



November 25, 2020

**MEMORANDUM TO PROSPECTIVE BIDDERS**

**Re: TOWN OF TRUMBULL, CONNECTICUT  
\$7,050,000 General Obligation Bond Anticipation Notes**

**Dated: December 17, 2020      Date of Sale: Thursday, December 3, 2020  
Due: September 16, 2021      Time of Sale: 11:30 A.M. (Eastern Time)**

***\*\*Phone Number to Place Bid: (203) 878-4945\*\****

As per the Notice of Telephone Sale, proposals may be submitted by telephone on Thursday, December 3, 2020. Please note that a representative of Phoenix Advisors, LLC will be available until 11:30 A.M. (Eastern Time) on the day of the sale to assist with telephone bids. We ask that you submit your final bid by telephone at **(203) 878-4945 no later than 11:30 A.M. on Thursday, December 3, 2020.**

*The issue of notes is exempt from the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission. No Official Statement has been prepared by or on behalf of the Issuer for this sale.*

The General Purpose Financial Statements have been excerpted from the Annual Financial Report of The Town of Trumbull, Connecticut as of June 30, 2019. These excerpts are included in this package. Copies of the complete reports for June 30<sup>th</sup> are available upon request from Phoenix Advisors, LLC, Attention: Matthew A. Spoerndle, Senior Managing Director, 53 River Street, Suite 1, Milford, Connecticut, telephone (203) 878-4945.

We trust we may be of service.

**PHOENIX ADVISORS, LLC**



## **Telephone Sale Term Sheet**

**\$7,050,000**

### **General Obligation Bond Anticipation Notes Town of Trumbull, Connecticut**

<b>Date of Sale:</b>	Thursday, December 3, 2020 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460.
<b>Issuer:</b>	Town of Trumbull, Connecticut (the "Town").
<b>Issue:</b>	\$7,050,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	December 17, 2020
<b>Principal and Interest Due:</b>	At maturity on September 16, 2021
<b>Purpose:</b>	The Notes are being issued to finance a land acquisition.
<b>Denominations:</b>	\$100,000 or whole multiples thereof, except one such note will include the odd \$150,000.
<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 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>	No application for a rating on this Note issue has been made to any credit rating agency. The Town has outstanding bond ratings from S&P Global of "AA+", Fitch Ratings of "AA+" and Moody's Investors Service of "Aa2".
<b>Basis of Award:</b>	Lowest Net Interest Cost (NIC), as of dated date.
<b>Form of Legal Opinion and Tax Exemption:</b>	See "Bond Counsel Opinion" in the Notice of Telephone Sale.
<b>Bank Qualification:</b>	The Notes <u>shall 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 for interest expense allocable to the Notes.
<b>Continuing Disclosure</b>	The Notes are being offered subject to the exemption of certain requirements under Rule 15c2-12, as amended, of the Securities and Exchange Commission. An Official Statement has not been prepared by or on behalf of the Issuer for this sale, nor does the Issuer intend to enter into a continuing disclosure agreement with respect to the Notes.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association of Hartford, Connecticut, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103, unless the winning bidder is so designated. See "Option for No Book Entry" in the Notice of Sale.
<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 December 17, 2020. Delivery of the Notes will be made against payment in immediately available Federal Funds.
<b>Option for No Book Entry:</b>	A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC. See "Option for No Book Entry" in the Notice of Sale.
<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 or Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

**NOTICE OF SALE**  
**\$7,050,000**  
**TOWN OF TRUMBULL, CONNECTICUT**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The Town of Trumbull, Connecticut (the "Issuer"), will receive **TELEPHONE PROPOSALS only** until:

**11:30 A.M. (E.S.T.)**  
**Thursday, December 3, 2020**

at the **Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460**, for the purchase of:

**\$7,050,000 TOWN OF TRUMBULL**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

**Dated: December 17, 2020**  
**Due: September 16, 2021**

**NOT BANK QUALIFIED**

Proposals may be submitted to Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC as Agent for the Issuer, **at telephone no. (203) (878-4945)**.

The Notes will be payable to the registered owner on the maturity date and are not subject to redemption prior to maturity. They will be issued in the minimum denomination of \$100,000 or whole multiples thereof, except one such note will include the odd \$50,000. **Denominations of less than \$100,000 will not be made available.** 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.

**Book-Entry/Denominations**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public, **unless the no book-entry option is requested.** The Notes will be issued in registered form 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 Notes in the minimum principal amounts of \$100,000, as described above, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder or bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by

the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the 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.

### **Option For No Book-Entry**

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate, and the request is submitted with the bid. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes, and is a qualified public depository under Connecticut law. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable, and must be held to maturity by the winning bidder requesting the No Book-Entry option.

### **Submitting Proposals**

Proposals for purchase may be submitted by telephone call only to the Issuer's Agent as previously set forth. In submitting a bid by telephonic means, the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound thereby and, further, such bidder accepts and understands the risk that its bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications, including but not limited to a failure in telephonic communications, or the inability to reach the Agent by the time specified.

Proposals for the purchase of said Notes will be transcribed by the Agent onto the form of proposal for purchase attached hereto. 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 \$50,000, of principal amount per interest rate bid, and the total of all principal amounts bid shall not exceed \$7,050,000. No bid for less than par and accrued interest, if any, will be considered.

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. 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.

Any bid received after the time specified, as determined in the sole discretion of the Issuer, will not be reviewed or honored by the Issuer.

### **Award**

The Notes will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (Hartford time) on December 3, 2020. 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 issue will be passed upon by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, and the winning bidder or bidders will be furnished with their opinion without charge.

The 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 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 Notes (i) is excludable from 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 a specific preference item for purposes of the Federal alternative minimum tax.

Under existing statutes, the 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 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 Notes, and further, will

assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

No opinion regarding any other Federal or State tax consequences of ownership or disposition of, or receipt of interest on, the **Notes** will be expressed.

See “Form of Opinion of Bond Counsel and Tax Matters” herein.

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

By submitting a bid each bidder agrees and is obligated to provide to the Issuer prior to closing an Issue Price Certificate in accordance with this Notice of Sale.

*10% Sales Test or Hold-the-Offering-Price Rule to Apply if Competitive Sale Requirements are Not Satisfied*

**Summary:** To establish issue price the Issuer expects the sale of the Notes to 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 either the general rule of Treasury Regulation Section 1.148-1(f)(2) establishing the issue price as the first price at which 10% of each maturity is sold to the public (“General Rule”), or, the Hold-the-Offering-Price Rule, will apply. The winning bidder will communicate in writing to the Issuer the Issue Price Rule to be applied to the Notes before the close of business on the date of the sale. If no selection is made the Hold-the-Price Rule will apply.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

This 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 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 Notes, together with the supporting pricing wires or equivalent communications, in the form attached hereto as Notice of Sale Exhibits A-1 or A-2 (depending on the method of issue price determination).

All actions to be taken by the Issuer under this notice of sale to establish the issue price of the Notes 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 Notes) will apply to the initial sale of the Notes (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 notes who have established industry reputations for underwriting new issuances of municipal notes; and
- (iv) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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: In the event that the competitive sale regulations are not satisfied, the Issuer shall so advise the winning bidder. 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 the Notes will be subject to either the 10% Rule or the Hold-the-Offering-Price Rule in order to establish the issue price of the Notes.

If the Competitive Sale Rule requests are not met, the winning bidder will notify the Municipal Advisor and Bond Counsel in writing before 5:00 P.M. (Hartford time) on the day of the award of the Issue Price Rule to be applied to each maturity of the Notes. Failure to do so will result in application of the Hold-the-Offering-Price Rule.

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 Notes 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 Notes allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes or all Notes 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 Notes 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 Notes 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 Notes 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 Notes or all Notes 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 Notes 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 Notes 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 Notes 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 Notes to the public),
- (iii) a purchaser of any of the Notes 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 Notes are awarded by the Issuer to the winning bidder.

No Book-Entry Issue Price Certification. In the event the no book-entry option is selected the issue price certificate will provide that the winner bidder will hold the Notes in its own portfolio without distribution to the public.

#### **Documentation to Winning Bidders**

In addition to Bond Counsel’s opinion, the winning bidder or bidders will also be furnished with a Signature and No Litigation Certificate, and a Receipt of payment satisfactory in form to said firm.



### **Certifying/Paying Agent**

The Notes will be certified by U.S. Bank National Association, unless the no book-entry option is chosen and the winning bidder elects pursuant to this Notice of Sale to be the Certifying Agent, Registrar and Paying Agent.

### **Bank Qualification**

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 expenses allocable to the Notes.

### **Official Statement/Continuing Disclosure**

The notes are being offered subject to the exemption of certain requirements under Rule 15c2-12, as amended, of the Securities and Exchange Commission. An Official Statement has not been prepared by or on behalf of the Issuer for this sale, nor does the Issuer intend to enter into a continuing disclosure agreement with respect to the notes.

### **Delivery and Payment**

The Notes will be delivered to DTC or its Agent via “Fast” on or about December 17, 2020. The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. 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 by the purchaser. The Issuer’s Municipal Advisor will apply for CUSIP numbers in accordance with MSRB Rule G-34. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the Issuer’s Municipal Advisor to obtain such numbers and to supply them to the Issuer in a timely manner, the purchaser’s failure to pay CUSIP charges or any other CUSIP assignment failure or delay.

If the no book-entry option is chosen the Notes will be delivered to the winning bidder, and a CUSIP number will not be required.

The purchase price must be paid in Federal Funds.

### **More Information**

More information regarding this issue and the Issuer, and bid forms may be obtained from the undersigned or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, (203) 878-4945.

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Vicki A. Tesoro  
First Selectman

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Anthony Musto  
Town Treasurer

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Maria T. Pires  
Director of Finance

November 25, 2020

(See attached for form of Proposal for Purchase)

PROPOSAL FOR NOTES  
ONLY Telephone Proposals Accepted

December 3, 2020

Vicki A. Tesoro, First Selectman  
Anthony Musto, Town Treasurer  
Maria T. Pires, Director of Finance  
Town of Trumbull  
c/o Office of Phoenix Advisors, LLC  
53 River Street, Milford, Connecticut 06460

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated November 25, 2020, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of \$7,050,000 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)

☐ We request that the Notes be issued in non-book-entry form, and be registered in the name of the bidder, as provided in the Notice of Sale.

☐ ***Only if submitting request that Notes not be issued in book-entry form:*** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.

## NOTICE OF SALE EXHIBIT A-1

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### COMPETITIVE SALE ISSUE PRICE CERTIFICATE

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#### **\$7,050,000 TOWN OF TRUMBULL, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES**

**Delivery Date: December 17, 2020**

**Single Maturity Date: September 16, 2021**

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 of the above-captioned obligations (the “Notes”).

1. ***Reasonably Expected Initial Offering Price.*** (a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”) attached hereto. The Expected Offering Prices are the prices for the Notes used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Notes. (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 Notes 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 notes.

3. ***Defined Terms.*** (a) *Maturity* means the Notes which all have the same maturity date and credit and payment terms. Notes with different stated interest rates are treated as separate Maturities. (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 the Notes. The Sale Date of the Notes is Thursday, December 3, 2020. (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, including the Underwriter Group Members) to participate in the initial sale of the Notes 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 Notes 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 Notes 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 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 Notes, and by Joseph Fasi LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Notes 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 Notes.

[UNDERWRITER][REPRESENTATIVE]

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

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

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

Dated: December 3, 2020

**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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### COMBINATION GENERAL RULE AND HOLD-THE-OFFERING-PRICE RULE ISSUE PRICE CERTIFICATE

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#### **\$7,050,000 TOWN OF TRUMBULL, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2020**

**Delivery Date: December 17, 2020**  
**Single Maturity Date: September 16, 2021**

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 Notes”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A. The Notes have one maturity date.

2. ***Initial Offering Price of the Notes.***

(a) [SHORT NAME OF UNDERWRITER] [the Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the Underwriting Group] has[have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Notes listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Notes listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (Thursday, December 3, 2020), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Town of Trumbull, Connecticut

(e) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities. The Notes have one maturity date: September 16, 2021.

(f) *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.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is December 3, 2020.

(h) *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 Notes 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 Notes 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 Notes 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 Notes, and by Joseph Fasi LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Notes 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 Notes.

[PurchaserUC]

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

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

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

Dated: December 3, 2020

**SCHEDULE A SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL  
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
*(To Be Attached)*

**SCHEDULE B PRICING WIRE** *(To Be Attached)*



## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Notes in order that interest on the 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 Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the 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 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 Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 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 Notes is excludable from gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax.

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

Ownership of the Notes may also result in certain collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Notes. Prospective purchasers of the 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 Notes.

## **FUTURE EVENTS**

The Federal and State tax treatment of municipal bonds (including bond anticipation notes) is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, The Tax Cut and Jobs Act, H.R.1, signed by the President on December 22, 2017, eliminated the alternative minimum tax on corporations for tax years beginning January 1, 2018, and changed individual and corporate tax rates and deductions. These changes to Federal tax law may also change the benefit of tax exempt bond ownership. Such Federal legislative proposals are continually being proposed and 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. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the 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.

# JOSEPH FASI LLC

56 ARBOR STREET, SUITE 418  
HARTFORD, CONNECTICUT 06106

A T T O R N E Y S   A T   L A W

TELEPHONE (860)296-0510  
FACSIMILE (860)296-0541

## **FORM OF OPINION OF BOND COUNSEL**

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 \$7,050,000 Town of Trumbull, Connecticut General Obligation Bond Anticipation Notes, bearing a Dated Date and an Original Issue Date of December 17, 2020, maturing September 16, 2021 (the "notes").

We have examined a record of the proceedings authorizing the notes, a Tax Regulatory Agreement of the Town dated December 17, 2020 (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 an official statement or other offering material relating to the notes, if any, (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 excludable from gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax. We express no opinion regarding any other Federal tax consequences of 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 any other State tax consequences of ownership or disposition of, or receipt of interest on, 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

# **TOWN OF TRUMBULL, CONNECTICUT**

## **FINANCIAL INFORMATION**

Excerpted from the  
Annual Financial Report of  
The Town of Trumbull, Connecticut  
Year Ended June 30, 2019

## **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, 2019, 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 from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of June 30, 2019 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 21, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Trumbull, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Trumbull, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 21, 2019



**TOWN OF TRUMBULL, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(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 and deferred outflows of resources of the Town of Trumbull exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$152 million. Total net position for Governmental Activities at fiscal year-end was \$65 million and total net position for Business-Type Activities were \$86.9 million.
- On a government-wide basis, during the year, the Town's net position increased by \$12.5 million. Net position increased by \$15 million for Governmental Activities and decreased by \$1.9 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 \$13.7 million, which is an increase of \$2.3 million from the prior fiscal year. This is due to a surplus in the general fund of \$1.9 million.
- At the end of the current fiscal year, the total fund balance for the general fund alone was \$26 million, an increase of \$1.9 million from the prior fiscal year. Of the total fund balance in the general fund as of June 30, 2019, \$23.6 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 13% of total general fund expenditures of \$180.9 million.
- The Town of Trumbull's total debt decreased by \$7.4 million during the current fiscal year. The key factors in the decrease were the issuance of \$10.6 million in new bonds and the retirement/debt payments of \$12.1 million, a decrease of \$2.2 million in net pension liability due to change in actuarial assumptions and closed plan to new hires, and a decrease of \$3.7 million in net OPEB liability.

**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 governmental-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 65 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 66 through 70 of this report.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 52,130	\$ 44,705	\$ 39,041	\$ 41,889	\$ 91,171	\$ 86,594
Capital assets, net of depreciation	250,034	247,244	96,993	97,525	347,027	344,769
Total assets	<u>302,164</u>	<u>291,949</u>	<u>136,034</u>	<u>139,414</u>	<u>438,198</u>	<u>431,363</u>
Deferred outflows of resources	<u>3,130</u>	<u>3,726</u>	<u>1,017</u>	<u>1,133</u>	<u>4,147</u>	<u>4,859</u>
Current liabilities	39,310	31,620	4,819	4,155	44,129	35,775
Noncurrent liabilities	189,217	196,410	45,354	47,612	234,571	244,022
Total liabilities	<u>228,527</u>	<u>228,030</u>	<u>50,173</u>	<u>51,767</u>	<u>278,700</u>	<u>279,797</u>
Deferred inflows of resources	<u>11,696</u>	<u>17,040</u>			<u>11,696</u>	<u>17,040</u>
Net Position:						
Net investment in capital assets	147,891	145,162	47,978	47,119	195,869	192,281
Restricted	59	168			59	168
Unrestricted	<u>(82,880)</u>	<u>(94,725)</u>	<u>38,900</u>	<u>41,661</u>	<u>(43,980)</u>	<u>(53,064)</u>
Total Net Position	<u>\$ 65,070</u>	<u>\$ 50,605</u>	<u>\$ 86,878</u>	<u>\$ 88,780</u>	<u>\$ 151,948</u>	<u>\$ 139,385</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.

Deferred outflow and inflow of resources decreased by \$4.6 million during the fiscal year of which Governmental Funds decreased by \$4.7 million and Business-Type increased by \$.1 million. The composition of the outflows and inflows as of June 30, 2019 are detailed as follows:

#### Deferred Outflows of Resources:

Governmental Activities	Deferred outflows related to pensions	\$1.5 million
Governmental Activities	Deferred charge on bond refunding	\$1.6 million
Business-Type Activities	Deferred charge on bond refunding	<u>\$1.0 million</u>
	Total Deferred Outflows of Resources	<u>\$4.1 million</u>

#### Deferred Inflows of Resources:

Governmental Activities	Deferred inflows related to pensions	\$7.9 million
Governmental Activities	Advance property tax collections	<u>\$3.8 million</u>
	Total Deferred Inflows of Resources	<u>\$11.7 million</u>

TOTAL OUTFLOWS AND INFLOWS	<u><u>\$ (7.6) million</u></u>
----------------------------	--------------------------------

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 11,301	\$ 10,191	\$ 10,061	\$ 10,291	\$ 21,362	\$ 20,482
Operating grants and contributions	18,336	30,818			18,336	30,818
Capital grants and contributions	2,273	1,532	3,847	1,652	6,120	3,184
General revenues:						
Property taxes	158,891	155,198			158,891	155,198
Grants and contributions not restricted to specific purposes	358	413			358	413
Unrestricted investment earnings	1,471	417	1,224	1,279	2,695	1,696
Other general revenues	52	106			52	106
Total revenues	<u>192,682</u>	<u>198,675</u>	<u>15,132</u>	<u>13,222</u>	<u>207,814</u>	<u>211,897</u>
Program expenses:						
General government	19,853	18,452			19,853	18,452
Public safety	13,234	14,275			13,234	14,275
Public works	11,680	7,736			11,680	7,736
Health and welfare	856	837			856	837
Libraries	1,674	1,678			1,674	1,678
Social services	739	679			739	679
Parks and recreation	3,772	3,565			3,772	3,565
Education	126,233	139,806			126,233	139,806
Interest on long-term debt	4,836	4,191			4,836	4,191
WPCA			10,845	9,336	10,845	9,336
Golf Course			1,529	1,515	1,529	1,515
Total program expenses	<u>182,877</u>	<u>191,219</u>	<u>12,374</u>	<u>10,851</u>	<u>195,251</u>	<u>202,070</u>
Excess before transfers	9,805	7,458	2,758	2,371	12,563	9,827
Transfers	<u>4,660</u>	<u>780</u>	<u>(4,660)</u>	<u>(780)</u>	<u>-</u>	<u>-</u>
Increase in Net Position	14,465	8,238	(1,902)	1,591	12,563	9,827
Net Position, Beginning	<u>50,605</u>	<u>42,367</u>	<u>88,780</u>	<u>87,189</u>	<u>139,385</u>	<u>129,556</u>
Net Position, Ending	<u>\$ 65,070</u>	<u>\$ 50,605</u>	<u>\$ 86,878</u>	<u>\$ 88,780</u>	<u>\$ 151,948</u>	<u>\$ 139,383</u>

**TABLE 3**  
**GOVERNMENTAL ACTIVITIES**  
**(In Thousands)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Education	\$ 126,233	\$ 139,806	\$ (105,264)	\$ (106,180)
Public safety	13,234	14,275	(8,783)	(10,562)
Public works	11,680	7,736	(8,744)	(5,352)
General government	19,853	18,452	(17,443)	(16,554)
All others	11,877	10,950	(10,733)	(10,028)
Totals	<u>\$ 182,877</u>	<u>\$ 191,219</u>	<u>\$ (150,967)</u>	<u>\$ (148,676)</u>

Trumbull's net position increased by \$12.5 million during the fiscal year, with net position of Governmental Activities increasing by \$15 million and net position of Business-Type Activities decreasing by \$1.9 million.

Key elements of this increase are as follows:

- The Town's revenue decreased by \$6.0 million during the current fiscal year. There was an increase in tax revenue of \$3.7 million due to an increase in the mill rate with less than 1% grand list growth. Additionally there was a reduction in Education Cost Sharing (ECS) and other grant revenue in the amount of \$11.1 million including a reduction in the Teacher Retirement Board pension revenue of approximately \$1 million, and a reduction in the Teacher Retirement Board OPEB revenue of \$13.7 million. The Teacher Retirement Board OPEB expense change was due to significant changes in the benefit terms of the plan, which reduced the underlying Net OPEB Liability of the State by \$843 million.
- Education Costs decreased \$14 million mostly due to the TRB Pension and OPEB expense which was offset by a decrease in Town's Expenses mostly due to vacancies in various departments.

### **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 \$13.7 million. Of this amount the Town has an unassigned fund balance of \$4.2 million. The remaining \$9.5 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 \$25.9 million. Unassigned fund balance of the general fund represents 13% of total general fund expenditures.

**Five Year Capital Plan.** At the end of the current fiscal year, unassigned fund balance of the five year capital plan was \$(14.4) million. The five year capital plan expenditures totaled \$10.3 million during the fiscal year consisting of school renovations and security, town wide road paving, snow plows and other renovations to various town facilities. These projects are funded by issuance of \$9.08 million in bonds.

**Water Pollution Control Authority.** The Water Pollution Control Authority (WPCA) had an unrestricted net position balance at June 30, 2019 of \$37.8 million and net investment in capital assets of \$45.0 million.

**Golf Course.** The Tashua Knolls Golf Course had an unrestricted net position balance at June 30, 2019 of \$1.1 million and net investment in capital assets of \$3.1 million.

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

The difference between the original budget and the final amended budget for expenditures was \$529,792 and the major contributing factors can be summarized as follows:

- There was a supplemental appropriation of \$25,000 to cover for attorneys to handle labor arbitration.
- There were two supplemental appropriations totaling \$219,219 for outside legal, appraisals and other consultants to assist in the litigation of a couple of tax appeals that went to trial.
- There were several supplemental appropriations totaling \$76,183 to snow removal and tree work related to various snow, rain and wind storms and for maintenance of various buildings.
- There two additional supplemental appropriations totaling \$84,678 for the installation security cameras at the trail and other parks and for consulting costs to design an Aquatic Facility.
- There was a supplemental appropriation for \$124,712 to cover the increase in hauling and tipping fees for single stream recycling.

However, the final budget to actual expenditure variance was favorable by \$1.3 million. The major reasons for the net variance are as follows:

- There was a \$351,000 surplus in Town Hall Contingency account due to better contract negotiations than expected and there were enough funds in their departments to cover the increases.
- There were surpluses in the amount of \$ 481,000 in various departments due to retirements, employees on workers compensation and other vacancies of which \$180,000 was in Public Safety, \$147,000 in Public Works and \$84,000 in Parks and Recreation and other various departments \$70,000.
- Employee Benefits had a surplus of \$344,000 in FICA of \$112,000 due to vacancies and retirements, and due to a decrease in medical insurance of \$232,000 due to a better outcome in the renewal and increase in the employee's premium share.

The difference between the final revenue budget and actual revenues resulted in a net surplus of \$.933 million. The major reasons for the favorable variance are as follows:

- Licenses, permits and fees were over budget by \$734,000 of which there was an increase in Town Clerk's revenue of \$155,000 due to additional conveyance tax as a result of more refinancing and home purchases due to lower interest rates, EMS fees of \$190,000 due to more patients being transported, an increase in Building permits of \$180,000, Planning and Zoning increase of \$68,000 due to additional construction in town, an increase in disposal fees of \$119,000 due to more recycling, and Parks and recreation increase of \$69,000 due to increase in programming.

- Intergovernmental revenues were under budget by \$185,000 of which \$250,000 was for the Excess Special Education grant that was returned to the Board of Education.
- There was a deficit of \$696,000 in the Property Taxes revenue due to a major tax appeal.
- Interest Income was over budget by \$1.1 million due to the investment climate.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

As of year-end, the Town had \$347 million (net of accumulated depreciation) invested in a variety of capital assets, as reflected in the following schedule:

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 40,698	\$ 40,698	\$ 1,962	\$ 1,962	\$ 42,660	\$ 42,660
Land improvements	8,192	8,755	2,668	2,751	10,860	11,506
Buildings and improvements	142,239	148,284	924	992	143,163	149,276
Machinery and equipment	6,002	5,768	651	712	6,653	6,480
Infrastructure	38,588	34,696	88,737	90,985	127,325	125,681
Vehicles	4,672	4,564	103	123	4,775	4,687
Construction in progress	9,643	4,479	1,948		11,591	4,479
Total	<u>\$ 250,034</u>	<u>\$ 247,244</u>	<u>\$ 96,993</u>	<u>\$ 97,525</u>	<u>\$ 347,027</u>	<u>\$ 344,769</u>

Additional information on the Town's capital assets can be found on pages 35 and 36 of this report.



**Long-term Debt.** At the end of the current fiscal year, the Town of Trumbull had total bonded debt outstanding of \$135.8 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)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General Obligation Bonds	\$ <u>89,855</u>	\$ <u>89,135</u>	\$ <u>45,895</u>	\$ <u>47,005</u>	\$ <u>135,750</u>	\$ <u>136,140</u>

The Town of Trumbull's general obligation bonds decreased by \$.390 million during the fiscal year ended June 30, 2019.

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 \$ 1,084 million, 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 38 through 41 of this report.

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

The unemployment rate for the Town is currently 3.7%, which compares favorably to the State's average unemployment rate of 3.8% and Bridgeport Labor Market is 3.9%.

The Grand List growth has been less than 1.5% 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, 2019**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 6,547,175	\$ 12,456,249	\$ 19,003,424
Investments	36,876,478		36,876,478
Receivables, net	8,414,813	26,844,102	35,258,915
Interfund loans	259,205	(259,205)	-
Inventories	32,324		32,324
Capital assets:			
Assets not being depreciated	50,341,121	3,909,818	54,250,939
Assets being depreciated, net	199,692,503	93,083,193	292,775,696
Total assets	<u>302,163,619</u>	<u>136,034,157</u>	<u>438,197,776</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources related to pensions	1,516,194		1,516,194
Deferred charge on refunding	1,613,800	1,017,086	2,630,886
Total deferred outflows of resources	<u>3,129,994</u>	<u>1,017,086</u>	<u>4,147,080</u>
<b>Liabilities:</b>			
Accounts and other payables	14,945,665	68,096	15,013,761
Accrued liabilities	577,133	14,307	591,440
Bond anticipation notes	8,855,000		8,855,000
Unearned revenue	4,449,074		4,449,074
Noncurrent liabilities:			
Due within one year	10,483,085	4,736,573	15,219,658
Due in more than one year	189,216,516	45,354,048	234,570,564
Total liabilities	<u>228,526,473</u>	<u>50,173,024</u>	<u>278,699,497</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources related to pensions	7,716,461		7,716,461
Deferred inflows of resources related to OPEB	226,747		226,747
Advance property tax collections	3,753,203		3,753,203
Total deferred inflows of resources	<u>11,696,411</u>	<u>-</u>	<u>11,696,411</u>
<b>Net Position:</b>			
Net investment in capital assets	147,891,644	47,977,785	195,869,429
Restricted for:			
Trust purposes:			
Nonexpendable	58,807		58,807
Unrestricted	(82,879,722)	38,900,434	(43,979,288)
Total Net Position	<u>\$ 65,070,729</u>	<u>\$ 86,878,219</u>	<u>\$ 151,948,948</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 19,853,163	\$ 1,649,248	\$ 760,831	\$ (17,443,084)	\$	\$ (17,443,084)
Public safety	13,234,179	4,333,136	112,973	(8,783,070)		(8,783,070)
Public works	11,680,004	454,587	462,970	(8,743,791)		(8,743,791)
Public health	855,805	292,057	243,926	(310,822)		(310,822)
Libraries	1,674,424			(1,674,424)		(1,674,424)
Social services	738,461			(738,461)		(738,461)
Parks and recreation	3,772,451	499,551	99,488	(3,173,412)		(3,173,412)
Education	126,232,991	4,072,469	16,656,226	(105,263,967)		(105,263,967)
Interest on long-term debt	4,835,660			(4,835,660)		(4,835,660)
Total governmental activities	182,877,138	11,301,048	18,336,414	(150,966,691)	-	(150,966,691)
Business-type activities:						
WPCA	10,844,676	8,166,187	3,846,529		1,168,040	1,168,040
Golf course	1,528,590	1,894,792			366,202	366,202
Total business-type activities	12,373,266	10,060,979	-	-	1,534,242	1,534,242
Total primary governmental activities	\$ 195,250,404	\$ 21,362,027	\$ 18,336,414	\$ (150,966,691)	1,534,242	(149,432,449)
General revenues:						
Property taxes				158,890,405		158,890,405
Grants and contributions not restricted to specific programs				357,998		357,998
Unrestricted investment earnings				1,471,463	1,224,262	2,695,725
Miscellaneous				51,955		51,955
Transfers				4,660,420	(4,660,420)	-
Total general revenues and transfers				165,432,241	(3,436,158)	161,996,083
Change in net position				14,465,550	(1,901,916)	12,563,634
Net Position at Beginning of Year				50,605,179	88,780,135	139,385,314
Net Position at End of Year				\$ 65,070,729	\$ 86,878,219	\$ 151,948,948

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<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	\$	\$	\$ 3,617,034	\$ 3,617,034
Investments	36,876,478			36,876,478
Receivables, net	6,805,609		1,609,204	8,414,813
Inventories			32,324	32,324
Due from other funds	5,701,208		5,514,613	11,215,821
Interfund loans	259,205			259,205
Total Assets	<u>\$ 49,642,500</u>	<u>\$ -</u>	<u>\$ 10,773,175</u>	<u>\$ 60,415,675</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 8,478,143	\$ 3,629,059	\$ 1,225,599	\$ 13,332,801
Due to other funds	5,514,613	1,902,316	3,075,531	10,492,460
Unearned revenue	106,260		4,342,814	4,449,074
Bond anticipation notes		8,855,000		8,855,000
Total liabilities	<u>14,099,016</u>	<u>14,386,375</u>	<u>8,643,944</u>	<u>37,129,335</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,867,222			5,867,222
Advance property tax collections	3,753,203			3,753,203
Total deferred inflows of resources	<u>9,620,425</u>	<u>-</u>	<u>-</u>	<u>9,620,425</u>
Fund Balances:				
Nonspendable			91,131	91,131
Restricted			109,367	109,367
Committed	195,296		7,002,675	7,197,971
Assigned	2,153,754			2,153,754
Unassigned	23,574,009	(14,386,375)	(5,073,942)	4,113,692
Total fund balances	<u>25,923,059</u>	<u>(14,386,375)</u>	<u>2,129,231</u>	<u>13,665,915</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 49,642,500</u>	<u>\$ -</u>	<u>\$ 10,773,175</u>	<u>\$ 60,415,675</u>

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**TOWN OF TRUMBULL, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

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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	\$ 13,665,915
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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	\$ 408,041,641	
Less accumulated depreciation	<u>(160,013,405)</u>	
Net capital assets		248,028,236

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	4,945,932
Interest receivable on property taxes	921,290
Deferred outflows related to Pensions	1,516,194

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.

768,115

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	(66,800,812)
Deferred Inflows related to Pensions	(7,716,461)
Deferred Inflows related to OPEB	(226,747)
Net OPEB liability	(28,724,830)
Bonds payable	(89,854,580)
Interest payable on bonds and notes	(2,088,792)
Compensated absences	(5,547,576)
Claims and judgments	(382,755)
Bond premium	(5,046,200)
Deferred charge on refunding	<u>1,613,800</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 65,070,729</u>
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**TOWN OF TRUMBULL, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 157,930,156	\$	\$	\$ 157,930,156
Intergovernmental	14,867,187		6,100,210	20,967,397
Investment earnings	1,468,197		3,266	1,471,463
Charges for goods and services	7,491,249		3,819,978	11,311,227
Other			7,591	7,591
Total revenues	<u>181,756,789</u>	<u>-</u>	<u>9,931,045</u>	<u>191,687,834</u>
Expenditures:				
Current:				
General government	23,035,886		262,421	23,298,307
Public safety	13,062,319		1,593,434	14,655,753
Public works	8,855,237		66,105	8,921,342
Public health	702,073		64,648	766,721
Libraries	1,603,301			1,603,301
Social service	738,461			738,461
Parks and recreation	3,156,772		140,002	3,296,774
Education	117,843,291		4,737,306	122,580,597
Other			82,861	82,861
Debt service:				
Principal	4,088,643			4,088,643
Interest	7,805,797			7,805,797
Capital outlay		10,342,587	3,622,862	13,965,449
Total expenditures	<u>180,891,780</u>	<u>10,342,587</u>	<u>10,569,639</u>	<u>201,804,006</u>
Excess (Deficiency) of Revenues over Expenditures	<u>865,009</u>	<u>(10,342,587)</u>	<u>(638,594)</u>	<u>(10,116,172)</u>
Other Financing Sources:				
Transfers in	980,257		2,395,771	3,376,028
Transfers out			(150,000)	(150,000)
Issuance of general obligation bonds		9,080,000		9,080,000
Premium on general obligation bonds	44,364			44,364
Total other financing sources	<u>1,024,621</u>	<u>9,080,000</u>	<u>2,245,771</u>	<u>12,350,392</u>
Net Change in Fund Balances	1,889,630	(1,262,587)	1,607,177	2,234,220
Fund Balances at Beginning of Year	<u>24,033,429</u>	<u>(13,123,788)</u>	<u>522,054</u>	<u>11,431,695</u>
Fund Balances at End of Year	<u>\$ 25,923,059</u>	<u>\$ (14,386,375)</u>	<u>\$ 2,129,231</u>	<u>\$ 13,665,915</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, 2019**

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)	\$ 2,234,220
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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	12,697,885
Depreciation expense	(9,629,680)

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.	2,914
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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:

Property tax receivable - accrual basis change	852,212
Property tax interest and lien revenue - accrual basis change	108,037
Deferred outflows related to pensions	(349,768)

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	(9,080,000)
Premium on bond issuance	(44,364)
Bond principal payments	6,955,190
Reassignment of debt	1,434,392

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	34,895
Accrued interest	(172,309)
Amortization of deferred charge on refunding	(246,088)
Amortization of bond premiums	566,351
Net pension liability	2,174,563
Change in deferred inflows related to pensions	3,336,908
Change in deferred inflows related to OPEB	(174,555)
Net OPEB liability	3,721,487
Claims and judgments	146,165

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.	(102,905)
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 14,465,550</u>
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The accompanying notes are an integral part of the financial statements



**TOWN OF TRUMBULL, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
		<b>Nonmajor</b>	<b>Total</b>	<b>Internal</b>
	<b>WPCA</b>	<b>Golf Course</b>	<b>Business-Type Activities</b>	<b>Service Funds</b>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 11,090,138	\$ 1,366,111	\$ 12,456,249	\$ 2,930,141
Receivables, net	655,888	71,799	727,687	
Assessment receivable	26,116,415		26,116,415	
Total current assets	37,862,441	1,437,910	39,300,351	2,930,141
Noncurrent assets:				
Capital assets, net	92,217,048	4,775,963	96,993,011	2,005,388
Total assets	130,079,489	6,213,873	136,293,362	4,935,529
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	1,007,559	9,527	1,017,086	
<b>Liabilities:</b>				
Current liabilities:				
Accounts and other payables	19,697	48,399	68,096	101,205
Accrued liabilities		14,307	14,307	
Due to other funds			-	723,361
Interfund loan		259,205	259,205	
Bonds payable	4,467,410	253,000	4,720,410	
Compensated absences	6,843	9,320	16,163	
Claim payable			-	582,524
Total current liabilities	4,493,950	584,231	5,078,181	1,407,090
Noncurrent liabilities:				
Bonds payable, net	43,905,263	1,406,639	45,311,902	
Compensated absences	12,845	29,301	42,146	
Claims payable			-	2,760,324
Total noncurrent liabilities	43,918,108	1,435,940	45,354,048	2,760,324
Total liabilities	48,412,058	2,020,171	50,432,229	4,167,414
<b>Net Position:</b>				
Net investment in capital assets	44,851,934	3,125,851	47,977,785	1,180,822
Unrestricted	37,823,056	1,077,378	38,900,434	(412,707)
Total Net Position	\$ 82,674,990	\$ 4,203,229	\$ 86,878,219	\$ 768,115

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, 2019**

	<u>Business-Type Activities</u>		<u>Total Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>WPCA</u>	<u>Nonmajor Golf Course</u>		<u>Internal Service Funds</u>
Operating Revenues:				
Charges for services	\$ 8,166,187	\$ 1,894,792	\$ 10,060,979	\$ 2,046,565
Operating Expenses:				
Operating and maintenance	6,787,073	1,305,550	8,092,623	
Claims expense			-	1,595,077
Depreciation	2,355,260	168,859	2,524,119	530,413
Total operating expenses	9,142,333	1,474,409	10,616,742	2,125,490
Operating Income (Loss)	(976,146)	420,383	(555,763)	(78,925)
Nonoperating Revenue (Expenses):				
Gain (loss) on disposal of capital assets			-	(23,980)
Income on investments	1,224,262		1,224,262	
Interest expense	(1,702,343)	(54,181)	(1,756,524)	
Reassignment of debt	(1,434,392)		(1,434,392)	
Net nonoperating revenues (expenses)	(1,912,473)	(54,181)	(1,966,654)	(23,980)
Income (Loss) Before Capital Contributions, Transfers and Other	(2,888,619)	366,202	(2,522,417)	(102,905)
Capital Contributions and Transfers:				
Capital contributions	3,846,529		3,846,529	
Transfers out	(2,977,631)	(248,397)	(3,226,028)	
Total capital contributions and transfers	868,898	(248,397)	620,501	-
Change in Net Position	(2,019,721)	117,805	(1,901,916)	(102,905)
Net Position at Beginning of Year	84,694,711	4,085,424	88,780,135	871,020
Net Position at End of Year	\$ 82,674,990	\$ 4,203,229	\$ 86,878,219	\$ 768,115

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, 2019**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
		<b>Nonmajor</b>	<b>Total</b>	<b>Internal</b>
	<b>WPCA</b>	<b>Golf Course</b>	<b>Business-Type Activities</b>	<b>Service Funds</b>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 11,142,705	\$ 1,855,926	\$ 12,998,631	\$ 2,046,565
Cash paid to suppliers for goods and services	(6,897,476)	(1,288,594)	(8,186,070)	25,965
Cash received from (paid to) employees	513	5,944	6,457	
Cash paid for insurance claims and premiums			-	(1,595,077)
Net cash provided by (used in) operating activities	<u>4,245,742</u>	<u>573,276</u>	<u>4,819,018</u>	<u>477,453</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out	(2,977,631)	(248,397)	(3,226,028)	
Cash received from other funds			-	1,998,350
Cash (received from) paid to other funds	<u>10,590,247</u>	<u>1,279,722</u>	<u>11,869,969</u>	
Net cash provided by (used in) noncapital financing activities	<u>7,612,616</u>	<u>1,031,325</u>	<u>8,643,941</u>	<u>1,998,350</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payment - long-term obligations	(3,821,810)	(248,085)	(4,069,895)	
Interest paid	(2,000,386)	(66,298)	(2,066,684)	
Purchase of capital assets and construction		(18,087)	(18,087)	(272,710)
Proceeds from bond issuance	1,530,000		1,530,000	
Capital grants and contributions	<u>1,872,376</u>		<u>1,872,376</u>	
Net cash provided by (used in) capital and related financing activities	<u>(2,419,820)</u>	<u>(332,470)</u>	<u>(2,752,290)</u>	<u>(272,710)</u>
Cash Flows from Investing Activities:				
Interest received	<u>1,224,262</u>		<u>1,224,262</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	10,662,800	1,272,131	11,934,931	2,203,093
Cash and Cash Equivalents at Beginning of Year	<u>427,338</u>	<u>93,980</u>	<u>521,318</u>	<u>727,048</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,090,138</u>	<u>\$ 1,366,111</u>	<u>\$ 12,456,249</u>	<u>\$ 2,930,141</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (976,146)	\$ 420,383	\$ (555,763)	\$ (78,925)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	2,355,260	168,859	2,524,119	530,413
Change in asset and liabilities:				
(Increase) decrease in accounts receivable	2,976,518	(38,866)	2,937,652	
Increase (decrease) in accounts payable	(110,403)	16,956	(93,447)	25,965
Increase (decrease) in compensated absences payable	<u>513</u>	<u>5,944</u>	<u>6,457</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,245,742</u>	<u>\$ 573,276</u>	<u>\$ 4,819,018</u>	<u>\$ 477,453</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, 2019**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,096,393	\$ 86,148	\$ 431,146
Investments:			
Mutual funds	104,074,840		
Accounts receivable	<u>5,134</u>		
<b>Total assets</b>	<u>107,176,367</u>	<u>86,148</u>	<u>\$ 431,146</u>
<b>Liabilities:</b>			
Deposits held for others			<u>\$ 431,146</u>
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>\$ 431,146</u>
<b>Net Position:</b>			
Held in Trust for Private Purpose		86,148	
Restricted for OPEB Benefits	682,772		
Restricted for Pension Benefits	<u>106,493,595</u>		
<b>Total Net Position</b>	<u>\$ 107,176,367</u>	<u>\$ 86,148</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, 2019**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>
Additions:		
Contributions:		
Employer	\$ 9,236,450	\$
Plan members	1,368,100	
Other		43,164
Total contributions	<u>10,604,550</u>	<u>43,164</u>
Investment income:		
Net change in fair value of investments	298,664	
Interest and dividends	<u>6,296,562</u>	<u>42</u>
Total investment income	<u>6,595,226</u>	<u>42</u>
Other:		
Intergovernmental		<u>13,079</u>
Total additions	<u>17,199,776</u>	<u>56,285</u>
Deductions:		
Benefits	10,074,662	69,284
Administration	<u>192,115</u>	
Total deductions	<u>10,266,777</u>	<u>69,284</u>
Change in Net Position	6,932,999	(12,999)
Net Position at Beginning of Year	<u>100,243,368</u>	<u>99,147</u>
Net Position at End of Year	<u>\$ 107,176,367</u>	<u>\$ 86,148</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 performance bonds for contractors to ensure completion of construction projects, and student activity funds collected and paid for expenses for education related extra-curricular activities.

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

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, 2019, this represents 23.8% 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.



## **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 acquisition 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:

<b>Assets</b>	<b>Years</b>
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 and OPEB results from differences between expected and actual experience and changes in investment gains or losses. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension 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 and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension 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 property taxes. 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. Net OPEB Liability**

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

#### **L. Long-Term Obligations**

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

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- 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 \$529,792 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. The Town Clerk department and principal – bonds and notes were over expended during the year by \$8,128, and \$26,250, respectively.
- Appropriations for capital projects do not lapse until completion of the applicable projects. All General Fund unexpended appropriations lapse at year end.

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.

### **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.

**TOWN OF TRUMBULL, CONNECTICUT**  
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**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*, \$12,929,831 of the Town's bank balance of \$14,073,690 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,536,848
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,392,983</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 12,929,831</u></u>

**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, 2019, the Town's cash equivalents amounted to \$11,813,947. 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><b>Standard &amp; Poor's</b></u>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo Money Market*	

\*Not rated

**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**B. Investments**

Investments as of June 30, 2019 in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
U.S. Government Agencies	AAA	\$ 8,734,616	\$	\$ 3,485,168	\$ 5,249,448
Certificate of deposit	N/A	2,753,801	<u>2,753,801</u>		
Total interest-bearing investments			<u>\$ 2,753,801</u>	<u>\$ 3,485,168</u>	<u>\$ 5,249,448</u>
Other investments:					
Money market	N/A	25,388,061			
Mutual funds	N/A	<u>104,074,840</u>			
Total Investments		<u>\$ 140,951,318</u>			

\*Not rated

**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.

**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, 2019, 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.

**TOWN OF TRUMBULL, CONNECTICUT**  
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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, 2019:

	<b>Fair Value Measurement</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:			
U.S. Government securities	\$ 8,734,616	\$	\$
Money market	25,388,061		
Mutual funds	104,074,840		
<b>Total Investments by Fair Value Level</b>	<b>\$ 138,197,517</b>	<b>\$ -</b>	<b>\$ -</b>

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.

#### **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:

	<b>General</b>	<b>WPCA</b>	<b>Nonmajor and Other Funds</b>	<b>Total</b>
Receivables:				
Taxes	\$ 3,144,356	\$	\$	\$ 3,144,356
Other deferred taxes	3,021,642			3,021,642
Interest on taxes	921,290			921,290
Accounts	438,531	655,888	554,580	1,648,999
Intergovernmental	29,790		1,131,557	1,161,347
Special assessments		26,116,415		26,116,415
<b>Gross receivables</b>	<b>7,555,609</b>	<b>26,772,303</b>	<b>1,686,137</b>	<b>36,014,049</b>
Less allowance for uncollectibles	(750,000)			(750,000)
<b>Net Total Receivables</b>	<b>\$ 6,805,609</b>	<b>\$ 26,772,303</b>	<b>\$ 1,686,137</b>	<b>\$ 35,264,049</b>



**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 40,698,004	\$	\$	\$ 40,698,004
Construction in progress	4,479,549	6,472,303	1,308,735	9,643,117
Total capital assets not being depreciated	<u>45,177,553</u>	<u>6,472,303</u>	<u>1,308,735</u>	<u>50,341,121</u>
Capital assets being depreciated:				
Land improvements	18,073,964	85,577		18,159,541
Buildings and improvements	230,871,680	368,971		231,240,651
Machinery and equipment	17,235,728	1,195,147	34,897	18,395,978
Vehicles	12,945,052	959,541	270,307	13,634,286
Infrastructure	81,110,182	5,197,791		86,307,973
Total capital assets being depreciated	<u>360,236,606</u>	<u>7,807,027</u>	<u>305,204</u>	<u>367,738,429</u>
Less accumulated depreciation for:				
Land improvements	9,318,492	649,431		9,967,923
Buildings and improvements	82,587,996	6,413,232		89,001,228
Machinery and equipment	11,467,852	960,805	34,897	12,393,760
Vehicles	8,380,970	830,141	249,241	8,961,870
Infrastructure	46,414,661	1,306,484		47,721,145
Total accumulated depreciation	<u>158,169,971</u>	<u>10,160,093</u>	<u>284,138</u>	<u>168,045,926</u>
Total capital assets being depreciated, net	<u>202,066,635</u>	<u>(2,353,066)</u>	<u>21,066</u>	<u>199,692,503</u>
Governmental Activities Capital Assets, Net	<u>\$ 247,244,188</u>	<u>\$ 4,119,237</u>	<u>\$ 1,329,801</u>	<u>\$ 250,033,624</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		1,947,805		1,947,805
Total capital assets not being depreciated	<u>1,962,013</u>	<u>1,947,805</u>	<u>-</u>	<u>3,909,818</u>
Capital assets being depreciated:				
Land improvements	4,154,758			4,154,758
Building and improvements	2,581,442			2,581,442
Machinery and equipment	1,596,396	18,087		1,614,483
Vehicles	285,911		22,389	263,522
Infrastructure	125,125,811	26,346		125,152,157
Total capital assets being depreciated	<u>133,744,318</u>	<u>44,433</u>	<u>22,389</u>	<u>133,766,362</u>
Less accumulated depreciation for:				
Land improvements	1,403,570	83,462		1,487,032
Building and improvements	1,589,457	67,897		1,657,354
Machinery and equipment	884,214	78,955		963,169
Vehicles	163,163	19,573	22,389	160,347
Infrastructure	34,141,035	2,274,232		36,415,267
Total accumulated depreciation	<u>38,181,439</u>	<u>2,524,119</u>	<u>22,389</u>	<u>40,683,169</u>
Total capital assets being depreciated, net	<u>95,562,879</u>	<u>(2,479,686)</u>	<u>-</u>	<u>93,083,193</u>
Business-Type Activities Capital Assets, Net	<u>\$ 97,524,892</u>	<u>\$ (531,881)</u>	<u>\$ -</u>	<u>\$ 96,993,011</u>

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

Governmental activities:	
Board of Education	\$ 6,696,611
General Government	236,125
Social Services	76,081
Public health	14,009
Public Works	1,894,270
Public Safety	657,468
Libraries	118,129
Recreation and Parks	<u>467,400</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 10,160,093</u>
Business-type activities	
WPCA	\$ 2,355,260
Golf Fund	<u>168,859</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,524,119</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 5,514,613
General Fund	Nonmajor Governmental Funds	3,075,531
General Fund	Five Year Capital Plan	1,902,316
General Fund	Internal Service	<u>723,361</u>
		<u>\$ 11,215,821</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided and reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The amounts also include balances of working capital made to several nonmajor governmental funds for projects that the general fund expects to get reimbursed when subsequent bonds are issued.

**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, 2019 was \$259,205.

**Interfund Transfers**

	<u>Transfers In</u>		<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Transfers Out</u>
Transfers out:			
WPCA	\$ 581,860	\$	\$ 581,860
WPCA		2,395,771	2,395,771
Nonmajor governmental	150,000		150,000
Golf Course	<u>248,397</u>		<u>248,397</u>
Total Transfers In	<u>\$ 980,257</u>	<u>\$ 2,395,771</u>	<u>\$ 3,376,028</u>

The above transfers represent normal budgetary and other recurring transfers.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfer*</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Funds:						
Bonds payable:						
General obligation bonds*	\$ 89,134,770	\$ 9,080,000	\$ 6,955,190	\$ (1,405,000)	\$ 89,854,580	\$ 8,059,590
Premium on bonds*	5,597,579	44,364	566,351	(29,392)	5,046,200	
Total bonds payable	94,732,349	9,124,364	7,521,541	(1,434,392)	94,900,780	8,059,590
Other liabilities:						
Insurance claims	3,342,848	1,595,077	1,595,077		3,342,848	582,524
Other claims and judgments	528,920	362,755	508,920		382,755	
Net pension liability	68,975,375		2,174,563		66,800,812	
Compensated absences	5,582,471	46,209	81,104		5,547,576	1,840,971
Net OPEB liability	32,446,317		3,721,487		28,724,830	
Total Governmental Activities Long-Term Liabilities	<u>\$ 205,608,280</u>	<u>\$ 11,128,405</u>	<u>\$ 15,602,692</u>	<u>\$ (1,434,392)</u>	<u>\$ 199,699,601</u>	<u>\$ 10,483,085</u>
Business-type activities:						
Bonds payable:						
General obligation bonds*	\$ 47,005,230	\$ 1,530,000	\$ 4,044,810	\$ 1,405,000	\$ 45,895,420	\$ 4,720,410
Premium on bonds*	4,533,422		425,922	29,392	4,136,892	
Total bonds payable	51,538,652	1,530,000	4,470,732	1,434,392	50,032,312	4,720,410
Compensated absences	51,852	20,385	13,928		58,309	16,163
Business-Type Activities Long-Term Liabilities	<u>\$ 51,590,504</u>	<u>\$ 1,550,385</u>	<u>\$ 4,484,660</u>	<u>\$ 1,434,392</u>	<u>\$ 50,090,621</u>	<u>\$ 4,736,573</u>

\* The Town transferred debt from governmental activities to business-type activities during the fiscal year.

The liability for the governmental activities compensated absences, net pension liability and net OPEB liability are liquidated normally by the General Fund.

**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.

**TOWN OF TRUMBULL, CONNECTICUT**  
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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, 2019</u>
Governmental:						
General purpose:						
General obligation refunding	8/19/08	8/19/21	3.25-5%	\$ 5,241,880	various	\$ 947,580
General obligation refunding	10/6/09	9/15/23	3-5%	17,523,000	various	6,893,000
General obligation	9/1/10	9/1/28	3-5%	10,000,000	various	757,000
General obligation	9/1/11	9/1/31	2-4%	14,310,000	various	1,430,000
General obligation refunding	3/15/12	9/1/30	2-4%	14,862,000	various	9,316,000
General obligation	9/1/12	9/1/32	2-3%	15,900,000	various	11,130,000
General obligation	9/1/13	9/1/33	2.5-4.5%	6,605,000	various	4,955,000
General obligation	3/12/14	9/1/27	3-5%	7,844,000	various	2,728,000
General obligation	9/5/14	9/1/35	2-4%	6,875,000	various	5,495,000
General obligation refunding	11/4/14	6/30/29	2-5%	545,000	various	423,000
General obligation	9/5/15	9/1/36	2.125-4%	6,600,000	various	5,610,000
General obligation refunding	6/7/16	6/30/30	2.5-4%	3,520,000	various	3,220,000
General obligation	9/1/16	6/30/37	2-4%	7,630,000	various	6,860,000
General obligation refunding	10/25/17	6/30/32	3-5%	12,395,000	various	12,395,000
General obligation	9/2/17	6/30/38	2-4%	9,060,000	various	8,615,000
General obligation	8/29/18	6/30/39	2.25-4%	9,080,000	various	9,080,000
Total governmental activities						<u>89,854,580</u>
Business-Type:						
General purpose:						
General obligation	8/19/08	8/19/21	3.25-5%	2,790,180	various	367,420
General obligation refunding	10/6/09	9/15/23	3-5%	7,967,000	various	2,442,000
General obligation	9/1/10	9/1/29	2.25-4.05%	12,000,000	various	908,000
General obligation	9/1/11	9/1/31	2-4%	12,000,000	various	1,200,000
General obligation refunding	3/15/12	9/1/30	2-4%	11,208,000	various	6,794,000
General obligation	9/1/12	9/1/32	2-3%	5,500,000	various	3,850,000
General obligation	9/1/13	9/1/33	2.5-4.5%	5,000,000	various	3,750,000
General obligation	3/12/14	9/1/27	3-5%	2,171,000	various	712,000
General obligation	9/5/14	9/1/35	2-4%	700,000	various	560,000
General obligation refunding	11/4/14	6/30/29	2-5%	11,315,000	various	8,657,000
General obligation	9/5/15	6/1/36	2.125-4%	900,000	various	765,000
General obligation refunding	6/7/16	6/30/30	2.5-4%	2,590,000	various	2,255,000
General obligation refunding	10/25/17	6/30/32	3-5%	12,105,000	various	12,105,000
General obligation	8/29/18	6/30/39	2.25-4%	1,530,000	various	1,530,000
Total business-type activities						<u>45,895,420</u>
Total Outstanding						<u>\$ 135,750,000</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The annual requirements to amortize bonds payable as of June 30, 2019 are as follows:

		<b>Governmental Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2020	\$	8,059,590	\$ 2,935,482
2021		8,022,990	2,641,522
2022		7,462,000	2,330,546
2023		7,169,000	2,042,376
2024		7,098,000	1,780,286
2025-2029		27,608,000	5,953,581
2030-2034		18,220,000	2,206,094
2035-2039		6,215,000	372,975
	\$	<u>89,854,580</u>	<u>\$ 20,262,862</u>

		<b>Business-Type Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2020	\$	4,720,410	\$ 1,679,206
2021		4,737,010	1,505,778
2022		4,623,000	1,309,072
2023		4,146,000	1,119,868
2024		4,142,000	955,264
2025-2029		16,812,000	2,714,148
2030-2034		6,200,000	485,412
2035-2039		515,000	37,150
	\$	<u>45,895,420</u>	<u>\$ 9,805,898</u>

The following is a schedule of bond anticipation note activity for the year ended June 30, 2019:

	<b>Governmental Activities</b>
Balance, July 1, 2018	\$ 9,210,000
Issued	8,855,000
Retired	<u>(9,210,000)</u>
Balance, June 30, 2019	<u>\$ 8,855,000</u>

The above retired note with an interest rate of 2.00 matured on August 29, 2018. The issued notes had an interest rate of 2.00% and matures on August 28, 2019, and were issued for a variety of projects, including Town, Board of Education and WPCA projects, approved as part of the 2016-2017 through 2018-2019 capital plans.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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**General Obligation Bonds - New Issue**

On August 21, 2018, the Town issued \$10,610,000 of general obligation bonds with interest rates ranging from 2.25% to 4.00% payable in annual installments of \$530,000. The bonds mature on August 15, 2038.

**General Obligation Bonds - Advance Refunding**

In prior years, the Town refunded bonds which 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 \$14,620,312 at June 30, 2019. The outstanding balance of the defeased bonds as of June 30, 2019 is \$14,475,000.

**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	\$ 348,536	\$ 63,148	\$ 285,388
Schools	697,073	60,758	636,315
Sewers	580,894	25,656	555,238
Urban renewal	503,441		503,441
Pension deficit	464,715		464,715

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$1,084 million.

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds (net of projected grants) at June 30, 2019 is \$31,073,598. 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**  
**JUNE 30, 2019**

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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 32,324	\$ 32,324
Permanent funds			58,807	58,807
Restricted for:				
Grants			6,613	6,613
Permanent funds			102,754	102,754
Committed to:				
General government	46,319		690,360	736,679
Public works			361,258	361,258
Public safety			1,393,463	1,393,463
Health and welfare			12,252	12,252
Libraries			2,547	2,547
Parks and recreation			294,156	294,156
Education	148,977			148,977
Capital projects			4,248,639	4,248,639
Assigned to:				
Tax appeals	1,500,000			1,500,000
Pensions	500,000			500,000
General government	44,557			44,557
Public works	26,208			26,208
Public safety	23,760			23,760
Health and welfare	116			116
Libraries	1,132			1,132
Parks and recreation	57,683			57,683
Education	298			298
Unassigned	<u>23,574,009</u>	<u>(14,386,375)</u>	<u>(5,073,942)</u>	<u>4,113,692</u>
Total Fund Balances	\$ <u>25,923,059</u>	\$ <u>(14,386,375)</u>	\$ <u>2,129,231</u>	\$ <u>13,665,915</u>

Significant encumbrances of \$153,754 at June 30, 2019 are contained in the above table in the assigned categories of the General Fund.



**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The Town had deficits in the following funds:

Major Fund:	
Five Year Capital Plan	\$ 14,386,375
Nonmajor Governmental Funds:	
Millington League Settlement	75,853
School Lunch	85,570
Land Acquisition	145,524
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	3,836,720
Internal Service Fund:	
Insurance Reserve Fund	412,707

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, 2019 was \$850,000 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, 2019, \$3,342,848 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>
2018-19	\$ 3,342,848	\$ 1,595,077	\$ 1,595,077	\$ 3,342,848
2017-18	3,112,395	1,667,860	1,437,407	3,342,848

## 10. OTHER POSTEMPLOYMENT BENEFITS

### Post-Retirement Medical Program

#### 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.

Management of the post employment benefits plan is vested with the Police Department. Policy oversight is provided by the Administrative committee, which is comprised of the Town's First Selectman, the Town's Treasurer, the Town's Finance Director, the Union President and a Union representative.

At June 30, 2019, plan membership consisted of the following:

	<b>Post Retirement Medical Program</b>
Actives (covered)	929
Actives (not covered)	256
Retirees (covered)	86
Retirees (not covered)	15
Total	<u>1,286</u>

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**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.

**D. Investments**

**Investment Policy**

The OPEB Benefits Plan investment policy limits investments to money market accounts.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 1.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability of the Town**

The Town's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	\$	29,407,602
Plan fiduciary net position		<u>682,772</u>
Net OPEB Liability	\$	<u><u>28,724,830</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		2.32%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.00%, average, including inflation
Investment rate of return	3.36%, net of OPEB plan investment expense,
Healthcare cost trend rates	7.50% to 6.75% over a 3 year period.

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Mortality rates were based on Pre- and Post Retirement: 1994 Uninsured Pensioner Mortality table, with rates projected to 2014.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2016.

The long-term expected rate of return on OPEB plan investments was determined to be the 20 year bond rate of 3.36%.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.36%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 33,129,073	\$ 682,756	\$ 32,446,317
Changes for the year:			
Service cost	634,451		634,451
Interest on total OPEB liability	1,102,679		1,102,679
Differences between expected and actual experience	(5,829,127)		(5,829,127)
Changes in assumptions	1,316,325		1,316,325
Employer contributions		931,250	(931,250)
Member contributions	65,701	65,701	-
Net investment income		14,565	(14,565)
Benefit payments, including refund to employee contributions	(1,011,500)	(1,011,500)	-
Administrative expenses			-
Net changes	(3,721,471)	16	(3,721,487)
Balances as of June 30, 2019	\$ 29,407,602	\$ 682,772	\$ 28,724,830

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**F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB 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 discount rate:

	<b>1% Decrease (2.36%)</b>	<b>Current Discount Rate (3.36%)</b>	<b>1% Increase (4.36%)</b>
Net OPEB Liability	\$ 32,379,192	\$ 28,724,830	\$ 25,632,693

**G. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease (6.5% Decreasing to 5.75%)</b>	<b>Healthcare Cost Trend Rates (7.5% Decreasing to 6.75%)</b>	<b>1% Increase (8.5% Decreasing to 7.75%)</b>
Net OPEB Liability	\$ 25,377,593	\$ 28,724,830	\$ 32,690,423

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$1,798,232. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 142,346
Net difference between projected and actual earning on pension plan investments	84,401
Total	\$ <u>226,747</u>

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

<u>Year Ending June 30</u>		
2019	\$	61,078
2020		61,078
2021		60,851
2022		43,740

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan**

**A. Plan Description**

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

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

**B. Benefit Provisions**

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

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

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

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If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**Survivor Health Care Coverage**

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

**C. Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

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**D. Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

*Employees*

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

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

At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>34,960,809</u>
Total	\$ <u><u>34,960,809</u></u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of (\$11,613,960) in Exhibit II.



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**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

**I. 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. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

**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.

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.

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The membership of the plan consisted of the following at July 1, 2018:

	<b>Police Benefit Plan</b>	<b>Town Pension Plan</b>
Retirees and beneficiaries receiving benefits	60	372
Terminated plan members entitled to but not yet receiving benefits	2	72
Active plan members	63	365
	<hr/>	<hr/>
Total	125	809
	<hr/>	<hr/>

**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.

**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.

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**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Town and Police adopted asset allocation policy as of June 30, 2019:

**Town**

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

**Police**

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

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.29% for the Town Pension Plan and 7.29% 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.

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**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2019, were as follows:

	<b>Town</b>	
Total pension liability	\$	87,503,787
Plan fiduciary net position		<u>(37,713,552)</u>
Net Pension Liability	\$	<u><u>49,790,235</u></u>
Plan fiduciary net position as a percentage of the total pension liability		43.10%
	<b>Police</b>	
Total pension liability	\$	85,790,620
Plan fiduciary net position		<u>(68,780,043)</u>
Net Pension Liability	\$	<u><u>17,010,577</u></u>
Plan fiduciary net position as a percentage of the total pension liability		80.17%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018, 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	7.5%, 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 2018 using Scale AA.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2014.

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

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
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 7.5% for the Town Pension Plan and 7.5% 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.

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**Changes in the Net Pension Liability**

	<b>Town</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension</b>	<b>Plan Fiduciary</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Net Position</b>	<b>Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 85,127,709	\$ 35,404,874	\$ 49,722,835
Changes for the year:			
Service cost	1,567,163		1,567,163
Interest on total pension liability	6,302,407		6,302,407
Differences between expected and actual experience	167,945		167,945
Employer contributions		5,148,200	(5,148,200)
Member contributions		968,820	(968,820)
Net investment income		1,884,001	(1,884,001)
Benefit payments, including refund to employee contributions	(5,661,437)	(5,661,437)	-
Administrative expenses		(30,906)	30,906
Net changes	2,376,078	2,308,678	67,400
Balances as of June 30, 2019	\$ 87,503,787	\$ 37,713,552	\$ 49,790,235

	<b>Police</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension</b>	<b>Plan Fiduciary</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Net Position</b>	<b>Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 83,408,278	\$ 64,155,738	\$ 19,252,540
Changes for the year:			
Service cost	1,141,181		1,141,181
Interest on total pension liability	6,104,057		6,104,057
Differences between expected and actual experience	(1,461,171)		(1,461,171)
Employer contributions		3,157,000	(3,157,000)
Member contributions		333,579	(333,579)
Net investment income		4,696,660	(4,696,660)
Benefit payments, including refund to employee contributions	(3,401,725)	(3,401,725)	-
Administrative expenses		(161,209)	161,209
Net changes	2,382,342	4,624,305	(2,241,963)
Balances as of June 30, 2019	\$ 85,790,620	\$ 68,780,043	\$ 17,010,577

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**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 7.50% for the Town Pension Plan and 7.50% 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 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Net Pension Liability	\$ 58,034,611	\$ 49,790,235	\$ 42,623,152

<b>Police</b>			
	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Net Pension Liability	\$ 29,141,970	\$ 17,010,577	\$ 7,103,046

**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	\$ 2,003,130	\$ 411,751	\$ 681,512	\$ 3,096,393
Investments	35,707,411	68,367,429		104,074,840
Receivables	3,011	863	1,260	5,134
Total assets	<u>37,713,552</u>	<u>68,780,043</u>	<u>682,772</u>	<u>107,176,367</u>
Net Position Held in Trust for Pension Benefits and Other Purposes	<u>\$ 37,713,552</u>	<u>\$ 68,780,043</u>	<u>\$ 682,772</u>	<u>\$ 107,176,367</u>



**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**Changes in Pension Net Position**

	<b><u>Town Pension</u></b>	<b><u>Police Pension</u></b>	<b><u>OPEB Trust Fund</u></b>	<b><u>Total</u></b>
Additions:				
Contributions:				
Employer	\$ 5,148,200	\$ 3,157,000	\$ 931,250	\$ 9,236,450
Plan members	968,820	333,579	65,701	1,368,100
Total contributions	<u>6,117,020</u>	<u>3,490,579</u>	<u>996,951</u>	<u>10,604,550</u>
Investment income:				
Net change in fair value of investments	298,664			298,664
Interest and dividends	1,585,337	4,696,660	14,565	6,296,562
Net investment income	<u>1,884,001</u>	<u>4,696,660</u>	<u>14,565</u>	<u>6,595,226</u>
Total additions	<u>8,001,021</u>	<u>8,187,239</u>	<u>1,011,516</u>	<u>17,199,776</u>
Deductions:				
Benefits	5,661,437	3,401,725	1,011,500	10,074,662
Administrative	30,906	161,209		192,115
	<u>5,692,343</u>	<u>3,562,934</u>	<u>1,011,500</u>	<u>10,266,777</u>
Change in net position	2,308,678	4,624,305	16	6,932,999
Net position at beginning of year	<u>35,404,874</u>	<u>64,155,738</u>	<u>682,756</u>	<u>100,243,368</u>
Net Position at End of Year	<u>\$ 37,713,552</u>	<u>\$ 68,780,043</u>	<u>\$ 682,772</u>	<u>\$ 107,176,367</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

For the year ended June 30, 2019, the Town recognized pension expense of \$1,407,591 and \$1,735,906 for the Town and Police plans, respectively. At June 30, 2019, 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	\$ 881,262	\$
Changes of assumptions		5,110,501
Net difference between projected and actual earning on pension plan investments	<u>634,932</u>	<u></u>
Total	<u>\$ 1,516,194</u>	<u>\$ 5,110,501</u>

	<b>Police</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 1,761,683
Changes of assumptions		464,122
Net difference between projected and actual earning on pension plan investments	<u></u>	<u>380,155</u>
Total	<u>\$ -</u>	<u>\$ 2,605,960</u>

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

<b><u>Year Ending June 30</u></b>	<b><u>Town</u></b>	<b><u>Police</u></b>
2020	\$ (2,493,245)	(740,921)
2021	(1,542,136)	(1,184,187)
2022	284,251	(540,961)
2023	156,823	(139,891)

## **B. Connecticut Teachers Retirement System - Pension**

### **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.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

*Employees*

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2019, 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>174,885,776</u>
Total	\$ <u>174,885,776</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$19,627,838 in Exhibit II.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

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

**TOWN OF TRUMBULL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

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

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	100.0%	

### **Discount Rate**

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

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

The 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**

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.

**TOWN OF TRUMBULL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

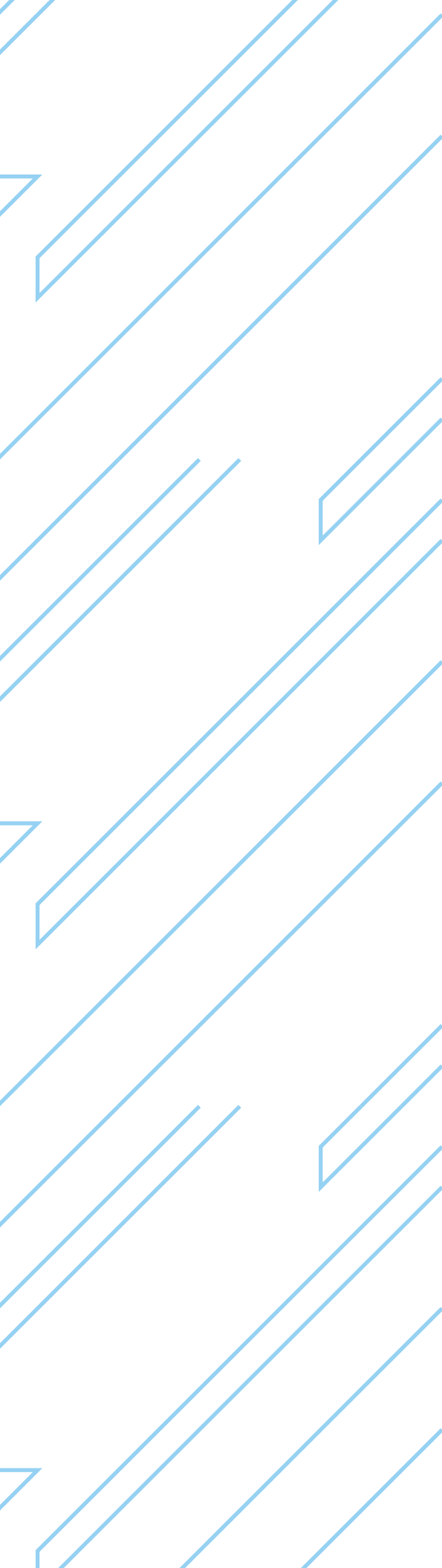
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The Town and the other eight municipalities have exercised their option to extend the contract for another 10 years to 2024, retroactively to July 1, 2014. Wheelabrator (Resco) will bill each Participating Municipality a fixed charge of \$60.25 per 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 SolidWaste 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.

### **13. SUBSEQUENT EVENTS**

On August 28, 2019, the Town issued \$9,665,000 General Obligation Bonds at a variable rate of 2.0%-4.0% and a final maturity of August 15, 2039, to permanently finance a range of capital projects approved by the Town in the 2015-2016 through 2019-2020 capital plan, \$7,995,000 of General Obligation Refunding Bonds, to refund \$7,120,000 of 2009 series B bonds, and \$1,315,000 of 2011 bonds with an interest rate of 5.0% and a final maturity of September 15, 2023, and \$8,700,000 of Bond Anticipation Notes with an interest rate of 1.50% due August 27, 2020.



## **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, 2019**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Property Taxes:				
Current levy	\$ 157,840,530	\$ 157,840,530	\$ 156,960,483	\$ (880,047)
Interest and lien fees	650,000	650,000	831,996	181,996
PILOT - St. Joseph's Village	21,243	21,243	23,607	2,364
Total property taxes	<u>158,511,773</u>	<u>158,511,773</u>	<u>157,816,086</u>	<u>(695,687)</u>
Intergovernmental:				
Education equalization grant	2,759,291	2,759,291	2,759,291	-
Special Ed-Excess	250,000	250,000		(250,000)
Military state and local	18,000	18,000	18,286	286
Social services grant			6,659	6,659
Nonpublic pupils	60,000	60,000	63,905	3,905
State property reimbursement	10,276	10,276	10,276	-
Disability exemption	2,700	2,700	2,562	(138)
Distribution to towns grant			27,153	27,153
Veterans grant	30,000	30,000	26,949	(3,051)
Telephone access tax	85,000	85,000	82,137	(2,863)
Manufacturing - tax relief	189,309	189,309	189,309	-
VOAG grant	600,000	600,000	615,715	15,715
DOT senior transportation			16,488	16,488
DRS controller interest tax			1,326	1,326
Per capita grant	604,706	604,706	604,706	-
Total intergovernmental	<u>4,609,282</u>	<u>4,609,282</u>	<u>4,424,762</u>	<u>(184,520)</u>
Licenses, Permits, Fees and Other:				
Town clerk fees	700,000	700,000	854,571	154,571
Town attorney	45,000	45,000	64,264	19,264
Planning and zoning	56,000	56,000	123,858	67,858
Parks and recreation	300,000	300,000	369,022	69,022
Police	50,000	50,000	41,557	(8,443)
Building	675,000	675,000	853,805	178,805
Tuition/rentals - BOE	1,080,000	1,080,000	882,852	(197,148)
Fire marshal	55,000	55,000	60,000	5,000
Disposal area	285,000	285,000	403,680	118,680
Counseling center	15,000	15,000	13,645	(1,355)
Emergency medical services	1,500,000	1,500,000	1,690,330	190,330
Town engineer	75,000	75,000	61,086	(13,914)
Miscellaneous revenue	79,000	79,000	203,209	124,209
Health Department	100,000	100,000	102,974	2,974
Senior services	10,400	10,400	20,569	10,169
Cell tower rental	200,000	200,000	213,999	13,999
Total licenses, permits, fees and other	<u>5,225,400</u>	<u>5,225,400</u>	<u>5,959,421</u>	<u>734,021</u>

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**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, 2019**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Investment income:				
Unrealized loss	\$	\$	\$ 152,217	\$ 152,217
Income from investments	<u>375,000</u>	<u>375,000</u>	<u>1,315,980</u>	<u>940,980</u>
Total investment income	<u>375,000</u>	<u>375,000</u>	<u>1,468,197</u>	<u>1,093,197</u>
Other financing sources:				
Transfer in	994,357	994,357	980,257	(14,100)
Use of fund balance				-
Total other financing sources	<u>994,357</u>	<u>994,357</u>	<u>980,257</u>	<u>(14,100)</u>
Total Revenues and Other Financing Sources	<u>\$ 169,715,812</u>	<u>\$ 169,715,812</u>	170,648,723	<u>\$ 932,911</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut pension expense for the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			19,627,838	
State of Connecticut OPEB expense for the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			(11,613,960)	
The Town budgets for certain revenues net of their related expenditures			1,631,931	
The Town budgets for bond premiums received net of debt service expenditures			<u>44,364</u>	
Total Revenues and Other Financing Sources as Reported on the General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Exhibit A-2			180,338,896	
The Town does not budget for the Special Revenue BOE Programs, or Trumbull Day/Fall Festival Fund revenues			<u>2,442,514</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 182,781,410</u>	

**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:				
Town council	\$ 92,233	\$ 92,233	\$ 89,856	\$ 2,377
Ethics commission	120	120		120
First selectman	309,197	309,197	299,903	9,294
Probate judge	12,351	12,351	12,351	-
Elections registrar	135,931	135,931	135,704	227
Finance director	577,230	577,230	537,448	39,782
Finance board	89,872	89,872	87,737	2,135
Assessor	353,328	357,053	355,097	1,956
Tax review	2,245	2,245	1,482	763
Tax collector	325,554	325,554	298,570	26,984
Purchasing	112,830	112,895	112,863	32
Treasurer	45,785	45,785	25,787	19,998
Technology	990,288	990,288	974,948	15,340
Town attorneys	393,500	612,719	612,718	1
Human resources	291,589	316,524	303,968	12,556
Employee benefits	16,845,987	16,845,987	16,816,412	29,575
Town clerk	289,923	297,855	305,983	(8,128)
Town hall	1,884,478	1,833,189	1,479,489	353,700
Planning and zoning	283,445	289,072	287,571	1,501
Economic development	169,476	169,476	162,376	7,100
Inland-wetlands commission	11,525	11,525	6,638	4,887
Conservation commission	6,135	6,135	795	5,340
Transit district	44,084	44,084	44,084	-
Trumbull nature center	2,770	2,811	2,593	218
Total general government	<u>23,269,876</u>	<u>23,480,131</u>	<u>22,954,373</u>	<u>525,758</u>
Public Safety:				
Police	9,389,126	9,389,126	9,220,920	168,206
Dog warden	142,009	142,009	133,901	8,108
Emergency medical service	1,447,415	1,447,415	1,385,265	62,150
Fire marshal	337,178	357,877	353,896	3,981
Fire hydrants - water	1,457,674	1,503,420	1,503,419	1
Building official	371,551	382,573	381,956	617
Emergency management	72,315	72,315	66,613	5,702
Total public safety	<u>13,217,268</u>	<u>13,294,735</u>	<u>13,045,970</u>	<u>248,765</u>

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**TOWN OF TRUMBULL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Public Works:				
Public works Director	\$ 193,798	\$ 196,082	\$ 194,373	\$ 1,709
Street lights	384,795	362,387	362,387	-
Public works (highway)	2,681,203	2,655,584	2,596,709	58,875
Snow removal	519,950	541,539	541,538	1
Highway construction	99,019	99,019	99,019	-
Public works maintenance	1,016,984	1,033,690	1,029,682	4,008
Fleet maintenance	1,154,648	1,154,648	1,087,798	66,850
Disposal area	2,265,528	2,390,240	2,361,479	28,761
Town engineer	634,504	634,504	603,459	31,045
Total public works	<u>8,950,429</u>	<u>9,067,693</u>	<u>8,876,444</u>	<u>191,249</u>
Public Health:				
Board of health	355,613	355,613	347,493	8,120
Vital statistics	1,150	1,150	1,042	108
Nursing - seniors	33,873	33,873	33,442	431
Non-public schools	328,278	328,278	319,058	9,220
Total public health	<u>718,914</u>	<u>718,914</u>	<u>701,035</u>	<u>17,879</u>
Social Services:				
Social services	116,453	116,453	107,275	9,178
Counseling center	346,531	346,531	330,666	15,865
Senior citizen commission	311,158	311,158	300,636	10,522
Total social services	<u>774,142</u>	<u>774,142</u>	<u>738,577</u>	<u>35,565</u>
Libraries	<u>1,604,326</u>	<u>1,606,566</u>	<u>1,604,434</u>	<u>2,132</u>
Recreation and Parks:				
Public events	20,000	20,000	18,167	1,833
Trumbull Day	20,000	20,000	20,000	-
Recreation and parks	873,400	873,400	859,006	14,394
Parks	2,104,343	2,189,021	2,026,220	162,801
Tree warden	152,368	190,256	173,413	16,843
Total recreation and parks	<u>3,170,111</u>	<u>3,292,677</u>	<u>3,096,806</u>	<u>195,871</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, 2019**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Education:				
Contractual services	\$ 213,000	\$ 151,556	\$ 135,080	\$ 16,476
Operational expenditures	103,536,727	103,536,727	103,536,727	-
Busing	997,626	1,022,576	1,022,575	1
Use of buildings	200,000	229,387	229,387	-
Community television	82,750	82,750	69,519	13,231
Business education initiative	10,800	10,800	10,613	187
School nurses	872,872	872,872	863,311	9,561
Total education	<u>105,913,775</u>	<u>105,906,668</u>	<u>105,867,212</u>	<u>39,456</u>
Debt Service:				
Principal - bonds and notes	8,128,721	8,171,893	8,198,143	(26,250)
Interest - bonds	<u>3,968,250</u>	<u>3,932,185</u>	<u>3,881,104</u>	<u>51,081</u>
Total debt service	<u>12,096,971</u>	<u>12,104,078</u>	<u>12,079,247</u>	<u>24,831</u>
Total Expenditures	<u>\$ 169,715,812</u>	<u>\$ 170,245,604</u>	168,964,098	<u>\$ 1,281,506</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut pension expense for the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			19,627,838	
State of Connecticut OPEB expense for the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			(11,613,960)	
The Town budgets for certain revenues net of their related expenditures			1,631,931	
The Town budgets for bond premiums received net of debt service expenditures			44,364	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			(151,269)	
Total Expenditures and Other Financing Uses as Reported on the General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Exhibit A-2			178,503,002	
The Town does not budget for the Special Revenue BOE Programs, or Trumbull Day/Fall Festival Fund expenditures			2,388,778	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 180,891,780</u>	

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

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 2,793,812	\$ 2,701,045	\$ 2,448,431	\$ 1,759,518	\$ 1,692,325	\$ 1,567,163
Interest	4,505,608	4,697,592	5,096,998	5,946,083	6,125,358	6,302,407
Differences between expected and actual experience	(1,420,269)	454,201		2,265,911		167,945
Changes of assumptions	(888,190)	(6,003,401)		(15,331,501)		
Benefit payments, including refunds of member contributions	(4,191,446)	(4,436,959)	(4,632,778)	(5,144,488)	(5,338,169)	(5,661,437)
Net change in total pension liability	799,515	(2,587,522)	2,912,651	(10,504,477)	2,479,514	2,376,078
Total pension liability - beginning	92,028,028	92,827,543	90,240,021	93,152,672	82,648,195	85,127,709
Total pension liability - ending	92,827,543	90,240,021	93,152,672	82,648,195	85,127,709	87,503,787
Plan fiduciary net position:						
Contributions - employer	4,576,000	4,693,000	4,144,000	4,243,000	5,048,000	5,148,200
Contributions - member	890,129	957,865	1,013,782	1,014,599	973,039	968,820
Net investment income (loss)	3,621,539	760,124	(325,750)	4,067,296	2,044,233	1,884,001
Benefit payments, including refunds of member contributions	(4,191,446)	(4,436,959)	(4,632,778)	(5,144,488)	(5,338,169)	(5,661,437)
Administrative expense	(43,756)	(65,602)	(78,943)	(74,325)	(27,815)	(30,906)
Net change in plan fiduciary net position	4,852,466	1,908,428	120,311	4,106,082	2,699,288	2,308,678
Plan fiduciary net position - beginning	21,718,299	26,570,765	28,479,193	28,599,504	32,705,586	35,404,874
Plan fiduciary net position - ending	26,570,765	28,479,193	28,599,504	32,705,586	35,404,874	37,713,552
Town's Net Pension Liability - Ending	\$ 66,256,778	\$ 61,760,828	\$ 64,553,168	\$ 49,942,609	\$ 49,722,835	\$ 49,790,235
Plan fiduciary net position as a percentage of the total pension liability	28.61%	31.55%	30.69%	39.57%	41.59%	43.10%
Covered payroll	\$ 16,964,000	\$ 18,823,000	\$ 18,823,000	\$ 18,737,000	\$ 18,737,000	\$ 17,938,000
Town's net pension liability as a percentage of covered payroll	390.63%	328.17%	342.95%	266.55%	265.37%	277.57%

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

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

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 1,197,110	\$ 1,244,273	\$ 1,222,269	\$ 1,208,765	\$ 1,263,157	\$ 1,141,181
Interest	4,873,896	5,121,135	5,409,980	5,610,735	5,918,839	6,104,057
Differences between expected and actual experience	(1,799,468)	(225,852)		(1,330,307)		(1,461,171)
Changes of assumptions	337,006	(2,137,428)		(593,578)		
Benefit payments, including refunds of member contributions	(2,087,953)	(2,317,222)	(2,524,849)	(2,674,840)	(2,856,832)	(3,401,725)
Net change in total pension liability	2,520,591	1,684,906	4,107,400	2,220,775	4,325,164	2,382,342
Total pension liability - beginning	68,549,442	71,070,033	72,754,939	76,862,339	79,083,114	83,408,278
Total pension liability - ending	71,070,033	72,754,939	76,862,339	79,083,114	83,408,278	85,790,620
Plan fiduciary net position:						
Contributions - employer	1,700,000	2,050,000	2,907,021	3,004,000	3,080,000	3,157,000
Contributions - member	348,591	365,070	353,864	374,797	366,204	333,579
Net investment income	5,662,996	1,784,182	791,309	6,272,024	4,757,590	4,696,660
Benefit payments, including refunds of member contributions	(2,087,953)	(2,317,222)	(2,524,849)	(2,674,840)	(2,856,832)	(3,401,725)
Administrative expense	(177,899)	(145,610)	(125,049)	(134,628)	(153,018)	(161,209)
Net change in plan fiduciary net position	5,445,735	1,736,420	1,402,296	6,841,353	5,193,944	4,624,305
Plan fiduciary net position - beginning	43,535,990	48,981,725	50,718,145	52,120,441	58,961,794	64,155,738
Plan fiduciary net position - ending	48,981,725	50,718,145	52,120,441	58,961,794	64,155,738	68,780,043
Town's Net Pension Liability - Ending	\$ 22,088,308	\$ 22,036,794	\$ 24,741,898	\$ 20,121,320	\$ 19,252,540	\$ 17,010,577
Plan fiduciary net position as a percentage of the total pension liability	68.92%	69.71%	67.81%	74.56%	76.92%	80.17%
Covered payroll	\$ 5,995,000	\$ 5,995,000	\$ 5,995,000	\$ 6,289,000	\$ 6,289,000	\$ 5,906,000
Town's net pension liability as a percentage of covered payroll	368.45%	367.59%	412.71%	319.94%	306.13%	288.02%

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 4,035,000	\$ 4,472,000	\$ 4,438,000	\$ 4,576,000	\$ 4,576,000	\$ 4,639,000	\$ 4,144,000	\$ 4,243,000	\$ 5,048,000	\$ 5,148,000
Contributions in relation to the actuarially determined contribution	2,025,000	2,325,000	3,000,000	3,700,000	4,576,000	4,693,000	4,144,000	4,243,000	5,048,000	5,148,200
Contribution Deficiency (Excess)	\$ 2,010,000	\$ 2,147,000	\$ 1,438,000	\$ 876,000	\$ -	\$ (54,000)	\$ -	\$ -	\$ -	\$ (200)
Covered payroll	\$ 18,308,000	\$ 18,308,000	\$ 18,559,000	\$ 18,559,000	\$ 16,964,000	\$ 18,823,000	\$ 18,823,000	\$ 18,737,000	\$ 18,737,000	\$ 17,938,000
Contributions as a percentage of covered payroll	11.06%	12.70%	16.16%	19.94%	26.97%	24.93%	22.02%	22.65%	26.94%	28.70%

**Notes to Schedule**

Valuation date:	July 1, 2018
Measurement date:	June 30, 2019
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 closed 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 2018 using Scale AA (dynamic)
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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 2,438,000	\$ 3,474,000	\$ 3,393,000	\$ 3,088,000	\$ 3,088,000	\$ 3,226,000	\$ 2,907,000	\$ 3,004,000	\$ 3,080,000	\$ 3,157,000
Contributions in relation to the actuarially determined contribution	1,250,000	1,350,000	1,450,000	1,600,000	1,700,000	2,050,000	2,907,000	3,004,000	3,080,000	3,157,000
Contribution Deficiency (Excess)	\$ 1,188,000	\$ 2,124,000	\$ 1,943,000	\$ 1,488,000	\$ 1,388,000	\$ 1,176,000	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,542,000	\$ 5,542,000	\$ 5,358,000	\$ 5,358,000	\$ 5,655,000	\$ 5,995,000	\$ 5,995,000	\$ 6,289,000	\$ 6,289,000	\$ 5,906,000
Contributions as a percentage of covered payroll	22.56%	24.36%	27.06%	29.86%	30.06%	34.20%	48.49%	47.77%	48.97%	53.45%

**Notes to Schedule**

Valuation date:	July 1, 2018
Measurement date:	June 30, 2019
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	7.5%, 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 2018 using Scale AA
Changes to the Plan Provisions Since Prior Year	None noted

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

	2014	2015	2016	2017	2018	2019
Town Pension Plan						
Annual money-weighted rate of return, net of investment expense	16.06%	2.78%	-1.22%	14.03%	6.19%	5.29%
Police Pension Plan						
Annual money-weighted rate of return, net of investment expense	12.99%	3.63%	1.55%	11.97%	8.02%	7.29%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	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>	<u>187,905,525</u>	<u>178,108,210</u>	<u>174,885,776</u>
Total	<u>\$ 129,130,140</u>	<u>\$ 139,705,936</u>	<u>\$ 187,905,525</u>	<u>\$ 178,108,210</u>	<u>\$ 174,885,776</u>
Town's covered-employee payroll	\$ 50,065,869	\$ 52,166,685	\$ 53,241,652	\$ 54,453,242	\$ 56,783,573
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.51%	59.50%	52.26%	55.93%	57.69%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule**

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:			
Service cost	\$ 790,313	\$ 829,829	\$ 634,451
Interest	968,427	1,010,692	1,102,679
Differences between expected and actual experience	(9,228)	(172,183)	(5,829,127)
Changes in assumptions			1,316,325
Contributions - member	66,101	66,995	65,701
Benefit payments	<u>(617,908)</u>	<u>(505,654)</u>	<u>(1,011,500)</u>
Net change in total OPEB liability	1,197,705	1,229,679	(3,721,471)
Total OPEB liability - beginning	<u>30,701,689</u>	<u>31,899,394</u>	<u>33,129,073</u>
Total OPEB liability - ending	<u>31,899,394</u>	<u>33,129,073</u>	<u>29,407,602</u>
Plan fiduciary net position:			
Contributions - employer	710,756	539,392	931,250
Contributions - member	66,101	66,995	65,701
Net investment income	2,159	7,425	14,565
Benefit payments	<u>(617,908)</u>	<u>(505,654)</u>	<u>(1,011,500)</u>
Net change in plan fiduciary net position	161,108	108,158	16
Plan fiduciary net position - beginning	<u>413,490</u>	<u>574,598</u>	<u>682,756</u>
Plan fiduciary net position - ending	<u>574,598</u>	<u>682,756</u>	<u>682,772</u>
Net OPEB Liability - Ending	<u>\$ 31,324,796</u>	<u>\$ 32,446,317</u>	<u>\$ 28,724,830</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.80%	2.06%	2.32%
Covered payroll	\$ 89,628,198	\$ 93,213,326	\$ 82,490,404
Net OPEB liability as a percentage of covered payroll	34.95%	34.81%	34.82%

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 1,767,326	\$ 1,916,068	\$ 1,961,359	\$ 1,711,014	\$ 1,779,694	\$ 1,690,667	\$ 1,757,696	\$ 1,591,840	\$ 2,941,036	2,686,818
Contributions in relation to the actuarially determined contribution	524,276	510,133	556,045	929,628	1,024,168	764,501	900,291	710,756	539,392	931,250
Contribution Deficiency (Excess)	\$ 1,243,050	\$ 1,405,935	\$ 1,405,314	\$ 781,386	\$ 755,526	\$ 926,166	\$ 857,405	\$ 881,084	\$ 2,401,644	1,755,568
Covered payroll	\$ 75,396,441	\$ 75,396,441	\$ 79,418,708	\$ 79,418,708	\$ 92,418,236	\$ 92,418,236	\$ 92,418,236	\$ 89,628,198	\$ 93,213,326	82,490,404
Contributions as a percentage of covered payroll	0.70%	0.68%	0.70%	1.17%	1.11%	0.83%	0.97%	0.79%	0.58%	1.13%

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

**Notes to Schedule**

Measurement date:

June 30, 2019

Valuation date:

July 1, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent per pay
Amortization period	20 year closed
Asset valuation method	Market Value
Inflation	4.50%
Healthcare cost trend rates	7.50% declining to 6.75% over a three year period
Salary increases	4.00%
Investment rate of return	3.36%
Retirement age	Police - age 47 with 25 years of service, Town and BOE non-certified employees age 62 with 10 years of service
Mortality	Teachers and administrators age 50 with 25 years of service, or age 55 with 30 years of service or age 60 with 10 years of service 1994 Uninsured pensioner mortality table with rates projected to 2014, separate tables for males and females

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

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	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	0.45%	0.45%	1.48%

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

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

	<u>2018</u>	<u>2019</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>45,843,019</u>	<u>34,960,809</u>
Total	<u>\$ 45,843,019</u>	<u>\$ 34,960,809</u>
Town's covered payroll	\$ 54,453,242	\$ 56,783,573
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

**Notes to Schedule**

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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