

**Preliminary Official Statement Dated August 19, 2010**

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

**RATINGS: (See "Ratings" herein)**

*In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds and Notes is not included in gross income of the owners thereof for purposes of Federal income taxation, is not treated as a preference item for purposes of computing the Federal alternative minimum tax, and is not includable in adjusted current earnings for purposes of calculating the alternative minimum tax on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and Notes is excluded from taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. See Appendix B – "Form of Opinions of Bond Counsel and Tax Exemption" herein.*



**Town of Trumbull, Connecticut**

**\$22,000,000**

**General Obligation Bonds, Issue of 2010**

**Dated: September 1, 2010**

**Due: Serially September 1, 2011-2030  
as detailed below:**

Interest on the Bonds will be payable March 1, 2011 and semiannually thereafter on March 1 and September 1 in each year until maturity. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. The beneficial owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest payments on, the Bonds will be made by the Town of Trumbull, Connecticut (the "Town") to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

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

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>
2011	\$ 1,100,000	___%	___%	898116___	2021	\$ 1,100,000	___%	___%	898116___
2012	1,100,000	___%	___%	898116___	2022	1,100,000	___%	___%	898116___
2013	1,100,000	___%	___%	898116___	2023	1,100,000	___%	___%	898116___
2014	1,100,000	___%	___%	898116___	2024	1,100,000	___%	___%	898116___
2015	1,100,000	___%	___%	898116___	2025	1,100,000	___%	___%	898116___
2016	1,100,000	___%	___%	898116___	2026	1,100,000	___%	___%	898116___
2017	1,100,000	___%	___%	898116___	2027	1,100,000	___%	___%	898116___
2018	1,100,000	___%	___%	898116___	2028	1,100,000	___%	___%	898116___
2019	1,100,000	___%	___%	898116___	2029	1,100,000	___%	___%	898116___
2020	1,100,000	___%	___%	898116___	2030	1,100,000	___%	___%	898116___

**Electronic bids only via PARITY® for the Bonds will be received until 11:30 A.M. (E.D.T.) on Thursday, August 26, 2010, at Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, CT 06611.**

**\$23,310,000**

**General Obligation Bond Anticipation Notes**

**Dated: September 9, 2010**

**Rate: \_\_\_%**

**Due: September 8, 2011**

**Yield: \_\_\_%**

**Underwriter: TBD**

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

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

**Sealed proposals and electronic bids via PARITY® for the Notes will be received until 11:00 A.M. (E.D.T.) on Thursday, August 26, 2010, at Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, CT 06611. Telephone Bids for the Notes will be received until 11:00 AM (E.D.T.) by an authorized agent of Phoenix Advisors, LLC, the Town's Financial Advisor, on Thursday, August 26, 2010 at (203) 452-5011.**

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

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

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinion of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and Notes in book-entry-only form will be made to DTC on or about September 9, 2010.



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

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

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## ***Bond Issue Summary***

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

<b>Date of Sale:</b>	Thursday, August 26, 2010 at 11:30 A.M. (E.D.T.).
<b>Location of Sale:</b>	Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611.
<b>Issuer:</b>	Town of Trumbull, Connecticut (the "Town").
<b>Issue:</b>	\$22,000,000 General Obligation Bonds, Issue of 2010 (the "Bonds").
<b>Dated Date:</b>	September 1, 2010.
<b>Principal and Interest Due:</b>	Principal due serially September 1, 2011 through September 1, 2030. Interest due March 1 and September 1 in each year until maturity, commencing March 1, 2011.
<b>Purpose:</b>	The Bond proceeds will be used to provide new money for and permanently finance maturing notes which were originally issued to fund sewer and school projects.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity.
<b>Security:</b>	The Bonds will be general obligations of the Town of Trumbull, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	Application for a rating has been made to Moody's Investors Service, Inc., Standard & Poor's Corporation and Fitch Ratings on the Bonds. The Town's current outstanding ratings are as follows: 'Aa2' from Moody's Investors Service; 'AA' from Standard & Poor's and 'AA+' from Fitch Ratings, respectively.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds shall <u>NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Financial Advisor:</b>	Phoenix Advisors, LLC, of Milford, Connecticut will act as Financial Advisor. Telephone: (203) 878-4945.
<b>Legal Opinion:</b>	Joseph Fasi LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 9, 2010. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Ms. Maria T. Pires, Director of Finance, Trumbull Town Hall, 5866 Main Street, Trumbull, Connecticut 06611. Telephone (203) 452-5013.

## **Note Issue Summary**

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

<b>Date of Sale:</b>	Thursday, August 26, 2010 at 11:00 A.M. (E.D.T.).
<b>Location of Sale:</b>	Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611. Telephone: (203) 452-5011.
<b>Issuer:</b>	Town of Trumbull, Connecticut (the "Town").
<b>Issue:</b>	\$23,310,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	September 9, 2010.
<b>Principal and Interest Due:</b>	September 8, 2011.
<b>Purpose:</b>	The Note proceeds will be used to finance various school and sewer projects.
<b>Redemption:</b>	The Notes are NOT subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town of Trumbull, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	Application for a rating has been made to Standard & Poor's Corporation and Fitch Ratings on the Notes. The Town received a 'SP-1+' and 'F1+' rating from Standard and Poor's and Fitch Ratings, respectively, on its 2009 General Obligation Bond Anticipation Notes.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Notes shall <u>NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix D to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Financial Advisor:</b>	Phoenix Advisors, LLC, of Milford, Connecticut will act as Financial Advisor. Telephone: (203) 878-4945.
<b>Legal Opinion:</b>	Joseph Fasi LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about September 9, 2010. Delivery of the Notes will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Ms. Maria T. Pires, Director of Finance, Trumbull Town Hall, 5866 Main Street, Trumbull, Connecticut 06611. Telephone (203) 452-5013.

## ***I. Bond and Note Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain financial information and supplementary economic and demographic data relevant to the Town of Trumbull, Connecticut (the "Town"), in connection with the original issuance and sale of \$22,000,000 General Obligation Bonds, Issue of 2010 (the "Bonds") and \$23,310,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds or the Notes. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

The Bonds and Notes are being offered for sale through public bidding. A Notice of Sale dated August 19, 2010 has been furnished to prospective bidders and is included herein as Appendix E for the Bonds and for the Notes. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

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

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

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A – Financial Statements excerpted from the Town's 2009 Annual Financial Report), and they make no representation that they have independently verified the same.

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

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

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

### ***Financial Advisor***

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

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

## ***The Bonds***

### ***Description of the Bonds***

The Bonds will be dated September 1, 2010 and will bear interest at the rates per annum specified on the front cover page, payable semiannually on March 1 and September 1 in each year until maturity, commencing March 1, 2011. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of February and August in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank National Association. The Bonds will be issued as fully registered in denominations of \$5,000 or any integral multiple thereof.

### ***Redemption Provisions***

The Bonds maturing on or before September 1, 2018 are not subject to redemption prior to maturity. The Bonds maturing on September 1, 2019 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after September 1, 2018, at any time, either in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b><i>Redemption Dates</i></b>	<b><i>Redemption Prices</i></b>
September 1, 2018 and thereafter.....	100%

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

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

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

## **The Notes**

### **Description of the Notes**

The Notes will be dated September 9, 2010 and will be due and payable as to both principal and interest at maturity, September 8, 2011. The Notes are not subject to redemption prior to maturity and will bear interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, at the rate or rates per annum specified by the successful bidder or bidders using the Net Interest Cost ("NIC") method. A book-entry system will be employed, evidencing ownership of Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership affected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein.) The Certifying Agent, Paying Agent, Registrar and Transfer Agent will be U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103. The legal opinion for the Notes will be rendered by Joseph Fasi LLC in substantially the form set forth in Appendix B to this Official Statement.

## **The Bonds and Notes**

### **Authorization and Purpose**

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

### **Use of Proceeds**

The proceeds of the Bonds and Notes are expected to finance the following projects:

<b>Project</b>	<b>Amount Authorized</b>	<b>Notes to Mature 9/9/2010</b>	<b>New Money or (Paydowns)</b>	<b>This Issue</b>	
				<b>The Bonds</b>	<b>Notes to Mature 9/8/2011</b>
Trumbull H.S. Renovation (As New)..... <sup>1</sup>	\$ 68,672,000	\$ 5,760,000	\$ 17,300,000	\$ 9,060,000	\$ 14,000,000
Jane Ryan School Roof.....	1,360,000	1,360,000	(420,000)	940,000	-
Phase IV, Part B-IV, Sanitary Sewer.....	27,000,000	8,460,000	12,540,000	12,000,000	9,000,000
Geographic Information System.....	310,000	-	310,000	-	310,000
<b>Total.....</b>	<b>\$ 97,342,000</b>	<b>\$ 15,580,000</b>	<b>\$ 29,730,000</b>	<b>\$ 22,000,000</b>	<b>\$ 23,310,000</b>

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

### **Book-Entry-Only Transfer System**

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The

Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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



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

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

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

### ***DTC Practices***

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

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

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

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

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

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues of the Town. The Town has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting creditors rights heretofore or, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

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

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

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

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

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

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation Bonds and Notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date, the Town has not failed to meet any of its undertakings under such agreements.

### ***Ratings***

Application has been made to Moody's Investors Service, Inc., Standard & Poor's Corporation and Fitch Ratings (the "Rating Agencies") for a rating on the Bonds and to Standard & Poor's Corporation and Fitch Ratings for a rating on the Notes. The Town furnished the Rating Agencies with certain information and materials, some of which may not have been included in this Official Statement.

The Town's current outstanding ratings are as follows: 'Aa2' from Moody's Investors Service; 'AA' from Standard & Poor's; and 'AA+' from Fitch Ratings, respectively. The Town also received ratings from Standard & Poor's Corporation of 'SP1+' and Fitch Ratings of 'F1+', respectively, on its 2009 bond anticipation note issue.

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

The Town expects to furnish the Rating Agencies with certain information and materials that the Rating Agencies may request. However, the Town may issue short-term or other debt for which a rating is not requested.

### ***Insurance***

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

## ***II. The Issuer***

***[MAP]***

### ***Description of the Municipality***

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

Trumbull is a growing, suburban residential community with extensive retail and an expanding commercial and industrial base. According to the State Health Department, the Town's 2007 population as compiled by the State of Connecticut Department of Public Health was 34,752. The Town has above average income and education levels that reflect its character as a suburban bedroom community.

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

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

## Form of Government

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

### Town Officials

<b>Office</b>	<b>Name</b>	<b>Manner of Selection</b>	<b>Length Of Service</b>
First Selectman.....	Timothy M. Herbst	Elected	0.5 years
Chairman, Town Council.....	Carl A. Massaro, Jr.	Elected	0.5 years
Town Clerk.....	Suzanne Burr Monaco	Elected	0.5 years
Town Treasurer.....	John L. Ponzio	Elected	0.5 years
Assessor.....	Mark De Vestern	Civil Service	0.5 years
Director of Public Works.....	John Marsilio	Appointed	0.5 years
Tax Collector.....	Mary Moran	Appointed	0.5 years
Chief of Police.....	Thomas Kiely	Appointed	6 years <sup>1</sup>
Superintendent of Schools.....	Ralph Iassogna	Appointed	11 years <sup>2</sup>
Director of Finance.....	Maria T. Pires	Appointed	0.5 years <sup>3</sup>
Town Attorney.....	Robert Nicola	Appointed	0.5 years

<sup>1</sup> Mr. Kiely has worked for the Town's Police Department for 33 years.

<sup>2</sup> Mr. Iassogna has worked in the Town's school system for 27 years.

<sup>3</sup> Ms. Pires served as Deputy Director of Finance for nine years prior to being appointed the Director in 2010.

Source: Town of Trumbull

## Municipal Services

**Police:** The Police Department provides full-time police protection, complete with the latest in crime prevention computer systems and a state-of-the-art computerized radio communications center to serve all emergency agencies. The Police Department has installed wireless mobile laptop computers and video cameras in patrol cars. The Police Department is manned by a staff of 72 professionals, including a Chief of Police, two Deputy Chiefs and a supporting staff of detectives, youth officer, and other civilians, with an appropriate force of auxiliary police officers.

**Fire and EMS:** The Fire Department consists of three volunteer fire districts having the authority to levy and collect taxes independent of the Town to support their operations. They collectively carry a force of 230 active fire fighters in seven fire stations. The major equipment includes nineteen pieces of fire apparatus and three rescue vehicles. The Town operates its own ambulance service through its Emergency Medical Services commission, directing 150 volunteers, 75 state-licensed EMTs and four medical vehicles. Paid paramedics are on call 7 days a week – 24 hours a day.

**Public Works:** The Public Works Department, which includes Town Highway, Parks (see “Parks and Recreation Services” below), Engineering, Sewer Operations, as well as the Town Recycling department, and Tree Warden, employs a total of 79 personnel. Public Works is responsible for over 200 pieces of rolling stock used for the repair, maintenance, and snow plowing of over 200 miles of town roads, 1400 acres of parkland, including 400 acres of developed parkland, and 100 miles of sanitary sewers serving approximately 65% of the residents. The Town installed its first sanitary sewer in the early 1970's.

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

Trumbull is one of twelve municipalities that has entered into a Municipal Service Agreement (“MSA”) with the Connecticut Resource Recovery Authority (the “Authority”) for the disposal of solid waste through the Greater Bridgeport Resource Recovery System (the “System”). Each municipality which has signed such MSA (a

“Participating Municipality”) has agreed to deliver or cause to be delivered to the System all “Acceptable Waste,” as defined therein, generated within its boundaries. The facility for the System (the “Facility”) is located in the City of Bridgeport, Connecticut and was designed and constructed and is operated by Bridgeport Resco Company, L.P. (the “Company”). The Facility began commercial operation in July 1988 and is designed to process up to 2,250 tons of solid waste per day. Each Participating Municipality has further agreed to deliver annually its Minimum Tonnage Guarantee, as defined in the MSA, to the System.

For fiscal year ending June 30, 2011, the Authority will bill each Participating Municipality a fixed charge of \$63 per ton of MSW actually delivered by or on behalf of each Participating Municipality.

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

The obligation of the Participating Municipalities to pay Municipal Disposal Fees, so long as the Authority meets its obligation to accept and dispose of Acceptable Waste, is absolute and unconditional and shall not be subject to any abatement, reduction, set-off, counterclaim, recoupment, defense (other than payment itself) or other right which the Participating Municipality may have against the Authority or any other person for any reason whatsoever. 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 non-paying Participating Municipality and shall be entitled to full reimbursement upon the Authority collecting such delinquent amounts.

The MSAs contain Minimum Tonnage Guarantees for each Participating Municipality. The Town of Trumbull’s Minimum Tonnage Guarantee is 19,945 tons. The aggregate Minimum Tonnage Guarantee by all the Participating Municipalities is 265,000 tons.

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.

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. Non-residential 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.

**Library:** The Town’s two libraries offer over 137,400 books and are staffed by six professional librarians, 14 full-time and 18 part-time employees. In addition to adult, juvenile, fiction and non-fiction, reference works, the libraries also offer 765 books on cassette, 4,700 videocassettes, newspapers and magazines on microfiche and compact discs. Services also include an on-line public access catalog with dial-in access, four dedicated public internet workstations, a public PC workstation with color laser printer, a scanner and several CD ROM databases including Newsbank Business, Ebsco Healthsource, InfoTrac Magazine Index Plus, Phonedisc Powerfinder and Request-Connecticut’s statewide library catalog. The libraries also provide meeting rooms for community groups and activities.

**Parks and Recreation Services:** In addition to over 1,400 acres of park land, the Town manages and operates Tashua Knolls Golf Course, an 18-hole championship rated course. An additional nine-hole course opened in August 2005, upgrading Tashua Knolls to a 27-hole course. Abutting the golf course is a recreation area, including an outdoor olympic-sized swimming pool, kiddie pool, four lighted tennis courts, as well as other major athletic facilities. There is a soccer park with a capacity of 4¼ full size soccer fields in addition to three new ballfields that were added in 2008. One park boasts a 60’ by 80’ amphitheater stage with adjoining multi-purpose field to accommodate lawn-chair seating of 8,000 for hosted military and symphonic concerts. Parks and Recreation Services employs 21 full-time employees, 13 in parks, 5 in golf course and 3 in other Town recreation areas.

**Planning and Zoning Commission:** The Town has a combined Planning and Zoning Commission, working with the Town Director of Public Works and Town Engineer, whose duties are to guide, control and approve all design work and site development to conform with the Town and State Codes.

**Economic Development:** The objectives of the Economic Development Commission (EDC) is to attract and recruit new businesses, retain and help expand the existing business base, and foster a thriving business community while preserving the residential character of the town. To this end, the EDC has developed a plan to meet these objectives. As outlined in the plan, the Director actively markets to site selectors, commercial brokers, and prospective tenants, and continuously meets with Trumbull businesses to discuss their needs and facilitate solutions.

The Town is uniquely situated and designed for convenience and accessibility. The Director and the Commission work with Planning and Zoning to update the commercial components of their zoning regulations. Commercially developed areas are primarily found adjacent to major highways near the exterior borders of town, making it particularly convenient for commuters, business travelers, customers, and transportation vehicles. The region's workforce is well educated and skilled, and educational and career development resources are excellent. Trumbull's infrastructure is sophisticated and well suited to support the needs of all types of businesses.

For the second year in a row, the Town of Trumbull was recognized in Relocate America's Top 100 Places to Live, and in their List of Top 10 Small Towns. The Town was specifically sited for its leadership, financial responsibility, safety, and quality of life.

The Town recognizes that businesses need support in order to grow and thrive, and Economic Development works to facilitate and accommodate their needs. As an example, the EDC partnered with the Town's Library to launch a new Business and Career Resource Center. The Center is both a physical space in the library, as well as a virtual online space that provides hundreds of resources to help business people and career seekers develop, learn, network, make money or save money and time.

Trumbull has experienced some noteworthy developments over the year. After making a major investment to customize their new facility, Sun Products moved into their new R&D facility on Trefoil Drive with 60 employees. They are expected to employ over 100 employees in the next few years. CooperSurgical moved into their newly constructed 60,000 s/f building that houses their North American Headquarters earlier this year. The company employs approximately 300 employees in their three-building campus in Trumbull.

Trumbull is excited about the number of construction projects that are moving forward this year, despite national economic challenges facing commercial development. Home Depot on Route 111 is under construction and will open in March 2011. Scan Tools began their 11,000 s/f addition this summer and will finish by year-end. A \$40 Million revitalization project at Westfield Mall is underway and the grand opening for the completely new renovated mall is scheduled for November. Trumbull Center is undergoing a radical facelift that began with a streetscape project done through State grants. Owners of Trumbull Center followed suit and are almost finished with the first of four planned phases of façade improvements which will complete update the Center with a beautiful New England village look. Construction for the next three phases is expected to begin this fall, with completion by early spring. Construction for a new 16,000 s/f special Norma Pfriem Cancer Treatment facility on Park Avenue will begin this month and finish by year-end. In addition, a new 72,000 s/f medical facility is expected to be approved by Planning & Zoning in September, and begin construction later this year or early next year.

This year, several new businesses have opened or about to open in town. Some examples include, Panera Bread, LA Fitness, Metro Park, Teavana, Sephora Cosmetics, Dental Group of Connecticut, Sabora Deli, Trumbull Cleaners, Jaotech, and the Higgins Group. Additional new businesses are expected as the façade improvements and renovations are completed in our retail centers.

## Educational Services

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

### School Enrollment

<u>Historical</u>				
<u>School Year</u>	<u>Pre-School/ Special Education</u>	<u>K-8</u>	<u>9-12</u>	<u>Total</u>
2000-2001	139	4,406	1,651	6,196
2002-2003	171	4,490	1,801	6,462
2003-2004	248	4,568	1,866	6,682
2004-2005	270	4,613	1,983	6,866
2005-2006	224	4,668	2,018	6,910
2006-2007	245	4,599	2,092	6,936
2007-2008	228	4,592	2,089	6,909
2008-2009	277	4,566	2,102	6,945
2009-2010	237	4,632	2,152	7,021
<u>Projected</u>				
<u>School Year</u>	<u>Pre-School/ Special Education</u>	<u>K-8</u>	<u>9-12</u>	<u>Total</u>
2010-2011	226	4,573	2,132	6,931
2011-2012	226	4,512	2,183	6,921
2012-2013	226	4,454	2,197	6,877
2013-2014	226	4,365	2,187	6,778

<sup>1</sup> Preschool total only: As of 2009-10, Special Education is included in in-system totals.

Source: Town of Trumbull, Board of Education

### School Facilities

<u>School</u>	<u>Grades</u>	<u>Date of Construction (Additions, Remodeling)</u>	<u>Number of Classrooms</u>	<u>10/1/2009 Enrollment</u>	<u>Rated Capacity</u>
Middlebrook - TECEC.....	Pre-K	2005	11	237	186
Booth Hill.....	K-5	1955 (1957, 1970, 2000)	25	527	600
Daniels Farm.....	K-5	1962 (1981, 2000)	26	525	624
Jane Ryan.....	K-5	1955 (1957, 1970, 2000)	25	413	600
Middlebrook.....	K-5	1953 (1959, 67, 71, 2000)	31	479	744
Tashua.....	K-5	1965 (2000)	24	411	576
Hillcrest.....	6-8	1967 (2000)	50	720	1,100
Madison.....	6-8	1960 (2000)	66	898	1,452
Trumbull High.....	9-12	1971 (1984, 2000, 2006)	106	2,152	2,332
Frenchtown.....	K-5	2003	32	659	960
<b>Total.....</b>			<b>396</b>	<b>7,021</b>	<b>9,174</b>

Source: Town of Trumbull, Board of Education

### School Projects

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

*Debt Reimbursement System.* For school building projects approved prior to July 1, 1996, the State assistance took the form of debt reimbursement. Under the pre-1996 State program, a town finances the total cost of the school building project and the State reimburses the town for a portion of the debt service on the bonds financing the project as debt service payments are made. The State's allocable share of such debt service expense is based upon the State's share of eligible project costs and the total amount financed by the town. Under the pre-1996 program, the State's reimbursement payments continue over the life of the outstanding school bonds and any subsequent bond issues necessary to completely fund the approved school building projects. Under the pre-1996 State program, the Town anticipates receiving approximately \$5,081,260 of debt reimbursement from the State over the remaining life of those bonds.

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

Presently, the Town estimates receiving approximately 30.71% of the overall eligible project costs of its current school building program from the State of Connecticut as grants. Through June 30, 2010, the Town has received \$2,291,911 for the Middlebrooks Early Learning Center (project recently completed), \$3,644,703 for the Trumbull High School class room expansion, and \$278,269 on the Jane Ryan School Roof project. In addition to these school projects, the Town has begun an approximately \$68,000,000 renovation project at Trumbull High School which will renovate existing space at the High School as well as provide an estimated 38,000 square feet of expansion space to meet the needs of the student population. The Town has received \$1,493,813 in grants on this project. The Town anticipates further State grant reimbursements for the balance of total school building costs.

## ***Employee Relations and Collective Bargaining***

### ***Municipal Employees***

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

	<b><i>2010</i></b>	<b><i>2009</i></b>	<b><i>2008</i></b>	<b><i>2007</i></b>	<b><i>2006</i></b>
General Government. <sup>1</sup> .....	336	336	379	379	381
Board of Education. <sup>1,2</sup> .....	851	863	874	864	888
<b><i>Total</i></b> .....	1,187	1,199	1,253	1,243	1,269

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

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



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

<b><u>Board of Education Groups</u></b>	<b><u>Positions Covered</u></b>	<b><u>Current Contract Expiration Date</u></b>
Trumbull School Administrators.....	24	06/30/2012
Teachers – Trumbull Education Association.....	541	06/30/2011
CILU Paraprofessionals.....	122	06/30/2011
Trumbull School Secretaries.....	44	06/30/2011
Custodial/Maintenance - Local 1303, Council 4, AFSCME, AFL-CIO.....	55	06/30/2010 <sup>2</sup>
School Lunch Program - Local 1303-34, Council 4, AFSCME, AFL-CIO.....	41	06/30/2010 <sup>2</sup>
Board of Education Support & Supervisors – Local #21, Connecticut Independent Labor Union, CILU.....	13	06/30/2012
Non-Bargaining.....	11	N/A
<b><u>Total Board of Education Employees.....</u></b>	<b><u>851</u></b>	
<b><u>General Government Groups</u></b>		
Public Works/Park – Local 1303-33, Council 4, AFSCME, AFL-CIO....	53	12/31/2008 <sup>2</sup>
DPW Supervisors – Local 818, Council 4, AFSCME, AFL-CIO.....	10	06/30/2012
Police Department – Local 1745, Council 15, AFSCME, AFL-CIO.....	70	06/30/2011
Fire Marshal – Local 1303-277, Council 4, AFSCME, AFL-CIO.....	2	06/30/2010 <sup>2</sup>
Town Hall (M.A.T.E.) – C.I.L.U., Local 51.....	67	06/30/2013
Town Hall Supervisors – C.I.L.U., Local 13.....	16	06/30/2012
Non-Bargaining.....	118	
<b><u>Total General Government Employees.....</u></b>	<b><u>336</u></b>	

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

<sup>2</sup> In negotiation.

Source: Town of Trumbull

## **Binding Arbitration**

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teacher's contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

### III. Economic and Demographic Information

#### Population and Density

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>% Increase (Decrease)</b>	<b>Density<sup>2</sup></b>
1960	20,379	--	867
1970	31,394	54.05	1,336
1980	32,989	5.08	1,404
1990	32,016	(2.95)	1,362
2000	34,243	6.96	1,457
2008 <sup>3</sup>	34,688	1.30	1,476

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 1960-2000

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

<sup>3</sup> State of Connecticut, Department of Public Health. July 1, 2008.

#### Age Distribution of the Population

	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5.....	2,366	6.9%	223,344	6.6%
05 - 19.....	7,041	20.6	702,358	20.6
20 - 24.....	1,209	3.5	187,571	5.5
25 - 44.....	9,445	27.6	1,032,689	30.3
45 - 64.....	8,268	24.1	789,420	23.2
65 and over.....	5,914	17.3	470,183	13.8
<b>Total.....</b>	<b>34,243</b>	<b>100.0%</b>	<b>3,405,565</b>	<b>100.0%</b>

Source: U.S. Department of Commerce, Bureau of Census, 2000

#### Income Distribution

	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000.....	106	1.1%	33,423	3.8%
\$10,000 to \$14,999.....	51	0.5	23,593	2.7
\$15,000 to \$24,999.....	341	3.5	63,262	7.1
\$25,000 to \$34,999.....	450	4.6	75,413	8.5
\$35,000 to \$49,999.....	880	9.0	120,134	13.6
\$50,000 to \$74,999.....	1,965	20.2	198,924	22.5
\$75,000 to \$99,999.....	1,871	19.2	141,981	16.0
\$100,000 to \$149,999.....	2,226	22.8	132,177	14.9
\$150,000 to \$199,999.....	936	9.6	42,472	4.8
\$200,000 or more.....	925	9.5	54,368	6.1
<b>Total.....</b>	<b>9,751</b>	<b>100.0%</b>	<b>885,747</b>	<b>100.0%</b>

Source: U.S. Department of Commerce, Bureau of Census, 2000

### Income Levels

	<u>Town of Trumbull</u>	<u>State of Connecticut</u>
Per Capita Income, 2000.....	\$ 34,931	\$ 28,766
Per Capita Income, 1990.....	25,048	20,189
Median Family Income, 1999.....	\$ 88,290	\$ 65,521
Percent Below Poverty.....	1.4%	5.6%

Source: U.S. Department of Commerce, Bureau of Census, 2000

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

	<u>Town of Trumbull</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	1,172	4.9%	132,917	5.8%
9th to 12th grade, no diploma.....	1,268	5.4	234,739	10.2
High School graduate (includes equivalency).....	5,501	23.2	653,300	28.5
Some college, no degree.....	3,750	15.8	402,741	17.5
Associate degree.....	1,710	7.2	150,926	6.6
Bachelor's degree.....	5,679	24.0	416,751	18.2
Graduate or professional degree.....	4,610	19.5	304,243	13.3
<b>Total.....</b>	<b>23,690</b>	<b>100.0%</b>	<b>2,295,617</b>	<b>100.0%</b>
Percent high school graduate or higher.....		89.7%		84.0%
Percent bachelor's degree or higher.....		43.4%		31.4%

Source: U.S. Department of Commerce, Bureau of Census, 2000

### Major Employers As of July 2010

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Westfield Shoppingtown Trumbull Mall <sup>1</sup> ....	Retail Shopping Mall	3,000
Town of Trumbull.....	Government/Education	1,187
Unilever, Inc.....	Home and Personal Care Products	1,100
United HealthCare.....	Health Maintenance Organization	1,100
St. Joseph's Manor.....	Nursing Home	500
Helicopter Support, Inc.....	Helicopter Logistics Support	450
Kennedy Center.....	Headquarters – Non-Profit Organization	400
Oce Imagistics.....	Multifunction Printing Devices	400
Cooper Surgical.....	Medical Equipment and Supplies	300
Affinion Group.....	Marketing Agency	285

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

Source: Town of Trumbull, phone survey.

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

<b>Sector</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	13	0.1%	7,445	0.4%
Construction.....	854	5.2	99,913	6.0
Manufacturing.....	2,091	12.8	246,607	14.8
Wholesale trade.....	639	3.9	53,231	3.2
Retail trade.....	1,903	11.6	185,633	11.2
Transportation and warehousing, and utilities.....	411	2.5	64,662	3.9
Information.....	601	3.7	55,202	3.3
Finance, insurance, real estate, and rental and leasing.....	1,966	12.0	163,568	9.8
Professional, scientific, management, administrative, and waste management services.....	2,102	12.8	168,334	10.1
Education, health and social services.....	3,668	22.4	366,568	22.0
Arts, entertainment, recreation, accommodation and food services.....	810	5.0	111,424	6.7
Other services (except public administration).....	690	4.2	74,499	4.5
Public Administration.....	613	3.7	67,354	4.0
<b>Total Labor Force, Employed.....</b>	<b>16,361</b>	<b>100.0%</b>	<b>1,664,440</b>	<b>100.0%</b>

Source: U.S. Department of Commerce, Bureau of Census, 2000

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

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

<b>Period</b>	<b>Town of Trumbull</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Town of Trumbull</b>	<b>Bridgeport Labor Market</b>	<b>State of Connecticut</b>
June 2010	16,824	1,311	7.2	8.2	8.9
<b>Annual Average</b>					
2009	16,739	1,213	6.8	7.8	8.2
2008	17,153	809	4.5	5.3	5.7
2007	17,652	620	3.4	4.1	4.5
2006	17,299	596	3.3	3.9	4.3
2005	16,913	678	3.9	4.6	4.9
2004	16,614	626	3.6	5.6	4.7
2003	16,560	746	4.3	6.7	5.5
2002	16,552	623	3.6	5.3	4.3
2001	16,094	473	2.9	4.1	3.3
2000	16,483	297	1.8	2.7	2.3

Source: Department of Labor, State of Connecticut

### Age Distribution of Housing

<b>Year Built</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1999 to March 2000.....	122	1.0%	15,993	1.2%
1995 to 1998.....	583	4.8	47,028	3.4
1990 to 1994.....	570	4.7	56,058	4.0
1980 to 1989.....	1,184	9.7	183,405	13.2
1970 to 1979.....	1,938	15.9	203,377	14.7
1960 to 1969.....	2,576	21.2	212,176	15.3
1940 to 1959.....	4,017	33.0	359,042	25.9
1939 or earlier.....	1,170	9.6	308,896	22.3
<b>Total.....</b>	<b>12,160</b>	<b>100.0%</b>	<b>1,385,975</b>	<b>100.0%</b>
Percent Owner Occupied.....		90.9%		66.8%

Source: U.S. Department of Commerce, Bureau of Census, 2000

### Housing Inventory

<b>Type</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	10,973	90.2%
1-unit, attached.....	316	2.6
2 units.....	106	0.9
3 or 4 units.....	217	1.8
5 to 9 units.....	131	1.1
10 to 19 units.....	211	1.7
20 or more units.....	206	1.7
Mobile home.....	-	-
Boat, RV, van, etc.....	-	-
<b>Total Inventory.....</b>	<b>12,160</b>	<b>100.0%</b>

Source: U.S. Department of Commerce, Bureau of Census, 2000

### Owner Occupied Housing Values

<b>Specified Owner Occupied Units</b>	<b>Town of Trumbull</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	35	0.3%	5,996	0.8%
\$50,000 to \$99,999.....	15	0.1	85,221	11.7
\$100,000 to \$149,999.....	456	4.4	212,010	29.1
\$150,000 to \$199,999.....	1,513	14.6	156,397	21.5
\$200,000 to \$299,999.....	4,867	46.9	137,499	18.9
\$300,000 to \$499,999.....	3,108	30.0	79,047	10.9
\$500,000 to \$999,999.....	345	3.3	38,168	5.2
\$1,000,000 or more.....	29	0.3	13,906	1.9
<b>Total.....</b>	<b>10,368</b>	<b>100.0%</b>	<b>728,244</b>	<b>100.0%</b>
Median (dollars).....	\$ 260,400		\$ 166,900	

Source: U.S. Department of Commerce, Bureau of Census, 2000

## **Building Permits**

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

<b>Calendar</b>	<b>Residential</b>		<b>Comm./Industrial</b>		<b>All Other <sup>1</sup></b>		<b>Total</b>	
<b>Year</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
2009	4	\$ 1,260,200	44	\$ 17,726,850	1,271	\$ 29,683,030	1,319	\$ 48,670,080
2008	4	1,472,160	59	14,099,550	1,532	26,428,270	1,595	41,999,980
2007	22	6,804,000	83	39,754,072	1,886	19,673,165	1,991	66,231,237
2006	48	13,836,000	95	8,609,500	2,341	35,306,045	2,484	57,751,545
2005	46	14,116,000	111	12,080,600	2,398	21,891,380	2,555	48,087,980
2004	67	17,266,220	94	15,438,775	2,383	20,286,165	2,544	52,991,160
2003	108	27,647,940	66	20,111,950	2,417	18,148,620	2,591	65,908,510
2002	88	18,017,000	82	6,300,233	2,438	33,476,996	2,608	57,794,229
2001	123	16,922,880	116	10,915,852	2,171	9,855,174	2,410	37,693,906
2000	69	10,992,288	115	2,299,019	2,049	8,232,911	2,233	31,524,218

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

Source: Town of Trumbull, Building Official

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## **IV. Tax Base Data**

### **Property Tax**

#### **Assessments**

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real property, personal property and motor vehicles located within the Town as of October 1. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation.

The Town's last general revaluation of real property was completed as of October 1, 2005. Pursuant to Section 12-62 et. seq. of the Connecticut General Statutes, as amended, the Town must revalue all real estate every five years. A revaluation by physical inspection must be no later than ten years from the preceding physical inspection; the revaluation completed as of October 1, 2005 was done by physical inspection.

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

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

*Personal Property.* All business personal property (furniture, fixtures, equipment, and machinery) is assessed annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at seventy percent (70%) of present market value.

*Motor Vehicles.* Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

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

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

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

## Levy

For Fiscal Year 2009-10, the Town derived \$123,603,987 (subject to audit) of its annual revenues through a direct property tax. Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Taxes are payable in quarterly installments - July 1, October 1, January 1 and April 1. Payments not received one month after the due date become delinquent. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Interest is charged at the rate of one and one-half percent per month with a minimum charge of \$2.00. In accordance with State law, all interest is collected first and then taxes in the order of the oldest outstanding tax first. Real estate is liened for delinquent taxes within one year after the tax due date.

## Comparative Assessed Valuations

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

<b>Grand List As Of 10/1</b>	<b>Residential Real Property (%)</b>	<b>Commercial &amp; Industrial Real Property (%)</b>	<b>All Land (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicles (%)</b>	<b>Gross Taxable Grand List</b>	<b>Exemptions, Veterans Relief and Disabled</b>	<b>Net Taxable Grand List</b>
2009	76.50%	12.65%	0.97%	4.93%	4.95%	\$5,144,904,698	\$ 30,740,373	\$5,114,164,325
2008	76.28	12.71	0.97	5.21	4.83	5,143,100,203	28,729,584	5,114,370,619
2007	76.48	12.64	1.03	4.64	5.21	5,087,391,361	37,834,999	5,049,556,362
2006	76.06	12.73	1.12	4.90	5.19	5,081,801,143	37,336,324	5,044,465,089
2005 <sup>1</sup>	76.75	12.43	1.05	4.55	5.22	4,987,846,431	25,042,201	4,986,689,087
2004	71.79	14.62	0.22	7.47	6.26	3,376,288,219	22,736,799	3,353,551,420
2003	70.32	14.40	0.26	8.08	6.93	3,382,914,479	21,831,205	3,361,083,274
2002	69.36	13.93	0.32	9.21	7.17	3,384,733,284	22,733,317	3,361,999,967
2001	69.00	14.35	0.33	9.39	6.93	3,353,218,506	20,324,984	3,332,893,522
2000 <sup>1</sup>	68.55	14.79	0.32	9.53	6.81	3,341,980,370	18,258,134	3,323,722,236

<sup>1</sup> Revaluation.

Source: Town of Trumbull, Assessor's Office.

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

## Exempt Property

<b>Public</b>	<b>As of 10/1/09 <sup>1</sup></b>
Town owned.....	\$ 186,318,100
Volunteer Fire Company.....	4,810,600
State owned.....	17,214,400
Sub-Total Public.....	208,343,100
<b>Private</b>	
Educational, charitable.....	30,437,000
Cemeteries.....	3,199,900
House of religious worship.....	39,371,900
Parish houses/church schools.....	27,088,700
Officiating clergymen houses.....	6,008,900
Non-profit camps and recreational facility.....	-
Sub-Total Private.....	\$ 106,106,400
<b>Total Exempt Property.....</b>	<b>\$ 314,449,500</b>
Percent Net Taxable Grand List.....	6.15%

<sup>1</sup> Net Taxable Grand List 10/1/09 of \$5,114,164,325.

Source: Town of Trumbull, Assessor's Offices



## Property Tax Levies and Collections

<b>Fiscal Year Ended 6/30</b>	<b>Net Taxable Grand List</b>	<b>Tax Rate (in Mills)</b>	<b>Adjusted Tax Levy</b>	<b>Amount of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Collected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected As of 6/30/09</b>
2010 <sup>1</sup>	\$ 5,114,370,619	24.07	\$ 123,102,901	4,894,032	98.5	1.5	n/a
2009	5,049,556,362	23.86	119,885,816	1,832,002	98.5	1.5	1.5
2008	5,044,465,089	22.22	111,556,854	1,773,462	98.4	1.6	0.6
2007 <sup>2</sup>	4,986,689,087	21.65	107,337,540	1,467,934	98.6	1.4	0.3
2006	3,353,551,420	30.48	101,855,368	1,143,815	98.9	1.1	0.1
2005	3,361,083,274	28.64	96,463,289	1,090,244	98.9	1.1	0.1
2004	3,361,999,967	27.57	92,587,974	1,210,514	98.7	1.3	0.2
2003	3,332,893,522	25.30	84,274,770	1,331,253	98.4	1.6	0.2
2002	3,323,722,236	24.00	79,588,264	1,400,826	98.2	1.8	0.3
2001	2,798,921,053	26.70	75,221,229	1,227,999	98.4	1.6	0.1

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

<sup>2</sup> Revaluation.

Source: Town of Trumbull, Tax Collector

## Ten Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to the Grand List dated October 1, 2009:

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Taxable Valuation</b>	<b>Percent of Net Taxable Grand List<sup>1</sup></b>
Trumbull Shopping Park.....	Shopping Center	\$ 127,237,900	2.49%
RVW Limited Partnership.....	Real Estate For Oxford Health	28,465,200	0.56%
Avalon Properties.....	Apartment Rentals	26,004,240	0.51%
Greenwich Capital Markets Inc.....	Financial	25,932,590	0.51%
Parallel Post Real Estate LLC.....	Marriott Hotel	24,031,200	0.47%
35 Nutmeg LLC.....	Real Estate Owners-35 Nutmeg Dr.	23,535,710	0.46%
Sentinel Properties Trumbull LLC.....	Real Estate	20,441,350	0.40%
United Illuminating Co.....	Utility	19,058,500	0.37%
Conopco Inc.....	Home and Personal Care Products	16,409,900	0.32%
Trilegiant Corporation.....	Consumer Services	13,976,030	0.27%
<b>Total.....</b>		<b>\$ 325,092,620</b>	<b>6.36%</b>

<sup>1</sup> Net Taxable Grand List 10/1/09 of \$5,114,164,325

Source: Town of Trumbull, Assessor's Office

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**V. Debt Summary**  
**Principal Amount of Indebtedness**  
**As of September 9, 2010**  
**(Pro Forma)**

**Long-Term Debt**

<b>Date</b>	<b>Purpose</b>	<b>Interest Rate %</b>	<b>Original Issue</b>	<b>Amount Outstanding</b>	<b>Fiscal Year of Maturity</b>
01/15/2001	General Purpose.....	4.125-5.00	\$ 10,803,000	\$ 498,000	2021
01/15/2001	Schools.....	4.125-5.00	1,355,000	50,000	2011
01/15/2001	Sewers <sup>1</sup> .....	4.125-5.00	3,937,000	200,000	2021
01/15/2001	Golf.....	4.125-5.00	525,000	52,000	2021
09/15/2002	General Purpose - Refunding.....	3.00-5.00	1,735,000	750,000	2016
09/15/2002	Schools - Refunding.....	3.00-5.00	11,755,000	4,450,000	2016
09/15/2002	Sewers <sup>1</sup> - Refunding.....	3.00-5.00	360,000	135,000	2016
09/15/2003	General Purpose.....	3.00-5.00	1,515,000	145,000	2012
09/15/2003	Schools.....	3.00-5.00	23,670,000	2,355,000	2012
09/15/2003	Sewers <sup>1</sup> .....	3.00-5.00	3,515,000	350,000	2012
09/15/2003	Golf.....	3.00-5.00	300,000	30,000	2012
12/15/2004	Refunding of 1998 Gen. Purp. Bonds.....	2.25-5.00	855,000	723,000	2024
12/15/2004	Refunding of 1998 School Bonds.....	2.25-5.00	5,613,000	4,741,000	2024
12/15/2004	Refunding of 1998 Sewer Bonds.....	2.25-5.00	1,907,000	1,611,000	2024
09/01/2005	General Purpose.....	3.50-5.00	3,070,000	1,945,000	2026
09/01/2005	Schools.....	3.50-5.00	1,190,000	890,000	2026
09/01/2005	Sewers <sup>1</sup> .....	3.50-5.00	12,795,000	9,595,000	2026
09/01/2005	Golf.....	3.50-5.00	2,735,000	2,360,000	2026
09/01/2006	General Purpose.....	4.00-5.00	1,900,000	1,520,000	2027
09/01/2006	Schools.....	4.00-5.00	13,435,000	10,740,000	2027
09/01/2006	Golf.....	4.00-5.00	105,000	80,000	2027
09/01/2007	General Purpose.....	4.00-5.50	10,125,000	8,386,000	2028
09/01/2007	Schools.....	4.00-5.50	1,840,000	1,070,000	2028
09/01/2007	Sewers <sup>1</sup> .....	4.00-5.50	2,890,000	2,639,000	2028
08/19/2008	Refunding of General Purpose Bonds....	3.25-5.00	5,280,977	5,053,360	2021
08/19/2008	Refunding of School Bonds .....	3.25-5.00	2,625,493	1,427,700	2021
08/19/2008	Refunding of Sewer Bonds <sup>1</sup> .....	3.25-5.00	2,793,530	2,368,940	2021
09/01/2008	General Purpose .....	3.00-5.00	831,000	745,000	2029
09/01/2008	Sewers <sup>1</sup> .....	3.00-5.00	17,374,000	15,635,000	2029
09/01/2009	Schools .....	2.00-4.00	5,850,000	5,557,500	2030
09/01/2009	Sewers <sup>1</sup> .....	2.00-4.00	4,150,000	3,942,500	2030
10/06/2009	Refunding of General Purpose Bonds....	3.00-5.00	3,646,000	3,646,000	2024
10/06/2009	Refunding of Schools Bonds.....	3.00-5.00	13,877,000	13,877,000	2024
10/06/2009	Refunding of Sewers Bonds <sup>1</sup> .....	3.00-5.00	7,530,000	7,530,000	2024
10/06/2009	Refunding of Golf Bonds.....	3.00-5.00	437,000	437,000	2024
<b>Sub-total.....</b>			<b>\$ 182,325,000</b>	<b>\$ 115,535,000</b>	
<b><u>This Issue</u></b>					
09/01/2010	Schools .....	tbd	\$ 10,000,000	\$ 10,000,000	2031
09/01/2010	Sewers <sup>1</sup> .....	tbd	12,000,000	12,000,000	2031
<b>Total This Issue.....</b>			<b>\$ 22,000,000</b>	<b>\$ 22,000,000</b>	
<b>Grand Total.....</b>			<b>\$ 204,325,000</b>	<b>\$ 137,535,000</b>	

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

**Short-Term Debt  
As of September 9, 2010  
(Pro Forma)**

<b>Project</b>	<b>Amount Authorized</b>	<b>Notes to Mature 9/8/2011</b>
Trumbull H.S. Renovation (As New).....	\$ 68,672,000	\$ 14,000,000
Phase IV, Part B-IV, Sanitary Sewer.....	27,000,000	9,000,000
Geographic Information System.....	310,000	310,000
<b>Total.....</b>	<b>\$ 95,982,000</b>	<b>\$ 23,310,000</b>

**Annual Bonded Debt Maturity Schedule  
As of September 9, 2010  
(Pro Forma)**

<b>Fiscal Year Ended 6/30</b>	<b>Existing Debt <sup>1</sup></b>			<b>This Issue</b>			<b>Total Principal</b>	<b>Cumulative Principal Retired</b>
	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>	<b>Schools</b>	<b>Sewer</b>	<b>Total This issue</b>		
2011	\$ 5,070,000	\$ 2,904,699	\$ 7,974,699	\$ -	\$ -	\$ -	\$ 5,070,000	3.7%
2012	8,825,000	4,307,711	13,132,711	500,000	600,000	1,100,000	9,925,000	10.9%
2013	9,045,000	3,951,469	12,996,469	500,000	600,000	1,100,000	10,145,000	18.3%
2014	8,595,000	3,604,039	12,199,039	500,000	600,000	1,100,000	9,695,000	25.3%
2015	8,650,000	3,282,040	11,932,040	500,000	600,000	1,100,000	9,750,000	32.4%
2016	8,565,000	2,943,059	11,508,059	500,000	600,000	1,100,000	9,665,000	39.4%
2017	7,955,000	2,581,719	10,536,719	500,000	600,000	1,100,000	9,055,000	46.0%
2018	8,065,000	2,247,875	10,312,875	500,000	600,000	1,100,000	9,165,000	52.7%
2019	6,765,000	1,915,994	8,680,994	500,000	600,000	1,100,000	7,865,000	58.4%
2020	6,755,000	1,651,581	8,406,581	500,000	600,000	1,100,000	7,855,000	64.1%
2021	6,735,000	1,385,981	8,120,981	500,000	600,000	1,100,000	7,835,000	69.8%
2022	6,030,000	1,119,250	7,149,250	500,000	600,000	1,100,000	7,130,000	75.0%
2023	5,220,000	895,281	6,115,281	500,000	600,000	1,100,000	6,320,000	79.6%
2024	5,110,000	688,356	5,798,356	500,000	600,000	1,100,000	6,210,000	84.1%
2025	3,730,000	510,275	4,240,275	500,000	600,000	1,100,000	4,830,000	87.6%
2026	3,720,000	357,644	4,077,644	500,000	600,000	1,100,000	4,820,000	91.1%
2027	2,780,000	222,444	3,002,444	500,000	600,000	1,100,000	3,880,000	94.0%
2028	2,010,000	121,513	2,131,513	500,000	600,000	1,100,000	3,110,000	96.2%
2029	1,410,000	49,338	1,459,338	500,000	600,000	1,100,000	2,510,000	98.0%
2030	500,000	10,000	510,000	500,000	600,000	1,100,000	1,600,000	99.2%
2031	-	-	-	500,000	600,000	1,100,000	1,100,000	100.0%
<b>Total</b>	<b>\$115,535,000</b>	<b>\$ 34,750,268</b>	<b>\$150,285,268</b>	<b>\$ 10,000,000</b>	<b>\$12,000,000</b>	<b>\$22,000,000</b>	<b>\$ 137,535,000</b>	

<sup>1</sup> Excludes \$3,985,000 of principal and \$1,740,003 of interest paid for the period of July 1, 2010 through September 9, 2010.

**Overlapping/Underlying Debt**

The Town of Trumbull does not have any Overlapping debt.

The Town of Trumbull does have underlying debt. Nichols Fire District, one of three fire districts serving the Town, issued \$1,500,000 of District bonds in August of 2009 of which \$1,427,000 is outstanding as of September 9, 2010. The District bonds are not obligations of the Town.

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

**Debt Statement**  
**As of September 9, 2010**  
**(Pro Forma)**

**Long-Term Debt Outstanding:**

General Purpose .....	\$ 23,411,360
Schools (Includes \$45,158,200 outstanding and \$10,000,000 of this issue) .....	55,158,200
Sewers (Includes \$44,006,440 outstanding and \$12,000,000 of this issue).....	56,006,440
Golf .....	2,959,000
<b>Total Long-Term Debt.....</b>	<b>137,535,000</b>

**Short-Term Debt:**

Outstanding Bond Anticipation Notes (to mature September 9, 2010) .....	23,310,000
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<b>Direct Debt.....</b>	<b>160,845,000</b>
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<b>Underlying Debt.....</b>	<b>1,427,000</b>
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<b>Overall Debt.....</b>	<b>162,272,000</b>
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Less: School Construction Grants (As of 6/30/10) <sup>1</sup> .....	(6,149,510)
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Sewer Assessments Receivable (As of 6/30/10) .....	(18,251,981)	(24,401,491)
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<b>Overall Net Debt.....</b>	<b>\$137,870,509</b>
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<sup>1</sup> Represents actual school building grants receivable for previously issued school bonds under the pre-1996 State reimbursement program. See "School Projects" herein for more information.

**Current Debt Ratios**  
**As of September 9, 2010**  
**(Pro Forma)**

Population <sup>1</sup> .....	34,688
Net Taxable Grand List (10/1/09) <sup>2</sup> .....	\$ 5,114,164,325
Estimated Full Value (70%).....	\$ 7,305,949,036
Equalized Net Taxable Grand List (10/1/07) <sup>1</sup> .....	\$ 7,409,467,512
Income per Capita (1990) <sup>3</sup> .....	\$25,048
Income per Capita (2000) <sup>4</sup> .....	\$34,931

	<b>Total Long Term Debt</b>	<b>Direct Debt</b>	<b>Overall Net Debt</b>
Per Capita .....	\$3,964.92	\$4,636.91	\$3,974.59
Ratio to Net Taxable Grand List .....	2.69%	3.15%	2.70%
Ratio to Estimated Full Value .....	1.88%	2.20%	1.89%
Ratio to Equalized Net Taxable Grand List .....	1.86%	2.17%	1.86%
Debt per Capita to Money Income per Capita 1990 .....	15.83%	18.51%	15.87%
Debt per Capita to Money Income per Capita 2000 .....	11.35%	13.27%	11.38%

<sup>1</sup> Department of Public Health, State of Connecticut, July 1, 2008.

<sup>2</sup> Revalued October 1, 2005.

<sup>3</sup> U.S. Department of Commerce, Bureau of Census, 1990.

<sup>4</sup> U.S. Department of Commerce, Bureau of Census, 2000.

## ***Bond Authorization***

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

## ***Temporary Financing***

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

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

## ***Limitation of Indebtedness***

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

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

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

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

**Statement of Debt Limitation**  
**As of September 9, 2010**  
**(Pro Forma)**

<b>Total Tax Collections</b> (including interest and lien fees) for the year ended June 30, 2010 (Subject to Audit) .....	\$ 123,603,987
<b>Fire District Tax Collections</b> for the year ended 2010 (Subject to Audit).....	2,921,972
<b>Reimbursement for Revenue Loss On:</b>	
Tax relief for elderly & Other for the year ended June 30, 2010 (Subject to Audit) .....	284,842
<b>BASE FOR DEBT LIMITATION COMPUTATION</b> .....	<u>\$ 126,810,801</u>

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Untunded Past Pension</b>
<b>Debt Limitation:</b>					
2 1/4 times base.....	\$285,324,302	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	570,648,605	-	-	-
3 3/4 times base.....	-	-	475,540,504	-	-
3 1/4 times base.....	-	-	-	412,135,103	-
3 times base.....	-	-	-	-	380,432,403
<b>Total Debt Limitation</b> .....	<u>\$285,324,302</u>	<u>\$570,648,605</u>	<u>\$ 475,540,504</u>	<u>\$412,135,103</u>	<u>\$ 380,432,403</u>
<b>Less Indebtedness:</b> <sup>1</sup>					
Bonds (Outstanding).....	23,411,360	45,158,200	44,006,440	-	-
Bonds (This Issue).....	-	10,000,000	12,000,000	-	-
Notes.....	310,000	14,000,000	9,000,000	-	-
Underlying Debt.....	1,427,000	-	-	-	-
Authorized But Unissued Debt.....	3,289,000	19,341,415	6,000,000	-	-
<b>Total Indebtedness</b> .....	<u>28,437,360</u>	<u>88,499,615</u>	<u>71,006,440</u>	<u>-</u>	<u>-</u>
Less: School Grants Receivable .....	-	(6,149,510)	-	-	-
Sewer Assessments Receivable.....	-	-	(18,251,981)	-	-
Net Debt for Calculation of Debt Limit.....	<u>28,437,360</u>	<u>82,350,105</u>	<u>52,754,459</u>	<u>-</u>	<u>-</u>
<b>Debt Limitation in Excess of Outstanding And Authorized Debt....</b>	<u>\$256,886,942</u>	<u>\$488,298,500</u>	<u>\$ 422,786,045</u>	<u>\$412,135,103</u>	<u>\$ 380,432,403</u>

<sup>1</sup> Does not include outstanding self supporting Golf bonds in the amount of \$2,959,000. There is currently no authorized but unissued Golf debt.  
Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$849,593,304.

**Authorized but Unissued Debt**  
**As of September 9, 2010**  
**(Pro Forma)**

<b>Project</b>	<b>Amount Authorized</b>	<b>Previously Bonded or Paid-down</b>	<b>Grants Received</b>	<b>Anticipated Grants</b>	<b>Notes to Mature 9/8/2011</b>	<b>The Bonds</b>	<b>Authorized but Unissued Debt</b>
Land Acquisition.....	\$ 30,000,000	\$ 26,741,000	\$ -	\$ -	\$ -	\$ -	\$ 3,259,000
Lawsuit Settlement.....	1,250,000	1,220,000	-	-	-	-	30,000
Trumbull H.S. Renovation (As New)... <sup>1</sup>	68,672,000	5,850,000	3,644,703	16,775,882	14,000,000	9,060,000	19,341,415
Jane Ryan School Roof.....	1,360,000	-	286,000	134,000	-	940,000	-
Phase IV, Part B-IV, Sanitary Sewer.....	27,000,000	-	-	-	9,000,000	12,000,000	6,000,000
Geographic Information System.....	310,000	-	-	-	310,000	-	-
<b>Total</b> .....	<u>\$ 128,592,000</u>	<u>\$ 33,811,000</u>	<u>\$ 3,930,703</u>	<u>\$ 16,909,882</u>	<u>\$ 23,310,000</u>	<u>\$ 22,000,000</u>	<u>\$ 28,630,415</u>

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

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

<b>Long-Term Debt</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Bonds.....	\$ 119,520,000	\$119,260,000	\$110,385,000	\$103,626,600	\$ 96,170,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	15,580,000	11,950,000	17,000,000	12,250,000	12,055,000
<b>Totals.....</b>	<b>\$ 135,100,000</b>	<b>\$131,210,000</b>	<b>\$127,385,000</b>	<b>\$115,876,600</b>	<b>\$108,225,000</b>

Source: Town of Trumbull Financial Reports 2006-2009. 2010, subject to audit.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Net Long-Term Debt <sup>1</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value</b>	<b>Population <sup>2</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income <sup>3</sup></b>
2009	\$5,049,556,362	\$7,213,651,946	\$99,154,255	1.96%	1.37%	34,688	2,858.46	8.18%
2008	5,044,465,089	7,206,378,699	87,022,249	1.73%	1.21%	34,752	2,504.09	7.17%
2007	4,986,689,087	7,123,841,553	85,160,112	1.71%	1.20%	35,028	2,431.20	6.96%
2006	3,353,551,420	4,790,787,743	82,991,281	2.47%	1.73%	35,028	2,369.28	6.78%
2005	3,361,083,274	4,801,547,534	69,530,416	2.07%	1.45%	35,295	1,969.98	5.64%

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

<sup>2</sup> State of Connecticut, Department of Public Health.

<sup>3</sup> Bureau of Census, 2000 Money Income Per Capita \$34,931.

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

<b>Fiscal Year Ended 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures <sup>1</sup></b>	<b>Ratio of Total Debt Service to General Fund Expenditures (%)</b>
2010 <sup>2</sup>	\$ 6,193,350	\$ 2,566,440	\$ 8,759,790	\$ 133,015,230	6.6%
2009	6,935,965	3,009,879	9,945,844	137,626,200	7.2%
2008	5,915,588	3,240,506	9,156,094	131,811,459	6.9%
2007	5,450,225	2,915,268	8,365,493	122,669,458	6.8%
2006	6,468,165	3,078,128	9,546,293	120,823,344	7.9%
2005	5,632,090	2,470,789	8,102,879	109,057,707	7.4%

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

<sup>2</sup> Subject to audit.

Source: Town of Trumbull Financial Statements 2004-2009.

## **VI. Financial Administration**

### **Fiscal Year**

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

### **Basis of Accounting**

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

### **Budget Procedure**

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

### **Capital Improvement Plan**

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

<b>Project</b>	<b>Fiscal Year</b>					<b>Total</b>
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	
Board of Education.....	\$ 49,169,863	\$ 28,739,626	\$ 34,265,791	\$ 37,132,801	\$ 11,770,053	\$ 161,078,134
Police.....	2,350,000	245,000	90,000	-	-	2,685,000
Animal Shelter.....	150,000	-	-	-	-	150,000
Public Works.....	1,095,000	1,430,000	1,430,000	1,275,000	1,275,000	6,505,000
Parks.....	4,000	27,000	400,000	-	-	431,000
Town Hall.....	572,426	127,673	76,238	293,951	416,604	1,486,892
Senior Center.....	40,000	-	-	-	-	40,000
Engineering.....	170,000	175,000	175,000	175,000	-	695,000
Technology.....	190,000	15,000	15,000	15,000	15,000	250,000
Sewer Construction.....	3,625,000	3,725,000	3,550,000	3,550,000	3,550,000	18,000,000
<b>Total.....</b>	<b>\$ 57,366,289</b>	<b>\$ 34,484,299</b>	<b>\$ 40,002,029</b>	<b>\$ 42,441,752</b>	<b>\$ 17,026,657</b>	<b>\$ 191,321,026</b>

### **Audit**

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, as amended, is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. Included in this Official Statement and made a part hereof as Appendix A are the "Financial Statements" as of June 30, 2009, together with the opinion thereon rendered by McGladrey & Pullen. McGladrey & Pullen have not been asked nor have they given their permission to include their audit report in the Official Statement.

### **Liability Insurance**

See footnote number 12 in "Notes to Financial Statements."

### **Pensions**

See footnote numbers 11 and 13 in "Notes to Financial Statements."



### ***Investment Policy***

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

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

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

	<b>Adopted Budget 2010-11 <sup>1</sup></b>	<b>Est. Actuals 2009-10 <sup>1</sup></b>	<b>Actual 2008-09</b>	<b>Actual 2007-08</b>	<b>Actual 2006-07</b>
<b>Revenues:</b>					
Property Taxes .....	\$ 125,538,064	\$ 123,603,987	\$ 120,258,636	\$ 111,383,015	\$ 107,598,601
Intergovernmental .....	5,523,172	5,836,082	6,160,795	6,844,439	5,846,625
State on-behalf payments .....	-	-	6,551,000	6,005,000	4,835,000
Charges for Services.....	4,135,000	4,243,450	3,694,219	4,135,119	7,523,385
Investment Income.....	300,000	252,719	753,793	1,811,265	1,750,727
Other .....	-	141,479	-	-	-
Use of Surplus.....	-	-	-	-	-
<b>Total Revenues .....</b>	<b>135,496,236</b>	<b>134,077,717</b>	<b>137,418,443</b>	<b>130,178,838</b>	<b>127,554,338</b>
<b>Expenditures:</b>					
General government .....	15,815,879	14,729,541	14,856,080	13,707,418	13,817,592
Public Works .....	7,773,848	7,628,058	7,472,538	7,876,232	7,089,828
Education .....	87,229,448	86,194,258	83,200,356	78,812,231	74,646,884
State on-behalf payments .....	-	-	6,551,000	6,005,000	4,835,000
Public Health .....	303,559	279,971	293,814	274,938	254,932
Libraries .....	1,518,518	1,524,240	1,473,435	1,516,066	1,376,019
Social Services .....	567,274	569,471	552,041	580,210	552,307
Public Safety .....	9,916,318	9,607,369	9,271,504	8,914,692	9,193,698
Parks and Recreation .....	2,215,759	2,180,905	2,122,697	2,141,145	2,239,152
Debt Service .....	10,357,716	10,027,825	11,174,729	10,161,115	8,365,493
Capital Outlay .....	285,729	273,592	639,795	1,782,412	298,553
<b>Total Expenditures .....</b>	<b>135,984,048</b>	<b>133,015,230</b>	<b>137,607,989</b>	<b>131,771,459</b>	<b>122,669,458</b>
Revenues over (under) expenditures .....	(487,812)	1,062,487	(189,546)	(1,592,621)	4,884,880
<b>Other Financing Sources Uses:</b>					
Sale of Assets .....	-	-	-	485,382	585,600
Premium on refunded Bonds .....	-	-	-	-	-
Capital Contributions.....	-	-	(501,759)	-	-
Operating Transfers In .....	487,812	487,812	487,812	526,493	664,130
Operating Transfers (Out) .....	-	-	(18,211)	(40,000)	-
<b>Total other Financing Sources (uses) .....</b>	<b>487,812</b>	<b>487,812</b>	<b>(32,158)</b>	<b>971,875</b>	<b>1,249,730</b>
Revenues and other financing sources over (under) expenditures and other financing (uses) .....	-	1,550,299	(221,704)	(620,746)	6,134,610
<b>Fund Balance, Beginning .....</b>	<b>17,061,541</b>	<b>15,511,242</b>	<b>15,732,946</b>	<b>16,353,692</b>	<b>10,219,082</b>
<b>Fund Balance (Deficits), Ending .....</b>	<b>\$ 17,061,541</b>	<b>\$ 17,061,541</b>	<b>\$ 15,511,242</b>	<b>\$ 15,732,946</b>	<b>\$ 16,353,692</b>

**Analysis of General Fund Equity**

	<b>Adopted Budget 2010-11</b>	<b>Est. Actuals 2009-10 <sup>1</sup></b>	<b>Actual 2008-09</b>	<b>Actual 2007-08</b>	<b>Actual 2006-07</b>
Reserved for encumbrances.....	N/A	N/A	\$ 380,240	\$ 513,384	\$ 1,054,181
Reserved for advances to other funds.....	N/A	N/A	1,970,816	375,322	375,322
Reserved for long-term advances and receivables.....	N/A	N/A	79,141	1,037,451	1,061,628
Unreserved and undesignated.....	N/A	N/A	13,081,043	13,806,789	13,862,561
<b>Total Fund Balance.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,511,240</b>	<b>\$ 15,732,946</b>	<b>\$ 16,353,692</b>

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

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

### ***Litigation***

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

### ***Documents Furnished At Delivery***

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the First Selectman, Town Treasurer and Director of Finance which will be dated the date of delivery, which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds and Notes were accepted the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and Notes.
4. The approving opinions of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, substantially in the forms of Appendices B and C attached hereto.
5. Executed Continuing Disclosure Agreements for the Bonds and Notes in substantially the forms of Appendices D and E attached hereto.
6. The Issuer will provide to the winning bidder of the Bonds 100 copies of the Official Statement and to the winning bidder of the Notes 10 copies of the Official Statement, prepared for this Bond and Note issue at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidders by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds and Notes.

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

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### ***Concluding Statement***

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

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

#### ***TOWN OF TRUMBULL, CONNECTICUT***

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

By: \_\_\_\_\_  
JOHN L. PONZIO, *Treasurer*

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

Dated: September \_\_, 2010

## ***Appendix A***

### ***2009 Financial Statements Excerpted from the Town's Annual Financial Report***

The following includes the General Purpose Financial Statements of the Town of Trumbull, Connecticut for the fiscal year ended June 30, 2009. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 3, Milford, Connecticut 06460. Telephone (203) 878-4945.

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## INDEPENDENT AUDITOR'S REPORT

To the First Selectman and the  
Members of the Finance Committee  
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 (the "Town") as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary information for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 13 to the basic financial statements, the Town adopted GASB Statement No. 45 as of July 1, 2008.

In accordance with "Government Auditing Standards," we have also issued our report dated January 29, 2010 on our consideration of the Town of Trumbull, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

The management discussion and analysis, and the schedule of funding progress for the pension trust funds, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detail and combining and individual nonmajor fund statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
January 29, 2010



**TOWN OF TRUMBULL, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2009

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

**Financial Highlights – Primary Government**

- ♦ On a government-wide basis, the assets of the Town of Trumbull exceeded its liabilities resulting in total net asset at the close of the fiscal year of \$104.5 million. Total net assets for Governmental Activities at fiscal year-end were \$57.6 million and total net assets for Business-Type Activities were \$46.8 million.
- ♦ On a government-wide basis, during the year, the Town's net assets increased by \$2.0 million. Net assets increased by \$2.6 million for Governmental Activities and decreased by \$0.6 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, combined ending fund balance of \$18.6 million, which is an increase of \$3.9 million from the prior fiscal year.
- ♦ At the end of the current fiscal year, the total fund balance for the general fund alone was \$15.5 million, and a decrease of \$0.2 million from the prior fiscal year. Of the total general fund balance as of June 30, 2009, \$13.1 million represents unreserved general fund balance and is available for spending at the government's discretion. Unreserved general fund balance at year-end represents 9.5% of total general fund expenditures of \$137.6 million.
- ♦ The Town of Trumbull's total debt increased by \$5.8 million or a 4.6% increase during the current fiscal year. The key factors in the increase were the issuance of approximately \$18.0 million of General Obligation Bonds to fund the continuing development of sewer improvements of which is funded by the enterprise fund.

**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.

**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, 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 13 and 14 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town of Trumbull, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town of Trumbull has three kinds of funds:

**Governmental funds.** Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change 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 at the bottom of 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 at the bottom of the statement of revenues, expenditure, 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 15-16 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 governmental-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

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

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

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

The propriety fund financial statements can be found on pages 19-22 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has two pension trust funds. The basic fiduciary fund financial statements can be found on pages 23 and 24 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 25 through 67 of this report.

### Government-Wide Financial Analysis

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

	June 30, 2009			June 30, 2008		
	Primary Government			Primary Government		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Total	Activities	Type	Total
	Activities	Activities	Total	Activities	Activities	Total
Current and Other Assets	\$ 32,221	\$ 27,607	\$ 59,828	\$ 30,975	\$ 28,490	\$ 59,465
Capital Assets, net of depreciation	165,261	76,994	242,255	167,238	70,259	237,497
<b>Total Assets</b>	<b>197,482</b>	<b>104,601</b>	<b>302,083</b>	<b>198,213</b>	<b>98,749</b>	<b>296,962</b>
Current Liabilities	8,424	5,580	14,004	10,015	3,414	13,429
Noncurrent Liabilities Outstanding	131,420	52,187	183,607	133,119	47,896	181,015
<b>Total Liabilities</b>	<b>139,844</b>	<b>57,767</b>	<b>197,611</b>	<b>143,134</b>	<b>51,310</b>	<b>194,444</b>
Net Assets:						
Inv. in cap assets, net of related debt	88,485	22,007	110,492	89,418	19,242	108,660
Unrestricted (deficit)	(30,847)	24,827	(6,020)	(34,338)	28,198	(6,140)
<b>Total Net Assets</b>	<b>\$ 57,638</b>	<b>\$ 46,834</b>	<b>\$ 104,472</b>	<b>\$ 55,080</b>	<b>\$ 47,440</b>	<b>\$ 102,520</b>

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.

	Year Ended June 30, 2009			Year Ended June 30, 2008		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program Revenues:						
Charge for Services	\$ 6,172	\$ 7,847	\$ 14,019	\$ 6,361	\$ 12,498	\$ 18,859
Operating Grants and Contributions	13,532	-	13,532	16,000	-	16,000
Capital Grants and Contributions	2,800	-	2,800	3,999	-	3,999
General Revenues:						
Property Taxes	119,678	-	119,678	112,290	-	112,290
Grants Not Restricted to Specific Programs	1,043	-	1,043	855	-	855
Other	742	1,089	1,831	2,339	-	2,339
<b>Total revenues</b>	<b>143,967</b>	<b>8,936</b>	<b>152,903</b>	<b>141,844</b>	<b>12,498</b>	<b>154,342</b>
<b>Expenses:</b>						
General government, libraries and parks	10,099	-	10,099	9,582	-	9,582
Public Safety	12,440	-	12,440	11,568	-	11,568
Health and Welfare	1,019	-	1,019	994	-	994
Public Works	8,936	-	8,936	9,264	-	9,264
Education	104,306	-	104,306	97,264	-	97,264
Debt Service	4,609	-	4,609	3,932	-	3,932
Other	-	9,542	9,542	-	6,627	6,627
<b>Total expenses</b>	<b>141,409</b>	<b>9,542</b>	<b>150,951</b>	<b>132,604</b>	<b>6,627</b>	<b>139,231</b>
Extraordinary Item:						
State teachers' on-behalf payments	-	-	-	(24,241)	-	(24,241)
State teachers' on-behalf revenue	-	-	-	24,241	-	24,241
<b>Total extraordinary item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>2,558</b>	<b>(606)</b>	<b>1,952</b>	<b>9,240</b>	<b>5,871</b>	<b>15,111</b>
<b>Net Assets, beginning</b>	<b>55,080</b>	<b>47,440</b>	<b>102,520</b>	<b>45,840</b>	<b>41,569</b>	<b>87,409</b>
<b>Net Assets, ending</b>	<b>\$ 57,638</b>	<b>\$ 46,834</b>	<b>\$ 104,472</b>	<b>\$ 55,080</b>	<b>\$ 47,440</b>	<b>\$ 102,520</b>

Trumbull's net assets increased by \$2.0 million during the fiscal year, with net assets of Governmental Activities increasing by \$2.6 million and net assets of Business-Type Activities decreasing by \$0.6 million.

Key elements of this increase are as follows:

- ♦ The Town's tax revenue increased \$7.4 million during the current fiscal year as a result of an 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 Fiscal 2008. Workers' compensation increased due to ongoing open cases since 2005 and final settlements.

### **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, unreserved 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 \$18.6 million. Of this amount the Town has an undesignated unreserved fund balance of \$15.6 million. The remainder of fund balance of \$3.0 million is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts, purchase orders of the prior period, advances from the general fund to other funds.

**General fund.** At the end of the current fiscal year, unreserved fund balance of the general fund was \$13.1 million, while total fund balance reached \$15.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 9.5% of total general fund expenditures, while total fund balance represents 11.3% of that same amount.

**Water Pollution Control Authority.** The Water Pollution Control Authority (WPCA) had an unrestricted net assets balance at June 30, 2009 of \$24.5 million and net assets invested in capital assets, net of related debt of \$19.7 million. The decrease in net assets for the current year relates to a deficit in current operations in the amount of \$0.8.

**Golf Course.** The Tashua Knolls Golf Course had an unrestricted net assets balance at June 30, 2009 of \$0.3 million and net assets invested in capital assets, net of related debt of \$2.3 million.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget for expenditures was \$1.1 million and the major contributing factors can be summarized as follows:

- ♦ There were several supplemental appropriations totaling \$322,705 for Police for roof repair and others.
- ♦ There were several supplemental appropriations totaling \$490,115 for the Board of Education of which \$87,000 was for the Jane Ryan Roof engineering services, \$125,998 was for equipment for the Agriscience, \$190,000 was for the security project for nine schools, \$10,567 for non public school specialists and \$32,590 for the busing contract.
- ♦ There were several supplemental appropriation totaling \$182,732 of which \$39,803 was for workers compensation settlements, \$30,803 for attorney fees for settlement of a liability claim, \$50,000 was for Emergency Medical Services salaries, \$20,000 for maintenance and repairs to town hall and \$42,126 for snow removal

However, the original budget to actual expenditure variance was a decrease of \$715,000. The major reasons for the net variance are as follows:

- ♦ There was a surplus in the medical insurance of \$365,000 due to negotiations with the insurance company and the unions.
- ♦ There was a surplus of \$42,000 in Public Works due to vacancies.
- ♦ Contingency had a surplus of \$563,851 to be transferred to the individual departments for labor contracts settled during the year.

The difference between the original revenue budget and actual revenues resulted in a net surplus of \$804,000. The major reasons for the favorable variance are as follows:

- ♦ The Town's tax revenue increased \$1.0 million during the current fiscal year as a result of an increase in the mill rate.
- ♦ The state education grants decreased \$413,000 of which \$630,000 was due to a reduction in special education costs due to both a change in the formula calculation and eligibility requirements.
- ♦ Interest income decreased by \$296,000 due to the decrease in interest rates.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the Town had \$240 million (net of accumulated depreciation) invested in a variety of capital assets, as reflected in the following schedule:

	June 30, 2009			June 30, 2008		
	Primary Government			Primary Government		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Land	\$ 38,298	\$ 1,939	\$ 40,237	\$ 38,298	\$ 1,939	\$ 40,237
Land Improvements	4,654	2,996	7,650	2,691	3,060	5,751
Buildings and Improvements	94,575	1,411	95,986	95,255	1,472	96,727
Infrastructure	20,008	61,508	81,516	20,762	48,672	69,434
Machinery and Equipment	2,822	441	3,263	3,182	373	3,555
Vehicles	360	27	387	423	24	447
Construction in Progress	2,370	8,672	11,042	4,101	14,719	18,820
<b>Total</b>	<b>\$ 163,087</b>	<b>\$ 76,994</b>	<b>\$ 240,081</b>	<b>\$ 164,712</b>	<b>\$ 70,259</b>	<b>\$ 234,971</b>

Additional information on the Town's capital assets can be found on pages 41 through 42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town of Trumbull had total bonded debt outstanding of \$131 million. One hundred percent (100%) of this debt is backed by the full faith and credit of the Town government.

	June 30, 2009			June 30, 2008		
	Primary Government			Primary Government		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General Obligation Bonds	\$ 71,223	\$ 48,037	\$ 119,260	\$ 77,486	\$ 32,896	\$ 110,382
Notes Payable	5,000	6,950	11,950	-	15,000	15,000
<b>Total</b>	<b>\$ 76,223</b>	<b>\$ 54,987</b>	<b>\$ 131,210</b>	<b>\$ 77,486</b>	<b>\$ 47,896</b>	<b>\$ 125,382</b>

The Town of Trumbull's total debt decreased by \$5.8 million or 4.6% during the 2008-09 fiscal year.

The Town of Trumbull maintains an Aa3 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 \$862,401,000 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 46 through 54 of this report.



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

- ♦ The unemployment rate for the Town is currently 6.9 percent, which compares favorably to the State's average unemployment rate of 8.1 percent and the Bridgeport Labor Market of 7.7 percent.
- ♦ 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, Acting Director of Finance, 5866 Main Street, Trumbull, CT 06611.

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# TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 27,238,372	\$ -	\$ 27,238,372
Investments	3,367,842	-	3,367,842
Receivables:			
Property taxes, net of allowance for collection losses	2,754,730	-	2,754,730
Accounts receivable	220,481	703	221,184
Federal and state governments	5,018,992	-	5,018,992
User charges	-	556,437	556,437
Inventories	32,793	-	32,793
Internal balances	(6,983,241)	6,983,241	-
Deferred charges	492,412	78,624	571,036
Prepaid expenses	79,141	-	79,141
Noncurrent assets:			
Special assessment receivables	-	19,987,967	19,987,967
Capital assets, not being depreciated	40,668,207	10,611,436	51,279,643
Capital assets, net of accumulated depreciation	124,592,591	66,382,818	190,975,409
<b>Total assets</b>	<b>197,482,320</b>	<b>104,601,226</b>	<b>302,083,546</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	8,064,587	2,780,064	10,844,651
Unearned revenues	359,623	-	359,623
BANS Payable	-	2,800,000	2,800,000
Noncurrent liabilities:			
Due within one year	7,123,511	2,943,359	10,066,870
Due in more than one year	124,296,332	49,243,536	173,539,868
<b>Total liabilities</b>	<b>139,844,053</b>	<b>57,766,959</b>	<b>197,611,012</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	88,485,250	22,007,359	110,492,609
Unrestricted (deficit)	(30,846,983)	24,826,908	(6,020,075)
<b>Total net assets</b>	<b>\$ 57,638,267</b>	<b>\$ 46,834,267</b>	<b>\$ 104,472,534</b>

The notes to the financial statements are an integral part of this statement.

## TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ (5,814,892)	\$ 3,281,097	\$ 619,011	\$ -	\$ (1,914,784)	\$ -	\$ (1,914,784)
Public safety	(12,439,589)	1,385,021	2,400	-	(11,052,168)	-	(11,052,168)
Public health	(334,144)	15,163	109,560	-	(209,421)	-	(209,421)
Libraries	(1,862,692)	-	-	-	(1,862,692)	-	(1,862,692)
Recreation and Parks	(2,420,781)	-	-	-	(2,420,781)	-	(2,420,781)
Education	(104,305,910)	1,132,261	12,787,502	2,799,849	(87,586,298)	-	(87,586,298)
Public works	(8,935,838)	345,554	13,588	-	(8,576,696)	-	(8,576,696)
Interest on long-term debt	(4,609,313)	-	-	-	(4,609,313)	-	(4,609,313)
Social Services	(685,025)	13,095	-	-	(671,930)	-	(671,930)
<b>Total governmental activities</b>	<b>(141,408,184)</b>	<b>6,172,191</b>	<b>13,532,061</b>	<b>2,799,849</b>	<b>(118,904,083)</b>	<b>-</b>	<b>(118,904,083)</b>
Business-type activities:							
Sewer Commission (WPCA)	(7,950,091)	5,900,020	-	-	-	(2,050,071)	(2,050,071)
Golf course	(1,591,411)	1,946,624	-	-	-	355,213	355,213
<b>Total business-type activities</b>	<b>(9,541,502)</b>	<b>7,846,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,694,858)</b>	<b>(1,694,858)</b>
<b>Total primary government</b>	<b>\$ (150,949,686)</b>	<b>\$ 14,018,835</b>	<b>\$ 13,532,061</b>	<b>\$ 2,799,849</b>	<b>(118,904,083)</b>	<b>(1,694,858)</b>	<b>(120,598,941)</b>
General revenues and transfers:							
Property taxes					119,678,264	-	119,678,264
Grants and contributions not restricted to specific programs					1,042,798	-	1,042,798
Investment earnings					755,721	1,075,515	1,831,236
Capital contributions					(501,759)	501,759	-
Transfer in (out)					487,812	(487,812)	-
<b>Total general revenues and transfers</b>					<b>121,462,836</b>	<b>1,089,462</b>	<b>122,552,298</b>
Change in net assets					2,558,753	(605,396)	1,953,357
Net assets - beginning					55,079,514	47,439,663	102,519,177
Net assets - ending					<b>\$ 57,638,267</b>	<b>\$ 46,834,267</b>	<b>\$ 104,472,534</b>

The notes to the financial statements are an integral part of this statement

## TOWN OF TRUMBULL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 26,215,962	\$ 1,022,410	\$ 27,238,372
Investments	3,367,842	-	3,367,842
Receivables (net of allowances for collection losses):			
Property taxes	2,754,730	-	2,754,730
Accounts receivable	220,481	-	220,481
Intergovernmental	4,558,430	460,562	5,018,992
Inventories	-	32,793	32,793
Prepaid items	79,141	-	79,141
Due from other funds	425,928	5,176,841	5,602,769
Advances to other funds	1,970,818	-	1,970,818
<b>Total assets</b>	<b>\$ 39,593,332</b>	<b>\$ 6,692,606</b>	<b>\$ 46,285,938</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 2,663,326	\$ 359,934	\$ 3,023,260
Due to other funds	14,618,667	1,033,850	15,652,517
Advances from other funds	-	1,970,818	1,970,818
Unearned revenues	72,191	287,432	359,623
Deferred revenue	6,727,906	-	6,727,906
<b>Total liabilities</b>	<b>24,082,090</b>	<b>3,652,034</b>	<b>27,734,124</b>
<b>Fund balances</b>			
Reserved for:			
Encumbrances	380,240	-	380,240
Advances to other funds	1,970,818	-	1,970,818
Prepaid items	79,141	-	79,141
Inventory	-	32,793	32,793
Debt service	-	490,976	490,976
Unreserved, reported in:			
General Fund	13,081,043	-	13,081,043
Special revenue funds	-	896,261	896,261
Capital projects funds	-	1,440,081	1,440,081
Permanent fund	-	180,461	180,461
<b>Total fund balances</b>	<b>15,511,242</b>	<b>3,040,572</b>	<b>18,551,814</b>
<b>Total liabilities and fund balances</b>	<b>\$ 39,593,332</b>	<b>\$ 6,692,606</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	163,087,423
Deferred revenue	6,727,906
Accrued interest	(1,250,108)
Internal service fund	1,448,663
Deferred charges	492,412
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(131,419,843)

Net assets of governmental activities \$ 57,638,267

The notes to the financial statements are an integral part of this statement.

## TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes and assessments	\$ 120,258,636	\$ -	\$ 120,258,636
Intergovernmental	6,160,795	5,395,680	11,556,475
State on-behalf payments	6,551,000	-	6,551,000
Charges for services	3,694,219	2,411,591	6,105,810
Investment income	753,793	17,643	771,436
<b>Total revenues</b>	<b>137,418,443</b>	<b>7,824,914</b>	<b>145,243,357</b>
<b>EXPENDITURES</b>			
Current:			
General government	14,856,080	337,391	15,193,471
Public works	7,472,538	-	7,472,538
Education	83,200,356	6,252,330	89,452,686
State on-behalf payments	6,551,000	-	6,551,000
Public health	293,814	33,542	327,356
Libraries	1,473,435	-	1,473,435
Social services	552,041	-	552,041
Public safety	9,271,504	14,741	9,286,245
Parks and recreation	2,122,697	-	2,122,697
Debt service:			
Principal retirements	6,932,563	-	6,932,563
Interest and other charges	4,242,166	85,805	4,327,971
Capital outlay	639,795	2,698,997	3,338,792
<b>Total expenditures</b>	<b>137,607,989</b>	<b>9,422,806</b>	<b>147,030,795</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(189,546)</b>	<b>(1,597,892)</b>	<b>(1,787,438)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	487,812	5,350	493,162
Transfers out	(18,211)	-	(18,211)
Issuance of debt	-	8,737,470	8,737,470
BAN proceeds	-	5,000,000	5,000,000
Payment to escrow	-	(8,067,338)	(8,067,338)
Capital Contributions	(501,759)	-	(501,759)
<b>Total other financing sources (uses)</b>	<b>(32,158)</b>	<b>5,675,482</b>	<b>5,643,324</b>
<b>Net changes in fund balances (deficits)</b>	<b>(221,704)</b>	<b>4,077,590</b>	<b>3,855,886</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>15,732,946</b>	<b>(1,037,018)</b>	<b>14,695,928</b>
<b>FUND BALANCES, ending</b>	<b>\$ 15,511,242</b>	<b>\$ 3,040,572</b>	<b>\$ 18,551,814</b>

The notes to the financial statements are an integral part of this statement.



TOWN OF TRUMBULL, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

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Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances – total governmental funds	\$ 3,855,886
---	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,619,045)
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The net effect of transactions involving capital assets is to decrease net assets. In the Statement of Activities, only the gain on the disposal 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 capital assets disposed.	(5,709)
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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.	(1,262,473)
--	-------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,321,655
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Internal service fund	16,466
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	251,973
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Change in net assets of governmental activities	<u>\$ 2,558,753</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TRUMBULL, CONNECTICUT

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 119,249,834	\$ 119,249,834	\$ 120,258,636	\$ 1,008,802
Federal and State governments	6,574,003	6,574,003	6,160,795	(413,208)
Licenses and permits	4,097,995	4,097,995	3,694,219	(403,776)
Investment income	1,050,000	1,050,000	753,793	(296,207)
Other	487,812	487,812	487,812	-
Use of surplus	700,000	700,000	-	(700,000)
<b>Total revenues</b>	<b>132,159,644</b>	<b>132,159,644</b>	<b>131,355,255</b>	<b>(804,389)</b>
<b>EXPENDITURES</b>				
Current:				
General government	15,385,531	15,027,325	14,863,667	163,658
Public safety	9,096,441	9,924,352	9,728,160	196,192
Public works	8,216,883	8,277,588	7,620,600	656,988
Public health	567,988	572,606	567,421	5,185
Social services	626,656	627,372	551,664	75,708
Libraries	1,498,809	1,498,809	1,472,453	26,356
Recreation and Parks	2,137,622	2,166,067	2,124,375	41,692
Education	82,925,214	83,415,329	82,820,776	594,553
Debt service	11,704,500	11,704,500	11,676,488	28,012
Transfers	-	25,350	18,211	7,139
<b>Total expenditures</b>	<b>132,159,644</b>	<b>133,239,298</b>	<b>131,443,815</b>	<b>1,795,483</b>
<b>Revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ (1,079,654)</b>	<b>(88,560)</b>	<b>\$ 991,094</b>
<b>FUND BALANCE, beginning</b>			13,806,789	
Increase in other reserves			(637,186)	
<b>UNRESERVED FUND BALANCE, ending</b>			<b>\$ 13,081,043</b>	

The notes to the financial statements are an integral part of this statement.

# TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major	Nonmajor		Internal Service Fund
	WPCA	Golf Course	Total	
<b>ASSETS</b>				
Current assets:				
Receivables:				
Other	\$ 703	\$ -	\$ 703	\$ -
Due from other funds	6,567,882	415,359	6,983,241	2,301,110
User charges, net	550,084	6,353	556,437	-
Deferred charges	78,624	-	78,624	-
<b>Total current assets</b>	<b>7,197,293</b>	<b>421,712</b>	<b>7,619,005</b>	<b>2,301,110</b>
Noncurrent assets:				
Special assessments, net	19,987,967	-	19,987,967	-
Capital assets (net of accumulated depreciation)	71,475,659	5,518,595	76,994,254	2,173,375
<b>Total noncurrent assets</b>	<b>91,463,626</b>	<b>5,518,595</b>	<b>96,982,221</b>	<b>2,173,375</b>
<b>Total assets</b>	<b>98,660,919</b>	<b>5,940,307</b>	<b>104,601,226</b>	<b>4,474,485</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,587,499	73,826	2,661,325	-
Accrued payroll/benefits	50,356	68,383	118,739	570,345
Due to other funds	-	-	-	744,444
Bonds payable	2,771,359	172,000	2,943,359	-
BANS payable	2,800,000	-	2,800,000	-
<b>Total current liabilities</b>	<b>8,209,214</b>	<b>314,209</b>	<b>8,523,423</b>	<b>1,314,789</b>
Noncurrent liabilities:				
Bonds payable	46,186,536	3,057,000	49,243,536	-
Accrued benefits	-	-	-	1,711,033
<b>Total noncurrent liabilities</b>	<b>46,186,536</b>	<b>3,057,000</b>	<b>49,243,536</b>	<b>1,711,033</b>
<b>Total liabilities</b>	<b>54,395,750</b>	<b>3,371,209</b>	<b>57,766,959</b>	<b>3,025,822</b>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	19,717,764	2,289,595	22,007,359	2,173,375
Unrestricted	24,547,405	279,503	24,826,908	(724,712)
<b>Total net assets</b>	<b>\$ 44,265,169</b>	<b>\$ 2,569,098</b>	<b>\$ 46,834,267</b>	<b>\$ 1,448,663</b>

The notes to the financial statements are an integral part of this statement.

## TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major	Nonmajor		Internal Service Fund
	WPCA	Golf Course	Total	
<b>OPERATING REVENUES</b>				
User charges	\$ 5,306,693	\$ 1,946,624	\$ 7,253,317	\$ 1,528,301
Total operating revenues	5,306,693	1,946,624	7,253,317	1,528,301
<b>OPERATING EXPENSES</b>				
Operations and maintenance	5,039,556	1,243,683	6,283,239	1,073,577
Depreciation	1,392,739	152,796	1,545,535	438,258
Total operating expenses	6,432,295	1,396,479	7,828,774	1,511,835
Operating income (loss)	(1,125,602)	550,145	(575,457)	16,466
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest expense	(1,517,796)	(182,273)	(1,700,069)	-
Interest income	1,075,515	-	1,075,515	-
Loss on disposal	-	(12,659)	(12,659)	-
Total nonoperating revenues (expenses)	(442,281)	(194,932)	(637,213)	-
Net income (loss) before capital contributions and transfers out	(1,567,883)	355,213	(1,212,670)	16,466
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Special assessments and other	593,327	-	593,327	-
Capital Contribution	501,759	-	501,759	-
Transfer out	(310,522)	(177,290)	(487,812)	-
Total capital contributions and transfers	784,564	(177,290)	607,274	-
Change in net assets	(783,319)	177,923	(605,396)	16,466
NET ASSETS, beginning	45,048,488	2,391,175	47,439,663	1,432,197
NET ASSETS, ending	\$ 44,265,169	\$ 2,569,098	\$ 46,834,267	\$ 1,448,663

The notes to the financial statements are an integral part of this statement.

## TOWN OF TRUMBULL, CONNECTICUT

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major			Internal
	Golf			Service
	WPCA	Course	Total	Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 5,181,730	\$ 1,952,407	\$ 7,134,137	\$ 1,528,301
Payments to suppliers	(5,419,309)	(628,240)	(6,047,549)	(1,073,577)
Payments to employees	(247,700)	(621,668)	(869,368)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(485,279)</b>	<b>702,499</b>	<b>217,220</b>	<b>454,724</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal payments on debt	(17,007,035)	(172,000)	(17,179,035)	-
Special assessments	1,896,895	-	1,896,895	-
Interest paid on debt	(500,568)	(182,273)	(682,841)	-
Proceeds from debt	24,269,868	-	24,269,868	-
Purchase of property and equipment	(8,148,050)	(145,350)	(8,293,400)	36,129
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>511,110</b>	<b>(499,623)</b>	<b>11,487</b>	<b>36,129</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Advances (to) from other funds	(774,652)	(25,867)	(800,519)	(490,853)
Transfer in (out)	(310,522)	(177,290)	(487,812)	-
<b>Net cash used in noncapital financing activities</b>	<b>(1,085,174)</b>	<b>(203,157)</b>	<b>(1,288,331)</b>	<b>(490,853)</b>
<b>Cash Flows From Investing Activities</b>				
Interest recorded	1,059,343	-	1,059,343	-
<b>Net decrease in cash and cash equivalents</b>	<b>-</b>	<b>(281)</b>	<b>(281)</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>				
Beginning	-	281	281	-
Ending	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

(Continued)

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major			Internal
	WPCA	Golf Course	Total	Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (1,125,602)	\$ 550,145	\$ (575,457)	\$ 16,466
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,392,739	152,796	1,545,535	438,258
Changes in assets and liabilities:				
Increase (decrease) in receivable	(124,963)	5,783	(119,180)	-
Decrease in accounts payable and accrued expenses	(627,453)	(6,225)	(633,678)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (485,279)</b>	<b>\$ 702,499</b>	<b>\$ 217,220</b>	<b>\$ 454,724</b>
<b>Non-Cash Investing Capital and Financing Activities</b>				
Principal payments with capital contribution	\$ 501,759	\$ -	\$ 501,759	\$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	Pension Trust Funds	Agency Fund	Private Purpose Trust
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,403,621	\$ 1,941,563	\$ 203,602
Investments	42,882,978	-	-
Other receivable	255,166	-	258,440
Due from other funds	-	-	1,512,352
<b>Total assets</b>	<b>44,541,765</b>	<b>1,941,563</b>	<b>1,974,394</b>
<b>LIABILITIES</b>			
Accounts payable	100,000	-	939,232
Deferred revenue	-	-	72,268
Due to others and student organizations	-	1,939,052	-
Due to other funds	-	2,511	-
<b>Total liabilities</b>	<b>100,000</b>	<b>1,941,563</b>	<b>1,011,500</b>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes</b>	<b>\$ 44,441,765</b>	<b>\$ -</b>	<b>\$ 962,894</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF TRUMBULL, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Pension Trust Funds	Private Purpose Trust
<b>Additions</b>		
Contributions		
Employer	\$ 3,075,000	\$ -
Plan members	1,093,554	-
Other		1,011,947
<b>Total contributions</b>	<b>4,168,554</b>	<b>1,011,947</b>
Investment Income		
Net depreciation in fair value of investments	(7,034,118)	-
Interest and dividends	1,257,975	3,208
	(5,776,143)	3,208
Less investment expenses:		
Investment management fees and other	214,715	-
<b>Net investment and other income (losses)</b>	<b>(5,990,858)</b>	<b>3,208</b>
<b>Total additions (losses)</b>	<b>(1,822,304)</b>	<b>1,015,155</b>
<b>Deductions</b>		
Benefits and other	4,907,742	499,975
<b>Other Financing Sources</b>		
Transfers in	18,673	(5,812)
<b>Change in net assets</b>	<b>(6,711,373)</b>	<b>509,368</b>
<b>Net Assets Held in Trust</b>		
Beginning of year	51,153,138	453,526
End of year	<u>\$ 44,441,765</u>	<u>\$ 962,894</u>

The notes to the financial statements are an integral part of this statement.



## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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#### Note 1. Summary of Significant Accounting Policies

##### Reporting entity

The Town of Trumbull, Connecticut (the "Town") 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. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

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.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. 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 for. Intergovernmental grants and entitlements 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 except for 1) debt service expenditures, 2) expenditures related to compensated absences, 3) pension expenditures; and 4) claims and judgments which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, fees, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items and permits are considered to be measurable only when cash is received by the Town.

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary funds:

*Water Pollution Control Authority* - The 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.

*Golf Course* - This fund accounts for the operations of the Town's golf course, Tashua Knolls. It is independent in terms of its relationship to the Town functions. Its operations are financed from charges for customers.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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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* account for the activities of the Town's defined benefit plans, which accumulate resources for pension benefit payments to qualified employees.

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

The *Private-Purpose Trust Fund* accounts 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 the proprietary fund and the government-wide 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 enterprise funds and business-type activities, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Accounting estimates

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

#### Property taxes

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.

#### Cash and cash equivalents

The Town considers all highly liquid investments and debt securities with original maturities of three months or less when purchased to be cash equivalents.

#### Allowances for doubtful accounts

Accounts and notes receivable for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay. The majority of amount relates to taxes receivable.

#### Investments

Investments are recorded at fair value, based on quoted market rates. The pension funds allow for certain collective trusts which are based on the most recent estimated value reported by fund managers.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7 pool. The fair value of the position in the pool is the same as the value of the pool shares and is recorded at amortized cost.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

#### 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 and proprietary fund 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 fair 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 assets 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 Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building 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.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts that are due (matured).

#### Revenue - Proprietary Funds

Operating revenues for the proprietary funds encompass the following: Sewer Commission - billings for sewer assessments and user charges; and Golf Course - fees from players using the course.

Nonoperating revenues include interest income as well as any other receipts unrelated to the above activities.

#### Long-term obligations

In the government-wide and proprietary 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 interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

#### Risks and uncertainties

The Town invests in various securities, including commercial paper, government-sponsored enterprises, and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Pension accounting:

##### **Pension Trust Funds**

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

##### **Governmental Funds**

Expenditures are recognized when they are paid or are expected to be paid with current available resources.

##### **Funding policy**

The Town funds the contributions to its pension plans based on the required contributions made under Town ordinance.

#### OPEB accounting

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a commitment to provide the contributions.

In fiscal year 2009, the Town implemented GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions."* This pronouncement required the Town to calculate and record a new other post-employment benefit obligation (NOPEBO) at June 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008.

#### Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

#### Fund Equity and Net Assets

In the Government-Wide and Proprietary Fund Financial Statements, net assets are classified in the following categories:

***Invested in Capital Assets, Net of Related Debt*** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt, net of any unspent proceeds that are attributable to the acquisition, construction or improvement of these assets reduces this category.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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***Unrestricted Net Assets or Deficits*** – This category represents the net assets of the Town, which are not restricted for any project or other purpose by third parties. Deficits require future funding.

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

***Reserved Fund Balance*** - indicates that portion of fund equity which has been legally segregated for specific purposes by outside parties and amounts that are not available for appropriation.

***Undesignated and Unreserved Fund Balance*** - indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements

##### Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (71,223,105)
Permanently financed bond anticipation notes	(5,000,000)
Net pension obligation	(44,429,735)
Compensated absences	(8,267,809)
Premiums on refunding	(684,778)
Deferred gain on refunding	408,089
Capital Lease	(275,754)
Claims and judgments	(684,000)
OPEB liability	(1,262,751)
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (131,419,843)</u></u>

##### Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the



## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 3,245,485
Depreciation expense	<u>(4,864,530)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (1,619,045)</u></u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (831,000)
Bond Anticipation Notes	(5,000,000)
Refunding, net	160,868
Principal repayments:	
General obligation debt	6,932,563
Capital leases	<u>59,224</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 1,321,655</u></u>

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Increase in net pension obligation	\$ (2,499,911)
Decrease in compensated absences	4,352,100
Increase in accrued interest	(166,442)
Amortization of premiums	73,085
Amortization of gain/loss on refunding amounts	(44,262)
Premium on refunding	(394,728)
Gain on refunding	153,853
Debt issue costs	79,007
Amortization of debt issuance costs	(37,978)
OPEB liability	<u>(1,262,751)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 251,973</u></u>

### Note 3. Budgets and Budgetary Accounting

#### General Fund

The Town's general budget policies are as follows:

- a. Prior to the first Tuesday in April, the Town Council votes to legally adopt the budget recommended by the Board of Finance, as prepared by the First Selectman, for the fiscal year commencing July 1. The budget includes proposed expenditures and anticipated revenues, together with the amount of revenue to be raised by general taxation.
- b. The Board of Finance is authorized to transfer budgeted amounts within departments provided such transfers do not increase a department's total appropriation. A number of such transfers were made during the year. Any one appropriation in excess of \$2,000 (\$10,000 during the course of any fiscal year) must be approved by the Town Council.
- c. Formal budgetary integration is employed on a line item basis as mandated by the Town Charter.
- d. Budgeted amounts shown in the accompanying financial statements are as originally adopted, or as amended by the Board of Finance or Town Council during the course of the year.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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- e. Generally, all appropriations lapse at year-end.
- f. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.
- g. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America (GAAP) differ from classifications utilized for budgetary purposes.
- h. A reconciliation of the revenues, expenditures and fund equity of the General Fund presented in accordance with accounting principles generally accepted in the United States of America (GAAP) with the budgetary basis is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Budgetary basis	\$ 131,355,255	\$ 131,443,815
State on-behalf payments	6,551,000	6,551,000
Encumbrances:		
June 30, 2009	-	(380,240)
June 30, 2008	-	513,384
GAAP basis	\$ 137,906,255	\$ 138,127,959

#### Special revenue funds

The Town does not have legally adopted annual budgets for the special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

#### Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Note 4. Cash and Investments

##### Policies:

Deposits: The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. The Town's policy for custodial credit risk is to follow State statutes for coverage of its deposits. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town policy allows investments in the following: (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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. The Town's custodial credit risk policy states that the investment company or trust must take delivery, through a custodian, of all collateral. The Town's credit risk policy states that obligations of the State of Connecticut and of the United States must not have a rating of less than the top three rating categories of any nationally recognized rating service.

The Town's policy for pension investments also includes common and preferred stocks, convertible securities, real estate investment trusts and American depository receipts. The pension plan's credit risk policy is that invested securities should be of a quality to qualify under the prudent man rule.

Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. They set asset allocation parameters, as follows:

Large Cap Equities	40% - 70%
Small Cap Equities	0% - 10%
Mid-Cap Stocks	0% - 10%
Fixed Income	30% - 50%
International Equities	0% - 10%
Cash	0% - 20%

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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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.

Concentrations: 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:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009 \$3,015,000 of the Town's bank balance of \$31,688,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Cash and investments of the Town's investments consist of the following at June 30, 2009:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 29,476,292
State of Connecticut Short-Term Investment fund	1,128,146
Tax Exempt Proceeds Fund	51,769
Municipal Backed Investment Fund	130,951
<b>Total cash and cash equivalents</b>	<b>30,787,158</b>
<b>Investments</b>	
General Fund:	
U.S. Government Agencies	3,367,842 *
Pension Trust Funds:	
U.S. Government Securities	5,022,969 *
U.S. Government Agencies	939,378 *
Corporate Bonds	7,436,335 *
Other Bonds	185,929 *
Common and Preferred Stocks	8,671,329 *
Collective Trusts	18,896,582
Asset and Mortgage-Backed Securities	1,730,456 *
<b>Total pension investments</b>	<b>42,882,978</b>
<b>Total investments</b>	<b>46,250,820</b>
<b>Total cash, cash equivalents and investments</b>	<b>\$ 77,037,978</b>

\* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or Pension Trusts name.

Cash and investments are classified in the accompanying financial statements as follows:

<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 27,238,372
Investments	3,367,842
	<b>30,606,214</b>
<b>Fiduciary Funds:</b>	
Cash and cash equivalents	3,548,786
Investments	42,882,978
	<b>46,431,764</b>
<b>Total cash, cash equivalents and investments</b>	<b>\$ 77,037,978</b>

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

**Interest rate risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Asset and Mortgage-Backed	\$ 1,730,456	\$ -	\$ 643,709	\$ 44,476	\$ 1,042,271
U.S. Government Securities	5,022,969	-	4,001,106	1,021,863	-
U.S. Government Agencies	4,307,220	-	11,084	845,359	3,450,777
Corporate Bonds	7,436,335	1,119,898	4,434,580	1,881,857	-
Other Bonds	185,929	-	143,812	42,117	-
Pooled Fixed Income	1,310,866	1,310,866	-	-	-
<b>TOTAL</b>	<b>\$ 19,993,775</b>	<b>\$ 2,430,764</b>	<b>\$ 9,234,291</b>	<b>\$ 3,835,672</b>	<b>\$ 4,493,048</b>

**Credit Risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Bonds	Other Bonds	U.S. Government Securities	U.S. Government Agency	Asset and Mortgage-Backed Securities	Pooled Fixed Income
AAA	\$ 698,845	\$ 116,989	\$ 5,022,969	\$ 4,307,220	\$ 1,426,842	\$ -
AA	184,336	-	-	-	-	-
AA-	636,101	-	-	-	-	-
A+	1,071,777	39,580	-	-	-	-
A	1,917,964	29,360	-	-	-	-
A-	790,619	-	-	-	-	-
BBB+	897,151	-	-	-	-	-
BBB	919,470	-	-	-	-	-
BBB-	304,072	-	-	-	-	-
Unrated	16,000	-	-	-	303,614	1,310,866
	<b>\$ 7,436,335</b>	<b>\$ 185,929</b>	<b>\$ 5,022,969</b>	<b>\$ 4,307,220</b>	<b>\$ 1,730,456</b>	<b>\$ 1,310,866</b>

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

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**Note 5. Deferred Revenue/Unearned Revenue**

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

	Deferred Revenue	Unearned Revenue
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 2,281,774	\$ -
Taxes collected in advance	-	72,191
Intergovernmental	4,446,132	-
<b>Nonmajor Funds:</b>		
Intergovernmental receivables	-	287,432
	<u>\$ 6,727,906</u>	<u>\$ 359,623</u>



# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 38,298,418	\$ -	\$ -	\$ 38,298,418
Construction in progress	4,101,190	1,747,689	3,479,090	2,369,789
Total capital assets, not being depreciated	42,399,608	1,747,689	3,479,090	40,668,207
Capital assets, being depreciated:				
Land improvements	7,967,112	2,251,316	-	10,218,428
Buildings and improvements	137,824,366	2,306,967	-	140,131,333
Machinery and equipment	9,663,365	160,648	380,423	9,443,590
Vehicles	3,378,056	41,312	217,149	3,202,219
Infrastructure	56,740,956	216,643	-	56,957,599
Total capital assets being depreciated	215,573,855	4,976,886	597,572	219,953,169
Less accumulated depreciation for:				
Land improvements	5,275,789	288,189	-	5,563,978
Buildings and improvements	42,569,259	2,986,971	-	45,556,230
Machinery and equipment	6,481,625	515,036	374,714	6,621,947
Vehicles	2,955,100	104,163	217,149	2,842,114
Infrastructure	35,979,513	970,171	-	36,949,684
Total accumulated depreciation	93,261,286	4,864,530	591,863	97,533,953
Total capital assets, being depreciated, net	122,312,569	112,356	5,709	122,419,216
Governmental activities capital assets, net	\$ 164,712,177	\$ 1,860,045	\$ 3,484,799	\$ 163,087,423

Property and equipment of the internal service fund consisted of the following as of June 30, 2009:

	Balance June 30, 2008	Additions	Disposals	Balance June 30, 2009
Vehicles and equipment	\$ 4,489,704	\$ 85,612	\$ -	\$ 4,575,316
Less accumulated depreciation				2,401,941
				<u>\$ 2,173,375</u>

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,939,013	\$ -	\$ -	\$ 1,939,013
Construction in progress	14,719,346	7,324,757	13,371,680	8,672,423
Total capital assets, not being depreciated	16,658,359	7,324,757	13,371,680	10,611,436
Capital assets, being depreciated:				
Land improvements	3,620,021	17,800	-	3,637,821
Buildings	2,514,630	-	10,958	2,503,672
Machinery and equipment	1,524,501	127,550	689,606	962,445
Vehicles	155,467	-	-	155,467
Infrastructure	65,865,118	14,194,973	-	80,060,091
Total capital assets, being depreciated	73,679,737	14,340,323	700,564	87,319,496
Less accumulated depreciation for:				
Land improvements	559,881	81,740	-	641,621
Buildings	1,042,956	51,686	986	1,093,656
Machinery and equipment	1,162,960	44,671	686,919	520,712
Vehicles	120,526	8,357	-	128,883
Infrastructure	17,192,725	1,359,081	-	18,551,806
Total accumulated depreciation	20,079,048	1,545,535	687,905	20,936,678
Total capital assets, being depreciated, net	53,600,689	12,794,788	12,659	66,382,818
Total business-type capital assets, net	\$ 70,259,048	\$ 20,119,545	\$ 13,384,339	\$ 76,994,254

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

<b>Governmental activities:</b>	
Board of Education	\$ 3,237,421
General Government	102,481
Social Services	46,185
Public Works	1,235,901
Public Safety	313,572
Libraries	104,113
Recreation and Parks	241,953
Total depreciation expense - governmental activities	<u>\$ 5,281,626</u>
<b>Business-type activities</b>	
Sewer Commission	\$ 1,392,739
Golf Course	152,796
Total depreciation expense - business-type activities	<u>\$ 1,545,535</u>

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

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**Note 7. Interfund Accounts**

As of June 30, 2009, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 425,928	\$ 14,618,667
Special Revenue Funds		
Homeland Security	1,687	-
Dog Fund	69,490	-
Youth and Children Services	916	-
Trumbull Day	30,533	-
Millington Legal Settlement	-	75,853
Town Clerk Historical Preservation	105,102	-
Education Federal and State Programs	-	93,543
Police grants	865	-
Social Services	5,000	-
Special Revenue BOE Programs	-	219
School Lunch	-	214
Total special revenue funds	213,593	169,829

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

	Due From Other Funds	Due to Other Funds
<b>Capital Projects Fund</b>		
Pre-Kindergarten School	245,738	-
Police Station Improvements	75,476	-
LOCIP	-	267,295
Park Improvements	137,193	-
THS Renovations	776,288	-
Reserve for Capital and Nonrecurring Expenditures	54,441	-
New Elementary School	-	425,928
BOE 2nd Yr Phase I Technology	23,772	-
Technology Town & BOE	83,296	-
Resurfacing of Tennis Courts	-	4,670
BOE Emergency Projects	386,585	-
Resurfacing of Town Roads	189,195	-
Trumbull High School Like New	2,310,472	-
Town Wide Park Improvements	330	-
BOE Phase II Technology	14,843	-
Tax Assessor CAMA System	39,682	-
Daniels Farm Road Bridge	-	17,571
BOE Phase II 2nd Yr. Technology	113,799	-
Small Cities - Senior Center	14,355	-
Public Works Capital Projects	5,350	-
Police Funds	-	17,102
Rails to Trails	-	131,455
<b>Total capital projects fund</b>	<b>4,470,815</b>	<b>864,021</b>
<b>Permanent Funds</b>		
Cemetery Fund	1,457	-
<b>Enterprise Funds</b>		
Golf Course	415,359	-
Sewers	6,567,882	-
<b>Total enterprise funds</b>	<b>6,983,241</b>	<b>-</b>
<b>Private Purpose Trust Funds</b>		
Special Trust	1,004,974	-
Special Purpose Contra	507,378	-
<b>Total private purpose trust funds</b>	<b>1,512,352</b>	<b>-</b>

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

	Due From Other Funds	Due to Other Funds
<b>Agency Fund</b>		
Performance Bonds	-	2,511
<b>Internal Service Funds</b>		
Lease Fund	-	744,444
Insurance Reserve Fund	2,301,110	-
<b>Total internal service funds</b>	<b>2,301,110</b>	<b>744,444</b>
<b>Debt Service Fund</b>	<b>490,976</b>	<b>-</b>
	<b>\$ 16,399,472</b>	<b>\$ 16,399,472</b>

Amounts due to the General Fund from the Nonmajor and Other Funds are a result of short-term advances.

Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major Fund	\$ 375,322
General	Non-Major Fund	\$1,595,496

All balances resulted from payments for various funds being paid by the General Fund. The amounts listed above relate to the amounts owed, and will not be repaid within one year.

Interfund transfers during the year ended June 30, 2009 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 487,812	\$ 18,211
Sewer Commission	-	310,522
Golf Course	-	177,290
Non-major funds	5,350	-
Private Purpose Trusts	12,861	-
	<b>\$ 506,023</b>	<b>\$ 506,023</b>

The transfers from the sewer commission and golf course funds are budgeted.

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### Note 8. Long-Term Liabilities and Subsequent Events

A summary of changes in outstanding general long-term debt during the year ended June 30, 2009 is as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 77,485,536	\$ 8,737,470	\$ (14,999,901)	\$ 71,223,105	\$ 6,161,642
Bond anticipation notes	-	5,000,000	-	5,000,000	-
Premiums on refunding	363,135	394,728	(73,085)	684,778	-
Gain/loss on refunding	(298,498)	(153,853)	44,262	(408,089)	-
Capital lease	334,978	-	(59,224)	275,754	135,088
<b>Total bonds and notes payable</b>	<b>77,885,151</b>	<b>13,978,345</b>	<b>(15,087,948)</b>	<b>76,775,548</b>	<b>6,296,730</b>
<b>Other Long-Term Liabilities</b>					
Compensated absences	12,619,909	308,814	(4,660,914)	8,267,809	826,781
Net pension obligation	41,929,824	2,499,911	-	44,429,735	-
Claims and judgments	684,000	-	-	684,000	-
OPEB liability	-	1,726,843	(464,092)	1,262,751	-
<b>Total other long-term liabilities</b>	<b>55,233,733</b>	<b>4,535,568</b>	<b>(5,125,006)</b>	<b>54,644,295</b>	<b>826,781</b>
<b>Governmental activity long-term liabilities</b>	<b>\$ 133,118,884</b>	<b>\$ 18,513,913</b>	<b>\$ (20,212,954)</b>	<b>\$ 131,419,843</b>	<b>\$ 7,123,511</b>

Substantially all amounts are expected to be financed or paid through the General Fund.

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 32,896,062	\$ 17,319,868	\$ (2,179,035)	\$ 48,036,895	\$ 2,943,359
Bond anticipation notes	15,000,000	6,950,000	(15,000,000)	6,950,000	-
<b>Total bonds and notes payable</b>	<b>47,896,062</b>	<b>24,269,868</b>	<b>(17,179,035)</b>	<b>54,986,895</b>	<b>2,943,359</b>
<b>Business-type activity long-term liabilities</b>	<b>\$ 47,896,062</b>	<b>\$ 24,269,868</b>	<b>\$ (17,179,035)</b>	<b>\$ 54,986,895</b>	<b>\$ 2,943,359</b>

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Bond anticipation notes and subsequent event

The Town has \$11,950,000 of tax-exempt general obligation bond anticipation notes (BANS) outstanding as of June 30, 2009 and are recorded within long-term debt. The notes bear interest at 1.5%.

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding, July 1, 2008	\$ 17,000,000
New borrowings	17,450,000
Repayments	<u>22,500,000</u>
Outstanding, June 30, 2009	<u>\$ 11,950,000</u>
Reported as:	
Short-term bond anticipation notes - business-type activities	\$ 2,800,000
Long-term debt - governmental	5,000,000
Long-term debt - business-type activities	4,150,000

#### Subsequent event

In September 2009, the Town issued \$10,000,000 in general obligation bonds. The bonds bear interest of 2.00% - 4.05% and mature serially from September 15, 2010 to September 15, 2029. Of the \$11,950,000 bond anticipation notes outstanding, \$5,000,000 of governmental fund debt was financed with the September 2009 issue and is considered long-term debt in the government-wide financial statements, and other financing sources in the Governmental Fund financial statements.

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### General obligation bonds

As of June 30, 2009, the outstanding general obligation bonds of the Town were as follows:

	<u>Outstanding Amount</u>
\$16,620,000 general obligation bonds; issue of 1/15/01; due 1/15/21; interest at 4.125% to 5.0%	1,096,000
\$13,620,000 refunding bonds issue of 9/15/02 (for balance of 5/1/96 issue); due 6/1/16; interest at 3.0% to 5.0%	6,132,100
\$15,750,000 general obligation bonds; issue of 9/15/02; due 6/1/22; interest at 2.0% to 5.0%	3,855,600
\$29,000,000 general obligation bonds; issue of 9/15/03; due 9/15/23; interest at 3.0% to 4.75%.	18,135,000
\$8,375,000 refunding bonds issue of 12/14/04 (for balance of 7/1/98 issue); due 1/15/18; interest at 4.0% to 5.5%	5,966,300
\$19,790,000 general obligation bonds; issue of 9/13/05; due 9/13/25; interest at 4% to 4.125%	3,405,000
\$15,440,000 general obligation bonds; issue of 9/12/06; due 9/1/26; interest at 4.0% to 5.0%	13,800,000
\$14,855,000 general obligation bonds; issue of 9/1/07; due 9/1/27; interest at 4.0% to 5.0%	10,805,000
\$10,700,000 refunding bonds issue of 8/19/08 (for balance of 7/1/98 issue and partial 1/15/01 issue); due 8/19/21; interest at 3.25% to 5.0%	7,197,105
\$18,205,000 general obligation bonds; issue of 9/1/08; due 9/1/28; interest at 3.0% to 5.0%	831,000
Total	<u><u>\$ 71,223,105</u></u>



## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### 2009 General Obligation Bond – In-substance Defeasance

On August 19, 2008, the Town issued \$10,700,000 of general obligation bonds with interest rates ranging from 1.6% to 4.2% of which were used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated June 1, 1998 and January 15, 2001 (the "Refunding Bonds"). Of the net proceeds of \$11,234,194 (after payment of \$64,122 in underwriters fees and other costs), \$11,127,272 was placed in an irrevocable trust fund under an Escrow Agreement dated August 2009 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt of \$318,000 and cash savings of \$392,264.

The balance in the escrow was approximately \$10,915,000 at June 30, 2009. The balance of the defeased bonds was approximately \$10,700,000 million at June 30, 2009. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. As of June 30, 2009, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements, amounted to the following:

2002 Refunding	\$ 8,640,000
2004 Refunding	8,375,000
2008 Refunding	<u>10,915,000</u>
<b>Total</b>	<u><b>\$ 27,930,000</b></u>

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

The annual debt service requirements for all bonded debt are as follows excluding bond anticipation notes:

	Governmental Activities		
	Principal	Interest	Total
2010	\$ 6,161,642	\$ 2,920,952	\$ 9,082,594
2011	5,852,863	2,665,801	8,518,664
2012	5,667,329	2,455,192	8,122,521
2013	5,465,120	2,222,952	7,688,072
2014	5,145,162	1,992,326	7,137,488
2015	5,197,162	1,774,620	6,971,782
2016	5,127,689	1,557,814	6,685,503
2017	4,463,689	1,341,779	5,805,468
2018	4,544,383	1,148,483	5,692,866
2019	3,519,383	951,112	4,470,495
2020	3,515,689	804,619	4,320,308
2021	3,516,994	656,298	4,173,292
2022	3,033,000	505,898	3,538,898
2023	2,718,000	374,190	3,092,190
2024	2,612,000	256,811	2,868,811
2025	1,427,000	168,927	1,595,927
2026	1,452,000	108,508	1,560,508
2027	1,262,000	51,069	1,313,069
2028	497,000	13,039	510,039
2029	45,000	953	45,953
Total	\$ 71,223,105	\$ 21,971,346	\$ 93,194,451

Business-type activity obligations

At June 30, 2009, long-term debt in the Sewer and Golf Enterprise Funds consists of the following, excluding the bond anticipation notes of \$4,150,000:

	Outstanding Amount
\$16,620,000 enterprise bonds; issue of 1/15/01; due 1/15/21; interest at 4.125% to 5.0%	\$ 504,000

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

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	Outstanding Amount
	<hr/>
\$13,620,000 refunding bonds issue of 9/15/02 (for balance of 5/1/96 issue); due 6/1/16; interest at 3.0% to 5.0%	157,900
\$15,750,000 enterprise bonds; issue of 9/15/02; due 6/1/22; interest at 2.0% to 5.0%	6,484,400
\$29,000,000 enterprise bonds; issue of 9/15/03; due 9/15/23; interest at 3.0% to 4.75%	2,850,000
\$8,375,000 refunding bonds issue of 12/14/04 (for balance of 7/01/98 issue); due 1/15/18; interest at 4.0% to 5.5%	1,758,700
\$19,790,000 enterprise bonds; issue of 9/13/05; due 9/13/25; interest at 4.00% to 4.125%	13,385,000
\$15,440,000 enterprise bonds; issue of 9/12/06; due 9/1/26; interest at 4.0% to 5.0%	90,000
\$14,855,000 enterprise bonds; issue of 9/1/07; due 9/1/27; interest at 4.0% to 5.5%	2,890,000
\$10,700,000 refunding bonds issue of 8/19/08 (for balance of 7/1/98 issue and partial 1/15/01 issue); due 8/19/21; interest at 3.25% to 5.0%	2,542,895
\$18,205,000 enterprise bonds; issue of 9/1/08; due 9/1/28; interest at 3.0% to 5.0%	17,374,000
	<hr/>
	<u>\$ 48,036,895</u>

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The annual debt service requirements of bonded indebtedness of the business-type activities, which includes \$4,150,000 of bond anticipation notes as refinanced:

	Business-Type Activities		
	Principal	Interest	Total
2010	\$ 2,943,359	\$ 1,951,677	\$ 4,895,036
2011	3,394,637	1,888,181	5,282,818
2012	3,370,170	1,756,624	5,126,794
2013	3,237,380	1,628,253	4,865,633
2014	3,122,338	1,505,256	4,627,594
2015	3,145,338	1,388,041	4,533,379
2016	3,129,811	1,272,671	4,402,482
2017	3,158,811	1,156,573	4,315,384
2018	3,178,117	1,035,810	4,213,927
2019	2,908,117	909,781	3,817,898
2020	2,906,811	796,160	3,702,971
2021	2,895,506	679,844	3,575,350
2022	2,684,500	562,105	3,246,605
2023	2,199,500	452,868	2,652,368
2024	2,200,500	364,208	2,564,708
2025	2,010,500	279,192	2,289,692
2026	1,975,500	197,583	2,173,083
2027	1,225,500	130,790	1,356,290
2028	1,220,500	79,224	1,299,724
2029	1,072,500	30,831	1,103,331
2030	207,500	4,153	211,653
Total	\$ 52,186,895	\$ 18,069,822	\$ 70,256,717

### Authorized but unissued bonds

The Town has authorized but unissued bonds relating to capital projects at June 30, 2009 as follows:

General purpose	\$ 3,259,000
Schools	46,720,093
Sewers	1,976,000
<b>Total</b>	<b>\$ 51,955,093</b>

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Legal debt limit

The Town's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 277,200,286	\$ 33,961,170	\$ 243,239,116
Unfunded pension benefit obligation	369,600,381	-	369,600,381
Schools	554,400,572	87,794,896	466,605,676
Sewers	462,000,476	32,495,928	429,504,548
Urban renewal	400,400,413	-	400,400,413

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$862,401,000.

#### Capital leases

Copiers carried at approximately \$485,000 in the governmental activities acquired under capital lease arrangements.

The Town is obligated under a capital lease to make the following aggregate annual lease payments:

Fiscal year	Amount
2010	\$ 135,088
2011	135,088
2012	22,515
<b>Total payments</b>	<b>292,691</b>
Less interest	16,937
<b>Principal balance</b>	<b>\$ 275,754</b>

#### Compensated absences

The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating approximately \$8,267,809 as of June 30, 2009. This amount is recorded in the government-wide statements, and paid out of the general fund.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Net pension obligation

Governmental Accounting Standards Board Statement No. 27, "Accounting for Pensions by State and Local Governments," requires the Town to accrue a net pension obligation. The amount at June 30, 2009 was \$44,429,735. This amount is recorded in the government-wide statements, and paid out of the general fund.

#### Other Postemployment Obligation

Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the Town to accrue a net OPEB obligation. The amount at June 30, 2009 was \$1,262,751. This amount is recorded in the government-wide statements, and paid out of the general fund.

### **Note 9. Commitments and Contingencies**

#### 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 not covered by insurance, resulting from such litigation 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 agreement, as amended (the "Service Agreement") with the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates with eleven 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 tons per year.

If any Contracting Municipality shall default in the payment of any Service Payments, the other Contracting Municipalities shall pay their share of the amounts unpaid by the nonpaying Contracting Municipality.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Note 10. Fund Deficits

The Town has the following fund deficits at June 30, 2009:

	Fund Deficit
<b>Special Revenue</b>	
Millington League Settlement	\$ (75,853)
<b>Capital Projects Fund</b>	
Land Acquisition	\$ (1,595,496)
Local Capital Improvement	(267,295)
Resurfacing of Tennis Courts	(4,670)
Daniels Farm Road Bridge	(17,571)
Agricultural Science Building	(375,322)
New Elementary School	(425,928)
Police Funds	(17,102)
Rails to Trails	(131,455)
	<u>\$ (2,834,839)</u>

The Town anticipates financing the fund deficits in the Capital Projects funds through future bond issues and/or revenues. The Special Revenue deficit will be recovered through future operations.

#### Note 11. Employee Retirement Plans

The Town has two contributory pension plans covering substantially all full-time Town and non-certified Board of Education employees. One plan covers employees of the Police Department and the other plan covers all other employees. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Town does not contribute to this plan. The two pension plans are single-employer contributory defined benefit plans which are part of the Town's financial reporting entity and are accounted for in two pension trust funds. Stand-alone financial statements are not available.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### The Town of Trumbull Police Benefit Plan

##### *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 Police employees. The PERS is considered to be part of the Town's financial reporting entity and is included in its financial reports as a pension trust fund.

The Town of Trumbull Police Benefit Plan provides retirement, death and disability benefits through a single employer, contributory, defined benefit plan. Benefits vest after 10 years of service. Members may retire on or after age 47 with at least 25 years of service. A retirement benefit of 2% of final annual pay for each year of service (maximum 25 years) plus an additional 1.25% for each full 3 months of service after 25 up to a maximum benefit of 75% is payable monthly for life. At the member's death, 50% of the benefit is payable to the surviving spouse. If a member leaves employment or dies prior to vesting, accumulated employee contributions with 5.5% interest compounded semi-annually are refunded. Post retirement increases equal 50% of the increase in current pay for active members of the same grade (pro-rated for less than 25 years service). Benefits and contributions are fixed by contract and may be amended by union negotiation.

##### *Contributions*

Employees are required to contribute 6% of their monthly salary to the PERS. The Town is required to contribute the remaining amounts necessary to fund these benefits.

##### *Plan Changes*

The latest actuarial valuation reflects no material change in coverage. The latest valuation, however, did reflect the change in the definition of pay used to calculate benefits. Effective 1/1/2008, final annual pay is equal to base salary plus 12 days of holiday pay.

The latest actuarial valuation reflects no material changes in the actuarial assumptions or methods.

#### Town of Trumbull Pension Plan

##### *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 its financial reports as a pension trust fund.

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 5 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



## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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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  $\frac{1}{2}\%$  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.

#### *Contributions*

Employees are required to contribute 3.5% of their monthly salary to the PERS. The Town is required to contribute the remaining amounts necessary to fund these benefits.

#### *Plan Changes*

The latest actuarial valuation reflected no material changes made in the benefit provisions of the plan.

The latest actuarial valuation reflects no material changes in actuarial assumptions or methods.

The latest actuarial valuation reflects a change in the investment return assumption from 8.0% to 7.5% as well as a change in the assumed retirement rates to more closely reflect actual plan experience.

### Membership

Membership in the Plans consisted of the following at July 1, 2008, the date of the last actuarial valuation:

Category	Police Benefit Plan	Town Pension Plan
Retirees and beneficiaries receiving benefits	39	309
Terminated plan members entitled to but not yet receiving benefits	-	83
Active plan members	71	432
	<u>110</u>	<u>824</u>

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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#### Actuarial Assumptions

Significant actuarial assumptions are as follows:

##### *Police Benefit Plan:*

Valuation date	July 1, 2008
Actuarial cost method	Projected Unit Credit
Asset valuation method	Adjusted Market Value
Amortization method	Level Dollar, Open
Remaining amortization period	15 years OPEN
Actuarial assumptions	
Investment rate of return	8.00%
Projected salary increases	4.50%
Mortality	1994 Uninsured Pensioners Mortality Table, with rates projected to 2012 (separate rates for males and females).

##### *Town Pension Plan*

Valuation date	July 1, 2008
Actuarial cost method	Projected Unit Credit
Asset valuation method	Adjusted Market Value
Amortization method	Level Dollar, Open
Remaining amortization period	25 years
Actuarial assumptions	
Investment rate of return	7.50%
Projected salary increases	4.00%
Mortality	1994 Uninsured Pensioner's Mortality Table, with rates projected to 2012 (separate rates for males and females).

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### *Annual Pension Cost and Net Pension Obligation*

The Town's annual pension cost and net pension obligation to the plan for the year ended June 30, 2009 were as follows:

Category	Police Benefit Plan	Town Employee Pension Plan
Annual required contribution	\$ 2,369,000	\$ 3,911,000
Interest on net pension obligation	1,422,302	1,811,329
Adjustment to annual required contribution	(1,923,277)	(2,015,443)
Annual pension cost	1,868,025	3,706,886
Contributions made	1,250,000	1,825,000
Increase in net pension obligation	618,025	1,881,886
<b>Net pension obligation</b>		
Beginning of year	17,778,765	24,151,059
End of year	\$ 18,396,790	\$ 26,032,945

### Trend Information

	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of (APC) Contributed	Net Pension Obligation
<u><i>Police Benefit Plan</i></u>				
	6/30/07	\$ 1,540,500	59.0%	\$ 17,222,928
	6/30/08	1,605,837	65.4%	17,778,765
	6/30/09	1,868,025	66.9%	18,396,790
<u><i>Town Employee Pension Plan</i></u>				
	6/30/07	\$ 2,971,804	48.0%	\$ 22,502,678
	6/30/08	3,273,381	49.6%	24,151,059
	6/30/09	3,706,886	49.2%	26,032,945

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### SCHEDULE OF FUNDING PROGRESS (000's)

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)	Covered Payroll (C)
<i>Police Benefit Plan</i>						
* 7/1/2008	\$ 33,154,094	\$ 46,416,172	\$ 13,262,078	71.4%	\$ 5,029,000	263.7%
<i>Town Employees Pension Plan</i>						
* 7/1/2008	19,572,031	57,704,539	\$ 38,132,508	33.9%	17,476,000	218.2%

\* Subsequent to the most recent valuation date, certain economic events have had a significant adverse impact on investment portfolios. As such, these market downturns may have a significant effect on the funded ratio and on future required contributions.

### Schedule of Employer Contributions

Years Ended June 30,	Police Benefit Plan			Town Employees Pension Plan		
	Annual Required Contribution	Percentage Contributed	Amount Contributed	Annual Required Contribution	Percentage Contributed	Amount Contributed
2009	\$ 2,369,000	53%	\$ 1,250,000	\$ 3,911,000	47%	\$ 1,825,000
2008	2,091,150	50%	1,050,000	3,425,000	47%	1,625,000
2007	2,008,000	45%	908,375	3,113,000	46%	1,425,000
2006	2,117,040	43%	900,000	2,908,000	46%	1,325,000
2005	1,969,000	43%	850,000	2,779,000	44%	1,225,000
2004	1,622,805	49%	800,000	2,319,000	49%	1,125,000

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

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SCHEDULE OF PLAN NET ASSETS  
June 30, 2009

	Police Pension Fund	Town Pension Fund	Retiree Insurance Benefit Trust (OPEB)	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,370,437	\$ 28,887	\$ 4,297	\$ 1,403,621
Investments	27,998,790	14,884,188	-	42,882,978
Other receivables	155,166	-	100,000	255,166
<b>Total assets</b>	<b>29,524,393</b>	<b>14,913,075</b>	<b>104,297</b>	<b>44,541,765</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 100,000	\$ -	\$ -	\$ 100,000
<b>Total liabilities</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>100,000</b>
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 29,424,393</b>	<b>\$ 14,913,075</b>	<b>\$ 104,297</b>	<b>\$ 44,441,765</b>

TOWN OF TRUMBULL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

SCHEDULE OF CHANGES IN PLAN NET ASSETS  
Year Ended June 30, 2009

	Police Pension Fund	Town Pension Fund	Retired Insurance Benefit Trust (OPEB)	Total Pension Trust
<b>Additions</b>				
Contributions				
Employer	\$ 1,150,000	\$ 1,825,000	\$ 100,000	\$ 3,075,000
Plan members	304,394	731,853	57,307	1,093,554
<b>Total contributions</b>	<b>1,454,394</b>	<b>2,556,853</b>	<b>157,307</b>	<b>4,168,554</b>
Investment Income				
Net depreciation in fair value of investments	(4,266,986)	(2,767,132)	-	(7,034,118)
Interest and dividends	1,256,943	390	642	1,257,975
	(3,010,043)	(2,766,742)	642	(5,776,143)
Less investment expenses:				
Investment management fees and other	(90,117)	(124,598)	-	(214,715)
<b>Net investment and other income</b>	<b>(3,100,160)</b>	<b>(2,891,340)</b>	<b>642</b>	<b>(5,990,858)</b>
<b>Total additions</b>	<b>(1,645,766)</b>	<b>(334,487)</b>	<b>157,949</b>	<b>(1,822,304)</b>
<b>Deductions</b>				
Benefits	1,797,601	3,037,816	72,325	4,907,742
	1,797,601	3,037,816	72,325	4,907,742
<b>Other</b>				
Transfers in	-	-	18,673	18,673
	-	-	18,673	18,673
<b>Net change in net assets</b>	<b>(3,443,367)</b>	<b>(3,372,303)</b>	<b>104,297</b>	<b>(6,711,373)</b>
<b>Net Assets Held in Trust</b>				
Beginning of year	32,867,760	18,285,378	-	51,153,138
End of year	\$ 29,424,393	\$ 14,913,075	\$ 104,297	\$ 44,441,765

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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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.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level is determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$6,551,000 for the year ended June 30, 2009.

#### **Note 12. 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, 2009 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, 2009, \$2,281,379 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:

Fiscal Year Ended	Claims Payable July 1,	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2008	\$ 2,283,735	\$ 924,103	\$ 924,103	\$ 2,283,735
2009	\$ 2,283,735	\$ 951,835	\$ 954,192	\$ 2,281,378

# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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### Note 13. Other Postemployment Benefits

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 latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue standalone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Level percent of pay method.

Membership in the plan consisted of the following at July 1, 2008, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	104
Active plan members	<u>1,039</u>
<b>Total</b>	<u><b>1,143</b></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 1,726,843	\$ 464,092	27%	\$ 1,262,751



# TOWN OF TRUMBULL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

### OPEB Obligation

Annual required contribution	\$ 1,726,843
Contributions made	(464,092)
Increase in net OPEB liability	<u>1,262,751</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 1,262,751</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (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 schedule of funding progress is as follows:

(000's)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2008	\$ 18,673	\$ 23,661,376	\$ 23,642,703	0.08%	68,878,313	34%

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 actual results are compared with past expectations and new estimates are made about the future.

Projections of 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 of 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.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level percent
Remaining Amortization Period	30 Years Decreasing
Actuarial Assumptions:	
Investment rate of return	4.5% (5.0% police)
Inflation rate	4.0% (4.5% police)
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Age	%/Yr. Increase
Up to 39	0.0%
40-44	3.3%
45-49	3.3%
50-54	3.3%
55-59	3.6%
60-64	4.2%
65-69	3.0%
70-74	2.5%
75-79	2.0%
80-84	1.0%
85-89	0.5%
90+	0.0%

#### Note 14. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Town:

- ♦ GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.

## TOWN OF TRUMBULL, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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- ♦ GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.
- ♦ GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.
- ♦ GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

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Required Supplementary  
Information

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# TOWN OF TRUMBULL, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION – PENSION TRUST FUNDS June 30, 2009

### Scheduling of Funding Progress – Pension Trust Funds

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)	Covered Payroll (C)
<i>Police Benefit Plan</i>						
7/1/2002	\$ 26,799,433	\$ 35,243,745	\$ 8,443,312	76.0 %	\$ 3,489,429	242.0 %
7/1/2004	27,147,266	39,271,098	12,123,832	69.1 %	4,007,225	302.5 %
7/1/2005	N/A	N/A	N/A	N/A %	N/A	N/A %
7/1/2006	29,273,360	40,719,224	11,445,864	71.9 %	4,290,000	266.8 %
7/1/2007	N/A	N/A	N/A	N/A %	N/A	N/A %
* 7/1/2008	33,154,094	46,416,172	13,262,078	71.4 %	5,029,000	263.7 %
<i>Town Employees Pension Plan</i>						
7/1/2002	\$ 18,605,351	\$ 36,862,263	\$ 18,256,912	51.0 %	\$ 11,964,619	153.0 %
7/1/2004	16,971,460	42,583,140	25,611,680	39.9 %	14,052,122	182.3 %
7/1/2005	N/A	N/A	N/A	N/A %	N/A	N/A %
7/1/2006	18,292,145	47,655,814	29,363,669	38.4 %	15,307,000	191.8 %
7/1/2007	N/A	N/A	N/A	N/A %	N/A	N/A %
* 7/1/2008	19,572,031	57,704,539	38,132,508	33.9 %	17,476,000	218.2 %

- \* Subsequent to the most recent valuation date, certain economic events have had a significant adverse impact on investment portfolios. As such, these market downturns may have a significant effect on the funded ratio and on future required contributions.

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## ***Appendix B***

### ***Forms of Opinion of Bond Counsel and Tax Exemption***

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# JOSEPH FASI LLC

1010 WETHERSFIELD AVENUE  
HARTFORD, CONNECTICUT 06114

A T T O R N E Y S   A T   L A W

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

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

Town of Trumbull  
Trumbull, Connecticut

Ladies and Gentlemen:

We have examined a record of the proceedings of the Town of Trumbull, a Tax Regulatory Agreement of the Town dated September 9, 2010 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$22,000,000 Town of Trumbull General Obligation Bonds, Issue of 2010, bearing a Dated Date of September 1, 2010 and an Original Issue Date of September 9, 2010 (the "bonds"). The bonds are subject to redemption prior to maturity as therein provided.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

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

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

has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the bonds shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

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

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

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

Respectfully yours,

JOSEPH FASI LLC

# JOSEPH FASI LLC

1010 WETHERSFIELD AVENUE  
HARTFORD, CONNECTICUT 06114

A T T O R N E Y S     A T     L A W

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

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

Town of Trumbull  
Trumbull, Connecticut

Ladies and Gentlemen:

We have examined a record of the proceedings of the Town of Trumbull, a Tax Regulatory Agreement of the Town dated September 9, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$23,310,000 Town of Trumbull General Obligation Bond Anticipation Notes, bearing a Dated Date and an Original Issue Date of September 9, 2010, maturing September 8, 2011 (the "notes").

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the notes (except to the extent, if any, stated in such Official Statement) and we express no opinion relating thereto.

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

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

has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the notes shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

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

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

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

Respectfully yours,

JOSEPH FASI LLC

## **TAX EXEMPTION –Bonds and Notes**

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

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

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Prospective purchasers of the Bonds and Notes are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Bonds and Notes.

## **ORIGINAL ISSUE DISCOUNT**

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

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

Prospective purchasers of OID Bonds, should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

## **ORIGINAL ISSUE PREMIUM**

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.



## ***Appendix C***

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

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## CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of September 9, 2010

In Connection With The Issuance And Sale Of

\$22,000,000 Town Of Trumbull, Connecticut

General Obligation Bonds, Dated September 1, 2010

WHEREAS, the Town of Trumbull, Connecticut (the "Issuer") has heretofore authorized the issuance of \$22,000,000 in aggregate principal amount of its General Obligation Bonds (the "Bonds") to be dated September 1, 2010 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement describing the Bonds (the "Official Statement"); and

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

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

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

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

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

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

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

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

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

<http://emma.msrb.org>

Section 2. Annual Reports.

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

1) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

2) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in 1) above:

- (a) the amounts of the gross and net taxable grand list;
- (b) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (c) the percentage or amount of the annual property tax levy collected and uncollected;
- (d) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (e) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (f) the direct debt and overall net debt of the Issuer per capita;
- (g) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;

- (h) a statement of statutory debt limitations and debt margins;
- (i) the funding status of the Issuer's pension benefit obligation.

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

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

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

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of the occurrence of any of the following events, if material:

- a) principal and interest payment delinquencies;
- b) non-payment related defaults;
- c) unscheduled draws on debt service reserves reflecting financial difficulties;
- d) unscheduled draws on credit enhancements reflecting financial difficulties;
- e) substitution of credit or liquidity providers, or their failure to perform;

- f) adverse tax opinions or events affecting the tax-exempt status of the security;
- g) modifications to rights of security holders;
- h) bond calls;
- i) defeasances;
- j) release, substitution or sale of property securing repayment of the securities; and
- k) rating changes.

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

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

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

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

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure

Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

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

**[Signature Page Follows]**

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of September 9, 2010

In Connection With The Issuance And Sale Of

\$22,000,000 Town Of Trumbull, Connecticut

General Obligation Bonds, Dated September 1, 2010

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

TOWN OF TRUMBULL, CONNECTICUT

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

By \_\_\_\_\_  
John L. Ponzio  
Town Treasurer

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



## ***Appendix D***

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

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CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of September 9, 2010

In Connection With The Issuance And Sale Of

\$23,310,000 Town Of Trumbull, Connecticut

General Obligation Bond Anticipation Notes, Dated September 9, 2010

WHEREAS, the Town of Trumbull, Connecticut (the "Issuer") has heretofore authorized the issuance of \$23,310,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes (the "Notes") bearing a Dated Date of September 9, 2010, maturing on September 8, 2011, said Notes as more fully described in the Issuer's Final Official Statement describing the Notes and prepared in connection with their sale (the "Official Statement"); and

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

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

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

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

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

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

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

<http://emma.msrb.org>

Section 2. Event Notices. The Issuer agrees to provide or cause to be provided in a timely manner, to the MSRB, notice of the occurrence of any of the following events, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities; and
- (xi) rating changes.

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

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

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any

provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB.

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

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

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of the beneficial owners of the Notes and shall be enforceable by them. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

**[Signature Page Follows]**

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF TRUMBULL, CONNECTICUT

Dated As Of September 9, 2010

In Connection With The Issuance And Sale Of

\$23,310,000 Town Of Trumbull, Connecticut

General Obligation Bond Anticipation Notes, Dated September 9, 2010

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

TOWN OF TRUMBULL, CONNECTICUT

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

By \_\_\_\_\_  
John L. Ponzio  
Town Treasurer

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

## ***Appendix E***

### ***Notice of Sale and Bid Forms – The Bonds and the Notes***

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**NOTICE OF SALE**  
**TOWN OF TRUMBULL, CONNECTICUT**

**\$22,000,000**  
**GENERAL OBLIGATION BONDS, ISSUE OF 2010**

**AND**

**\$23,310,000**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Bids will be received by the Town of Trumbull, Connecticut (the "Issuer"), at Trumbull Town Hall, Office of the Director of Finance, 5866 Main Street, Trumbull, Connecticut 06611 on **Thursday, August 26, 2010** for the purchase of:

**\$22,000,000 General Obligation Bonds**  
(the "Bonds")

**NOT BANK QUALIFIED**

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

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

\* \* \* \* \*

**\$23,310,000 General Obligation Bond Anticipation Notes**  
**Dated: September 9, 2010**  
**Due: September 8, 2011**  
(the "Notes")

**NOT BANK QUALIFIED**

**until 11:00 A.M. (E.D.T.)**

**Notes: SEALED PROPOSALS and Electronic Bids via *PARITY*<sup>®</sup>**

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

### The Notes

The Notes will be dated September 9, 2010, will be payable to the registered owner on September 8, 2011 and are not subject to redemption prior to maturity. They will bear interest (which interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

### The Bonds

The Bonds will be dated September 1, 2010, maturing September 1 in each of the years as follows: \$1,100,000 in each of the years 2011 through 2030, both inclusive, bearing interest payable semi-annually on March 1 and September 1 in each year until maturity, commencing March 1, 2011.

### Redemption – The Bonds

The Bonds maturing on or before September 1, 2018 are not subject to redemption prior to maturity. The Bonds maturing on September 1, 2019 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on and after September 1, 2018, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

	<u>Redemption Dates</u>	<u>Redemption Price</u>
From:	September 1, 2018 and thereafter	100%

The Bonds and Notes will be issued by means of a book-entry system with no physical distribution of bond or note certificates made to the public. The Bonds and Notes will be issued in registered form and one bond certificate for each maturity and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (DTC), registered in the name of its nominee, Cede & Co., and immobilized in their custody. The book-entry system will evidence ownership of the Bonds and Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidders, as a condition to delivery of the Bonds and Notes, will be required to deposit the bond and note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds and Notes will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds and Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for

maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

#### Submitting Proposals - Notes

Proposals for the purchase of said Notes must be in the form of proposal for purchase attached hereto. A proposal may be for all or any part of the Notes but any proposal for a part must be for a minimum of \$100,000, of principal amount per interest rate bid, or a whole multiple thereof, except that one such proposal for a part may include the odd \$110,000, of the principal per interest rate bid, and the total of all principal amounts bid shall not exceed \$23,310,000.

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

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

#### Submitting Proposals - Bonds

Proposals for the purchase of said Bonds will be accepted electronically via **PARITY**® only, and must be in the form of proposal for purchase attached hereto. Each bid must be for the entire \$22,000,000 of bonds, must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum; provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered. Unless all bids are rejected the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

For the purposes of determining the successful bidder, the true interest cost to the Issuer will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to September 1, 2010, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest

accrued to September 9, 2010, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Bonds and/or Notes must be submitted through the facilities of **PARITY**<sup>®</sup> until 11:00 A.M. (E.D.T.) for the Notes and until 11:30 A.M. (E.D.T.) for the Bonds on Thursday, August 26, 2010. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, c/o i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

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

any provision of this Notice shall conflict with information provided by **PARITY**<sup>®</sup>, this Notice shall control.

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

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

The Bonds and Notes will be certified by U.S. Bank National Association. The legality of the issue will be passed upon by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, and the winning bidders will be furnished with their opinion without charge. The winning bidders will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to said firm, a confirmed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

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

Under existing statutes, the interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax.

In rendering the legal opinion, Joseph Fasi LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Bonds and Notes, and further, will assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut, and will be available for examination upon request.

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

IT SHALL BE THE RESPONSIBILITY OF THE WINNING BIDDER OF THE BONDS AND OF THE NOTES TO CERTIFY TO THE ISSUER BEFORE DELIVERY OF THE BONDS AND OF THE NOTES AND IN A MANNER SATISFACTORY TO BOND COUNSEL THE PRICES AT WHICH A SUBSTANTIAL AMOUNT OF THE BONDS OF EACH MATURITY AND OF THE NOTES WERE INITIALLY OFFERED AND SOLD TO THE PUBLIC.

The Bonds and Notes will be delivered to DTC or its Agent via "Fast" on or about September 9, 2010. The deposit of the Bonds and Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds and Notes prior to delivery, and the Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds and Notes with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for the purchaser.

The Bonds and Notes will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (Hartford time) on August 26, 2010. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

For more information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated August 19, 2010, may be obtained from Matthew A. Spoerndle, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, (203) 878-4945. The Official Statement is in a form "deemed final" by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Issuer will provide to the winning bidder of the Bonds 100 copies of the Official Statement and to the winning bidder of the Notes 10 copies of the Official Statement, prepared for this Bond and Note issue at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidders by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds and Notes.

With respect to the Bonds, the Issuer will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide

such annual financial information. With respect to the Notes, the Issuer will undertake in a Continuing Disclosure Agreement to provide timely notice of the occurrence of certain material events.

The winning bidder's obligation to purchase the Bonds or Notes shall be conditioned upon its receiving, at or prior to the delivery of the Bonds or Notes, an executed copy of the Continuing Disclosure Agreement, as applicable.

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Timothy M. Herbst  
First Selectman

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John L. Ponzio  
Town Treasurer

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Maria T. Pires  
Director of Finance

August 19, 2010

(See attached for forms of Proposal for Purchase)

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

August 26, 2010

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

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated August 19, 2010, which Notice is made a part of this proposal, we offer to purchase all \$22,000,000 bonds of the Town of Trumbull comprising the issue described in said notice and to pay therefor par and accrued interest to date of delivery, plus a premium of \$\_\_\_\_\_, provided that the bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2011	\$1,100,000	_____ %	2021	\$1,100,000	_____ %
2012	\$1,100,000	_____ %	2022	\$1,100,000	_____ %
2013	\$1,100,000	_____ %	2023	\$1,100,000	_____ %
2014	\$1,100,000	_____ %	2024	\$1,100,000	_____ %
2015	\$1,100,000	_____ %	2025	\$1,100,000	_____ %
2016	\$1,100,000	_____ %	2026	\$1,100,000	_____ %
2017	\$1,100,000	_____ %	2027	\$1,100,000	_____ %
2018	\$1,100,000	_____ %	2028	\$1,100,000	_____ %
2019	\$1,100,000	_____ %	2029	\$1,100,000	_____ %
2020	\$1,100,000	_____ %	2030	\$1,100,000	_____ %

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

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

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

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

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

The following is our computation of the interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of \$22,000,000 bonds under the foregoing proposal:

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

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PROPOSAL FOR NOTES  
Sealed Proposals or Electronic Bids via **PARITY**<sup>®</sup> Accepted

August 26, 2010

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

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated August 19, 2010, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of \$23,310,000 of Town of Trumbull General Obligation Bond Anticipation Notes and to pay therefor par and accrued interest, if any, to the date of delivery, and pay the premium specified below, if any (and we provide our computations of net interest cost carried to four decimals and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal) as follows:

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in Federal Funds on the date of the Notes or as soon thereafter (but no later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the Issuer.

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

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

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

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

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

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