

OFFICIAL STATEMENT DATED DECEMBER 6, 2011

New Issue

**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 "SECURITIES OFFERED – Tax Matters" herein.



**\$45,000,000
CITY OF STAMFORD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2011, SERIES B
BOOK-ENTRY-ONLY**

Dated: December 15, 2011

Due: Serially, December 15, as shown on inside cover

The Bonds are issuable only as fully registered bonds, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or any integral multiple thereof. Beneficial owners of the Bonds will not receive physical delivery of the bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds will be payable on June 15, 2012 and semiannually thereafter on December 15 and June 15 in each year until maturity. So long as DTC or its nominee is the registered owner of the Bonds, reference herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid. Principal of and interest on the Bonds will be paid by the City or its agent directly to DTC. (See "Book-Entry-Only System" herein.)

The Bonds are subject to redemption prior to maturity as more fully described herein. (See "Optional Redemption" herein.)

The Certifying Agent, Registrar, Transfer Agent and Paying Agent will be U.S. Bank National Association in Hartford, Connecticut.

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.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel. It is expected that the delivery of the Bonds in definitive form will be made on or about December 15, 2011 through the facilities of DTC.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.



\$45,000,000
CITY OF STAMFORD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2011, SERIES B
BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: Serially, December 15, 2012-2031, as shown below

Due	Amount	Interest Rate	Yield	CUSIP Number	Due	Amount	Interest Rate	Yield	CUSIP Number
2012	\$3,000,000	2.000%	0.240%	852634EV2	2022	\$2,000,000	3.000%	2.330% ¹	852634FF6
2013	3,000,000	5.000	0.300	852634EW0	2023	2,000,000	3.000	2.500 ¹	852634FG4
2014	3,000,000	5.000	0.550	852634EX8	2024	2,000,000	3.000	2.670 ¹	852634FH2
2015	3,000,000	5.000	0.810	852634EY6	2025	2,000,000	3.250	2.810 ¹	852634FJ8
2016	3,000,000	5.000	0.970	852634EZ3	2026	2,000,000	3.000	3.050	852634FK5
2017	2,000,000	5.000	1.150	852634FA7	2027	2,000,000	3.000	3.150	852634FL3
2018	2,000,000	5.000	1.380	852634FB5	2028	2,000,000	3.125	3.250	852634FM1
2019	2,000,000	5.000	1.620	852634FC3	2029	2,000,000	3.250	3.350	852634FN9
2020	2,000,000	4.000	1.940 ¹	852634FD1	2030	2,000,000	3.375	3.450	852634FP4
2021	2,000,000	4.000	2.120 ¹	852634FE9	2031	2,000,000	3.500	3.550	852634FQ2

¹ Priced assuming redemption on December 15, 2019; however, any such redemption is at the option of the City.

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- APPENDIX D - NOTICE OF SALE**

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:	\$45,000,000 General Obligation Bonds, Issue of 2011, Series B, book-entry-only (the "Bonds")
Financial Advisor:	Webster Bank, National Association, Hartford, Connecticut
Date of Sale:	Electronic bids via PARITY® for the Bonds will be received on Tuesday, December 6, 2011, until 11:30 A.M. (E.S.T.).
Dated Date:	December 15, 2011
Interest Due:	June 15, 2012 and semiannually thereafter on December 15 and June 15 in each year until maturity
Principal Due:	Serially, December 15, 2012 through December 15, 2031, 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 December 15, 2011 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:

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OFFICIAL STATEMENT

\$45,000,000

CITY OF STAMFORD, CONNECTICUT GENERAL OBLIGATION BONDS, ISSUE OF 2011, SERIES B (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 \$45,000,000 General Obligation Bonds, Issue of 2011, Series B (the "Bonds"), of the City.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated November 28, 2011 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, Webster Bank (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 December 15, 2011 and will mature December 15 in each of the years as follows:

<u>Due December 15</u>	<u>Principal Amount</u>	<u>Due December 15</u>	<u>Principal Amount</u>
2012	\$3,000,000	2022	\$2,000,000
2013	3,000,000	2023	2,000,000
2014	3,000,000	2024	2,000,000
2015	3,000,000	2025	2,000,000
2016	3,000,000	2026	2,000,000
2017	2,000,000	2027	2,000,000
2018	2,000,000	2028	2,000,000
2019	2,000,000	2029	2,000,000
2020	2,000,000	2030	2,000,000
2021	2,000,000	2031	2,000,000

Interest on the Bonds will be payable on June 15, 2012 and semiannually thereafter on December 15 and June 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 May and November 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 December 15, 2020 are subject to redemption prior to maturity, at the election of the City, on and after December 15, 2019, 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>
December 15, 2019 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 September 30, 2011, the City had \$447,806,000 of authorized but unissued debt for various public improvement and school projects. The City expects that approximately \$373,571,222 will be financed by grants and other sources, and \$74,234,777 through the issuance of general obligation bonds.

Use of Proceeds

<u>Project</u>	<u>Bond Amount Authorized</u>	<u>Notes Maturing</u>	<u>Anticipated Grants/ Other Funding</u>	<u>Bonds of This Issue</u>
Public improvement projects	\$249,095,239	\$-	\$189,532,260	\$23,900,000
School projects	187,184,346	-	178,939,262	21,100,000
Sewer	<u>11,526,415</u>	<u>-</u>	<u>5,099,700</u>	<u>-</u>
Total	\$447,806,000	\$-	\$373,571,222	\$45,000,000

Ratings

On November 30, 2011, Standard & Poor's assigned a rating of AAA to the Bonds and affirmed the AAA rating on the City's parity debt outstanding. On November 29, 2011, Moody's Investors Service assigned a rating of Aa1 to the Bonds and affirmed the Aa1 rating on the City's parity debt outstanding. The ratings reflect only the view of each rating agency and are 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 fourth largest city by population which per 2010 census is 122,643. 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 about one hour from New York City by rail or highway transportation. It is on the New Haven line of 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, State 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. Through sound urban planning, the City has strengthened its downtown retail core, increased its housing and cultural facilities and attracted major office development. Despite the weak economy, significant new development activity is continuing in downtown Stamford and the South End. In early 2010, Nestle Waters announced the relocation of its headquarters from Greenwich to Stamford; it brought about 475 jobs and occupies approximately 160,000 square feet of office space. Shortly thereafter, Affinion Group announced its plan to relocate from Norwalk and has since done so, bringing about 350 jobs to Stamford. Design Within Reach, the country's largest contemporary furniture chain, relocated its headquarters from San Francisco to Stamford adding 95 jobs to the local economy. Starwood Hotels and Resorts Worldwide, Inc. is on track to relocate its world headquarters from White Plains to Stamford in late 2011. This move is expected to bring approximately 820 jobs to Stamford and occupy 250,000 square feet of office space. Also during 2011, Louis Dreyfus Highbridge relocated from Wilton, Connecticut to Stamford bringing 250 jobs to the Harbor Point development in the South End. Opening in 2012 is the first expansion location of Chelsea Piers of New York City. Their 240,000-square-foot facility will open following a \$40 million retrofit within the former Clairol site and is expected to initially create 240 jobs.

The most recent news is the relocation from multiple locations across the U.S., including New York City, of NBC Sports to Stamford and the creation of 450 new jobs. They will join current NBC Sports units already in Stamford including the Olympics Division and Versus, the Comcast unit that broadcasts NHL programs.

Harbor Point, an 82-acre land assemblage in the South End developed by Building & Land Technology, which includes six million square feet of mixed-use development, continues under active construction. To date more than 1,500 apartment units are finished, under construction or have received approval to commence construction. The approved 474,000-square-foot Gateway office/residential complex adjacent to the train station is on schedule to be completed in the second quarter of 2012. The full scope of 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 full-service marina; more than 11 acres of parks and public spaces; a community school; and publicly accessible waterfront areas. Also currently under construction is the second phase of the Metro Center project, "MetroGreen," which includes 50 housing units located just to the south of the Transportation Center.

The announced NBC Sports move mentioned above continues to expand a key growth industry in Stamford - media. They will build on the relocation of their sister division, NBC Universal, from Chicago to Stamford in 2009; the YES Network; the WWE, which recently announced a 22,000-square-foot expansion on their 120,000-square-foot location; and the Ascent Media group with its Lifetime, A&E, History Channel and other cable products that are expecting continued growth.

The information technology sector is growing with the expansion of Indeed.com, a Stamford-based computer search engine company, and the decision by the Gartner Group to remain in Stamford as its headquarters with a staff of 750 and a planned expansion of approximately 400 additional positions.

The conversion of the City's industrial space to higher tech uses includes the teaming of Fuji Film and GE to manufacture a bio-molecular imaging system for GE Healthcare, one of GE's fastest growing business units.

Stamford Hospital received approval for its \$575 million phased development, including its \$220 million first phase scheduled to be completed by 2013 that includes 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 2005-2009 American Community Survey reports Stamford's per capita income for 2009 was \$46,928 with a 2010 population of 122,643.

Description of Government

The City of Stamford operates under a Charter adopted in 1949 and most recently revised in November 2004. The 2004 revisions created an Undesignated Fund Balance or Rainy Day Fund, added the Mayor to the Board of Education as a non-voting member, 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 four-year terms with provisions for representation of two major political parties, establishes fiscal policy and must approve all expenditures of funds.

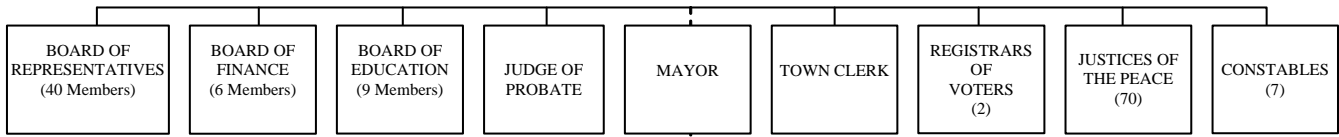
The Director of Administration is appointed by the Mayor and confirmed by the Board of Representatives. Under the direction of the Mayor, the Director of Administration has supervision over the Controller's Office, Office of Policy and Management, Purchasing, Central Services, Assessment and Taxation, Community Development, Intergovernmental Grants, Technology Management Services and Risk Management. The Director of Administration is the Chief Financial 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.

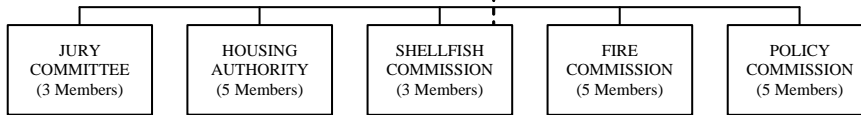
Organizational Chart

CITIZENS OF STAMFORD

VOTERS ELECT



MAYOR APPOINTS



BOARDS APPOINTED BY THE MAYOR AND APPROVED BY THE BOARD OF REPRESENTATIVES



- | | | | | |
|-----------------------------------|-------------------------------|-------------------------|--------------------------------------|----------------------|
| Administrative Bureau | Finance Department | Law Department | Emergency Communications | Economic Development |
| Public Services Bureau | Office of Policy & Management | Human Resources Dept. | Fire Department | Government Relations |
| Engineering Bureau | Purchasing/Central Services | Employee Benefits Dept. | Dept. of Health & Social Services | |
| Land Use Bureau | Assessment & Taxation | | Police Department | |
| Water Pollution Control Authority | Grants Department | | Smith House Skilled Nursing Facility | |
| Customer Relations Bureau | Technology Department | | | |
| | Risk Management | | | |

Administration

The Mayor, subject to the approval of the Board of Representatives, appoints five Directors to his cabinet: the Director of Operations, Director of Administration, Director of Legal Affairs, Director of Public Safety, Health & Welfare, and Director of Economic Development. The Directors serve at the Mayor's pleasure, and their terms are coterminous with the Mayor's term of office. The Mayor's Executive Aide also serves as a member of the cabinet.

Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Years of Service</u>
Mayor	Michael A. Pavia	Elected/4 years	2 years ¹
Director of Administration	Frederick C. Flynn, Jr.	Appointed/4 years	2 years ¹
Director of Operations	Ernest A. Orgera	Appointed/4 years	1 ½ years ^{1,2}
Director of Legal Affairs	Michael D. Larobina	Appointed/4 years	2 years ¹
Director of Public Safety, Health and Welfare	Robert J. Valentine	Appointed/4 years	1 year
Director of Economic Development	Laure C. Aubuchon	Appointed/4 years	2 years ¹
Acting Controller	Karen Vitale	Civil service/indefinite	1 year ³
Director of Policy & Management ..	Peter F. Privitera	Civil service/indefinite	9 years
Interim Superintendent of Schools .	Dr. Winifred Hamilton	Appointed/3-year contract	41years ⁴

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- ¹ Michael A. Pavia was elected Mayor of the City of Stamford in November 2009, took office on December 1, 2009 and appointed his cabinet members shortly thereafter.
- ² 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.
- ³ Ms. Vitale was appointed Acting Controller January 1, 2011. She has been employed by the City of Stamford for 8 years.
- ⁴ Dr. Hamilton was appointed Interim Superintendent of Schools on September 28, 2011 and was previously appointed Acting Superintendent on July, 1 2011.

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 3,173 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>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
General Government ²	1,113	1,158	1,228	1,226	1,263	1,264	1,260
Board of Education	<u>2,060</u>	<u>2,062</u>	<u>2,060</u>	<u>2,122</u>	<u>2,123</u>	<u>2,128</u>	<u>1,890</u>
Total	3,173	3,220	3,288	3,348	3,386	3,392	3,150

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- 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 (101) the Water Pollution Control Authority (34); the E. Gaynor Brennan Golf Course (6); the Risk Management Fund (3); the Marina Fund (1) 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	264	06/30/11 ¹
Local #786 of the International Association of Firefighters, AFL-CIO (downtown)	258	06/30/11 ²
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	90	06/30/11 ²
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses)	46	06/30/10 ²
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists)	4	06/30/11 ²
Local #1303-191 of the AFSCME, Council # 4, AFL-CIO (Attorneys)	5	06/30/10 ²
Local #145 of the International Brotherhood of Teamsters, AFL-CIO	20	06/30/11 ³
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	226	06/30/10 ²
New England Health Care Employees Union, District 1199 (Smith House)	84	06/30/12
Local #222 of the United Electrical Radio & Machine Workers of America	<u>116</u>	06/30/10 ²
Total Employees	1,113	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	7	06/30/11 ²
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	81	06/30/10 ²
Stamford Board of Education Employees Association (Custodian & Maintenance Workers)	149	06/30/13
Security Workers and Community Liaison Employees	33	06/30/13
Stamford Education Association	1,394	06/30/13
Paraeducators of Stamford Association.....	334	06/30/13
School Administrators Association of Stamford	<u>62</u>	06/30/14
Total Employees	2,060	

¹In negotiation.
²In arbitration.
³Tentative agreement.

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, Local 2657, Local 465, Local 1303-273, Local 1303-191, Local 2377, and Local 222. The City has entered into a tentative agreement with Local 145 for a three-year contract. The union 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.

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, 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 fiscal year 2008, an attempted re-organization was initiated by the Mayor’s Office to augment staffing at three volunteer fire departments whereby the City would oversee the management and training of professional firefighters. The stated goal of the reorganization was to improve fire protection throughout all fire districts and more effective management and training of professional and volunteer firefighters. However, due to litigation the plan has only been partially implemented to date. The current status is:

- 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.

In the summer of 2010, the Mayor proposed consolidating four of the five volunteer fire companies into one Stamford Volunteer Fire Department. The new volunteer department would be a combination department staffed with limited paid personnel and supplemented with volunteers. The funding of this department would come from the property owners in the proposed district. Stamford Fire & Rescue personnel currently operating in the Springdale and Turn of River volunteer districts would relocate to City stations, and all other City-wide fire services would remain unchanged. The Mayor’s proposal is

currently under review by the elected boards. Until a decision is made, the previously documented fire services organization remains in effect.

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's, Infant's 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 9th safest large city in the nation in 2010. 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 recent 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 mentally stressed individuals 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 a Boxing and Mentoring Program as well as a 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.

Besides the Special Response and Hostage Crisis Teams, the Department comprises several other specialty units in addition to patrol, investigative and 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 Collision Analysis and Reconstruction Squad ("CARS"), the Canine Unit, the Motorcycle Unit, the Marine Division and the Neighborhood Impact Unit ("NIU").

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 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 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. This 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 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.

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.

The Canine Unit consists of four patrol dogs, one bomb dog used for ballistic detection and Gun Shot 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, 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.

The NIU, the fourth patrol platoon, has been extremely successful at addressing crime in neighborhoods, focusing on quality of life issues and street robberies, assaults and other violent crimes. The Unit is deployed during the peak hours of 7 p.m. to 3 a.m. when most crimes occur. This increased police presence and visibility has had a significant impact on reducing street crimes in Stamford.

In addition to these specialty units, the Patrol, Investigative and Narcotics Divisions provide protection for the citizens of Stamford on a daily basis. Each day our officers respond to a wide range of calls for service, 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, which provides medical, rehabilitation and nursing care, including comprehensive nursing services, physical therapy, occupational therapy, speech and 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 facility. Services also include a 30-bed secure unit for patients suffering from Alzheimer's disease and dementia.

To enhance services, Smith House is in the process of developing a short-term rehabilitation services unit within the next year. This unit will service patients who were recently hospitalized in order to strengthen muscles and practice activities of daily living to enable the person to return home. Patients receiving short-term rehabilitation usually stay at the facility from one week to three months.

The facility is surveyed by the Connecticut Department of Public Health to ensure it remains fully compliant with the Connecticut Public Health Code and the Medicare/Medicaid Manual of Requirements for Long Term Care Facilities. Recent survey results were among the best of any nursing home in the State and contributed to the facility's attainment of a Medicare 4-star Quality Rating (for more information go to the Medicare website at www.Medicare.gov and use the "compare nursing homes" link). Medicare rated Smith House is a 4-star facility based on its excellent performance in State surveys, its achievement of high-quality-related outcome measures, and its excellent staffing. Approximately 20% of the nation's nursing homes receive a 4-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 83 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, Greenwich Choral Society, Lumina String Quartet and the Stamford Young Artists Philharmonic. From 2000-2003 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. Due to the combined effect of significantly reduced State grant support as well as corporate giving, the Stamford Center for the Arts ("SCA") filed for Chapter 11 reorganization during 2008, allowing SCA to restructure its staff, productions and long-term debt and develop a

business plan. In 2009, NBC Universal entered into a lease of one of the SCA facilities, Rich Forum, for use as production space, employing 150–200 people and providing the basis for a new business model and successful exit from Chapter 11 in June 2010. 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 estimated to be over 1.0 million items. Attendance system-wide in fiscal year 2011 was approximately 900,000 and over 200,000 users visited the Library remotely via the Internet. 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 the strategic areas of expanding business and workforce opportunities, strengthening families and neighborhoods, and growing key community institutions.

Office of Operations:

Administrative Bureau: The mission of the Administrative 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 Administrative Bureau oversees the maintenance of all City facilities and , parks and supervises operations at the Terry Connors Ice Rink, the E. Gaynor Brennan Golf Course, and the Park Police.

Facilities Management – The Facilities Management Division provides the citizens, employees and visitors to the City of Stamford safe, comfortable, high-quality functional facilities for professional, recreational and service functions. Responsibility for the day-to-day management of City parks and facilities is carried out by a private management company.

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. The City has over 650 acres of park land and recreational facilities, structures and buildings, including four beaches, four municipal marinas that can serve over 600 boats up to 28 feet in length, athletic fields, game courts and picnic areas, an indoor ice-skating rink, a theater program, as well as planting beds and roadside areas and cultural and historic resources such as Fort Stamford and the Cove Island Mansion.

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, Vehicle Maintenance, 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 2011.

Solid Waste/Recycling Division – The Solid Waste Division comprises two major sections: the Transfer Station section which includes the two City Recycling Centers and the Collections section, which includes garbage and recycling collections. The Division has instituted the following major program changes:

- Improved the new single-stream recycling program which resulted in a two-year increase of recycling by 70% from 5,870 tons to 9,983 tons, saving the City \$1.3 million. In addition, this new program resulted in an additional \$235,000 in revenue from the sale of household recycling.
- Continued a Parks recycling program which resulted in the removal of 75% of garbage totes previously distributed by the Parks Department and the installation of replacement recycling totes.
- Instituted a new electronic recycling program that has generated 217 tons of electronic recycling at both recycling centers.
- Instituted a new yellow cooking oil recycling program at Katrina Mygatt recycling center.
- Coordinated an effort to increase recycling at all schools by having the garbage containers in each room removed to enforce all waste into the recycling bins.
- Coordinated a Nike sneaker recycling program with schools and at the recycling centers that resulted in .25 tons of sneakers being recycled.

The responsibilities of the Transfer Station section include overseeing the six-day-a-week operation of a State-licensed 400-ton per day transfer facility in which all of the City's municipal solid waste ("MSW") and bulky waste is accepted, shredded, screened, separated and reloaded for out-of-town disposal. In fiscal year 2011, it processed over 50,000 tons of MSW, 6,200 tons of logs and brush, over 4,500 tons of leaves, and over 9,900 tons of household recycling. In addition, 578 tons of mixed metal were recycled and sold; a fluorescent light bulb recycling program generated 1.45 tons of recycled bulbs; and 8.2 tons of clothing was donated to Goodwill/Big Brothers Big Sisters.

The Collections section provides for the once-a-week curbside collection of garbage from over 18,700 single homes, over 3,000 multi-family dwellings, and over 10,000 condominium units. Collection for residential curbside recycling is provided for over 33,000 households. The section 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 that has over 1,300 units throughout the City. Collections completed over 1,037 citizen service requests during the past year.

The Collections section worked with the Board of Education to install small recycling bins in all school building classrooms; issued large totes to all school cafeterias, copier rooms and offices; and coordinated with Board of Education facilities for the purchase and installation of recycling dumpsters to be used at each school to increase recycling. The Division also continued its recycling education program by hosting trips with presentations to the Solid Waste/WPCA facility for an educational tour to 23 schools and organizations.

Fleet Management Division - The Fleet Management Division consists of three (3) 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 and orders all new equipment, trucks and accessories. 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.

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.

Citizens Services Center – The Citizens Services Center is the focal point that residents can contact for information on all City services. Each year, the Center records and handles over 11,000 service requests. The Center has initiated measures to increase informational and follow-up calls and continues to enhance its services.

Cashiering and Permitting – The Cashiering and Permitting department distributes all City permits including beach, marina, special events and film permits. It also collects and processes all parking ticket fines and processes appeals. In fiscal 2010, Cashiering and Permitting collected approximately \$6.0 million in revenue for the City. Departmental initiatives centered on increasing the efficiency of parking ticket collections; in this regard, Internet payments have increased dramatically, to 25 percent of all ticket payments. Residents can pay online in the Government Center lobby at public access computers or drop off tickets and payments in a lockbox.

Engineering Bureau: The mission of the Engineering Bureau is to deliver the City’s vast number of 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 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 design of many public improvement projects “in house,” with the majority of Board of Education and larger transportation projects utilizing professional consulting architects and engineers.

There are 55 City-owned bridges. The Engineering Bureau is responsible for the administration of design, construction and inspection of bridges that require rehabilitation and replacement of bridges that become functionally and structurally deficient. Several projects utilize context-sensitive design in the development of bridge aesthetics. Most current bridge projects are eligible to receive some State aid under the Connecticut Department of Transportation’s Local or Federal Bridge Program. There are major bridge replacements and repairs scheduled to be completed during the next three years, including June Road bridge, and Cedar Heights and Riverbank Road 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.

The Engineering Bureau is responsible for improving traffic flow, safety and operations. The Engineering 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 large federally funded project, is one of the largest on-going new roadway construction projects in the State, and provides a direct link from the Transportation Center to Elm Street. The first phase of the project was completed in 2011, and certain Intelligent Transportation Systems (“ITS”) work is scheduled for completion in 2012. A second phase of this SUT project is in the design and property acquisition stage. Several other on-going roadway improvement/reconstruction projects are also under way including projects to reconstruct south end streets south of the SUT.

The Engineering Bureau oversees the City sidewalks 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. Approximately seven miles of roadway are paved each year.

The Engineering Bureau administers the design, construction, and renovation of all Board of Education facilities which include: two pre-schools with a combined size of about 49,000 square feet; 20 school buildings totaling approximately 2.8 million square feet; 21,000 square feet of Stamford Academy; and another 105,000 square feet for a new Environmental Magnet School ("EMS").

The Engineering Bureau is responsible for maintaining and upgrading nearly 10,000 roadway and streetscape lights. Starting in fiscal 2009, Engineering started a program to upgrade lights to higher efficiency fixtures, and testing of half-night photocells for using lower wattage and higher efficiency induction fixtures for operating cost savings. In April 2011, the City received CL&P rebate approval for \$357,000 for the installation of 1,032 LED street lights. To date, over 600 of such lights have been installed, primarily in high traffic areas. The remainder of lights will be installed in the downtown area and the west and east sides of the City. This project was funded with \$700,000 in EECBG grant funding, \$100,000 in City matching funds, and the CL&P rebate noted above. Putting the rebate funds into another 467 lights will result in approximately 1,500 total lights, 15% of the street light system, and is estimated to achieve an annual energy savings of approximately \$147,000.

The Engineering Bureau assists the Parks and Recreation Department and Facilities Management with the improvement and rehabilitation of the City's 55 parks, two City-owned golf courses, and three marinas. The Bureau recently completed the Cummings Park pier replacement, the rehabilitation of Hatch Field Park, Cove Island Park, Cummings Park, Kosciuszko Park, Mill River Park playground area, Sterling Farms Golf Course entry drive reconstruction, and several synthetic turf projects at two park locations. Current projects include Scalzi Park renovation and a major phase of the Mill River Water Front Park. The Bureau is also working with FEMA on possible projects as a result of storm damage this past year.

The Engineering Bureau is also responsible for Stamford's traffic signalization and system operations. The Stamford Traffic Control Signal System consists of over 190 traffic signals. All traffic signals are controlled by a computerized central traffic control system. A central computer communicates with all 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 designed for the new Stamford Urban Transitway corridor.

The existing communications cable network is gradually being replaced by fiber optic communications cables to enhance the reliability of the system. 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. Over twenty cameras are currently in operation to monitor traffic conditions. All traffic signal displays were outfitted with energy efficient LED lamps that consume only 20 percent of the energy compared to 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 roads.

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. It has received a report from the U.S. Army Corps of Engineers on the impact of the Mill River project on the West Branch Harbor. 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 corporation, 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, a \$73,561,481 Clean Water Fund Loan, and \$19,765,000 Water Pollution Control System and Facility Revenue Bonds, 2006 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 2003 Series A Bonds, the Clean Water Fund Loan and the 2006 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 - Sewer Revenue Bonds" herein.

Stamford Community Development Program ("SCDP"): The Stamford Community Development Program administers the various Federal, State and local funds for housing and community development activity.

The Community Development Block Grant ("CDBG") allocation to the City of Stamford for fiscal 2012 was \$1,045,801. The 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 (i.e., \$84,500 for a household of four persons). 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.

The Community Development Office administers the Federal HOME Investment Partnerships Program which is providing \$592,923 in fiscal 2012 for down-payment loans to low-income homebuyers, as well as construction loans to developers of affordable housing. In the prior fiscal year, the City received \$82,000 in program income from the repayment of HOME loans. This program income is reinvested in additional HOME housing development and down-payment loans. Approximately 30 housing units are assisted each year.

In the spring of 2009, the Community Development Office received a funding agreement for \$2,909,550 under the federal Neighborhood Stabilization Program ("NSP"). These funds are available to the City for a four-year period and are being 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. This funding, along with the net proceeds from the sale of rehabilitated homes and condominiums, will be used to purchase and rehabilitate approximately 50 units over a four-year period. To date the City has assisted in the purchase of 10 foreclosed properties with a total of 12 housing units. There is a current commitment to a non-profit to purchase a two-family house on Ann Street. One condominium was directly acquired by a low

income household. Two foreclosed condominiums have been acquired, rehabilitated and resold to low-income buyers. The net proceeds of these sales were approximately \$225,000. The State has correspondingly increased the NSP Grant. Three properties with a total of six apartments will be rehabilitated and rented to low-income tenants. Of the remaining five properties, two have been fully rehabilitated and are on the market for sale to low-income buyers, and the balance of two condominiums and a single-family home are under rehabilitation.

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. Metro Green, 50 units of affordable rental housing located adjacent to the Stamford Train Station, received a loan of approximately \$1.4 million from the IZ funds to assist in development costs. This project is now complete and fully occupied.

The Community Development Office administers local funds that are available annually for affordable housing development. The Capital Projects Budget provides approximately \$1.5 million annually as loans to developers for the purchase and development of affordable housing sites. Thus far in fiscal 2012, Capital Budget expenditures included \$900,000 for the construction of 46 affordable apartments at Palmers Square and \$200,000 for condominium construction at 2 Spruce Street. The developer of Metro Green is competing a second phase that will also provide 50 apartments. This project has received a \$360,000 loan from the Capital Budget that has not yet been disbursed.

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. The City has committed \$453,000 in Linkage funds to the Housing Authority of the City of Stamford for the development of 95 apartments at 58 Progress Drive which was completed this year.

Colleges: The University of Connecticut at Stamford, located in the downtown area, serves over 1,300 full-time and part-time undergraduate students and approximately 500 active MBA students. A Master's Entry into Nursing (MBeIN) - Accelerated Pre-Licensure Program 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 and also offers a Bachelor in General Studies program for returning adults, minorities in business and women's studies. The Connecticut Information Technology Institute provides IT training and education. Additionally, the campus offers the University of Connecticut Administrator Preparation Program which culminates in a graduate degree for teachers wishing to become school administrators.

Central Business District Retail: 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.

Downtown Stamford now boasts over 10 million square feet of Class A office space, all within walking distance of an express rail connection to Manhattan and an extensive labor pool to the north and east.

Within the transit center is the soon-to-be-completed Stamford Urban Transitway, which provides automobile, enhanced bus, bike, and pedestrian connections between the Stamford Transportation Center and the City's East Side, and the possible location of a potential additional station accessing both the New Haven and New Canaan Lines. Several rail underpass expansions are in the planning phase adjacent to the Transitway to facilitate movement between downtown Stamford, the Stamford Transportation Center and the proposed new East Side station, I-95, the Transitway, and Stamford's South End. When completed, the Transitway will accommodate the traffic that will be generated by in-fill development in 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 leverages 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. 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. \$5 million in Federal funding was secured for 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 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. 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 is \$11.4 million. Mill River Collaborative is in the early stages of a \$20 million private capital campaign to complement Stamford's investment in the park and has pledged of \$6.3 million to date. 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 should further spur development and real estate tax revenues.

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 solely by the 50% of new real estate taxes pledged to the Mill River Corridor District and are not considered debt of the City. Authorization for the issuance of \$23 million in TIF Bonds was approved in 2011. 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 approximately \$2.6 million in bond funds previously advanced by the City.

Harbor Point Project: Recognizing an opportunity that stood silent for decades, Harbor Point Development set into motion an unprecedented vision of the Stamford waterfront known as Harbor Point. The development group, which owns more than 80 acres in the South End, is executing a

sweeping and ambitious plan to redevelop the South End into a vibrant waterfront destination that will strengthen the neighborhood, provide positive and long-term economic development, and greatly increase tax revenue for the benefit of all of Stamford.

The project, as approved, includes 6 million square feet of mixed-use development: 85 percent residential (4,000 residential unit, 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 access. As currently planned, it is also expected to potentially create about 9,500 new construction jobs and 2,500 permanent jobs.

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.

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, 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 has become a thriving City that many businesses have selected as their home. It is among the top cities in the United States as home for the corporate headquarters of Fortune 500 companies. Businesses continue to move into Stamford in spite of the recent economic decline nationally. Perdue Pharma has a new facility downtown, and GE has renovated the former Xerox site. The Royal Bank of Scotland, which moved to Stamford in 2009 with 1,900 jobs, has grown to over 2,000 jobs since then; in 2010, Nestle Waters North America relocated its 475 employees to Stamford; Design Within Reach, a San Francisco-based company, relocated 35 staff and hired 55 more; Fairway Market opened in November 2010, employing approximately 500 people; and the Affinion Group Business Services moved from Norwalk with 350 employees.

Louis Dreyfus Highbridge relocated in early 2011 from Wilton, Connecticut with 250 jobs into the Harbor Point development in the South End. Starwood Hotels is relocating its 850-employee headquarters to Stamford from White Plains in the fourth quarter of 2011.

In 2011 Chelsea Piers announced their first expansion location outside New York City with a 240,000-square-foot facility to open in the spring of 2012 employing 240 people.

NBC Sports Group recently announced the relocation from multiple locations throughout the U.S. including New York City of their headquarters to Stamford. They will join the NBC Olympics and Comcast Versus units currently in Stamford. Over 450 new jobs are expected.

Harbor Point, an 82-acre land assemblage in the South End developed by Building & Land Technology, which includes six million square feet of mixed-use development, continues under active construction. To date, more than 1,500 apartment units are finished, under construction or have received approval to commence construction. The approved 474,000-square-foot Gateway office/residential complex adjacent to the train station is on schedule to be completed in the second quarter of 2012. The full scope of 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 full-service marina; more than 11 acres of parks and public spaces; a community school; and publicly accessible waterfront areas.

The City's commercial property maintains a cost advantage over mid-town Manhattan and Greenwich, helping to sustain the City's commercial base during these recent challenging economic times at comparatively favorable rent levels.

Housing: In addition to the housing in the Harbor Point development in the South End, the downtown area of Stamford continues to emerge as a vibrant development area with more and more new residential housing. Trump Parc, Thomas Rich & 33 Broad Street Associates, LLC with 170 units has been completed and is leasing. Garden Homes Prospect Street Limited Partnership completed 104 residential units in two locations. The Boulevard, a 100-unit development unit on property formerly owned by St. Andrews Church, opened in 2010. The YMCA has completed a reconstruction in conjunction with a recently completed 99-room new hotel on Washington Boulevard. Construction has begun on two additional residential sites, the former Advocate site and the 120-unit Canaan Lofts at the corner of Washington Boulevard and North Street. Additionally, in the area south of the train station, Metro Green recently completed 50 units of mixed-income housing and the building is being certified as LEED Gold. Both the Harbor Point and Metro Green developments have received Phase II certification under the new LEED ND program.

The East Side experienced significant change with two recent developments: Glenview House, LLC with 141 residential units and East Side Commons with 108 units. Those residential units, coupled with street level commercial space along Route 1, are changing the face of the East Side.

This year the West Side has continued in its process of making significant changes including the demolition of several formerly residential properties by Stamford Hospital to accommodate its expansion.

Projects that have been approved but are not yet in construction include: New Hope Manor by New Hope Realty including 124 residential units and New Neighborhoods, Inc. with a 50-unit residential facility.

Government Assisted Housing: The Stamford Housing Authority d/b/a Charter Oak Communities constructs, operates and maintains housing for low- and moderate-income families, market rate residents and senior citizens. The Authority manages over 1,400 dwelling units in 18 housing complexes as well as a Housing Choice Voucher rental assistance program for 1,420 families in privately owned housing units throughout the City. Charter Oak Communities also sponsors a variety of workforce homeownership programs including down payment assistance and newly constructed units for households ranging from 40% to 80% of the area median income. Some of Charter Oak'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 four 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, 95-unit off-site replacement phase, Westwood, has been completed and is fully occupied. The second, 76-unit phase, Palmer Square, is expected to be completed in June 2012. The demolition of the existing Vidal Court complex is scheduled to begin in summer 2012. 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.

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 and twelve public elementary schools, four of which are magnet schools. The Board of Education employs approximately 1,466 professional (certified) personnel and approximately 631 non-certified personnel including secretaries, clerks, custodians, maintenance personnel, paraeducators, and security workers.

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 10/1/11</u>
Davenport Ridge	K-5	1972	Concrete	51	538
Murphy	K-5	1900 (2002)	Brick	49	531
Newfield	K-5	1954 (2002)	Brick	51	689
Northeast	K-5	2003	Brick/Stone	63	690
Rogers	K-8	2009	Wood/Brick	50	803
Toquam	K-5	1967 (1991)	Brick	56	648
Roxbury	K-5	1955 (2002)	Brick	59	646
Springdale	K-5	1908 (2003)	Brick	46	619
Hart	K-5	1915 (1998)	Brick	53	555
Stark	K-5	1927 (1997)	Brick	55	570
Stillmeadow	K-5	2003	Block	49	659
Westover	K-5	1999	Brick	65	708
Cloonan	6-8	2002	Brick	58	577
Dolan	6-8	1949	Brick	50	528
Turn of River	6-8	1963	Block/Brick	60	558
Rippowam Middle	6-8	2003	Steel Frame	150	648
Scofield Middle	6-8	2001	Brick	54	628
AITE	9-12	2007	Steel/Frame	60	692
Stamford High	9-12	1928 (2006)	Brick/Stone	215	1,821
Westhill High	9-12	2003 (2007)	Steel Frame/Brick	230	2,229
Boyle Stadium	n/a	1937 (1997)	Stone	n/a	
Out-of-District	n/a	n/a	n/a	n/a	147
Home Instruction	n/a	n/a	n/a	n/a	102
Pre-K Special Ed./ Speech	n/a	n/a	n/a	n/a	91

School Enrollments

As of October 1	Elementary Headstart/K-5	Middle School 6-8	High School 9-12	Bi-lingual/Pre-K/ Special Education	Total Enrollment
<i>Historical</i>					
2001	6,936	3,248	3,769	1,256	15,209
2002	6,930	3,351	3,937	1,152	15,370
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	15,677
<i>Projected</i>					
2012	7,554	3,220	4,855	340	15,969

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>Population</u> ¹	<u>Percent Change</u>	<u>Density</u> ²
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

Sources: ¹U.S. Department of Commerce, Bureau of Census, Census of Population 1960-2010.

²Population per square mile: 39.9 square miles.

Age Distribution of the Population

<u>Age</u> ¹	<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	1,082	3.7%	33,423	3.8%
10,000 - 14,999	847	2.9	23,593	2.7
15,000 - 24,999	2,094	7.1	63,262	7.1
25,000 - 34,999	2,534	8.7	75,413	8.5
35,000 - 49,999	3,619	12.4	120,134	13.6
50,000 - 74,999	5,486	18.8	198,924	22.5
75,000 - 99,999	3,709	12.7	141,981	16.0
100,000 - 149,999	4,682	16.0	132,177	14.9
150,000 - 199,999	1,968	6.7	42,472	4.8
200,000 and over	<u>3,218</u>	<u>11.0</u>	<u>54,368</u>	<u>6.1</u>
Total	29,239	100.0%	885,747	100.0%

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

Comparative Income Measures

	<u>City of Stamford</u>	<u>State of Connecticut</u>
Per capita income, 2009	\$46,928	\$36,468
Median family income, 2009	\$90,294	\$83,797
Median household income, 2009	\$76,134	\$67,721

Source: 2005-2009 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	6,287	7.6%	132,917	5.8%
9 th to 12 th grade, no diploma	8,454	10.2	234,739	10.2
High school graduate	20,320	24.5	653,300	28.5
Some college, no degree	11,114	13.4	402,741	17.5
Associate's degree	3,926	4.7	150,926	6.6
Bachelor's degree	18,769	22.7	416,751	18.2
Graduate or professional degree	<u>14,016</u>	<u>16.9</u>	<u>304,243</u>	<u>13.2</u>
Total	82,886	100.0%	2,295,617	100.0%
Total high school graduate or higher	-	82.2%	-	84.0%
Total bachelor's degree or higher	-	39.6	-	31.4

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

Labor Force Data

<u>Reporting Period Average</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>		
				<u>City of Stamford</u>	<u>Bridgeport/ Stamford Labor Market</u>	<u>State of Connecticut</u>
October 2011	67,852	63,079	4,773	7.0	7.8	8.7
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
2002	64,794	62,209	2,585	4.0	4.3	4.4
2001	64,387	62,581	1,806	2.8	3.1	3.1

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	162	0.3%	7,445	0.4%
Construction	3,893	6.4	99,913	6.0
Manufacturing	6,040	9.9	246,607	14.8
Wholesale trade	1,891	3.1	53,231	3.2
Retail trade	6,209	10.2	185,633	11.2
Transportation, warehousing and utilities	2,244	3.7	64,662	3.9
Information	2,954	4.8	55,202	3.3
Finance, insurance, real estate and leasing	8,039	13.2	163,568	9.8
Professional, scientific, management, administrative and waste management	10,784	17.7	168,334	10.1
Educational, health and social services	9,872	16.2	366,568	22.0
Arts, entertainment, recreation, accommodation and food services	3,902	6.4	111,424	6.7
Other services	3,518	5.8	74,499	4.5
Public administration	<u>1,439</u>	<u>2.3</u>	<u>67,354</u>	<u>4.1</u>
Total	60,947	100.0%	1,664,440	100.0%

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

**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	41,951	70.1%	1,312,700	80.0%
Car pools	6,372	10.7	154,400	9.4
Using public transportation	6,414	10.7	65,827	4.0
Walked	2,216	3.7	44,348	2.7
Using other means	620	1.0	12,130	0.8
Worked at home	<u>2,295</u>	<u>3.8</u>	<u>51,418</u>	<u>3.1</u>
Total	59,868	100.0%	1,640,823	100.0%
Mean travel to work (minutes)	24.0	-	24.4	-

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

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
Chartwell Re Corp.	Reinsurance
Chelsea Piers	Leisure
Chirex Inc.	Contract Research and Development 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
Elizabeth Arden	Cosmetics
Fairway Market	Retail Food
Fuji Photo Film	Manufacturing
Gantos	Women's Apparel and Accessories
Gartner, Inc.	Information Technology Advisory Services
GE Commercial Finance	Finance (HQ)
GE Money	Finance
General Re Corporation	Insurance (HQ)
General Signal	Transportation
Graph Network	Cable Television
Harmon International	Electronic Manufacturing (HQ)

Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
Hexcel Corp.	Carbon Fiber Industrial Products Manufacturer
Independence Holding Co.	Life and Health Insurer
International Telecomm Data	Billing Management Information Systems and Support Services
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)
Price Waterhouse Coopers	Public Accounting/Consulting
Purdue Pharma	Pharmaceuticals (HQ)
Rochdale Securities	Finance
Rockefeller & Co.	Wealth Management
Royal Bank of Scotland	Investment Banking
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
The Stamford Hospital	Medical Services
Thomson-Reuters	Publishing, Business Information
TIG Reinsurance	Insurance
Titan Sports WWE	Professional Wrestling
Tosco	Petroleum Refining
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)
Versus	Communications/Programming
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 Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>
2011 (3 rd qtr) ...	6,832,948	26.5	8,758,824	26.2	41,642,815	20.8
2010	6,832,948	23.1	8,405,596	22.7	40,890,889	19.1
2009	6,832,948	23.4	8,027,525	25.1	40,412,871	18.9
2008	6,741,182	16.9	8,061,946	19.1	40,041,515	14.7
2007	6,308,281	14.2	8,243,247	15.8	39,581,321	12.5
2006	6,308,281	13.7	8,174,740	15.7	38,774,641	14.7
2005	6,308,281	15.7	8,174,740	19.0	38,774,641	16.9
2004	6,307,898	16.0	8,279,388	18.2	38,236,387	18.1
2003	6,307,898	18.0	8,265,861	16.1	38,345,381	17.4
2002	6,307,898	17.9	8,357,572	17.8	38,242,993	20.7

Source: Cushman & Wakefield.

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>
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
2002	66,706,336	195,330,791	45,614,700	278,094,842

¹Included 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	8,255	17.4%	308,896	22.3%
Built in 1940-1969	21,791	46.0	571,218	41.2
Built in 1970-1979	7,129	15.1	203,377	14.7
Built in 1980-1989	5,995	12.7	183,405	13.2
Built in 1990-1994	1,647	3.5	56,058	4.0
Built in 1995-March 2000	<u>2,500</u>	<u>5.3</u>	<u>63,021</u>	<u>4.6</u>
Total	47,317	100.0%	1,385,975	100.0%

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

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	19,017	40.2%	816,706	58.9%
Single-family attached	2,958	6.2	71,185	5.1
Multifamily	25,315	53.5	485,890	35.1
Mobile home, trailer, or other	<u>27</u>	<u>0.1</u>	<u>12,194</u>	<u>0.9</u>
Total	47,317	100.0%	1,385,975	100.0%

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

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>Specified Owner-occupied Units</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total owner-occupied units	25,719		869,729	
Persons per unit	2.65		2.67	
Less than \$50,000	71	0.4%	5,996	0.8%
\$ 50,000 to \$ 99,999	177	1.0	85,221	11.7
\$100,000 to \$149,999	509	2.8	212,010	29.1
\$150,000 to \$199,999	1,104	6.1	156,397	21.5
\$200,000 to \$299,999	4,616	25.6	137,499	18.9
\$300,000 to \$499,999	6,960	38.6	79,047	10.9
\$500,000 or more	<u>4,597</u>	<u>25.5</u>	<u>52,074</u>	<u>7.1</u>
Total	18,034	100.0%	728,244	100.0%
Median value	\$362,300	-	\$166,900	-

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

Number and Size of Households

<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>
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, 2008 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 2012 recommended a safe debt limit of \$45.0 million, followed by \$35.0 million in fiscal 2013, and \$40.0 million annually for the next four years for a total of \$240 million. Included in that amount is short-term debt financed over seven years or less. 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 2012 authorized \$20.0 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 \$4.6 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 December 15, 2011**

Bonded debt: ¹		
This issue	\$	45,000,000
General purpose		233,525,111
Schools		<u>115,873,920</u>
Total bonded debt		394,399,031
Short-term debt		-
Total overall debt		<u>394,399,031</u>
Less school construction grants receivable		<u>3,445,787</u>
Total overall net debt		<u>\$390,953,244</u>

¹Excludes \$18,449,154 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$55,472,285 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 December 15, 2011**

Population, 2010	122,643		
Per capita income, 2009	\$46,928		
Net taxable grand list, 10/1/10	\$24,028,752,392		
Estimated full value @ 70%	\$34,326,789,131		
Equalized net grand list (2009)	\$29,980,542,111		
		Overall Debt	Overall Net Debt
		<u>\$394,399,031</u>	<u>\$390,953,244</u>
Per capita	\$3,215.83		\$3,187.73
To net taxable grand list	1.64%		1.63%
To estimated full value	1.15%		1.14%
To net equalized grand list	1.32%		1.30%
Ratio of debt per capita to per capita income	6.85%		6.79%

Bonded Debt Maturity Schedule¹
Pro Forma
As of December 15, 2011

<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>
2012 ¹	\$ 7,910,000	\$ 7,572,267	\$ 15,482,267	\$ -	2.01
2013	31,145,118	14,354,143	45,499,261	3,000,000	10.66
2014	30,568,478	12,998,320	43,566,798	3,000,000	19.17
2015	30,246,843	11,683,969	41,930,812	3,000,000	27.60
2016	28,276,657	10,467,789	38,744,446	3,000,000	35.53
2017	26,303,143	9,353,027	35,656,170	3,000,000	42.96
2018	26,226,881	8,171,355	34,398,236	2,000,000	50.12
2019	25,695,915	6,935,698	32,631,613	2,000,000	57.14
2020	22,067,557	5,896,278	27,963,835	2,000,000	63.25
2021	21,443,588	4,958,377	26,401,965	2,000,000	69.19
2022	18,399,185	4,060,434	22,459,619	2,000,000	74.36
2023	16,307,333	3,271,950	19,579,283	2,000,000	79.00
2024	16,073,333	2,650,615	18,723,948	2,000,000	83.59
2025	12,860,000	2,045,523	14,905,523	2,000,000	87.35
2026	11,270,000	1,530,917	12,800,917	2,000,000	90.72
2027	8,180,000	1,099,493	9,279,493	2,000,000	93.30
2028	8,155,000	725,521	8,880,521	2,000,000	95.87
2029	3,410,000	355,278	3,765,278	2,000,000	97.24
2030	3,385,000	171,371	3,556,371	2,000,000	98.61
2031	1,475,000	39,456	1,514,456	2,000,000	99.49
2032	-	-	-	2,000,000	100.00
Total	\$349,399,031	\$108,341,781	\$457,740,812	\$45,000,000	

¹Excludes \$18,449,154 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$55,472,285 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.)

²Excludes \$25,044,401 principal payments and \$7,863,951 interest payments made from July 1, 2011 through December 15, 2011.

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 September 30, 2011 the City had \$447,806,000 of authorized capital projects for various school and public improvement projects. The City expects that approximately \$373,571,223 will be financed by grants and other sources. Of the City's authorized but unissued debt totaling \$74,234,777, approximately \$45 million is expected to be financed by general obligation bonds in fiscal 2012. The remaining approximately \$25 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>Authorized Projects</u>	<u>Less Grant/Other Funding</u>	<u>Net Authorized But Unissued</u>
Schools	\$187,184,346	\$178,939,262	\$ 8,245,084
Public improvements	249,095,239	189,532,260	59,562,979
Sewer	<u>11,526,415</u>	<u>5,099,700</u>	<u>6,426,715</u>
Grand Total Authorized	\$447,806,000	\$373,571,223	\$74,234,777

**Statement of Statutory Debt Limitation
Pro Forma
As of December 15, 2011**

Debt Limitation Base

Estimated total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2011 (unaudited)	\$407,435,743
Reimbursement for revenue loss on Elderly Tax Relief	<u>8,000</u>
Debt limitation base	\$407,443,743

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	\$916,748,422				
4.50 x base	-	\$1,833,496,844			
3.75 x base	-	-	\$1,527,914,036		
3.25 x base	-	-	-	\$1,324,192,165	
3.00 x base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$1,222,331,229</u>
Total debt limitation	916,748,422	1,833,496,844	1,527,914,036	1,324,192,165	1,222,331,229
Less indebtedness ²					
This issue	23,900,000	21,100,000	-	-	-
Bonds payable	<u>233,525,111</u>	<u>115,873,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	257,425,111	136,973,920	-	-	-
Less school construction grants receivable	<u>-</u>	<u>3,445,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total indebtedness	257,425,111	133,528,133	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$659,323,311	\$1,699,968,711	\$1,527,914,036	\$1,324,192,165	\$1,222,331,229

¹ Excludes \$18,449,154 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$55,472,285 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 September 30, 2011 the City had net authorized but unissued debt of \$74,234,777.

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 \$2.8 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
2010	\$43,329,177	\$468,584,518	9.25%
2009	43,773,749	468,943,293	9.33
2008	45,402,419	441,518,588	10.28
2007	40,720,490	411,656,253	9.89
2006	38,782,044	394,961,464	9.82
2005	40,655,477	365,741,125	11.12

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 \$55,472,285 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 December 15, 2011 the City has \$18,449,154 of general obligation bonds outstanding and four Clean Water Fund project loan obligations outstanding in the amount of \$55,472,285 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 December 15, 2011¹

Fiscal Year Ending June 30	<u>Senior Lien Debt (Parity Indebtedness)</u>				<u>Subordinated Debt</u>		Cumulative Percent Retired
	<u>2003 Series A & 2006 Sewer Revenue Bonds</u>		<u>Existing Clean Water Fund Debt²</u>		<u>General Obligation Sewer Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012 ³	\$ -	\$ 643,681	\$ 2,292,547	\$ 636,292	\$ -	\$ 432,900	2.13
2013	715,000	1,273,825	3,796,603	1,031,132	1,743,441	830,750	8.25
2014	745,000	1,246,175	3,869,607	954,533	1,771,784	755,382	14.50
2015	775,000	1,217,181	3,864,423	876,859	1,790,158	675,096	20.79
2016	805,000	1,186,625	3,883,503	799,731	1,372,117	606,289	26.72
2017	840,000	1,152,331	3,943,011	721,412	1,212,440	549,318	32.59
2018	875,000	1,116,718	3,996,881	642,166	1,325,547	490,795	38.65
2019	910,000	1,079,991	4,077,554	561,492	1,338,395	428,076	44.84
2020	950,000	1,039,508	4,159,858	479,189	1,003,672	373,501	50.82
2021	995,000	996,730	4,026,883	397,206	939,600	327,982	56.66
2022	1,040,000	950,936	4,108,163	315,926	671,000	289,140	62.35
2023	1,090,000	903,653	4,191,084	233,005	686,000	256,087	68.19
2024	1,135,000	855,406	4,275,678	148,411	655,000	223,310	74.125
2025	1,190,000	803,456	4,361,980	62,109	720,000	189,940	80.26
2026	1,245,000	747,756	735,509	1,839	600,000	157,045	82.79
2027	1,305,000	689,406	-	-	620,000	125,320	84.67
2028	1,365,000	626,369	-	-	645,000	91,791	86.64
2029	1,435,000	558,331	-	-	665,000	56,416	88.69
2030	1,505,000	486,894	-	-	690,000	19,148	90.84
2031	1,580,000	411,931	-	-	-	-	92.38
2032	1,655,000	333,319	-	-	-	-	94.02
2033	1,745,000	250,694	-	-	-	-	95.71
2034	1,020,000	184,063	-	-	-	-	96.71
2035	1,070,000	134,425	-	-	-	-	97.76
2036	1,120,000	82,413	-	-	-	-	98.85
2037	<u>1,175,000</u>	<u>27,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	100.00
Total	\$28,285,000	\$18,999,723	\$55,472,285	\$7,861,302	\$18,449,154	\$6,878,286	

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 \$409,682); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$223,272); PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$1,694,080); and PLO 414-C (original amount of loan \$73,561,481 and current principal amount outstanding \$53,145,251). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis.

² Excludes \$3,920,731 of principal payments and \$1,583,667 of interest payments made from July 1, 2011 through December 15, 2011.

SECTION V - FINANCIAL SECTION

Audited Results for June 30, 2010, Projected Results for June 30, 2011, and Fiscal Year 2011-12 Adopted Budget

Audited Results for June 30, 2010: The GAAP total fund balance for the General Fund was \$6.1 million. Of this amount, approximately \$3.3 million represented the unreserved balance (vs. \$4.5 million as of June 30, 2009). This unreserved General Fund fund balance as of June 30, 2010 represented 0.7% of total General Fund expenditures of \$464.9 million. However, it is important to note that this General Fund fund balance was reduced by \$4.2 million as a result of planned transfers out to other funds to increase other reserves maintained by the City. One of those transfers was \$2.2 million to the Rainy Day Fund, bringing the Rainy Day Fund balance to approximately \$7.0 million; this Rainy Day Fund balance represented 1.5% of total General Fund expenditures of \$464.9 million in fiscal 2010.

In fiscal 2010 the City achieved strong results in all areas of tax collections. The current levy collection rate (for all property types) was a record 98.61%, the ninth 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.

Estimated financial results for June 30, 2011 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 the net \$2.3 million increase over budget. In addition, a new revenue source, the Municipal Video Competition Trust Fund, along with Federal Emergency Management Administration ("FEMA") reimbursements from prior storms, 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, building permit revenue was stronger than previously expected, as the \$1.6 million increase over the Adopted Budget indicates.

On the expense side, all departments ended the year well within the budgetary plan. Of specific note are the Public Safety Departments with the most significant savings (\$828,000) followed by Health and Welfare (\$441,000), Operations (\$273,000) and Administration (\$200,000). The aggregate net savings achieved is a reflection of aggressive expense management procedures in place.

Utilizing conservative budgeting practices, the City was able to achieve positive budget variances for both revenues and expenditures resulting in a projected operating budgetary surplus (revenues over expenditures) of approximately \$4.6 million. This projected operating surplus will increase the total budgetary fund balance to about \$6 million. Adjusting for planned transfers and encumbrances will result in a projected GAAP operating surplus of approximately \$2.5 million and a GAAP fund balance of approximately \$8.6 million.

After completion of the June 30, 2011 audit report the City (subject to approval by the requisite governing boards) is considering designating approximately \$1.0 million of the budgetary fund balance to use for revaluation costs and \$5.0 million of the budgetary fund balance to the Rainy Day Fund. If approved, the balance in the Rainy Day Fund will increase to approximately \$14.0 million.

Projected Results for Fiscal Year 2011-12: The Adopted Budget is composed of \$194.4 million for City operating expenses, \$42.6 million for debt service, and \$229.3 million for education costs. Included in the budget is approximately \$3.8 million for contingency reserves for possibly higher public safety overtime costs, significant snow/weather events, potential labor settlements, and other unforeseen/unplanned events.

The Office of Policy and Management ("OPM") has completed a financial review of all operating departments along with an analysis of General Fund revenue sources for the fiscal year 2011-12. This analysis includes actual revenues and expenditures posted through the first quarter of the fiscal year and revenue and expenditure projections based on trends and anticipated changes from the revised budget. Based on the analysis performed, a year-end shortfall of approximately \$900,000 is currently projected.

Revenues through the first quarter totaled \$224.2 million, leaving a balance of \$246.0 million of the projected \$470.2 million to be collected by the end of the fiscal year. Included in this amount is \$3.75 million in contingency funds. The Tax Collector reports tax receipts through the first billing cycle are on target.

Expenditures on the municipal side, excluding Board of Education, through the first quarter are \$61.1M or 31% of the total City budget. First quarter expenditures include \$17.4 million or 28% of total expenditures for annual payments for pension and Other Post Employment Benefits (“OPEB”) paid in July/August in accordance with the operating plan.

While overtime spending for Police and Fire continue to place pressure on the City budget, the primary source of this projected shortfall is a significant \$1.6 million reduction to revenue projections for the Smith House skilled nursing facility. The reduction is due to a delay in completing a revenue generating short-term rehabilitation services unit as well as a decline in patient census. Building permit revenue continues to remain strong with projections identified to exceed budget by \$700,000. Conversely, conveyance tax is projected to fall short of budget by approximately \$350,000 or 9% less than prior year, and interest Income is projected to come in approximately \$0.5 million under budget or 80% less than last year. This significant drop in investment income is due to the continuance of historically low interest rates and limited short-term investment options open to the City.

In late August, tropical storm Irene caused significant damage throughout the City. The damage caused by this storm placed a strain on an already tight budget. As a result, the City has been working diligently to capture the costs associated with all physical losses along with related overtime and equipment usage related to the storm. OPM has been working with individual departments in helping them manage these unanticipated costs and remain within their budgets. The City’s insurance carriers have been notified of the City’s intent to file for losses, and the various departments have been working with the City’s adjuster. Expenses not covered by insurance are being tabulated for submission to FEMA for reimbursement. To date, the City estimates there are approximately \$600,000 in storm-related expenses that will be submitted to FEMA. Of those expenses, projections are that FEMA will reimburse the City for 75% of eligible physical damage and work-related expenses, or approximately \$450,000. The City is also projecting an additional FEMA reimbursement for qualified equipment use such as generators, chainsaws, vehicles etc. As there are offsetting expenses related to the use of equipment (fuel, wear and tear), the City is projecting that it will receive an additional \$322,000 in revenue. The estimated total FEMA reimbursement, at approximately \$770,000, is included in the revenue projection.

As a result of the projected deficit of approximately \$900,000, the City has instituted a more restrictive hiring process, including all vacant positions. As such, only positions that are deemed critical to overall City operations and management will be filled. In addition, OPM will selectively identify account balances in all operating budgets and decisions will be made based on departmental priorities of what amounts will be set-aside as possible offsets to the projected deficit. City management will continue to closely monitor all revenue and expenditure categories and take steps to ensure the deficit will be eliminated by fiscal year-end.

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 Munns & Dobbins, 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	Commercial and Industrial		Other	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
	Residential Real Property Percent	Industrial Real Property Percent							
2010	59.98%	32.40%	0.22	4.12%	3.28%	\$24,381,703	\$352,951	\$24,028,752	(0.3)%
2009	59.79	36.76	0.25	4.04	3.16	24,376,201	286,215	24,089,986	0.2
2008	59.14	33.54	0.30	4.10	3.19	24,263,665	208,190	24,055,475	0.5
2007 ¹	59.02	31.14	2.64	3.78	3.42	24,162,168	217,625	23,944,543	81.4
2006 ²	58.80	26.90	1.75	6.00	6.55	13,318,632	120,788	13,197,844	17.9
2005	56.45	29.71	0.35	6.30	7.19	11,327,695	129,929	11,197,766	1.5
2004	60.98	24.87	0.36	6.60	7.19	11,226,848	190,331	11,036,517	1.3
2003	61.09	25.37	0.36	6.38	6.80	11,092,432	200,184	10,892,248	(0.1)
2002	55.44	30.52	0.39	6.67	6.98	11,107,032	200,847	10,906,185	0.7
2001	55.61	30.35	0.49	6.60	6.95	11,050,112	219,014	10,831,098	-

¹ Revaluation.

² Revaluation - Phase-In. See "Property Tax" herein.

Tax Collections

<u>Fiscal Year Ended 6/30</u>	<u>Net Taxable Grand List (000s)</u>	<u>Adjusted Annual Levy</u>	<u>Percent of Annual Levy Collected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected as of 6/30/11</u>
2012	\$24,028,752	\$416,421,792		In collection	
2011 ¹	24,089,986	406,891,242	98.6	1.4	1.40
2010	24,055,475	402,388,009	98.6	1.4	0.60
2009	23,944,543	386,200,745	98.5	1.5	0.20
2008	13,197,844	356,270,017	98.4	1.6	0.17
2007	11,197,766	338,789,500	98.3	1.7	0.05
2006	11,036,517	323,570,472	98.5	1.5	0.03
2005	10,892,248	313,394,228	98.6	1.4	0.01
2004	10,906,185	311,521,759	98.5	1.5	0.03

¹Unaudited.

Property Taxes Receivable

<u>Fiscal Year Ended June 30</u>	<u>Current Year (000s)</u>	<u>Total (000s)</u>
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
2004	5,018	14,015

Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/10</u>	<u>Percent of Net Taxable Grand List</u>
RFR Properties	Office Buildings	\$ 570,499,490	2.37%
BLT Group	Development	406,319,523	1.69
UBS AG Stamford	Banking/Financing	246,966,690	1.03
First Stamford Place	Office Buildings	202,776,420	0.84
HPHV Direct LLC	Office Buildings/Retail	192,727,210	0.80
Avalon	Apartments	178,544,940	0.74
Four Hundred Atlantic Title	Office Buildings	164,868,700	0.69
One Stamford Realty	Office Buildings	150,863,890	0.63
Landmark	Office Buildings	144,297,150	0.60
Rich-Taubman	Office Buildings/Retail	136,500,000	0.57
33 Broad Street Assoc. II LLC	Condominium	126,978,360	0.53
Antares	Development	114,580,540	0.48
Reckson/Stamford Towers	Office Buildings	88,682,660	0.37
High Ridge Office Park LLC	Office Buildings	85,790,520	0.36
UB Stamford L P.	Office Buildings/Retail	85,750,000	0.36
Soundview Farms LLC	Office Buildings	81,720,570	0.34
One Station Place	Office Buildings	80,727,300	0.33
Pitney Bowes	Office Buildings	74,516,960	0.31
RA 225 High Ridge LLC	Office Buildings	71,967,730	0.30
ForestBroad LLC	Apartments	<u>67,648,970</u>	<u>0.28</u>
Total		\$3,272,727,623	13.62%

Net Taxable Grand List for 10/1/10: \$24,028,752,392.

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, 2006 grand list, which was phased in over a five-year period. The City completed another revaluation on the October 1, 2007 grand list that superseded the October 1, 2006 revaluation. The next revaluation is scheduled for October 1, 2012, although the City is pursuing possible legislative relief to postpone this revaluation date by one year.

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 85.9% of its annual revenues for fiscal year 2010 through property taxes. For fiscal year 2009 the City collected 84.3% 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.

In September 1999 the City of Stamford, pursuant to State law and local ordinance, adopted a uniform, State-recommended depreciation schedule for business and personal property. As a result of this new

depreciation schedule, which 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 2012 the Personal Property Tax District mill rate is 17.37 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, 2010	2012	17.49	17.10	16.31	16.64	26.50	17.37
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
October 1, 2004	2006	29.81	29.01	27.16	27.90	35.62	29.81
October 1, 2003	2005	29.16	28.31	26.67	27.26	34.37	29.16
October 1, 2002	2004	28.68	28.59	27.00	27.56	33.19	28.68
October 1, 2001	2003	26.16	26.03	24.59	25.11	30.25	27.44

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 2010 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>
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
2002	21,513,708	316,619,272	6.79
2001	22,389,477	307,559,174	7.30

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 lienied 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Office of the Mayor	\$ 880,000	\$ 1,100,000	\$ 1,000,000	\$ 1,200,000	\$ 1,300,000	\$ 1,500,000
Office of Administration	130,124	130,124	130,124	130,124	130,124	130,124
Office of Operations	33,369,125	26,840,000	22,391,875	27,575,000	26,725,000	20,800,000
Office of Public Safety,						
Health & Welfare	220,000	1,177,000	1,045,000	540,000	675,000	650,000
Bartlett Arboretum	-	275,000	125,000	100,000	100,000	150,000
Childcare Learning Center	212,500	229,000	212,000	113,000	50,000	-
Ferguson Library	375,000	860,000	452,000	459,000	50,000	200,000
Scotfield Manor	-	50,000	50,000	50,000	50,000	50,000
Stamford Center for the Arts	-	200,000	164,250	230,700	106,000	-
Stamford Historical Society	-	100,000	100,000	-	-	-
Stamford Museum	-	500,000	750,000	550,000	1,400,000	1,650,000
Board of Education	4,778,750	9,025,000	17,325,000	18,175,000	20,875,000	23,425,000
Water Pollution Control						
Authority	3,650,000	1,650,000	3,150,000	3,150,000	650,000	650,000
Short-term Capital	<u>2,194,625</u>	<u>8,900,000</u>	<u>7,100,000</u>	<u>7,575,000</u>	<u>7,775,000</u>	<u>8,275,000</u>
Total Expenditures	\$45,810,124	\$51,036,124	\$53,995,249	\$59,847,824	\$59,886,124	\$57,480,124
<u>Funding Sources</u>						
GO Bonds and Notes	\$17,805,375	\$34,231,000	\$38,552,625	\$43,878,700	\$45,681,000	\$44,775,000
Short-term Capital GO Bonds	2,194,625	8,900,000	7,100,000	7,575,000	7,775,000	8,275,000
Grants	21,030,000	125,000	125,000	150,000	150,000	150,000
Other	1,130,124	6,130,124	5,067,624	5,094,124	5,630,124	3,630,124
WPCA Revenue Bonds	<u>3,650,000</u>	<u>1,650,000</u>	<u>3,150,000</u>	<u>3,150,000</u>	<u>650,000</u>	<u>650,000</u>
Total Funding Sources	\$45,810,124	\$51,036,124	\$53,995,249	\$59,847,824	\$59,886,124	\$57,480,124

¹ A "safe debt limit" of \$45.0 million in fiscal 2012 was proposed by the Director of Administration. The Mayor's final Adopted Capital Budget for fiscal 2012 authorized \$20.0 million to be funded by bonds. The amount was determined based on a comprehensive assessment of all proposed capital projects.

Comparative Balance Sheets - General Fund

	<u>6/30/10</u>	<u>6/30/09</u>	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/06</u>
Assets					
Cash and equivalents	\$ 1,523,010	\$ 890,360	\$ 5,268,842	\$ 1,375,719	\$ 1,412,028
Property taxes	10,524,508	16,191,113	17,204,750	17,063,575	16,996,106
Intergovernmental	5,711,643	8,086,289	6,615,673	7,616,698	8,946,041
Other receivables	2,826,135	216,895	1,413,776	208,491	1,010,848
Due from other funds	457,186	518,528	5,039,386	8,423,416	4,415,552
Advances to other funds	-	-	-	6,200,000	5,500,000
Investments	20,068,247	19,789,289	21,370,819	20,050,109	19,019,245
Other assets	<u>296,598</u>	<u>365,856</u>	<u>364,447</u>	<u>409,914</u>	<u>273,661</u>
Total assets	\$41,407,327	\$46,058,330	\$57,277,693	\$61,347,922	\$59,878,876
Liabilities and fund balance					
Liabilities					
Accounts payable/liabilities	\$10,884,636	\$ 9,629,609	\$ 8,854,627	\$ 9,547,138	\$10,408,801
Deferred revenues	24,319,617	28,003,049	32,853,156	32,755,387	30,161,869
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	35,267,553	37,695,958	41,771,083	42,365,825	40,633,970
Fund Balance					
Reserved:					
For encumbrances	2,866,245	3,860,955	4,092,404	4,592,469	5,555,791
For inventory	22,937	-	-	-	-
For long-term advances	-	-	-	<u>6,200,000</u>	<u>5,500,000</u>
Total reserved fund balance	2,889,182	3,860,955	4,092,404	10,792,469	11,055,791
Designated:					
General Fund	3,250,592	4,501,417	-	-	-
For future contracts	-	-	-	<u>2,804,312</u>	<u>1,420,417</u>
	3,250,592	4,501,417	-	2,804,312	1,420,417
Unreserved and undesignated	-	-	<u>11,414,206</u>	<u>5,385,316</u>	<u>6,768,698</u>
Total fund balance	<u>6,139,774</u>	<u>8,362,372</u>	<u>15,506,610</u>	<u>18,982,097</u>	<u>19,244,906</u>
Total liabilities and fund balance	\$41,407,327	\$46,058,330	\$57,277,693	\$61,347,922	\$59,878,876
Operating revenues	\$462,646,616	\$458,840,376	\$442,328,318	\$408,263,643	\$389,612,700
Fund balance as percent of					
operating revenues	1.32%	1.82%	3.50%	4.65%	4.94%
Unreserved fund balance as					
percent of operating revenues ¹	-%	-%	2.58%	1.32%	2.10%

¹City Charter provides that the current year surplus or deficit must be applied to or funded in subsequent operating budgets or transferred into the "Rainy Day" Fund. The Mayor (subject to Board approval) may direct up to 75% of any budget surplus from the prior fiscal year to the "Rainy Day" Fund. The fund is not to exceed 5% of General Fund operations for the prior fiscal year, and may be used by board resolution to support expenditures in the following fiscal years.

General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2007 through 2010 have been derived from audited financial statements and are based on a GAAP basis of accounting. The Adopted Budget for 2012 and projected results for 2011 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 2011-12¹	Projected 2010-11¹	2009-10²	2008-09²	2007-08²	2006-07²
Revenues						
General property taxes	\$414,133,274	\$407,018,129	\$397,485,307	\$386,679,253	\$360,287,944	\$342,983,578
Intergovernmental	17,691,416	40,296,862	36,958,336	39,936,682	38,740,568	35,462,340
Charges for services ³	27,082,417	27,161,337	26,430,218	27,563,098	36,341,541	21,860,083
Interest and dividends	650,000	388,795	840,759	3,027,546	5,594,675	5,157,024
Other	<u>2,994,988</u>	<u>1,264,945</u>	<u>931,996</u>	<u>1,633,797</u>	<u>1,363,590</u>	<u>2,800,618</u>
Total revenues	462,552,095	476,130,068	462,646,616	458,840,376	442,328,318	408,263,643
Expenditures						
Government and community services	13,373,743	12,810,773	14,331,454	13,999,298	13,759,212	13,711,630
Administration	7,807,602	7,620,847	7,174,646	6,854,078	7,949,133	7,291,626
Legal affairs	14,735,815	11,183,426	7,545,585	12,895,688	6,987,466	4,069,511
Public health, safety & welfare	121,030,373	121,345,353	109,076,752	106,814,350	110,782,689	90,679,159
Operations	37,489,857	37,825,856	38,018,801	39,887,392	40,102,137	39,375,209
Board of Education ⁴	229,275,948	241,144,181	244,611,342	243,089,067	221,558,188	216,863,390
Debt service ⁵	-	-	-	-	-	-
Total expenditures.....	<u>423,713,338</u>	<u>431,930,436</u>	<u>420,758,580</u>	<u>423,539,873</u>	<u>401,138,825</u>	<u>371,990,525</u>
Excess of revenues over expenditures	38,838,757	44,199,632	41,888,036	35,300,503	41,189,493	36,273,118
Other financing sources (uses)						
Operating transfers in	3,760,199	2,798,495	3,715,304	2,958,679	2,531,303	3,129,801
Operating transfers out	<u>(42,598,956)</u>	<u>(44,510,323)</u>	<u>(47,825,938)</u>	<u>(45,403,420)</u>	<u>(40,379,763)</u>	<u>(39,665,728)</u>
Total other financing sources (uses)	(38,838,757)	(41,711,828)	(44,110,634)	(42,444,741)	(37,848,460)	(36,535,927)
Special and extraordinary items						
Smith House reclassification	-	-	-	-	(6,816,520)	-
State teachers' on-behalf payments	-	-	-	-	(70,000,000)	-
State teachers' on-behalf revenues	-	-	-	-	<u>70,000,000</u>	-
Total extraordinary items	-	-	-	-	(6,816,520)	-
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses	-	2,487,804	(2,222,598)	(7,144,238)	(3,475,487)	(262,809)
Fund balance, July 1		<u>6,139,774</u>	<u>8,362,372</u>	<u>15,506,610</u>	<u>18,982,097</u>	<u>19,244,906</u>
Fund balance, June 30		\$8,627,578	\$ 6,139,774	\$ 8,362,372	\$15,506,610	\$18,982,097

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 2007-08, operations of Smith House have been accounted for in the General Fund.

⁴ In fiscal year 2009, \$17,792,000 entry in BOE to record State teachers' retirement.

⁵ Debt service included in operating transfers out.

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>
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
2002	465,795,461	365,832,328	127	99,963,133
2001	460,981,000	369,659,000	125	91,322,000
2000	440,358,000	348,021,000	127	92,337,000

¹Based on the valuations completed by Hooker & Holcombe, Inc. for fiscal 2009 through 2011; 2008 is based on the valuations completed by Buck Consultants.

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 \$250,000 per claim. 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. Post retirement 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 2012, the total gross amount that is anticipated to be paid for retiree medical claims and medical and life insurance premiums is approximately \$13.2 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 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. Contributions to the fund, investment of fund assets, as well as payment of benefits from the fund commenced during fiscal year 2009. In fiscal 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 planned OPEB payment is approximately \$7.9 million representing 60% of the projected ARC. Primarily in light of the current difficult economic environment, the Board of Representatives recently approved a modification of the City’s multi-year funding plan. Pursuant to the revised plan, the City/Board of Education will fund 60% of the ARC in fiscal 2012 and 2013, 70% in fiscal 2014, 80% in fiscal 2015, 90% in fiscal 2016 and 100% in fiscal 2017. This change will afford the City some near-term financial flexibility while maintaining the City’s commitment to progressively fully fund the ARC in a reasonable time frame.

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for past four 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>
2011	\$25,623,000	63.61%	\$26,299,000
2010	19,518,000	63.10	19,473,000
2009	18,429,000	69.93	12,439,000
2008	16,006,000	57.48	6,806,000

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Excess (Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Excess (Unfunded) Liability as a Percentage of Covered Payroll
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). To date the City has not failed to meet any of its undertakings under such agreements, except for filings for the fiscal years ended 2004, 2005 and 2006 for the City of Stamford, Connecticut Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, dated October 1, 2003, and for the fiscal year ended June 30, 2006 for the City of Stamford, Connecticut Water Pollution Control System and Facility Revenue Bonds, 2006 Series, dated September 28, 2006, and to make a timely filing of material event notices with respect to such late filings. The failure to make such timely filings was promptly remedied upon discovery, and such information and material event notice were filed on May 31, 2007. The City has implemented procedures to ensure the timely filing of all future financial information.

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 December 6, 2011. 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 Frederick C. Flynn, Jr., Director of Administration, City of Stamford, Government Center, 888 Washington Boulevard, Stamford, Connecticut 06904-2152, telephone (203) 977-4182 or from Barry J. Bernabe, Vice President, Webster Bank, National Association, 185 Asylum Street, Hartford, Connecticut 06103, telephone (203) 578-2203.

The City has retained Webster Bank, National Association, Hartford Connecticut (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/ Michael A. Pavia
Michael A. Pavia
Mayor

By /s/ Frederick C. Flynn, Jr.
Frederick C. Flynn, Jr.
Director of Administration

Dated as of December 6, 2011

APPENDIX A - AUDITOR'S SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Finance of the
City of Stamford, Connecticut:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stamford, Connecticut as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stamford, Connecticut as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2010 on our consideration of the City of Stamford, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Schedule of Funding Progress for Pensions and Other Post Employment Benefits are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stamford, Connecticut's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Stamford, Connecticut. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information listed in the statistical section of the table of contents has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

December 9, 2010

City of Stamford, Connecticut
Management's Discussion and Analysis
June 30, 2010

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, 2010. Please read it in conjunction with the letter of transmittal and the City's financial statements that follow this section.

Financial Highlights

- ◆ In fiscal 2010, the City's net assets increased by \$12.7 million, or 4%, to \$344.5 million. On a government-wide basis, including all governmental activities and business-type activities but excluding a small component unit, the City's assets (\$984.4 million) exceeded its liabilities (\$639.9 million), by \$344.5 million as of June 30, 2010. Within governmental activities, net assets increased by \$15.4 million (inclusive of a prior period adjustment of \$2.5 million), while net assets in business-type activities declined by \$2.7 million. Overall, the continuing high level of net assets contributes to the City's overall financial strength.
- ◆ The City's governmental funds, which are reported on a current financial resource basis, had a combined ending fund balance of \$36.2 million, an increase of \$2.2 million from the prior fiscal year-end period.
- ◆ As of June 30, 2010, the total fund balance for the General Fund was \$6.1 million. Of this amount, \$3.3 million represented the unreserved General Fund fund balance (versus \$4.5 million at the prior year-end period). The unreserved General Fund fund balance at year-end represented 0.7% of total General Fund expenditures of \$468.6 million reported on the modified accrual basis of accounting. It is also worth noting that the General Fund fund balance was reduced by \$4.2 million in planned transfers to other funds (Rainy Day Fund and Risk Management Fund) in fiscal 2010 to increase reserves in those funds.
- ◆ The City's Rainy Day Fund was increased by \$2.2 million in fiscal year 2010 and had a balance of approximately \$7.0 million as of June 30, 2010. The Rainy Day Fund provides an additional reserve of 1% of General Fund expenditures and strengthens the City's financial flexibility by providing reserves outside of the City's General Fund.
- ◆ The City's total long-term debt (bonds and notes payable) increased by \$13.9 million to \$490.5 million in fiscal 2010. On July 30, 2009, the City issued a taxable General Obligation Bond (Clean Renewable Energy Bond) in the amount of \$2.0 million. On August 1, 2009, the City issued \$50.0 million of General Obligation Bonds (Build America Bonds) to finance capital improvement projects, of which \$10.0 million funded the Stamford Water Pollution Control Authority's ("SWPCA") capital improvement projects. The City was the first municipality in New England to issue Build America Bonds. The bonds were issued at an effective interest rate of 3.09% (including the benefit of a 35% Federal interest cost subsidy); this

interest rate represented the lowest cost of borrowing the City ever achieved. In addition, on April 14, 2010, the City issued approximately \$26.6 million in General Obligation Bonds to refund existing debt; the related net present value interest savings was approximately \$0.9 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, Custodians and Mechanics, Firefighters, and Police), achieved a combined increase in net assets of \$33.5 million, or 8.3%, in fiscal 2010 following a significant decline in asset values in the prior year, primarily due to the financial market turmoil; in the aggregate, as of June 30, 2010, these pension funds were approximately 97% 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 weak economic environment. The City also continued to implement its 5-year phase-in funding plan for OPEB costs by funding 40% of the actuarially required contribution (approximately \$2.8 million) to the OPEB trust fund in fiscal 2010.

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 are comprised 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 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 Assets presents information on all of the City's assets and liabilities, with the differences reported as net assets. Evaluating the amount and composition of the City's net assets—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 assets 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 assess the overall health of the City.

The Statement of Activities presents information showing how the City's net assets 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 only result in cash flow 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.
- ◆ Business-type activities of the City include the Stamford Water Pollution Control Authority ("SWPCA"), the E.G. Brennan Golf Course, and the Old Town Hall Redevelopment Agency ("OTHRA"). They are reported as business-type activities because the City charges a fee to customers 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 Assets and Statement of Activities) are provided on pages 20-22 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 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 Assets and the Statement of Activities) and governmental funds is described in a reconciliation following the fund financial statements.

The City of Stamford maintains 21 individual governmental funds, including the General Fund, 4 Capital Projects funds, 1 Debt Service Fund and 15 Special Revenue funds. 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 and the Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City include the 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, City Grants, School Building Use, Continuing Education, Marinas, Greater Stamford Transit District, Parking, Rainy Day, Board of Education Energy Reserve, Transportation Capital, Capital Non-Recurring, Mill River Fund, and the Debt Service Fund. Individual fund data for each of these non-major governmental funds is provided in the Combining Balance Sheets and in the Combining Statement of Revenues, Expenditures and Changes in Fund Balance.

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 Unreserved Fund Balance on a Budgetary Basis is presented on page 27.

The basic governmental fund financial statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance) are presented on pages 23 and 25 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, the E.G. Brennan Golf Course, and OTHRA. 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, including reserves for tax appeals and employee health benefits costs for 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, which is considered to be a major proprietary fund of the City. Separate information is also provided for the E.G. Brennan Golf Course and OTHRA, which are considered non-major Proprietary funds 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 basic Proprietary Fund financial statements (Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows) are presented on pages 28-30 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 statement because the City can not use these assets to finance its operations. For reporting purposes only, the over-funded portion of pension 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, Custodians and Mechanics, Firefighters, and Police), an Other Post Employment Benefits ("OPEB") trust fund, and two agency funds (Student Activity Fund and Scholarship Fund). The basic Fiduciary Fund financial statements are provided on pages 31-32 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 33-74 of this report.

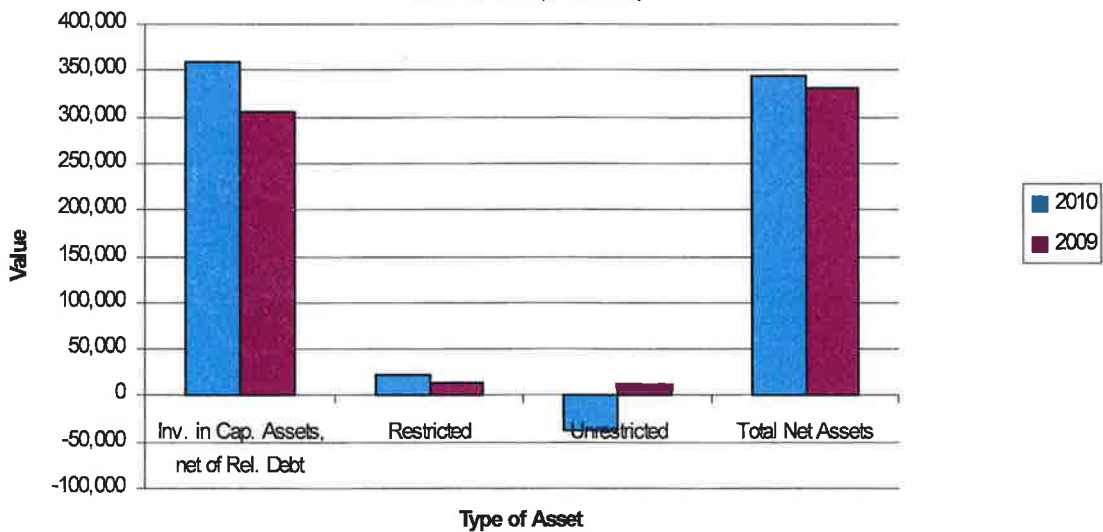
Government-Wide Financial Analysis

As noted earlier, net assets 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 case of the City, the governmental activities assets (\$795.8 million) exceeded its liabilities (\$511.6 million) by \$284.1 million at June 30, 2010.

City of Stamford
Net Assets (\$000s)

	June 30, 2010				June 30, 2009			
	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
Current assets	\$ 106,228	\$ 8,866	\$ 115,094	\$ 5,769	\$ 108,491	\$ 22,622	\$ 131,113	\$ 6,063
Non-current	23,572	8,267	31,839	-	20,874	4,708	25,582	-
Capital assets	665,953	171,549	837,502	-	618,095	163,892	781,987	-
Total Assets	795,753	188,682	984,435	5,769	747,460	191,222	938,682	6,063
Current liabilities	43,980	5,338	49,318	2,443	39,302	9,394	48,696	2,724
Long-term liabilities	467,630	122,938	590,568	-	439,507	118,701	558,208	-
Total Liabilities	511,610	128,276	639,886	2,443	478,809	128,095	606,904	2,724
Net Assets:								
Invested in capital assets, net of related debt	305,437	54,135	359,572	-	258,322	48,156	306,478	-
Restricted	13,713	8,031	21,744	-	-	13,608	13,608	-
Unrestricted	(35,007)	(1,760)	(36,767)	3,326	10,329	1,363	11,692	3,339
Total Net Assets	\$ 284,143	\$ 60,406	\$ 344,549	\$ 3,326	\$ 268,651	\$ 63,127	\$ 331,778	\$ 3,339

City of Stamford
Net Assets (\$000s)
Primary Government
2010 vs. 2009 (at June 30)



Net Assets

On a government-wide basis, excluding component units, as of June 30, 2010 the primary government's assets (\$984.4 million) exceeded its liabilities (\$639.9 million), resulting in total net assets of \$344.5 million, an increase of \$12.7 million from last fiscal year-end's net assets of \$331.8 million. Total net assets for only governmental activities at fiscal year-end were \$284.1 million, up \$15.4 million from \$268.7 million the previous year, and total net assets for business-type activities were \$60.4 million (down \$2.7 million from \$63.1 million the prior year), primarily reflecting a reduction in net assets of the SWPCA (as explained elsewhere in this report).

Unrestricted Net Assets In the government-wide financial statements for governmental activities, the assets (\$795.8 million) of the City exceeded its liabilities (\$511.6 million) at fiscal 2010 year-end by \$284.1 million. Of this amount, the unrestricted portion was a deficit of \$35.0 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. Rather, it is the result of having long-term commitments, including early retirement incentives (\$5.8 million), compensated absences (\$22.0 million), other post employment benefit ("OPEB") obligations (\$19.6 million) and judgment and claims accruals inclusive of eminent domain cases (\$4.7 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 for the first time in fiscal 2010; those restricted net assets also contributed to the unrestricted deficit mentioned above.

Net Assets Invested in Capital Assets, Net of Related Debt As expected, the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, 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 can not be used to liquidate these liabilities.

Restricted Net Assets Of the City's total net assets of \$344.5 million as of June 30, 2010, \$21.7 million, or approximately 6%, was restricted for specific uses, including \$12.2 million for debt service (reflecting funds set aside in debt service reserve accounts in accordance with indenture agreements), and \$9.5 restricted for special revenue funds (related to net assets which have 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 will have enough cash or readily liquid assets on hand to finance its short term obligations within that period. As of June 30, 2010, the City's current ratio was 2.33 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. Under this ratio, as of June 30, 2010, the City had current assets that would cover about 80% of its current liabilities, a respectable level.

Although both these liquidity ratios declined moderately from the comparable prior year period, the decline was expected, since it was attributable to the timing of the City's capital spending. The City plans to issue \$35.0 million in General Obligation Bonds in December 2010 to fund various capital projects, which will replenish the City's cash position and improve its liquidity.

The City's debt service ratio (i.e. budgeted annual debt service /General Fund expenditures) was under 10% (i.e. 9.3%) as of June 30, 2010, which is favorably considered "moderate to average" by the major rating agencies. In addition, the City's debt burden ratio of 1.12% (i.e. net debt outstanding/equalized net Grand List or $\$365.8M/\$32,681.9M= 1.12\%$) is considered "low to moderate" and compares favorably to the national median debt burden of 1.90% for AAA-rated municipalities.

Additional information regarding the City's outstanding debt and credit quality is provided on pages 61-65.

City of Stamford
Changes in Net Assets (\$000s)

	2010				2009			
	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:								
Charge for services	\$ 47,921	\$ 22,243	\$ 70,164	\$ -	\$ 50,714	\$ 20,753	\$ 71,467	\$ -
Operating grants and contributions	76,394	-	76,394	942	66,162	726	66,888	944
Capital grants and contributions	18,151	-	18,151	-	21,433	-	21,433	-
General Revenues:								
Property taxes	393,495	-	393,495	-	386,007	-	386,007	-
Grants not restricted to specific programs	6,333	-	6,333	-	9,042	-	9,042	-
Unrestricted investment earnings	1,063	139	1,202	3	3,027	241	3,268	18
Transfers Out	-	-	-	-	(4,455)	4,455	-	-
Sale of Capital Assets	-	-	-	-	2,254	-	2,254	-
Total Revenue	543,357	22,382	565,739	945	534,184	26,175	560,359	962
Expenses:								
Government and community services	19,205	-	19,205	-	16,137	-	16,137	-
Administration and legal affairs	15,938	-	15,938	-	19,180	-	19,180	-
Public safety	99,121	-	99,121	-	97,940	-	97,940	-
Health and welfare	29,615	-	29,615	-	28,044	-	28,044	-
Operations	58,656	22,877	81,533	-	74,121	22,889	97,010	-
Education	293,314	-	293,314	-	282,990	-	282,990	-
Interest	14,568	-	14,568	-	11,972	-	11,972	-
Other	-	-	-	950	-	-	-	715
Total Expenses	530,417	22,877	553,294	950	530,384	22,889	553,273	715
Special Item	-	(2,226)	(2,226)	-	-	-	-	-
Change in Net Assets	12,940	(2,721)	10,219	(5)	3,800	3,286	7,086	247
Net Assets, beginning, as restated	271,203	63,127	334,330	3,331	264,851	59,841	324,692	3,091
Net Assets, ending	\$ 284,143	\$ 60,406	\$ 344,549	\$ 3,326	\$ 268,651	\$ 63,127	\$ 331,778	\$ 3,338

Changes in Net Assets

Governmental Activities

In fiscal 2010, governmental activities increased the City's net assets by \$15.4 million; however, \$2.5 million of this amount resulted from a prior period audit adjustment (related to an asset restricted to Old Town Hall activities). Excluding this favorable accounting adjustment, the City's net assets increased by approximately \$12.9 million as a result of governmental activities.

In fiscal 2010, governmental activities' revenues were \$543.4 million, up \$9.2 million or 2% from the prior year. Revenue by source was consistent with past years and management's expectations. More than 72% of revenues in total governmental activities revenues was derived from property taxes. About 18% of revenues was derived from operating and capital grants and contributions, while about 9% came from charges for services; the remainder was derived from investment earnings and other sources (including planned transfers from other funds). As expected, the property tax levy increased over the prior year due to grand list growth. However, there was a large reduction in revenue due to cut-backs in Federal and State aid, which declined by approximately \$14.5 million from the previous year. To counter this adverse development, as planned in the City's budget, governmental expenses were reduced by \$9.2 million from the prior year; wages were substantially held to prior year levels (in part through labor contract negotiations) and other major expense areas were controlled closely to contain costs.

Business-Type Activities

In fiscal 2010, changes in the net assets of business-type activities resulted in a reduction in the City's net assets as of June 30, 2010 of \$2.7 million, primarily due to a decline in the SWPCA's net assets (reflecting impact of \$2.2 million capital asset impairment charge involving the prototype waste-to-energy project).

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, unreserved 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, 2010, the City's Governmental Funds (General Fund, Capital Projects Fund, Other Governmental funds) combined fund balance was \$36.2 million, an increase of \$2.2 million from the prior year. This increase was primarily the result of a prior period audit adjustment of \$2.5 million (as previously described) net of some miscellaneous items. Approximately \$20.1 million of the combined fund balance is reported as reserved, since it has been committed for the following purposes: \$9.9 million reserved for potential exposure on long-term accounts receivable and advances to OTHRA; \$6.8 million for debt service; and \$3.4 million to liquidate contracts and purchase orders of prior fiscal periods. The remaining \$16.1 million combined fund balance amount is unreserved.

The General Fund is the chief operating fund of the City. As of June 30, 2010, the unreserved fund balance in the General Fund was \$3.3 million and the total fund balance was \$6.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance represented 0.7% of total General Fund expenditures, as compared to 1.0% a year ago. The total fund balance represented 1.3% of total General Fund expenditures, down from 1.9% the year before. In order to strengthen the City's financial flexibility, the unreserved General Fund balances in recent years typically have been transferred to the Rainy Day Fund.

The City Charter provides that a current year surplus or deficit must be applied to or funded in subsequent operating budgets or 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 to the Rainy Day Fund. The Rainy Day Fund may not exceed 5% of General Fund operations for the prior fiscal year, and may only be used to support expenditures in the following fiscal years. During fiscal year 2010, approximately \$2.2 million was transferred from the fiscal 2009 General Fund surplus to the Rainy Day Fund, bringing the balance in the City's Rainy Day Fund to approximately \$7.0 million as of June 30, 2010.

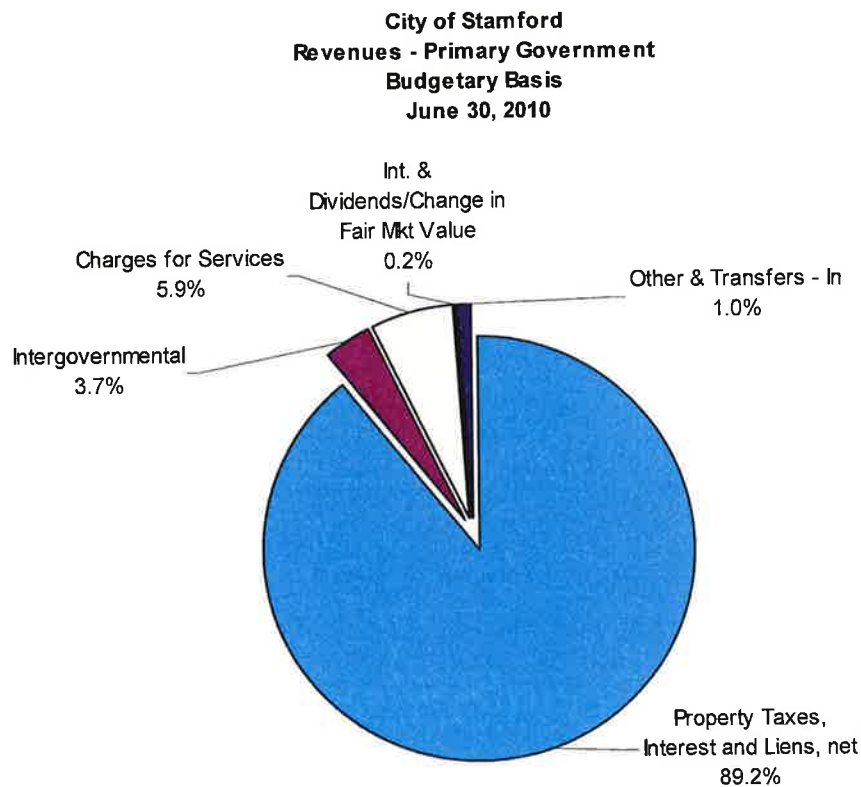
The budgetary basis fund balance of the City's General Fund decreased by \$1.2 million to \$3.3 million as of June 30, 2010; the primary factors affecting this change in fund balance were as follows:

- ◆ Planned transfers out during the year were \$4.2 million, including \$2.2 million to the Rainy Day Fund and \$2.0 million to the Internal Service Fund to increase its reserves.
- ◆ Current year (i.e. fiscal 2010) operating results (revenues less expenditures) produced an approximate \$2.0 million operating surplus. 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 98.6%, marking the ninth 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.

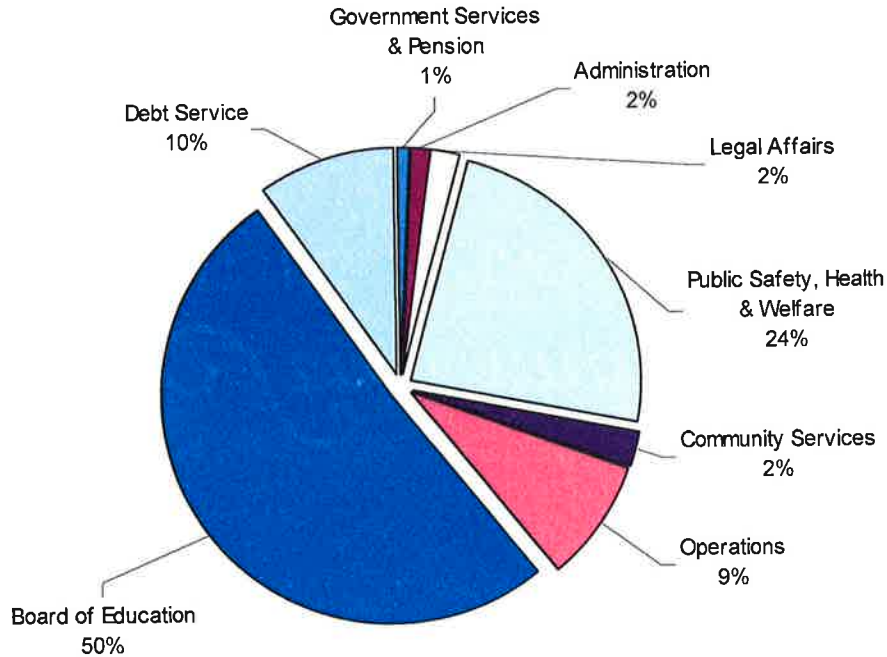
- ◆ Prior year encumbrances of \$1.0 million not liquidated within the current period were returned to the General Fund fund balance.

As of June 30, 2010, the Capital Projects Fund had a total fund balance of \$11.6 million, slightly up from \$11.4 million in the prior year. In fiscal 2010, \$52.0 million in new bonds were issued as part of the City's financing plan to finance current capital projects.

Other Governmental Funds had a total fund balance of \$18.5 million, up from \$14.3 million in the prior year. The specific funds having an increase in their respective fund balance included the Rainy Day Fund (\$2.2 million), Debt Service Fund (\$1.0 million), Mill River Fund (\$0.7 million), and Police Extra Duty Fund (\$0.6 million). The City's operating flexibility is greatly enhanced by the maintenance of these independent reserve funds that may be used to support certain General Fund expenditures. More information on Other Governmental Funds is provided on pages 84-91.



**City of Stamford
Expenditures - Primary Government
Budgetary Basis
June 30, 2010**



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

As of June 30, 2010, net assets of the SWPCA were \$53.2 million, down \$2.5 million from the comparable prior year period (mainly due to a capital asset impairment charge described elsewhere in this report). Unrestricted net assets of the SWPCA were \$6.2 million, up from \$1.1 million versus the prior year-end period. The SWPCA recorded operating revenues of \$18.3 million and operating income of approximately \$0.7 million in fiscal 2010. For more information on the SWPCA, please refer to their stand-alone audit report (which contains a detailed presentation of the SWPCA's finances for fiscal year 2010).

Net assets for the non-major Enterprise Funds totaled \$7.2 million as of June 30, 2010, as compared to \$7.4 million at the prior year-end period.

General Fund Budgetary Highlights

In fiscal 2010, the difference between the General Fund original Revenues and Other Financing Sources budget of \$439.9 million and the final amended Revenue budget of \$444.6 million was approximately \$4.7 million. The revenue budget adjustments primarily included higher property tax revenues (\$4.2 million) and higher Smith House revenues (\$0.4 million). The difference between the General Fund original Expenditures, Encumbrances and Other Uses budget of \$439.9 million and the final

amended Expenditure budget of \$448.7 million was approximately \$8.8 million. The primary expenditure budget adjustments, which were made taking certain risks and contingencies into consideration, primarily included higher Police and Fire expenditures (\$3.7 million), transfers to the Rainy Day Fund (\$2.2 million) and Risk Management Fund (\$2.0 million), and higher Smith House expenditures (\$1.4 million).

During the year, actual Revenues and Other Sources were \$445.5 million, which exceeded the final budget of \$444.6 million by approximately \$0.9 million. This favorable variance was primarily due to higher building permit fees (\$1.3 million) and intergovernmental revenues (\$0.7 million), which were partially offset by lower interest income (\$0.5 million) and lower tipping fees (\$0.4 million). During the year, actual Expenditures, Encumbrances and Other Uses were held to \$445.1 million, which compared favorably to the final budget of \$448.7 million. This \$3.6 million favorable variance was achieved through aggressive cost management within all municipal functions.

The budgetary General Fund fund balance as of June 30, 2010 was \$3.3 million. Of this amount, \$2.0 million is expected to be designated for the Rainy Day Fund and approximately \$1.3 million is expected to be designated for the Debt Service Fund.

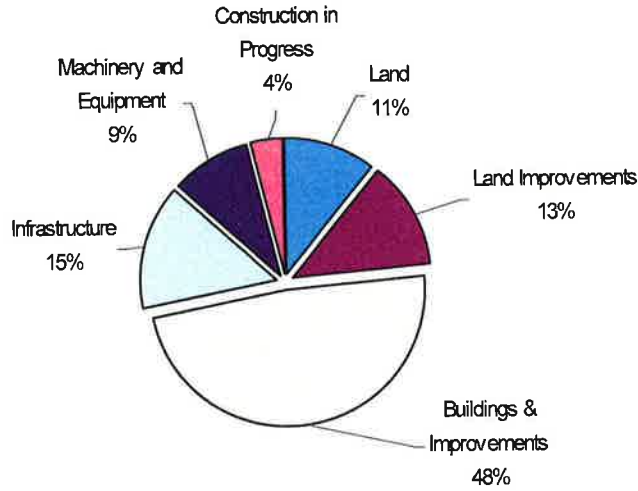
Capital Assets and Debt

Capital Assets As of June 30, 2010, the City's investment in capital assets for its governmental and business-type activities amounted to \$837.5 million (net of accumulated depreciation), an increase of \$55.6 million, or 7%, from the prior year period. This investment in capital assets includes land, building and system improvements, machinery equipment, park facilities, roads, sewers and bridges.

City of Stamford
Capital Assets (net of depreciation) (\$000s)
June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Urban Redevelopment Commission
Land	\$ 86,237	\$ 4,864	\$ 91,101	\$ 4,243
Land Improvements	103,482	2,597	106,079	-
Buildings & Improvements	314,505	87,635	402,140	-
Infrastructure	86,196	40,846	127,042	-
Machinery and Equipment	45,041	32,796	77,837	-
Construction in Progress	30,494	2,813	33,307	-
Total	\$ 665,955	\$ 171,551	\$ 837,506	\$ 4,243

City of Stamford
Capital Assets - Primary Government
June 30, 2010



Capital projects during fiscal 2010 included the following:

City of Stamford
Capital Projects
(Millions)

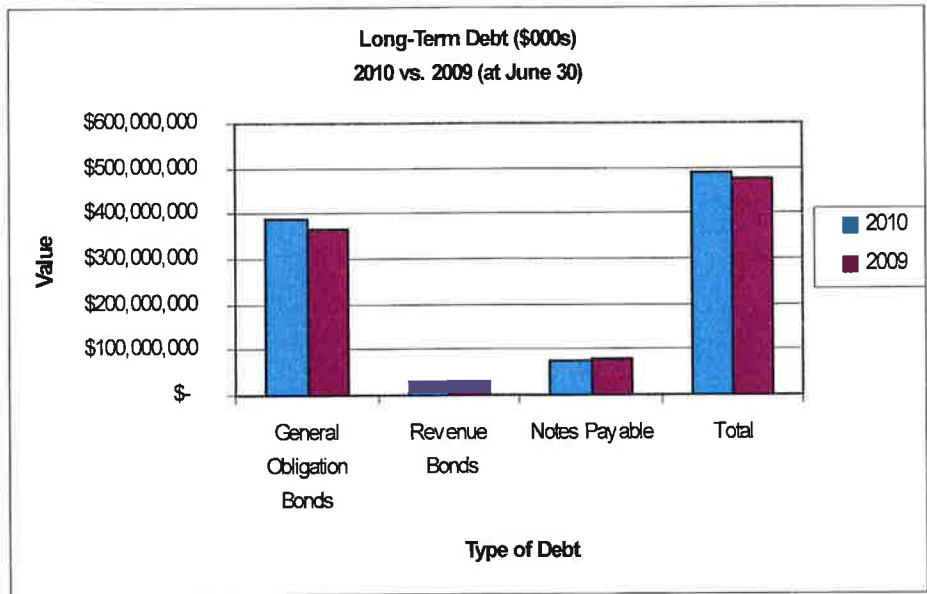
Project	Amount
Stamford Urban Transitway	\$ 11.1
School Improvements/Renovations	10.8
Mill River Park Improvements	7.3
Library Renovations	5.5
Vehicle Upgrades/Replacements	5.0
Public Water Supply	3.4
Street Resurfacing	3.0
Computer Technology Upgrades	3.0
Bridge Renovations	2.8
Radio System Upgrade	2.0
Miscellaneous	1.7
Total	\$ 55.6

Additional information on capital assets is provided in Note 3,D on pages 52-53 of this report.

Long-Term Debt As of June 30, 2010, the City had total long term debt outstanding of \$490.5 million, up \$14.2 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, 2010			June 30, 2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 365,787,488	\$ 21,952,833	\$ 387,740,321	\$ 354,642,301	\$ 13,511,662	\$ 368,153,963
Revenue Bonds	-	29,640,000	29,640,000	-	30,285,000	30,285,000
Notes Payable	2,218,596	70,853,058	73,071,654	3,386,103	74,439,204	77,825,307
Total	\$ 368,006,084	\$ 122,445,891	\$ 490,451,975	\$ 358,028,404	\$ 118,235,866	\$ 476,264,270



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). On March 19, 2010, primarily due to concerns about the City's comparatively low Rainy Day Fund, Moody's reduced the City's bond rating from Aaa to Aa1 with a "negative" outlook; Moody's revised its outlook to "stable" in May. Since that time, in conjunction with a recent planned debt refunding and also with a debt offering completed in early December, the City's bond ratings have been 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 \$2.8 billion. The City's outstanding debt of \$490.5 million as of June 30, 2010 was substantially below this statutory debt limit.

Additional information on long-term liabilities is provided in Note 3,G on pages 60-70 of this report.

Economic Factors and Subsequent Events

Despite the continuing adverse effects of the weak global economy, the Stamford economy, although impacted, held up comparatively well during fiscal 2010, primarily reflecting the strength and resilience of the City's diverse commercial and retail business mix and the community's high household income level.

For the 12-month period ended June 30, 2010, Stamford's average monthly unemployment rate was 7.7%, which compared favorably to a rate of 8.8% for the State of Connecticut and 9.8% nationally. Furthermore, in June 2010, Stamford's unemployment rate of 7.4% compared favorably to a rate of 8.8% for the State of Connecticut and 9.5% nationally. The office vacancy rate (for central business district properties) in Stamford declined from 24.1% in the first quarter of fiscal 2010 (period ended September 30, 2009) to 22.5% in the fiscal 2010 fourth quarter (ended June 30, 2010); 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 2009 estimated median household income in the Stamford Metropolitan Area was approximately \$75,700, which compared favorably to the estimated median household income in the State of Connecticut of approximately \$67,000 and nationally of approximately \$50,000.

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 2011 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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration (fflynn@ci.stamford.ct.us) at 888 Washington Boulevard, Stamford, CT 06901.

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CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Urban Redevelopment Commission
ASSETS				
Cash and equivalents	\$ 68,393,822	\$ 1,074,976	\$ 69,468,798	\$ 858,702
Investments	20,068,247	-	20,068,247	-
Restricted cash and equivalents	2,564,234	8,031,165	10,595,399	16,815
Receivables:				
Taxes, net	10,524,508	-	10,524,508	-
Accounts, net	4,698,662	-	4,698,662	-
Usage, net	-	2,431,927	2,431,927	-
Intergovernmental	10,707,834	-	10,707,834	-
Special assessments, net	-	5,942,797	5,942,797	-
Non-usage, net	-	1,331,587	1,331,587	-
Loans	7,938,712	-	7,938,712	-
Due from component unit	273,661	-	273,661	-
Due from primary government	-	-	-	650,476
Internal balances	2,016,265	(2,016,265)	-	-
Prepaid expenses	471,445	88,512	559,957	-
Inventory	49,446	9,902	59,348	-
Pension assets	1,194,000	-	1,194,000	-
Deferred charges	897,119	236,190	1,133,309	-
Land held for resale	-	-	-	4,243,190
Capital assets (net of accumulated depreciation):				
Land	86,236,981	4,863,529	91,100,510	-
Land improvements	103,482,083	2,597,264	106,079,347	-
Buildings and improvements	314,505,868	87,633,495	402,139,363	-
Machinery and equipment	44,273,593	32,796,554	77,070,147	-
Infrastructure	86,195,591	40,846,105	127,041,696	-
Works of art	767,000	-	767,000	-
Construction-in-progress	30,494,450	2,813,917	33,308,367	-
Total Assets	<u>795,753,521</u>	<u>188,681,655</u>	<u>984,435,176</u>	<u>5,769,183</u>
LIABILITIES				
Accounts payable	10,376,083	3,245,039	13,621,122	150,831
Accrued liabilities	6,855,041	197,112	7,052,153	11,065
Retainages payable	3,130,378	686,499	3,816,877	-
Accrued interest payable	5,680,329	1,003,998	6,684,327	-
Due to primary government	-	-	-	273,661
Due to component unit	650,476	-	650,476	-
Unearned revenues	17,287,317	205,022	17,492,339	351,546
Non-current liabilities:				
Due within one year	57,059,263	5,843,946	62,903,209	-
Due in more than one year	<u>410,570,792</u>	<u>117,094,178</u>	<u>527,664,970</u>	<u>1,656,000</u>
Total Liabilities	<u>511,609,679</u>	<u>128,275,794</u>	<u>639,885,473</u>	<u>2,443,103</u>
NET ASSETS				
Invested in capital assets, net of related debt	305,436,813	54,135,213	359,572,026	-
Restricted for:				
Debt service	4,178,341	8,031,165	12,209,506	-
Special revenue funds	9,535,238	-	9,535,238	-
Unrestricted	<u>(35,006,550)</u>	<u>(1,760,517)</u>	<u>(36,767,067)</u>	<u>3,326,080</u>
Total Net Assets	<u>\$ 284,143,842</u>	<u>\$ 60,405,861</u>	<u>\$ 344,549,703</u>	<u>\$ 3,326,080</u>

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

CITY OF STAMFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Governmental services	\$ 8,219,972	\$ 6,933,460	\$ 5,425,264	\$ -
Administration	8,326,847	-	355,542	-
Legal affairs	7,611,164	67,821	-	-
Public safety	99,120,956	9,351,655	366,047	11,580,659
Health and welfare	29,614,626	14,161,573	5,881,211	-
Community services	10,984,053	567,333	2,320,825	-
Operations	58,656,484	13,981,364	1,034,263	-
Education	293,313,332	2,857,468	61,010,906	6,570,529
Interest	14,567,846	-	-	-
Total Governmental Activities	530,415,280	47,920,674	76,394,058	18,151,188
Business-type activities:				
Water Pollution Control Authority	21,344,005	21,015,708	-	-
E.G. Brennan Golf Course	1,063,226	1,227,115	-	-
Old Town Hall Redevelopment Agency	469,338	-	-	-
Total Business-type Activities	22,876,569	22,242,823	-	-
Total Primary Government	\$ 553,291,849	\$ 70,163,497	\$ 76,394,058	\$ 18,151,188
Component Unit -				
Urban Redevelopment Commission	\$ 949,583	\$ 941,557	\$ -	\$ -

General Revenues:
Real property taxes
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Special item

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year, as reported

Prior Period Adjustment

Net Assets - Beginning of Year, as restated

Net Assets - End of Year

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Urban Redevelopment Commission
\$ 4,138,752	\$ -	\$ 4,138,752	\$ -
(7,971,305)	-	(7,971,305)	-
(7,543,343)	-	(7,543,343)	-
(77,822,595)	-	(77,822,595)	-
(9,571,842)	-	(9,571,842)	-
(8,095,895)	-	(8,095,895)	-
(43,640,857)	-	(43,640,857)	-
(222,874,429)	-	(222,874,429)	-
(14,567,846)	-	(14,567,846)	-
<u>(387,949,360)</u>	<u>-</u>	<u>(387,949,360)</u>	<u>-</u>
-	(328,297)	(328,297)	-
-	163,889	163,889	-
-	<u>(469,338)</u>	<u>(469,338)</u>	<u>-</u>
-	(633,746)	(633,746)	-
<u>(387,949,360)</u>	<u>(633,746)</u>	<u>(388,583,106)</u>	<u>-</u>
-	-	-	(8,026)
393,494,861	-	393,494,861	-
6,332,646	-	6,332,646	-
1,062,719	138,687	1,201,406	3,487
-	<u>(2,226,167)</u>	<u>(2,226,167)</u>	<u>-</u>
<u>400,890,226</u>	<u>(2,087,480)</u>	<u>398,802,746</u>	<u>3,487</u>
12,940,866	(2,721,226)	10,219,640	(4,539)
268,650,998	63,127,087	331,778,085	3,330,619
2,551,978	-	2,551,978	-
<u>271,202,976</u>	<u>63,127,087</u>	<u>334,330,063</u>	<u>3,330,619</u>
<u>\$ 284,143,842</u>	<u>\$ 60,405,861</u>	<u>\$ 344,549,703</u>	<u>\$ 3,326,080</u>

CITY OF STAMFORD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Equivalents	\$ 1,523,010	\$ 3,484,725	\$ 25,606,499	\$ 30,614,234
Investments	20,068,247	-	-	20,068,247
Restricted Cash	-	2,564,234	-	2,564,234
Taxes Receivable, net of allowance for uncollectible amounts	10,524,508	-	-	10,524,508
Other Receivables:				
Accounts	2,826,135	-	1,808,284	4,634,419
Loans	-	7,938,712	-	7,938,712
Intergovernmental	5,711,643	2,660,093	2,336,098	10,707,834
Due from component unit	273,661	-	-	273,661
Advances to other funds	-	2,016,265	-	2,016,265
Due from other funds	457,186	-	-	457,186
	9,268,625	12,615,070	4,144,382	26,028,077
Prepaid Expenditures	-	-	471,445	471,445
Inventories	22,937	-	26,509	49,446
Total Assets	\$ 41,407,327	\$ 18,664,029	\$ 30,248,835	\$ 90,320,191
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,244,461	\$ 2,272,505	\$ 1,719,055	\$ 10,236,021
Accrued liabilities	4,640,175	425,464	651,249	5,716,888
Retainage payable	-	3,130,378	-	3,130,378
Due to other funds	-	-	457,186	457,186
Due to component unit	63,300	194,975	392,201	650,476
Unearned revenues	8,391,790	1,045,431	7,651,550	17,088,771
Deferred revenues	15,927,827	-	909,872	16,837,699
Total Liabilities	35,267,553	7,068,753	11,781,113	54,117,419
Fund Balances:				
Reserved for encumbrances	2,866,245	-	-	2,866,245
Reserved for prepaid expenditures	-	-	471,445	471,445
Reserved for inventories	22,937	-	26,509	49,446
Reserved for debt service	-	-	6,810,378	6,810,378
Reserved for advances	-	2,016,265	-	2,016,265
Reserved for loans and accounts receivable	-	7,938,712	-	7,938,712
Unreserved, reported in:				
General Fund	3,250,592	-	-	3,250,592
Special Revenue Funds	-	-	9,037,284	9,037,284
Capital Projects Fund	-	1,640,299	2,122,106	3,762,405
Total Fund Balances	6,139,774	11,595,276	18,467,722	36,202,772
Total Liabilities and Fund Balances	\$ 41,407,327	\$ 18,664,029	\$ 30,248,835	\$ 90,320,191

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

CITY OF STAMFORD, CONNECTICUT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
 JUNE 30, 2010

Fund Balances - Total Governmental Funds	<u>\$ 36,202,772</u>
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>665,955,566</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 assets.	<u>6,546,179</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>897,119</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	9,429,783
Departmental income	7,407,916
Pension assets	<u>1,194,000</u>
	<u>18,031,699</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(5,680,329)
Bonds payable	(374,008,277)
Notes payable	(2,218,596)
Capital leases	(641,299)
Claims payable	(7,871,794)
Early retirement incentive	(5,832,418)
Compensated absences	(22,073,780)
Pollution remediation obligation	(5,450,000)
Net pension obligation	(72,000)
Other post employment benefit obligations payable	<u>(19,641,000)</u>
	<u>(443,489,493)</u>
Net Assets of Governmental Activities	<u>\$ 284,143,842</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, 2010

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 397,485,307	\$ -	\$ 1,573,884	\$ 399,059,191
Intergovernmental	36,958,336	21,669,435	42,812,730	101,440,501
Charges for services	26,430,218	-	20,753,290	47,183,508
Interest, dividends and investment income	840,759	120,480	-	961,239
Other	931,996	1,789,811	233,831	2,955,638
Total Revenues	<u>462,646,616</u>	<u>23,579,726</u>	<u>65,373,735</u>	<u>551,600,077</u>
EXPENDITURES				
Current:				
Government services	3,430,030	-	3,621,678	7,051,708
Administration	7,174,646	-	-	7,174,646
Legal affairs	7,545,585	-	-	7,545,585
Public safety	87,604,835	-	12,328,586	99,933,421
Health and welfare	21,471,917	-	5,568,769	27,040,686
Community services	10,901,424	-	-	10,901,424
Operations	38,018,801	-	2,975,346	40,994,147
Board of Education	244,611,342	-	33,239,562	277,850,904
Debt service:				
Principal	-	-	28,954,990	28,954,990
Interest	-	-	14,374,187	14,374,187
Refunding bond issuance costs	-	-	265,562	265,562
Capital outlay	-	70,232,798	-	70,232,798
Total Expenditures	<u>420,758,580</u>	<u>70,232,798</u>	<u>101,328,680</u>	<u>592,320,058</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>41,888,036</u>	<u>(46,653,072)</u>	<u>(35,954,945)</u>	<u>(40,719,981)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,715,304	2,300,000	47,663,243	53,678,547
Transfers out	(47,825,938)	-	(7,852,609)	(55,678,547)
Sale of real property	-	-	72,500	72,500
Bonds issued	-	42,000,000	-	42,000,000
Refunded bonds issued	-	-	26,580,000	26,580,000
Issuance premium	-	-	4,153,382	4,153,382
Payment to refunded bond escrow agent	-	-	(30,467,820)	(30,467,820)
Total Other Financing Sources (Uses)	<u>(44,110,634)</u>	<u>44,300,000</u>	<u>40,148,696</u>	<u>40,338,062</u>
Net Change in Fund Balances	<u>(2,222,598)</u>	<u>(2,353,072)</u>	<u>4,193,751</u>	<u>(381,919)</u>
Fund Balances - Beginning of Year, as reported	8,362,372	11,396,370	14,273,971	34,032,713
Prior Period Adjustment	-	2,551,978	-	2,551,978
Fund Balances - Beginning of Year, as restated	<u>8,362,372</u>	<u>13,948,348</u>	<u>14,273,971</u>	<u>36,584,691</u>
Fund Balances - End of Year	<u>\$ 6,139,774</u>	<u>\$ 11,595,276</u>	<u>\$ 18,467,722</u>	<u>\$ 36,202,772</u>

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

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, 2010

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

Net Change in Fund Balances - Total Governmental Funds	\$ (381,919)
<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	74,420,159
Depreciation expense	<u>(26,560,179)</u>
	<u>47,859,980</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	(5,564,330)
Departmental income	<u>(2,781,081)</u>
	<u>(8,345,411)</u>
Change in pension assets	<u>(26,000)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Bonds issued	(42,000,000)
Refunding bonds issued	(26,580,000)
Issuance premium	(4,153,382)
Payment to refunded bond escrow agent	30,467,820
Refunding bond issuance costs	265,562
Principal paid on bonds	28,359,813
Principal paid on notes	1,167,507
Principal paid on capital leases	240,967
Amortization of loss on refunding bonds and issuance premium	<u>765,955</u>
	<u>(11,465,758)</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	(1,092,201)
Claims	258,996
Early retirement incentive	(2,509,537)
Compensated absences	(5,207,818)
Pollution remediation obligation	550,000
Other post employment benefit obligations	<u>(7,333,000)</u>
	<u>(15,333,560)</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>633,534</u>
Change in Net Assets of Governmental Activities	<u>\$ 12,940,866</u>

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

CITY OF STAMFORD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes, interest, liens and contingency	\$ 393,563,674	\$ 397,770,181	\$ 397,485,307	\$ (284,874)
Intergovernmental	15,605,417	15,605,417	16,273,213	667,796
Charges for services	24,351,435	24,775,449	26,214,571	1,439,122
Interest and dividends	1,700,000	1,700,000	1,198,156	(501,844)
Change in fair market value	-	-	(357,397)	(357,397)
Other	973,059	1,001,059	931,996	(69,063)
Total Revenues	436,193,585	440,852,106	441,745,846	893,740
EXPENDITURES				
Current:				
Government services	3,451,158	3,613,008	3,287,111	325,897
Administration	7,373,822	7,310,475	7,119,338	191,137
Legal affairs	7,514,034	7,676,428	7,547,581	128,847
Public safety	84,496,976	87,947,326	87,589,325	358,001
Health and welfare	17,486,062	18,924,855	18,839,148	85,707
Community services	10,901,583	10,901,583	10,901,424	159
Operations	39,146,273	38,654,754	38,003,322	651,432
Board of Education - Operating	225,432,389	225,432,389	225,261,594	170,795
Board of Education - Severance payments	-	-	1,324,548	(1,324,548)
Total Expenditures	395,802,297	400,460,818	399,873,391	587,427
Revenues Over Expenditures	40,391,288	40,391,288	41,872,455	1,481,167
OTHER FINANCING SOURCES (USES)				
Transfers in	3,715,304	3,715,304	3,715,304	-
Transfers out - Debt Service Fund	(44,106,592)	(44,106,592)	(43,651,921)	454,671
Total Other Financing Uses	(40,391,288)	(40,391,288)	(39,936,617)	454,671
Revenues Over Expenditures, Encumbrances and Other Financing Uses	-	-	1,935,838	1,935,838
Use of Fund Balance	-	4,174,017	-	(4,174,017)
Transfers out - Other funds	-	(4,174,017)	(4,174,017)	-
Change in Fund Balance	\$ -	\$ -	(2,238,179)	\$ (2,238,179)
Budgetary Fund Balance - Beginning of Year			4,501,417	
Return of Prior Year Encumbrances			1,010,291	
Budgetary Fund Balance - End of Year			\$ 3,273,529	

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Pollution Control Authority	Non-Major Enterprise Funds	Totals	
ASSETS				
Current Assets:				
Cash and equivalents	\$ 457,031	\$ 617,945	\$ 1,074,976	\$ 37,779,588
Receivables:				
Accounts	-	-	-	64,243
Usage, net	2,431,927	-	2,431,927	-
Special assessments and connection charges, net	579,348	-	579,348	-
Non - Usage, net	1,331,587	-	1,331,587	-
Prepaid expense	-	88,512	88,512	-
Inventory	9,902	-	9,902	-
Total Current Assets	4,809,795	706,457	5,516,252	37,843,831
Noncurrent Assets:				
Restricted cash	7,676,929	354,236	8,031,165	-
Receivables - Special assessments and connection charges - noncurrent, net	5,363,449	-	5,363,449	-
Deferred charges	236,190	-	236,190	-
Capital assets:				
Land	2,833,278	2,030,251	4,863,529	-
Land improvements	1,083,988	1,874,725	2,958,713	-
Buildings and improvements	81,023,643	16,687,952	97,711,595	-
Machinery and equipment	69,473,554	514,147	69,987,701	-
Infrastructure	59,934,349	-	59,934,349	-
Construction-in-progress	2,813,917	-	2,813,917	-
	217,162,729	21,107,075	238,269,804	-
Less - Accumulated depreciation	(65,763,541)	(955,399)	(66,718,940)	-
Total Capital Assets, net of accumulated depreciation	151,399,188	20,151,676	171,550,864	-
Total Noncurrent Assets	164,675,756	20,505,912	185,181,668	-
Total Assets	169,485,551	21,212,369	190,697,920	37,843,831
LIABILITIES				
Current Liabilities:				
Accounts payable	2,702,572	542,467	3,245,039	140,062
Accrued liabilities	154,793	42,319	197,112	1,138,153
Retainage payable	-	686,499	686,499	-
Accrued interest payable	831,916	172,082	1,003,998	-
Advances from other funds	-	2,016,265	2,016,265	-
Unearned revenues	205,022	-	205,022	198,546
Claims payable	-	-	-	17,971,362
Current maturities of bonds payable	2,115,129	40,044	2,155,173	-
Current maturities of notes payable	3,654,901	-	3,654,901	-
Compensated absences	30,841	3,031	33,872	-
Total Current Liabilities	9,695,174	3,502,707	13,197,881	19,448,123
Noncurrent Liabilities:				
Claims payable	-	-	-	11,849,529
Bonds payable, less current maturities	49,258,897	332,272	49,591,169	-
Notes payable, less current maturities	57,015,781	10,182,376	67,198,157	-
Compensated absences	277,573	27,279	304,852	-
Total Noncurrent Liabilities	106,552,251	10,541,927	117,094,178	11,849,529
Total Liabilities	116,247,425	14,044,634	130,292,059	31,297,652
NET ASSETS				
Invested in capital assets, net of related debt	44,538,229	9,596,984	54,135,213	-
Restricted for debt service	7,676,929	354,236	8,031,165	-
Unrestricted	1,022,968	(2,783,485)	(1,760,517)	6,546,179
Total Net Assets	\$ 53,238,126	\$ 7,167,735	\$ 60,405,861	\$ 6,546,179

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Pollution Control Authority	Non-Major Enterprise Funds	Totals	
Operating Revenues:				
Charges for services	\$ 16,928,676	\$ 1,227,115	\$ 18,155,791	\$ 77,883,467
Miscellaneous	1,323,594	-	1,323,594	2,572,746
Total Operating Revenue	<u>18,252,270</u>	<u>1,227,115</u>	<u>19,479,385</u>	<u>80,456,213</u>
Operating Expenses:				
Salaries	3,138,466	590,890	3,729,356	242,136
Employee benefits	1,082,898	106,622	1,189,520	70,027,947
Operations and supplies	7,070,504	425,952	7,496,456	565,443
Insurance	-	-	-	3,338,961
Judgments and claims	-	-	-	7,749,672
Depreciation and amortization	6,288,177	324,883	6,613,060	-
Total Operating Expenses	<u>17,580,045</u>	<u>1,448,347</u>	<u>19,028,392</u>	<u>81,924,159</u>
Income (Loss) from Operations	<u>672,225</u>	<u>(221,232)</u>	<u>450,993</u>	<u>(1,467,946)</u>
Non-Operating Revenues (Expenses):				
Interest income	104,324	34,363	138,687	101,480
Interest expense	(3,763,960)	(84,217)	(3,848,177)	-
Special assessments and connection charges	2,763,438	-	2,763,438	-
Total Non-Operating Revenues (Expenses)	<u>(896,198)</u>	<u>(49,854)</u>	<u>(946,052)</u>	<u>101,480</u>
Loss Before Transfers and Special Item	<u>(223,973)</u>	<u>(271,086)</u>	<u>(495,059)</u>	<u>(1,366,466)</u>
Transfers In	-	-	-	2,000,000
Special Item	<u>(2,226,167)</u>	<u>-</u>	<u>(2,226,167)</u>	<u>-</u>
Change in Net Assets	<u>(2,450,140)</u>	<u>(271,086)</u>	<u>(2,721,226)</u>	<u>633,534</u>
Net Assets - Beginning of Year	<u>55,688,266</u>	<u>7,438,821</u>	<u>63,127,087</u>	<u>5,912,645</u>
Net Assets - End of Year	<u>\$ 53,238,126</u>	<u>\$ 7,167,735</u>	<u>\$ 60,405,861</u>	<u>\$ 6,546,179</u>

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Pollution Control Authority	Non-Major Enterprise Funds	Totals	
Cash Flows From Operating Activities:				
Cash received from customers and users	\$ 18,250,653	\$ 1,227,115	\$ 19,477,768	\$ 80,984,172
Cash payments to employees	(3,111,454)	(692,512)	(3,803,966)	(8,086,535)
Cash payments to suppliers	(10,976,378)	(528,735)	(11,505,113)	(3,834,332)
Cash payments for benefits and claims	(1,082,898)	-	(1,082,898)	(67,726,874)
Net Cash Provided by Operating Activities	3,079,923	5,868	3,085,791	1,336,431
Cash Flows From Capital and Related Financing Activities:				
Bonds issued	10,408,000	-	10,408,000	-
Principal paid on debt	(6,156,821)	(41,154)	(6,197,975)	-
Acquisition and construction of capital assets	(5,456,539)	(9,451,929)	(14,908,468)	-
Interest paid on debt	(3,370,291)	(37,522)	(3,407,813)	-
Special assessments and connection charges	1,528,167	-	1,528,167	-
Transfers in	-	-	-	11,697,886
Transfers out	-	-	-	(9,697,886)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,047,484)	(9,530,605)	(12,578,089)	2,000,000
Cash Flows From Investing Activities -				
Interest income	104,324	87,479	191,803	101,480
Net Increase (Decrease) in Cash and Equivalents	136,763	(9,437,258)	(9,300,495)	3,437,911
Cash and Equivalents - Beginning of Year	7,997,197	10,409,439	18,406,636	34,341,677
Cash and Equivalents - End of Year	\$ 8,133,960	\$ 972,181	\$ 9,106,141	\$ 37,779,588
Reconciliation of Income (Loss) from Operations to Net Cash Provided by Operating Activities:				
Income (loss) from operations	\$ 672,225	\$ (221,232)	\$ 450,993	\$ (1,467,946)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:				
Provision for doubtful accounts	125,000	-	125,000	-
Depreciation	6,288,177	324,883	6,613,060	-
Changes in operating assets and liabilities:				
Accounts receivable	(84,799)	-	(84,799)	329,413
Prepaid expenses	-	(88,512)	(88,512)	-
Accounts payable	(3,999,933)	(14,039)	(4,013,972)	60,959
Accrued liabilities	(3,929)	4,768	839	656,095
Claims payable	-	-	-	1,559,364
Unearned revenues	83,182	-	83,182	198,546
Net Cash Provided by Operating Activities	\$ 3,079,923	\$ 5,868	\$ 3,085,791	\$ 1,336,431

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2010

	Agency Fund	Trust Funds
ASSETS		
Cash	\$ 890,040	\$ 2,655,042
Investments, at fair value:		
Cash equivalents	-	18,807,629
U.S. government obligations	-	20,597,273
Corporate bonds	-	26,151,097
Common and preferred equities	-	115,758,924
Common/collective trusts	-	80,819,687
Mutual funds	-	143,456,668
Term asset-backed securities loan facility	-	57,881,106
Alternative investments/Hedge funds	-	26,373,793
	-	489,846,177
Accrued interest and dividends	-	966,530
Total Assets	890,040	493,467,749
LIABILITIES		
Due to student groups	890,040	-
Term asset-backed securities loan facility financing	-	52,330,764
Other	-	490,113
Total Liabilities	890,040	52,820,877
NET ASSETS		
Held in Trust for Pension Benefits (Schedules of funding progress for the plans are presented in the Required Supplementary Information)	\$ -	\$ 440,646,872

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
TRUST FUNDS
JUNE 30, 2010

	<u>Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 18,267,673
Plan members	<u>8,815,522</u>
Total Contributions	<u>27,083,195</u>
Investment Income:	
Net change in fair value of investments	46,959,188
Interest and dividends	<u>8,886,754</u>
	55,845,942
Less - Investment management fees	<u>2,183,760</u>
Net Investment Income	<u>53,662,182</u>
Total Additions	80,745,377
DEDUCTIONS	
Pension benefits	<u>44,220,398</u>
Change in Net Assets	36,524,979
Net Assets - Beginning of Year	<u>404,121,893</u>
Net Assets - End of Year	<u><u>\$ 440,646,872</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 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 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 Assets 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 Assets 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance 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 operating fund of the City in that it includes all revenues and expenditures not required by law or management to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

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

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The 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

Note 1 - Summary of Significant Accounting Policies (Continued)

primarily of low and moderate income residents with emphasis on rehabilitation of existing housing and creation of new housing.

Board of Education Food Service Program Fund – The Board of Education Food Service Program Fund is used to account for the operation of the Board of Education’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 Board of Education 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 reserves. 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.

Mill River Fund – The Mill River 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.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

Note 1 - Summary of Significant Accounting Policies (Continued)

- 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 Water Pollution Control Authority are recorded as a major enterprise fund. The operations of the OTHRA and the E.G. Brennan Golf Course are recorded as non-major Enterprise funds. The City has established its City Medical, Board of Education Medical, Risk Management and 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 reports.

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 and 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, capital leases, 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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 Assets. Operating statements present increases (revenues) and decreases (expenses) in net total assets. 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 and Net Assets 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Cash and Equivalents - Certain assets are classified as restricted because their use is limited. Restricted cash and equivalents in the Capital Projects Fund 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. 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.

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 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 are recorded and revenues recognized as earned. The loans have various interest rates and maturities.

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of certain costs related to the food service program at the Board of Education 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 in governmental funds are equally offset by a reservation of 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 a reservation of 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 a fund balance reserve in the fund financial statements, which

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2010, 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.

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	40-50
Land improvements	20-40
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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	\$ 8,391,790	\$ 9,429,783
School construction receivable	-	4,982,301
Miscellaneous	-	1,515,743
Capital Projects Fund -		
Grants	1,045,431	-
Non-Major Governmental Funds:		
Town highway	221,055	-
Drug asset forfeiture	304,969	-
Police extra duty	-	108,116
Educational grants programs	5,189,790	-
Other grants programs	1,634,278	-
Parking	-	801,756
Debt service	301,458	-
Total Governmental Funds	<u>17,088,771</u>	<u>16,837,699</u>
Enterprise Fund -		
Water Pollution Control Authority	<u>205,022</u>	<u>-</u>
Internal Service Funds:		
City Medical	16,060	-
Board of Education Medical	<u>182,486</u>	<u>-</u>
Total Internal Service Funds	<u>198,546</u>	<u>-</u>
Total Primary Government	<u>\$ 17,492,339</u>	<u>\$ 16,837,699</u>

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 Assets. 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 Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their 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 assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, inventories, debt service, advances and loans and accounts receivable represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use. Designations also include a provision of the City Charter which specifies an amount required to be designated.

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 reservations of fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and liabilities 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.

H. Reclassifications

Certain reclassifications have been made to the employee benefits expense reported in the City Medical Internal Service Fund. In prior years, certain contributions from employees and retirees were netted against the expense. In the current year, these amounts were presented on the gross basis of accounting.

I. 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 December 9, 2010.

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 Board of Education'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 Board of Education.
- 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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, 2010, there was approximately \$4,600,000 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 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	\$ 445,461,150
On-behalf payments, paid directly by the State of Connecticut to the Teachers' Retirement System, not recognized for budgetary purposes	18,211,000
On-behalf payments, paid directly by the Department of Public Health to WIC and HIV recipients, not recognized for budgetary purposes	<u>2,689,770</u>
Revenues and other financing sources, GAAP basis	<u>\$ 466,361,920</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

Note 2 - Stewardship, Compliance and Accountability (Continued)

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	\$ 447,699,329
Encumbrances and continued appropriations:	
June 30, 2010	(2,610,590)
June 30, 2009	2,595,009
On-behalf payments, paid directly by the State of Connecticut to the Teachers' Retirement System not recognized for budgetary purposes	18,211,000
On-behalf payments, paid directly by the Department of Public Health to WIC and HIV recipients, not recognized for budgetary purposes	<u>2,689,770</u>
Expenditures and other financing uses, GAAP basis	<u>\$ 468,584,518</u>

B. Prior Period Adjustment

During the 2010 fiscal year, the City determined that certain cash balances relating to the sale of the Old Town Hall were not reflected on the books of the Capital Projects Fund. Accordingly, a prior period adjustment of \$2,551,978 has been reflected in the fund financial statements and in the government-wide financial statements.

C. Special Item

During the 2010 fiscal year, City management determined that certain previously capitalized costs related to a waste water management feasibility project accounted for in the Water Pollution Control Authority enterprise fund would not proceed as planned. Accordingly, the accumulated costs of \$2,226,167 have been removed from the capital assets of the Water Pollution Control Authority enterprise fund and the amount reflected as a special item, since the decision was subject to management control.

D. Fund Deficit

The Disputed Assessments Fund has an unrestricted deficit of \$900,000 at June 30, 2010. The City plans to address this deficit in the subsequent year.

E. Expenditures in Excess of Budget

The Board of Education – Severance payments expenditure category within the General Fund exceeded its budgetary provision by \$1,324,548.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2010

Note 3 - Detailed Notes on All Funds

A. Deposits and Investments

Cash and investments of the City consist of the following at June 30, 2010:

Cash and Equivalents:

Deposits with financial institutions	\$ 82,124,676
State of Connecticut Short-Term Investment Fund	1,087,220
Tax Exempt Proceeds Fund	<u>1,272,900</u>

Total Cash and Equivalents	<u>\$ 84,484,796</u>
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Investments:

General Fund:

U.S. Government Obligations	\$ 7,455,425 *
U.S. Government Agency Securities	<u>12,612,822 *</u>

Total General Fund Investments	<u>20,068,247</u>
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Pension Trust Funds:

Money Market Funds	18,807,629
U.S. Government Obligations	20,597,273 *
Corporate Bonds	26,151,097 *
Common and Preferred Stocks	115,758,924 *
Common/Collective Trusts	80,819,687
Mutual Funds	143,456,668
Term Asset-Backed Securities Loan Facility	57,881,106
Alternative Investments/Hedge Funds	<u>26,373,793</u>

Total Pension Investments	<u>489,846,177</u>
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Total Investments	<u>509,914,424</u>
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Total Cash and Equivalents and Investments	<u>\$ 594,399,220</u>
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*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.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

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

Statement of Net Assets

Cash and equivalents	\$ 70,327,500
Restricted cash	10,612,214
Investments	<u>20,068,247</u>
	<u>101,007,961</u>

Fiduciary Funds

Cash and equivalents	3,545,082
Investments	<u>489,846,177</u>
Total Pension Investments	<u>493,391,259</u>
Total Cash and Investments	<u>\$ 594,399,220</u>

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, 2010, \$45,969,146 of the City's bank balance of \$78,268,306 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 45,969,146</u>
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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	\$ 2,360,120	\$ 2,360,120	\$ -	\$ -	\$ -
U.S. Government Agencies	12,612,822	12,612,822	-	-	-
U.S. Government Obligations	28,052,698	1,178,591	19,117,400	5,097,183	2,659,524
Corporate Bonds	<u>26,151,097</u>	<u>697,654</u>	<u>8,599,354</u>	<u>11,561,102</u>	<u>5,292,987</u>
Total	<u>\$ 69,176,737</u>	<u>\$ 16,849,187</u>	<u>\$ 27,716,754</u>	<u>\$ 16,658,285</u>	<u>\$ 7,952,511</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.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Average Rating	Corporate Bonds	U.S. Government Agency	Pooled Income Fund
AAA	\$ 2,245,608	\$ 12,612,822	\$ 2,360,120
AA1	374,785	-	-
AA2	1,062,907	-	-
AA3	923,043	-	-
A1	3,018,769	-	-
A2	1,888,663	-	-
A3	2,674,858	-	-
BAA1	1,858,803	-	-
BAA2	3,319,688	-	-
BAA3	943,055	-	-
BA1	207,810	-	-
BA2	366,506	-	-
BA3	426,256	-	-
B1	1,788,188	-	-
B2	1,329,680	-	-
B3	2,569,350	-	-
BBB1	194,528	-	-
CAA1	545,375	-	-
CAA2	73,438	-	-
Unrated	339,787	-	-
	<u>\$ 26,151,097</u>	<u>\$ 12,612,822</u>	<u>\$ 2,360,120</u>

Concentration of Credit Risk - The City's and the 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.

The following represents the investments in each respective Plan that represents more than 5% of the respective Plan's net assets as of June 30, 2010:

Police Pension Trust Fund

Lazard US Small - Midcap Equity	\$ 14,717,580
Loomis Core Plus Full Discretion TR C	9,236,775
SSGA S&P 500 Flagship (CM11)	9,491,788
Hildene Opportunities Offshore Fund	11,905,537

Custodians' and Mechanics' Retirement Fund

SSGA Russell 1000 Index SL	11,807,700
GMD Global Bal Asset Alloc FD III	8,020,242
Metropolitan West	4,815,446
Aggregate Bond Fund EB	4,500,524
Templeton Foreign Equity Series	4,223,801
Pimco All Asset FD Instl CI	2,898,012

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Classified Employees' Retirement Fund

GMO Global Bal Asset Alloc FD III	\$ 18,139,437
Pimco All Asset FD Instl CI	17,650,187
EB Aggregate Bond Index FD	15,386,399
SSGA Russell 1000 Index SL	13,263,053
Hartford Institutional Trust	14,913,060
Metropolitan West	15,668,940

Firefighters' Pension Trust Fund

Post Access LTD Class D	6,230,869
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OPEB

Vanguard Total Bond Market Index Signal	1,843,949
Vanguard 500 Index Signal	1,335,719
Vanguard International Growth Fund - Admiral	273,938
Vanguard International VA IV	252,947
Vanguard EXT Market Index Fund	198,589

B. Taxes Receivable

Taxes receivable at June 30, 2010 consisted of the following:

Property taxes - Current	\$ 5,876,340
Property taxes - Delinquent	10,648,168
Property taxes - Collection agency	<u>9,443,280</u>
	25,967,788
Allowance for uncollectible amounts	<u>(15,443,280)</u>
	<u>\$ 10,524,508</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$9,429,783, 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, 2010 were as follows:

Fund	Due From	Due To
General	\$ 457,186	\$ -
Non-Major Governmental	<u>-</u>	<u>457,186</u>
	<u>\$ 457,186</u>	<u>\$ 457,186</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

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, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 79,092,012	\$ 7,144,969	\$ -	\$ 86,236,981
Construction-in-progress	81,345,906	31,997,468	82,848,924	30,494,450
Works of art	767,000	-	-	767,000
Total Capital Assets, not being depreciated	\$ 161,204,918	\$ 39,142,437	\$ 82,848,924	\$ 117,498,431
Capital Assets, being depreciated:				
Land improvements	\$ 99,214,214	\$ 22,870,390	\$ 74,645	\$ 122,009,959
Buildings and improvements	489,085,611	47,080,935	-	536,166,546
Machinery and equipment	80,774,817	13,525,760	2,166,011	92,134,566
Infrastructure	187,669,091	34,649,561	-	222,318,652
Total Capital Assets being depreciated	856,743,733	118,126,646	2,240,656	972,629,723
Less Accumulated Depreciated for:				
Land improvements	14,131,619	4,470,902	74,645	18,527,876
Buildings and improvements	211,198,699	10,461,979	-	221,660,678
Machinery and equipment	45,911,816	4,115,168	2,166,011	47,860,973
Infrastructure	128,610,931	7,512,130	-	136,123,061
Total Accumulated Depreciation	399,853,065	26,560,179	2,240,656	424,172,588
Total Capital Assets, being depreciated, net	456,890,668	91,566,467	-	548,457,135
Governmental Activities Capital Assets, net	\$ 618,095,586	\$ 130,708,904	\$ 82,848,924	\$ 665,955,566

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 4,863,529	\$ -	\$ -	\$ 4,863,529
Construction-in-progress	7,175,564	3,971,552	8,333,199	2,813,917
Total Capital Assets, not being depreciated	<u>\$ 12,039,093</u>	<u>\$ 3,971,552</u>	<u>\$ 8,333,199</u>	<u>\$ 7,677,446</u>
Capital Assets, being depreciated:				
Land improvements	\$ 1,565,766	\$ 1,392,947	\$ -	\$ 2,958,713
Buildings and improvements	81,481,370	16,230,225	-	97,711,595
Machinery and equipment	69,643,596	344,105	-	69,987,701
Infrastructure	59,268,091	666,258	-	59,934,349
Total Capital Assets being depreciated	<u>211,958,823</u>	<u>18,633,535</u>	<u>-</u>	<u>230,592,358</u>
Less Accumulated Depreciated for:				
Land improvements	241,771	119,678	-	361,449
Buildings and improvements	8,042,673	2,035,427	-	10,078,100
Machinery and equipment	33,620,324	3,570,823	-	37,191,147
Infrastructure	18,201,112	887,132	-	19,088,244
Total Accumulated Depreciation	<u>60,105,880</u>	<u>6,613,060</u>	<u>-</u>	<u>66,718,940</u>
Total Capital Assets, being depreciated, net	<u>151,852,943</u>	<u>12,020,475</u>	<u>-</u>	<u>163,873,418</u>
Business-type Activities Capital Assets, net	<u>\$ 163,892,036</u>	<u>\$ 15,992,027</u>	<u>\$ 8,333,199</u>	<u>\$ 171,550,864</u>

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

Governmental Activities:	
General Services	\$ 673,418
Administration	1,099,738
Public safety, health and welfare	2,430,978
Operations	11,093,175
Education	11,262,870
Total Depreciation Expense - Governmental Activities	<u>\$ 26,560,179</u>
Business-type Activities:	
Water Pollution Control Authority	\$ 6,288,177
Old Town Hall Redevelopment Agency	258,698
E.G. Brennan Golf Course	66,185
Total Depreciation Expense - Business-type Activities	<u>\$ 6,613,060</u>

Note 3 - Detailed Notes on All Funds (Continued)

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 Controllers 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 3% of their annual salary until they have reached 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.

Firefighters' and Police 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 in the case of the firefighters' plan and 10 years of service for the police plan. 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, firefighters' 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. For police, 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% and firefighters contribute 6.25% of their annual salary. Individuals employed 32 years or more in the fire and 30 years or more in the police departments are not required to contribute to the plan. The Plan allows employees to exchange sick and vacation leave for up to 7.5% additional pension credit (1.5% per 20 days). Interest is not credited to the employees' contribution for either of these pension plans.

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 equal 2.25% of final salary for each year of service, up to a maximum pension of 74.25% of final salary. The employees contribute 7% of their

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010**Note 3 - Detailed Notes on All Funds (Continued)**

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 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	\$ 2,326,000	\$ 2,305,000	\$ 406,000	\$ 742,000
Interest on Net Pension Obligation	6,000	(76,000)	3,000	(25,000)
Adjustment to Annual Required Contribution	(8,000)	102,000	(4,000)	34,000
Annual Pension Cost	2,324,000	2,331,000	405,000	751,000
Contributions Made	(2,363,000)	(2,305,000)	(406,000)	(711,000)
Increase in Net Pension Obligation (Asset)	(39,000)	26,000	(1,000)	40,000
Net Pension Obligation (Asset), Beginning of Year	73,000	(945,000)	39,000	(315,000)
Net Pension Obligation (Asset), End of Year	\$ 34,000	\$ (919,000)	\$ 38,000	\$ (275,000)

The annual required contribution for the current year was determined as part of the July 1, 2009 actuarial valuation using the projected unit credit method. The actuarial assumptions include an 8.0% investment rate of return, projected salary increases of 4.5% per year, and the utilization of the 1983 group annuity mortality tables. The actuarial value of assets was determined using a smoothing method.

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	5.3 %	11.5 %	2.2 %	4.8 %
Plan members	3.0	7.0	6.3	7.0

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Current membership in the program is comprised of the following at June 30, 2010:

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Retirees and beneficiaries currently receiving benefits	672	281	208	141
Active - non-vested	185	80	165	277
Active - vested	610	213	106	204
Terminated plan members entitled to, but not yet receiving benefits	60	-	-	1
Total	1,527	574	479	623

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			
2010	\$ 2,324,000	101.7 %	\$ 34,000
2009	2,369,000	41.6	73,000
2008	1,082,000	78.6	(1,311,000)
Police Pension Trust Fund			
2010	2,331,000	98.9	(919,000)
2009	2,368,000	58.7	(945,000)
2008	1,680,000	101.1	(1,923,000)
Firefighters' Pension Trust Fund			
2010	405,000	100.2	38,000
2009	416,000	15.6	39,000
2008	412,000	152.9	(312,000)
Custodians' and Mechanics' Retirement Fund			
2010	751,000	94.7	(275,000)
2009	755,000	88.7	(315,000)
2008	663,000	84.4	(400,000)

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

The schedule of funding progress for the plans is as follows at June 30, 2010:

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, 2009	\$ 181,777,000	\$ 182,632,000	\$ (855,000)	99.5 %	\$ 45,981,000	(1.9) %
Police Pension Trust Fund July 1, 2009	\$ 166,328,000	\$ 178,919,000	\$ (12,591,000)	93.0 %	\$ 20,861,000	(60.4) %
Firefighters' Pension Trust Fund July 1, 2009	\$ 131,369,000	\$ 130,475,000	\$ 894,000	100.7 %	\$ 19,292,000	4.6 %
Custodians' and Mechanics' Retirement Fund July 1, 2009	\$ 42,295,000	\$ 45,458,000	\$ (3,163,000)	93.0 %	\$ 16,063,000	(19.7) %

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.

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, 2009	July 1, 2009	July 1, 2009	July 1, 2009
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
Remaining 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	8.0%	8.0%	8.0%	8.0%
Projected salary increase	4.5%	4.5%	4.5%	4.5%
Inflation rate	None	None	None	None

Based on a benchmarking analysis and with the concurrence of the City's actuary, the City changed the "cap" (which applies to the actuarial value of its assets) from 120% to 130% effective June 30, 2009. Taking this change into account, the City's projected fiscal 2011 contributions were approximately \$11.2 million, an increase of approximately \$5.4 million; had this change not been made, the estimated increase would have been approximately \$9.7 million.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

The following schedule presents the net assets held in trust for pension benefits and OPEB at June 30, 2010 and the changes in net assets 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	\$ -	\$ -	\$ 2,655,042	\$ -	\$ -	\$ 2,655,042
Investments, at fair value:						
Money market funds	1,230,967	9,310,657	8,145,665	114,485	5,855	18,807,629
U.S. government obligations	-	5,268,455	15,328,818	-	-	20,597,273
Corporate bonds	-	9,826,093	16,325,004	-	-	26,151,097
Common and preferred equities	20,316,984	47,971,338	47,470,602	-	-	115,758,924
Common/collective trusts	50,176,071	14,335,392	-	16,308,224	-	80,819,687
Mutual funds	80,293,801	39,298,963	1,261	19,957,500	3,905,143	143,456,668
Term asset-backed securities loan facility	-	-	57,881,106	-	-	57,881,106
Alternative investment/Hedge funds	-	14,135,620	12,238,173	-	-	26,373,793
	<u>152,017,823</u>	<u>140,146,518</u>	<u>157,390,629</u>	<u>36,380,209</u>	<u>3,910,998</u>	<u>489,846,177</u>
Accrued interest and dividends	363,807	203,103	378,123	21,166	331	966,530
Total Assets	<u>152,381,630</u>	<u>140,349,621</u>	<u>160,423,794</u>	<u>36,401,375</u>	<u>3,911,329</u>	<u>493,467,749</u>
LIABILITIES						
Term asset-backed securities loan facility financing	-	-	52,330,764	-	-	52,330,764
Other	16,181	444,952	-	23,632	5,348	490,113
Total Liabilities	<u>16,181</u>	<u>444,952</u>	<u>52,330,764</u>	<u>23,632</u>	<u>5,348</u>	<u>52,820,877</u>
NET ASSETS						
Held in Trust for Pension Benefits	<u>\$ 152,365,449</u>	<u>\$ 139,904,669</u>	<u>\$ 108,093,030</u>	<u>\$ 36,377,743</u>	<u>\$ 3,905,981</u>	<u>\$ 440,646,872</u>

	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	\$ 2,362,893	\$ 2,305,022	\$ 405,647	\$ 711,026	\$ 9,686,364	\$ 15,470,952
Employer contribution - Long - Term	-	-	-	-	2,796,721	2,796,721
Employee/retiree contributions	1,313,382	1,310,302	1,220,409	984,808	3,986,621	8,815,522
Total Contributions	<u>3,676,275</u>	<u>3,615,324</u>	<u>1,626,056</u>	<u>1,695,834</u>	<u>16,469,706</u>	<u>27,083,195</u>
Investment Income:						
Net change in fair value of investments	16,124,011	16,441,570	10,963,947	3,250,789	178,871	46,959,188
Interest and dividends	3,301,180	1,941,827	2,619,992	920,664	103,091	8,886,754
	<u>19,425,191</u>	<u>18,383,397</u>	<u>13,583,939</u>	<u>4,171,453</u>	<u>281,962</u>	<u>55,845,942</u>
Less investment expenses - investment management fees	342,238	495,783	1,305,167	19,162	21,410	2,183,760
Net Investment Income	<u>19,082,953</u>	<u>17,887,614</u>	<u>12,278,772</u>	<u>4,152,291</u>	<u>260,552</u>	<u>53,662,182</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

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	
DEDUCTIONS						
Benefits	\$ 11,678,309	\$ 9,485,002	\$ 6,864,611	\$ 2,505,572	\$ 13,686,904	\$ 44,220,398
Change in Net Assets	11,080,919	12,017,936	7,040,217	3,342,553	3,043,354	36,524,979
Net Assets Held in Trust for Pension Benefits - Beginning of Year	141,284,530	127,886,733	101,052,813	33,035,190	862,627	404,121,893
Net Assets Held in Trust for Pension Benefits - End of Year	\$ 152,365,449	\$ 139,904,669	\$ 108,093,030	\$ 36,377,743	\$ 3,905,981	\$ 440,646,872

Pay Plan Employees

Per the Charter Section 47-1.2 certain elected, appointed and Unclassified employees who hold a position in the City of Stamford 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 \$263,000 for fiscal year 2010.

F. Pension Plan - Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 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.

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 Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$18,211,000 for the year ended June 30, 2010.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following table summarized changes in the City's long-term indebtedness for the year ending June 30, 2010:

	Balance, July 1, 2009	Increases	Decreases	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 354,642,301	\$ 68,580,000	\$ 57,434,813	\$ 365,787,488	\$ 27,625,075
Plus - Deferred amounts on refunding bonds	6,358,789	2,760,562	898,542	8,220,789	-
	<u>361,001,070</u>	<u>71,340,562</u>	<u>58,333,355</u>	<u>374,008,277</u>	<u>27,625,075</u>
Notes payable	3,386,103	-	1,167,507	2,218,596	618,931
Capital leases	882,266	-	240,967	641,299	249,696
Other Non-Current Liabilities:					
Early retirement incentive	3,322,881	3,251,025	741,488	5,832,418	1,131,540
Compensated absences	16,865,962	7,726,818	2,519,000	22,073,780	2,207,378
Pollution remediation obligations	6,000,000	4,072,613	4,622,613	5,450,000	2,440,000
Other post employment benefit obligations payable	12,439,000	19,518,000	12,316,000	19,641,000	-
Net pension obligation	112,000	2,729,000	2,769,000	72,000	-
Claims payable	36,392,316	107,971,849	106,671,480	37,692,685	22,786,643
Total Other Non-Current Liabilities	<u>75,132,159</u>	<u>145,269,305</u>	<u>129,639,581</u>	<u>90,761,883</u>	<u>28,565,561</u>
Governmental Activities Long- Term Liabilities	<u>\$ 440,401,598</u>	<u>\$ 216,609,867</u>	<u>\$ 189,381,410</u>	<u>\$ 467,630,055</u>	<u>\$ 57,059,263</u>
Business-Type Activities:					
General obligation bonds	\$ 13,511,662	\$ 10,408,000	\$ 1,966,829	\$ 21,952,833	\$ 1,490,173
Unamortized premium	142,892	-	82,067	60,825	-
	<u>13,654,554</u>	<u>10,408,000</u>	<u>2,048,896</u>	<u>22,013,658</u>	<u>1,490,173</u>
Revenue bonds	30,285,000	-	645,000	29,640,000	665,000
Unamortized premium	323,000	-	230,316	92,684	-
	<u>30,608,000</u>	<u>-</u>	<u>875,316</u>	<u>29,732,684</u>	<u>665,000</u>
Notes payable	74,439,204	-	3,586,146	70,853,058	3,654,901
Other Long-Term Liabilities - Compensated absences	<u>318,441</u>	<u>52,127</u>	<u>31,844</u>	<u>338,724</u>	<u>33,872</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 119,020,199</u>	<u>\$ 10,460,127</u>	<u>\$ 6,542,202</u>	<u>\$ 122,938,124</u>	<u>\$ 5,843,946</u>

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 capital leases, 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.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds

General obligation bonds outstanding as of June 30, 2010 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2010
Public Improvements	2001	\$ 65,000,000	2012	4.250 - 4.625 %	\$ 4,040,000
Refunding Bonds	2002	43,485,000	2015	4.250 - 5.500	17,315,000
Public Improvements	2002	40,000,000	2013	5.000	6,315,000
Refunding Bonds	2003	51,485,000	2016	5.000 - 5.250	37,575,000
Refunding Bonds	2003	25,345,000	2019	3.000 - 5.250	24,840,000
Public Improvements	2004	35,000,000	2024	3.200 - 4.500	10,155,000
Public Improvements	2005	39,200,000	2025	3.000 - 4.250	9,990,000
Public Improvements	2005	15,190,000	2014	3.250 - 4.000	2,855,000
Refunding Bonds	2005	28,095,000	2021	3.250 - 5.000	27,800,000
Refunding Bonds	2006	17,530,000	2024	3.250 - 5.000	17,315,000
Public Improvements	2006	59,000,000	2026	4.000 - 5.000	23,535,000
Qualified Zone Academy Bonds	2007	1,337,000	2022	2.000	1,098,654
Public Improvements	2008	88,000,000	2028	3.100 - 5.000	54,270,000
Refunding Bonds	2008	19,050,000	2015	3.000 - 5.000	14,940,000
Qualified Zone Academy Bonds	2009	3,750,000	2023	-	3,250,000
Refunding Bonds	2009	54,405,000	2020	2.500 - 5.000	54,405,000
Clean Renewable Energy	2010	2,000,000	2024	-	1,866,667
Public Improvements	2010	50,000,000	2030	1.500 - 5.550	50,000,000
Refunding Bonds	2010	26,580,000	2023	4.000 - 5.000	26,175,000
					387,740,321
				Less amount representing business-type activities	(21,952,833)
					\$ 365,787,488

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, 2010 was approximately \$903,000. Additional reimbursements of principal and interest aggregating approximately \$5,663,000 are expected to be received through the bonds' maturity dates.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Revenue Bonds

WPCA revenue bonds outstanding as of June 30, 2010 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, 2010</u>
Stamford Water Pollution Control System and Facility Revenue Bonds	2003	\$ 12,480,000	July, 2032	2.0 - 5.00 %	\$ 10,925,000
Stamford Water Pollution Control System and Facility Revenue Bonds	2006	19,765,000	September, 2036	3.4 - 4.75	<u>18,715,000</u>
					<u>\$ 29,640,000</u>

The City issued bonds pursuant to a 2001 and 2006 indenture of trust by and among the City, the Stamford Water Pollution Control Authority ("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 \$29,640,000 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 has a note payable for various energy equipment. The note bears interest at 3.92% and is payable in monthly installments of \$57,905, including interest, through November 2013. The balance due at June 30, 2010 is \$2,218,596.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

The WPCA 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, 2010, the combined loan balance is \$60,670,682.

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 and monthly principal and interest payments ranging from approximately \$22,000 to \$24,000 through February 2029. OTHRA has a mortgage payable that bears interest at 0.5%, with monthly interest only payments of approximately \$3,000 through February 2029 and monthly principal and interest payments ranging from approximately \$24,000 to \$26,000 through June 2043. As of June 30, 2010, the combined loan balance is \$10,182,376.

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 include interest at 3.59% and the obligation matures in November 2012.

The City's capital lease obligation at June 30, 2010 is as follows:

2011	\$ 270,497
2012	270,497
2013	<u>135,249</u>
	676,243
Less - Interest	<u>(34,944)</u>
Present Value of Minimum Payments	<u>\$ 641,299</u>

Payments to Maturity

The annual requirements to amortize all general obligation bonds, revenues bonds, notes and capital leases outstanding as of June 30, 2010, including interest payments of \$161,009,773 were as follows:

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending June 30,	Governmental Activities - General Obligation Bonds		Business-Type Activities - General Obligation Bonds		Business-Type Activities - Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 27,625,075	\$ 15,129,600	\$ 1,490,173	\$ 969,333	\$ 665,000	\$ 1,325,575
2012	30,531,612	14,369,068	1,740,275	913,059	690,000	1,300,056
2013	29,708,194	13,150,395	1,790,364	843,936	715,000	1,273,825
2014	28,704,080	11,818,817	1,801,182	765,947	745,000	1,246,175
2015	28,382,348	10,542,820	1,819,653	684,182	775,000	1,217,181
2016-2020	119,285,612	35,843,589	6,341,712	2,477,276	4,380,000	5,575,173
2021-2025	75,575,587	13,969,154	3,744,454	1,300,305	5,450,000	4,510,181
2026-2030	25,974,980	2,535,832	3,225,020	449,917	6,855,000	3,108,756
2031-2035	-	-	-	-	7,070,000	1,314,432
2036-2040	-	-	-	-	2,295,000	110,319
2041-2043	-	-	-	-	-	-
	<u>\$ 365,787,488</u>	<u>\$ 117,359,275</u>	<u>\$ 21,952,833</u>	<u>\$ 8,403,955</u>	<u>\$ 29,640,000</u>	<u>\$ 20,981,673</u>

Year Ending June 30,	Governmental Activities - Notes Payable		Business-Type Activities - Notes Payable		Governmental Activities - Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 618,931	\$ 75,927	\$ 3,654,901	\$ 1,317,054	\$ 249,696	\$ 20,802
2012	643,634	51,225	3,725,044	1,243,316	258,740	11,757
2013	669,323	25,536	3,796,603	1,168,161	132,863	2,385
2014	286,708	2,816	3,869,606	1,091,562	-	-
2015	-	-	3,864,423	1,013,888	-	-
2016-2020	-	-	20,060,809	3,889,134	-	-
2021-2025	-	-	20,963,788	1,841,804	-	-
2026-2030	-	-	735,508	686,985	-	-
2031-2035	-	-	-	685,146	-	-
2036-2040	-	-	-	685,146	-	-
2041-2043	-	-	10,182,376	452,226	-	-
	<u>\$ 2,218,596</u>	<u>\$ 155,504</u>	<u>\$ 70,853,058</u>	<u>\$ 14,074,422</u>	<u>\$ 641,299</u>	<u>\$ 34,944</u>

Year Ending June 30,	Total	
	Principal	Interest
2011	\$ 34,303,776	\$ 18,838,291
2012	37,589,305	17,888,481
2013	36,812,347	16,464,238
2014	35,406,576	14,925,317
2015	34,841,424	13,458,071
2016-2020	150,068,133	47,785,172
2021-2025	105,733,829	21,621,444
2026-2030	36,790,508	6,781,490
2031-2035	7,070,000	1,999,578
2036-2040	2,295,000	795,465
2041-2043	10,182,376	452,226
	<u>\$ 491,093,274</u>	<u>\$ 161,009,773</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

The above general obligation bonds, revenue bonds, notes and capital leases 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.

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

Legal Debt Limit

The City's indebtedness (including authorized but not 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:

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 900,518,126	\$ 452,858,102	\$ 447,660,024
Schools	1,801,036,251	331,928,813	1,469,107,438
Sewers	1,500,863,543	91,190,013	1,409,673,530
Urban renewal	1,300,748,404	-	1,300,748,404
Unfunded pension benefit obligation	1,200,690,834	-	1,200,690,834

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,801,611,946.

Advance Refunding

During the 2010 fiscal year, the City issued \$26,580,000 in serial bonds with interest rates ranging from 4.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$3,845,000 of outstanding 2003 public improvement serial bonds bearing interest at rates ranging from 4.0% to 4.375%, depending on maturity, \$5,100,000 of outstanding 2004 public improvement serial bonds, bearing interest at rates ranging from 4.0% to 4.25%, depending on maturity, \$3,000,000 of outstanding 2006 public improvement serial bonds bearing interest at 4.375% and \$17,130,000 of outstanding 2008 public improvement serial bonds, bearing interest at rates ranging from 3.125% to 5.0%, depending on maturity. The net proceeds of \$30,467,820 (including \$4,153,382 of issuance premium and after \$265,562 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, 2004, 2006 and 2008 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,392,820. 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, 2004, 2006 and 2008 serial bonds to reduce its total debt service payments over 13 years by \$1,042,086 and to obtain a net present value economic gain of \$886,868.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2010, \$145,320,000 of bonds outstanding are considered defeased.

Early Retirement Incentive

Under a memorandum of agreement between the Board of Education ("BOE") and the Stamford Education Association ("SEA"), an early retirement incentive plan was offered to members of the 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 are eligible and elect early retirement shall receive \$16,550 over the first two years after retirement and either 100% of insurance premiums years three through five or a \$40,000 cash payout over a similar timeframe. During the fiscal year ended June 30, 2010, the City paid approximately \$1,317,000 in early retirement benefits and this amount was charged to the General Fund. At June 30, 2010, the balance due of \$5,832,418 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. Cost 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.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2010.

The estimated liability as of June 30, 2010 is \$5,450,000. 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.

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 healthcare 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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

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
2011	7.00 %
2012	6.00
2013+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 28 years remaining in the amortization period. The actuarial assumptions included a 6.0% investment rate of return. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of June 30, 2010 was as follows:

Active Employees	3,331
Retired Employees	<u>1,215</u>
Total	<u><u>4,546</u></u>

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2009	\$ 258,402,000
Assets at Market Value	<u>862,000</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 257,540,000</u></u>
Funded Ratio	<u><u>0.33%</u></u>
Covered Payroll (Active plan members)	<u><u>\$ 226,225,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>113.84%</u></u>
Annual Required Contribution	\$ 19,278,000
Interest on Net OPEB Obligation	746,000
Adjustment to Annual Required Contribution	<u>(375,000)</u>
Annual OPEB Cost	19,649,000
Contributions Made	<u>(12,316,000)</u>
Increase in Net OPEB Obligation	7,333,000
Net OPEB Obligation - Beginning of Year	<u>12,308,000</u>
Net OPEB Obligation - End of Year	<u><u>\$ 19,641,000</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010**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
2010	\$ 19,518,000	63.10 %	\$ 19,641,000
2009	18,298,000	69.93	12,308,000
2008	16,006,000	57.48	6,806,000

Net Pension Obligation

The net pension obligation represents a \$72,000 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 Board of Education 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.

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

	Year Ended June 30, 2010				
	Medical Benefits-City	Medical Benefits-BOE	Risk Management	Disputed Assessments	Heart and Hypertension
Balance - Beginning of Year	\$ 4,108,500	\$ 3,532,876	\$ 10,922,264	\$ 9,697,886	\$ 8,130,790
Provision for Claims and Claims Adjustment Expenses	46,267,383	41,408,406	7,844,688	6,629,066	2,542,106
Claims and Claims Adjustment Expenses Paid	<u>(47,608,583)</u>	<u>(41,058,406)</u>	<u>(8,714,113)</u>	<u>(3,209,076)</u>	<u>(6,081,302)</u>
Balance - End of Year	<u>\$ 2,767,300</u>	<u>\$ 3,882,876</u>	<u>\$ 10,052,839</u>	<u>\$ 13,117,876</u>	<u>\$ 4,591,594</u>
Current Portion	<u>\$ 2,767,300</u>	<u>\$ 3,882,876</u>	<u>\$ 7,459,328</u>	<u>\$ 3,209,706</u>	<u>\$ 2,187,233</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2010

Note 3 - Detailed Notes on All Funds (Continued)

	Year Ended June 30, 2009				
	Medical Benefits-City	Medical Benefits-BOE	Risk Management	Disputed Assessments	Heart and Hypertension
Balance - Beginning of Year	\$ 3,392,597	\$ 3,453,447	\$ 12,110,204	\$ 1,300,000	\$ 9,789,283
Provision for Claims and Claims Adjustment Expenses	35,728,743	37,695,758	16,425,838	8,397,886	1,657,067
Claims and Claims Adjustment Expenses Paid	(35,012,840)	(37,616,329)	(17,613,778)	-	(3,315,560)
Balance - End of Year	<u>\$ 4,108,500</u>	<u>\$ 3,532,876</u>	<u>\$ 10,922,264</u>	<u>\$ 9,697,886</u>	<u>\$ 8,130,790</u>
Current Portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,412,374</u>	<u>\$ -</u>	<u>\$ 700,000</u>

Claims payable also includes a liability of \$3,280,200 for judgments and claims relating to eminent domain cases which were not due and payable at year end. These amounts have been accrued as an expense in the government-wide financial statements for governmental activities.

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.

Transfers Out	Transfers In				Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 45,825,938	\$ 2,000,000	\$ 47,825,938
Non-Major Governmental Funds	3,715,304	2,300,000	1,837,305	-	7,852,609
	<u>\$ 3,715,304</u>	<u>\$ 2,300,000</u>	<u>\$ 47,663,243</u>	<u>\$ 2,000,000</u>	<u>\$ 55,678,547</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.

Note 3 - Detailed Notes on All Funds (Continued)

I. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, Net of Related Debt - the component of net assets 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 assets that reflects funds set aside in accordance with indenture agreements with bondholders.

Restricted for Special Revenue Funds - the component of net assets 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 net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

J. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Reserved

Reserved for Encumbrances - Encumbrances outstanding have been reserved as it is the City's intention to honor the contracts in process at year-end.

Reserved for Prepaid Expenditures - The Reserve for Prepaid Expenditures represents certain costs related to the food service program at the Board of Education paid in advance. The reserve indicates that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Reserved for Inventories - Inventories have been reserved 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.

The Reserve for Advances has 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.

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

Note 3 - Detailed Notes on All Funds (Continued)

Unreserved

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 2010, revenues and transfers exceeded expenditures by \$1,935,838, and \$1,010,291 of unexpended prior year encumbrances were also returned to the fund balance. These were offset by transfers out from the prior year's designation of fund balance of \$4,174,017, resulting in an overall negative change to fund balance of \$2,238,179. This results in an unreserved, undesignated fund balance on the budgetary basis of accounting of \$3,273,529. The anticipated use is as follows -

Designation for the Rainy Day Fund	\$ 2,000,000
Designation for Debt Service Reserve Fund	<u>1,273,529</u>
	<u>\$ 3,273,529</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 \$13,117,876 for tax appeals associated with the latest property revaluations in the Disputed Assessments Internal Service Fund.

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 approximately \$10,149,664. Estimated pollution remediation costs of \$5,450,000 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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The SWPCA had a waste-to-energy project ("Project"), the objective of which was to evaluate and design an interface between the sludge drying system (pelletization) and the proposed electrical generating system, including schematic design and waste-to-energy options. However, on July 7, 2010, the SWPCA Board voted to discontinue this project. The Project was supported by grant funding from the U.S. Department of Energy ("DOE") on a 50% basis. Of the approximately \$2.2 million in costs incurred since the Project's inception, approximately \$1.1 million was provided by the DOE. Discussions are currently underway with the DOE regarding the recent discontinuation of the Project. In the event any type of financial reimbursement was to be required by the DOE, management does not believe such an amount would have a material impact on the SWPCA's financial condition.

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, \$1,500,000 for workers' compensation claims, \$1,000,000 for public officials' liability and \$100,000 for most property losses. The City also carries an umbrella policy with limits of \$10 million per occurrence and an excess umbrella policy with limits of up to \$15 million. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the Risk Management Internal Service Fund.

It is the City's policy to self-insure for employee health insurance coverage up to \$250,000 per individual for City and Board of Education employees. Heart and hypertension claims for police officers and firefighters are covered, as required by State Statute. Costs associated with these risks are reported in the General Fund. These amounts are recorded in the City and Board of Education Medical Internal Service funds.

Liabilities for unpaid claims are based on recommendations by third-party administrators. 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.

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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

In the original financial plan for OTHRA, it was anticipated that the real property owned and developed by OTHRA would be leased to third party tenants generating net rental income of approximately \$350,000 per year beginning in January, 2010. As of June 30, 2010, the OTHRA property had not yet been leased. 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. 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 Events

On November 30, 2010, the City issued \$8,975,000 of tax-exempt General Obligation Bonds, with interest at 2%, \$21,600,000 of taxable Build America Bonds with interest at rates ranging from 2.7% to 5.0% and \$4,425,000 of taxable Recovery Zone Economic Development Bonds with interest at rates ranging from 5.25% to 5.35% to finance capital improvement projects. The bonds will mature annually through 2030.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF STAMFORD, CONNECTICUT

SCHEDULE OF FUNDING PROGRESS
TRUST FUNDS
LAST SIX FISCAL YEARS

Valuation Date	Actuarial		Excess (Unfunded) Actuarial Liability	Funded Ratio	Covered Payroll	Excess (Unfunded) Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
Classified Employees'						
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
July 1, 2006	182,537,000	159,821,000	22,716,000	114.2	41,420,000	54.8
July 1, 2005	179,188,000	150,897,000	28,291,000	118.7	39,627,000	71.4
July 1, 2004	176,081,000	145,610,000	30,471,000	120.9	37,064,000	82.2
Police Pension						
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
July 1, 2006	162,374,000	153,436,000	8,938,000	105.8	18,064,000	49.5
July 1, 2005	156,275,000	146,015,000	10,260,000	107.0	17,996,000	57.0
July 1, 2004	149,936,000	138,234,000	11,702,000	108.5	18,016,000	65.0
Firefighters' Pension						
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
July 1, 2006	124,131,000	113,830,000	10,301,000	109.0	16,864,000	61.1
July 1, 2005	118,681,000	109,365,000	9,316,000	108.5	17,503,000	53.2
July 1, 2004	115,211,000	103,782,000	11,429,000	111.0	16,986,000	67.3
Custodians' and Mechanics'						
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
July 1, 2006	38,877,000	36,225,000	2,652,000	107.3	13,915,000	19.1
July 1, 2005	37,785,000	32,553,000	5,232,000	116.1	13,477,000	38.8
July 1, 2004	37,071,000	31,203,000	5,868,000	118.8	12,433,000	47.2
OPEB						
July 1, 2009	\$ 860,000	\$ 258,402,000	\$ (257,540,000)	0.3 %	\$ 226,225,000	(113.8) %
July 1, 2008	-	215,337,000	(215,337,000)	-	226,225,000	(95.2)
July 1, 2007	-	200,000,000	(200,000,000)	-	188,244,000	(106.2)

APPENDIX B - FORM OF LEGAL OPINION OF BOND COUNSEL

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[FORM OF OPINION OF BOND COUNSEL]

December __, 2011

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 December 15, 2011 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$45,000,000 City of Stamford, Connecticut General Obligation Bonds, Issue of 2011, Series B, dated December 15, 2011 (the "Bonds"), maturing on December 15 in each of the years, in the principal amounts and bearing interest payable on June 15, 2012 and semiannually thereafter on December 15 and June 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>
2012	\$3,000,000	%	2022	\$2,000,000	%
2013	3,000,000		2023	2,000,000	
2014	3,000,000		2024	2,000,000	
2015	3,000,000		2025	2,000,000	
2016	3,000,000		2026	2,000,000	
2017	2,000,000		2027	2,000,000	
2018	2,000,000		2028	2,000,000	
2019	2,000,000		2029	2,000,000	
2020	2,000,000		2030	2,000,000	
2021	2,000,000		2031	2,000,000	

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 May and November 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.

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
\$45,000,000 General Obligation Bonds, Issue of 2011, Series B
dated December 15, 2011

December 15, 2011

WHEREAS, the City of Stamford, Connecticut (the "City") has heretofore authorized the issuance of \$45,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2011, Series B, dated December 15, 2011 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated December 6, 2011 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated November 28, 2011 (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: _____
Name: Michael A. Pavia
Title: Mayor

By: _____
Name: Frederick C. Flynn, Jr.
Title: Director of Administration

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APPENDIX D - NOTICE OF SALE

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NOTICE OF SALE
\$45,000,000
CITY OF STAMFORD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2011, SERIES B

Electronic bids will be received by the **CITY OF STAMFORD**, Connecticut (the "City"), until 11:30 o'clock A.M. (E.S.T.) Tuesday,

DECEMBER 6, 2011

for the purchase of all, but not less than all, of the \$45,000,000 City of Stamford, Connecticut General Obligation Bonds, Issue of 2011, Series B (the "Bonds"). Electronic bids must be submitted via **PARITY®** (See "Electronic Bidding Procedures").

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 **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated December 15, 2011, mature \$ 3,000,000 on December 15 in each of the years 2012-2016, both inclusive, and \$2,000,000 on December 15 in each of the years 2017-2031, both inclusive, bear interest payable on June 15, 2012 and semiannually thereafter on December 15 and June 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated November 28, 2011 (the "Preliminary Official Statement").

Redemption

The Bonds maturing on and after December 15, 2020 are subject to redemption prior to maturity, at the election of the City, on and after December 15, 2019, 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>
December 15, 2019 and thereafter	100.0%

Registration

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, or its custodian, 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 Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of *PARITY*®. Subscription to the i-Deal LLC BiDComp Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of *PARITY*® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, *PARITY*®, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department, telephone: (212) 849-5021; email notice: parity@i-deal.com.

For purposes of the electronic bidding process, the time as maintained by *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Each bid must be for the entire \$45,000,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state (a) more than one interest rate for any Bonds having the same maturity date, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 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.

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 Bonds to December 15, 2011, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to December 15, 2011, the delivery date of the Bonds.

The City reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. The City further reserves the right to postpone the sale to

another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.S.T.) on December 6, 2011. The purchase price must be paid in federal funds.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, 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 final 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 final Official Statement, and an executed continuing disclosure agreement.

The legal opinion for Bonds 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, includible in adjusted current earnings for the purposes of computing the federal 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.

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, to provide (i) certain annual financial information and operating date, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. 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.

Settlement of the Bonds

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

The Bonds will be available for delivery on or about December 15, 2011. The deposit of the Bonds with DTC or its custodian 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 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.

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 25 copies of the final Official Statement prepared for the Bonds 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 12:00 pm (noon) on 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(s), yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Related Information

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from the City’s financial advisor, Mr. Barry Bernabe, Vice President, Webster Bank National Association, Government Finance Department, City Place II, 185 Asylum Street, 5th Floor, Hartford, Connecticut, telephone (203) 578-2203.

November 28, 2011

MICHAEL A. PAVIA
Mayor

FREDERICK C. FLYNN, JR.
Director of Administration

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