

OFFICIAL STATEMENT DATED MARCH 31, 2010

Refunding 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 Series A Bonds may be includable in the calculation of certain taxes under the Code, including the federal minimum alternative tax imposed on certain corporations. Interest on the Series B Bonds is not taken into account in the calculation of adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



\$26,580,000
CITY OF STAMFORD, CONNECTICUT
GENERAL OBLIGATION REFUNDING BONDS
BOOK-ENTRY-ONLY

Comprising

\$3,525,000
General Obligation Refunding Bonds
2010 Series A

\$23,055,000
General Obligation Refunding Bonds
2010 Series B

Dated: Date of Delivery

Due: As shown on inside cover

The Series A Bonds and the Series B Bonds (herein collectively, 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 May 1, 2010 and July 1, 2010 and semiannually thereafter on January 1 and July 1 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 "SECURITIES OFFERED - Book-Entry-Only System" herein.)

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

The Bonds will be general obligations of the City of Stamford, Connecticut, 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 not** subject to redemption prior to maturity.

The Bonds are offered for delivery when, as and if issued, and received by the Underwriters, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Pullman & Comley, LLC, of Hartford and Bridgeport, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about April 14, 2010 in New York, New York.

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.

MORGAN KEEGAN & COMPANY, INC.

PIPER JAFFRAY & CO.

TABLE OF CONTENTS

	<u>Page</u>
Introduction	3
SECTION I - SECURITIES OFFERED	
Description of the Bonds	5
Authorization and Purpose	5
Plan of Refunding	5
Verification of Mathematical Computations	6
Sources and Uses of Bond Proceeds	7
Ratings	7
Tax Matters	7
Security and Remedies	9
Qualification for Financial Institutions	9
Book-Entry-Only System	9
DTC Practices	11
Underwriting	11
SECTION II - THE ISSUER	
History, Location and Other Information	12
Description of Government	13
Organizational Chart	14
Administration	14
Principal Municipal Officials	15
Municipal Employees	15
Municipal Employees Bargaining Organizations	16
Summary of Municipal Services	17
Educational System	31
School Facilities	32
School Enrollments	32
SECTION III - DEMOGRAPHIC AND ECONOMIC DATA	
Population Trends and Densities	33
Age Distribution of the Population	33
Income Distribution	34
Comparative Income Measures	34
Educational Attainment	34
Labor Force Data	35
Industry Classification	35
Commute to Work	36
Major Employers	36
Office Vacancy Rates	38
Value of Building Permits	38
Age Distribution of Housing	38
Housing Units by Type of Structure	39
Housing Unit Vacancy Rates	39
Owner-occupied Housing Units	39
Number and Size of Households	40
Land Use Summary	40

SECTION IV - DEBT SECTION

Legal Requirements for Approval of Borrowing	41
Debt Authorization	41
Safe Debt Limit	41
School Projects	41
Sewer Projects	41
Current Debt Statement	42
Current Debt Ratios	42
Bonded Debt Maturity Schedule	43
Overlapping/Underlying Debt	43
Authorized but Unissued Debt	43
Statement of Statutory Debt Limitation	44
Comparison of Annual Debt Service to General Fund Expenditures and Transfers Out	44
Debt of the WPCA	45

SECTION V - FINANCIAL SECTION

Financial Results for Fiscal Year 2008-09, Projections for 2009-10 and Proposed	
Budget for 2010-11	47
Accounting Policies	48
Basis of Accounting	48
Audit	48
Budgetary Procedures	48
Taxable Grand List	49
Tax Collections	46
Property Taxes Receivable	49
Major Taxpayers	50
Property Tax	50
Tax Districts	51
Tax Rates by District	51
Revenues	51
Intergovernmental Revenues as a Percent of General Fund Revenues	52
Real Property Tax Collection Procedure	52
Real Property Tax Levies	52
Fiscal Year 2010-11 Mayor’s Proposed Capital Improvement Program	53
Comparative Balance Sheets – General Fund	54
General Fund Revenues and Expenditures	55
Pension Plans	56
Self-insurance Program	56
Investment Policies and Practices	56
Other Post Employment Benefits	57

SECTION VI - ADDITIONAL INFORMATION

Litigation	58
Availability of Continuing Information	58
Legal Matters	58
Documents to Be Furnished at Closing	58
Additional Information	59
Concluding Statement	60

APPENDICES

Appendix A - Auditor’s Section	A-1
Appendix B - Forms of Legal Opinion of Bond Counsel	B-1
Appendix C - Form of Continuing Disclosure Agreement	C-1

OFFICIAL STATEMENT

CITY OF STAMFORD, CONNECTICUT

\$26,580,000

GENERAL OBLIGATION REFUNDING BONDS

Comprising

**\$3,525,000 GENERAL OBLIGATION REFUNDING BONDS, 2010 SERIES A
AND \$23,055,000 GENERAL OBLIGATION REFUNDING BONDS, 2010 SERIES B
(BOOK ENTRY ONLY)**

Introduction

The purpose of this Official Statement is to provide certain financial information and supplementary economic and demographic data relevant to the City of Stamford, Connecticut (the "City") in connection with the issuance and sale of \$26,580,000 General Obligation Refunding Bonds, comprising \$3,525,000 General Obligation Refunding Bonds, 2010 Series A (the "Series A Bonds"), and \$23,055,000 General Obligation Refunding Bonds, 2010 Series B (the "Series B Bonds")(herein collectively, the "Bonds"), of the City.

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, Transfer Agent and Escrow 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.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Underwriters' Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy and completeness of the statements made in this Official Statement, and it makes no representation that it has independently verified the same.

The City currently files its official statements for primary offerings with all nationally recognized municipal securities information repositories. 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 by the City in substantially the form attached as Appendix C to this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SECTION I – SECURITIES OFFERED

Description of the Bonds

The Bonds will be dated the date of delivery and will mature on May 1, 2010 and July 1 in each of the years and in the principal amounts and will bear interest at the rate or rates per annum payable on May 1, 2010 and July 1, 2010 and semiannually thereafter on January 1 and July 1 in each year until maturity, as set forth on the inside cover page hereof. 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 fifteenth day of June and December, or the preceding business day if such fifteenth day is not a business day, 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. 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.

The Bonds **are not** subject to redemption prior to maturity.

Authorization and Purpose

Authorization

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.

Purpose

The Bonds are being issued to refund all or any portion of the aggregate principal amount outstanding of certain of the City’s general obligation bonds and to pay costs of issuance, including underwriters’ discount. See “Plan of Refunding” herein.

Plan of Refunding

The Bonds are being issued to refund at or prior to maturity all or any portion of the outstanding maturities of certain of the City’s general obligation bonds as set forth below (the “Refunded Bonds”):

Series A Bonds

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
11/01/03	11/01/10	4.000%	\$ 345,000	N/A	N/A	852631X62
11/01/03	11/01/20	4.300	1,750,000	11/01/13	100.0%	852631Y87
11/01/03	11/01/21	4.375	<u>1,750,000</u>	11/01/13	100.0	852631Y95
			\$3,845,000			

Series B Bonds

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
09/01/04	09/01/20	4.000%	\$1,700,000	09/01/11	100.0%	8526313U2
09/01/04	09/01/21	4.100	1,700,000	09/01/11	100.0	8526313V0
09/01/04	09/01/22	4.250	<u>1,700,000</u>	09/01/11	100.0	8526313W8
			\$5,100,000			
02/15/06	02/15/23	4.375%	<u>\$3,000,000</u>	02/15/13	100.0%	8526317B0
			\$3,000,000			
06/01/08	06/01/11	3.125%	\$ 2,440,000	N/A	N/A	8526317J3
06/01/08	06/01/12	3.125	235,000	N/A	N/A	8526317K0
06/01/08	06/01/13	3.250	240,000	N/A	N/A	8526317L8
06/01/08	06/01/14	3.250	250,000	N/A	N/A	8526317M6
06/01/08	06/01/15	3.250	260,000	N/A	N/A	8526317N4
06/01/08	06/01/17	5.000	245,000	N/A	N/A	8526317Q7
06/01/08	06/01/18	3.500	260,000	N/A	N/A	8526317R5
06/01/08	06/01/21	4.000	4,400,000	06/01/18	100.0%	8526317U8
06/01/08	06/01/22	4.000	4,400,000	06/01/18	100.0	8526317V6
06/01/08	06/01/23	4.000	<u>4,400,000</u>	06/01/18	100.0	8526317W4
			\$17,130,000			

The refunding is contingent upon delivery of the Bonds.

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable trust fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), under an Escrow Agreement (the "Escrow Agreement") dated as of April 14, 2010 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the government of the United States of America, including United States Treasury State and Local Government Series ("SLGS") securities, Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Company ("FHLMC") securities, and any other securities permitted by Section 7-400 of the Connecticut General Statutes all of which shall not be callable or prepayable at the option of the issuer thereof (the "Escrow Securities"). The City may also enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds will be used to pay costs of issuance and the Underwriters' discount.

Verification of Mathematical Computations

Grant Thornton LLP will verify from the information provided to it the mathematical accuracy as of the date of the closing of the Bonds of: (1) the computation that the anticipated receipts from the Escrow Securities and cash deposits set forth in the Underwriters' schedules will be sufficient to pay, when due, the principal, interest and applicable call premium, if any, payment requirements of the Refunded Bonds, and (2) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. Grant Thornton LLP will express no opinion on the assumptions provided to it.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

	<u>Series A</u>	<u>Series B</u>	<u>Total</u>
Sources:			
Par Amount of the Bonds	\$3,525,000.00	\$23,055,000.00	\$26,580,000.00
Net Original Issue Premium/(Discount)	<u>560,901.50</u>	<u>3,592,480.95</u>	<u>4,153,382.45</u>
Total Sources	\$4,085,901.50	\$26,647,480.95	\$30,733,382.45
Uses:			
Escrow Deposit	\$4,050,841.08	\$26,416,978.76	\$30,467,819.84
Underwriters' Discount	17,170.53	117,654.47	134,825.00
Costs of Issuance	17,577.31	112,422.69	130,000.00
Additional proceeds	<u>312.58</u>	<u>425.03</u>	<u>737.61</u>
Total Uses	\$4,085,901.50	\$26,647,480.95	\$30,733,382.45

Ratings

On March 17, 2010, Standard & Poor's assigned a rating of AAA to the Bonds and affirmed the AAA rating on the City's parity debt outstanding. On March 17, Moody's Investors Service assigned a rating of Aa1 to the Bonds and downgraded the City's parity debt outstanding to Aa1 from Aaa. 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 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 Series A Bonds is includable in adjusted current earnings for purposes of computing the alternative minimum tax on certain corporations. Interest on the Series B Bonds is not taken into account in the calculation of adjusted current earnings for purposes of the alternative minimum tax imposed on 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. 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 Robinson & Cole LLP, 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 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. The original issue discount attributable to any bond 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 investors in the Bonds should consult their tax advisors with respect to the federal income tax consequences of the disposition of 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 investors in the Bonds should consult their tax advisors with respect to the federal income tax consequences of the disposition of 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 Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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.

Underwriting

The Bonds are being purchased by the underwriters listed on the cover page of this Official Statement, for whom Morgan Keegan & Company, Inc. is acting as representative (the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase the Series A Bonds from the City at the net aggregate purchase price of \$4,068,730.97 (consisting of the principal amount of \$3,525,000.00, plus net original issue premium of \$560,901.50, less underwriters' discount of \$17,170.53), plus accrued interest, if any, from the dated date of the Series A Bonds to the delivery date and to purchase the Series B Bonds from the City at the net aggregate purchase price of \$26,529,826.48 (consisting of the principal amount of \$23,055,000.00, plus net original issue premium of \$3,592,480.95, less underwriters' discount of \$117,654.47), plus accrued interest, if any, from the dated date of the Series B Bonds to the delivery date. The Underwriters will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

Piper Jaffray & Co. ("Piper Jaffray") has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings, including the Bonds, allocated to Piper Jaffray at the original offering prices. Under the Distribution Agreement, Piper Jaffray will share with AAM a portion of the fee or commission, exclusive of management fees, paid to Piper Jaffray.

SECTION II - THE ISSUER

History, Location, and Other Information

Stamford, first settled in 1641, is Connecticut's fourth largest city by population. It was named the Town of Stamford in 1642 and was admitted to Connecticut in October 1662. In 1893 the City of Stamford, comprising the central portion of the Town of Stamford, was incorporated. Thereafter, the City of Stamford became a composite part of the Town of Stamford, resulting in two separate governments. On April 15, 1949 the Town and City were consolidated and named the City of Stamford. Stamford covers an area of 39.9 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 MetroNorth 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 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 retail core, increased its housing and cultural facilities and attracted major office development. 2009 saw significant new development activity in downtown Stamford and the South End. In early 2010, Nestle Waters announced the relocation of its headquarters from Greenwich to Stamford. It is estimated to bring 475 jobs and occupy approximately 160,000 square feet of office space. Shortly thereafter, Affinion Group announced that it will relocate from Norwalk to Stamford bringing approximately 350 jobs and occupying the recently vacated 140,000-square-foot UST, Inc. space. In 2011, Starwood Hotels and Resorts Worldwide, Inc. plans to relocate its world headquarters from White Plains to Stamford. This move will bring approximately 820 jobs to Stamford and occupy 250,000 square feet of office space.

The 1,000,000-square-foot North American headquarters for the Royal Bank of Scotland has been completed. Harbor Point, an 82-acre land assemblage in the South End being developed by Building & Land Technology which includes six million square feet of mixed-use development, continues under active construction. 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 a 325,000-square-foot office building and 220 housing units located just to the south of the Transportation Center.

The City experienced a burst of activity in the media industry including the relocation of NBC Universal from Chicago to Stamford during 2009 and the creation of the Stamford Media Center at the Rich Forum. Stamford is home to a growing digital media base and currently houses such properties as the YES Network; Versus, the NHL network owned by Comcast; NBC Sports - Olympic Division; WWE and the Ascent Media group with its Lifetime, A&E, History Channel and other cable products and is projecting continued growth in 2010 and 2011.

The conversion of the City's industrial space to higher tech uses continued in 2009 with the teaming of Fuji Film and GE to manufacture a bio-molecular imaging system for GE Healthcare, one of GE's fastest growing units.

Stamford Hospital continues to move forward with its plans to upgrade its campus with a \$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 2000 U.S. Census reports Stamford's per capita income for 2000 was \$34,987 with a 2000

population of 117,083. According to the 2000 U.S. Census, the Stamford Metropolitan Area ranked third in the nation with a median family income of \$69,337.

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.

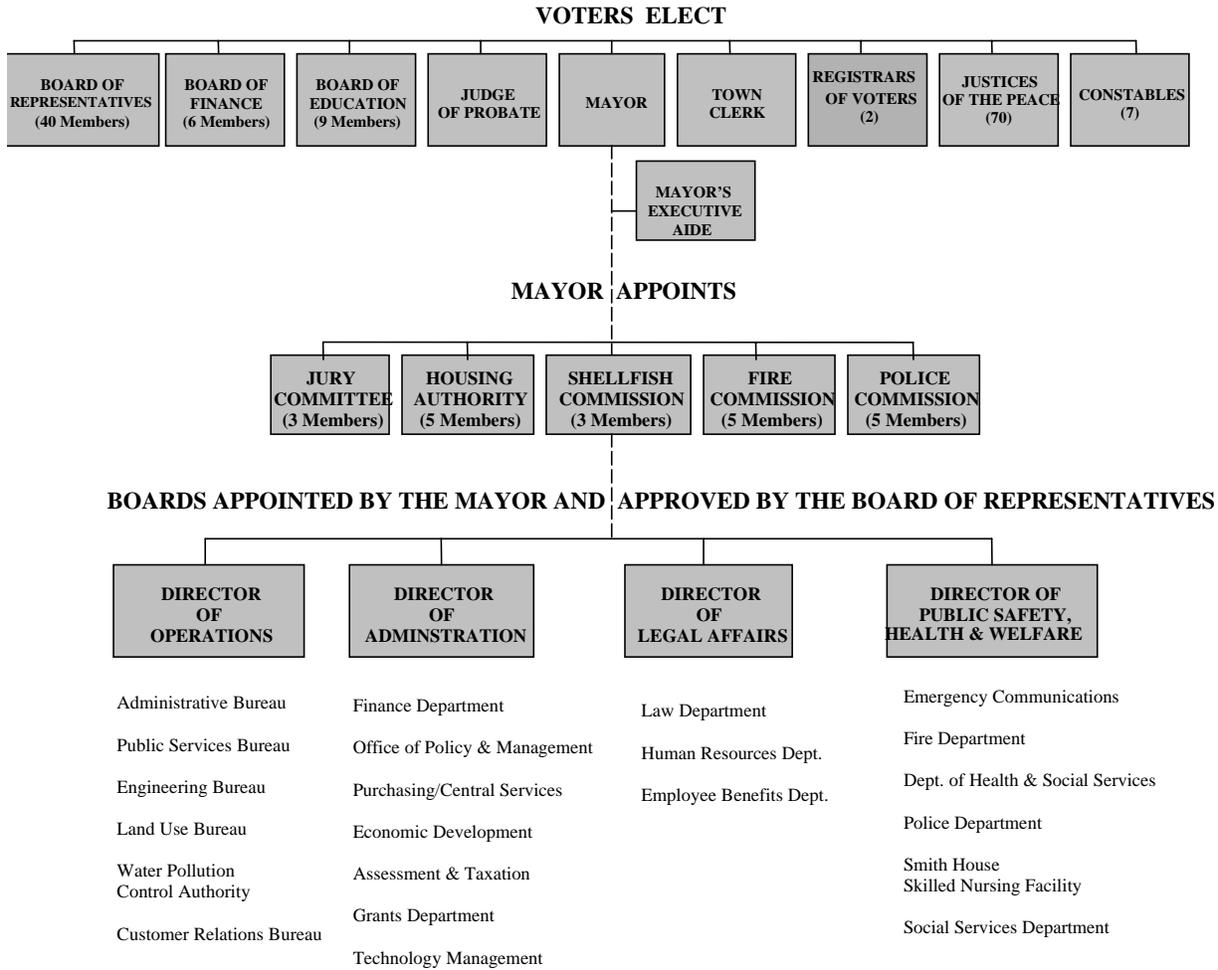
The chief executive officer of the City is the Mayor, elected for a four-year term of office. The legislative function is performed by a forty-member Board of Representatives whose members are elected, two from each of twenty districts, for four-year terms. The Board of Representatives adopts ordinances 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



Administration

The Mayor, subject to the approval of the Board of Representatives, appoints four Directors to his cabinet: the Director of Administration, Director of Operations, Director of Legal Affairs, and Director of Public Safety, Health and Welfare. 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	Newly elected ¹
Director of Administration	Frederick C. Flynn, Jr.	Appointed/4 years	Newly appointed ¹
Director of Operations	Ernest A. Orgera	Appointed/4 years	Newly appointed ^{1,2}
Director of Legal Affairs	Michael D. Larobina	Appointed/4 years	Newly appointed ¹
Controller	Lisa M. Reynolds	Civil service/indefinite	10 ½ years
Director of Policy & Management ..	Peter F. Privitera	Civil service/indefinite	7 years
Superintendent of Schools	Dr. Joshua P. Starr	Appointed/3-year contract	4 ½ years

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- ¹ Michael A. Pavia is the newly elected Mayor of the City of Stamford as of December 1, 2009 and appointed his cabinet members shortly thereafter.
- ² Mr. Orgera, in addition to being newly appointed as 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.

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 3,288 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>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
General Government ²	1,228	1,226	1,263	1,264	1,260	1,268	1,245
Board of Education	<u>2,060</u>	<u>2,122</u>	<u>2,123</u>	<u>2,128</u>	<u>1,890</u>	<u>2,050</u>	<u>2,027</u>
Total	3,288	3,348	3,386	3,392	3,150	3,318	3,272

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- ¹ As of July 1 each fiscal year.
- ² General Government includes employees assigned to the Smith House Nursing Home (104) the Water Pollution Control Authority (34); the E. Gaynor Brennan Golf Course (6); the Risk Management Fund (3); the Marina Fund (2) and the Parking Fund (19).

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	286	06/30/11
Local #786 of the International Association of Firefighters, AFL-CIO (downtown)	271	06/30/11
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	112	06/30/10
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses)	48	06/30/10
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists)	4	06/30/10
Local #1303-191 of the AFSCME, Council # 4, AFL-CIO (Attorneys)	5	06/30/10
Local #145 of the International Brotherhood of Teamsters, AFL-CIO	19	06/30/10
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	276	06/30/10
New England Health Care Employees Union, District 1199 (Smith House)	86	06/30/12
Local #222 of the United Electrical Radio & Machine Workers of America	<u>121</u>	06/30/10
Total Employees	1,228	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	8	06/30/10
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	81	06/30/10
Stamford Board of Education Employee Association (Custodian & Maintenance)	168	06/30/10
Security Workers and Community Liaison Employees	33	06/30/08 ¹
Stamford Education Association	1,377	06/30/10
Education Assistants of Stamford Association	327	06/30/10
School Administrators Association of Stamford	<u>66</u>	06/30/11
Total Employees	2,060	

¹Seeking representation.

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.

At the current time the City and a number of municipal employee bargaining organizations are involved in the mandatory binding arbitration procedure pursuant to Connecticut General Statute section 7-473c. The first arbitration case involves the City and the Stamford Municipal Supervisory Employees, Teamsters and Dental Hygienists unions. The other case involves the City and the UAW union. There were originally two issues before the arbitration panel in the first case including a "no layoff" clause and a 2% wage increase for the contract year July 1, 2010-June 30, 2011. The City contested the arbitrability of the "no layoff" clause and the panel ruled in the City's favor. The wage increase issue is unresolved at this time. The other case involves the same two issues as the first case although arbitration hearings have not been scheduled yet.

Summary of Municipal Services

Fire Services: Background - The City of Stamford is served by six autonomous fire departments. The Stamford Fire and 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 and 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 2007-08, 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 anticipated result of the reorganization would have been improved 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 - Professional staff managed by Stamford Fire & Rescue
- Springdale Volunteer Fire Department - 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 - Professional staff managed by volunteer department
- Belltown Volunteer Fire Department - All volunteer

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

Department of Health and Social Services: The Department of Health and Social Services is responsible for a wide range of public health services including preventive treatment, public health education, epidemiology, laboratory services, and code enforcement. The department provides testing, clinics and immunizations for numerous diseases and health conditions.

The environmental health program inspects and licenses food service establishments, grocery stores, markets, septic systems, refuse collectors, beaches, apartments, and multi-family housing units.

The City enforces minimum housing standards as established by City ordinances, and the school health program serves all public and private school programs.

Police Department: The Stamford Police Department is the sole, full-time law enforcement agency responsible for public safety in the City. The Department consist of several different units all falling within six distinct Divisions. Due in large part to the efforts of the Police Department, the FBI has ranked Stamford as one of the top eleven safest cities in the nation for eight consecutive years. The Department is firmly committed to a collaborative, cooperative and interactive community policing philosophy. Division Captains and District 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.

The success of the Department has also been achieved in part because the Department has significantly enhanced its capacity to provide excellent police services by adding several specialty units as well as acquiring advanced tactical and technological equipment. In addition, the Department plans to significantly expand forensic capabilities as well as implement advanced tactical training to ensure that the residents of Stamford continue to feel safe and secure in their neighborhoods.

Some examples of the specialty units that contribute to the excellent patrol, investigative, narcotics and organized crime units include: a Special Victims Unit ("SVU"), an Internet Crimes Against Children Task Force ("ICAC"), a Collision Analysis and Reconstruction Squad ("CARS"), a recently implemented Canine Unit, a Motorcycle Unit, a Marine Division, a soon to be implemented Neighborhood Impact Unit and a Summer Camp for Police/Youth. 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 SVU partners with several state and local agencies as well as several social service providers and has assisted well over a thousand victims in its short lifespan. The ICAC is the lead law enforcement 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.

CARS is responsible for investigating fatal or serious accidents that may result in a fatality. All investigators in CARS have received advanced training and are experts in the field of motor vehicle accident reconstruction. The investigators also conduct periodic checkpoints such as Click-It-Ticket seatbelt enforcement and Operating Under the Influence alcohol checkpoints. The Department recently implemented a Canine Unit consisting of two officers and two highly trained dogs and the possibility of adding additional dogs is being considered. This Unit will significantly improve the Department's capacity to conduct narcotic searches and assist in crowd control situations. The Motorcycle Unit operates year-round utilizing four motorcycles. The Unit is responsible for traffic enforcement that include laser-equipped radar to detect traffic light and stop sign violations, and most importantly, school bus violations designed to protect children. The Marine Unit operates year-round and consists of three vessels including a Rocksalt 28 Police Special, an aluminum hulled patrol boat. The Unit has many responsibilities including search and rescue operations, enforcing laws pertinent to the water, maintaining criminal law enforcement on the water and assisting local, state and federal agencies. The Unit also collaborates with many federal agencies in homeland security operations on the City's coastline. A new fourth patrol platoon entitled the Neighborhood Impact Unit is being considered. The goal of the unit is to address crime in neighborhoods, particularly street robberies, assaults and other violent crimes. The Unit will work during the peak hours of 7 P.M. to 3 A.M. when most crimes occur. It is anticipated that the increased police presence and visibility will have a significant impact on reducing street crimes in Stamford. Beginning in summer 2010 the Department will operate a youth summer camp designed to strengthen and reinforce positive police/youth relationships.

In addition to the aforementioned specialty units, the patrol, investigative and narcotics units provide outstanding protection for the citizens of Stamford on a daily basis. For example, the Narcotics Unit in collaboration with several local and federal law enforcement agencies recently conducted one of the largest undercover investigations in Stamford history that brought down three drug trafficking organizations and resulted in nearly 50 arrests. This operation will have a profound effect on reducing illegal drug and criminal activity in Stamford. The Department has officers who work with or are active

members of the FBI Task Force, DEA, U.S. Customs & Homeland Security, ICE, ATF and the United States Marshals.

The Department has also made it a priority to provide officers in the field with as much equipment as possible to ensure officer as well public safety. All patrol vehicles are equipped with Triple-A heavy-duty vests and ballistic helmets as well as either a portable shotgun or rifle. As such, each patrol vehicle is deployed ready for active shooting situations should the need arise. In addition, all police supervisory vehicles are equipped with ballistic shields and less-than-lethal weapons. This protective equipment ensures that officers will be able to maintain control during critical incidents or emergency situations. Also utilized for these purposes are several Special Operations Vehicles used to enhance traditional public safety and homeland security efforts. Some examples of these vehicles include: a Mobile Incident Command Center that allows officers to have all necessary tools at their disposal for a crime scene or large event, a Mobile Light Tower that allows for examination in daylight, a Prisoner Transport Vehicle that allows for multiple prisoners to be transported at one time in a segregated and safe environment, an all-terrain vehicle that has become indispensable in homeland security checks, two Hi-Cube Vans that serve a variety of purposes and four patrol vehicles equipped with license plate readers that enable all "hits" from a hot list to be disseminated to officers in the field in real time. It is a main priority of the Department to continue to enhance its arsenal of tactical equipment to further solidify its public safety mission. Through diligence and hard work, the members of the Stamford Police Department are committed to providing a safe and secure environment for residents.

Smith House Health Care Center: 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.

Premier Healthcare Resources has managed the facility since June 2005. Since the State of Connecticut continues to under-fund its nursing home industry, the facility, like many other skilled nursing facilities in the state, continues to lose money. The operation has recently been reclassified from its status as an Enterprise Fund business to the General Fund, further improving its financial results.

In February, 2009, the facility was surveyed by the Connecticut Department of Public Health and received its license renewal following findings of full compliance with the Connecticut Public Health Code and the Medicare/Medicaid Manual of Requirements for Long Term Care Facilities. The survey results were among the best of any nursing home in the state and contributed to the facility's attainment of a Medicare 5-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 a 5-star facility based on its stellar performance in state surveys, its achievement of high-quality-related outcome measures, and for its excellent staffing. Approximately 10% of the nation's nursing homes receive a 5-star rating from Medicare, a reflection of the rigorous standards that facilities such as Smith House must meet to achieve the 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, Connecticut Grand Opera and Orchestra, Lumina String Quartet and the Stamford Young Artists Philharmonic. From 2000-03 the Theater underwent extensive renovations to preserve the structure and to provide state-of-the-art technology for its performers and patrons. Throughout the process, the City worked closely with the Historic Neighborhood Preservation Program in an effort to preserve Atlantic Street's architecture, which has remained virtually unchanged since 1860. In addition to the restored 1,600-seat theater, the property now contains conference rooms and an art gallery. The Palace reopened in October 2003. Due to the combined effect of significantly reduced state grant support as well as corporate giving, the Stamford Center for the Arts opted to file 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. On September 9, 2009, the United States Bankruptcy Court for the District of Connecticut confirmed the Second Amended Plan of Reorganization of the Stamford Center for the Arts, Inc. Since July 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 are supported by the City including 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 1,031,905 items. Attendance system-wide in fiscal year 2010 is estimated at more than 900,000 and more than 200,000 users are expected to visit 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 education and youth development, neighborhood revitalization, land use and development, economic and social integration of newcomers, entrepreneurship and emerging technologies.

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. Facilities Management 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 - The Public Services Bureau was established as part of the Office of Operations as a result of the City of Stamford's Charter Revision which took place during the 1995-96 fiscal year. The Public Services Bureau has integrated functional elements from 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. Detailed below is a summary of accomplishments of each of the Divisions during the 2009-10 fiscal year.

Solid Waste/Recycling Division - The Solid Waste/Recycling Department comprises two major Divisions: the Transfer Station, which includes the two City Recycling Centers and the Collections Division.

The Collections Division continued the following major programs:

- Curbside semi-automated garbage and recycling pickup.
- Maintaining backyard pickup for 850 back yard waivers.

The Collections section provides for the once a week collection of garbage from over 19,681 single homes, 2,342 two-family homes and 686 three-family dwellings along with over 12,034 condominium units, as well as the collection of waste and recyclables from the City's public schools, fire and police stations and municipally owned buildings including the Government Center, Libraries, etc. 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. During the summer months this is a seven-day-a-week program because of the increased outdoor activity at the parks, schools and beaches as well as the downtown business district in Stamford.

The Solid Waste Department coordinated the following new programs:

- Continued the recycling education program in conjunction with the WPCA, which resulted in nine Stamford organizations or school class trips to the facilities to promote recycling education and information. Presented an additional four sessions at various locations throughout the City.
- The Department follows up on all vehicle accidents determined to be driver error with disciplinary action.
- Continues Solid Waste Safety Committee in conjunction with Risk Management to help reduce Worker Compensation claims and includes staff in departmental safety concerns.
- Coordinated an improved fall Leaf Haulaway Program out of the Transfer Station complex which resulted in cost savings as well as traffic flow improvements.
- Gained additional responsibility of managing the Scofield Town Compost site resulting in an improved process.

The responsibilities of the Transfer Station section include managing 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. In fiscal year 2008-09, approximately 55,196 tons of MSW and 3,899 tons of brush and logs were processed. Recycling totaled 5,659 tons of co-mingled, newspapers, mixed paper, cardboard, and 209 tons of mixed metal. The new fluorescent light bulb recycling program generated 2,408 pounds of recycled bulbs. Recycling center highlights include: usage of an electric powered cardboard compactor, and installation of Goodwill containers at the Katrina Mygatt center resulting in 8,189 pounds of clothing being removed from waste stream.

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 600 vehicles and pieces of equipment all of which are used in the operations of: Refuse Collection, Recycling Center, Composting Sites, Water Pollution Control, Highway & Road Maintenance, Fleet Management, Traffic Enforcement, Facilities Management, Traffic Maintenance, Traffic Signal, Parks Maintenance, Recreation, Parks Police, Beach, Engineering, Board of Education, Health Department and the City administrative staff.

Fleet Management also manages the scheduling of inspections for transit Recreation Department, and Smith House. Fleet Management also handles emissions testing and all municipal marker plates and city registrations. Other Fleet Management responsibilities include ordering gasoline and diesel fuel and maintaining the fuel dispensing facilities at both the Magee Avenue and the Haig Avenue locations. Fleet Maintenance is responsible for developing the specifications for vehicles and equipment purchased by the City and orders all new equipment, trucks and accessories.

The Fleet Management Division has recently implemented a preventive maintenance program that is extremely efficient. The Division has also implemented a new management software program that will maintain all information pertaining to the City's fleet as well as its fuel consumption. This information and data will allow our team to make intelligent decisions when it comes to running the City's fleet more efficiently.

The Fleet Management Division held another on-line auction in January 2009 which proved very beneficial to the City. The equipment auction netted a total of \$183,787.68. The second part of the auction, from the Police Department, netted \$18,661.98 for the City. The Fleet Management Division held the third auction of 2009 on November 23, 2009 which netted \$72,874.00. The Fleet Management Division will continue to pursue this auction format along with other options of liquidation to create revenue for the City of Stamford.

Fleet Maintenance Division is a complete service hub for all City of Stamford operational vehicles and equipment and supports all operations which make our City the leader in municipal workings.

Citizens Services Center – The Citizens Services Center is the central hub of communication for residents to obtain information, log complaints or notify City agencies of problems and incidences. The Center helped the Solid Waste Division log the requests to distribute 16,000 single-stream recycling toter bins. This past year the Center helped the Engineering Bureau track and complete the repair of more than 300 catch basins throughout Stamford. The Center recorded and assigned nearly 13,000 service requests. The Center has initiating measures to increase informational and follow up calls, services we will continue to enhance. Currently, the Center is aiding the Board of Finance with extensive customer service surveys pertaining to specific City departments.

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 FY 2008-09 Cashiering and Permitting collected \$5.9 million in revenue for the City of Stamford. Departmental initiatives centered on increasing the efficiency of parking ticket collections – our Internet payments doubled last year to 20 percent of all collections and is on track to double again. Residents can also drop off tickets in the Government Center lobby utilizing an overnight lockbox. The department was named the best municipal office in Connecticut for film making in the state and was highlighted in a national magazine as a major movie making location.

Engineering Bureau: The mission of the Engineering Bureau is to strive to deliver the City's vast number of designs and construction projects in an expeditious, cost-effective manner while maintaining the highest degree of architectural, engineering, and construction quality. The Engineering Bureau is committed to providing the highest level of customer service to the public by closely managing the activities and staff of the Engineering Department, Building Department, Traffic Engineering Department, Traffic and Road Maintenance and Parking Management Departments in addition to quickly and effectively responding to citizens' complaints.

The Engineering Bureau administrates many capital improvement projects to 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, WPCA, Land Use, Police Department, Fire Department, Public Safety, Parks and Recreation Department, Facilities Management, and other outside agencies within the City.

Over the next three years, the Bureau has requested budgeting for municipally bonded projects of approximately \$40 million per year in capital design and construction including Board of Education projects. 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. Examples of Board of Education projects: roof replacements, windows and exterior door replacement, mechanical, electrical and plumbing projects at several schools to improve indoor air quality, replacement of aging boilers, and replacement of underground oil storage tanks, repair & replace drainage facilities, repave existing parking areas, construct parking expansion areas and Boyle Stadium Restoration.

There are 55 Stamford-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. Currently the Bureau is working on the construction of the Richmond Hill Avenue Bridge project. There are four major bridge replacements and repairs scheduled to be completed over the next three years. These bridges include: Cold Spring Road Bridge, West Main Street Bridge, June Road Bridge, and Richmond Hill Avenue Bridge.

The Citywide storm drainage projects are 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 Bureau is undertaking a major project to re-design the outfall from large box culverts that discharge into an open channel along the Springdale Brook. This work also requires the re-stabilization of a retaining wall that has become undermined as a result of hydraulic scouring.

The Bureau is currently completing installation of water mains to serve 100 dwellings where existing well water was found to be contaminated. Estimated pollution remediation costs of \$5,000,000 for such contaminant have been accounted for by the City 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.

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, a \$65 million federally funded project, is one of the largest on-going new roadway construction projects and will provide a direct link from the Transportation Center to Elm Street. This work is scheduled for completion in August 2010. They will be finalizing the design of a second phase of the SUT project that includes ROW, relocation, environmental remediation, and building demolition to enable the Transitway corridor to be constructed an additional half mile eastward.

The Bureau expects to complete the reconstruction of North Street from Washington Boulevard to Summer Street in summer of 2010. Several other on-going roadway improvement/reconstruction projects include: West Avenue from I-95 to Winsted Street, Hope Street between Northhill Street and Weed Hill Avenue, as well as Stillwater Road and Greenwich Avenue.

The Engineering Bureau oversees the City sidewalks and the resurfacing of 345 miles of City roadway. The Bureau is working on projects that are part of priority list based on condition surveys performed. Paving and sidewalk projects are completed by coordinating with the design and construction of all infrastructure upgrades before pavement is installed. This requires installation of underground utilities, subsurface drainage and sanitary sewer infrastructure in advance of surface paving treatments. 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 49,213 square feet; 20 school buildings totaling 2,785,524 square feet; 21,000 square feet of Stamford Academy and another 105,000 square feet for a new Environmental Magnet School ("EMS"). This new school provides kindergarten to 8th grades for a student population of 660 with 70 faculty members. The EMS project cost is approximately \$58 million with 95% of the cost reimbursed by the State. The project was completed and opened in the fall of 2009.

The Engineering Bureau is responsible for maintaining and upgrading 9,828 roadway and streetscape lights. Included in the 9,828 are 423 aluminum pole (30-foot) street lights on downtown roads and 333 decorative streetscape lights. Starting in fiscal year 2008-09, 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. All test fixtures are expected to be completed by spring of 2010.

The Engineering Bureau assists the Parks and Recreation Department and Facilities Management with the improvement and rehabilitation of 55 City parks, two City-owned golf courses, and three marinas. The Bureau recently completed 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 under consideration include a possible Cummings Marina dock upgrade in order to accommodate larger vessels, a the Cummings Park pier replacement, a Cummings Park Seawall replacement , the Mill River Corridor development, Mianus River Park, and Scalzi Park.

The Engineering Bureau is responsible for performing project oversight and administration for major renovations, reconstruction and new construction (if needed) at all City facilities and amenities which include but are not limited to: the Police Headquarters and garage; seven police sub-stations; five fire houses; seven volunteer fire houses; the Government Center; the Old Town Hall; four community centers; an arboretum; a residential care facility; a skilled nursing facility; Ferguson Library; the Historical Society; an animal shelter; a Solid Waste facility; a Highway Garage; three town yards; a vehicle maintenance facility; the Stamford Museum and Nature Center; an Emergency Medical Services facility; and an ice rink.

A 6,000-square-foot building to house the Bartlett Arboretum is currently being designed for possible construction in 2010.

Major on-going projects are: Old Town Hall additions and renovations with an estimated cost of over \$15 million, additions and alterations to Kweskin Theater, CLC modular relocation, Smith House fire alarm upgrade, Vehicle Maintenance generator replacement and exhaust and fluids dispensing renovation, and several projects for the Police Headquarters and Stamford Fire and Rescue.

The Engineering Bureau is responsible for Stamford's traffic signalization and system operations. The Stamford Traffic Control Signal System consists of 192 traffic signals. All traffic signals are controlled by a computerized central traffic control system via a network of twisted pair communications cables. 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 twisted pair copper 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. Twenty-six 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.

The Engineering Bureau has the responsibility to install, maintain, repair and replace 710 on-street parking meters, 65 multi-space parking meters, and all street name signs on 1,100 streets. In addition, the Bureau is responsible for maintaining and renovating three City-owned parking garages, and six surface parking lots.

The Engineering Bureau has most recently installed video surveillance systems in all three parking garages and some City facilities for security purposes recently awarded contract to modernize elevators

at Bell and Bedford Street Parking Garages, and going to upgrade Bedford Street Garage lighting system. The Traffic Maintenance Division is responsible for replacing and upgrading every street name sign, and installing seven remote pay stations that can accept multiple forms of payment to facilitate parking customers. This department also executes the street painting program during the summer time to replace pavement markings at all intersections.

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

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

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

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

Harbor Commission: All state regulatory agencies approved the Harbor Commission's Harbor Master Plan. The final step was approval by the Board of Representatives in March 2009. The commission is now proposing fees for open water public moorings and commercial tie-up fees. It now has the ability 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 is responsible for the operations and maintenance of the Water Pollution Control Facility, pumping stations, sanitary sewer systems, Hurricane Flood Control Barrier and stormwater stations. 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 late 2005. Because of quality of design and operation, the Stamford 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 services provided 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"). Of the proceeds of the Bonds, \$10,000,000 is expected to be used to finance sewerage facility projects of the WPCA. The City and the WPCA amended the Indenture to provide that a pro rata portion of the debt service on the Bonds will be paid to the City from sewerage system revenues. 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 the Solids Drying process. This process enables the safe disposal and beneficial use of wastewater residuals. It is also considered as Phase I of a unique waste-to-energy project. The study phase for the waste-to-energy project was

completed using grants from the Department of Energy and WPCA matching funds. The study results and projects economics and financing are currently under review.

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. See "DEBT SECTION - Sewer Revenue Bonds" herein.

Stamford Community Development Program ("SCDP"): The City's 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 is approximately \$1,160,000 annually. For the 2009-10 year, the City of Stamford received \$1,164,337 in CDBG funds and an additional \$303,817 under the American Recovery and Reinvestment Act. 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., \$79,450 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 (approximately \$675,000 annually) that provides funding for down-payment loans to low-income homebuyers, as well as construction loans to developers of affordable housing. Approximately 30 housing units are assisted each year. In 2009-10, the City received \$676,796 for this program.

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 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, Westside 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 homes over a four-year period. The first acquisition of foreclosed property, representing the first NSP loan in Connecticut, occurred in June 2009. The Mutual Housing Association (MHA) acquired a single family home in the Cove Neighborhood and is completing rehabilitation. MHA is preparing to purchase their next foreclosed property. New Neighborhoods, Inc. will purchase two foreclosed condominiums in February 2010.

The Community Development Office also administers local funds that are available annually for affordable housing development. The fiscal 2011 Capital Projects Budget is approximately \$1.4 million for loans to non-profit developers for the purchase and development of housing sites. In the past year Capital Budget funding was provided to Habitat for Humanity to construct 8 condominiums on West Main Street and to the Stamford Housing Authority to construct 95 apartments at 58 Progress Drive. These projects are under construction.

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 \$1,384,000 from the IZ funds to assist in their development costs. This project is now complete and 100% occupied.

Also in 2006, the City, under its Linkage Ordinance, began dedicating a portion of its building permit fees on commercial construction to an affordable housing fund. The Community Development Office administers the distribution of these funds to developers of affordable housing. The City has committed \$453,000 in Linkage funds to the Housing Authority of the City of Stamford for their development of 95 apartments at 58 Progress Drive.

Colleges: The University of Connecticut Stamford Campus, located in the downtown, serves approximately 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 American Studies, Business and Technology, Economics, English, History, Human Development and Family Studies, Interdisciplinary Studies, Political Science, and Psychology, as well as a Bachelor in General Studies program for returning adults, a minor in Women's Studies and the Connecticut Information Technology Institute which offers IT solutions, training and education.

A number of other colleges and universities offer both credit and non-credit programs in Stamford, including Norwalk Community College, Sacred Heart University, Fairfield University, Bridgeport Engineering Institute and the University of Bridgeport.

Central Business District Retail: The Stamford Town Center, the retail centerpiece for the City and region, has 1,000,000 square feet of retail space on four levels, served by seven levels of enclosed parking that accommodates 4,000 vehicles. Over \$175 million has been invested in this center which generates between \$200 to \$250 million in annual sales, and a major upgrade of the mall was completed in late 2007 recreating over 130,000 square feet of new retail and restaurants.

The Urban Redevelopment Commission ("URC") is the City's development arm. Its land assembly activities helped establish Stamford as a major satellite to New York City for corporate headquarters in the 1960s and 70s, and more recently, as a financial services center. Downtown Stamford now boasts 10 million square feet of Class A office space, all within walking distance of an express rail connection to Manhattan and an extensive labor shed to the north and east. URC has now shifted its focus from office to housing development, to strengthen the walk-to-work labor pool for downtown employers and to create a 24/7 market for downtown retail.

Park Square West I, a mixed-used, mixed-income development on land assembled by the URC, has been completed, including 143 housing units, 20% at rents affordable to households with 50% of median income. Park Square West II, a mixed-use development with 117 housing units (with the same affordable component as PSW I) is in final design stages and will commence construction once financing is finalized.

The URC is working with the Downtown Special Services District on a comprehensive update of downtown zoning to enable more rapid approval of projects which embody the urban design principles of Stamford's 2004 Master Plan. The aim is to develop clear, consistent and simple zoning rules that make it easy to develop dense, mixed-use projects of outstanding design quality (building wall meets sidewalk, animated first floor, interesting façade, well-screened parking, etc.) and make it impossible to build projects that don't "work." This will have effect of raising land values and accelerating development once the housing and credit markets come back. This project will protect, enhance and extend the pedestrian core (Main, W. Park Place, Bank, Atlantic, Broad, lower Bedford and lower Summer Street); concentrate broad market retail in the pedestrian core; manage auto traffic to achieve a better balance between auto and pedestrian; and incorporate traffic calming techniques to benefit the pedestrian experience. It is part of a larger effort to foster a seamless system of sidewalks, bike paths and high quality transit (e.g., street cars, light rail) that serves the downtown and the collar and connects them to surrounding neighborhoods, the Transportation Center and the Northeast Corridor rail line. These improvements would complement existing and proposed (e.g., Urban Transitway, redesigned I-95 underpasses) road projects that will improve auto traffic to and from I-95, the Transportation Center, downtown and the Southend.

Key values of the downtown zoning study are to maintain and expand diversity of people (incomes and ages) and uses (especially one-of-a-kind restaurants and shops and emerging businesses), and to promote building construction that is transit-oriented, water and energy efficient, and disaster resilient.

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 envelopes the Downtown reach of the Mill River, was established in 2001 as a designated urban redevelopment area with a 30-year tax increment financing (“TIF”) authority. 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 a dramatic increase in residential density which is already reflected in a dramatic increase in downtown construction of apartments and condominiums. Increased downtown density called for in Stamford’s Master Plan will promote the growth of the core, decrease reliance on vehicles in these areas adjacent to the express railroad station and the high concentration of office buildings. One condominium and the 1,077,657-square-foot RBS headquarters and parking garage in the Corridor are already contributing TIF revenues that are being used to fund park improvements and land acquisitions. Other Corridor development projects are in various stages of development and municipal approval. This transit-oriented denser development in the Downtown 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 has 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 a 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. Five million dollars in federal funding has been 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 south of North Street reducing flood damage, flood insurance and construction costs in surrounding areas. The removal of the Mill Pond and its dam also eliminate \$1.5 million in dredging and sediment disposal costs every five years. In late 2010, construction of the park around the river in the vicinity of the old Mill Pond is expected to occur. An additional \$10 million federal authorization is 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 August 2008. Design of \$12-15 million in park improvements in the primary park area are nearing completion, and park construction will follow closely behind the river restoration work. Mill River Collaborative is in the preliminary stages of a \$20 million private capital campaign to complement Stamford’s investment in the park. The City of Stamford has entered into a 10-year contract with the Mill River Collaborative to develop, operate and maintain Mill River Park and Greenway with the City and Collaborative each contributing a portion of the operating costs. The construction of Mill River Park will further spur development and real estate tax revenues. As with most well executed and operated major central parks, Mill River Park will stimulate more new tax revenues than the City will ultimately invest in its construction.

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, has begun to execute 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 parkland, rehabilitating historic structures, minimizing the parking footprint, reducing its heat island, and creating pedestrian friendly streets. For Harbor Point's excellence 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, \$44 million in fees, 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. A substantial portion of this work is already complete.

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. Businesses continue to move into Stamford in spite of a general economic decline nationally. The Bank of Ireland has moved to Stamford, Lloyds of London, RLI, and Greenwich Associates. Perdue Pharma has weathered patent and legal disputes and has sited itself in a new facility downtown, and GE has taken on renovation of the former Xerox site to call its home. The Royal Bank of Scotland opened its 1,000,000-square-foot office and parking facility in March 2009 with 1,800 new employees and the expectation to increase that to 3,000. Starwood Hotels has opted to move its 800 employee headquarters to Stamford and the Affinion Group Business Services has committed to 140,000 square feet with 350 employees. Each joins NBC Universal as major new businesses in Stamford over the last year.

Construction activity continues with two office buildings totaling 300,000 square feet under way as part of the first phase of Harbor Point; over 800 housing permits active and in construction including three high-rise buildings (Trump Parc, High Grove, and Harbor Point) and a large retail project (80,000 square feet in the South End approved).

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

Housing: This year has brought to reality a new beginning for the South End with the development of Harbor Point. Construction is underway on an office building, hotel, 336 residential structures and a supermarket. In addition, two historic, former mill buildings are being renovated for housing. Metro Green recently completed 50 units of mixed income housing and their 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 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.

In the downtown, High Grove is nearing completion and includes 84 residential units. Trump Parc, Thomas Rich & 33 Broad Street Associates, LLC with 170 units has been recently completed. Garden Homes Prospect Street Limited Partnership completed 54 residential units. A second development with 50 units by Garden Homes is under construction. TAG Forest, LLC has 16 units in construction and an additional 94 units are under construction through Century Plaza Investor Associates, LLC. The YMCA is undergoing a reconstruction in conjunction with a recently completed 99 room new hotel on Washington Boulevard.

This year the West Side has initiated significant change including the acquisition of several properties by Stamford Hospital to accommodate its expansion. The reconstruction of Fairfield Court into a mixed-income development has been completed. Funding has been obtained and site plans continue to move forward on the replacement of 216 affordable units currently located at Vidal Court. Redevelopment in two additional 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.

Projects that have been approved but are not yet in construction include: New Hope Manor by New Hope Realty including 124 residential units; New Neighborhoods, Inc. with a 50 unit residential facility and a 94 unit residential building on property owned by St. Andrews Church.

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 rental assistance program for 1,200 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 the City's most recent accomplishments include the revitalization of two large facilities, Southfield Village (now Southwood Square) and Fairfield Court (now Fairgate). The Housing Authority has also commenced redevelopment of a State moderate rental complex, Vidal Court, by leveraging a \$20 million commitment of State bond funds with \$110 million of private equity and debt. When completed, the Vidal Court revitalization will replace the existing 216 low/moderate-income rental units with 350 mixed-income units on several sites.

The City of Stamford provided a commitment of \$3.5 million to redevelop Southfield Village in Waterside. The \$3.5 million was critical because it fulfilled the local component for the 1997 Hope VI grant from the U.S. Department of Housing and Urban Development. The new facility, Southwood Square, consists of 160 low-to-moderate-income units, 70 moderate-income units, 85 market-rate units, and 15 publicly available units. The City received an additional \$16 million from the Connecticut Housing Finance Authority and \$13 million from the Connecticut Department of Economic and Community Development totaling \$94 million. This project was completed in 2005.

In June 2004, Stamford secured a \$20 million Hope VI grant to reconstruct the aging Fairfield Court on the West Side. In addition to rebuilding the 144 existing units, the City is constructing 131 new affordable, home ownership, and market-rate units. Fairfield Court, like Southwood Square, is a mixed-income development which accommodates residents from a broad spectrum of economic opportunity. City, State and private funds cover the remaining \$70 million. This project was completed in 2009.

Charter Oak Communities has recently commenced construction for phase one of the Vidal Court redevelopment. This \$40 million dollar phase will create some 95 mixed-income housing units, including 57 affordable replacement units. Phase two, comprised of 76 mixed-income units, has received zoning approval, financing and site control. Construction is expected to commence later this year. Charter Oak has formed a unique cooperative relationship with Stamford Hospital which will result 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 1,460 professional (certified) personnel and approximately 635 non-certified personnel including secretaries, clerks, custodians, maintenance personnel and educational assistants.

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 10/1/09</u>
Davenport Ridge	K-5	1972	Concrete	51	531
Murphy	K-5	1900 (2002)	Brick	49	524
Newfield	K-5	1954 (2002)	Brick	51	637
Northeast	K-5	2003	Brick/Stone	63	752
Rogers ¹	K-8	2009	Wood/Brick	50	568
Toquam	K-5	1967 (1991)	Brick	56	582
Roxbury	K-5	1955 (2002)	Brick	59	697
Springdale	K-5	1908 (2003)	Brick	46	555
Hart	K-5	1915 (1998)	Brick	53	481
Stark	K-5	1927 (1997)	Brick	55	559
Stillmeadow	K-5	2003	Block	49	590
Westover	K-5	1999	Brick	65	671
Cloonan	6-8	2002	Brick	58	581
Dolan	6-8	1949	Brick	50	615
Turn of River	6-8	1963	Block/Brick	60	538
Rippowam Middle	6-8	2003	Steel Frame	150	690
Scofield Middle	6-8	2001	Brick	54	616
AITE	9-12	2007	Steel/Frame	60	675
Stamford High	9-12	1928 (2006)	Brick/Stone	215	1,704
Westhill High	9-12	2003 (2007)	Steel Frame/Brick	230	2,227
Boyle Stadium	n/a	1937 (1997)	Stone	n/a	n/a
Out-of-District	n/a	n/a	n/a	n/a	142
Home Instruction	n/a	n/a	n/a	n/a	88
Pre-K Special Ed./ Speech	n/a	n/a	n/a	n/a	67

¹Regional Magnet School. Rogers International School currently has 650 students in grades K-6 and will add one grade level per year to become Stamford's only K-8 school by the 2011-12 academic year.

School Enrollments

<u>As of October 1</u>	<u>Elementary Headstart/K-5</u>	<u>Middle School 6-8</u>	<u>High School 9-12</u>	<u>Bilingual/Pre-K/ Special Education</u>	<u>Total Enrollment</u>
<i>Historical</i>					
1997	6,743	2,901	3,364	1,393	14,401
1998	7,359	3,012	3,295	842	14,508
1999	6,973	2,793	3,410	1,508	14,684
2000	6,908	2,999	3,651	1,361	14,919
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
<i>Projected</i>					
2010	7,241	3,147	4,907	195 ¹	15,490
2011	7,187	3,125	4,729	207 ¹	15,248
2012	7,239	3,165	4,688	207 ¹	15,299
2013	7,254	3,138	4,626	207 ¹	15,225

¹Includes pre-kindergarten 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
2008	119,303	1.9	2,990

Sources: ¹U.S. Department of Commerce, Bureau of Census, Census of Population 1960-2000; State of Connecticut Department of Public Health estimate July 1, 2008.

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	8,108	6.9%	223,344	6.5%
5 to 9 years	7,452	6.4	244,144	7.2
10 to 14 years	6,704	5.7	241,587	7.1
15 to 19 years	5,669	4.8	216,627	6.4
20 to 24 years	6,617	5.7	187,571	5.5
25 to 34 years	20,802	17.8	451,640	13.2
35 to 44 years	20,202	17.3	581,049	17.1
45 to 54 years	15,142	12.9	480,807	14.1
55 to 59 years	5,665	4.8	176,961	5.2
60 to 64 years	4,547	3.9	131,652	3.9
65 to 74 years	8,271	7.1	231,565	6.8
75 to 84 years	5,663	4.8	174,345	5.1
85 years and over	<u>2,241</u>	<u>1.9</u>	<u>64,273</u>	<u>1.9</u>
Total	117,083	100.0%	3,405,565	100.0%
2000 median age (years) ¹	36.4	-	37.4	-
1990 median age (years) ²	34.9	-	34.4	-

Sources: ¹U.S. Department of Commerce, Bureau of Census, 2000 Census.

²U.S. Department of Commerce, Bureau of Census, 1990 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, 1999	\$34,987	\$28,766
Median family income, 1999	\$69,337	\$65,521
Median household income, 1999	\$60,556	\$53,935

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

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>
February 2010	67,450	61,753	5,697	8.4	9.0	9.8
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
2000	63,667	62,454	1,213	1.9	2.1	2.3

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
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
Chirex Inc.	Contract Research and Development for Pharmaceutical Company
Circom/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
Digitas	Digital Media
Elizabeth Arden	Cosmetics
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
Hexcel Corp.	Carbon Fiber Industrial Products Manufacturer

Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
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
META Group	Consumer Services
Moore Corporation	Printed Forms
NacRe Insurance	Insurance
NBC Universal	Media
Omega Engineering	Temperature Control Devices (HQ and Mfg.)
Oracle	Computer Software
Pitney Bowes, Inc.	Office Equipment (HQ)
Price WaterhouseCoopers	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
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 & Vinters	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>
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
2001	6,311,533	14.0	8,269,133	12.6	37,458,689	16.5
2000	6,248,071	9.6	8,433,193	5.4	37,540,194	6.8

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>
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
2001	45,405,860	156,978,838	69,203,887	247,996,398
2000	45,087,299	171,945,326	42,893,700	286,236,512

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	45,399	95.9%	1,301,670	93.9%
Vacant housing units	<u>1,918</u>	<u>4.1</u>	<u>84,305</u>	<u>6.1</u>
Total units	47,317	100.0%	1,385,975	100.0%
Homeowner vacancy rate	-	0.6%	-	1.1%
Rental vacancy rate	-	3.0	-	5.6

Source: U.S. Department of Commerce, Bureau of Census, 2000 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	115,330	-	3,297,626	-
Persons per household (average)	2.54	-	2.53	-
Persons per family (average)	3.13	-	3.08	-
Family households	28,951	63.8%	881,170	67.7%
Non-family households	<u>16,448</u>	<u>36.2</u>	<u>420,500</u>	<u>32.3</u>
All households	45,399	100.0%	1,301,670	100.0%
Family households by type				
Married couple	22,006	76.0%	676,467	76.8%
Female householders, no spouse	5,240	18.1	157,411	17.8
Other	<u>1,705</u>	<u>5.9</u>	<u>47,292</u>	<u>5.4</u>
Total family households	28,951	100.0%	881,170	100.0%
Non-family households by type				
Householders living alone	13,033	79.2%	344,224	81.9%
Other	<u>3,415</u>	<u>20.8</u>	<u>76,276</u>	<u>18.1</u>
Total non-family households	16,448	100.0%	420,500	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 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 of Stamford requires the preparation of an annual report analyzing the amount and nature of expenditures that the City may incur safely for capital projects during each of the next six succeeding years, and the effect of those expenditures on the budgets for each of those years. The report prepared for Fiscal Year 2010-11 recommended a safe debt limit of \$40.0 million, followed by \$40.0 million for the next five years for a total of \$240 million. Typically included in that debt is short-term debt which is financed over seven years or less. The short-term debt allows the City to meet capital equipment needs while minimizing long-term interest costs. Following consideration of the annual report, the Board of Finance indicated their support of a \$35.0 million safe debt limit. The Planning Board recommended a Capital Projects Budget of approximately \$46.3 million. Subsequently, the Mayor submitted his proposed fiscal 2011 Capital Budget at \$29.2 million, having scaled back the overall number and aggregate amount of near-term projects in light of the economic environment.

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 \$6.5 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") is an agency of the City, 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 Statement¹
Pro Forma
As of April 14, 2010

Bonded debt ² :	
This issue	\$ 26,580,000
General purpose	208,637,191
Schools	<u>136,491,613</u>
Total bonded debt	371,708,804
Short-term debt	<u> -</u>
Total overall debt	371,708,804
Less school construction grants receivable	<u>5,541,366</u>
Total overall net debt	\$366,167,438

¹Excludes the Refunded Bonds.

²Excludes \$21,036,517 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$61,573,611 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 Ratios¹
Pro Forma
As of April 14, 2010

Population, 2007	118,475	
Per capita income, 1999	\$34,987	
Net taxable grand list, 10/1/09 ²	\$24,133,122,494	
Estimated full value @ 70%	\$34,475,889,277	
Equalized net grand list (2007) ¹	\$34,348,965,159	
	Overall Debt	Overall Net Debt
	<u>\$371,708,804</u>	<u>\$366,167,438</u>
Per capita	\$3,137.45	\$3,090.67
To net taxable grand list	1.54%	1.52%
To estimated full value	1.08%	1.06%
To net equalized grand list	1.08%	1.07%
Ratio of debt per capita to per capita income	8.97%	8.83%

¹Excludes the Refunded Bonds.

²Before Board of Assessment Appeals.

Bonded Debt Maturity Schedule^{1,2}
Pro Forma
As of April 14, 2010

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u> <u>Payments</u>	<u>This Issue</u> <u>Series A</u>	<u>This Issue</u> <u>Series B</u>	<u>Total</u> <u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>	<u>Cumulative</u> <u>Principal</u> <u>Retired (%)</u>
2010 ³	\$ 4,600,000	\$ 80,000	\$ 325,000	\$ 1,273,808	\$ 6,278,808	1.35
2011	27,665,119	-	-	15,159,765	42,824,884	8.79
2012	30,623,653	-	-	14,402,941	45,026,594	17.03
2013	29,789,118	-	-	13,181,646	42,970,764	25.04
2014	28,778,478	-	-	11,847,280	40,625,758	32.78
2015	28,446,843	-	-	10,568,631	39,015,474	40.44
2016	25,961,657	-	510,000	9,388,433	35,860,090	47.56
2017	24,493,143	-	-	8,316,002	32,809,145	54.15
2018	24,406,881	-	-	7,187,199	31,594,080	60.71
2019	23,360,916	-	510,000	6,011,486	29,882,402	67.14
2020	19,707,557	-	530,000	5,039,003	25,276,560	72.58
2021	11,994,588	1,715,000	5,980,000	4,232,402	23,921,990	88.88
2022	8,860,185	1,730,000	6,035,000	3,406,399	20,031,584	82.35
2023	5,428,333	-	9,165,000	2,622,312	17,215,645	86.28
2024	14,253,333	-	-	2,125,610	16,378,943	90.11
2025	10,959,000	-	-	1,581,439	12,540,439	93.06
2026	9,375,000	-	-	1,138,974	10,513,974	95.58
2027	6,345,000	-	-	723,561	7,068,561	97.28
2028	6,320,000	-	-	439,645	6,759,645	98.99
2029	1,895,000	-	-	155,146	2,050,146	99.50
2030	<u>1,865,000</u>	<u>-</u>	<u>-</u>	<u>51,754</u>	<u>1,916,754</u>	100.00
Total	\$345,128,804	\$3,525,000	\$23,055,000	\$118,853,436	\$490,562,240	

¹Excludes the Refunded Bonds.

²Excludes \$21,036,517 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$61,573,611 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.)

³Excludes \$23,395,968 principal payments and \$13,524,872 interest payments made from July 1, 2009 through April 14, 2010.

Overlapping/Underlying Debt

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

Authorized but Unissued Debt

As of December 31, 2009, the City had \$427,800,467 of authorized but unissued debt for various public improvement and school projects. The City expects that approximately \$353,216,298 will be financed by grants and other sources and \$74,584,169 will be financed by the issuance of general obligation bonds.

	<u>Authorized but</u> <u>Unissued</u>	<u>Less Grant</u> <u>Funding</u>	<u>Net Authorized</u> <u>But Unissued</u>
Schools	\$203,409,765	\$190,988,422	\$12,421,342
Public improvements	<u>224,390,702</u>	<u>162,227,876</u>	<u>62,162,827</u>
Grand Total Authorized but Unissued	\$427,800,467	\$353,216,298	\$74,584,169

**Statement of Statutory Debt Limitation
Pro Forma
As of April 14, 2010**

Debt Limitation Base

Total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2009	\$385,599,816
Reimbursement for revenue loss on Elderly Tax Relief	<u>14,301</u>
Debt limitation base	\$385,614,117

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	\$867,631,763				
4.50 x base	-	\$1,735,263,527			
3.75 x base	-	-	\$1,446,052,939		
3.25 x base	-	-	-	\$1,253,245,880	
3.00 x base	-	-	-	-	\$1,156,842,351
Total debt limitation	<u>867,631,763</u>	<u>1,735,263,527</u>	<u>1,446,052,939</u>	<u>1,253,245,880</u>	<u>1,156,842,351</u>
Less indebtedness ²					
This issue, Series A	2,608,100	916,900	-	-	-
This issue, Series B	15,736,200	7,318,800	-	-	-
Bonds payable	<u>208,637,191</u>	<u>136,491,613</u>	-	-	-
Total indebtedness	226,981,491	144,727,313	-	-	-
Less school construction grants receivable	-	<u>5,541,366</u>	-	-	-
Net total indebtedness	<u>226,981,491</u>	<u>139,185,947</u>	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$640,650,272	\$1,596,077,580	\$1,446,052,939	\$1,253,245,880	\$1,156,842,351

¹ Excludes \$21,036,517 of bonded general obligation sewer debt and four Clean Water Fund project loan obligations totaling \$61,573,611 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 Excludes the Refunded Bonds.

³ As of December 31, 2009, the City had \$427,800,467 of authorized but unissued debt.

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 \$2.7 billion.

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

<u>Fiscal Year Ended June 30</u>	<u>Debt Service</u>	<u>Total General Fund Expenditures and Transfers Out</u>	<u>Debt Service as Ratio to Total Expenditures and Transfers Out</u>
2009	\$43,773,749	\$468,943,293	9.3%
2008	45,402,419	441,518,588	10.3
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
2004	28,720,953	352,371,916	8.15

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 February 28, 2006, and the Third Supplemental Indenture dated as of September 1, 2006 (the Indenture, as amended and supplemented by the First, Second and Third Supplemental Indentures, herein referred to as the "Indenture"). In addition, the City has three PLOs outstanding totaling \$3,158,977 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.)

Sewer Revenue Bonds

On October 9, 2003, the City issued \$12,480,000 Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, and on September 28, 2006, the City issued \$19,765,000 Water Pollution Control System and Facility Revenue Bonds, 2006 Series, 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 are the first issuance of bonds to the public under the Indenture. In addition to the 2003 Series A Bonds and the 2006 Series Bonds, the Indenture also secures the City's obligations issued pursuant to the Clean Water Fund Act. See "State of Connecticut Clean Water Fund" herein. The 2003 Series A Bonds and the 2006 Series Bonds are special limited obligations of the City payable solely from revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture. The City expects that most of the future issuances of debt for improvements to the City's sewerage system will be funded under the program established by the Indenture, as amended, and that such amounts will accordingly be excluded from the Safe Debt Limit which is set each year for internal purposes by the Board of Finance. See "Safe Debt Limit" 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 April 14, 2010 the City has \$21,036,517 of general obligation bonds outstanding and four Clean Water Fund project loan obligations outstanding in the amount of \$61,573,611 issued under the Clean Water Fund which 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 April 14, 2010

Fiscal Year Ending <u>June 30</u>	Subordinated Debt		Senior Lien Debt (Parity Indebtedness)				Cumulative Percent <u>Retired</u>
	General Obligation Sewer Bonds		2003 Series A & 2006 Sewer Revenue Bonds		Existing Clean Water Fund Debt ¹		
	Principal	Interest	Principal	Interest	Principal	Interest	
2010 ²	\$ -	\$ -	\$ -	\$ 252,390	\$ 902,929	\$ 306,365	0.80
2011	1,450,129	939,168	665,000	1,325,575	3,654,901	1,180,025	5.95
2012	1,648,234	879,186	690,000	1,300,056	3,725,044	1,106,287	11.35
2013	1,709,440	812,685	715,000	1,273,825	3,796,603	1,031,132	16.89
2014	1,726,784	737,484	745,000	1,246,175	3,869,607	954,533	22.54
2015	1,755,158	658,371	775,000	1,217,181	3,864,423	876,859	28.23
2016	1,342,117	590,633	805,000	1,186,625	3,883,503	799,731	33.61
2017	1,182,441	534,755	840,000	1,152,331	3,943,011	721,412	38.92
2018	1,305,547	477,214	875,000	1,116,718	3,996,881	642,166	44.43
2019	1,323,395	415,151	910,000	1,079,991	4,077,554	561,492	50.05
2020	993,672	360,989	950,000	1,039,508	4,159,858	479,189	55.48
2021	788,600	319,320	995,000	996,730	4,026,883	397,206	60.66
2022	535,000	287,538	1,040,000	950,936	4,108,163	315,926	65.72
2023	555,000	261,100	1,090,000	903,653	4,191,084	233,005	70.92
2024	580,000	233,002	1,135,000	855,406	4,275,678	148,411	76.26
2025	741,000	200,336	1,190,000	803,456	4,361,980	62,109	81.87
2026	625,000	166,076	1,245,000	747,756	735,509	1,839	84.19
2027	655,000	132,789	1,305,000	689,406	-	-	85.93
2028	680,000	97,405	1,365,000	626,369	-	-	87.76
2029	705,000	60,004	1,435,000	558,331	-	-	89.66
2030	735,000	20,396	1,505,000	486,894	-	-	91.66
2031	-	-	1,580,000	411,931	-	-	93.07
2032	-	-	1,655,000	333,319	-	-	94.54
2033	-	-	1,745,000	250,694	-	-	96.09
2034	-	-	1,020,000	184,063	-	-	97.00
2035	-	-	1,070,000	134,425	-	-	97.96
2036	-	-	1,120,000	82,413	-	-	98.95
2037	-	-	1,175,000	7,906	-	-	100.00
Total	\$21,036,517	\$8,183,602	\$29,640,000	\$21,234,063	\$61,573,611	\$9,817,687	

¹ Principal and interest payments reflect existing project loan obligations (“PLOs”) between the City and the State of Connecticut, as follows: PLO 177-C (original amount of loan \$2,731,211 and current principal amount outstanding \$637,283); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$295,296); PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$1,990,656); and PLO 414-C (original amount of loan \$73,561,481 and current principal amount outstanding \$58,650,376). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis.

² Excludes \$4,845,892 of principal payments and 2,838,995 of interest payments made from July 1, 2009 through April 14 2010.

SECTION V - FINANCIAL SECTION

Financial Results for Fiscal Year 2008-09 and Projections for 2009-10 and Proposed 2010-11 Budget

At June 30, 2009, the total fund balance for the General Fund alone was \$8.4 million. Of this amount, \$4.5 million was unreserved General Fund fund balance (down from \$11.4 million as of June 30, 2008). Unreserved General Fund fund balance at year-end was 1% of total General Fund expenditures of \$440 million (down 1.6% from the prior year). However, it is important to note that the General Fund fund balance was reduced by \$9 million in planned transfers, including \$8.6 million to fund possible tax appeals.

The City achieved very strong results in all areas of tax collections. The current levy collection rate (for all property types) is 98.45%, the eighth consecutive year that the collection rate exceeded 98%. The positive results were achieved by 1) a continued stable municipal tax base and 2) a continuation of policy and strategies employed in the area of delinquent collections.

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. This analysis includes actual revenues and expenditures posted for the first half of the fiscal year and revenue and expenditures projections based on emerging trends and anticipated changes from the Adopted Budget for the second half of the fiscal year. Based on this analysis, OPM is projecting a surplus of \$16,563 by fiscal year-end. Given the difficult economic environment, the Administration will continue to impose strict budget controls and austere expenditure requirements that are essential to ensure a positive year-end financial position.

The City is currently reviewing all account balances from operating departments and targeting direct reductions to specific accounts, including overtime/part-time and seasonal accounts. The primary goal through the remainder of the fiscal year is to curtail non-essential spending to ensure a balanced budget. Meanwhile, considering the difficult and uncertain economy as well as the financial burden the City faces as a result of rising structural costs (e.g. pensions, OPEB, healthcare), the City plans to focus on more aggressive cost-reduction actions.

The projected fiscal 2009-10 surplus includes a contingency reserve of \$4.7 million. It is anticipated that a significant portion (approximately \$3.4 million) of the reserve will be used for Police and Fire uniform payroll adjustments, the Municipal Lawyers union payroll adjustments, and the Smith House nursing facility to mitigate significant budget reductions made during the budget adoption process. An additional impact on the reserve is the projected funding necessary to offset a significant increase in Police and Fire overtime expenses. The resulting \$1.3 million balance will be set aside for unforeseen or unplanned events, such as: an inordinate amount of winter storms that could deplete the storm overtime account and deplete salt reserves; unanticipated spikes in Public Safety overtime due to unforeseen events; potential census issues with the Smith House nursing facility patient levels; and the possibility of not collecting the full value of projected property taxes.

On March 8, 2010 the Mayor submitted his proposed fiscal 2010-11 Operating and Special Revenue Funds Budget to the Board of Finance and Board of Representatives for review and approval. By Charter, the Boards can only reduce recommended funding levels and the Board of Finance will ultimately set the tax rate in mid-May 2010. As proposed, the Budget totals \$451.1 million, up \$11.2 million, or 2.6% from fiscal 2010. The City Operating portion of the Budget (which includes Debt Service of \$41.0 million) totals \$227.7 million, up 3.3% from fiscal 2010. The Board of Education portion of the Budget as submitted totals \$223.4 million, up 1.8% from fiscal 2010. Overall, the Budget includes a proposed tax increase of approximately 3%, the lowest proposed tax increase in over 10 years.

Revenues include a projected gross tax levy of \$414.4 million which includes \$19.2 million in reserves (primarily for uncollected taxes and tax appeals) and non-Tax revenue of \$55.9 million. The Budget assumes a 98.45% tax collection rate, which is the same collection rate used over the past few years.

In light of the challenging economic environment and the need for increased fiscal discipline, the Administration formulated an expenditure budget for City Operations that includes significant cost containment actions. In addition to restraining discretionary spending, the Budget includes the elimination of approximately 120 jobs (equating to approximately 10% of the City workforce), about 70 of which

represented vacant positions and approximately 50 which will involve layoffs. In addition, various other initiatives are underway or planned to combat rising costs (including more widely promoting single stream recycling, which continues to have a positive financial impact on the disposal of municipal solid waste). The City will also continue to pursue additional cost savings and cost containment efforts, including the cost of outside services as well as future compensation and employee benefit costs involving the City's labor force.

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, McGladrey & Pullen, 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			Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
	Residential Real Property Percent	Industrial Real Property Percent	Other Percent						
2009 ¹	64.08%	28.20%	0.26%	4.32%	3.14%	\$24,419,075	\$285,953	\$24,133,122	0.3%
2008	59.14	33.54	0.30	4.10	3.19	24,263,665	208,190	24,055,475	0.5
2007 ²	59.02	31.14	2.64	3.78	3.42	24,162,168	217,625	23,944,543	81.4
2006 ³	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	0.3
2000	55.86	30.29	0.49	6.66	6.70	10,921,964	124,130	10,797,834	1.3

¹ Before Board of Assessment Appeals.

² Revaluation.

³ Revaluation - Phase-In. See "Property Tax" herein.

Tax Collections

Fiscal Year Ended 6/30	Net Taxable Grand List (000s)	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 12/31/09
2010	\$24,055,475	\$402,388,009	-----In collection-----		
2009	23,944,543	386,200,745	98.5	1.5	0.82
2008	13,197,844	356,270,017	98.4	1.6	0.67
2007	11,197,766	338,789,500	98.3	1.7	0.52
2006	11,036,517	323,570,472	98.5	1.5	0.40
2005	10,892,248	313,394,228	98.6	1.4	0.32
2004	10,906,185	311,521,759	98.5	1.5	0.03
2003	10,831,038	282,412,137	98.5	1.5	0.03
2002	10,797,834	262,957,476	98.3	1.7	0.05
2001	10,662,716	255,724,838	97.8	2.2	0.03

Property Taxes Receivable

Fiscal Year Ended June 30	Current Year (000s)	Total (000s)
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
2003	4,251	12,638
2002	4,270	13,159
2001	5,505	16,145

Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/09</u>	<u>Percent of Net Taxable Grand List</u>
RFR Properties	Office buildings	\$ 596,537,740	2.47%
First Stamford Place	Office buildings	247,976,740	1.03
UBS AG Stamford	Banking/finance	246,966,690	1.02
Antares	Development	227,191,360	0.94
Avalon	Apartments	202,076,110	0.84
HPHV Direct LLC	Office buildings/retail	192,727,210	0.80
Four Hundred Atlantic Title LLC	Office buildings	164,868,700	0.68
Antares/BLT Group	Development	160,144,330	0.66
Landmark	Office buildings	157,259,980	0.65
Rich-Taubman Associates	Office buildings/retail	156,126,430	0.65
One Stamford Realty LP	Office buildings	150,863,890	0.62
33 Broad Street Assoc. II LLC	Condominium	122,849,140	0.51
UB Stamford LP	Office buildings/retail	100,850,390	0.42
One Station Place	Office buildings	99,839,220	0.41
Reckson/Stamford Towers LLC	Office buildings	95,744,360	0.40
Soundview Farms LLC	Office buildings	89,251,660	0.37
High Ridge Office Park LLC	Office buildings	85,790,520	0.36
Pitney Bowes	Office buildings	74,516,960	0.31
RA 225 High Ridge LLC	Office buildings	71,967,730	0.30
Stamford Square Associates	Office buildings	67,948,220	0.28
ForestBroad LLC	Apartments	<u>67,648,970</u>	<u>0.28</u>
Total		<u>\$3,379,146,350</u>	<u>14.00%</u>

Net Taxable Grand List for 10/1/09: \$24,133,122,494.

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 will supersede the October 1, 2006 revaluation. The next revaluation is scheduled for October 1, 2012

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

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with all manufacturers and businesses required to complete and return (by November 1st) a Personal Property Declaration. The declaration is a determination of value of taxable personal property

as of October 1st. The city utilizes an accelerated depreciation schedule for certain types of personal property. Upon receipt of declarations, the assessor's staff reviews and prices property for all accounts.

The City derived 88% of its annual revenues for fiscal year 2008-09 through property taxes. For fiscal year 2007-08 the City collected 84% of its annual revenues from property taxes, and 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 2009-10 the Personal Property Tax District mill rate is 16.82 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, 2008	2009-10	16.82	16.45	15.68	16.01	26.50	16.82
October 1, 2007	2008-09	16.18	15.82	15.16	15.49	24.00	16.18
October 1, 2006	2007-08	27.03	26.28	25.20	25.88	34.00	27.03
October 1, 2005	2006-07	30.68	29.94	27.89	28.56	36.60	30.68
October 1, 2004	2005-06	29.81	29.01	27.16	27.90	35.62	29.81
October 1, 2003	2004-05	29.16	28.31	26.67	27.26	34.37	29.16
October 1, 2002	2003-04	28.68	28.59	27.00	27.56	33.19	28.68
October 1, 2001	2002-03	26.16	26.03	24.59	25.11	30.25	27.44
October 1, 2000	2001-02	24.57	24.44	23.11	23.61	27.09	27.44
October 1, 1999	2000-01	23.87	23.74	22.50	22.96	26.47	28.64
October 1, 1998	1999-00	28.64	27.84	26.00	26.79	30.90	-

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 2009 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>
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
2000	17,717,212	290,042,506	6.12

Real Property Tax Collection Procedure

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

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

Real Property Tax Levies

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in two installments on July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by establishing a reserve for uncollected amounts when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of \$2. Outstanding real estate tax accounts are automatically liened each year prior to June 30. The tax office 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.

Fiscal Year 2010–11 Mayor’s Proposed Capital Improvement Program¹

<u>Proposed Expenditures</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Office of the Mayor	\$ 1,400,000	\$ 1,500,000	\$ 1,200,000	\$ 1,200,000	\$ 1,400,000	\$1,500,000
Office of Administration	181,840	181,840	185,477	185,477	185,477	185,477
Office of Operations	60,742,500	27,890,000	34,101,875	28,125,000	25,675,000	19,625,000
Office of Public Safety, Health & Welfare	1,150,000	1,609,000	1,425,000	1,110,000	920,000	3,060,000
Bartlett Arboretum	-	150,000	200,000	200,000	150,000	150,000
Childcare Learning Center	212,500	229,000	212,000	113,000	50,000	0
Ferguson Library	-	700,000	375,000	350,000	300,000	300,000
Scotfield Manor	50,000	100,000	50,000	50,000	50,000	50,000
Stamford Center for the Arts	-	110,000	50,000	-	-	-
Stamford Historical Society	100,000	100,000	-	100,000	-	100,000
Stamford Museum	-	700,000	750,000	750,000	1,200,000	1,750,000
Old Town Hall Restoration	-	-	-	-	-	-
Board of Education	5,725,000	11,400,000	16,150,000	22,450,000	24,950,000	26,100,000
Parking Fund	250,000	400,000	300,000	300,000	200,000	300,000
Water Pollution Control Authority	1,550,000	11,660,000	700,000	700,000	700,000	700,000
E. G. Brennan Golf Course	500,000	500,000	250,000	-	-	-
Short-term Capital	<u>6,250,000</u>	<u>7,945,000</u>	<u>7,665,000</u>	<u>8,061,000</u>	<u>8,170,000</u>	<u>7,780,000</u>
Total Expenditures	\$78,111,840	\$65,174,840	\$63,614,352	\$63,694,477	\$63,950,477	\$61,600,477
Funding Sources						
GO Bonds and Notes	\$23,237,750	\$39,895,900	\$47,709,175	\$49,859,000	\$50,332,500	\$ -
Short-term Capital GO Bonds	5,987,500	7,645,000	7,365,000	7,686,000	7,795,000	7,405,000
Grants	41,404,750	4,892,100	7,104,700	4,964,000	4,737,500	4,494,500
Other	5,931,840	1,081,840	735,477	485,477	385,477	485,477
WPCA Revenue Bonds	<u>1,550,000</u>	<u>11,660,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
Total Funding Sources	\$78,111,840	\$65,174,840	\$63,614,352	\$63,694,477	\$63,950,477	\$61,600,477

¹ A “safe debt limit” of \$40.0 million in fiscal 2011 was proposed by the Director of Administration. The Board of Finance subsequently established a suggested guideline of \$35.0 million. The Mayor’s proposed fiscal 2011 Capital Budget amounted to \$29.2 million (to be funded by GO bonds and notes). The lower amount was determined based on a comprehensive reassessment of all proposed capital projects. Due to time constraints, a similar reassessment of proposed capital projects included in the projected amounts shown above for the fiscal years 2012–16 has not yet been completed. However, management expects to complete such a review by June 30, 2010 and further expects that the projected amounts for those years will be reduced.

Comparative Balance Sheets – General Fund

	<u>6/30/09</u>	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/06</u>	<u>6/30/05</u>
Assets					
Cash equivalents and investments ...	\$ 890,360	\$ 5,268,842	\$ 1,375,719	\$ 1,412,028	\$18,509,223
Property taxes	16,191,113	17,204,750	17,063,575	16,996,106	11,342,632
Intergovernmental	8,086,289	6,615,673	7,616,698	8,946,041	755,087
Other receivables	216,895	1,413,776	208,491	1,010,848	101,035
Due from other funds	518,528	5,039,386	8,423,416	4,415,552	13,387,371
Advances to other funds			6,200,000	5,500,000	-
Investments	19,789,289	21,370,819	20,050,109	19,019,245	17,911,899
Other assets	<u>365,856</u>	<u>364,447</u>	<u>409,914</u>	<u>273,661</u>	<u>12,924</u>
Total assets	\$46,058,330	\$57,277,693	\$61,347,922	\$59,878,876	\$62,720,171
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ 7,300,587	\$ 7,234,456	\$ 8,488,399	\$ 9,171,634	\$ 9,451,098
Accrued wages	2,329,022	1,620,171	1,058,739	1,237,167	1,624,399
Deferred revenues	28,003,049	32,853,156	32,755,387	30,161,869	30,039,684
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	37,695,958	41,771,083	42,365,825	40,633,970	41,178,481
Fund Balance					
Reserved:					
For encumbrances	3,860,955	4,092,404	4,592,469	5,555,791	6,839,773
For inventory	-	-	-	-	-
For debt service	-	-	-	-	-
For long-term advances	-	-	<u>6,200,000</u>	<u>5,500,000</u>	<u>5,000,000</u>
Total reserved fund balance	<u>3,860,955</u>	<u>4,092,404</u>	10,792,469	11,055,791	11,839,773
Designated:					
General Fund ¹	4,501,417	-	-	-	-
For future contracts	-	-	<u>2,804,312</u>	<u>1,420,417</u>	1,144,607
	<u>4,501,417</u>	-	2,804,312	1,420,417	1,144,607
Unreserved and undesignated	-	<u>11,414,206</u>	<u>5,385,316</u>	<u>6,768,698</u>	<u>8,557,310</u>
Total fund balance	<u>8,362,372</u>	<u>15,506,610</u>	<u>18,982,097</u>	<u>19,244,906</u>	<u>21,541,690</u>
Total liabilities and fund balance	\$46,058,330	\$57,277,693	\$61,347,922	\$59,878,876	\$62,720,171
Operating revenues	\$458,840,376	\$442,328,318	\$408,263,643	\$389,612,700	\$367,435,215
Fund balance as percent of					
operating revenues	1.82%	3.50%	4.65%	4.94%	5.86%
Unreserved fund balance as					
percent of operating revenues ²	-%	2.58%	1.32%	2.10%	2.64%

¹Note 3 in Audit Report – Management designations of (Rainy Day, Risk Management) of General Fund Fund Balance.

² City 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, 2006 through 2009 have been derived from audited financial statements and are based on a GAAP basis of accounting. The adopted budget for 2009-10 and projected results for 2009-10 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.

	Proposed Budget 2010-11¹	Projected 2009-10¹	2008-09²	2007-08²	2006-07²	2005-06²
Revenues						
General property taxes	\$403,933,238	\$396,876,412	\$386,679,253	\$360,287,944	\$342,983,578	\$326,984,784
Intergovernmental	16,309,673	15,839,306	39,936,682	38,740,568	35,462,340	38,510,261
Charges for services ³	24,206,638	25,325,784	27,563,098	36,341,541	21,860,083	17,945,315
Interest and dividends	1,250,000	1,100,000	3,027,546	5,594,675	5,157,024	4,648,346
Other	<u>2,120,084</u>	<u>1,926,404</u>	<u>1,633,797</u>	<u>1,363,590</u>	<u>2,800,618</u>	<u>1,523,994</u>
Total revenues	447,819,633	441,067,906	458,840,376	442,328,318	408,263,643	389,612,700
Expenditures						
Government and community						
services	12,837,843	14,968,922	13,999,298	13,759,212	13,711,630	12,826,128
Administration	7,417,409	6,760,170	6,854,078	7,949,133	7,291,626	7,326,822
Legal affairs	10,614,545	7,498,143	12,895,688	6,987,466	4,069,511	3,874,702
Public health, safety & welfare ..	117,601,461	106,831,181	106,814,350	110,782,689	90,679,159	87,249,157
Operations	38,286,256	38,332,995	39,887,392	40,102,137	39,375,209	38,753,021
Board of Education ⁴	223,382,203	226,127,248	243,089,067	221,558,188	216,863,390	207,702,919
Other	-	1,500,000	-	-	-	-
Debt service ⁵	-	-	-	-	-	-
Total expenditures.....	<u>410,139,717</u>	<u>402,018,659</u>	<u>423,539,873</u>	<u>401,138,825</u>	<u>371,990,525</u>	<u>357,732,749</u>
Excess of revenues over expenditures	37,679,916	39,049,247	35,300,503	41,189,493	36,273,118	31,879,951
Other financing sources (uses)						
Operating transfers in	3,289,565	4,379,049	2,958,679	2,531,303	3,129,801	3,051,980
Operating transfers out	<u>(40,969,481)</u>	<u>(43,411,733)</u>	<u>(45,403,420)</u>	<u>(40,379,763)</u>	<u>(39,665,728)</u>	<u>(37,228,715)</u>
Total other financing sources (uses)	(37,679,916)	(39,032,684)	(42,444,741)	(37,848,460)	(36,535,927)	(34,176,735)
Special and extraordinary items						
Smith House reclassification	-	-	-	(6,816,520)	-	-
State teachers' on-behalf payments	-	-	-	(70,000,000)	-	-
State teachers' on-behalf revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>
Total extraordinary items	-	-	-	(6,816,520)	-	-
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses	-	16,563	(7,144,238)	(3,475,487)	(262,809)	(2,296,784)
Fund balance, July 1		<u>8,362,372</u>	<u>15,506,610</u>	<u>18,982,097</u>	<u>19,244,906</u>	<u>21,541,690</u>
Fund balance, June 30		\$ 8,378,935	\$ 8,362,372	\$15,506,610	\$18,982,097	\$19,244,906

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 Beginning in fiscal year 2008-09, debt service for school projects will be reflected in Board of Education expenses.

⁵ Debt service included in 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' Retirement Fund. Buck Consultants of Stamford, Connecticut, 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 40 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>Unfunded Actuarial Accrued Liability</u>
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)
1999	401,702,000	329,098,000	122	(72,604,000)

¹Based on the valuation completed by Hooker & Holcombe, Inc. for 2009; 1999-08 is based on the valuation 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, \$100,000 for property losses (except those in flood plains which have a \$250,000 deductible) 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 and life insurance benefits to all retirees and their dependents on a partially contributory basis, 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. Beginning in 1994, some employees began retiring under the comprehensive indemnity plan. These employees pay a straight deductible and coinsurance of 20% of cost up to a maximum of \$1,500 for hospital care, surgical costs and certain major medical benefits. These employees also have small amounts of life insurance covered in full by their benefits. Benefits for all plans integrate with Medicare on a 100% coordination basis.

During fiscal 2010, the total amount that is anticipated to be paid for retiree medical claims and medical and life insurance premiums is approximately \$11.0 million and covers approximately 1,200 individuals. The City has to date funded these costs on a pay-as-you-go basis.

The Board of Representatives approved, by ordinance, the establishment of a trust to address Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions." The trust was established in fiscal year 2007-08 and an investment advisor and custodian were selected.

The funding of the OPEB Trust fund was considered by all parties and it was agreed that funding of the 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 2008-09. Based upon a July 1, 2008 actuarial valuation, the 2009-10 budget included an approximately \$2.8 million contribution totaling the amount due for the five-year phase-in of the ARC or 40% of the 30-year level percent amortization of the unfunded liability. Based upon the July 1, 2009 actuarial valuation, the 2010-11 OPEB liability is approximately \$4.2 million. This amount is fully funded in the Mayor's proposed 2010-11 budget and represents the amount due for the five year phase-in of the ARC or 50% of the 20-year level percent amortization of the unfunded liability. The Board of Representatives is recommending that for fiscal year 2011-12, the minimum required contribution shall not be less than 75% of the ARC.

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 which would have a material adverse effect on the finances of the City 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 opinions with respect to the Bonds in substantially the forms attached to the Official Statement as Appendix B herein.

Documents to Be Furnished at Closing

Upon delivery of the Bonds, the Underwriters 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 Bond Purchase Agreement was executed, 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. Receipts for the purchase price of the Bonds.

4. The approving opinions of Robinson & Cole LLP, Bond Counsel.
5. An executed Continuing Disclosure Agreement substantially in the form attached hereto as Appendix C.
6. Any other documents required by the Bond Purchase Agreement.

The City of Stamford has prepared an Official Statement for the Bonds which is dated March 31, 2010. 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 of 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
Frederick C. Flynn, Jr.
Director of Administration

Dated as of March 31, 2010

Appendix A - Auditor's Section

The following includes the audited financial statements of the City of Stamford, Connecticut for the fiscal year ended June 30, 2009. The supplemental data and management letter which were a part of that report have not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Vice President, Webster Bank, National Association, CityPlace II, 185 Asylum Street, Hartford, Connecticut 06103.

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McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
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, 2009, 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 of Stamford, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in 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 November 23, 2009 on our consideration of the City of Stamford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards," and should be considered in assessing the results of our audit.

The management's discussion and analysis and the schedules 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 accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the 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's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules, other schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, the combining and individual nonmajor fund statements, capital asset schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
November 23, 2009

City of Stamford, Connecticut
Management's Discussion and Analysis
June 30, 2009

Our discussion and analysis of the City of Stamford's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the letter of transmittal and the City's financial statements that follow this section.

Financial Highlights and Significant Events

- ◆ The City's net assets increased as a result of this year's operations. On a government-wide basis including all governmental activities and business-type activities, but excluding component units, the assets of the City of Stamford exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$331.8 million. This represents an increase of 2.2% over last fiscal year's net assets of \$324.7 million.
- ◆ The City of Stamford's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$34 million, a decrease of \$44.8 million from the prior fiscal year. The change in fund balance is a product of the timing of resource flows into (from bond issuances) and out of the Capital Project Fund. No new bonds were issued during the year, and as a result the Capital Project Fund balance declined by \$42.6 million.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$8.4 million. Of the total General Fund fund balance as of June 30, 2009, \$4.5 million represents unreserved General Fund fund balance (down from \$11.4 million as of June 30, 2008). Unreserved General Fund fund balance at year-end represents 1% of total General Fund expenditures of \$440 million (down 1.6% from the prior year). However, it is important to note that the General Fund fund balance was reduced by \$9 million in planned transfers to other funds, including \$8.6 million to fund possible tax appeals.
- ◆ The Rainy Day Fund increased by \$163,000 this year and has a fund balance of \$4.8 million as of June 30, 2009. The Rainy Day Fund provides an additional reserve of 1% of General Fund expenditures. The Rainy Day Fund strengthens the City's financial flexibility by providing reserves outside of the General Fund.
- ◆ The City of Stamford's bonds and notes payable balances decreased by \$22 million to \$482 million during the current fiscal year. In July 2008, the City issued \$3.75 million (interest free) in Qualified Zone Academy Bonds (QZAB's) for rehabilitating or repairing public school facilities. In April 2009, the City refinanced or refunded \$54.4 million in general obligation bonds that resulted in a net present value savings of \$1.7 million over the life of the refunded bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Stamford's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with fiscal year 2000 and running through the current year.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Stamford's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are reported, including major capital assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The Statement of Net Assets reports what a government owns or controls (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). One of the most important questions asked about the City's finances is: "As a result of this year's activities, is the City better or worse than the previous year?" One can think of the City's net assets – the difference between assets and liabilities – as 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 will 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 of Stamford.

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

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

- ◆ Governmental activities of the City of Stamford encompass most of the City's basic services and include 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 of Stamford include the Water Pollution Control Authority, 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 operations. OTHRA had previously been reported as a blended component unit.

- ♦ The City includes one separate legal entity in its report – the Urban Redevelopment Commission (URC). Although legally separate, the “component unit” is important because the City is financially accountable for it.
- ♦ The City includes one blended component unit in its report – the Mill River TIF Fund. This component unit provides services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefit the City, even though they do not provide services directly to it.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) can be found on pages 19-20 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 of Stamford has three kinds of funds:

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 left 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

The City of Stamford maintains 23 individual governmental 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 of Stamford 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, Marina, Greater Stamford Transit District, Parking, Rainy Day, Board of Education Energy Reserve, Transportation Capital, Capital Non-Recurring, Mill River TIF 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 of Stamford adopts an annual budget for its General Fund. A budgetary comparison statement has been 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 can be found on page 24.

The basic governmental fund financial statements (balance sheet and Statement of Revenues, Expenditures and Changes in Fund Balance) can be found on pages 21-22 of this report.

Proprietary Funds. The City of Stamford maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Stamford uses enterprise funds to account for its Water Pollution Control Authority, the E.G. Brennan Golf Course and OTHRA. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among Stamford's various functions. The City of Stamford uses internal service funds to account for risk management costs 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 have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority which is considered to be a major fund of the City of Stamford. Separate information is also provided for the E.G. Brennan Golf Course and OTHRA, which are identified as non-major funds of the City of Stamford. 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 Fund Balance, and Statement of Cash Flows) can be found on pages 25-27 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 cannot 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 statement. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Stamford has five pension trust funds (Police, Fire, Classified, Custodian and Other Post Employment Benefits (OPEB)), and two agency funds (Student Activity Fund and Scholarship Fund). The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the Financial Statements

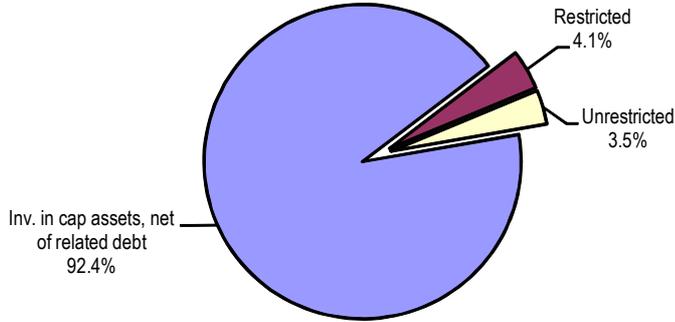
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30–72 of this report.

Government-Wide Financial Analysis

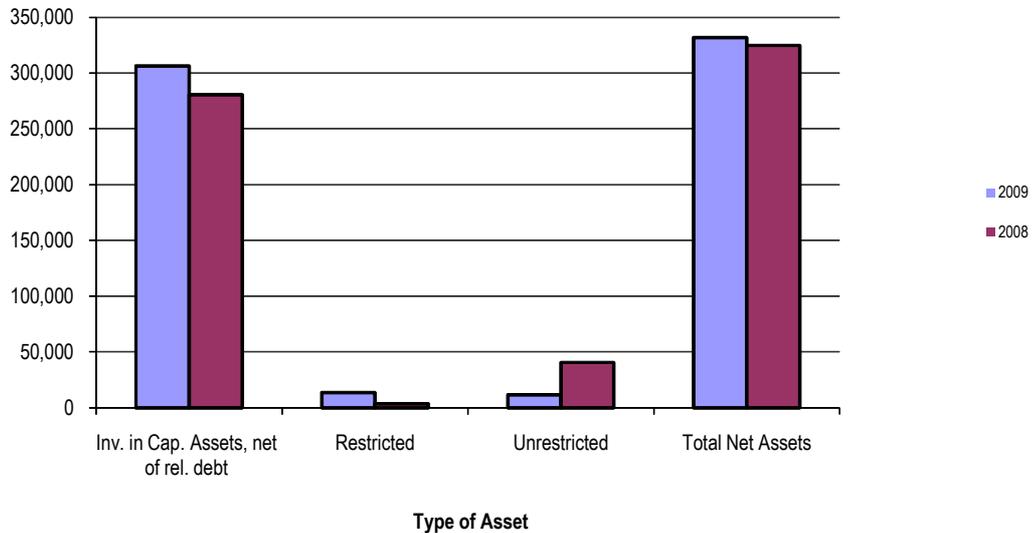
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future.

City of Stamford Net Assets (\$000's)								
	June 30, 2009				June 30, 2008			
	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 and other assets	\$ 108,491	\$ 22,622	\$ 131,113	\$ 6,063	\$ 179,126	\$ 7,763	\$ 186,889	\$ 5,832
Noncurrent	20,874	4,708	25,582	-	10,541	4,522	15,063	-
Capital assets	618,095	163,892	781,987	-	573,004	163,558	736,562	-
Total assets	747,460	191,222	938,682	6,063	762,671	175,843	938,514	5,832
Current liabilities	81,001	15,181	96,182	2,724	99,029	7,500	106,529	2,740
Long-term liabilities			-				-	
outstanding	397,868	112,914	510,782	-	398,791	108,502	507,293	-
Total liabilities	478,869	128,095	606,964	2,724	497,820	116,002	613,822	2,740
Net Assets:								
Inv. in cap assets, net of related debt	258,322	48,156	306,478	-	230,370	50,131	280,501	-
Restricted	-	13,608	13,608	-	-	3,672	3,672	-
Unrestricted	10,329	1,363	11,692	3,339	34,481	6,038	40,519	3,092
Total Net Assets	\$ 268,651	\$ 63,127	\$ 331,778	\$ 3,339	\$ 264,851	\$ 59,841	\$ 324,692	\$ 3,092

**City of Stamford Total Net Assets - Primary Government
June 30, 2009**



**City of Stamford Net Assets - Primary Government
2009 vs. 2008**



Net Assets

On a government-wide basis, excluding component units, the assets of the City of Stamford exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$331.8 million. This is up from last fiscal year's net assets of \$324.7 million. Total net assets for governmental activities at fiscal year-end were \$268.7 million (up from \$264.9 million in the previous year) and total net assets for business-type activities were \$63.1 million (up from \$59.8 million.)

Unrestricted Net Assets. Of the City's total net assets at June 30, 2009, \$11.7 million or 3.5% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Net Assets Invested in Capital Assets, Net of Related Debt. By far the largest portion of the City of Stamford's net assets (92.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Stamford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Assets. Of the City's total net assets at June 30, 2009, \$13.6 million or 4.1% is restricted. The City's restricted net assets relate to amounts restricted for the WPCA debt service imposed by creditors and restricted construction accounts for OTHRA.

Financial Ratios

One measure of liquidity is the current ratio (current assets ÷ current liabilities) and it helps us determine if, over the next year, the City of Stamford will have enough cash or readily liquidated assets on hand to finance the bills that come due. The City's current ratio is 1.37, meaning the City has current assets 1.37 times greater than its current liabilities.

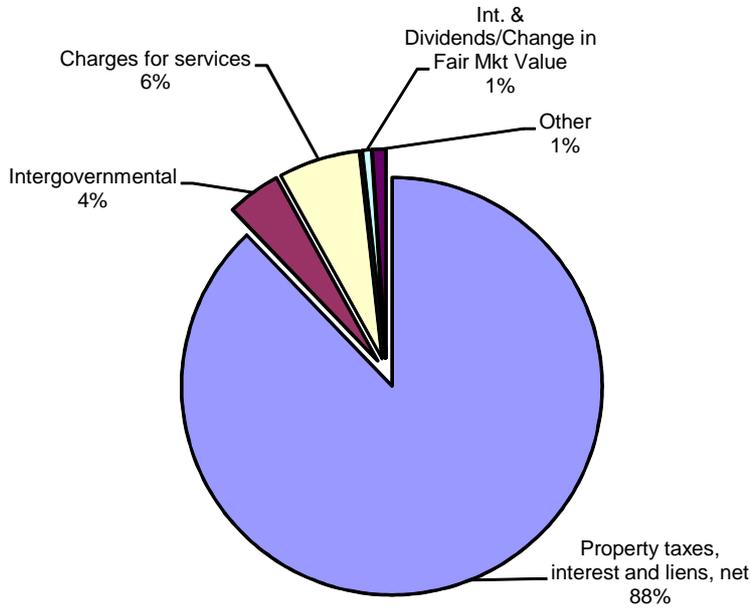
An even more conservative measure is the quick ratio whereby only the most liquid assets (cash and short term liquid investments) are compared with current liabilities. Under this ratio, the City has current assets 0.94 times greater than its current liabilities. Although both ratios declined from last year, it is directly attributable to the fact that we did not issue new bonds to finance our capital project spending last year. These ratios are reflections of our financial position as of June 30, 2009 only and do not account for the issuance of new bonds in July 2009.

City of Stamford, Connecticut
Changes in Net Assets

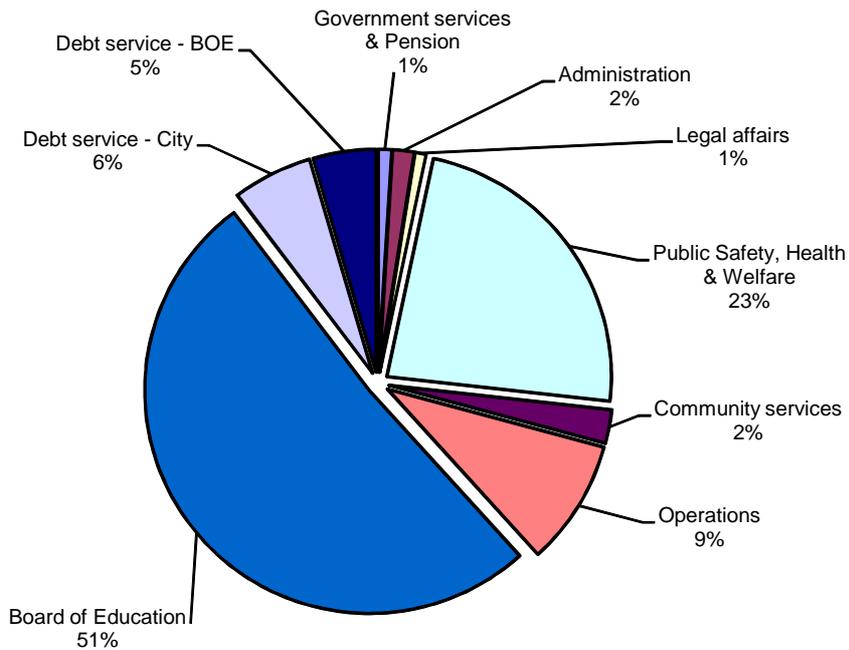
	2009				2008			
	Primary Government			Component	Primary Government			Component
	Business-		Total	Urban	Business-		Total	Urban
	Governmental	Type		Redevelopment	Governmental	Type		Redevelopment
	Activities	Activities	Commission	Activities	Activities	Commission	Commission	
Revenues:								
Program Revenues:								
Charge for services	\$ 50,714	\$ 20,753	\$ 71,467	\$ -	\$ 55,129	\$ 19,561	\$ 74,690	\$ -
Operating grants and contributions	66,162	726	66,888	944	66,119	822	66,941	198
Capital grants and contributions	21,433	-	21,433	-	29,238	5,643	34,881	-
General Revenues:								
Property taxes	386,007	-	386,007	-	360,271	-	360,271	-
Grants not restricted to specific programs	9,042	-	9,042	-	9,866	-	9,866	-
Unrestricted investment earnings	3,027	241	3,268	18	5,595	787	6,382	63
Transfers Out	(4,455)	4,455	-	-	-	-	-	-
Sale of Capital Assets	2,254	-	2,254	-	-	-	-	-
Total revenue	534,184	26,175	560,359	962	526,218	26,813	553,031	261
Expenses:								
Government and community services	16,137	-	16,137	-	21,820	-	21,820	-
Administration	19,180	-	19,180	-	17,142	-	17,142	-
Public safety	97,940	-	97,940	-	97,680	-	97,680	-
Health and welfare	28,044	-	28,044	-	26,471	-	26,471	-
Operations	74,121	22,889	97,010	-	67,987	20,966	88,953	-
Education	282,990	-	282,990	-	263,550	-	263,550	-
Interest on long-term debt	11,972	-	11,972	-	18,931	-	18,931	-
Other	-	-	-	715	-	-	-	426
Total expenses	530,384	22,889	553,273	715	513,581	20,966	534,547	426
Excess (Deficiency)	3,800	3,286	7,086	247	12,637	5,847	18,484	(165)
**Special Item	-	-	-	-	(6,198)	6,198	-	-
Change in Net Assets	3,800	3,286	7,086	247	6,439	12,045	18,484	(165)
Net Assets, beginning, as restated	264,851	59,841	324,692	3,091 *	258,412	47,796	306,208	3,257
Net Assets, ending	\$ 268,651	\$ 63,127	\$ 331,778	\$ 3,338	\$ 264,851	\$ 59,841	\$ 324,692	\$ 3,092

* Beginning Net Assets were restated for the adaption of GASB No. 49 as of July 1, 2007.

**City of Stamford Revenues - Primary Government
Budgetary Basis
June 30, 2009**



**City of Stamford Expenses - Primary Government
Budgetary Basis
June 30, 2009**



Changes in Net Assets

Governmental Activities:

Governmental activities increased the City's net assets by \$3.8 million. More than 72.3% of the revenues were derived from property taxes followed by 16.4% for operating and capital grants and contributions, 9.5% for charges for services and about 0.6% of the City's revenue in this fiscal year was derived from investment earnings. The reclassification of OTHRA to a business-type activity reduced governmental activities net assets by \$4.5 million.

The major reduction in revenues related to charges for services which decreased during the year due to a decrease in building permits and conveyance taxes. In addition, property taxes increased over the prior year due to an increased levy and property revaluation. Revenue from capital grants was also down sharply due to reductions in federal and State aid.

Expenses increased over the prior year due to an overall increase in City-wide wages due to union contracts and increased energy costs.

Business-Type Activities:

Business-type activities increased the City's net assets by \$3.3 million during the year. WPCA's net assets went down by \$2.7 million, while OTHRA, which was reclassified from a governmental fund to a business-type activity this year, increased net assets by \$6 million.

Financial Analysis of the Governmental Funds

As noted earlier, the City of Stamford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Stamford's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Stamford's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Stamford's governmental funds (General Fund, Capital Projects Fund, Other Governmental Funds combined) reported combined ending fund balances of \$34 million, a decrease of \$44.8 million from last year. This decrease is the result of current financial resource basis of accounting as it relates to the Capital Projects Fund and bond proceeds. A portion of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following purposes: 1) \$3.9 million to liquidate contracts and purchase orders of prior fiscal periods, 2) \$181,840 designated for linkage ordinances and 3) \$7.9 million reserved for long-term accounts receivable for OTHRA. The remainder, \$22.1 million, is unreserved.

The General Fund is the chief operating fund of the City of Stamford. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4.5 million while total fund balance was \$8.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1% of total General Fund expenditures, as compared with 2.5% from the year before. Total fund balance represents 1.9% of total General Fund expenditures, down from 3.5% the year before. It is important to note that unreserved General Fund fund balances have been transferred to and accumulated in the Rainy Day Fund as a result of an ordinance change.

The City 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. During the year, \$100,000 was transferred from the FY 2007/2008 General Fund surplus to the Rainy Day Fund bringing the balance in the Rainy Day Fund up to \$4,785,576 as of June 30, 2009. Based on FY 2008/2009 General Fund expenditures, the Rainy Day Fund could not exceed \$22 million (based on 5% of General Fund expenditures).

The budgetary fund balance of the City of Stamford's General Fund decreased by \$7.7 million during the current fiscal year. Key factors affecting the change in fund balance are as follows:

- ◆ Current year operating results (revenues less expenses) were \$1.3 million surplus.
- ◆ Planned transfers out during the year were \$9 million.
- ◆ Once again, we achieved very strong results in all areas of tax collections. Current levy collection rates (for all property types), was 98.5%, the eighth consecutive year that the collection rate exceeded 98%. The positive results were achieved by 1) a continued stable municipal tax base and 2) a continuation of policies and strategies employed in all area of delinquent collections. Overall total revenues exceeded budgeted revenues by \$6.2 million dollars.
- ◆ Overall departmental revenue (charges for services) in the General Fund fell short of the budgeted amount by \$7.8 million due to decline in conveyance taxes and building permit fees.

In the General Fund, on a budgetary basis, 51.4% of the City's expenditures relate to education, 25.9% relates to public safety, health and welfare, 9.1% relates to public works/operations, 10.3% to City and Board of Education debt service payments for long-term debt, and the remaining 3.3% relates to government services and pension, community services, administration, and other miscellaneous areas. Major expenditure factors include:

- ◆ Increase in health insurance expenses.
- ◆ Increases in employee wages, resulting from negotiated step and contractual general wage increases

As of June 30, 2009, the Capital Projects Fund has a total fund balance of \$11.4 million, down from \$54 million in the prior year. This decrease of fund balance is the result of current financial resource basis of accounting and a product of the timing of resource flows related to bond proceeds.

Other Governmental Funds had a total fund balance of \$14.3 million, up from \$9.2 million the prior year. The Other Governmental Funds having an increase to fund balance include the Police Extra Duty Fund (\$213,552), School Buildings Use Fund (\$106,211), Rainy Day Fund (\$162,995), Capital Non-Recurring Fund (\$1,593,786), and Mill River TIF (\$1,295,956). The City's operating flexibility is enhanced by the maintenance of some of these independent reserve funds that may be used to relieve the General Fund of some operational expenditures. More information on Other Governmental Funds can be found on pages 86-92.

Proprietary Funds. The City of Stamford's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Water Pollution Control Authority were \$55.7 million, down from last year by \$2.7 million (due to a transfer out of capital assets from the prior fiscal year and the effect of depreciation exceeding new capital expenditures). Unrestricted net assets of the Water Pollution Control Authority were \$1.1 million, down from \$5.8

million in the previous year. The Water Pollution Control Authority recorded net operating income of \$1,095,242, with operating revenues of \$18.6 million.

General Fund Budgetary Highlights

The difference between the original budget and the final amended expenditure budget was \$9.3 million. The budget amendments were for the following:

- ◆ Board of Education appropriation from the Energy Reserve - \$236,000
- ◆ Rainy Day Fund - \$100,000
- ◆ Other Post Employment Benefits (OPEB) Trust - \$229,552
- ◆ Risk Management Fund for Tax Appeal Settlements - \$8,608,580
- ◆ Board of Education Energy Reserve Fund - \$96,147

Additionally, contingency appropriations for snow removal, election expenses and other citywide operations totaled \$580,447.

During the year, actual revenues on a budgetary basis were \$440 million, which fell short of original budgetary estimates by \$3.86 million. The shortfalls in revenues were most significant in conveyance tax, supplemental automobile tax and building permit revenue. All three categories were directly impacted by the global economic downturn.

Actual expenditures on a budgetary basis and other financing uses totaled \$438.7 million which was \$1.3 million under actual revenues on a budgetary basis.

The budgetary fund balance as of June 30, 2009 is \$4.5 million. Of this amount, 1) \$327,400 is designated for the appreciation in the fair value of investments and reflects management's policy of holding the underlying investments on a long-term basis; 2) \$2,174,017 is designated for the Rainy Day Fund; 3) \$1,000,000 for the Risk Management Fund; 4) \$1,000,000 for the City Medical Fund. The remaining amount available to support future year appropriations is therefore \$0.

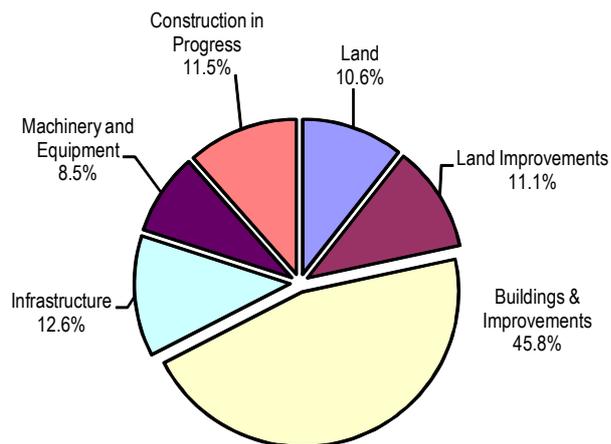
Capital Asset and Debt Administration

Capital Assets. The City of Stamford's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$782 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City of Stamford's investment in capital assets for the current fiscal year was \$45 million or 6.1%.

City of Stamford, Connecticut
Capital Assets (net of depreciation)
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Proprietary Activities	Total	Urban Redevelopment Commission
Land	\$ 79,092	\$ 3,449	\$ 82,541	\$ 4,476,000
Land Improvements	85,082	1,431	86,513	-
Buildings & Improvements	277,887	80,233	358,120	-
Infrastructure	59,058	39,385	98,443	-
Machinery and Equipment	35,630	30,820	66,450	-
Construction in Progress	81,345	8,574	89,919	-
Total	\$ 618,094	\$ 163,892	\$ 781,986	\$ 4,476,000

City of Stamford Capital Assets - Primary Government
June 30, 2009



Major capital asset events during the current fiscal year included the following:

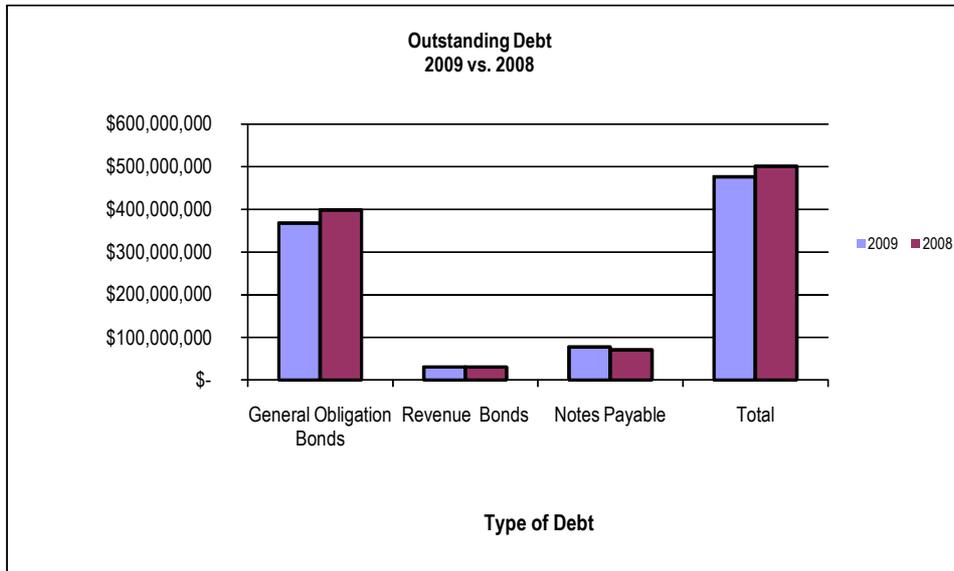
- ◆ Radio system upgrade \$5 million.
- ◆ Major school improvements and renovations including the Rippowam Middle School (\$6.2 million) and the new K-8 magnet school (\$25.6 million).
- ◆ Development costs for the Stamford Urban Transitway were \$10.5 million.
- ◆ Library renovation costs were \$4.4 million.
- ◆ Computer Technology costs were \$3.7 million.
- ◆ Park and field renovations were \$6.7 million.
- ◆ Infrastructure improvements were \$5.8 million.
- ◆ Improvements and renovations to the WPCA plant equipment and infrastructure were just over \$2.4million.
- ◆ Vehicle replacements cost \$3.9 million.

Additional information on capital assets can be found in Note 7 on pages 48–49 of this report.

Long-Term Debt. At the end of the fiscal year, the City of Stamford had total bonded debt outstanding of approximating \$399 million. Additional information on long-term debt can be found in Note 9 on pages 61-69.

**City of Stamford, Connecticut
Outstanding Debt
General Obligation and Revenue Bonds**

	June 30, 2009			June 30, 2008		
	Government Activities	Business-Type Activities	Total	Government Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 354,642,301	\$ 13,509,250	\$ 368,151,551	\$ 383,247,984	\$ 15,374,712	\$ 398,622,696
Revenue Bonds	-	30,608,000	30,608,000	-	31,277,000	31,277,000
Notes Payable	3,386,103	74,439,204	77,825,307	3,386,103	67,775,446	71,161,549
Totals	\$ 358,028,404	\$ 118,556,454	\$ 476,584,858	\$ 386,634,087	\$ 114,427,158	\$ 501,061,245



The City of Stamford's total long-term debt decreased by \$21.9 million during the 2008-2009 fiscal year.

The City of Stamford maintains an AAA rating from both Moody's Investors Service and Standard and Poor's.

The overall statutory debt limit for the City of Stamford is equal to seven times annual receipts from taxation or \$2,701,443,368. Current debt levels are well below the statutory debt limits.

Economic Factors and Subsequent Events

Stamford's unemployment rate is 7.3%, compared with 8% for the State of Connecticut. The 2009 Median Household Income in the Stamford Metropolitan Area is \$74,519.

Requests for Information

The financial report is designed to provide a general overview of the City of Stamford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration at 888 Washington Boulevard, Stamford, CT 06901.

Basic Financial Statements

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total *	Urban Redevelopment Commission
Assets				
Cash and cash equivalents	\$ 68,562,655	\$ 887,549	\$ 69,450,204	\$ 1,372,001
Restricted cash and cash equivalents	-	17,519,087	17,519,087	-
Investments	19,789,289	-	19,789,289	-
Receivables (net of allowances for collection losses):				
Property taxes	16,191,113	-	16,191,113	-
Usage receivable	-	3,803,715	3,803,715	-
Accounts receivable	3,833,009	412,380	4,245,389	214,780
Other assets	114,632	-	114,632	-
Land held for resale	-	-	-	4,476,190
Capital assets, not being depreciated	161,204,918	12,022,884	173,227,802	-
Capital assets, being depreciated, net of depreciation	456,890,668	151,869,152	608,759,820	-
Long-term federal and state government receivable	11,692,996	-	11,692,996	-
Long-term special assessments receivable	-	4,707,698	4,707,698	-
Pension assets	1,260,000	-	1,260,000	-
Loan receivable, net	7,920,577	-	7,920,577	-
Total assets	747,459,857	191,222,465	938,682,322	6,062,971
Liabilities				
Accounts payable	15,074,532	9,276,050	24,350,582	2,372,825
Accrued wages	2,351,883	-	2,351,883	-
Accrued interest payable	4,588,128	-	4,588,128	-
Retainage payable	4,116,110	-	4,116,110	-
Unearned revenues	13,171,752	117,570	13,289,322	351,546
Noncurrent liabilities:				
Due within one year	41,697,991	5,788,108	47,486,099	-
Due in more than one year	397,808,463	112,913,650	510,722,113	-
Total liabilities	478,808,859	128,095,378	606,904,237	2,724,371
Net Assets				
Investment in capital assets, net of related debt	258,322,291	48,155,665	306,477,956	-
Restricted for debt service and construction	-	13,608,196	13,608,196	-
Unrestricted	10,328,707	1,363,226	11,691,933	3,338,600
Total net assets	\$ 268,650,998	\$ 63,127,087	\$ 331,778,085	\$ 3,338,600

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

* After internal receivables and payables have been eliminated.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Urban Redevelopment Commission
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
Governmental and community services	\$ (16,137,389)	\$ 14,249,334	\$ 1,326,118	\$ -	\$ (561,937)	\$ -	\$ (561,937)	\$ -
Administration	(19,179,438)	131,739	-	-	(19,047,699)	-	(19,047,699)	-
Public safety	(97,940,231)	9,434,227	4,667,478	-	(83,838,526)	-	(83,838,526)	-
Health and welfare	(28,044,223)	4,639,228	5,413,047	-	(17,991,948)	-	(17,991,948)	-
Operations	(74,120,893)	19,365,537	3,937,740	588,723	(50,228,893)	-	(50,228,893)	-
Education	(282,989,971)	2,893,789	50,817,707	20,844,046	(208,434,429)	-	(208,434,429)	-
Interest on long-term debt	(11,972,355)	-	-	-	(11,972,355)	-	(11,972,355)	-
Total governmental activities	(530,384,500)	50,713,854	66,162,090	21,432,769	(392,075,787)	-	(392,075,787)	-
Business-type activities:								
Water Pollution Control Authority	(21,730,497)	19,657,030	726,059	-	-	(1,347,408)	(1,347,408)	-
E.G. Brennan Golf Course	(1,151,902)	1,095,735	-	-	-	(56,167)	(56,167)	-
OTHRA	(6,702)	100	-	-	-	(6,602)	(6,602)	-
Total business-type activities	(22,889,101)	20,752,865	726,059	-	-	(1,410,177)	(1,410,177)	-
Total primary government	\$ (553,273,601)	\$ 71,466,719	\$ 66,888,149	\$ 21,432,769	(392,075,787)	(1,410,177)	(393,485,964)	-
Component Unit:								
Urban Redevelopment Commission	\$ (715,528)	\$ 943,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,349
Total component unit	(715,528)	943,877	-	-	-	-	-	228,349
General revenues:								
Property taxes					386,006,648	-	386,006,648	-
Grants and contributions not restricted to specific programs					9,041,899	-	9,041,899	-
Sale of capital asset					2,254,380	-	2,254,380	-
Transfer					(4,454,839)	4,454,839	-	-
Unrestricted investment earnings					3,027,546	241,219	3,268,765	18,762
Total general revenues					395,875,634	4,696,058	400,571,692	18,762
Change in net assets					3,799,847	3,285,881	7,085,728	247,111
Net assets - beginning					264,851,151	59,841,206	324,692,357	3,091,489
Net assets - ending					\$ 268,650,998	\$ 63,127,087	\$ 331,778,085	\$ 3,338,600

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

CITY OF STAMFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 890,360	\$ 12,654,312	\$ 20,676,306	\$ 34,220,978
Investments	19,789,289	-	-	19,789,289
Receivables (net of allowances for collection losses):				
Property taxes	16,191,113	-	-	16,191,113
State and Federal governments	8,086,289	2,837,443	769,264	11,692,996
Accounts receivable	216,895	-	2,661,408	2,878,303
Other assets	92,195	-	22,437	114,632
Due from other funds	518,528	-	-	518,528
Due from component unit	273,661	-	1,456	275,117
Loan receivable	-	7,920,577	-	7,920,577
Total assets	\$ 46,058,330	\$ 23,412,332	\$ 24,130,871	\$ 93,601,533
Liabilities				
Accounts payable	\$ 7,300,587	\$ 5,039,548	\$ 2,173,235	\$ 14,513,370
Accrued wages	2,329,022	22,861	-	2,351,883
Retainage payable	-	4,116,110	-	4,116,110
Due to other funds	-	-	169,295	169,295
Due to component unit	63,300	-	-	63,300
Unearned revenues	6,208,282	-	6,963,470	13,171,752
Deferred revenues	21,794,767	2,837,443	550,900	25,183,110
Total liabilities	\$ 37,695,958	\$ 12,015,962	\$ 9,856,900	\$ 59,568,820
Fund balances				
Reserved for:				
Encumbrances	3,860,955	-	-	3,860,955
Long-term receivable	-	7,920,577	-	7,920,577
Designated:				
Linkage	-	181,840	-	181,840
General fund (Note 3)	4,501,417	-	-	4,501,417
Unreserved, reported in:				
Special revenue funds	-	-	7,174,823	7,174,823
Debt service	-	-	3,165,595	3,165,595
Capital projects funds	-	3,293,953	3,933,553	7,227,506
Total fund balances	\$ 8,362,372	\$ 11,396,370	\$ 14,273,971	\$ 34,032,713
Total liabilities and fund balances	\$ 46,058,330	\$ 23,412,332	\$ 24,130,871	

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.	618,095,586
Deferred revenue	25,183,110
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,912,645
Pension assets	1,260,000
Accrued interest payable	(4,588,128)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(411,244,928)

Net assets of governmental activities \$ 268,650,998

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

CITY OF STAMFORD, CONNECTICUT

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

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 386,679,253	\$ -	\$ -	\$ 386,679,253
State and Federal governments	39,936,682	38,844,944	37,135,131	115,916,757
Charges for services	27,563,098	-	19,594,611	47,157,709
Investment income	3,027,546	-	-	3,027,546
Other	1,633,797	-	1,966,113	3,599,910
Total revenues	458,840,376	38,844,944	58,695,855	556,381,175
EXPENDITURES				
Current:				
Governmental services	3,250,915	-	2,015,525	5,266,440
Administration	6,854,078	-	-	6,854,078
Public safety	84,232,201	-	12,537,243	96,769,444
Health and welfare	22,582,149	-	5,413,047	27,995,196
Operations	39,887,392	16,661,550	4,166,941	60,715,883
Education	243,089,067	-	27,987,422	271,076,489
Legal affairs	12,895,688	-	-	12,895,688
Community services	10,748,383	-	-	10,748,383
Debt service:				
Principal retirements	-	-	29,360,960	29,360,960
Interest and other charges	-	-	14,412,789	14,412,789
Capital outlay	-	65,435,689	-	65,435,689
Total expenditures	423,539,873	82,097,239	95,893,927	601,531,039
OTHER FINANCING SOURCES (USES)				
Transfers in	2,958,679	500,000	45,403,420	48,862,099
Transfers out	(45,403,420)	(5,932,216)	(3,547,979)	(54,883,615)
Bond proceeds	-	3,750,000	-	3,750,000
Sale of capital assets	-	2,254,380	-	2,254,380
Issuance of refunded bonds	-	-	53,331,569	53,331,569
Payments to escrow	-	-	(60,057,713)	(60,057,713)
Premiums on bond issue	-	-	7,102,735	7,102,735
Total other financing sources (uses)	(42,444,741)	572,164	42,232,032	359,455
Change in fund balance	(7,144,238)	(42,680,131)	5,033,960	(44,790,409)
FUND BALANCES, beginning	15,506,610	54,076,501	9,240,011	78,823,122
FUND BALANCES, ending	\$ 8,362,372	\$ 11,396,370	\$ 14,273,971	\$ 34,032,713

The notes to the 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 FINANCIAL STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Net change in fund balances - total governmental funds (page 22)	\$ (44,790,409)
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 outlays exceeded depreciation in the current period.	45,091,360
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(19,996,369)
Change in pension assets.	(2,686,000)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-	26,445,016
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.	(3,235,802)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>2,972,051</u>
Change in net assets of governmental activities (page 20)	<u>\$ 3,799,847</u>

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY
 FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes, interest, liens and contingency	\$ 383,454,336	\$ 383,454,336	\$ 386,679,253	\$ 3,224,917
Intergovernmental	18,194,761	18,194,761	18,206,942	12,181
Charges for services	35,413,588	35,413,588	27,563,098	(7,850,490)
Interest and dividends	2,450,000	2,450,000	3,018,302	568,302
Change in fair market value	-	-	9,244	9,244
Other	3,669,936	3,906,092	4,636,253	730,161
Total revenues	443,182,621	443,418,777	440,113,092	(3,305,685)
EXPENDITURES				
Current:				
Government services	3,542,210	3,672,963	3,423,420	249,543
Administration	7,556,341	7,594,476	6,832,363	762,113
Legal affairs	3,888,466	3,824,966	3,509,886	315,080
Public safety	85,533,882	85,516,516	84,436,637	1,079,879
Health and welfare	18,547,192	18,613,645	18,323,384	290,261
Community services	10,792,888	10,792,888	10,785,251	7,637
Operations	41,391,873	41,854,493	39,866,545	1,987,948
Board of Education	218,609,176	225,892,676	225,548,361	344,315
Pension	815,820	815,820	815,820	-
Contingency	4,021,546	3,441,099	-	3,441,099
Total expenditures	394,699,394	402,019,542	393,541,667	8,477,875
Revenues over expenditures	48,483,227	41,399,235	46,571,425	5,172,190
OTHER FINANCING SOURCES (USES)				
Transfers out- debt service	(53,254,773)	(46,207,273)	(45,207,273)	1,000,000
Total other financing uses	(53,254,773)	(46,207,273)	(45,207,273)	1,000,000
Revenues over (under) expenditures, encumbrances and other financing uses	(4,771,546)	(4,808,038)	1,364,152	6,172,190
Use of fund balance	750,000	6,974,175	-	(6,974,175)
Transfers out-other funds	-	(9,034,279)	(9,034,279)	-
Change in fund balance	\$ (4,021,546)	\$ (6,868,142)	(7,670,127)	\$ (801,985)
Budgetary fund balance, beginning of year			11,414,206	
Return of prior year encumbrance			757,338	
Budgetary fund balance, end of year			\$ 4,501,417	

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Pollution Control Authority	Other Enterprise Funds	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 457,031	\$ 430,518	\$ 887,549	\$ 34,341,677
Receivables (net of allowances for collection losses):				
Usage receivable	3,803,715	-	3,803,715	-
Accounts receivable and other	359,264	53,116	412,380	393,656
Total current assets	4,620,010	483,634	5,103,644	34,735,333
Noncurrent assets:				
Restricted assets-cash	7,540,166	9,978,921	17,519,087	-
Capital assets (net of accumulated depreciation)	155,132,932	8,759,104	163,892,036	-
Special assessments	4,707,698	-	4,707,698	-
Total noncurrent assets	167,380,796	18,738,025	186,118,821	-
Total assets	172,000,806	19,221,659	191,222,465	34,735,333
LIABILITIES				
Current liabilities:				
Accrued liabilities/accounts payable	8,024,783	1,186,992	9,211,775	3,973,536
Notes payable - current	3,586,146	-	3,586,146	-
Bonds payable - current	2,162,675	39,287	2,201,962	-
Accrued claims and judgements	64,275	-	64,275	-
Unearned revenue	117,570	-	117,570	-
Total current liabilities	13,955,449	1,226,279	15,181,728	3,973,536
Noncurrent liabilities:				
Notes payable	60,670,682	10,182,376	70,853,058	-
Bonds payable	41,686,409	374,183	42,060,592	-
Accrued claims	-	-	-	24,849,152
Total noncurrent liabilities	102,357,091	10,556,559	112,913,650	24,849,152
Total liabilities	116,312,540	11,782,838	128,095,378	28,822,688
NET ASSETS				
Invested in capital assets (net of related debt)	47,027,020	1,128,645	48,155,665	-
Restricted for debt service and construction	7,540,166	6,068,030	13,608,196	-
Unrestricted	1,121,080	242,146	1,363,226	5,912,645
Total net assets	\$55,688,266	\$ 7,438,821	\$ 63,127,087	\$ 5,912,645

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

CITY OF STAMFORD, CONNECTICUT

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Pollution Control Authority	Other Enterprise Funds	Totals	
OPERATING REVENUES				
Charges for services	\$ 18,644,768	\$ 1,095,735	\$ 19,740,503	\$ 92,588,021
Total operating revenues	<u>18,644,768</u>	<u>1,095,735</u>	<u>19,740,503</u>	<u>92,588,021</u>
OPERATING EXPENSES				
Salaries, benefits and claims	4,067,922	714,922	4,782,844	89,850,339
Depreciation and amortization	7,105,524	49,220	7,154,744	-
Operations and supplies	6,376,080	376,885	6,752,965	-
Total operating expenses	<u>17,549,526</u>	<u>1,141,027</u>	<u>18,690,553</u>	<u>89,850,339</u>
Operating income (loss)	<u>1,095,242</u>	<u>(45,292)</u>	<u>1,049,950</u>	<u>2,737,682</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	182,255	58,964	241,219	234,369
Interest expense	(4,180,971)	(17,577)	(4,198,548)	-
Total nonoperating revenues (expenses)	<u>(3,998,716)</u>	<u>41,387</u>	<u>(3,957,329)</u>	<u>234,369</u>
Net income (loss) before contributions and transfers	<u>(2,903,474)</u>	<u>(3,905)</u>	<u>(2,907,379)</u>	<u>2,972,051</u>
Capital Contributions and Transfers				
Contributed capital	-	100	100	-
Interlocal - Darien	726,059	-	726,059	-
Special assessments	1,012,262	-	1,012,262	-
Transfer out	(1,566,677)	-	(1,566,677)	-
Transfers in	-	6,021,516	6,021,516	-
Total capital contributions and transfers	<u>171,644</u>	<u>6,021,616</u>	<u>6,193,260</u>	<u>-</u>
Change in net assets	<u>(2,731,830)</u>	<u>6,017,711</u>	<u>3,285,881</u>	<u>2,972,051</u>
NET ASSETS, beginning	<u>58,420,096</u>	<u>1,421,110</u>	<u>59,841,206</u>	<u>2,940,594</u>
NET ASSETS, ending	<u>\$ 55,688,266</u>	<u>\$ 7,438,821</u>	<u>\$ 63,127,087</u>	<u>\$ 5,912,645</u>

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

CITY OF STAMFORD, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution	Other Enterprise	Totals	Activities -
	Control Authority	Funds		Internal
			Totals	Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 18,630,386	\$ 1,095,735	\$ 19,726,121	\$ 92,758,312
Payments to suppliers/claims paid	(782,370)	(366,652)	(1,149,022)	(81,671,076)
Payments to employees	(4,067,921)	(697,032)	(4,764,953)	-
Payments to the general fund for operations	(4,014,318)	1,900	(4,012,418)	-
Net cash provided by operating activities	9,765,777	33,951	9,799,728	11,087,236
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(5,875,625)	(39,289)	(5,914,914)	-
Payments to escrow	(1,133,708)	-	(1,133,708)	-
Interest paid on debt	(4,180,971)	(17,578)	(4,198,549)	-
Proceeds from bonds	1,073,431	7,928,096	9,001,527	-
Purchase of property and equipment	(724,175)	(3,883,391)	(4,607,566)	-
Subsidy from State and Federal government	726,059	-	726,059	-
Proceeds from capital contribution and transfer in	-	6,021,516	6,021,516	-
Special assessment proceeds	827,476	-	827,476	-
Net cash (used in) provided by capital and related financing activities	(9,287,513)	10,009,354	721,841	-
Cash Flows From Investing Activities				
Interest received on investments	182,255	5,848	188,103	234,339
Net cash provided by investing activities	182,255	5,848	188,103	234,339
Net increase in cash and cash equivalents	660,519	10,049,153	10,709,672	11,321,575
Cash and Cash Equivalents				
Beginning	7,336,678	360,186	7,696,864	23,020,102
Ending	\$ 7,997,197	\$ 10,409,339	\$ 18,406,536	\$ 34,341,677
Cash	\$ 457,031	\$ 430,518	\$ 887,549	\$ 34,341,677
Restricted cash	7,540,166	9,978,921	17,519,087	-
	\$ 7,997,197	\$ 10,409,439	\$ 18,406,636	\$ 34,341,677
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 1,095,242	\$ (45,292)	\$ 1,049,950	\$ 2,737,682
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,105,524	49,220	7,154,744	-
Changes in assets and liabilities:				
Decrease (increase) in receivables	(83,288)	-	(83,288)	170,261
Increase in accrued expenses				
accounts payable	5,593,711	30,023	5,623,734	8,179,293
Increase in deferred revenues	68,906	-	68,906	-
Decrease in due to/from other funds	(4,014,318)	-	(4,014,318)	-
Net cash provided by operating activities	\$ 9,765,777	\$ 33,951	\$ 9,799,728	\$ 11,087,236
Schedule of Noncash Capital and Related Financing Activities				
Capital acquisition financed with debt and accounts payable	\$ 1,046,770	\$ 3,331,286	\$ 4,378,056	\$ -
Transfer of capital assets	\$ 1,566,677	\$ -	\$ 1,566,677	\$ -

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 10,007,045	\$ 780,139
Investments, at fair value		
U.S. government obligations	22,080,365	-
Corporate bonds	29,162,113	-
Corporate stocks	102,617,893	-
Mutual funds	184,188,809	-
Alternative investments/Hedge funds	20,187,045	-
Fixed income funds	35,683,949	-
Total investments	<u>393,920,174</u>	<u>-</u>
Accrued interest and dividends	<u>773,668</u>	<u>-</u>
Total assets	<u>404,700,887</u>	<u>780,139</u>
LIABILITIES		
Due to student groups	-	780,139
Due to other funds	349,233	-
Other liabilities	171,582	-
	<u>520,815</u>	<u>780,139</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 404,180,072</u>	<u>\$ -</u>

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

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 15,905,550
Plan members	<u>4,535,013</u>
Total contributions	<u>20,440,563</u>
Investment Income	
Net depreciation in fair value of investments	(104,689,849)
Interest and dividends	11,808,862
Other income	<u>2,765,093</u>
	(90,115,894)
Less investment expenses:	
Investment management fees	<u>1,878,868</u>
Net investment income (loss)	<u>(91,994,762)</u>
	(71,554,199)
Deductions	
Benefits	<u>44,966,119</u>
Total deductions	<u>44,966,119</u>
Change in net assets	(116,520,318)
Net Assets	
Beginning of year	<u>520,700,390</u>
End of year	<u><u>\$ 404,180,072</u></u>

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

CITY OF STAMFORD, CONNECTICUT

**NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

Note 1. Summary of Significant Accounting Policies

Reporting entity

The City of Stamford, Connecticut (the "City") operates under a charter adopted in 1949 that is revised on an ongoing basis. The Chief Executive Officer is the Mayor. The legislative function is performed by an elected forty-member Board of Representatives. 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's major operations include Education, Public Safety, Public Works, Parks and Recreation, Health and Welfare, Community Services and General Administration. The accompanying basic financial statements conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant accounting policies used by the City.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100 has been considered and as a result, the component unit discussed below is included in the City's reporting entity because of its operational significance and financial relationship with the City.

Discretely presented component unit

The component unit column in the government-wide financial statements includes financial data of the City's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the City.

The Urban Redevelopment Commission

The City appoints a voting majority to, and exerts significant control over, the Urban Redevelopment Commission ("URC") which thereby qualifies as a component unit that is a legally separate entity for which the primary government is financially responsible. The URC is reported as a discretely presented component unit in a separate column in the government-wide financial statements. URC does not issue standalone financial statements.

Blended component unit

The component unit provides services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefit the City, even though they do not provide services directly to it. The component unit has been reported as if it was part of the primary government through a method of inclusion known as blending. A description of the component unit criteria for inclusion and its relationship with the City is as follows:

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Old Town Hall Redevelopment Agency

The *Old Town Hall Redevelopment Agency* ("OTHRA") was created to facilitate the historic rehabilitation of the Old Town Hall. OTHRA created two blended component units, Old Town Hall QALICB, LLC and Old Town Hall Manager, Inc., to be financial mechanisms for earning federal historical and new market tax credits to fund the rehabilitation. The financial statements of Old Town Hall QALICB, LLC and Old Town Hall Manager, Inc. are presented as of December 31, 2008, which is the fiscal year-end of these component units.

Mill River

The *Mill River TIF* was created to be a financing mechanism whereby a portion of property taxes in the Mill River Corridor tax increment district are set aside to fund improvements in the district.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, other post-employment obligations, landfill post-closure monitoring and pollution remediation costs are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, parking fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The City reports the following major proprietary funds:

The *Water Pollution Control Authority* accounts for the operations of the City's wastewater treatment plant. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service, and its capital program is financed by the issuance of revenue bonds.

Additionally, the City reports the following fund types:

The *Internal Service Fund* accounts for risk management and health insurance costs provided to departments of the City and the Board of Education.

The *Pension Trust Funds*, fiduciary funds, account for the activities of the City's five defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees upon retirement.

The *Agency Funds*, fiduciary funds, account for monies held as a custodian for outside student groups.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

Accounting estimates

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

Property taxes

Property taxes are assessed as of October 1, levied on the following July 1, and billed and due in two installments, July 1 and January 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Cash equivalents

The City classifies money market funds, State of Connecticut Short-Term Investment Funds, Tax Exempt Proceed Funds, treasury bills and certificates of deposit having original maturities of three months or less as cash equivalents.

Investments

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.

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 2a7 like pools are stated at amortized cost.

Capital Assets

Capital assets, which include land, buildings, 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 government 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.

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.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Capital assets 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

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

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 financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability. In addition, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement.

Long-term obligations

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

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

rate, credit and overall market volatility. Subsequent to year-end, the 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.

Pension accounting

Pension Trust Funds:

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

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding Policy:

The City makes annual contributions based upon the City Charter and union contracts.

Net other post-employment benefit obligations

In fiscal year 2008, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.* This pronouncement required the City to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2008. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2007. The City makes annual contributions based upon committee decisions using the actuarial valuation.

Encumbrances

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Inventory

Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis. Governmental fund type inventory consists of expendable supplies and is recorded as an expenditure when consumed.

Land held for resale

The Urban Redevelopment Commission (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.

Fund equity and net assets

In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

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

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

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

Reserved fund balance - indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved designated fund balance – indicates that portion of fund equity for which the City has made tentative plans.

Unreserved undesignated fund balance or deficits - indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$411,244,928 difference are as follows:

Bonds payable	\$354,642,301
Notes payable	3,386,103
Net bond premiums, gains and other costs	5,594,625
Heart and hypertension claims	8,130,790
Compensated absences	16,865,962
Early retirement	3,322,881
Capital leases	882,266
Pollution remediation obligation	6,000,000
OPEB obligation	12,308,000
Net pension obligation	<u>112,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$411,244,928</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$45,091,360 difference are as follows:

Capital outlay	\$ 65,435,689
Depreciation expense	(21,911,006)
Capital asset - transfer	<u>1,566,677</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 45,091,360</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(26,445,016) difference are as follows:

Long-term liabilities issued or incurred:	
Issuance of general obligation bonds and notes payable	\$ 57,081,569
Deferred items	2,393,213
Principal repayments:	
General obligaton debt	(29,032,225)
Payment of note payable	(328,735)
Payment of escrow agent for refunding	(56,326,292)
Payment of capital lease	<u>(232,546)</u>
Net adjustment to decrease net changes in fund balances - total governmental increase funds to arrive at changes in net assets of governmental activities	<u>\$ (26,445,016)</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$3,235,802 difference are as follows:

Accrued interest on bonds payable	\$ 1,229,787
Net change in other expenditures - other liabilities	<u>2,006,015</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,235,802</u>

Note 3. Budgets and Budgetary Accounting

General Fund

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 fiscal year-end.

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

- (i) By March 8, the Board of Education's and the Mayor's operating budgets are submitted to the Boards of Finance and Representatives.
- (ii) By April 8, joint public hearings on the budgets are held before the Boards of Finance and Representatives.
- (iii) By April 20, 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.
- (iv) By May 15, the Board of Representatives adopts the final budgets and files a report with the Town Clerk. The Board may not increase amounts approved by the Board of Finance.
- (v) By May 25, the Board of Finance sets the tax rate, which rate also allows for anticipated supplemental General Fund appropriations. During the year ended June 30, 2009, there were approximately \$4,300,000 in additional appropriations.
- (vi) Additional appropriations during the fiscal year require approval of the Mayor, and the Boards of Finance and Representatives.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

- (vii) 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 up to 10% of the annual appropriation from salary accounts to overtime accounts and/or from overtime accounts to salary accounts.
- (viii) 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.
- (ix) 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, presented on the budgetary basis is as follows:

Revenues and other financing sources, budgetary basis	\$ 440,113,092
On-behalf payments, paid directly by the State of Connecticut Teachers' Retirement System, not recognized for budgetary purposes	17,792,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>3,937,740</u>
Revenues and other financing sources, GAAP basis	<u>\$ 461,842,832</u>

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

Expenditures, encumbrances and transfers, budgetary basis	\$ 447,783,219
Encumbrances and continued appropriations:	
June 30, 2009	(3,860,955)
June 30, 2008	3,291,289
On-behalf payments, paid directly by the State of Connecticut Teachers' Retirement System not recognized for budgetary purposes	17,792,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>3,937,740</u>
Expenditures and other financing uses, GAAP basis	<u>\$ 468,943,293</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Special revenue funds

The City does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements for the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects, except as otherwise provided by the City Charter.

Charter provision – Designated General Fund Fund Balance

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 FY 2008/2009, revenues and transfers exceeded expenditures by \$1,320,375, which was offset by transfers out of \$9,034,279, resulting in a negative change to fund balance of \$7,713,904, which created an unreserved, undesignated fund balance on the budgetary basis of accounting of \$4,501,417. The anticipated use is as follows:

Designated General Fund Fund Balance

Change in Fair Market Value of Investments	\$ 327,400
Designation for the Rainy Day Fund	2,174,017
Designated for the City Medical	1,000,000
Designated for Risk Management	1,000,000
	<u>\$ 4,501,417</u>

Note 4. Cash and Investments

Deposits: The City has a policy that deposits can include demand and savings accounts and certificates of deposits. 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 does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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.

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%

Interest Rate Risk: The City's and the pension fund's 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.

Concentrations: The City's and the pension fund's 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, 2009:

Police Retirement Fund

Oppenheimer Advantage Primary Liquidity Fund	\$	9,563,510
UBS Trumbull Property Fund		8,527,311
Artio Intl Equity II Group Trust Fund		8,838,637
SSGA S&P 500 Flagship (CM11)		8,286,531
Wolver Hill Japan - Multi Strategy Offshore Fund		3,196,277
Hildene Opportunities Offshore Fund		5,765,307

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Custodian & Mechanics' Retirement Fund

GMO Global Bal Asset Alloc FD III	7,432,281
Aggregate Bond Fund EB	5,138,256
Metropolitan West	4,671,957
Templeton Foreign Equity Series	2,790,170
SSGA Russell 1000 Index SL	11,321,649

Classified Retirement Fund

GMO Global Bal Asset Alloc FD III	13,908,470
Pimco All Asset FD Instl CI	7,398,549
EB Aggregate Bond Index FD	14,106,915
SSGA Russell 1000 Index SL	20,056,031
Hartford Institutional Trust	15,641,014
Metropolitan West	14,385,285
T Rowe Price Instl Equity	7,485,093

Fire Retirement Fund

Fortress Partners	3,844,006
Beach Point - Barclays High Yield	5,257,054

OPEB Retirement Fund

Vanguard TotalBond Market Index Signal	340,262
Vanguard 500 index Signal	297,464

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009 \$74,593,000 of the entity's bank balance of \$105,537,000 was uninsured and uncollateralized.

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Cash and investments of the City consist of the following at June 30, 2009:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 96,470,189
State of Connecticut Short-Term Investment fund	1,570,027
Tax Exempt Proceeds Fund	755,511
Municipal Backed Investment Fund	<u>332,749</u>
Total cash and cash equivalents	<u>99,128,476</u>
Investments	
General Fund	
U.S. Government Securities	3,634,625 *
U.S. Government Agency Securities	<u>16,154,664 *</u>
Total General Fund investments	<u>19,789,289</u>
Pension Trust Funds:	
U.S. Government securities	22,080,365 *
Corporate Debt securities	29,162,113 *
Alternative investments/Hedge funds	20,187,045
Common and Preferred Stocks	102,617,893 *
Mutual Funds	184,188,809
Fixed Income funds	<u>35,683,949</u>
Total pension investments	<u>393,920,174</u>
Total investments	<u>413,709,463</u>
Total cash and investments	<u>\$ 512,837,939</u>

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

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

Statement of Net Assets	
Cash and cash equivalents	\$ 70,822,205
Restricted cash	17,519,087
Investments	<u>19,789,289</u>
	<u>108,130,581</u>
Fiduciary Funds	
Cash and cash equivalents	10,787,184
Investments	<u>393,920,174</u>
Total pension investments	<u>404,707,358</u>
Total cash and investments	<u>\$ 512,837,939</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the 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	\$ 2,658,287	\$ 2,658,287	\$ -	\$ -	\$ -
U.S. Government Agencies	16,154,664	16,154,664	-	-	-
U.S. Government Securities	25,714,990	5,487,842	5,344,607	5,027,282	9,855,259
Fixed Income Funds	35,683,949	28,879,762	-	134,054	6,670,133
Corporate Bonds	29,162,113	2,487,998	7,672,736	14,217,297	4,784,082
TOTAL	\$ 109,374,003	\$ 55,668,553	\$ 13,017,343	\$ 19,378,633	\$ 21,309,474

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

Average Rating	Corporate Debt	U.S. Government Agency	Pooled Income Fund	Fixed Income Fund
AAA	\$ 2,516,371	\$ 16,154,664	\$ 2,658,287	\$ 642,872
AA1	897,057	-	-	-
AA2	1,754,601	-	-	-
AA3	1,846,973	-	-	-
A1	3,708,345	-	-	-
A2	2,253,201	-	-	-
A3	2,523,504	-	-	-
BAA1	3,387,654	-	-	-
BAA2	4,614,743	-	-	-
BAA3	2,430,589	-	-	-
BA1	187,563	-	-	-
BA2	269,832	-	-	-
BA3	353,384	-	-	-
CAA1	133,374	-	-	-
Unrated	2,284,922	-	-	35,041,077
	\$ 29,162,113	\$ 16,154,664	\$ 2,658,287	\$ 35,683,949

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 5. Unearned Revenue/Deferred Revenue

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

	Unearned Revenues	Deferred Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 6,208,282	\$ 14,994,113
School construction receivable	-	5,663,107
Miscellaneous	-	1,137,547
Capital Project Fund:		
Grants	-	2,837,443
Nonmajor Funds:		
Grants	6,963,470	-
Parking tickets	-	550,900
Total	<u>\$ 13,171,752</u>	<u>\$ 25,183,110</u>

Note 6. Interfund Receivables, Payables and Transfers

As of June 30, 2009, interfund receivables and payables that resulted from regularly recurring operational transfers:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 518,528	\$ -
Fiduciary Funds	-	349,233
Non-Major Funds	-	169,295
Totals	<u>\$ 518,528</u>	<u>\$ 518,528</u>

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 2,958,679	\$ 45,403,420
Capital Projects	500,000	5,932,216
Non-Major Funds	45,403,420	3,458,679
Enterprise Fund	5,932,216	-
Total	\$ 54,794,315	\$ 54,794,315

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance various programs accounted for in other funds in accordance with budget authorizations. Transfers between the Capital Project Funds and Enterprise Funds represent capital asset transfers.

Note 7. Capital Assets

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

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 81,414,959	\$ 213,922	\$ (2,536,869)	\$ 79,092,012
Construction in progress	43,206,403	41,979,314	(3,839,811)	81,345,906
Works of art	767,000	-	-	767,000
Total capital assets, not being depreciated	<u>125,388,362</u>	<u>42,193,236</u>	<u>(6,376,680)</u>	<u>161,204,918</u>
Capital assets, being depreciated:				
Land improvements	84,604,429	14,609,785	-	99,214,214
Buildings and improvements	486,272,114	2,813,497	-	489,085,611
Machinery and equipment	72,336,859	9,028,202	(590,244)	80,774,817
Infrastructure	181,015,938	6,653,153	-	187,669,091
Total capital assets being depreciated	<u>824,229,340</u>	<u>33,104,637</u>	<u>(590,244)</u>	<u>856,743,733</u>
Less accumulated depreciation for:				
Land improvements	10,377,327	3,754,292	-	14,131,619
Buildings and improvements	201,251,093	9,947,606	-	211,198,699
Machinery and equipment	42,396,712	4,105,348	(590,244)	45,911,816
Infrastructure	122,588,344	6,022,587	-	128,610,931
Total accumulated depreciation	<u>376,613,476</u>	<u>23,829,833</u>	<u>(590,244)</u>	<u>399,853,065</u>
Total capital assets, being depreciated, net	<u>447,615,864</u>	<u>9,274,804</u>	<u>-</u>	<u>456,890,668</u>
Governmental activities capital assets, net	<u>\$ 573,004,226</u>	<u>\$ 51,468,040</u>	<u>\$ (6,376,680)</u>	<u>\$ 618,095,586</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

	Balance	Increases/ Transfers	Decreases/ Transfers Out	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,449,138	\$ -	\$ -	\$ 3,449,138
Construction in progress	734,111	8,523,751	(684,116)	8,573,746
Total capital assets, not being depreciated	<u>4,183,249</u>	<u>8,523,751</u>	<u>(684,116)</u>	<u>12,022,884</u>
Capital assets, being depreciated:				
Buildings and improvements	88,043,036	232,904	-	88,275,940
Machinery and equipment	62,395,745	120,986	-	62,516,731
Land improvements	1,062,006	610,363	-	1,672,369
Infrastructure	62,739,243	251,461	(3,485,504)	59,505,200
Total capital assets, being depreciated	<u>214,240,030</u>	<u>1,215,714</u>	<u>(3,485,504)</u>	<u>211,970,240</u>
Less accumulated depreciation for:				
Buildings and improvements	6,211,379	1,831,292	-	8,042,671
Machinery and equipment	29,206,263	4,409,274	(1,918,827)	31,696,710
Land improvements	202,199	39,569	-	241,768
Infrastructure	19,245,330	874,609	-	20,119,939
Total accumulated depreciation	<u>54,865,171</u>	<u>7,154,744</u>	<u>(1,918,827)</u>	<u>60,101,088</u>
Total capital assets, being depreciated, net	<u>159,374,859</u>	<u>(5,939,030)</u>	<u>(1,566,677)</u>	<u>151,869,152</u>
Business-type activities capital assets, net	<u>\$163,558,108</u>	<u>\$ 2,584,721</u>	<u>\$ (2,250,793)</u>	<u>\$163,892,036</u>

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

Governmental Activities:	
Administration	\$ 633,049
Public safety, health and welfare	2,239,013
Operations	8,575,770
Education	10,463,174
Total depreciation expense - governmental activities	<u>\$ 21,911,006</u>
Business-type activities:	
Water Pollution Control Authority	\$ 7,105,524
E.G. Brennan Golf Course	49,220
Total depreciation expense - business-type activities	<u>\$ 7,154,744</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 8. Employee Retirement Plans

Nearly all full time City employees (including Board of Education) are covered by a pension plan. Teachers participate in a State sponsored multiple employer plan. The other employees participate in one of four single employer plans operated by the City.

Single Employer Plans (the "City's 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 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 through the plans. Each of the four defined benefit pension plans submit standalone financial reports which can be obtained from the City's Controller's Office.

Firefighters' Pension Trust Fund and Police Pension Trust Fund

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 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.

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.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Custodians' and Mechanics' Retirement Fund ("Custodians")

Eligibility begins at date of hire. Benefits are payable to an employee who retires at age 60 or upon completion of 25 years of service regardless of age. An employee becomes vested in the plan after ten years of service. 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 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% a year is credited to the employees' contribution. The education assistants, security workers and school liaisons are included in the 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' Retirement Fund
Annual required contribution	\$ 2,326,000	\$ 2,305,000	\$ 406,000	\$ 742,000
Interest on net pension obligation	(105,000)	(154,000)	(25,000)	(32,000)
Adjustment of prior year estimated contributions to actual	148,000	217,000	35,000	45,000
Annual pension cost	2,369,000	2,368,000	416,000	755,000
Contributions made	(985,000)	(1,390,000)	(65,000)	(670,000)
(Increase) decrease in net pension (asset) obligation	1,384,000	978,000	351,000	85,000
Net pension obligation (asset), beginning of year	(1,311,000)	(1,923,000)	(312,000)	(400,000)
Net pension obligation (asset), end of year	\$ 73,000	\$ (945,000)	\$ 39,000	\$ (315,000)

The annual required contribution for the current year was determined as part of the July 1, 2008 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases of 4.5% per year, and (c) 1983 group annuity mortality tables. The actuarial value of assets was determined using a smoothing method.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

The Board of Trustees of each plan establishes and may amend the contribution requirements of plan members and the City. The City's annual pension cost for the current year and related information for each plan is as follows:

	Classified			
	Employees	Police	Firefighters'	Custodians'
Contribution rates:				
City	5.3%	11.5%	2.2%	4.8%
Plan members	3.0%	7.0%	6.3%	5.8%
Annual pension cost (000's)	<u>\$ 2,369</u>	<u>\$ 2,368</u>	<u>\$ 416</u>	<u>\$ 755</u>
Contributions Made (000's)	<u>\$ 985</u>	<u>\$ 1,390</u>	<u>\$ 65</u>	<u>\$ 670</u>

Membership in the Plans consisted of the following at July 1, 2008, the date of the last actuarial valuation (for this particular data):

	Classified			
	Employees	Police	Firefighters'	Custodians'
Retirees and beneficiaries receiving benefits	672	281	208	141
Terminated plan members entitled to, but not yet receiving benefits	60	-	-	1
Active plan members:				
Vested	610	213	106	204
Non-vested	<u>185</u>	<u>80</u>	<u>165</u>	<u>277</u>
Total	<u>1,527</u>	<u>574</u>	<u>479</u>	<u>623</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

	Trend Information		
	Annual Pension Cost (APC) (\$000)	Percentage of APC Contributed	Net Pension Obligation (Asset) (\$000)
Classified Employees'			
2009	\$ 2,369	43.3%	\$ 73
2008	1,082	78.6%	(1,311)
2007	742	81.3%	(1,543)
Police			
2009	2,368	58.7%	(945)
2008	1,680	101.1%	(1,923)
2007	1,644	104.6%	(1,903)
Firefighters'			
2009	416	15.6%	39
2008	412	152.9%	(312)
2007	733	146.4%	(94)
Custodians'			
2009	755	88.7%	(315)
2008	663	84.4%	(400)
2007	544	86.0%	(503)

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

SCHEDULE OF FUNDING PROGRESS (000's)

*Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>Classified Employees'</u>						
July 1, 2008	\$ 189,954	\$ 176,317	\$ 13,637	107.7%	\$ 44,001	(31.0)%
<u>Police Pension</u>						
July 1, 2008	\$ 175,945	\$ 171,655	\$ 4,290	102.5%	\$ 19,963	(21.5)%
<u>Firefighters' Pension</u>						
July 1, 2008	\$ 138,360	\$ 123,434	\$ 14,926	112.1%	\$ 18,461	(80.9)%
<u>Custodians' and Mechanics'</u>						
July 1, 2008	\$ 42,342	\$ 40,247	\$ 2,095	105.2%	\$ 15,371	(13.6)%

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

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

ACTUARIAL ASSUMPTIONS

	Classified Employees'	Police	Firefighters'	Custodians' and Mechanics'
Valuation Date	7/1/08	7/1/08	7/1/08	7/1/08
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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Pension trust funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net assets held in trust for pension benefits at June 30, 2009 and the changes in net assets for the year then ended.

	Pension Trust Funds					
	Classified Employees' Retirement Fund	Firefighters' Pension Trust Fund	Police Pension Trust Fund	Custodians' Retirement Fund	OPEB	Total Pension Trust Funds
ASSETS						
Cash and cash equivalents	\$ 75,899	\$ 9,845,593	\$ 85,304	\$ -	\$ 249	\$ 10,007,045
Investments, at fair value						
U.S. government obligations	-	18,493,248	3,587,117	-	-	22,080,365
Corporate bonds	-	19,149,511	10,012,602	-	-	29,162,113
Common and preferred equities	19,017,286	40,405,676	42,715,663	-	479,268	102,617,893
Mutual funds	107,920,967	1,622,738	46,910,278	27,351,716	383,110	184,188,809
Alternative investments/Hedge funds	-	11,055,213	9,131,832	-	-	20,187,045
Fixed income funds	14,385,285	-	15,614,016	5,684,648	-	35,683,949
Total investments	141,323,538	90,726,386	127,971,508	33,036,364	862,378	393,920,174
Accrued interest and dividends	55,501	480,834	237,333	-	-	773,668
Total assets	141,454,938	101,052,813	128,294,145	33,036,364	862,627	404,700,887
LIABILITIES						
Due to other funds	-	-	349,233	-	-	349,233
Other liabilities	170,408	-	-	1,174	-	171,582
	170,408	-	349,233	1,174	-	520,815
Net Assets Held in Trust for Pension Benefits	\$ 141,284,530	\$ 101,052,813	\$ 127,944,912	\$ 33,035,190	\$ 862,627	\$ 404,180,072

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

	Pension Trust Funds					Total Pension Trust Funds
	Classified Employees' Retirement Plan	Firefighters' Pension Trust Fund	Police Pension Trust Fund	Custodians' Retirement Fund	OPEB	
Additions						
Contributions:						
Employer contributions	\$ 985,000	\$ 65,000	\$ 1,390,000	\$ 670,000	\$ 12,795,550	\$ 15,905,550
Employee contributions	1,262,703	1,155,761	1,221,911	894,638	-	4,535,013
Total contributions	2,247,703	1,220,761	2,611,911	1,564,638	12,795,550	20,440,563
Investment Income						
Net appreciation in fair value of investments	(33,605,413)	(31,266,989)	(32,748,329)	(7,141,569)	72,451	(104,689,849)
Interest and dividends	5,329,192	2,462,548	2,824,053	1,185,499	7,570	11,808,862
Other income	2,540,639	(590,464)	110,544	704,374	-	2,765,093
	(25,735,582)	(29,394,905)	(29,813,732)	(5,251,696)	80,021	(90,115,894)
Less investment expenses:						
Investment management fees	353,646	773,830	728,209	19,468	3,715	1,878,868
Net investment income (loss)	(26,089,228)	(30,168,735)	(30,541,941)	(5,271,164)	76,306	(91,994,762)
Total decrease in additions	(23,841,525)	(28,947,974)	(27,930,030)	(3,706,526)	12,871,856	(71,554,199)
Deductions						
Benefits	14,579,375	6,624,978	9,145,054	2,607,483	12,009,229	44,966,119
	14,579,375	6,624,978	9,145,054	2,607,483	12,009,229	44,966,119
Net change in net assets	(38,420,900)	(35,572,952)	(37,075,084)	(6,314,009)	862,627	(116,520,318)
Net Assets Held in Trust For Pension Benefits						
Beginning of year	179,705,430	136,625,765	165,019,996	39,349,199	-	520,700,390
End of year	\$ 141,284,530	\$ 101,052,813	\$ 127,944,912	\$ 33,035,190	\$ 862,627	\$ 404,180,072

Connecticut State Teachers' Retirement System

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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 responsible to, contribute to the plan.

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

In addition, the 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 \$17,792,000 for the year ended June 30, 2009.

Post retirement benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan description

The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue stand-alone financial reports.

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the Projected Unit Credit Method.

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

Retirees and beneficiaries receiving benefits	\$	3,364
Active plan members		3,103
Total	\$	6,467

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2008 is estimated to be \$215,337,000. The City's contributions represent payments made for premiums for insured individuals.

Schedule of Funding Progress 000's						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
7/1/08	\$ -	\$ 215,337	\$ 215,337	0.0%	\$ 226,225	95.2%
7/1/06	\$ -	\$ 200,894	\$ 200,000	0.0%	\$ 188,244	106.7%

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 18,298,000	\$ 12,796,000	65.6%	\$ 5,502,000
6/30/08	\$ 16,006,000	\$ 9,200,000	57.5%	6,806,000

OPEB Obligation

Annual required contribution	\$ 17,262,000
Interest on net OPEB obligation	1,036,000
Annual OPEB cost	<u>18,298,000</u>
Contributions made	<u>12,796,000</u>
Increase in net OPEB liability	<u>5,502,000</u>
Net OPEB obligation, beginning of year	<u>6,806,000</u>
Net OPEB obligation, end of year	<u><u>\$ 12,308,000</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay
Remaining Amortization Period	30 Years (Open)
Actuarial Assumptions:	
Investment rate of return	6.00%
Inflation rate	None
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Year After Valuation Date	Increase
1	10%
2	9%
3	8%
4	7%
5	6%
6	5%
7 or more	5%

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 9. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 383,247,984	\$ 57,081,569	\$ 85,687,252	\$ 354,642,301	\$ 27,821,480
Notes payable	3,386,103	-	-	3,386,103	1,187,511
Net deferred issue costs and bond premiums deferred	3,201,412	2,984,922	591,709	5,594,625	-
Total bonds and notes payable	389,835,499	60,066,491	86,278,961	363,623,029	29,008,991
Other long-term liabilities:					
Early retirement-teachers	3,172,899	1,380,997	1,231,015	3,322,881	1,200,000
Compensated absences	16,795,862	620,500	550,400	16,865,962	2,519,000
Heart and hypertension claims	9,789,283	1,657,067	3,315,560	8,130,790	700,000
Capital Leases	1,114,812	-	232,546	882,266	270,000
Disputed assessments	1,300,000	-	1,300,000	-	-
Pollution remediation obligation	4,410,000	5,812,453	4,222,453	6,000,000	4,000,000
OPEB obligation	6,806,000	18,298,000	12,796,000	12,308,000	-
Net pension obligation	-	112,000	-	112,000	-
ISF risk financing	18,956,248	90,976,354	81,671,076	28,261,526	4,000,000
Total other long-term liabilities	62,345,104	118,857,371	105,319,050	75,883,425	12,689,000
Governmental activity long-term liabilities	\$ 452,180,603	\$ 178,923,862	\$ 191,598,011	\$ 439,506,454	\$ 41,697,991
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 15,374,711	\$ 1,073,431	\$ 2,938,892	\$ 13,509,250	\$ 1,556,962
Unamortized premium	-	145,304	-	145,304	-
Revenue bonds, including unamortized original issue premium	31,277,000	-	669,000	30,608,000	645,000
Notes payable	67,775,446	10,182,376	3,518,618	74,439,204	3,586,146
Total bonds and notes payable	114,427,157	11,401,111	7,126,510	118,701,758	5,788,108
Other long-term liabilities:					
Compensated absences	297,561	35,737	14,857	318,441	-
Total other long-term liabilities	297,561	35,737	14,857	318,441	-
Business-type activity long-term liabilities	\$ 114,724,718	\$ 11,436,848	\$ 7,141,367	\$ 119,020,199	\$ 5,788,108

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

General obligation bonds

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. The City has not pledged any assets as collateral for general obligation bonds.

General obligation bonds outstanding as of June 30, 2009 consisted of the following:

Date of Issue	Interest Rate(s)(%)	Original Amounts	Maturity Dates	Annual Payment	Balance June 30, 2009
January 1990	6.00 - 7.75	\$55,000,000	2001 - 2010	\$ 2,750,000	\$ 2,750,000
April 2001	4.00 - 5.00	65,000,000	2002 - 2020	3,420,000 - 3,425,000	6,035,000
April 2002	4.00 - 5.25	43,485,000	2002 - 2014	270,000 - 4,905,000	20,595,000
April 2002	4.00 - 5.25	40,000,000	2002 - 2021	2,105,000 - 2,110,000	8,420,000
April 2003	2.00 - 5.20	51,485,000	2003 - 2015	90,000 - 11,735,000	43,060,000
November 2003	2.00 - 2.50	35,000,000	2004 - 2018	1,750,000	15,750,000
November 2003	2.00 - 5.25	25,345,000	2004 - 2018	60,000 - 6,400,000	24,930,000
September 2004	2.50 - 4.25	39,200,000	2004 - 2024	1,700,000 - 2,445,000	15,090,000
October 2004	3.00 - 5.25	15,190,000	2004 - 2024	605,000 - 1,215,000	3,515,000
March 2005	3.00 - 5.00	28,095,000	2005 - 2020	225,000 - 6,050,000	27,800,000
August 2005	3.00 - 5.00	17,530,000	2005 - 2023	70,000 - 3,260,000	17,390,000
February 2006	3.50 - 5.00	59,000,000	2006 - 2026	3,000,000 - 3,250,000	28,685,000
July 2006	2.00	1,337,000	2006 - 2021	103,888	1,176,551
June 2008	3.125 - 5.00	88,000,000	2008 - 2028	4,400,000- 4,600,000	76,000,000
June 2008	3.00 - 5.00	19,050,000	2009 - 2014	615,000 - 4,110,000	19,050,000
July 2008	0	3,750,000	2008 - 2022	250,000	3,500,000
April 2009	2.50 - 5.00	10,480,000	2010 - 2019	375,000 - 1,750,000	10,480,000
April 2009	4.00 - 5.00	43,925,000	2010 - 2019	4,505,000 - 10,590,000	43,925,000
					<u>368,151,551</u>
				Less amount representing business-type activities	<u>13,509,250</u>
					<u><u>\$ 354,642,301</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Bonds payable

WPCA revenue bonds outstanding as of June 30, 2009 consisted of the following:

Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2003. Issued in the aggregate amount of \$12,480,000 revenue bonds in October 2003 at interest rates ranging from 2.0% to 5.00%, due annually, on November 1. Interest is payable monthly, with principal maturity paid from July 2002 through July 2032. The aggregate net amount includes an unamortized premium of \$202,000 at June 30, 2009.	\$ 11,407,000
Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2006. Issued in the aggregate amount of \$19,765,000 revenue bonds in September 2006 at interest rates ranging from 3.4% to 4.75%, due annually, on March 15 and September 15. Interest is payable monthly, with principal maturity paid from September 2007 through September 2036. The aggregate net amount includes an unamortized premium of \$121,000 at June 30, 2009.	<u>19,201,000</u>
Total revenue bonds payable	30,608,000
Less: current portion	<u>645,000</u>
Total revenue bonds payable - non-current	<u><u>\$ 29,963,000</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2009

Debt service requirements - revenue bonds

Aggregate debt service requirements subsequent to June 30, 2009 are as follows:

	Principal	Interest	Total
2010	\$ 645,000	\$ 1,349,900	\$ 1,994,900
2011	665,000	1,325,575	1,990,575
2012	690,000	1,300,056	1,990,056
2013	715,000	1,273,825	1,988,825
2014	745,000	1,246,175	1,991,175
2015-2019	4,205,000	5,752,846	9,957,846
2020-2024	5,210,000	4,746,233	9,956,233
2025-2029	6,540,000	3,425,319	9,965,319
2030-2034	7,505,000	1,666,900	9,171,900
2035-2059	3,365,000	244,744	3,609,744
Debt Service requirement	30,285,000	22,331,573	52,616,573
Plus bond premium	323,000	-	323,000
Net Debt Service requirement	<u>\$ 30,608,000</u>	<u>\$ 22,331,573</u>	<u>\$ 52,939,573</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

The following is a summary as of June 30, 2009, of the future principal and interest requirements for the City's general obligation bonds:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 27,821,480	\$ 14,115,179	\$ 41,936,659	\$ 1,556,962	\$ 586,871	\$ 2,143,833
2011	30,276,742	13,654,851	43,931,593	1,490,173	524,800	2,014,973
2012	28,398,279	12,463,756	40,862,035	1,325,275	465,802	1,791,077
2013	27,584,860	11,280,147	38,865,007	1,370,364	404,622	1,774,986
2014	26,600,747	9,997,494	36,598,241	1,371,182	337,483	1,708,665
2015	26,294,014	8,780,445	35,074,459	1,384,653	268,807	1,653,460
2016	23,570,586	7,678,342	31,248,928	949,855	213,499	1,163,354
2017	22,362,057	6,701,196	29,063,253	775,193	172,573	947,766
2018	22,310,766	5,653,434	27,964,200	878,329	132,378	1,010,707
2019	21,029,278	4,575,530	25,604,808	871,699	89,544	961,243
2020	17,401,260	3,723,237	21,124,497	516,636	56,567	573,203
2021	17,422,265	3,151,206	20,573,471	427,589	34,903	462,492
2022	14,312,967	2,498,028	16,810,995	148,884	21,916	170,800
2023	12,152,815	1,960,185	14,113,000	147,185	15,753	162,938
2024	11,592,775	1,457,305	13,050,080	147,226	9,507	156,733
2025	8,956,430	1,017,285	9,973,715	143,570	3,340	146,910
2026	7,394,980	676,302	8,071,282	4,475	198	4,673
2027	4,400,000	363,000	4,763,000	-	-	-
2028	4,400,000	181,500	4,581,500	-	-	-
Total	<u>\$ 354,282,301</u>	<u>\$ 109,928,422</u>	<u>\$ 464,210,723</u>	<u>\$ 13,509,250</u>	<u>\$ 3,338,563</u>	<u>\$ 16,847,813</u>

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 Boards of Finance and Representatives.

2009 General Obligation Bond – In-substance Defeasance

On April 30, 2009, the City issued \$54,405,000 of general obligation bonds with interest rates ranging from 3.0% to 5.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bond of the City dated November 1, 2003, September 1, 2004, February 15, 2006 and June 1, 2008 (the Refunding Bonds"). Of the net proceeds of \$61,650,695 (after payment of \$384,170 in underwriters fees and other costs), and the \$7,245,695 net original issue premium, \$61,266,525 was placed in an irrevocable trust fund under an Escrow Agreement dated June, 2008 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of \$1,700,000, and a savings of \$1,939,000 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$61,000,000 at June 30, 2009. The balance of the defeased bonds was approximately \$57,000,000 million at June 30, 2009. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-Substance Defeasance - Prior Years

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2009, the amount of defeased outstanding, but removed from the City's government-wide financial statements, amounted to the following:

1990 Issuance	\$ 2,750,000
1998 Issuance	8,705,000
2001 Issuance	6,035,000
2002 Issuance	8,420,000
2003 Issuance	15,750,000
2004 Issuance	18,605,000
2006 Issuance	28,685,000
2008 Issuance	76,000,000
	<u>\$ 164,950,000</u>

Revenue bonds payable

The City issues 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, at a level adequate to meet the above requirements, must be implemented.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

SWPCA revenues pledged

The City has pledged future SWPCA customer revenues, net of specified operating expenses, to repay \$30,608,000 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. The total principal and interest remaining to be paid on the bonds at June 30, 2009 is \$52,939,573. Principal and interest paid for the current year and total customer net revenues were \$1,991,775 and \$15,378,402, respectively.

Notes payable

The City 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 through August 2025, plus accrued interest. As of June 30, 2009, the combined loan balance is \$64,257,000.

The City has a note payable for various energy equipment. The note bears interest at 4.35% and is payable through monthly installments beginning December 2003, ranging from approximately \$40,000 to \$62,000, through November 2013, plus accrued interest.

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, 2009, the combined loan balance is \$10,182,376.

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Fiscal year ending June 30:				
2010	\$ 1,187,511	\$ 222,206	\$ 3,586,146	\$ 1,351,118
2011	618,931	75,926	3,654,901	1,315,104
2012	643,634	51,224	3,725,044	1,244,669
2013	669,324	25,536	3,796,603	1,169,514
2014	266,703	2,816	3,869,606	1,092,915
2015-2019	-	-	19,966,651	4,289,007
2020-2024	-	-	21,791,282	2,114,468
2025-2029	-	-	6,374,279	358,617
2030-2034	-	-	1,354,579	141,203
2035-2039	-	-	1,361,791	141,263
Thereafter	-	-	4,958,322	278,965
Total	\$ 3,386,103	\$ 377,708	\$ 74,439,204	\$ 13,496,843

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Capital lease

Recycling trucks carried at approximately \$1,228,000 in the governmental activities acquired under capital lease arrangements.

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

2010	\$ 270,497
2011	270,497
2012	270,497
2013	135,249
Total minimum lease payments	<u>946,740</u>
Less interest	<u>64,474</u>
Present value of minimum payments	<u>\$ 882,266</u>

Early retirement

Under the teacher contract agreement between the Stamford Board of Education (BOE) and the Stamford Education Association (SEA), early retirement was offered to members of 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 maximum of three consecutive years. During the fiscal year ended June 30, 2009, the City paid approximately \$1,231,000 in early retirement benefits out of the general fund operating budget. At June 30, 2009, approximately \$3,323,000 is accrued in the governmental activities.

Authorized but unissued bonds

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

General purpose	\$ 191,776,300
Schools	<u>201,931,774</u>
Total	<u>\$ 393,708,074</u>

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, 2009 was approximately \$1,023,000. Additional reimbursements of principal and interest aggregating approximately \$6,566,000 are expected to be received through the bonds' maturity dates.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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	\$ 868,321,083	\$ 401,970,953	\$ 466,350,130
Schools	1,736,642,165	350,178,999	1,386,463,166
Sewers	1,447,201,804	77,355,020	1,369,846,784
Urban renewal	1,254,241,564	-	1,254,241,564
Unfunded pension benefit obligation	1,157,761,443	-	1,157,761,443

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,701,443,368.

Note 10. Risk Management and Health Insurance

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, \$1,000,000 for public officials' liability and \$100,000 for most property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks and tax appeals are reported in the Risk Management Internal Service Fund.

It is also the City's policy to self-insure for employee health insurance programs up to \$250,000 for individual claim thresholds. Heart and hypertension claims for police and firefighters are covered, as required by State Statute. Costs associated with these risks are reported in the general fund. The BOE changed during the year, and is currently self-insured for health insurance, dental and prescription amounts, recorded in the Health Insurance Internal Service Fund.

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. The amount of settlements have not exceeded insurance coverage in any of the past three fiscal years.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2008	\$ 15,051,877	\$ 79,404,321	\$ 75,499,950	\$ 18,956,248
2009	18,956,248	92,126,354	82,971,076	\$ 28,111,526

Note 11. Contingencies

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 \$2,922,000. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be up to \$1,500,000. The City has accrued \$9,600,000 for tax appeals associated with the latest property revaluations in the Risk Management Internal Service Fund. Estimated pollution remediation costs of \$5,000,000 for Schofield Park 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.

Note 12. Subsequent Events

On July 30, 2009, the City issued a Taxable General Obligation Bond (Clean Renewable Energy Bonds) in the amount of \$2,000,000 through December 2023. The bonds will mature through 2024 with 0% interest.

On August 1, 2009, the City issued \$50,000,000 of general obligation bonds to finance capital improvement projects of which \$10,000,000 will fund WPCA capital improvement projects. The bonds will mature through 2029 with interest from 1.5% to 5.5%.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 13. Urban Redevelopment Commission

The City has one discretely presented component unit. Fund information for the year ended June 30, 2009 is as follows:

STATEMENT OF NET ASSETS

	Urban Redevelopment Commission
Assets	
Cash and cash equivalents	\$ 1,372,001
Accounts receivable	214,780
Land held for resale	4,476,190
Total assets	<u>6,062,971</u>
Liabilities	
Accounts payable	2,372,825
Unearned revenues	351,546
Total liabilities	<u>2,724,371</u>
Net Assets	
Unrestricted	3,338,600
Total net assets	<u><u>\$ 3,338,600</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - COMPONENT UNIT**

	Urban Redevelopment Commission
REVENUES	
Revenues	\$ 943,877
Investment income	18,762
Total revenues	<u>962,639</u>
EXPENDITURES	
Redevelopment expenditures	<u>715,528</u>
Change in fund balance	247,111
FUND BALANCES, beginning	<u>3,091,489</u>
FUND BALANCES, ending	<u><u>\$ 3,338,600</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 14. Pronouncements Issued, Not Yet Effective

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

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

- ◆ GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.
- ◆ GASB Statement Number 52, *Land and Other Real Estate Held as Investments by Endowments* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2016. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value.
- ◆ GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.
- ◆ GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the City's governmental funds.
- ◆ GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the City as required by the GASB during the fiscal year ending June 30, 2010. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

**Required Supplementary
Information**

CITY OF STAMFORD, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION – PENSION TRUST FUNDS
June 30, 2009

SCHEDULE OF FUNDING PROGRESS (000's) – PENSION TRUST FUNDS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Classified Employees'						
July 1, 2008	\$ 189,954	\$ 176,317	\$ 13,637	107.7%	\$ 44,001	(31.0)%
July 1, 2007	188,461	166,084	22,377	113.5%	43,959	(50.9)%
July 1, 2006	182,537	159,821	22,716	114.2%	41,420	(54.8)%
July 1, 2005	179,188	150,897	28,291	118.7%	39,627	(71.4)%
July 1, 2004	176,081	145,610	30,471	120.9%	37,064	(82.2)%
July 1, 2003	174,622	121,900	52,722	143.3%	37,841	(139.3)%
Police Pension						
July 1, 2008	\$ 175,945	\$ 171,655	\$ 4,290	102.5%	\$ 19,963	(21.5)%
July 1, 2007	171,826	160,970	10,856	106.7%	18,682	(58.1)%
July 1, 2006	162,374	153,436	8,938	105.8%	18,064	(49.5)%
July 1, 2005	156,275	146,015	10,260	107.0%	17,996	(57.0)%
July 1, 2004	149,936	138,234	11,702	108.5%	18,016	(65.0)%
July 1, 2003	144,432	131,686	12,746	109.7%	17,496	(72.9)%
Firefighters' Pension						
July 1, 2008	\$ 138,360	\$ 123,434	\$ 14,926	112.1%	\$ 18,461	(80.9)%
July 1, 2007	134,356	119,150	15,206	112.8%	18,835	(80.7)%
July 1, 2006	124,131	113,830	10,301	109.0%	16,864	(61.1)%
July 1, 2005	118,681	109,365	9,316	108.5%	17,503	(53.2)%
July 1, 2004	115,211	103,782	11,429	111.0%	16,986	(67.3)%
July 1, 2003	112,669	97,597	15,072	115.4%	17,035	(88.5)%
Custodians' and Mechanics'						
July 1, 2008	\$ 42,342	\$ 40,247	\$ 2,095	105.2%	\$ 15,371	(13.6)%
July 1, 2007	40,959	38,151	2,808	107.4%	16,261	(17.3)%
July 1, 2006	38,877	36,225	2,652	107.3%	13,915	(19.1)%
July 1, 2005	37,785	32,553	5,232	116.1%	13,477	(38.8)%
July 1, 2004	37,071	31,203	5,868	118.8%	12,433	(47.2)%
July 1, 2003	36,131	29,188	6,943	123.8%	11,963	(58.0)%
OPEB						
July 1, 2008	\$ -	\$ 215,337	\$ 215,337	0.0%	\$ 226,225	95.2%
July 1, 2006	-	200,000	200,000	0.0%	188,244	106.7%

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

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Appendix B - Forms of Opinion of Bond Counsel

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April 14, 2010

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 April 14, 2010 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$3,525,000 City of Stamford, Connecticut General Obligation Refunding Bonds, Issue of 2010, Series A (the "Bonds"), dated the date of delivery, maturing on May 1, 2010 and on July 1 in each of the years, in the principal amounts and bearing interest payable on May 1, 2010 and July 1, 2010 and semiannually thereafter on January 1 and July 1 in each year until maturity, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
May 1, 2010	\$ 80,000	3.000%
July 1, 2020	1,715,000	5.000
July 1, 2021	1,730,000	5.000

with principal payable at the principal office of U.S. Bank National Association, and with interest payable to the registered owner as of the close of business on the fifteenth day of December and June in each year, or the preceding business day if such fifteenth day is not a business day, 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 not subject to redemption prior to their maturity.

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 (except to the extent, if any, stated in the Official Statement) 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 statutes of the State of Connecticut and that the Bonds are valid general obligations 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 subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains 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) 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 ownership or disposition of, or receipt of interest on, 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.

Respectfully yours,

April 14, 2010

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 April 14, 2010 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$23,055,000 City of Stamford, Connecticut General Obligation Refunding Bonds, Issue of 2010, Series B (the "Bonds"), dated the date of delivery, maturing on May 1, 2010 and on July 1 in each of the years, in the principal amounts and bearing interest payable on May 1, 2010 and on July 1, 2010 and semiannually thereafter on January 1 and July 1 in each year until maturity, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
May 1, 2010	\$ 325,000	3.000%
July 1, 2015	510,000	4.000
July 1, 2018	510,000	4.000
July 1, 2019	530,000	4.000
July 1, 2020	5,980,000	5.000
July 1, 2021	6,035,000	5.000
July 1, 2022	9,165,000	5.000

with principal payable at the principal office of U.S. Bank National Association, and with interest payable to the registered owner as of the close of business on the fifteenth day of December and June in each year, or the preceding business day if such fifteenth day is not a business day, 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 not subject to redemption prior to their maturity.

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 (except to the extent, if any, stated

in the Official Statement) 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 statutes of the State of Connecticut and that the Bonds are valid general obligations 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 subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains 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 and is not taken into account in the calculation of adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on 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) 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 ownership or disposition of, or receipt of interest on, 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.

Respectfully yours,

Appendix C - Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

**City of Stamford, Connecticut
\$26,580,000 General Obligation Refunding Bonds
Comprised of
\$3,525,000 2010 Series A Bonds and
\$23,055,000 2010 Series B Bonds
dated the date of delivery**

April 14, 2010

WHEREAS, the City of Stamford, Connecticut (the "City") has heretofore authorized the issuance of \$26,580,000 in aggregate principal amount of its General Obligation Refunding Bonds, Issue of 2010, comprised of \$3,525,000 2010 Series A Bonds and \$23,055,000 2010 Series B Bonds, dated the date of delivery (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated March 31, 2010 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a negotiated sale pursuant to a Bond Purchase Agreement dated March 31, 2010 (the "Bond Purchase Agreement") and

WHEREAS, in the Bond Purchase Agreement 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 to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following events, if material:

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

Section 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 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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