

**TOWN OF TRUMBULL, CONNECTICUT**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**TOWN OF TRUMBULL, CONNECTICUT**

**ANNUAL FINANCIAL REPORT**

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## Independent Auditors' Report

To the Town Council  
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, 2014, and the related notes to the financial statements, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of June 30, 2014 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 on pages 4 through 12, the budgetary comparison information on pages 53 through 57, the schedule of changes in net pension liability and related ratios for the Town and Police on pages 58 and 59, the schedule of employer contributions - last ten fiscal years for the Town and Police on pages 60 and 61 and the schedule of investment returns - last fiscal year on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Trumbull, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2014 on our consideration of the Town of Trumbull, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Trumbull, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 20, 2014

**TOWN OF TRUMBULL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014  
(In thousands)**

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

**Financial Highlights - Primary Government**

- On a government-wide basis, the assets of the Town of Trumbull exceeded its liabilities resulting in total net asset at the close of the fiscal year of \$166.7 million. Total net position for Governmental Activities at fiscal year-end was \$82.2 million and total net position for Business-Type Activities were \$84.5 million.
- On a government-wide basis, during the year, the Town's net position increased by \$20.35 million. Net position decreased by \$.9 million for Governmental Activities and increased by \$21.22 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 \$11.8 million, which are a decrease of \$6.5 million from the prior fiscal year due to \$5.7 million in BOE capital projects that will not be bonded until projects are completed.
- At the end of the current fiscal year, the total fund balance for the general fund alone was \$18.8 million, and a decrease of \$2 million from the prior fiscal year. Of the total fund balance in the general fund as of June 30, 2014, \$15.2 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 9.1% of total general fund expenditures of \$167 million.
- The Town of Trumbull's total debt increased by \$3.3 million during the current fiscal year. The key factors in the increase were the issuance of \$21.6 million in new bonds and an increase of \$.8 million and \$1 million of net pension obligation and net OPEB obligation, respectively.

**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 52 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 53 through 57 of this report.

## 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).

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 45,966	\$ 51,145	\$ 56,246	\$ 39,175	\$ 102,212	\$ 90,320
Capital assets, net of depreciation	226,522	220,253	99,072	98,431	325,593	318,684
Total assets	<u>272,488</u>	<u>271,398</u>	<u>155,318</u>	<u>137,606</u>	<u>427,806</u>	<u>409,004</u>
Deferred outflows of resources	<u>2,225</u>	<u>2,481</u>	<u>409</u>	<u>466</u>	<u>2,634</u>	<u>2,947</u>
Current liabilities	34,269	35,348	5,905	9,611	40,173	44,959
Noncurrent liabilities	156,986	155,009	65,287	65,150	222,273	220,159
Total liabilities	<u>191,255</u>	<u>190,357</u>	<u>71,192</u>	<u>74,761</u>	<u>262,447</u>	<u>265,118</u>
Deferred inflows of resources	<u>1,291</u>	<u>485</u>			<u>1,291</u>	<u>485</u>
Net Position:						
Net investment in capital assets	124,271	114,472	29,089	24,857	153,361	139,329
Restricted	195	227			195	227
Unrestricted	<u>(42,299)</u>	<u>(31,662)</u>	<u>55,446</u>	<u>38,454</u>	<u>13,147</u>	<u>6,792</u>
Total Net Position	<u>\$ 82,167</u>	<u>\$ 83,037</u>	<u>\$ 84,535</u>	<u>\$ 63,311</u>	<u>\$ 166,702</u>	<u>\$ 146,348</u>

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

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,694	\$ 10,160	\$ 10,264	\$ 8,327	\$ 20,958	\$ 18,487
Operating grants and contributions	20,484	16,717		11	20,484	16,728
Capital grants and contributions	1,623	16,402			1,623	16,402
General revenues:						
Property taxes	138,439	135,370			138,439	135,370
Grants and contributions not restricted to specific purposes	756	943	1,518	1,537	2,274	2,480
Unrestricted investment earnings	201	120	1,654	1,299	1,855	1,419
Other general revenues	8	71	20,299	16	20,307	87
Total revenues	<u>172,206</u>	<u>179,783</u>	<u>33,735</u>	<u>11,190</u>	<u>205,941</u>	<u>190,973</u>
Program expenses:						
General government	20,354	22,259			20,354	22,259
Public safety	14,207	12,797			14,207	12,797
Public works	11,005	10,125			11,005	10,125
Health and welfare	661	770			661	770
Libraries	1,570	1,885			1,570	1,885
Social services	550	632			550	632
Parks and recreation	2,741	2,744			2,741	2,744
Education	117,549	109,195			117,549	109,195
Interest on long-term debt	5,065	4,909			5,065	4,909
WPCA			10,364	9,190	10,364	9,190
Golf Course			1,522	1,667	1,522	1,667
Total program expenses	<u>173,701</u>	<u>165,316</u>	<u>11,886</u>	<u>10,857</u>	<u>185,587</u>	<u>176,173</u>
Excess before transfers	(1,496)	14,466	21,850	332	20,354	14,798
Transfers	625	696	(625)	(696)	-	-
Increase (Decrease) in Net Position	<u>\$ (871)</u>	<u>\$ 15,162</u>	<u>\$ 21,224</u>	<u>\$ (364)</u>	<u>\$ 20,354</u>	<u>\$ 14,798</u>

Trumbull's net position increased by \$20.3 million during the fiscal year, with net position of Governmental Activities decreasing by \$.9 million and net position of Business-Type Activities increasing by \$21.2 million.

Key elements of this increase are as follows:

- The Town's tax revenue increased \$3.1 million during the current fiscal year as a result of the increase in the mill rate and a 1% grand list growth.
- Capital grants and contributions decreased by \$14.8 million of which \$11.5 million was for progress payments from the State on the Trumbull High School renovations which is now complete and \$1.2 million on the Town's various Capital improvement projects.
- Operating grants and contributions increased by \$3.8 million of which \$2 million is for State on Behalf of Teachers retirement fund which is also reflected in the BOE expenditures.

- Education Costs increased \$8.4 million of which \$2 million was for the State on Behalf of Teachers retirement fund also reflected in operating grant revenues and other due to an overall increase in the operating budget
- In addition These factors more than offset the increase in the following expenses:
  1. Increase in the Town's pension contributions to bring it to this year's ARC.
  2. Increase in workers compensation due to ongoing open cases and final settlements.

The Business-Type Activities revenues increase of \$21.6 million which was a result of the completion and billing of the North Nichols sewer project.

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

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11.8 million. Of this amount the Town has an unassigned fund balance of \$2.9 million. The remaining \$8.9 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 \$15.2 million. Unassigned fund balance of the general fund represents 10% of total general fund expenditures.

**Water Pollution Control Authority.** The Water Pollution Control Authority (WPCA) had an unrestricted net position balance at June 30, 2014 of \$54.4 million and net investment in capital assets of \$26.6 million.

**Golf Course.** The Tashua Knolls Golf Course had an unrestricted net position balance at June 30, 2014 of \$1.0 million and net investment in capital assets of \$2.5 million.

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

The difference between the original budget and the final amended budget for expenditures was \$1.03 million and the major contributing factors can be summarized as follows:

- There was a supplemental appropriation for \$180,000 to cover Police overtime due to various public safety issues, of which it was transferred from the Special Detail Agency Fund.
- There was a supplemental appropriation for \$204,000 for the snow removal due to the various storms.
- There was a supplemental appropriation for \$200,000 for additional technology needs for the Town departments.
- There was a supplemental appropriation for \$65,000 for an audit of the Trumbull High School construction project.

- There were supplemental appropriations to EMS for a total of \$87,000 of which \$72,000 was for additional paramedic service and \$11,000 for the new CMED 911 Telephone service.
- There was a supplemental appropriation of \$94,000 for Fleet Maintenance for fuel due to pricing increase.
- There was a supplemental appropriation of \$110,000 for the recycling contract due to increase in volume of debris removal.

However, the final budget to actual expenditure variance was favorable by \$.9 million. The major reasons for the net variance are as follows:

- There were surpluses in various department due to vacancies totaling \$139,300 as follows:
 

Planning & Zoning	\$12,000
Counseling Center	\$31,800
Public works	\$65,500
Library	\$30,000
- Town Hall had a surplus of \$165,000 of which \$119,000 was in the Contingency due to favorable negotiations of the MATHAS union contract which settled the first year for a one-time bonus instead of a normal increase and no increase for the first year of the Public Works/Parks union contract and \$20,000 in the Liability, Auto and Property Insurance due to better premiums rates and less claims under deductibles.
- Parks has a surplus of \$19,000 due to various efficiencies.
- Employee Benefits has a surplus of \$83,000 of which \$72,000 due to reduction in medical benefits by moving to a self insured program and increasing employee's contributions.
- Technology department had a surplus of \$75,000 due to a vacancy in the department and Technology upgrades that were not able to be performed.
- Disposal Area had a surplus of \$45,000 due to various efficiencies.
- There was a surplus in Debt Service in the amount of \$126,000 due to bond refunding.

The difference between the final revenue budget and actual revenues resulted in a net deficit of \$1.8 million. The major reasons for the favorable variance are as follows:

- Licenses, permits and fees were over budget by \$539,000 due to an increase in the Town Clerk's revenue of \$133,000 due to more refinancing as a result of lower interest rates and liens filed, \$307,000 due to an increase in Building permits due to more construction in town and \$102,000 due to an increase in volume in the Disposal Area.
- There was an increase of \$161,000 in Transfers in due to a transfer from the Police Special Detail Agency Fund to cover the increase in police Overtime.
- There was a deficit in the amount of \$801,000 in the Property Taxes revenue due to settlement of various tax appeals
- There was a use of surplus in the amount of \$1,550,000 built in the budget to balance the budget and provide tax relief to the taxpayers.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the Town had \$326 million (net of accumulated depreciation) invested in a variety of capital assets, as reflected in the following schedule:

**TABLE 3**  
**CAPITAL ASSETS**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 39,153	\$ 39,153	\$ 1,962	\$ 1,962	\$ 41,115	\$ 41,115
Land improvements	4,693	4,201	2,661	2,746	7,354	6,947
Buildings and improvements	80,945	83,898	1,197	1,249	82,142	85,147
Machinery and equipment	3,261	3,142	335	368	3,596	3,510
Infrastructure	22,940	21,770	61,263	62,981	84,203	84,751
Vehicles	4,139	3,796			4,139	3,796
Construction in progress	71,390	64,293	31,654	29,126	103,044	93,419
Total	<u>\$ 226,522</u>	<u>\$ 220,253</u>	<u>\$ 99,072</u>	<u>\$ 98,432</u>	<u>\$ 325,592</u>	<u>\$ 318,685</u>

Additional information on the Town's capital assets can be found on pages 34 through 35 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town of Trumbull had total bonded debt outstanding of \$159.1 million. One hundred percent (100%) of this debt is backed by the full faith and credit of the Town government.

**TABLE 4**  
**LONG-TERM DEBT**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	<u>\$ 91,105</u>	<u>\$ 92,287</u>	<u>\$ 68,025</u>	<u>\$ 67,133</u>	<u>\$ 159,130</u>	<u>\$ 159,420</u>

The Town of Trumbull's total debt decreased by \$.3 million or .18% during the 2013-14 fiscal year.

The Town of Trumbull maintains an Aa2 rating from Moody's Investors Service, and received an upgrade to AA+ by Standard & Poor's and AA/Stable by Fitch Rating.

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 \$964.8 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 36 through 39 of this report.

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

The unemployment rate for the Town is currently 6.1%, which compares favorably to the State's average unemployment rate of 7.5% and the Bridgeport Labor Market of 8.2%.

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

Inflationary trends in the region compare favorably to national indices.

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

### **Request for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Maria Pires, Director of Finance, 5866 Main Street, Trumbull, CT 06611.

## TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 36,219,942	\$	\$ 36,219,942
Investments	10,251,703		10,251,703
Receivables, net	12,216,839	43,475,744	55,692,583
Internal balances	(13,130,497)	13,130,497	-
Interfund loans	378,096	(378,096)	-
Inventories	29,172		29,172
Other assets	661	18,082	18,743
Capital assets:			
Assets not being depreciated	110,542,648	33,616,009	144,158,657
Assets being depreciated, net	115,978,972	65,455,825	181,434,797
Total assets	<u>272,487,536</u>	<u>155,318,061</u>	<u>427,805,597</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	<u>2,224,702</u>	<u>408,957</u>	<u>2,633,659</u>
Liabilities:			
Accounts and other payables	8,530,808	1,038,850	9,569,658
Accrued liabilities	1,958,039	19,249	1,977,288
Due to fiduciary funds	1,218,435		1,218,435
Bond anticipation notes	9,521,000		9,521,000
Unearned revenue	3,353,538		3,353,538
Noncurrent liabilities:			
Due within one year	9,686,704	4,846,834	14,533,538
Due in more than one year	156,986,442	65,286,621	222,273,063
Total liabilities	<u>191,254,966</u>	<u>71,191,554</u>	<u>262,446,520</u>
Deferred Inflows of Resources:			
Advance property tax collections	1,029,995		1,029,995
Advance summer school collections	196,415		196,415
Advance school lunch sales	64,158		64,158
Total deferred inflows of resources	<u>1,290,568</u>	<u>-</u>	<u>1,290,568</u>
Net Position:			
Net investment in capital assets	124,271,131	29,089,425	153,360,556
Restricted for:			
Trust purposes:			
Nonexpendable	194,620		194,620
Unrestricted	(42,299,047)	55,446,039	13,146,992
Total Net Position	<u>\$ 82,166,704</u>	<u>\$ 84,535,464</u>	<u>\$ 166,702,168</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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 20,353,517	\$ 1,350,377	\$ 223,180	\$	\$ (18,779,960)	\$	\$ (18,779,960)
Public safety	14,206,750	3,682,785		115,617	(10,408,348)		(10,408,348)
Public works	11,005,471	428,138	503,248	470,994	(9,603,091)		(9,603,091)
Public health	660,567		73,083		(587,484)		(587,484)
Libraries	1,569,820				(1,569,820)		(1,569,820)
Social services	550,437				(550,437)		(550,437)
Parks and recreation	2,740,977	114,403			(2,626,574)		(2,626,574)
Education	117,548,558	5,118,758	19,684,451	970,805	(91,774,544)		(91,774,544)
Interest on long-term debt	5,065,360			66,039	(4,999,321)		(4,999,321)
Total governmental activities	<u>173,701,457</u>	<u>10,694,461</u>	<u>20,483,962</u>	<u>1,623,455</u>	<u>(140,899,579)</u>	<u>-</u>	<u>(140,899,579)</u>
Business-type activities:							
WPCA	10,363,682	8,324,062				(2,039,620)	(2,039,620)
Golf course	1,521,918	1,939,867				417,949	417,949
Total business-type activities	<u>11,885,600</u>	<u>10,263,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,621,671)</u>	<u>(1,621,671)</u>
Total primary governmental activities	<u>\$ 185,587,057</u>	<u>\$ 20,958,390</u>	<u>\$ 20,483,962</u>	<u>\$ 1,623,455</u>	<u>(140,899,579)</u>	<u>(1,621,671)</u>	<u>(142,521,250)</u>
General revenues:							
Property taxes					138,439,111		138,439,111
Grants and contributions not restricted to specific programs					755,723	1,518,318	2,274,041
Unrestricted investment earnings					200,920	1,654,079	1,854,999
Miscellaneous					8,065		8,065
Sewer assessments						20,298,850	20,298,850
Transfers					625,176	(625,176)	-
Total general revenues and transfers					<u>140,028,995</u>	<u>22,846,071</u>	<u>162,875,066</u>
Change in net position					(870,584)	21,224,400	20,353,816
Net Position at Beginning of Year					<u>83,037,288</u>	<u>63,311,064</u>	<u>146,348,352</u>
Net Position at End of Year					<u>\$ 82,166,704</u>	<u>\$ 84,535,464</u>	<u>\$ 166,702,168</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TRUMBULL, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2014**

	<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	\$ 35,350,085	\$	\$ 869,857	\$ 36,219,942
Investments	10,251,703			10,251,703
Receivables, net	8,958,606		2,031,742	10,990,348
Inventories			29,172	29,172
Due from other funds	6,187,481	3,470,020	4,514,610	14,172,111
Interfund loans	378,096			378,096
Other assets	661			661
Advances from other funds	1,655,056			1,655,056
Total Assets	<u>\$ 62,781,688</u>	<u>\$ 3,470,020</u>	<u>\$ 7,445,381</u>	<u>\$ 73,697,089</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 7,035,242	\$ 837,919	\$ 657,646	\$ 8,530,807
Due to other funds	27,600,213		5,022,558	32,622,771
Unearned revenue	98,648		15,501	114,149
Advances to other funds			1,655,056	1,655,056
Bond anticipation notes		9,521,000		9,521,000
Total liabilities	<u>34,734,103</u>	<u>10,358,919</u>	<u>7,350,761</u>	<u>52,443,783</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	6,605,376			6,605,376
Unavailable revenue - school construction receivables	1,429,035			1,429,035
Unavailable revenue - other receivables			99,956	99,956
Advance property tax collections	1,029,995			1,029,995
Advance summer school collections	196,415			196,415
Advance school lunch sales			64,158	64,158
Total deferred inflows of resources	<u>9,260,821</u>	<u>-</u>	<u>164,114</u>	<u>9,424,935</u>
Fund Balances:				
Nonspendable	1,655,056		223,792	1,878,848
Restricted			75,260	75,260
Committed	1,527,635		5,046,959	6,574,594
Assigned	369,264			369,264
Unassigned	15,234,809	(6,888,899)	(5,415,505)	2,930,405
Total fund balances	<u>18,786,764</u>	<u>(6,888,899)</u>	<u>(69,494)</u>	<u>11,828,371</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,781,688</u>	<u>\$ 3,470,020</u>	<u>\$ 7,445,381</u>	<u>\$ 73,697,089</u>

(Continued on next page)

## TOWN OF TRUMBULL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

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

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

Fund balances - total governmental funds		\$ 11,828,371
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 346,151,110	
Less accumulated depreciation	<u>(122,603,029)</u>	
Net capital assets		223,548,081
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		3,465,943
Interest receivable on property taxes		1,226,491
Receivable from the state for school construction projects		1,429,035
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.		
		2,895,777
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 obligation		(55,177,634)
Net OPEB obligation		(7,157,854)
Bonds payable		(91,105,180)
Interest payable on bonds and notes		(1,958,040)
Compensated absences		(5,168,977)
Claims and judgments		(35,000)
Bond premium		(3,849,011)
Deferred charge on refunding		<u>2,224,702</u>
Net Position of Governmental Activities (Exhibit I)		<u>\$ 82,166,704</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

## FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 138,268,546	\$	\$	\$ 138,268,546
Intergovernmental	18,329,424		4,984,109	23,313,533
Investment earnings	200,483		437	200,920
Charges for goods and services	7,132,207		3,562,254	10,694,461
Other			8,065	8,065
Total revenues	<u>163,930,660</u>	<u>-</u>	<u>8,554,865</u>	<u>172,485,525</u>
Expenditures:				
Current:				
General government	19,612,858		230,977	19,843,835
Public safety	11,554,102		1,181,826	12,735,928
Public works	8,862,763			8,862,763
Public health	581,532		35,340	616,872
Libraries	1,514,843			1,514,843
Social service	579,610			579,610
Parks and recreation	2,492,598			2,492,598
Education	109,704,266		4,836,566	114,540,832
Debt service:				
Principal	8,283,595			8,283,595
Interest	3,840,489			3,840,489
Capital outlay		7,490,713	5,676,890	13,167,603
Total expenditures	<u>167,026,656</u>	<u>7,490,713</u>	<u>11,961,599</u>	<u>186,478,968</u>
Deficiency of Revenues over Expenditures	<u>(3,095,996)</u>	<u>(7,490,713)</u>	<u>(3,406,734)</u>	<u>(13,993,443)</u>
Other Financing Sources:				
Transfers in	805,176			805,176
Transfers out			(180,000)	(180,000)
Issuance of general obligation bonds		6,569,000	36,000	6,605,000
Premium on bonds	137,741			137,741
Issuance of refunding bonds	7,844,000			7,844,000
Premium on bond refunding	762,425			762,425
Payments to escrow agent	(8,494,259)			(8,494,259)
Total other financing sources	<u>1,055,083</u>	<u>6,569,000</u>	<u>(144,000)</u>	<u>7,480,083</u>
Net Change in Fund Balances	(2,040,913)	(921,713)	(3,550,734)	(6,513,360)
Fund Balances at Beginning of Year	<u>20,827,677</u>	<u>(5,967,186)</u>	<u>3,481,240</u>	<u>18,341,731</u>
Fund Balances at End of Year	<u>\$ 18,786,764</u>	<u>\$ (6,888,899)</u>	<u>\$ (69,494)</u>	<u>\$ 11,828,371</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, 2014

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)	\$ (6,513,360)
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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	11,769,976
Depreciation expense	(5,529,711)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(23,268)
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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:

School building grant receipts	(450,393)
Property tax receivable - accrual basis change	291,153
Property tax interest and lien revenue - accrual basis change	(120,588)

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	(6,605,000)
Premium on bond issuance	(137,741)
Bond principal payments	7,314,540
Refunding bonds issued	(7,844,000)
Premium on refunding bonds	(762,425)
Payments to escrow agent	8,494,259

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	(290,899)
Accrued interest	195,156
Amortization of deferred charge on refunding	(434,175)
Other	(617,102)
Amortization of bond premiums	600,304
Net pension expense	(759,636)
Net OPEB expense	(978,752)
Claims and judgments	90,000

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

1,441,078
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Change in Net Position of Governmental Activities (Exhibit II)

\$ <u>(870,584)</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, 2014

	Business-Type Activities		Total Business-Type Activities	Governmental
	WPCA	Nonmajor Golf Course		Activities Internal Service Funds
Assets:				
Current assets:				
Receivables, net	\$ 1,072,854	\$ 55,425	\$ 1,128,279	\$
Assessment receivable	42,347,465		42,347,465	
Due from other funds	12,017,751	1,112,746	13,130,497	5,266,651
Other assets	18,082		18,082	
Total current assets	<u>55,456,152</u>	<u>1,168,171</u>	<u>56,624,323</u>	<u>5,266,651</u>
Noncurrent assets:				
Capital assets, net	<u>93,716,155</u>	<u>5,355,679</u>	<u>99,071,834</u>	<u>2,973,539</u>
Total assets	<u>149,172,307</u>	<u>6,523,850</u>	<u>155,696,157</u>	<u>8,240,190</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	<u>390,165</u>	<u>18,792</u>	<u>408,957</u>	
Liabilities:				
Current liabilities:				
Accounts and other payables	989,280	49,570	1,038,850	
Accrued liabilities	4,942	14,307	19,249	
Due to other funds			-	1,164,923
Interfund loan		378,096	378,096	
Bonds payable	4,725,460	102,000	4,827,460	
Compensation absences	8,368	11,006	19,374	
Claim payable			-	582,524
Total current liabilities	<u>5,728,050</u>	<u>554,979</u>	<u>6,283,029</u>	<u>1,747,447</u>
Noncurrent liabilities:				
Bonds payable, net	62,746,321	2,439,489	65,185,810	
Compensated absences	47,244	53,567	100,811	
Claims payable			-	3,596,966
Total noncurrent liabilities	<u>62,793,565</u>	<u>2,493,056</u>	<u>65,286,621</u>	<u>3,596,966</u>
Total liabilities	<u>68,521,615</u>	<u>3,048,035</u>	<u>71,569,650</u>	<u>5,344,413</u>
Net Position:				
Net investment in capital assets	26,634,539	2,454,886	29,089,425	1,808,616
Unrestricted	<u>54,406,318</u>	<u>1,039,721</u>	<u>55,446,039</u>	<u>1,087,161</u>
Total Net Position	<u>\$ 81,040,857</u>	<u>\$ 3,494,607</u>	<u>\$ 84,535,464</u>	<u>\$ 2,895,777</u>

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, 2014

	Business-Type Activities		Total Business-Type Activities	Governmental
	WPCA	Nonmajor Golf Course		Activities Internal Service Funds
Operating Revenues:				
Charges for services	\$ 8,324,062	\$ 1,939,867	\$ 10,263,929	\$ 18,892,954
Operating Expenses:				
Operating and maintenance	6,390,276	1,288,518	7,678,794	
Claims expense			-	16,944,100
Depreciation	1,753,043	164,633	1,917,676	484,508
Total operating expenses	8,143,319	1,453,151	9,596,470	17,428,608
Operating Income	180,743	486,716	667,459	1,464,346
Nonoperating Revenue (Expenses):				
Income on investments	1,654,079		1,654,079	
Interest expense	(2,220,363)	(68,767)	(2,289,130)	
Net nonoperating expenses	(566,284)	(68,767)	(635,051)	(23,268)
Income (Loss) Before Capital Contributions and Transfers	(385,541)	417,949	32,408	1,441,078
Capital Contributions:				
Capital contributions	1,518,318		1,518,318	
Special assessments and other	20,298,850		20,298,850	
Total capital contributions	21,817,168	-	21,817,168	-
Income Before Transfers	21,431,627	417,949	21,849,576	1,441,078
Transfers Out	(416,402)	(208,774)	(625,176)	
Change in Net Position	21,015,225	209,175	21,224,400	1,441,078
Net Position at Beginning of Year	60,025,632	3,285,432	63,311,064	1,454,699
Net Position at End of Year	\$ 81,040,857	\$ 3,494,607	\$ 84,535,464	\$ 2,895,777

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, 2014

	Business-Type Activities		Total Business-Type Activities	Governmental
	WPCA	Nonmajor		Activities
		Golf Course		Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 8,235,396	\$ 1,930,329	\$ 10,165,725	\$ 18,892,954
Cash paid to suppliers for goods and services	(5,962,598)	(1,274,860)	(7,237,458)	
Cash received from (paid to) employees	7,490	8,191	15,681	
Cash paid for insurance claims and premiums			-	(15,701,084)
Net cash provided by operating activities	<u>2,280,288</u>	<u>663,660</u>	<u>2,943,948</u>	<u>3,191,870</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out	(416,402)	(208,774)	(625,176)	
Cash paid to other funds			-	(2,632,538)
Cash received from general fund loan		400,000	400,000	
Cash paid on general fund loan		(21,904)	(21,904)	
Cash (received from) paid to other funds	(1,011,359)	(259,425)	(1,270,784)	
Net cash used in noncapital financing activities	<u>(1,427,761)</u>	<u>(90,103)</u>	<u>(1,517,864)</u>	<u>(2,632,538)</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payment - long-term obligations	(3,898,460)	(77,000)	(3,975,460)	
Principal payment - bond anticipation notes	(5,000,000)		(5,000,000)	
Interest paid	(2,306,974)	(80,884)	(2,387,858)	
Debt issuance costs	(31,045)		(31,045)	
Purchase of capital assets and construction	(2,142,450)	(415,673)	(2,558,123)	(559,332)
Proceeds from bond issuance	5,000,000		5,000,000	
Proceeds from refunding bond issuance	2,171,000		2,171,000	
Payments to escrow agent	(2,350,973)		(2,350,973)	
Premium on refunding bond issuance	211,018		211,018	
Premium on bond issuance	104,271		104,271	
Special assessments	4,218,689		4,218,689	
Capital grants and contributions	1,518,318		1,518,318	
Net cash used in capital and related financing activities	<u>(2,506,606)</u>	<u>(573,557)</u>	<u>(3,080,163)</u>	<u>(559,332)</u>
Cash Flows from Investing Activities:				
Interest received	<u>1,654,079</u>		<u>1,654,079</u>	
Net Increase in Cash and Cash Equivalents	-	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 180,743	\$ 486,716	\$ 667,459	\$ 1,464,346
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,753,043	164,633	1,917,676	484,508
Change in asset and liabilities:				
(Increase) decrease in accounts receivable	(101,166)	(9,538)	(110,704)	
(Increase) decrease in other assets	12,500		12,500	
Increase (decrease) in accounts payable	427,678	13,658	441,336	
Increase (decrease) in compensated absences payable	7,490	8,191	15,681	
Increase (decrease) in claims payable			-	1,243,016
Net Cash Provided by Operating Activities	<u>\$ 2,280,288</u>	<u>\$ 663,660</u>	<u>\$ 2,943,948</u>	<u>\$ 3,191,870</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, 2014

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,522,626	\$ 224,182	\$ 157,796	\$ 983,790
Investments:				
U.S. Bonds/notes	5,654,945			
Fixed income securities	8,554,970			
Common stock	27,346,530			
Other			21,346	
Property funds	436,556			
Mutual funds	31,918,255			
Due from other funds			1,218,435	
Accounts receivable	118,609		43,504	
	<u>75,552,491</u>	<u>224,182</u>	<u>1,441,081</u>	<u>\$ 983,790</u>
Total assets				
Liabilities:				
Accounts and other payables		7,025	14,623	\$
Deposits held for others				983,790
	<u>-</u>	<u>7,025</u>	<u>14,623</u>	<u>\$ 983,790</u>
Total liabilities				
Net Position:				
Held in Trust for Private Purpose			1,426,458	
Held in Trust for OPEB Benefits		217,157		
Held in Trust for Pension Benefits	75,552,491			
	<u>75,552,491</u>	<u>217,157</u>	<u>1,426,458</u>	
Total Net Position				
	<u>\$ 75,552,491</u>	<u>\$ 217,157</u>	<u>\$ 1,426,458</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, 2014

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust</u>
Additions:			
Contributions:			
Employer	\$ 6,276,000	\$ 160,000	\$
Plan members	1,238,720	65,831	
Other			852,299
Total contributions	<u>7,514,720</u>	<u>225,831</u>	<u>852,299</u>
Investment income:			
Net appreciation in fair value of investments	7,843,628		
Interest and dividends	<u>1,415,227</u>	<u>64</u>	<u>216</u>
Total investment income	<u>9,258,855</u>	<u>64</u>	<u>216</u>
Total additions	<u>16,773,575</u>	<u>225,895</u>	<u>852,515</u>
Deductions:			
Benefits	6,279,399	74,936	757,935
Administration	<u>205,875</u>	<u>27,891</u>	
Total deductions	<u>6,485,274</u>	<u>102,827</u>	<u>757,935</u>
Net Increase in Net Position	10,288,301	123,068	94,580
Net Position at Beginning of Year	<u>65,264,190</u>	<u>94,089</u>	<u>1,331,878</u>
Net Position at End of Year	<u>\$ 75,552,491</u>	<u>\$ 217,157</u>	<u>\$ 1,426,458</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

The Town of Trumbull, Connecticut, was incorporated as a town in the early 1600s. The Town covers an area of 23.5 square miles and is located in Fairfield County, approximately 60 miles from New York City and 60 miles from Hartford. The Town operates under a First Selectman, Town Council and Finance Committee form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

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

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

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

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

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

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

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

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

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

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

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, 2014, this represents 16.23% 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 fair market value at the date of donation.

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

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

Property, plant and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

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

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding 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.

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, advance summer school collections and advance school lunch sales in the government-wide statement of net position and in the governmental funds balance sheet. Advance collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, school construction receivables, and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which amounts become available.

### **I. Compensated Absences**

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

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

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

### **J. 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.

### **K. Fund Equity**

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

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

Restricted Net Position - 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.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

- Department heads, officers and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the First Selectman. The First Selectman submits the proposed budget to the Board of Finance who adopts and approves the budget proposed, or makes changes in any estimates or appropriations contained in the proposed budget as deemed proper. The Board of Finance then recommends budgets, as revised, for adoption by the Town Council. Under the new Charter, taxpayers can petition for a referendum.
- The budget is legally adopted by the Town Council.
- The Board of Finance is authorized to transfer budgeted amounts between departmental appropriations. Subsequent appropriations must be approved by the Board of Finance and the Town Council if they are in excess of \$2,000. Additional appropriations of \$1,025,438 were approved during the fiscal year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

- Appropriations for capital projects do not lapse until completion of the applicable projects. All General Fund unexpended appropriations lapse at year end.

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

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

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Balance, budgetary basis	\$ 150,199,972	\$ 152,158,632
Encumbrances outstanding at June 30, 2013, liquidated during the year ended June 30, 2014		779,796
Encumbrances outstanding at June 30, 2014, charged to budgetary expenditures during the year ended June 30, 2014		(369,261)
Premium on bonds	137,741	
Refunding activities not budgeted for	8,606,425	8,494,259
Amounts net for budgetary purposes	160,550	160,550
State Teachers' Retirement on-behalf payment	12,125,975	12,125,975
GASB 54 reclassifications	<u>2,249,339</u>	<u>2,170,964</u>
Balance, GAAP Basis	<u>\$ 173,480,002</u>	<u>\$ 175,520,915</u>

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools

maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

### Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$36,142,110 of the Town’s bank balance of \$36,968,335 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 32,493,035
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>3,649,075</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 36,142,110</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, 2014, the Town’s cash equivalents amounted to \$3,552,472. The following table provides a summary of the Town’s cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater - Cooperative Liquid Assets Securities System (CLASS)	AAAm
Bank of America Money Market*	
Infinex Financial Group*	
UBS Financial Services*	
Wells Fargo Money Market*	

\*Not rated

## B. Investments

Investments as of June 30, 2014 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. Treasury Notes		\$ 4,348,057	\$	\$ 4,348,057	\$
Government-Backed Securities	AAA	2,001,603		1,474,447	527,156
Government-Backed Securities	A-	80,905		80,905	
Government-Backed Securities	N/A	3,040,037		48,205	2,991,832
Corporate Bonds	AAA	1,606,215		415,509	1,190,706
Corporate Bonds	AA+	138,481		99,772	38,709
Corporate Bonds	AA	219,584	50,665	106,266	62,653
Corporate Bonds	A+	464,174		425,049	39,125
Corporate Bonds	AA-	169,827		82,533	87,294
Corporate Bonds	A-	453,912		398,608	55,304
Corporate Bonds	A	714,387	101,890	612,497	
Corporate Bonds	BBB+	1,170,857	182,375	923,884	64,598
Corporate Bonds	BB+	19,475	19,475		
Corporate Bonds	BBB	1,374,901	30,749	1,344,152	
Corporate Bonds	BBB-	552,812		510,619	42,193
Corporate Bonds	BB-	51,756		51,756	
Corporate Bonds	N/A	5,435,978		115,207	5,320,771
Foreign Bonds	AA+	170,720		170,720	
Foreign Bonds	A+	60,376		60,376	
Foreign Bonds	A	136,734	85,077	51,657	
Foreign Bonds	AA-	103,844		103,844	
Foreign Bonds	A-	180,498		180,498	
Foreign Bonds	BBB+	26,246		26,246	
Foreign Bonds	BBB	307,336		307,336	
Foreign Bonds	BBB-	62,581		62,581	
Certificate of deposit	N/A	1,421,237	1,407,491	13,746	
Total interest-bearing investments			\$ 1,877,722	\$ 7,666,413	\$ 10,420,341
Other investments:					
Equitable securities (stock)	N/A	27,346,530			
Property funds	N/A	436,556			
Mutual funds	N/A	32,088,686			
Total Investments		\$ 84,184,305			

*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, 2014, 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.

#### 4. RECEIVABLES

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

	<u>General</u>	<u>WPCA</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 4,621,072	\$	\$	\$ 4,621,072
Other deferred taxes	3,143,156			3,143,156
Interest on taxes*	1,226,491			1,226,491
Accounts	460,882	1,222,854	667,827	2,351,563
Intergovernmental	1,483,496		1,581,453	3,064,949
Special assessments		42,347,465		42,347,465
	<hr/>	<hr/>	<hr/>	<hr/>
Gross receivables	10,935,097	43,570,319	2,249,280	56,754,696
Less allowance for uncollectibles	<u>(750,000)</u>	<u>(150,000)</u>	<hr/>	<u>(900,000)</u>
Net Total Receivables	<u>\$ 10,185,097</u>	<u>\$ 43,420,319</u>	<u>\$ 2,249,280</u>	<u>\$ 55,854,696</u>

\* Interest on property taxes is not included in the fund financial statements.

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 39,152,665	\$	\$	\$ 39,152,665
Construction in progress	64,292,502	7,468,568	371,087	71,389,983
Total capital assets not being depreciated	<u>103,445,167</u>	<u>7,468,568</u>	<u>371,087</u>	<u>110,542,648</u>
Capital assets being depreciated:				
Land improvements	11,202,747	886,400		12,089,147
Buildings and improvements	142,220,234	566,024		142,786,258
Machinery and equipment	11,791,326	536,614		12,327,940
Vehicles	9,789,263	1,027,150	383,617	10,432,796
Infrastructure	62,642,318	2,192,371		64,834,689
Total capital assets being depreciated	<u>237,645,888</u>	<u>5,208,559</u>	<u>383,617</u>	<u>242,470,830</u>
Less accumulated depreciation for:				
Land improvements	7,002,010	394,290		7,396,300
Buildings and improvements	58,321,737	3,519,118		61,840,855
Machinery and equipment	8,649,016	417,462		9,066,478
Vehicles	5,993,083	660,774	360,349	6,293,508
Infrastructure	40,872,142	1,022,575		41,894,717
Total accumulated depreciation	<u>120,837,988</u>	<u>6,014,219</u>	<u>360,349</u>	<u>126,491,858</u>
Total capital assets being depreciated, net	<u>116,807,900</u>	<u>(805,660)</u>	<u>23,268</u>	<u>115,978,972</u>
Governmental Activities Capital Assets, Net	<u>\$ 220,253,067</u>	<u>\$ 6,662,908</u>	<u>\$ 394,355</u>	<u>\$ 226,521,620</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,962,013	\$	\$	\$ 1,962,013
Construction in progress	29,125,522	2,528,474		31,653,996
Total capital assets not being depreciated	<u>31,087,535</u>	<u>2,528,474</u>	<u>-</u>	<u>33,616,009</u>
Capital assets being depreciated:				
Land improvements	3,722,971			3,722,971
Building and improvements	2,550,730			2,550,730
Machinery and equipment	1,059,144	29,649	116,475	972,318
Vehicles	111,467			111,467
Infrastructure	88,228,072			88,228,072
Total capital assets being depreciated	<u>95,672,384</u>	<u>29,649</u>	<u>116,475</u>	<u>95,585,558</u>
Less accumulated depreciation for:				
Land improvements	977,310	84,645		1,061,955
Building and improvements	1,301,346	52,609		1,353,955
Machinery and equipment	691,154	62,630	116,475	637,309
Vehicles	111,467			111,467
Infrastructure	25,247,255	1,717,792		26,965,047
Total accumulated depreciation	<u>28,328,532</u>	<u>1,917,676</u>	<u>116,475</u>	<u>30,129,733</u>
Total capital assets being depreciated, net	<u>67,343,852</u>	<u>(1,888,027)</u>	<u>-</u>	<u>65,455,825</u>
Business-Type Activities Capital Assets, Net	<u>\$ 98,431,387</u>	<u>\$ 640,447</u>	<u>\$ -</u>	<u>\$ 99,071,834</u>

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

Governmental activities:	
Board of Education	\$ 3,568,192
General Government	155,359
Social Services	65,832
Public Works	1,329,835
Public Safety	468,167
Libraries	105,798
Recreation and Parks	<u>321,036</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,014,219</u></u>
Business-type activities	
WPCA	\$ 1,753,043
Golf Fund	<u>164,633</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 1,917,676</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	\$ 4,514,610
General Fund	Nonmajor governmental funds	5,022,558
Five Year Capital Plan	General fund	3,470,020
WPCA	General fund	12,017,751
Golf Course	General fund	1,112,746
Internal Service	General fund	5,266,651
Private Purpose Trust	General fund	1,218,435
General Fund	Internal Service	<u>1,164,923</u>
		<u><u>\$ 33,787,694</u></u>

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

Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,655,056

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, 2014 was \$378,096.

Interfund transfers:

	<u>Transfers In</u>	<u>Total</u>
	<u>General</u>	<u>Transfers</u>
		<u>Out</u>
Transfers out:		
WPCA	\$ 416,402	\$ 416,402
Nonmajor governmental	180,000	180,000
Golf Course	<u>208,774</u>	<u>208,774</u>
Total Transfers In	<u>\$ 805,176</u>	<u>\$ 805,176</u>

The above transfers represent normal budgetary and other recurring transfers.

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>			<u>Balance</u>	<u>One Year</u>
Governmental Funds:					
Bonds payable:					
General obligation bonds	\$ 92,286,720	\$ 14,449,000	\$ 15,630,540	\$ 91,105,180	\$ 7,697,540
Premium on bonds	3,549,149	900,166	600,304	3,849,011	
Total bonds payable	<u>95,835,869</u>	<u>15,349,166</u>	<u>16,230,844</u>	<u>94,954,191</u>	<u>7,697,540</u>
Other liabilities:					
Insurance claims	2,936,474	18,187,116	16,944,100	4,179,490	582,524
Other claims and judgments	125,000	35,000	125,000	35,000	35,000
Net pension obligation	54,417,998	759,636		55,177,634	
Compensated absences	4,878,078	290,899		5,168,977	1,371,640
Net OPEB obligation	<u>6,179,102</u>	<u>978,752</u>		<u>7,157,854</u>	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 164,372,521</u>	<u>\$ 35,600,569</u>	<u>\$ 33,299,944</u>	<u>\$ 166,673,146</u>	<u>\$ 9,686,704</u>
Bonds payable:					
General obligation bonds	\$ 67,133,280	\$ 7,171,000	\$ 6,279,460	\$ 68,024,820	\$ 4,827,460
Premium on bonds	1,907,646	315,289	234,485	1,988,450	
Total bonds payable	<u>69,040,926</u>	<u>7,486,289</u>	<u>6,513,945</u>	<u>70,013,270</u>	<u>4,827,460</u>
Compensated absences	<u>104,504</u>	<u>15,681</u>		<u>120,185</u>	<u>19,374</u>
Business-Type Activities					
Long-Term Liabilities	<u>\$ 69,145,430</u>	<u>\$ 7,501,970</u>	<u>\$ 6,513,945</u>	<u>\$ 70,133,455</u>	<u>\$ 4,846,834</u>

## Bonds Payable

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

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

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2014
Governmental:						
General purpose:						
General obligation	9/1/07	9/1/27	4-5%	\$ 11,965,000	various	\$ 646,000
General obligation refunding	8/19/08	8/19/21	3.25-5%	5,241,880	various	3,349,180
General obligation	9/1/08	9/1/28	3-5%	831,000	various	625,000
General obligation	9/1/09	9/1/29	2.25-4.05%	5,850,000	various	4,680,000
General obligation refunding	10/6/09	9/15/23	3-5%	17,523,000	various	14,434,000
General obligation refunding	9/1/10	9/15/23	3-5%	5,050,000	various	1,665,000
General obligation	9/1/10	9/1/28	3-5%	10,000,000	various	8,500,000
General obligation	9/1/11	9/1/31	2-4%	14,310,000	various	12,880,000
General obligation refunding	3/15/12	9/1/30	2-4%	14,862,000	various	14,772,000
General obligation	9/1/12	9/1/32	2-3%	15,900,000	various	15,105,000
General obligation	9/1/13	9/1/33	2.5-4.5%	6,605,000	various	6,605,000
General obligation	3/12/14	9/1/27	3-5%	7,844,000	various	7,844,000
Total governmental activities						<u>91,105,180</u>
Business-Type:						
General purpose:						
General obligation	9/1/07	9/1/27	4-5.5%	2,890,000	various	154,000
General obligation refunding	8/19/08	8/19/21	3.25-5%	2,790,180	various	1,300,820
General obligation	9/1/08	9/1/28	3-5%	17,374,000	various	13,025,000
General obligation	9/1/09	9/1/29	2.25-4.05%	4,150,000	various	3,320,000
General obligation refunding	10/6/09	9/15/23	3-5%	7,967,000	various	5,956,000
General obligation refunding	9/15/10	9/15/23	3-5%	130,000	various	35,000
General obligation	9/1/10	9/1/29	2.25-4.05%	12,000,000	various	10,200,000
General obligation	9/1/11	9/1/31	2-4%	12,000,000	various	10,800,000
General obligation refunding	3/15/12	9/1/30	2-4%	11,208,000	various	10,838,000
General obligation	9/1/12	9/1/32	2-3%	5,500,000	various	5,225,000
General obligation	9/1/13	9/1/33	2.5-4.5%	5,000,000	various	5,000,000
General obligation	3/12/14	9/1/27	3-5%	2,171,000	various	2,171,000
Total business-type activities						<u>68,024,820</u>
Total Outstanding						<u>\$ 159,130,000</u>

The annual requirements to amortize bonds payable as of June 30, 2014 are as follows:

		<b>Governmental Activities</b>	
		<u>Principal</u>	<u>Interest</u>
2015	\$	7,697,540	\$ 2,999,542
2016		7,556,090	2,768,084
2017		7,303,090	2,486,037
2018		7,367,690	2,202,007
2019		6,263,690	1,939,142
2020-2024		28,784,080	6,463,953
2025-2029		17,850,500	2,771,460
2030-2034		<u>8,282,500</u>	<u>541,801</u>
	\$	<u>91,105,180</u>	\$ <u>22,172,026</u>

  

		<b>Business-Type Activities</b>	
		<u>Principal</u>	<u>Interest</u>
2015	\$	4,827,460	\$ 2,277,700
2016		4,818,910	2,130,739
2017		4,876,910	1,964,285
2018		4,927,310	1,789,222
2019		4,701,310	1,609,706
2020-2024		22,060,920	5,575,823
2025-2029		16,254,500	2,372,357
2030-2034		<u>5,557,500</u>	<u>355,962</u>
	\$	<u>68,024,820</u>	\$ <u>18,075,794</u>

The following is a schedule of bond anticipation note activity for the year ended June 30, 2014:

	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	
	<u></u>	<u>WPCA</u>	<u>Total</u>
Balance, July 1, 2013	\$ 12,426,000	\$ 5,000,000	\$ 17,426,000
Issued	9,521,000		9,521,000
Retired	<u>(12,426,000)</u>	<u>(5,000,000)</u>	<u>(17,426,000)</u>
Balance, June 30, 2014	<u>\$ 9,521,000</u>	<u>\$ -</u>	<u>\$ 9,521,000</u>

The above retired note with an interest rate of 1.25% matured on September 6, 2013. The issued notes had an interest rate of 1.25% and mature on September 5, 2014.

### General Obligation Bonds - New Issue

On August 22, 2013, the Town issued \$11,605,000 of general obligation bonds with interest rates ranging from 2.5% to 4.5% payable in annual installments ranging from \$580,000 to \$585,000. The bonds mature on September 1, 2033.

## General Obligation Bonds - Advance Refunding

On February 26, 2014, the Town issued \$10,015,000 of general obligation refunding bonds with interest rates ranging from 3% to 5% to currently refund the outstanding principal amounts of \$8,375,000 General Obligation Refunding Bonds, Issue of 2004, dated December 14, 2004 and \$14,855,000 General Obligations Bonds, Issue of 2007, dated August 29, 2007.

The net proceeds of \$10,845,232 (including a premium of \$973,443 and issuance costs of \$143,211, including underwriter's fees) will reduce total debt service payments over the next 14 years by approximately \$955,199 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$909,800. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$6,627,578 at June 30, 2014. The outstanding balance of the defeased bonds as of June 30, 2014 is \$10,620,000.

## Prior Year Defeasance of Debt

In prior years, the Town had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. The balance in escrow was \$2,449,201 at June 30, 2014. The outstanding balance of the defeased bonds as of June 30, 2014 is \$2,400,000.

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	\$ 310,101	\$ 51,216	\$ 258,885
Schools	620,203	77,877	542,326
Sewers	516,836	65,641	451,195
Urban renewal	447,924		447,924
Pension deficit	413,468		413,468

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$965 million.

## Authorized but Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2014 is \$26,083,006. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

## 8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 are as follows:

	<u>General</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 29,172	\$ 29,172
Permanent funds			194,620	194,620
Advances	1,655,056			1,655,056
Restricted for:				
Grants			75,260	75,260
Committed to:				
General government	25,815		84,318	110,133
Public safety			1,629,079	1,629,079
Health and welfare			6,034	6,034
Libraries			2,547	2,547
Education	1,501,820		425,510	1,927,330
Capital projects			2,190,118	2,190,118
Debt service			709,353	709,353
Assigned to:				
General government	182,126			182,126
Public works	126,580			126,580
Public safety	23,685			23,685
Health and welfare	208			208
Libraries	2,345			2,345
Parks and recreation	21,504			21,504
Education	12,816			12,816
Unassigned	15,234,809	(6,888,899)	(5,415,505)	2,930,405
 Total Fund Balances	 \$ 18,786,764	 \$ (6,888,899)	 \$ (69,494)	 \$ 11,828,371

Significant encumbrances at June 30, 2014 are contained in the above table in the assigned categories of the General Fund.

The Town had deficits in the following funds:

Five Year Capital Plan	\$ 6,888,899
Millington League Settlement	75,853
Police Funds	37
Land Acquisition	1,655,056
LOCIP	237,832
Resurfacing of Tennis Courts	4,670
Daniels Farm Road Bridge	17,571
Rails to Trails	211,191
New Elementary School	425,928
BOE Capital Projects	2,787,367

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, 2014 was \$1,000,000 in the aggregate and \$500,000 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, 2014, \$3,068,622 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:

		<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims Paid and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
2013-14	\$	2,936,474	\$ 1,237,023	\$ 1,104,875	\$ 3,068,622
2012-13		2,516,651	1,706,264	2,126,087	2,936,474

### Medical Self-Insurance

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

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

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2014 of \$1,110,868. Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Insurance Reserve Fund and operating expenditures of the General Fund.

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

		<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims Paid and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
2013-14	\$	-	\$ 15,707,077	\$ 14,596,209	\$ 1,110,868

## 10. OTHER POSTEMPLOYMENT BENEFITS

### A. Summary of Significant Accounting Policies

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

### B. Plan Description

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

At July 1, 2012, plan membership consisted of the following:

	<b>Post- Retirement Medical Program</b>
Retired members	68
Active plan members	<u>1,195</u>
Total Participants	<u><u>1,263</u></u>

### C. Funding Policy

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

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

#### D. Annual OPEB Cost and Net OPEB Obligations

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

	<b>Other Postemployment Benefits Fund</b>
Annual required contribution (ARC)	\$ 1,690,713
Interest on net OPEB obligation	278,060
Adjustment to annual required contribution	<u>(225,520)</u>
Annual OPEB cost	1,743,253
Contributions made	<u>764,501</u>
Increase in net OPEB obligation	978,752
Net OPEB obligation at beginning of year	<u>6,179,102</u>
Net OPEB obligation at end of year	<u><u>\$ 7,157,854</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2014, 2013 and 2012 is presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/14	\$ 1,743,253	\$ 764,501	43.85%	\$ 7,157,854
6/30/13	1,756,529	929,628	52.92	6,179,102
6/30/12	1,961,359	556,045	28.35	5,352,201

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

#### Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
7/1/12	\$ 26,309	\$ 27,544,001	\$ 27,517,692	0.10%	\$ 79,418,708	34.65%
7/1/10	82,120	26,148,998	26,066,878	0.32	75,396,441	34.57
7/1/08	18,674	23,661,376	23,642,702	0.08	68,878,313	34.33

## Schedule of Employer Contribution

<u>Fiscal Year</u>		<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/14	\$	1,690,713	45.22%
6/30/13		1,711,014	54.33
6/30/12		1,961,359	28.35

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which reflects that the Town has established an OPEB trust and is prefunding its OPEB benefits. The annual healthcare cost trend rate assumption is set at 8% for the 2012 year, declining 1% per year, until a final assumed rate of 5% is reached in 2015 and for future years. The general inflation assumption is included in the health care cost trend rate assumption. Projected salary increases were 4.0%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

## 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### 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

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

The membership of the plan consisted of the following at July 1, 2012, the date of the latest actuarial valuation:

	<b>Police Benefit Plan</b>	<b>Town Pension Plan</b>
Retirees and beneficiaries receiving benefits	44	325
Terminated plan members entitled to but not yet receiving benefits		74
Active plan members	72	436
Total	<u>116</u>	<u>835</u>

## Summary of Significant Accounting Policies and Plan Asset Matters

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

**Method Used to Value Investments:** Investments are reported at fair 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.

## 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, 2014:

<b>Town</b>	
<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	45 %
International equity	20
Fixed income	30
Inflation protection	<u>5</u>
	<u>100 %</u>
 <b>Police</b>	
<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	41 %
International equity	14
Fixed income	35
Alternative investments	<u>10</u>
	<u>100 %</u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.06% for the Town Pension Plan and 12.99% for the Police Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Net Pension Liability of the Town

In accordance with Government Accounting Standards Board Statement No. 67, the components of the net pension liability of the Town at June 30, 2014, were as follows:

<b>Town</b>	
Total pension liability	\$ 92,827,543
Plan fiduciary net position	<u>(26,560,965)</u>
Net Pension Liability	<u>\$ 66,266,578</u>
Plan fiduciary net position as a percentage of the total pension liability	28.61 %
<b>Police</b>	
Total pension liability	\$ 71,070,032
Plan fiduciary net position	<u>(48,981,725)</u>
Net Pension Liability	<u>\$ 22,088,307</u>
Plan fiduciary net position as a percentage of the total pension liability	68.92 %

The Town's net pension liability will be required to be recorded on the government wide-statement of net position at June 30, 2015.

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

<b>Town</b>	
Inflation	4.5%
Salary increases	3.5%, per annum, compounded annually
Investment rate of return	5.01%, per annum, compounded annually
<b>Police</b>	
Inflation	4.5%
Salary increases	4.5%, per annum, compounded annually
Investment rate of return	7.22%, per annum, compounded annually

Mortality rates were based on the 1994 Unisex Pensioners Mortality Table, with rates projected to 2014.

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

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, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	9.25 %
International equity	9.75
Fixed income	4.25
Real estate	8.75
Cash	<u>3.5</u>
	<u><u>35.5 %</u></u>

**Discount Rate:** The discount rate used to measure the total pension liability was 5.01% for the Town Pension Plan and 7.22% 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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability of the Town and Police Pension Plans, calculated using the discount rate of 5.01% for the Town Pension Plan and 7.22% 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:

		<u>Town</u>		
		<u>1% Decrease</u>	<u>Current</u>	<u>1% Decrease</u>
		<u>(4.01%)</u>	<u>Discount Rate</u>	<u>(6.01%)</u>
		<u>(5.01%)</u>		
Net Pension Liability	\$	76,743,547	\$ 66,266,578	\$ 57,240,964
		<u>Police</u>		
		<u>1% Decrease</u>	<u>Current</u>	<u>1% Decrease</u>
		<u>(6.22%)</u>	<u>Discount Rate</u>	<u>(8.22%)</u>
		<u>(7.22%)</u>		
Net Pension Liability	\$	32,826,354	\$ 22,088,307	\$ 13,373,540

## Annual Pension Cost and Net Pension Obligation

In accordance with GASB Statement No. 27, The Town's annual pension cost and annual required contribution to the PERS for the current year were as follows:

	<b>Police Benefit Plan</b>	<b>Town Pension Plan</b>
Annual required contribution	\$ 3,226,000	\$ 4,325,000
Interest on net pension obligation	1,863,142	2,365,210
Adjustment to annual required contribution	<u>(2,111,976)</u>	<u>(2,631,740)</u>
Annual pension cost	2,977,166	4,058,470
Contributions made	<u>1,700,000</u>	<u>4,576,000</u>
Increase (decrease) in net pension obligation	1,277,166	(517,530)
Net pension obligation at beginning of year	<u>22,881,860</u>	<u>31,536,138</u>
Net Pension Obligation at End of Year	<u>\$ 24,159,026</u>	<u>\$ 31,018,608</u>

## Trend Information

	<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
Police Benefit Plan					
	6/30/12	\$ 3,218,448	\$ 1,450,000	45.1%	\$ 22,421,600
	6/30/13	2,060,260	1,600,000	77.7	22,881,860
	6/30/14	2,977,166	1,700,000	57.1	24,159,026
Town Employee Pension Plan					
	6/30/12	4,186,694	3,000,000	71.7	30,921,473
	6/30/13	4,314,665	3,700,000	85.8	31,536,138
	6/30/14	4,058,470	4,576,000	112.8	31,018,608

## Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded Accrued Liability (UAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL % of Covered Payroll ((b-a)/c)</b>
Police Benefit Plan						
7/01/08	\$ 33,154,094	\$ 48,500,335	\$ 15,346,241	68.4%	\$ 5,029,000	305.2%
7/01/10	33,497,000	54,456,304	20,959,304	61.5	5,542,000	378.2
7/01/12	35,989,018	55,581,894	19,592,876	64.7	5,358,000	365.7
Town Employee Pension Plan						
7/01/08	19,572,031	57,704,539	38,132,508	33.9	17,476,000	218.2
7/01/10	16,807,159	62,863,043	46,055,884	26.7	18,308,000	251.6
7/01/12	19,096,003	67,905,000	48,808,997	28.1	18,559,000	263.0



## **B. Teachers' Retirement System**

All Town certified teachers participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$48,902,003.

The retirement system for teachers is funded by the State based upon the recommendation of the State Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2014, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$12,125,975 as payments made by the State of Connecticut on behalf of the Town.

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

## **13. 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 affect the financial condition of the Town.

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

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

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

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

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

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

#### **14. SUBSEQUENT EVENTS**

On August 21, 2014, the Town issued \$9,885,000 of Bond Anticipation Notes with an interest rate of 1.25% and a maturity date of September 4, 2015 and \$7,575,000 of General Obligation Bonds with a variable interest rate between 2.00% and 4.00% and a final maturity of September 1, 2034.

On October 21, 2014, the Town issued \$11,860,000 of General Obligation Refunding Bonds with a variable interest rate between 2.00% and 5.00% and a final maturity of September 1, 2028.

## 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, 2014

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Property Taxes:				
Current levy	\$ 138,401,994	\$ 138,401,994	\$ 137,257,021	\$ (1,144,973)
Interest and lien fees	650,000	650,000	991,419	341,419
PILOT - St. Joseph's Village	17,900	17,900	20,106	2,206
Total property taxes	<u>139,069,894</u>	<u>139,069,894</u>	<u>138,268,546</u>	<u>(801,348)</u>
Intergovernmental:				
Education equalization grant	3,251,084	3,251,084	3,326,117	75,033
School building grants	516,420	516,420	516,420	-
Education grants	900,000	900,000	607,991	(292,009)
Elderly tax	2,000	2,000		(2,000)
Homeowners tax relief	309,000	309,000	263,821	(45,179)
Military state and local	5,000	5,000	17,344	12,344
FEMA			42,468	42,468
Nonpublic pupils	75,000	75,000	71,814	(3,186)
Nonpublic busing	4,981	4,981	22,504	17,523
State property reimbursement	72,977	72,977	88,414	15,437
Disability exemption	3,577	3,577	3,391	(186)
Veterans grant	35,000	35,000	35,162	162
Telephone access tax	100,000	100,000	96,459	(3,541)
Manufacturing - tax relief	257,235	257,235	178,045	(79,190)
Foxwoods casino fund	42,273	42,273	47,763	5,490
Other various grants			25,259	25,259
VOAG grant	343,000	343,000	411,336	68,336
Bingo			65	65
Mutual aid local			49,700	49,700
Transportation			69,938	69,938
Total intergovernmental	<u>5,917,547</u>	<u>5,917,547</u>	<u>5,874,011</u>	<u>(43,536)</u>

(Continued on next page)

## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Licenses, Permits, Fees and Other				
Town clerk fees	\$ 650,000	\$ 650,000	\$ 782,756	\$ 132,756
Planning and zoning	25,000	25,000	33,424	8,424
Police	20,000	20,000	58,280	38,280
Building	700,000	700,000	1,007,249	307,249
Tuition/rentals - BOE	1,300,000	1,300,000	1,210,971	(89,029)
Fire marshal	50,000	50,000	76,194	26,194
Disposal area	295,000	295,000	397,136	102,136
Counseling center	10,000	10,000	17,835	7,835
Emergency medical services	1,100,000	1,100,000	1,155,210	55,210
Town engineer	25,000	25,000	30,402	5,402
Miscellaneous revenue	89,260	89,260	100,033	10,773
Cell tower rental	200,000	200,000	181,666	(18,334)
Senior citizen services	48,000	48,000		(48,000)
Public works			600	600
Total licenses, permits, fees and other	<u>4,512,260</u>	<u>4,512,260</u>	<u>5,051,756</u>	<u>539,496</u>
Investment income				
Unrealized loss			(99,233)	(99,233)
Income from investments	<u>300,000</u>	<u>300,000</u>	<u>299,716</u>	<u>(284)</u>
Total investment income	<u>300,000</u>	<u>300,000</u>	<u>200,483</u>	<u>(99,517)</u>
Other financing sources				
Use of fund balance	1,550,000	1,550,000		(1,550,000)
Transfer in	<u>644,176</u>	<u>644,176</u>	<u>805,176</u>	<u>161,000</u>
Total Revenues and Other Financing Sources	<u>\$ 151,993,877</u>	<u>\$ 151,993,877</u>	<u>\$ 150,199,972</u>	<u>\$ (1,793,905)</u>

## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:				
Town council	\$ 82,853	\$ 89,909	\$ 89,909	\$ -
Ethics commission	120	11,180	11,060	120
First selectman	278,707	278,707	273,262	5,445
Probate judge	11,270	11,270	11,270	-
Elections registrar	115,118	115,118	104,547	10,571
Finance director	541,467	541,467	537,002	4,465
Finance board	76,277	80,806	79,456	1,350
Assessor	384,529	407,410	404,074	3,336
Tax review	5,850	5,850	2,870	2,980
Tax collector	379,872	389,745	376,207	13,538
Purchasing	79,609	97,778	97,676	102
Treasurer	22,100	22,100	22,017	83
Town attorneys	312,000	312,000	302,750	9,250
Human resources	209,849	210,513	208,885	1,628
Town clerk	264,602	264,602	258,265	6,337
Planning and zoning	308,296	308,296	292,198	16,098
Economic development	117,925	117,925	110,864	7,061
Inland-wetlands commission	10,150	13,034	12,129	905
Conservation commission	1,279	1,279	934	345
Transit district	44,084	44,084	44,084	-
Town hall	1,546,831	1,525,375	1,360,004	165,371
Technology	650,979	850,929	775,613	75,316
Employee benefits	14,287,563	14,287,563	14,204,581	82,982
Clean energy	1,600	1,600		1,600
Trumbull nature center	7,014	7,014	5,551	1,463
Charter revision		7,500	7,041.00	459
Total general government	<u>19,739,944</u>	<u>20,003,054</u>	<u>19,592,249</u>	<u>410,805</u>

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## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:				
Police	\$ 7,901,410	\$ 8,081,410	\$ 8,077,033	\$ 4,377
Emergency medical service	1,151,810	1,239,281	1,238,604	677
Fire marshal	302,336	303,129	298,130	4,999
Fire hydrants - water	1,336,535	1,369,500	1,369,499	1
Building official	312,353	315,150	313,879	1,271
Dog warden	114,688	114,688	111,272	3,416
Central emergency dispatch	180	180	-	180
Emergency management	95,636	95,636	91,697	3,939
Total public safety	<u>11,214,948</u>	<u>11,518,974</u>	<u>11,500,114</u>	<u>18,860</u>
Public Works:				
Public works director	168,268	168,268	165,600	2,668
Public works (highway)	2,419,548	2,419,548	2,340,594	78,954
Street lights	409,204	409,204	398,218	10,986
Fleet maintenance	1,240,770	1,334,628	1,333,929	699
Public works maintenance	907,647	907,647	904,546	3,101
Disposal area	2,148,439	2,258,525	2,213,146	45,379
Town engineer	511,330	514,158	512,638	1,520
Snow removal	489,950	693,950	691,253	2,697
Highway construction	100,000	100,000	99,958	42
Total public works	<u>8,395,156</u>	<u>8,805,928</u>	<u>8,659,882</u>	<u>146,046</u>
Public Health:				
Board of health	303,895	303,895	295,737	8,158
Vital statistics	1,000	1,000	723	277
Nursing - seniors	33,776	33,776	30,523	3,253
Non-public schools	257,826	257,826	254,053	3,773
Total public health	<u>596,497</u>	<u>596,497</u>	<u>581,036</u>	<u>15,461</u>

(Continued on next page)

## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social Services:				
Social services	\$ 111,878	\$ 115,122	\$ 113,622	\$ 1,500
Counseling center	226,869	226,869	191,333	35,536
Youth commission	56,790	58,141	58,021	120
Senior citizen commission	218,607	222,913	216,842	6,071
Total social services	<u>614,144</u>	<u>623,045</u>	<u>579,818</u>	<u>43,227</u>
Libraries	<u>1,563,340</u>	<u>1,563,340</u>	<u>1,513,676</u>	<u>49,664</u>
Recreation and Parks:				
Arts commission	29,121	29,891	29,501	390
Trumbull day commission	360	360	-	360
Public events	20,000	20,000	19,941	59
Recreation and parks	492,317	508,415	499,789	8,626
Parks	1,735,346	1,753,465	1,734,736	18,729
Tree warden	113,803	115,873	115,834	39
Total recreation and parks	<u>2,390,947</u>	<u>2,428,004</u>	<u>2,399,801</u>	<u>28,203</u>
Education:				
Contractual services	185,000	180,585	180,584	1
Operational expenditures	92,962,381	92,962,381	92,962,338	43
Workers compensation		50,929	50,928	1
Busing	888,000	879,842	879,841	1
Board of Education maintenance		960	959	1
Use of buildings	240,500	240,500	240,489	11
Business education initiative	65,005	65,005	58,909	6,096
School nurses	842,788	844,360	833,924	10,436
Total education	<u>95,183,674</u>	<u>95,224,562</u>	<u>95,207,972</u>	<u>16,590</u>
Debt Service:				
Principal - bonds and notes	8,289,155	8,289,155	8,283,595	5,560
Interest - bonds	4,006,073	3,966,757	3,840,489	126,268
Total debt service	<u>12,295,228</u>	<u>12,255,912</u>	<u>12,124,084</u>	<u>131,828</u>
Total Expenditures	<u>\$ 151,993,878</u>	<u>\$ 153,019,316</u>	<u>\$ 152,158,632</u>	<u>\$ 860,684</u>

## TOWN OF TRUMBULL, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TOWN PENSION PLAN**

**LAST FISCAL YEAR**

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 2,793,812
Interest	4,505,608
Differences between expected and actual experience	(1,420,269)
Changes of assumptions	(888,190)
Benefit payments, including refunds of member contributions	<u>(4,191,446)</u>
Net change in total pension liability	799,515
Total pension liability - beginning	<u>92,028,028</u>
Total pension liability - ending	<u><u>92,827,543</u></u>
 Plan fiduciary net position:	
Contributions - employer	4,576,000
Contributions - member	890,129
Net investment income	3,611,739
Benefit payments, including refunds of member contributions	(4,191,446)
Administrative expense	<u>(43,756)</u>
Net change in plan fiduciary net position	4,842,666
Plan fiduciary net position - beginning	<u>21,718,299</u>
Plan fiduciary net position - ending	<u><u>26,560,965</u></u>
 Town's Net Pension Liability - Ending	\$ <u><u>66,266,578</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	28.61%
 Covered-employee payroll	\$ 16,964,000
 Town's net pension liability as a percentage of covered-employee payroll	390.63%

## TOWN OF TRUMBULL, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION PLAN**

**LAST FISCAL YEAR**

	<u>2014</u>
Total pension liability:	
Service cost	\$ 1,197,110
Interest	4,873,895
Differences between expected and actual experience	(1,799,468)
Changes of assumptions	337,006
Benefit payments, including refunds of member contributions	<u>(2,087,953)</u>
Net change in total pension liability	2,520,590
Total pension liability - beginning	<u>68,549,442</u>
Total pension liability - ending	<u>71,070,032</u>
 Plan fiduciary net position:	
Contributions - employer	1,700,000
Contributions - member	348,591
Net investment income	5,662,996
Benefit payments, including refunds of member contributions	(2,087,953)
Administrative expense	<u>(177,899)</u>
Net change in plan fiduciary net position	5,445,735
Plan fiduciary net position - beginning	<u>43,535,990</u>
Plan fiduciary net position - ending	<u>48,981,725</u>
 Town's Net Pension Liability - Ending	\$ <u>22,088,307</u>
 Plan fiduciary net position as a percentage of the total pension liability	68.92%
 Covered-employee payroll	\$ 5,995,000
 Town's net pension liability as a percentage of covered-employee payroll	368.45%

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,969,000	\$ 2,908,000	\$ 3,113,000	\$ 3,425,000	\$ 3,911,000	\$ 4,035,000	\$ 4,472,000	\$ 4,438,000	\$ 4,576,000	\$ 4,325,000
Contributions in relation to the actuarially determined contribution	<u>1,225,000</u>	<u>1,325,000</u>	<u>1,425,000</u>	<u>1,625,000</u>	<u>1,825,000</u>	<u>2,025,000</u>	<u>2,325,000</u>	<u>3,000,000</u>	<u>3,700,000</u>	<u>4,576,000</u>
Contribution Deficiency (Excess)	<u>\$ 744,000</u>	<u>\$ 1,583,000</u>	<u>\$ 1,688,000</u>	<u>\$ 1,800,000</u>	<u>\$ 2,086,000</u>	<u>\$ 2,010,000</u>	<u>\$ 2,147,000</u>	<u>\$ 1,438,000</u>	<u>\$ 876,000</u>	<u>\$ (251,000)</u>
Covered-employee payroll	\$ 14,052,122	\$ 15,307,000	\$ 15,307,000	\$ 17,476,000	\$ 17,476,000	\$ 18,308,000	\$ 18,308,000	\$ 18,559,000	\$ 18,559,000	\$ 16,964,000
Contributions as a percentage of covered-employee payroll	8.72%	8.66%	9.31%	9.30%	10.44%	11.06%	12.70%	16.16%	19.94%	26.97%

**Notes to Schedule**

Valuation date: July 1, 2012

Measurement date: June 30, 2014

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

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	25 year open period
Asset valuation method	Fair Market Value. Fair Market Value is based on quoted market prices.
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	1994 Unisex Pensioners Mortality Table, with rates projected to 2014

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,969,000	\$ 2,117,040	\$ 1,008,000	\$ 2,091,150	\$ 2,369,000	\$ 2,438,000	\$ 3,474,000	\$ 3,393,000	\$ 3,088,000	\$ 3,226,000
Contributions in relation to the actuarially determined contribution	<u>850,000</u>	<u>900,000</u>	<u>908,375</u>	<u>1,050,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,350,000</u>	<u>1,450,000</u>	<u>1,600,000</u>	<u>1,700,000</u>
Contribution Deficiency (Excess)	<u>\$ 1,119,000</u>	<u>\$ 1,217,040</u>	<u>\$ 99,625</u>	<u>\$ 1,041,150</u>	<u>\$ 1,119,000</u>	<u>\$ 1,188,000</u>	<u>\$ 2,124,000</u>	<u>\$ 1,943,000</u>	<u>\$ 1,488,000</u>	<u>\$ 1,526,000</u>
Covered-employee payroll	\$ 4,007,225	\$ 4,290,000	\$ 4,290,000	\$ 5,176,000	\$ 5,176,000	\$ 5,542,000	\$ 5,542,000	\$ 5,358,000	\$ 5,358,000	\$ 5,995,000
Contributions as a percentage of covered-employee payroll	21.21%	20.98%	21.17%	20.29%	24.15%	22.56%	24.36%	27.06%	29.86%	28.36%

**Notes to Schedule**

Valuation date: July 1, 2012

Measurement date: June 30, 2014

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	Fair Market Value. Fair Market Value is based on quoted market prices.
Inflation	4.50%
Salary increases	4.5%, per annum, compounded annually
Investment rate of return	8.0%, per annum, compounded annually
Retirement age	Employees can retire on or after age 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 1994 Unisex Pensioners Mortality Table, with rates projected to 2014

Changes to the Plan Provisions Since Prior Year Participation was frozen effective July 1, 2014

**TOWN OF TRUMBULL, CONNECTICUT****SCHEDULE OF INVESTMENT RETURNS****LAST FISCAL YEAR****2014**

Town Pension Plan

Annual money-weighted rate of return, net of investment expense

16.06%

Police Pension Plan

Annual money-weighted rate of return, net of investment expense

12.99%

## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

## COMBINING BALANCE SHEET

JUNE 30, 2014

	<u>General</u>	<u>Special Revenue BOE Programs</u>	<u>Trumbull Day Fund</u>	<u>Interfund Elimination</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 34,801,964	\$ 548,121	\$	\$	\$ 35,350,085
Investments	10,251,703				10,251,703
Receivables, net of allowance for collections	8,893,719	45,763	19,124		8,958,606
Interfund loans	378,096				378,096
Other Assets	343	318			661
Due from other funds	6,218,224		35,486	(66,229)	6,187,481
Advances to other funds	1,655,056				1,655,056
Total Assets	<u>\$ 62,199,105</u>	<u>\$ 594,202</u>	<u>\$ 54,610</u>	<u>\$ (66,229)</u>	<u>\$ 62,781,688</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,999,409	\$ 7,038	\$ 28,795	\$	\$ 7,035,242
Due to other funds	27,635,699	30,743		(66,229)	27,600,213
Unearned revenue	98,648				98,648
Total liabilities	<u>34,733,756</u>	<u>37,781</u>	<u>28,795</u>	<u>(66,229)</u>	<u>34,734,103</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	6,605,376				6,605,376
Unavailable revenue - school construction receivables	1,429,035				1,429,035
Advance property tax collections	1,029,995				1,029,995
Advance summer school collections		196,415			196,415
Total deferred inflows of resources	<u>9,064,406</u>	<u>196,415</u>	<u>-</u>	<u>-</u>	<u>9,260,821</u>
Fund Balances:					
Reserved for:					
Nonspendable	1,655,056				1,655,056
Committed	1,141,814	360,006	25,815		1,527,635
Assigned	369,264				369,264
Unassigned	15,234,809				15,234,809
Total fund balances	<u>18,400,943</u>	<u>360,006</u>	<u>25,815</u>	<u>-</u>	<u>18,786,764</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,199,105</u>	<u>\$ 594,202</u>	<u>\$ 54,610</u>	<u>\$ (66,229)</u>	<u>\$ 62,781,688</u>

## TOWN OF TRUMBULL, CONNECTICUT

## GENERAL FUND

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

JUNE 30, 2014

	<u>General</u>	<u>Special Revenue BOE Programs</u>	<u>Trumbull Day Fund</u>	<u>Transfer Elimination</u>	<u>Total</u>
Revenues:					
Property taxes, interest and lien fees	\$ 138,268,546	\$	\$	\$	\$ 138,268,546
Federal and state government	17,999,986	329,438			18,329,424
Charges for services	5,212,306	1,823,333	96,568		7,132,207
Investment income	200,483				200,483
Other local revenues					
Total revenues	<u>161,681,321</u>	<u>2,152,771</u>	<u>96,568</u>	<u>-</u>	<u>163,930,660</u>
Expenditures:					
Current:					
General government	19,612,858				19,612,858
Public safety	11,554,102				11,554,102
Public works	8,862,763				8,862,763
Public health	581,532				581,532
Libraries	1,514,843				1,514,843
Social services	579,610				579,610
Parks and recreation	2,382,213		110,385		2,492,598
Education	107,643,687	2,060,579			109,704,266
Debt service:					
Principal retirement	8,283,595				8,283,595
Interest and other charges	3,840,489				3,840,489
Capital outlay	-				-
Total expenditures	<u>164,855,692</u>	<u>2,060,579</u>	<u>110,385</u>	<u>-</u>	<u>167,026,656</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,174,371)</u>	<u>92,192</u>	<u>(13,817)</u>	<u>-</u>	<u>(3,095,996)</u>
Other Financing Sources (Uses):					
Refunding bond proceeds	7,844,000				7,844,000
Premium on refunding bonds	762,425				762,425
Payment to refunded bond escrow agent	(8,494,259)				(8,494,259)
Premium on bonds	137,741				137,741
Transfers in	805,176				805,176
Total other financing sources	<u>1,055,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,055,083</u>
Net Change in Fund Balances	(2,119,288)	92,192	(13,817)	-	(2,040,913)
Fund Balances at Beginning of Year	<u>20,520,231</u>	<u>267,814</u>	<u>39,632</u>	<u>-</u>	<u>20,827,677</u>
Fund Balances at End of Year	<u>\$ 18,400,943</u>	<u>\$ 360,006</u>	<u>\$ 25,815</u>	<u>\$ -</u>	<u>\$ 18,786,764</u>

TOWN OF TRUMBULL, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2014

Grand List	Uncollected Taxes July 1, 2013	Current Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2014	
			Additions	Deductions			Taxes	Interest	Lien Fees	Total		
2012	\$	\$ 138,772,199	\$ 353,819	\$ 787,930	\$	\$ 138,338,088	\$ 135,859,321	\$ 297,480	\$ 18,785	\$ 136,175,586	\$ 2,478,767	
2011		2,659,721	15,942	614,601		2,061,062	566,120	224,945	20,912	811,977	1,494,942	
2010		842,964	5,316	423,877	124,138	300,265	87,016	150,658	1,902	239,576	213,249	
2009		333,677	881	52,476		282,082	174,142	81,134	578	255,854	107,940	
2008		135,537	167.00	120		135,584	69,039	48,629	515	118,183	66,545	
2007		112,336	209			112,545	55,135	49,354	72	104,561	57,410	
2006		77,705	247.00			77,952	47,307	50,541	48	97,896	30,645	
2005		35,103	25.00			35,128	10,283	5,862	48	16,193	24,845	
2004		10,336				10,336				-	10,336	
2003		11,667				11,667				-	11,667	
2002		81,647				81,647				-	81,647	
2001		8,010				8,010				-	8,010	
2000		11,147				11,147				-	11,147	
1999		12,354				12,354				-	12,354	
1998		11,568				11,568				-	11,568	
1997		11,550		11,550		-				-	-	
Total	\$	<u>4,355,322</u>	<u>\$ 138,772,199</u>	<u>\$ 376,606</u>	<u>\$ 1,890,554</u>	<u>\$ 124,138</u>	<u>\$ 141,489,435</u>	<u>\$ 136,868,363</u>	<u>\$ 908,603</u>	<u>\$ 42,860</u>	<u>\$ 137,819,826</u>	<u>\$ 4,621,072</u>

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## TOWN OF TRUMBULL, CONNECTICUT

## COMBINING STATEMENT OF NET POSITION BY PROJECT- WPCA FUND

JUNE 30, 2014

	<u>WPCA Operations</u>	<u>WPCA Construction</u>	<u>Total WPCA</u>
Assets:			
Current assets:			
Receivables, net	\$ 1,072,854	\$ -	\$ 1,072,854
Assessment receivable		42,347,465	42,347,465
Due from other funds	6,535,413	5,482,338	12,017,751
Other asset		18,082	18,082
	<u>7,608,267</u>	<u>47,847,885</u>	<u>55,456,152</u>
Total current assets			
Noncurrent assets:			
Capital assets, net		93,716,155	93,716,155
Total assets	<u>7,608,267</u>	<u>141,564,040</u>	<u>149,172,307</u>
Deferred Outflows of Resources:			
Deferred charge on refunding		390,165	390,165
Liabilities:			
Current liabilities:			
Accounts and other payables	841,843	147,437	989,280
Accrued liabilities	4,942		4,942
Bonds payable		4,725,460	4,725,460
Compensation absences	8,368		8,368
Total current liabilities	<u>855,153</u>	<u>4,872,897</u>	<u>5,728,050</u>
Noncurrent liabilities:			
Bonds payable, net		62,746,321	62,746,321
Compensated absences	47,244		47,244
Total noncurrent liabilities	<u>47,244</u>	<u>62,746,321</u>	<u>62,793,565</u>
Total liabilities	<u>902,397</u>	<u>67,619,218</u>	<u>68,521,615</u>
Net Position:			
Net investment in capital assets		26,634,539	26,634,539
Unrestricted	6,705,870	47,700,448	54,406,318
Total Net Position	<u>\$ 6,705,870</u>	<u>\$ 74,334,987</u>	<u>\$ 81,040,857</u>

## TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION BY PROJECT - WPCA FUND

FOR THE YEAR ENDED JUNE 30, 2014

	<u>WPCA Operations</u>	<u>WPCA Construction</u>	<u>Total WPCA</u>
Operating Revenues:			
Charges for services	\$ 8,324,062	\$	\$ 8,324,062
Operating Expenses:			
Operations and maintenance	6,390,276		6,390,276
Depreciation		1,753,043	1,753,043
Total operating expenses	<u>6,390,276</u>	<u>1,753,043</u>	<u>8,143,319</u>
Operating Income (Loss)	<u>1,933,786</u>	<u>(1,753,043)</u>	<u>180,743</u>
Nonoperating Revenue (Expenses):			
Interest income		1,654,079	1,654,079
Interest expense		(2,220,363)	(2,220,363)
Net nonoperating expenses	<u>-</u>	<u>(566,284)</u>	<u>(566,284)</u>
Income Before Capital Contributions and Transfers	<u>1,933,786</u>	<u>(2,319,327)</u>	<u>(385,541)</u>
Capital Contributions:			
Capital contributions		1,518,318	1,518,318
Special assessments and other	386,632	19,912,218	20,298,850
Total capital contributions	<u>386,632</u>	<u>21,430,536</u>	<u>21,817,168</u>
Income Before Transfers	2,320,418	19,111,209	21,431,627
Transfers Out	<u>(416,402)</u>		<u>(416,402)</u>
Change in Net Position	1,904,016	19,111,209	21,015,225
Net Position at Beginning of Year	<u>4,801,854</u>	<u>55,223,778</u>	<u>60,025,632</u>
Net Position at End of Year	<u>\$ 6,705,870</u>	<u>\$ 74,334,987</u>	<u>\$ 81,040,857</u>

TOWN OF TRUMBULL, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	Special Revenue Funds											
	Homeland Securities Act	Dog Fund	Youth and Children Services	Trumbull Library	Town Clerk Historical Preservation	Millington League Settlement	Education Grants and Other Programs	Police Grants	Police Special Duty	School Lunch	Social Services	Debt Service Fund
<b>ASSETS</b>												
Cash and cash equivalents	\$	\$	\$	\$ 2,547	\$	\$	\$	\$	\$	\$ 674,108	\$	\$
Accounts receivable		775					95,691		343,801	69,829		
Due from other funds	1,688	127,794	7,728		112,160			865	1,340,120		2,103	709,353
Inventory										29,172		
Total Assets	<u>\$ 1,688</u>	<u>\$ 128,569</u>	<u>\$ 7,728</u>	<u>\$ 2,547</u>	<u>\$ 112,160</u>	<u>\$ -</u>	<u>\$ 95,691</u>	<u>\$ 865</u>	<u>\$ 1,683,921</u>	<u>\$ 773,109</u>	<u>\$ 2,103</u>	<u>\$ 709,353</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>												
Liabilities:												
Accounts and other payable	\$	\$ 2,636	\$ 1,694	\$	\$ 27,842	\$	\$ 71,280	\$	\$	\$ 932	\$	\$
Due to other funds						75,853	8,910		180,000	183,508		
Advances to other funds												
Unearned revenue							15,501					
Total liabilities	<u>-</u>	<u>2,636</u>	<u>1,694</u>	<u>-</u>	<u>27,842</u>	<u>75,853</u>	<u>95,691</u>	<u>-</u>	<u>180,000</u>	<u>184,440</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:												
Unavailable revenue - other receivables												
Advance lunch sales										64,158		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,158</u>	<u>-</u>	<u>-</u>
Fund Balances:												
Nonspendable												
Restricted	1,688	775						865		29,172		
Committed		125,158	6,034	2,547	84,318				1,503,921	425,510	2,103	709,353
Unassigned						(75,853)						
Total fund balances	<u>1,688</u>	<u>125,933</u>	<u>6,034</u>	<u>2,547</u>	<u>84,318</u>	<u>(75,853)</u>	<u>-</u>	<u>865</u>	<u>1,503,921</u>	<u>524,511</u>	<u>2,103</u>	<u>709,353</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,688</u>	<u>\$ 128,569</u>	<u>\$ 7,728</u>	<u>\$ 2,547</u>	<u>\$ 112,160</u>	<u>\$ -</u>	<u>\$ 95,691</u>	<u>\$ 865</u>	<u>\$ 1,683,921</u>	<u>\$ 773,109</u>	<u>\$ 2,103</u>	<u>\$ 709,353</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2014**

Capital Projects Funds

	<u>Police Funds</u>	<u>Public Works Capital Projects</u>	<u>Small Cities</u>	<u>Senior Citizen Bus Fund</u>	<u>THS Renovations</u>	<u>Land Acquisition</u>	<u>Police Station Improvements</u>	<u>LOCIP</u>	<u>Park Improvements</u>	<u>Resurfacing of Town Roads</u>
<b>ASSETS</b>										
Cash and cash equivalents	\$	\$	\$ 39	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	39,258	794,245						474,513		
Due from other funds			10,576		1,177,573		37,781		50,086	14,422
Inventory										
Total Assets	<u>\$ 39,258</u>	<u>\$ 794,245</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ -</u>	<u>\$ 37,781</u>	<u>\$ 474,513</u>	<u>\$ 50,086</u>	<u>\$ 14,422</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts and other payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds	39,295	761,284						712,345		
Advances to other funds						1,655,056				
Unearned revenue										
Total liabilities	<u>39,295</u>	<u>761,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,655,056</u>	<u>-</u>	<u>712,345</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - other receivables										
Advance lunch sales										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted										
Committed		32,961	10,615		1,177,573		37,781		50,086	14,422
Unassigned	(37)					(1,655,056)		(237,832)		
Total fund balances	<u>(37)</u>	<u>32,961</u>	<u>10,615</u>	<u>-</u>	<u>1,177,573</u>	<u>(1,655,056)</u>	<u>37,781</u>	<u>(237,832)</u>	<u>50,086</u>	<u>14,422</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 39,258</u>	<u>\$ 794,245</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ -</u>	<u>\$ 37,781</u>	<u>\$ 474,513</u>	<u>\$ 50,086</u>	<u>\$ 14,422</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2014**

	Capital Projects Funds									
	Reserve for Capital and Nonrecurring Expenditures	Resurfacing of Tennis Courts	Pre- Kindergarten School	Daniels Farm Road Bridge	BOE Emergency Projects	Townwide Park Improvements	Tax Assessor CAMA System	Technology Town & BOE	Paving	Rails to Trails
<b>ASSETS</b>										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable										
Due from other funds	83,807		245,738		44,773	330	19,863	83,296	404,312	
Inventory										
Total Assets	<u>\$ 83,807</u>	<u>\$ -</u>	<u>\$ 245,738</u>	<u>\$ -</u>	<u>\$ 44,773</u>	<u>\$ 330</u>	<u>\$ 19,863</u>	<u>\$ 83,296</u>	<u>\$ 404,312</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts and other payable	\$	\$	\$	\$	\$ 8,053	\$	\$ 9,500	\$ 36,671	\$	\$
Due to other funds		4,670		17,571						211,191
Advances to other funds										
Unearned revenue										
Total liabilities	<u>-</u>	<u>4,670</u>	<u>-</u>	<u>17,571</u>	<u>8,053</u>	<u>-</u>	<u>-</u>	<u>9,500</u>	<u>36,671</u>	<u>211,191</u>
Deferred Inflows of Resources:										
Unavailable revenue - other receivables										
Advance lunch sales										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted										
Committed	83,807		245,738		36,720	330	19,863	73,796	367,641	
Unassigned		(4,670)		(17,571)						(211,191)
Total fund balances	<u>83,807</u>	<u>(4,670)</u>	<u>245,738</u>	<u>(17,571)</u>	<u>36,720</u>	<u>330</u>	<u>19,863</u>	<u>73,796</u>	<u>367,641</u>	<u>(211,191)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 83,807</u>	<u>\$ -</u>	<u>\$ 245,738</u>	<u>\$ -</u>	<u>\$ 44,773</u>	<u>\$ 330</u>	<u>\$ 19,863</u>	<u>\$ 83,296</u>	<u>\$ 404,312</u>	<u>\$ -</u>

(Continued on next page)

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2014**

	Capital Projects Funds					Permanent Funds			Total Nonmajor Governmental Funds
	New Elementary School	BOE Capital Projects	BOE 2nd Year Phase I Technology	BOE Phase II Technology	BOE 2nd Year Phase II Technology	BOE Scholarships	Cemetery Fund	Interfund Eliminations	
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 167,253	\$ 25,910	\$	\$ 869,857
Accounts receivable		113,674				99,956			2,031,742
Due from other funds			23,772	14,843	170		1,457		4,514,610
Inventory									29,172
Total Assets	\$ -	\$ 113,674	\$ 23,772	\$ 14,843	\$ 170	\$ 267,209	\$ 27,367	\$ -	\$ 7,445,381
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payable	\$	\$ 499,038	\$	\$	\$	\$	\$	\$	\$ 657,646
Due to other funds	425,928	2,402,003							5,022,558
Advances to other funds									1,655,056
Unearned revenue									15,501
Total liabilities	425,928	2,901,041	-	-	-	-	-	-	7,350,761
Deferred Inflows of Resources:									
Unavailable revenue - other receivables						99,956			99,956
Advance lunch sales									64,158
Total deferred inflows of resources	-	-	-	-	-	99,956	-	-	164,114
Fund Balances:									
Nonspendable						167,253	27,367		223,792
Restricted									75,260
Committed			23,772	14,843	170				5,046,959
Unassigned	(425,928)	(2,787,367)							(5,415,505)
Total fund balances	(425,928)	(2,787,367)	23,772	14,843	170	167,253	27,367	-	(69,494)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 113,674	\$ 23,772	\$ 14,843	\$ 170	\$ 267,209	\$ 27,367	\$ -	\$ 7,445,381

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Special Revenue Funds

	<u>Homeland Securities Act</u>	<u>Dog Fund</u>	<u>Youth and Children Services</u>	<u>Trumbull Library</u>	<u>Town Clerk Historical Preservation</u>	<u>Millington League Settlement</u>	<u>Education Grants and Other Programs</u>	<u>Police Grants</u>	<u>Police Special Duty</u>	<u>School Lunch</u>	<u>Social Services</u>	<u>Debt Service Fund</u>
Revenue:												
Intergovernmental revenue	\$	\$	\$ 33,083	\$	\$ 173,480	\$	\$ 2,298,853	\$	\$	\$ 420,485	\$	\$
Investment income												
Charges for goods and services		21,058			77,756				1,364,794	2,084,454		
Other												
Total revenues	<u>-</u>	<u>21,058</u>	<u>33,083</u>	<u>-</u>	<u>251,236</u>	<u>-</u>	<u>2,298,853</u>	<u>-</u>	<u>1,364,794</u>	<u>2,504,939</u>	<u>-</u>	<u>-</u>
Expenditures:												
Current:												
General government					230,977							
Public safety		11,395							1,170,431			
Public health			35,340									
Education							2,298,853			2,496,759		
Capital outlay												
Total expenditures	<u>-</u>	<u>11,395</u>	<u>35,340</u>	<u>-</u>	<u>230,977</u>	<u>-</u>	<u>2,298,853</u>	<u>-</u>	<u>1,170,431</u>	<u>2,496,759</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>9,663</u>	<u>(2,257)</u>	<u>-</u>	<u>20,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,363</u>	<u>8,180</u>	<u>-</u>	<u>-</u>
Other Financing Sources:												
Transfers out									(180,000)			
Issuance of debt												
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	9,663	(2,257)	-	20,259	-	-	-	14,363	8,180	-	-
Fund Balances at Beginning of Year	<u>1,688</u>	<u>116,270</u>	<u>8,291</u>	<u>2,547</u>	<u>64,059</u>	<u>(75,853)</u>	<u>-</u>	<u>865</u>	<u>1,489,558</u>	<u>516,331</u>	<u>2,103</u>	<u>709,353</u>
Fund Balances at End of Year	<u>\$ 1,688</u>	<u>\$ 125,933</u>	<u>\$ 6,034</u>	<u>\$ 2,547</u>	<u>\$ 84,318</u>	<u>\$ (75,853)</u>	<u>\$ -</u>	<u>\$ 865</u>	<u>\$ 1,503,921</u>	<u>\$ 524,511</u>	<u>\$ 2,103</u>	<u>\$ 709,353</u>

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**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

Capital Projects Funds

	<u>Police Funds</u>	<u>Public Works Capital Projects</u>	<u>Small Cities</u>	<u>Senior Citizen Bus Fund</u>	<u>THS Renovations</u>	<u>Land Acquisition</u>	<u>Police Station Improvements</u>	<u>LOCIP</u>	<u>Park Improvements</u>	<u>Resurfacing of Town Roads</u>
Revenue:										
Intergovernmental revenue	\$ 115,617	\$ 256,124	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 211,837	\$ -	\$ -
Investment income										
Charges for goods and services						14,192				
Other										
Total revenues	<u>115,617</u>	<u>256,124</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>14,192</u>	<u>-</u>	<u>211,837</u>	<u>-</u>	<u>-</u>
Expenditures:										
Current:										
General government										
Public safety										
Public health										
Education										
Capital outlay	100,722	215,199	-	40,000	-	-	37,695	39,685	26,370	14,389
Total expenditures	<u>100,722</u>	<u>215,199</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>37,695</u>	<u>39,685</u>	<u>26,370</u>	<u>14,389</u>
Excess (Deficiency) of Revenues over Expenditures	<u>14,895</u>	<u>40,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,192</u>	<u>(37,695)</u>	<u>172,152</u>	<u>(26,370)</u>	<u>(14,389)</u>
Other Financing Sources:										
Transfers out										
Issuance of debt										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	14,895	40,925	-	-	-	14,192	(37,695)	172,152	(26,370)	(14,389)
Fund Balances at Beginning of Year	<u>(14,932)</u>	<u>(7,964)</u>	<u>10,615</u>	<u>-</u>	<u>1,177,573</u>	<u>(1,669,248)</u>	<u>75,476</u>	<u>(409,984)</u>	<u>76,456</u>	<u>28,811</u>
Fund Balances at End of Year	<u>\$ (37)</u>	<u>\$ 32,961</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ (1,655,056)</u>	<u>\$ 37,781</u>	<u>\$ (237,832)</u>	<u>\$ 50,086</u>	<u>\$ 14,422</u>

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**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**

**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Capital Projects Funds

	<u>Reserve for Capital and Nonrecurring Expenditures</u>	<u>Resurfacing of Tennis Courts</u>	<u>Pre- Kindergarten School</u>	<u>Daniels Farm Road Bridge</u>	<u>BOE Emergency Projects</u>	<u>Townwide Park Improvements</u>	<u>Tax Assessor CAMA System</u>	<u>Technology Town &amp; BOE</u>	<u>Paving</u>	<u>Rails to Trails</u>
Revenue:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$	463,813	\$
Investment income										
Charges for goods and services										
Other										
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,813</u>	<u>-</u>
Expenditures:										
Current:										
General government										
Public safety										
Public health										
Education										
Capital outlay					31,182		19,819	9,500	784,456	2,466
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,182</u>	<u>-</u>	<u>19,819</u>	<u>9,500</u>	<u>784,456</u>	<u>2,466</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,182)</u>	<u>-</u>	<u>(19,819)</u>	<u>(9,500)</u>	<u>(320,643)</u>	<u>(2,466)</u>
Other Financing Sources:										
Transfers out										
Issuance of debt										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,182)</u>	<u>-</u>	<u>(19,819)</u>	<u>(9,500)</u>	<u>(320,643)</u>	<u>(2,466)</u>
Fund Balances at Beginning of Year	<u>83,807</u>	<u>(4,670)</u>	<u>245,738</u>	<u>(17,571)</u>	<u>67,902</u>	<u>330</u>	<u>39,682</u>	<u>83,296</u>	<u>688,284</u>	<u>(208,725)</u>
Fund Balances at End of Year	<u>\$ 83,807</u>	<u>\$ (4,670)</u>	<u>\$ 245,738</u>	<u>\$ (17,571)</u>	<u>\$ 36,720</u>	<u>\$ 330</u>	<u>\$ 19,863</u>	<u>\$ 73,796</u>	<u>\$ 367,641</u>	<u>\$ (211,191)</u>

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**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Capital Projects Funds</u>					<u>Permanent Fund</u>		<b>Total Nonmajor Governmental Funds</b>
	<b>New Elementary School</b>	<b>BOE Capital Projects</b>	<b>BOE 2nd Year Phase I Technology</b>	<b>BOE Phase II Technology</b>	<b>BOE 2nd Year Phase II Technology</b>	<b>BOE Scholarships</b>	<b>Cemetery Fund</b>	
Revenue:								
Intergovernmental revenue	\$	\$ 970,817	\$	\$	\$	\$	\$	\$ 4,984,109
Investment income						401	36	437
Charges for goods and services								3,562,254
Other		-				8,065		8,065
Total revenues	-	970,817	-	-	-	8,466	36	8,554,865
Expenditures:								
Current:								
General government								230,977
Public safety								1,181,826
Public health								35,340
Education						40,954		4,836,566
Capital outlay		4,355,407						5,676,890
Total expenditures	-	4,355,407	-	-	-	40,954	-	11,961,599
Excess (Deficiency) of Revenues over Expenditures	-	(3,384,590)	-	-	-	(32,488)	36	(3,406,734)
Other Financing Sources:								
Transfers out								(180,000)
Issuance of debt		36,000						36,000
Total other financing sources (uses)	-	36,000	-	-	-	-	-	(144,000)
Net Change in Fund Balances	-	(3,348,590)	-	-	-	(32,488)	36	(3,550,734)
Fund Balances at Beginning of Year	(425,928)	561,223	23,772	14,843	170	199,741	27,331	3,481,240
Fund Balances at End of Year	\$ (425,928)	\$ (2,787,367)	\$ 23,772	\$ 14,843	\$ 170	\$ 167,253	\$ 27,367	\$ (69,494)

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2014**

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Due from other funds	\$	\$ 5,266,651	\$ 5,266,651
Noncurrent assets:			
Capital assets, net	<u>2,973,539</u>	<u>                    </u>	<u>2,973,539</u>
Total assets	<u>2,973,539</u>	<u>5,266,651</u>	<u>8,240,190</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Current liabilities:			
Claims payable		582,524	582,524
Due to other funds	1,164,923		1,164,923
Total current liabilities	<u>1,164,923</u>	<u>582,524</u>	<u>1,747,447</u>
Noncurrent liabilities:			
Claims payable		3,596,966	3,596,966
Total liabilities	<u>1,164,923</u>	<u>4,179,490</u>	<u>5,344,413</u>
<b>NET POSITION</b>			
Net Position:			
Net investment in capital assets	1,808,616		1,808,616
Unrestricted		1,087,161	1,087,161
Total Net Position	<u>\$ 1,808,616</u>	<u>\$ 1,087,161</u>	<u>\$ 2,895,777</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**

**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 441,870	\$ 18,451,084	\$ 18,892,954
Operating Expenses:			
Claims expense		16,944,100	16,944,100
Depreciation expense	484,508		484,508
Total operating expenses	<u>484,508</u>	<u>16,944,100</u>	<u>17,428,608</u>
Operating Income (Loss)	(42,638)	1,506,984	1,464,346
Nonoperating Expenses:			
Loss on disposal of capital assets	<u>(23,268)</u>		<u>(23,268)</u>
Change in Net Position	(65,906)	1,506,984	1,441,078
Net Position at Beginning of Year	<u>1,874,522</u>	<u>(419,823)</u>	<u>1,454,699</u>
Net Position at End of Year	<u>\$ 1,808,616</u>	<u>\$ 1,087,161</u>	<u>\$ 2,895,777</u>

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from users	\$ 441,870	\$ 18,451,084	\$ 18,892,954
Cash paid for insurance claims and premiums		(15,701,084)	(15,701,084)
Net cash provided by operating activities	<u>441,870</u>	<u>2,750,000</u>	<u>3,191,870</u>
Cash Flows from Noncapital Financing Activities:			
Cash received from (paid to) other funds	<u>117,462</u>	<u>(2,750,000)</u>	<u>(2,632,538)</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of fixed assets	<u>(559,332)</u>		<u>(559,332)</u>
Net Increase in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (42,638)	\$ 1,506,984	\$ 1,464,346
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	484,508		484,508
Increase (decrease) in claims payable		<u>1,243,016</u>	<u>1,243,016</u>
Net Cash Provided by Operating Activities	<u>\$ 441,870</u>	<u>\$ 2,750,000</u>	<u>\$ 3,191,870</u>

## TOWN OF TRUMBULL, CONNECTICUT

## AGENCY FUNDS

COMBINING BALANCE SHEET  
JUNE 30, 2014

	<b>Performance Bond Fund</b>	<b>Student Activity Fund</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 677,688	\$ 306,102	\$ 983,790
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>			
Deposits held for others	\$ 677,688	\$ 306,102	\$ 983,790
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## TOWN OF TRUMBULL, CONNECTICUT

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Performance Bond Fund</b>				
Assets:				
Cash and cash equivalents	\$ 861,862	\$ 60,077	\$ 244,251	\$ 677,688
Liabilities:				
Deposits held for others	\$ 861,862	\$ 60,077	\$ 244,251	\$ 677,688
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 283,101	\$ 651,503	\$ 628,502	\$ 306,102
Liabilities:				
Deposits held for others	\$ 283,101	\$ 651,503	\$ 628,502	\$ 306,102
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,144,963	\$ 711,580	\$ 872,753	\$ 983,790
Liabilities:				
Deposits held for others	\$ 1,144,963	\$ 711,580	\$ 872,753	\$ 983,790

**TOWN OF TRUMBULL, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**

**JUNE 30, 2014**

	<u>Trumbull Library</u>	<u>Special Trust</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 45,129	\$ 112,667	\$ 157,796
Investments	21,346		21,346
Receivables		43,504	43,504
Due from other funds	13,276	1,205,159	1,218,435
Total current assets	<u>79,751</u>	<u>1,361,330</u>	<u>1,441,081</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Current liabilities:			
Accounts and other payables		14,623	14,623
<b>NET POSITION IN TRUST</b>	<u>\$ 79,751</u>	<u>\$ 1,346,707</u>	<u>\$ 1,426,458</u>

**TOWN OF TRUMBULL, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**PRIVATE PURPOSE TRUST FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Trumbull Library</u>	<u>Special Trust</u>	<u>Total</u>
Additions:			
Interest and dividends	\$ 61	\$ 155	\$ 216
Intergovernmental	482		482
Contributions	91,445	760,372	851,817
Total additions	<u>91,988</u>	<u>760,527</u>	<u>852,515</u>
Deductions:			
Payments to beneficiaries	<u>88,315</u>	<u>669,620</u>	<u>757,935</u>
Change in net position	3,673	90,907	94,580
Net position at beginning of year	<u>76,078</u>	<u>1,255,800</u>	<u>1,331,878</u>
Net Position at End of Year	<u>\$ 79,751</u>	<u>\$ 1,346,707</u>	<u>\$ 1,426,458</u>

TOWN OF TRUMBULL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

COMPARATIVE SCHEDULE BY SOURCE

(In Thousands)

JUNE 30, 2014

Total tax collections, including interest and lien fees, received by Treasurer for year ended June 30, 2013	\$ 137,820
Reimbursement for loss on:	
Tax relief for elderly - elderly freeze	<u>3</u>
BASE	<u>\$ 137,823</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 310,101	\$	\$	\$	\$
4-1/2 times base		620,203			
3-3/4 times base			516,836		
3-1/4 times base				447,924	
3 times base					413,468
Total debt limitation	<u>310,101</u>	<u>620,203</u>	<u>516,836</u>	<u>447,924</u>	<u>413,468</u>
Indebtedness:					
Bonds payable	26,194	67,295	65,641		
Bond anticipation notes	9,521				
Bonds authorized - unissued	<u>15,501</u>	<u>10,582</u>			
Total indebtedness	<u>51,216</u>	<u>77,877</u>	<u>65,641</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 258,885</u>	<u>\$ 542,326</u>	<u>\$ 451,195</u>	<u>\$ 447,924</u>	<u>\$ 413,468</u>

Note: In no event shall total debt exceed seven times annual receipts from taxation (\$964.8 million).