west by the Towns of Fairfield and Easton.

Trumbull is a growing, suburban residential community with extensive retail and an expanding commercial and industrial base. According to the U.S. Census Bureau American Community Survey, 2009-2013, the population was 36,251. The Town has above average income and education levels that reflect its character as a suburban bedroom community.

The Town supports and encourages a balance of industrial, commercial, and residential properties and the Town's Economic Development Commission and Planning and Zoning Commission have worked together to reach this objective.

The Town is traversed by State Routes 25, 127, 111, and 15 (the Merritt Parkway). The southern area of town is easily accessible to the Merritt Parkway and thus to both Interstates 91 and 95. Air transportation is available in Hartford or White Plains, as is rail transportation, via Amtrak and the Metroliner Service; bus passenger transportation is provided by the Connecticut Department of Transportation and by the Greater Bridgeport Transit District. Freight service is furnished by various motor common carriers.

## Form of Government

The Town is administered by a First Selectman, who acts as the Chief Executive Officer, and a 21-member Town Council, that constitute a Selectman/Council form of government. The First Selectman is directly responsible to the Town Council for planning, organizing and directing all routine municipal activities, except for education and certain commissions, which are either elected or appointed by the Town Council. The First Selectman manages department heads, sees that laws and ordinances governing the Town are enforced, makes recommendations and reports to the Town Council, prepares the annual budget, prepares the annual report, keeps the Town Council and Board of Finance advised on the Town's financial condition and performs other duties prescribed by Charter, Ordinance or Town Council resolution.

### Town Officials

<b>Office</b>	<b>Name</b>	<b>Manner of Selection</b>	<b>Length of Service</b>
First Selectman.....	Timothy M. Herbst	Elected	8 years
Chairman, Town Council.....	Carl A. Massaro, Jr.	Elected	8 years
Town Clerk.....	Suzanne Burr Monaco	Elected	8 years
Town Treasurer.....	Anthony Musto	Elected	2 years
Assessor.....	Mark DeVestern	Civil Service	8 years
Director of Public Works.....	John Marsilio	Appointed	8 years
Tax Collector.....	Donna M. Pellitteri	Appointed	4 years <sup>3</sup>
Chief of Police.....	Michael Lombardo	Appointed	3 years
Superintendent of Schools.....	Gary Cialfi	Appointed	5 years <sup>1</sup>
Director of Finance.....	Maria T. Pires	Appointed	8 years <sup>2</sup>
Town Attorney.....	Robert Nicola	Appointed	8 years

<sup>1</sup> Dr. Cialfi has worked in the Town's school system for 14 years.

<sup>2</sup> Ms. Pires served as Deputy Director of Finance for nine years prior to being appointed the Director in 2010.

<sup>3</sup> Ms. Pellitteri served in the Tax Collector's office for 10 years prior to being appointed the Collector in 2014.

Source: Town of Trumbull

## Municipal Services

**Police:** The Police Department provides full-time police protection, complete with the latest in crime prevention computer systems and a state-of-the-art computerized radio communications center to serve all emergency agencies. The Police Department has installed wireless mobile laptop computers and video cameras in patrol cars. The Police Department is manned by a staff of 81 professionals, including a Chief of Police, three Deputy Chiefs and a supporting staff of detectives, three newly established school resource officers, and other civilians, with an appropriate force of auxiliary police officers.

**Fire and EMS:** The Fire Department consists of three volunteer fire districts having the authority to levy and collect taxes independent of the Town to support their operations. They collectively carry a force of 230 active firefighters in seven fire stations. Their major equipment includes nineteen pieces of fire apparatus and three rescue vehicles. The Town operates its own ambulance service through its Emergency Medical Services commission, overseeing over 100 EMTs and paramedics and four medical vehicles. Paid paramedics are on call 7 days a week – 24 hours a day.

**Public Works:** The Public Works Department, which includes Town Highway, Parks (see “Parks and Recreation Services” below), Engineering, Sewer Operations, as well as the Town Recycling department, and Tree Warden, employs a total of 69 personnel. Public Works is responsible for over 200 pieces of rolling stock used for the repair, maintenance, and snow plowing of over 200 miles of town roads, 1400 acres of parkland, including 400 acres of developed parkland, and 100 miles of sanitary sewers serving approximately 65% of the residents. The Town installed its first sanitary sewer in the early 1970's.

**Solid Waste:** Solid waste collection in Trumbull is collected by private firms who have direct contracts with residents.

Trumbull is one of nine municipalities that have entered into a Municipal Service Agreement (“MSA”) with Wheelabrator (Resco) for the disposal of solid waste through the Greater Bridgeport Resource Recovery System (the “System”). Each municipality which has signed such MSA (a “Participating Municipality”) has agreed to deliver or cause to be delivered to the System all “Acceptable Waste,” as defined therein, generated within its boundaries. The facility for the System (the “Facility”) is located in the City of Bridgeport, Connecticut and was designed and constructed and is operated by Bridgeport Resco Company, L.P. (the “Company”). The Facility began commercial operation in July 1988 and is designed to process up to 2,250 tons of solid waste per day.

The Town and the other eight municipalities have exercised their option to extend the contract for another 10 years to 2024, retroactively to July 1, 2014. Wheelabrator (Resco) will bill each Participating Municipality a fixed charge of \$60.25 per ton of Municipal Solid Waste “MSW” actually delivered by or on behalf of each Participating Municipality, which escalates at 0.75% of the Consumer Price Index (the “CPI”) for the term of the contract.

Starting July 1, 2016, the CPI will result in an increase in the disposal tipping fee to ^61.22 and the disposal fee adjustment for the program will decrease to \$0.10 for a total of \$61.32

Each Participating Municipality has agreed to pay Municipal Disposal Fees to Wheelabrator (Resco) for the acceptance and processing and/or disposing of Acceptable Waste. The Municipal Disposal Fees, which are payable on a monthly basis, include (i) disposal fees under a Solid Waste Disposal Agreement, and (ii) an Administrative Fee.

Additionally, the Town anticipates spending another \$27 per ton of MSW to pay a private contractor to transport MSW to the Facility and to operate and maintain the MSW transfer station.

The Town has opted to engage with recycling processors independently. It has negotiated a contract that pays the Town \$35 per ton for recyclables that are directed to the processor. The most recent contract ran from July 1, 2012 to June 30, 2013 with five one year options. The Town is committed to deliver recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard, waste oil, storage batteries, scrap metal and e-waste.

**Library:** The Town’s two libraries offer over 137,400 books and are staffed by six professional librarians, 14 full-time and 21 part-time employees. In addition to adult, juvenile, fiction and non-fiction, and reference works, the libraries also offer 765 books on cassette, 4,700 videocassettes, newspapers and magazines on microfiche and compact discs. Services also include an on-line public access catalog with dial-in access, four dedicated public internet workstations, a public PC workstation with color laser printer, a scanner and several CD ROM databases including Newsbank Business, Ebsco Healthsource, InfoTrac Magazine Index Plus, Phonedisc Powerfinder and Request-Connecticut's statewide library catalog. The libraries also provide meeting rooms for community groups and activities.

**Parks and Recreation Services:** In addition to over 1,400 acres of park land, the Town manages and operates Tashua Knolls Golf Course, an 18-hole championship rated course. An additional nine-hole course opened in August 2005, upgrading Tashua Knolls to a 27-hole course. Abutting the golf course is a recreation area, including an outdoor olympic-sized swimming pool, kiddie pool, four lighted tennis courts, as well as other major athletic facilities. There is a soccer park with a capacity of 4¼ full size soccer fields in addition to three new ballfields that were added in 2008. One park boasts a 60' by 80' amphitheater stage with adjoining multi-purpose field to accommodate lawn-chair seating of 8,000 for hosted military and symphonic concerts. Parks and Recreation Services employs 27 full-time employees, 16 in parks, 6 in golf course and 5 in other Town recreation areas.

**Planning and Zoning:** The Planning and Zoning department consists of two full time and 2 part time employees who provide staff support to two land use boards; the Planning and Zoning Commission and the Zoning Board of Appeals. They act as the liaison between the land use boards and the general public, including developers and land use attorneys. The Planning and Zoning department is responsible for meeting local and state regulations for handling applications to the land use commissions and providing due notice and summary of public hearings. The Land Use Planner provides professional insights as to the merits of special permit and variance applications, as requested by the Commissions. Under the directions of the Planning and Zoning Commission, the Land Use Planner also undertakes special planning study assignments and regulatory rewrites, occasionally with assistance from a third-party consultant. The Land Use Planner also oversees the efforts of the Zoning Enforcement Officer, who pursues blight and zoning code, for both residential and commercial construction projects.

**Economic Development:** The Town employs a full-time Economic & Community Development (“E&CD”) Director who collaborates with an appointed Economic & Community Development Commission (the “Commission”). Under the direction of the First Selectman's Office, the Economic & Community Development Director is charged with managing the economic and community development activities of the Town, coordinating as necessary the activities of the Planning, Zoning, Building and Fire Marshal's offices, and providing staff support to the Commission. The mission of the E&CD Office is: to promote any and all investment in Trumbull that is consistent with the Town's Plan of Conservation and Development; to improve and protect Trumbull's economic well-being; to create economic opportunity and convenience for residents; and to preserve the Town's excellent quality of life.

The Town was recently named in the top 50 places nationwide for office relocation by independent site selection experts at The Boyd Co. This trend is reflected in the Town's Grand List, which has grown from 14% commercial base in 2009 to 24% today. This upward growth is forecasted to continue over the next two years.

Cooper Surgical recently completed the expansion of its corporate headquarters and the construction of a new warehouse and shipping facility on Corporate Drive. In the Trumbull Corporate Park, on the east side of Town, RD Scinto has undertaken a repositioning of one functionally obsolete flex office building into two office facilities, roughly 250,000 sq. ft. The buildings are now fully leased. On the west side of Town, construction was recently completed for the 120,000 square foot cancer treatment facility, Park City Medical Center, operated by Bridgeport Hospital/Yale New Haven Health. Henkel Corporation acquired Sun Products and is expanding its presence in Trumbull. They have leased the vacant 4 Trefoil Drive site and are investing approximately \$20,000,000 to renovate the space. The Madison Village development is complete adding 16,000 sq. ft. of neighborhood-serving retail. The space is fully occupied. The Long Hill Green Village area will see additional redevelopment. The former Marrison's Restaurant site will undergo an \$8 million redevelopment in 2018 adding additional business commercial space. On the south side of Town, Westfield Trumbull is poised to begin its Phase 2 expansion of the mall. The mall has undergone a complete transformation that has attracted some major retail and restaurant brands, including Apple, The Cheesecake Factory and Connecticut's first Wahlburgers scheduled to open in Fall of 2017.

These are just a few highlights of the growth to the Town. In addition, many existing tenants in Town are expanding.

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## Educational Services

Schools in Town are governed by a six-member Board of Education. The Town's elementary school system consists of five schools for pupils in grades K through 5; two schools for pupils in grades 6-8; and one high school for pupils in grades 9-12.

### School Enrollment

<i>Historical</i>				
<i>School Year</i>	<i>Pre-School/ Special Education</i>	<i>K-8</i>	<i>9-12</i>	<i>Total</i>
2007-2008	228	4,592	2,089	6,910
2008-2009	277	4,566	2,102	6,936
2009-2010	237	4,632	2,152	6,909
2010-2011	234	4,613	2,170	6,945
2011-2012	237	4,539	2,200	7,021
2012-2013	227	4,503	2,191	7,017
2013-2014	222	4,487	2,160	6,976
2014-2015	259	4,336	2,142	6,921
2015-2016	210	4,307	2,159	6,869
2016-2017	231	4,353	2,120	6,704
<i>Projected</i>				
<i>School Year</i>	<i>Pre-School / Special Education</i>	<i>K-8</i>	<i>9-12</i>	<i>Total</i>
2017-2018	250	4,289	2,152	6,691
2018-2019	250	4,063	2,087	6,400
2019-2020	250	4,044	2,046	6,340
2020-2021	250	4,276	2,131	6,657

Source: Town of Trumbull, Board of Education

### School Facilities

<i>School</i>	<i>Grades</i>	<i>Date of Construction (Additions, Remodeling)</i>	<i>Numbers of Classrooms</i>	<i>10/1/2016 Enrollment</i>	<i>Rated Capacity</i>
Middlebrook - TECEC....	Pre-K	2005	11	231	186
Booth Hill.....	K-5	1955 (1957, 1970, 2000)	25	466	600
Daniels Farm.....	K-5	1962 (1981, 2000)	26	451	624
Jane Ryan.....	K-5	1955 (1957,1970, 2000)	25	406	600
Middlebrook.....	K-5	1953 (1959, '67, '71, 2000)	31	473	744
Tashua.....	K-5	1965 (2000)	24	408	576
Hillcrest.....	6-8	1967 (2000)	50	777	1,100
Madison.....	6-8	1960 (2000)	66	839	1,452
Trumbull High.....	9-12	1971 (1984, 2000, 2006)	106	2,120	2,332
Frenchtown.....	K-5	2003	32	533	960
<b>Total.....</b>			<b>396</b>	<b>6,704</b>	<b>9,174</b>

Source: Town of Trumbull, Board of Education

## Employee Relations and Collective Bargaining

### Municipal Employees

The following table reflects total Town employment for the past five fiscal years:

	2017	2016	2015	2014	2013
General Government. <sup>1</sup> .....	334	314	314	333	361
Board of Education. <sup>1,2</sup> .....	965	993	993	942	908
<b>Total</b> .....	1,299	1,307	1,307	1,275	1,269

<sup>1</sup> Includes permanent part-time employees.

<sup>2</sup> Excludes positions funded by grants.

### Employee Relations <sup>1</sup>

	Positions Covered	Current Contract Expiration Date
<b>Board of Education Groups</b>		
Trumbull School Administrators.....	31	06/30/2018
Teachers – Trumbull Education Association.....	570	06/30/2020
CILU Paraprofessionals.....	154	06/30/2018
Trumbull School Secretaries.....	48	06/30/2020
Custodial/Maintenance - UPSEU.....	79	06/30/2017 <sup>2</sup>
School Lunch Program - UPSEU.....	47	06/30/2017 <sup>2</sup>
Board of Education Support & Supervisors – Local #21, Connecticut Independent Labor Union, CILU.....	9	06/30/2020
Non-Bargaining.....	27	N/A
<b>Total Board of Education Employees</b> .....	965	
<b>General Government Groups</b>		
Public Works/Park – Local 1303-33, Council 4, AFSCME, AFL-CIO..	50	06/30/2019
DPW Supervisors – Local 818, Council 4, AFSCME, AFL-CIO.....	9	06/30/2017 <sup>2</sup>
Police Department – Local 1745, Council 15, AFSCME, AFL-CIO.....	78	06/30/2019
Fire Marshal – Local 1303-277, Council 4, AFSCME, AFL-CIO.....	3	06/30/2017 <sup>2</sup>
Town Hall (M.A.T.E.) – C.I.L.U., Local 51.....	70	06/30/2017 <sup>2</sup>
Town Hall Supervisors – C.I.L.U., Local 13.....	19	06/30/2017 <sup>2</sup>
Non-Bargaining. <sup>1</sup> .....	105	N/A
<b>Total General Government Employees</b> .....	334	

<sup>1</sup> Includes part-time employees but not seasonal employees.

<sup>2</sup> In negotiation.

Source: Town of Trumbull

### Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide for 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 a municipality may reject an 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 then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives 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. Effective October 1, 1997, for binding arbitration of teacher's contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.



### III. Economic and Demographic Information

#### Population and Density

Year	Actual		Density <sup>2</sup>
	Population	% Increase	
2015 <sup>1</sup>	36,444	1.2%	1,550.8
2010	36,018	5.2%	1,532.7
2000	34,243	7.0%	1,457.1
1990	32,016	-2.9%	1,362.4
1980	32,989	5.1%	1,403.8
1970	31,394	-	1,335.9

<sup>1</sup> American Community Survey 2011-2015

<sup>2</sup> Per square mile: 23.5 square miles.

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

#### Age Distribution of the Population

Age	Town of Trumbull		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years .....	2,002	5.5%	194,338	5.4%
5 to 9 years .....	2,348	6.4	217,491	6.1
10 to 14 years .....	2,867	7.9	234,666	6.5
15 to 19 years .....	2,586	7.1	255,499	7.1
20 to 24 years .....	1,822	5.0	234,482	6.5
25 to 34 years .....	2,804	7.7	433,145	12.1
35 to 44 years .....	4,589	12.6	459,130	12.8
45 to 54 years .....	6,028	16.5	563,772	15.7
55 to 59 years .....	2,346	6.4	253,952	7.1
60 to 64 years .....	2,224	6.1	214,499	6.0
65 to 74 years .....	3,082	8.5	280,541	7.8
75 to 84 years .....	2,438	6.7	162,971	4.5
85 years and over .....	1,308	3.6	87,567	0.0
<b>Total.....</b>	<b>36,444</b>	<b>100.0%</b>	<b>3,592,053</b>	<b>100.0%</b>
Median Age (Years) 2015.....	43.4		40.3	

Source: American Community Survey 2011-2015

#### Income Distribution

Income	Town of Trumbull		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	8	0.1%	30,584	3.4%
10,000 - 14,999.....	73	0.8	18,591	2.1
15,000 - 24,999.....	129	1.4	46,537	5.2
25,000 - 34,999.....	348	3.7	56,473	6.3
35,000 - 49,999.....	517	5.4	85,206	9.5
50,000 - 74,999.....	1,114	11.7	140,776	15.6
75,000 - 99,999.....	1,222	12.8	129,656	14.4
100,000 - 149,999.....	2,238	23.5	184,327	20.5
150,000 - 199,999.....	1,679	17.6	93,100	10.3
200,000 and over.....	2,196	23.1	114,307	0.1
<b>Total.....</b>	<b>9,524</b>	<b>100.0%</b>	<b>899,557</b>	<b>100.0%</b>

Source: American Community Survey 2011-2015

### Income Levels

	<b>Town of Trumbull</b>	<b>State of Connecticut</b>
Per Capita Income, 2015 .....	\$ 45,535	\$ 38,480
Per Capita Income, 2010 .....	\$ 44,006	\$ 35,078
Median Family Income, 2015 .....	\$ 127,598	\$ 88,217
Median Family Income, 2010 .....	\$ 117,855	\$ 84,170
Percent Below Poverty (Families), 2015 .....	0.80%	7.50%
Percent Below Poverty (Families), 2010 .....	1.70%	5.60%

Source: American Community Survey 2011-2015

### Educational Attainment Years of School Completed Age 25 and Over

	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	704	2.8%	106,784	4.3%
9th to 12th grade.....	861	3.5	150,227	6.1
High School graduate.....	5,110	20.6	677,887	27.6
Some college, no degree.....	3,587	14.5	431,807	17.6
Associate's degree .....	1,856	7.5	180,321	7.3
Bachelor's degree.....	7,104	28.6	506,662	20.6
Graduate or professional degree.....	5,597	22.6	401,889	16.4
<b>Total.....</b>	<b>24,819</b>	<b>100.0%</b>	<b>2,455,577</b>	<b>100.0%</b>
Total high school graduate or higher (%).....		93.7%		89.5%
Total bachelor's degree or higher (%).....		51.2%		37.0%

Source: American Community Survey 2011-2015

### Major Employers As of August 2017

<b>Employer</b>	<b>Type of Business</b>	<b>Approximate Number of Employees</b>
Westfield Shoppingtown Trumbull Mall <sup>1</sup> ...	Retail Shopping Mall	3,250
Town of Trumbull.....	Government/Education	1,299
Unilever, Inc.....	Home and Personal Care Products	1,100
Affinion Group.....	Marketing Agency	750
Oce Imagistics.....	Multifunction Printing Devices	675
St. Joseph's Manor.....	Nursing Home	500
Kennedy Center.....	Headquarters – Non-Profit Organization	400
Cooper Surgical.....	Medical Equipment and Supplies	350
Helicopter Support, Inc.....	Helicopter Logistics Support	300
Yale-New Haven Health System.....	Medical Group	283

<sup>1</sup> Major tenants include Macy's, Lord & Taylor, J.C. Penney and the Cheesecake Factory.

Source: Town of Trumbull, phone survey.

**Employment by Industry**  
**Employed Persons 16 Years and Over**

<b>Sector</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	-	0.0%	7,413	0.4%
Construction.....	914	5.3	97,974	5.5
Manufacturing.....	1,728	10.0	191,057	10.8
Wholesale trade.....	458	2.7	44,195	2.5
Retail trade.....	1,669	9.7	191,267	10.8
Transportation warehousing, and utilities....	368	2.1	65,068	3.7
Information.....	413	2.4	41,905	2.4
Finance, insurance, real estate, and leasing..	2,062	11.9	161,926	9.2
Professional, scientific, management, administrative, and waste management....	2,493	14.4	197,880	11.2
Education, health and social services.....	4,576	26.5	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	1,144	6.6	154,005	8.7
Other services (except public admin.).....	829	4.8	80,179	4.5
Public Administration.....	610	3.5	66,491	3.8
<b>Total Labor Force, Employed.....</b>	<b>17,264</b>	<b>100.0%</b>	<b>1,766,934</b>	<b>100.0%</b>

Source: American Community Survey 2011-2015

**Employment Data**  
**By Place of Residence**

The following table presents employment data (not seasonally adjusted) for the Town, the Bridgeport Labor Market and the State of Connecticut.

<b>Period</b>	<b>Town of Trumbull</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Town of Trumbull</b>	<b>Bridgeport Labor Market</b>	<b>State of Connecticut</b>
May 2017.....	17,804	786	4.2	4.8	4.8
<b>Annual Average</b>					
2016.....	17,443	798	4.4	5.2	5.3
2015.....	17,487	851	4.6	5.5	5.6
2014.....	17,436	1,000	5.4	6.2	6.7
2013.....	16,956	969	6.3	7.3	7.9
2012.....	16,648	1,268	7.1	8.2	8.3
2011.....	16,648	1,268	7.1	8.2	8.8
2010.....	16,698	1,284	7.1	8.4	9.0
2009.....	16,739	1,213	6.8	7.8	8.2
2008.....	17,153	809	4.5	5.3	5.7
2007.....	17,652	620	3.4	4.1	4.6

Source: State of Connecticut, Department of Labor.

## Age Distribution of Housing

<b>Year Built</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	1,483	11.8%	334,290	22.4%
1940 to 1969.....	6,263	49.8	536,618	36.0
1970 to 1979.....	1,803	14.3	200,288	13.4
1980 to 1989.....	1,138	9.0	193,794	13.0
1990 to 1999.....	1,221	9.7	113,875	7.6
2000 or 2009.....	648	5.1	104,093	7.0
2010 or later.....	28	0.2	7,423	0.5
<b>Total Housing Units.....</b>	<b>12,584</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2011-2015

## Housing Inventory

<b>Housing Units</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	11,022	87.6%	882,955	59.2%
1-unit, attached.....	416	3.3	79,922	5.4
2 units.....	103	0.8	120,070	8.1
3 or 4 units.....	222	1.8	133,452	9.0
5 to 9 units.....	206	1.6	81,574	5.5
10 to 19 units.....	199	1.6	55,609	3.7
20 or more units.....	408	3.2	124,683	8.4
Mobile home.....	8	0.1	11,819	0.8
Boat, RV, van, etc.....	-	-	297	0.0
<b>Total Inventory.....</b>	<b>12,584</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2011-2015

## Owner Occupied Housing Values

<b>Specified Owner-Occupied Units</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	160	1.5%	24,122	2.6%
\$50,000 to \$99,000.....	8	0.1	26,438	2.9
\$100,000 to \$149,999.....	56	0.5	72,756	8.0
\$150,000 to \$199,000.....	175	1.6	137,797	15.1
\$200,000 to \$299,999.....	1,181	10.8	257,364	28.2
\$300,000 to \$499,999.....	6,527	59.9	243,882	26.7
\$500,000 to \$999,999.....	2,652	24.3	109,918	12.0
\$1,000,000 or more.....	142	1.3	40,766	4.5
<b>Total.....</b>	<b>10,901</b>	<b>100.0%</b>	<b>913,043</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$399,700</b>		<b>\$274,500</b>	

Source: American Community Survey 2011-2015

## **Building Permits**

The following is a schedule of building permits and their estimated values over the last ten years:

<b>Calendar Year</b>	<b>Residential</b>		<b>Comm./Industrial</b>		<b>All Other <sup>1</sup></b>		<b>Total</b>	
	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
2016	8	\$ 2,506,890	539	\$ 11,630,175	2,298	\$24,149,886	2,845	\$ 38,286,951
2015	8	1,744,362	624	35,142,327	2,388	23,214,305	3,020	60,100,994
2014	9	933,500	394	78,380,626	2,442	25,011,432	2,845	104,325,558
2013	11	2,941,126	134	26,734,348	2,999	19,828,811	3,144	49,504,285
2012	7	1,527,446	125	34,854,419	2,296	20,102,508	2,428	56,484,373
2011	9	2,030,800	119	24,250,020	1,973	16,709,874	2,101	42,990,694
2010	6	1,505,000	143	24,195,231	1,814	69,195,837	1,963	94,896,068
2009	4	1,260,200	44	17,726,850	1,271	29,683,030	1,319	48,670,080
2008	4	1,472,160	59	14,099,550	1,532	26,428,270	1,595	41,999,980
2007	22	6,804,000	83	39,754,072	1,886	19,673,165	1,991	66,231,237

<sup>1</sup> Includes additions, alterations, pools, etc.

Source: Town of Trumbull, Building Official

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## IV. Tax Base Data

### **Property Tax Assessments**

Section 12-62 et. seq. of the Connecticut General Statutes govern real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. The Town's general 1 revaluation of property was completed for the grand list as of October 1, 2015. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total assessed values for all taxable and tax exempt real estate, taxable personal property, and motor vehicles located within the Town as of October 1. Assessments for real property are computed at seventy percent (70%) of the market value at the time of last revaluation. Grand List information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy.

Any taxpayer who is unsatisfied with any new assessment may file a written appeal of such assessment with the Town's Board of Assessment Appeals and may receive, subject to the discretion of the Board of Assessment Appeals, an appeal hearing and final determination of any increase or decrease from the property's original assessment. Each year the Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted.

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 commercial personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

*Motor Vehicles.* Public Act No. 16-3, May Special Session (the "Act") allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 37.00 mills for the 2015 assessment year (fiscal year beginning July 1, 2016 and ending June 30, 2017) and (2) 32.00 mills for the 2016 assessment year (fiscal year beginning July 1, 2017 and ending June 30, 2018) and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to fully reimburse the revenue loss attributed to the motor vehicle property tax cap. Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

Section 12-124a of the Connecticut General Statutes, as amended, permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. Section 12-170v of the Connecticut General Statutes permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

The Town has not approved the use of the 12-124a or 12-170v abatement provisions to date.

All State of Connecticut permitted veterans and elderly tax relief programs are utilized.

## Levy

For Fiscal Year 2016, the Town derived \$147,288,829 or 84.3% of its annual revenues through a direct property tax. Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Taxes are payable in quarterly installments - July 1, October 1, January 1 and April 1. Payments not received one month after the due date become delinquent. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Interest is charged at the rate of one and one-half percent per month with a minimum charge of \$2.00. In accordance with State law, all interest is collected first and then taxes in the order of the oldest outstanding tax first. Real estate is liened for delinquent taxes within one year after the tax due date.

## Comparative Assessed Valuations

The following table sets forth the Town's Taxable Grand List by component:

<b>Grand List As Of 10/1</b>	<b>Residential Real Property (%)</b>	<b>Commercial &amp; Industrial Real Property (%)</b>	<b>All Land (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicles (%)</b>	<b>Gross Taxable Grand List</b>	<b>Exemptions, Veterans Relief and Disabled</b>	<b>Net Taxable Grand List</b>
2016	66.89	20.21	0.56	6.28	6.06	\$4,699,601,126	\$ 44,413,886	\$4,655,187,240
2015 <sup>1</sup>	67.53	19.58	0.56	6.23	6.10	4,640,429,667	46,256,190	4,594,173,477
2014	68.64	18.16	0.61	6.45	6.14	4,567,125,109	45,981,950	4,521,143,159
2013	69.12	18.39	0.62	6.04	6.05	4,538,262,295	17,501,220	4,520,761,075
2012	69.29	18.12	0.72	5.90	5.97	4,499,155,883	28,625,130	4,470,530,753
2011 <sup>1</sup>	69.50	17.66	0.75	5.94	6.15	4,469,738,774	30,636,619	4,439,102,155
2010	75.87	13.12	0.89	5.11	5.01	5,241,313,109	31,852,586	5,209,460,523
2009	76.50	12.65	0.97	4.93	4.95	5,144,879,298	30,740,373	5,114,138,925
2008	76.28	12.71	0.97	5.21	4.83	5,163,146,851	28,729,584	5,134,417,267
2007	76.48	12.64	1.03	4.64	5.21	5,087,391,361	37,834,999	5,049,556,362

<sup>1</sup> Revaluation.

Source: Town of Trumbull, Assessor's Office.

Note: Connecticut General Statutes Section 12-81(72) exempts new manufacturing equipment from property taxation by the Town. The State of Connecticut will directly reimburse the Town for some of the foregone taxes.

## Exempt Property

<b>Public</b>	<b>As of 10/1/16 <sup>1</sup></b>
Town owned.....	\$ 187,451,910
Volunteer Fire Company.....	4,636,840
State owned.....	13,946,070
<b>Sub-Total Public.....</b>	<b>206,034,820</b>
<b>Private</b>	
Educational, charitable.....	31,017,420
Cemeteries.....	2,836,820
House of religious worship.....	40,918,220
Parish houses/church schools.....	10,595,410
Officiating clergymen houses.....	6,190,940
Non-profit camps and recreational facility.....	19,781,370
Private Colleges and Hospitals	1,599,850
<b>Sub-Total Private.....</b>	<b>\$ 112,940,030</b>
<b>Total Exempt Property.....</b>	<b>\$ 318,974,850</b>
Percent Net Taxable Grand List.....	6.94%

<sup>1</sup> Net Taxable Grand List October 1, 2016 of \$4,594,173,477.

Source: Town of Trumbull, Assessor's Offices

## Property Tax Levies and Collections

<b>Fiscal Year Ended 6/30</b>	<b>Net Taxable Grand List</b>	<b>Tax Rate (in Mills)</b>	<b>Adjusted Tax Levy</b>	<b>Amount of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Collected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected As of 6/30/17</b>
2017 <sup>1</sup>	\$ 4,594,173,477	32.74	\$ 150,374,003	\$ 1,408,872	99.1%	0.9%	0.9%
2016	4,521,143,159	32.87	148,394,735	1,687,890	98.8%	1.2%	0.2%
2015	4,520,761,075	32.16	144,886,740	1,961,273	98.7%	1.3%	0.1%
2014	4,470,530,753	31.29	139,865,025	1,674,987	98.8%	1.2%	0.0%
2013 <sup>2</sup>	4,439,102,155	30.71	136,253,315	3,281,163	97.6%	2.4%	0.0%
2012	5,209,460,523	25.00	129,388,597	2,183,168	98.3%	1.7%	0.0%
2011	5,114,138,925	24.54	124,559,988	1,654,429	98.5%	1.5%	0.0%
2010	5,134,417,267	24.07	123,585,424	1,718,175	98.5%	1.5%	0.0%
2009	5,049,556,362	23.86	119,885,816	1,832,002	98.5%	1.5%	0.0%
2008	5,044,465,089	22.22	111,556,854	1,773,462	98.4%	1.6%	0.0%

<sup>1</sup> Subject to audit.

<sup>2</sup> Revaluation.

Source: Town of Trumbull, Tax Collector

## Ten Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to most recent Grand List:

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Taxable Valuation</b>	<b>Percent of Net Taxable Grand List <sup>1</sup></b>
Trumbull Shopping Center #2 LLC.....	Shopping Center	\$ 209,214,250	4.55%
Digital 60 & 80 Merritt LLC .....	Data Center	118,592,060	2.58%
RDR 5520 LLC.....	Real Estate Development (Incl BPT Hospital Cancer Center)	97,192,060	2.12%
Par Old Town, LLC.....	Apartment Rentals	44,302,360	0.96%
United Illuminating Company.....	Utility	36,113,390	0.79%
Conopco.....	Home and Personal Care Products	25,658,460	0.56%
Bridgewater Associates, LP.....	Financial Services	22,203,160	0.48%
Quarry Road Lot 2 LLC.....	Professional Building/theater	20,230,000	0.44%
6949 Main Street, LLC.....	Assisted Living	18,144,560	0.39%
National Development Resources.....	Shopping Center	17,586,730	0.38%
<b>Total.....</b>		<b>\$ 609,237,030</b>	<b>13.26%</b>

<sup>1</sup> Net Taxable Grand List October 1, 2016 of \$4,594,173,477.

Source: Town of Trumbull, Assessor's Office

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**V. Debt Summary**  
**Principal Amount of Indebtedness**  
**As of August 30, 2017**  
**(Pro Forma)**

**Long-Term Debt**

<u>Date</u>	<u>Purpose</u>	<u>Interest Rate %</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>	<u>Fiscal Year of Maturity</u>
08/19/2008	Refunding of General Purpose Bonds..	3.25-5.00	\$ 5,280,977	\$ 1,905,960	2021
08/19/2008	Refunding of Sewer Bonds <sup>1</sup> .....	3.25-5.00	2,793,530	739,040	2021
09/01/2009	Schools .....	2.00-4.00	5,850,000	292,500	2018
09/01/2009	Sewers <sup>1</sup> .....	2.00-4.00	4,150,000	207,500	2018
10/06/2009	Refunding of General Purpose Bonds..	3.00-5.00	3,646,000	1,680,000	2024
10/06/2009	Refunding of Schools Bonds.....	3.00-5.00	13,877,000	8,245,000	2024
10/06/2009	Refunding of Sewers Bonds <sup>1</sup> .....	3.00-5.00	7,530,000	3,646,000	2024
10/06/2009	Refunding of Golf Bonds.....	3.00-5.00	437,000	209,000	2024
09/01/2010	Schools .....	2.00-4.00	10,000,000	7,000,000	2031
09/01/2010	Sewers <sup>1</sup> .....	2.00-4.00	12,000,000	8,400,000	2031
09/01/2011	General Purpose.....	2.00-4.00	310,000	235,000	2032
09/01/2011	Schools.....	2.00-4.00	14,000,000	10,500,000	2032
09/01/2011	Sewers <sup>1</sup> .....	2.00-4.00	12,000,000	9,000,000	2032
03/15/2012	Refunding of General Purpose Bonds..	2.00-4.00	4,851,000	3,772,000	2027
03/15/2012	Refunding of Schools Bonds.....	2.00-4.00	10,011,000	7,616,000	2027
03/15/2012	Refunding of Sewers Bonds <sup>1</sup> .....	2.00-4.00	9,078,000	6,713,000	2027
03/15/2012	Refunding of Golf Bonds.....	2.00-4.00	2,130,000	1,779,000	2027
09/07/2012	Schools.....	2.00-3.00	15,900,000	12,720,000	2033
09/07/2012	Sewers <sup>1</sup> .....	2.00-3.00	5,500,000	4,400,000	2033
09/06/2013	General Purpose.....	2.50-4.50	6,569,000	5,585,000	2034
09/06/2013	Schools.....	2.50-4.50	36,000	30,000	2034
09/06/2013	Sewers <sup>1</sup> .....	2.50-4.50	5,000,000	4,250,000	2034
03/12/2014	Refunding of General Purpose.....	3.00-5.00	4,753,000	3,542,000	2028
03/12/2014	Refunding of Schools.....	3.00-5.00	3,091,000	1,410,000	2028
03/12/2014	Refunding of Sewers Bonds <sup>1</sup> .....	3.00-5.00	2,171,000	1,253,000	2028
09/05/2014	General Purpose.....	2.00-4.00	6,135,000	5,519,000	2035
09/05/2014	Schools.....	2.00-4.00	740,000	666,000	2035
09/05/2014	Sewers <sup>1</sup> .....	2.00-4.00	700,000	630,000	2035
11/04/2014	Refunding of General Purpose.....	2.00-5.00	545,000	501,000	2029
11/04/2014	Refunding of Sewers Bonds <sup>1</sup> .....	2.00-5.00	11,315,000	10,359,000	2029
09/04/2015	General Purpose.....	2.125-4.00	5,400,000	5,130,000	2036
09/04/2015	Schools.....	2.125-4.00	2,100,000	1,995,000	2036
06/07/2016	Refunding of Schools Bonds.....	2.00-4.00	3,520,000	3,510,000	2030
06/07/2016	Refunding of Sewers Bonds <sup>1</sup> .....	2.00-4.00	2,590,000	2,460,000	2030
09/01/2016	General Purpose.....	2.00-4.00	5,500,000	5,500,000	2037
09/01/2016	Schools.....	2.00-4.00	2,130,000	2,130,000	2037
	<b>Sub-total.....</b>		<b>\$ 201,639,507</b>	<b>\$ 143,530,000</b>	
<b><u>This Issue</u></b>					
08/30/2017	General Purpose.....	<i>tbd</i>	\$ 5,585,000	\$ 5,585,000	2038
08/30/2017	Schools.....	<i>tbd</i>	3,475,000	3,475,000	2038
	<b>Total This Issue.....</b>		<b>\$ 9,060,000</b>	<b>\$ 9,060,000</b>	
	<b>Grand Total.....</b>		<b>\$ 210,699,507</b>	<b>\$ 152,590,000</b>	

<sup>1</sup> Sewer debt is partially self-supporting.

Note: The table above excludes refunded bonds.

**Short-Term Debt  
As of August 30, 2017  
(Pro Forma)**

<b>Project</b>	<b>Amount Authorized</b>	<b>Notes Due: Due: 8/29/18</b>
Capital Plan (2013-2014):		
WPCA.....	\$ 1,423,433	\$ 560,000
Capital Plan (2014-2015):		
Board of Education-Variou.....	1,500,000	300,000
Town.....	5,394,450	510,000
WPCA.....	1,776,464	690,000
Capital Plan (2015-2016):		
Town.....	10,580,000	2,000,000
WPCA.....	850,000	300,000
Capital Plan (2016-2017):		
Town.....	4,512,000	800,000
Capital Plan (2017-18):		
Board of Education-Variou.....	3,980,000	750,000
Town.....	10,010,000	3,300,000
<b>Total.....</b>	<b>\$ 40,026,347</b>	<b>\$ 9,210,000</b>

**Annual Bonded Debt Maturity Schedule  
As of August 30, 2017  
(Pro Forma)**

<b>Fiscal Year Ended 6/30</b>	<b>Existing Debt</b>			<b>This Issue</b>			<b>Total Principal</b>	<b>Cumulative Principal Retired</b>
	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Total This Issue</b>		
2018 <sup>1</sup>	\$ 13,415,000	\$ 4,604,913	\$ 18,019,913	\$ -	\$ -	\$ -	\$ 13,415,000	8.8%
2019	12,080,000	4,182,048	16,262,048	275,000	170,000	445,000	12,525,000	17.0%
2020	12,070,000	3,747,848	15,817,848	275,000	170,000	445,000	12,515,000	25.2%
2021	12,055,000	3,313,773	15,368,773	275,000	170,000	445,000	12,500,000	33.4%
2022	11,365,000	2,855,979	14,220,979	280,000	170,000	450,000	11,815,000	41.1%
2023	10,560,000	2,452,904	13,012,904	280,000	170,000	450,000	11,010,000	48.4%
2024	10,435,000	2,107,810	12,542,810	280,000	175,000	455,000	10,890,000	55.5%
2025	9,020,000	1,820,969	10,840,969	280,000	175,000	455,000	9,475,000	61.7%
2026	8,970,000	1,560,482	10,530,482	280,000	175,000	455,000	9,425,000	67.9%
2027	8,000,000	1,304,598	9,304,598	280,000	175,000	455,000	8,455,000	73.4%
2028	7,215,000	1,062,579	8,277,579	280,000	175,000	455,000	7,670,000	78.4%
2029	6,615,000	833,468	7,448,468	280,000	175,000	455,000	7,070,000	83.1%
2030	5,705,000	627,044	6,332,044	280,000	175,000	455,000	6,160,000	87.1%
2031	5,195,000	442,922	5,637,922	280,000	175,000	455,000	5,650,000	90.8%
2032	4,095,000	283,419	4,378,419	280,000	175,000	455,000	4,550,000	93.8%
2033	2,775,000	168,500	2,943,500	280,000	175,000	455,000	3,230,000	95.9%
2034	1,710,000	94,491	1,804,491	280,000	175,000	455,000	2,165,000	97.3%
2035	1,125,000	48,516	1,173,516	280,000	175,000	455,000	1,580,000	98.4%
2036	750,000	20,859	770,859	280,000	175,000	455,000	1,205,000	99.2%
2037	375,000	4,922	379,922	280,000	175,000	455,000	830,000	99.7%
2038	-	-	-	280,000	175,000	455,000	455,000	100.0%
<b>Total.....</b>	<b>\$ 143,530,000</b>	<b>\$ 31,538,041</b>	<b>\$ 175,068,041</b>	<b>\$ 5,585,000</b>	<b>\$ 3,475,000</b>	<b>\$9,060,000</b>	<b>\$152,590,000</b>	

<sup>1</sup> Excludes \$56,634 of interest paid for the period of July 1, 2017 through August 30, 2017.

**Overlapping/Underlying Debt**

The Town of Trumbull does not have any Overlapping debt.

The Town of Trumbull does have underlying debt. Nichols Fire District, one of three fire districts serving the Town, issued \$1,500,000 of District bonds in August of 2009 of which \$838,000 is outstanding as of August 30, 2017. The District bonds are not obligations of the Town.

**THE TOWN OF TRUMBULL HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES**

**Debt Statement  
As of August 30, 2017  
(Pro Forma)**

**Long-Term Debt Outstanding:**

General Purpose (Includes this issue).....	\$ 38,954,960
Schools (Includes this issue).....	59,589,500
Sewers .....	52,057,540
Golf .....	<u>1,988,000</u>
<b>Total Long-Term Debt</b> .....	<b>152,590,000</b>
<b>Short-Term Debt:</b>	
Outstanding Bond Anticipation Notes (This Issue: Due 8/29/18).....	<u>9,210,000</u>
<b>Direct Debt</b> .....	<b>161,800,000</b>
<b>Underlying Debt</b> .....	<u>838,000</u>
<b>Overall Debt</b> .....	<b>162,638,000</b>
Less: School Construction Grants (As of 6/30/17) <sup>1</sup> .....	(273,700)
Sewer Assessments Receivable (As of 6/30/17) .....	<u>(32,519,333)</u>
<b>Overall Net Debt</b> .....	<b><u>\$ 129,844,967</u></b>

<sup>1</sup> Represents actual school building grants receivable for previously issued school bonds under the pre-1996 State reimbursement program. See "School Projects" herein for more information.

**Current Debt Ratios  
As of August 30, 2017  
(Pro Forma)**

Population (2015) <sup>1</sup> .....	36,444
Net Taxable Grand List (10/1/16) .....	\$ 4,594,173,477
Estimated Full Value (70%).....	\$ 6,563,104,967
Equalized Net Taxable Grand List (10/1/14) <sup>1</sup> .....	\$ 6,760,747,989
Income per Capita (2015) <sup>1</sup> .....	\$ 45,535

	<b>Total Long Term Debt</b>	<b>Direct Debt</b>	<b>Overall Net Debt</b>
Per Capita .....	\$4,186.97	\$4,439.69	\$3,562.86
Ratio to Net Taxable Grand List .....	3.32%	3.52%	2.83%
Ratio to Estimated Full Value .....	2.32%	2.47%	1.98%
Ratio to Equalized Net Taxable Grand List .....	2.26%	2.39%	1.92%
Debt per Capita to Money Income per Capita 2015 .....	9.20%	9.75%	7.82%

<sup>1</sup> American Community Survey 2011-2015.

## **Bond Authorization**

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, the Board of Finance and the Town Council authorizes borrowing subject to approval by the First Selectman. The Council can override a negative vote of the Board of Finance or the First Selectman with a 2/3 majority. Such authorizations are subject to referendum upon qualifying petition timely filed. Bond authorizations in excess of \$15 million are subject to mandatory referendum.

The General Statutes authorize the issuance of refunding bonds upon approval of the Town Council where the refunding results in net present value savings.

## **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 by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for 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 sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for 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).

## **School Projects**

Historically, the State of Connecticut has assisted its towns in the funding of public school building projects. This aid has taken different forms over the years, and the amount of assistance has been affected not only by the characteristics of a town but also the nature of the improvements. Wealthier towns typically have received assistance at a lower rate than less affluent towns, and instructional improvements have been reimbursed at higher rate than recreational improvements.

*Debt Reimbursement System.* For school building projects approved prior to July 1, 1996, the State assistance took the form of debt reimbursement. Under the pre-1996 State program, a town finances the total cost of the school building project and the State reimburses the town for a portion of the debt service on the bonds financing the project as debt service payments are made. The State's allocable share of such debt service expense is based upon the State's share of eligible project costs and the total amount financed by the town. Under the pre-1996 program, the State's reimbursement payments continue over the life of the outstanding school bonds and any subsequent bond issues necessary to completely fund the approved school building projects. As of the date of this Official Statement, under the pre-1996 State program, the Town anticipates receiving approximately \$273,700 of debt reimbursement from the State over the remaining life of those bonds.

*Progress Payment Reimbursement System.* Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved on or after July 1, 1996, the State makes proportional progress payments during construction for the State's share of the eligible construction costs, provided that 5% of the State assistance is withheld pending completion of a final audit. Because the bulk of the State's share of the eligible project costs is paid shortly after a town submits its request for progress payments, a town is no longer required to issue bonds to finance the State's share of the project costs.

Presently, the Town estimates receiving approximately 30.71% of the overall eligible project costs of its current school building program from the State of Connecticut as grants. Through June 30, 2017, the Town has received, \$3,644,703 for the Trumbull High School class room expansion, and \$336,173 for the Jane Ryan School Roof project. In addition to these school projects, the Town completed a \$66,672,000 renovation project at Trumbull High School in September 2012, which renovated existing space at the High School as well as provided an estimated 38,000 square feet of expansion space to meet the needs of the student population. The Town received \$17,626,860 in grants on this project. The Town anticipates further State grant reimbursements for the balance of total school building costs once projects are audited by the State.

### ***Limitation of Indebtedness***

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

“Annual receipts from taxation” (the “base”) are defined as total tax collections (including interest and penalties) and state payments for revenue losses under CGS Section 12-129d and P.A. 87-584, Sections 3 and 4. In no case shall total indebtedness exceed seven times the base.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement, for indebtedness issued in anticipation of the receipt of proceeds from State or federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds, for indebtedness issued for certain water pollution control projects, and for refunding indebtedness.

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**Statement of Debt Limitation  
As of August 30, 2017  
(Pro Forma)**

<b>Total Tax Collections</b> (including interest and lien fees) for the year ended June 30, 2016.....	\$ 147,224,000
<b>Reimbursement for Revenue Loss On:</b>	
Tax relief for elderly & Other for the year ended June 30, 2016 .....	3,000
<b>BASE FOR DEBT LIMITATION COMPUTATION</b> .....	<u>\$ 147,227,000</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Past Pension</u>	<u>Total</u>
<b>Debt Limitation:</b>						
2 1/4 times base.....	\$ 331,260,750	\$ -	\$ -	\$ -	\$ -	\$ 331,260,750
4 1/2 times base.....	-	662,521,500	-	-	-	662,521,500
3 3/4 times base.....	-	-	552,101,250	-	-	552,101,250
3 1/4 times base.....	-	-	-	478,487,750	-	478,487,750
3 times base.....	-	-	-	-	441,681,000	441,681,000
<b>Total Debt Limitation</b> .....	<u>\$ 331,260,750</u>	<u>\$ 662,521,500</u>	<u>\$ 552,101,250</u>	<u>\$ 478,487,750</u>	<u>\$ 441,681,000</u>	<u>\$ 1,030,589,000</u>

<b>Less Indebtedness:</b>						
Bonds (Outstanding).....	35,357,960 <sup>1</sup>	56,114,500 <sup>2</sup>	52,057,540	-	-	143,530,000
Bonds (This Issue).....	5,585,000	3,475,000	-	-	-	9,060,000
Notes (This Issue).....	6,610,000	1,050,000	1,550,000	-	-	9,210,000
Underlying Debt.....	838,000	-	-	-	-	838,000
Authorized But Unissued Debt.....	16,000,003	8,966,131	1,504,464	-	-	26,470,598
<b>Total Indebtedness</b> .....	<u>64,390,963</u>	<u>69,605,631</u>	<u>55,112,004</u>	<u>-</u>	<u>-</u>	<u>189,108,598</u>
Less: School Grants Receivable .....	-	(273,700)	-	-	-	(273,700)
Sewer Assessments Receivable.....	-	-	(32,519,333)	-	-	(32,519,333)
Net Debt for Calculation of Debt Limit.....	<u>64,390,963</u>	<u>69,331,931</u>	<u>22,592,671</u>	<u>-</u>	<u>-</u>	<u>156,315,565</u>
<b>Debt Limitation in Excess of Outstanding And Authorized Debt</b> .....	<u>\$ 266,869,787</u>	<u>\$ 593,189,569</u>	<u>\$ 529,508,579</u>	<u>\$ 478,487,750</u>	<u>\$ 441,681,000</u>	<u>\$ 808,687,369</u>

<sup>1</sup> Includes outstanding self supporting Golf bonds in the amount of \$1,988,000. There is currently no authorized but unissued Golf debt.

<sup>2</sup> Does not include lease financing.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,030,589,000.

**Authorized but Unissued Debt  
As of August 30, 2017  
(Pro Forma)**

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded or Paid-down</u>	<u>Grants Received</u>	<u>Notes Due 8/30/2017</u>	<u>THIS ISSUE:</u>		<u>Authorized but Unissued Debt</u>
					<u>The Notes Due: 8/29/18</u>	<u>The Bonds</u>	
<u>Capital Plan (2012-2013):</u>							
Board of Education-various.....	\$ 3,090,000	\$ 2,100,000	\$ 471,033	\$ 810,000	\$ -	\$ 375,000	\$ 143,967
<u>Capital Plan (2013-2014):</u>							
Board of Education-Security.....	780,000	645,000	135,000	-	-	-	-
Board of Education-Technology.....	785,150	785,000	-	-	-	-	150
Town.....	3,737,562	2,487,562	-	-	-	1,250,000	-
WPCA.....	1,423,433	863,433	-	1,910,000	560,000	-	-
<u>Capital Plan (2014-2015):</u>							
Board of Education-Various.....	1,500,000	700,000	-	-	300,000	-	500,000
Town.....	5,394,450	4,500,000	-	510,000	510,000	-	384,450
WPCA.....	1,776,464	900,000	-	690,000	690,000	-	186,464
<u>Capital Plan (2015-2016):</u>							
Board of Education-Various.....	1,328,000	-	-	1,000,000	-	1,000,000	328,000
Town.....	10,580,000	4,310,447	-	1,500,000	2,000,000	-	4,269,553
WPCA.....	850,000	-	-	-	300,000	-	550,000
<u>Capital Plan (2016-2017):</u>							
Board of Education-Various.....	2,665,000	-	-	1,200,000	-	2,100,000	565,000
Town.....	4,512,000	-	-	1,500,000	800,000	1,825,000	1,887,000
WPCA.....	568,000	-	-	-	-	-	568,000
<u>Capital Plan (2017-18):</u>							
Board of Education-Various.....	3,980,000	-	-	-	750,000	-	3,230,000
Town.....	10,010,000	-	-	-	3,300,000	-	6,710,000
WPCA.....	200,000	-	-	-	-	-	200,000
Land Acquisition.....	30,000,000	26,741,000	-	-	-	1,510,000	1,749,000
Police Department Improvements.....	4,500,000	2,500,000	-	1,000,000	-	1,000,000	1,000,000
Trumbull H.S. Renovation (As New).....	66,672,000	44,846,000	17,626,986	-	-	-	4,199,014
<b>Total</b> .....	<u>\$ 154,352,059</u>	<u>\$ 91,378,442</u>	<u>\$ 18,233,019</u>	<u>\$ 10,120,000</u>	<u>\$ 9,210,000</u>	<u>\$ 9,060,000</u>	<u>\$ 26,470,598</u>

<sup>1</sup> Pursuant to the State of Connecticut school building construction program, approximately 30.71% of eligible project expenses are estimated to be paid by the State of Connecticut, which is currently estimated to be \$20,420,585 for Trumbull High School renovations.

**Principal Amount of Outstanding Debt  
Last Five Fiscal Years**

<b>Long-Term Debt</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Bonds.....	\$143,530,000	\$148,460,000	\$153,210,000	\$159,130,000	\$159,420,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes...	10,120,000	9,520,000	9,885,000	9,521,000	17,426,000
<b>Totals.....</b>	<b>\$153,650,000</b>	<b>\$157,980,000</b>	<b>\$163,095,000</b>	<b>\$168,651,000</b>	<b>\$176,846,000</b>

Source: Town of Trumbull Financial Reports 2013-2016. Finance Department 2017.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Net Long-Term Debt<sup>1</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value</b>	<b>Population<sup>2</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income<sup>3</sup></b>
2016	\$ 4,521,143,159	\$ 6,458,775,941	\$ 115,940,667	2.56%	1.80%	36,444	3,181.34	6.99%
2015	4,520,761,075	6,458,230,107	114,242,490	2.53%	1.77%	36,444	3,134.74	6.88%
2014	4,470,530,753	6,386,472,504	136,723,659	3.06%	2.14%	36,444	3,751.61	8.24%
2013	4,439,102,155	6,341,574,507	133,396,595	3.01%	2.10%	36,444	3,660.32	8.04%
2012	5,209,460,523	7,442,086,461	120,438,727	2.31%	1.62%	36,444	3,304.76	7.26%

<sup>1</sup> Long-Term debt less sewer assessment receivables.

<sup>2</sup> U.S. Bureau of Census, American Community Survey, 2011-2015

<sup>3</sup> U.S. Bureau of Census, American Community Survey, 2011-2015: Money Income Per Capita \$45,535.

**Ratio of Total General Fund Debt Service Expenditures  
To Total General Fund Expenditures and Transfers Out  
Last Five Fiscal Years**

<b>Fiscal Year Ended 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures<sup>1</sup></b>	<b>Ratio of Total Debt Service to General Fund Expenditures (%)</b>
2017 <sup>2</sup>	\$ 9,211,693	\$ 3,659,629	\$ 12,871,322	\$ 162,839,898	7.9%
2016	9,127,318	3,669,911	12,797,229	173,705,412	7.4%
2015	9,206,293	3,846,841	13,053,134	170,497,669	7.7%
2014	8,283,595	3,840,489	12,124,084	167,026,656	7.3%
2013	7,673,395	3,759,284	11,432,679	159,978,627	7.1%
2012	7,082,310	3,871,550	10,953,860	151,312,238	7.2%
2011	5,855,400	2,237,474	8,092,874	143,824,932	5.6%

<sup>1</sup> Includes transfers out.

<sup>2</sup> Budgetary basis and subject to audit.

Source: Town of Trumbull Financial Reports 2011-16. 2017: Finance Department

## **VI. Financial Administration**

### **Fiscal Year**

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

### **Basis of Accounting**

See footnote number 1 in "Notes to Financial Statements."

### **Budget Procedure**

The Trumbull Town Charter, adopted November 3, 1981 with the most recent revision becoming effective on December 8, 2011, defines the Town's budgetary policy. Department heads and chairpersons of boards, commissions or any agency submit departmental requests to the First Selectman as scheduled. No later than the first Tuesday in February, the First Selectman submits to the Board of Finance a proposed budget for the ensuing fiscal year. After a public hearing, the Board of Finance must, no later than the second Tuesday in March, submit a recommended budget to the Town Council for adoption. The Board of Finance may increase, decrease, add or eliminate any line item. The Council shall hold one or more public hearings no later than the fourth Tuesday in March, at which hearing any elector or taxpayer may be heard regarding appropriations for the new year. By the first Tuesday in April, the Town Council completes the budget process, and returns the adopted budget to the First Selectman. The Council may decrease or eliminate any item. The Council may only increase an item reduced by the Board of Finance by a 2/3 majority vote back to the amount recommended by the First Selectman. The First Selectman may veto any line item in the Council budget and the Council can override the veto by a 2/3 majority vote of the entire membership or else the amount approved by the Board of Finance stands. The Board of Finance establishes the mill rate no later than the fourth Tuesday in May.

The Town's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the Town's. The Governor's proposed budget of February 2017, includes reductions in municipal funding for Education Cost Sharing, grants for municipal projects and transfers to the Town of 1/3 of the pension cost of the Town's teachers, for a total of approximately \$5.7 million in local cost increases next fiscal year. There can be no assurance whether any or all of the Governor's proposed budget will be adopted or the impact on the Town the State budget as adopted will have. The Town's adopted budget does provide for the increased costs of the Governor's proposed budget.

The Board of Finance and the Town Council adopted an expenditure budget for 2017-18 that incorporates \$5.7 million of reduced State funding of the Towns made by the Governor's budget as proposed in February 2017. These cuts are reflected in the Contingency account. The Board of Finance failed to set a mill rate and therefore as per the Town Charter, Chapter IV, Section 5 the First Selectman set a mill rate on June 20, 2017 of 33.39 mills. The mill rate assumes \$4.9 million in State revenues and a \$1.8 million use of fund balance. The sum total of state grant funding included in the 2017-18 fiscal year adopted budget is the equivalent of 1.54 mills. Additionally, the town elected to send out the real estate bills for only 2 quarters informing the taxpayers that once the State budget is approved and adopted the Town will adjust the bills and send them out for the last two quarters.

Public Act No. 15-244 (the "Act") reduces a municipality's revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality's revenue sharing grant the Act is sometimes popularly referred to as imposing a "spending cap". Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality's percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. However, for municipalities that taxed motor vehicles at more than 32.00 mills for the 2013 assessment year (for taxes levied in fiscal year 2015), the reduction may not exceed the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32.00 mills. (See "Assessments" herein).

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster



or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 2017 disbursements, or 29.63 mills, for fiscal year 2018 disbursements and thereafter.

In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

### **Capital Improvement Plan**

A 5-year Capital Improvement Plan is adopted by the Town Council each year. The most recently adopted Capital Improvement Plan is set forth below. The Town expects to finance the capital projects through debt, grants and various Town resources.

<i>Project</i>	<i>Calendar Year</i>					<i>Total</i>
	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	
Board of Education.....	\$ 5,594,819	\$ 4,826,087	\$ 1,734,823	\$ 2,062,500	\$ 2,296,000	\$ 16,514,229
Police.....	795,000	300,000	60,000	115,000	-	1,270,000
Public Works.....	5,628,135	7,185,636	4,651,060	3,249,575	3,429,631	24,144,037
Parks.....	3,015,100	1,578,000	1,916,000	1,336,000	1,700,000	9,545,100
Town Hall/Annex & Helen Plumb..	2,047,700	420,000	340,000	581,100	-	3,388,800
Senior Center/Community Center..	8,000,000	12,000	35,000	-	-	8,047,000
EMS.....	154,000	795,000	200,000	-	-	1,149,000
Health Department.....	130,000	-	-	-	-	130,000
Library.....	210,750	650,000	282,610	195,000	90,000	1,428,360
Economic Development.....	1,967,000	2,140,000	400,000	-	-	4,507,000
Engineering.....	4,353,590	574,402	3,694,600	892,800	5,000	9,520,392
Sewer Construction.....	935,000	4,976,500	9,266,000	9,520,000	8,405,000	33,102,500
Golf.....	40,000	280,000	-	2,000,000	-	2,320,000
<b>Total.....</b>	<b>\$ 32,871,094</b>	<b>\$ 23,737,625</b>	<b>\$ 22,580,093</b>	<b>\$ 19,951,975</b>	<b>\$ 15,925,631</b>	<b>\$ 115,066,418</b>

### **Audit**

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, as amended, is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. Included in this Official Statement and made a part hereof as Appendix A are the “Financial Statements” as of June 30, 2016, together with the opinion thereon rendered by Blum Shapiro & Company, P.C. Blum Shapiro has not been asked nor have they given their permission to include their audit report in the Official Statement.

### **Liability Insurance**

See footnote number 12 in “Notes to Financial Statements.”

### **Pensions**

The Town has two contributory pension plans covering substantially all full-time Town and non-certified Board of Education employees. One plan covers employees of the Police Department and the other plan covers all other Town employees. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers’ Retirement Board. The Town does not contribute to the Board of Education plan. The Board of Education pays for the plan out of its budget. The Town pension plans are single-employer contributory defined benefit plans which are part of the Town’s financial reporting entity and are accounted for in two pension trust funds. Effective January 1, 2012 the Town implemented a 401(A) Defined Contribution Plan for new hires starting with the elected, appointed, nurses and civil service employees. As union contracts settled, a Defined Contribution Plan was negotiated and accepted for new hires.

As of July 1, 2016, active plan members in each plan are as follows: Police Benefit Plan (126) and Town Pension Plan (840).

Based on the most recent valuation for July 1, 2016, the actuarial value of the assets and the actuarial accrued liabilities of the Plans were as follows:

<b>Plans</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
<i>Police Plan</i>	\$54,973,894	\$75,147,810	(\$20,173,916)	73.15%
<i>Town Plan</i>	\$30,705,246	\$80,087,551	(\$49,382,305)	38.34%

### **Schedule of Employer Contributions**

<b>Town Plan</b>			
	<b>Actuarially</b>		
<b>Fiscal Year Ended</b>	<b>Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>
6/30/2017 <sup>1</sup>	\$ 4,243,000	\$ 4,243,000	100.00%
6/30/2016	4,144,000	4,144,000	100.00%
6/30/2015	4,144,000	4,693,000	113.25%
6/30/2014	4,325,000	4,576,000	105.80%
6/30/2013	4,576,000	3,700,000	80.86%
6/30/2012	4,438,000	3,000,000	67.60%

<sup>1</sup> *Unaudited*

<b>Police Plan</b>			
	<b>Actuarially</b>		
<b>Fiscal Year Ended</b>	<b>Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>
6/30/2017 <sup>1</sup>	\$ 3,004,000	\$ 3,004,000	100.00%
6/30/2016	2,907,000	2,907,000	100.00%
6/30/2015	2,907,000	2,050,000	70.52%
6/30/2014	3,226,000	1,700,000	52.70%
6/30/2013	3,088,000	1,600,000	51.81%
6/30/2012	3,393,000	1,450,000	42.74%

<sup>1</sup> *Unaudited*

In 2016, the administration advocated for a pension plan funding ordinance that was passed by the Trumbull Town Council. The ordinance requires the Town to fund the annual required contribution for the Town and Police pensions each year. This funding requirement can only be overridden by a 2/3 vote of the Trumbull Town Council.

See footnote numbers 11 and 13 in “Notes to Financial Statements” for more information on Pensions.

### **Other Post-Employment Benefits**

The Town provides post-retirement benefits for certain employees for current future health and life insurance benefit expenses through a single-employer defined benefit plan. An actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. In fiscal year 2009, the Town established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits in accordance with GASB guidelines. The latest actuarial valuation was made on July 1, 2016.

As of the date of the last actuarial valuation, July 1, 2016, there were 973 members in the plan with a June 30, 2017 net pension obligation of \$8,897,947.

Based on the most recent actuarial valuation, the actuarial value of the assets and the actuarial accrued liabilities of the Plan was as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>
7/1/2014	\$28,730	\$32,052,498	(\$32,023,768)	0.09%

*Note: The July 1, 2016 valuation has not yet been finalized by the actuaries.*

### **Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/2016	1,757,696	51.2%
6/30/2015	1,690,667	45.2%
6/30/2014	1,779,694	57.6%
6/30/2013	1,711,014	54.3%
6/30/2012	1,961,359	28.4%
6/30/2011	1,916,068	26.6%

See footnote number 10 in “Notes to Financial Statements.”

### **Investment Policy**

The Town Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes, as amended govern the investments the Town is permitted to make.

The Town’s investment practices have been to invest in certificates of deposits, the State of Connecticut Short-Term Investment Fund (STIF), and the State of Connecticut Tax Exempt Proceeds Fund. The Town Treasurer has followed these investment practices and the Town’s operating funds and capital funds are currently invested in the following short-term investments: (1) money markets with Connecticut banks; (2) the State of Connecticut Short-Term Investment Fund; and (3) the State of Connecticut Tax Exempt Proceeds Fund.

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**General Fund Revenues and Expenditures**  
**Three Year Summary of Audited Revenues and Expenditures (GAAP Basis)**  
**and Estimates Actuals and Adopted Budget (Budgetary Basis)**

	<b>Adopted Budget 2017-18 <sup>1</sup></b>	<b>Estimated Actuals 2016-17 <sup>1</sup></b>	<b>Actuals 2015-16</b>	<b>Actuals 2014-15</b>	<b>Actual 2013-14</b>
<b>Revenues:</b>					
Property Taxes .....	\$ 154,541,637	\$ 150,967,893	\$ 147,288,829	\$ 144,465,175	\$ 138,268,546
Intergovernmental .....	4,882,354	6,669,155	19,724,597	18,574,675	18,329,424
State on-behalf payments .....	-	-	-	-	-
Charges for Services.....	6,748,276	5,406,957	7,304,535	7,209,665	7,132,207
Investment Income.....	350,000	172,128	353,885	221,429	200,483
Other .....	110,000	168,787	16,800	-	-
Use of Surplus.....	1,800,000	-	-	-	-
<b>Total Revenues .....</b>	<b>168,432,267</b>	<b>163,384,920</b>	<b>174,688,646</b>	<b>170,470,944</b>	<b>163,930,660</b>
<b>Expenditures:</b>					
General government .....	27,396,226	21,205,010	20,683,608	19,981,351	19,612,858
Public Safety .....	12,488,404	12,402,022	12,110,711	11,932,135	11,554,102
Public Works .....	8,644,037	8,528,403	8,559,555	9,050,348	8,862,763
State on-behalf payments .....	-	-	-	-	-
Public Health .....	685,254	664,251	647,661	655,588	581,532
Libraries .....	1,563,042	1,549,071	1,604,180	1,563,877	1,514,843
Social Services .....	692,717	651,303	579,680	610,775	579,610
Parks and Recreation .....	2,800,157	2,437,267	2,753,960	2,459,341	2,492,598
Education .....	101,107,336	101,679,362	113,968,828	111,191,120	109,704,266
Debt Service .....	13,498,582	13,362,874	12,797,229	13,053,134	12,124,084
Capital Outlay .....	336,522	360,335	-	-	-
<b>Total Expenditures .....</b>	<b>169,212,277</b>	<b>162,839,898</b>	<b>173,705,412</b>	<b>170,497,669</b>	<b>167,026,656</b>
Revenues over (under) expenditures .....	(780,010)	545,022	983,234	(26,725)	(3,095,996)
<b>Other Financing Sources Uses:</b>					
Issuance of Refunding Bonds .....	-	-	3,520,000	545,000	7,844,000
Payments on Bond Refunding .....	-	-	(3,909,047)	(607,885)	(8,494,259)
Premium on general obligation bonds .....	-	-	446,063	289,914	900,166
Operating Transfers In .....	780,010	739,902	1,046,418	1,267,366	805,176
Operating Transfers (Out) .....	-	-	-	-	-
<b>Total other Financing Sources (uses) .....</b>	<b>780,010</b>	<b>739,902</b>	<b>1,103,434</b>	<b>1,494,395</b>	<b>1,055,083</b>
Revenues and other financing sources over (under) expenditures and other financing (uses) .....	-	1,284,924	2,086,668	1,467,670	(2,040,913)
<b>Fund Balance, Beginning .....</b>	<b>23,626,026</b>	<b>22,341,102</b>	<b>20,254,434</b>	<b>18,786,764</b>	<b>20,827,677</b>
<b>Fund Balance, Ending .....</b>	<b>\$ 23,626,026</b>	<b>\$ 23,626,026</b>	<b>\$ 22,341,102</b>	<b>\$ 20,254,434</b>	<b>\$ 18,786,764</b>

<sup>1</sup> Budgetary basis and subject to audit.

**Analysis of General Fund Equity**

	<b>Adopted Budget 2017-18 <sup>1</sup></b>	<b>Estimated Actuals 2016-17 <sup>1</sup></b>	<b>Actuals 2015-16</b>	<b>Actuals 2014-15</b>	<b>Actual 2013-14</b>
Nonspendable.....	N/A	N/A	\$ 1,640,620	\$ 1,641,853	\$ 1,655,056
Committed-BOE.....	N/A	N/A	861,526	1,617,278	1,527,635
Assigned.....	N/A	N/A	80,999	374,390	369,264
Unassigned.....	N/A	N/A	19,757,957	16,620,913	15,234,809
<b>Total Fund Balance.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,341,102</b>	<b>\$ 20,254,434</b>	<b>\$ 18,786,764</b>

<sup>1</sup> Budgetary basis and subject to audit.

## **VII. Legal and Other Information**

### **Litigation**

The Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. Based on consultation with the Town Attorney, the Town believes that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

### **Documents Furnished At Delivery**

The original purchasers of the Bonds and Notes will be furnished the following documentation when the Bonds and Notes are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the First Selectman, Town Treasurer and Director of Finance which will be dated the date of delivery, which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds and Notes were accepted the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of 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 Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and Notes.
4. The approving opinions of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, substantially in the forms of Appendices B-1 and B-2 attached hereto.
5. Executed Continuing Disclosure Agreements for the Bonds and Notes in substantially the forms of Appendix C attached hereto.
6. The Issuer will provide to the winning bidder of the Bonds 50 copies of the Official Statement and to the winning bidder of the Notes 10 copies of the Official Statement, prepared for this Bond and Note issue at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. If the Issuer's municipal advisor is provided with the necessary information from the winning bidders by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds and Notes.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

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**Concluding Statement**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

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

**TOWN OF TRUMBULL, CONNECTICUT**

By: \_\_\_\_\_  
TIMOTHY M. HERBST, *First Selectman*

By: \_\_\_\_\_  
ANTHONY MUSTO, *Town Treasurer*

By: \_\_\_\_\_  
MARIA T. PIRES, *Director of Finance*

Dated: August \_\_, 2017

## ***Appendix A***

### ***2016 Financial Statements Excerpted from the Town's Annual Financial Report***

The following includes the General Purpose Financial Statements of the Town of Trumbull, Connecticut for the fiscal year ended June 30, 2016. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Finance  
Town of Trumbull, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 61 through 65 and the pension schedules on pages 66 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2016 on our consideration of the Town of Trumbull, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Trumbull, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 26, 2016

**TOWN OF TRUMBULL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016  
(In thousands)**

The Town of Trumbull, Connecticut's (the Town) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts and the Town's financial statements (beginning on page 13).

**Financial Highlights - Primary Government**

- On a government-wide basis, the assets of the Town of Trumbull exceeded its liabilities resulting in total net asset at the close of the fiscal year of \$143.4 million. Total net position for Governmental Activities at fiscal year-end was \$57.8 million and total net position for Business-Type Activities were \$85.6 million.
- On a government-wide basis, during the year, the Town's net position increased by \$2.8 million. Net position increased by \$2.4 million for Governmental Activities and increased by \$.30 million for Business-Type Activities.
- At the close of the year, the Town of Trumbull's governmental funds reported, on a current financial resources basis, a combined ending fund balance of \$11.7 million, which is a decrease of \$.90 million from the prior fiscal year. This is due to a surplus in the general fund of \$2.0 million, decrease of \$2.9 million in BOE and Town capital projects that will not be bonded until projects are completed and an increase of \$.3 million transfer from the Police Special Detail to the General Fund.
- At the end of the current fiscal year, the total fund balance for the general fund alone was \$22.3 million, an increase of \$2 million from the prior fiscal year. Of the total fund balance in the general fund as of June 30, 2016, \$19.7 million represents unassigned balance, which is available for spending at the government's discretion. Unassigned fund balance in the general fund at year-end represents 11.3% of total general fund expenditures of \$174 million. However if you exclude \$12.5 from the expenditures for the BOE Teachers retirement which is included on both the revenue and expenditures, the general fund balance is 12.2% of expenditures.
- The Town of Trumbull's total debt decreased by \$1.7 million during the current fiscal year. The key factors in the decrease were the issuance of \$13.6 million in new bonds and the retirement/debt payments of \$18.3 million for a net reduction of \$4.5 million, an increase of \$5.5 of net pension obligation, a decrease of \$.4 million in compensated absences, and an increase of \$1 million in net OPEB obligation.

**Overview of the Financial Statements**

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

## Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally 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).

The governmental activities of the Town include general government, public safety, education, highways and streets, solid waste disposal, human services and culture and recreation activities.

The Business-type activities of the Town include the Water Pollution Control Authority and the Tashua Knolls Golf Course. They are reported here as the Town charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 13 and 14 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 Town of Trumbull, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town of Trumbull has three kinds of funds:

**Governmental funds.** Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis included with the balance sheet that reconciles the total fund balance to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis included with the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 15-18 of this report.

**Proprietary funds.** Proprietary fund financial statements consist of a statement of net position, statement of revenues, expenses and changes in fund net position and statement of cash flows, and are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The Town of Trumbull maintains two different types of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The Town of Trumbull uses Enterprise funds to account for its Water Pollution Control Authority and the Tashua Knolls Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town's various functions. The Town uses an internal service fund to account for the acquisition and use of certain vehicles of departments of the Town, and the medical and workers' compensation reserves.

Because the internal service fund predominantly benefits governmental rather than business-type functions, it has 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 propriety fund financial statements can be found on pages 19-21 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 statements because the resources of those funds are not available to provide services to the Town's constituency. The Town has two pension trust funds. The basic fiduciary fund financial statements can be found on pages 22 and 23 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 24 through 60 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Trumbull's General Fund budgetary comparison. This information can be found on pages 61 through 65 of this report.

**TABLE 1  
NET POSITION  
(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 44,515	\$ 49,679	\$ 50,918	\$ 52,876	\$ 95,433	\$ 102,555
Capital assets, net of depreciation	238,254	232,451	95,470	97,311	333,724	329,762
Total assets	<u>282,769</u>	<u>282,130</u>	<u>146,388</u>	<u>150,187</u>	<u>429,156</u>	<u>432,317</u>
Deferred outflows of resources	<u>8,834</u>	<u>5,101</u>	<u>909</u>	<u>814</u>	<u>9,742</u>	<u>5,915</u>
Current liabilities	31,513	32,942	4,937	4,105	36,450	37,047
Noncurrent liabilities	192,458	186,348	56,721	61,568	249,179	247,916
Total liabilities	<u>223,971</u>	<u>219,290</u>	<u>61,658</u>	<u>65,673</u>	<u>285,629</u>	<u>284,963</u>
Deferred inflows of resources	<u>9,732</u>	<u>12,540</u>			<u>9,732</u>	<u>12,540</u>
Net Position:						
Net investment in capital assets	136,419	129,920	34,930	32,330	171,350	162,250
Restricted	180	188			180	188
Unrestricted	<u>(78,700)</u>	<u>(74,707)</u>	<u>50,708</u>	<u>52,998</u>	<u>(27,993)</u>	<u>(21,709)</u>
Total Net Position	<u>\$ 57,899</u>	<u>\$ 55,401</u>	<u>\$ 85,638</u>	<u>\$ 85,328</u>	<u>\$ 143,537</u>	<u>\$ 140,729</u>

**Government-Wide Financial Analysis**

The Town's overall financial position and operations for the past year are summarized as follows based on the information included in the government-wide financial statements (see pages 13 and 14).

By far the largest portion of the Town of Trumbull's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Trumbull's net 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.

**TABLE 2  
CHANGES IN NET POSITION  
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 11,265	\$ 11,217	\$ 10,778	\$ 9,839	\$ 22,042	\$ 21,056
Operating grants and contributions	22,144	20,713			22,144	20,713
Capital grants and contributions	811	2,314			811	2,314
General revenues:						
Property taxes	146,804	145,661			146,804	145,661
Grants and contributions not restricted to specific purposes	674	789		2,203	674	2,992
Unrestricted investment earnings	354	222	1,670	1,674	2,025	1,896
Other general revenues	89	37		44	89	81
Total revenues	<u>182,141</u>	<u>180,953</u>	<u>12,448</u>	<u>13,760</u>	<u>194,589</u>	<u>194,713</u>
Program expenses:						
General government	19,563	18,319			19,563	18,319
Public safety	16,308	15,819			16,308	15,819
Public works	10,074	11,419			10,074	11,419
Health and welfare	778	767			778	767
Libraries	1,761	1,698			1,761	1,698
Social services	658	630			658	630
Parks and recreation	3,429	3,056			3,429	3,056
Education	123,019	119,832			123,019	119,832
Interest on long-term debt	4,800	5,017			4,800	5,017
WPCA			11,990	10,728	11,990	10,728
Golf Course			1,580	1,572	1,580	1,572
Total program expenses	<u>180,389</u>	<u>176,557</u>	<u>13,570</u>	<u>12,300</u>	<u>193,960</u>	<u>188,857</u>
Excess before transfers	1,752	4,396	1,056	1,460	2,808	5,856
Transfers	<u>746</u>	<u>667</u>	<u>(746)</u>	<u>(667)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	2,499	5,063	310	793	2,808	5,856
Net Position, Beginning	<u>55,401</u>	<u>50,338</u>	<u>85,328</u>	<u>84,535</u>	<u>140,729</u>	<u>134,873</u>
Net Position, Ending	<u>\$ 57,900</u>	<u>\$ 55,401</u>	<u>\$ 85,638</u>	<u>\$ 85,328</u>	<u>\$ 143,537</u>	<u>\$ 140,729</u>



**TABLE 3**

**GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Education	\$ 123,019	\$ 119,832	\$ (96,917)	\$ (97,976)
Public safety	16,308	15,819	(12,602)	(11,679)
Public works	10,074	11,419	(8,404)	(8,290)
General government	19,563	18,321	(17,449)	(16,666)
All others	<u>11,426</u>	<u>11,167</u>	<u>(10,798)</u>	<u>(10,704)</u>
Totals	<u>\$ 180,389</u>	<u>\$ 176,558</u>	<u>\$ (146,169)</u>	<u>\$ (145,315)</u>

Trumbull's net position increased by \$2.8 million during the fiscal year, with net position of Governmental Activities increasing by \$2.4 million and net position of Business-Type Activities increasing by \$.3 million.

Key elements of this increase are as follows:

- The Town's tax revenue increased \$1.1 million during the current fiscal year as a result of the increase in the mill rate and a 1% grand list growth.
- General Governments expenditures increased \$1.2 million due to a change due to increase costs in health care and pension obligations.
- Public Safety expenses increased by \$.5 million due to an increase in manpower in the Police Department and related training.
- Public works decreased by \$1.3 million due to retirements in the department, less paving repair work and building maintenance due to yearly capital improvements made through bonding and disposal costs tonnage and rates are down due to more recycling in town.
- Education Costs increased \$3.1 million due to an overall increase in the operating budget

**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11.7 million. Of this amount the Town has an unassigned fund balance of \$2.4 million. The remaining \$9.2 million of fund balance is restricted to indicate amounts that are not available for new spending because it has already been committed to liquidate contracts, purchase orders of the prior period and Board of Education reserve.

**General Fund.** At the end of the current fiscal year, unassigned fund balance of the general fund was \$19.7 million. Unassigned fund balance of the general fund represents 11.3% of total general fund expenditures.

**Water Pollution Control Authority.** The Water Pollution Control Authority (WPCA) had an unrestricted net position balance at June 30, 2016 of \$50 million and net investment in capital assets of \$32 million.

**Golf Course.** The Tashua Knolls Golf Course had an unrestricted net position balance at June 30, 2016 of \$1.0 million and net investment in capital assets of \$2.8 million.

### **GENERAL FUND BUDGETARY HIGHLIGHTS (NOT ROUNDED)**

The difference between the original budget and the final amended budget for expenditures was \$31,137 and the major contributing factors can be summarized as follows:

- There was a supplemental appropriation for \$17,000 to cover the Town's street lights due to a rate increase.
- There was a supplemental appropriation for \$15,000 for the fireworks for the Fall Festival.

However, the final budget to actual expenditure variance was favorable by \$1.8 million. The major reasons for the net variance are as follows:

- There were surpluses in various departments due to vacancies totaling \$180,000. They were identified in Economic development \$24,000, Tax Collector's \$35,000, Human Resources \$ 6,000, Fleet maintenance \$ 6,000, Town Engineer \$14,000, Health Department \$5,000, School Nurses \$50,000, Senior Citizens \$7,000, Counseling Center \$16,000, Library \$12,000 and Parks \$5,000.
- Employee Benefits had a surplus of \$229,000 of which \$140,000 was due to the change in our medical and prescription plans and an increase in employees' contributions, \$63,000 was due to surpluses in employer payroll taxes (FICA/Medicare) and contributions to the Defined Benefit Plan (DC) due to vacancies and \$17,000 was due to a surplus in the unemployment benefits due to less employees laid off.
- Town Hall had a surplus of \$395,000 of which \$332,000 was due to a surplus in the contingency account due to better contract negotiations than expected and there were enough funds in the departments' to cover the contractual increases and \$42,000 surplus in the Liability, Auto and Property Insurance due to a lower renewal increase than anticipated.
- Tax Assessor had a surplus of 31,000 of which \$28,000 was due to reduced costs to perform revaluation.
- EMS has a surplus of \$37,000 of which \$8,000 was due to a more efficient servicing company that required less outside assistance and \$13,000 less supplies needed.
- Snow Removal had a surplus of \$65,000 due to a milder winter and less snow storms.
- Feet Maintenance had a surplus of \$78,000 of which \$70,000 was due to a decrease in fuel costs due to current pricing and we price it periodically.
- The education budget had a surplus of \$64,000 of which \$39,000 was due to transportation (busing) costs and \$48,000 for specialists at the private schools and \$21,000 in overtime for the use of school building.

- There was a surplus in energy costs of \$84,000 of which \$65,000 was due to savings in electric and heating costs as a result of various energy upgrade done to town buildings over the years.
- There was a surplus in Debt Service in the amount of \$404,000 due to bond refunding.

The difference between the final revenue budget and actual revenues resulted in a net surplus of \$.243 million. The major reasons for the favorable variance are as follows:

Licenses, permits and fees were over budget by \$397,000 of which there was an increase in the Town Clerk’s revenue of \$271,000 due to additional conveyance tax due to more refinancing as a result of lower interest rates and an increase in house sales, an increase in EMS fees of \$308,000 due to more patients being transported, a decrease in Building permits of \$334,000 due to the timing of permits, an increase in the Health Department fees of \$269,000 due to greater need in the community and a decrease in disposal fees of \$101,000 due to the price of metal that has substantially gone down from an average of \$187 to \$96 in 2016.

- Intergovernmental revenues were over budget by \$368,000 due to an increase in Education Grants of \$535,000 based on cost per pupil. The state also eliminated the State Property Reimbursement in the amount of \$107,000 and it also decreased the Manufacturing Tax Relief in the amount of \$75,000.
- There was a deficit in the amount of \$515,000 in the Property Taxes revenue due to settlement of various tax appeals

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the Town had \$334 million (net of accumulated depreciation) invested in a variety of capital assets, as reflected in the following schedule:

**TABLE 4  
CAPITAL ASSETS  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 39,153	\$ 39,153	\$ 1,962	\$ 1,962	\$ 41,115	\$ 41,115
Land improvements	4,419	4,663	2,514	2,576	6,932	7,239
Buildings and improvements	132,141	78,346	1,114	1,169	133,256	79,515
Machinery and equipment	3,993	3,779	296	293	4,289	4,072
Infrastructure	29,026	25,465	57,827	59,545	86,853	85,010
Vehicles	5,056	4,286	5	14	5,061	4,300
Construction in progress	24,466	76,759	31,751	31,751	56,217	108,510
<b>Total</b>	<b>\$ 238,254</b>	<b>\$ 232,451</b>	<b>\$ 95,470</b>	<b>\$ 97,310</b>	<b>\$ 333,723</b>	<b>\$ 329,761</b>

Additional information on the Town’s capital assets can be found on pages 36 and 37 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town of Trumbull had total bonded debt outstanding of \$148.5 million. One hundred percent (100%) of this debt is backed by the full faith and credit of the Town government.

**TABLE 5  
LONG-TERM DEBT  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ <u>90,259</u>	\$ <u>90,939</u>	\$ <u>58,201</u>	\$ <u>62,271</u>	\$ <u>148,460</u>	\$ <u>153,210</u>

The Town of Trumbull’s total debt decreased by \$5 million or 3.3% during the 2015-16 fiscal year.

The Town of Trumbull maintains an AA+ by both Standard & Poor’s and Fitch Rating. We elected not to request a rating from Moody’s at this time.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$1.013 billion, which is significantly in excess of the Town’s outstanding general obligation debt.

Additional information on the Town’s long-term debt can be found on pages 39 through 42 of this report.

**Relevant Current Economic Factors, Decisions, and Conditions**

The unemployment rate for the Town is currently 4.9%, which compares favorably to the State’s average unemployment rate of 5.9% and the Bridgeport Labor Market of 5.7%.

The Grand List growth has been less than 1% for each of the last several years.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town of Trumbull’s annual budget.

**Request for Information**

This financial report is designed to provide a general overview of the Town’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 Maria Pires, Director of Finance, 5866 Main Street, Trumbull, CT 06611.

# **Basic Financial Statements**

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 37,149,807	\$ 2,878,936	\$ 40,028,743
Investments	10,108,024		10,108,024
Receivables, net	8,736,178	36,518,498	45,254,676
Internal balances	(11,853,073)	11,853,073	-
Interfund loans	332,465	(332,465)	-
Inventories	30,742		30,742
Due from fiduciary funds	10,579		10,579
<b>Capital assets:</b>			
Assets not being depreciated	63,618,895	33,712,916	97,331,811
Assets being depreciated, net	174,635,181	61,756,725	236,391,906
<b>Total assets</b>	<b>282,768,798</b>	<b>146,387,683</b>	<b>429,156,481</b>
<b>Deferred Outflows of Resources:</b>			
Change in actuarial experience	252,333		252,333
Change in investment gains/losses	6,679,887		6,679,887
Deferred charge on refunding	1,901,324	908,560	2,809,884
<b>Total deferred outflows of resources</b>	<b>8,833,544</b>	<b>908,560</b>	<b>9,742,104</b>
<b>Liabilities:</b>			
Accounts and other payables	9,677,981	118,078	9,796,059
Accrued liabilities	1,697,917	19,249	1,717,166
Due to fiduciary funds	26,450		26,450
Bond anticipation notes	9,520,000		9,520,000
Unearned revenue	250,297		250,297
<b>Noncurrent liabilities:</b>			
Due within one year	10,340,220	4,799,695	15,139,915
Due in more than one year	192,458,142	56,721,055	249,179,197
<b>Total liabilities</b>	<b>223,971,007</b>	<b>61,658,077</b>	<b>285,629,084</b>
<b>Deferred Inflows of Resources:</b>			
Change in actuarial experience	143,724		143,724
Change in actuarial assumptions	4,695,405		4,695,405
Advance property tax collections	4,893,275		4,893,275
<b>Total deferred inflows of resources</b>	<b>9,732,404</b>	<b>-</b>	<b>9,732,404</b>
<b>Net Position:</b>			
Net investment in capital assets	136,419,436	34,930,372	171,349,808
<b>Restricted for:</b>			
<b>Trust purposes:</b>			
Nonexpendable	179,926		179,926
Unrestricted	(78,700,431)	50,707,794	(27,992,637)
<b>Total Net Position</b>	<b>\$ 57,898,931</b>	<b>\$ 85,638,166</b>	<b>\$ 143,537,097</b>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 19,562,510	\$ 1,958,879	\$ 154,643	\$	\$ (17,448,988)	\$	\$ (17,448,988)
Public safety	16,307,765	3,641,418	55,915	8,803	(12,601,629)		(12,601,629)
Public works	10,073,546	433,656	464,072	771,582	(8,404,236)		(8,404,236)
Public health	778,426	155,229	61,982		(561,215)		(561,215)
Libraries	1,761,250				(1,761,250)		(1,761,250)
Social services	658,356				(658,356)		(658,356)
Parks and recreation	3,428,749	400,390	11,009		(3,017,350)		(3,017,350)
Education	123,019,056	4,675,324	21,395,911	31,053	(96,916,768)		(96,916,768)
Interest on long-term debt	4,799,531				(4,799,531)		(4,799,531)
Total governmental activities	<u>180,389,189</u>	<u>11,264,896</u>	<u>22,143,532</u>	<u>811,438</u>	<u>(146,169,323)</u>	<u>-</u>	<u>(146,169,323)</u>
Business-type activities:							
WPCA	11,990,078	8,673,591		2,178,822		(1,137,665)	(1,137,665)
Golf course	1,580,359	2,103,924				523,565	523,565
Total business-type activities	<u>13,570,437</u>	<u>10,777,515</u>	<u>-</u>	<u>2,178,822</u>	<u>-</u>	<u>(614,100)</u>	<u>(614,100)</u>
Total primary governmental activities	<u>\$ 193,959,626</u>	<u>\$ 22,042,411</u>	<u>\$ 22,143,532</u>	<u>\$ 2,990,260</u>	<u>(146,169,323)</u>	<u>(614,100)</u>	<u>(146,783,423)</u>
General revenues:							
Property taxes					146,804,074		146,804,074
Grants and contributions not restricted to specific programs					674,177		674,177
Unrestricted investment earnings					354,287	1,670,299	2,024,586
Miscellaneous					89,028		89,028
Transfers					746,418	(746,418)	-
Total general revenues and transfers					<u>148,667,984</u>	<u>923,881</u>	<u>149,591,865</u>
Change in net position					2,498,661	309,781	2,808,442
Net Position at Beginning of Year					<u>55,400,270</u>	<u>85,328,385</u>	<u>140,728,655</u>
Net Position at End of Year					<u>\$ 57,898,931</u>	<u>\$ 85,638,166</u>	<u>\$ 143,537,097</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,160,146	\$	\$ 989,661	\$ 37,149,807
Investments	10,108,024			10,108,024
Receivables, net	7,148,331		1,587,847	8,736,178
Inventories			30,742	30,742
Due from other funds	8,677,919	448,520	5,838,005	14,964,444
Interfund loans	332,465			332,465
Advances from other funds	1,640,620			1,640,620
Total Assets	<u>\$ 64,067,505</u>	<u>\$ 448,520</u>	<u>\$ 8,446,255</u>	<u>\$ 72,962,280</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 8,644,479	\$ 775,805	\$ 257,696	\$ 9,677,980
Due to other funds	22,173,289		7,192,290	29,365,579
Unearned revenue	98,648		151,649	250,297
Advances to other funds			1,640,620	1,640,620
Bond anticipation notes		9,520,000		9,520,000
Total liabilities	<u>30,916,416</u>	<u>10,295,805</u>	<u>9,242,255</u>	<u>50,454,476</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,403,331			5,403,331
Unavailable revenue - school construction receivables	513,381			513,381
Advance property tax collections	4,893,275			4,893,275
Total deferred inflows of resources	<u>10,809,987</u>	<u>-</u>	<u>-</u>	<u>10,809,987</u>
Fund Balances:				
Nonspendable	1,640,620		210,668	1,851,288
Restricted			5,251	5,251
Committed	861,526		6,452,500	7,314,026
Assigned	80,999			80,999
Unassigned	19,757,957	(9,847,285)	(7,464,419)	2,446,253
Total fund balances	<u>22,341,102</u>	<u>(9,847,285)</u>	<u>(796,000)</u>	<u>11,697,817</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 64,067,505</u>	<u>\$ 448,520</u>	<u>\$ 8,446,255</u>	<u>\$ 72,962,280</u>

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**TOWN OF TRUMBULL, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2016**

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Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position:

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

Fund balances - total governmental funds	\$ 11,697,817
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 370,851,622	
Less accumulated depreciation	<u>(135,061,943)</u>	
Net capital assets		235,789,679

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

Property tax receivables greater than 60 days	4,439,080
Interest receivable on property taxes	964,251
Receivable from the state for school construction projects	513,381
Changes in actuarial experience	252,333
Changes in investment gains and losses	6,679,887

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

379,591

Long-term liabilities, including deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability	(89,295,535)
Change in actuarial experience	(143,724)
Change in actuarial assumptions	(4,695,405)
Net OPEB obligation	(8,897,947)
Bonds payable	(90,259,050)
Interest payable on bonds and notes	(1,697,918)
Compensated absences	(5,318,369)
Claims and judgments	(453,550)
Bond premium	(3,956,914)
Deferred charge on refunding	<u>1,901,324</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 57,898,931</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 147,288,829	\$	\$	\$ 147,288,829
Intergovernmental	19,724,597	471,033	3,873,321	24,068,951
Investment earnings	353,885		402	354,287
Charges for goods and services	7,304,535		3,971,370	11,275,905
Other	16,800		72,228	89,028
Total revenues	<u>174,688,646</u>	<u>471,033</u>	<u>7,917,321</u>	<u>183,077,000</u>
Expenditures:				
Current:				
General government	20,683,608		246,020	20,929,628
Public safety	12,110,711		929,950	13,040,661
Public works	8,559,555		44,306	8,603,861
Public health	647,661		65,560	713,221
Libraries	1,604,180			1,604,180
Social service	579,680			579,680
Parks and recreation	2,753,960		416,222	3,170,182
Education	113,968,828		4,796,592	118,765,420
Other			391,082	391,082
Debt service:				
Principal	9,127,318			9,127,318
Interest	3,669,911			3,669,911
Capital outlay		11,101,391	816,287	11,917,678
Total expenditures	<u>173,705,412</u>	<u>11,101,391</u>	<u>7,706,019</u>	<u>192,512,822</u>
Deficiency of Revenues over Expenditures	<u>983,234</u>	<u>(10,630,358)</u>	<u>211,302</u>	<u>(9,435,822)</u>
Other Financing Sources:				
Transfers in	1,046,418			1,046,418
Transfers out			(300,000)	(300,000)
Issuance of general obligation bonds		7,500,000		7,500,000
Premium on bonds		204,589		204,589
Issuance of refunding bonds	3,520,000			3,520,000
Premium on bond refunding	446,063			446,063
Payments to escrow agent	(3,909,047)			(3,909,047)
Total other financing sources	<u>1,103,434</u>	<u>7,704,589</u>	<u>(300,000)</u>	<u>8,508,023</u>
Net Change in Fund Balances	2,086,668	(2,925,769)	(88,698)	(927,799)
Fund Balances at Beginning of Year	<u>20,254,434</u>	<u>(6,921,516)</u>	<u>(707,302)</u>	<u>12,625,616</u>
Fund Balances at End of Year	<u>\$ 22,341,102</u>	<u>\$ (9,847,285)</u>	<u>\$ (796,000)</u>	<u>\$ 11,697,817</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (927,799)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	13,628,390
Depreciation expense	(7,306,419)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely governmental funds do not report any gain or loss on a trade-in of capital assets. (292,600)

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

School building grant receipts	(450,813)
Property tax receivable - accrual basis change	(444,045)
Property tax interest and lien revenue - accrual basis change	(40,710)
Change in actuarial experience	(100,934)
Change in investments gains and losses	3,953,265

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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of bonds and notes	(7,500,000)
Premium on bond issuance	(204,589)
Bond principal payments	7,897,090
Refunding bonds issued	(3,520,000)
Premium on refunding bonds	(446,063)
Payments to escrow agent	3,909,047

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 the governmental funds:

Compensated absences	431,008
Accrued interest	109,374
Amortization of deferred charge on refunding	(226,588)
Amortization of bond premiums	422,410
Net pension liability	(5,497,913)
Change in actuarial experience	41,064
Change in actuarial assumptions	1,722,712
Net OPEB expense	(925,195)
Claims and judgments	(36,500)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. (1,695,531)

Change in Net Position of Governmental Activities (Exhibit II) \$ 2,498,661

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	<u>Business-Type Activities</u>		<u>Total Business-Type Activities</u>	<u>Governmental</u>
	<u>WPCA</u>	<u>Nonmajor Golf Course</u>		<u>Activities Internal Service Funds</u>
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,718,369	\$ 160,567	\$ 2,878,936	\$
Receivables, net	863,555	25,748	889,303	
Assessment receivable	35,629,195		35,629,195	
Due from other funds	10,569,456	1,283,617	11,853,073	4,007,241
Total current assets	49,780,575	1,469,932	51,250,507	4,007,241
<b>Noncurrent assets:</b>				
Capital assets, net	90,373,226	5,096,415	95,469,641	2,464,397
Total assets	140,153,801	6,566,347	146,720,148	6,471,638
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	893,474	15,086	908,560	
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts and other payables	80,371	37,707	118,078	
Accrued liabilities	4,942	14,307	19,249	
Due to other funds			-	1,475,050
Interfund loan		332,465	332,465	
Bonds payable	4,623,410	162,000	4,785,410	
Compensation absences	5,368	8,917	14,285	
Claim payable			-	582,524
Total current liabilities	4,714,091	555,396	5,269,487	2,057,574
<b>Noncurrent liabilities:</b>				
Bonds payable, net	54,544,870	2,117,549	56,662,419	
Compensated absences	28,453	30,183	58,636	
Claims payable			-	4,034,473
Total noncurrent liabilities	54,573,323	2,147,732	56,721,055	4,034,473
Total liabilities	59,287,414	2,703,128	61,990,542	6,092,047
<b>Net Position:</b>				
Net investment in capital assets	32,098,420	2,831,952	34,930,372	989,347
Unrestricted	49,661,441	1,046,353	50,707,794	(609,756)
Total Net Position	\$ 81,759,861	\$ 3,878,305	\$ 85,638,166	\$ 379,591

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities</u>		<u>Total Business-Type Activities</u>	<u>Governmental</u>
	<u>WPCA</u>	<u>Nonmajor Golf Course</u>		<u>Activities Internal Service Funds</u>
Operating Revenues:				
Charges for services	\$ 8,673,591	\$ 2,103,924	\$ 10,777,515	\$ 22,682,280
Operating Expenses:				
Operating and maintenance	8,039,462	1,351,685	9,391,147	
Claims expense			-	23,767,353
Depreciation	1,768,260	153,832	1,922,092	587,459
Total operating expenses	<u>9,807,722</u>	<u>1,505,517</u>	<u>11,313,239</u>	<u>24,354,812</u>
Operating Income (Loss)	<u>(1,134,131)</u>	<u>598,407</u>	<u>(535,724)</u>	<u>(1,672,532)</u>
Nonoperating Revenue (Expenses):				
Gain (loss) on disposal of capital assets			-	(22,999)
Income on investments	1,670,299		1,670,299	
Interest expense	<u>(2,182,356)</u>	<u>(74,842)</u>	<u>(2,257,198)</u>	
Net nonoperating expenses	<u>(512,057)</u>	<u>(74,842)</u>	<u>(586,899)</u>	<u>(22,999)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(1,646,188)</u>	<u>523,565</u>	<u>(1,122,623)</u>	<u>(1,695,531)</u>
Capital Contributions and Transfers:				
Capital contributions	2,178,822		2,178,822	
Transfers out	<u>(512,093)</u>	<u>(234,325)</u>	<u>(746,418)</u>	
Total capital contributions and transfers	<u>1,666,729</u>	<u>(234,325)</u>	<u>1,432,404</u>	<u>-</u>
Change in Net Position	20,541	289,240	309,781	(1,695,531)
Net Position at Beginning of Year	<u>81,739,320</u>	<u>3,589,065</u>	<u>85,328,385</u>	<u>2,075,122</u>
Net Position at End of Year	<u>\$ 81,759,861</u>	<u>\$ 3,878,305</u>	<u>\$ 85,638,166</u>	<u>\$ 379,591</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities			Governmental
	WPCA	Nonmajor Golf Course	Total Business-Type Activities	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 8,623,430	\$ 2,099,886	\$ 10,723,316	\$ 22,682,280
Cash paid to suppliers for goods and services	(8,018,020)	(1,359,087)	(9,377,107)	
Cash received from (paid to) employees	2,558	(7,316)	(4,758)	
Cash paid for insurance claims and premiums			-	(23,590,832)
Net cash provided by (used in) operating activities	<u>607,968</u>	<u>733,483</u>	<u>1,341,451</u>	<u>(908,552)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers out	(512,093)	(234,325)	(746,418)	
Cash paid to other funds			-	1,134,026
Cash paid on general fund loan		(23,125)	(23,125)	
Cash (received from) paid to other funds	<u>1,644,636</u>	<u>(74,075)</u>	<u>1,570,561</u>	
Net cash provided by (used in) noncapital financing activities	<u>1,132,543</u>	<u>(331,525)</u>	<u>801,018</u>	<u>1,134,026</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Principal payment - long-term obligations	(3,938,410)	(132,000)	(4,070,410)	
Interest paid	(2,177,818)	(86,959)	(2,264,777)	
Debt issuance costs	(40,447)		(40,447)	
Purchase of capital assets and construction	(58,414)	(22,432)	(80,846)	(384,446)
Proceeds from refunding bond issuance	2,590,000		2,590,000	
Payments to escrow agent	(2,865,991)		(2,865,991)	
Premium on refunding bond issuance	316,438		316,438	
Special assessments	3,303,379		3,303,379	
Capital grants and contributions	<u>2,178,822</u>		<u>2,178,822</u>	
Net cash provided by (used in) capital and related financing activities	<u>(692,441)</u>	<u>(241,391)</u>	<u>(933,832)</u>	<u>(384,446)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest received	<u>1,670,299</u>		<u>1,670,299</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	2,718,369	160,567	2,878,936	(158,972)
Cash and Cash Equivalents at Beginning of Year	-	-	-	158,972
Cash and Cash Equivalents at End of Year	<u>\$ 2,718,369</u>	<u>\$ 160,567</u>	<u>\$ 2,878,936</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ (1,134,131)	\$ 598,407	\$ (535,724)	\$ (1,672,532)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,768,260	153,832	1,922,092	587,459
Change in asset and liabilities:				
(Increase) decrease in accounts receivable	(50,161)	(4,038)	(54,199)	
Increase (decrease) in accounts payable	21,442	(7,402)	14,040	
Increase (decrease) in compensated absences payable	2,558	(7,316)	(4,758)	
Increase (decrease) in claims payable			-	176,521
Net Cash Provided by (Used in) Operating Activities	<u>\$ 607,968</u>	<u>\$ 733,483</u>	<u>\$ 1,341,451</u>	<u>\$ (908,552)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2016**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and cash equivalents	\$ 990,529	\$ 78,841	\$ 631,132
Investments:			
Mutual funds	80,142,650	1,528	
Accounts receivable	256		
Due from other funds		26,450	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>81,133,435</u>	<u>106,819</u>	<u>\$ 631,132</u>
Liabilities:			
Due to other funds		10,579	\$
Deposits held for others			631,132
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>10,579</u>	<u>\$ 631,132</u>
Net Position:			
Held in Trust for Private Purpose		96,240	
Restricted for OPEB Benefits	413,490		
Restricted for Pension Benefits	80,719,945		
	<u>                    </u>	<u>                    </u>	
Total Net Position	<u>\$ 81,133,435</u>	<u>\$ 96,240</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>
	<u>                    </u>	<u>                    </u>
Additions:		
Contributions:		
Employer	\$ 7,951,312	\$
Plan members	1,443,657	
Other	133	74,011
Total contributions	<u>9,395,102</u>	<u>74,011</u>
Investment income (loss):		
Net change in fair value of investments	(764,974)	
Interest and dividends	1,231,196	43
Total investment income	<u>466,222</u>	<u>43</u>
Other:		
Intergovernmental	-	12,028
Total additions	<u>9,861,324</u>	<u>86,082</u>
Deductions:		
Benefits	8,022,465	91,068
Administration	203,992	
Total deductions	<u>8,226,457</u>	<u>91,068</u>
Change in Net Position	1,634,867	(4,986)
Net Position at Beginning of Year	<u>79,498,568</u>	<u>101,226</u>
Net Position at End of Year	<u>\$ 81,133,435</u>	<u>\$ 96,240</u>

The accompanying notes are an integral part of the financial statements



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Trumbull, Connecticut (the Town) 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 policies of the Town are described below.

### **A. Reporting Entity**

The Town of Trumbull, Connecticut, was incorporated as a town in the early 1600s. The Town covers an area of 23.5 square miles and is located in Fairfield County, approximately 60 miles from New York City and 60 miles from Hartford. The Town operates under a First Selectman, Town Council and Finance Committee form of government and 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.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100 has been considered and as a result, there are no agencies or entities that should be, but are not, included in the financial statements of the Town.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. 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 is 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.

**C. 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 pension trust fund financial statements. 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Agency funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

The Town reports the following major governmental funds:

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

The *Five Year Capital Plan Fund* accounts for resources and expenditures on various capital projects.

The Town reports the following major proprietary funds:

The *Water Pollution Control Authority (WPCA)* accounts for the operations of the Town's wastewater treatment plant. It is independent in terms of its relationship to other Town functions. Its operations are financed from special assessments and direct charges to the users of the service.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for the acquisition and use of certain vehicles of departments of the Town, and the medical and workers compensation reserves.

The *Pension Trust Funds* and *OPEB Trust Fund* account for the activities of the Town's defined benefit plans and other post-employment benefits, which accumulate resources for benefit payments to qualified employees.

The *Agency Funds* account for monies held as a custodian for outside groups and agencies.

The *Private Purpose Trust Funds* account for assets held by the Town in a trustee capacity on behalf of others.

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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the 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 property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds, and of the Town's internal service funds, are charges to customers for sales and 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 Town'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.

**D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. An amount of \$750,000 has been established as an allowance for uncollectible taxes. At June 30, 2016, this represents 34% of all property taxes receivable.

Property taxes are assessed as of October 1 and are levied on the following July 1. Personal property taxes and real estate taxes are due in four installments, on July 1 and the following October 1, January 1, and April 1. Motor vehicle taxes are due in two installments, on July 1 and January 1. Liens are filed by the end of the fiscal year in which the taxes are collectible.

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**F. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 asset 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 primary government, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Buildings improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

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

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to

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pension results from differences between expected and actual experience and changes in investment gains or losses. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

**I. Compensated Absences**

Employees earn annual leave or vacation time according to the terms of the union contract that applies to them. Such amounts are liquidated within the functional cost area in which the employee's payroll is paid.

Annual leave, vacation and sick pay are accrued when incurred in proprietary funds and reported as a fund liability. Annual leave, vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the governmental fund that will pay it. Amounts not expected to be paid with expendable available financial resources are not reported in governmental funds. No expenditure is reported for these amounts.

Liabilities for compensated absences, including the current portion, are reported in the government-wide statement of net position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**J. Net Pension Liability**

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

**K. OPEB Obligations**

The net OPEB obligation represents the cumulative difference between the annual pension/OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

**L. Long-Term Obligations**

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

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

**M. Fund Equity**

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

**Invested in Capital Assets**

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

**Restricted Net Position**

Net position is restricted because it is 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 Position**

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council or delegated authority to assign amounts by the Town Council.

**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.

**N. 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**

Annual budgets are legally adopted for the General Fund and the two Enterprise Funds, WPCA and Golf Course. The budget is prepared on a modified accrual basis.

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

- Department heads, officers and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the First Selectman. The First Selectman submits the proposed budget to the Board of Finance who adopts and approves the budget proposed, or makes changes in any estimates or appropriations contained in the proposed budget as deemed proper. The Board of Finance then recommends budgets, as revised, for adoption by the Town Council. Under the new Charter, taxpayers can petition for a referendum.
- The budget is legally adopted by the Town Council.
- The Board of Finance is authorized to transfer budgeted amounts between departmental appropriations. Subsequent appropriations must be approved by the Board of Finance and the Town Council if they are in excess of \$2,000. Additional appropriations of \$31,137 were approved during the fiscal year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Appropriations for capital projects do not lapse until completion of the applicable projects. All General Fund unexpended appropriations lapse at year end.

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The Town does not have legally adopted annual budgets for its special revenue funds because budgetary control is alternatively achieved by constraints imposed by the project authorization and grant awards related to these funds. The Town does not have legally adopted budgets for its fiduciary funds.

The Town'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 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.

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>
Balance, budgetary basis	\$ 160,637,621	\$ 158,653,930
Encumbrances outstanding at June 30, 2015, liquidated during the year ended June 30, 2016		364,084
Encumbrances outstanding at June 30, 2016, charged to budgetary expenditures during the year ended June 30, 2016		(80,999)
Refunding activities not budgeted for	3,966,063	3,966,063
Amounts net for budgetary purposes	142,800	142,800
State Teachers' Retirement on-behalf payment	12,530,576	12,530,576
GASB 54 reclassifications	<u>2,424,067</u>	<u>2,038,005</u>
Balance, GAAP Basis	<u>\$ 179,701,127</u>	<u>\$ 177,614,459</u>



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**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town has a policy that deposits can include demand and savings accounts and certificates of deposit. The Town’s policy for custodial credit risk is to follow the State statutes for coverage of its deposits. 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*, \$35,610,581 of the Town’s bank balance of \$37,002,546 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 31,924,523
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>3,686,058</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 35,610,581</u>

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**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, the Town's cash equivalents amounted to \$6,875,290. The following table provides a summary of the Town's cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo Money Market*	

\*Not rated

**B. Investments**

Investments as of June 30, 2016 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Securities	N/A	\$ 8,132,058	\$ 792,116	\$ 901,881	\$ 6,438,061
Corporate bonds	N/A	575,061		325,563	249,498
Certificate of deposit	N/A	1,400,905	<u>1,400,905</u>		
Total interest-bearing investments			<u>\$ 2,193,021</u>	<u>\$ 1,227,444</u>	<u>\$ 6,687,559</u>
Other investments:					
Mutual funds	N/A	<u>80,144,178</u>			
Total Investments		<u>\$ 90,252,202</u>			

**Interest Rate Risk**

The Town and the pension policies limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and pension payments, thereby avoiding the need to sell securities on the open market prior to maturity, and investing idle funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Credit Risk - Investments**

The Town's investment policy minimizes credit risk by limiting investments to the safest types of securities, prequalifying the financial institution, broker/dealers, intermediaries and advisers, and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

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**Concentration of Credit Risk**

The Town and the pension policies are to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

**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 Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2016, the Town's investments, other than open-end mutual funds and other pooled accounts that are not categorized as to custodial credit risk, were uninsured and unregistered securities held by the counterparty, or by its trust department or agent, and were not in the Town's name.

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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<b>Fair Value Measurement Level 1</b>
Investments by fair value level:	
U.S. Government securities	\$ 8,132,057
Corporate bonds	575,061
Mutual funds	<u>80,144,179</u>
 Total Investments by Fair Value Level	 \$ <u><u>88,851,297</u></u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. There are no Level 2 or 3 investments.

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**4. RECEIVABLES**

Receivables as of year end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>WPCA</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 2,238,132	\$	\$	\$ 2,238,132
Other deferred taxes	3,358,572			3,358,572
Interest on taxes	964,251			964,251
Accounts	342,305	1,013,555	407,833	1,763,693
Intergovernmental	995,071		1,206,018	2,201,089
Special assessments		<u>35,629,195</u>		<u>35,629,195</u>
Gross receivables	7,898,331	36,642,750	1,613,851	46,154,932
Less allowance for uncollectibles	<u>(750,000)</u>	<u>(150,000)</u>		<u>(900,000)</u>
Net Total Receivables	<u>\$ 7,148,331</u>	<u>\$ 36,492,750</u>	<u>\$ 1,613,851</u>	<u>\$ 45,254,932</u>

**TOWN OF TRUMBULL, CONNECTICUT  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 39,152,665	\$	\$	\$ 39,152,665
Construction in progress	76,758,695	4,823,483	57,115,948	24,466,230
Total capital assets not being depreciated	<u>115,911,360</u>	<u>4,823,483</u>	<u>57,115,948</u>	<u>63,618,895</u>
Capital assets being depreciated:				
Land improvements	12,490,311	196,702		12,687,013
Buildings and improvements	143,710,455	58,697,684		202,408,139
Machinery and equipment	13,285,072	805,089	26,065	14,064,096
Vehicles	11,146,207	1,649,410	522,510	12,273,107
Infrastructure	68,389,057	4,672,159		73,061,216
Total capital assets being depreciated	<u>249,021,102</u>	<u>66,021,044</u>	<u>548,575</u>	<u>314,493,571</u>
Less accumulated depreciation for:				
Land improvements	7,827,609	440,636		8,268,245
Buildings and improvements	65,364,520	4,902,134		70,266,654
Machinery and equipment	9,505,587	591,487	26,065	10,071,009
Vehicles	6,860,433	847,745	491,168	7,217,010
Infrastructure	42,923,596	1,111,876		44,035,472
Total accumulated depreciation	<u>132,481,745</u>	<u>7,893,878</u>	<u>517,233</u>	<u>139,858,390</u>
Total capital assets being depreciated, net	<u>116,539,357</u>	<u>58,127,166</u>	<u>31,342</u>	<u>174,635,181</u>
Governmental Activities Capital Assets, Net	<u>\$ 232,450,717</u>	<u>\$ 62,950,649</u>	<u>\$ 57,147,290</u>	<u>\$ 238,254,076</u>

**TOWN OF TRUMBULL, CONNECTICUT  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,962,013	\$	\$	\$ 1,962,013
Construction in progress	31,750,903			31,750,903
Total capital assets not being depreciated	<u>33,712,916</u>	<u>-</u>	<u>-</u>	<u>33,712,916</u>
Capital assets being depreciated:				
Land improvements	3,722,971	22,434		3,745,405
Building and improvements	2,575,879			2,575,879
Machinery and equipment	984,966	58,414		1,043,380
Vehicles	133,726			133,726
Infrastructure	88,228,072			88,228,072
Total capital assets being depreciated	<u>95,645,614</u>	<u>80,848</u>	<u>-</u>	<u>95,726,462</u>
Less accumulated depreciation for:				
Land improvements	1,146,600	85,298		1,231,898
Building and improvements	1,406,652	54,952		1,461,604
Machinery and equipment	691,623	55,586		747,209
Vehicles	119,950	8,483		128,433
Infrastructure	28,682,820	1,717,773		30,400,593
Total accumulated depreciation	<u>32,047,645</u>	<u>1,922,092</u>	<u>-</u>	<u>33,969,737</u>
Total capital assets being depreciated, net	<u>63,597,969</u>	<u>(1,841,244)</u>	<u>-</u>	<u>61,756,725</u>
Business-Type Activities Capital Assets, Net	<u>\$ 97,310,885</u>	<u>\$ (1,841,244)</u>	<u>\$ -</u>	<u>\$ 95,469,641</u>

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

Governmental activities:	
Board of Education	\$ 5,037,152
General Government	197,769
Social Services	82,095
Public Works	1,649,051
Public Safety	463,228
Libraries	110,137
Recreation and Parks	<u>354,446</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,893,878</u>
Business-type activities	
WPCA	\$ 1,768,260
Golf Fund	<u>153,832</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,922,092</u>

**TOWN OF TRUMBULL, CONNECTICUT  
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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	\$ 5,838,005
General Fund	Nonmajor governmental funds	7,192,290
General Fund	Private Purpose Trust	10,579
Five Year Capital Plan	General fund	448,520
WPCA	General fund	10,569,456
Golf Course	General fund	1,283,617
Internal Service	General fund	4,007,241
Private Purpose Trust	General fund	26,450
General Fund	Internal Service	<u>1,475,050</u>
		<u>\$ 30,851,208</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement-type transactions.

**Advances from/to Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,640,620

**Interfund Loans**

On June 30, 2013, the General Fund issued a loan for \$400,000, with an interest rate of 2.75% and a maturity date of June 30, 2028, to the Golf Course Fund. The balance remaining between the funds at June 30, 2016 was \$332,465.

**Interfund Transfers**

	<u>Transfers In</u>
	<u>General</u>
Transfers out:	
WPCA	\$ 512,093
Nonmajor governmental	300,000
Golf Course	<u>234,325</u>
Total Transfers In	<u>\$ 1,046,418</u>

The above transfers represent normal budgetary and other recurring transfers.

**TOWN OF TRUMBULL, CONNECTICUT  
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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Funds:					
Bonds payable:					
General obligation bonds	\$ 90,938,640	\$ 11,020,000	\$ 11,699,590	\$ 90,259,050	\$ 7,774,590
Premium on bonds	3,728,672	650,652	422,410	3,956,914	
Total bonds payable	<u>94,667,312</u>	<u>11,670,652</u>	<u>12,122,000</u>	<u>94,215,964</u>	<u>7,774,590</u>
Other liabilities:					
Insurance claims	4,440,476	23,767,353	23,590,832	4,616,997	582,524
Other claims and judgments	417,050	140,000	103,500	453,550	140,000
Net pension obligation	83,797,622	5,497,913		89,295,535	
Compensated absences	5,749,377	1,412,098	1,843,106	5,318,369	1,843,106
Net OPEB obligation	<u>7,972,752</u>	<u>925,195</u>		<u>8,897,947</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 197,044,589</u>	<u>\$ 43,413,211</u>	<u>\$ 37,659,438</u>	<u>\$ 202,798,362</u>	<u>\$ 10,340,220</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 62,271,360	\$ 2,590,000	\$ 6,660,410	\$ 58,200,950	\$ 4,785,410
Premium on bonds	3,199,964	316,348	269,433	3,246,879	
Total bonds payable	<u>65,471,324</u>	<u>2,906,348</u>	<u>6,929,843</u>	<u>61,447,829</u>	<u>4,785,410</u>
Compensated absences	<u>77,679</u>		<u>4,758</u>	<u>72,921</u>	<u>14,285</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 65,549,003</u>	<u>\$ 2,906,348</u>	<u>\$ 6,934,601</u>	<u>\$ 61,520,750</u>	<u>\$ 4,799,695</u>



**TOWN OF TRUMBULL, CONNECTICUT  
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**Bonds Payable**

The Town 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 Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2016</u>
Governmental:						
General purpose:						
General obligation refunding	8/19/08	8/19/21	3.25-5%	\$ 5,241,880	various	\$ 2,381,550
General obligation	9/1/09	9/1/29	2.25-4.05%	5,850,000	various	292,500
General obligation refunding	10/6/09	9/15/23	3-5%	17,523,000	various	11,438,000
General obligation	9/1/10	9/1/28	3-5%	10,000,000	various	7,500,000
General obligation	9/1/11	9/1/31	2-4%	14,310,000	various	11,450,000
General obligation refunding	3/15/12	9/1/30	2-4%	14,862,000	various	12,476,000
General obligation	9/1/12	9/1/32	2-3%	15,900,000	various	13,515,000
General obligation	9/1/13	9/1/33	2.5-4.5%	6,605,000	various	5,945,000
General obligation	3/12/14	9/1/27	3-5%	7,844,000	various	6,506,000
General obligation	9/5/14	9/1/35	2-4%	7,575,000	various	7,195,000
General obligation refunding	11/4/14	6/30/29	2-5%	545,000	various	540,000
General Obligation	9/5/15	9/1/36	2.125-4%	7,500,000	various	7,500,000
General obligation refunding	6/7/16	6/30/30	2.5-4%	3,520,000	various	3,520,000
Total governmental activities						<u>90,259,050</u>
Business-Type:						
General purpose:						
General obligation	9/1/08	9/1/28	3-5%	17,374,000	various	923,450
General obligation	9/1/09	9/1/29	2.25-4.05%	4,150,000	various	207,500
General obligation refunding	10/6/09	9/15/23	3-5%	7,967,000	various	4,557,000
General obligation	9/1/10	9/1/29	2.25-4.05%	12,000,000	various	9,000,000
General obligation	9/1/11	9/1/31	2-4%	12,000,000	various	9,600,000
General obligation refunding	3/15/12	9/1/30	2-4%	11,208,000	various	9,299,000
General obligation	9/1/12	9/1/32	2-3%	5,500,000	various	4,675,000
General obligation	9/1/13	9/1/33	2.5-4.5%	5,000,000	various	4,500,000
General obligation	3/12/14	9/1/27	3-5%	2,171,000	various	1,634,000
General obligation refunding	11/4/14	6/30/29	2-5%	11,315,000	various	11,215,000
General obligation refunding	6/7/16	6/30/30	2.5-4%	2,590,000	various	2,590,000
Total business-type activities						<u>58,200,950</u>
Total Outstanding						<u>\$ 148,460,000</u>

**TOWN OF TRUMBULL, CONNECTICUT  
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The annual requirements to amortize bonds payable as of June 30, 2016 are as follows:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 7,774,590	\$ 2,914,511
2018	8,121,690	2,639,505
2019	7,015,190	2,347,951
2020	6,975,590	2,096,808
2021	6,941,990	1,848,425
2022-2026	28,284,000	6,018,491
2027-2031	18,466,000	2,541,235
2032-2036	<u>6,680,000</u>	<u>371,269</u>
	<u>\$ 90,259,050</u>	<u>\$ 20,778,195</u>

	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 4,785,410	\$ 1,951,116
2018	4,908,310	1,804,761
2019	4,679,810	1,626,440
2020	4,709,410	1,456,858
2021	4,728,010	1,286,567
2022-2026	20,141,000	4,114,821
2027-2031	12,349,000	1,353,428
2032-2036	<u>1,900,000</u>	<u>78,343</u>
	<u>\$ 58,200,950</u>	<u>\$ 13,672,334</u>

The following is a schedule of bond anticipation note activity for the year ended June 30, 2016:

	<b>Governmental Activities</b>
Balance, July 1, 2015	\$ 9,885,000
Issued	9,520,000
Retired	<u>(9,885,000)</u>
Balance, June 30, 2016	<u>\$ 9,520,000</u>

The above retired note with an interest rate of 1.25% matured on September 4, 2015. The issued notes had an interest rate of 1.50% and matures on September 1, 2016.

**TOWN OF TRUMBULL, CONNECTICUT  
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**General Obligation Bonds - New Issue**

On September 4, 2015, the Town issued \$7,500,000 of general obligation bonds with interest rates ranging from 2.125% to 4% payable in annual installments of \$375,000. The bonds mature on September 1, 2035.

**General Obligation Bonds - Advance Refunding**

On June 7, 2016, the Town issued \$6,110,000 of general obligation refunding bonds with interest rates ranging from 2.5% to 4% to currently refund the outstanding principal amounts of \$6,500,000 General Obligation Refunding Bonds, Issue of 2009, dated September 1, 2009.

The net proceeds of \$6,775,038 (including a premium of \$762,502 and issuance costs of \$92,963, including underwriter's fees) will reduce total debt service payments over the next 14 years by approximately \$462,238 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$460,700. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$6,775,038 at June 30, 2016. The outstanding balance of the defeased bonds as of June 30, 2016 is \$6,500,000.

**Indebtedness**

The Town's indebtedness does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule (in thousands):

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 331,260	\$ 64,670	\$ 266,590
Schools	662,521	67,758	594,763
Sewers	552,100	20,422	531,678
Urban renewal	478,487		478,487
Pension deficit	441,680		441,680

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$1,013 million.

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds (net of projected grants) at June 30, 2016 is \$30,498,773. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 30,742	\$ 30,742
Permanent funds			179,926	179,926
Advances	1,640,620			1,640,620
Restricted for:				
Grants			5,251	5,251
Committed to:				
General government	31,127		308,550	339,677
Public works			411,789	411,789
Public safety			1,684,356	1,684,356
Health and welfare			6,034	6,034
Libraries			2,547	2,547
Parks and recreation			354,111	354,111
Education	830,399		605,428	1,435,827
Capital projects			2,370,332	2,370,332
Debt service			709,353	709,353
Assigned to:				
General government	28,397			28,397
Public works	25,060			25,060
Public safety	1,450			1,450
Health and welfare	3,745			3,745
Libraries	1,021			1,021
Education	21,326			21,326
Unassigned	<u>19,757,957</u>	<u>(9,847,285)</u>	<u>(7,464,419)</u>	<u>2,446,253</u>
 Total Fund Balances	 \$ <u>22,341,102</u>	 \$ <u>(9,847,285)</u>	 \$ <u>(796,000)</u>	 \$ <u>11,697,817</u>

Significant encumbrances at June 30, 2016 are contained in the above table in the assigned categories of the General Fund.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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The Town had deficits in the following funds:

Five Year Capital Plan	\$	9,847,285
Millington League Settlement		75,853
Public Works Capital Projects		143,565
Land Acquisition		1,635,809
LOCIP		237,831
Resurfacing of Tennis Courts		4,670
Daniels Farm Road Bridge		17,571
Rails to Trails		211,951
New Elementary School		425,928
BOE Capital Projects		4,707,663
Health Department Grant		3,578

These deficits will be funded by General Fund contributions and general obligation bonds.

**9. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and health of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except as disclosed below. The amount of settlements has not exceeded insurance coverage in any of the past three years.

**Workers' Compensation and Heart and Hypertension**

The Town maintains stop loss insurance on workers' compensation and heart and hypertension claims. The Town's maximum exposure for the year ended June 30, 2016 was \$1,000,000 in the aggregate and \$750,000 per incident. The Town and its actuary estimate a liability for both workers' compensation claims payable and for claims incurred but not reported.

At June 30, 2016, \$3,112,395 has been accrued for self-insurance claims payable and for incurred but not reported claims related to worker compensation and heart and hypertension claims.

Claims and liabilities are estimated based on claims paid for the year. Claim transactions for the last two years for the entire program are as follows:

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims Paid and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
2015-16	\$ 3,112,395	\$ 1,634,176	\$ 1,634,176	\$ 3,112,395
2014-15	3,068,622	1,948,727	1,904,954	3,112,395

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Medical Self-Insurance**

The Town’s self-insurance program is used to account for health insurance coverage for Town and Board of Education employees on a cost-reimbursement basis. Under the program, the Town is obligated for claim payments. The Town and Board of Education have a stop loss insurance contract executed with an insurance carrier that covers claims in excess of 120% and 110% respectively of expected claim payments in the aggregate and over \$125,000 and \$175,000 respectively per individual, per year.

The Town does not maintain stop loss coverage with respect to dental or prescription drug claims.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2016 of \$1,504,602. Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Insurance Reserve Fund and operating expenditures of the General Fund.

Claims and liabilities are estimated based on claims paid for the year. Claim transactions for the last two years for the entire program are as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims Paid and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
2015-16	\$ 1,328,081	\$ 22,133,177	\$ 21,956,656	\$ 1,504,602
2014-15	1,110,868	20,584,223	20,367,010	1,328,081

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Other Postemployment Benefits Fund 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 Town.

**B. Plan Description**

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The Town does not issue a separate stand-alone financial statement for this plan.

**TOWN OF TRUMBULL, CONNECTICUT  
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At July 1, 2014, plan membership consisted of the following:

	<b>Post-Retirement Medical Program</b>
Retired members	57
Active plan members	<u>916</u>
Total Participants	<u><u>973</u></u>

**C. Funding Policy**

The Town provides post-retirement benefits for certain employees for current future health and life insurance benefit expenses through a single-employer defined benefit plan. An actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. In fiscal year 2009, the Town established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. The Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on each distinct group of employees established within their respective collective bargaining units.

**TOWN OF TRUMBULL, CONNECTICUT  
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**D. Annual OPEB Cost and Net OPEB Obligations**

The Town of Trumbull'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 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 thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

		<b>Other Postemployment Benefits Fund</b>
Annual required contribution (ARC)	\$	1,757,696
Interest on net OPEB obligation		358,774
Adjustment to annual required contribution		<u>(290,984)</u>
Annual OPEB cost		1,825,486
Contributions made		<u>900,291</u>
Change in net OPEB obligation		925,195
Net OPEB obligation at beginning of year		<u>7,972,752</u>
Net OPEB obligation at end of year	\$	<u><u>8,897,947</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2015, 2014 and 2013 is presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2016	\$ 1,825,486	\$ 900,291	49.32%	\$ 8,897,947
6/30/2015	1,750,077	764,501	43.68	7,972,752
6/30/2014	1,832,242	1,024,168	55.90	6,987,176

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.



**TOWN OF TRUMBULL, CONNECTICUT  
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**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2014	\$ 28,730	\$ 32,052,498	\$ 32,023,768	0.09%	\$ 92,418,236	34.65%
7/1/2012	26,309	27,544,001	27,517,692	0.10	79,418,708	34.65
7/1/2010	82,120	26,148,998	26,066,878	0.32	75,396,441	34.57

**Schedule of Employer Contribution**

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2016	\$ 1,757,696	51.22%
6/30/2015	1,690,667	45.22
6/30/2014	1,779,694	57.55

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which reflects that the Town has established an OPEB trust and is prefunding its OPEB benefits. The general inflation assumption is included in the health care cost trend rate assumption. Projected salary increases were 4.0%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

**11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Pension Trust Fund**

The Town of Trumbull is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its full-time employees other than police, firefighters and teachers. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The PERS does not issue a stand-alone report.

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Management of the plans rests with the PERS Board, which consists of seven voting members. One of whom shall be the Director of Finance and one the Treasurer. One and only one of the remaining five members shall be an employee of the Town and appointed by the First Selectman. The other four are appointed by the Town Council.

**Plan Description and Benefits Provided**

The Town of Trumbull Pension Plan provides retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Benefits vest at 50% after 5 years of service and increase an additional 10% per year to 100% after 10 years. Employees can retire on or after age 62 if they have at least 10 years of service, or after age 60 if age plus years of service equals at least 85. Employees who retire at these ages are entitled to an annual retirement benefit, payable monthly for 10 years certain and life, in an amount equal to 2% of final earnings for each year of service. There is a maximum annual pension of 60% of final earnings. Final earnings is the employee's average earnings during the 36 consecutive months that produces the highest average. Employees may retire early on or after age 55 with at least 10 years of service with a benefit reduced ½% for each month the early retirement date precedes the normal retirement date. The death benefit provides a benefit to a beneficiary of a fully vested participant of 120 months of retirement benefits beginning at the participant's normal retirement date as long as the beneficiary does not receive the deceased participant's employee contributions with credited interest and the proceeds from the \$25,000 life insurance policy are assigned to the pension plan. Employee contributions with credited interest are returnable on termination or death while active or retired (less any benefits paid) provided, in each case, that no death benefits are otherwise payable. Benefits and contributions are fixed by contract and may be amended by union negotiation.

The membership of the plan consisted of the following at July 1, 2014, the date of the latest actuarial valuation:

	<u>Police Benefit Plan</u>	<u>Town Pension Plan</u>
Retirees and beneficiaries receiving benefits	48	340
Terminated plan members entitled to but not yet receiving benefits	1	68
Active plan members	<u>73</u>	<u>376</u>
Total	<u><u>122</u></u>	<u><u>784</u></u>

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due; investment income is recognized when earned. Expenses (benefits, administration and refunds of contributions) are recognized when incurred.

**Method Used to Value Investments**

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

**TOWN OF TRUMBULL, CONNECTICUT  
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**Funding Policy**

Employees are required to contribute amounts ranging between 3.5% and 5.5% of their monthly salary to the PERS depending on their contract. The Town is required to contribute the remaining amounts necessary to fund these benefits.

**Investments**

**Investment Policy**

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Town and Police adopted asset allocation policy as of June 30, 2016:

**Town**

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	45 %
International equity	20
Fixed income	30
Inflation protection	5
	<u>100 %</u>

**Police**

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	41 %
International equity	14
Fixed income	35
Alternative investments	10
	<u>100 %</u>

**Rate of Return**

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.06% for the Town Pension Plan and 12.99% for the Police Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2016, were as follows:

	<b>Town</b>	
Total pension liability	\$	93,152,672
Plan fiduciary net position		<u>(28,599,504)</u>
Net Pension Liability	\$	<u><u>64,553,168</u></u>
Plan fiduciary net position as a percentage of the total pension liability		30.69%
	<b>Police</b>	
Total pension liability	\$	76,862,339
Plan fiduciary net position		<u>(52,120,441)</u>
Net Pension Liability	\$	<u><u>24,741,898</u></u>
Plan fiduciary net position as a percentage of the total pension liability		67.81%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Town</b>
Inflation	4.50%
Salary increases	3.5%, per annum, compounded annually
Investment rate of return	7.5%, per annum, compounded annually
	<b>Police</b>
Inflation	4.50%
Salary increases	4.5%, per annum, compounded annually
Investment rate of return	8.0%, per annum, compounded annually

Mortality rates were based on the UP-1994 Mortality Table, with current and future mortality improvement estimated by projecting improvements to the 2014 using Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2014.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	9.25 %
International equity	9.75
Fixed income	4.25
Real estate	8.75
Cash	3.5

**Discount Rate**

The discount rate used to measure the total pension liability was 5.64% for the Town Pension Plan and 7.44% for the Police Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Changes in the Net Pension Liability**

	<b>Town</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2015	\$ 90,240,021	\$ 28,479,193	\$ 61,760,828
Changes for the year:			
Service cost	2,448,431		2,448,431
Interest on total pension liability	5,096,998		5,096,998
Employer contributions		4,144,000	(4,144,000)
Member contributions		1,013,782	(1,013,782)
Net investment income		(325,750)	325,750
Benefit payments, including refund to employee contributions	(4,632,778)	(4,632,778)	-
Administrative expenses		(78,943)	78,943
Net changes	<u>2,912,651</u>	<u>120,311</u>	<u>2,792,340</u>
Balances as of June 30, 2016	<u>\$ 93,152,672</u>	<u>\$ 28,599,504</u>	<u>\$ 64,553,168</u>
	<b>Police</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2015	\$ 72,754,939	\$ 50,718,145	\$ 22,036,794
Changes for the year:			
Service cost	1,222,269		1,222,269
Interest on total pension liability	5,409,980		5,409,980
Employer contributions		2,907,021	(2,907,021)
Member contributions		353,864	(353,864)
Net investment income		791,309	(791,309)
Benefit payments, including refund to employee contributions	(2,524,849)	(2,524,849)	-
Administrative expenses		(125,049)	125,049
Net changes	<u>4,107,400</u>	<u>1,402,296</u>	<u>2,705,104</u>
Balances as of June 30, 2016	<u>\$ 76,862,339</u>	<u>\$ 52,120,441</u>	<u>\$ 24,741,898</u>

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

The following presents the net pension liability of the Town and Police Pension Plans, calculated using the discount rate of 5.64% for the Town Pension Plan and 7.44% for the Police Pension Plans as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

		<b>Town</b>		
		<b>1% Decrease (4.64%)</b>	<b>Current Discount Rate (5.64%)</b>	<b>1% Increase (6.64%)</b>
Net Pension Liability	\$	74,837,141	\$ 64,553,168	\$ 55,696,472

  

		<b>Police</b>		
		<b>1% Decrease (6.44%)</b>	<b>Current Discount Rate (7.44%)</b>	<b>1% Increase (8.44%)</b>
Net Pension Liability	\$	36,117,436	\$ 24,741,898	\$ 15,483,110

**Pensions and Other Post Employment Benefit Plan Fiduciary Net Position**

	<b>Town Pension</b>	<b>Police Pension</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 243,495	\$ 333,667	\$ 413,367	\$ 990,529
Investments	28,356,009	51,786,641		80,142,650
Receivables		133	123	256
Total assets	<u>28,599,504</u>	<u>52,120,441</u>	<u>413,490</u>	<u>81,133,435</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables				
Net Position Held in Trust for Pension Benefits and Other Purposes	<u>\$ 28,599,504</u>	<u>\$ 52,120,441</u>	<u>\$ 413,490</u>	<u>\$ 81,133,435</u>

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Changes in Pension Net Position**

	<u>Town Pension</u>	<u>Police Pension</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:				
Contributions:				
Employer	\$ 4,144,000	\$ 2,907,021	\$ 900,291	\$ 7,951,312
Plan members	<u>1,013,782</u>	<u>353,864</u>	<u>76,011</u>	<u>1,443,657</u>
Total contributions	<u>5,157,782</u>	<u>3,260,885</u>	<u>976,302</u>	<u>9,394,969</u>
Investment income (loss):				
Net change in fair value of investments	(855,681)	90,839		(764,842)
Interest and dividends	<u>529,931</u>	<u>700,470</u>	<u>795</u>	<u>1,231,196</u>
Total investment income (loss)	<u>(325,750)</u>	<u>791,309</u>	<u>795</u>	<u>466,354</u>
Total additions	<u>4,832,032</u>	<u>4,052,194</u>	<u>977,097</u>	<u>9,861,323</u>
Deductions:				
Benefits	4,632,778	2,524,849	864,838	8,022,465
Administrative	<u>78,943</u>	<u>125,049</u>	<u>864,838</u>	<u>203,992</u>
	<u>4,711,721</u>	<u>2,649,898</u>	<u>864,838</u>	<u>8,226,457</u>
Change in net position	120,311	1,402,296	112,259	1,634,866
Net position at beginning of year	<u>28,479,193</u>	<u>50,718,145</u>	<u>301,231</u>	<u>79,498,569</u>
Net Position at End of Year	<u>\$ 28,599,504</u>	<u>\$ 52,120,441</u>	<u>\$ 413,490</u>	<u>\$ 81,133,435</u>



**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

For the year ended June 30, 2016, the Town recognized pension expense of \$6,293,106. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Town</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 252,333	\$
Changes of assumptions		(3,335,223)
Net difference between projected and actual earning on pension plan investments	<u>2,764,136</u>	<u>                    </u>
Total	<u>\$ 3,016,469</u>	<u>\$ (3,335,223)</u>

  

	<b>Police</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ (143,724)
Changes of assumptions		(1,360,182)
Net difference between projected and actual earning on pension plan investments	<u>3,915,751</u>	<u>                    </u>
Total	<u>\$ 3,915,751</u>	<u>\$ (1,503,906)</u>

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

**Year Ending June 30**

2017	\$ 177,544
2018	177,544
2019	794,117
2020	943,886

## **B. Teachers Retirement**

### **Plan Description**

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

### **Benefit Provisions**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

#### **Disability Retirement**

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

### **Contributions**

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

#### *Employer (School Districts)*

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

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

#### *Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

**TOWN OF TRUMBULL, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016**

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>139,705,936</u>
Total	<u>\$ 139,705,936</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$12,530,576 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**Other Information**

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

## **12. CONTINGENT LIABILITIES**

### **Lawsuits**

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

### **Municipal Solid Waste Service Agreement**

The Town has entered into a municipal solid waste (MSW) agreement, as amended (the Service Agreement), with the Connecticut Resources Recovery Authority (the Authority), pursuant to which it participates with twelve other Connecticut municipalities (the eighteen constituting the Contracting Municipalities) in the Greater Bridgeport Resources Recovery System (the System).

Under the Service Agreement, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 19,945 tons per year and to pay a uniform per ton disposal service payment (the Service Payment). The current fee is \$63 per ton. The aggregate minimum commitment of the twelve Contracting Municipalities is 265,000 per ton.

Additionally, the Town anticipates spending another \$27 per ton of MSW for delivery costs to the Facility and the cost of operating and maintaining its transfer station.

If any Participating Municipality shall default in the payment of any amounts for which it is responsible and such default continues for more than 60 days, the other Participating Municipalities shall pay their share of the amounts unpaid by the nonpaying Participating Municipality and shall be entitled to full reimbursement upon the Authority collecting such delinquent amounts.

Trumbull is also part of an Inter-Community Agreement dated September 15, 1989 establishing a regional recycling program. The Southwest Connecticut Regional Recycling Operating Committee (SWEROC) was established to implement the regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241-22a-241i of the Connecticut General Statutes. Trumbull is one of seventeen "Contracting Communities" participating in the SWEROC recycling program. The Town is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard, waste oil, storage batteries and scrap metal. The Town has flow-control responsibilities for recyclables from the residential sector, and its role is to receive recyclables from residential sources and transfer it to a regional recycling processing facility located in Stratford, Connecticut. Nonresidential generators can deliver recyclables to independent processing facilities other than SWEROC but must report to the Town the types and amounts of recyclable materials delivered to non-SWEROC processing facilities. A municipal ordinance has been adopted by the Town to comply with the requirements of the State of Connecticut legislation.

## **13. SUBSEQUENT EVENTS**

On September 1, 2016, the Town issued \$7,630,000 of General Obligation Bonds with a variable interest rate between 2.00% and 4.00% and a final maturity of September 1, 2036, and \$10,120,000 of bond anticipation notes with an interest rate of 2.00% due August 30, 2017.

**Required Supplementary  
Information**

**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Property Taxes:				
Current levy	\$ 147,033,426	\$ 147,033,426	\$ 146,588,088	\$ (445,338)
Interest and lien fees	750,000	750,000	679,055	(70,945)
PILOT - St. Joseph's Village	20,198	20,198	21,686	1,488
Total property taxes	<u>147,803,624</u>	<u>147,803,624</u>	<u>147,288,829</u>	<u>(514,795)</u>
Intergovernmental:				
Education equalization grant	3,310,992	3,310,992	3,507,524	196,532
School building grants	484,851	484,851	481,866	(2,985)
Education grants	589,760	589,760	927,789	338,029
Homeowners tax relief	284,000	284,000	246,553	(37,447)
Military state and local	5,000	5,000	18,031	13,031
Nonpublic pupils	62,899	62,899	81,891	18,992
Nonpublic busing	19,631	19,631	17,903	(1,728)
State property reimbursement	106,617	106,617		(106,617)
Disability exemption	3,300	3,300	3,236	(64)
Veterans grant	31,949	31,949	35,387	3,438
Telephone access tax	100,000	100,000	99,608	(392)
Manufacturing - tax relief	264,433	264,433	189,309	(75,124)
Foxwoods casino fund	52,036	52,036	53,005	969
Other various grants			28,982	28,982
VOAG grant	622,186	622,186	624,000	1,814
Bingo	76	76	66	(10)
Transportation	64,099	64,099	54,220	(9,879)
Total intergovernmental	<u>6,001,829</u>	<u>6,001,829</u>	<u>6,369,370</u>	<u>367,541</u>
Licenses, Permits, Fees and Other:				
Town clerk fees	775,000	775,000	1,046,481	271,481
Planning and zoning	45,000	45,000	41,065	(3,935)
Police	80,000	80,000	59,274	(20,726)
Building	950,000	950,000	616,052	(333,948)
Tuition/rentals - BOE	1,145,000	1,145,000	1,191,591	46,591
Fire marshal	75,000	75,000	74,802	(198)
Disposal area	407,780	407,780	307,051	(100,729)
Counseling center	15,000	15,000	14,800	(200)
Emergency medical services	1,290,000	1,290,000	1,597,964	307,964
Town engineer	45,000	45,000	23,653	(21,347)
Miscellaneous revenue	89,260	89,260	66,215	(23,045)
Health Department	95,000	95,000	364,145	269,145
Cell tower rental	170,000	170,000	176,026	6,026
Total licenses, permits, fees and other	<u>5,182,040</u>	<u>5,182,040</u>	<u>5,579,119</u>	<u>397,079</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Investment income:				
Unrealized loss	\$	\$	\$ (19,363)	\$ (19,363)
Income from investments	350,000	350,000	373,248	23,248
Total investment income	<u>350,000</u>	<u>350,000</u>	<u>353,885</u>	<u>3,885</u>
Other financing sources:				
Transfer in	1,057,418	1,057,418	1,046,418	(11,000)
Total Revenues and Other Financing Sources	<u>\$ 160,394,911</u>	<u>\$ 160,394,911</u>	<u>\$ 160,637,621</u>	<u>\$ 242,710</u>



**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:				
Town council	\$ 89,471	\$ 91,395	\$ 91,014	\$ 381
Ethics commission	120	120		120
First selectman	303,435	303,435	296,122	7,313
Probate judge	11,125	11,125	11,125	-
Elections registrar	134,888	134,888	133,129	1,759
Finance director	542,161	547,588	547,583	5
Finance board	77,727	77,727	77,139	588
Assessor	514,458	514,458	483,490	30,968
Tax review	3,350	3,350	1,616	1,734
Tax collector	345,259	345,259	289,708	55,551
Purchasing	82,474	88,894	88,632	262
Treasurer	23,159	23,563	23,563	-
Town attorneys	319,020	319,020	319,020	-
Human resources	273,752	273,752	255,192	18,560
Town clerk	277,377	277,377	270,739	6,638
Planning and zoning	342,404	355,080	354,637	443
Economic development	122,600	122,600	89,104	33,496
Inland-wetlands commission	17,425	9,652	6,645	3,007
Conservation commission	1,375	1,375	550	825
Transit district	44,084	44,084	44,084	-
Town hall	1,801,889	1,656,869	1,262,371	394,498
Technology	641,505	641,505	629,527	11,978
Employee benefits	15,448,161	15,448,161	15,218,903	229,258
Clean energy	1,600	1,600		1,600
Trumbull nature center	5,428	5,428	2,951	2,477
Total general government	<u>21,424,247</u>	<u>21,298,305</u>	<u>20,496,844</u>	<u>801,461</u>
Public Safety:				
Police	8,569,691	8,640,974	8,627,207	13,767
Emergency medical service	1,296,723	1,296,723	1,259,302	37,421
Fire marshal	307,427	320,457	316,683	3,774
Fire hydrants - water	1,360,901	1,317,764	1,317,764	-
Building official	364,626	369,918	366,431	3,487
Dog warden	114,802	114,802	113,515	1,287
Emergency management	64,537	70,135	66,587	3,548
Total public safety	<u>12,078,707</u>	<u>12,130,773</u>	<u>12,067,489</u>	<u>63,284</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Works:				
Public works Director	\$ 184,050	\$ 201,889	\$ 201,877	\$ 12
Public works (highway)	2,597,588	2,575,181	2,553,835	21,346
Street lights	400,800	417,800	417,795	5
Fleet maintenance	1,188,255	1,188,255	1,110,660	77,595
Public works maintenance	937,838	993,579	992,384	1,195
Disposal area	2,112,142	2,112,142	2,103,987	8,155
Town engineer	606,925	606,925	586,340	20,585
Snow removal	519,950	519,950	454,992	64,958
Highway construction	98,392	98,392	98,030	362
Total public works	<u>8,645,940</u>	<u>8,714,113</u>	<u>8,519,900</u>	<u>194,213</u>
Public Health:				
Board of health	300,491	300,491	283,966	16,525
Vital statistics	1,100	1,100	1,011	89
Nursing - seniors	34,838	34,838	27,651	7,187
Non-public schools	331,862	331,862	331,046	816
Total public health	<u>668,291</u>	<u>668,291</u>	<u>643,674</u>	<u>24,617</u>
Social Services:				
Social services	124,608	127,573	125,092	2,481
Counseling center	272,704	272,704	252,339	20,365
Senior citizen commission	243,011	246,183	209,246	36,937
Total social services	<u>640,323</u>	<u>646,460</u>	<u>586,677</u>	<u>59,783</u>
Libraries	<u>1,637,498</u>	<u>1,637,498</u>	<u>1,594,008</u>	<u>43,490</u>
Recreation and Parks:				
Public events	20,000	20,000	18,114	1,886
Recreation and parks	532,053	554,060	551,349	2,711
Parks	1,900,480	1,909,001	1,901,056	7,945
Tree warden	146,843	147,018	146,860	158
Total recreation and parks	<u>2,599,376</u>	<u>2,630,079</u>	<u>2,617,379</u>	<u>12,700</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Education:				
Contractual services	\$ 185,000	\$ 185,000	\$ 137,086	\$ 47,914
Operational expenditures	97,216,380	97,216,380	97,216,380	-
Busing	940,000	940,000	901,501	38,499
Use of buildings	260,000	260,000	239,485	20,515
Business education initiative	93,458	93,458	89,464	3,994
School nurses	861,751	861,751	803,830	57,921
Total education	<u>99,556,589</u>	<u>99,556,589</u>	<u>99,387,746</u>	<u>168,843</u>
Debt Service:				
Principal - bonds and notes	9,136,068	9,136,068	9,127,318	8,750
Interest - bonds	4,007,872	4,007,872	3,612,895	394,977
Total debt service	<u>13,143,940</u>	<u>13,143,940</u>	<u>12,740,213</u>	<u>403,727</u>
Total Expenditures	<u>\$ 160,394,911</u>	<u>\$ 160,426,048</u>	<u>\$ 158,653,930</u>	<u>\$ 1,772,118</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TOWN PENSION PLAN**  
**LAST THREE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 2,793,812	\$ 2,701,045	\$ 2,448,431
Interest	4,505,608	4,697,592	5,096,998
Differences between expected and actual experience	(1,420,269)	454,201	
Changes of assumptions	(888,190)	(6,003,401)	
Benefit payments, including refunds of member contributions	<u>(4,191,446)</u>	<u>(4,436,959)</u>	<u>(4,632,778)</u>
Net change in total pension liability	799,515	(2,587,522)	2,912,651
Total pension liability - beginning	<u>92,028,028</u>	<u>92,827,543</u>	<u>90,240,021</u>
Total pension liability - ending	<u>92,827,543</u>	<u>90,240,021</u>	<u>93,152,672</u>
Plan fiduciary net position:			
Contributions - employer	4,576,000	4,693,000	4,144,000
Contributions - member	890,129	957,865	1,013,782
Net investment income	3,621,539	760,124	(325,750)
Benefit payments, including refunds of member contributions	(4,191,446)	(4,436,959)	(4,632,778)
Administrative expense	<u>(43,756)</u>	<u>(65,602)</u>	<u>(78,943)</u>
Net change in plan fiduciary net position	4,852,466	1,908,428	120,311
Plan fiduciary net position - beginning	<u>21,718,299</u>	<u>26,570,765</u>	<u>28,479,193</u>
Plan fiduciary net position - ending	<u>26,570,765</u>	<u>28,479,193</u>	<u>28,599,504</u>
Town's Net Pension Liability - Ending	<u>\$ 66,256,778</u>	<u>\$ 61,760,828</u>	<u>\$ 64,553,168</u>
Plan fiduciary net position as a percentage of the total pension liability	28.61%	31.55%	30.69%
Covered-employee payroll	\$ 16,964,000	\$ 18,823,000	\$ 18,823,000
Town's net pension liability as a percentage of covered-employee payroll	390.63%	328.17%	342.95%

**TOWN OF TRUMBULL, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PENSION PLAN**  
**LAST THREE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 1,197,110	\$ 1,244,273	\$ 1,222,269
Interest	4,873,895	5,121,135	5,409,980
Differences between expected and actual experience	(1,799,468)	(225,852)	
Changes of assumptions	337,006	(2,137,428)	
Benefit payments, including refunds of member contributions	<u>(2,087,953)</u>	<u>(2,317,222)</u>	<u>(2,524,849)</u>
Net change in total pension liability	2,520,590	1,684,906	4,107,400
Total pension liability - beginning	<u>68,549,442</u>	<u>71,070,033</u>	<u>72,754,939</u>
Total pension liability - ending	<u>71,070,032</u>	<u>72,754,939</u>	<u>76,862,339</u>
Plan fiduciary net position:			
Contributions - employer	1,700,000	2,050,000	2,907,021
Contributions - member	348,591	365,070	353,864
Net investment income	5,662,996	1,784,182	791,309
Benefit payments, including refunds of member contributions	(2,087,953)	(2,317,222)	(2,524,849)
Administrative expense	<u>(177,899)</u>	<u>(145,611)</u>	<u>(125,049)</u>
Net change in plan fiduciary net position	5,445,735	1,736,419	1,402,296
Plan fiduciary net position - beginning	<u>43,535,990</u>	<u>48,981,726</u>	<u>50,718,145</u>
Plan fiduciary net position - ending	<u>48,981,725</u>	<u>50,718,145</u>	<u>52,120,441</u>
Town's Net Pension Liability - Ending	<u>\$ 22,088,307</u>	<u>\$ 22,036,794</u>	<u>\$ 24,741,898</u>
Plan fiduciary net position as a percentage of the total pension liability	68.92%	69.71%	67.81%
Covered-employee payroll	\$ 5,995,000	\$ 5,995,000	\$ 5,995,000
Town's net pension liability as a percentage of covered-employee payroll	368.45%	367.59%	412.71%

**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TOWN PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 3,113,000	\$ 3,425,000	\$ 3,911,000	\$ 4,035,000	\$ 4,472,000	\$ 4,438,000	\$ 4,576,000	\$ 4,576,000	\$ 4,639,000	\$ 4,144,000
Contributions in relation to the actuarially determined contribution	<u>1,425,000</u>	<u>1,625,000</u>	<u>1,825,000</u>	<u>2,025,000</u>	<u>2,325,000</u>	<u>3,000,000</u>	<u>3,700,000</u>	<u>4,576,000</u>	<u>4,693,000</u>	<u>4,144,000</u>
Contribution Deficiency (Excess)	\$ <u>1,688,000</u>	\$ <u>1,800,000</u>	\$ <u>2,086,000</u>	\$ <u>2,010,000</u>	\$ <u>2,147,000</u>	\$ <u>1,438,000</u>	\$ <u>876,000</u>	\$ <u>-</u>	\$ <u>(54,000)</u>	\$ <u>-</u>
Covered-employee payroll	\$ 15,307,000	\$ 17,476,000	\$ 17,476,000	\$ 18,308,000	\$ 18,308,000	\$ 18,559,000	\$ 18,559,000	\$ 16,964,000	\$ 18,823,000	\$ 18,823,000
Contributions as a percentage of covered-employee payroll	9.31%	9.30%	10.44%	11.06%	12.70%	16.16%	19.94%	26.97%	24.93%	22.02%

**Notes to Schedule**

Valuation date:	July 1, 2015
Measurement date:	June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported	
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	25 year open period
Asset valuation method	Market value
Inflation	4.50%
Salary increases	3.5%, per annum, compounded annually
Investment rate of return	7.5%, per annum, compounded annually
Retirement age	Employees can retire on or after age 62 if they have at least 10 years of service, or after age 60 if age plus years of service equals at least 85.
Mortality	UP-1994 Mortality Table, with current and future mortality improvement estimated by projecting improvement to 2014 using Scale AA
Changes to the Plan Provisions Since Prior Year: None noted	

**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,008,000	\$ 2,091,150	\$ 2,369,000	\$ 2,438,000	\$ 3,474,000	\$ 3,393,000	\$ 3,088,000	\$ 3,088,000	\$ 3,226,000	\$ 2,907,000
Contributions in relation to the actuarially determined contribution	908,375	1,050,000	1,250,000	1,250,000	1,350,000	1,450,000	1,600,000	1,700,000	2,050,000	2,907,000
Contribution Deficiency (Excess)	\$ <u>99,625</u>	\$ <u>1,041,150</u>	\$ <u>1,119,000</u>	\$ <u>1,188,000</u>	\$ <u>2,124,000</u>	\$ <u>1,943,000</u>	\$ <u>1,488,000</u>	\$ <u>1,388,000</u>	\$ <u>1,176,000</u>	\$ <u>-</u>
Covered-employee payroll	\$ 4,290,000	\$ 5,176,000	\$ 5,176,000	\$ 5,542,000	\$ 5,542,000	\$ 5,358,000	\$ 5,358,000	\$ 5,655,000	\$ 5,995,000	\$ 5,995,000
Contributions as a percentage of covered-employee payroll	21.17%	20.29%	24.15%	22.56%	24.36%	27.06%	29.86%	30.06%	34.20%	48.49%

**Notes to Schedule**

Valuation date:	July 1, 2015
Measurement date:	June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported	
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	15 year open period
Asset valuation method	Market value
Inflation	4.50%
Salary increases	4.5%, per annum, compounded annually
Investment rate of return	8.0%, per annum, compounded annually
Retirement age	Employees can retire on or after age 47 if they have at least 25 years of service. Retirees older than 47 with at least 25 years of service receive an additional 1.25% for each 3 month period worked after 25 years up to a maximum of 75% of base salary plus 13 days of holiday pay.
Mortality	UP-1994 Mortality Table, with current and future mortality improvement estimated by projecting improvement to 2014 using Scale AA
Changes to the Plan Provisions Since Prior Year	None noted

**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST THREE FISCAL YEARS**

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	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town Pension Plan			
Annual money-weighted rate of return, net of investment expense	16.06%	2.78%	-1.22%
Police Pension Plan			
Annual money-weighted rate of return, net of investment expense	12.99%	3.63%	1.55%



**TOWN OF TRUMBULL, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - TEACHERS RETIREMENT PLAN  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2016</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>129,130,140</u>	<u>139,705,936</u>
Total	<u>\$ 129,130,140</u>	<u>\$ 139,705,936</u>
Town's covered-employee payroll	\$ 50,065,869	\$ 52,166,685
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.51%	59.50%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

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***Appendix B-1***

***Form of Opinion of Bond Counsel and Tax Exemption – The Bonds***

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# JOSEPH FASI LLC

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HARTFORD, CONNECTICUT 06106

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## **FORM OF OPINION OF BOND COUNSEL – Bonds**

Town of Trumbull  
Trumbull, Connecticut

Ladies and Gentlemen:

We have represented the Town of Trumbull, Connecticut as bond counsel with respect to the issuance and sale of \$9,060,000 Town of Trumbull, Connecticut General Obligation Bonds, Issue of 2017, bearing a Dated Date and an Original Issue Date of August 30, 2017 (the "bonds").

We have examined a record of the proceedings authorizing the bonds, a Tax Regulatory Agreement of the Town dated August 30, 2017 (the "Tax Regulatory Agreement"), and other proofs submitted to us.

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, to effect a book-entry system for the ownership and transfer of the bonds, and are certified by U.S. Bank National Association, Hartford, Connecticut (the "Certifying Agent").

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 (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

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 statutes of the State of Connecticut and that when certified by the Certifying Agent the bonds are valid and binding general obligations of the Town of Trumbull payable both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the bonds in order that interest on the bonds not be included in gross income under Section 103 of the Code. The Town 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 not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the bonds is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the bonds is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations. We express no opinion regarding 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 income 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) continuing compliance by the Town 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 other State income tax consequences caused by ownership or disposition of the bonds.

The rights of owners of the bonds and the enforceability of the bonds 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.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully yours,

JOSEPH FASI LLC

## **TAX MATTERS – Bonds and Notes**

### Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Bonds and Notes in order that interest on the Bonds and Notes not be included in gross income under Section 103 of the Code. The Tax Regulatory Agreement, which will be executed and delivered by the Issuer concurrently with the Bonds and Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Issuer 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 and Notes shall not be included in gross income of owners thereof for purposes of Federal income taxation under the Code. Failure to comply with the continuing requirements of the Code may cause the interest on the Bonds and Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and Notes irrespective of the date on which non compliance occurs. In rendering its opinion, Bond Counsel relies on the continuing compliance by the Town with the Tax Regulatory Agreement.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Issuer with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and Notes is not included in the gross income of the owners thereof for purposes of Federal income taxation and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Bonds and Notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax on corporations.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and Notes 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. Prospective purchasers of the Bonds and Notes are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Bonds and Notes.

Bond Counsel expresses no opinion regarding any other Federal or State tax consequences of ownership or disposition of, or receipt of interest on the Bonds and Notes.

### **Additional Tax Matters**

The following is a brief discussion of certain Additional Tax Matters associated with purchase and ownership of the Bonds and Notes. Bond Counsel's opinion does not address these issues (see opinion above) and prospective purchasers are advised to consult their own tax

advisors regarding federal and state consequences of ownership and disposition of the Bonds and Notes.

Ownership of tax exempt obligations such as the Bonds and Notes may 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 and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds and Notes. Prospective purchasers of the Bonds and Notes, 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 the Bonds and Notes.

### Original Issue Discount and Premium

The following is a general discussion of Original Issue Discount and Premium and not an opinion of Bond Counsel. Prospective Investors are advised to consult their own tax advisors regarding original issue discount and original issue premium in connection with their ownership and disposition of the Bonds.

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). Based solely on information provided by the Underwriters, the offering prices relating to the yields set forth on the cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

In general, however, under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation’s federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds, including those not purchasing a Bond at its initial public offering, should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial



offering and sale, and the federal, state and local tax consequences of owning or disposing of such OID Bonds.

### Original Issue Premium

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal, state and local income tax purposes, including special rules regarding the consequences of ownership, amortization of bond premium, basis, and gain or loss from the sale or exchange of OIP Bonds.

### **FUTURE EVENTS**

The Federal and State tax treatment of municipal bonds is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, recent Federal legislative proposals have been introduced into Congress which, if enacted, would eliminate or curtail the exclusion from gross income of interest paid on municipal bonds or have other collateral tax consequences that will adversely affect their tax treatment, including limiting the exclusion from gross income on tax exempt bonds for higher income taxpayers. Current ongoing Federal budget discussions include such proposals. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the Bonds and Notes, their sale or disposition, market price, marketability, or otherwise prevent Beneficial Owners from receiving the full current tax benefit of ownership. There can be no assurance that changes of law by Federal or State governments will not occur or that they will not be made retroactive. Bond Counsel does not opine as to post issuance acts, including changes of law. Prospective purchases and Beneficial Owners should consult their own tax advisors regarding pending or proposed law changes.

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***Appendix B-2***

***Form of Opinion of Bond Counsel and Tax Exemption – The Notes***

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## **FORM OF OPINION OF BOND COUNSEL – Notes**

Town of Trumbull  
Trumbull, Connecticut

Ladies and Gentlemen:

We have represented the Town of Trumbull, Connecticut as bond counsel with respect to the issuance and sale of \$9,210,000 Town of Trumbull, Connecticut General Obligation Bond Anticipation Notes, bearing a Dated Date and an Original Issue Date of August 30, 2017, maturing August 29, 2018 (the "notes").

We have examined a record of the proceedings authorizing the notes, a Tax Regulatory Agreement of the Town dated August 30, 2017 (the "Tax Regulatory Agreement"), and other proofs submitted to us.

The notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company, to effect a book-entry system for the ownership and transfer of the notes, and are certified by U.S. Bank National Association, Hartford, Connecticut (the "Certifying Agent").

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 notes (except to the extent, if any, stated in such Official Statement) and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the notes under authority of the constitution and statutes of the State of Connecticut and that when certified by the Certifying Agent the notes are a valid and binding general obligation of the Town of Trumbull payable both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the notes in order that interest on the notes not be included in gross income under Section 103 of the Code. The Town 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 notes shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the notes is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the notes.

In rendering the foregoing opinions regarding the Federal income tax treatment of interest on the notes, 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) continuing compliance by the Town 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 notes 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 other State income tax consequences caused by ownership or disposition of the notes.

The rights of owners of the notes and the enforceability of the notes 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.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully yours,

JOSEPH FASI LLC

## **TAX MATTERS – Bonds and Notes**

### Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Bonds and Notes in order that interest on the Bonds and Notes not be included in gross income under Section 103 of the Code. The Tax Regulatory Agreement, which will be executed and delivered by the Issuer concurrently with the Bonds and Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Issuer 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 and Notes shall not be included in gross income of owners thereof for purposes of Federal income taxation under the Code. Failure to comply with the continuing requirements of the Code may cause the interest on the Bonds and Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and Notes irrespective of the date on which non compliance occurs. In rendering its opinion, Bond Counsel relies on the continuing compliance by the Town with the Tax Regulatory Agreement.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Issuer with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and Notes is not included in the gross income of the owners thereof for purposes of Federal income taxation and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Bonds and Notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax on corporations.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and Notes 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. Prospective purchasers of the Bonds and Notes are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Bonds and Notes.

Bond Counsel expresses no opinion regarding any other Federal or State tax consequences of ownership or disposition of, or receipt of interest on the Bonds and Notes.

### **Additional Tax Matters**

The following is a brief discussion of certain Additional Tax Matters associated with purchase and ownership of the Bonds and Notes. Bond Counsel's opinion does not address these issues (see opinion above) and prospective purchasers are advised to consult their own tax

advisors regarding federal and state consequences of ownership and disposition of the Bonds and Notes.

Ownership of tax exempt obligations such as the Bonds and Notes may 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 and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds and Notes. Prospective purchasers of the Bonds and Notes, 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 the Bonds and Notes.

### Original Issue Discount and Premium

The following is a general discussion of Original Issue Discount and Premium and not an opinion of Bond Counsel. Prospective Investors are advised to consult their own tax advisors regarding original issue discount and original issue premium in connection with their ownership and disposition of the Bonds.

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). Based solely on information provided by the Underwriters, the offering prices relating to the yields set forth on the cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

In general, however, under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation’s federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds, including those not purchasing a Bond at its initial public offering, should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial



offering and sale, and the federal, state and local tax consequences of owning or disposing of such OID Bonds.

### Original Issue Premium

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal, state and local income tax purposes, including special rules regarding the consequences of ownership, amortization of bond premium, basis, and gain or loss from the sale or exchange of OIP Bonds.

### **FUTURE EVENTS**

The Federal and State tax treatment of municipal bonds is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, recent Federal legislative proposals have been introduced into Congress which, if enacted, would eliminate or curtail the exclusion from gross income of interest paid on municipal bonds or have other collateral tax consequences that will adversely affect their tax treatment, including limiting the exclusion from gross income on tax exempt bonds for higher income taxpayers. Current ongoing Federal budget discussions include such proposals. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the Bonds and Notes, their sale or disposition, market price, marketability, or otherwise prevent Beneficial Owners from receiving the full current tax benefit of ownership. There can be no assurance that changes of law by Federal or State governments will not occur or that they will not be made retroactive. Bond Counsel does not opine as to post issuance acts, including changes of law. Prospective purchasers and Beneficial Owners should consult their own tax advisors regarding pending or proposed law changes.

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***Appendix C-1***

***Form of Continuing Disclosure Agreement – The Bonds***

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CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of August 30, 2017

In Connection With The Issuance And Sale Of

\$9,060,000 Town Of Trumbull, Connecticut

General Obligation Bonds, Issue of 2017,

Dated August 30, 2017

WHEREAS, the Town of Trumbull, Connecticut (the "Issuer") has heretofore authorized the issuance of \$9,060,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2017 (the "Bonds") to be dated August 30, 2017 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement describing the Bonds (the "Official Statement"); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer 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 Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Public Act 95-270 enacted by the Connecticut General Assembly to make 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 is to be made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER 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 Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. For purposes of this agreement, continuing disclosure information will be filed where approved from time to time by the MSRB, and which as of the date hereof means:

<http://emma.msrb.org>

Section 2. Annual Reports.

A. The Issuer shall provide or cause to be provided to the MSRB, the following annual financial information and operating data regarding the Issuer:

1) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, 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

2) 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 1) 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 or 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 direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (f) the direct debt and overall net debt of the Issuer per capita;

(g) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;

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

(i) the funding status of the Issuer's pension benefit obligation.

B. The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's Annual Report. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB. The information will be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

C. Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer 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 Issuer shall provide the information and 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 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 Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information within a reasonable time.

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event to the MSRB, notice of the occurrence of any of the following events:

- a) principal and interest payment delinquencies;
- b) non-payment related defaults, if material;
- c) unscheduled draws on debt service reserves reflecting financial difficulties;
- d) unscheduled draws on credit enhancements reflecting financial difficulties;

- e) substitution of credit or liquidity providers, or their failure to perform;
- f) 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 security, or other material events affecting the tax status of the security;
- g) modifications to rights of security holders, if material;
- h) bond calls, if material, and tender offers;
- i) defeasances;
- j) release, substitution or sale of property securing repayment of the securities, if material;
- k) rating changes;
- l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2.A of this Continuing Disclosure Agreement.

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

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure 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 Issuer, 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) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the 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 MSRB. The annual financial information 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 operating or financial information provided.

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

Section 10. Indemnification. The Issuer agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of any agent and payment of the Bonds.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer 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 Issuer 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 enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

**[Signature Page Follows]**

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of August 30, 2017

In Connection With The Issuance And Sale Of

\$9,060,000 Town Of Trumbull, Connecticut

General Obligation Bonds, Issue of 2017,

Dated August 30, 2017

IN WITNESS WHEREOF, the Issuer 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.

TOWN OF TRUMBULL, CONNECTICUT

By \_\_\_\_\_  
Timothy M. Herbst  
First Selectman

By \_\_\_\_\_  
Anthony Musto  
Town Treasurer

By \_\_\_\_\_  
Maria T. Pires  
Director of Finance

***Appendix C-2***

***Form of Continuing Disclosure Agreement – The Notes***

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CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

In Connection With The Issuance And Sale Of

\$9,210,000 Town Of Trumbull, Connecticut

General Obligation Bond Anticipation Notes, Dated August 30, 2017

WHEREAS, the Town of Trumbull, Connecticut (the "Issuer") has heretofore authorized the issuance of \$9,210,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes (the "Notes") bearing a Dated Date of August 30, 2017, maturing on August 29, 2018, said Notes as more fully described in the Issuer's Final Official Statement describing the Notes and prepared in connection with their sale (the "Official Statement"); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the notes to provide notices of listed events as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the notes in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Public Act 95-270 enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Notes, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, THE ISSUER 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:

"Listed Events" shall mean any of the events listed in Section 2 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. For purposes of this agreement, continuing disclosure information will be filed where approved from time to time by the MSRB, and which as of the date hereof means:

<http://emma.msrb.org>

Section 2. Event Notices. The Issuer agrees to provide or cause to be provided in a timely manner not in excess of 10 business days after the occurrence of the event to the MSRB, notice 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 security, or other material events affecting the tax status of the security;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities; if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

Section 3. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure 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 Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the 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 MSRB.

Section 6. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of any agent and payment of the Notes.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of the beneficial owners of the Notes and shall be enforceable by them. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt

of written notice from any beneficial owner of the Notes of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

**[Signature Page Follows]**



CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

In Connection With The Issuance And Sale Of

\$9,210,000 Town Of Trumbull, Connecticut

General Obligation Bond Anticipation Notes, Dated August 30, 2017

IN WITNESS WHEREOF, the Issuer 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.

TOWN OF TRUMBULL, CONNECTICUT

By \_\_\_\_\_  
Timothy M. Herbst  
First Selectman

By \_\_\_\_\_  
Anthony Musto  
Town Treasurer

By \_\_\_\_\_  
Maria T. Pires  
Director of Finance

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***Appendix D***

***Notice of Sale and Bid Forms***

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**NOTICE OF SALE**

**TOWN OF TRUMBULL, CONNECTICUT**

**\$9,060,000  
GENERAL OBLIGATION BONDS, ISSUE OF 2017**

**AND**

**\$9,210,000  
GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Bids will be received by the Town of Trumbull, Connecticut (the "Issuer"), at the Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611 on **Thursday, August 17, 2017** for the purchase of:

**\$9,210,000 General Obligation Bond Anticipation Notes**

**Dated: August 30, 2017**

**Due: August 29, 2018**

(the "Notes")

**NOT BANK QUALIFIED**

**Bid until 11:30 A.M. (E.D.T.)**

**Notes: SEALED PROPOSALS and ELECTRONIC BIDS only via *PARITY*<sup>®</sup>**

\*\*\*\*\*

**\$9,060,000 General Obligation Bonds**

(the "Bonds")

**NOT BANK QUALIFIED**

**Bid until 12:00 Noon (E.D.T.)**

**Bonds: Only ELECTRONIC BIDS via *PARITY*<sup>®</sup>**

Separate forms of proposal will be provided for the Bonds and the Notes. Bidders may submit proposals for either the Bonds or the Notes, and are not required to submit proposals for each.

### **The Notes**

The Notes will be dated August 30, 2017, will be payable to the registered owner on August 29, 2018 and are not subject to redemption prior to maturity. They will bear interest (which interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

### **The Bonds**

The Bonds will be dated August 30, 2017, and will mature and become payable on August 15 in each of the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2018	\$445,000	2028	\$455,000
2019	\$445,000	2029	\$455,000
2020	\$445,000	2030	\$455,000
2021	\$450,000	2031	\$455,000
2022	\$450,000	2032	\$455,000
2023	\$455,000	2033	\$455,000
2024	\$455,000	2034	\$455,000
2025	\$455,000	2035	\$455,000
2026	\$455,000	2036	\$455,000
2027	\$455,000	2037	\$455,000

bearing interest payable semi-annually on February 15 and August 15 in each year until maturity, commencing February 15, 2018.

### **Redemption – The Bonds**

The Bonds maturing on or before August 15, 2025 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2026 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on and after August 15, 2025, 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 Issuer may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

	<u>Redemption Dates</u>	<u>Redemption Price</u>
From:	August 15, 2025 and thereafter	100%

### **Book-Entry/Denominations**

The Bonds and Notes will be issued by means of a book-entry system with no physical distribution of bond or note certificates made to the public. The Bonds and Notes will be issued in registered form and one bond certificate for each maturity and one note certificate for each

interest rate 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. The book-entry system will evidence ownership of the Bonds and Notes in principal amounts of \$5,000 and \$1,000, respectively, 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 bidders, as a condition to delivery of the Bonds and Notes, will be required to deposit the bond and note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds and Notes will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds and Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of 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 Issuer 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.

### **Submitting Proposals - Bonds**

Proposals for the purchase of the Bonds will be accepted **only** electronically via **PARITY**<sup>®</sup>, and must be in the form of proposal for purchase attached hereto. Each bid must be for the entire \$9,060,000 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; provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered. Unless all bids are rejected the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

For the purposes of determining the successful bidder, the true interest cost to the Issuer will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 30, 2017, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to August 30, 2017, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

See “Electronic Proposals Bidding Procedure” for submitting a proposal electronically.

### **Submitting Proposals - Notes**

Written proposals for the purchase of said Notes must be in the form of proposal for purchase attached hereto; or may be submitted electronically **only** via **PARITY**<sup>®</sup>. A proposal may be for all or any part of the Notes but any proposal for a part must be for a minimum of \$100,000, of principal amount per interest rate bid, or a whole multiple thereof, except that one

such proposal for a part may include the odd \$110,000, of the principal per interest rate bid, and the total of all principal amounts bid shall not exceed \$9,210,000.

Written proposals for the Notes must be in the form of proposal for purchase attached hereto and enclosed in sealed envelopes marked "Proposal for Notes", and addressed to Timothy M. Herbst, First Selectman, Anthony Musto, Town Treasurer and Maria T. Pires, Director of Finance, Town of Trumbull, c/o Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611. See "Electronic Proposals Bidding Procedure" for submitting a proposal electronically.

Unless all bids are rejected the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in his proposal. If a bidder is awarded only a part of the Notes bid for in his proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four places. The purchase price must be paid in Federal Funds.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Bonds and/or Notes must be submitted on Thursday, August 17, 2017 through the facilities of **PARITY**<sup>®</sup> until:

11:30 A.M. (E.D.T.) Notes  
12:00 Noon (E.D.T.) Bonds

Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, c/o i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 - email notice: [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**<sup>®</sup> is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds and/or Notes via **PARITY**<sup>®</sup>, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds and/or Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds and/or Notes on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of **PARITY**<sup>®</sup>, or the inaccuracies**



**of any information, including bid information or worksheets supplied by *PARITY*<sup>®</sup>, the use of *PARITY*<sup>®</sup> facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

**Disclaimer.** Each of *PARITY*<sup>®</sup> prospective electronic bidders shall be solely responsible to make necessary arrangements to access *PARITY*<sup>®</sup> for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor *PARITY*<sup>®</sup> shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or *PARITY*<sup>®</sup> shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*<sup>®</sup>. The Issuer is using *PARITY*<sup>®</sup> as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds and/or Notes. The Issuer is not bound by any advice and determination of *PARITY*<sup>®</sup> to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All cost and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*<sup>®</sup> are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds and/or Notes, the prospective bidder should telephone *PARITY*<sup>®</sup> at (212) 849-5021. If any provision of this Notice shall conflict with information provided by *PARITY*<sup>®</sup>, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on *PARITY*<sup>®</sup> shall constitute the official time.

### **Award**

The Bonds and Notes will be awarded or all bids will be rejected promptly after each respective bid opening and not later than 4:00 P.M. (Hartford time) on August 17, 2017. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

### **Legal Opinion**

The legality of the issues will be passed upon by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, and the winning bidders will be furnished with their opinion without charge.

The Bonds and Notes will be general obligations of the Issuer payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Issuer and under existing statutes

the State of Connecticut is obligated to pay to the Issuer the amount of tax revenue which the Issuer would have received except for the limitation upon its power to tax such dwelling houses.

The legal opinion will further state that, under existing statutes and court decisions interest on the **Bonds** and the **Notes** (i) is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item for purposes of computing the Federal alternative minimum tax; such interest is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations under the Code.

Under existing statutes, the interest on the **Bonds** and **Notes** 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 Federal alternative minimum tax.

In rendering the legal opinion, Joseph Fasi LLC 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 Issuer for the benefit of the owners of the Bonds and Notes, and further, will assume continuing compliance by the Issuer 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, in Hartford, Connecticut, and will be available for examination upon request.

### **Issue Price Establishment and Certification**

#### *10% Test to Apply if Competitive Sale Requirements are Not Satisfied*

Summary: The issue price for the Bonds and the Notes will be determined separately pursuant to the method set forth herein.

As used in this section entitled "Issue Price Establishment and Certification", unless otherwise indicated, "Bonds" means the Bonds and Notes, and winning bidder means each of the winning bidders for the Bonds and the Notes.

To establish issue price the Issuer expects the sale of each of the Bonds and Notes to separately qualify under the competitive sale provisions of Treasury Regulation Section 1.148-1(f)(3)(i) and to establish the issue price pursuant to the competitive sale regulations.

In the event, in the opinion of Bond Counsel, the competitive sale regulations are not satisfied the Issuer will utilize the general rule of Treasury Regulation Section 1.148-1(f)(2) with respect to the Bonds or Notes, depending upon which issue failed to satisfy the competitive sale regulations, and establish the issue price as the first price at which 10% of each maturity is sold to the public.

The Notes have one maturity date August 29, 2018.

The Issuer will not utilize the hold the price provisions of Treasury Regulation Section 1.148-1(f)(2)(ii). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

The Summary is qualified by the Terms of Issue Price Establishment and Certification of this Notice of Sale as follows:

*Establishment of Issue Price:* The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and Notes and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds and Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Notice of Sale Exhibits A-1 and A-2 (and as adapted to apply to the Notes) (depending on the method of issue price determination), with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. A separate issue price certificate will be required for the Bonds and the Notes.

All actions to be taken by the Issuer under this notice of sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by its Municipal Advisor. Any notice or report to be provided to the Issuer shall be provided to the Issuer’s Bond Counsel.

*Competitive Sale:* The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (i) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid, and by submitting a bid, a bidder is representing that it has an established industry reputation for underwriting new issuances of municipal bonds.

*Failure to Meet Competitive Sale Requirements; 10% Sale Test To Apply:* In the event that the competitive sale regulations are not satisfied, the Issuer shall so advise the winning

bidder. The Issuer shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Issuer will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

*By Submitting a Bid, Each Bidder Confirms that:* (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the

public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

### **Documentation to Winning Bidders**

The winning bidders will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to said firm, a confirmed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

### **Certifying/Paying Agent**

The Bonds and Notes will be certified by U.S. Bank National Association.

### **Bank Qualification**

The Bonds and the Notes **shall NOT** be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and Notes.

### **Delivery and Payment**

The Bonds and Notes will be delivered to DTC or its Agent via “Fast” on or about August 30, 2017. The deposit of the Bonds and Notes with DTC 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 and Notes prior to delivery, and the

Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds and Notes with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer 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 the purchaser.

### **Deemed Final; Pricing Information**

The Official Statement is in a form "deemed final" by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Issuer will provide to the winning bidder of the Bonds 50 copies, and 10 copies to each winning bidder of the Notes, of the Official Statement prepared at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Issuer's municipal advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds and Notes.

### **Continuing Disclosure**

The Issuer 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 with respect to the Bonds (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain listed events; and (iii) timely notice of its failure to provide such annual financial information. With respect to the Notes, the Issuer will undertake in a Continuing Disclosure Agreement to provide timely notice of the occurrence of certain listed events. The winning bidder's obligation to purchase the Bonds and Notes shall be conditioned upon its receiving, at or prior to the delivery of the Bonds and Notes, an executed copy of the Continuing Disclosure Agreement.

### **More Information**

For more information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated August 10, 2017, may be obtained from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, (203) 878-4945.

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Timothy M. Herbst  
First Selectman

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Anthony Musto  
Town Treasurer

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Maria T. Pires  
Director of Finance

August 10, 2017

(See attached for forms of Proposal for Purchase)

PROPOSAL FOR BONDS  
ONLY Electronic Bids via **PARITY**® Accepted

August 17, 2017

Timothy M. Herbst, First Selectman  
Anthony Musto, Town Treasurer  
Maria T. Pires, Director of Finance  
Town of Trumbull  
c/o Trumbull Town Hall  
Office of the Director of Finance  
5866 Main Street  
Trumbull, Connecticut 06611

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated August 10, 2017, which Notice is made a part of this proposal, we offer to purchase all \$9,060,000 bonds of the Town of Trumbull, Connecticut comprising the issue described in said notice and to pay therefor par and accrued interest to date of delivery, plus a premium of \$\_\_\_\_\_, provided that the bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2018	\$445,000	_____ %	2028	\$455,000	_____ %
2019	\$445,000	_____ %	2029	\$455,000	_____ %
2020	\$445,000	_____ %	2030	\$455,000	_____ %
2021	\$450,000	_____ %	2031	\$455,000	_____ %
2022	\$450,000	_____ %	2032	\$455,000	_____ %
2023	\$455,000	_____ %	2033	\$455,000	_____ %
2024	\$455,000	_____ %	2034	\$455,000	_____ %
2025	\$455,000	_____ %	2035	\$455,000	_____ %
2026	\$455,000	_____ %	2036	\$455,000	_____ %
2027	\$455,000	_____ %	2037	\$455,000	_____ %

\_\_\_\_\_  
(Name of Bidder)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Facsimile Number)

The following is our computation of the interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of \$9,060,000 bonds under the foregoing proposal:

Gross Interest	\$ _____
Less Premium Bid Over Par	\$ _____
Net Interest Cost	\$ _____
Percent True Interest Cost	_____ %
	(Four Decimals)



**NOTICE OF SALE EXHIBIT A-1**  
**COMPETITIVE SALE**  
**\$9,060,000 TOWN OF TRUMBULL, CONNECTICUT**  
**GENERAL OBLIGATION BONDS, ISSUE OF 2017**  
**ISSUE PRICE CERTIFICATE**

*Will Be Adapted To The Notes, If Applicable*

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.*** (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in the [Bond Report/(or Schedule A)] (the “Expected Offering Prices”) attached hereto. The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds. (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid. (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds in accordance with the specified written terms contained in the Notice of Sale published by the Issuer.

2. [SHORT NAME OF UNDERWRITER] believes it has an established industry reputation for underwriting new issuances of municipal bonds.

3. ***Defined Terms.*** (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities. [The Notes have one maturity date]. (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is Thursday, August 17, 2017. (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Joseph Fasi LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: August 17, 2017

**SCHEDULE A EXPECTED OFFERING PRICES** *(To Be Attached)*

**SCHEDULE B COPY OF UNDERWRITER'S BID** *(To Be Attached)*

**NOTICE OF SALE EXHIBIT A-2**

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**AT LEAST 10% OF EACH MATURITY**

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**ACTUALLY SOLD AT A SINGLE PRICE**

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**\$9,060,000 TOWN OF TRUMBULL, CONNECTICUT  
GENERAL OBLIGATION BONDS, ISSUE OF 2017  
ISSUE PRICE CERTIFICATE**

*Will Be Adapted To The Notes, If Applicable*

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER]) [the “Representative”], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) ***Issuer*** means TOWN OF TRUMBULL, CONNECTICUT.

(b) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities. [The Notes have one Maturity Date].

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The

undersigned understands that the foregoing information will be relied upon by the Issuer[ and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by JOSEPH FASI LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Signature Page Follows]

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: August 30, 2017

**SCHEDULE A SALE PRICES** *(To Be Attached)*

**PROPOSAL FOR NOTES**  
 Sealed Proposals or Electronic Bids via **PARITY**® Accepted

August 17, 2017

Timothy M. Herbst, First Selectman  
 Anthony Musto, Town Treasurer  
 Maria T. Pires, Director of Finance  
 Town of Trumbull  
 c/o Trumbull Town Hall  
 Office of the Director of Finance  
 5866 Main Street  
 Trumbull, Connecticut 06611

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated August 10, 2017, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of \$9,210,000 of Town of Trumbull, Connecticut General Obligation Bond Anticipation Notes and to pay therefor par and accrued interest, if any, to the date of delivery, and pay the premium specified below, if any (and we provide our computations of net interest cost carried to four decimals and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal) as follows:

Principal amount                    \_\_\_\_\_ %  
 Stated interest rate                \_\_\_\_\_ Percent Net Interest Cost  
 Premium                                \_\_\_\_\_ (Four Decimals)

Principal amount                    \_\_\_\_\_ %  
 Stated interest rate                \_\_\_\_\_ Percent Net Interest Cost  
 Premium                                \_\_\_\_\_ (Four Decimals)

Principal amount                    \_\_\_\_\_ %  
 Stated interest rate                \_\_\_\_\_ Percent Net Interest Cost  
 Premium                                \_\_\_\_\_ (Four Decimals)

Principal amount                    \_\_\_\_\_ %  
 Stated interest rate                \_\_\_\_\_ Percent Net Interest Cost  
 Premium                                \_\_\_\_\_ (Four Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in Federal Funds on the date of the Notes or as soon thereafter (but no later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the Issuer.

\_\_\_\_\_  
 (Name of Bidder)

\_\_\_\_\_  
 (Mailing Address)

\_\_\_\_\_  
 (Telephone Number)

\_\_\_\_\_  
 (Authorized Signature)

\_\_\_\_\_  
 (Facsimile Number)