

FINAL OFFICIAL STATEMENT DATED AUGUST 13, 2014

NEW ISSUE: Book-Entry-Only

**RATINGS: Standard & Poor's: AAA
Moody's Investors Service: Aa1**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on 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. See "Tax Matters" herein.



City of Stamford, Connecticut \$50,000,000 General Obligation Bonds, Issue of 2014

Dated: Date of Delivery

**Due: Serially on August 15, 2015 – 2034
As detailed below**

Interest on the Bonds will be payable February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of and interest payments on the Bonds will be made by the City 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. (See "Optional Redemption" herein.)

Dated: Date of Delivery

Due: Serially, August 15, 2015 - 2034

Due	Amount	Coupon	Yield	CUSIP	Due	Amount	Coupon	Yield	CUSIP
2015	\$2,500,000	5.000%	0.150%	852634GV0	2025*	\$2,500,000	3.000%	2.350%	852634HF4
2016	2,500,000	5.000	0.300	852634GW8	2026*	2,500,000	3.000	2.500	852634HG2
2017	2,500,000	5.000	0.550	852634GX6	2027*	2,500,000	3.000	2.680	852634HH0
2018	2,500,000	5.000	0.830	852634GY4	2028*	2,500,000	3.000	2.830	852634HJ6
2019	2,500,000	5.000	1.150	852634GZ1	2029*	2,500,000	3.000	2.950	852634HK3
2020	2,500,000	5.000	1.400	852634HA5	2030	2,500,000	3.000	3.010	852634HL1
2021	2,500,000	5.000	1.650	852634HB3	2031	2,500,000	3.000	3.080	852634HM9
2022*	2,500,000	3.000	1.880	852634HC1	2032	2,500,000	3.000	3.150	852634HN7
2023*	2,500,000	2.500	2.080	852634HD9	2033	2,500,000	3.000	3.200	852634HP2
2024	2,500,000	2.000	2.180	852634HE7	2034	2,500,000	3.250	3.250	852634HQ0

* Priced assuming redemption on August 15, 2021; however, any such redemption is at the optional election of the City

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

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association of Hartford, Connecticut. The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about August 22, 2014.

RAYMOND JAMES

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ISSUE SUMMARY

The information in this section is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

Issuer:	City of Stamford, Connecticut (the "City")
Issue:	\$50,000,000 General Obligation Bonds, Issue of 2014, book-entry-only (the "Bonds")
Financial Advisor:	Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut.
Date of Sale:	Electronic bids via MuniAuction for the Bonds were received between 11:15 A.M. and 11:30 A.M. (Eastern Daylight Savings Time) on Wednesday, August 13, 2014 at www.MuniAuction.com
Dated Date:	August 22, 2014
Interest Due:	February 15, 2015 and semiannually thereafter on February 15 and August 15 in each year until maturity.
Principal Due:	Serially, August 15, 2015 through August 15, 2034, as detailed in this Official Statement.
Purpose:	The Bonds are being issued to finance various capital improvement projects undertaken by the City and authorized by certain bond resolutions adopted by the Board of Representatives. See "Authorization and Purpose" herein.
Redemption:	The Bonds are subject to redemption prior to maturity as more fully described herein.
Security and Remedies:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.
Bank Qualification:	The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Credit Rating:	See "Ratings" herein.
Basis of Award:	Lowest True Interest Cost ("TIC") as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC"), the City 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 City in substantially the form attached as Appendix C to this Official Statement.

**Certifying Agent,
Registrar, Transfer
Agent and Paying
Agent:**

U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103.

Legal Opinion:

Robinson & Cole LLP will act as Bond Counsel.

**Delivery and
Payment:**

It is expected that delivery of the Bonds in book-entry-only form will be made on or about August 22, 2014 in New York, New York against payment in federal funds.

**Final Official
Statement:**

This Official Statement is in a form "deemed final" by the City for the purposes of SEC Rule 15c2-12(b)(1).

For additional copies of the Official Statement or requests for additional information, please contact:

Barry J. Bernabe
Managing Director
Phoenix Advisors, LLC
53 River Street
Suite 1
Milford, CT 06460

Telephone (203) 283-1110
E-mail: bbernabe@muniadvisors.com

Michael E. Handler
Director of Administration
City of Stamford
Government Center
888 Washington Boulevard
Stamford, CT 06904

Telephone (203) 977-4182
E-mail: mhandler@stamfordct.gov

OFFICIAL STATEMENT

CITY OF STAMFORD, CONNECTICUT GENERAL OBLIGATION BONDS, ISSUE OF 2014 (BOOK ENTRY ONLY)

INTRODUCTION

The purpose of this Official Statement is to provide certain financial information and economic and demographic data relevant to the City of Stamford, Connecticut (the "City") in connection with the issuance and sale of \$50,000,000 General Obligation Bonds, Issue of 2014 (the "Bonds"), of the City.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated August 4, 2014 has been furnished to prospective bidders. Reference is made to the official Notice of Sale attached hereto as Appendix D for the terms and conditions of the bidding.

The successful bidder for the Bonds may add a separate page on the front cover of this Official Statement to indicate its name, the yields or reoffering prices, the interest rate per annum on the Bonds, information regarding ratings and insurance (if any), and any other information which the successful bidder deems appropriate.

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. 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 in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction. No dealer, salesman, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Bonds, and if given or made, such information or representation must not be relied upon. Any statements 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 to be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All quotations and summaries and explanations of provisions of law herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

The information set forth herein has been obtained by the City, from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of the Official Statement.

The information in this Official Statement has been prepared by the City's financial advisor, Phoenix Advisors, LLC (the "Financial Advisor"), from information supplied by City officials and other sources as indicated. The Financial Advisor does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same. An agreement between the City and the Financial Advisor has been entered into to conform to Municipal Securities Rulemaking Board Rule G-23. U.S. Bank National Association, of Hartford, Connecticut will act as Certifying Agent, Paying Agent, Registrar, and Transfer Agent for the Bonds.

The independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A - "Auditor's Section" herein), and they make no representation that they have independently verified the same.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth herein as the opinion of Bond Counsel), and they make no representation that they have independently verified the same.

SECTION I – SECURITIES OFFERED

Description of the Bonds

The Bonds are being offered for sale at public bidding. Reference is made to the official Notice of Sale attached hereto as Appendix D for the terms and conditions of the bidding.

The Bonds will be dated August 22, 2014 and will mature on August 15 in each of the years as follows:

<u>Due August 15</u>	<u>Principal Amount</u>	<u>Due August 15</u>	<u>Principal Amount</u>
2015	\$2,500,000	2025	\$2,500,000
2016	2,500,000	2026	2,500,000
2017	2,500,000	2027	2,500,000
2018	2,500,000	2028	2,500,000
2019	2,500,000	2029	2,500,000
2020	2,500,000	2030	2,500,000
2021	2,500,000	2031	2,500,000
2022	2,500,000	2032	2,500,000
2023	2,500,000	2033	2,500,000
2014	2,500,000	2034	2,500,000

Interest on the Bonds will be payable on February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest will be payable to the registered owner as of the close of business on the last business day of July and January in each year by check mailed to the registered owner, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC and the City shall agree. The Bonds will be payable at the principal office of U.S. Bank National Association in Hartford, Connecticut. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only System” herein.

Optional Redemption

The Bonds maturing on and after August 15, 2022 are subject to redemption prior to maturity, at the election of the City, on and after August 15, 2021, 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 City may determine, at the respective price (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 15, 2021 and thereafter	100.0%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by registered mail not less than thirty (30) days and no more than (60) days prior to the date fixed for redemption to the registered owner of any Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds. 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 Bond or portion of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond 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 City, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a 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 City will reduce the outstanding principal amounts 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 interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption 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 allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the Connecticut General Statutes, as amended, the Charter of the City of Stamford and resolutions adopted by the Board of Finance and the Board of Representatives of the City.

As of July 1, 2014 the City had \$247,567,032 of authorized free balance capital projects for various public improvement and school projects. The City expects that approximately \$110,227,032 will be financed by grants and other sources, and about \$130,340,000 through the issuance of general obligation bonds.

Use of Proceeds

<u>Project</u>	<u>Bond Amount Authorized</u>	<u>Bonds of This Issue</u>	<u>Authorized But Unissued</u>
Public Improvement projects	\$ 69,565,000	\$ 45,975,000	\$ 23,590,000
School projects	<u>60,775,000</u>	<u>4,025,000</u>	<u>56,750,000</u>
Total	\$130,340,000	\$ 50,000,000	\$ 80,340,000

Ratings

Moody's Investors Service ("Moody's") and Standard & Poor's ("S&P") have assigned ratings of Aa1 and AAA, respectively to the Bonds. The City furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Each rating agency should be contacted directly for its rating on the Bonds and the explanation of such rating.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City 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 shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Bonds 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, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, 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, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on 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. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond or note is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond or note. The original issue discount attributable to any bond or note for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a

substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

Security and Remedies

The Bonds will be general obligations of the City of Stamford, and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation 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 or of qualified disabled persons taxable at limited amounts.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, 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, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy 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 having the power to levy taxes and issue bonds or other obligations.

**THE CITY OF STAMFORD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

Qualification for Financial Institutions

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

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 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, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 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; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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"

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 unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds 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 City 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or 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 at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

DTC Practices

The City can make no assurances that DTC, DTC Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will 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.

SECTION II - THE ISSUER

History, Location, and Other Information

Stamford, first settled in 1641, is Connecticut's third largest city by population. It was named the Town of Stamford in 1642 and was admitted to Connecticut in October 1662. In 1893, the City of Stamford, comprising the central portion of the Town of Stamford, was incorporated. Thereafter, the City of Stamford became a composite part of the Town of Stamford resulting in two separate governments. On April 15, 1949, the Town and City were consolidated and named the City of Stamford. Stamford covers an area of approximately 40 square miles located on Long Island Sound between Greenwich to the west and New Canaan and Darien to the east.

The City is less than one hour from New York City by rail or highway transportation. It is on the New Haven line of the Metro-North commuter railroad and also receives service from Shoreline East, Amtrak, and Conrail which provide daily passenger and freight service. It is served by interstate, intrastate, and local bus lines. The Connecticut Turnpike (I-95), the Boston Post Road (U.S. Route 1), and the Merritt Parkway (CT Route 15), traverse the City.

Stamford has a high concentration of national and international corporate headquarters, and it is the major retail trade center of Fairfield County, yet it maintains its suburban character and residential areas. The City offers its residents a high quality of life including good schools, a broad array of public services, attractive parks and recreational activities, and a safe living environment. Through sound urban planning the City has strengthened its downtown retail core, increased its housing and cultural facilities, and attracted major office development.

Restoration of the Mill River, which includes the creation of a new 28-acre urban park along its banks and a greenway leading from downtown Stamford to Long Island Sound, continues. The Mill River Park is spurring development and real estate tax revenues. Over 1,000 new residential units have been built or are in development around the perimeter of the park.

A new Transit-Oriented Development ("TOD") project planned for the Stamford Transportation Center includes a new parking garage, hotel, and retail space. The second and final construction phase of the Stamford Urban Transitway (SUT), which provides automobile and enhanced bus, bike, and pedestrian connections between the Stamford Transportation Center and the City's East Side, commenced in the first quarter of 2013.

The 82-acre Harbor Point development in the South End continues under active construction. To date, more than 2,000 apartment units have been completed, are under construction, or have received approval to commence construction. The project includes 4,000 residential units of which ten percent are affordable housing; commercial space including office buildings, a grocery store, a waterfront hotel, restaurants, and a marina; more than 11 acres of parks and public spaces; a community school; and publicly accessible waterfront areas.

NBC Sports has completed its \$100 million relocation to Stamford from multiple locations across the U.S. and employs nearly 600 people. Chelsea Piers of New York City has opened its 240,000-square-foot facility following a \$40 million retrofit of the former Clairol site and created 240 jobs.

The University of Connecticut (UCONN) Stamford Branch is planning an expansion which will include 400 units of residential housing. Stamford Hospital has begun construction of a \$450 million development that will include a new five-story hospital building and a central utility plant.

Stamford is an important residential suburb in one of the highest per capita income areas of the United States. The 2009-2011 American Community Survey reports Stamford's per capita income as \$41,762 with a 2010 Census population of 122,643.

Description of Government

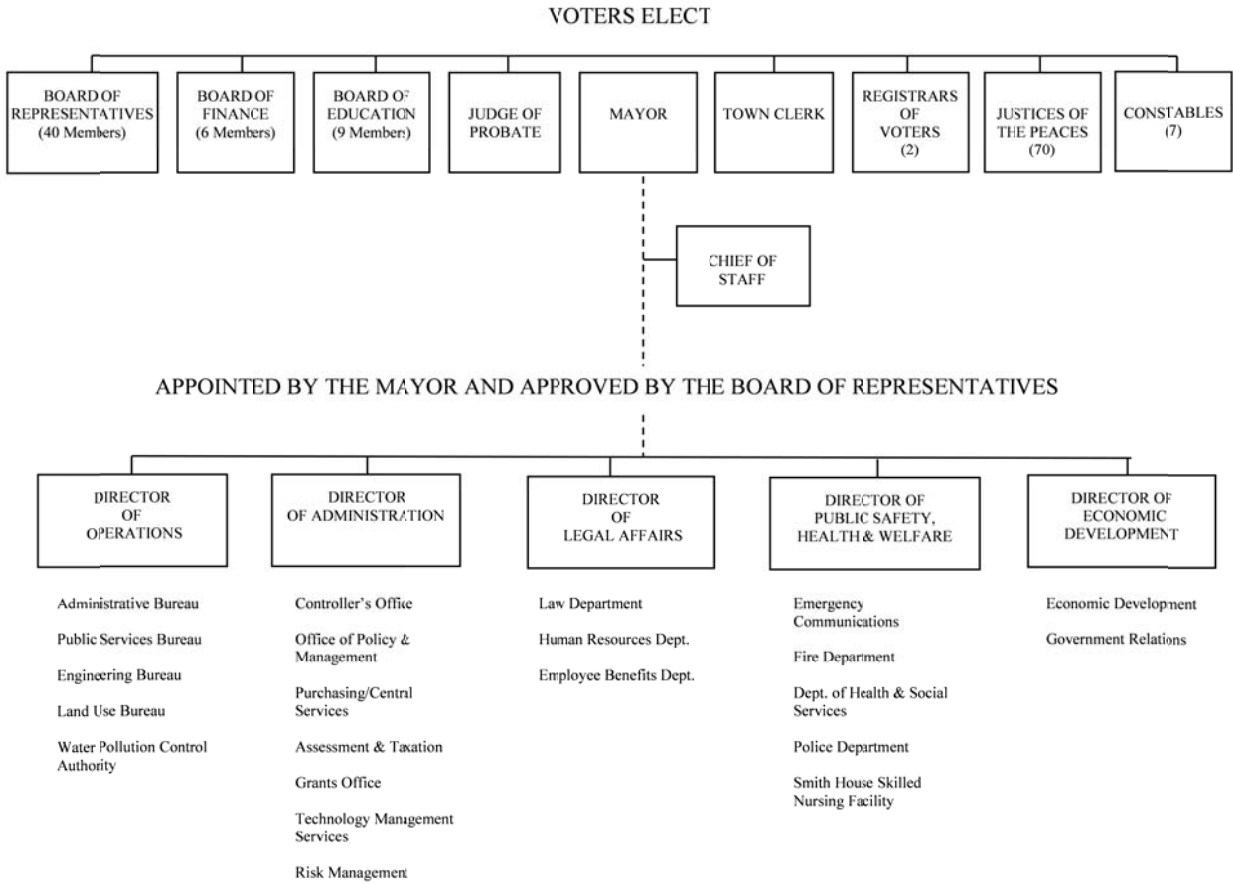
The City of Stamford operates under a Charter adopted in 1949 and most recently revised in November 2013. The 2013 18th Charter Revision was undertaken to correct discrepancies created by the 2012 decennial charter review. The 2012 revisions mandated a Board of Ethics, created a Historic Preservation Advisory Commission, added a preamble concerning Citizens' Rights, created a single combined fire department consisting of the existing municipal department and the five volunteer companies, and made a number of technical changes to the Charter.

The chief executive officer of the City is the Mayor, who is elected for a four-year term of office. The legislative function is performed by a forty-member Board of Representatives whose members are elected, two from each of twenty districts, for four-year terms. The Board of Representatives adopts ordinances and resolutions and must approve all expenditures of funds. A six-member Board of Finance, elected to staggered three-year terms with provisions for representation of two major political parties, establishes fiscal policy and must approve all expenditures of funds.

The Director of Administration is appointed by the Mayor and confirmed by the Board of Representatives. Under the direction of the Mayor, the Director of Administration has supervision over the Controller's Office, Office of Policy and Management, Purchasing, Central Services, Assessment and Taxation, Community Development, Intergovernmental Grants, Technology Management Services and Risk Management. The Director of Administration is the Chief Fiscal Officer of the City and performs accounting of all funds showing all financial transactions for all commissions, boards, departments, offices, agencies, authorities, and other entities of the City. The Office of Administration provides certain support services for the Board of Education.

The Director of Administration has the powers and duties conferred on town treasurers to issue and market all bonds and to invest funds of the City. The Director of Administration is also responsible for the preparation of the operating and capital budgets of the City. In addition, in accordance with Section 8-20-3 of the City Charter, the Director of Administration submits an opinion to the Mayor and Board of Finance in December of each year setting forth the amount and nature of capital expenditures that the City may incur safely for each of the six succeeding years.

Organizational Chart
CITIZENS OF STAMFORD



Administration

The Mayor, subject to the approval of the Board of Representatives, appoints four Directors: the Director of Operations, Director of Administration, Director of Legal Affairs, and Director of Public Safety, Health & Welfare. The Mayor also appoints the Director of Economic Development and a Chief of Staff. The Directors and the Chief of Staff serve at the Mayor's pleasure and their terms are coterminous with the Mayor's term of office.

Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Length of Service</u>
Mayor	David R. Martin	Elected/4 years	7 months ¹
Chief of Staff	Michael E. Pollard	Appointed/4 years	7 months ¹
Director of Administration	Michael E. Handler	Appointed/4 years	2 years ^{1,2}
Director of Operations	Ernest A. Orgera	Appointed/4 years	4 ½ years ^{1,2,3}
Director of Legal Affairs	Kathryn Emmett, Esq.	Appointed/4 years	7 months ¹
Director of Public Safety, Health and Welfare	Thaddeus K. Jankowski, Sr.	Appointed/4 years	2 ½ years ^{1,2}
Director of Economic Development	Thomas Madden	Appointed/4 years	Newly Appointed
Controller	David A. Yanik	Unclassified/indefinite	2 ½ years
Director of Policy & Management ..	James F. Hricay	Civil service/indefinite	1 year ⁴
Superintendent of Schools	Dr. Winifred Hamilton	Appointed/3-yr. contract	2 years ⁵

¹ David R. Martin was elected Mayor of the City of Stamford in November 2013, took office on December 1, 2013, and appointed his cabinet members shortly thereafter. Mayor Martin represented the 19th District on Stamford’s Board of Representatives for 26 years (from 1987 to 2009) and served as president for 8 years (2001 to 2009). Mayor Martin was elected to the Board of Finance in November of 2011 and served through November of 2013.

² Mr. Handler, Mr. Orgera, and Mr. Jankowski served as cabinet members for the previous administration and were reappointed by Mayor Martin.

³ Mr. Orgera, Director of Operations, previously served 20 years as a Stamford police officer and over 19 years as a supervisor in the City of Stamford’s Operations Division.

⁴ Mr. Hricay has been employed by the City of Stamford for 11 ½ years.

⁵ Dr. Hamilton was appointed Superintendent of Schools on July 1, 2012 and was previously appointed Interim Superintendent of Schools on September 28, 2011 and Acting Superintendent on July 1, 2011. Dr. Hamilton had previously been employed by Stamford Public Schools for 42 years.

The City administers a Civil Service System, including hiring, promotional and competitive examinations and disciplinary actions. In addition, the Civil Service System conducts training programs and maintains employee benefit programs. The Department of Human Resources conducts collective bargaining negotiations on 14 contracts with municipal employee labor unions. The Board of Education negotiates with its employee labor unions. See “Municipal Employees Bargaining Organizations” herein.

The City currently employs 3,353 full-time persons for General Government and the Board of Education. The following table shows the City’s employment rolls for the past seven fiscal years.

Municipal Employees¹

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
General Government ²	1,158	1,175	1,124	1,113	1,158	1,228	1,226
Board of Education	<u>2,195</u>	<u>2,127</u>	<u>2,079</u>	<u>2,060</u>	<u>2,062</u>	<u>2,060</u>	<u>2,122</u>
Total	3,353	3,302	3,203	3,173	3,220	3,288	3,348

¹ As of July 1 each fiscal year.

² General Government includes all employees involved in municipal operations plus employees of the Smith House Nursing Home (100) the Water Pollution Control Authority (37); the E. Gaynor Brennan Golf Course (6); the Risk Management Fund (3); the Marina Fund (2) and the Parking Fund (18).

Municipal Employees Bargaining Organizations

<u>Organization</u>	<u>Number of Employees</u>	<u>Current Contract Expiration Date</u>
<i>General Government</i>		
Stamford Police Association	279	06/30/11 ¹
Local #786 of the International Association of Firefighters, AFL-CIO (downtown)	256	06/30/11 ²
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	108	06/30/14 ¹
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses)	48	06/30/14 ¹
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists)	4	06/30/14 ¹
Local #1303-191 of the AFSCME, Council # 4, AFL-CIO (Attorneys)	5	06/30/14 ¹
International Union of Operating Engineers Local 30 AFL-CIO	24	06/30/14 ¹
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	232	06/30/10 ²
New England Health Care Employees Union, District 1199 (Smith House)	81	06/30/12 ²
Local #222 of the United Electrical Radio & Machine Workers of America	<u>121</u>	06/30/15
Total Employees	1,158	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	6	06/30/14 ¹
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	84	06/30/10 ²
Stamford Board of Education Employees Association (Custodian & Maintenance Workers)	154	06/30/13 ¹
Security Workers and Community Liaison Employees	33	06/30/16
Stamford Education Association	1,483	06/30/16
Paraeducators of Stamford Association.....	375	06/30/16
School Administrators Association of Stamford	<u>60</u>	06/30/15
Total Employees	2,195	

¹In negotiation

²In arbitration

Connecticut General Statutes section 7-473c provides for a mandatory binding arbitration procedure of collective bargaining agreements between municipal employers and municipal employee organizations. Section 10-153f provides for mandatory mediation and arbitration of disagreements between any local or regional board of education and the exclusive bargaining representatives of a teachers' or administrators' unit concerning the terms and conditions of employment applicable in such unit. A panel of arbitrators or a single arbitrator shall hold a hearing or hearings and take testimony and evidence. At the conclusion of the hearing process the parties file last best offers. The arbitrator(s) are required to accept the last best offer of either party. In arriving at a decision, the arbitrator(s) shall give priority to the public interest and the financial capability of the municipal employer (town), including consideration of other demands on the financial capability of the town. Statute section 10-153f requires that when assessing the financial capability of the town, there is an irrefutable presumption that a budget reserve of five percent or less isn't available for payment of the cost of items that are the subject of the arbitration. In light of financial capability the arbitrator(s) are also required to consider the following factors: prior negotiations between the parties, interests and welfare of the employee group, cost of living changes (section 10-153f requires that the cost of living be averaged over the preceding three years), existing employment conditions of the specific employee group and similar groups, and wages/salaries, fringe benefits, and employment conditions in the labor market, including developments involving wages and benefits in the private sector (section 10-153f further provides the review of contract settlements and arbitration awards for other employee organizations in assessing this factor). An arbitration award may be rejected by a two-

thirds majority vote of the legislative body of the municipal employer. Such vote must take place within twenty-five days of receipt of the award. If the award is rejected, the body must notify in writing, the reasons for the vote, to the appropriate employee organization and the State of Connecticut. In the event of a rejection the appropriate State agency or department selects an arbitration panel of three arbitrators or, if the parties agree, a single arbitrator may be used. The arbitrator(s) review the record, briefs, and the decision on each rejected issue from the prior award. The reviewing arbitrator(s) are required to accept the last best offer of either of the parties and are limited to considering the public interest and financial capability of the town and the other previously mentioned factors, in light of the town's financial capability. After completion of such review the arbitrator(s) render a decision on each rejected issue which is final and binding on the parties unless a motion to vacate or modify the award is filed in the Superior Court of the State of Connecticut.

Pursuant to the terms of section 7-473c, the City has officially entered the binding arbitration process with Local 786 of the International Association of Fire Fighters; New England Health Care Employees Union, District 1199; and Local 2377 of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The City has not begun the arbitration process with the Stamford Police Association. The City continues to meet with all unions currently in the binding arbitration process and the Stamford Police Association.

Each of the arbitrations is unlimited in that there is no restriction on language submission for the arbitrator to consider. The City expects to address such issues as wages, health care, pension benefits, work rules, and contract length.

Summary of Municipal Services

Fire Services: Background - The City of Stamford is served by six autonomous fire departments. The Stamford Fire & Rescue Department, historically under the control of the Chief, serves the City Fire Service District, except in case of emergency or special agreement. The fire districts outside of the Stamford Fire & Rescue fire district are served by five volunteer departments which have come to be called "The Big Five." Although nominally characterized as volunteer companies, historically they have relied upon paid professional firefighters, such that more accurately they are "combination" departments.

In the summer of 2012, the 17th Charter Revision Commission proposed a change to create a single combined Fire Department led by a single Chief as well as creating the positions of Assistant Chief for Volunteer Services and Assistant Chief for Career Services. The revision submitted by the Commission was accepted by the Board of Representatives and approved by voters in November 2012. The Mayor's Director of Public Safety, Health & Welfare is currently working with the Stamford Fire and Rescue Chief and the Chiefs of the Volunteer Companies to develop an effective implementation plan for the new combined department. In the interim, the current status is as follows:

- Glenbrook (New Hope) Volunteer Fire Department - Volunteers supplemented with professional staff managed by Stamford Fire & Rescue
- Springdale Volunteer Fire Department - Volunteers supplemented with professional staff managed by Stamford Fire & Rescue
- Turn of River Volunteer Fire Department - All volunteer in Turn of River stations. Two temporary stations with professional staff managed by Stamford Fire & Rescue operate in Turn of River fire district.
- Long Ridge Volunteer Fire Department - Volunteers supplemented with professional staff managed by volunteer department
- Belltown Volunteer Fire Department - All volunteer

Stamford Fire & Rescue augments fire protection in all volunteer districts via mutual aid.

Department of Health and Social Services: The mission of the Department of Health and Social Services is to prevent epidemics and the spread of disease, protect against environmental hazards, prevent

injuries, promote and encourage healthy behaviors, respond to disasters and assure the quality and accessibility of health services for the members of the community.

The School Nursing Program deploys school nurses and dental hygienists to provide screening, referral and follow-up services to students in school to promote and maintain health in order to enhance their ability to learn. The Community Nursing Program offers nursing services to the public to screen, provide referral for medical care, and to provide treatment of disease so to minimize transmission and stop the spread of disease in the community.

There are several inspection programs that are mandated through the General Statutes of the State of Connecticut, Connecticut Public Health Code and City of Stamford Code of Ordinances that the Environmental Inspections Division is required to perform. There are also many non-mandated services provided by the Environmental Inspections Division that are necessary in establishing a safe environment and improving the quality of life for the citizens of Stamford. All inspectors are certified in Food Service, Subsurface Sewage Disposal Phases I and/or II, and Lead Inspector and/or Lead Risk Assessor. The Environmental Inspections Division inspects and licenses food service establishments, septic systems, refuse trucks, multi-family structures, daycares, schools, salons and emergency shelters and acts as the lead division that enforces minimum housing standards that govern the quality of life for the residents in the City. The Health Department has come together with other City departments that perform inspections to strengthen enforcement on illegal units within the city. This concept has also put the City of Stamford in the forefront in promoting the Healthy Homes Initiative spearheaded by federal and state agencies.

Stamford's enforcement programs are designed to maximize the impact of imposing health and safety regulations by targeting the most serious violators while ensuring equity through the broad-based application of codes.

The disruption to the lives of tenants is minimized by providing sufficient resources for relocation assistance, encouraging proactive efforts by property owners and working extensively with partners in the community to provide suitable, safe, affordable housing.

The Health Department Laboratory offers laboratory services and expertise to the citizens of Stamford, by applying scientific and technical knowledge to prevent disease and promote health. Other services offered in the Health and Social Services Department include Women, Infants and Children's programs providing nutritional education, counseling and access to nutritional foods for pregnant women, infants and young children. The HIV Prevention program provides educational outreach and education to the residents of Stamford.

The Social Services Division's mission is to promote policies and strategies that adhere to the philosophy of individual and family self-sufficiency and to provide information to aid residents of Stamford in obtaining basic human sustenance and services.

Police Department: The Stamford Police Department is the sole, full-time law enforcement agency responsible for public safety in the City. The Department consists of several different units all falling within six distinct Divisions. Due in large part to the efforts of the Police Department, the FBI ranked Stamford as the 11th safest large city in the nation and the safest in New England in 2012. The Department is firmly committed to a collaborative, cooperative, and interactive community policing philosophy. The Patrol Division is divided into four squads that patrol four policing districts. District Captains and patrol commanders regularly attend meetings of neighborhood associations and community groups and are an integral part of many community functions. The Department is committed to working with residents to identify and solve community issues before they become crime problems.

Several enhancements have been made to make the Stamford Police Department a true full-service Police Department capable of providing residents with comprehensive police services. These enhancements include the establishment of two specialty units, the Special Response Team (SWAT) and the Hostage Crisis Team. In addition, the Department has acquired advanced technology to enhance efforts such as a cloud computing system, Dashboard Digital that enables officers to analyze crime data in real time, and a

satellite for the Command Vehicle. Also, the Department has purchased cutting-edge tactical equipment to be used in advanced tactical training and in the field in critical incidents.

Besides these enhancements, the Department provides a host of services that go well beyond the traditional police response. Some examples of these services include a Critical Incident Stress Debriefing Team, Department-wide participation in Critical Incident Training, and a Composite Artist Squad. Also, the Department collaborates with community agencies and professionals to provide an array of non-traditional police services. Some examples include collaborating with a host of physicians who assist in such areas as forensic odontology and excitement delirium. In addition, the Department has a long history of collaborating with local service providers to meet the needs of residents. Some examples of these partnerships include working with Child Guidance to assist at-risk youths, working with the Domestic Violence Crisis Center to assist victims of domestic violence, and working with the Domus Foundation to assist youths through such programs as the Girls Leadership Program and the Juvenile Review Board. Moreover, the Department frequently provides assistance and guidance to other law enforcement agencies in the region. These enhancements, coupled with traditional policing services, enable the Police Department to be a leader in the industry.

In addition to the Special Response and Hostage Crisis Teams, the Department comprises several other specialty units in addition to Patrol, Investigative, and the Narcotics and Organized Crime Unit that form a comprehensive police response. Examples of specialty units include the Special Victims Unit ("SVU"), the Internet Crimes Against Children Task Force ("ICAC"), the Digital Forensic Unit ("DFU"), the Collision Analysis and Reconstruction Squad ("CARS"), the Traffic Enforcement Unit ("TEU"), the Canine Unit, the Motorcycle Unit and the Marine Division Harbor Unit.

The Hostage Crisis Team is utilized in hostage/barricade/standoff situations. Members of the unit are trained to diffuse potentially dangerous situations through negotiations. The Special Response Team (SWAT) will be utilized in high-risk entry situations when negotiating is not a viable option. Both units are also indispensable in emergency and homeland security efforts.

The Narcotics and Organized Crime Unit collaboratively works with the FBI, ATF, DEA, ICE and the US Marshals. The Unit is responsible for major criminal operations and is nationally recognized. Last year the Unit's case management included the dismantling of multiple major criminal organizations resulting in over 1,000 arrests. The unit investigated cases that had both national and international ramifications.

The SVU is the first of its kind in the region and was formed to investigate crimes of domestic violence, elder abuse, crimes against people with diminished mental capacity, intimate stalking and harassment and cohabitating sexual assault investigations. The Unit partners with several State and local agencies as well as several social service providers and has assisted well over a thousand victims in its short lifespan.

The ICAC Task Force is the lead law enforcement unit in the state, and serves as the lead agency in the regional Task Force comprising surrounding jurisdictions and the State's Attorney's Office. Investigators utilize advanced forensic capabilities to locate, arrest, and prosecute child sexual predators. The Task Force has taken the lead in utilizing forensic tools to address the growing problem of child exploitation via the Internet. This effort has been so successful that our Department expanded efforts by creating our own Digital Forensic Unit (DFU) dedicated to conducting even more forensic investigations with the goal of identifying and apprehending Internet predators.

The CARS Unit is responsible for investigating fatal or serious accidents that may result in a fatality. All investigators in the Unit have received advanced training and are experts in the field of motor vehicle accident enforcement and Operating Under the Influence alcohol checkpoints.

In response to concerns from our citizens, the Department recently established a Traffic Enforcement Unit. The TEU serves as a visible and aggressive deterrent to traffic violators throughout the city. The Unit also monitors chronic accident locations, provides increased DUI and distracted driving enforcement and awareness and educates the public regarding traffic enforcement laws. The main goal of the Unit is to reduce the number of traffic accidents that occur throughout the city.

The Canine Unit consists of four patrol dogs, one bomb dog used for ballistic detection and gunshot residue, one Search and Rescue dog, and one dog used for narcotics detection. This Unit has truly become a regional resource, frequently assisting other law enforcement agencies in the region.

The Motorcycle Unit operates year-round and is responsible for traffic enforcement that includes laser-equipped radar to detect traffic light and stop sign violations and, most importantly, school bus violations designed to protect children.

The Harbor Unit operates year-round and consists of three vessels including a Rock Salt V28PH Police Special which is an aluminum-hulled patrol boat. The Unit's many responsibilities include search and rescue operations, enforcing laws pertaining to the water, maintaining criminal law enforcement on the water, and assisting local, State and federal agencies. The Unit also works closely with many federal agencies in homeland security operations on the City's coastline.

These specialty units and the Patrol, Investigative, and Narcotics and Organized Crime Divisions provide protection for the citizens of Stamford on a daily basis. Each day, officers respond to a wide range of calls for service ranging from quality of life issues to the most violent crimes. Their diligence enables the Stamford Police Department to continue to provide a safe and secure environment for our residents.

Smith House Skilled Nursing Facility: The City operates a 128-bed skilled nursing facility situated on thirteen acres in the north Stamford area of the City. Services offered include medical, rehabilitation and comprehensive nursing services, inpatient physical therapy, occupational therapy, speech language pathology services, therapeutic recreation activities, and social work services along with residential accommodations that comply with State and federal requirements for a comprehensive care nursing home.

Services are delivered within 68 private rooms and two 30-bed units comprising semi-private rooms, one of which is a 30-bed secure unit for patients diagnosed with dementia-related diseases. A dedicated 17-bed short-term rehabilitation unit cares for patients recovering from a recent hospital stay by providing rehabilitation services, intravenous therapy, and oxygen therapy, with the goal of enabling the person to return home. Patients receiving short-term rehabilitation usually stay at the facility an average of twenty-two days. The facility also offers Respite Care, Long Term Residential Care, and End of Life Care. The facility also houses a fully licensed Outpatient Rehabilitation Center.

The facility is surveyed by the Connecticut Department of Public Health to ensure it remains compliant with the Connecticut Public Health Code, General Statutes of Connecticut and Medicare/Medicaid Requirements for Long Term Care Facilities. The facility's five-star Quality Rating from Medicare exemplifies its commitment to providing quality care to all it serves. For more information go to the Medicare website and use the "compare nursing homes" link. This rating is based on its performance in state surveys, its achievement of high-quality related outcome measures, and its excellent staffing levels. Approximately 5% of the nation's nursing homes receive a five-star rating from Medicare, a reflection of the rigorous standards that facilities such as Smith House must meet to achieve this distinguished rating.

Arts and Culture: The Stamford Center for the Arts, established in 1983, is dedicated to serving as the region's premier center for the performing arts. In 1989, the Center acquired the 1,600-seat Palace Theater. The Theater, a Thomas Lamb-designed vaudeville house, opened in 1927 and has attracted some of the world's finest artists for 85 years. In addition to a full season of cultural and entertainment events, the Palace Theater is also home to the Stamford Symphony, Ballet School of Stamford, Connecticut Ballet, Namaskaar, Lumina String Quartet and the Stamford Young Artists Philharmonic. From 2000-03 the Theater underwent extensive renovations to preserve the structure and to provide state-of-the-art technology for its performers and patrons. Throughout the process, the City worked closely with the Historic Neighborhood Preservation Program in an effort to preserve Atlantic Street's architecture, which has remained virtually unchanged since 1860. In addition to the restored 1,600-seat theater, the property now contains conference rooms and an art gallery. The Palace reopened in October 2003. In 2009, SCA entered into a lease of one of the its facilities, Rich Forum, to NBC Universal for use as production space, employing 150-200 people.

Since 1998 the City has funded the arts and cultural activities through a community grant program supporting local arts organizations. Other municipal organizations that provide or promote cultural activities supported by the City include the Stamford Museum and Nature Center, a 118-acre natural woodland park and museum that blends history, nature and art; the Bartlett Arboretum, a facility in North Stamford with 63 acres of nature trails and landscaped gardens; and the Stamford Historical Society Museum, a museum of local history.

Library: The Ferguson Library is Stamford's public library system, consisting of the Main Library downtown, the Harry Bennett Branch, the Weed Memorial & Hollander Branch, the South End Branch and a bookmobile. Total annual circulation system-wide is over 952,000 items. Attendance system-wide in fiscal year 2012-2013 was approximately 736,000, and 139,000 users visited the Library remotely via the Internet. The Library offered 1,900 programs for children, teens and adults, which were attended by more than 54,000 people. All library facilities are operated by The Ferguson Library, a 501(c)(3) non-profit corporation.

Stamford Partnership: In 1979, the City established a non-profit partnership of business and governmental leaders to improve its economic and physical health. The Stamford Partnership is charged with the following: (1) to work with public officials on strategies related to community-wide issues; (2) to act as a catalyst for civic action; and (3) to serve as a conduit for the application of private sector resources for civic purposes. The Partnership's current activities focus on shaping the livability agenda through research, convening, community training, public programing, and using technology in order to better connect with our city and have our city better connect with the people who live, work, and visit.

Office of Operations:

Administration Bureau: The mission of the Administration Bureau is to provide the other bureaus of the Office of Operations with administrative assistance and to provide the general policy guidelines by which all bureaus operate. In addition, the Administration Bureau oversees the maintenance of all City facilities and parks and supervises operations at the Terry Conners Ice Rink, the E. Gaynor Brennan Golf Course, and the Parks Police.

Facilities and Parks Management - The Maintenance Division oversees a City staff of 37 full time employees, including three Operations Foremen and two Landscape Specialists whose responsibilities include maintaining 900 acres of general parkland and open space encompassing 58 public parks, 22 athletic fields, four beaches, three artificial turf fields and three marinas. City building responsibilities include 80 facilities and the Stamford Government Center. The mission of the Maintenance Division is to provide the highest quality, cost-effective, preventative maintenance and upgrades to all facilities and parks owned by the City of Stamford to ensure that all are accessible, operational, and safe for employees, citizens and the visiting public.

The Leisure Services Division - The Leisure Services Division enhances the quality of life in Stamford by providing diverse recreational programs and coordinating services with, and to, other leisure service providers. Leisure Services provides direct leadership and coordination of services to numerous youth and adult sports leagues such as tennis, baseball, basketball, soccer, football, and softball, as well as 250 annual programs in music, swimming, youth sports, camps, and special interest activities. Aquatics programming includes supervision and lifeguards at all four City beaches on Long Island Sound and Heroy Pool. In addition, a year-round learn to swim program and open swim is offered. The Terry Conners Ice Rink hosts various skating programs and events such as youth hockey, learn to skate, freestyle, lessons, leagues, camps, and high school hockey games.

Public Services Bureau: Under the direct supervision of the Director of Operations, the Public Services Bureau was established as part of the Office of Operations in 1996. It includes functional elements of what was the City's Public Works Department. Currently, the Solid Waste, Traffic and Road Maintenance, Fleet Management, Building Inspection, Citizens Services Center, and the Cashiering and Permitting Divisions are part of this Bureau. Shown below is a summary of the major activities of each of the divisions during fiscal year 2012-2013.

Solid Waste/Recycling Division - The Solid Waste Division comprises two major sections: the Transfer Station section (which includes the Transfer Station and Scale House, the Katrina Mygatt Recycling Center, the Scofield Town Yard Recycling Center, and the Scofield Compost Yard) and the Collections section, which collects garbage and recycling for residents, up to six-family houses, condominiums, Board of Education facilities, municipal buildings, parks, City streets, and all special events. Staff also collects storm debris, Christmas trees, and assists in plowing snow on all City streets.

Prudent management of the Solid Waste Division has continually increased services despite reduced personnel and lowered budget requests in the past few years; the total budget request is down to \$12.3 million from \$13.2 million. Continued development of a single-stream recycling program resulted in a 28% diversion rate (10,606 tons) which saved the City \$700,000 in garbage hauling expenses. Additionally, the program received \$77,194 from the sale of recycling commodities. In the continued efforts to increase recycling and satisfy public needs, the Division distributed over 5,000 additional or replacement recycling and garbage totes throughout the City.

Responsibilities of the Transfer Station section include overseeing the six-days-a-week operation of the State-licensed, 800-ton per day, Transfer Station, Scale House, and Katrina Mygatt Recycling Center facilities in which all of the City's municipal solid waste ("MSW") is managed. Processed in fiscal year 2012-2013 were: 47,734 tons of MSW, 16,396 tons of leaves, 14,508 tons of brush and logs, 10,606 tons of household recycling (\$254,000 revenue), and 612 tons of mixed metal (\$127,000 revenue).

The Scale House collected over \$1.5 million processing the disposal of private commercial garbage and recycling, leaves and brush from contractors, payments for Freon removal, compost sales, and fees to residents for dumping over the allotted 200 free pounds per day.

The electronics recycling program, available at both recycling centers, has enabled Stamford to become the largest electronics recycler in the State by recycling 244 tons of electronics. The two recycling centers also collected and donated over 1.09 tons of clothing to Goodwill and Big Brother/Sister containers, recycled 9.24 tons of fluorescent bulbs and batteries, 3,375 gallons of motor oil (revenue of \$1,687), and 2,890 gallons of yellow cooking oil (revenue of \$176).

The Collections section provides for the once-a-week curbside collection of garbage from over 18,600 single family homes, 2,342 two-family homes and 686 three-family dwellings, along with over 10,000 condominium units. Collection for residential curbside recycling is for over 33,000 households. The Division also collects garbage and recyclables from the City's public schools, fire and police stations, and most municipally owned buildings including the Government Center. It also provides backyard collection of recyclables and garbage for approximately 900 residents with medical or age exemptions.

In addition, the Collections section is responsible for the operation and collection of the City's litter basket program (over 1,300 units throughout the City). During the spring and summer months, this is a seven-day-a-week program because of increased outdoor activity at parks, schools, beaches, and the downtown business district in Stamford.

Other initiatives include:

- Coordination with Board of Education efforts to increase recycling by installing recycling dumpsters at all schools which resulted in an increase in the school recycling program to 161 tons.
- Continuation of our Recycling Education program by providing presentations to 18 additional schools and organizing trips for over 1,200 participants to the Solid Waste/WPCA education tour.
- Providing on-going marketing updates to the Advocate, Stamford Times and El Sol newspapers.
- Conducting the annual Hazardous Waste Recycling collections event for over 500 residents.

Traffic and Road Maintenance Division - Traffic and Road Maintenance is split into two dedicated garages, one for Traffic and one for Road Maintenance. The Traffic division known as Signs & Lines is responsible for maintaining all of the City's official traffic signage as well as the traffic lines on the roads. They do this by constantly monitoring the City zone by zone to ensure that all regulated signs that are supposed to be there are in place and in good condition. They do have the capability of making basic notification signs as needed. They also have a designated "paint season" which runs during the warmer months where they repaint basic lines such as crosswalks, stop bars and parking lots. They start at 4:00 a.m. to avoid rush hour traffic so they can install the paint and have time for it to dry before cars drive over them. One other very important responsibility the Signs and Lines crew has is plowing the City owned sidewalks and parking lots during the winter storm months to ensure the public has safe passage after it snows. The Signs and Lines department has a large impact on the City's 300 plus miles of roads by ensuring traffic rules are in full display through signage and line markings.

The Road Maintenance division is responsible for the maintenance of the City's roads. Unlike the engineering department they do not pave new or rebuild but are strictly for maintenance. This includes street sweeping, pothole repair, sidewalk patching, large debris removal and curb repair. They are also responsible for the City's Leaf Pick-Up program during the month of November. It is a monumental task to collect, dispose of and clean up after the thousands of tons of leaves they pick up every year. This requires large equipment such as the sweepers, dump trucks and front end loaders and the skill to operate them in the tight busy neighborhoods. During the winter months the Road Maintenance division is on call to respond to any winter weather event that may cause safety issues on the streets. This may include not only snow fall events but icing as well which requires the plow trucks to be deployed so they can lay down salt to melt the ice. The 2013/2014 winter season had 21 weather events that required plow trucks to be deployed. The plow trucks may stay on the road for a few hours or in the case of really severe storms it may be a few days. They have long hard hours but they get the job done and are one of the best plow fleets in the state of Connecticut.

Stormwater Management Division - This is a brand new division created, in part, in response to new mandates of the State of Connecticut DEEP that have greatly increased the City's responsibility to create and enforce stormwater regulations. Stormwater includes all naturally occurring water that flows through the City; not only rain water but water from the natural springs, rivers, and lakes that eventually end up in the harbor. The goal of the Division is to preserve these natural waterways for future generations. The Division will help the public, and businesses such as landscapers and land developers, understand what is good or bad for the waterways and how they are affected by local and State stormwater system regulations.

The maintenance and efficiency of the City's catch basin and stormwater piping system is also within the scope of the Stormwater Management Division. Over 11,000 catch basins and hundreds of miles of piping are monitored to ensure that the system flows properly in order to prevent localized flooding during heavy rain events. The efforts of the Division will result in cleaner waters and a more efficient storm drain system.

Fleet Management Division - The Fleet Management Division consists of three sections: vehicle and equipment maintenance, small equipment maintenance, and an auto body shop. The division provides maintenance for over 800 City vehicles and pieces of equipment. Fleet Maintenance is responsible for the operational safety and maintenance of vehicles and equipment used by Collections, Composting Site, Transfer Station, Recyclables, Parks, Facilities, Highway Department, Engineering, Traffic Signal and Maintenance, Health Department and Traffic Enforcement.

It also handles emissions testing and all municipal marker plates for the City of Stamford fleet. Fleet Maintenance is responsible for ordering gasoline and diesel fuel and maintains two fuel dispensing facilities. Fleet Maintenance is responsible for developing the specification and warranties for vehicles and equipment purchased by the City. Fleet Maintenance is also responsible for ordering all new equipment, trucks and accessories for all departments including Police and Fire Department. Fleet Maintenance also oversees the sale of used, antiquated, surplus, and old equipment and vehicles. Fleet Maintenance has expanded its role to include liquidation of all City-wide surplus,

equipment, vehicles, office equipment and assets. Fleet Maintenance has also taken the responsibility of overseeing the City's "Abandoned Car Program." This program will create new revenue.

The Fleet Management Division has implemented a preventive maintenance program and a new management software program that maintains all information pertaining to the City's fleet as well as its fuel consumption. This historical information and data provides the City of Stamford with a valuable tool in managing its fleet more efficiently. The Fleet Management team works with all departments to provide the best possible service for the citizens of Stamford. The success of Fleet Maintenance is a direct result of the collective effort made by all departments that are serviced.

Building Inspection - To ensure public safety, the Department is responsible for the enforcement of building code and the issuance of building permits and certificates of occupancy under: State Building Code; State Demolition Code; Fire Safety Code of the General Statutes, and City Code and Charter. The Building Official works with the Zoning Enforcement Officer in reviewing plans for building as well as with other City Departments such as Zoning and Environmental Health. The major functions of the Building Inspection Department are as follows: enforce State of Connecticut Building Code; enforce State Demolition Code; enforce City Ordinances relative to swimming pools, and historical building; meet with contractors, engineers, architects and homeowners to assist them in complying with code; inspect unsafe structures; respond to emergencies such as fires, storm emergencies; assist and serve the public. Specific functions are to: issue permits, conduct inspections, conduct plan review, provide document research, maintain records on structures and code conformance, and deal with related emergencies

In order to better serve the public, the City has implemented software by ViewPoint Government Solutions to bring the building permit process online. The online permit center allows homeowners and licensed contractors to request inspections and to apply for and receive building permits over the Internet.

Citizens Services Center - The Citizens Services Center is the focal point for residents to request all City services and municipal information. The Center logged over 30,000 phone calls and e-mails requesting services or information about City programs, resulting in 10,052 service requests assigned to the appropriate City supervisors for assignment and completion. During the past year the Citizens Services Center, working with Social Services, offered information for the house-bound elderly and residents with special needs. The Center expanded coverage during hurricanes, windstorms and snowstorms working closely with City crews to clear City streets and restore electrical power to hard-hit residents.

Cashiering and Permitting - This department collects all revenue from parking tickets as well as managing subsequent appeals and hearings. Cashiering and Permitting issues City permits for beach stickers, boats, special events, picnics, film and television events and auctions. This department collects \$6 million in revenue every year. The Beach Sticker distribution process was streamlined this year, resulting in the elimination of lines. The extended beach sticker season resulted in an additional \$80,000 in revenue - without increasing fees. The City continues to offer residents the ability to pay parking tickets online. Last year 30 percent of all parking ticket fines were collected online.

Engineering Bureau: The mission of the Engineering Bureau is to deliver design and construction projects in an expeditious, cost-effective manner while maintaining the highest degree of architectural, engineering, and construction quality. The Engineering Bureau includes the Engineering Department and the Traffic Engineering Department.

The Engineering Bureau administers many capital improvement projects involving the City's infrastructure including storm and sanitary sewers, school construction, roadways, sidewalks, bridges, parks, City building facilities, street lights, traffic signals, energy performance and mechanical systems. In addition to managing design and construction of Engineering Bureau projects, the Bureau has undertaken the management of many capital projects for other departments including the Board of Education, Land Use, Police Department, Fire Department, Public Safety, Parks and Recreation Department, and Facilities Management.

The Bureau prepares and administers the design of many public improvement projects in-house; the majority of Board of Education and larger transportation projects utilize professional consulting architects and engineers.

There are 55 City-owned bridges. The Engineering Bureau is responsible for the oversight of bridge infrastructure in the City of Stamford. This includes the administration of design, construction, and inspection of bridges that require rehabilitation or replacement due to functional and/or structural deficiencies. On all projects, the Bureau strives to incorporate context-sensitive design in the development of bridge aesthetics. Most current bridge projects are eligible to receive some State or federal aid under the Connecticut Department of Transportation's Local Bridge Program or Federal Local Bridge Program. There are major bridge replacements and repairs scheduled to be completed during the next three years including the Cedar Heights, Riverbank Road, and West Main Street bridges.

The City-wide storm drainage program includes on-going, yearly projects to improve existing drainage conditions throughout the City's rights-of-way and to upgrade existing drainage structures. The Engineering Bureau is responsible for improving many miles of storm culverts that include more than 12,000 catch basins and 7,000 manholes. In the previous and current fiscal year, the Bureau has completed multiple drainage improvement projects at Slice Drive, Downs Avenue and Ralph Street, Theresa Court, Janes Lane, and Taconic Road. Currently there are two ongoing drainage design projects underway at Holcomb Avenue and Oakdale Avenue. The Engineering Bureau also coordinates with the Highway Department to ensure that all City-wide storm drainage structures and systems are being maintained based upon customer service requests, and are cleaned and kept in good flowing condition.

The Engineering Bureau oversees City sidewalks improvements and the resurfacing of deteriorated City streets. The Bureau is working on projects that are part of a priority list based on condition surveys performed and funding availabilities. Approximately nine miles of roadway were paved in fiscal year 2013-2014.

The Engineering Bureau administers the design, construction, and renovation of all Board of Education facilities which include: pre-schools and 21 school buildings totaling approximately 2.9 million square feet; the 21,000-square-foot Stamford Academy; the 80,000-square-foot Trailblazers Academy; and several synthetic turf fields.

The Engineering Bureau is responsible for maintaining and upgrading over 10,000 roadway and streetscape lights, including 501 new streetscape lights for the Harbor Point development in the South End. A program to upgrade roadway lights to higher efficiency LED fixtures started in 2009 with the awards of federal EECBG grant funding and a CL&P energy efficiency rebates. A total of 1,974 roadway lights were converted to LED lights from 2011-2013. The Phase III installation of an additional 845 lights will be completed in June, 2014. The City will receive a rebate from CL&P of \$173,816 for Phase III which will be used to continue funding the project into 2014 and 2015. In addition to significant energy and cost savings, the new lights provide better visibility, higher reliability, and reduced maintenance costs.

The Engineering Bureau assists the Parks and Recreation Department and Facilities Management with the improvement and rehabilitation of the City's 55 parks, golf courses, and three marinas. Recent completed projects include a major phase of the Mill River Waterfront Park, Scalzi Park, Barrett Park, Rosa Hartman and Jackie Robinson Park renovation. The Bureau is currently working with Connecticut Department of Energy and Environmental Protection to comply with Consent Order that stipulated the requirements of Scofieldtown Park Landfill Closure, as well as implementing Scofieldtown Park & Yard End-Use. Additionally, the Bureau received grant funds from the Federal Emergency Management Agency to stabilize seawalls at Kosciuszko Park and Cummings Park.

The Engineering Bureau is responsible for improving traffic flow, safety and operations. The Bureau administers City roadway and street network planning, traffic analysis, design, construction of new roadways, and reconstruction of existing roadways. Stamford Urban Transitway ("SUT"), a federally funded project, is one of the largest ongoing new roadway construction projects in the State, and provides a direct link from the Transportation Center to East Main Street. The first phase of the project was

completed in 2010, and Intelligent Transportation Systems (“ITS”) work almost completed. A second phase of the SUT project, which commenced in the fall of 2013, provides roadway improvements along Myrtle Avenue to East Main Street. The SUT project encourages multi-modal transportation by facilitating dedicated bike lanes and enhancing bus turn-outs. Several other ongoing roadway improvement/reconstruction projects are also under way including projects to reconstruct South End streets south of the SUT.

The Engineering Bureau is also responsible for Stamford’s traffic signalization and system operations. The Stamford Traffic Control Signal System consists of over 200 traffic signals. All traffic signals are controlled by a computerized central traffic control system. A central computer communicates with all the traffic signals to enable the Bureau to change traffic signal timings at any specific location depending on the need. All traffic signals have pre-emption equipment to provide green signal indication for fire and ambulance vehicles. A state-of-the-art Bus Priority system is being installed for the new Stamford Urban Transitway corridor to reduce delays for transit buses. New parking guidance signs, with LED displays to inform the public of available parking spaces, are being installed at City-owned garages and the train station garage.

The existing copper-based communications cable network for all traffic signals is gradually being replaced by fiber optic communications cables to enhance the reliability of the traffic control system. This fiber optic cable network was designed to provide ample capacity for a future digital network for all City facilities, including the Government Center, Fire, and Police, libraries, garages and schools. This network of fiber optic cables will also provide access to the video from a network of traffic video surveillance cameras located at critical locations around the City to monitor traffic conditions and system operations, and also to access the video from security cameras at all the garages and schools. Over sixty cameras are currently in operation to monitor traffic conditions. All traffic signal displays were outfitted with energy efficient LED lamps that consume only twelve percent of the energy of regular incandescent lamps. Emergency battery backup power and the installation of transfer switching capabilities to portable generators were added at high priority intersections and will be expanded to other locations in the future. Long-range planning corridor studies are also being undertaken by the Bureau on the City’s busiest arterial roads.

Land Use Bureau: The Planning Board is responsible for planning and coordinating the development of the City in accordance with the City Master Plan. The Board prepares, adopts and amends the Master Plan; adopts and amends Subdivision Regulations; reviews and acts upon subdivision applications; prepares capital project budgets and programs; reviews and acts upon referrals from the Zoning Board and Zoning Board of Appeals; and prepares and adopts neighborhood plans.

The Zoning Board is responsible for regulating the use of land and buildings within the City. The Board prepares, adopts and amends the Zoning Regulations and Zoning map to control and guide the appropriate use and development of property. The Board also reviews site and architectural plans, special exceptions and Coastal Site Plan applications and serves as the local Aquifer Protection Agency.

The primary function of the Zoning Board of Appeals is to consider variances of the zoning regulations where there is an unusual hardship with the land.

The Environmental Protection Board is organized by Ordinance as a multipurpose City agency combining the duties and responsibilities of a local Inland Wetland and Watercourses Agency, a local Conservation Commission, and a local Flood and Erosion Control Board.

Harbor Commission: All State regulatory agencies approved the Harbor Commission’s Harbor Master Plan, as did the Board of Representatives (in March 2009). The Commission has the ability to charge fees for open water public moorings and authority to review and regulate waterfront development as well as all applications for floats, docks and buoys. The Commission worked closely with the Engineering Department to restore the Cummings Beach fishing pier.

Water Pollution Control Authority (“WPCA”): The WPCA, which is a quasi-municipal agency, provides wastewater collection and treatment services as well as flood control barrier operation and maintenance

for the City. The mission of the WPCA is to protect the environment and public health by using the most efficient and effective management and engineering methodologies. These methodologies include applying state-of-the-art process control, maintenance and management techniques. The WPCA completed a \$105 million upgrade of the treatment plant in 2006. The WPCA has become the largest seller of nitrogen credits in the State of Connecticut. Not only does this increase revenue, but it also enforces the mission of the WPCA which is to be a steward of the environment dedicated to protecting water quality and public health. The upgrade was financed primarily by grants and loans under the Clean Water Fund program of the State of Connecticut. See "DEBT SECTION - State of Connecticut Clean Water Fund" herein. A smaller portion of the project was financed by general obligation bonds of the City. The debt service associated with the Clean Water Fund loans is being paid entirely from revenues from user charges by the WPCA under the Indenture of Trust, dated as of December 21, 2001, by and among the City, the WPCA and U.S. Bank National Association (as successor to First Union National Bank) as Trustee (the "Trustee"), as amended and supplemented (the "Indenture"). The debt service associated with general obligation bonds is expected to be paid entirely from revenues of the sewerage system on a subordinated basis under the Indenture. In 2008, the WPCA completed construction of a solids drying process. This process enables the safe disposal and beneficial use of wastewater residuals.

The City has previously issued \$12,480,000 Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, which was refinanced in July 2013, a \$73,561,481 Clean Water Fund Loan, \$19,765,000 Water Pollution Control System and Facility Revenue Bonds, 2006 Series, and \$22,095,000 Water Pollution Control System and Facility Revenue Bonds, 2013 Series, under the Indenture, to finance various sewer projects contained in capital budgets of the City for improvements to the City's sewerage system. The Clean Water Fund Loan, the 2006 Series Bonds and the 2013 Series Bonds are special limited obligations of the City payable solely from revenues and other receipts, funds and moneys pledged therefore pursuant to the Indenture. A total of \$10 million of the City's General Obligation Bonds (Taxable Build America Bonds - Direct Payment) dated August 1, 2009 were issued to finance additional sewerage system projects and are expected to be paid on a subordinated basis by revenues under the Indenture. See "DEBT SECTION - Debt of the WPCA" herein.

Stamford Community Development Program ("SCDP"): The Stamford Community Development Program administers various federal, State and local funds for housing and community development activity. The Community Development Block Grant ("CDBG") program's objective is to improve the quality of life, and create a suitable living environment, for low-income residents in targeted neighborhoods with an emphasis on rehabilitation of existing housing stock and the creation of new housing at levels affordable to low-income individuals and households. CDBG funds also support non-profit organizations for a variety of public improvements to community facilities as well as social service activities for the homeless, the elderly, youth, and the unemployed. CDBG supports economic development activities to assist businesses to create jobs and strengthen retail activity.

In addition, the City's Community Development Office also administers the federal HOME investment partnership Program and the Neighborhood Stabilization Program which provide funding for the development of affordable housing. Nearly 700 affordable apartments and condominiums have been acquired, rehabilitated, or constructed under the HOME Program. NSP funds are loaned to non-profit and for-profit developers as well as low-income households to purchase and rehabilitate bank-owned foreclosed homes. The program focuses investments in the East Side, West Side and Cove neighborhoods.

The Community Development Office administers local funds that are available annually for affordable housing development. The Capital Projects Budget provides loans to developers for the purchase and development of affordable housing sites. In 2006, the City of Stamford began receiving payments from developers in lieu of building affordable housing as required by the City's Inclusionary Zoning ("IZ") regulations. The Community Development Office administers the distribution of these funds as loans to developers of affordable housing. Also in 2006, the City, under its Linkage Ordinance, began dedicating a portion of its building permit fees on commercial construction to an affordable housing fund. The Community Development Office administers the distribution of these funds to developers of affordable housing.

Colleges: The University of Connecticut at Stamford, located in the downtown area, serves close to 1,400 full-time and part-time undergraduate students and approximately 400 active MBA and FRM students. A CEIN certificate in Nursing is also offered at the Stamford Campus. The undergraduate program offers students a full four-year degree program, with baccalaureate majors offered in a variety of fields. It also offers a Bachelor in General Studies program for returning adults and a minor in Women's, Gender, and Sexuality Studies. The Connecticut Information Technology Institute "CITI" provides IT training and education. Additionally, the campus offers an Administrator Preparation Program in Education, which culminates in a graduate degree for teachers wishing to become school administrators. New undergraduate programs in Digital Media Design and Financial Management are underway. The University of Bridgeport and Sacred Heart University also have commuter campuses in the Springdale section of the City.

Central Business District: Downtown Stamford is the City's central business district. It now boasts over 10 million square feet of Class A office space in walking distance of an express rail connection to Manhattan and an extensive labor pool to the north and east. The district is home to major corporations and financial institutions, government facilities, retail establishments, restaurants, entertainment venues and a university campus. In recent years Downtown Stamford has transformed into a vibrant mixed-use neighborhood through significant development such as the ongoing expansion of the Mill River Park and the planned expansion of the UCONN campus. The Stamford Town Center, the retail centerpiece for the City and region, has about 1,000,000 square feet of retail space on four levels, served by seven levels of enclosed parking that accommodates approximately 4,000 vehicles. Over \$175 million has been invested in this center which generates between \$200 to \$250 million in annual retail sales; a major upgrade of the mall was completed in 2007 recreating over 130,000 square feet of new retail and restaurant space.

Adjacent to the Central Business District is the Stamford Urban Transitway ("SUT"), which provides automobile, enhanced bus, bike, and pedestrian connections between the Stamford Transportation Center and the City's East Side. The second and final construction phase of the SUT commenced in the first quarter of 2013. The Connecticut Department of Transportation is currently reviewing plans for a new Transit-Oriented Development ("TOD") project at the Stamford Transportation Center which includes a new parking garage, hotel, and retail space. Several rail underpass expansions adjacent to the Transitway are in the planning phase to facilitate movement between downtown Stamford, the Stamford Transportation Center, I-95, the Transitway, and Stamford's South End. The Atlantic Street underpass is the top priority and is scheduled for 2016. When completed, the Transitway will accommodate the traffic that will be generated by development in the downtown, the South End, and along the Transitway corridor.

The Mill River: The Mill River project is an innovative approach to urban development. It combines urban redevelopment, environmental restoration, the creation of a large downtown park that will spur development and tax revenues, and public/private partnerships in all aspects of the undertaking that leverage municipal funding with federal, state and private funding.

The Mill River corridor, which envelops the downtown reach of the Mill (Rippowam) River, was established in 2001 as a designated urban redevelopment area. Fifty percent of new real estate taxes resulting from new development are dedicated for reinvestment in the district for public infrastructure including Mill River Park and affordable housing and debt service on bonds financing such infrastructure. Included in the redevelopment program is an increase in residential density which is already reflected in a significant increase in downtown construction of apartments and condominiums. Increased downtown density called for in Stamford's Master Plan should promote the growth of the core, and decreased reliance on vehicles in these areas adjacent to the express railroad station and the high concentration of office buildings. Several condominiums and the 1.1 million-square-foot Royal Bank of Scotland headquarters and parking garage in the Mill River corridor are already generating new real estate taxes that are being used to fund park improvements and land acquisition. Other Corridor projects are in various stages of development and municipal approval. This transit-oriented denser development in the downtown area is a cornerstone of the City's smart growth strategy.

Mill River itself loomed large as a development constraint with its deteriorated dam and Mill Pond and the increase in downtown flood risk it had caused. Historically, all buildings faced away from the river and it was essentially a sewer for the mills that used it for power. In 2002, Stamford created the Mill River Collaborative, a public/private partnership that is spearheading the restoration of the river and creation of a new 28-acre urban park along its banks and a greenway through downtown to Long Island Sound. Anticipation of the park is already spurring development of parcels around the park site. The \$8 million river restoration project included \$5 million in federal funding from the Army Corps of Engineers *Mill River and Mill Pond Restoration Project* under which the Mill Pond dam and a remnant dam at Pulaski Street were demolished in 2009. Reconstruction of the river channel has been completed and Mill River now runs freely for the first time since 1641. The river restoration will reduce 100-year flood levels in downtown by an average of 2.5 feet and will contain such floods totally within the park and greenway between North Street and Main Street, reducing potential flood damage, flood insurance and construction costs in surrounding areas. The City has submitted an application to the Federal Emergency Management Agency (FEMA) for a flood map revision to reflect these changes. The removal of the Mill Pond and its dam also eliminated an estimated \$1.5 million in dredging and sediment disposal costs every five years. In October 2011, construction of Phase 1 of the park around the river in the vicinity of the old Mill Pond broke ground. It was completed in the spring of 2013. In late 2014 the Mill River Collaborative expects to begin construction of a carousel, event pavilion, ice skating rink and fountain funded by the Collaborative's private capital campaign. In managing the design of Phase 2 of the park from Main Street to I-95, the Mill River Collaborative has developed a design that will remove the remaining private properties from the 100-year flood plain south of Main Street. An additional \$10 million in federal authorization was included in the 2007 Water Resources Development Act.

Olin Partnership, a world-recognized landscape architecture firm, is leading the design of the park. Permitting for the estimated \$60 million in park improvements was completed in 2008. The construction contract for Phase 1 was \$11.4 million. Mill River Collaborative has raised \$14 million toward its private capital campaign goal of \$20 million to complement Stamford's investment in the park. The City of Stamford has entered into a 10-year contract with the Mill River Collaborative to develop, operate and maintain Mill River Park and Greenway with the City and Collaborative each contributing a portion of the operating costs. The construction of Mill River Park is spurring development and real estate tax revenues. Over 1,000 new residential units have been built or are in development around the perimeter of the park.

The ordinance that created the Mill River Corridor District also provided for the use of Tax Increment Financing ("TIF Bonds") to finance the project. The TIF Bonds are secured by the 50% of new real estate taxes pledged to the Mill River Corridor District. To date, \$16,245,000 of TIF Bonds have been sold to finance the first phase of the project and repay the City of Stamford for funds previously advanced by the City.

Harbor Point Project: Harbor Point is a transit-oriented development ("TOD"), situated only a ten-minute walk from the Stamford Transportation Center, and includes improved street and pedestrian areas. Harbor Point is also leading the way in environmental design and construction. Harbor Point is reducing energy use by over ten percent and water use by over twenty percent, recycling 90% of its demolition debris, creating park land, rehabilitating historic structures, minimizing the parking footprint, reducing its heat island, and creating pedestrian-friendly streets. For Harbor Point's success in environmental design and construction, it has received a certification of LEED-ND Gold, as part of the Leadership in Energy and Environmental Design for Neighborhood Development ("LEED-ND") pilot program, making it Connecticut's only LEED-ND Gold project.

The project includes 6 million square feet of mixed-use development: 85 percent residential (4,000 residential units, 10 percent of which is affordable housing); 15 percent commercial, including office buildings, a grocery store, a waterfront hotel, restaurants and a full-service marina; more than 11 acres of parks and public space; a community school; and publicly accessible waterfront open space. As currently planned, it is also expected to potentially create 9,500 new construction jobs and 2,500 permanent jobs.

In addition to new jobs, an increase in affordable housing stock, and new parks and public spaces, the City of Stamford should benefit from this development in the form of fees, new tax revenue and other

public improvements. The project is expected to generate an average of \$32 million per year in property taxes and \$352 million in personal property, automobile and conveyance taxes over 30 years. The City will also receive public improvements, including new and improved roads, utilities, sidewalks, streetscapes, street lighting, and the environmental remediation of parks and public spaces.

In connection with the project, the City has entered into an interlocal agreement with the Harbor Point Infrastructure Improvement District (the "District"), a tax assessment district formed for the purpose of financing the infrastructure needs of the Harbor Point project. The interlocal agreement provides for the District to construct certain public improvements and issue up to \$145 million of bonds of the District (not the City) to finance these public improvements. The interlocal agreement obligates the City to pay the lesser of 50% of the incremental property taxes collected in the District or the debt service on the bonds, and provide certain services to the District. The District issued \$145 million of its bonds for such public improvements in February 2010.

General Economic Development: Stamford boasts a diverse economic base which includes firms in several important industry clusters. The City's commercial property maintains a cost advantage over mid-town Manhattan and Greenwich which helps to sustain the City's commercial base at comparatively favorable rent levels during these challenging economic times. Stamford is the State's largest business center and is one of the pre-eminent locations for corporate headquarters, ranking within the top 10% nationally. It has become a world financial center, with international banks, hedge fund companies, and other financial service providers adding jobs and occupying office space. Stamford is also the largest international trade center between New York and Boston. The City is the home for leading employers across multiple industry sectors, including: banking; insurance and reinsurance; office equipment; pharmaceuticals; consumer products; media and information technology; and retail. The Stamford Innovation Center ("I-Center"), located in the restored Old Town Hall, houses very early stage companies and provides educational classes. Sikorsky Aircraft set up a "skunk works" team at the I-Center with the goal of developing new technologies. This activity represents a continuing diversification of the City's economic base and, along with the ongoing growth of existing Stamford-based businesses, helped to lower unemployment and compares favorably with the State and the nation.

Housing: The downtown area of Stamford continues to emerge as a vibrant development area with more and more new residential housing. In the summer of 2013, the 52-unit Moderne was opened on Franklin Street. 75 Tresser Boulevard, the 336-unit former Advocate site, with combined apartment rental and street-level retail space, is nearing completion. Construction is well under way on the Park Square West project which is a 15-story residential tower with 417 units and is expected to be completed in 2015.

Harbor Point in the South End, which includes six million square feet of mixed-use development, continues under active construction. To date, more than 2,000 apartment units are completed, under construction, or have received approval to commence construction. The full scope of the project includes 4,000 residential units including ten percent affordable housing; commercial space including office buildings, a grocery store, a waterfront hotel, restaurants, and a marina; more than 11 acres of parks and public spaces; a community school; and publicly accessible waterfront areas.

Located just south of the Transportation Center, the mixed-use Metro Green project has completed 100 housing units. Once complete, the overall Metro Green development will include 255 mixed-income apartment units and a commercial tower.

Government Assisted Housing: The Stamford Housing Authority d/b/a Charter Oak Communities ("COC") constructs, operates and maintains housing for low- and moderate-income families, market rate residents, and senior and disabled citizens. The Authority manages over 1,400 dwelling units in 20 housing complexes as well as a Housing Choice Voucher rental assistance program for 1,500 families in privately owned housing units throughout the City. Some of COC's most recent accomplishments include the revitalization of two large, federal low-income public housing facilities, Southfield Village (now Southwood Square) and Fairfield Court (now Fairgate), into mixed-income communities.

Funding and land have been obtained and plans continue to move forward on the replacement of 216 affordable units currently located at the Vidal Court state-assisted housing complex. By leveraging a \$20

million commitment of State bond funds with \$110 million of private equity and debt, its redevelopment in a total of five mixed-income settings will result in a total of 350 units altering the type of housing that has been typically associated with low-income development. The first two offsite replacement phases, the 95-unit Westwood and the 76-unit Palmer Square, have been completed and are fully leased. The demolition of the existing Vidal Court complex has been completed. COC has commenced construction of the third replacement phase, Greenfield on Merrell Avenue, consisting of 45 mixed-income units. Future replacement phases will commence thereafter. Charter Oak has also formed a unique cooperative relationship with Stamford Hospital which resulted in an exchange of properties to satisfy their respective redevelopment goals. This relationship has also spawned the formation of a unique health and wellness district along the Stillwater Avenue corridor, called Vita, which has received national attention. Vita will provide consumer-based health care and wellness support services, in an off-campus setting (relative to the Hospital), to typically underserved populations while functioning as a stimulus for economic development on the West Side. Vita initiatives launched to date include the Fairgate Community Health Center and Fairgate Farm.

Charter Oak Communities is also committed to the preservation and revitalization of its other, critical housing facilities. It is well underway with major, top-to-bottom renovations of two elderly properties - Clinton Manor and Quintard Manor - investing \$15 million in capital generated from its sale of tax-exempt, private activity bonds and the sale of low-income housing tax credits. It has also applied for funding to support the replacement of the 50-unit Czescik Homes, another elderly property, which will be implemented in partnership with Inspirica (formerly St. Luke's Lifeworks). Most recently, it received a \$19 million funding commitment to commence the comprehensive revitalization of the 204-unit Lawnhill Terrace, an obsolete state-assisted moderate rental complex.

Educational System

Stamford has a nine-member Board of Education, each elected to three-year terms, with three members elected each year. The officers of the Board, elected by Board members at the organizational meeting held every December, include a President, Vice President, Secretary, and Assistant Secretary. The Mayor serves as a tenth non-voting member.

The primary function of the Board is to establish policy and the budget of the public school system. Some of the areas for which such policies are set include curriculum, budget requests, policies ensuring that funds for education as appropriated by the City are properly expended, implementation of both State and federal laws, and planning for facilities needed by the system, including construction and renovation.

The City has three public high schools that serve students in grades 9-12; they include an interdistrict magnet school: the Academy of Information Technology & Engineering. There are five public middle schools, eleven public elementary schools (four of which are magnet schools), and one K-8 interdistrict magnet school. The Board of Education employs approximately 1,543 professional (certified) personnel and approximately 652 non-certified personnel including secretaries, clerks, custodians, maintenance personnel, paraeducators, and security workers.

Recently, the school system has experienced enrollment growth of approximately 2% per year for the last seven years growing from 14,961 students in October 2007 to 16,069 in October 2013. The enrollment projection for October 2014 is 16,351.

School Facilities

<u>School</u>	<u>Grades</u>	<u>Date Constructed (Last Remodeled)</u>	<u>Type of Construction</u>	<u>Number of Classrooms</u>	<u>Enrollment As of 10/1/13</u>
Davenport Ridge	K-5	1972	Concrete	51	544
Murphy	K-5	1900 (2002)	Brick	49	560
Newfield	K-5	1954 (2002)	Brick	51	691
Northeast	K-5	2003	Brick/Stone	63	688
Rogers	K-8	2009	Wood/Brick	50	827
Toquam	K-5	1967 (1991)	Brick	56	680
Roxbury	K-5	1955 (2002)	Brick	59	646
Springdale	K-5	1908 (2003)	Brick	46	657
Hart	K-5	1915 (1998)	Brick	53	586
Stark	K-5	1927 (1997)	Brick	55	613
Stillmeadow	K-5	2003	Block	49	769
Westover	K-5	1999	Brick	65	721
Cloonan	6-8	2002	Brick	58	598
Dolan	6-8	1949	Brick	50	532
Turn of River	6-8	1963	Block/Brick	60	583
Rippowam Middle	6-8	2003	Steel Frame	150	657
Scotfield Middle	6-8	2001	Brick	54	627
AITE	9-12	2007	Steel/Frame	60	684
Stamford High	9-12	1928 (2006)	Brick/Stone	215	1,899
Westhill High	9-12	2003 (2007)	Steel Frame/Brick	230	2,091
Boyle Stadium	n/a	1937 (1997)	Stone	n/a	
Out-of-District	n/a	n/a	n/a	n/a	124
Home Instruction	n/a	n/a	n/a	n/a	104
Pre-K Special Ed./Speech	n/a	n/a	n/a	n/a	91

School Enrollments

As of October 1	<u>Elementary Headstart/K-5</u>	<u>Middle School 6-8</u>	<u>High School 9-12</u>	<u>Bi-lingual/Pre-K/ Special Education</u>	<u>Total Enrollment</u>
<i>Historical</i>					
2003	7,003	3,354	4,139	1,070	15,566
2004	6,854	3,278	4,190	946	15,268
2005	6,891	3,280	4,465	668	15,304
2006	6,663	3,178	4,414	851	15,106
2007	6,649	3,158	4,346	808	14,961
2008	6,693	3,109	4,453	740	14,995
2009	7,148	3,124	4,695	209 ¹	15,176
2010	7,267	3,176	4,817	230 ¹	15,490
2011	7,412	3,183	4,742	340 ¹	15,677
2012	7,641	3,258	4,674	368 ¹	15,941
2013	7,644	3,318	4,672	435	16,069
<i>Projected</i>					
2014	7,883	3,390	4,635	407	16,315
2015	7,913	3,350	4,678	450	16,391

¹Includes pre-kindergarten, home instruction and students placed outside Stamford Public Schools; Bilingual and Special Education students are counted in the K-5, 6-8, and 9-12 statistics.

SECTION III - DEMOGRAPHIC AND ECONOMIC DATA

Population Trends and Densities

<u>Year</u>	<u>Population¹</u>	<u>Percent Change</u>	<u>Density²</u>
1960	92,713	-%	2,324
1970	108,798	17.3	2,727
1980	102,453	(5.8)	2,568
1990	108,056	5.5	2,708
2000	117,083	8.4	2,934
2010	122,643	4.7	3,074
2012	125,109	1.0	3,135

Sources: ¹U.S. Department of Commerce, Bureau of Census, Census of Population 1960–2010; State of Connecticut Department of Public Health for 2011 & 2012.

²Population per square mile: 39.9 square miles.

Age Distribution of the Population

<u>Age¹</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	8,309	6.8%	202,106	5.7%
5 to 9 years	7,009	5.7	222,571	6.2
10 to 14 years	6,846	5.6	240,265	6.7
15 to 19 years	6,539	5.3	250,834	7.0
20 to 24 years	7,309	6.0	227,898	6.4
25 to 34 years	21,335	17.4	420,377	11.8
35 to 44 years	18,501	15.1	484,438	13.5
45 to 54 years	17,443	14.2	575,597	16.1
55 to 59 years	7,089	5.8	240,157	6.7
60 to 64 years	6,170	5.0	203,295	5.7
65 to 74 years	7,806	6.4	254,944	7.1
75 to 84 years	5,531	4.5	166,717	4.7
85 years and over	<u>2,756</u>	<u>2.2</u>	<u>84,898</u>	<u>2.4</u>
Total	122,643	100.0%	3,574,097	100.0%
2010 median age (years) ¹	37.1	-	40.0	-
2000 median age (years) ²	36.4	-	37.4	-

Sources: ¹U.S. Department of Commerce, Bureau of Census, 2010 Census.

²U.S. Department of Commerce, Bureau of Census, 2000 Census.

Income Distribution

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 – 9,999	958	3.3%	30,321	3.4%
10,000 – 14,999	801	2.7	20,207	2.2
15,000 – 24,999	2,191	7.5	48,201	5.3
25,000 – 34,999	1,781	6.1	58,835	6.5
35,000 – 49,999	2,800	9.6	90,972	10.1
50,000 – 74,999	4,335	14.8	147,948	16.4
75,000 – 99,999	3,697	12.7	134,851	14.9
100,000 – 149,999	4,944	16.9	185,568	20.5
150,000 – 199,999	2,661	9.1	86,104	9.5
200,000 and over	<u>5,042</u>	<u>17.3</u>	<u>100,939</u>	<u>11.2</u>
Total	29,210	100.0%	903,946	100.0%

Source: 2009–2011 American Community Survey.

Comparative Income Measures

	<u>City of Stamford</u>	<u>State of Connecticut</u>
Per capita income	\$41,762	\$36,613
Median family income	\$84,064	\$84,558
Median household income	\$75,815	\$67,427

Source: 2009–2011 American Community Survey.

Educational Attainment

Years of School Completed – Age 25 and Over

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9 th grade	7,442	8.7%	111,347	4.6%
9 th to 12 th grade, no diploma	6,119	7.2	162,645	6.7
High school graduate	18,578	21.8	680,397	28.0
Some college, no degree	12,164	14.2	429,810	17.6
Associate’s degree	4,190	4.9	177,238	7.3
Bachelor’s degree	21,725	25.4	491,234	20.2
Graduate or professional degree	<u>15,240</u>	<u>17.8</u>	<u>378,761</u>	<u>15.6</u>
Total	85,458	100.0%	2,431,432	100.0%
Total high school graduate or higher	-	84.1%	-	88.7%
Total bachelor’s degree or higher	-	43.2%	-	35.8%

Source: 2009–2011 American Community Survey.

Labor Force Data

<u>Reporting Period</u>	<u>Labor Force</u>	<u>Unemployment Rate (%)</u>				
		<u>Employed</u>	<u>Unemployed</u>	<u>City of Stamford</u>	<u>Bridgeport/Stamford Labor Market</u>	<u>State of Connecticut</u>
June 2014	69,732	66,114	3,618	5.2	6.0	6.4
2013	67,619	63,290	4,329	6.4	7.2	7.8
2012	68,126	63,362	4,764	7.0	7.9	8.4
2011	68,842	63,868	4,974	7.2	8.2	8.8
2010	68,241	63,017	5,224	7.7	8.5	9.1
2009	67,693	62,721	4,972	7.3	7.8	8.2
2008	66,853	63,710	3,143	4.7	5.3	5.7
2007	66,220	63,761	2,459	3.7	4.1	4.6
2006	65,813	63,446	2,367	3.6	4.0	4.4
2005	65,186	62,435	2,751	4.2	4.5	4.9
2004	64,787	62,120	2,667	4.1	4.6	4.9
2003	65,462	62,466	2,996	4.6	5.1	5.5

Source: State of Connecticut, Labor Department, Office of Research.

Industry Classification

<u>Sector</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing, hunting, and mining.....	96	0.2%	6,539	0.4%
Construction	4,891	7.8	101,094	5.8
Manufacturing	3,475	5.6	193,152	11.0
Wholesale trade	1,651	2.6	43,227	2.5
Retail trade	5,482	8.8	189,948	10.9
Transportation, warehousing and utilities	2,109	3.4	66,665	3.8
Information	1,544	2.5	42,113	2.4
Finance, insurance, real estate and leasing	8,901	14.2	162,400	9.3
Professional, scientific, management, administrative and waste management	11,873	19.0	189,609	10.8
Educational, health and social services	11,578	18.5	459,714	26.3
Arts, entertainment, recreation, accommodation and food services	5,762	9.2	144,326	8.3
Other services	3,612	5.8	80,265	4.6
Public administration	<u>1,511</u>	<u>2.4</u>	<u>67,741</u>	<u>3.9</u>
Total	62,485	100.0%	1,746,793	100.0%

Source: 2009–2011 American Community Survey.

**Commute to Work
16 years of age and over**

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Drove alone	41,880	68.5%	1,352,476	78.8%
Car pools	6,388	10.4	144,197	8.4
Using public transportation	6,898	11.3	78,733	4.6
Walked	3,234	5.3	51,070	3.0
Using other means	423	0.7	20,107	1.1
Worked at home	<u>2,330</u>	<u>3.8</u>	<u>69,934</u>	<u>4.1</u>
Total	61,153	100.0%	1,716,517	100.0%
Mean travel to work (minutes)	24.4	-	24.7	-

Source: 2009–2011 American Community Survey.

Major Employers

There are over 6,000 businesses located in Stamford. Its major employers include the following:

<u>Name</u>	<u>Nature of Business</u>
AC Nielsen	Computer and Data Services
Affinion Group	Marketing
Asbury Automotive Group Inc.	New and Used Car Dealers
Ascent Media	Programming
AT&T	Telephone and Communications
Bank of America	Finance
Bank of Ireland	Finance
Carolee	Jewelry Manufacturing
Charter Communications	Telecommunications
Chartwell Re Corp.	Reinsurance
Chelsea Piers	Leisure/Sports
Chirex Inc.	R&D for Pharmaceutical Company
Circum/ACMI	Medical Instruments (HQ and Mfg.)
Citizen Communications	Utility
City of Stamford	Government and Education
Conair	Beauty Products (HQ)
Crane	Industrial
Crompton & Knowles	Chemicals
CYTEC	Chemicals (Research Laboratories)
Daymon Worldwide	Financial
Design Within Reach	Retail furniture (HQ)
Digitas	Digital Media
Deloitte	Public Accounting/Consulting
Elizabeth Arden	Cosmetics
Ernst & Young	Public Accounting/Consulting
Fairway Market	Retail Food
Fuji Photo Film	Manufacturing
Gantos	Women's Apparel and Accessories
Gartner, Inc.	Information Technology Advisory Services
GE Money	Finance
Guardian Life	Insurance
GE Money	Finance

Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
GE Commercial Finance	Finance (HQ)
General Re Corporation	Insurance (HQ)
General Signal	Transportation
Graph Network	Cable Television
Harmon International	Electronic Manufacturing (HQ)
Hexcel Corp.	Carbon Fiber Industrial Products Manufacturer
Indeed.Com	Internet Search (HQ)
Independence Holding Co.	Life and Health Insurer
International Telecomm Data	Billing Management Systems and Support Services
Intrepid Aviation	Aviation Services (HQ)
ITDS	Computer Software
Jeffries & Co.	Investment Advisors
KPMG	Accounting, Audit
Legg Mason	Finance
Lone Star Industry	Manufacturing and Distribution of Cement
Louis Dreyfus Highbridge	Energy Trading (HQ)
META Group	Consumer Services
Moore Corporation	Printed Forms
NacRe Insurance	Insurance
NBC Sports Group	Media (HQ)
NBC Universal	Media
Nestle Waters North America	Consumer Products (HQ)
Omega Engineering	Temperature Control Devices (HQ and Mfg.)
Oracle	Computer Software
Pitney Bowes, Inc.	Office Equipment (HQ)
Point 72 Asset Management, LP	Investment Banking (HQ)
Price Waterhouse Coopers	Public Accounting/Consulting
Purdue Pharma	Pharmaceuticals (HQ)
Rochdale Securities	Finance
Rockefeller & Co.	Wealth Management
Royal Bank of Scotland	Investment Banking (N. American HQ)
SAC	Investment Banking (HQ)
Sempra Energy Trading	Trading
Shamrock Maintenance Inc.	Building Cleaning Services
Silgan Holdings	Metal Products
Stamford Health Systems	Medical Care
Stamford Town Center	Retail Stores
Star Gas Partners	Liquefied Petroleum Gas Dealers
Starwood Hotels and Resorts Worldwide, Inc.	Leisure (HQ)
Synapse	Marketing
Tastey Bites	Food Manufacturing (HQ)
The Stamford Hospital	Medical Services
Thomson-Reuters	Publishing, Business Information
TIG Reinsurance	Insurance
Titan Sports WWE	Professional Wrestling
Tosco	Petroleum Refining
Tronox	Manufacturing (HQ)
Tweedy Browne	Financial Services (HQ)
U.S. Postal Service	Local and Regional Mail Service
UBS	Investment Banking (HQ)
Unilever Home & Personal Care	Home Care Products
United Distillers & Vintners	Beverages (HQ)

Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
Versus	Communications/Programming
Vineyard Vines	Clothing Manufacturing (HQ)
Wachovia Bank, National Association	Banking
XL America	Financial, Info Tech, Insurance

HQ — Headquarters/Offices
Mfg — Manufacturing Facilities

Source: City of Stamford Department of Economic Development.

Office Vacancy Rates

<u>Calendar Year</u>	<u>Stamford Central Business District</u>		<u>Stamford Non-Central Business District</u>		<u>Fairfield County</u>	
	<u>Square Feet Existing¹</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing¹</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing¹</u>	<u>Vacancy Percent</u>
2014	6,745,182	24.8%	8,782,523	22.6%	40,135,173	20.5 %
2013	6,745,182	26.5	8,809,933	23.5	40,266,524	20.8
2012	6,776,181	26.8	8,873,350	23.2	41,881,271	21.0
2011	6,828,948	26.9	8,772,449	24.7	41,642,440	20.5
2010	6,828,948	26.9	8,772,449	24.7	41,642,440	20.5
2009	6,741,182	16.9	8,061,946	19.1	40,041,515	14.7
2008	6,308,281	14.2	8,243,247	15.8	39,581,321	12.5
2007	6,308,281	13.7	8,174,740	15.7	38,774,641	14.7
2006	6,308,281	15.7	8,174,740	19.0	38,774,641	16.9
2005	6,307,898	16.0	8,279,388	18.2	38,236,387	18.1

Source: Cushman & Wakefield.

¹ Includes Class A and Class B Office Space

Value of Building Permits

<u>Fiscal Year Ended 6/30</u>	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Apartments/Condominiums</u>	<u>Total</u>
2013	\$ 59,554,447	\$380,202,667	N/A ¹	\$439,757,114
2012	60,861,801	203,491,861	N/A ¹	264,353,662
2011	52,586,486	261,632,862	N/A ¹	314,219,348
2010	48,768,097	143,898,869	N/A ¹	192,666,966
2009	53,124,017	329,541,802	N/A ¹	382,665,819
2008	76,143,181	357,865,859	N/A ¹	434,009,040
2007	50,778,452	412,070,047	N/A ¹	462,848,499
2006	129,419,254	260,684,635	\$15,113,989	390,103,889
2005	131,175,576	110,859,988	4,311,000	257,149,553
2004	138,432,128	196,867,884	4,487,000	339,611,012
2003	76,738,245	117,209,684	16,057,715	198,434,929

¹ Included in residential values.

Age Distribution of Housing

<u>Household Characteristics</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Built in 1939 or earlier	7,914	16.4%	342,759	23.0%
Built in 1940-1949	3,018	6.2	104,220	7.0
Built in 1950-1959	8,588	17.8	229,476	15.4
Built in 1960-1969	6,738	14.0	201,661	13.6
Built in 1970-1979	7,693	15.9	201,264	13.5
Built in 1980-1989	7,215	14.9	195,577	13.1
Built in 1990-1999	3,222	6.7	108,904	7.3
Built in 2000-2004	2,113	4.4	61,616	4.1
Built in 2005 or later	<u>1,772</u>	<u>3.7</u>	<u>43,798</u>	<u>3.0</u>
Total	48,273	100.0%	1,489,275	100.0%

Source: 2009-2011 American Community Survey.

Housing Units by Type of Structure

<u>Household Characteristics</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Single-family detached	17,980	37.3%	882,011	59.2%
Single-family attached	2,820	5.8	77,291	5.2
Multifamily	27,442	56.8	516,605	34.7
Mobile home, trailer, or other	<u>31</u>	<u>0.1</u>	<u>13,368</u>	<u>0.9</u>
Total	48,273	100.0%	1,489,275	100.0%

Source: 2009-2011 American Community Survey.

Housing Unit Vacancy Rates

<u>Housing Units</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Occupied housing units	47,357	93.6%	1,371,087	92.1%
Vacant housing units	<u>3,216</u>	<u>6.4</u>	<u>116,804</u>	<u>7.9</u>
Total units	50,573	100.0%	1,487,891	100.0%
Homeowner vacancy rate	-	2.1%	-	1.6%
Rental vacancy rate	-	6.3%	-	8.2%

Source: U.S. Department of Commerce, Bureau of Census, 2010 Census.

Owner-Occupied Housing Units

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
Total owner-occupied units	24,511		927,793	
Persons per unit	2.75		2.66	
	<u>City of Stamford</u>		<u>State of Connecticut</u>	
<u>Specified Owner-occupied Units</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	147	0.6%	17,014	1.8%
\$ 50,000 to \$ 99,999	167	0.7	21,317	2.3
\$100,000 to \$149,999	169	0.7	58,439	6.3
\$150,000 to \$199,999	612	2.5	129,744	14.0
\$200,000 to \$299,999	2,645	10.8	274,604	29.6
\$300,000 to \$499,999	7,129	29.1	262,712	28.3
\$500,000 to \$999,999	11,541	47.1	120,493	13.0
\$1,000,000 or more	<u>2,101</u>	<u>8.5</u>	<u>43,470</u>	<u>4.7</u>
Total	24,511	100.0%	927,793	100.0%
Median value	\$540,900	-	\$285,800	-

Source: 2009–2011 American Community Survey.

Number and Size of Households

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
<u>Household Characteristics</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Persons in households	121,363	-	3,455,945	-
Persons per household (average)	2.56	-	2.52	-
Persons per family (average)	3.15	-	3.08	-
Family households	30,019	63.4%	908,661	66.3%
Non-family households	<u>17,338</u>	<u>36.6</u>	<u>462,426</u>	<u>33.7</u>
All households	47,357	100.0%	1,371,087	100.0%
Family households by type				
Married couple	22,178	73.9%	672,013	73.9%
Female householders, no spouse	5,765	19.2	176,973	19.5
Other	<u>2,076</u>	<u>6.9</u>	<u>59,675</u>	<u>6.6</u>
Total family households	30,019	100.0%	908,661	100.0%
Non-family households by type				
Householders living alone	13,698	79.0%	373,648	80.8%
Other	<u>3,640</u>	<u>21.0</u>	<u>88,778</u>	<u>19.2</u>
Total non-family households	17,338	100.0%	462,426	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2010 Census.

Land Use Summary

<u>Land Use Category</u>	<u>Acres</u>	<u>Percent</u>
Zoned for single family	19,688	80.0%
Zoned for multi-family	1,965	8.0
Zoned for mixed use	336	1.4
Zoned for business	754	3.1
Zoned for industry	982	4.0
Zoned for open space	<u>863</u>	<u>3.5</u>
Total	24,588	100.0%

Source: City of Stamford, Land Use Bureau, 2010 GIS data.

SECTION IV - DEBT SECTION

Legal Requirements for Approval of Borrowing

The City has the power to incur indebtedness by issuing its bonds and notes as authorized by the General Statutes of the State of Connecticut, subject to statutory debt limitations and the requirements of the City Charter for the authorization of indebtedness.

Debt Authorization

Debt is authorized by the Board of Representatives, upon request of the Mayor and approval by the Board of Finance. The City adopts a capital budget at the time that it adopts an annual operating budget. Each capital budget is financed from a combination of bonds, grants and other City funds.

Safe Debt Limit

The City of Stamford is also guided by a safe debt limit that is set each year by the Board of Finance. Section 8-20-3 of the Charter of the City provides that the Director of Administration report to the Board of Finance and the Mayor the amount and nature of expenditures that, in the Director's opinion, the City may incur safely for capital projects during each of the six succeeding fiscal years, and the estimated effect of such expenditures upon the current budgets for each of these years, together with the Director's recommendations in relation thereto. Pursuant to Section 8-20-4 of the Charter, the Board of Finance shall transmit to the Planning Board the report of the Director of Administration, together with its certificate of the amount and nature of expenditures that, in its opinion, the City may incur safely for capital projects in the next fiscal year, with the recommendations as to the method of financing such capital projects to be included in the budget for that year. The Director's report for fiscal year 2014-2015 recommended a safe debt limit of \$30.0 million, followed by \$30.0 million annually for the next five years for a total of \$180 million. Not included in that amount is debt related to the purchase and construction of a new school estimated at \$55 million. The short-term debt allows the City to meet capital equipment needs while minimizing long-term interest costs. The Mayor's final Adopted Capital Budget for fiscal year 2014-2015 authorized \$27.3 million to be financed by general obligation bonds. The amount was determined based on a comprehensive assessment of all proposed capital projects.

School Projects

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse the City for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the projects. The City anticipates reimbursements of approximately \$1.8 million for projects approved under the old program.

Under the new program, the State of Connecticut will make proportional progress payments for eligible design and construction costs. The percentage reimbursement for each school project is based on eligible costs as determined by the Connecticut Department of Education. Stamford's rate of reimbursement for new school construction projects is 25% of eligible project costs.

Sewer Projects

The Stamford Water Pollution Control Authority (the "WPCA"), a quasi-municipal corporation, was established on November 28, 1996 pursuant to Ordinance No. 803 and Chapter 103, Sections 7-245 through 7-273a, inclusive, of the Connecticut General Statutes, as amended. The WPCA is governed by a nine-member Board of Directors. Since 1996, it has operated as an enterprise fund.

The WPCA has various debt obligations outstanding, including certain revenue bonds issued pursuant to an indenture of trust and certain general obligation bonds which are completely supported by sewerage

system revenues. Such debt is not included in the calculation of the City's safe debt limit or the statutory debt limitation of the State of Connecticut. See "Debt of the WPCA" herein for more information.

**Current Debt Statement
Pro Forma
As of August 22, 2014**

Bonded debt: ¹		
This issue	\$ 50,000,000	
General purpose	261,365,500	
Schools	<u>103,103,671</u>	
Total bonded debt	425,365,000	
Short-term debt		-
Total overall debt		<u>429,709,365</u>
Less school construction grants receivable		<u>1,645,000</u>
Total overall net debt		\$428,064,365

¹Excludes \$14,740,714 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$45,624,841 for which the City has pledged its full faith and credit, but which are expected to be repaid entirely from revenues of the sewerage system. (See "Debt of the WPCA" herein.)

**Current Debt Ratios
Pro Forma
As of August 22, 2014**

Population, 2012	125,109		
Per capita income, 2012	\$44,667		
Net taxable grand list, 10/1/13	\$18,989,740,227		
Estimated full value @ 70%	\$27,128,200,342		
Equalized net grand list (2012)	\$27,068,336,287		
		Overall Debt	Overall Net Debt
		<u>\$429,709,365</u>	<u>\$428,064,365</u>
Per capita	\$3,434.68	\$3,421.53	
To net taxable grand list	2.26%	2.25%	
To estimated full value	1.58%	1.58%	
To net equalized grand list	1.59%	1.58%	
Ratio of debt per capita to per capita income	7.69%	7.67%	

Bonded Debt Maturity Schedule¹
Pro Forma
As of August 22, 2014

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>	<u>This Issue</u>	<u>Cumulative</u> <u>Principal</u> <u>Retired (%)</u>
2015	\$37,892,001	\$14,840,383	\$52,732,384	\$ -	8.8%
2016	35,353,774	13,557,622	48,911,396	2,500,000	17.6
2017	33,140,583	12,260,957	45,401,540	2,500,000	25.9
2018	32,162,428	10,863,562	43,025,990	2,500,000	34.0
2019	31,189,310	9,353,130	40,542,440	2,500,000	41.8
2020	27,521,230	8,059,280	35,580,509	2,500,000	48.8
2021	26,833,188	6,887,859	33,721,047	2,500,000	55.6
2022	23,520,185	5,773,074	29,293,259	2,500,000	61.7
2023	21,443,333	4,832,538	26,275,871	2,500,000	67.3
2024	21,128,333	4,069,425	25,197,758	2,500,000	72.8
2025	17,980,000	3,316,963	21,296,963	2,500,000	77.5
2026	16,270,000	2,646,963	18,916,963	2,500,000	81.9
2027	13,200,000	2,061,313	15,261,313	2,500,000	85.6
2028	13,200,000	1,521,813	14,721,813	2,500,000	89.2
2029	8,325,000	982,944	9,307,944	2,500,000	91.7
2030	8,325,000	630,519	8,955,519	2,500,000	94.2
2031	5,725,000	345,706	6,070,706	2,500,000	96.2
2032	4,250,000	170,000	4,420,000	2,500,000	97.7
2033	2,250,000	67,500	2,317,500	2,500,000	98.8
2034	-	-	-	2,500,000	99.4
2035	-	-	-	2,500,000	100.0%
Total	\$379,709,365	\$102,241,548	\$481,950,914	\$50,000,000	

¹ Excludes \$14,740,714 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$45,624,841 for which the City has pledged its full faith and credit, but which are expected to be repaid entirely from revenues of the sewerage system. (See "Debt of the WPCA" herein.)

Overlapping/Underlying Debt

The City of Stamford does not have any overlapping or underlying debt.

Approved Capital Projects and Authorized but Unissued Debt

As of July 1, 2014 the City had a \$247,567,032 authorized capital projects balance for various school and public improvement projects. The City expects that approximately \$117,533,642 will be financed by grants and other sources. Of the City's authorized but unissued debt totaling \$130,033,390, approximately \$50 million is expected to be financed by general obligation bonds in fiscal year 2014-2015. The remaining approximately \$80 million will be reviewed and a recommendation will be made to the elected Boards regarding project close-outs or deferral to future bond issuances.

<u>Project</u>	<u>Bond Amount Authorized</u>	<u>Bonds of This Issue</u>	<u>Authorized But Unissued</u>
Public Improvement projects	\$ 69,565,000	\$45,975,000	\$23,590,000
School projects	<u>60,775,000</u>	<u>4,025,000</u>	<u>56,750,000</u>
Total	\$130,340,000	\$50,000,000	\$80,340,000

Statement of Statutory Debt Limitation Pro Forma As of August 22, 2014

Debt Limitation Base

Estimated total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2014 (unaudited)	\$420,352,806
Reimbursement for revenue loss on Elderly Tax Relief	<u>2,000</u>
Debt limitation base	\$420,354,806

Debt Margin

<u>Debt Limitation by Purpose</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers¹</u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>
2.25 x base	\$945,811,814				
4.50 x base	-	\$1,891,623,627			
3.75 x base	-	-	\$1,576,353,023		
3.25 x base	-	-	-	\$1,366,172,620	
3.00 x base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$1,261,082,418</u>
Total debt limitation	945,811,814	1,891,623,627	1,576,353,023	1,366,172,620	1,261,082,418
Less indebtedness ²					
This issue	45,975,000	4,025,000	-	-	-
Bonds payable	<u>261,365,500</u>	<u>103,103,671</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	307,340,000	107,128,671	-	-	-
Less school construction grants receivable	<u>-</u>	<u>1,645,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total indebtedness	307,340,000	105,483,671	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$638,471,814	\$1,786,139,956	\$1,576,353,023	\$1,366,172,620	\$1,261,082,418

¹ Excludes \$16,705,714 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$51,084,841 for which the City has pledged its full faith and credit, but which are expected to be repaid entirely from revenues of the sewerage system.

² As of August 1, 2014, the City had net authorized but unissued debt of about \$80.3 million.

The State of Connecticut General Statutes require that in no event shall the total debt for the City exceed seven times the annual receipts from taxation. Maximum debt for the City of Stamford under this formula is \$2.9 billion.

**Comparison of Annual Debt Service
to General Fund Expenditures and Transfers Out**

Fiscal Year Ended June 30	Debt Service	Total General Fund Expenditures and Transfers Out	Debt Service as Ratio to Total Expenditures and Transfers Out
2013	\$45,493,108	\$481,272,662	9.45%
2012	43,296,710	468,953,486	9.23
2011	42,207,323	452,683,059	9.32
2010	43,651,921	445,088,739	9.80
2009	45,207,273	443,922,264	10.10
2008	38,587,101	416,429,935	9.26
2007	34,000,000	391,224,919	8.69
2006	32,550,647	373,777,399	8.71

Debt of the WPCA

State of Connecticut Clean Water Fund

The City of Stamford is a participant in the State of Connecticut Clean Water Fund Program (General Statutes Section 22a-475 et seq., as amended), which provides financial assistance for eligible sewer projects through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are financed with a 30% grant and 70% loan). Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, and thereafter in monthly installments. The City may prepay its loans at any time prior to maturity without penalty. The City currently has a project loan obligation ("PLO") in the amount of \$73.6 million, and has received a grant commitment of \$23 million. The PLO is authorized as a revenue obligation to be secured by revenues of the sewerage system pursuant to an Indenture of Trust dated as of December 21, 2001, by and among the City, the Water Pollution Control Authority for the City and U.S. Bank National Association (as successor to First Union National Bank) as Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of October 1, 2003, the Second Supplemental Indenture, dated as of February 28, 2006, the Third Supplemental Indenture dated as of September 1, 2006, and the Fourth Supplemental Indenture, dated as of August 1, 2009 (the Indenture, as amended and supplemented by the First, Second, Third and Fourth Supplemental Indentures, herein referred to as the "Indenture"). In addition, the City has four PLOs outstanding totaling \$51,084,841 for repayment of which the City has pledged its full faith and credit but which are expected to be repaid entirely from revenues of the sewerage system on a parity basis with the 2003 Series A Revenue Bonds issued in October 2003, the PLO issued in February 2006, and the 2006 Series Revenue Bonds issued in September 2006. (See "Sewer Revenue Bonds" herein.)

General Obligation Bonds

The City, prior to the establishment of the revenue bond program for sewerage system improvements, issued general obligation debt for purposes of sewerage system improvements. As of February 4, 2013 the City has \$16,705,714 of general obligation bonds outstanding and four Clean Water Fund project loan obligations outstanding in the amount of \$51,084,841 issued under the Clean Water Fund that are secured by the full faith and credit of the City. The City expects that debt service on such bonds and project loan obligations will be repaid entirely from revenues of the sewerage system. The debt service on the project loan obligations is treated as Parity Indebtedness and the general obligation bonds as Subordinated Indebtedness under the Indenture.

The following table sets forth the debt service requirements for indebtedness of the City incurred on behalf of the WPCA to make capital improvements to the Sewerage System. The payment of debt service on general obligation bonds of the City, which proceeds were used for Sewerage System improvements, is subordinate to the payment of debt service on the Parity Indebtedness.

Pro Forma as of August 22, 2014

Fiscal Year Ending June 30	<u>Senior Lien Debt (Parity Indebtedness)</u>				<u>Subordinated Debt</u>		Cumulative Percent Retired
	2006 Series & 2013 Series		Existing Clean		General Obligation		
	Sewer Revenue Bonds		Water Fund Debt ¹		Sewer Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 635,000	\$ 1,926,170	\$ 3,864,423	\$876,859	\$1,790,158	\$675,096	6.3%
2016	945,000	1,890,720	3,883,503	799,731	1,372,117	606,289	12.4
2017	1,000,000	1,840,051	3,943,011	721,412	1,212,440	549,318	18.6
2018	1,050,000	1,787,138	3,996,881	642,166	1,325,547	490,795	25.0
2019	1,105,000	1,733,686	4,077,554	561,492	1,338,395	428,076	31.5
2020	1,160,000	1,677,103	4,159,858	479,189	1,003,672	373,501	37.9
2021	1,220,000	1,617,125	4,026,883	397,206	939,600	327,982	44.1
2022	1,285,000	1,552,881	4,108,163	315,926	671,000	289,140	50.2
2023	1,355,000	1,484,313	4,191,084	233,005	686,000	256,087	56.5
2024	1,425,000	1,413,931	4,275,678	148,411	655,000	223,310	62.9
2025	1,500,000	1,343,806	4,361,980	62,109	720,000	189,940	69.5
2026	1,570,000	1,272,231	735,509	1,839	600,000	157,045	72.4
2027	1,645,000	1,197,256	-	-	620,000	125,320	74.7
2028	1,725,000	1,116,719	-	-	645,000	91,791	77.1
2029	1,810,000	1,030,306	-	-	665,000	56,416	79.5
2030	1,900,000	939,619	-	-	690,000	19,148	82.2
2031	1,995,000	844,406	-	-	-	-	84.2
2032	2,095,000	744,419	-	-	-	-	86.3
2033	2,205,000	639,294	-	-	-	-	88.5
2034	1,505,000	549,038	-	-	-	-	90.0
2035	1,580,000	473,250	-	-	-	-	91.6
2036	1,660,000	392,363	-	-	-	-	93.3
2037	1,745,000	307,331	-	-	-	-	95.0
2038	600,000	247,250	-	-	-	-	95.6
2039	635,000	213,288	-	-	-	-	96.2
2040	670,000	178,238	-	-	-	-	96.9
2041	705,000	142,144	-	-	-	-	97.6
2042	745,000	104,081	-	-	-	-	98.4
2043	785,000	63,919	-	-	-	-	99.2
2044	825,000	21,656	-	-	-	-	100.0
Total	\$27,570,000	\$17,712,360	\$45,624,528	\$5,293,345	\$14,933,929	\$4,859,254	

¹ Principal and interest payments reflect existing project loan obligations ("PLOs") between the City and the State of Connecticut, as follows: PLO 117-C (original amount of loan \$2,731,211 and current principal amount outstanding \$250,361); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$172,856); PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$1,480,521); and PLO 414-C (original amount of loan \$73,561,481 and current principal amount outstanding \$49,181,103). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis.

SECTION V - FINANCIAL SECTION

Audited Financial Results for June 30, 2013 and Estimated Results for Fiscal Year 2013-2014

Audited Results for June 30, 2013: As of June 30, 2013, the total fund balance for the General Fund was \$14.4 million. Of this amount, \$10.9 million represented the assigned General Fund balance (versus \$6.4 million at the prior year-end period). The assigned General Fund fund balance at year-end represented 2.1% of total General Fund expenditures of \$512.9 million as reported on the modified accrual basis of accounting. Additionally, \$3.4 million of the General Fund fund balance represented the assigned portion (versus \$3.6 million at the prior year-end period). The assigned portion of the General Fund at year-end represented 0.7% of total General Fund expenditures of \$512.9 million as reported on the modified accrual basis of accounting.

In fiscal year 2012-2013 the City achieved strong results in all areas of tax collections. The current levy collection rate (for all property types) was 98.6%, the twelfth consecutive year that the collection rate exceeded 98%. These positive results were achieved by a continued stable municipal tax base and the continuation of effective policies and practices employed in the area of delinquent collections.

Audited financial results indicate that the City achieved strong results in all areas of tax collection. The adopted levy rate was 98.45%; however tax revenue, adjusted for contingency reserves, came in above that, as evidenced by a \$1.0 million insurance claim for Storm Sandy increase over budget, along with Federal Emergency Management Administration ("FEMA") reimbursements, provided a further boost of revenues that were not originally included as part of the City's financing plan. Finally, due to the significant ongoing development in the City conveyance tax exceeded budget by \$375,000 and building permit revenue was stronger than previously expected, as the \$2.7 million increase over the Adopted Budget indicates.

On the expense side, all departments ended the year well within the budgetary plan on \$5.3 million below revised budget, \$4.4 million of that turned back by BOE.

After completion of the June 30, 2013 audit report the City (with the approval of the requisite governing boards) used \$4.3 million of the budgetary fund balance for the Rainy Day Fund. The balance in the Rainy Day Fund has increased to approximately \$21.1 million.

Estimated Results for Fiscal Year 2013-2014: The Adopted Budget was composed of \$200.2 million for City operating expenses, \$47.8 million for debt service, and \$245.1 million for education costs. Included in the budget is approximately \$6.95 million for contingency reserves for significant snow or other weather related events, potential labor settlements, and other unforeseen or unplanned occurrences. The Office of Policy and Management ("OPM") completed fourth quarter financial review for fiscal year 2013-2014. The fourth quarter financial review of all operating departments along with an analysis of General Fund revenue sources includes actual revenues and expenditures posted through mid-June and revenue and expenditure projections based on trends and anticipated changes from the revised budget identify a year-end surplus of \$2.9 million.

As of June 20, 2014, the Tax Collector reports tax receipts through the second billing cycle are on target and slightly exceed prior year's collection rate.

Expenditures on the municipal side, excluding Board of Education, to present were \$243.6M or 96.3% of the total City budget. YTD expenditures include full year expenditures for annual payments for transfer to the debt service fund, pension, and Other Post-Employment Benefits (OPEB) paid in July/August in accordance with our operating plan as well as Medical and Life payments to insurance fund charges.

Accounting Policies

The City's accounting policies are summarized in Appendix A - "Auditor's Section, Notes to Financial Statements, Note 1" herein.

Basis of Accounting

See Appendix A – “Auditor’s Section, Notes to Financial Statements, Note 1” herein.

Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the City of Stamford Charter, the City is obligated to undergo an annual examination by an independent public accountant. The auditors, O’Connor Davies, LLP, were appointed by the Board of Finance, and are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, which receives a copy of the audit report when completed.

Budgetary Procedures

The City of Stamford conforms to the following budgetary sequences and time schedules:

Department estimates due for six-year capital program	December 10
Report of the Director of Administration to Board of Finance recommending the amount and nature of capital expenditures for the ensuing year	December 15
Certificate of Board of Finance to Planning Board of amount and nature of capital expenditures for subsequent year	January 15
Public hearing by Planning Board	February 10
Capital Budget from Planning Board to Mayor	March 1
Board of Education submits its Budget to the Board of Finance	March 1
Mayor’s Operating and Capital Budget to Board of Finance	March 8
Joint Public Hearing before Board of Finance and Board of Representatives	April 8
Budget to Board of Representatives from Board of Finance	April 20
Budget adopted by Board of Representatives	May 15
Board of Finance establishes the mill rate	May 25

**Taxable Grand List
(\$ in thousands)**

Grand List 10/1	Residential Real Property	Commercial and Industrial Real Property		Other	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
2013	57.0%	32.4%	0.3%	5.6%	5.0%	\$19,328,740	\$339,000	\$18,989,740	0.8%	
2012 ¹	56.8	32.8	0.3	5.6	4.5	19,115,110	275,944	18,839,166	(22.4)	
2011	59.6	32.5	0.2	4.3	3.5	24,598,527	304,121	24,294,406	1.1	
2010	60.0	32.4	0.2	4.1	3.3	24,381,703	352,951	24,028,752	(0.3)	
2009	59.2	33.5	0.2	4.0	3.1	24,376,201	286,215	24,089,986	0.2	
2008	59.1	33.5	0.3	4.1	3.2	24,263,665	208,190	24,055,475	0.5	
2007	59.0	31.1	2.6	3.8	3.4	24,162,168	217,625	23,944,543	81.4	
2006	58.8	26.9	1.8	6.0	6.6	13,318,632	120,788	13,197,844	7.9	
2005	56.5	29.7	0.4	6.3	7.2	11,327,695	129,929	11,197,766	1.5	
2004	61.0	24.9	0.4	6.6	7.2	11,226,848	190,331	11,036,517	-	

¹ Revaluation.

Tax Collections

Fiscal Year Ended 6/30	Net Taxable Grand List (000s)	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/14
2015 (unaudited) ..	\$18,989,740	n/a		-----In collection-----	
2014 (unaudited) ...	18,839,166	\$443,736,366	98.8%	1.20%	1.20%
2013	24,294,406	431,277,703	98.55	1.45	0.66
2012	24,028,752	417,787,311	98.5	1.5	0.33
2011	24,089,986	406,891,242	98.6	1.4	0.07
2010	24,055,475	402,388,009	98.6	1.4	0.07
2009.....	23,944,543	386,200,745	98.5	1.5	0.05
2008	13,197,844	356,270,017	98.4	1.6	0.04
2007	11,197,766	338,789,500	98.3	1.7	0.04
2006	11,036,517	323,570,472	98.5	1.5	0.03
2005	10,892,248	313,394,228	98.6	1.4	0.02

Property Taxes Receivable

Fiscal Year Ended June 30	Current Year (000s)	Total (000s)
2014 (unaudited)	6,370	14,418
2013	6,788	12,168
2012	6,285	12,304
2011	7,260	12,804
2010	5,876	16,525
2009	5,681	14,839
2008	6,104	14,185
2007	5,764	12,216
2006	4,884	9,452
2005	4,486	14,443

Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/13</u>	<u>Percent of Net Taxable Grand List</u>
BLT Group	Development	\$ 647,077,275	3.41%
RFR Properties	Office Buildings	349,118,345	1.84
Avalon	Apartments	167,206,600	0.88
UBS AG Stamford	Banking/Finance	145,300,100	0.77
ESRT First Stamford Place	Office Buildings	141,709,330	0.75
Rich-Taubman	Office Buildings/Retail	110,023,440	0.58
Four Hundred Atlantic Title	Office Buildings	104,399,360	0.55
One Stamford Realty	Office Buildings	96,476,880	0.51
Landmark	Office Buildings	96,326,020	0.51
HPHV Direct LLC	Office Buildings/Retail	88,463,950	0.47
Reckson/Stamford Towers	Office Buildings	78,568,450	0.41
Town Grove LLC	Apartments	76,677,550	0.40
UB Stamford LP.....	Office Buildings/Retail	75,495,020	0.40
ESRT Metro	Office Buildings	74,316,360	0.39
RV V Lockworks.....	Apartments	72,550,460	0.38
Pitney Bowes.....	Office Buildings	61,889,180	0.33
High Ridge Office Park LLC.....	Office Buildings	60,010,460	0.32
Stamford Square Associates	Office Buildings	48,351,890	0.25
Soundview Farms LLC	Office Buildings	44,489,380	0.23
33 Broad Street Assoc. II LLC	Condominium	<u>43,472,610</u>	<u>0.23</u>
Total		\$2,581,922,660	13.60%

Net Taxable Grand List for 10/1/13: \$18,989,740,227

Property Tax

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property located within the City on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at 70 percent of the market value.

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 inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of revaluation (Grand List of 2007). The property depreciation and obsolescence factors are also considered when arriving at an equitable value. The City completed a revaluation on the October 1, 2012 grand list. In accordance with the Connecticut General Statutes, a municipality is required to implement a property revaluation once every (5) five years.

Motor vehicle lists are furnished to the City by the State of Connecticut Department of Motor Vehicles. The State utilizes the NADA (National Automobile Dealers Association) pricing schedules to determine market value. Assessed value for motor vehicles are computed at 70% of market value.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with all manufacturers and businesses required to complete and return (by November 1st) a Personal Property Declaration. The declaration is a determination of value of taxable personal property as of October 1st. The City utilizes an accelerated depreciation schedule for certain types of personal property. Upon receipt of declarations, the assessor's staff reviews and prices property for all accounts.

The City derived 88.9% of its annual revenues for fiscal year 2012-2013 through property taxes. For fiscal year 2013-2014 the City is projected to collect 88.56% of its annual revenues from property taxes. The City expects that a similar proportion of its total revenue will be generated from property taxes in the future.

Tax Districts

The City of Stamford is divided into four taxing districts, based upon municipal services furnished. As the City's sewer program is extended to new areas, municipal garbage collection service is provided and the tax district classification is changed accordingly.

- District A: Basic services (schools, police, etc.) plus sanitary sewers, garbage collection and paid fire protection.
- District B: Basic services plus paid fire protection.
- District C: Basic services plus paid and volunteer fire protection.
- District C/S: Basic services plus paid and volunteer fire protection, sanitary sewers and garbage collection.

The core of the City is represented by Districts A and B which include the highest density of residential, commercial, and industrial development. District B is a very small portion of this core area to which sanitary sewers have not been extended.

Districts C and C/S are predominantly zoned for single-family residential use. District C/S is that portion of District C that has been provided with sanitary sewers and garbage collection.

The City, pursuant to State law and local ordinance, utilizes a uniform, State-recommended depreciation schedule for business and personal property. This depreciation schedule allows businesses to depreciate electronic data processing equipment much faster than had been previously permitted, Stamford businesses enjoyed a reduction in their assessments and corresponding taxes for electronic personal property, most notably computer equipment. In order to partially mitigate the impact of this reduction in personal property taxes, the City established a Personal Property Tax District. For fiscal year 2014-2015 the Personal Property Tax District mill rate is 24.79 mills.

Tax Rates by District (Mills)

<u>Tax List</u>	<u>Fiscal Year</u>	<u>District A</u>	<u>District B</u>	<u>District C</u>	<u>District C/S</u>	<u>Uniform Auto Rate</u>	<u>Personal Property</u>
October 1, 2013	2015	24.79	24.24	23.31	23.79	27.25	24.79
October 1, 2012	2014	24.04	23.55	22.67	23.10	27.25	24.04
October 1, 2011	2013	17.89	17.49	16.73	17.08	26.50	17.89
October 1, 2010	2012	17.49	17.10	16.31	16.64	26.50	17.49
October 1, 2009	2011	17.17	16.80	15.95	16.28	26.50	17.17
October 1, 2008	2010	16.82	16.45	15.68	16.01	26.50	16.82
October 1, 2007	2009	16.18	15.82	15.16	15.49	24.00	16.18
October 1, 2006	2008	27.03	26.28	25.20	25.88	34.00	27.03
October 1, 2005	2007	30.68	29.94	27.89	28.56	36.60	30.68

Revenues

The City derives its revenues from a direct tax levy on property, State and federal aid, various fees and charges, and certain miscellaneous sources. City revenues are summarized for fiscal years ended through 2013 in "General Fund Revenue and Expenditures" herein.

Intergovernmental Revenues as a Percent of General Fund Revenues

<u>Fiscal Year Ended June 30</u>	<u>Intergovernmental Revenues</u>	<u>General Fund Revenues</u>	<u>Aid as a Percentage of General Fund Revenues</u>
2013	\$43,397,667	\$512,354,133	9.45%
2012	45,996,081	497,505,346	9.25
2011	40,296,862	476,130,068	8.46
2010	36,958,336	462,646,616	7.99
2009	39,936,682	458,840,376	8.70
2008	38,740,568	442,328,318	8.76
2007	35,462,340	408,263,643	8.69
2006	38,510,261	389,612,700	9.88
2005	28,609,083	367,435,215	7.79
2004	27,509,205	361,647,956	7.61
2003	19,926,170	330,045,168	6.04

Real Property Tax Collection Procedure

Taxes for the fiscal year are paid on the Grand List on the prior October 1, and are payable in two installments, one half on July 1 and one half on January 1. Payments not received by February 1 and August 1 become delinquent.

According to the provisions of Public Act No. 81-44, effective July 1, 1981, and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.25% per month. Public Act No. 82-141, effective July 1, 1982, changed the interest rate to 1.5% per month for all delinquent property taxes.

Real Property Tax Levies

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in two installments on July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by establishing a reserve for uncollected amounts 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. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of \$2. Outstanding real estate tax accounts are automatically liened each year prior to June 30. The Tax Collector utilizes the City's Legal Department, outside attorneys, and collection agencies in the collection of real estate, personal property and motor vehicle tax bills. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with State Statutes.

Five-Year Capital Improvement Program¹

<u>Proposed Expenditures</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Office of the Mayor	\$ 750,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Office of Administration	-	-	-	-	-	-
Office of Operations	18,015,000	49,226,000	59,750,000	57,025,000	42,625,000	47,375,000
Office of Public Safety, Health & Welfare	2,010,000	4,631,000	2,925,000	2,430,050	3,020,000	1,865,000
Bartlett Arboretum	-	685,000	50,000	50,000	50,000	50,000
Childcare Learning Center	995,389	150,000	-	125,000	-	150,000
Ferguson Library	675,000	2,382,000	1,375,000	425,000	325,000	400,000
Scotfield Manor	218,000	496,391	400,000	50,000	50,000	50,000
Stamford Center for the Arts	90,000	684,000	-	-	-	-
Stamford Historical Society	-	-	-	-	-	-
Stamford Museum	-	14,000,000	1,575,000	1,100,000	1,100,000	1,075,000
Old Town Hall Restoration	-	-	-	-	-	-
Board of Education	6,950,000	23,705,000	21,125,000	21,525,000	21,375,000	21,825,000
Parking Fund	150,000	50,000	50,000	100,000	50,000	50,000
Water Pollution Control Authority	5,800,000	6,275,000	3,750,000	1,075,000	750,000	425,000
E. G. Brennan Golf Course	-	-	-	-	-	-
Short-term Capital	<u>7,099,499</u>	<u>7,795,000</u>	<u>7,995,000</u>	<u>8,395,000</u>	<u>8,545,000</u>	<u>7,645,000</u>
Total Expenditures	\$42,752,888	\$111,579,391	\$100,495,000	\$93,800,050	\$79,390,000	\$82,410,000
 <u>Funding Sources</u>²						
GO Bonds ³	\$27,310,583	\$79,225,795	\$73,257,074	\$70,801,883	\$60,084,784	\$62,723,942
Grants	5,299,999	13,832,297	12,458,185	11,628,224	9,841,836	10,216,220
Other	4,692,306	12,246,299	11,029,741	10,294,943	8,713,380	9,044,838
WPCA Revenue Bonds	<u>5,450,000</u>	<u>6,275,000</u>	<u>3,750,000</u>	<u>1,075,000</u>	<u>750,000</u>	<u>425,000</u>
Total Funding Sources	\$42,752,888	\$111,579,391	\$100,495,000	\$93,800,050	\$79,390,000	\$82,410,000

¹ A “safe debt limit” of \$30.0 million in fiscal years 2014-2015 thru 2019-2020 was proposed by the Director of Administration.

² Funding sources for out-years are estimates based on same assumptions used for fiscal year 2014-2015.

³ Total Expenditures for years 2015-2016 thru 2019-2020 reflect the “wish list” of the respective departments. As the City enters each year, the Mayor’s Office and the elected boards will narrow the projects to be funded down to fit within the proposed safe debt limit.

Comparative Balance Sheets - General Fund

	<u>6/30/13</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>6/30/10</u>	<u>6/30/09</u>
Assets					
Cash and equivalents	\$10,250,721	\$ 887,459	\$1,123,705	\$1,523,010	\$ 890,360
Property taxes	9,320,602	9,304,045	9,804,432	10,524,508	16,191,113
Intergovernmental	4,732,499	5,218,663	5,541,717	5,711,643	8,086,289
Other receivables	3,363,641	2,948,861	3,435,915	2,826,135	216,895
Due from other funds	8,227,970	6,279,759	6,782,637	457,186	518,528
Investments	21,339,266	16,279,215	16,226,278	20,068,247	19,789,289
Other assets	<u>40,072</u>	<u>35,065</u>	<u>43,455</u>	<u>296,598</u>	<u>365,856</u>
Total assets	\$57,274,771	\$40,953,067	\$42,958,139	\$41,407,327	\$46,058,330
Liabilities and fund balance					
Liabilities					
Accounts payable/liabilities	\$15,722,068	\$10,776,296	\$11,125,942	\$10,884,636	\$ 9,629,609
Deferred revenues	27,071,260	17,992,316	23,141,319	24,319,617	28,003,049
Due to other funds	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>
Total liabilities	42,856,628	28,831,912	34,330,561	35,267,553	37,695,958
Fund Balance					
Reserved:					
For encumbrances	-	-	-	2,866,245	3,860,955
For inventory	-	-	-	22,937	-
For long-term advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total reserved fund balance	-	-	-	2,889,182	3,860,955
Designated:					
General Fund	-	-	-	3,250,592	4,501,417
For future contracts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	3,250,592	4,501,417
Unreserved and undesignated	-	-	-	-	-
Nonspendable	159,247	154,240	43,455	-	-
Committed	10,912,936	8,376,207	5,961,692	-	-
Assigned	3,345,960	3,590,708	2,622,431	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>14,418,143</u>	<u>12,121,155</u>	<u>8,627,578</u>	<u>6,139,774</u>	<u>8,362,372</u>
Total liabilities and fund balance	\$57,274,771	\$40,953,067	\$42,958,139	\$41,407,327	\$46,058,330
Operating revenues	\$512,394,133	\$497,505,346	\$476,130,068	\$462,646,616	\$458,840,376
Fund balance as percent of operating revenues	2.81%	2.44%	1.81%	1.32%	1.82%

General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2010 through 2013 have been derived from audited financial statements and are based on a GAAP basis of accounting. The adopted budget for fiscal year 2014-2015 and 4th Quarter projected results for fiscal year 2013-2014 are provided by the City and are based on the budgetary basis of accounting. The City's independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the City of Stamford's management.

	Adopted Budget 2014-15¹	4th Quarter Projected 2013-14¹	<u>2012-13¹</u>	<u>2011-12²</u>	<u>2010-11²</u>	<u>2009-10²</u>
Revenues						
General property taxes	\$453,943,197	\$448,031,490	\$432,104,549	\$423,093,113	\$407,018,129	\$397,485,307
Intergovernmental	17,335,379	18,711,955	48,397,667	45,996,081	40,296,862	36,958,336
Charges for services	30,205,672	31,869,479	30,816,808	27,178,287	27,161,337	26,430,218
Interest and dividends	600,000	97,545	127,417	174,911	388,795	840,759
Other	<u>2,669,182</u>	<u>3,452,868</u>	<u>947,692</u>	<u>1,062,954</u>	<u>1,264,945</u>	<u>931,996</u>
Total revenues	504,753,430	502,163,337	512,394,133	497,505,346	476,130,068	462,646,616
Expenditures						
Government and community						
services	14,939,484	14,113,405	12,905,752	12,146,466	12,810,773	14,331,454
Administration	9,107,508	8,126,461	8,614,816	8,341,802	7,620,847	7,174,646
Legal affairs ^{3,6}	4,385,699	20,318,829	17,580,622	15,143,895	11,183,426	7,545,585
Public health, safety & welfare ...	139,960,356	128,080,877	126,292,811	122,360,069	121,345,353	109,076,752
Operations	42,068,754	39,438,098	39,239,664	37,296,486	37,825,856	38,018,801
Board of Education ⁴	248,574,216	245,072,959	255,459,497	252,544,074	241,144,181	244,611,342
Debt service ⁵	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	459,036,017	455,150,629	460,093,162	447,832,792	431,930,436	420,758,580
Excess of revenues over expenditures	45,717,413	47,012,708	52,300,971	49,672,554	44,199,632	41,888,036
Other financing sources (uses)						
Operating transfers in	3,129,133	3,739,588	2,865,332	3,214,641	2,798,495	3,715,304
Operating transfers out	(48,846,546)	<u>47,824,707</u>	<u>(52,869,315)</u>	<u>(49,393,618)</u>	<u>(44,510,323)</u>	<u>(47,825,938)</u>
Total other financing sources (uses)	(45,717,413)	(44,085,119)	(50,003,983)	(46,178,977)	(41,711,828)	(44,110,634)
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses	-	2,927,589	2,296,988	3,493,577	2,487,804	(2,222,598)
Fund balance, July 1	-	<u>14,418,143</u>	<u>2,121,155</u>	<u>8,627,578</u>	<u>6,139,774</u>	<u>8,362,372</u>
Fund balance, June 30	-	\$20,186,364	\$14,418,143	\$12,121,155	\$8,627,578	\$6,139,774

¹ Budgetary basis of accounting; does not include payments made on behalf of the City by the State of Connecticut for Teachers Retirement System.

² GAAP basis of accounting.

³ Beginning in fiscal year 2014-2015, pension and OPEB expenses are no longer shown in Legal Affairs. Instead they have been allocated to individual departments based on workforce.

⁴ In fiscal year 2011-2012, \$24,307,000 entry in BOE to record State teachers' retirement.

⁵ Debt service included in operating transfers out.

⁶ Includes assumptions for unsettled labor contracts.

Pension Plans

The City’s pension plans cover all employees of the City, except teachers, who are covered by the State Teachers Retirement Fund. There are four separate plans: Classified Employees’ Retirement Fund; Firefighters Pension Trust Fund; Police Pension Trust Fund; and the Custodians’ & Mechanics’ Retirement Fund. Hooker & Holcombe, Inc., are the consulting actuaries for the City.

The City’s funding policy is to appropriate and recognize as an expenditure the amounts recommended by an actuary that are adequate to accumulate sufficient assets in each of the City’s Plans to pay benefits when due. These amounts include normal cost and amortization of prior service costs over a period of 15 years. The City uses the projected unit credit actuarial funding method utilizing the same actuarial assumptions as described in Appendix A, “Auditor’s Section, Notes to Financial Statements” in this Official Statement.

The following is a schedule of the total funding progress by the City to all City pension plans:

<u>As of July 1¹</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Overfunded/ (Unfunded) Actuarial Accrued Liability</u>
2013	\$564,784,000	\$651,320,000	87%	(\$86,536,000)
2012	548,351,000	626,336,000	88	(77,985,000)
2011	537,601,000	586,098,000	92	(48,497,000)
2010	521,228,000	559,964,000	93	(38,736,000)
2009	521,769,000	537,484,000	97	(15,715,000)
2008	546,601,118	511,663,824	107	34,937,294
2007	535,601,000	484,354,000	111	51,247,000
2006	507,918,000	463,312,000	110	44,606,000
2005	491,929,000	438,830,000	112	53,099,000
2004	478,298,132	418,828,016	114	59,470,116
2003	467,855,124	380,371,000	123	87,484,124

¹Based on the valuations completed by Hooker & Holcombe, Inc. for fiscal years 2008-2009 through 2012-2013; 2008 is based on the valuations completed by Buck Consultants.

The following is a schedule of the annual pension cost and the percentage of annual pension costs that the City contributed.

Classified Employees’ Retirement Fund

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>
2012-13	\$5,902,000	99.9%
2011-12	5,361,000	100.5
2010-11	4,174,000	100.0

Police Pension Trust Fund

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>
2012-13	\$4,909,000	99.5%
2011-12	4,366,000	99.4
2010-11	4,141,000	99.4

Firefighters' Pension Trust Fund

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>
2012-13	\$2,339,000	100.0%
2011-12	2,079,000	100.0
2010-11	1,716,000	100.1

Custodians' and Mechanics Retirement Fund

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>
2012-13	\$1,520,000	98.5%
2011-12	1,388,000	137.8
2010-11	1,229,000	99.3

Self-Insurance Programs

The City is exposed to various risk of loss related to torts, theft, or impairment of assets, errors and omissions, injuries to employees, and natural disasters. The City Risk Management office actively manages risk on behalf of the City, through a combination of loss prevention and control, risk retention, and risk transfer.

In response to changing market conditions, the City periodically evaluates its risk management program, including its self-insured retention levels. Currently, the City carries a \$1,000,000 self-insured retention for general liability and auto liability claims, \$1,000,000 for public officials' liability, \$250,000 for property losses and \$1,500,000 for workers' compensation claims. The City purchases commercial insurance for claims in excess of these retentions. All claim expenses and accruals, insurance premiums, and administrative expenses for risk management are reported in a separate Risk Management Internal Service fund.

It is also the City's policy to self-insure its employee health insurance programs with an individual stop loss currently set at \$350,000 per person, per year. Above this threshold, the City purchases commercial insurance. Costs associated with employee health insurance risks are reported in the City's self-insurance fund.

Investment Policies and Practices

The City Charter and Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402 govern the investments the City is permitted to acquire. Furthermore, the City has an Investment Policy adopted by the Board of Finance (revised September 2008). Accordingly, the City may invest and only invests in U.S. Treasury Bills, Federal Agency Securities, Federal Instrumentalities, Time Certificates of Deposits, Money Market Mutual Funds, Investment Pools, and the State Short-Term Investment Fund.

Other Post-Employment Benefits ("OPEB")

The City offers certain post-retirement medical benefits to eligible retirees and their dependents on a partially contributory basis and life insurance benefits to eligible retirees, as set forth in various collective bargaining agreements. Depending on the union contract, the benefits cover hospital care in full for a specified number of days (generally 120); surgical costs; certain major medical benefits; and small amounts of life insurance. In addition, the City pays a portion of the Medicare Part B premium for certain retirees. The City offers certain post-retirement medical benefits to eligible retirees and their dependents on a partially contributory basis and life insurance benefits to eligible retirees, as set forth in various collective bargaining agreements. Postretirement health benefits vary depending on the union contract that was in effect at the time of retirement. In most instances the City offers employees a comprehensive indemnity plan. Under these plans the employees pay a monthly cost share that ranges from 0% to 66%

of the cost of the plan. Additionally, most plans have a co-pay for medical visits that also varies depending on the service offered. Most City retirees have Medicare supplement plans similar to the active plan. The City has recently begun the process of negotiating contracts that eliminate the Medicare supplement plans and increase all retiree monthly cost share to at least 50%. Some retirees also have a small death benefit. Benefits for all plans integrate with Medicare on a 100% coordination basis.

During fiscal year 2012-2013, the net amount paid for retiree medical claims and medical and life insurance premiums was approximately \$16.78 million and covers approximately 1,000 individuals.

The Board of Representatives approved, by ordinance, the establishment of a trust to address Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions." The trust was established in fiscal year 2007-2008 and an investment advisor and custodian were selected.

The funding of the OPEB Trust fund was considered by all parties and it was initially agreed that funding of the Annual Recommended Contribution ("ARC") would be addressed through a five-year phase-in with subsequent minor modifications for the current economic environment. Contributions to the fund, investment of fund assets, as well as payment of benefits from the fund commenced during fiscal year 2009. In fiscal year 2010-2011 the City/Board of Education made an OPEB payment of approximately \$5.5 million, representing 50% of its projected ARC. Based upon the July 1, 2010 actuarial valuation, the 2012 and 2013 OPEB payments were approximately \$8.0 million and \$8.1 million respectively representing 60% of the projected ARC.

Pursuant to the revised plan, the City/Board of Education funded 70% in fiscal year 2013-2014, 80% in fiscal year 2014-2015, 90% in fiscal year 2015-2016 and 100% in fiscal year 2016-2017. This change afforded the City some near-term financial flexibility while maintaining the City's commitment to progressively fully fund the ARC (revised to ADC Actuarially Determined Contribution per GASB 67 & 68) in a reasonable time frame.

The City's annual OPEB cost (including the SWPCA), the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for past six years is as follows:

<u>Fiscal Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$30,638,000	63.11%	\$46,366,000
2012	28,817,000	69.59	35,063,000
2011	25,455,000	63.61	26,299,000
2010	19,518,000	63.10	19,641,000
2009	18,429,000	69.93	12,439,000
2008	16,006,000	57.48	6,806,000

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Excess (Unfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Excess (Unfunded) Liability as a Percentage of Covered Payroll</u>
7/1/12	\$19,041,000	\$285,530,000	(\$266,489,000)	7.0%	\$235,779,000	(113.0%)
7/1/11	8,629,000	252,250,000	(243,621,000)	3.4	N/A	N/A
7/1/10	3,906,000	298,344,000	(294,438,000)	1.3	215,910,000	(136.4)
7/1/08	-	215,337,000	(215,337,000)	-	226,225,000	(95.2)
7/1/06	894,000	200,894,000	(200,000,000)	-	188,244,000	(106.2)

SECTION VI - ADDITIONAL INFORMATION

Litigation

In the opinion of the City's Director of Legal Affairs, as of the date of this Official Statement, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the City in excess of five percent (5%) of the City's annual revenues, or which would impact the validity of the Bonds or the power of the City to levy and collect taxes to pay them.

Availability of Continuing Information

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City 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 in substantially the form attached as Appendix C to this Official Statement.

The City 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). In the last five years, the City has not materially failed to meet any of its undertakings under such agreements.

Legal Matters

Robinson & Cole LLP, Hartford, Connecticut is serving as bond counsel with respect to the authorization and issuance of the Bonds and will render its opinion with respect to the Bonds in substantially the form attached to the Official Statement as Appendix B.

Documents to Be Furnished at Closing

Upon delivery of the Bonds, the original purchaser will be furnished with the following:

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 or the levy or collection of taxes to pay them.
2. A certificate on behalf of the City, signed by the Mayor and the Director of Administration, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the Bonds were awarded, the description and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in 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 City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel.
5. An executed Continuing Disclosure Agreement substantially in the form attached hereto as Appendix C.

The City of Stamford has prepared an Official Statement for the Bonds which is dated August 13, 2014. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment.

A transcript of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association, in Hartford, Connecticut and may be examined upon reasonable notice.

Additional Information

Additional information may be obtained upon request from Michael E. Handler, Director of Administration, City of Stamford, Government Center, 888 Washington Boulevard, Stamford, Connecticut 06904-2152, telephone (203) 977-4182 or from Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, telephone (203) 283-1110.

The City has retained Phoenix Advisors, LLC (the "Financial Advisor") in connection with the preparation of the City's issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

The Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the City and duly executed and delivered on its behalf by the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds.

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 City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the City and executed for and on behalf of the City by the following officials.

CITY OF STAMFORD, CONNECTICUT

By /s/ *David R. Martin*
David R. Martin
Mayor

By /s/ *Michael E. Handler*
Michael E. Handler
Director of Administration

Dated as of August 13, 2014

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Appendix A

The following includes the General Purpose Financial Statements of the City of Stamford, Connecticut for the fiscal year ended June 30, 2013. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110

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Independent Auditors' Report

**The Board of Finance of the
City of Stamford, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stamford, Connecticut ("City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

O'CONNOR DAVIES, LLP

One Stamford Landing, 62 Southfield Avenue, Stamford, CT 06902 | Tel: 203.323.2400 | Fax: 203.967.8733 | www.odpkf.com

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Funding Progress for Pensions and Other Post Employment Benefits and the Schedule of Employer Contributions for Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Stamford, Connecticut
January 24, 2014

City of Stamford, Connecticut

Management's Discussion and Analysis June 30, 2013

This discussion and analysis of the City of Stamford, Connecticut ("City") is intended to provide an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the letter of transmittal and the City's financial statements that follow this section.

Financial Highlights

- ◆ In fiscal 2013, the City's net position (formerly net assets) decreased by \$6.1 million or 1.56%, to \$383.1 million. On a government-wide basis, including all governmental activities and business-type activities but excluding a small component unit, the City's assets (\$1,112.8 million) exceeded its liabilities (\$729.7 million), by \$383.1 million as of June 30, 2013. Within governmental activities, net position decreased by \$7.3 million, while the net position in business-type activities increased by \$1.2 million. Despite the net overall decrease, the continuing high level of net position contributes to the City's financial strength.
- ◆ The City's governmental funds, which are reported using the current financial resources measurement focus and the modified accrual basis of accounting had a combined ending fund balance of \$110.3 million, an increase of \$17.8 million from the prior fiscal year-end period.
- ◆ As of June 30, 2013, the total fund balance for the General Fund was \$14.4 million. Of this amount, \$10.9 million was committed for various purposes (versus \$8.4 million in the prior year). The committed fund balance at year end represented 2.1% of total General Fund expenditures of \$512.9 reported on the modified accrual basis of accounting. The assigned portion of the fund balance at year-end, \$3.4 million (versus \$3.6 million at the prior year-end), represented 0.7% of total General Fund expenditures of \$512.9 million as reported on the modified accrual basis of accounting. It is also worth noting that the fund balance of the General Fund was reduced by \$4.2 million in planned transfers to the Rainy Day Fund in fiscal 2013.
- ◆ The City's Rainy Day Fund was increased by \$4.2 million in fiscal year 2013 and had a balance of approximately \$18.1 million as of June 30, 2013. The Rainy Day Fund provides an additional assignment of fund balance totaling 3.5% of General Fund expenditures and strengthens the City's financial flexibility by providing resources outside of the City's General Fund.
- ◆ The City's total long-term debt (bonds and notes payable) increased by \$9.0 million to \$521.9 million in fiscal 2013. During the 2013 fiscal year, the City issued \$50.0 million in general obligation bonds at interest rates ranging from 2.0% to 4.0% depending on maturity, to finance capital projects. Additionally, the City issued \$28.1 million in general obligation refunding bonds at interest rates ranging from 1.0% to 5.0% depending on maturity. The proceeds were used to advance refund \$28.8 million of outstanding general obligation bonds bearing interest at rates ranging from 3.85% to 5.5% depending on maturity. The advance refunding reduced total debt service payments by \$1.9 million over a five and one-half year period and resulted in net present value economic savings of approximately \$1.8 million.

- ◆ The City's debt level is considered "low to moderate" by Standard & Poor's and Moody's Investors Service, who currently rate the City's outstanding debt AAA and Aa1, respectively.
- ◆ The City's four defined benefit pension plans (Classified Employees, Police, Firefighters and Custodians and Mechanics), incurred a combined increase in net position of \$37.4 million, or 7.7%, in fiscal 2013. The increase consisted primarily of employee/employer contributions of \$19.9 million and net investment returns of \$54.4 million which were offset by benefit payouts of \$35.2 million. The pension funds were approximately 88% funded from an actuarial standpoint. The pension trusts' boards and City officials closely monitor the various plans to ensure their ongoing stability, given the continuing challenging financial market conditions and the uncertain economic environment.
- ◆ The City also continued to implement its five-year phase-in funding plan for Other Post Employment Benefit ("OPEB") costs. Commencing on July 1, 2012, the minimum percentage contribution to the OPEB Trust Fund in fiscal 2013 was 60% of the actuarially required contribution ("ARC") (approximately \$8.1 million for fiscal 2013). The OPEB Trust Fund was approximately 66% funded as of June 30, 2013.
- ◆ Combined net position for all trust funds under management totaled \$551.5 million as of June 30, 2013.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information for the past several years.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a general understanding of the City's finances in a manner similar to those for private-sector businesses. All of the resources the City has at its disposal are reported, including major capital assets such as buildings and infrastructure. In addition, a thorough accounting of the costs of government operations as well as its revenue sources is provided.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the differences reported as the City's net position. Evaluating the amount and composition of the City's net position - the difference between assets and liabilities - is one way to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors need to be considered as well, including changes in the City's property tax base and the condition of the City's capital assets, to properly assess the overall financial health of the City.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All of the most recent fiscal year's revenues and expenses are taken into account, regardless of when cash was received or paid. Thus, revenues and expenses are reported in this statement for some items that may result in cash flow only in some future fiscal period. Uncollected taxes and earned but unused vacation leave expenses are examples of these types of items.

The government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (which are reported as “governmental” activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (which are reported as “business-type” activities).

- ◆ Governmental activities of the City encompass most of the City’s basic services, including education; governmental and community services; administration; public safety; health and welfare and public works. Property taxes, charges for services and intergovernmental grants finance the majority of these activities.
- ◆ Included in Total Governmental Funds, but shown separately as a major fund, is the Mill River Capital Projects Fund. The Mill River Capital Projects Fund was created to be a financing mechanism, whereby a portion of property taxes in the Mill River Corridor tax increment financing district are set aside to fund improvements in the district.
- ◆ Business-type activities of the City include the Stamford Water Pollution Control Authority (“SWPCA”), the Old Town Hall Redevelopment Agency (“OTHRA”) and the E.G. Brennan Golf Course. They are reported as business-type activities because the City charges a fee to customers, tenants, or service users to help cover all or most of the cost of their operations.
- ◆ The City includes one separate legal entity in its report: the Urban Redevelopment Commission (“URC”). Although legally separate, this “component unit” is included, since the City is financially accountable for it.

The government-wide financial statements (Statement of Net Position and Statement of Activities) are provided on pages 17-19 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. Some funds are required to be established by State law, while others are established to help control and manage money for a particular purpose. The City has three kinds of funds, as follows:

Governmental Funds The majority of the City’s basic services are reported in governmental funds. These reports focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation following the fund financial statements.

The City maintains 21 individual governmental funds, including the General Fund, Capital Projects funds (4), the Debt Service Fund (1), and Special Revenue funds (15). Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Capital Projects Fund and the Mill River Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Non-Major Governmental Funds. Non-major governmental funds for the City include the Stamford Community Development Program, Board of Education Food Service Program, Town Aid Highway, Dog License, Drug Asset Forfeiture (State and federal), Police

Extra Duty, Educational Grants Programs, Other Grants Programs, School Building Use, Continuing Education, Marinas, Greater Stamford Transit District, Parking, Rainy Day, Board of Education Energy Reserve, Transportation Capital, Capital Non-Recurring, and the Debt Service Fund. Individual fund data for each of these non-major governmental funds is provided in the Combining Balance Sheet and in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

The City adopts an annual budget for its General Fund. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Fund Balance on a Budgetary Basis is presented on page 26.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance) are presented on pages 20-21 and 23-24 of this report.

Proprietary Funds The City maintains two different types of proprietary funds. Enterprise funds are used to report the same types of functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the SWPCA, OTHRA and the E.G. Brennan Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City's various functions. The City uses its internal service funds to account for risk management costs, tax appeals and employee health benefits costs for both City and Board of Education employees. Because the internal service funds predominantly benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements. The Proprietary Fund financial statements provide separate information for the SWPCA and OTHRA, which are considered to be major proprietary funds of the City. Separate information is also provided for the E.G. Brennan Golf Course, which is considered a non-major proprietary fund of the City. In addition, individual fund data for the internal service funds are provided in separate columns in the Proprietary Fund Financial statements. The Proprietary Fund financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) are presented on pages 27-32 of this report.

Fiduciary Funds The City is the trustee, or fiduciary, for its employees' pension plans. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these assets to finance its operations. For reporting purposes only, the over-funded portion of pension fund assets is reflected as a non-current asset in the government-wide financial statements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City has four pension trust funds (Classified Employees, Police, Firefighters and Custodians and Mechanics), an Other Post Employment Benefits ("OPEB") trust fund, and two agency funds (Student Activity Fund and Scholarship Fund). The Fiduciary Fund financial statements are provided on pages 33-34 of this report.

Notes to Financial Statements

The notes to the financial statements 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 financial statements are provided on pages 35-77 of this report.

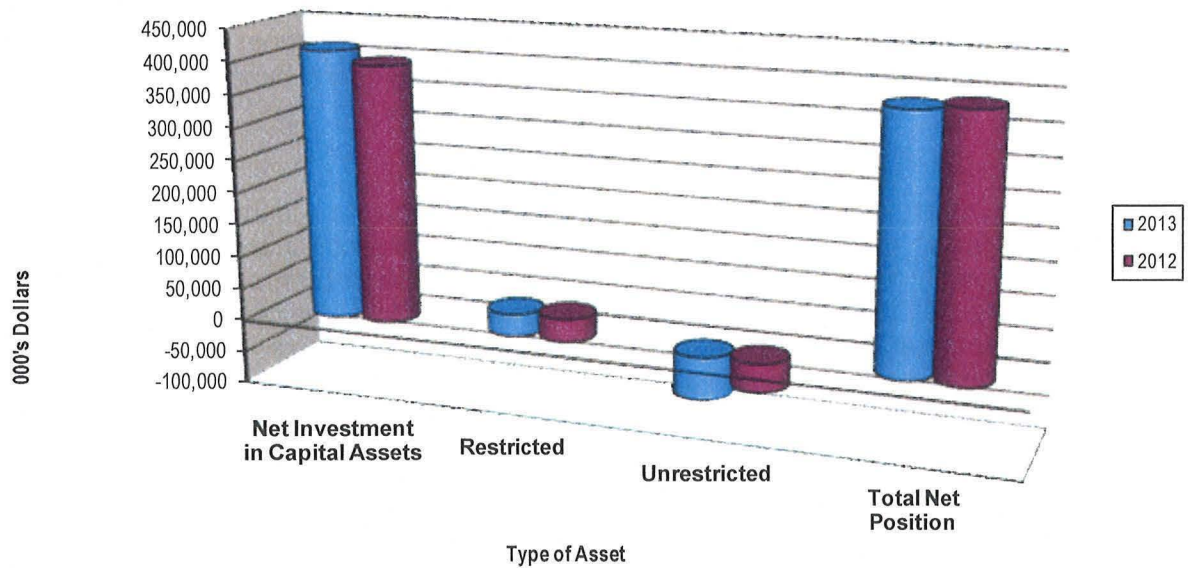
Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the City's case, its governmental activities assets (\$938.4 million) exceeded its liabilities (\$621.3 million) by \$317.1 million at June 30, 2013.

City of Stamford Statement of Net Position (\$000s)

	June 30, 2013				June 30, 2012			
	Primary Government			Component	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Urban	Governmental Activities	Business- Type Activities	Total	Urban
				Redevelopment Commission				Redevelopment Commission
Current and other assets	\$ 224,421	\$ 10,711	\$ 235,132	\$ 6,107	\$ 173,977	\$ 11,828	\$ 185,805	\$ 5,032
Capital assets	713,932	163,781	877,713	-	698,906	166,878	865,784	-
Total Assets	938,353	174,492	1,112,845	6,107	872,883	178,706	1,051,589	5,032
Current liabilities	69,224	3,339	72,563	644	44,295	2,906	47,201	708
Long-term liabilities	552,061	105,072	657,133	1,192	504,197	110,958	615,155	1,656
Total Liabilities	621,285	108,411	729,696	1,836	548,492	113,864	662,356	2,364
Net Position								
Net investment in capital assets	355,082	59,696	414,778	-	340,195	56,453	396,648	-
Restricted	25,739	8,098	33,837	-	27,257	7,992	35,249	-
Unrestricted	(63,753)	(1,713)	(65,466)	4,271	(43,061)	397	(42,664)	2,669
Total Net Position	\$ 317,068	\$ 66,081	\$ 383,149	\$ 4,271	\$ 324,391	\$ 64,842	\$ 389,233	\$ 2,669

City of Stamford Total Net Position - Primary Government Fiscal 2013 vs. Fiscal 2012



Net Position

On a government-wide basis, excluding the component units, as of June 30, 2013 the primary government's assets (\$1,112.8 million) exceeded its liabilities (\$729.7 million), resulting in a net position of \$383.1 million, a decrease of \$6.1 million from last fiscal year-end's net position of \$389.2 million. The net position for governmental activities only at June 30, 2013 was \$317.1 million, down \$7.3 million from \$324.4 million the previous year and the total net position for business-type activities was \$66.1 million, an increase of \$1.2 million from the prior year balance of \$64.8 million.

Unrestricted Net Position In the government-wide financial statements for governmental activities, the assets (\$938.4 million) of the City exceeded its liabilities (\$621.3 million) at fiscal 2013 year-end by \$317.1 million. Of this amount, the unrestricted portion was a deficit of \$63.8 million, which would need to be financed from future operations. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. It is the result of having long-term commitments, compensated absences (\$22.1 million) and OPEB obligations (\$45.9 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made. The City has also reported assets restricted for debt service and special revenue funds, which also contributed to the unrestricted deficit mentioned above.

Net Investment in Capital Assets As expected, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, construction-in-progress, buildings, machinery, equipment and infrastructure), net of accumulated depreciation and any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not readily available to fund future capital spending. Although the City'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 realistically cannot be used to liquidate these liabilities.

Restricted Net Position Of the City's total net position of \$317.1 million as of June 30, 2013, \$25.7 million, or approximately 8.1%, was restricted for specific uses including \$5.8 million for debt service (reflecting funds set aside in debt service reserve accounts in accordance with indenture agreements) and \$19.9 million restricted for special revenue funds (representing resources having constraints placed on their use by Federal, State and local requirements.)

Financial Ratios

A common measure of liquidity is the current ratio (current assets ÷ current liabilities), which helps one determine if, over the next year, the City's governmental activities funds will have enough cash or readily liquid assets on hand to finance its short-term obligations within that period. As of June 30, 2013, the City's current ratio was 3.2 to 1, indicating that the City has sufficient liquidity to meet its short-term obligations. A more conservative measure of liquidity is the quick ratio, whereby only the most liquid assets (cash and short-term liquid investments) are compared with current liabilities. As of June 30, 2013, the City's quick ratio was 1.9 to 1, also a respectable ratio. Both these liquidity ratios were comparable to those of the prior year.

The City's debt service ratio (i.e., annual debt service divided by General Fund expenditures) was under 10% as of June 30, 2013, which is favorably considered to be "moderate to average" by the major rating agencies. In addition, the City's debt burden ratio of 1.4% (i.e., net debt outstanding for the City's governmental activities divided by Equalized Net Grand List or \$401.6

million ÷ \$28,845.7 million = 1.4%) is considered “low to moderate” and compares favorably to the national median debt burden for AAA-rated municipalities.

Additional information regarding the City’s outstanding debt and credit quality is provided on pages 62-67.

City of Stamford
Changes in Net Position (000's)

	Fiscal 2013				Fiscal 2012			
	Primary Government			Component Unit	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Redevelopment Commission	Governmental Activities	Business-Type Activities	Total	Urban Redevelopment Commission
Revenues:								
Program Revenues:								
Charges for services	\$ 47,814	\$ 24,874	\$ 72,688	\$ 192	\$ 43,270	\$ 23,405	\$ 66,675	\$ 280
Operating grants and contributions	85,478	-	85,478	-	83,606	-	83,606	-
Capital grants and contributions	5,316	-	5,316	-	19,762	-	19,762	-
General Revenues:								
Property taxes	434,728	-	434,728	-	420,983	-	420,983	-
Grants and contributions not restricted to specific programs	6,819	-	6,819	-	7,116	-	7,116	-
Gain on sale of property	2,335	-	2,335	1,871	-	-	-	-
Unrestricted investment earnings	182	96	278	1	205	99	304	1
Total Revenues	582,672	24,970	607,642	2,064	574,942	23,504	598,446	281
Expenses:								
Government and community services	21,877	-	21,877	-	16,300	-	16,300	-
Administration and legal affairs	28,773	-	28,773	-	25,281	-	25,281	-
Public safety	123,300	-	123,300	-	104,502	-	104,502	-
Health and welfare	32,413	-	32,413	-	36,694	-	36,694	-
Operations	67,060	23,731	90,791	-	62,013	21,045	83,058	-
Education	302,043	-	302,043	-	296,729	-	296,729	-
Interest	14,529	-	14,529	-	14,600	-	14,600	-
Other	-	-	-	462	-	-	-	509
Total Expenses	589,995	23,731	613,726	462	556,119	21,045	577,164	509
Change in Net Position	(7,323)	1,239	(6,084)	1,602	18,823	2,459	21,282	(228)
Net Position, beginning	324,391	64,842	389,233	2,669	305,568	62,383	367,951	2,897
Net Position, ending	\$ 317,068	\$ 66,081	\$ 383,149	\$ 4,271	\$ 324,391	\$ 64,842	\$ 389,233	\$ 2,669

Change in Net Position

Governmental Activities

In fiscal 2013, governmental activities decreased the City's net position by \$7.3 million. Governmental activities revenues were \$582.7 million, down \$7.8 million from the prior year while expenses were \$590.0 million, up \$33.9 million from the prior year. Revenue by source was consistent with past years and management's expectations. Approximately 75% of revenues in total governmental activities revenues were derived from property taxes, while about 16% of revenues were derived from operating and capital grants and contributions, and about 8% came from charges for services; the remainder was derived from investment earnings and other sources (including planned transfers from other funds). Overall, the property tax levy increased from the prior year as increases in the applicable mill rates were approved that more than offset the reduction in the City's Equalized Net Grand List as a result of the City's property revaluation. Federal and State aid decreased by approximately 11% from the previous year. The City continues to focus on containing costs, although rising structural costs (e.g., pensions, OPEB, medical benefits) represent a continuing challenge.

Business-Type Activities

In fiscal 2013, changes in the net position of business-type activities resulted in an increase in the net position of business-type activities as of June 30, 2013 of \$1.2 million, primarily reflecting the increased net investment in capital assets.

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with generally accepted accounting principles and emphasize accountability, segregating specific activities in accordance with laws, regulations or special restrictions.

Governmental Funds The focus of the City's governmental funds accounting and disclosures is to provide information on near-term inflows, outflows, and types and amounts of available resources. Such information is useful in assessing the City's cash needs, financing requirements, and available resources. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for future costs at the end of the fiscal year.

As of June 30, 2013, the City's Governmental Funds (General Fund, Capital Projects Fund, Mill River Capital Projects Fund, Non-Major Governmental funds) combined fund balance was \$110.3 million, an increase of \$17.9 million from the prior year. Approximately \$76.6 million of the combined fund balance is reported as nonspendable and restricted since it has been obligated for the following purposes:

- \$54.8 million for ongoing capital projects inclusive of capital non-recurring
- \$5.8 million for debt service for the City and Mill River Capital Projects
- \$16.0 million for potential exposure on long-term accounts receivable, advances to OTHRA enterprise fund, prepaid expenses, and inventory

The General Fund is the chief operating fund of the City. As of June 30, 2013, the total fund balance was \$14.4 million, consisting of committed fund balance of \$10.9 million, \$3.3 million of assigned fund balance and \$159,247 of nonspendable fund balance. The total fund balance represents 2.8% of total General Fund expenditures, as compared to 2.6% a year ago. In order

to strengthen the City's financial flexibility, a portion of the unassigned General Fund balance in recent years has typically been transferred to the Rainy Day Fund as noted below.

The City Charter provides that a current year surplus, or deficit, must be applied to, or funded, in subsequent operating budgets or in the case of surpluses, be transferred into the Rainy Day Fund. The Mayor (subject to approval by the requisite governing boards) may direct up to 75% of any budget surplus from the prior fiscal year be transferred to the Rainy Day Fund. The Rainy Day Fund may not exceed 5% of General Fund expenditures for the prior fiscal year and may only be used to support expenditures in subsequent fiscal years. During fiscal year 2013, approximately \$4.2 million was transferred from the fiscal 2012 General Fund surplus to the Rainy Day Fund, bringing the balance in the City's Rainy Day Fund to approximately \$18.1 million as of June 30, 2013. The City has committed \$3.0 million from the fiscal 2013 surplus to be transferred to the City's Rainy Day Fund in fiscal year 2014.

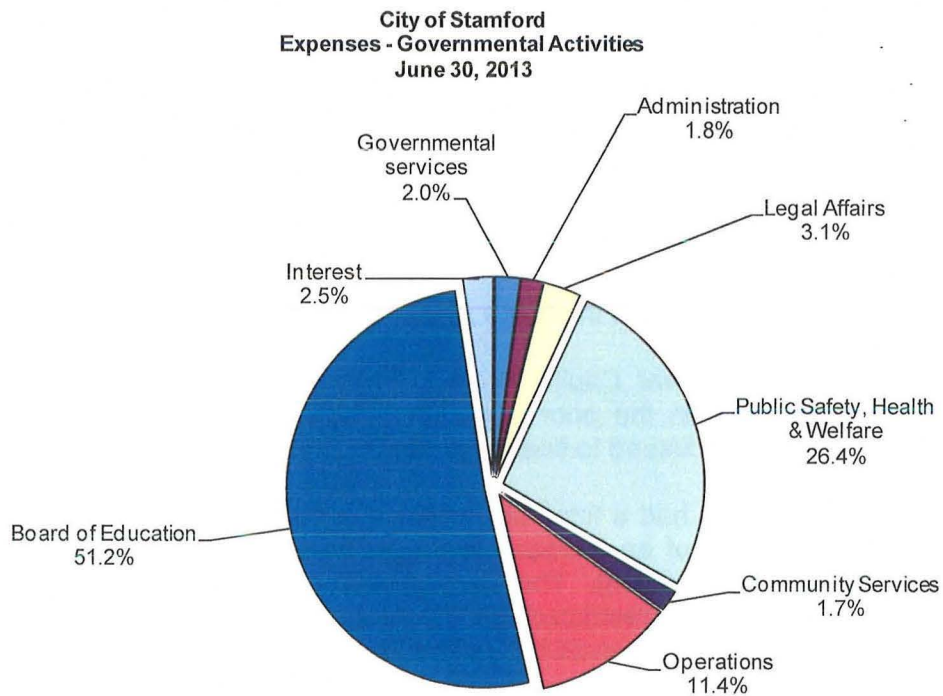
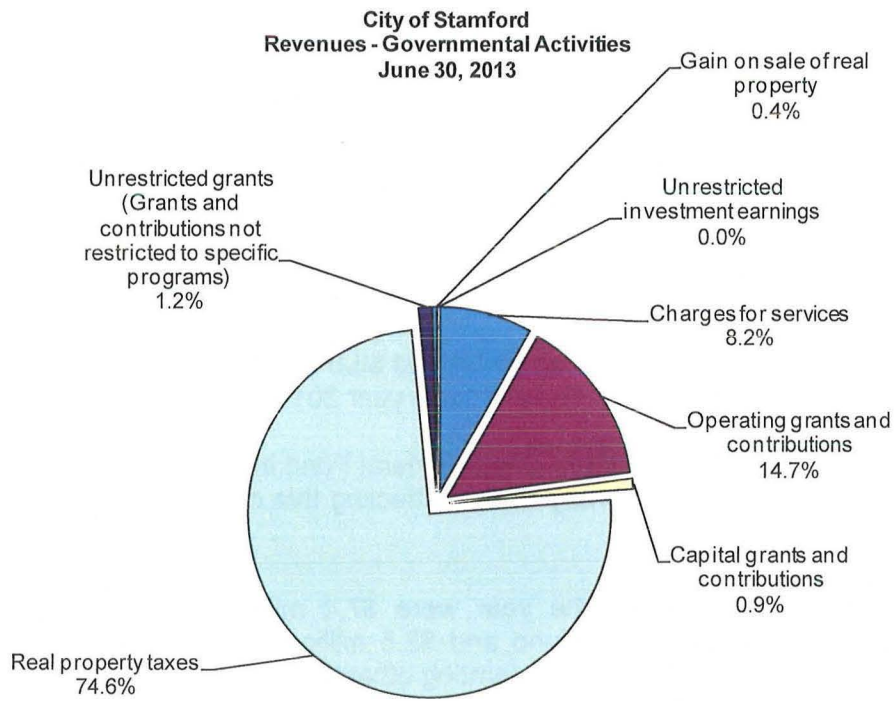
The budgetary basis fund balance of the City's General Fund increased by \$2.5 million to \$11.1 million as of June 30, 2013; the primary factors affecting this change in fund balance were as follows:

- ◆ Planned transfers out during the year were \$7.4 million, \$4.2 million of which was transferred into the Rainy Day Fund and \$2.5 million of which was used to offset the deficit in the Risk Management Fund (among others).
- ◆ Current year (i.e., fiscal 2013) operating results (revenues less expenditures) produced an approximate \$8.6 million operating surplus and \$1.3 million of unexpended prior year encumbrances were also returned to the fund balance. Once again, the City achieved very strong results in all areas of tax collections. The combined current levy collection rate (for all property types) was 98.5%, marking the twelfth consecutive year that the City's collection rate exceeded 98%. This favorable result was enabled by a continued strong and diverse tax base and execution of effective practices involving delinquent tax payments.

As of June 30, 2013, the Capital Projects Fund had a total fund balance of \$64.7 million, significantly up, \$19.7 million from the prior year. In fiscal 2013, \$50.0 million in new general obligation bonds were issued as part of the City's plan to finance current capital projects.

As of June 30, 2013, the Mill River Capital Projects Fund had a total fund balance of \$2.8 million, down from \$7.1 million in the prior year. In fiscal 2013, no Special Obligation Tax Increment Revenue Bonds were issued to finance projects within the Mill River Corridor.

Non-Major Governmental Funds had a total fund balance of \$28.4 million, up \$3.1 million from the prior year. This is a result of an increase in the Rainy Day Fund (\$4.2 million) and the Capital Nonrecurring Fund (\$2.3 million). The City's operating flexibility is greatly enhanced by the maintenance of independent restricted and/or assigned funds that may be used to supplement certain General Fund expenditures. More information on Non-Major Governmental Funds is provided on pages 90-97.



Proprietary Funds The City's Proprietary Funds provide the same type of information presented in the government-wide financial statements.

As of June 30, 2013, the net position of the SWPCA was \$61.7 million, up \$2.2 million from the comparable prior year period (mainly due to increased sewer usage charges and lower

operating expenses). Unrestricted net position of the SWPCA was \$3.3 million, down \$1.9 million as compared to the prior year-end period of \$5.2 million. The SWPCA recorded operating revenues of \$21.2 million and non-operating revenue of approximately \$2.6 million in fiscal 2013. For more information on the SWPCA, please refer to their stand-alone audit report which contains detailed information regarding the SWPCA's finances for fiscal year 2013.

OTHRA had a net position of \$2.8 million, of which the unrestricted amount was a deficit of \$5.5 million and the loss from operations was \$1.0 million resulting from operating expenses, insurance, and depreciation expense exceeding the nominal rental income amount.

The net position for the non-major Enterprise Fund – E.G. Brennan Golf Course – was \$1.6 million as of June 30, 2013.

General Fund Budgetary Highlights

In fiscal 2013, the difference between the General Fund's original budgeted revenues and other financing sources of \$479.8 million and the final amended revenue budget of \$482.5 million was approximately \$2.7 million. The revenue budget adjustments primarily included higher property tax, interest, liens and contingency revenues (\$1.8 million). The difference between the General Fund's original budgeted Expenditures, Encumbrances and Other Financing Uses of \$479.8 million and the final amended expenditure budget of \$482.5 million was approximately \$2.7 million. The expenditure budget adjustments, which were made taking certain risks and contingencies into consideration, primarily included Risk Management (\$2.5 million higher), Parking Fund (\$.7 million higher), Legal Affairs (\$.5 million higher), Building Maintenance (\$.4 million higher), Snow Removal (\$1.4 million higher), and Board of Education (\$4.3 million lower).

During the year, total actual revenues and other financing sources were \$485.9 million which exceeded the final budget of \$482.5 million by approximately \$3.4 million. This favorable variance was primarily due to higher property taxes, interest and liens (\$1.7 million), and Licenses, Fees and Permits (\$4.0 million), and partially offset by lower Smith House Revenues (\$1.3 million). During the year, actual expenditures, encumbrances and other financing uses were held to \$477.2 million, which compared favorably to the final budget of \$482.5 million. This \$5.3 million favorable variance was achieved through aggressive cost management within all municipal functions.

The budgetary basis General Fund balance as of June 30, 2013 was \$11.1 million. Of this amount, \$3.0 million is expected to be committed to the Rainy Day Fund.

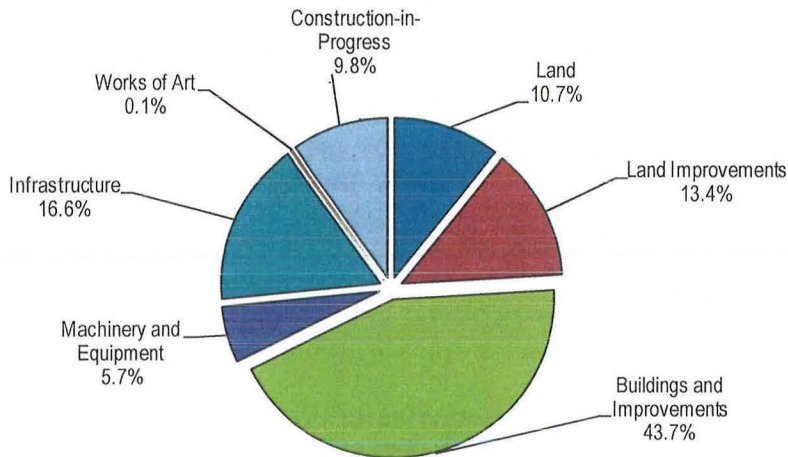
Capital Assets and Debt

Capital Assets As of June 30, 2013, the City's investment in capital assets for its governmental and business-type activities amounted to \$877.7 million (net of accumulated depreciation), an increase of \$11.9 million, or 1.4%, from the prior year period. This investment in capital assets includes land, construction-in-progress, building and improvements, machinery equipment, park facilities, roads, sewers, and bridges (infrastructure).

City of Stamford
Capital Assets, Net of Depreciation (000's)
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Urban Redevelopment Commission
Land	\$ 88,833	\$ 4,864	\$ 93,697	\$ 3,415
Land Improvements	113,928	3,790	117,718	-
Buildings and Improvements	285,035	98,058	383,093	-
Machinery and Equipment	39,806	10,449	50,255	-
Infrastructure	100,409	45,362	145,771	-
Works of Art	767	-	767	-
Construction-in-Progress	85,154	1,259	86,413	-
Total	\$ 713,932	\$ 163,782	\$ 877,713	\$ 3,415

City of Stamford
Capital Assets - Primary Government
June 30, 2013



Major capital projects during fiscal 2013 included the following:

City of Stamford
Capital Projects
(Millions)

Project	Amount
Mill River Park Improvements	\$ 10.7
City-wide Street Restoration	5.2
City-wide Vehicle Replacement	3.6
Storm Water Pump Stations	3.0
Roof Replacement	2.1
	<u>\$ 24.6</u>

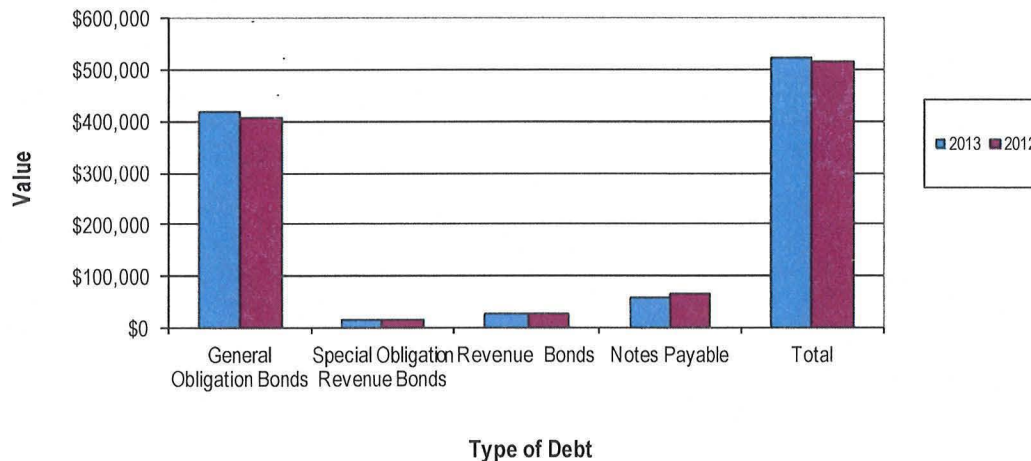
Additional information on capital assets is provided in Note 3, D on pages 54-55 of this report.

Long-Term Debt As of June 30, 2013, the City had total long-term debt outstanding of \$521.9 million, up \$9.0 million, versus the prior year-end period. A detailed comparison of the City's long-term debt is provided below:

**City of Stamford
Long-Term Debt
General Obligation and Revenue Bonds, Notes Payable**

	June 30, 2013			June 30, 2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 401,612,437	\$ 16,807,190	\$ 418,419,627	\$ 386,193,801	\$ 18,744,385	\$ 404,938,186
Special Obligation Revenue Bonds	16,245,000	-	16,245,000	16,245,000	-	16,245,000
Revenue Bonds	-	27,570,000	27,570,000	-	28,285,000	28,285,000
Notes Payable	-	59,676,510	59,676,510	956,031	63,473,113	64,429,144
Total	\$ 417,857,437	\$ 104,053,700	\$ 521,911,137	\$ 403,394,832	\$ 110,502,498	\$ 513,897,330

**Long-Term Debt (\$000s)
2013 vs. 2012 (at June 30)**



The City's high credit quality is reflected by its AAA rating from Standard & Poor's (S&P) and its Aa1 rating by Moody's Investors Service (Moody's). The City's bond ratings have been recently reaffirmed by both S&P (at AAA) and Moody's (at Aa1), respectively.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or approximately \$3.0 billion. The City's outstanding debt of \$521.9 million as of June 30, 2013 was substantially below this statutory debt limit.

Additional information on long-term liabilities is provided in Note 3, G on pages 62-72 of this report.

Economic Factors and Subsequent Events

Despite the continuing adverse effects of the weak global economy, the City's economy, although impacted, held up comparatively well during fiscal 2013 primarily reflecting the strength and resilience of the City's diverse commercial and retail business mix and the community's high household income level.

The City's unemployment rate of 6.5% compared favorably with the 8.2% rate for the State of Connecticut and 7.8% nationally. The office vacancy rate for central business district properties in Stamford was 27.1% in the fiscal 2013 fourth quarter (period ended June 30, 2013) as compared to 26.9% at the prior fiscal 2012 fourth quarter; although the commercial vacancy rate remains high, due to its strategic location and attractive overall attributes. Stamford is continuing to attract significant new corporate, commercial and retail businesses which are expected to increase jobs and further strengthen the City's economic and tax base.

The 2013 estimated median household income in the Stamford metropolitan area was approximately \$78,200 which compared favorably to the estimated median household income in the State of Connecticut of approximately \$69,200, and nationally of approximately \$52,100.

These economic factors, including the expectation of continuing cost pressures and the likelihood of a slow economic recovery, were considered in preparing the City's fiscal 2014 budget.

Requests for Information

This financial report is designed to provide a general understanding of the City's most recent financial statements for all those with an interest in the City's finances and will be available on the City's website at www.stamfordct.gov. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Administration at 888 Washington Boulevard, Stamford, CT 06901.

**BASIC FINANCIAL
STATEMENTS**

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City of Stamford, Connecticut

Statement of Net Position
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Urban Redevelopment Commission
ASSETS				
Cash and equivalents	\$ 129,258,907	\$ 1,600,176	\$ 130,859,083	\$ 633,248
Investments	21,339,266	-	21,339,266	-
Restricted cash and equivalents	6,768,310	8,098,166	14,866,476	-
Receivables				
Taxes, net	9,320,602	-	9,320,602	-
Accounts, net	4,647,267	106,154	4,753,421	65,521
Usage, net	-	2,647,575	2,647,575	-
Loans	7,938,712	-	7,938,712	1,864,600
Intergovernmental	29,714,199	-	29,714,199	-
Special assessments, net	-	8,897,067	8,897,067	-
Non-usage, net	-	1,349,292	1,349,292	-
Due from component unit	273,661	-	273,661	-
Due from primary government	-	-	-	128,867
Internal balances	12,256,312	(12,256,312)	-	-
Prepaid expenses	471,520	31,244	502,764	-
Inventory	77,085	9,902	86,987	-
Pension assets	1,614,000	-	1,614,000	-
Deferred charges	741,002	227,240	968,242	-
Land held for resale	-	-	-	3,415,190
Capital assets				
Not being depreciated	174,753,984	6,122,649	180,876,633	-
Being depreciated, net	539,177,768	157,658,389	696,836,157	-
Total Assets	<u>938,352,595</u>	<u>174,491,542</u>	<u>1,112,844,137</u>	<u>6,107,426</u>
LIABILITIES				
Accounts payable	22,332,715	1,420,211	23,752,926	12,393
Accrued liabilities	3,064,507	675,091	3,739,598	6,457
Retainages payable	978,013	-	978,013	-
Accrued interest payable	5,062,983	1,145,999	6,208,982	-
Due to primary government	-	-	-	273,661
Due to component unit	128,867	-	128,867	-
Unearned revenues	37,657,013	97,343	37,754,356	351,546
Non-current liabilities				
Due within one year	64,158,346	6,490,595	70,648,941	400,300
Due in more than one year	487,902,552	98,581,701	586,484,253	791,585
Total Liabilities	<u>621,284,996</u>	<u>108,410,940</u>	<u>729,695,936</u>	<u>1,835,942</u>
NET POSITION				
Net investment in capital assets	355,081,659	59,696,151	414,777,810	-
Restricted				
Debt service	5,825,915	8,098,166	13,924,081	-
Special revenue funds				
Community development purposes	460,483	-	460,483	-
Educational purposes	904,430	-	904,430	-
Public safety purposes	429,506	-	429,506	-
Rainy day purposes	18,118,906	-	18,118,906	-
Unrestricted	<u>(63,753,300)</u>	<u>(1,713,715)</u>	<u>(65,467,015)</u>	<u>4,271,484</u>
Total Net Position	<u>\$ 317,067,599</u>	<u>\$ 66,080,602</u>	<u>\$ 383,148,201</u>	<u>\$ 4,271,484</u>

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

City of Stamford, Connecticut

Statement of Activities
Year Ended June 30, 2013

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Governmental services	\$ 11,963,705	\$ 4,757,437	\$ 1,225,724	\$ -
Administration	10,493,185	-	356,170	-
Legal affairs	18,280,555	46,581	-	-
Public safety	123,299,892	7,767,041	1,235,844	4,010,697
Health and welfare	32,412,790	13,522,682	9,548,094	-
Community services	9,913,229	584,985	3,283,167	1,305,288
Operations	67,060,038	18,607,208	1,922,853	-
Education	302,042,701	2,528,196	67,906,433	-
Interest	14,528,743	-	-	-
Total Governmental Activities	589,994,838	47,814,130	85,478,285	5,315,985
Business-type activities				
Water Pollution Control Authority	21,506,744	23,642,418	-	-
Old Town Hall Redevelopment Agency	1,039,035	45,059	-	-
E.G. Brennan Golf Course	1,185,218	1,186,071	-	-
Total Business-type Activities	23,730,997	24,873,548	-	-
Total Primary Government	\$ 613,725,835	\$ 72,687,678	\$ 85,478,285	\$ 5,315,985
Component Unit				
Urban Redevelopment Commission	\$ 461,699	\$ 192,611	\$ -	\$ -

General Revenues

Real property taxes
Grants and contributions not restricted to specific programs
Gain on sale of real property
Unrestricted investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Urban Redevelopment Commission
\$ (5,980,544)	\$ -	\$ (5,980,544)	\$ -
(10,137,015)	-	(10,137,015)	-
(18,233,974)	-	(18,233,974)	-
(110,286,310)	-	(110,286,310)	-
(9,342,014)	-	(9,342,014)	-
(4,739,789)	-	(4,739,789)	-
(46,529,977)	-	(46,529,977)	-
(231,608,072)	-	(231,608,072)	-
(14,528,743)	-	(14,528,743)	-
<u>(451,386,438)</u>	<u>-</u>	<u>(451,386,438)</u>	<u>-</u>
-	2,135,674	2,135,674	-
-	(993,976)	(993,976)	-
-	853	853	-
-	<u>1,142,551</u>	<u>1,142,551</u>	-
<u>(451,386,438)</u>	<u>1,142,551</u>	<u>(450,243,887)</u>	<u>-</u>
-	-	-	(269,088)
434,727,831	-	434,727,831	-
6,818,699	-	6,818,699	-
2,335,000	-	2,335,000	1,871,456
181,633	96,388	278,021	600
<u>444,063,163</u>	<u>96,388</u>	<u>444,159,551</u>	<u>1,872,056</u>
(7,323,275)	1,238,939	(6,084,336)	1,602,968
<u>324,390,874</u>	<u>64,841,663</u>	<u>389,232,537</u>	<u>2,668,516</u>
<u>\$ 317,067,599</u>	<u>\$ 66,080,602</u>	<u>\$ 383,148,201</u>	<u>\$ 4,271,484</u>

City of Stamford, Connecticut

Balance Sheet
Governmental Funds
June 30, 2013

	General	Capital Projects	Mill River Capital Projects	Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 10,250,721	\$ 46,672,800	\$ 1,850,959	\$ 34,491,157
Investments	21,339,266	-	-	-
Restricted cash	-	2,568,258	4,200,052	-
Taxes receivable, net of allowance for uncollectible amounts	9,320,602	-	-	-
Other receivables				
Accounts	2,970,805	-	-	1,562,848
Loans	-	7,938,712	-	-
Intergovernmental	4,732,499	21,868,507	50,000	3,063,193
Due from component unit	273,661	-	-	-
Advances to other funds	119,175	7,467,235	-	-
Due from other funds	8,227,970	2,652,259	-	-
	<u>16,324,110</u>	<u>39,926,713</u>	<u>50,000</u>	<u>4,626,041</u>
Prepaid expenditures	-	-	-	471,520
Inventories	40,072	-	-	37,013
Total Assets	<u>\$ 57,274,771</u>	<u>\$ 89,167,771</u>	<u>\$ 6,101,011</u>	<u>\$ 39,625,731</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 14,672,576	\$ 5,192,878	\$ -	\$ 2,399,435
Accrued liabilities	1,049,492	52,655	-	261,433
Retainage payable	-	978,013	-	-
Due to other funds	-	-	-	2,910,327
Advances from other funds	-	-	3,300,000	-
Due to component unit	63,300	-	-	65,567
Unearned revenues	15,022,911	18,239,054	-	4,378,988
Deferred revenues	12,048,349	-	-	1,222,525
Total Liabilities	<u>42,856,628</u>	<u>24,462,600</u>	<u>3,300,000</u>	<u>11,238,275</u>
Fund balances (deficits)				
Nonspendable	159,247	15,405,947	-	508,533
Restricted	-	49,299,224	2,801,011	8,474,131
Committed	10,912,936	-	-	-
Assigned	3,345,960	-	-	19,904,594
Unassigned	-	-	-	(499,802)
Total Fund Balances	<u>14,418,143</u>	<u>64,705,171</u>	<u>2,801,011</u>	<u>28,387,456</u>
Total Liabilities and Fund Balances	<u>\$ 57,274,771</u>	<u>\$ 89,167,771</u>	<u>\$ 6,101,011</u>	<u>\$ 39,625,731</u>

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

Total
Governmental
Funds

\$ 93,265,637

21,339,266

6,768,310

9,320,602

4,533,653

7,938,712

29,714,199

273,661

7,586,410

10,880,229

60,926,864

471,520

77,085

\$ 192,169,284

\$ 22,264,889

1,363,580

978,013

2,910,327

3,300,000

128,867

37,640,953

13,270,874

81,857,503

16,073,727

60,574,366

10,912,936

23,250,554

(499,802)

110,311,781

\$ 192,169,284

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City of Stamford, Connecticut

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2013

Fund Balances - Total Governmental Funds	\$ 110,311,781
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>713,931,752</u>
Internal service funds are used by management to charge the costs of insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>4,416,844</u>
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.	
Deferred charges	<u>741,002</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	7,722,277
Departmental income	5,548,597
Pension assets	<u>1,614,000</u>
	<u>14,884,874</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(5,062,983)
Bonds payable	(429,745,493)
Claims payable	(15,200,000)
Early retirement incentive	(2,116,208)
Compensated absences	(22,117,070)
Pollution remediation obligation	(6,992,000)
Net pension obligation	(43,900)
Other post employment benefit obligations payable	<u>(45,941,000)</u>
	<u>(527,218,654)</u>
Net Position of Governmental Activities	<u>\$ 317,067,599</u>

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

City of Stamford, Connecticut

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

	General	Capital Projects	Mill River Capital Projects
REVENUES			
Property taxes	\$ 432,104,549	\$ -	\$ 858,525
Intergovernmental	48,397,667	4,010,697	609,970
Charges for services	30,816,808	-	-
Interest, dividends and investment income	127,417	37,553	-
Other	947,692	125,312	695,318
Total Revenues	512,394,133	4,173,562	2,163,813
EXPENDITURES			
Current			
Governmental services	3,374,304	-	-
Administration	8,614,816	-	-
Legal affairs	17,580,622	-	-
Public safety	103,382,861	-	-
Health and welfare	22,909,950	-	-
Community services	9,531,448	-	-
Operations	39,239,664	-	-
Board of Education	255,459,497	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Refunding bond issuance costs	-	-	-
Capital outlay	-	37,236,637	8,123,243
Total Expenditures	460,093,162	37,236,637	8,123,243
Excess (Deficiency) of Revenues Over Expenditures	52,300,971	(33,063,075)	(5,959,430)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,865,332	-	-
Transfers out	(52,869,315)	-	(1,137,150)
Sale of real property	-	-	-
Bonds issued	-	50,000,000	-
Refunding bonds issued	-	-	-
Issuance premium	-	2,652,259	-
Payment to refunded bond escrow agent	-	-	-
Total Other Financing Sources (Uses)	(50,003,983)	52,652,259	(1,137,150)
Net Change in Fund Balances	2,296,988	19,589,184	(7,096,580)
Fund Balances - Beginning of Year	12,121,155	45,115,987	9,897,591
Fund Balances - End of Year	\$ 14,418,143	\$ 64,705,171	\$ 2,801,011

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 432,963,074
43,558,752	96,577,086
15,839,219	46,656,027
-	164,970
177,181	1,945,503
<u>59,575,152</u>	<u>578,306,660</u>
3,767,293	7,141,597
-	8,614,816
-	17,580,622
7,500,110	110,882,971
5,736,812	28,646,762
-	9,531,448
3,392,979	42,632,643
35,782,558	291,242,055
35,065,224	35,065,224
16,244,975	16,244,975
224,282	224,282
-	45,359,880
<u>107,714,233</u>	<u>613,167,275</u>
<u>(48,139,081)</u>	<u>(34,860,615)</u>
52,873,556	55,738,888
(4,233,942)	(58,240,407)
2,335,000	2,335,000
-	50,000,000
26,366,166	26,366,166
1,300,961	3,953,220
<u>(27,442,845)</u>	<u>(27,442,845)</u>
<u>51,198,896</u>	<u>52,710,022</u>
3,059,815	17,849,407
<u>25,327,641</u>	<u>92,462,374</u>
<u>\$ 28,387,456</u>	<u>\$ 110,311,781</u>

City of Stamford, Connecticut

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2013

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 17,849,407
<p>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 capital outlay exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	45,819,611
Depreciation expense	(30,794,320)
	<u>15,025,291</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	1,764,757
Departmental income	248,483
	<u>2,013,240</u>
Change in pension assets	<u>(50,900)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 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 on the statement of activities.</p>	
Bonds issued	(50,000,000)
Refunding bonds issued	(26,366,166)
Issuance premium	(3,953,220)
Payment to refunded bond escrow agent	27,442,845
Principal paid on bonds	34,109,193
Principal paid on notes	956,031
Principal paid on capital leases	132,864
Amortization of loss on refunding bonds, issuance premium and issuance costs	1,162,269
	<u>(16,516,184)</u>
<p>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.</p>	
Accrued interest	553,963
Claims	(10,233,482)
Early retirement incentive	1,419,004
Compensated absences	(719,959)
Pollution remediation obligation	(792,000)
Other post employment benefit obligations	(10,878,000)
	<u>(20,650,474)</u>
<p>Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	<u>(4,993,655)</u>
Change in Net Position of Governmental Activities	<u>\$ (7,323,275)</u>

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

City of Stamford, Connecticut

General Fund
 Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budgetary Basis - Budget and Actual
 Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes, interest, liens and contingency	\$ 428,680,260	\$ 430,452,181	\$ 432,104,549	\$ 1,652,368
Intergovernmental	18,598,633	19,538,183	19,015,385	(522,798)
Charges for services	27,603,802	27,603,802	30,816,808	3,213,006
Interest and dividends	125,000	125,000	141,620	16,620
Change in fair market value	-	-	(14,203)	(14,203)
Other	1,145,757	1,145,757	947,692	(198,065)
Total Revenues	476,153,452	478,864,923	483,011,851	4,146,928
EXPENDITURES				
Current				
Governmental services	3,626,326	3,769,233	3,350,281	418,952
Administration	8,733,928	8,776,109	8,342,751	433,358
Legal affairs	15,248,435	15,730,814	17,523,400	(1,792,586)
Public safety	100,245,004	99,952,223	98,873,150	1,079,073
Health and welfare	23,039,984	23,444,650	23,630,449	(185,799)
Community services	9,547,313	9,551,548	9,515,448	36,100
Operations	38,142,809	39,715,825	39,196,075	519,750
Board of Education	236,022,299	235,735,582	231,317,753	4,417,829
Total Expenditures	434,606,098	436,675,984	431,749,307	4,926,677
Revenues Over Expenditures	41,547,354	42,188,939	51,262,544	9,073,605
OTHER FINANCING SOURCES (USES)				
Transfers in	3,659,046	3,659,046	2,865,332	(793,714)
Transfer out - Old Town Hall Redevelopment Agency	-	(354,877)	-	354,877
Transfers out - Debt Service Fund	(45,206,400)	(45,493,108)	(45,493,108)	-
Total Other Financing Uses	(41,547,354)	(42,188,939)	(42,627,776)	(438,837)
Revenues Over Expenditures, Encumbrances and Other Financing Uses	-	-	8,634,768	8,634,768
Use of Fund Balance	-	7,376,207	-	(7,376,207)
Transfers out - Other funds	-	(7,376,207)	(7,376,207)	-
Change in Fund Balance	\$ -	\$ -	1,258,561	\$ 1,258,561
Budgetary Fund Balance - Beginning of Year			8,530,447	
Return of Prior Year Encumbrances			1,283,175	
Budgetary Fund Balance - End of Year			\$ 11,072,183	

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

City of Stamford, Connecticut

Statement of Net Position

Proprietary Funds

June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control Authority	Old Town Hall Redevelopment Agency	Non-Major Enterprise Fund - E.G. Brennan Golf Course
ASSETS			
Current Assets			
Cash and equivalents	\$ 991,721	\$ 62,308	\$ 546,147
Receivables			
Accounts, net	-	106,154	-
Usage, net	2,647,575	-	-
Special assessments and connection charges, net	1,434,424	-	-
Non - Usage, net	1,349,292	-	-
Prepaid expense	-	31,244	-
Inventory	9,902	-	-
Total Current Assets	6,432,914	199,706	546,147
Noncurrent Assets			
Restricted cash	7,964,869	133,297	-
Receivables - Special assessments and connection charges - noncurrent, net	7,462,643	-	-
Deferred charges	227,240	-	-
Capital assets			
Not being depreciated	4,092,398	1,414,391	615,860
Being depreciated, net	140,010,425	16,869,077	778,887
Total Noncurrent Assets	159,757,575	18,416,765	1,394,747
Total Assets	166,190,489	18,616,471	1,940,894
LIABILITIES			
Current Liabilities			
Accounts payable	574,528	832,136	13,547
Accrued liabilities	642,220	-	32,871
Accrued interest payable	589,700	556,299	-
Due to other funds	7,969,902	-	-
Advances from other funds	-	4,286,410	-
Unearned revenues	88,343	-	9,000
Claims payable	-	-	-
Current maturities of bonds payable	2,552,691	-	34,398
Current maturities of notes payable	3,869,606	-	-
Current portion of compensated absences	31,000	-	2,900
Total Current Liabilities	16,317,990	5,674,845	92,716
Noncurrent Liabilities			
Claims payable, less current portion	-	-	-
Bonds payable, less current maturities	41,823,619	-	224,909
Notes payable, less current maturities	45,624,528	10,182,376	-
Compensated absences, less current portion	275,392	-	25,877
Other post employment benefit obligations payable	425,000	-	-
Total Noncurrent Liabilities	88,148,539	10,182,376	250,786
Total Liabilities	104,466,529	15,857,221	343,502
NET POSITION			
Net investment in capital assets	50,459,619	8,101,092	1,135,440
Restricted for debt service	7,964,869	133,297	-
Unrestricted	3,299,472	(5,475,139)	461,952
Total Net Position	\$ 61,723,960	\$ 2,759,250	\$ 1,597,392

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

Totals	Governmental Activities - Internal Service Funds
\$ 1,600,176	\$ 35,993,270
106,154	113,614
2,647,575	-
1,434,424	-
1,349,292	-
31,244	-
9,902	-
<u>7,178,767</u>	<u>36,106,884</u>
<u>8,098,166</u>	<u>-</u>
<u>7,462,643</u>	<u>-</u>
<u>227,240</u>	<u>-</u>
6,122,649	-
<u>157,658,389</u>	<u>-</u>
<u>163,781,038</u>	<u>-</u>
<u>179,569,087</u>	<u>-</u>
<u>186,747,854</u>	<u>36,106,884</u>
1,420,211	67,826
675,091	1,700,927
1,145,999	-
7,969,902	-
4,286,410	-
97,343	16,060
-	15,978,148
2,587,089	-
3,869,606	-
33,900	-
<u>22,085,551</u>	<u>17,762,961</u>
-	13,927,079
42,048,528	-
55,806,904	-
301,269	-
425,000	-
<u>98,581,701</u>	<u>13,927,079</u>
<u>120,667,252</u>	<u>31,690,040</u>
59,696,151	-
8,098,166	-
(1,713,715)	4,416,844
<u>\$ 66,080,602</u>	<u>\$ 4,416,844</u>

City of Stamford, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Pollution Control Authority</u>	<u>Old Town Hall Redevelopment Agency</u>	<u>Non-Major Enterprise Fund - E.G. Brennan Golf Course</u>
OPERATING REVENUES			
Charges for services	\$ 19,744,918	\$ 45,059	\$ 1,186,071
Miscellaneous	1,410,338	-	-
Total Operating Revenues	<u>21,155,256</u>	<u>45,059</u>	<u>1,186,071</u>
OPERATING EXPENSES			
Salaries	3,225,975	-	596,844
Employee benefits	1,970,250	-	109,125
Operations and supplies	8,130,917	288,174	402,971
Insurance	-	13,886	-
Judgments and claims	-	-	-
Depreciation and amortization	5,239,335	548,868	63,912
Total Operating Expenses	<u>18,566,477</u>	<u>850,928</u>	<u>1,172,852</u>
Income (Loss) from Operations	<u>2,588,779</u>	<u>(805,869)</u>	<u>13,219</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	94,901	451	1,036
Interest expense	(2,940,267)	(188,107)	(12,366)
Special assessments and connection charges	2,487,162	-	-
Total Non-Operating Revenues (Expenses)	<u>(358,204)</u>	<u>(187,656)</u>	<u>(11,330)</u>
Income (Loss) Before Transfer	2,230,575	(993,525)	1,889
Transfers In	-	-	-
Change in Net Position	2,230,575	(993,525)	1,889
Net Position - Beginning of Year	<u>59,493,385</u>	<u>3,752,775</u>	<u>1,595,503</u>
Net Position - End of Year	<u>\$ 61,723,960</u>	<u>\$ 2,759,250</u>	<u>\$ 1,597,392</u>

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

Totals	Governmental Activities - Internal Service Funds
\$ 20,976,048	\$ 78,736,494
1,410,338	3,347,066
<u>22,386,386</u>	<u>82,083,560</u>
3,822,819	257,253
2,079,375	83,847,248
8,822,062	628,744
13,886	3,090,985
-	1,771,167
5,852,115	-
<u>20,590,257</u>	<u>89,595,397</u>
<u>1,796,129</u>	<u>(7,511,837)</u>
96,388	16,663
(3,140,740)	-
<u>2,487,162</u>	<u>-</u>
<u>(557,190)</u>	<u>16,663</u>
1,238,939	(7,495,174)
-	2,501,519
<u>1,238,939</u>	<u>(4,993,655)</u>
<u>64,841,663</u>	<u>9,410,499</u>
<u>\$ 66,080,602</u>	<u>\$ 4,416,844</u>

City of Stamford, Connecticut

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control Authority	Old Town Hall Redevelopment Agency	Non-Major Enterprise Fund - E.G. Brennan Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 20,651,562	\$ -	\$ 1,197,417
Cash payments to employees	(3,229,372)	-	(602,283)
Cash payments to suppliers	(6,568,074)	(150,192)	(457,575)
Cash payments for benefits and claims	(1,545,250)	-	(109,125)
Net Cash from Operating Activities	9,308,866	(150,192)	28,434
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on debt	(6,255,043)	-	(35,924)
Proceeds from other funds to finance capital projects	1,465,646	-	-
Acquisition and construction of capital assets	(2,891,978)	(13,501)	(50,118)
Interest paid on debt	(3,067,787)	(116,475)	(12,366)
Special assessments and connection charges	2,044,200	-	-
Net Cash from Capital and Related Financing Activities	(8,704,962)	(129,976)	(98,408)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Advances from other funds	-	176,128	-
Transfers in	-	-	-
Net Cash from Non-Capital Financing Activities	-	176,128	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	94,901	451	1,036
Net Change in Cash and Equivalents	698,805	(103,589)	(68,938)
Cash and Equivalents - Beginning of Year	8,257,785	299,194	615,085
Cash and Equivalents - End of Year	\$ 8,956,590	\$ 195,605	\$ 546,147
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES			
Income (loss) from operations	\$ 2,588,779	\$ (805,869)	\$ 13,219
Adjustments to reconcile income (loss) from operations to net cash from operating activities			
Depreciation	5,239,335	548,868	63,912
Changes in operating assets and liabilities			
Accounts receivable	(414,495)	(46,759)	5,346
Prepaid expenses	-	15,586	-
Accounts payable	99,223	137,982	(54,604)
Accrued liabilities	541,391	-	(1,299)
Due to other funds	927,787	-	-
Unearned revenues	(89,199)	-	6,000
Compensated absences payable	(8,955)	-	(4,140)
Other post employment benefit obligations payable	425,000	-	-
Claims payable	-	-	-
Net Cash from Operating Activities	\$ 9,308,866	\$ (150,192)	\$ 28,434

Noncash Capital and Financing Activities

The Water Pollution Control Authority issued \$1,778,834 in refunding bonds to advance refund debt issued in 2003. Proceeds of \$1,980,285 were deposited into an irrevocable trust for the defeasance of \$1,936,665 of outstanding general obligation bond principal.

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

Totals	Governmental Activities - Internal Service Funds
\$ 21,848,979	\$ 84,377,706
(3,831,655)	(256,871)
(7,175,841)	(3,711,387)
(1,654,375)	(77,769,457)
9,187,108	2,639,991
(6,290,967)	-
1,465,646	-
(2,955,597)	-
(3,196,628)	-
2,044,200	-
(8,933,346)	-
176,128	-
-	2,501,519
176,128	2,501,519
96,388	16,663
526,278	5,158,173
9,172,064	30,835,097
\$ 9,698,342	\$ 35,993,270
\$ 1,796,129	\$ (7,511,837)
5,852,115	-
(455,908)	2,294,146
15,586	-
182,601	8,601
540,092	(2,404,384)
927,787	-
(83,199)	-
(13,095)	-
425,000	-
-	10,253,465
\$ 9,187,108	\$ 2,639,991

City of Stamford, Connecticut

Statement of Net Position
 Fiduciary Funds
 June 30, 2013

	Agency Fund	Trust Funds
ASSETS		
Cash and equivalents	\$ 894,828	\$ 3,241,839
Investments, at fair value		
Money market funds	-	6,372,693
U.S. government obligations	-	10,266,067
Corporate bonds	-	6,460,309
Common and preferred equities	-	199,975,496
Common/collective trusts	-	57,619,742
Mutual funds	-	200,209,375
Alternative investments/Hedge funds	-	66,603,867
	-	547,507,549
Receivables		
Accounts	-	100,036
Contributions receivable, net	-	1,483,970
	-	1,584,006
Accrued interest and dividends	-	188,757
Total Assets	894,828	552,522,151
LIABILITIES		
Due to student groups	894,828	-
Accounts payable	-	41,232
Claims payable	-	1,015,667
Other	-	6,735
Total Liabilities	894,828	1,063,634
NET POSITION		
Held in Trust for Pension Benefits	\$ -	\$ 551,458,517

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

City of Stamford, Connecticut

Statement of Changes in Fiduciary Net Position
Trust Funds
June 30, 2013

	<u>Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 33,953,788
Plan members	<u>10,808,653</u>
Total Contributions	<u>44,762,441</u>
Investment Income	
Net change in fair value of investments	47,305,359
Interest and dividends	<u>9,302,182</u>
	56,607,541
Less - Investment management fees	<u>1,774,750</u>
Net Investment Income	<u>54,832,791</u>
Total Additions	99,595,232
DEDUCTIONS	
Pension benefits	<u>51,917,548</u>
Change in Net Position	47,677,684
Net Position - Beginning of Year	<u>503,780,833</u>
Net Position - End of Year	<u><u>\$ 551,458,517</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The City of Stamford, Connecticut ("City") was incorporated as a City in 1893 and operates in accordance with its Charter, adopted in 1949 and revised on an ongoing basis, and the various other applicable laws of the State of Connecticut. The legislative function is performed by an elected forty-member Board of Representatives. The Mayor serves as the chief executive officer and the Director of Administration serves as the chief financial officer. The Mayor, a six-member elected Board of Finance and the Board of Representatives must approve all appropriations (except that the Mayor does not approve Board of Education ("BOE") appropriations). The City provides the following services to its residents: education, public safety, public works, parks and recreation, health and welfare, community services and general administrative support.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government, which is the City; b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following individual component unit is included in the City's reporting entity because of its operational or financial relationship with the City.

The Urban Redevelopment Commission ("URC") is an agency created by the City in 1954 in accordance with Section 8-124 to 8-1289 of the General Statutes of Connecticut to handle municipal development projects. The URC has all of the powers and duties of a redevelopment agency as set forth in the General Statutes. Members are appointed by the Mayor, with the approval of the Board of Representatives, for five year terms. All plans prepared and/or approved by the URC for urban redevelopment and renewal projects must be approved by the City's Board of Representatives and Board of Finance in order to become effective and, therefore, the City is able to impose its will on the URC. Since the URC does not provide services entirely or almost entirely to the City, the financial statements of the URC have been reflected as a discretely presented component unit. Separate financial statements have not been prepared for the URC.

The Old Town Hall Redevelopment Agency ("OTHRA") is an agency created by the City in 2005 in accordance with Chapter 130 of the General Statutes of Connecticut for the purpose of the redevelopment of the Old Town Hall. Included within OTHRA are two entities, Old Town Hall QALICB, LLC ("QALICB") and Old Town Hall Manager, Inc., which were established as financial

Note 1 - Summary of Significant Accounting Policies (Continued)

mechanisms for earning Federal historical and new market tax credits to help fund the rehabilitation. The OTHRA board consists of seven members appointed by the Mayor, with the approval of the Board of Representatives, for five year terms. The members include the Mayor, two members of the Board of Representatives, one member of the Board of Finance, one member from the URC, one member from the Downtown Special Services District and one community representative. Since the activities of OTHRA provide services entirely or almost entirely to the City, OTHRA has been reflected as a blended component unit in the financial statements as a proprietary fund. Separate financial statements have not been prepared for OTHRA.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. 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 Net Position presents the financial position of the City at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

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 and enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise funds and the Internal Service funds are charges to customers for services. Operating expenses for the Enterprise funds and the Internal Service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance

Note 1 - Summary of Significant Accounting Policies (Continued)

related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The City maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds:

General Fund - The General Fund constitutes the primary fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

Mill River Capital Projects Fund - The Mill River Capital Projects Fund was created to be a financing mechanism, whereby a portion of property taxes in the Mill River Corridor tax increment financing district are set aside to fund improvements in the district.

The City also reports the following non-major governmental funds.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The non-major Special Revenue Funds of the City are as follows:

Stamford Community Development Program Fund – The Stamford Community Development Program Fund is used to account for Federal community development block grant funds. Its focus is on improving the quality of life in specifically targeted central city neighborhoods, consisting primarily of low and moderate income residents with emphasis on rehabilitation of existing housing and creation of new housing.

Note 1 - Summary of Significant Accounting Policies (Continued)

Board of Education Food Service Program Fund – The Board of Education Food Service Program Fund is used to account for the operation of the BOE's cafeteria system. Revenues are received from Federal and State agencies and fees are charged for lunches.

Town Aid Highway Fund – The Town Aid Highway Fund is used to account for Department of Transportation grants relating to improvement of local roads as set forth in the General Statutes of Connecticut.

Dog License Fund – The Dog License Fund is used to account for revenue from dog license fees pursuant to the General Statutes of Connecticut.

Drug Asset Forfeiture Fund – The Drug Asset Forfeiture Fund is used to account for the cash receipts and disbursements of Federal and State drug asset forfeiture funds.

Police Extra Duty Fund – The Police Extra Duty Fund is used to account for revenue received and expenditures incurred from the use of City police officers by outside parties.

Educational Grants Programs Fund – The Educational Grants Programs Fund is used to account for U.S. Department of Education and Connecticut Department of Education grants, as well as local grants relating to education.

Other Grants Programs Fund – The Other Grants Programs Fund is used to account for funds related to grant programs not accounted for in another fund.

School Building Use Fund – The School Building Use Fund was established July 1, 1968 and is used to account for the revenues and expenditures incurred in connection with the use of BOE facilities by residents and organizations within the City.

Continuing Education Fund – The Continuing Education Fund was established July 1, 1975 to provide adult education courses determined by the State Board of Education to be largely recreational (discretionary) in nature.

Marinas Fund – The Marinas Fund is used to account for the revenues and expenditures associated with the operation and maintenance of the City's three publicly-owned marina facilities.

Greater Stamford Transit District Fund – The Greater Stamford Transit District Fund is used to account for the revenues and disbursements of funds used in connection with the development, maintenance and improvement of mass transportation systems within the City.

Note 1 - Summary of Significant Accounting Policies (Continued)

Parking Fund – The Parking Fund is used to account for revenues and expenditures related to the operation of three parking garages, debt service related to those facilities, parking enforcement and ticketing, and the operation of surface lots, including commuter lots at the Metro North train stations.

Rainy Day Fund – The Rainy Day Fund is used to accumulate fund balance. Per City Charter, the Mayor can direct that a surplus from the prior fiscal year be transferred into the fund and in subsequent years direct that it be expended for any lawful purpose. All transfers and expenditures shall require the approval of the Board of Finance and the Board of Representatives.

BOE Energy Reserve Fund – The BOE Energy Reserve Fund is used to accumulate sufficient BOE energy reserves to provide fiscally prudent and stable financial budgeting for BOE school facilities.

The following are the City's non-major capital projects funds:

Transportation Capital Fund – The Transportation Capital Fund was established pursuant to State Public Act 84-497 to provide financing for the acquisition, development, expansion or capital repair of parking, traffic, transportation or public transit facilities or equipment. Revenues are derived from fees paid to the City in lieu of planning and zoning parking requirements and interest earned thereon.

Capital Nonrecurring Fund – The Capital Nonrecurring Fund is authorized by the General Statutes of Connecticut, Sections 7-359 through 7-368, as revised. Revenues can be derived from (1) transfers from the General Fund, including proceeds from the sale of capital assets, or (2) amounts raised by the annual levy of a tax, not to exceed two mills. This fund can be used only for financing all or part of the planning, construction, reconstruction or acquisition of capital facilities, improvements or equipment.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal Service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Stamford Water Pollution Control Authority ("SWPCA") and OTHRA are recorded as major enterprise funds. The operations of the E.G. Brennan Golf Course are recorded as a non-major enterprise fund. The City has established its City Medical, Board of Education Medical, Risk Management and

Note 1 - Summary of Significant Accounting Policies (Continued)

Disputed Assessments funds as Internal Service funds. The City applies all applicable Financial Accounting Standards Board ("FASB") guidance issued prior to November 30, 1989 in accounting and reporting for its enterprise operations that do not conflict with or contradict GASB guidance. The City has elected not to follow subsequent private sector guidance.

- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. These include Pension Trust and Agency funds. The Pension Trust Funds are provided to account for the activities of the City's four defined benefit pension plans and the Other Post Employment Benefit Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement. The Agency Fund is primarily utilized to account for monies held as custodian for outside student groups.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The Agency Fund has no measurement focus but utilizes 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to early retirement incentives, compensated absences, pollution remediation obligations, other post employment benefit obligations, pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

Component Units

The component units are presented on the basis of accounting that most accurately reflects their activities. The URC and OTHRA are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of these activities are included on the Statement of Net Position.

Operating statements present increases (revenues) and decreases (expenses) in total net position. The URC and OTHRA are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The URC and OTHRA apply all applicable FASB guidance issued prior to November 30, 1989 in accounting and reporting for their operations that do not conflict with or contradict GASB guidance. The City has elected not to follow subsequent private sector guidance.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The City's custodial credit risk policy is to only allow the City to use banks that are in the State of Connecticut. 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 City conform to the policies as set forth by the State of Connecticut. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City 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.

Investments are stated at fair value, based on quoted market prices.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be

Note 1 - Summary of Significant Accounting Policies (Continued)

materially higher or lower than values determined if a ready market for the securities existed.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. The set asset allocation parameters are as follows:

Large Cap Equities	30.0% - 50.0%
Small Cap Equities	7.5% - 15.0%
Fixed Income	35.0% - 45.0%
International Equities	5.0% - 17.5%

The Connecticut State Treasurer's Short-Term Investment Fund is a money market fund managed by the Cash Management Division of the State Treasurer's Office, created by Section 3-27 of the General Statutes of Connecticut. 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.

Investments in 2a-7 like pools are stated at amortized cost.

Interest Rate Risk - The City's and the pension funds' policy is to limit its 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, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Restricted Cash and Equivalents - Certain assets are classified as restricted because their use is limited. Restricted cash and equivalents in the Capital Projects, Mill River Capital Project and Enterprise funds are to be used for construction purposes and debt service.

Taxes Receivable - Property taxes are assessed as of October 1st, levied on the following July 1st, and billed and due in two installments, July 1st and January 1st and are used to finance the operations for the City's fiscal year from the first billing on July 1st to June 30th of the following year. Motor vehicle taxes are due in one installment on July 1st, and supplemental motor vehicle taxes are due in full January 1st. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year. Under State statute, the City has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due the City is not paid within the timeframe limited by any local Charter or Ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as

Note 1 - Summary of Significant Accounting Policies (Continued)

earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Loans Receivable - Loans receivable in the Capital Projects Fund are due, directly or indirectly, from OTHRA. Loans receivable in the URC are due from a developer pursuant to the sale of land by the URC. Loans receivable are recorded and revenues recognized as earned. The loans have various interest rates and maturities.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of certain costs related to the food service program at the BOE which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventories in the governmental funds are valued at cost on a first-in, first-out basis, and consist of certain expendable supplies held for consumption. The cost is recorded as inventory at the time individual items are purchased. The City uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance in governmental funds, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

Land Held for Resale - The URC was created to promote development within certain geographic areas of the City. To further its objectives, URC purchases and holds land for resale. As such, this land is presented as an asset of the component unit at the lower of cost or net realizable value.

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Due From/To Other Funds - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 enterprise fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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, net of interest earned on specific project related debt, during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-50
Land improvements	20-40
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned/Deferred Revenues - Unearned/deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met. Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (Continued)

At the end of the current fiscal year, the various components of unearned revenues and deferred revenues were as follows:

	Unearned Revenues	Deferred Revenues
General Fund		
Taxes	\$ 15,022,911	\$ 7,722,277
School construction receivable	-	2,537,166
Miscellaneous	-	1,788,906
	<u>15,022,911</u>	<u>12,048,349</u>
Capital Projects Fund		
Grants	<u>18,239,054</u>	<u>-</u>
Non-Major Governmental Funds		
Town aid highway	232,281	-
Drug asset forfeiture	482,172	-
Police extra duty	-	680,276
Educational grants programs	2,261,221	-
Other grants programs	1,403,314	-
Parking	-	542,249
	<u>4,378,988</u>	<u>1,222,525</u>
Total Governmental Funds	<u>37,640,953</u>	<u>13,270,874</u>
Enterprise Funds		
Water Pollution Control Authority	88,343	-
E.G. Brennan Golf Course	9,000	-
Total Enterprise Funds	<u>97,343</u>	<u>-</u>
Internal Service Funds		
City Medical	<u>16,060</u>	<u>-</u>
Total Primary Government	<u>\$ 37,754,356</u>	<u>\$ 13,270,874</u>

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2013, no amounts were required to be reported as deferred outflows/inflows of resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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, and debt payments, are reported as debt service expenditures.

Compensated Absences - City 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 the governmental funds only if the liability has matured through employee resignation or retirement. In addition, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for capital projects and debt service obligations and for other items contained in the Connecticut statutes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the City's highest level of decision making authority. The Board of Finance and Board of Representatives are the highest level of decision making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Board of Finance and Board of Representatives removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Finance and Board of Representatives.

Assigned fund balance, in the General Fund, will represent amounts constrained by the Board of Finance and Board of Representatives for amounts assigned for balancing the subsequent year's budget or the Director of Administration for amounts assigned for encumbrances. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the City considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities. Encumbrances in total by each major fund and for non-major funds in the aggregate is presented in Note 3, J Fund Balances.

G. Use of 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 24, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The City's general budget policies are as follows:

An annual budget is legally adopted for the General Fund. Budgetary control within the General Fund is exercised at the operating department level. Consistent with State statutes, the Board of Education is budgeted as a single operating department. Unless encumbered, General Fund appropriations lapse at the end of the fiscal year.

The City's Charter establishes the following process for adopting the annual General Fund budget:

- a. By March 8th, the BOE's and the Mayor's operating budgets are submitted to the Board of Finance and the Board of Representatives.
- b. By April 8th, joint public hearings on the budgets are held before the Board of Finance and the Board of Representatives.
- c. By April 20th, the budgets are approved by the Board of Finance and are submitted to the Board of Representatives. The Board of Finance may not increase amounts requested by the Mayor and the BOE.
- d. By May 15th, the Board of Representatives adopts the final budgets and files a report with the City Clerk. The Board of Representatives may not increase amounts approved by the Board of Finance.
- e. By May 25th, the Board of Finance sets the tax rate, which rate also allows for anticipated supplemental General Fund appropriations. During the year ended June 30, 2013, there was approximately \$10,000,000 in additional appropriations.
- f. Additional appropriations during the fiscal year require approval of the Mayor, the Board of Finance and the Board of Representatives.
- g. The General Fund budget is legally adopted annually on a basis consistent with generally accepted accounting principles. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year. The Capital Projects Fund is budgeted on a project basis. Annual budgets are also adopted for the Proprietary funds.
- h. Transfers may be made in proper cases from one line item to another, with the approval of the Director of Administration and the Board of Finance. A transfer or transfers between non-salary line item accounts within a department may not exceed, in the case of any single transfer, the greater of \$50,000 or 5% of the

Note 2 - Stewardship, Compliance and Accountability (Continued)

budget of said department and, in the case of all such transfers during any fiscal year, the greater of \$100,000 or 10% of the budget of said department. Transfers may be made up to 10% of the annual appropriation from salary accounts to overtime accounts and/or from overtime accounts to salary accounts.

- i. 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.

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. A reconciliation of revenues and other financing sources of the General Fund, as presented in accordance with GAAP, and revenues and other financing sources presented on the budgetary basis, is as follows:

Revenues and other financing sources, budgetary basis	\$ 485,877,183
On-behalf payments, paid directly by the State of Connecticut to the Teachers' Retirement System, not recognized for budgetary purposes	25,571,000
On-behalf payments, paid directly by the State of Connecticut Department of Public Health to WIC and HIV recipients, not recognized for budgetary purposes	<u>3,811,282</u>
Revenues and other financing sources, GAAP basis	<u>\$ 515,259,465</u>

A reconciliation of expenditures and other financing uses of the General Fund presented in accordance with GAAP and expenditures, encumbrances and other financing uses presented on the budgetary basis is as follows:

Expenditures, encumbrances and other financing uses, budgetary basis	\$ 484,618,622
Encumbrances and continued appropriations	
June 30, 2013	(3,345,960)
June 30, 2012	2,307,533
On-behalf payments, paid directly by the State of Connecticut to the Teachers' Retirement System not recognized for budgetary purposes	25,571,000
On-behalf payments, paid directly by the State of Connecticut Department of Public Health to WIC and HIV recipients, not recognized for budgetary purposes	<u>3,811,282</u>
Expenditures and other financing uses, GAAP basis	<u>\$ 512,962,477</u>

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Fund Deficits

The Risk Management internal service fund reflects a deficit of \$11,011,380 at June 30, 2013. The City Plans to address this deficit in subsequent years.

C. Expenditures in Excess of Budget

The following expenditure categories within the General Fund exceeded their budgetary provision by the amounts indicated:

Legal Affairs	
Director of Law	\$ 99,565
Employee Benefits	1,710,121
Health and Welfare	
Community Nursing	4,727
Smith House	249,848

D. Application of Accounting Standards

For the year ended June 30, 2013, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

E. Change in Accounting Estimate

The City, during the 2013 fiscal year, obtained an actuarial valuation for its workers' compensation claims. The City has historically accrued estimated costs of this self-insured program at the present value of projected settlements for known claims. The change in accounting estimate reflected in the Risk Management Internal Service Fund is a result of an actuarial valuation of the City's workers' compensation claims for known and incurred but not reported claims. The effects of this change increased expenses in this fund by \$9,859,611.

The City, during the 2013 fiscal year, obtained an actuarial valuation for its heart and hypertension claims. The change in accounting estimate reflected in the government-wide financial statements is a result of this actuarial valuation of the City's heart and hypertension claims for known and incurred but not reported claims. The effects of this change increased expenses in the government-wide financial statements by \$7,733,482.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds

A. Deposits and Investments

Cash and investments of the City consist of the following at June 30, 2013:

Cash, Restricted Cash and Equivalents	
Deposits with financial institutions	\$ 147,724,298
State of Connecticut Short-Term Investment Fund	<u>2,771,176</u>
Total Cash, Restricted Cash and Equivalents	<u>\$ 150,495,474</u>
Investments	
General Fund	
U.S. Government Obligations	\$ 5,529,917 *
U.S. Government Agency Securities	<u>15,809,349 *</u>
Total General Fund Investments	<u>21,339,266</u>
Pension Trust Funds	
Money Market Funds	6,372,693
U.S. Government Obligations	10,266,067 *
Corporate Bonds	6,460,309 *
Common and Preferred Stocks	199,975,496 *
Common/Collective Trusts	57,619,742
Mutual Funds	200,209,375
Alternative Investments/Hedge Funds	<u>66,603,867</u>
Total Pension Investments	<u>547,507,549</u>
Total Investments	<u>568,846,815</u>
Total Cash and Equivalents and Investments	<u>\$ 719,342,289</u>

*These investments are uninsured and unregistered, with securities held by the counterparty, but not in the City's or the Pension Trust Fund's name.

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

Statement of Net Position	
Cash and equivalents	\$ 131,492,331
Restricted cash and equivalents	14,866,476
Investments	<u>21,339,266</u>
	<u>167,698,073</u>
Fiduciary Funds	
Cash and equivalents	4,136,667
Investments	<u>547,507,549</u>
Total Fiduciary Funds Investments	<u>551,644,216</u>
Total Cash and Investments	<u>\$ 719,342,289</u>

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2013, \$136,506,423 of the City's bank balance of \$156,735,911 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$ 136,506,423

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 City'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
Pooled Fixed Income	\$ 2,771,176	\$ 2,771,176	\$ -	\$ -	\$ -
U.S. Government Agencies	15,809,349	15,809,349	-	-	-
U.S. Government Obligations	15,795,984	1,529,917	9,469,427	2,309,291	2,487,349
Corporate Bonds	6,460,309	162,997	2,524,040	2,679,562	1,093,710
Total	<u>\$ 40,836,818</u>	<u>\$ 20,273,439</u>	<u>\$ 11,993,467</u>	<u>\$ 4,988,853</u>	<u>\$ 3,581,059</u>

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 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	U.S. Government Agency	Pooled Income Fund
AAA	\$ -	\$ 15,809,349	\$ 2,771,176
A1	1,428,497	-	-
A2	995,867	-	-
A3	1,503,750	-	-
Aa2	312,408	-	-
Aa3	272,241	-	-
Baa1	510,293	-	-
Baa2	1,437,253	-	-
	<u>\$ 6,460,309</u>	<u>\$ 15,809,349</u>	<u>\$ 2,771,176</u>

Concentration of Credit Risk - The City's and the City's pension funds' policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

Note 3 - Detailed Notes on All Funds (Continued)

The following represents the investments in each respective Plan that represents more than 5% of the respective Plan's net position as of June 30, 2013:

Classified Employees' Retirement Fund	
GMO Global Asset Allocation Fund III	\$ 34,318,723
PIMCO All Asset Fund CI I	32,276,436
Metropolitan West Total Return Bond CI I	22,430,182
Artisan International Fund	15,793,841
Templeton Institutional Funds Inc Foreign	15,700,917
SSGA Russell 1000 Index SL	13,313,125
Hartford Institutional Trust	9,287,679
Police Pension Trust Fund	
Oppenheimer and Company	92,640,091
Hildene Opportunities Offshore Fund	11,692,629
UBS Trumbull Property Fund TPF	11,579,829
UBS Trumbull Property Fund TPI	8,480,693
Firefighters' Pension Trust Fund	
Omega Overseas Partners LTD	13,151,503
Beach Point Total Return Offshore Fund	10,814,735
Beach Point Loan Fund	7,000,000
Custodians' and Mechanics' Retirement Fund	
SSGA Russell 1000 Index SL	14,958,415
GMO Global Bal Asset Alloc FD III	9,887,949
Metropolitan West T/R Bd CI I	7,691,423
Templeton Foreign Equity Series	6,567,505
Pimco All Asset FD Instl CI	5,110,056
OPEB	
GMO Global Asset Allocation Fund III	6,083,660
Vanguard 500 Index Signal	5,717,102
PIMCO All Asset Fund CI	5,506,530
Metropolitan West Total Return Bond CI	4,456,880
Vanguard International VA IV	2,037,052
Vanguard International Growth Fund - Admiral	1,990,686

B. Taxes Receivable

Taxes receivable at June 30, 2013 consisted of the following:

Property taxes - Current	\$ 6,547,413
Property taxes - Delinquent	5,773,189
Property taxes - Collection agency	<u>9,975,222</u>
	22,295,824
Allowance for uncollectible amounts	<u>(12,975,222)</u>
	<u>\$ 9,320,602</u>

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$7,722,277, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2013 were as follows:

Due From	General Fund	Capital Projects Fund	Total
Enterprise - SWPCA Fund	\$ 7,969,902	\$ -	\$ 7,969,902
Non-Major Capital Projects Funds	-	2,652,259	2,652,259
Non-Major Governmental Funds	258,068	-	258,068
Total Due To	<u>\$ 8,227,970</u>	<u>\$ 2,652,259</u>	<u>\$ 10,880,229</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

D. Capital Assets

Changes in the City's capital assets are as follows:

	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 88,833,265	\$ -	\$ -	\$ 88,833,265
Construction-in-progress	69,644,549	15,509,170	-	85,153,719
Works of art	767,000	-	-	767,000
Total Capital Assets, not being depreciated	<u>\$ 159,244,814</u>	<u>\$ 15,509,170</u>	<u>\$ -</u>	<u>\$ 174,753,984</u>
Capital Assets, being depreciated				
Land improvements	\$ 135,802,180	\$ 13,613,186	\$ -	\$ 149,415,366
Buildings and improvements	540,054,057	-	-	540,054,057
Machinery and equipment	103,505,047	7,953,535	1,205,685	110,252,897
Infrastructure	241,901,695	8,743,720	2,427,523	248,217,892
Total Capital Assets, being depreciated	<u>1,021,262,979</u>	<u>30,310,441</u>	<u>3,633,208</u>	<u>1,047,940,212</u>
Less Accumulated Depreciated for				
Land improvements	29,476,123	6,011,044	-	35,487,167
Buildings and improvements	243,914,506	11,104,436	-	255,018,942
Machinery and equipment	63,345,253	8,307,823	1,205,685	70,447,391
Infrastructure	144,865,450	5,371,017	2,427,523	147,808,944
Total Accumulated Depreciation	<u>481,601,332</u>	<u>30,794,320</u>	<u>3,633,208</u>	<u>508,762,444</u>
Total Capital Assets, being depreciated, net	<u>539,661,647</u>	<u>(483,879)</u>	<u>-</u>	<u>539,177,768</u>
Governmental Activities Capital Assets, net	<u>\$ 698,906,461</u>	<u>\$ 15,025,291</u>	<u>\$ -</u>	<u>\$ 713,931,752</u>

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Business-type Activities				
Capital Assets, not being depreciated				
Land	\$ 4,863,529	\$ -	\$ -	\$ 4,863,529
Construction-in-progress	1,171,370	287,750	200,000	1,259,120
Total Capital Assets, not being depreciated	<u>\$ 6,034,899</u>	<u>\$ 287,750</u>	<u>\$ 200,000</u>	<u>\$ 6,122,649</u>
Business-type Activities				
Capital Assets, being depreciated				
Land improvements	\$ 3,905,995	\$ 1,809,986	\$ -	\$ 5,715,981
Buildings and improvements	132,301,602	13,501	-	132,315,103
Machinery and equipment	36,760,887	246,942	-	37,007,829
Infrastructure	65,938,069	597,418	-	66,535,487
Total Capital Assets, being depreciated	<u>238,906,553</u>	<u>2,667,847</u>	<u>-</u>	<u>241,574,400</u>
Less Accumulated Depreciated for				
Land improvements	1,664,830	261,541	-	1,926,371
Buildings and improvements	31,071,741	3,185,616	-	34,257,357
Machinery and equipment	25,169,859	1,388,623	-	26,558,482
Infrastructure	20,157,466	1,016,335	-	21,173,801
Total Accumulated Depreciation	<u>78,063,896</u>	<u>5,852,115</u>	<u>-</u>	<u>83,916,011</u>
Total Capital Assets, being depreciated, net	<u>160,842,657</u>	<u>(3,184,268)</u>	<u>-</u>	<u>157,658,389</u>
Business-type Activities Capital Assets, net	<u>\$ 166,877,556</u>	<u>\$ (2,896,518)</u>	<u>\$ 200,000</u>	<u>\$ 163,781,038</u>

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

Governmental Activities:	
General Services	\$ 1,290,508
Administration	1,544,310
Public safety, health and welfare	2,835,435
Operations	12,474,045
Education	12,650,022
Total Depreciation Expense - Governmental Activities	<u>\$ 30,794,320</u>
Business-type Activities:	
Water Pollution Control Authority	\$ 5,239,335
Old Town Hall Redevelopment Agency	548,868
E.G. Brennan Golf Course	63,912
Total Depreciation Expense - Business-type Activities	<u>\$ 5,852,115</u>

Note 3 - Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of June 30, 2013 that include building construction and renovations, infrastructure upgrades, road construction and a variety of projects. At June 30, 2013, the City had \$32,524,083 in construction encumbrances in the following funds.

<u>Fund</u>	<u>Amount</u>
Capital Projects	\$ 32,138,054
Mill River Capital Projects	386,029
	<u>\$ 32,524,083</u>

E. Single Employer Pension Plans

Description of Plans

As required by collective bargaining agreements with the City's labor unions, the City has established four separate, contributory, defined benefit pension plans. Substantially all full-time City employees (except teachers and administrators who are covered by the Connecticut State Teachers' Retirement System) are covered by one of these plans. City and employee contributions are made pursuant to City Charter and union contracts. Administrative fees are paid by the City. Each of the four defined benefit pension plans operated by the City submits standalone financial reports which can be obtained from the City's Controller's Office or the City's website (www.ci.stamford.ct.us).

Classified Employees' Retirement Fund

Eligibility begins at date of hire and vesting occurs in full after 5 years of service. Benefits are payable to an employee who retires at age 60 with a minimum of 10 years of service or an employee who has reached age 58 with at least 15 years of service. Certain contracts allow employees with 25 years of service to retire. Annual benefits equal 2% per year of service with maximums up to 70% of final salary for each year of credited service. Employees contribute between 3.0% and 5.0% of their annual salary, based on their bargaining units, until they have attained 33 years of credited service. Some union contracts allow employees to exchange sick or vacation leave for up to 4% additional pension credit (1% per 25 days). Interest of 5% is credited to the employees' contribution.

Police Pension Trust Fund

Eligibility begins at date of hire and vesting in the City's contributions occurs in full after completing 10 years of service. Benefits are payable to employees with 20 years of service. Upon retirement, annual benefits are paid equal to 50% of final salary plus 3% for each year of service between 20 and 25 years and an additional 2.33% per year of service, up to a maximum of 76.65% of final salary at 30 years. Police contribute 7% of their annual salary. Individuals employed 30 years or more are not required to contribute to the plan. The plan allows employees to exchange vacation leave for up to 7.5% additional pension credit (1.5% per 20 days). Interest is not credited to the employees' contribution for this plan.

Note 3 - Detailed Notes on All Funds (Continued)

Firefighters' Pension Trust Funds

Eligibility begins at date of hire and vesting in the City's contributions occurs in full after completing 15 years of service. Benefits are payable to employees with 20 years of service and for firefighters hired in 1981 or later, after attainment of age 48. Upon retirement, annual benefits are paid equal to 50% of final salary plus 2% for each year of service over 20 years, up to a maximum pension of 74% of final salary. Firefighters contribute 6.25% of their annual salary. Individuals employed 32 years or more are not required to contribute to the plan. The Plan allows employees to exchange vacation leave for up to 7.5% additional pension credit (1.5% per 20 days). Interest is not credited to the employees' contribution for this plan.

Custodians' and Mechanics' Retirement Fund

Eligibility begins at date of hire and vesting occurs in full after 10 years of service. Benefits are payable to an employee who retires at age 60 or upon completion of 25 years of service regardless of age. Annual benefits are paid equal to 2.25% of final salary for each year of service, up to a maximum pension of 74.25% of final salary. The employees contribute 5.0% (custodians contribute 7.0%) of their salary until they have reached 33 years of credited service. The Plan allows employees to exchange sick and vacation leave for up to 7.5% additional pension credit (1.5% per 25 days). Interest of 4% is credited to the employees' contribution. The education assistants, security workers and school liaisons are included in this pension plan. They receive eligibility and vesting from their date of hire. Annual benefits equal to 1.5% of final salary for each year of service, up to a maximum pension of 49.5% of final salary.

Annual Pension Cost and Net Pension Obligation (Asset)

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Annual Required Contribution	\$ 5,902,000	\$ 4,885,000	\$ 2,340,000	\$ 1,497,000
Interest on Net Pension Obligation	-	(70,000)	3,000	(63,000)
Adjustment to Annual Required Contribution	-	94,000	(4,000)	86,000
Annual Pension Cost	5,902,000	4,909,000	2,339,000	1,520,000
Contributions Made	(5,897,100)	(4,885,000)	(2,340,000)	(1,497,000)
Change in Net Pension Obligation (Asset)	4,900	24,000	(1,000)	23,000
Net Pension Obligation (Asset), Beginning of Year	4,000	(869,000)	36,000	(792,000)
Net Pension Obligation (Asset), End of Year	<u>\$ 8,900</u>	<u>\$ (845,000)</u>	<u>\$ 35,000</u>	<u>\$ (769,000)</u>

The annual required contribution for the current year was determined as part of the July 1, 2012 actuarial valuation using the projected unit credit method. The actuarial assumptions include a 7.75% investment rate of return, projected salary increases determined by graded scale by age, except for their Police Pension Trust Fund, which provides for salary increases of 6.50% per year, and the utilization of RP-2000 mortality tables. The actuarial value of assets was determined using a smoothing method.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)

June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The Board of Trustees of each plan establishes and may amend the contribution requirements of plan members and the City. The contribution requirements of plan members and the City are as follows:

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Contribution rates				
City	**%	** %	** %	** %
Plan members	Municipal Supervisory	7.00	6.25	Custodians - 7.00%
	Employees - 5.00%			Others - 5.00%
	Nurses - 5.00%			
	Teamsters - 5.00%			
	Dental Hygienists - 5.00%			
	United Electrical - 6.00%			
	Other - 3.00%			

** - Determined by valuation

Current membership in these programs is comprised of the following at June 30, 2013:

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Retirees and beneficiaries				
currently receiving benefits	667	287	214	141
Active plan members	734	273	250	501
Terminated plan members entitled to a refund of employee contributions but have elected to defer receipt	27	-	-	-
Terminated plan members entitled to, but not yet receiving benefits	80	1	-	10
	1,508	561	464	652
Total				

City of Stamford, Connecticut

Notes to Financial Statements (Continued)

June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The City's annual pension cost, the percentage of annual pension costs contributed to the plan and the net pension obligation (asset) for the current and the two preceding years is as follows:

	Annual Pension Cost	Percentage of Pension Cost Contributed	Net Pension Obligation (Asset)
Classified Employees' Retirement Fund			
2013	\$ 5,902,000	99.9 %	\$ 8,900
2012	5,361,000	100.5	4,000
2011	4,174,000	100.0	33,000
Police Pension Trust Fund			
2013	4,909,000	99.5	(845,000)
2012	4,366,000	99.4	(869,000)
2011	4,142,000	99.4	(894,000)
Firefighters' Pension Trust Fund			
2013	2,339,000	100.0	35,000
2012	2,079,000	100.0	36,000
2011	1,716,000	100.1	37,000
Custodians' and Mechanics' Retirement Fund			
2013	1,520,000	98.5	(769,000)
2012	1,388,000	137.8	(792,000)
2011	1,229,000	99.3	(267,000)

The schedule of funding progress for the plans is as follows at June 30, 2013:

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
Classified Employees' Retirement Fund July 1, 2012	\$ 188,447,000	\$ 219,465,000	\$ 31,018,000	85.9 %	\$ 43,686,000	71.0 %
Police Pension Trust Fund July 1, 2012	\$ 174,748,000	\$ 204,563,000	\$ 29,815,000	85.4 %	\$ 21,353,000	139.6 %
Firefighters' Pension Trust Fund July 1, 2012	\$ 137,082,000	\$ 147,783,000	\$ 10,701,000	92.8 %	\$ 20,850,000	51.3 %
Custodians' and Mechanics' Retirement Fund July 1, 2012	\$ 48,074,000	\$ 54,525,000	\$ 6,451,000	88.2 %	\$ 18,619,000	34.6 %

The schedule of funding progress for the defined benefit pension plans immediately following the notes to financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The following chart provides information for the actuarial assumptions utilized:

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Valuation Date	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar Amount Open	Level Dollar Amount Open	Level Dollar Amount Open	Level Dollar Amount Open
Amortization period	15 years	15 years	15 years	15 years
Asset valuation method	Actuarial Value	Actuarial Value	Actuarial Value	Actuarial Value
Actuarial assumptions:				
Investment rate of return	7.75%	7.75%	7.75%	7.75%
Projected salary increase	Graded scale by age	6.50%	Graded scale by age	Graded scale by age
Inflation rate	None	None	None	None

The following schedule presents the net position held in trust for pension benefits and OPEB at June 30, 2013 and the changes in net position for the year then ended.

	Trust Funds					Total Trust Funds
	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund	OPEB	
ASSETS						
Cash	\$ -	\$ -	\$ 3,241,584	\$ -	\$ 255	\$ 3,241,839
Investments, at fair value						
Money market funds	2,544,212	2,024,686	-	704,117	1,099,678	6,372,693
U.S. government obligations	-	-	10,266,067	-	-	10,266,067
Corporate bonds	-	-	6,460,309	-	-	6,460,309
Common and preferred equities	21,008,518	125,418,609	53,548,369	-	-	199,975,496
Common/collective trusts	22,600,805	20,060,522	-	14,958,415	-	57,619,742
Mutual funds	137,968,298	-	1,265,847	33,086,262	27,888,968	200,209,375
Alternative investment/Hedge funds	-	21,953,675	44,650,192	-	-	66,603,867
	<u>184,121,833</u>	<u>169,457,492</u>	<u>116,190,784</u>	<u>48,748,794</u>	<u>28,988,646</u>	<u>547,507,549</u>
Receivables						
Accounts	100,036	-	-	-	-	100,036
Contributions receivable, net	77,805	-	-	-	1,406,165	1,483,970
	<u>177,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,406,165</u>	<u>1,584,006</u>
Accrued interest and dividends	63,385	14	118,620	6,738	-	188,757
Total Assets	<u>184,363,059</u>	<u>169,457,506</u>	<u>119,550,988</u>	<u>48,755,532</u>	<u>30,395,066</u>	<u>552,522,151</u>
LIABILITIES						
Accounts payable	-	-	-	-	41,232	41,232
Claims payable	-	-	-	-	1,015,667	1,015,667
Other	-	-	-	6,735	-	6,735
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,735</u>	<u>1,056,899</u>	<u>1,063,634</u>
NET POSITION						
Held in Trust for Pension Benefits	<u>\$ 184,363,059</u>	<u>\$ 169,457,506</u>	<u>\$ 119,550,988</u>	<u>\$ 48,748,797</u>	<u>\$ 29,338,167</u>	<u>\$ 551,458,517</u>

Note 3 - Detailed Notes on All Funds (Continued)

	Trust Funds					Total Trust Funds
	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund	OPEB	
ADDITIONS						
Contributions						
Employer contribution - Short - Term	\$ 5,897,100	\$ 4,885,000	\$ 2,340,000	\$ 1,497,000	\$ 11,235,288	\$ 25,854,388
Employer contribution - Long - Term	-	-	-	-	8,099,400	8,099,400
Employee/retiree contributions	1,629,143	1,231,498	1,389,537	1,057,944	5,500,531	10,808,653
Total Contributions	7,526,243	6,116,498	3,729,537	2,554,944	24,835,219	44,762,441
Investment Income						
Net change in fair value of investments	17,004,099	19,087,987	5,344,354	4,447,174	1,421,745	47,305,359
Interest and dividends	4,600,699	605,774	2,208,279	1,071,293	816,137	9,302,182
	21,604,798	19,693,761	7,552,633	5,518,467	2,237,882	56,607,541
Less investment expenses						
Investment management fees	261,579	284,043	1,128,722	58,888	41,518	1,774,750
Net Investment Income	21,343,219	19,409,718	6,423,911	5,459,579	2,196,364	54,832,791
Total Additions	28,869,462	25,526,216	10,153,448	8,014,523	27,031,583	99,595,232
DEDUCTIONS						
Benefits	13,542,242	10,786,696	8,160,990	2,691,801	16,735,819	51,917,548
Change in Net Position	15,327,220	14,739,520	1,992,458	5,322,722	10,295,764	47,677,684
Net Position Held in Trust for Pension Benefits - Beginning of Year	169,035,839	154,717,986	117,558,530	43,426,075	19,042,403	503,780,833
Net Position Held in Trust for Pension Benefits - End of Year	\$ 184,363,059	\$ 169,457,506	\$ 119,550,988	\$ 48,748,797	\$ 29,338,167	\$ 551,458,517

Pay Plan Employees

Per the Charter Section 47-1.2 certain elected, appointed and unclassified employees who hold a position in the City are considered "Pay Plan Employees". These employees, which include the Mayor and his Cabinet members, shall be eligible for pension compensation in the form of a City match to the Pay Plan employee's Internal Revenue Service Section 457 plan account, pursuant to the terms of the Pay Plan. The cost of this program was approximately \$208,500 for fiscal year 2013.

F. Pension Plan - Connecticut State Teachers' Retirement System

The faculty and professional personnel of the BOE participate in a contributory defined benefit plan, established under Chapter 167-a of the General Statutes of Connecticut, 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 Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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 City does not, and is not legally required to, contribute to the plan.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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 City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the State of Connecticut Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$25,571,000 for the year ended June 30, 2013.

G. Long-Term Liabilities

The following table summarizes changes in the City's long-term indebtedness for the year ending June 30, 2013:

	Balance, July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 386,193,801	\$ 76,366,166	\$ 60,947,530	\$ 401,612,437	\$ 36,868,174
Plus - deferred amounts on refunding bonds	15,726,336	3,953,220	1,955,993	17,723,563	-
Less - deferred amounts on refunding bonds	(5,910,439)	(604,508)	679,440	(5,835,507)	-
	<u>396,009,698</u>	<u>79,714,878</u>	<u>62,224,083</u>	<u>413,500,493</u>	<u>36,868,174</u>
Special obligation revenue bonds	16,245,000	-	-	16,245,000	-
Notes payable	956,031	-	956,031	-	-
Capital leases	132,864	-	132,864	-	-
Other Non-Current Liabilities					
Early retirement incentive	3,535,212	510,441	1,929,445	2,116,208	1,220,024
Compensated absences	21,397,111	2,859,959	2,140,000	22,117,070	2,212,000
Pollution remediation obligations	6,200,000	1,472,000	680,000	6,992,000	2,980,000
Other post employment benefit obligations payable	35,063,000	29,870,000	18,992,000	45,941,000	-
Net pension obligation	40,000	8,241,000	8,237,100	43,900	-
Claims payable	24,618,280	96,602,705	76,115,758	45,105,227	20,878,148
Total Other Non-Current Liabilities	<u>90,853,603</u>	<u>139,556,105</u>	<u>108,094,303</u>	<u>122,315,405</u>	<u>27,290,172</u>
Governmental Activities Long- Term Liabilities	<u>\$ 504,197,196</u>	<u>\$ 219,270,983</u>	<u>\$ 171,407,281</u>	<u>\$ 552,060,898</u>	<u>\$ 64,158,346</u>
Business-Type Activities					
General obligation bonds	\$ 18,744,385	\$ 1,778,834	\$ 3,716,029	\$ 16,807,190	\$ 1,842,089
Unamortized premium	47,293	174,013	6,766	214,540	-
	<u>18,791,678</u>	<u>1,952,847</u>	<u>3,722,795</u>	<u>17,021,730</u>	<u>1,842,089</u>
Revenue bonds	28,285,000	-	715,000	27,570,000	745,000
Unamortized premium	60,152	-	16,265	43,887	-
	<u>28,345,152</u>	<u>-</u>	<u>731,265</u>	<u>27,613,887</u>	<u>745,000</u>
Notes payable	63,473,113	-	3,796,603	59,676,510	3,869,606
Other Long-Term Liabilities					
Compensated absences	348,264	22,205	35,300	335,169	33,900
Other post employment benefit obligations payable	-	768,000	343,000	425,000	-
Total Other Non-Current Liabilities	<u>348,264</u>	<u>790,205</u>	<u>378,300</u>	<u>760,169</u>	<u>33,900</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 110,958,207</u>	<u>\$ 2,743,052</u>	<u>\$ 8,628,963</u>	<u>\$ 105,072,296</u>	<u>\$ 6,490,595</u>

Note 3 - Detailed Notes on All Funds (Continued)

Governmental fund liabilities for bonds and notes are liquidated by the Debt Service Fund, which is funded primarily by the General Fund. Each governmental funds liability for early retirement incentives, compensated absences, pollution remediation obligations, other post employment benefit obligations, net pension obligation and claims are liquidated by the respective fund, primarily the General Fund.

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2013 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2013
Refunding Bonds	2003	\$ 51,485,000	2014	5.250 %	\$ 11,735,000
Refunding Bonds	2003	25,345,000	2018	3.600 - 5.250	9,585,000
Public Improvements	2003	35,000,000	2014	3.500	1,750,000
Public Improvements	2004	15,190,000	2014	3.500 - 5.250	750,000
Refunding Bonds	2005	28,095,000	2021	4.000 - 5.000	26,810,000
Refunding Bonds	2005	17,530,000	2024	3.750 - 5.000	17,080,000
Qualified Zone Academy Bonds	2006	1,337,000	2022	2.000	847,960
Public Improvements	2008	88,000,000	2028	3.100 - 5.000	43,385,000
Refunding Bonds	2008	19,050,000	2015	3.250 - 4.000	2,990,000
Qualified Zone Academy Bonds	2008	3,750,000	2023	-	2,500,000
Refunding Bonds	2009	54,405,000	2020	3.250 - 5.000	54,405,000
Clean Renewable Energy	2009	2,000,000	2024	-	1,466,667
Public Improvements	2009	50,000,000	2030	2.800 - 5.450	44,700,000
Refunding Bonds	2010	26,580,000	2023	4.000 - 5.000	26,175,000
Public Improvements	2010	21,600,000	2028	2.700 - 5.000	21,600,000
Public Improvements	2010	4,425,000	2031	5.250 - 5.350	4,425,000
Public Improvements	2010	8,975,000	2016	2.000	5,400,000
Refunding Bonds	2011	23,960,000	2026	2.000 - 4.000	22,670,000
Public Improvements	2011	45,000,000	2032	3.000 - 5.000	42,000,000
Public Improvements	2013	50,000,000	2033	2.000 - 4.000	50,000,000
Refunding Bonds	2013	5,925,000	2015	1.000 - 2.000	5,925,000
Refunding Bonds	2013	22,220,000	2019	2.000 - 5.000	22,220,000
					418,419,627
				Less amount representing business-type activities	(16,807,190)
					\$ 401,612,437

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2013 was approximately \$910,000. Additional reimbursements of principal and interest aggregating approximately \$2,537,000 are expected to be received through the bonds' maturity dates.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Special Obligation Revenue Bonds (Tax Increment Financing)

Special obligation tax increment revenue bonds outstanding as of June 30, 2013 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at June 30, 2013</u>
Public Improvements - Mill River Corridor	2012	<u>\$ 16,245,000</u>	2041	7.000 %	<u>\$ 16,245,000</u>

In the prior year, the City issued \$16,245,000 in special obligation tax increment revenue bonds. Under Chapter 130 of the Connecticut General Statutes, the City, acting through the URC, was authorized to issue tax increment revenue bonds with respect to the Mill River Corridor Project. The debt service on these bonds is payable from the additional property taxes generated by the properties within the project area. The City and its taxpayers are not liable for such bonds, except to the extent of the additional property taxes generated within the project area and dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the City's other taxes and revenues. The bondholders only have rights against the tax incremental revenues. It is not considered a default if there is insufficient tax incremental revenues to pay the full amount of principal and interest on the bonds. If the tax incremental revenues are insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. The City was obligated to fund a debt service surplus fund of \$2.8 million to be used in the event that the incremental tax revenues do not generate enough additional taxes to pay the debt service on the special obligation tax increment revenue bonds. The balance of the debt service surplus fund at June 30, 2013 was \$2,575,522. The special obligation tax increment revenue bonds are not general obligations of the City nor do they count against the City's statutory debt limit. The special obligation tax increment revenue bonds are interest only for the first ten years and then mature annually through April 2041. Total principal and interest remaining on the bonds is \$42,232,500 payable through 2041. For the current year, interest paid was \$1,137,150, while total incremental property tax revenues generated were \$858,525.

Revenue Bonds

SWPCA revenue bonds outstanding as of June 30, 2013 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2013</u>
Stamford Water Pollution Control System and Facility Revenue Bonds	2003	\$ 12,480,000	July, 2032	3.50 - 5.00 %	\$ 10,040,000
Stamford Water Pollution Control System and Facility Revenue Bonds	2006	19,765,000	September, 2036	3.80 - 4.75	<u>17,530,000</u>
					<u>\$ 27,570,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

The City issued bonds pursuant to a 2001 and 2006 indenture of trust by and among the City, the SWPCA and the Bank (the "Indenture"), supplemented through 2006. This Indenture requires the SWPCA to establish and maintain restricted accounts, and follow certain procedures for bond issuance and payments. The SWPCA deposits all revenues into a "revenue fund," which is used first to pay operating expenses and then to fund the restricted bond accounts.

After each fiscal year, the SWPCA is required to review its fees to ensure anticipated revenues are sufficient to meet the above requirements. If this review discloses any risk of future noncompliance, the SWPCA must engage an independent industry specialist to undertake a study of its fee schedules. Within 90 days after the beginning of the fiscal year, the specialist's recommended fees must be implemented at a level adequate to meet the above requirements.

The City has pledged future SWPCA customer revenues, net of specified operating expenses, to repay \$27,570,000 in outstanding SPWCA revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from SWPCA customer net revenues and are payable through 2036.

Notes Payable

The City had a note payable for various energy equipment. The note bore interest at 3.92% and was payable in monthly installments of \$57,905, including interest, through November 2013. The City elected to satisfy the entire remaining obligation during the current fiscal year.

The SWPCA has loans from the State of Connecticut for various sewer projects. The loans bear interest at 2%. The loans are payable in monthly installments ranging from \$3,601 to \$368,000, including interest through August 2025. As of June 30, 2013, the combined loan balance is \$49,494,134.

OTHRA has a loan from the City for funding of the Old Town Hall redevelopment. The loan bears interest at 4.32%, with monthly interest payments of approximately \$8,000 through December 2017. At that time, monthly principal and interest payments ranging from approximately \$22,000 to \$24,000 through February 2029 would be made, based on available cash flow as defined in the operating agreement. At June 30, 2013, the outstanding loan balance is \$2,254,380.

OTHRA has a mortgage payable that bears interest at 0.5%, with monthly interest only payments of approximately \$3,000 through February 2029. At that time, monthly principal and interest payments ranging from approximately \$24,000 to \$26,000 through June 2043 would be made, based on available cash flow as defined in the operating agreement. As of June 30, 2013, the outstanding loan balance is \$7,927,996.

Capital Leases Payable

The City, in a prior year, entered into a capital lease agreement to acquire recycling trucks in the aggregate amount of \$1,228,016. The semi-annual payments included interest at 3.59%. The remaining obligation was satisfied in the current fiscal year.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all general obligation bonds, special obligation revenue bonds, revenues bonds and notes outstanding as of June 30, 2013, including interest payments of \$171,571,897, were as follows:

Year Ending June 30,	Governmental Activities - General Obligation Bonds		Business-Type Activities - General Obligation Bonds		Governmental Activities - Special Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 36,868,174	\$ 15,209,048	\$ 1,842,089	\$ 705,693	\$ -	\$ 1,137,150
2015	36,069,115	14,182,327	1,822,886	658,056	-	1,137,150
2016	34,102,848	12,952,158	1,250,927	605,464	-	1,137,150
2017	31,914,153	11,705,864	1,226,430	555,092	-	1,137,150
2018	30,823,613	10,367,667	1,338,815	495,895	-	1,137,150
2019-2023	125,800,017	33,218,217	4,707,227	1,687,665	75,000	5,685,400
2024-2028	78,514,517	12,827,584	3,263,816	788,891	1,180,000	5,538,750
2029-2033	27,520,000	2,121,104	1,355,000	75,564	3,160,000	4,872,350
2034-2038	-	-	-	-	6,140,000	3,382,050
2039-2043	-	-	-	-	5,690,000	823,200
2044	-	-	-	-	-	-
	<u>\$ 401,612,437</u>	<u>\$ 112,583,969</u>	<u>\$ 16,807,190</u>	<u>\$ 5,572,320</u>	<u>\$ 16,245,000</u>	<u>\$ 25,987,500</u>

Year Ending June 30,	Business-Type Activities - Revenue Bonds		Business-Type Activities - Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 745,000	\$ 1,246,175	\$ 3,869,606	\$ 1,091,562	\$ 43,324,869	\$ 19,389,628
2015	775,000	1,217,181	3,864,423	1,013,888	42,531,424	18,208,602
2016	805,000	1,186,625	3,883,503	936,759	40,042,278	16,818,156
2017	840,000	1,152,331	3,943,011	858,441	37,923,594	15,408,878
2018	875,000	1,116,718	3,996,881	779,195	37,034,309	13,896,625
2019-2023	4,985,000	4,970,818	20,563,543	2,671,965	156,130,787	48,234,065
2024-2028	6,240,000	3,722,393	9,373,167	897,506	98,571,500	23,775,124
2029-2033	7,920,000	2,041,169	-	685,146	39,955,000	9,795,333
2034-2038	4,385,000	428,807	-	685,146	10,525,000	4,496,003
2039-2043	-	-	-	685,146	5,690,000	1,508,346
2044	-	-	10,182,376	41,137	10,182,376	41,137
	<u>\$ 27,570,000</u>	<u>\$ 17,082,217</u>	<u>\$ 59,676,510</u>	<u>\$ 10,345,891</u>	<u>\$ 521,911,137</u>	<u>\$ 171,571,897</u>

The above general obligation bonds, revenue bonds and notes are direct obligations of the City, for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City.

The special obligation tax increment revenue bonds are not obligations of the City nor do they count against the City's statutory debt limit. The City is not liable for such bonds, except to the extent of the additional property taxes generated within the Mill River Corridor project area and dedicated to repayment of the bonds.

Upon completion or cancellation of a bonded capital project, any unexpended general obligation bond funds will be used for any other authorized capital project after approval by the City's Board of Finance and Board of Representatives.

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Limit

The City'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:

	Debt Limit	Indebtedness	Balance
General purpose	\$ 961,765,605	\$ 274,498,560	\$ 687,267,045
Schools	1,923,531,210	135,975,749	1,787,555,461
Sewers	1,602,942,675	82,258,112	1,520,684,563
Urban renewal	1,389,216,985	-	1,389,216,985
Unfunded pension benefit obligation	1,282,354,140	-	1,282,354,140

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,992,159,660.

Advance Refunding

During the 2013 fiscal year, the City issued \$28,145,000 in general obligation bonds with interest rates ranging from 1.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$28,775,000 of outstanding 2003 public improvement and refunding general obligation bonds bearing interest at rates ranging from 3.75% to 5.50%, depending on maturity. The net proceeds of \$29,423,130 (including \$1,518,596 of issuance premium and after \$240,466 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2003 general obligation bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$648,130. This amount and the premium are being netted against the new debt and amortized over the remaining life of the refunded debt. The City advance refunded the 2003 general obligation bonds to reduce its total debt service payments over 6 years by \$1,870,208 and to obtain a net present value economic gain of \$1,834,273. As of June 30, 2013, \$22,950,000 of the bonds are considered defeased.

Prior Year Defeasance of Debt

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2013, \$68,720,000 of prior bonds outstanding are considered defeased.

Early Retirement Incentive

In prior years, an early retirement incentive plan was offered to members of the Stamford Education Association ("SEA") whose age and years of teaching total at least 70 and who have been employed by the BOE for at least 15 years. Those who were eligible and elected early retirement received \$16,550 over the first two or three years after retirement. During the fiscal

Note 3 - Detailed Notes on All Funds (Continued)

year ended June 30, 2013, the City paid approximately \$1,930,000 in early retirement benefits and this amount was charged to the General Fund. At June 30, 2013, the balance due of \$2,116,208 has been reflected in the government-wide financial statements for governmental activities.

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. Additionally, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement. The value of all compensated absences has been reflected in the government-wide financial statements.

Pollution Remediation Obligation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, requires the reporting of pollution remediation obligations as a general long-term obligation of the City. The pollution remediation obligation represents contractual commitments of the City with either vendors to clean up hazardous waste contaminated sites or the administrative authorization to proceed to clean up identified hazardous waste contaminated sites. Pollution remediation activities include the engagement of contractors to define the extent of the hazardous waste contamination through a remedial investigative contract; outline the method of clean up/remediation through a feasibility study contract; implement the required/recommended remediation action through construction contractors; and maintain and monitor the operations of the clean up remedy at the site.

The pollution remediation obligation estimates that appear in this report are subject to change over time. Costs may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the City's obligation.

On September 10, 2010, the City entered into a Consent Order with the State of Connecticut Department of Environmental Protection regarding the Scofieldtown Landfill, whereby the City agreed to: 1) complete an expedited assessment of any potential current off-site impact emanating from the landfill, and subsequent corrective action as needed to address any such impacts; and 2) prepare and implement a Closure Plan to ensure that the landfill is fully assessed and properly closed, including capping and long-term groundwater monitoring. The estimated cost of completing these actions is included in the total pollution remediation obligation liability shown as of June 30, 2013.

The estimated liability as of June 30, 2013 is \$6,992,000. The reported amount represents the unexpended balances of those cleanup actions in which the City has obligated itself to commence remediation. The reported amounts represent the prospective outlays for existing remediation activities and not anticipated remediation work that may be addressed by the site's responsible parties at some future time or date.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees' covered and the percentage of contribution, if any, to the cost of health care benefits. Contributions by the City may vary according to length of service. The cost of providing post-employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

The City's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. 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 over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. The contribution requirements of plan members and the City are established and may be amended by the City. The assumed health care cost trend rates, representative of the future expected increases in net medical premiums are as follows:

Year Ended June 30,	Assumed Increase
2014	7.50 %
2015	7.00
2016	6.50
2017	6.00
2018	5.50
2019	5.00
2020	4.50

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level percentage of payroll method with an open amortization approach with 20 years in the amortization period. The actuarial assumptions included a 7.5% investment rate of return, 3.5% payroll growth assumption and an inflation rate assumption of 3%. The actuarial cost method utilized was the projected unit credit method. Separate financial statements have not been prepared for the postemployment benefit plan.

The number of participants as of June 30, 2013 was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Active Employees	3,181	34	3,215
Retired Employees	<u>1,160</u>	<u>8</u>	<u>1,168</u>
Total	<u><u>4,341</u></u>	<u><u>42</u></u>	<u><u>4,383</u></u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Amortization Component			
Actuarial Accrued Liability as of July 1, 2012	\$ 282,637,000	\$ 2,893,000	\$ 285,530,000
Assets at Market Value	<u>18,848,000</u>	<u>193,000</u>	<u>19,041,000</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 263,789,000</u></u>	<u><u>\$ 2,700,000</u></u>	<u><u>\$ 266,489,000</u></u>
Funded Ratio	<u>6.67%</u>	<u>6.67%</u>	<u>6.67%</u>
Covered Payroll (Active plan members)	<u>\$ 233,559,000</u>	<u>\$ 2,220,000</u>	<u>\$ 235,779,000</u>
UAAL as a Percentage of Covered Payroll	<u>112.94%</u>	<u>121.62%</u>	<u>113.02%</u>
Annual Required Contribution	\$ 29,810,000	\$ 462,000	\$ 30,272,000
Interest on Net OPEB Obligation	2,627,000	3,000	2,630,000
Adjustment to Annual Required Contribution	<u>(2,567,000)</u>	<u>303,000</u>	<u>(2,264,000)</u>
Annual OPEB Cost	29,870,000	768,000	30,638,000
Contributions Made	<u>(18,992,000)</u>	<u>(343,000)</u>	<u>(19,335,000)</u>
Increase in Net OPEB Obligation	10,878,000	425,000	11,303,000
Net OPEB Obligation - Beginning of Year	<u>35,063,000</u>	<u>-</u>	<u>35,063,000</u>
Net OPEB Obligation - End of Year	<u><u>\$ 45,941,000</u></u>	<u><u>\$ 425,000</u></u>	<u><u>\$ 46,366,000</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

	Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Activities	2013	\$ 29,870,000	63.58 %	\$ 45,941,000
	2012	28,817,000	69.59	35,063,000
	2011	25,455,000	73.36	26,299,000
Business-type Activities	2013	\$ 768,000	44.66 %	\$ 425,000
	2012	-	-	-
	2011	-	-	-

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Net Pension Obligation

The net pension obligation represents a \$43,900 pension fund liability due to the Classified Employees' Retirement Fund and the Firefighters' Pension Trust Fund. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

Claims Payable

The Internal Service funds reflect medical benefits for City and BOE employees, risk management, disputed assessments and heart and hypertension claims which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended June 30, 2013				
	Medical Benefits-City	Medical Benefits-BOE	Risk Management	Disputed Assessments	Heart and Hypertension
Balance - Beginning of Year	\$ 3,072,800	\$ 3,074,918	\$ 11,944,566	\$ 1,559,478	\$ 4,966,518
Provision for Claims and Claims Adjustment Expenses	29,633,635	35,047,582	19,166,031	446,081	9,809,376
Claims and Claims Adjustment Expenses Paid	<u>(30,326,335)</u>	<u>(35,276,383)</u>	<u>(8,001,492)</u>	<u>(435,654)</u>	<u>(2,075,894)</u>
Balance - End of Year	<u>\$ 2,380,100</u>	<u>\$ 2,846,117</u>	<u>\$ 23,109,105</u>	<u>\$ 1,569,905</u>	<u>\$ 12,700,000</u>
Current Portion	<u>\$ 2,380,100</u>	<u>\$ 2,846,117</u>	<u>\$ 9,476,494</u>	<u>\$ 1,275,437</u>	<u>\$ 2,400,000</u>

	Year Ended June 30, 2012				
	Medical Benefits-City	Medical Benefits-BOE	Risk Management	Disputed Assessments	Heart and Hypertension
Balance - Beginning of Year	\$ 2,591,713	\$ 3,386,594	\$ 10,031,323	\$ 4,223,990	\$ 5,911,898
Provision for Claims and Claims Adjustment Expenses	30,417,542	38,087,182	9,693,709	-	2,860,208
Claims and Claims Adjustment Expenses Paid	<u>(29,936,455)</u>	<u>(38,398,858)</u>	<u>(7,780,466)</u>	<u>(2,664,512)</u>	<u>(3,805,588)</u>
Balance - End of Year	<u>\$ 3,072,800</u>	<u>\$ 3,074,918</u>	<u>\$ 11,944,566</u>	<u>\$ 1,559,478</u>	<u>\$ 4,966,518</u>
Current Portion	<u>\$ 3,072,800</u>	<u>\$ 3,074,918</u>	<u>\$ 8,999,066</u>	<u>\$ 1,327,478</u>	<u>\$ 2,235,000</u>

Claims payable also consists of a liability of \$2.5 million for a legal settlement with a communications corporation, which was not due and payable at year-end. The funds will be paid out of the Capital Nonrecurring Fund subject to the approval of the Board of Finance. This amount has been recorded as an expense in the government-wide financial statements.

H. Revenues, Expenditures and Transfers

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	General Fund	Non-Major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 50,367,796	\$ 2,501,519	\$ 52,869,315
Mill River Capital Project Fund	-	1,137,150	-	1,137,150
Non-Major Governmental Funds	2,865,332	1,368,610	-	4,233,942
	<u>\$ 2,865,332</u>	<u>\$ 52,873,556</u>	<u>\$ 2,501,519</u>	<u>\$ 58,240,407</u>

Transfers are used to 1) move funds from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due and 2) move funds from the General Fund to the Internal Service funds in accordance with budget authorizations.

I. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service - the component of net position that reflects funds set aside in accordance with indenture agreements with bondholders.

Restricted for Special Revenue Funds - the component of net position that reports the difference between assets and liabilities of the various special revenue funds with constraints placed on their use by federal, state or local requirements.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

City of Stamford, Connecticut

Notes to Financial Statements (Continued)
June 30, 2013

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	General Fund	Capital Projects Fund	Mill River Capital Projects Fund	Non-Major Governmental	Total
Nonspendable					
Prepaid expenditures	\$ -	\$ -	\$ -	\$ 471,520	\$ 471,520
Inventories	40,072	-	-	37,013	77,085
Advances	119,175	7,467,235	-	-	7,586,410
Long-term loans and accounts receivable	-	7,938,712	-	-	7,938,712
Total Nonspendable	159,247	15,405,947	-	508,533	16,073,727
Restricted					
Capital projects	-	49,299,224	-	5,449,227	54,748,451
Debt service	-	-	2,801,011	3,024,904	5,825,915
Total Restricted	-	49,299,224	2,801,011	8,474,131	60,574,366
Committed					
Rainy Day Fund purposes	3,000,000	-	-	-	3,000,000
Board of Education OPEB contribution	1,325,349	-	-	-	1,325,349
Capital Nonrecurring Fund for use by the Board of Education	3,092,480	-	-	-	3,092,480
Capital Nonrecurring Fund for use by the City	1,495,107	-	-	-	1,495,107
Unreimbursed storm clean-up costs	2,000,000	-	-	-	2,000,000
Total Committed	10,912,936	-	-	-	10,912,936
Assigned					
Purchases on order					
Governmental services	18,979	-	-	-	18,979
Administration	54,165	-	-	-	54,165
Legal affairs	55,777	-	-	-	55,777
Public safety	310,986	-	-	-	310,986
Health and welfare	91,537	-	-	-	91,537
Community services	650	-	-	-	650
Operations	399,915	-	-	-	399,915
Board of Education	2,413,951	-	-	-	2,413,951
	3,345,960	-	-	-	3,345,960
Stamford Community Development Program	-	-	-	460,483	460,483
Town Aid Highway	-	-	-	28,324	28,324
Dog License	-	-	-	136,355	136,355
Police Extra Duty	-	-	-	105,579	105,579
School Building Use	-	-	-	433,465	433,465
Continuing Education	-	-	-	333,529	333,529
Marinas	-	-	-	12,696	12,696
Greater Stamford Transit District	-	-	-	145,417	145,417
Rainy Day	-	-	-	18,118,906	18,118,906
BOE Energy Reserve	-	-	-	129,840	129,840
Total Assigned	3,345,960	-	-	19,904,594	23,250,554
Unassigned	-	-	-	(499,802)	(499,802)
Total Fund Balances	\$ 14,418,143	\$ 64,705,171	\$ 2,801,011	\$ 28,387,456	\$ 110,311,781

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Note 3 - Detailed Notes on All Funds (Continued)

Inventories in the BOE Food Service Program and the Continuing Education funds have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the City anticipates utilizing them in the normal course of operations.

Advances have been established to indicate the long-term nature of funds advanced to the OTHRA enterprise fund. These funds do not represent "available" spendable resources even though they are a component of current assets.

Long-term Loans and Accounts Receivable represent funds set aside to indicate the long-term nature of amounts due from the OTHRA enterprise fund. These funds do not represent "available" spendable resources even though they are a component of current assets.

Purchases on order are assigned and represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Unassigned fund balance in the General Fund represents amounts not classified as non-spendable, restricted, committed or assigned.

Committed

The City Charter provides that a current year surplus or deficit must be applied to or funded in subsequent operating budgets or an operating reserve fund ("Rainy Day Fund"). In fiscal 2013, revenues and transfers exceeded expenditures by \$8,634,768, and \$1,283,175 of unexpended prior year encumbrances were also returned to the fund balance. These were offset by transfers out from the prior year's commitment of fund balance of \$7,376,207, resulting in an overall positive change to fund balance of \$2,541,736. This results in an unassigned fund balance on the budgetary basis of accounting of \$10,912,936 (exclusive of inventories of \$40,072 and advances of \$119,175). The anticipated use is as follows:

Rainy Day Fund purposes	\$ 3,000,000
Board of Education OPEB contribution	1,325,349
Capital Non-Recurring Fund for use by the Board of Education	3,092,480
Capital Non-Recurring Fund for use by the City	1,495,107
Unreimbursed storm clean-up costs	2,000,000
	<u>\$ 10,912,936</u>

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City is a defendant in numerous pending disputed tax assessment proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year in which the payments are made. The City has accrued \$1,569,905 for tax appeals associated with the latest property revaluations in the Disputed Assessments Internal Service Fund.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The City is a defendant in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the Risk Management Internal Service Fund of \$4,189,000. Estimated pollution remediation costs of \$6,992,000 have been accounted for in long-term liabilities. Based upon the advice of the City Corporation Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

B. Contingencies

The City participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, to be immaterial.

C. Risk Management

The City is exposed to various risks of loss related to torts, theft or impairment to assets, errors and omissions, injury to employees, natural disasters, and tax appeals.

The City is self-insured per claim for up to \$1,000,000 for general and auto liability, \$1,000,000 for public officials' liability and \$100,000 for most property losses. The City also carries an umbrella policy with limits of \$15 million per occurrence. The City purchases commercial insurance for claims in excess of these retentions. The City records expenditures for heart and hypertension claims in the government-wide financial statements.

It is the City's policy to self-insure for employee health insurance coverage up to \$300,000 per individual for City and Board of Education employees. These amounts are recorded in the City and Board of Education Medical Internal Service funds. Heart and hypertension claims for police officers and firefighters are covered, as required by State Statute.

The City is self-insured for workers' compensation claims for up to \$1,500,000 per claim. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the Risk Management Internal Service Fund of \$18,920,105. Costs relating to the litigation of claims are charged to expenditures as incurred.

There have been no significant reductions in insurance coverage from coverage in prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

D. Risks and Uncertainties

The City 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. The ongoing credit and liquidity crisis in the United States and throughout the global financial systems has resulted in substantial volatility in financial markets and the banking system. This and other economic events have had a significant adverse impact on investment portfolios. 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.

In the original financial plan for OTHRA, it was anticipated that the real property owned and developed by OTHRA would be leased to a minority owner of QALICB for \$348,000 per annum, who would sublease the real property to unrelated third party tenants generating net rental income to support rental payments to OTHRA. During the year ended June 30, 2013, subtenants generated rental income of approximately \$45,000. Accordingly, OTHRA has taken a reserve of approximately \$350,000 on its receivable as of June 30, 2013. As long as OTHRA is not generating sufficient rental income to cover its operating costs and debt service requirements, the City, through Old Town Hall Manager, Inc., is responsible for covering these costs. As of June 30, 2013, the City advanced OTHRA \$4,286,410 to support operations and capital improvements of the real property. No provision has been made in the accompanying financial statements for losses that might be incurred by the City, if any, in connection with OTHRA.

Note 5 - Subsequent Event

On August 20, 2013, the SWPCA, issued \$12,770,000 in 2013 Series A revenue bonds and \$9,325,000 in revenue refunding bonds. The bonds mature annually through August, 2043, with interest at rates ranging from 3.0% to 6.0%, depending on maturity.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of Stamford, Connecticut

Required Supplementary Information - Schedule of Funding Progress

Penion Trust Funds

Last Six Fiscal Years

Valuation Date	Actuarial		Excess (Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Excess (Unfunded) Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
Classified Employees'						
July 1, 2012	\$ 188,447,000	\$ 219,465,000	\$ (31,018,000)	85.9 %	\$ 43,686,000	(71.0) %
July 1, 2011	185,099,000	202,613,000	(17,514,000)	91.4	48,396,000	(36.2)
July 1, 2010	180,544,000	194,670,000	(14,126,000)	92.7	46,312,000	(30.5)
July 1, 2009	181,777,000	182,632,000	(855,000)	99.5	45,981,000	(1.9)
July 1, 2008	189,954,000	176,317,000	13,637,000	107.7	44,001,000	31.0
July 1, 2007	188,461,000	166,084,000	22,377,000	113.5	43,959,000	50.9
Police Pension						
July 1, 2012	\$ 174,748,000	\$ 204,563,000	\$ (29,815,000)	85.4 %	\$ 21,353,000	(139.6) %
July 1, 2011	171,079,000	192,260,000	(21,181,000)	89.0	22,340,000	(94.8)
July 1, 2010	166,770,000	183,963,000	(17,193,000)	90.7	21,378,000	(80.4)
July 1, 2009	166,328,000	178,919,000	(12,591,000)	93.0	20,861,000	(60.4)
July 1, 2008	175,945,000	171,655,000	4,290,000	102.5	19,963,000	21.5
July 1, 2007	171,826,000	160,970,000	10,856,000	106.7	18,682,000	58.1
Firefighters' Pension						
July 1, 2012	\$ 137,082,000	\$ 147,783,000	\$ (10,701,000)	92.8 %	\$ 20,850,000	(51.3) %
July 1, 2011	135,656,000	139,939,000	(4,283,000)	96.9	22,638,000	(18.9)
July 1, 2010	130,796,000	133,421,000	(2,625,000)	98.0	21,663,000	(12.1)
July 1, 2009	131,369,000	130,475,000	894,000	100.7	19,292,000	4.6
July 1, 2008	138,360,000	123,434,000	14,926,000	112.1	18,461,000	80.9
July 1, 2007	134,356,000	119,150,000	15,206,000	112.8	18,835,000	80.7
Custodians' and Mechanics'						
July 1, 2012	\$ 48,074,000	\$ 54,525,000	\$ (6,451,000)	88.2 %	\$ 18,619,000	(34.6) %
July 1, 2011	45,767,000	51,286,000	(5,519,000)	89.2	19,247,000	(28.7)
July 1, 2010	43,118,000	47,910,000	(4,792,000)	90.0	18,418,000	(26.0)
July 1, 2009	42,295,000	45,458,000	(3,163,000)	93.0	16,063,000	(19.7)
July 1, 2008	42,342,000	40,247,000	2,095,000	105.2	15,371,000	13.6
July 1, 2007	40,959,000	38,151,000	2,808,000	107.4	16,261,000	17.3

City of Stamford, Connecticut

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits Trust Fund
 Last Three Fiscal Years

Valuation Date	Actuarial		Excess (Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Excess (Unfunded) Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
OPEB						
July 1, 2012	\$ 19,041,000	\$ 285,530,000	\$ (266,489,000)	6.7 %	\$ 235,779,000	(113.0) %
July 1, 2011	10,988,000	321,215,000	(310,227,000)	3.4	225,626,000	(137.5)
July 1, 2010	3,906,000	298,344,000	(294,438,000)	1.3	215,910,000	(136.4)

City of Stamford, Connecticut

Required Supplementary Information - Schedule of Employer Contributions
Other Post Employment Benefits Trust Fund
Last Three Fiscal Years

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 30,272,000	\$ 19,335,000	\$ 63.87 %
2012	28,543,000	20,053,000	70.26
2011	25,420,000	18,797,000	73.95

Appendix B

Form of Opinion of Bond Counsel

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FORM OF OPINION OF BOND COUNSEL

August 22, 2014

City of Stamford,
 Stamford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Stamford, Connecticut (the “City”), a Tax Regulatory Agreement of the City, dated August 22, 2014 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$50,000,000 City of Stamford, Connecticut General Obligation Bonds, Issue of 2014, dated August 22, 2014 (the “Bonds”), maturing on August 15 in each of the years, in the principal amounts and bearing interest payable on February 15, 2015 and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2015	\$2,500,000	5.000%	2025	\$2,500,000	3.000%
2016	2,500,000	5.000	2026	2,500,000	3.000
2017	2,500,000	5.000	2027	2,500,000	3.000
2018	2,500,000	5.000	2028	2,500,000	3.000
2019	2,500,000	5.000	2029	2,500,000	3.000
2020	2,500,000	5.000	2030	2,500,000	3.000
2021	2,500,000	5.000	2031	2,500,000	3.000
2022	2,500,000	3.000	2032	2,500,000	3.000
2023	2,500,000	2.500	2033	2,500,000	3.000
2024	2,500,000	2.000	2034	2,500,000	3.250

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of July and January in each year, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. 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 (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

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, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

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 General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City 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 be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any 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 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) the compliance by the City 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 any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

Appendix C

Form of Continuing Disclosure Agreement

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FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of Stamford, Connecticut
\$50,000,000 General Obligation Bonds, Issue of 2014
dated August 22, 2014

August 22, 2014

WHEREAS, the City of Stamford, Connecticut (the “City”) has heretofore authorized the issuance of \$50,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2014, dated August 22, 2014 (the “Bonds”), and to mature on the dates and in the amounts and set forth in the City’s Official Statement dated August 13, 2014 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated August 4, 2014 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City 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 City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such 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 (this “Agreement”) is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City 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 City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Fiscal Year End” shall mean the last day of the City’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, 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

(ii) 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 (i) 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 and 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 net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

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

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City 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 City shall provide the financial information and operating 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 operating 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 City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not

available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

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

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this 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 City, 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) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this 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 Repository in electronic format. The Annual Report 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 financial information or operating data provided.

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

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

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

IN WITNESS WHEREOF, the City 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.

CITY OF STAMFORD, CONNECTICUT

By: _____
David R. Martin
Mayor

By: _____
Michael E. Handler
Director of Administration

Appendix D

Notice of Sale

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NOTICE OF SALE
\$50,000,000
CITY OF STAMFORD, CONNECTICUT
GENERAL OBLIGATION BONDS
ISSUE OF 2014

Notice is given that all-or-none bids will be received by the City of Stamford, Connecticut (the “City”), for the purchase of \$50,000,000 City of Stamford, Connecticut General Obligation Bonds, Issue of 2014 (the “Bonds”). All bids must be submitted on Grant Street Group’s MuniAuction website (“MuniAuction”) located at website address “www.grantstreet.com” between 11:15 A.M. and 11:30 A.M. (E.D.T.), except for extension as described under “Electronic Bid Procedure” in this official Notice of Sale on Wednesday.

AUGUST 13, 2014

To bid, bidders must have: (1) completed the registration form on either the MuniAuction website or any municipal debt auction website powered by MuniAuction, and (2) requested and received admission to the City’s auction (as described under “Electronic Bid Procedure - Registration and Admission to Bid” below). The use of MuniAuction shall be at the bidders’ risk and expense, and the City shall have no liability with respect to its use by the bidders. **No other method of submitting bids will be accepted.**

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through MuniAuction. Prospective bidders are advised to check for such MuniAuction postings prior to the above stated sale time.

The Bonds

The Bonds will be dated August 22, 2014, mature \$2,500,000 on August 15 in each of the years 2015-2034, both inclusive, bear interest payable on February 15, 2015 and semiannually thereafter on February 15 and August 15 in each year until maturity.

The Bonds maturing on or after August 15, 2022 are subject to redemption prior to maturity at the election of the City, on or after August 15, 2021, 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 City may determine, at the respective price (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 15, 2021 and thereafter	100%

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity 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. A book-entry system will be employed, evidencing ownership of the Bonds 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 bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and

interest on the Bonds will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds. 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 City 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.

Nature of Obligation

The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

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

Electronic Bid Procedure

Registration and Admission to Bid

To bid, bidders must first visit the MuniAuction website at "www.grantstreet.com" where, if they have never registered with either MuniAuction or any municipal debt auction website powered by MuniAuction, they can register and then request admission to bid in the all-or-none auction for the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who had previously registered with MuniAuction may call MuniAuction at (412) 391-5555 for their ID number or password. The City will determine whether any request for admission is granted.

Bidding Procedures

All bids must be submitted electronically on the MuniAuction website at "www.grantstreet.com". No telephone, telefax, telegraph or personal delivery bids will be accepted. Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost on the Bonds ("TIC") when compared to the immediately preceding bid of such bidder. The last bid submitted by a bidder before the end of the auction (as the same may be extended, as described below) will be compared to all other final bids submitted by others to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid but each bidder will be able to see its ranking (i.e., "Leader", "Cover", "3rd", etc.).

If any bid becomes a leading bid within two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

Bidders should verify the accuracy of their final bids and compare them to the winning bid reported on the MuniAuction Observation Page immediately after the auction.

Rules of MuniAuction

The “Rules of MuniAuction” can be viewed on the MuniAuction website at “www.grantstreet.com” and are incorporated by reference in this official Notice of Sale. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this official Notice of Sale. In the event the Rules of MuniAuction conflict with this official Notice of Sale, this official Notice of Sale shall prevail.

A bidder submitting a winning bid is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in this Notice of Sale. Winning bids are not officially awarded to the Bidder until formally accepted by the City.

Neither the City, its Bond Counsel nor MuniAuction is responsible for technical difficulties that result in the loss of a bidder’s internet connection with MuniAuction, slowness in transmission of bids, or other technical problems. If for any reason a bidder is disconnected from MuniAuction’s auction page during the auction after having submitted a winning bid, such Bid is valid and binding upon the bidder, unless the City exercises its right to reject bids, as set forth in this Notice of Sale. Bids that generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction. Neither the City, its Bond Counsel nor MuniAuction is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the Preliminary Official Statement for the Bonds as they appear on MuniAuction.

Only bidders who request and receive admission to an auction may submit Bids. The City, its Bond Counsel and MuniAuction reserve the right to deny access to MuniAuction to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion. Neither the City, its Bond Counsel nor MuniAuction is responsible for protecting the confidentiality of a bidder’s MuniAuction password.

If two (2) bids are submitted in the auction by the same or two or more different bidders and result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC. Bidders must compare their final bids to those shown on the observation pages immediately after the bidding time period ends, and if they disagree with the final results shown on the observation pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, the Bonds are definitively awarded to winning bidders only upon official award by the City. If, for any reason, the City fails to: (i) award the Bonds to the winning bidder reported by MuniAuction, or (ii) deliver the Bonds to the winning bidders at settlement, neither the City’s Bond Counsel nor MuniAuction will be liable for damages.

Bid Specifications

Each bid must be for the entire \$50,000,000 of Bonds and must specify the amount bid for the Bonds and 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 three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest will be considered. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. Unless all bids are rejected, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Basis of Award

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 22, 2014, the date of the Bonds, results in an amount equal to the purchase price for 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 Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (E.D.T.) on August 13, 2014. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, in Hartford, Connecticut. An opinion regarding the legality of the Bonds will be rendered by Robinson & Cole LLP, Bond Counsel, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City 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 (i) interest on the Bonds is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax; but is, however, includable in the alternative minimum tax imposed on certain corporations, (iii) 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 (iv) such interest 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, Robinson & Cole LLP 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 City for the benefit of the owners of the Bonds, and further, will assume compliance by the City 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.

Settlement of the Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Bonds the prices at which a substantial amount of the Bonds of each maturity were initially offered and sold to the public.

The Bonds will be delivered to DTC in New York City on or about August 22, 2014. The deposit of the Bonds 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 prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a

timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement dated August 4, 2014 may be accessed on the Grant Street Group's MuniAuction website at www.grantstreet.com. The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 150 copies of the final Official Statement at the City's expense. Additional copies may be obtained by a winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the final 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.

Continuing Disclosure

The City 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 ("SEC"), to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Additional Information

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, telephone: (203) 283-1110.

DAVID R. MARTIN
Mayor

MICHAEL E. HANDLER
Director of Administration

August 4, 2014

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