

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND**

FINANCIAL STATEMENTS

JUNE 30, 2015

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Trustees
Classified Employees' Retirement Fund
City of Stamford, Connecticut

We have audited the accompanying financial statements of the City of Stamford, Connecticut's Classified Employees' Retirement Fund (the Fund), which comprise of the statement of net position as of June 30, 2015 and the related statement of changes in net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Fund as of June 30, 2015, and the related changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present the financial position of the City of Stamford, Connecticut, and changes in its financial position in conformity with accounting principles generally accepted in the United States of America.

Report on Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net pension liability and related ratios on page 12, the schedule of employer contributions on page 13 and the schedule of investment returns on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 31, 2015

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
STATEMENT OF NET POSITION
JUNE 30, 2015**

Assets

| | |
|--------------------------------|---------------------|
| Cash and cash equivalents | \$ <u>7,781,039</u> |
| Investments, at fair value: | |
| Common and preferred equities | 25,583,903 |
| Mutual funds | <u>173,262,281</u> |
| Total investments | <u>198,846,184</u> |
| Receivables: | |
| Accounts and other receivables | 196 |
| Accrued interest | <u>15,636</u> |
| Total receivables | <u>15,832</u> |
| Total assets | 206,643,055 |

Liabilities

| | |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | <u>20,705</u> |
|---------------------------------------|---------------|

Net Position

| | |
|------------------------------------|------------------------------|
| Held in Trust for Pension Benefits | \$ <u><u>206,622,350</u></u> |
|------------------------------------|------------------------------|

The accompanying notes are an integral part of the financial statements

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

Additions

Contributions:

| | |
|---------------------|------------------|
| Employer | \$ 6,799,000 |
| Employee | 2,017,452 |
| Total contributions | <u>8,816,452</u> |

Investment income:

| | |
|---|------------------|
| Net depreciation in fair value of investments | (1,185,822) |
| Interest and dividends | 4,397,575 |
| Total investment income | <u>3,211,753</u> |
| Investment expenses | (196,288) |
| Net investment income | <u>3,015,465</u> |

| | |
|-----------------|-------------------|
| Total additions | <u>11,831,917</u> |
|-----------------|-------------------|

Deductions

| | |
|-------------------------|-------------------|
| Benefit payments | 14,405,292 |
| Administrative expenses | 117,430 |
| Total deductions | <u>14,522,722</u> |

| | |
|------------|-------------|
| Net change | (2,690,805) |
|------------|-------------|

| | |
|--|--------------------|
| Net Position at Beginning of Year | <u>209,313,155</u> |
|--|--------------------|

| | |
|------------------------------------|------------------------------|
| Net Position at End of Year | <u><u>\$ 206,622,350</u></u> |
|------------------------------------|------------------------------|

The accompanying notes are an integral part of the financial statements

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

1. REPORTING ENTITY AND PLAN DESCRIPTION

A. Reporting Entity

The Classified Employees' Retirement Fund (the Fund) of the City of Stamford, Connecticut (the City) is reported as a fiduciary fund in the City's basic financial statements.

The financial statements present the Fund's financial position only and do not purport to, and do not, present the financial position of the City and the changes in its financial position and, where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America.

B. Administration and Management

The City's Charter mandates that the Classified Employees' Retirement Fund be managed by a Board of Trustees (six (6) in total), consisting of the Mayor (as chairperson), the chairperson of the Board of Finance, the president of the Board of Representatives, and three (3) representatives of the Classified employees (elected to non-concurrent three (3) year terms). The trustee positions assigned to the Mayor, the Board of Finance and the Board of Representatives can be cabinet or other board members as designated by the Mayor, chairperson and president, respectively.

C. Trust Fund Managed by Wells Fargo

Under the terms of a trust agreement between Wells Fargo (the Custodian) and the Fund, the Custodian administers the accounts on behalf of the Fund. Investment managers have been granted certain discretionary authority concerning purchases and sales of investments in the trust.

D. Covered Employees

Coverage is extended to all full-time employees of the City who are members of the Classified Service as defined in the Charter of the City, except the members of the police and fire departments, teachers, school administrators, school custodians and any other employees who are participants in other pension plans, partially or fully, supported by City taxes or contributions.

E. Participation

Participation in the Fund consisted of the following at July 1, 2014, the date of the last actuarial valuation:

| | |
|--|---------------------|
| Retirees and beneficiaries currently receiving benefits | 676 |
| Active participants | 728 |
| Inactive participants entitled to but not yet receiving benefits | <u>96</u> |
| | <u><u>1,500</u></u> |

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

F. Summary of Benefit Provisions

The Fund is a contributory single employer defined benefit plan authorized under the City's collective bargaining agreement with its labor unions. The Fund is supported by the joint contributions of its participants and the City.

Retirement benefits are payable to participants who retire after age 60 with a minimum of 10 years of service or to participants who have reached age 58 with at least 15 years of service. Certain union contracts allow participants with 25 years of service to retire. A participant becomes vested after five years of service. Early retirement benefits are available to participants who have attained age 50 with a minimum of 25 years of service with benefits reduced by 0.25% for the first 36 months prior to normal retirement date. Anytime beyond the first 36 months, benefits shall be reduced by 0.55% for each month of age less than 60. Upon retirement, annual benefits are paid equal to 2% per year of credited service with maximums of up to 33 years of credited service (35 years for UAW and 30 years for UE participants hired on or after July 1, 2012) and up to 70% of final salary. For those participants with at least 25 years of service, the minimum annual benefit is \$1,000. Some union contracts allow participants to exchange sick or vacation leave for up to 4.00% additional pension credit (1.00% for each 25 days exchanged).

Disability benefits are payable to participants with 10 years of service (none if disability is service-connected) at 50% of final average salary at date of disability with a minimum of \$1,000 annually, but are reduced by any worker's compensation benefits. If participants are terminated from the City, they may elect a withdrawal benefit equal to the refund of their contributions with interest.

Death benefits are paid to beneficiaries as an annuity equal to 100% of benefits accrued prior to death for participants who are pre-retirement and 100% of pension benefits guaranteed for five years for participants who are post-retirement. The Fund also provides for lump-sum death benefits for beneficiaries, primarily equal to the refund of participant contributions plus interest, less benefits paid.

Participants should not rely solely upon this synopsis of the pension benefit provisions. The City's Charter, together with the pension provisions of the collective bargaining agreement, are at all times the official source of plan provisions.

G. Contributions

The City's contribution to the Fund is actuarially determined and is intended to set aside amounts to cover the costs related to both current and future services rendered by the Fund's participants. The actuary spreads these service costs over the aggregate working lifetime of active participants based on actual current and assumed future payrolls to arrive at the City's annual contribution. The City is required to contribute the greater of this actuarially determined amount or some minimum contribution as indicated in the City Charter.

The Fund participant's contributions are established by the collective bargaining agreement between the unions and the City and may be amended over time. Currently, Fund participants contribute 3.0% of their annual salary until they have reached 33 years of credited service. Participants' contributions are credited with interest at the rate of 5.0% per year.

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements were prepared using the accrual basis of accounting. Participant contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension provisions of the applicable collective bargaining agreements.

The accounting policies of the Fund predominantly follow Governmental Accounting Standards Board guidance, which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. 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 the reported amounts of additions and deductions as reflected in the statement of changes in net position during the reporting period. Actual results could differ from those estimates.

C. Investment Valuation and Income Recognition

Investments are reported at fair value. Investment assets consist principally of common and preferred equities and mutual funds. Fair value of securities is determined by the means of the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments in alternative investments for which market quotations are not readily available are valued at the fair values as determined by the fund managers. All such assets are carried at fair value; losses are incurred only up to the assets invested.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Fund's gains and losses on investments bought and sold as well as held during the year.

D. Deposits and Short-Term Investments

The Fund has a policy that deposits and short-term debt investments can include commercial paper, repurchase agreements, treasury bills, certificates of deposit and money market funds to provide income, liquidity for expense payments and preservation of the account's principal value, and are to be purchased by the fund manager. As such, these investments must have maturities of one year or less at time of purchase. Commercial paper investments must be rated A-1 or P-1 by Standard & Poor's and Moody's. The fund manager may not purchase short-term financial instruments considered to contain speculative characteristics (uncertainty of principal and/or interest). The fund manager also may not invest more than 5% of the account's market value in obligations of a single issuer, with the exception of the U.S. Government and its agencies. Uninvested cash reserves should be kept to minimum levels. Within the limitations mentioned above, the manager has complete discretion to allocate and select short-term cash and equivalent securities.

**CITY OF STAMFORD, CONNECTICUT
 CLASSIFIED EMPLOYEES' RETIREMENT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

E. Administrative Expenses

Certain administrative expenses of the Fund are paid by the City.

F. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 31, 2015, the date that the financial statements were available to be issued.

3. INVESTMENTS

Investments at June 30, 2015 consist of the following:

| | |
|-------------------------------|-----------------------|
| Cash and cash equivalents | \$ 7,781,039 |
| Common and preferred equities | 25,583,903 |
| Mutual funds | <u>173,262,281</u> |
| | <u>\$ 206,627,223</u> |

The Fund's investment policy targets an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk and remain in accordance with state statutes. The target asset allocation at June 30, 2015 is as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|----------------------|--------------------------|
| Fixed Income | 15 % |
| Domestic Equity | 30 |
| International Equity | 20 |
| Asset Allocation | <u>35</u> |
| Total Allocation | <u>100 %</u> |

A. Concentrations

The Fund's investment policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets. At June 30, 2015, there are no investments that represent 5% or more of the Fund's net position.

B. Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of Fund investment expense, was 1.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF STAMFORD, CONNECTICUT
 CLASSIFIED EMPLOYEES' RETIREMENT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

4. NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City pertaining to this Fund at June 30, 2015 were as follows:

| | |
|--|----------------------|
| Total pension liability | \$ 250,062,776 |
| Fund fiduciary net position | <u>206,622,350</u> |
| Net Pension Liability | <u>\$ 43,440,426</u> |
| Fund fiduciary net position as a percentage of the total pension liability | 82.63% |

A. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|---------------------------|---|
| Inflation rate | 3% |
| Salary increase | Graded scale by age (beginning at 6.5% (age 20) and grading down to 3% (age 55+)) |
| Investment rate of return | 7.63% |

Mortality rates were based on the 50/50 Blend of RP-2000 Combined Table and PR-2000 Blue Collar Combined Table.

The long-term expected rate of return on Fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Fund investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2015 (see the discussion of the Fund's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---|
| Fixed Income | 2.00 % |
| Domestic Equity | 5.25 |
| International Equity | 5.50 |
| Asset Allocation | 3.84 |

**CITY OF STAMFORD, CONNECTICUT
 CLASSIFIED EMPLOYEES' RETIREMENT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

B. Discount Rate

The discount rate used to measure the total pension liability was 7.63%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability, calculated using the discount rate of 7.63%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.63%) or 1 percentage point higher (8.63%) than the current rate:

| | 1% Decrease to 6.63% | Current Discount Rate 7.63% | 1% Increase to 8.63% |
|--|---------------------------------|--|---------------------------------|
| Net Pension Liability at June 30, 2015 | \$ 68,283,612 | \$ 43,440,426 | \$ 22,237,196 |

5. RISKS AND UNCERTAINTIES

The assets of the Fund are primarily financial instruments that are monetary in nature. Accordingly, interest rates have a more significant impact on the Fund's performance than do the effects of the general levels of inflation. Interest rates generally do not move in the same direction or with the same magnitude as prices of goods and services as measured by the consumer price index. Investments are subject to risk conditions of the individual investment's objectives, stock market performance, interest rates, economic conditions and world affairs. Due to the level of risk associated with the Fund's investments, it is reasonably possible that changes in the values of the Fund's investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

Contributions are made to the Fund based on the actuarial valuation. The actuarial valuation is based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

A. Interest Rate Risk

The Fund limits its exposure to realized losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities on the open market prior to maturity.

The interest rate risk 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. The Fund does not have such securities.

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

B. Credit Risk

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. The Fund does not have such securities.

C. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the value of the investment or collateral securities that are in the possession of an outside party may not be recovered. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. The Fund's investments are not exposed to custodial credit risk as they are held by the Custodian in the name of the Fund/government.

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS**

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| Total pension liability: | | |
| Service cost | \$ 4,566,053 | \$ 4,433,061 |
| Interest | 18,755,559 | 18,090,605 |
| Differences between expected and actual experience | (8,199,467) | |
| Changes of assumptions | 4,836,505 | |
| Benefit payments, including refunds of member contributions | <u>(14,405,292)</u> | <u>(13,759,945)</u> |
| Net change in total pension liability | 5,553,358 | 8,763,721 |
| Total pension liability - beginning | <u>244,509,418</u> | <u>235,745,697</u> |
| Total pension liability - ending | <u>250,062,776</u> | <u>244,509,418</u> |
| Plan fiduciary net position: | | |
| Contributions - employer | 6,799,000 | 6,504,000 |
| Contributions - member | 2,017,452 | 1,833,678 |
| Net investment income | 3,015,465 | 30,769,576 |
| Benefit payments, including refunds of member contributions | (14,405,292) | (13,759,945) |
| Administrative expense | <u>(117,430)</u> | <u>(397,213)</u> |
| Net change in plan fiduciary net position | (2,690,805) | 24,950,096 |
| Plan fiduciary net position - beginning | <u>209,313,155</u> | <u>184,363,059</u> |
| Plan fiduciary net position - ending | <u>206,622,350</u> | <u>209,313,155</u> |
| Net Pension Liability - Ending | <u>\$ 43,440,426</u> | <u>\$ 35,196,263</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 82.63% | 85.61% |
| Covered-employee payroll | \$ 44,213,643 | \$ 44,997,000 |
| Net pension liability as a percentage of covered-employee payroll | 98.25% | 78.22% |

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|------------------|--------------------|------------------|--------------------|---------------------|-------------------|------------------|--------------------|
| Actuarially determined contribution | \$ 6,799,000 | \$ 6,504,000 | \$ 5,902,000 | \$ 5,362,000 | \$ 4,175,000 | \$ 2,326,000 | \$ 2,326,000 | \$ 1,031,000 | \$ 687,000 | \$ 239,000 |
| Contributions in relation to the actuarially determined contribution | <u>6,799,000</u> | <u>6,504,000</u> | <u>5,897,100</u> | <u>5,390,000</u> | <u>4,175,000</u> | <u>2,363,000</u> | <u>985,000</u> | <u>850,000</u> | <u>603,000</u> | <u>327,000</u> |
| Contribution Deficiency (Excess) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>4,900</u> | \$ <u>(28,000)</u> | \$ <u>-</u> | \$ <u>(37,000)</u> | \$ <u>1,341,000</u> | \$ <u>181,000</u> | \$ <u>84,000</u> | \$ <u>(88,000)</u> |
| Covered-employee payroll | \$ 44,213,643 | \$ 44,997,000 | \$ 43,686,000 | \$ 48,396,000 | \$ 46,312,000 | \$ 45,981,000 | \$ 44,001,000 | \$ 43,959,000 | \$ 41,420,000 | \$ 39,627,000 |
| Contributions as a percentage of covered-employee payroll | 15.38% | 14.45% | 13.50% | 11.14% | 9.01% | 5.14% | 2.24% | 1.93% | 1.46% | 0.83% |

Notes to Schedule

Valuation date: July 1, 2014

Measurement date: June 30, 2015

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Projected Unit Credit Cost Method |
| Remaining amortization period | 15 years, open |
| Asset valuation method | 5-year smoothed market |
| Inflation | 3% |
| Salary increases | 3%, only used to project normal cost to the next year |
| Investment rate of return | 7.63%, net of pension plan investment expense, including inflation |

Retirement age Assumed annual rates of retirement after the earliest of (1) 50 with 25 years of service, 2) 55 with 15 years of service, or 3) 60 with 10 years of service

Mortality 50/50 Blend of RP-2000 Combined Table and RP-2000 Blue Collar Combined Table

Change of Assumptions: In 2015, the investment rate assumption was changed from 7.75% to 7.63%

**CITY OF STAMFORD, CONNECTICUT
CLASSIFIED EMPLOYEES' RETIREMENT FUND
SCHEDULE OF INVESTMENT RETURNS
LAST TWO FISCAL YEARS**

| | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 1.44% | 16.65% |