

TOWN OF TRUMBULL, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2012

TOWN OF TRUMBULL, CONNECTICUT

ANNUAL FINANCIAL REPORT

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Independent Auditors' Report

To the Members of the Town Council
Town of Trumbull, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town of Trumbull, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Trumbull, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Trumbull, Connecticut's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Trumbull, Connecticut, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2013 on our consideration of the Town of Trumbull, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the budgetary comparison information on pages 49 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Trumbull, Connecticut's financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Blum, Shapiro & Company, P.C.

January 10, 2013

**TOWN OF TRUMBULL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(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 11).

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 \$129.5 million. Total net assets for Governmental Activities at fiscal year-end were \$65.8 million and total net assets for Business-Type Activities were \$63.7 million.
- On a government-wide basis, during the year, the Town's net assets increased by \$3.0 million. Net assets increased by \$2.6 million for Governmental Activities and increased by \$.4 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 \$1.5 million, which is a decrease of \$2.0 million from the prior fiscal year due to capital expenditures within the five year capital plan that was not yet permanently bonded.
- At the end of the current fiscal year, the total fund balance for the general fund alone was \$20.0 million, and an increase of \$1.7 million from the prior fiscal year. Of the total fund balance in the general fund as of June 30, 2012, \$16.9 million represents unassigned balance, which is available for spending at the government's discretion. Unassigned fund balance in the general fund at year-end represents 11.1% of total general fund expenditures of \$151.3 million.
- The Town of Trumbull's total debt increased by \$22 million during the current fiscal year. The key factors in the increase were the issuance of \$26 million in new bonds and an increase of \$2.9 million and \$1.9 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 assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 assets and statement of activities) can be found on pages 11 and 12 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 assets presented in the governmental activities column on the statement of net assets. 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 assets 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 13-16 of this report.

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

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

Because the internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 17-19 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 20 and 21 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 22 through 48 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 49 through 53 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 11 and 12).

TABLE 1
NET ASSETS
(In Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 44,337	\$ 33,295	\$ 41,989	\$ 39,789	\$ 86,326	\$ 73,084
Capital assets, net of depreciation	208,974	190,472	95,214	90,817	304,188	281,289
Total assets	<u>253,311</u>	<u>223,767</u>	<u>137,203</u>	<u>130,606</u>	<u>390,514</u>	<u>354,373</u>
Current liabilities	35,440	9,480	6,271	775	41,710	10,255
Noncurrent liabilities	152,001	150,988	67,257	66,585	219,258	217,573
Total liabilities	<u>187,441</u>	<u>160,468</u>	<u>73,528</u>	<u>67,360</u>	<u>260,969</u>	<u>227,828</u>
Net Assets:						
Invested in capital assets, net of debt	108,474	102,555	22,564	24,924	131,038	127,479
Restricted	194	734			194	734
Unrestricted	<u>(42,799)</u>	<u>(39,990)</u>	<u>41,111</u>	<u>38,322</u>	<u>(1,688)</u>	<u>(1,668)</u>
Total Net Assets	<u>\$ 65,870</u>	<u>\$ 63,299</u>	<u>\$ 63,675</u>	<u>\$ 63,246</u>	<u>\$ 129,545</u>	<u>\$ 126,545</u>

By far the largest portion of the Town of Trumbull's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The 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 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 ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,255	\$ 8,570	\$ 8,276	\$ 7,757	\$ 16,531	\$ 16,327
Operating grants and contributions	18,111	15,340			18,111	15,340
Capital grants and contributions	2,465	1,887			2,465	1,887
General revenues:						
Property taxes	130,865	125,534			130,865	125,534
Grants and contributions not restricted to specific purposes	1,007	1,073	1,424		2,431	1,073
Unrestricted investment earnings	268	179	1,451	1,529	1,719	1,708
Other general revenues	316		421	15,428	736	15,428
Total revenues	<u>161,287</u>	<u>152,583</u>	<u>11,572</u>	<u>24,714</u>	<u>172,859</u>	<u>177,297</u>
Program expenses:						
General government	19,933	9,546			19,933	9,546
Public safety	12,358	12,352			12,358	12,352
Public works	8,820	9,340			8,820	9,340
Health and welfare	678	471			678	471
Libraries	1,672	2,159			1,672	2,159
Social services	420	814			420	814
Parks and recreation	2,679	2,859		10,141	2,679	13,000
Education	107,817	112,411			107,817	112,411
Interest on long-term debt	5,110	3,097			5,110	3,097
WPCA			8,745		8,745	
Golf Course			1,627		1,627	
Total program expenses	<u>159,487</u>	<u>153,049</u>	<u>10,372</u>	<u>10,141</u>	<u>169,860</u>	<u>163,190</u>
Excess before transfers	1,800	(466)	1,199	14,573	2,999	14,107
Transfers	<u>771</u>	<u>(910)</u>	<u>(771)</u>	<u>910</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>\$ 2,570</u>	<u>\$ (1,376)</u>	<u>\$ 429</u>	<u>\$ 15,483</u>	<u>\$ 2,999</u>	<u>\$ 14,107</u>

Trumbull's net assets increased by \$3.0 million during the fiscal year, with net assets of Governmental Activities increasing by \$2.6 million and net assets of Business-Type Activities increasing by \$.4 million.

Key elements of this increase are as follows:

- The Town's tax revenue increased \$9.7 million during the current fiscal year as a result of the increase in the mill rate.

- These factors more than offset the dramatic increases in education cost, debt service and workers compensation. Education costs increased due to an overall increase in the current year operating budget. Debt service costs increased due to new debt issued in September 2011 for the WPCA-Sewer Construction Project and the Trumbull High School-As New. Workers' compensation increased due to ongoing open cases and final settlements.
- The Business-Type Activities revenues decrease of \$14 million was a result of billing one of the WPCA-Sewer Construction Projects in the 2011 fiscal year.

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 \$1.5 million. Of this amount the Town has an unassigned fund balance deficit of \$5.6 million. The remaining \$7.1 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 \$16.9 million. Unassigned fund balance of the general fund represents 11.1% of total general fund expenditures.

Water Pollution Control Authority. The Water Pollution Control Authority (WPCA) had an unrestricted net assets balance at June 30, 2012 of \$40.4 million and net assets invested in capital assets, net of related debt of \$20.1 million.

Golf Course. The Tashua Knolls Golf Course had an unrestricted net assets balance at June 30, 2012 of \$.7 million and net assets invested in capital assets, net of related debt of \$2.5 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget for expenditures was \$1.5 million and the major contributing factors can be summarized as follows:

- There was a supplemental appropriation for \$535,000 to cover workers compensation benefits for permanencies and final stipulations of claims.
- There was a supplemental appropriation for \$197,000 for liability insurance of which \$118,000 was due to an increase in liability insurance due to deductibles paid on outstanding claims and \$79,000 for an efficiency audit of the Town and Board of Education.
- There was a supplemental appropriation for \$89,000 for Police overtime.
- There was a supplemental appropriation for \$76,000 for a Fleet Maintenance system.
- There was a supplemental appropriation for \$18,000 for the disposal area.
- There was a supplemental appropriation for \$62,000 for tree service due to the various storms.

- There was a supplemental appropriation for \$477,000 to reinstate programs previously denied in the budget process.

However, the final budget to actual expenditure variance was favorable by \$1.5 million. The major reasons for the net variance are as follows:

- Public Works had a surplus of \$130,000 due to the bidding and hiring of a different vendor for brush pickup and budget containment.
- Snow Removal had a surplus of \$114,000 due to the mild winter and minor snow storms.
- Town Hall had a surplus of \$142,000 of which \$122,000 was due to favorable negotiations of the police union contract which settled the first year for a one-time bonus instead of a normal increase.
- Economic Development has a surplus of \$70,000 due to vacancy.
- There was a surplus in Education of \$875,000 due to the reduction in salaries due to retirements, reduction in energy costs associated with a shift from oil to gas, a small surplus in transportation and a one-time receipt of Early Retiree Re-insurance Program funds.

The difference between the final revenue budget and actual revenues resulted in a net surplus of \$1.1 million. The major reasons for the favorable variance are as follows:

- The state grants were \$640,000 over budget was mainly due to the increase of Education grants in the amount of \$240,000, VOAG grant in the amount of \$68,000 and an increase in FEMA reimbursement for storms in the amount of \$347,000.
- Licenses, permits and fees were over budget by \$518,000 due to an increase in the Town Clerk's revenue of \$166,000 due to more refinancing as a result of lower interest rates and liens filed, Building revenue of \$307,000 due to new construction and cell tower rental in the amount of \$134,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Town had \$304 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		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Land	\$ 38,823	\$ 38,823	\$ 1,962	\$ 1,962	\$ 40,785	\$ 40,785
Land improvements	4,434	4,802	2,830	2,910	7,264	7,712
Buildings and improvements	87,381	89,741	1,302	1,307	88,683	91,048
Machinery and equipment	2,957	2,023	388	415	3,345	2,438
Infrastructure	21,865	19,982	64,699	66,383	86,564	86,365
Vehicles	3,132	2,929	1	10	3,133	2,939
Construction in progress	50,382	32,172	24,031	17,830	74,413	50,002
Total	\$ 208,974	\$ 190,472	\$ 95,214	\$ 90,817	\$ 304,188	\$ 281,289

Additional information on the Town’s capital assets can be found on pages 32 through 33 of this report.

Long-term Debt. At the end of the current fiscal year, the Town of Trumbull had total bonded debt outstanding of \$148.8 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	
	2012	2011	2012	2011	2012	2011
General obligation bonds \$	<u>83,069</u>	<u>\$ 74,501</u>	<u>\$ 65,696</u>	<u>\$ 57,954</u>	<u>\$ 148,765</u>	<u>\$ 132,455</u>

The Town of Trumbull’s total debt increased by \$16 million or 12.0% during the 2011-12 fiscal year.

The Town of Trumbull maintains an Aa2 rating from Moody’s Investors Service, AA by Standard and Poor’s and 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 \$908.9 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 34 through 37 of this report.

Relevant Current Economic Factors, Decisions, and Conditions

The unemployment rate for the Town is currently 7.0%, which compares favorably to the State’s average unemployment rate of 8.4% and the Bridgeport Labor Market of 7.8%.

The Grand List growth has been less than 1% for each of the last three 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 ASSETS

JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 37,105,295	\$	\$ 37,105,295
Investments	9,491,070		9,491,070
Receivables, net	9,449,239	29,513,816	38,963,055
Internal balances	(12,432,438)	12,432,438	-
Inventories	41,465		41,465
Other assets	6,012	43,082	49,094
Deferred charges	675,922		675,922
Capital assets:			
Assets not being depreciated	89,204,416	25,993,041	115,197,457
Assets being depreciated, net	119,769,910	69,220,518	188,990,428
Total assets	<u>253,310,891</u>	<u>137,202,895</u>	<u>390,513,786</u>
Liabilities:			
Accounts and other payables	6,637,648	703,659	7,341,307
Accrued liabilities	1,940,713	27,559	1,968,272
Due to fiduciary funds	2,658,355		2,658,355
Bond anticipation notes	23,050,000	5,500,000	28,550,000
Unearned revenue	1,153,099	39,380	1,192,479
Noncurrent liabilities:			
Due within one year	8,270,947	4,082,938	12,353,885
Due in more than one year	143,730,405	63,174,083	206,904,488
Total liabilities	<u>187,441,167</u>	<u>73,527,619</u>	<u>260,968,786</u>
Net Assets:			
Invested in capital assets, net of related debt	108,474,302	22,564,083	131,038,385
Restricted for:			
Trust purposes:			
Nonexpendable	194,479		194,479
Unrestricted	<u>(42,799,057)</u>	<u>41,111,193</u>	<u>(1,687,864)</u>
Total Net Assets	\$ <u>65,869,724</u>	\$ <u>63,675,276</u>	\$ <u>129,545,000</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 19,933,384	\$ 1,128,742	\$ 256,406	\$	\$ (18,548,236)	\$	\$ (18,548,236)
Public safety	12,358,039	1,764,061	65,081		(10,528,897)		(10,528,897)
Public works	8,819,867	358,939	3,180,048	49,351	(5,231,529)		(5,231,529)
Public health	678,497		72,985		(605,512)		(605,512)
Libraries	1,671,580				(1,671,580)		(1,671,580)
Social services	420,220				(420,220)		(420,220)
Parks and recreation	2,679,479	11,410			(2,668,069)		(2,668,069)
Education	107,816,517	4,991,593	14,536,165	2,312,359	(85,976,400)		(85,976,400)
Interest on long-term debt	5,109,547			103,462	(5,006,085)		(5,006,085)
Total governmental activities	<u>159,487,130</u>	<u>8,254,745</u>	<u>18,110,685</u>	<u>2,465,172</u>	<u>(130,656,528)</u>	<u>-</u>	<u>(130,656,528)</u>
Business-type activities:							
WPCA	8,745,180	6,191,071				(2,554,109)	(2,554,109)
Golf course	1,627,206	2,085,277				458,071	458,071
Total business-type activities	<u>10,372,386</u>	<u>8,276,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,096,038)</u>	<u>(2,096,038)</u>
Total primary governmental activities	<u>\$ 169,859,516</u>	<u>\$ 16,531,093</u>	<u>\$ 18,110,685</u>	<u>\$ 2,465,172</u>	<u>(130,656,528)</u>	<u>(2,096,038)</u>	<u>(132,752,566)</u>
General revenues:							
Property taxes					130,865,212		130,865,212
Grants and contributions not restricted to specific programs					1,007,387	1,423,501	2,430,888
Unrestricted investment earnings					268,088	1,451,306	1,719,394
Miscellaneous					315,754		315,754
Sewer assessments						420,557	420,557
Transfers					770,512	(770,512)	-
Total general revenues and transfers					<u>133,226,953</u>	<u>2,524,852</u>	<u>135,751,805</u>
Change in net assets					2,570,425	428,814	2,999,239
Net Assets at Beginning of Year, as Restated					<u>63,299,299</u>	<u>63,246,462</u>	<u>126,545,761</u>
Net Assets at End of Year					<u>\$ 65,869,724</u>	<u>\$ 63,675,276</u>	<u>\$ 129,545,000</u>

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

	<u>General</u>	<u>BOE Capital Projects</u>	<u>Five Year Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 36,375,567	\$	\$	\$ 729,728	\$ 37,105,295
Investments	9,491,070				9,491,070
Receivables, net	8,058,247			406,637	8,464,884
Inventories				41,465	41,465
Due from other funds	2,317,661	1,570,210	3,927,846	3,484,410	11,300,127
Other assets	1,684,983			6,012	1,690,995
Total Assets	<u>\$ 57,927,528</u>	<u>\$ 1,570,210</u>	<u>\$ 3,927,846</u>	<u>\$ 4,668,252</u>	<u>\$ 68,093,836</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 4,669,691	\$ 1,842,380	\$ 43,247	\$ 82,330	\$ 6,637,648
Due to other funds	26,249,834			1,701,954	27,951,788
Deferred revenue	6,959,320	113,844	51,194	149,207	7,273,565
Advances to other funds				1,684,983	1,684,983
Bond anticipation notes		15,900,000	7,150,000		23,050,000
Total liabilities	<u>37,878,845</u>	<u>17,856,224</u>	<u>7,244,441</u>	<u>3,618,474</u>	<u>66,597,984</u>
Fund balances:					
Nonspendable	1,684,983			235,944	1,920,927
Restricted				63,576	63,576
Committed	875,572			3,599,102	4,474,674
Assigned	626,129				626,129
Unassigned	16,861,999	(16,286,014)	(3,316,595)	(2,848,844)	(5,589,454)
Total fund balances	<u>20,048,683</u>	<u>(16,286,014)</u>	<u>(3,316,595)</u>	<u>1,049,778</u>	<u>1,495,852</u>
Total Liabilities and Fund Balances	<u>\$ 57,927,528</u>	<u>\$ 1,570,210</u>	<u>\$ 3,927,846</u>	<u>\$ 4,668,252</u>	<u>\$ 68,093,836</u>

(Continued on next page)

TOWN OF TRUMBULL, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

Reconciliation of the Balance Sheet - Governmental Funds

to the Statement of Net Assets:

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

Fund balances - total governmental funds	\$ 1,495,852
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 318,066,494
Less accumulated depreciation	<u>(111,700,193)</u>
Net capital assets	206,366,301
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	3,673,774
Interest receivable on property taxes	984,355
Bond issuance costs	675,922
Receivable from the state for school construction projects	2,446,692
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.	1,652,242
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension obligation	(53,343,073)
Net OPEB obligation	(5,352,201)
Bonds payable	(83,068,580)
Interest payable on bonds and notes	(1,940,713)
Compensated absences	(5,841,412)
Claims and judgments	(984,342)
Bond premium	(3,623,618)
Deferred charges on refunding	<u>2,728,525</u>
Net Assets of Governmental Activities (Exhibit I)	<u>\$ 65,869,724</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, 2012

	General	BOE Capital Projects	Five Year Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 129,929,396	\$	\$	\$	\$ 129,929,396
Intergovernmental	16,295,453	2,035,856		3,914,741	22,246,050
Investment earnings	267,356			732	268,088
Charges for goods and services	6,104,909			2,151,977	8,256,886
Other		305,175		10,579	315,754
Total revenues	<u>152,597,114</u>	<u>2,341,031</u>	<u>-</u>	<u>6,078,029</u>	<u>161,016,174</u>
Expenditures:					
Current:					
General government	16,872,203			268,666	17,140,869
Public safety	10,269,807			11,986	10,281,793
Public works	8,545,532				8,545,532
Public health	560,769			32,985	593,754
Libraries	1,544,281				1,544,281
Social service	526,196				526,196
Parks and recreation	2,382,554				2,382,554
Education	99,657,036			4,753,929	104,410,965
Debt service:					
Principal	7,082,310				7,082,310
Interest	3,871,550			128,037	3,999,587
Capital outlay		17,802,760	3,316,595	1,150,390	22,269,745
Total expenditures	<u>151,312,238</u>	<u>17,802,760</u>	<u>3,316,595</u>	<u>6,345,993</u>	<u>178,777,586</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,284,876</u>	<u>(15,461,729)</u>	<u>(3,316,595)</u>	<u>(267,964)</u>	<u>(17,761,412)</u>
Other Financing Sources (Uses):					
Transfers in	487,812			282,700	770,512
Issuance of general obligation bonds				310,000	310,000
Issuance of refunding bonds		14,000,000		14,862,000	28,862,000
Payments to escrow agent				(15,829,469)	(15,829,469)
Premium on general obligation bonds		483,238		1,106,206	1,589,444
Total other financing sources (uses)	<u>487,812</u>	<u>14,483,238</u>	<u>-</u>	<u>731,437</u>	<u>15,702,487</u>
Net Change in Fund Balances	1,772,688	(978,491)	(3,316,595)	463,473	(2,058,925)
Fund Balances at Beginning of Year, as Restated	<u>18,275,995</u>	<u>(15,307,523)</u>	<u>-</u>	<u>586,305</u>	<u>3,554,777</u>
Fund Balances at End of Year	<u>\$ 20,048,683</u>	<u>\$ (16,286,014)</u>	<u>\$ (3,316,595)</u>	<u>\$ 1,049,778</u>	<u>\$ 1,495,852</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, 2012

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,058,925)
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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	23,480,798
Depreciation expense	(5,172,202)

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 assets differs from the change in fund balance by the cost of the assets sold.	(61,928)
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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	(664,947)
Property tax receivable - accrual basis change	924,504
Property tax interest and lien revenue - accrual basis change	11,312

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 assets. Also, governmental funds report the effect of issuance costs, 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	(14,310,000)
Refunding bonds issued	(14,862,000)
Payments to escrow agent	14,383,000
Deferred amount on refunding	1,446,469
Premium on bond issuance	(1,589,445)
Bond issuance costs	128,037

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	(513,973)
Bond principal payments	6,221,080
Accrued interest	(433,321)
Amortization of deferred charge on refunding	(170,418)
Amortization of bond issuance costs	(60,866)
Amortization of bond premiums	287,838
Capital lease	11,207
Net pension expense	(2,955,142)
Net OPEB expense	(1,405,314)
Claims and judgments	(84,342)

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.

19,003

Change in Net Assets of Governmental Activities (Exhibit II)

\$ <u>2,570,425</u>

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2012

	Business-Type Activities		Total Business-Type Activities	Governmental Activities Internal Service Funds
	WPCA	Nonmajor Golf Course		
Assets:				
Current assets:				
Receivables, net	\$ 738,279	\$ 47,241	\$ 785,520	\$
Assessment receivable	28,728,296		28,728,296	
Due from other funds	11,641,999	790,439	12,432,438	2,516,651
Other assets	43,082		43,082	
Total current assets	<u>41,151,656</u>	<u>837,680</u>	<u>41,989,336</u>	<u>2,516,651</u>
Noncurrent assets:				
Capital assets, net	89,997,991	5,215,568	95,213,559	2,608,025
Total assets	<u>131,149,647</u>	<u>6,053,248</u>	<u>137,202,895</u>	<u>5,124,676</u>
Liabilities:				
Current liabilities:				
Accounts and other payables	658,163	45,496	703,659	
Accrued liabilities	13,252	14,307	27,559	
Due to other funds			-	955,783
Unearned revenue	39,380		39,380	
Bond anticipation notes	5,500,000		5,500,000	
Bonds payable	3,966,140	97,000	4,063,140	
Compensation absences	9,659	10,139	19,798	
Claim payable			-	629,163
Total current liabilities	<u>10,186,594</u>	<u>166,942</u>	<u>10,353,536</u>	<u>1,584,946</u>
Noncurrent liabilities:				
Bonds payable, net	60,462,405	2,623,931	63,086,336	
Compensated absences	46,721	41,026	87,747	
Claims payable			-	1,887,488
Total noncurrent liabilities	<u>60,509,126</u>	<u>2,664,957</u>	<u>63,174,083</u>	<u>1,887,488</u>
Total liabilities	<u>70,695,720</u>	<u>2,831,899</u>	<u>73,527,619</u>	<u>3,472,434</u>
Net Assets:				
Invested in capital assets, net of related debt	20,069,446	2,494,637	22,564,083	1,652,242
Unrestricted	<u>40,384,481</u>	<u>726,712</u>	<u>41,111,193</u>	
Total Net Assets	<u>\$ 60,453,927</u>	<u>\$ 3,221,349</u>	<u>\$ 63,675,276</u>	<u>\$ 1,652,242</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 ASSETS - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities		Total Business-Type Activities	Governmental
	WPCA	Nonmajor Golf Course		Activities Internal Service Funds
Operating Revenues:				
Charges for services	\$ 6,191,071	\$ 2,085,277	\$ 8,276,348	\$ 1,678,184
Operating Expenses:				
Operating and maintenance	4,851,178	1,349,763	6,200,941	
Claims expense			-	1,344,944
Depreciation	1,757,169	154,834	1,912,003	314,237
Total operating expenses	6,608,347	1,504,597	8,112,944	1,659,181
Operating Income (Loss)	(417,276)	580,680	163,404	19,003
Nonoperating Revenue (Expenses):				
Income on investments	1,451,306		1,451,306	
Interest expense	(2,058,625)	(104,259)	(2,162,884)	
Debt issuance costs	(78,208)	(18,350)	(96,558)	
Net nonoperating expenses	(685,527)	(122,609)	(808,136)	-
Income (Loss) Before Capital Contributions and Transfers	(1,102,803)	458,071	(644,732)	19,003
Capital Contributions:				
Capital contributions	1,423,501		1,423,501	
Special assessments and other	420,557		420,557	
Total capital contributions	1,844,058	-	1,844,058	-
Income Before Transfers	741,255	458,071	1,199,326	19,003
Transfers Out	(593,222)	(177,290)	(770,512)	
Change in Net Assets	148,033	280,781	428,814	19,003
Net Assets at Beginning of Year, as Restated	60,305,894	2,940,568	63,246,462	1,633,239
Net Assets at End of Year	\$ 60,453,927	\$ 3,221,349	\$ 63,675,276	\$ 1,652,242

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities			Governmental Activities Internal Service Funds
	WPCA	Nonmajor	Total Business-Type Activities	
		Golf Course		
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 6,085,488	\$ 2,070,109	\$ 8,155,597	\$ 1,678,184
Cash paid to suppliers for goods and services	(4,063,003)	(750,509)	(4,813,512)	
Cash paid to employees	(242,609)	(581,540)	(824,149)	
Cash paid for insurance claims and premiums			-	(1,344,944)
Net cash provided by operating activities	<u>1,779,876</u>	<u>738,060</u>	<u>2,517,936</u>	<u>333,240</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out	(593,222)	(177,290)	(770,512)	
Cash received from other funds			-	236,321
Cash paid to other funds	<u>(3,563,318)</u>	<u>(201,072)</u>	<u>(3,764,390)</u>	
Net cash provided by (used in) noncapital financing activities	<u>(4,156,540)</u>	<u>(378,362)</u>	<u>(4,534,902)</u>	<u>236,321</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payment - long-term obligations	(3,444,920)	(194,000)	(3,638,920)	
Principal payment - bond anticipation notes	(9,000,000)		(9,000,000)	
Interest paid	(2,058,625)	(108,428)	(2,167,053)	
Debt issuance costs, net	(78,208)	(18,350)	(96,558)	
Purchase of capital assets and construction	(6,251,623)	(57,269)	(6,308,892)	(569,561)
Proceeds from bond anticipation notes	5,500,000		5,500,000	
Proceeds from bond issuance	12,000,000		12,000,000	
Proceeds from refunding bond issuance	9,078,000	2,130,000	11,208,000	
Payments to escrow agent	(9,668,948)	(2,268,656)	(11,937,604)	
Premium on refunding bond issuance	669,156	157,006	826,162	
Deferred charges on refunding	106,949	8,655	115,604	
Premium on bond issuance	414,204		414,204	
Premium on BAN sale	39,380		39,380	
Payment of issuance costs on refunding	(106,948)	(8,656)	(115,604)	
Special assessments	2,303,440		2,303,440	
Capital grants and contributions	1,423,501		1,423,501	
Net cash provided by (used in) capital and related financing activities	<u>925,358</u>	<u>(359,698)</u>	<u>565,660</u>	<u>(569,561)</u>
Cash Flows from Investing Activities:				
Interest received	<u>1,451,306</u>		<u>1,451,306</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 (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (417,276)	\$ 580,680	\$ 163,404	\$ 19,003
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,757,169	154,834	1,912,003	314,237
Change in asset and liabilities:				
(Increase) decrease in accounts receivable	(105,583)	(15,168)	(120,751)	
Increase (decrease) in accounts payable	480,874	16,910	497,784	
Increase (decrease) in accrued expenses	8,312	(50,361)	(42,049)	
Increase (decrease) in compensated absences payable	56,380	51,165	107,545	
Net Cash Provided by Operating Activities	<u>\$ 1,779,876</u>	<u>\$ 738,060</u>	<u>\$ 2,517,936</u>	<u>\$ 333,240</u>

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,051,625	\$ 26,309	\$ 203,838	\$ 2,209,177
Investments:				
U.S. Bonds/notes	7,080,705			
Fixed income securities	8,864,770			
Common stock	13,843,331			
Other	1,155,066			
Property funds	153,513			
Mutual funds	26,516,809			
Due from other funds			2,658,355	
Accounts receivable	72		320,746	
	<u>58,665,891</u>	<u>26,309</u>	<u>3,182,939</u>	<u>\$ 2,209,177</u>
Total assets				
Liabilities:				
Accounts and other payables		8,992	923,398	\$
Deposits held for others				<u>2,209,177</u>
	<u>-</u>	<u>8,992</u>	<u>923,398</u>	<u>\$ 2,209,177</u>
Total liabilities				
Net Assets:				
Held in Trust for Private Purpose			2,259,541	
Held in Trust for OPEB Benefits		17,317		
Held in Trust for Pension Benefits	<u>58,665,891</u>			
Total Net Assets	<u>\$ 58,665,891</u>	<u>\$ 17,317</u>	<u>\$ 2,259,541</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust</u>
Additions:			
Contributions:			
Employer	\$ 4,450,000	\$ 556,045	\$
Plan members	1,137,540	54,054	
Other			2,645,891
Total contributions	<u>5,587,540</u>	<u>610,099</u>	<u>2,645,891</u>
Investment income:			
Net appreciation in fair value of investments	907,531		
Interest and dividends	<u>1,611,561</u>	<u>135</u>	<u>309</u>
Total investment income	<u>2,519,092</u>	<u>135</u>	<u>309</u>
Total additions	<u>8,106,632</u>	<u>610,234</u>	<u>2,646,200</u>
Deductions:			
Benefits	5,660,600	626,588	1,995,612
Administration	<u>180,045</u>	<u>11,997</u>	
Total deductions	<u>5,840,645</u>	<u>638,585</u>	<u>1,995,612</u>
Net Increase (Decrease) in Net Assets	2,265,987	(28,351)	650,588
Net Assets Held in Trust at Beginning of Year	<u>56,399,904</u>	<u>45,668</u>	<u>1,608,953</u>
Net Assets Held in Trust at End of Year	<u>\$ 58,665,891</u>	<u>\$ 17,317</u>	<u>\$ 2,259,541</u>

The accompanying notes are an integral part of the financial statements

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 BOE Capital Projects Fund accounts for all the expenditures related to the renovation of the high school.

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.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are 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, 2012, this represents 25.34% of all property taxes receivable.

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

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. 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 assets. 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.

I. Long-Term Obligations

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

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

J. Fund Equity

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

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

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

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

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (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 - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes 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 \$1,472,607 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.

		Revenues and Other Financing Sources	Expenditures and Other Financing Uses
		<u> </u>	<u> </u>
Balance, budgetary basis	\$	141,565,099	\$ 140,348,097
Encumbrances outstanding at June 30, 2011, liquidated during the year ended June 30, 2012			275,269
Encumbrances outstanding at June 30, 2012, charged to budgetary expenditures during the year ended June 30, 2012			(626,129)
Amounts net for budgetary purposes		154,537	154,537
State Teachers' Retirement on-behalf payment		9,396,521	9,396,521
GASB 54 reclassifications		<u>1,968,769</u>	<u>1,763,943</u>
Balance, GAAP Basis	\$	<u>153,084,926</u>	\$ <u>151,312,238</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*, \$33,537,298 of the Town’s bank balance of \$34,548,620 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 30,125,611
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>3,411,687</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 33,537,298</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, 2012, the Town’s cash equivalents amounted to \$7,142,482. 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 & 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, 2012 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 bonds/notes	AAA	\$ 2,165,382	\$	\$ 1,178,199	\$ 987,183
U.S. Treasury bonds/notes	AA+	5,108,800		4,919,570	189,230
U.S. Treasury bonds/notes	A+	174,610	50,626	123,984	
U.S. Treasury bonds/notes	A-	32,154		32,154	
U.S. Treasury bonds/notes	N/A	2,827,730		77,226	2,750,504
Corporate bonds	AAA	1,037,774		474,176	563,598
Corporate bonds	AA+	258,877		258,877	
Corporate bonds	AA	144,208		144,208	
Corporate bonds	A+	651,102		587,916	63,186
Corporate bonds	A-	1,099,353	111,176	960,270	27,907
Corporate bonds	A	1,346,673		1,235,002	111,671
Corporate bonds	BBB+	790,845	224,702	566,143	
Corporate bonds	BBB	1,286,811	25,877	1,260,934	
Corporate bonds	BBB-	743,701	12,409	731,292	
Corporate bonds	N/A	4,477,640	16,178	3,888,375	573,087
Foreign bonds	A+	136,317		136,317	
Foreign bonds	A	200,478		200,478	
Foreign bonds	A-	149,450		149,450	
Foreign bonds	BBB+	51,148		51,148	
Foreign bonds	BBB	261,090		261,090	
Foreign bonds	BBB-	77,353		77,353	
Foreign bonds	BB+	100,060		100,060	
Other fixed income	N/A	1,155,066			1,155,066
Certificate of deposit	N/A	1,500,205	1,500,205		
Total interest-bearing investments			\$ 1,941,173	\$ 17,414,222	\$ 6,421,432
Other investments:					
Equitable securities (stock)	N/A	13,843,331			
Property funds	N/A	153,513			
Mutual funds	N/A	27,331,593			
Total Investments		\$ 67,105,264			

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, 2012, 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	\$ 4,817,784	\$	\$	\$ 4,817,784
Interest on taxes*	984,355			984,355
Accounts	688,918	888,279	151,867	1,729,064
Intergovernmental	3,301,545		622,829	3,924,374
Special assessments		28,728,296		28,728,296
	<u>9,792,602</u>	<u>29,616,575</u>	<u>774,696</u>	<u>40,183,873</u>
Gross receivables	9,792,602	29,616,575	774,696	40,183,873
Less allowance for uncollectibles	<u>(750,000)</u>	<u>(150,000)</u>		<u>(900,000)</u>
Net Total Receivables	<u>\$ 9,042,602</u>	<u>\$ 29,466,575</u>	<u>\$ 774,696</u>	<u>\$ 39,283,873</u>

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

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 3,673,774	\$
Advance and unapplied taxes		683,384
School building grants	2,446,692	
Other		155,470
BOE Capital Projects:		
Other		113,844
Five Year Capital Plan:		
Other		51,194
Nonmajor Governmental Funds:		
Other		149,207
	<u>\$ 6,120,466</u>	<u>\$ 1,153,099</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 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	\$ 38,822,819	\$	\$	\$ 38,822,819
Construction in progress	32,171,928	18,222,263	12,594	50,381,597
Total capital assets not being depreciated	<u>70,994,747</u>	<u>18,222,263</u>	<u>12,594</u>	<u>89,204,416</u>
Capital assets being depreciated:				
Land improvements	10,977,519	95,132		11,072,651
Buildings and improvements	141,537,937	649,337		142,187,274
Machinery and equipment	10,410,196	761,092		11,171,288
Vehicles	7,924,578	1,317,669	500,817	8,741,430
Infrastructure	58,706,202	3,017,458		61,723,660
Total capital assets being depreciated	<u>229,556,432</u>	<u>5,840,688</u>	<u>500,817</u>	<u>234,896,303</u>
Less accumulated depreciation for:				
Land improvements	6,279,993	358,864		6,638,857
Buildings and improvements	51,691,785	3,114,083		54,805,868
Machinery and equipment	7,724,510	489,605		8,214,115
Vehicles	5,517,060	531,093	438,889	5,609,264
Infrastructure	38,865,497	992,792		39,858,289
Total accumulated depreciation	<u>110,078,845</u>	<u>5,486,437</u>	<u>438,889</u>	<u>115,126,393</u>
Total capital assets being depreciated, net	<u>119,477,587</u>	<u>354,251</u>	<u>61,928</u>	<u>119,769,910</u>
Governmental Activities Capital Assets, Net	<u>\$ 190,472,334</u>	<u>\$ 18,576,514</u>	<u>\$ 74,522</u>	<u>\$ 208,974,326</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,962,013	\$	\$	\$ 1,962,013
Construction in progress	17,830,116	6,200,912		24,031,028
Total capital assets not being depreciated	<u>19,792,129</u>	<u>6,200,912</u>	<u>-</u>	<u>25,993,041</u>
Capital assets being depreciated:				
Land improvements	3,717,971	5,000		3,722,971
Building and improvements	2,503,672	47,058		2,550,730
Machinery and equipment	1,021,823	14,478		1,036,301
Vehicles	155,467		44,000	111,467
Infrastructure	88,186,628	41,444		88,228,072
Total capital assets being depreciated	<u>95,585,561</u>	<u>107,980</u>	<u>44,000</u>	<u>95,649,541</u>
Less accumulated depreciation for:				
Land improvements	808,070	84,595		892,665
Building and improvements	1,196,991	51,746		1,248,737
Machinery and equipment	606,531	41,494		648,025
Vehicles	145,749	8,395	44,000	110,144
Infrastructure	21,803,679	1,725,773		23,529,452
Total accumulated depreciation	<u>24,561,020</u>	<u>1,912,003</u>	<u>44,000</u>	<u>26,429,023</u>
Total capital assets being depreciated, net	<u>71,024,541</u>	<u>(1,804,023)</u>	<u>-</u>	<u>69,220,518</u>
Business-Type Activities Capital Assets, Net	<u>\$ 90,816,670</u>	<u>\$ 4,396,889</u>	<u>\$ -</u>	<u>\$ 95,213,559</u>

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

Governmental activities:	
Board of Education	\$ 3,244,280
General Government	126,731
Social Services	47,713
Public Works	1,271,871
Public Safety	378,540
Libraries	105,829
Recreation and Parks	<u>311,473</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 5,486,437</u></u>
Business-type activities	
WPCA	\$ 1,757,169
Golf Fund	<u>154,834</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 1,912,003</u></u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	\$ 3,484,410
General Fund	Nonmajor governmental funds	1,361,878
BOE Capital Projects	General fund	1,570,210
Five Year Capital Plan	General fund	3,927,846
WPCA	General fund	11,301,923
Golf Course	General fund	790,439
Internal Service	General fund	2,516,651
Private Purpose Trust	General fund	2,658,355
WPCA	Nonmajor governmental funds	340,076
General Fund	Internal Service	<u>955,783</u>
		<u><u>\$ 28,907,571</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	\$ 1,684,983

Interfund transfers:

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	
Transfers out:			
WPCA	\$ 310,522	\$ 282,700	\$ 593,222
Golf Course	<u>177,290</u>	<u> </u>	<u>177,290</u>
Total Transfers In	<u>\$ 487,812</u>	<u>\$ 282,700</u>	<u>\$ 770,512</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, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Funds:					
Bonds payable:					
General obligation bonds	\$ 74,500,660	\$ 29,172,000	\$ 20,604,080	\$ 83,068,580	\$ 6,681,860
Premium on refunding bonds	2,322,011	1,589,445	287,838	3,623,618	
Less deferred amounts on refunding	<u>(1,452,474)</u>	<u>(1,446,469)</u>	<u>170,418</u>	<u>(2,728,525)</u>	
Total bonds payable	<u>75,370,197</u>	<u>29,314,976</u>	<u>21,062,336</u>	<u>83,963,673</u>	<u>6,681,860</u>
Other liabilities:					
Capital leases	11,207		11,207	-	
Insurance claims	2,516,651			2,516,651	629,163
Other claims and judgments	900,000	505,342	421,000	984,342	
Net pension obligation	50,387,931	2,955,142		53,343,073	
Compensated absences	5,327,439	513,973		5,841,412	959,924
Net OPEB obligation	<u>3,946,887</u>	<u>1,961,359</u>	<u>556,045</u>	<u>5,352,201</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 138,460,312</u>	<u>\$ 35,250,792</u>	<u>\$ 22,050,588</u>	<u>\$ 152,001,352</u>	<u>\$ 8,270,947</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 57,949,340	\$ 23,208,000	\$ 15,460,920	\$ 65,696,420	\$ 4,063,140
Premium on refunding bonds	841,100	1,240,366	111,834	1,969,632	
Less deferred amounts on refunding	<u>(444,660)</u>	<u>(115,604)</u>	<u>43,688</u>	<u>(516,576)</u>	
Total bonds payable	<u>58,345,780</u>	<u>24,332,762</u>	<u>15,616,442</u>	<u>67,149,476</u>	<u>4,063,140</u>
Compensated absences	<u>101,948</u>	<u>5,597</u>		<u>107,545</u>	<u>19,798</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 58,447,728</u>	<u>\$ 24,338,359</u>	<u>\$ 15,616,442</u>	<u>\$ 67,257,021</u>	<u>\$ 4,082,938</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:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2012</u>
Governmental:						
General purpose:						
General obligation refunding	12/14/04	1/15/18	4-5.5%	\$ 8,375,000	various	\$ 4,441,000
General obligation	9/12/06	9/1/26	4-5%	15,440,000	various	1,540,000
General obligation	9/1/07	9/1/27	4-5%	14,855,000	various	7,066,000
General obligation refunding	8/19/08	8/19/21	3.25-5%	10,700,000	various	4,649,580
General obligation	9/1/08	9/1/28	3-5%	18,205,000	various	705,000
General obligation	9/1/09		2.25-4.05%	5,850,000	various	5,265,000
General obligation refunding	9/15/09	9/15/23	3-5%	17,523,000	various	17,286,000
General obligation refunding	9/1/10	9/15/23	3-5%	5,050,000	various	3,444,000
General obligation	9/1/10	9/1/28	3-5%	10,000,000	various	9,500,000
General obligation	9/1/11	9/1/31	2-4%	26,310,000	various	14,310,000
General obligation refunding	3/15/12	9/1/30	2-4%	36,515,000	various	14,862,000
Total governmental activities						<u>83,068,580</u>
Business-Type:						
General purpose:						
General obligation refunding	12/14/04	1/15/18	4-5.5%	8,375,000	various	1,309,000
General obligation	9/12/06	9/1/26	4-5%	15,440,000	various	10,000
General obligation	9/1/07	9/1/27	4-5.5%	14,855,000	various	1,829,000
General obligation refunding	8/19/08	8/19/21	3.25-5%	10,700,000	various	1,780,420
General obligation	9/1/08	9/1/28	3-5%	18,205,000	various	14,765,000
General obligation	9/1/09	9/1/29	2.25-4.05%	4,150,000	various	3,735,000
General obligation refunding	9/15/09	9/15/23	3-5%	7,967,000	various	7,574,000
General obligation refunding	9/15/10	9/15/23	3-5%	130,000	various	86,000
General obligation	9/1/10	9/1/29	2.25-4.05%	12,000,000	various	11,400,000
General obligation	9/1/11	9/1/31	2-4%	26,310,000	various	12,000,000
General obligation refunding	3/15/12	9/1/30	2-4%	36,515,000	various	11,208,000
Total business-type activities						<u>65,696,420</u>
Total Outstanding						<u>\$ 148,765,000</u>

The annual requirements to amortize bonds payable as of June 30, 2012 are as follows:

	Governmental Activities	
	Principal	Interest
2013	\$ 6,681,860	\$ 2,898,537
2014	6,519,540	2,673,948
2015	6,792,540	2,450,015
2016	6,709,090	2,208,937
2017	6,055,090	1,948,855
2018-2022	26,057,460	6,398,346
2023-2027	17,248,500	2,459,950
2028-2032	<u>7,004,500</u>	<u>554,267</u>
	<u>\$ 83,068,580</u>	<u>\$ 21,592,855</u>

	Business-Type Activities	
	Principal	Interest
2013	\$ 4,063,140	\$ 2,210,575
2014	3,700,460	2,102,988
2015	4,437,460	1,981,577
2016	4,410,910	1,836,449
2017	4,439,910	1,679,805
2018-2022	20,972,540	6,005,220
2023-2027	15,771,500	2,717,930
2028-2032	<u>7,900,500</u>	<u>570,430</u>
	<u>\$ 65,696,420</u>	<u>\$ 19,104,974</u>

The following is a schedule of bond anticipation note activity for the year ended June 30, 2012:

	Governmental	Business-Type	Total
	Activities	Activities	
	WPCA		
Balance, July 1, 2011	\$ 14,310,000	\$ 6,000,000	\$ 20,310,000
Issued	23,050,000	5,500,000	28,550,000
Retired	<u>(14,310,000)</u>	<u>(6,000,000)</u>	<u>(20,310,000)</u>
Balance, June 30, 2012	<u>\$ 23,050,000</u>	<u>\$ 5,500,000</u>	<u>\$ 28,550,000</u>

The above retired note with an interest rate of 1.25% matured on September 7, 2011. The issued notes had an interest rate of 1.00% and mature on September 7, 2012.

On February 28, 2012, the Town issued \$26,070,000 in general obligation refunding bonds with an average interest rate of 3.05% to refund outstanding bonds with an interest rate of 4-5%. The bonds refunded were as follows: \$13,790,000 of outstanding 2005 general obligation bonds, \$10,015,000 of outstanding 2006 general obligation bonds and \$2,400,000 of outstanding 2007 general obligation bonds. The net proceeds of \$27,767,072 (after receipt of premium of \$1,921,668 and payment of issuance costs of \$107,281) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets. The transaction generated a cash flow savings of \$2,035,729 and a present value savings of \$1,986,942. The balance of the defeased bonds outstanding at June 30, 2012 is \$26,205,000 and the amount in escrow is \$27,767,072.

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	\$ 292,165	\$ 21,034	\$ 271,131
Schools	584,331	62,035	522,296
Sewers	486,942	63,138	423,804
Urban renewal	422,017		422,017
Pension deficit	389,554		389,554

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$909 million.

Capital Leases

Copiers acquired under capital lease are carried at approximately \$475,000 in governmental activities. The Town made the final payment on the lease, of \$11,207, during the year ended June 30, 2012.

Authorized but Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2012 is \$32,105,175. 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, 2012 are as follows:

	Major Capital Project Funds			Nonmajor Governmental Funds	Total
	General	BOE Capital Projects	Five Year Capital Plan		
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 41,465	\$ 41,465
Permanent funds				194,479	194,479
Advances	1,684,983				1,684,983
Restricted for:					
Grants				63,576	63,576
Committed to:					
General government				96,299	96,299
Public safety				109,697	109,697
Health and welfare				8,291	8,291
Libraries				2,547	2,547
Education	875,572			483,131	1,358,703
Capital projects				2,189,784	2,189,784
Debt service				709,353	709,353
Assigned to:					
General government	173,748				173,748
Public works	71,522				71,522
Public safety	109,787				109,787
Health and welfare	55				55
Libraries	981				981
Parks and recreation	27,775				27,775
Education	242,261				242,261
Unassigned	16,861,999	(16,286,014)	(3,316,595)	(2,848,844)	(5,589,454)
Total Fund Balances	\$ 20,048,683	\$ (16,286,014)	\$ (3,316,595)	\$ 1,049,778	\$ 1,495,852

Significant encumbrances at June 30, 2012 are contained in the above table in the assigned categories of the General Fund.

The Town had deficits in the following funds:

BOE Capital Projects	\$ 16,286,014
5 Year Capital Plan	3,316,595
Millington League Settlement	75,853
Police Funds	57
Public Works Capital Projects	24,018
Land Acquisition	1,684,983
LOCIP	409,984
Resurfacing of Tennis Courts	4,670
Daniels Farm Road Bridge	17,571
Rails to Trails	205,780
New Elementary School	425,928

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. The Town generally obtains commercial insurance for these risks. The amount of settlements has not exceeded insurance coverage in any of the past three years.

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, 2011 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.

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

At June 30, 2012, \$2,517,000 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:

		Accrued Liability Beginning of Fiscal Year		Current Year Claims Paid and Changes in Estimates		Accrued Liability Claim Payments		Accrued Liability End of Fiscal Year
2011-12	\$	2,516,651	\$	1,344,944	\$	1,344,944	\$	2,516,651
2010-11		2,496,919		1,063,872		1,044,140		2,516,651

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, 2010, plan membership consisted of the following:

	Post- Retirement Medical Program
Retired members	72
Active plan members	996
Total Participants	<u>1,068</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:

	Other Postemployment Benefits Fund
Annual required contribution (ARC)	\$ 1,961,359
Interest on net OPEB obligation	177,610
Adjustment to annual required contribution	<u>(177,610)</u>
Annual OPEB cost	1,961,359
Contributions made	<u>556,045</u>
Increase in net OPEB obligation	1,405,314
Net OPEB obligation at beginning of year	<u>3,946,887</u>
Net OPEB Obligation at End of Year	<u><u>\$ 5,352,201</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, 2012, 2011 and 2010 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/12	\$ 1,961,359	\$ 556,045	28.35%	\$ 5,352,201
6/30/11	1,939,477	510,133	26.30	3,946,887
6/30/10	1,779,068	524,276	29.47	2,517,543

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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>
6/30/12	\$ 1,961,359	28.35%
6/30/11	1,916,068	26.62
6/30/10	1,767,326	29.66

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

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return for the Town and Board of Education plan and a 5.0% investment rate of return for the Police plan, 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 10% for the 2010 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% for the Town and Board of Education plan and 4.5% for the Police plan. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

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.

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, and a minimum annual pension of \$1,200. 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, 2010, the date of the latest actuarial valuation:

	Police Benefit Plan	Town Pension Plan
Retirees and beneficiaries receiving benefits	44	320
Terminated plan members entitled to but not yet receiving benefits		69
Active plan members	<u>72</u>	<u>453</u>
Total	<u><u>116</u></u>	<u><u>842</u></u>

B. 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.

Investments are reported at fair value.

C. 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.

D. Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and annual required contribution to the PERS for the current year were as follows:

	Police Benefit Plan	Town Pension Plan
Annual required contribution	\$ 3,393,000	\$ 4,438,000
Interest on net pension obligation	1,548,986	2,230,108
Adjustment to annual required contribution	<u>(1,723,538)</u>	<u>(2,481,414)</u>
Annual pension cost	3,218,448	4,186,694
Contributions made	<u>1,450,000</u>	<u>3,000,000</u>
Increase in net pension obligation	1,768,448	1,186,694
Net pension obligation at beginning of year	<u>20,653,152</u>	<u>29,734,779</u>
Net Pension Obligation at End of Year	<u><u>\$ 22,421,600</u></u>	<u><u>\$ 30,921,473</u></u>

Police Benefit Plan

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases of 4.5% per year, and (c) inflation rate of 4.5%. The assumptions did not include post retirement benefit increases. The actuarial value of assets was determined using the adjusted market value method. The unfunded actuarial accrued liability is being amortized using level dollar method over a 15-year open period.

Town Employee Pension Plan

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the Projected Unit Credit actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 4.0% per year, and (c) inflation rate of 4.5%. The assumptions did not include post retirement benefit increases. The actuarial value of assets was determined using the adjusted market value method. The unfunded actuarial accrued liability is being amortized using level dollar method over a 25-year open period.

E. Trend Information

	<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police Benefit Plan					
	6/30/10	\$ 1,919,610	\$ 1,250,000	65.1%	\$ 19,066,410
	6/30/11	2,936,742	1,350,000	46.0	20,653,152
	6/30/12	3,218,448	1,450,000	45.1	22,421,600
Town Employee Pension Plan					
	6/30/10	3,814,981	2,025,000	53.1	27,822,926
	6/30/11	4,236,853	2,325,000	54.9	29,734,779
	6/30/12	4,186,694	3,000,000	71.7	30,921,473

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded Accrued Liability (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL % of Covered Payroll ((b-a)/c)</u>
Police Benefit Plan						
7/01/06	\$ 29,273,360	\$ 40,719,224	\$ 11,445,864	71.9%	\$ 4,290,000	266.8%
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
Town Employee Pension Plan						
7/01/06	18,292,145	47,655,814	29,363,669	38.4	15,307,000	191.8
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

Schedule of Employer Contributions

Fiscal Year Ended	Police Benefit Plan		Town Employee Pension Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/10	\$ 2,438,000	51%	\$ 4,035,000	50%
6/30/11	3,474,000	39	4,472,000	52
6/30/12	3,393,000	43	4,438,000	68

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Valuations are performed annually. Additional information as of the latest actuarial valuation is presented in D above.

G. Financial Information for the Separate Plans

	Town Pension	Police Pension	Total
ASSETS			
Cash and cash equivalents	\$ 47,827	\$ 1,003,798	\$ 1,051,625
Investments	18,904,275	38,709,919	57,614,194
Receivables, net of allowance for collections	72		72
Total Assets	<u>18,952,174</u>	<u>39,713,717</u>	<u>58,665,891</u>
Net Assets Held in Trust for Pension Benefits and Other Purposes	<u>\$ 18,952,174</u>	<u>\$ 39,713,717</u>	<u>\$ 58,665,891</u>

	<u>Town Pension</u>	<u>Police Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 3,000,000	\$ 1,450,000	\$ 4,450,000
Plan members	812,563	324,977	1,137,540
Total contributions	<u>3,812,563</u>	<u>1,774,977</u>	<u>5,587,540</u>
Investment income (loss):			
Net appreciation (depreciation) in fair value of investments	(397,569)	1,305,100	907,531
Interest and dividends	449,444	1,162,117	1,611,561
	<u>51,875</u>	<u>2,467,217</u>	<u>2,519,092</u>
Total additions	<u>3,864,438</u>	<u>4,242,194</u>	<u>8,106,632</u>
Deductions:			
Benefits	3,796,788	1,863,812	5,660,600
Administrative	64,495	115,550	180,045
	<u>3,861,283</u>	<u>1,979,362</u>	<u>5,840,645</u>
Change in net assets	3,155	2,262,832	2,265,987
Net assets held at beginning of year	<u>18,949,019</u>	<u>37,450,885</u>	<u>56,399,904</u>
Net Assets Held at End of Year	<u>\$ 18,952,174</u>	<u>\$ 39,713,717</u>	<u>\$ 58,665,891</u>

H. 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 \$45,754,046 or 74.47% of the total Board of Education payroll of \$61,436,041.

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, 2012, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$9,396,521 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.

12. RESTATEMENTS

Beginning balances have been restated as follows:

	<u>Beginning Balance</u> <u>7/1/2011</u>	<u>Adjustments</u>	<u>Beginning Balance</u> <u>as Restated</u> <u>7/1/2011</u>
Net Asset Restatements:			
Governmental Activities	\$ 61,466,178	\$ 1,833,121	\$ 63,299,299
Business Activities	<u>62,183,697</u>	<u>1,062,765</u>	<u>63,246,462</u>
Total Net Assets	<u>\$ 123,649,875</u>	<u>\$ 2,895,886</u>	<u>\$ 126,545,761</u>
Fund Balance Restatements:			
BOE Capital Projects	\$ (1,307,523)	\$ (14,000,000)	\$ (15,307,523)
Nonmajor Governmental Funds	715,621	(129,316)	586,305

Restatements were made as a result of adjusting debt transactions on bonds and bond anticipation notes to match amortization schedules and other bond documents as well as eliminating liabilities that were not liquidated in prior years.

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 September 1, 2012, the Town issued \$17,426,000 of Bond Anticipation Notes with an interest rate of 1.25% and a maturity date of September 6, 2013, and \$21,400,000 of General Obligation Bonds with a variable interest rate between 2.00% and 3.00% and a final maturity of September 1, 2032.

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, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Property Taxes:				
Current levy	\$ 129,137,180	\$ 129,137,180	\$ 129,110,337	\$ (26,843)
Interest and lien fees	650,000	650,000	645,045	(4,955)
PILOT - St. Joseph's Village	17,900	17,900	19,477	1,577
Total property taxes	<u>129,805,080</u>	<u>129,805,080</u>	<u>129,774,859</u>	<u>(30,221)</u>
Intergovernmental:				
Education equalization grant	3,031,988	3,031,988	3,064,745	32,757
School building grants	768,409	768,409	768,409	-
Education grants	650,000	650,000	890,460	240,460
Elderly tax	2,000	2,000	2,000	-
Homeowners tax relief	300,000	300,000	286,988	(13,012)
Property tax relief	263,084	263,084	301,883	38,799
Military state and local	8,000	8,000		(8,000)
FEMA			347,350	347,350
Nonpublic pupils	75,000	75,000	73,055	(1,945)
Nonpublic busing	24,275	24,275	24,049	(226)
State property reimbursement	93,601	93,601	87,010	(6,591)
Disability exemption	2,500	2,500	3,050	550
Boat registration fee	20,000	20,000		(20,000)
Veterans grant	30,000	30,000	31,649	1,649
Telephone access tax	125,000	125,000	109,665	(15,335)
Manufacturing - tax relief	163,740	163,740	109,301	(54,439)
Foxwoods casino fund	45,007	45,007	50,692	5,685
Other various grants			25,077	25,077
VOAG grant	275,000	275,000	343,121	68,121
Bingo			72	72
Transportation	75,900	75,900	75,312	(588)
Total intergovernmental	<u>5,953,504</u>	<u>5,953,504</u>	<u>6,593,888</u>	<u>640,384</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, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Licenses, Permits, Fees and Other				
Town clerk fees	\$ 525,000	\$ 525,000	\$ 690,894	\$ 165,894
Planning and zoning	20,000	20,000	26,326	6,326
Police	25,000	25,000	21,686	(3,314)
Building	425,000	425,000	732,102	307,102
Tuition/rentals - BOE	1,295,000	1,295,000	1,240,786	(54,214)
Fire marshal	40,000	40,000	48,037	8,037
Disposal area	125,000	125,000	183,221	58,221
Counseling center	12,000	12,000	11,410	(590)
Emergency medical services	1,000,000	1,000,000	931,529	(68,471)
Town engineer	20,000	20,000	30,671	10,671
Miscellaneous revenue	135,929	135,929	85,048	(50,881)
Cell tower rental	160,000	160,000	294,427	134,427
Public works	140,000	140,000	145,047	5,047
Total licenses, permits, fees and other	<u>3,922,929</u>	<u>3,922,929</u>	<u>4,441,184</u>	<u>518,255</u>
Investment income	<u>275,000</u>	<u>275,000</u>	<u>267,356</u>	<u>(7,644)</u>
Transfer in	<u>487,812</u>	<u>487,812</u>	<u>487,812</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 140,444,325</u>	<u>\$ 140,444,325</u>	<u>\$ 141,565,099</u>	<u>\$ 1,120,774</u>

TOWN OF TRUMBULL, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:				
Town council	\$ 85,218	\$ 93,165	\$ 93,155	\$ 10
Ethics commission	120	120		120
First selectman	252,948	252,948	251,143	1,805
Probate judge	13,421	13,421	13,421	-
Elections registrar	142,474	142,474	136,316	6,158
Finance director	516,457	518,390	516,692	1,698
Finance board	74,180	74,180	72,612	1,568
Assessor	456,012	456,012	455,824	188
Tax review	7,125	7,125	2,332	4,793
Tax collector	347,914	347,914	340,946	6,968
Purchasing	77,309	82,080	82,078	2
Treasurer	21,432	21,508	21,508	-
Town attorneys	300,000	300,000	300,000	-
Human resources	199,974	199,974	195,823	4,151
Town clerk	226,932	230,414	243,775	(13,361)
Planning and zoning	219,469	219,469	215,775	3,694
Zoning appeals board	7,150	11,980	11,829	151
Economic development	100,800	100,800	30,816	69,984
Inland-wetlands commission	10,375	10,375	7,436	2,939
Conservation commission	775	775	726	49
Transit district	44,084	44,084	44,084	-
Town hall	1,450,883	1,583,572	1,441,113	142,459
Technology	448,558	448,558	442,262	6,296
Employee benefits	12,551,836	12,027,232	12,015,905	11,327
Recycling	2,650	2,650	2,648	2
Clean energy	1,600	1,600	1,600	-
Trumbull nature center	7,240	7,240	5,832	1,408
Charter revision	4,500	10,978	10,976	2
Total general government	<u>17,571,436</u>	<u>17,209,038</u>	<u>16,956,627</u>	<u>252,411</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, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:				
Police	\$ 7,330,574	\$ 7,424,459	\$ 7,410,451	\$ 14,008
Emergency medical service	951,615	951,615	881,494	70,121
Fire marshal	302,374	311,028	309,933	1,095
Fire hydrants - water	1,254,110	1,254,110	1,237,803	16,307
Building official	358,041	358,041	348,105	9,936
Dog warden	108,922	108,922	107,693	1,229
Central emergency dispatch		600	480	120
Emergency management	72,183	73,271	73,268	3
Total public safety	<u>10,377,819</u>	<u>10,482,046</u>	<u>10,369,227</u>	<u>112,819</u>
Public Works:				
Public works director	160,614	164,605	164,408	197
Public works (highway)	2,395,546	2,395,546	2,264,619	130,927
Street lights	413,603	413,603	397,217	16,386
Fleet maintenance	1,273,597	1,349,878	1,344,872	5,006
Public works maintenance	938,929	938,929	923,878	15,051
Disposal area	2,162,222	2,180,160	2,172,185	7,975
Town engineer	476,854	476,854	435,438	41,416
Snow removal	550,000	550,000	436,252	113,748
Highway construction	250,000	250,000	253,401	(3,401)
Total public works	<u>8,621,365</u>	<u>8,719,575</u>	<u>8,392,270</u>	<u>327,305</u>
Public Health:				
Board of health	241,783	241,783	241,633	150
Vital statistics	1,000	1,000	848	152
Nursing - seniors	33,090	33,090	28,973	4,117
Non-public schools	284,988	290,631	289,067	1,564
Total public health	<u>560,861</u>	<u>566,504</u>	<u>560,521</u>	<u>5,983</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, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social Services:				
Social services	\$ 110,035	\$ 111,080	\$ 110,623	\$ 457
Counseling center	221,616	221,616	213,756	7,860
Senior citizen commission	249,959	249,959	201,872	48,087
Total social services	<u>581,610</u>	<u>582,655</u>	<u>526,251</u>	<u>56,404</u>
 Libraries	 <u>1,561,955</u>	 <u>1,561,955</u>	 <u>1,542,352</u>	 <u>19,603</u>
 Recreation and Parks:				
Arts commission	28,874	29,094	28,965	129
Trumbull day commission	720	720		720
Public events	20,000	21,449	21,448	1
Recreation and parks	534,762	535,196	528,677	6,519
Parks	1,740,385	1,740,385	1,688,505	51,880
Tree warden	106,043	168,043	122,095	45,948
Total recreation and parks	<u>2,430,784</u>	<u>2,494,887</u>	<u>2,389,690</u>	<u>105,197</u>
 Education:				
Contractual services	159,539	159,539	198,851	(39,312)
Operational expenditures	85,893,093	87,444,838	86,569,266	875,572
Bussing	869,854	869,854	828,746	41,108
Board of Education maintenance			12,249	(12,249)
Use of buildings	245,432	245,432	269,497	(24,065)
Business education initiative	34,749	34,749	30,089	4,660
School nurses	740,166	750,198	748,601	1,597
Total education	<u>87,942,833</u>	<u>89,504,610</u>	<u>88,657,299</u>	<u>847,311</u>
 Debt Service:				
Principal - bonds and notes	7,082,310	7,082,310	7,082,310	-
Interest - bonds	3,713,352	3,713,352	3,871,550	(158,198)
Total debt service	<u>10,795,662</u>	<u>10,795,662</u>	<u>10,953,860</u>	<u>(158,198)</u>
 Total Expenditures	 <u>\$ 140,444,325</u>	 <u>\$ 141,916,932</u>	 <u>\$ 140,348,097</u>	 <u>\$ 1,568,835</u>

TOWN OF TRUMBULL, CONNECTICUT

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 2012

	<u>General</u>	<u>Special Revenue BOE Programs</u>	<u>Trumbull Day Fund</u>	<u>Interfund Elimination</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 35,681,165	\$ 694,402	\$	\$	\$ 36,375,567
Investments	9,491,070				9,491,070
Receivables, net of allowance for collections	8,058,247				8,058,247
Due from other funds	2,361,419		12,561	(56,319)	2,317,661
Advances to other funds	1,684,983				1,684,983
Total Assets	<u>\$ 57,276,884</u>	<u>\$ 694,402</u>	<u>\$ 12,561</u>	<u>\$ (56,319)</u>	<u>\$ 57,927,528</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,668,950	\$ 741	\$	\$	\$ 4,669,691
Due to other funds	26,262,395	43,758		(56,319)	26,249,834
Deferred revenue	6,803,850	155,470			6,959,320
Total liabilities	<u>37,735,195</u>	<u>199,969</u>	<u>-</u>	<u>(56,319)</u>	<u>37,878,845</u>
Fund Balances:					
Reserved for:					
Nonspendable	1,684,983				1,684,983
Committed	875,572				875,572
Assigned	626,129				626,129
Unassigned	16,355,005	494,433	12,561		16,861,999
Total fund balances	<u>19,541,689</u>	<u>494,433</u>	<u>12,561</u>	<u>-</u>	<u>20,048,683</u>
Total Liabilities and Fund Balances	<u>\$ 57,276,884</u>	<u>\$ 694,402</u>	<u>\$ 12,561</u>	<u>\$ (56,319)</u>	<u>\$ 57,927,528</u>

TOWN OF TRUMBULL, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2012

Grand List	Uncollected Taxes July 1, 2011	Current Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2012
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2010	\$	\$ 129,369,807	\$ 453,310	\$ 285,273	\$	\$ 129,537,844	\$ 127,882,470	\$ 231,518	\$ 4,971	\$ 128,118,959	\$ 1,655,374
2009	1,654,429		74,688	47,394		1,681,723	1,042,742	171,820	4,644	1,219,206	638,981
2008	599,395				113,864	485,531	293,319	92,664	2,576	388,559	192,212
2007	279,846			234,189		45,657	(122,123)	40,160	4,480	(77,483)	167,780
2006	111,272			111,040		232	(80,323)	32,974	9,997	(37,352)	80,555
2005	45,771			12,115		33,656	(4,827)	6,762	560	2,495	38,483
2004	18,102					18,102	3,511	3,670	1,239	8,420	14,591
2003	12,004					12,004	1,429	1,847	416	3,692	10,575
2002	83,459					83,459	458	513	56	1,027	83,001
2001	8,169					8,169	274	475	112	861	7,895
2000	11,168					11,168	388	726	167	1,281	10,780
1999	12,983					12,983	310	421	110	841	12,673
1998	12,155					12,155	1,001	1,849	367	3,217	11,154
1997	12,141					12,141	94	223	53	370	12,047
1996	11,702					11,702					11,702
1995	11,701					11,701					11,701
1994	41,199			41,199		-					-
Total	\$ 2,925,496	\$ 129,369,807	\$ 527,998	\$ 731,210	\$ 113,864	\$ 131,978,227	\$ 129,018,723	\$ 585,622	\$ 29,748	\$ 129,634,093	\$ 2,959,504

TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS BY PROJECT- WPCA FUND

JUNE 30, 2012

	<u>WPCA Operations</u>	<u>WPCA Construction</u>	<u>Total WPCA</u>
Assets:			
Current assets:			
Receivables, net	\$ 721,589	\$ 16,690	\$ 738,279
Assessment receivable		28,728,296	28,728,296
Due from other funds	3,632,427	8,009,572	11,641,999
Other asset		43,082	43,082
	<u>4,354,016</u>	<u>36,797,640</u>	<u>41,151,656</u>
Total current assets			
Noncurrent assets:			
Capital assets, net		89,997,991	89,997,991
Total assets	<u>4,354,016</u>	<u>126,795,631</u>	<u>131,149,647</u>
Liabilities:			
Current liabilities:			
Accounts and other payables	30,268	627,895	658,163
Accrued liabilities	13,252		13,252
Unearned revenue		39,380	39,380
Bond anticipation notes		5,500,000	5,500,000
Bonds payable		3,966,140	3,966,140
Compensation absences	9,659		9,659
Total current liabilities	<u>53,179</u>	<u>10,133,415</u>	<u>10,186,594</u>
Noncurrent liabilities:			
Bonds payable, net		60,462,405	60,462,405
Compensated absences	46,721		46,721
Total noncurrent liabilities	<u>46,721</u>	<u>60,462,405</u>	<u>60,509,126</u>
Total liabilities	<u>99,900</u>	<u>70,595,820</u>	<u>70,695,720</u>
Net Assets:			
Invested in capital assets, net of related debt		20,069,446	20,069,446
Unrestricted	4,254,116	36,130,365	40,384,481
Total Net Assets	<u>\$ 4,254,116</u>	<u>\$ 56,199,811</u>	<u>\$ 60,453,927</u>

TOWN OF TRUMBULL, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

	<u>WPCA Operations</u>	<u>WPCA Construction</u>	<u>Total WPCA</u>
Operating Revenues:			
Charges for services	\$ 6,191,071	\$	\$ 6,191,071
Operating Expenses:			
Operations and maintenance	4,851,178		4,851,178
Depreciation		1,757,169	1,757,169
Total operating expenses	<u>4,851,178</u>	<u>1,757,169</u>	<u>6,608,347</u>
Operating Income (Loss)	<u>1,339,893</u>	<u>(1,757,169)</u>	<u>(417,276)</u>
Nonoperating Revenue (Expenses):			
Interest income		1,451,306	1,451,306
Interest expense		(2,058,625)	(2,058,625)
Debt issuance costs		(78,208)	(78,208)
Net nonoperating revenue (expenses)	<u>-</u>	<u>(685,527)</u>	<u>(685,527)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,339,893</u>	<u>(2,442,696)</u>	<u>(1,102,803)</u>
Capital Contributions:			
Capital contributions		1,423,501	1,423,501
Special assessments and other	16,248	404,309	420,557
Total capital contributions	<u>16,248</u>	<u>1,827,810</u>	<u>1,844,058</u>
Income (Loss) Before Transfers	1,356,141	(614,886)	741,255
Transfers Out	<u>(593,222)</u>		<u>(593,222)</u>
Change in Net Assets	762,919	(614,886)	148,033
Net Assets at Beginning of Year	<u>3,491,197</u>	<u>56,814,697</u>	<u>60,305,894</u>
Net Assets at End of Year	<u>\$ 4,254,116</u>	<u>\$ 56,199,811</u>	<u>\$ 60,453,927</u>

TOWN OF TRUMBULL, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

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>School Lunch</u>	<u>Social Services</u>
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$ 2,547	\$	\$	\$	\$	\$ 534,120	\$
Accounts receivable		575					122,140		58,345	
Due from other funds	1,688	109,697	9,243		119,745			865		2,103
Inventory									41,465	
Other assets									6,012	
Total Assets	<u>\$ 1,688</u>	<u>\$ 110,272</u>	<u>\$ 9,243</u>	<u>\$ 2,547</u>	<u>\$ 119,745</u>	<u>\$ -</u>	<u>\$ 122,140</u>	<u>\$ 865</u>	<u>\$ 639,942</u>	<u>\$ 2,103</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts and other payable	\$	\$	\$ 952	\$	\$ 23,446	\$	\$ 4,491	\$	\$	\$
Due to other funds						75,853	117,649		7,750	
Advances to other funds									49,251	
Deferred revenue										
Total liabilities	<u>-</u>	<u>-</u>	<u>952</u>	<u>-</u>	<u>23,446</u>	<u>75,853</u>	<u>122,140</u>	<u>-</u>	<u>57,001</u>	<u>-</u>
Fund Balance:										
Nonspendable									41,465	
Restricted	1,688	575						865	58,345	2,103
Committed		109,697	8,291	2,547	96,299				483,131	
Unassigned						(75,853)				
Total fund balance	<u>1,688</u>	<u>110,272</u>	<u>8,291</u>	<u>2,547</u>	<u>96,299</u>	<u>(75,853)</u>	<u>-</u>	<u>865</u>	<u>582,941</u>	<u>2,103</u>
Total Liabilities and Fund Balances	<u>\$ 1,688</u>	<u>\$ 110,272</u>	<u>\$ 9,243</u>	<u>\$ 2,547</u>	<u>\$ 119,745</u>	<u>\$ -</u>	<u>\$ 122,140</u>	<u>\$ 865</u>	<u>\$ 639,942</u>	<u>\$ 2,103</u>

(Continued on next page)

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

JUNE 30, 2012

	<u>Capital Projects Funds</u>								
	<u>Debt Service Fund</u>	<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>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$ 39	\$	\$	\$	\$	\$
Accounts receivable			125,621						
Due from other funds	1,049,429			10,576		1,177,573		75,476	
Inventory									
Other assets									
Total Assets	<u>\$ 1,049,429</u>	<u>\$ -</u>	<u>\$ 125,621</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ -</u>	<u>\$ 75,476</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts and other payable	\$	\$	\$ 43,827	\$	\$	\$	\$	\$	\$ 9,176
Due to other funds	340,076	57	105,812						400,808
Advances to other funds						1,684,983			
Deferred revenue									
Total liabilities	<u>340,076</u>	<u>57</u>	<u>149,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,684,983</u>	<u>-</u>	<u>409,984</u>
Fund Balance:									
Nonspendable									
Restricted									
Committed	709,353			10,615		1,177,573		75,476	
Unassigned		(57)	(24,018)			(1,684,983)			(409,984)
Total fund balance	<u>709,353</u>	<u>(57)</u>	<u>(24,018)</u>	<u>10,615</u>	<u>-</u>	<u>1,177,573</u>	<u>(1,684,983)</u>	<u>75,476</u>	<u>(409,984)</u>
Total Liabilities and Fund Balances	<u>\$ 1,049,429</u>	<u>\$ -</u>	<u>\$ 125,621</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ -</u>	<u>\$ 75,476</u>	<u>\$ -</u>

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

JUNE 30, 2012

	Capital Projects Funds								
	<u>Park Improvements</u>	<u>Resurfacing of Town Roads</u>	<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>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Due from other funds	87,919	28,811	83,807		245,738		318,190	330	39,682
Inventory									
Other assets									
Total Assets	<u>\$ 87,919</u>	<u>\$ 28,811</u>	<u>\$ 83,807</u>	<u>\$ -</u>	<u>\$ 245,738</u>	<u>\$ -</u>	<u>\$ 318,190</u>	<u>\$ 330</u>	<u>\$ 39,682</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts and other payable	\$	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds				4,670		17,571			
Advances to other funds									
Deferred revenue									
Total liabilities	<u>438</u>	<u>-</u>	<u>-</u>	<u>4,670</u>	<u>-</u>	<u>17,571</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:									
Nonspendable									
Restricted									
Committed	87,481	28,811	83,807		245,738		318,190	330	39,682
Unassigned				(4,670)		(17,571)			
Total fund balance	<u>87,481</u>	<u>28,811</u>	<u>83,807</u>	<u>(4,670)</u>	<u>245,738</u>	<u>(17,571)</u>	<u>318,190</u>	<u>330</u>	<u>39,682</u>
Total Liabilities and Fund Balances	<u>\$ 87,919</u>	<u>\$ 28,811</u>	<u>\$ 83,807</u>	<u>\$ -</u>	<u>\$ 245,738</u>	<u>\$ -</u>	<u>\$ 318,190</u>	<u>\$ 330</u>	<u>\$ 39,682</u>

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

JUNE 30, 2012

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	Capital Projects Funds						Permanent Funds		Total Nonmajor Governmental Funds
	Technology Town & BOE	Rails to Trails	New Elementary School	BOE 2nd Year Phase I Technology	BOE Phase II Technology	BOE 2nd Year Phase II Technology	BOE Scholarships	Cemetery Fund	
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 167,188	\$ 25,834	\$ 729,728
Accounts receivable							99,956		406,637
Due from other funds	83,296			23,772	14,843	170		1,457	3,484,410
Inventory									41,465
Other assets									6,012
Total Assets	<u>\$ 83,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,772</u>	<u>\$ 14,843</u>	<u>\$ 170</u>	<u>\$ 267,144</u>	<u>\$ 27,291</u>	<u>\$ 4,668,252</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts and other payable	\$	\$	\$	\$	\$	\$	\$	\$	\$ 82,330
Due to other funds		205,780	425,928						1,701,954
Advances to other funds									1,684,983
Deferred revenue							99,956		149,207
Total liabilities	<u>-</u>	<u>205,780</u>	<u>425,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,956</u>	<u>-</u>	<u>3,618,474</u>
Fund Balance:									
Nonspendable							167,188	27,291	235,944
Restricted									63,576
Committed	83,296			23,772	14,843	170			3,599,102
Unassigned		(205,780)	(425,928)						(2,848,844)
Total fund balance	<u>83,296</u>	<u>(205,780)</u>	<u>(425,928)</u>	<u>23,772</u>	<u>14,843</u>	<u>170</u>	<u>167,188</u>	<u>27,291</u>	<u>1,049,778</u>
Total Liabilities and Fund Balances	<u>\$ 83,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,772</u>	<u>\$ 14,843</u>	<u>\$ 170</u>	<u>\$ 267,144</u>	<u>\$ 27,291</u>	<u>\$ 4,668,252</u>

TOWN OF TRUMBULL, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Special Revenue Funds</u>									
	<u>Homeland</u> <u>Securities</u> <u>Act</u>	<u>Dog</u> <u>Fund</u>	<u>Youth</u> <u>and</u> <u>Children</u> <u>Services</u>	<u>Trumbull</u> <u>Library</u>	<u>Town Clerk</u> <u>Historical</u> <u>Preservation</u>	<u>Millington</u> <u>League</u> <u>Settlement</u>	<u>Education</u> <u>Grants and</u> <u>Other</u> <u>Programs</u>	<u>Police</u> <u>Grants</u>	<u>School</u> <u>Lunch</u>	<u>Social</u> <u>Services</u>
Revenue:										
Intergovernmental revenue	\$ 62,940		\$ 32,985		\$ 256,406		\$ 2,312,359		\$ 363,858	\$
Investment income				7					210	
Charges for goods and services		30,707			13,636				2,087,082	
Other										
Total revenues	<u>62,940</u>	<u>30,707</u>	<u>32,985</u>	<u>7</u>	<u>270,042</u>	<u>-</u>	<u>2,312,359</u>	<u>-</u>	<u>2,451,150</u>	<u>-</u>
Expenditures:										
Current:										
General government					264,093					
Public safety		11,986								
Public health			32,985							
Education							2,312,359		2,426,743	
Debt service:										
Interest										
Capital outlay	62,940									
Total expenditures	<u>62,940</u>	<u>11,986</u>	<u>32,985</u>	<u>-</u>	<u>264,093</u>	<u>-</u>	<u>2,312,359</u>	<u>-</u>	<u>2,426,743</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>18,721</u>	<u>-</u>	<u>7</u>	<u>5,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,407</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Issuance of debt										
Issuance of bond refunding										
Payments to escrow agents										
Bond premium										
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	-	18,721	-	7	5,949	-	-	-	24,407	-
Fund Balance at Beginning of Year, as Restated	1,688	91,551	8,291	2,540	90,350	(75,853)	-	865	558,534	2,103
Fund Balance at End of Year	<u>\$ 1,688</u>	<u>\$ 110,272</u>	<u>\$ 8,291</u>	<u>\$ 2,547</u>	<u>\$ 96,299</u>	<u>\$ (75,853)</u>	<u>\$ -</u>	<u>\$ 865</u>	<u>\$ 582,941</u>	<u>\$ 2,103</u>

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TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

Capital Projects Funds

	Capital Projects Funds								
	<u>Debt Service Fund</u>	<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>
Revenue:									
Intergovernmental revenue	\$	\$	\$ 776,842	\$	\$ 40,000	\$	\$	\$	\$ 49,351
Investment income									
Charges for goods and services		2,141					18,411		
Other									
Total revenues	<u>-</u>	<u>2,141</u>	<u>776,842</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>18,411</u>	<u>-</u>	<u>49,351</u>
Expenditures:									
Current:									
General government									4,573
Public safety									
Public health									
Education									
Debt service:									
Interest	128,037								
Capital outlay		2,198	839,828				9,355		160,599
Total expenditures	<u>128,037</u>	<u>2,198</u>	<u>839,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,355</u>	<u>-</u>	<u>165,172</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(128,037)</u>	<u>(57)</u>	<u>(62,986)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>9,056</u>	<u>-</u>	<u>(115,821)</u>
Other Financing Sources (Uses):									
Transfers in			282,700						
Issuance of debt			310,000						
Issuance of bond refunding	14,862,000								
Payments to escrow agents	(15,829,469)								
Bond premium	1,095,506		10,700						
Total other financing sources (uses)	<u>128,037</u>	<u>-</u>	<u>603,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(57)	540,414	-	40,000	-	9,056	-	(115,821)
Fund Balance at Beginning of Year, as Restated	709,353	-	(564,432)	10,615	(40,000)	1,177,573	(1,694,039)	75,476	(294,163)
Fund Balance at End of Year	<u>\$ 709,353</u>	<u>\$ (57)</u>	<u>\$ (24,018)</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 1,177,573</u>	<u>\$ (1,684,983)</u>	<u>\$ 75,476</u>	<u>\$ (409,984)</u>

(Continued on next page)

TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

Capital Projects Funds

	<u>Park Improvements</u>	<u>Resurfacing of Town Roads</u>	<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>
Revenue:									
Intergovernmental revenue	\$	\$	\$ 20,000	\$	\$	\$	\$	\$	\$
Investment income									
Charges for goods and services									
Other									
Total revenues	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
Current:									
General government									
Public safety									
Public health									
Education									
Debt service:									
Interest									
Capital outlay	<u>35,605</u>						<u>26,700</u>		
Total expenditures	<u>35,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,700</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(35,605)</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,700)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):									
Transfers in									
Issuance of debt									
Issuance of bond refunding									
Payments to escrow agents									
Bond premium									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(35,605)</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,700)</u>	<u>-</u>	<u>-</u>
Fund Balance at Beginning of Year, as Restated	<u>123,086</u>	<u>28,811</u>	<u>63,807</u>	<u>(4,670)</u>	<u>245,738</u>	<u>(17,571)</u>	<u>344,890</u>	<u>330</u>	<u>39,682</u>
Fund Balance at End of Year	<u>\$ 87,481</u>	<u>\$ 28,811</u>	<u>\$ 83,807</u>	<u>\$ (4,670)</u>	<u>\$ 245,738</u>	<u>\$ (17,571)</u>	<u>\$ 318,190</u>	<u>\$ 330</u>	<u>\$ 39,682</u>

(Continued on next page)

TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Capital Projects Funds						Permanent Fund		Total Nonmajor Governmental Funds
	Technology Town & BOE	Rails to Trails	New Elementary School	BOE 2nd Year Phase I Technolgy	BOE Phase II Technology	BOE 2nd Year Phase II Technology	BOE Scholarships	Cemetery Fund	
Revenue:									
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$	3,914,741
Investment income							473	42	732
Charges for goods and services									2,151,977
Other							10,579		10,579
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,052</u>	<u>42</u>	<u>6,078,029</u>
Expenditures:									
Current:									
General government									268,666
Public safety									11,986
Public health									32,985
Education							14,827		4,753,929
Debt service:									
Interest									128,037
Capital outlay		13,165							1,150,390
Total expenditures	<u>-</u>	<u>13,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,827</u>	<u>-</u>	<u>6,345,993</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(13,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,775)</u>	<u>42</u>	<u>(267,964)</u>
Other Financing Sources (Uses):									
Transfers in									282,700
Issuance of debt									310,000
Issuance of bond refunding									14,862,000
Payments to escrow agents									(15,829,469)
Bond premium									1,106,206
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,437</u>
Net Change in Fund Balances	-	(13,165)	-	-	-	-	(3,775)	42	463,473
Fund Balance at Beginning of Year, as Restated	83,296	(192,615)	(425,928)	23,772	14,843	170	170,963	27,249	586,305
Fund Balance at End of Year	<u>\$ 83,296</u>	<u>\$ (205,780)</u>	<u>\$ (425,928)</u>	<u>\$ 23,772</u>	<u>\$ 14,843</u>	<u>\$ 170</u>	<u>\$ 167,188</u>	<u>\$ 27,291</u>	<u>\$ 1,049,778</u>

TOWN OF TRUMBULL, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

JUNE 30, 2012

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Due from other funds	\$	\$ 2,516,651	\$ 2,516,651
Noncurrent assets:			
Capital assets, net	<u>2,608,025</u>	<u> </u>	<u>2,608,025</u>
Total assets	<u>2,608,025</u>	<u>2,516,651</u>	<u>5,124,676</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Current liabilities:			
Claims payable		629,163	629,163
Due to other funds	955,783		955,783
Total current liabilities	<u>955,783</u>	<u>629,163</u>	<u>1,584,946</u>
Noncurrent liabilities:			
Claims payable		1,887,488	1,887,488
Total liabilities	<u>955,783</u>	<u>2,516,651</u>	<u>3,472,434</u>
NET ASSETS			
Net Assets:			
Invested in capital assets, net of related debt	<u>1,652,242</u>	<u> </u>	<u>1,652,242</u>
Total Net Assets	<u>\$ 1,652,242</u>	<u>\$ -</u>	<u>\$ 1,652,242</u>

TOWN OF TRUMBULL, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 333,240	\$ 1,344,944	\$ 1,678,184
Operating Expenses:			
Claims expense		1,344,944	1,344,944
Depreciation expense	314,237		314,237
Total operating expenses	<u>314,237</u>	<u>1,344,944</u>	<u>1,659,181</u>
Operating Income	19,003	-	19,003
Net Assets at Beginning of Year	<u>1,633,239</u>	<u>-</u>	<u>1,633,239</u>
Net Assets at End of Year	<u><u>\$ 1,652,242</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,652,242</u></u>

TOWN OF TRUMBULL, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Lease Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from users	\$ 333,240	\$ 1,344,944	\$ 1,678,184
Cash paid for insurance claims and premiums		(1,344,944)	(1,344,944)
Net cash provided by operating activities	<u>333,240</u>	<u>-</u>	<u>333,240</u>
Cash Flows from Noncapital Financing Activities:			
Cash provided by other funds	<u>236,321</u>		<u>236,321</u>
Net cash provided by noncapital financing activities	<u>236,321</u>	<u>-</u>	<u>236,321</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of fixed assets	<u>(569,561)</u>		<u>(569,561)</u>
Net cash used in capital and related financing activities	<u>(569,561)</u>	<u>-</u>	<u>(569,561)</u>
Net Increase (Decrease) 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 to Net Cash Provided by Operating Activities:			
Operating income	\$ 19,003	\$	\$ 19,003
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	<u>314,237</u>		<u>314,237</u>
Net Cash Provided by Operating Activities	<u>\$ 333,240</u>	<u>\$ -</u>	<u>\$ 333,240</u>

TOWN OF TRUMBULL, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2012

	Performance Bond Fund	Student Activity Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,891,678	\$ 317,499	\$ 2,209,177
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Deposits held for others	\$ 1,891,678	\$ 317,499	\$ 2,209,177
	<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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Performance Bond Fund				
Assets:				
Cash and cash equivalents	\$ 749,569	\$ 1,528,677	\$ 386,568	\$ 1,891,678
Liabilities:				
Deposits held for others	\$ 749,569	\$ 1,528,677	\$ 386,568	\$ 1,891,678
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 334,412	\$ 590,853	\$ 607,766	\$ 317,499
Liabilities:				
Deposits held for others	\$ 334,412	\$ 590,853	\$ 607,766	\$ 317,499
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 1,083,981	\$ 2,119,530	\$ 994,334	\$ 2,209,177
Liabilities:				
Deposits held for others	\$ 1,083,981	\$ 2,119,530	\$ 994,334	\$ 2,209,177

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

JUNE 30, 2012

	Trumbull Library	Special Purpose Contra Account	Special Trust	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 74,027	\$	\$ 129,811	\$ 203,838
Receivables			320,746	320,746
Due from other funds		735,779	1,922,576	2,658,355
Total current assets	74,027	735,779	2,373,133	3,182,939
LIABILITIES AND NET ASSETS				
Liabilities:				
Current liabilities:				
Accounts and other payables			923,398	923,398
NET ASSETS HELD IN TRUST	\$ 74,027	\$ 735,779	\$ 1,449,735	\$ 2,259,541

TOWN OF TRUMBULL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Trumbull Library</u>	<u>Special Purpose Contra Account</u>	<u>Special Trust</u>	<u>Total</u>
Additions:				
Interest and dividends	\$ 101	\$	\$ 208	\$ 309
Intergovernmental	13,134		49,609	62,743
Contributions	<u>75,970</u>	<u>228,436</u>	<u>2,278,742</u>	<u>2,583,148</u>
Total additions	<u>89,205</u>	<u>228,436</u>	<u>2,328,559</u>	<u>2,646,200</u>
Deductions				
Payments to beneficiaries	<u>97,425</u>	<u>6,380</u>	<u>1,891,807</u>	<u>1,995,612</u>
Change in Net Assets	(8,220)	222,056	436,752	650,588
Net Assets at Beginning of Year	<u>82,247</u>	<u>513,723</u>	<u>1,012,983</u>	<u>1,608,953</u>
Net Assets at End of Year	<u>\$ 74,027</u>	<u>\$ 735,779</u>	<u>\$ 1,449,735</u>	<u>\$ 2,259,541</u>

TOWN OF TRUMBULL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

COMPARATIVE SCHEDULE BY SOURCE

(In Thousands)

JUNE 30, 2012

Total tax collections, including interest and lien fees, received by Treasurer for year ended June 30, 2012	\$ 129,845
Reimbursement for loss on: Tax relief for elderly - elderly freeze	<u>6</u>
BASE	<u>\$ 129,851</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	\$ 292,165	\$	\$	\$	\$
4-1/2 times base		584,331			
3-3/4 times base			486,942		
3-1/4 times base				422,017	
3 times base					389,554
Total debt limitation	<u>292,165</u>	<u>584,331</u>	<u>486,942</u>	<u>422,017</u>	<u>389,554</u>
Indebtedness:					
Bonds payable	21,034	62,035	63,138		
Bonds authorized - unissued	<u>2,666</u>	<u>24,440</u>	<u>5,000</u>		
Total indebtedness	<u>21,034</u>	<u>62,035</u>	<u>63,138</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 271,131</u>	<u>\$ 522,296</u>	<u>\$ 423,804</u>	<u>\$ 422,017</u>	<u>\$ 389,554</u>

Note: In no event shall total debt exceed seven times annual receipts from taxation (\$908.9 million).