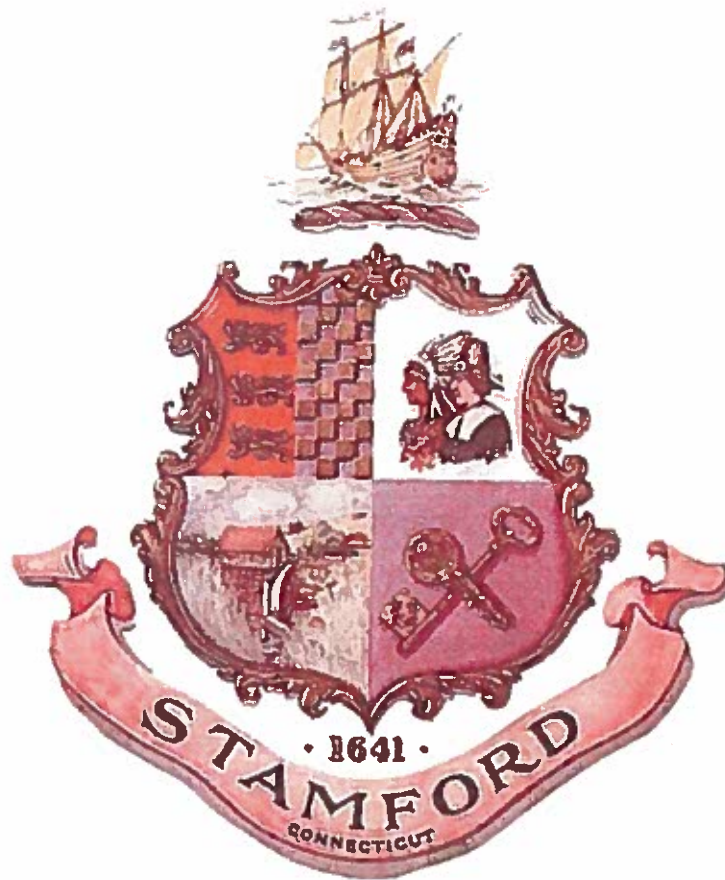


CITY OF STAMFORD, CONNECTICUT

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2018

**CITY OF STAMFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest, lien and contingencies	\$ 515,467,519	\$ 515,467,519	\$ 516,799,140	\$ 1,331,621
Intergovernmental	19,069,564	19,069,564	16,814,697	(2,254,867)
Charges for services	19,297,080	19,297,080	19,162,595	(134,485)
Interest and dividends	1,000,000	1,000,000	1,203,228	203,228
Change in fair market value			(571,372)	(571,372)
Other	1,050,961	1,050,961	1,058,236	7,275
Total revenues	555,885,124	555,885,124	554,466,524	(1,418,600)
Use of Fund Balance		9,652,875	9,652,875	-
Total revenues and use of fund balance	555,885,124	565,537,999	564,119,399	(1,418,600)
Expenditures:				
Current:				
Governmental services	4,869,805	4,901,805	4,695,829	205,976
Administration	9,991,075	10,102,108	10,005,926	96,182
Legal affairs	31,354,234	31,754,482	31,562,470	192,012
Public safety	118,441,512	119,226,451	118,244,060	982,391
Health and welfare	9,041,946	9,078,930	8,910,795	168,135
Community services	12,261,760	12,261,760	12,237,458	24,302
Operations	45,343,059	46,661,403	45,890,540	770,863
Board of Education	269,451,761	269,451,761	269,173,287	278,474
Contingency	4,330,000	1,946,689		1,946,689
Total expenditures	505,085,152	505,385,389	500,720,365	4,665,024
Excess of Revenues over Expenditures	50,799,972	60,152,610	63,399,034	3,246,424
Other Financing Sources (Uses):				
Transfers in	3,098,622	3,098,622	3,098,622	-
Transfer out:				
Debt Service Fund	(52,185,907)	(52,185,907)	(52,085,907)	100,000
Capital Projects Fund		(271,140)	(271,140)	-
Capital Nonrecurring Fund	(284,531)	(6,485,923)	(6,485,923)	-
Risk Management		(500,000)	(500,000)	-
Grant Fund	(1,397,890)	(1,777,996)	(1,746,453)	31,543
Marinas Fund	(30,266)	(30,266)	(116,107)	(85,841)
Assignment:				
Rainy Day Purposes		(2,000,000)	(2,000,000)	-
Net other financing uses	(50,799,972)	(60,152,610)	(60,106,908)	45,702
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ -	\$ -	3,292,126	\$ 3,292,126
Cancellation of prior year encumbrances			568,752	
Fund balance assigned for changes in: Future obligations of the City			(883,697)	
Amount available from current year operations			\$ 2,977,181	

(Continued on next page)

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below:

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

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

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

Long-term loans and accounts receivable represent funds set aside to indicate the long-term nature of amounts due from the OTHRA enterprise fund.

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

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

Committed

The City Charter provides that a current year surplus or deficit must be applied to or funded in subsequent operating budgets or an operating reserve fund (Rainy Day purposes). In fiscal 2018, revenues and transfers exceeded expenditures by \$3,860,878. In addition, \$568,752 of unexpended prior year encumbrances were also returned to the fund balance. These were offset by the increase in fund balance assigned for future obligations of the City of \$883,697. The anticipated use of the amount available from current year's operations of \$2,977,181 is as follows:

Rainy Day purposes	\$ 937,000
Environmental remediation - City	1,511,707
Environmental remediation - BOE	278,474
Risk management fund for H&H	<u>250,000</u>
	<u>\$ 2,977,181</u>

CITY OF STAMFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

EXHIBIT III

	General	Capital Projects	MHI River Capital Projects	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,273,443	\$	\$ 3,786,998	\$ 899,187	\$ 16,479,259	\$ 24,438,887
Investments	65,437,556	46,166,339			5,813,193	117,417,088
Restricted cash				27,000,138		27,000,138
Restricted investments		2,576,276				2,576,276
Property taxes receivable, net	10,147,965					10,147,965
Other receivables:						
Accounts	969,464	233,378			2,771,403	3,974,245
Loans		7,937,124				7,937,124
Intergovernmental	1,100,047	24,429,692	50,000		4,521,153	30,100,892
Due from component unit	252,411					252,411
Advances to other funds	4,167,972	2,854,901				7,022,873
Due from other funds	3,374,009					3,374,009
Prepaid expenditures					3,355	3,355
Inventories	70,201				66,014	136,215
Total Assets	\$ 88,793,068	\$ 84,197,710	\$ 3,836,998	\$ 27,899,325	\$ 29,654,377	\$ 234,381,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued items	\$ 16,337,461	\$ 15,485,362	\$ 1,530,000	\$	\$ 1,860,420	\$ 35,213,243
Accrued liabilities	2,663,449	25,014			1,174,789	3,863,252
Retainage payable		3,821,597				3,821,597
Due to other funds		204,324		6,181,603	324,315	6,710,242
Advances from other funds			2,116,665			2,116,665
Due to component unit	63,300				56,267	119,567
Unearned revenue	3,135,158	3,158,367			3,832,124	10,125,649
Total liabilities	22,199,368	22,694,664	3,646,665	6,181,603	7,247,915	61,970,215
Deferred inflows of resources:						
Unavailable revenue - property taxes	8,158,644					8,158,644
Unavailable revenue - miscellaneous receivables	130,452					130,452
Unavailable revenue - police extra duty					311,757	311,757
Unavailable revenue - parking					1,248,090	1,248,090
Advance property tax collections	19,711,683					19,711,683
Total deferred inflows of resources	28,000,779	-	-	-	1,559,847	29,560,626
Fund balances:						
Nonspendable	4,238,173				69,369	4,307,542
Restricted		61,503,046	190,333	21,717,722	18,857,783	102,268,884
Committed	5,444,630					5,444,630
Assigned	28,226,267				1,945,164	30,171,431
Unassigned	683,851				(25,701)	658,150
Total fund balances	38,592,921	61,503,046	190,333	21,717,722	20,846,615	142,850,637
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 88,793,068	\$ 84,197,710	\$ 3,836,998	\$ 27,899,325	\$ 29,654,377	\$ 234,381,478

(Continued on next page)

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

10. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2018 are as follows:

	General Fund	Capital Projects Fund	Mill River Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid expenditures	\$	\$	\$	\$	\$ 3,355	\$ 3,355
Inventories	70,201				66,014	136,215
Advances	4,167,972					4,167,972
Total nonspendable	4,238,173	-	-	-	69,369	4,307,542
Restricted for:						
Long-term loans and accounts receivable		7,937,124				7,937,124
Capital projects		50,711,021			15,598,501	66,309,522
Advances		2,854,901				2,854,901
Mill river capital projects			190,333			190,333
Debt service				21,717,722		21,717,722
Stamford Community Development Program					703,361	703,361
Town aid highway					268,133	268,133
Drug asset forfeiture					273,653	273,653
Educational grants program					1,170,198	1,170,198
BOE Food service program					398,027	398,027
Other grants program					445,910	445,910
Total restricted	-	61,503,046	190,333	21,717,722	18,857,783	102,268,884
Committed to:						
Rainy Day purposes	937,000					937,000
Compliance with Federal mandates	105,000					105,000
Environmental Remediation - City	3,874,156					3,874,156
Environmental Remediation - BOE	278,474					278,474
Risk management fund for H&H	250,000					250,000
Total committed	5,444,630	-	-	-	-	5,444,630
Assigned to:						
Governmental services encumbrances	21,725					21,725
Administration encumbrances	102,609					102,609
Legal affairs encumbrances	68,486					68,486
Public safety encumbrances	382,958					382,958
Health and welfare encumbrances	22,256					22,256
Operations encumbrances	552,642					552,642
Board of Education encumbrances	301,943					301,943
Future obligations of the City	1,970,967					1,970,967
Rainy Day purposes	24,600,841					24,600,841
BOE energy reserve	201,840					201,840
Dog license					396,239	396,239
Police extra duty					265,626	265,626
School building use					195,661	195,661
Continuing education					114,263	114,263
Parking					879,213	879,213
Greater Stamford transit district					94,162	94,162
Total assigned	28,226,267	-	-	-	1,945,164	30,171,431
Unassigned	683,851				(25,701)	658,150
Total Fund Balances	\$ 38,592,921	\$ 61,503,046	\$ 190,333	\$ 21,717,722	\$ 20,846,615	\$ 142,850,637

**CITY OF STAMFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Capital Projects	Mill River Capital Projects	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes, interest and lien fees	\$ 516,787,138	\$	\$ 2,695,897	\$	\$	\$ 519,483,035
Intergovernmental revenues	76,303,973	20,645,736			44,652,126	141,601,835
Charges for services	19,162,595				21,856,116	41,018,711
Interest, dividends and investment income	576,294	973,218			98,069	1,647,581
Other	1,409,357	3,797,182		671,013	133,492	6,011,044
Total revenues	<u>614,239,357</u>	<u>25,416,136</u>	<u>2,695,897</u>	<u>671,013</u>	<u>66,739,803</u>	<u>709,762,206</u>
Expenditures						
Current:						
Governmental services	4,681,524				1,600,676	6,282,200
Administration	10,359,634					10,359,634
Legal affairs	31,531,959					31,531,959
Public safety	118,064,806				11,597,550	129,662,356
Health and welfare	11,232,867				5,818,628	17,051,495
Community services	12,237,458					12,237,458
Operations	45,430,801		1,630,000		3,728,300	50,789,101
Board of Education	326,597,201				41,821,614	368,418,815
Debt service:						
Principal retirement				38,819,787		38,819,787
Interest and other charges				17,044,271		17,044,271
Capital outlay		87,490,568				87,490,568
Total expenditures	<u>560,136,250</u>	<u>87,490,568</u>	<u>1,630,000</u>	<u>55,864,058</u>	<u>64,566,768</u>	<u>769,687,644</u>
Excess (Deficiency) of Revenues over Expenditures	<u>54,103,107</u>	<u>(62,074,432)</u>	<u>1,065,897</u>	<u>(55,193,045)</u>	<u>2,173,035</u>	<u>(59,925,438)</u>
Other Financing Sources (Uses):						
Bond refunding issued				36,168,000		36,168,000
Bond issued		30,000,000				30,000,000
Sale of real property					448,220	448,220
Premium on issuance of debt				6,434,513	987,908	7,422,421
Payment to refunded bond escrow agent				(21,020,475)		(21,020,475)
Transfers in from other funds	3,098,622	5,516,120		54,572,005	6,995,291	70,182,038
Transfers out to other funds	(61,205,530)		(1,132,906)		(7,707,383)	(70,045,819)
Total other financing sources (uses)	<u>(58,106,908)</u>	<u>35,516,120</u>	<u>(1,132,906)</u>	<u>76,154,043</u>	<u>724,036</u>	<u>53,154,385</u>
Net Change in Fund Balances	(4,003,801)	(26,558,312)	(67,009)	20,960,998	2,897,071	(6,771,053)
Fund Balances at Beginning of Year	<u>42,596,722</u>	<u>88,061,358</u>	<u>257,342</u>	<u>756,724</u>	<u>17,949,544</u>	<u>149,621,690</u>
Fund Balances at End of Year	<u>\$ 38,592,921</u>	<u>\$ 61,503,046</u>	<u>\$ 190,333</u>	<u>\$ 21,717,722</u>	<u>\$ 20,846,615</u>	<u>\$ 142,850,637</u>

(Continued on next page)

**CITY OF STAMFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Pollution Control Authority	Old Town Hall Redevelopment Agency	Nonmajor E.G. Brennan Golf Course	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 23,556,163	\$ 633,370	\$ 1,172,794	\$ 25,362,327	\$ 91,992,268
Miscellaneous	1,152,017	414,999		1,567,016	3,505,059
Total operating revenues	<u>24,708,180</u>	<u>1,048,369</u>	<u>1,172,794</u>	<u>26,929,343</u>	<u>95,497,327</u>
Operating Expenses:					
Salaries	4,219,088		613,180	4,832,268	290,037
Employee benefits	2,334,168		222,005	2,556,173	85,957,897
Operation and supplies	6,704,378	969,100	246,139	7,919,617	225,025
Insurance				-	3,011,076
Judgment and claims				-	1,227,161
Depreciation	5,971,043	597,893	60,058	6,628,994	
Total operating expenses	<u>19,228,677</u>	<u>1,566,993</u>	<u>1,141,382</u>	<u>21,937,052</u>	<u>90,711,196</u>
Operating Income (Loss)	<u>5,479,503</u>	<u>(518,624)</u>	<u>31,412</u>	<u>4,992,291</u>	<u>4,786,131</u>
Nonoperating Revenues (Expenses):					
Special assessments, connection charges, and other	3,398,245			3,398,245	
Interest income	193,801	959	6,167	200,927	355,909
Interest expense	(3,319,771)	(179,677)	(5,205)	(3,504,653)	
Total nonoperating revenues (expenses)	<u>272,275</u>	<u>(178,718)</u>	<u>962</u>	<u>94,519</u>	<u>355,909</u>
Income (Loss) Before Capital Contributions and Transfers	<u>5,751,778</u>	<u>(697,342)</u>	<u>32,374</u>	<u>5,086,810</u>	<u>5,142,040</u>
Capital contributions - grants	191,031			191,031	
Transfers in					500,000
Transfers out	<u>(454,666)</u>	<u></u>	<u>(54,698)</u>	<u>(509,364)</u>	<u>(126,855)</u>
Change in Net Position	5,488,143	(697,342)	(22,324)	4,768,477	5,515,185
Net Position at Beginning of Year, as Restated	<u>77,858,141</u>	<u>3,012,147</u>	<u>1,337,529</u>	<u>82,207,817</u>	<u>(10,479,304)</u>
Net Position at End of Year	<u>\$ 83,346,284</u>	<u>\$ 2,314,805</u>	<u>\$ 1,315,205</u>	<u>\$ 86,976,294</u>	<u>\$ (4,964,119)</u>

The accompanying notes are an integral part of the financial statements

CITY OF STAMFORD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

EXHIBIT V

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Pollution Control Authority	Old Town Hall Redevelopment Agency	Nonmajor E.G. Brennan Golf Course	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 10,661,738	\$ 249,531	\$ 449,871	\$ 11,361,140	\$ 30,788,396
Investments	6,582,312			6,582,312	
Receivables, net:					
Accounts		18,322	7,376	25,698	472,528
Usage	1,643,444			1,643,444	
Special assessments and connection charges	1,743,527			1,743,527	
Non-usage	785,181			785,181	
Due from other funds	6,181,603			6,181,603	
Inventory	9,902			9,902	
Total current assets	27,607,707	267,853	457,247	28,332,807	31,260,924
Noncurrent assets:					
Restricted cash	18,925,036			18,925,036	
Receivables - special assessments and connection charges, net	7,996,588			7,996,588	
Capital assets:					
Not being depreciated	3,325,455	1,414,391	615,860	5,355,706	
Being depreciated, net	131,753,605	15,905,117	455,021	148,113,743	
Total noncurrent assets	162,000,684	17,319,508	1,070,881	180,391,073	-
Total assets	189,608,391	17,587,361	1,528,128	208,723,880	31,260,924
Deferred outflows of resources:					
Deferred charge on refunding	1,123,048			1,123,048	
Deferred outflows related to pension	627,218			627,218	
Deferred outflows related to OPEB	275,396			275,396	
Total deferred outflows of resources	2,025,662	-	-	2,025,662	-
Liabilities:					
Current liabilities:					
Accounts payable	1,237,056	75,516	16,107	1,328,679	27,328
Accrued liabilities	99,807		33,809	133,616	583,023
Accrued interest payable	470,441	86,862		557,303	
Advances from other funds		4,906,208		4,906,208	
Unearned revenues	94,974	21,594	9,000	125,568	
Current portion of claims payable				-	13,635,583
Current maturities of bonds payable	2,627,797		23,304	2,651,101	
Current maturities of notes payable	4,077,555			4,077,555	
Current portion of compensated absences	230,308			230,308	
Total current liabilities	8,837,938	5,090,180	82,220	14,010,338	14,245,934
Noncurrent liabilities:					
Claims payable				-	21,979,109
Bonds payable	66,119,397		83,838	66,203,235	
Notes payable	25,859,155	10,182,376		36,041,531	
Compensated absences	126,306		46,865	173,171	
Net pension liability	3,028,099			3,028,099	
Net OPEB liability	3,789,497			3,789,497	
Total noncurrent liabilities	98,922,454	10,182,376	130,703	109,235,533	21,979,109
Total liabilities	107,760,392	15,272,556	212,923	123,245,871	36,225,043
Deferred inflows of resources:					
Deferred inflows related to pension	168,467			168,467	
Deferred inflows related to OPEB	358,910			358,910	
Total deferred inflows of resources	527,377	-	-	527,377	-
Net Position:					
Net investment in capital assets	45,195,754	7,137,132	963,739	53,296,625	
Restricted for debt services	11,247,486			11,247,486	
Unrestricted	26,903,044	(4,822,327)	351,466	22,432,183	(4,964,119)
Total Net Position	\$ 83,346,284	\$ 2,314,805	\$ 1,315,205	\$ 86,976,294	\$ (4,964,119)

The accompanying notes are an integral part of the financial statements

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2018, were as follows:

	Classified Employee's Retirement Fund	Policemen's Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Total pension liability	\$ 280,600,216	\$ 266,877,604	\$ 203,733,235	\$ 83,782,071
Fund fiduciary net position	<u>223,064,471</u>	<u>216,109,348</u>	<u>138,705,654</u>	<u>69,292,281</u>
Net Pension Liability	<u>\$ 57,535,745</u>	<u>\$ 50,768,256</u>	<u>\$ 65,027,581</u>	<u>\$ 14,489,790</u>
Fund fiduciary net position as a percentage of the total pension liability	79.50%	80.98%	68.08%	82.71%

For governmental activities the net pension liability of the City is recorded on the government-wide statement of net position. SWPCA's portion of net pension liability is recorded in the statement of net position of the business-type activities/enterprise funds.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation date July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

	Classified Employee's Retirement Fund	Policemen's Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' and Mechanics' Retirement Fund
Inflation rate	2.75%	2.75%	2.75%	2.75%
Salary increase	Graded Scale	Graded Scale	Graded Scale	Graded Scale
Investment rate of return	7.20%	7.20%	7.20%	7.20%
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

Employee Contributions

Effective July 1, 2016, all active police employees shall contribute one percent (1%) of the Top step patrol rate for each payroll period into the OPEB Trust to fund retiree health benefit costs. These contributions will be discontinued after reaching thirty (30) years of service.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 8.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

Total OPEB liability	\$ 364,157,076
Plan fiduciary net position	<u>116,316,787</u>
Net OPEB Liability	<u>\$ 247,840,289</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.94%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	2.60%
Investment rate of return	7.2%
Healthcare cost trend rates	7.10% for 2017, decreasing .50% per year, to an ultimate rate of 4.60% for 2022 and later
Mortality	
Classified Employees:	RP-2000 Mortality Table with separate male and female rates, with 50% blue collar adjustment and 50% no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB
Police, Fire and Custodians:	RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale BB

Full actuarial experience studies have not been completed.

CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2018, the City recognized pension expense of \$37,285,740 (including \$612,773 reported for SWPCA) as follows:

	<u>Pension Expense</u>
Classified Employees' Retirement Fund	\$ 11,117,037
Policemen's Pension Fund	11,370,138
Firefighters' Pension Fund	11,123,245
Custodians' and Mechanics' Retirement Fund	<u>3,675,320</u>
Total	<u>\$ 37,285,740</u>

The following schedule presents the net position held in trust for pension benefits at June 30, 2018 and the changes in net position for the year then ended.

	<u>Pension Trust Funds</u>				
	<u>Classified Employees' Retirement Fund</u>	<u>Policemen's Pension Trust Fund</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Custodians' and Mechanics' Retirement Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 711,345	\$ 1,444,754	\$ 1,562,845	\$ 458,787	\$ 4,177,731
Investments, at fair value:					
U.S. government securities			2,646,625		2,646,625
Corporate bonds			2,940,729		2,940,729
Common and preferred equities	17,932,466		49,532,263		67,464,729
Mutual funds	204,326,205	116,985,706	13,337,285	68,823,141	403,472,337
Alternative investment/Hedge funds		97,665,417	68,690,354		166,355,771
Total investments	<u>222,258,671</u>	<u>214,651,123</u>	<u>137,147,256</u>	<u>68,823,141</u>	<u>642,880,191</u>
Receivables					
Accounts	<u>84,629</u>	<u>53,366</u>	<u>29,314</u>	<u>9,453</u>	<u>176,762</u>
Accrued interest and dividends	<u>9,826</u>		<u>43,448</u>	<u>900</u>	<u>54,174</u>
Total assets	<u>223,064,471</u>	<u>216,149,243</u>	<u>138,782,863</u>	<u>69,292,281</u>	<u>647,288,858</u>
Liabilities:					
Accounts payable		<u>39,895</u>	<u>77,209</u>		<u>117,104</u>
Net Position:					
Restricted for Pension Benefits	<u>\$ 223,064,471</u>	<u>\$ 216,109,348</u>	<u>\$ 138,705,654</u>	<u>\$ 69,292,281</u>	<u>\$ 647,171,754</u>

CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Payable to the OPEB Plan

At June 30, 2018, the City reported a payable of \$607,669 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2018.

The following schedules present the net position held in trust for OPEB benefits at June 30, 2018 and the changes in net position for the year ended:

	<u>OPEB Trust Fund</u>
Assets:	
Cash and cash equivalents	\$ 2,315,094
Investments, at fair value:	
Mutual funds	118,235,266
Receivables:	
Contribution receivable	<u>607,669</u>
Total assets	<u>121,158,029</u>
Liabilities:	
Accounts payable	532,933
Due to other funds	2,845,370
Claims payable	<u>1,462,939</u>
Total Liabilities	<u>4,841,242</u>
Net Position:	
Restricted for OPEB Benefits	<u>\$ 116,316,787</u>
	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 28,439,000
Plan members	195,665
Other revenue	<u>108,939</u>
Total contributions	<u>28,743,604</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	6,776,623
Interest and dividends	<u>2,590,655</u>
Total investment earnings	9,367,278
Less investment expenses:	
Investment management fees	<u>24,996</u>
Net investment income (loss)	<u>9,342,282</u>
Total additions	<u>38,085,886</u>
Deductions:	
Benefits	13,918,009
Administration	<u>18,102</u>
Total deductions	<u>13,936,111</u>
Change in net position	24,149,775
Net Position at Beginning of Year	<u>92,167,012</u>
Net Position at End of Year	<u>\$ 116,316,787</u>

CITY OF STAMFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018

EXHIBIT I

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Redevelopment Commission
Assets:				
Cash and cash equivalents	\$ 55,227,283	\$ 11,361,140	\$ 66,588,423	\$ 1,059,986
Investments	117,417,088	6,582,312	123,999,400	
Restricted cash and cash equivalents	27,000,138	18,925,036	45,925,174	
Restricted investments	2,576,276		2,576,276	
Receivables, net:				
Property taxes	10,147,965		10,147,965	
Accounts	4,446,773	25,698	4,472,471	18,980
Usage		1,643,444	1,643,444	
Loans	35,800,782		35,800,782	2,726,767
Intergovernmental	30,100,892		30,100,892	
Special assessments		9,740,115	9,740,115	
Non-usage		785,181	785,181	
Due from fiduciary funds	2,845,370		2,845,370	
Due from component unit	252,411		252,411	
Due from primary government			-	119,567
Internal balances	(1,275,395)	1,275,395	-	
Prepaid expenses	3,355		3,355	
Inventory	136,215	9,902	146,117	
Land held for resale				1,069,296
Capital assets, nondepreciable	275,499,403	5,355,706	280,855,109	
Capital assets, net of accumulated depreciation	545,187,587	148,113,743	693,301,330	
Total assets	1,105,366,143	203,817,672	1,309,183,815	4,994,596
Deferred Outflows of Resources:				
Deferred charge on refunding	8,684,177	1,123,048	9,807,225	
Deferred outflows related to pensions	30,517,334	627,218	31,144,552	
Deferred outflows related to OPEB	19,781,205	275,396	20,056,601	
Total deferred outflows of resources	58,982,716	2,025,662	61,008,378	-
Liabilities:				
Accounts payable	35,240,571	1,328,679	36,569,250	3,055
Accrued liabilities	4,446,275	133,616	4,579,891	
Retainage payable	3,821,597		3,821,597	
Accrued interest payable	6,606,674	557,303	7,163,977	
Due to primary government			-	252,411
Due to component unit	119,567		119,567	
Unearned revenue	10,125,649	125,568	10,251,217	
Noncurrent liabilities:				
Due within one year	58,520,589	6,958,964	65,479,553	
Due in more than one year	899,202,633	109,235,533	1,008,438,166	
Total liabilities	1,018,083,555	118,339,663	1,136,423,218	255,466
Deferred Inflows of Resources:				
Advance property tax collections	19,711,683		19,711,683	
Deferred inflows related to pensions	12,903,890	168,467	13,072,357	
Deferred inflows related to OPEB	30,797,637	358,910	31,156,547	
Total deferred inflows of resources	63,413,210	527,377	63,940,587	-
Net Position:				
Net investment in capital assets	446,596,574	53,296,625	499,893,199	
Restricted:				
Debt service	21,717,722	11,247,486	32,965,208	
Unrestricted	(385,462,202)	22,432,183	(363,030,019)	4,739,130
Total Net Position	\$ 82,852,094	\$ 86,976,294	\$ 169,828,388	\$ 4,739,130

The accompanying notes are an integral part of the financial statements

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CITY OF STAMFORD, CONNECTICUT NOTES TO FINANCIAL STATEMENTS

for five-year terms. The members include the Mayor, two members of the Board of Representatives, one member of the Board of Finance, one member from the URC, one member from the Downtown Special Services District and one community representative. Since the activities of OTHRA provide services entirely or almost entirely to the City, OTHRA has been reflected as a blended component unit in the financial statements as a proprietary fund. As of the report date, separate financial statements have not been prepared for OTHRA.

B. Government-Wide Financial Statements

The government wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the City at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the statement of activities.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end.

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to early retirement incentives, compensated absences, pollution remediation obligations, other post-employment benefit obligations, pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with nonmajor funds, if any, aggregated and presented in a single column. The City maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

The City reports the following major governmental funds:

General Fund

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

Capital Projects Fund

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

Mill River Capital Projects Fund

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

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years. The City reports the following major proprietary funds.

Water Pollution Control Authority (SWPCA) Fund

SWPCA Fund is used to account for the operations of the Stamford Water Pollution Control Authority.

**CITY OF STAMFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

Old Town Hall Redevelopment Agency (OTHRA) Fund

OTHRA Fund is used to account for the operations of the Old Town Hall QALICB, LLC, and the Old Town Hall Manager, Inc.

Additionally, the City reports the following fund types:

Internal Service Funds

The Internal Service Funds are used to account for the risk management activities related to City Medical, Board of Education Medical, Risk Management and Disputed Assessments funds.

Fiduciary Funds

The Trust Fund accounts for the activities of the City's four defined benefit pension plans and the Other Post Employment Benefit (OPEB) Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.

The Agency Funds are primarily utilized to account for monies held as custodian for outside student groups. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include Student Activity Fund and Scholarship Fund.

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 operation. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services. Operating expenses for the Enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

D. Deposits, Investments and Risk Disclosure

Cash and Cash Equivalents

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

Investments

The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund.

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.