



April 1, 2010

TO ALL BIDDERS

TOWN OF STRATFORD, CONNECTICUT

\$10,385,000 GENERAL OBLIGATION BOND, ISSUE 2010, SERIES A

DATED: APRIL 15, 2010 DUE: APRIL 15, 2011-2030

\$3,800,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE 2010

DATED: APRIL 15, 2010 DUE: DECEMBER 15, 2010

Enclosed is the Town of Stratford, Connecticut's Notices of Sale which allow for either sealed bid proposals or electronic bidding through i-Deal's PARITY ("PARITY®"). As per the official Notices of Sale, sealed and/or electronic bids for the Notes will be received by Town officials at the office of Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615 until 11:00 A.M. (E.D.T.);

AND

sealed and/or electronic bids for Bonds will be received by Town officials at the office of Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615 until 11:30 A.M. (E.D.T.) on **THURSDAY**,

APRIL 8, 2010

If we may be of service in submitting your telephone bid, please note that a representative of *IBIC* will be available until 10:55 A.M. (E.D.T.) on the day of the sale.

The telephone numbers are (Stratford):
(203) 381-2055
(203) 385-4040

We trust we may be of service.

Independent Bond & Investment Consultants LLC
Member: National Association of Independent Public Finance Advisors

129 Samson Rock Drive, Suite A, Madison, CT 06443 Phone 203.245.8715 Fax 203.245.7763 Email muniibic@aol.com

OFFICIAL STATEMENT

NEW ISSUE - Book-Entry Only

RATINGS: (See "Ratings" herein)

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 and the Notes 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 the federal alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes 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.

TOWN OF STRATFORD, CONNECTICUT

\$10,385,000

GENERAL OBLIGATION BONDS, ISSUE OF 2010, SERIES A BANK QUALIFIED

Dated: April 15, 2010

Due: April 15, as shown herein

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

The Bonds will bear interest payable semiannually on April 15 and October 15 in each year until maturity commencing October 15, 2010. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

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

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

The Bonds are being offered for sale in accordance with the official Notice of Sale dated April 1, 2010. Sealed bids and/or electronic bids via **PARITY**® for the Bonds will be received until 11:30 A.M. (E.D.T.) on Thursday, April 8, 2010 at the office of Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615 as described in the Notice of Sale. (See "Appendix F - Notice of Sale" herein).

RATINGS: (See "Ratings" herein)

\$3,800,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2010 BANK QUALIFIED

Dated: April 15, 2010

Due: December 15, 2010

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

The Notes will bear interest payable at maturity and will be issued by means of a book-entry system and will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. So long as Cede & Co. is the Noteowner, as nominee of DTC, reference herein to the Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry Transfer System" herein).

The Notes are NOT subject to redemption prior to maturity.

The Certifying Bank, Registrar, Transfer and Paying Agent for the Notes will be U.S. Bank National Association, of Hartford, Connecticut. The Notes are being offered for sale in accordance with the official Notice of Sale dated April 1, 2010. Sealed bids and/or electronic bids via **PARITY**® for the Notes will be received until 11:00 A.M. (E.D.T.) on Thursday, April 8, 2010 at the office of Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615 as described in the Notice of Sale. (See "Appendix G - Notice of Sale" herein).

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bond and the Notes in book-entry-only form will be made through the facilities of DTC on or about April 15, 2010.

Dated: April 1, 2010

TOWN OF STRATFORD, CONNECTICUT

\$10,385,000

GENERAL OBLIGATION BONDS, ISSUE OF 2010, SERIES A

Dated: April 15, 2010

Due: April 15, as shown below

MATURITY SCHEDULE AND AMOUNTS

		Interest		CUSIP			Interest		CUSIP
Maturity	Amount	Rate	Yield		Maturity	Amount	Rate	Yield	
2011	\$520,000	%	%	862811***	2021	\$520,000	%	%	862811***
2012	520,000			862811***	2022	520,000			862811***
2013	520,000			862811***	2023	520,000			862811***
2014	520,000			862811***	2024	520,000			862811***
2015	520,000			862811***	2025	520,000			862811***
2016	520,000			862811***	2026	520,000			862811***
2017	520,000			862811***	2027	520,000			862811***
2018	520,000			862811***	2028	520,000			862811***
2019	520,000			862811***	2029	520,000			862811***
2020	520,000			862811***	2030	505,000			862811***

TOWN OF STRATFORD, CONNECTICUT

\$3,800,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2010

Dated: April 15, 2010

Due: December 15, 2010

Coupon	Yield	CUSIP
%	%	862811***

No dealer, broker, salesman or other person has been authorized by the Town of Stratford, Connecticut (the "Town"), to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. 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 or the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes and may not be reproduced or used in whole or in part for any other purpose.

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 Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than as to matters expressly set forth in Appendices B and C - "Form of Legal Opinion of Bond Counsel" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC 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.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

The Town 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 Town will agree to provide, or cause to be provided (i) annual financial information and operating data with respect to the Bonds, (ii) a notice of the occurrence of certain material events with respect to the Bonds and the Notes, and (iii) timely notice of a failure by the Town to provide the required annual financial information with respect to the Bonds on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreements are to be executed in substantially in the forms attached as Appendices D and E to this Official Statement. To date, the Town has not failed to meet any of its undertakings under such agreements.

BOND COUNSEL

ROBINSON & COLE LLP

Hartford, Connecticut
(860) 275-8200

INDEPENDENT FINANCIAL ADVISOR

**INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC (IBIC)**

Madison, Connecticut
(203) 245-8715

TABLE OF CONTENTS

	Page #
Bond Sale Summary	i
Note Sale Summary	ii

SECTION I – SECURITIES OFFERED

Introduction	1
Description of the Bonds	1
Optional Redemption.....	1
Notice of Redemption	1
Description of the Notes	2
Ratings	2
Authorization and Purpose	2
School Projects	4
Bond Insurance	4
Tax Matters	4
Original Issue Discount	5
Original Issue Premium	5
Security and Remedies	5
Qualification for Financial Institutions	6
Book-Entry Transfer System	6
Replacement Bonds and Notes	7
DTC Practices	7

SECTION II – THE ISSUER

Description of the Town	8
Form of Government	8
Municipal Officials.....	9
Principal Officials	9
Organizational Chart	11
Summary of Municipal Services	12
Educational System	13
Educational Facilities	14
School Enrollments	14
Municipal Employment	15
Municipal Employees by Category	15
Municipal Employees Bargaining Organizations	16
Economic Development	17
Future Development	17
Recent Town Operations	18

SECTION III – ECONOMIC AND DEMOGRAPHIC DATA

Population Trends.....	20
Age Characteristics of the Population	20
Selected Wealth and Income Indicators	20
Income Distribution	20
Educational Attainment	21
Employment by Industry	21
Retail Sales, By Type of Business	21
Major Employers	22
Unemployment Rate Statistics	22
Value of Building Permits	23
Number of Dwelling Units	23
Characteristics of Housing Units	23
Age Distribution of Housing.....	23
Breakdown of Land Use	24

SECTION IV – INDEBTEDNESS

	Page #
Calculation of Statutory Debt Limit and Debt Margin	25
Calculation of Net Direct Indebtedness	26
Current Debt Ratios	26
Historical Debt Statement	27
Historical Debt Ratios	27
Outstanding Short-Term Indebtedness	27
Overlapping and Underlying Indebtedness	27
Clean Water Fund Program	27
Temporary Financing	28
Legal Requirements for Approval of Borrowing	29
Charter and Ordinance Provisions Regarding Bond Authorizations	29
Capital Improvement Program	30
Authorized but Unissued Debt	31
Combined Schedule of Long Term Debt through Maturity	32
Schedule of General Bonded Debt through Maturity	33
Schedule of Enterprise Fund Debt through Maturity	34

SECTION V – FINANCIAL DATA

Accounting Policies	35
Basis of Accounting	35
Audit	35
Budgetary Procedures	35
Emergency Appropriations	36
Employee Pension Systems	36
Other Post Employment Benefits	38
Investment Policies and Procedures	38
Assessment Practices	38
Tax Collection Procedures	39
Real Property Tax Levies and Collections	40
Taxable Grand List	40
Largest Taxpayers	41
Property Tax Revenues	41
Intergovernmental Revenues	42
Expenditures	42
Comparative General Fund Operating Statement – Budget and Actual (Budgetary Basis)	43
Comparative Balance Sheets – General Fund	44
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	45
Comparative Balance Sheets – Capital Project Fund	46
Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Project Fund	47
Comparative Balance Sheets – Special Revenue Fund	48
Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Fund	49

SECTION VI – ADDITIONAL INFORMATION

Litigation	50
Availability of Continuing Disclosure Information	50
Financial Advisor	50
Documents Accompanying Delivery of the Bonds and the Notes	50
Concluding Statement	51

APPENDICES

	<u>Page #</u>
Appendix A – Audited Financial Statements	A-1
Appendix B – Form of Opinion of Bond Counsel – The Bonds	B-1
Appendix C – Form of Opinion of Bond Counsel – The Notes	C-1
Appendix D – Form of Continuing Disclosure Agreement for the Bonds	D-1
Appendix E – Form of Continuing Disclosure Agreement for the Notes	E-1
Appendix F – Notice of Sale and Bid Proposal – The Bonds	F-1
Appendix G – Notice of Sale and Bid Proposal – The Notes	G-1

BOND SALE SUMMARY

The information in this Bond Sale Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Thursday, April 8, 2010 at 11:30 A.M. (E.D.T.).
Location of Sale:	Office of the Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615.
Issuer:	Town of Stratford, Connecticut (the "Town").
Issue:	\$10,385,000 General Obligation Bonds, Issue of 2010, Series A (the "Bonds").
Dated Date:	April 15, 2010.
Interest Due:	April 15 and October 15 in each year until maturity, commencing October 15, 2010.
Principal Due:	Serially April 15, 2011 - 2030.
Purpose and Authority:	The Bonds are being issued to finance capital improvement projects to be undertaken by the Town which were authorized by ordinances duly adopted by the Town Council. (See "Authorization and Purpose" herein).
Redemption:	The Bonds are subject to redemption prior to maturity as more fully described herein.
Security:	The Bonds will be general obligations of the Town of Stratford, Connecticut and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
Credit Rating	The Town has made an application to Moody's Investors Service ("Moody's") and by Standard & Poor's for a rating on the Bonds. The Town's underlying bond ratings are "A1" by Moody's and "AA-" by S&P.
Basis of Award:	Lowest True Interest Cost (TIC) as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Availability of Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided 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 Town in substantially the form attached as Appendix D to this Official Statement.
Bank Qualification:	The Bonds SHALL be designated by the Town 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 allocation to the Bonds.
Certifying Bank, Registrar, Transfer and Paying Agent:	U.S. Bank National Association, of Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about April 15, 2010, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Ms. Susan Collier, Acting Director of Finance, Town of Stratford, Connecticut - Telephone (203) 385-4040.

NOTE SALE SUMMARY

The information in this Note Sale Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Thursday, April 8, 2010 at 11:00 A.M. (E.D.T.).
Location of Sale:	Office of the Director of Finance, Town Hall, 2725 Main Street, Stratford, Connecticut 06615
Issuer:	Town of Stratford, Connecticut (the "Town").
Issue:	\$3,800,000 General Obligation Bond Anticipation Notes, Issue of 2010 (the "Notes").
Dated Date:	April 15, 2010.
Interest Due:	At maturity on December 15, 2010.
Principal Due:	At maturity on December 15, 2010.
Purpose and Authority:	The Notes are being issued to finance capital improvement projects to be undertaken by the Town which were authorized by ordinances duly adopted by the Town Council. (See "Authorization and Purpose" herein).
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of Stratford, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Notes when due.
Credit Rating:	The Town has made an application to Moody's Investors Service ("Moody's") and by Standard & Poor's for a rating on the Notes. The Town's underlying bond ratings are "A1" by Moody's and "AA-" by S&P.
Basis of Award:	Lowest Net Interest Cost (NIC) as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Availability of Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix E to this Official Statement.
Bank Qualification:	The Notes SHALL be designated by the Town 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 Notes.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank National Association, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about April 15, 2010, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Ms. Susan Collier, Acting Director of Finance, Town of Stratford, Connecticut - Telephone (203) 385-4040.

SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page, inside cover and appendices has been prepared by the Town of Stratford, Connecticut (the "Town") with assistance from the financial advisor and is provided for the purpose of presenting certain information relating to the Town, in connection with the original issuance and sale of \$10,385,000 General Obligation Bonds, Issue of 2010, Series A (the "Bonds"), and \$3,800,000 General Obligation Bond Anticipation Notes, Issue of 2010 (the "Notes"), of the Town.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion) and makes no representation that it has independently verified the same.

Description of the Bonds

The Bonds will be dated April 15, 2010 and will mature in annual installments on April 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest will be payable semiannually on April 15 and October 15 in each year until maturity, commencing on October 15, 2010. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of the last business day of March and September in each year. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Transfer System" herein. The Registrar and Certifying, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP of Hartford, Connecticut. See "Appendix B" herein. The Bonds SHALL be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. **The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).**

Optional Redemption

The Bonds maturing on or before April 15, 2015 are not subject to redemption prior to maturity. The Bonds maturing on April 15, 2016 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after April 15, 2015 at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
April 15, 2015 and thereafter	100%

Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption

date. So long as Cede & Co., as nominee of the Depository Trust Company ("DTC"), is the registered owners of the Bonds, notice of redemption will be sent on to DTC (or a successor securities depository) or its nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or integral multiples, thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Description of the Notes

The Notes will be dated April 15, 2010 and principal and interest will be due at maturity on December 15, 2010. Interest will be calculated on the basis of a 360 day year consisting of twelve 30-day months, at the rate or rates per annum specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar and Certifying, Transfer and Paying Agent for the Notes will be U.S. Bank National Association, of Hartford, Connecticut. The legal opinion on the Notes will be rendered by Robinson & Cole LLP of Hartford, Connecticut. See "Appendix C" herein. The Notes SHALL be designated by the Town 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 Notes. **The Notes are NOT subject to redemption prior to maturity.**

Rating

The Town has made an application to Moody's Investors Service ("Moody's") and Standard & Poor's ("S&P") for a rating on the Bonds and the Notes. The Town's underlying bond ratings are currently "A1" by Moody's and "AA-" by S&P. Such ratings reflect only the views of such organizations and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and Standard & Poor's, 55 Water Street, New York, New York 10041-0003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's obligations.

Authorization and Purpose

Authorization: The Bonds and Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Stratford, certain ordinances adopted by the Town Council.

Purpose: Proceeds of the Bonds and Notes will be used to finance the following capital projects of the Town:

Project	Authorization Amount	BANs Maturing 4/15/10	Paydowns 4/15/10	The Notes	The Bonds
<u>FY 2006-07 Capital Bond Ordinance</u>					
Animal Control Facility	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Sub-Total FY 2006-07 Capital Bond Ordinance	500,000	500,000	-	500,000	-
<u>FY 2007-08 Capital Bond Ordinance</u>					
Shakespeare Theater	2,500,000	2,500,000	1,000,000	1,500,000	-
Sub-Total FY 2006-07 Capital Bond Ordinance	2,500,000	2,500,000	1,000,000	1,500,000	-
<u>FY 2008-09 Capital Bond Ordinance</u>					
Animal Control Facility	1,000,000	1,000,000	-	1,000,000	-
West Broad RR Underpass Drainage	500,000	500,000	-	500,000	-
Bruce Brook Improvements at Sage	1,000,000	300,000	-	300,000	-
Vehicle Replacement for Engine 2	450,000	450,000	-	-	450,000
Stratford Academy Honeyspot House Feasibility Study	50,000	50,000	-	-	50,000
Sub-Total FY 2008-09 Capital Bond Ordinance	3,000,000	2,300,000	-	1,800,000	500,000
<u>FY 2009-10 Capital Bond Ordinance</u>					
Boothe Park Improvements	50,000	-	-	-	50,000
Library HVAC Upgrade	390,000	-	-	-	390,000
Perry House Historic Addition	65,000	-	-	-	65,000
Road Resurfacing	500,000	-	-	-	500,000
Road Reconstruction	500,000	-	-	-	500,000
Barnum Avenue Streetscape	1,500,000	-	-	-	1,500,000
Whippoorwill Lane Bridge Replacement	500,000	-	-	-	500,000
Manor Hill Road Drainage	125,000	-	-	-	125,000
Bridge Evaluation Study	100,000	-	-	-	100,000
FiberOptic Transmission Lines	500,000	-	-	-	500,000
Playground Renovations	50,000	-	-	-	50,000
New Tennis Courts BHS and FMS	150,000	-	-	-	150,000
New Playground Equipment	125,000	-	-	-	125,000
Restoration/Improvements Penders	550,000	-	-	-	550,000
Picnic Pavilion @ Short Beach	100,000	-	-	-	100,000
Irrigation @ Short Beach Admin Building	10,000	-	-	-	10,000
Second Hill Lane Basketball Court	25,000	-	-	-	25,000
Payloader	165,000	-	-	-	165,000
Recycling Truck	175,000	-	-	-	175,000
Pumper Replacement	350,000	-	-	-	350,000
Technology Infrastructure	500,000	-	-	-	500,000
School Building Repairs	135,000	-	-	-	135,000
Stratford High School Library Retrofit	450,000	-	-	-	450,000
Bunnell High School Lab Retrofit	600,000	-	-	-	600,000
Elevator Code Compliance/Replacement	100,000	-	-	-	100,000
NIC Lavatory ADA Replacement	17,000	-	-	-	17,000
LOR Elementary HVAC	15,000	-	-	-	15,000
Various Masonry Replacements	375,000	-	-	-	375,000
SHS Science Lab Retrofit	150,000	-	-	-	150,000
Flooring Replacement Various Schools	550,000	-	-	-	550,000
BHS - Window/Exterior Panel Replacement	50,000	-	-	-	50,000
FRA - Window Replacement	350,000	-	-	-	350,000
Window Replacement Various Schools	267,000	-	-	-	267,000
BHS - Room HVAC	200,000	-	-	-	200,000
Sidewalk Curb replacement	35,000	-	-	-	35,000
Various Doors and Hardware	137,200	-	-	-	137,000
FRA - Gate and Rails	9,500	-	-	-	9,000
NIC - Ceiling Tiles	15,000	-	-	-	15,000
Sub-Total FY 2009-10 Capital Bond Ordinance	9,885,700	-	-	-	9,885,000
Grand Total	<u>\$15,885,700</u>	<u>\$ 5,300,000</u>	<u>\$ 1,000,000</u>	<u>\$3,800,000</u>	<u>\$10,385,000</u>

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue bonds and notes only for its net share of project costs. The school projects being financed with this issue will receive reimbursement, if any, under this method. The following is a list of proposed school improvement projects and their expected reimbursement rate:

Project	Total Authorization	Reimbursement Rate	Estimated Grant (1)
Honeysport House (Stratford Academy)	\$ 13,850,654	56.43%	\$ 7,815,924

(1) Estimated grants receivable are based upon eligibility of project costs. Eligible costs to be determined at completion of a post-project audit.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the prior program, a municipality issued bonds and notes for the entire amount of the school construction project and the State of Connecticut reimbursed the municipality for principal and interest costs over the life of outstanding school bond issues necessary to completely fund the project.

Bond Insurance

The Town does not expect to directly purchase bond insurance. However, information has been submitted to various national bond insurers for qualification under the underwriter's optional bidding program. If the Bonds are qualified for insurance, it is expected that the payment of the principal and interest on the Bonds will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds.

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 and the Notes in order that interest on the Bonds and the Notes remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds and the Notes to be included in gross income retroactive to the date of issuance of the Bonds and the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds and the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town 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 and the Notes 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 Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and the Notes 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.

Ownership of the Bonds and the Notes 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 and the Notes. Prospective purchasers of the Bonds and the Notes, 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 and the Notes.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes 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 and the Notes 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 and the Notes.

Original Issue Discount

The initial public offering price of the Bonds and the Notes may be less than the principal amount payable on such Bonds and the Notes 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 or Notes is sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and the Notes 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 or Note 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 or Notes by such owner. Accrued original issue discount on the Bonds and the Notes 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 or Note. 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 purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

Original Issue Premium

The initial public offering price of the Bonds and the Notes may be greater than the principal amount payable on such Bonds and Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds or the Notes is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and the Notes 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 or Note 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 or Notes by such owner. Amortized original issue premium on the Bonds and the Notes is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

Security and Remedies

The Bonds and Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and Notes when due. Unless paid from other sources, the Bonds and Notes are payable from general tax revenues. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property subject to taxation by the Town 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 and Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds and Notes.

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

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. 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 Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual 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 Town and the availability and adequacy of other remedies. Enforcement of a claim for payment of principal of or interest on the Bonds and Notes 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. Under Federal bankruptcy code, the Town 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 TOWN OF STRATFORD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

Qualification for Financial Institutions

The Bonds and Notes SHALL be designated as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and the Notes.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes 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 and Note certificate will be issued for each maturity of the Bonds and the Notes 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, 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 registered 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 of: 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 the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("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 confirmation 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 and the Notes 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 the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes 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 the Bonds and the Notes 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 Bond and the Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds and the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 the Bonds and the Notes 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 and the Notes 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 the Town or the Paying Agent on the 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 nor its nominee, the Paying Agent, or the Town, 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 Town or the 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 and the Notes at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

Replacement Bonds and Notes

The Town will provide for the issuance of fully registered Bond and Note certificates directly to the Beneficial Owners of the Bonds and Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds and Notes, and the Town fails to identify another qualified securities depository for the Bonds and Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds and Notes. A Beneficial Owner of the Bonds or Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds or Notes.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds and Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECTION II -THE ISSUER

There follows in this document a brief description of the Town together with certain information concerning its economy, governmental organization, indebtedness, current major revenue sources, and general and specific funds.

Description of the Town

The Town of Stratford was founded by English settlers in 1639, making it the eighth town in the State of Connecticut (the "State of Connecticut" or the "State"). Located thirteen miles west of New Haven and adjacent to Bridgeport to the west, Milford to the east, Long Island Sound to the south and Shelton to the north, the Town is located approximately 65 miles east of New York City and 50 miles southwest of Hartford, Connecticut. The Town encompasses approximately 18.7 square miles within Fairfield County.

The Town is traversed by two major highways, the Merritt Parkway (Route 15) and the Connecticut Turnpike (Interstate 95). Metro-North and Amtrak provide rail service to Boston or New York. Sikorsky Memorial Airport is located within Stratford. It provides various services to both private industry and commuters to New York's major airports. The Town is a member of the Greater Bridgeport Transit District that operates more than fifty buses on sixteen routes in the Town, the Towns of Fairfield and Trumbull and the City of Bridgeport.

The Town is a balanced community of residential, waterfront and rural areas, retail and commercial development and major industrial plants. The large selection of affordable homes is one reason many companies have located in the Town.

The Town has more land zoned for industry than any other town in the State of Connecticut, almost all of which is within five minutes of either Interstate 95 or the Merritt Parkway. The Stratford Industrial Park, a 240 acre site, is located one half mile from Interstate 95 and Sikorsky Airport.

The Town's public school system provides a balanced curriculum for approximately 7,300 students. There are several vocational training facilities, colleges and universities in close proximity to Stratford which offer a variety of educational programs.

The Town's location on Long Island Sound provides residents with three public beaches, five marinas, a fishing pier and public launch ramp. In addition, Roosevelt Forest and Boothe Memorial Park are ideal for hiking, picnicking and cross-country skiing.

The Town offers a variety of cultural attractions, including the Square One Theater and the Sterling House Community Center which offers low cost, high quality programs.

Form of Government

From 1921 until 2005, the Town of Stratford operated under a Council-Manager form of government. In November 2003, the electors of the Town approved a referendum authorizing a revision to the Charter requiring a change to a Mayor-Council form of government. The new form of government took effect on December 12, 2005 when the Town's first Mayor was sworn into office. The Mayor is a full time, compensated, elected official. The Mayor's term is for four (4) years. The Mayor is recognized as the head of the Town and appoints all department heads including the Town Attorney, appoints citizens to commissions, prepares the budget, establishes criteria for evaluation of subordinates, and signs or vetoes legislation passed by the Council. This power includes the ability to veto a specific line item within proposed operating budgets. The Mayor's attendance at all Council meetings is required, but the Mayor is not able to vote unless to break a tie vote of the Town Council. A Chief Administrative Officer (the "CAO") is appointed by the Mayor, and assists the Mayor with budget preparation, labor negotiations, and any other areas deemed appropriate by the Mayor. The CAO is required to have an education and background in public administration. A bipartisan Town Council of ten members, who are elected biennially for two-year terms, performs the legislative function. The Town Council approves the annual budget, supplemental appropriations, and bond authorizations. See "Emergency Appropriations" and "Legal Requirements for Approval of Borrowing" herein.

Municipal Officials

<u>Name</u>	<u>Position</u>	<u>Term</u>	<u>Length of Service</u>
John A. Harkins	Mayor	4 years - Elected	Less than 1 year
Christian M. Barnably	Town Council Member	2 years - Elected	Less than 1 year
Stephanie D. Phillips	Town Council Member	2 years - Elected	Less than 1 year
Mattahew P. Catalano	Town Council Member	2 years - Elected	Less than 1 year
Jason W. Santi	Town Council Member	2 years - Elected	Less than 1 year
John M. Dempsey	Town Council Member	2 years - Elected	2 year
Scott R. Potter	Town Council Member	2 years - Elected	Less than 1 year
Kimberly Meuse	Town Council Member	2 years - Elected	Less than 1 year
James J. Connor	Town Council Member	2 years - Elected	Less than 1 year
Thomas J. Malloy	Town Council Member	2 years - Elected	Less than 1 year
Paul Hoydick	Town Council Member	2 years - Elected	Less than 1 year
Geen Thazhampallath	Chief Administrative Officer	Appointed	Less than 1 year
Irene Cornish	Superintendent of Schools	Appointed	5 years
Susan Collier	Acting Director of Finance	Appointed	3 years

Principal Officials

Mayor – John A. Harkins was sworn in as Stratford’s second Mayor on December 14th, 2009. A lifelong resident of Stratford, Mayor Harkins has been serving his hometown in public office since his election to the Town Council (9th District) in 1995. As Councilman, he was Chairman of the Parks and Recreation Committee. He also served as Chairman of the Roosevelt Forest Commission.

John was elected to the Connecticut House of Representatives from the 120th District, comprising central Stratford, beginning his first of seven consecutive terms in the General Assembly in 1997. As a State Representative, John served as Deputy Republican Leader at Large, as well as the Ranking Member of the General Assembly’s Select Committee on Veterans Affairs. During his legislative service, he was active in national organizations that work to enhance the ability of the General Assembly to better serve the people of our state. He was appointed in 1998 as the Connecticut Chair of the American Legislative Exchange Council, the nation’s largest bipartisan organization comprised of individual state legislators. In 2004, he received the Legislator of the Year award from ALEC and in 2006 was selected to serve on ALEC’s national board of directors.

A lifelong resident of Stratford, Mayor Harkins has long been active in town affairs and civic groups: (Past President) Stratford Rotary Club, Bridgeport Regional Business Council, Stratford Republican Town Committee, Stratford Train Station Advisory Committee, SaveStratford.org, Raymark Advisory Committee, and St. Mark’s Catholic Church. A graduate of the University of Tulsa in Oklahoma, Mayor Harkins holds a Bachelor of Science Degree in Finance

Chief Administrative Officer – Geen Thazhampallath was appointed the Town of Stratford's Chief Administrative Officer by Mayor John Harkins on March 1, 2010 and formally began his service with the Town on March 15. Mr. Thazhampallath brings experience in both public administration and private business to Stratford. He was most recently the Mayoral Aide to Middletown Mayor Sebastian N. Giuliano. Prior to that role he served as the Chief of Staff to the senior vice president and chief information officer of Aetna Inc. Mr. Thazhampallath will be the operational leader of the Town of Stratford and will be tasked with building strategic long-term relationships with neighboring cities, towns, businesses and entities.

Mr. Thazhampallath also brings a legal background the position along with his private and public experiences. He has served as the Middletown Interim Deputy City Attorney where he reviewed municipal contracts and wrote resolutions and ordinances. A life-long resident of Middletown, Connecticut, Mr. Thazhampallath holds a Bachelor of Arts degree in Economics and a Law Degree from the University of Connecticut. He is a member of the Connecticut and Federal Bars.

Mr. Thazhampallath is active in community organizations, such as the Northern Middlesex YMCA and was a member of Middletown's Board of Education for one four year term. He has also been a member of the Wesleyan University/Middletown Community Affairs Committee and served as Moody Elementary School construction project chairman.

Superintendent of Schools - Irene Cornish was appointed Superintendent of Schools in February 2004. She earned her B.A. from the University of Connecticut in Secondary Education with concentrations in French and Spanish and her M.A. from Central Connecticut State University in French. Mrs. Cornish also performed advanced graduate study in Supervision and Evaluation (Secondary level) at the University of Connecticut. Mrs. Cornish earned her Juris Doctor degree from the University of Connecticut School of Law. She has over thirty-four years in education beginning in 1963. From 1987 to 1994 she practiced law in Vernon, CT and became a partner in the firm of Marder, Kallet, and Cornish. In October 1994, Mrs. Cornish returned to the education field after being asked to join the Boston University / Chelsea Partnership in Chelsea, Massachusetts as Assistant Superintendent for Pupil Personnel Services for the Chelsea Public Schools. She was appointed Superintendent of Schools for the Chelsea Public Schools in 2000. Mrs. Cornish has served as an adjunct faculty member of Boston University's School of Education since 2000 where she teaches a graduate course on personnel management and labor relations. Mrs. Cornish has served on numerous boards and foundations and is a member of the Stratford Rotary Club as well as several professional organizations.

Acting Finance Director – Susan Collier was appointed Assistant Finance Director in July 2007. Ms. Collier has a twenty-six year finance career, primarily in the private sector and most recently in the public sector. Her experience includes staff supervision, financial analysis, budgeting, forecasting, accounting, and treasury and HR management. As an elected official of the Stratford Town Council from 1997 to 2001, Ms. Collier focused on pension and finance issues. The Assistant Finance Director position includes highly technical and administrative work involving responsibility for a broad range of municipal finance functions; assists the Finance Director with development and oversight of financial policy and financial management of the Town; performs professional accounting work and maintains accounting and management controls for recording, reconciling and reporting investments, receivables, payables, administration employee payroll, revenues and expenditures, and oversees the implementation of the Town's Pension Plans. In addition, this position assists with the annual audit and preparation of the certified annual financial report (CAFR), as well as the preparation of the annual operating and capital budgets.

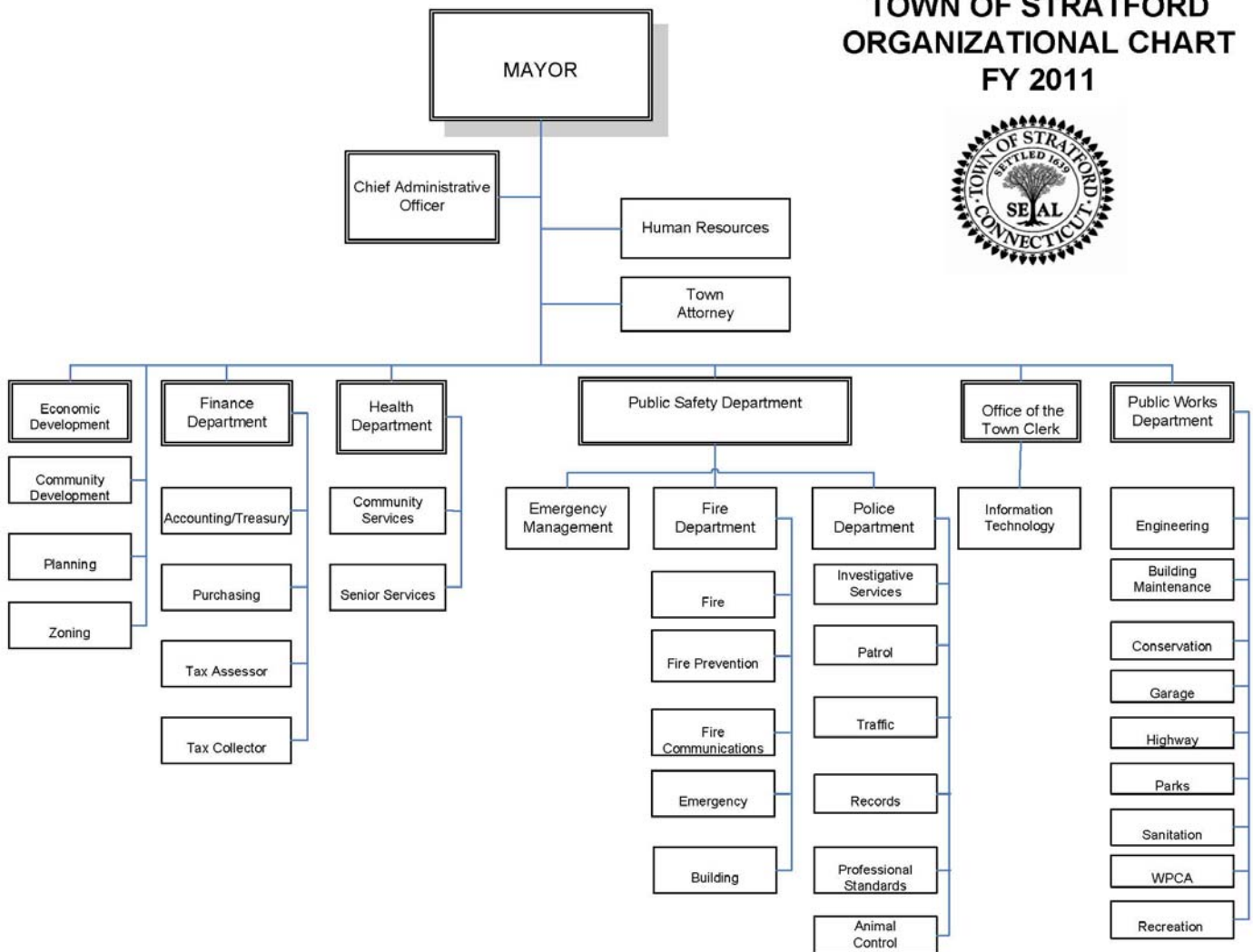
In December 2009, Ms. Collier was appointed Acting Finance Director, assuming additional oversight of Purchasing, Tax Collection and Tax Assessment as well as preparation of FY2011 Mayor Proposed Operating and Capital Budgets.

Ms. Collier graduated from Stratford High School, received her Bachelor of Science in Finance with an Accounting concentration from Fairfield University and her MBA with a concentration in Marketing from the University of Notre Dame. She also performed additional graduate work in Human Resource Management at Fairfield University. Ms. Collier is an active member of the Connecticut and National Government Finance Officers Associations.

{The remainder of this page intentionally left blank}

Organizational Chart

TOWN OF STRATFORD ORGANIZATIONAL CHART FY 2011



Summary of Municipal Services

The Town currently operates under a management structure of five divisions: Administration, Finance, Human Development, Physical Development and Public Safety.

Administration. Currently, this division consists of nine departments: the Office of the Mayor, the Office of the Chief Administrative Officer, Human Resources, Town Clerk, Town Attorney, Registrar of Voters, Planning and Zoning, Council Clerk, and Information Services. The division provides management and administrative support services to the general public, the Town Council and most Town departments.

Finance. This division consists of five departments: Finance Administration, Accounting, Purchasing, Tax Assessment, and the Tax Collection. The Finance Division, under the direction of the Director of Finance, is responsible for overall supervision of the Town's financial management, including treasury functions, property tax assessment, tax collection, financial accounting and reporting, payroll processing, debt management, purchasing, special financial analysis and management of the Town's pension fund.

Human Development. This division consists of five departments: Community Services, Recreation, Health, Senior Services, and Economic Development. Additionally, four outside agencies, independent of the Town, have contracts to provide services. These agencies are the Sterling House, the Stratford Public Library, Short Beach Complex, and the Stratford Visiting Nurses Association. The Human Development Division provides health and environmental services as well as social services for Town residents and emergency financial support where needed. The public library functions as a multi-purpose informational and cultural center funded primarily by separate Town appropriations.

Physical Development. This division consists of nine departments: Administration, Building Inspection, Building Maintenance, Engineering, Parks, Highways, Town Garage, Recycling/Refuse and Environmental Conservation. The Physical Development Division has the responsibility for designing, developing, constructing and maintaining public roads, walks, parks and buildings in the community, including 191 miles of roads. This division also manages the building code enforcement program, pickup and disposal of solid waste generated within the Town, and provides guidance and direction in resource management on conservation and pollution control issues, including recycling mandates.

Public Safety. This division consists of three departments: Fire, Police and Emergency Medical Services. This division is responsible for the security and safety of the community. The Police Service has 116 members including the Animal control function which operates under the direction of the Police Services unit. Numerous state and federal grants help fund community based police programs, particularly in the drug and substance abuse area. The Stratford Fire Department has 111 members including a Communications Division responsible for manning the E-911 center and central dispatching. The department maintains a fire and rescue delivery system and an extensive fire prevention program. The Town maintains an Emergency Medical Services Program with 6 full time employees. The Town began billing for ambulance services in FY 2004 and has established an enterprise fund to account for these billings.

Sewers. The Town operates its own wastewater collection and treatment facility. The Town established an enterprise fund for its water pollution control facility on July 1, 1993. All costs of operating the sewer treatment system and its approximately 200 miles of sewer mains and laterals are being funded through user charges.

Stratford Housing Authority. The Stratford Housing Authority (the "SHA") owns and operates 514 dwelling units located in seven separate areas throughout the Town. The SHA is self-supporting with an annual operating budget of over \$5,600,000 and assets of over \$12,500,000. The SHA Commissioners are appointed by the Town Council to five year terms.

Water. Water is supplied to the Town by the Bridgeport Hydraulic Company, a subsidiary of Aquarion Corporation.

Electricity. Electricity is furnished by the United Illuminating Company and Direct Energy.

Telephone Service. Telephone service is furnished by AT&T.

Solid Waste. The Town executed a new Municipal Service Agreement (the "MSA") with the Connecticut Resources Recovery Authority (the "Authority") for the disposal of solid waste through the Greater Bridgeport Resource Recovery System (the "System"), including a solid waste disposal and processing facility (the "Facility") located in Bridgeport and operated by Bridgeport Resco Company, L.P. (the "Company"). The new agreement took effect on January 1, 2009 and expires on June 30, 2014. The Town is one of twelve Connecticut municipalities participating in the contract (a "Participating Municipality") and each Participating Municipality has signed such an agreement has guaranteed to deliver

annually a minimum tonnage of "Acceptable Waste", as defined in the MSA, to the System. The Town's Minimum Tonnage Guarantee is 27,144 tons of an original aggregate Minimum Tonnage Guarantee by all the Participating Municipalities of 265,000 tons. In the event that any Participating Municipality fails to deliver its annual Minimum Tonnage Guarantee to the System, such Participating Municipality may nevertheless be obligated to pay Municipal Disposal Fees. The Authority is required to accept from each Participating Municipality and dispose of all Acceptable Waste delivered to the System by or on behalf of each Participating Municipality.

Towns not delivering their guaranteed minimum tonnage shall share, as agreed to among the municipalities or proportionately, any lost tip fees resulting from the failure to deliver 90% of the aggregate guaranteed tonnage in any contract year. Towns delivering in excess of their guaranteed minimum shall share the cost of any excess waste disposal charges imposed upon delivery of more than 110% of the aggregate guaranteed tonnage in any one year. Adjustments to aggregate guaranteed tonnage may occur if reductions are realized through new recycling ventures.

For the fiscal year ending June 30, 2009, the Authority billed each Participating Municipality a fixed charge of \$61 per ton and this fee will be adjusted annually for the duration of the contract by 0.75% of the cpi index plus an administration fee of approximately \$2.00 per ton, or a total of \$63.00 per ton.

The Town is also a member of the Southwest Connecticut Regional Recycling Operating Committee which was established to provide regional recycling programs. The Town is one of 27 member towns committed to provide approximately 3,700 tons of recyclables annually to the regional facility located in Stratford.

Educational System

The Town's elementary school system consists of one school for pupils in grades Pre-K through 6, seven schools for pupils in grades K through 6; two schools for pupils in grades 7-8 and two schools for pupils in grades 9-12. The schools are governed by a seven-member Board of Education.

{The remainder of this page intentionally left blank}

Educational Facilities

School	Grades	Occupied	Renovation	Enrollment 10/1/09 (1)
Chapel Street School	K-6	1956	1966, 99	566
Franklin Elementary School	Pre K-6	1910	1917, 41, 66, 90	342
Stratford Academy School	Pre K-6	1966	1995	693
Lordship Elementary School	K-6	1941	1953, 84	218
Nichols Elementary School	K-6	1914	1927, 56, 91	438
Second Hill Lane School	Pre K-6	1954	1958, 99	723
Whitney Elementary School	K-6	1945	1948, 54, 92	525
Wilcoxson Elementary School	K-6	1928	1941, 48, 91	407
Flood Intermediate School	7-8	1972	1988	604
Wooster Intermediate School	7-8	1953	1995	574
Bunnell High School	9-12	1971	1991	1,220
Stratford High School	9-12	1925	1930, 36, 42, 50, 71, 89	967
Total				<u>7,277</u>

(1) Excludes special education students.

Source: Superintendent of Schools.

School Enrollment

The following table presents the Town's school enrollment history and projections.

Actual Enrollments (1)

School Year	PK-6	7-8	9-12	Total
2000-01	4,129	1,170	2,083	7,382
2001-02	4,089	1,192	2,172	7,453
2002-03	4,098	1,249	2,259	7,606
2003-04	4,048	1,308	2,316	7,672
2004-05	3,982	1,250	2,339	7,571
2005-06	3,995	1,145	2,343	7,483
2006-07	3,890	1,149	2,466	7,505
2007-08	3,882	1,139	2,307	7,328
2008-09	3,811	1,181	2,252	7,244
2009-10	3,912	1,178	2,187	7,277

Enrollment Projections

2010-11	3,709	1,136	2,231	7,076
2011-12	3,687	1,140	2,202	7,029
2012-13	3,693	1,062	2,224	6,979

(1) As of October 1.

Source: Superintendent of Schools.

Municipal Employment

Fiscal Year	2010	2009	2008	2007	2006	2005
Board of Education	810	859	855	855	842	842
General Government (1)	436	448	479	479	472	477
Grants/Enterprise Funded (2)	75	63	42	42	64	82
Total	1,321	1,369	1,377	1,377	1,378	1,401

- (1) Includes employees of the Stratford Library Association, whose budget is supported by the Town of Stratford, but whose employees are hired and managed by the Town Council appointed Library Trustees.
- (2) Includes Board of Education and Town grant supported employees and Town employees supported by Enterprise funds, including the Wastewater Treatment Plant and Short Beach Golf Course, which were established in 1993.

Source: Town Officials.

Municipal Employees by Category

The following is a breakdown by category of Town employees estimated as of the date of this Official Statement:

<u>Department</u>	<u>Number of Employees</u>
<u>General Government</u>	
Administration	28
Finance	21
Human Development	45
Physical Development	118
Public Safety	224
Wastewater Operations - WPC	22
Grants (1)	12
Subtotal	470
<u>Board of Education</u>	
Administration and Principals	43
Teachers	551
Secretaries/Paraprofessionals	44
Classroom Instructional Aids	69
Nurses	15
Custodial/Maintenance	41
Cafeteria Workers	25
Grants	41
Non-union	22
Subtotal	851
Grand Total	1,321

- (1) Includes employees of the Stratford Library Association, whose budget is supported by the Town of Stratford, but whose employees are hired and managed by the Town Council appointed Library Trustees.

Source: Town Officials.

Municipal Employee Bargaining Organizations

<u>Employees</u>	<u>Organization</u> (1)	<u>Employees Covered</u>	<u>Current Contract Expiration Date</u>
General Government			
Communications/Dispatch	United Public Service Employees Union	10	6/30/2010
Police	Council #15, Local 407, AFSCME	105	6/30/2010
Public Works	Local 134, Stratford Public Works Employees Association	123	6/30/2010
Firefighters	Local 998, International Association of	90	6/30/2010
Town Hall	Local 136, Administrative, Technical and Clerical Employees AFL-CIO	50	6/30/2010
Supervisors	Supervisors, Council #4 AFSCME	29	6/30/2010
Non-Bargaining	Town non-bargaining employees (2)	63	N/A
	Total General Government	470	
Board of Education			
Administrators	Stratford Administrators Association Inc.	43	6/30/2011
Teachers	Stratford Education Association (Teachers)	551	6/30/2010
Nurses	Stratford School Nurses' Association, CSEA	15	6/30/2012
Classroom Instructional Aids (CIA) & Lunch Personnel	UAW Local 376	135	6/30/2010
Secretaries	Stratford Educational Secretaries'	44	6/30/2011
Custodians	Stratford Public School Custodians	41	6/30/2009 (3)
Non-Bargaining	Town non-bargaining employees	22	
	Total Board of Education	851	
	Total	1,321	

- (1) Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.
- (2) Includes both grant employees and employees of the Stratford Library Association.
- (3) In negotiations.

Economic Development

In spite of state and national economic forces, economic activity in the Town of Stratford remains strong. Businesses have continued to capitalize on Stratford's geographic advantages, diverse zoning, and reputation as an affordable haven in Fairfield County, with 137 new business registrations and 66 storefront openings in 2009.

Businesses continue to relocate or expand in Stratford, with new or extended leases signed on over 350,000 square feet of commercial, industrial, office, and retail space. Stratford Land Development led the way in signings with 13 leases accounting for 50,776 square feet in their Executive Park complex

2009 welcomed a number of new members to the Stratford business community. Revitalization of Stratford Center continued with the opening of Rivenova restaurant and Danny McCoy's Irish Pub, with Stanziale's Restaurant and Assaggio's rounding out diners' options elsewhere in town. Patriot Bank and Hudson Valley Bank each opened branches in the community, while Mitchell and Sheehan, P.C. became the newest addition to Stratford's legal services sector.

Investors continue to find property affordable in Stratford compared to other lower Fairfield County communities. The Town's affordable tax levy, property values, and financial stability remain attractive for investors. Property transfers of commercial, industrial, retail and office buildings closed through September 25, 2009 totaled \$3,815,074, which represented 60,892 square feet of space. In 2009, single-family residential home sales totaled 416, with an average selling price of \$253,473 and average market exposure of 102 days.

Stratford is poised to become a destination for the digital media industry with the pending closure on DMG Studio Holdings' purchase of the former Exxon/Mobil manufacturing facility. DMG plans to develop the facility's 292,738 square feet of space into a home for a wide-variety of film, television, and other digital media services. DMG has recruited 30 tenants for the facility to date, with more to follow. In addition, the Town has continued to advocate for the purchase of the federally owned Stratford Army Engine Plant (SAEP) by Hollywood East/Area 51. When the sale is completed (tentative closing: June 2010), SAEP will be redeveloped into a mixed-used media production facility. Stratford has been afforded an incredible opportunity to serve as a regional anchor for this burgeoning industry Connecticut while returning vacant properties to active use.

Three major renovation projects are slated to begin at Sikorsky Memorial Airport in 2010: Aircraft Facilities' construction of a new bulk aviation fuel facility, additions to the Mackenzie Service facility, and renovations to the Zeiss CMM Room by Sikorsky Aircraft.

New building permits for commercial, industrial, retail and office space topped \$10MM in value in 2009, only the third time since 1999 that this has occurred. In total, 58 permits were issued for totaling \$10,017,156. In contrast, 2008 saw 70 permits issues for a total of \$7,392,004.

Mayor Harkins has proposed the re-instatement of the position of Economic Development Director to provide an enhanced level of support to the business community and spearhead a variety of Mayor initiatives designed to increase the Town's attractiveness to investors.

Future Development

The Town of Stratford remains committed to developing long-term strategies intended to foster business expansion and retention and to reduce taxes by increasing the commercial grand list. The Town's strategies recognize and promote both private sector and public sector economic development opportunities.

Stratford Army Engine Plant

The major economic development project scheduled for the 2nd quarter of 2010 is the announcement of the closing of the former Stratford Army Engine Plant. The Department of the Army chosen developer is expected to complete the sale in June 2010. Hollywood East / Area 51, a multi-media production company, announced in April 2008, it planned to build 30 soundstages ranging from 2,500 square feet to 45,000 square feet, along with production, digital media and other support facilities. In addition the Town of Stratford has begun to market itself as "film ready" through the CT Film, Video and Media office.

Shakespeare Theater

The renovation and operational improvements planned for the Shakespeare Theater Complex will bring modern theatrical production back to this historic building. The Town Council will be recommending that the Town issue a new RFP for a user/operator to refurbish, renovate and operate the historic theater. The renovated theatre will be a catalyst for the local economy by energizing the historic district. The redevelopment of the Stratford Army Engine Plant and the restoration of the Shakespeare Theater will allow for new marketing strategies and important neighborhood revitalizations to occur which will benefit Stratford in the years to come as an arts-based economic development strategy evolves.

Barnum Avenue Streetscape

In 2009, the Town of Stratford completed construction on Phase I of the Barnum Avenue Streetscape project, which provided pedestrian walkways, lighting and landscaping along Barnum Avenue. The project is expected to revitalize one of Stratford's major shopping corridors and will complement the Stratford Center Streetscape project by increasing pedestrian safety and enhancing the aesthetic quality of the commercial corridor. The Town has previously issued bonds in the amount of \$1,500,000 to fund the first phase of the project. The Town is currently undertaking Phase II of the project, including improvements to over 1,000 linear feet of roadway and walkways from California Street to Broadbridge Ave. Final design plans submitted to State Department of Transportation; awaiting for State authorization; projected state date for project-Summer 2010. \$1,500,000 of the Bonds are being issued for the project.

Additional Projects

Stratford Land Development has planned to construct a new 114,700 sq. ft. commercial/industrial building which will complete the west campus of their site. Approvals have been received and the initial construction scheduled to begin by December 2008. Stratford Land Development has received serious interest in leasing the new facility, as leases for more than 60% of the planned facility are currently under negotiation. The 118,000 sq. ft. building which was completed in 2007 has been completely tenanted.

With 80% of the newly constructed North Town Shopping Center on Hawley Lane being tenanted, the developer, Second Avenue Development Company has received approval for the construction of an additional 19,000 sq. ft. general office building, which will adjoin North Town Shopping Center.

Remington Woods, owned by DuPont Corporation, is a 70-acre parcel located in the Town of Stratford. It is part of the proposed Lake Success development in Bridgeport, a 400-acre parcel. It is currently ready for sale and future development. Currently, there is interest in developing this property to build an 80,000 sq. ft. indoor sport facility to meet the growing recreational and competitive sports needs of Fairfield County.

The Town of Stratford has launched a Business Assistance Center to assist small local businesses. The Economic Development office is the primary source of requests for a wide variety of service needs for Stratford's small business community. In November 2008, town ombudsman services were created to assist businesses with the planning and zoning, engineering and building department processes to streamline processes and open communications to allow for business growth within the community.

Recent Town Operations

The Town, through its elected and administrative officials, continues to take steps to review, redefine and in some cases, restructure various approaches in policy and management in order to effectively manage critical issues. The following are some of the issues the Town has faced in the recent past.

In fiscal year 2002-03 the Town of Stratford began budgeting and paying principal and interest payments on its Pension Obligation Bonds directly from the General Fund. The Pension Obligation Bonds were originally issued in 1998 to fund the Town's unfunded pension liability. For the three fiscal years following the issuance of the Pension Obligation Bonds, per the Town Ordinance authorizing the issuance of the Pension Obligation Bonds, the Town paid the debt service from amounts on deposit in the Retiree Benefits Reserve Fund. For the last six fiscal years, the Town has made these debt service payments from the General Fund and expects to continue this practice going forward. In fiscal year 2006, the Town amended the ordinance authorizing the issuance of the Pension Obligation Bonds to eliminate the Town's ability to withdraw excess assets from the Retiree Benefits Reserve Fund to fund the debt service on the Pension Obligation Bonds. The Pension Bond Ordinance was again amended in fiscal year 2007 to allow the proceeds of the Pension Obligation Bonds to be transferred to the pension trust and invested in the same manner and at the same asset allocations as the pension trust assets. As a result of

these amendments, the proceeds of the Pension Bond issue were transferred to the pension trust in fiscal year 2007. Please see "Employee Pension Systems" herein.

For the fiscal year ended June 30, 2009, the combined fund balances for all governmental funds was \$301.4 million, an increase of \$754 thousand in comparison with the prior year. The General Fund is the chief operating fund of the Town. At the end of fiscal year ending June 30, 2009, the General Fund total fund balance was \$10.8 million. Of this fund balance, \$2.4 million is reserved for encumbrances, \$5.0 million is designated for the emergency fund and the balance is reserved for future tax relief and miscellaneous small items.

During the fiscal year ended June 30, 2009, the Town collected 98.2% of its current tax levy. This represented the fourth consecutive year that the Town's collections have exceeded 98%, the highest collection rates in over twenty years. It is also the twelfth consecutive year the Town has exceeded 96.5%. During the past four fiscal years, taxes receivable has been reduced \$2,130,410 from \$6,627,534 to \$4,497,124. Fiscal Year 2009 total tax collections, including interest and liens fees, were \$138,563,783. The Town adopted a 98.25% current tax collection rate in the FY 2009-10 Operating Budget

On a budgetary basis for the fiscal year ended June 30, 2009, general fund revenues totaled \$176,152,030 and exceeded budget by \$1,869,995 million, while expenditures totaled \$175,934,139 and exceeded budget by \$1,660,104, providing a year end surplus of \$217,891. Please see "Town Financial Data" herein for more information.

{The remainder of this page intentionally left blank}

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

<u>Year</u>	<u>Town of Stratford</u>	<u>Fairfield County</u>	<u>State of Connecticut</u>
1960	45,012	653,589	2,535,234
1970	49,775	792,814	3,032,217
1980	50,541	807,143	3,107,576
1990	49,389	857,270	3,287,116
2000	49,976	882,567	3,405,565
2008	48,853	895,030	3,501,252

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

Age Characteristics of Population

	<u>Town of Stratford</u>		<u>State of Connecticut</u>	
	<u>Number of Residents</u>	<u>Percent</u>	<u>Number of Residents</u>	<u>Percent</u>
Under 5 years of age	2,983	6.0	223,344	6.6
5-19 years of age	9,380	18.8	702,358	20.6
20-24 years of age	2,060	4.1	187,571	5.5
25-44 years of age	14,229	28.4	1,032,689	30.3
45-64 years of age	11,731	23.5	789,420	23.2
Over 65 years of age	<u>9,593</u>	<u>19.2</u>	<u>470,183</u>	<u>13.8</u>
Total	<u>49,976</u>	<u>100.0</u>	<u>3,405,565</u>	<u>100.0</u>

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

Selected Wealth and Income Indicators

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(1990)</u>	<u>(2000)</u>	<u>(1990)</u>	<u>(2000)</u>
Town of Stratford	\$49,630	\$64,364	\$18,574	\$26,501
Fairfield County	57,990	77,690	26,161	38,350
Connecticut	49,199	65,521	20,189	28,766
United States	35,353	49,600	14,617	21,690

Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census.

Income Distribution

	<u>Town of Stratford</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 to 9,999	343	2.5	33,423	3.8
10,000 to 14,999	222	1.6	23,593	2.7
15,000 to 24,999	710	5.2	63,262	7.1
25,000 to 34,999	1,221	8.9	75,413	8.5
35,000 to 49,999	2,116	15.5	120,134	13.6
50,000 to 74,999	3,599	26.4	198,924	22.5
75,000 to 99,999	2,468	18.0	141,981	16.0
100,000 to 149,999	2,082	15.2	132,177	14.9
150,000 to 199,999	498	3.6	42,472	4.8
200,000 or more	<u>420</u>	<u>3.1</u>	<u>54,368</u>	<u>6.1</u>
	<u>13,679</u>	<u>100.0</u>	<u>885,747</u>	<u>100.0</u>

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

Educational Attainment

	Town of Stratford		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9 th grade	1,970	5.6	132,917	5.8
9 th to 12 th grade	3,972	11.2	234,739	10.2
High School graduate	11,861	33.4	653,300	28.4
Some college - no degree	6,459	18.2	402,741	17.5
Associate degree	2,107	5.9	150,926	6.6
Bachelor's degree	5,494	15.5	416,751	18.2
Graduate or professional degree	3,609	10.2	304,243	13.3
Total	35,472	100.0	2,295,617	100.0
Total high school graduate or higher		83.2%		84.0%
Total bachelor's degree or higher		25.7%		31.4%

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

Employment by Industry

	Town of Stratford		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries	66	0.3	1,024	0.2	7,445	0.5
Construction	1,414	5.8	27,627	6.5	99,913	6.0
Manufacturing:	4,235	17.5	56,520	13.3	246,607	14.8
Wholesale	828	3.4	14,052	3.3	53,231	3.2
Retail trade	3,065	12.7	46,957	11.0	185,633	11.2
Transportation, warehousing, utilities	1,265	5.2	13,636	3.2	64,662	3.9
Information	756	3.1	19,367	4.5	55,202	3.3
Finance, insurance, real estate	2,185	9.0	50,701	11.9	163,568	9.8
Professional, scientific, management, administrative	2,453	10.1	61,695	14.5	168,334	10.1
Educational, health, social services	4,693	19.4	78,620	18.4	366,568	22.0
Arts, entertainment, recreation accommodation, food	1,224	5.1	24,357	5.7	111,424	6.7
Other professional services	1,122	4.6	21,097	4.9	74,499	4.5
Public Administration	915	3.8	10,985	2.6	67,354	4.0
Total	<u>24,221</u>	<u>100.0</u>	<u>426,638</u>	<u>100.0</u>	<u>1,664,440</u>	<u>100.0</u>

Major Employers

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Sikorsky Aircraft	Manufacturer of Helicopters	8,800
Town of Stratford	Government/Education	1,320
United Parcel Service	Package Delivery	750
Stratford Retailer Condo Assoc.	Retail Chains	541
Ashcroft Holdings	Manufacturer of Gauges, Valves	475
Lord Chamberlain	Skilled Nursing Facility	350
Cablevision	Cable Television, Internet, Telecom.	300
Wal*Mart	Retail Chain	280
Emsar	Manufacturer Pump Atomizers	270
CTT Global	Health and Beauty Care	125
Bridgeport Fittings	Manufacturer of Electrical Fittings	185
AT&T	Telecommunications	250
Connecticut Distributors	Liquor Distributors	243
Stop & Shop	Retail Grocery Products	192
William B. Meyer	Moving, Storage, Rigging	175
Home Depot	Retail Chain	144
Aurora Products	Dried Fruit Packaging	131
Shaw's	Retail Grocery Products	117
Total		<u>14,648</u>

Source: Town of Stratford, Department of Economic and Community Development

Unemployment Rate Statistics

The following table presents non-seasonably adjusted unemployment rates for the Town, the Bridgeport Labor Market, the State of Connecticut, and for the United States:

<u>Yearly Average</u>	<u>Town of Stratford</u>	<u>Bridgeport Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2000	2.5	2.7	2.3	4.0
2001	3.9	4.1	3.3	4.8
2002	4.9	5.3	4.3	5.8
2003	6.4	6.7	5.5	5.8
2004	5.4	5.6	4.9	5.5
2005	5.3	4.7	4.9	5.1
2006	4.5	3.9	4.3	4.6
2007	4.7	4.1	4.6	4.6
2008	6.1	5.3	5.7	5.8
2009	8.7	7.6	8.0	9.3
<u>2010 Monthly</u>				
January	10.2	9.0	9.8	10.6
February	10.1	9.0	9.8	10.4

(1) Beginning in January 2005, the State of Connecticut Department of Labor combined the Stamford and Bridgeport Labor Market Areas.

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

Value of Building Permits

Calendar Year	Value	Alterations/ Additions	
		Miscellaneous	Total
2009 (1)	\$ 2,401,105	\$ 17,307,194	\$ 19,708,299
2008	3,564,153	16,359,527	19,923,680
2007	11,054,016	52,216,684	63,270,700
2006	14,288,954	20,124,945	34,413,899
2005	6,292,569	16,489,229	22,781,798
2004	11,509,909	14,505,600	26,015,509
2003	8,077,030	12,730,229	20,807,259
2002	15,329,420	11,056,564	26,385,984
2001	17,386,199	9,784,819	27,171,018
2000	5,380,854	15,725,509	21,106,363
1999	7,170,353	7,763,089	14,933,442

(1) As of December 31, 2009.

Source: Town of Stratford, Office of Building Inspections.

Number of Dwelling Units

2000	1990	1980	1970	% Increase 1970-2000	% Increase 1980-2000	% Increase 1990-2000
20,596	20,152	18,957	15,823	23.17%	7.95%	2.16%

Source: U.S. Department of Commerce, Bureau of Census; Connecticut Department of Housing.

Characteristics of Housing Units

Sales Price Category	Town of Stratford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000	225	1.7	5,996	0.8
50,000 to 99,999	880	6.5	85,221	11.7
100,000 to 149,999	4,090	30.2	212,010	29.1
150,000.to 199,999	4,993	36.9	156,397	21.5
200,000 to 299,999	2,436	18.0	137,499	18.9
300,000 to 499,999	802	5.9	79,047	10.9
500,000 to 999,999	79	0.6	38,168	5.2
1,000,000 and over	24	0.2	13,906	1.9
Total	13,529	100.0	728,244	100.0
Median Value	\$163,400		\$166,900	

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

Age Distribution of Housing

Year Structure Built	Town of Stratford		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	4,657	22.6	71,784	21.1	15,993	1.2
1940 to 1959	8,018	38.9	98,706	29.1	47,028	3.4
1960 to 1969	2,636	12.8	55,332	16.3	56,058	4.0
1970 to 1979	3,065	14.9	47,414	14.0	183,405	13.2
1980 to 1989	1,526	7.4	39,334	11.6	203,377	14.7
1990 to 1994	403	2.0	11,303	3.3	212,176	15.3
1995 to 1998	203	1.0	11,587	3.4	359,042	25.9
1999 to March 2000	88	0.4	4,006	1.2	308,896	22.3
Total housing units, 2000	20,596	100.0	339,466	100.0	1,385,975	100.0

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

Breakdown of Land Use

Land Use Category	Total Acreage by Zoning	Percent
Residential	5,466.88	43.0
Business & Commercial	592.01	4.7
Industrial	699.05	5.5
Water Bodies, Roads, R.O.W.'s, Other	1,737.54	13.7
Schools, Parks, Recreation	1,116.53	8.8
Other Public Land	233.69	1.8
Transportation/Utility	561.16	4.4
Churches, Places of Worship	51.43	0.4
Cemetery	136.91	1.1
Agricultural	35.23	0.3
Vacant Land	2,092.77	16.4
Total Area	12,723.20	100.0

Source: Greater Bridgeport Planning Agency, January 2008.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit and Debt Margin

As of April 15, 2010 (Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2009	\$ 138,564,000
Reimbursement for Revenue Loss On:	
Tax relief for elderly freeze	17,000
Base for Debt Limitation Computation	<u>\$ 138,581,000</u>

Debt Limitation:	General Purposes	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
2 1/4 times base	\$ 311,807,250					
4 1/2 times base		\$ 623,614,500				
3 3/4 times base			\$ 519,678,750			
3 1/4 times base				\$ 450,388,250		
3 times base					\$ 415,743,000	
7 times base						\$ 970,067,000
Indebtedness (Includes <i>This Issue</i>):						
Outstanding Debt:						
Bonds payable	\$ 38,351,688	\$ 33,073,312	\$ -		\$ 55,170,000	\$ 126,595,000
The Bonds (<i>This Issue</i>)	6,380,000	4,005,000	-	-	-	10,385,000
The Notes (<i>This Issue</i>)	3,800,000	-	-	-	-	3,800,000
Clean Water Fund IFO (2)	-	-	47,170,632	-	-	47,170,632
Clean Water Fund PLO (2)	-	-	2,841,812	-	-	2,841,812
Authorized but Unissued Debt	<u>3,753,821</u>	<u>14,793,229</u>	<u>2,018,567</u>	-	-	<u>20,565,617</u>
Total Indebtedness	<u>52,285,509</u>	<u>51,871,541</u>	<u>52,031,011</u>	-	<u>55,170,000</u>	<u>211,358,061</u>
Less: School Grants Receivable (3)	-	(3,409,085)	-	-	-	(3,409,085)
Total Net Indebtedness	<u>52,285,509</u>	<u>48,462,456</u>	<u>52,031,011</u>	-	<u>55,170,000</u>	<u>207,948,976</u>
Debt Limitation in Excess of						
Indebtedness	<u>\$ 259,521,741</u>	<u>\$ 575,152,044</u>	<u>\$ 467,647,739</u>	<u>\$ 450,388,250</u>	<u>\$ 360,573,000</u>	<u>\$ 762,118,024</u>

- (1) Under Chapter 109 of the Connecticut General Statutes the total of all indebtedness shall not exceed seven times the base or \$970,067,000.
- (2) The Town has authorized \$61,900,000 for renovations and upgrades to the Water Pollution Control Facility. The Town expects to finance the improvements through the State of Connecticut Clean Water Fund Program. The Town currently has an IFO outstanding in the amount of \$47,170,632 and as of January 26, 2010 has drawn approximately \$43,688,158 against the IFO. The Town also has received approximately 100% of a total \$12,873,678 in grants for the project. See "Authorized but Unissued Debt" and "Clean Water Fund" herein.
- (3) As of April 15, 2010, the Town expects to receive \$3,409,085 in school building construction bond subsidy grants from the State of Connecticut over the life of outstanding school construction bonds approved prior to July 1, 1996. (See "School Projects" herein.)

Source: Town Officials.

Calculation of Net Direct Indebtedness

As of April 15, 2010 (Pro Forma)

Indebtedness (1)

Bonded Debt

The Bonds (<i>This Issue</i>)	\$ 10,385,000
General Purpose	38,351,688
Schools	33,073,312
Sewers	-
Pensions	55,170,000
State of Connecticut CWF PLO	2,841,812
Total Bonded Debt	<u>139,821,812</u>

Short Term Debt

The Notes (<i>This Issue</i>)	3,800,000
State of Connecticut Clean Water Fund IFO (2)	47,170,632
Total Short-Term Debt	<u>50,970,632</u>

Gross Direct Debt

190,792,444

Exclusions: School Grants Receivable (3)

(3,409,085)

Net Direct Debt

\$ 187,383,359

- (1) Does not include authorized but unissued debt of \$20,565,617.
- (2) The Town has authorized \$61,900,000 for renovations and upgrades to the Water Pollution Control Facility. The Town expects to finance the improvements through the State of Connecticut Clean Water Fund Program. The Town currently has an IFO outstanding in the amount of \$47,170,632 and as of January 26, 2010 has drawn approximately \$43,688,158 against the IFO. The Town also has received approximately 100% of a total \$12,873,678 in grants for the project. See "Authorized but Unissued Debt" and "Clean Water Fund" herein.
- (3) As of June 30, 2009, the Town expects to receive \$3,409,085 in school building construction bond subsidy grants from the State of Connecticut over the life of outstanding school construction bonds approved prior to July 1, 1996. See "School Projects" herein.

Current Debt Ratios

As of April 15, 2010 (Pro Forma)

Gross Direct Debt	\$190,792,444
Net Direct Debt	\$187,383,359

Population (1)	48,853
Net Taxable Grand List (10/1/08)	\$4,625,845,556
Estimated Full Value	\$6,608,350,794
Equalized Net Taxable Grand List (2007) (2)	\$7,495,976,591
Per Capita Income (1999) (3)	\$26,501

Total Direct Indebtedness:

Per Capita	\$3,905.44
To Net Taxable Grand List	4.12%
To Estimated Full Value	2.89%
To Equalized Net Taxable Grand List	2.55%
Per Capita to Per Capita Income	14.74%

Net Direct Indebtedness:

Per Capita	\$3,835.66
To Net Taxable Grand List	4.05%
To Estimated Full Value	2.84%
To Equalized Net Taxable Grand List	2.50%
Per Capita to Per Capita Income	14.47%

- (1) State of Connecticut, Department of Public Health estimate.
- (2) Office of Policy and Management, State of Connecticut
- (3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Statement

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Population (1)	48,853	49,015	49,514	49,943	50,309
Net taxable grand list	\$4,626,640,486	\$4,527,589,766	\$4,553,315,463	\$4,470,658,205	\$3,166,374,905
Estimated full value	\$6,609,486,409	\$6,467,985,380	\$6,504,736,376	\$6,386,654,579	\$4,523,392,721
Equalized net taxable grand list (2)	\$7,495,976,591	\$7,746,807,389	\$8,021,427,679	\$6,479,015,269	\$6,733,739,529
Per capita income (3)	\$26,501	\$26,501	\$26,501	\$26,501	\$26,501
Short-term debt	\$52,870,633	\$35,800,068	\$26,451,468	\$3,261,468	\$1,297,068
Long-term debt	\$141,915,123	\$144,887,018	\$145,363,283	\$158,883,272	\$164,713,414
Total Direct debt	\$194,785,756	\$180,687,086	\$171,814,751	\$162,144,740	\$166,010,482
Net Direct debt	\$190,643,745	\$176,016,140	\$164,068,211	\$151,269,344	\$152,060,398

(1) State of Connecticut, Department of Public Health estimates.

(2) Office of Policy and Management, State of Connecticut

(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Ratios

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Total Direct debt:					
Per capita	\$3,987.18	\$3,686.36	\$3,470.02	\$3,246.60	\$3,299.82
To net taxable grand list	4.21%	3.99%	3.77%	3.63%	5.24%
To estimated full value	2.95%	2.79%	2.64%	2.54%	3.67%
To equalized net taxable grand list	2.60%	2.33%	2.14%	2.50%	2.47%
Debt per capita to per capita income	15.05%	13.91%	13.09%	12.25%	12.45%
Net direct debt:					
Per capita	\$3,902.40	\$3,591.07	\$3,313.57	\$3,028.84	\$3,022.53
To net taxable grand list	4.12%	3.89%	3.60%	3.38%	4.80%
To estimated full value	2.88%	2.72%	2.52%	2.37%	3.36%
To equalized net taxable grand list	2.54%	2.27%	2.05%	2.33%	2.26%
Debt per capita to per capita income	14.73%	13.55%	12.50%	11.43%	11.41%

Outstanding Short-Term Indebtedness

The Town currently has an Interim Funding Obligation (IFO) outstanding under the State of Connecticut Clean Water Fund Program in the amount of \$47,170,632. See "Clean Water Fund Program" herein for more information.

Overlapping and Underlying Indebtedness

The Town has no overlapping or underlying indebtedness.

Clean Water Fund Program

The Town of Stratford is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance 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 de-nitrification projects which are funded with a 30% grant and a 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the "Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs ("Interim Funding Obligations"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled 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 made (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 scheduled completion date specified in the Loan Agreement and then thereafter in monthly installments. Loans made under a Loan Agreement entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following permanent Clean Water Fund loans outstanding:

<u>Project</u>	<u>Date of Issue</u>	<u>Original 2% Loan Amount</u>	<u>Amount Outstanding As of April 15, 2010</u>
CWF PLO 246-C	2/28/1996	\$ 3,340,576	\$ 940,020
CWF PLO 246-CD1	7/31/1997	603,109	163,467
CWF PLO 246-CD2	7/31/1998	572,253	160,276
CWF PLO 105-CS1	8/31/2007	1,837,123	1,578,049
		<u>\$ 6,353,061</u>	<u>\$ 2,841,812</u>

The Town is currently performing renovations and upgrades to its Water Pollution Control Facility which is being financed through the State of Connecticut's Clean Water Fund Program. The Town authorized \$61,900,000 for this project. The Town currently has an IFO outstanding in the amount of \$47,170,632 and as of January 26, 2010 has drawn \$43,688,158 against the IFO. The Town has also received approximately 100% of a total of \$12,873,678 in grants for the project. The Town expects to receive an additional \$1,716,486 in federal Long Island Sound Restoration Act ("LISRA") grants and additional funding from the state of Connecticut Clean Water Fund to complete the project. Although the security on the loans will be the Town's full faith and credit, the Town expects that the debt service on the loans will be repaid from sewer user fees.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes, as amended, subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Town Charter, upon vote of the Town Council after recommendation by the Ordinance Committee, the Town may issue bonds and notes pursuant to the Connecticut General Statutes for the purposes and to the limit allowed by the Connecticut General Statutes.

Ordinances for bonds specify that the Town shall levy taxes in each year to meet the principal and interest due and payable on bonds issued pursuant to such ordinances.

Charter and Ordinance Provisions Regarding Bond Authorizations

Pursuant to the Town Charter, the legislative body of the Town is the Town Council. The Town Council has the authority to adopt ordinances making appropriations and authorizing the issuance of bonds and notes to meet appropriations. Bond ordinances require public notice of at least two weeks before final action by the Town Council. After a public hearing and a second reading, bond ordinances must be adopted upon the approval of at least seven members of the Town Council, or failing such approval, may be submitted to the electors of the Town at a regular or special election. Ordinances become effective thirty days after passage.

The Town's bond ordinances authorize bonds or bond anticipation notes to be issued and sold by the Mayor and the Director of Finance. The Mayor and Director of Finance also approve the issuance and sale of bonds from time to time to permanently finance any bond anticipation notes outstanding when there are no other conditions precedent to the issuance of bonds under duly adopted ordinances.

The Charter of the Town provides in Section 6.2.6 as follows: "Upon the adoption of a budget, the council shall, by ordinance, levy such tax as may be necessary to meet the appropriations made (less the estimated amount of revenue from other sources) and all sums required by law to be raised on account of the Town debt, together with such addition, not exceeding five (5%) per centum, as may be necessary to meet commissions, fees and abatements in the amount of taxes collected from the estimates, and shall prescribe the manner and time for payment."

The Charter provides further in Section 2.2.4., in part, as follows: "...Every issue of bonds shall be payable with a term of years not to exceed the estimated period of utility of the public improvement for which they are issued and in no case exceed thirty (30) years, and shall be payable with exception of the last annual installment, in equal annual serial installments." and "...Every ordinance for the issue of bonds shall provide for a tax levy for each year to meet the annual serial installments of principal and interest, and such amounts shall be included in a tax levy for each year until said bonds shall have been paid in full."

Each bond ordinance of the Town, including the bond ordinance for the Bonds, contains the provisions of Sections 6.2.6 and 2.2.4 of the charter, with respect to a pledge to levy taxes sufficient to pay principal and interest due on bonds of the Town in any fiscal year. Each bond of the Town when authorized under the Town Charter and a duly adopted bond ordinance when duly issued and paid for constitutes a contract between the Town and the owner thereof.

The above provisions of the Town Charter and State law impose a legal duty on the Town to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to classified property, to pay principal of and interest on the bonds or notes of the Town and, in the event of failure by the Town to make such payments when due, a bond owner may sue the Town to compel such payments.

The Charter of the Town further provides electors of the Town the power to initiate a petition for the adoption of ordinances or other measures. If the Town Council shall fail to adopt an ordinance or other measure initiated by petition, the proposed ordinance or measure must be submitted to a vote of the electors at the next Town election occurring not less than thirty (30) days after the date of the final action by the Town Council, and if no election is to be held within six months from such date, the Town Council shall call a special election to be held not less than thirty (30) nor more than forty-five (45) days from such date.

An ordinance initiated by petition, which was adopted by vote of the electors on March 26, 1991 (the "Ordinance"), purports to limit increases in the amount of taxes levied in any fiscal year, by providing as follows: "During any fiscal year, the increase in the amount of taxes levied shall not exceed the following: a two percent spending increase based on the amount of budgeted expenditures for the last fiscal year."

To the extent the Ordinance conflicts with the above Town Charter provisions, such conflict would be resolved in favor of the Town Charter. Accordingly, the bond and tax ordinances adopted in accordance with the Town Charter supersede the provisions of the Ordinance, and the Town will be legally obligated to provide tax levies in each year sufficient to pay principal of and interest on the Bonds, and to the extent necessary to comply with the Ordinance, as it may be in effect, the Town must limit other expenditures or provide revenue from sources other than taxes, in order to pay such principal and interest.

Capital Improvement & Equipment Programs

The Mayor annually prepares five-year municipal capital improvement and equipment programs. The plans are systematic programs of capital improvements to the Town's physical assets. Additionally, the Board of Education annually prepares its own capital improvement and equipment programs. The CIP/CEP are subject to approval of the Town Council annually. Copies of the most recent municipal and education capital improvement programs are available from the Office of the Chief Administrative Officer.

Department	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Board of Education	\$ 11,894	\$ 3,761	\$ 2,425	\$ 2,600	\$ 2,700	\$ 23,380
General Government						-
Town Facilities	3,488	3,180	1,423	1,143	699	9,933
Roads & Sewers	5,214	5,700	9,750	1,350	4,005	26,019
Public Works	567	755	775	1,099	266	3,462
Parks and Recreation	1,339	2,244	2,113	1,844	777	8,317
Police Department	156	595	615	591	242	2,199
Fire Department	396	850	808	658	766	3,478
School Improvements	40	100	100	100	100	440
EMS	254	129	251	163	210	1,007
Total General Government	11,454	13,553	15,835	6,948	7,065	54,855
Total Program Costs	\$ 23,348	\$ 17,314	\$ 18,260	\$ 9,548	\$ 9,765	\$ 78,235

Funding Sources	2009-10	2010-11	2011-12	2012-13	2013-14	Total
General Fund	\$ 1,278	\$ 2,250	\$ 1,858	\$ 1,975	\$ 1,399	\$ 8,760
General Obligation Bonds (Town)	11,948	5,545	11,120	3,260	4,850	36,723
General Obligation Bonds (Sewer)	270	250	250	250	280	1,300
General Obligation Bonds (BOE)	11,505	3,408	2,093	2,274	2,370	21,650
BOE Operating Budget	389	353	330	326	330	1,728
LOCIP Grants	829	888	833	353	288	3,191
Other Grants	-	500	500	500	-	1,500
Enterprise/Special Revenue Fund	14	33	53	14	14	128
EMS Fund	254	129	251	163	210	1,007
Railroad Fund	1,000	50	-	-	-	1,050
WPCA Fund	50	25	150	303	25	553
Total Funding Sources	\$ 27,537	\$ 13,431	\$ 17,438	\$ 9,418	\$ 9,766	\$ 77,590

Authorized but Unissued Debt

	Amount of Total <u>Authorization</u>	Prior Debt <u>Issued</u>	Grants <u>Received</u>	<u>The Notes</u>	<u>The Bonds</u>	Authorized but <u>Unissued</u>
Second Hill Lane School	\$ 10,521,675	\$ 10,484,800	\$ -	\$ -	\$ -	\$ 36,875
Town Technology	2,002,521	2,000,700	-	-	-	1,821
Water Pollution Control Facility Upgrade	61,900,000	47,170,632	12,873,678	-	-	1,855,690
Pump Station Improvements	2,000,000	1,837,123	-	-	-	162,877
Miscellaneous Town Improvements	600,000	599,000	-	-	-	1,000
Honeyspot Elementary School	13,850,654	-	-	-	-	13,850,654
Sub-Total Prior Capital Ordinances	93,963,056	65,180,461	12,873,678	-	-	15,908,917
<u>FY 2006-07 Capital Bond Ordinance</u>						
Animal Control Facility	500,000	-	-	500,000	-	-
Lordship Elementary School Roof Replacement	600,000	445,000	-	-	-	155,000
Sub-Total FY 2006-07 Capital Bond Ordinance	1,100,000	445,000	-	500,000	-	155,000
<u>FY 2007-08 Capital Bond Ordinance</u>						
Town Garage Roof Replacement	242,000	241,000	-	-	-	1,000
Shakespeare Theater	2,500,000	-	-	1,500,000	-	1,000,000
Sub-Total FY 2006-07 Capital Bond Ordinance	2,742,000	241,000	-	1,500,000	-	1,001,000
<u>FY 2008-09 Capital Bond Ordinance</u>						
Animal Control Facility	1,000,000	-	-	1,000,000	-	-
Franklin and Nichols Elementary Bus Drop Off	300,000	250,000	-	-	-	50,000
West Broad RR Underpass Drainage	500,000	-	-	500,000	-	-
Bruce Brook Improvements at Sage	1,000,000	-	-	300,000	-	700,000
Vehicle Replacement for Engine 2	450,000	-	-	-	450,000	-
Stratford Academy Honeyspot House Feasibility Study	50,000	-	-	-	50,000	-
Various Schools Flooring Replacement	400,000	-	-	-	-	400,000
Sub-Total FY 2008-09 Capital Bond Ordinance	10,890,000	7,440,000	-	1,800,000	500,000	1,150,000
<u>FY 2009-10 Capital Bond Ordinance</u>						
Animal Control Facility	1,500,000	-	-	-	-	1,500,000
Police Locker Room Refurbishment	50,000	-	-	-	-	50,000
California Street Condo Channel	500,000	-	-	-	-	500,000
Boothe Park Improvements	50,000	-	-	-	50,000	-
Library HVAC Upgrade	390,000	-	-	-	390,000	-
Perry House Historic Addition	65,000	-	-	-	65,000	-
Road Resurfacing	500,000	-	-	-	500,000	-
Road Reconstruction	500,000	-	-	-	500,000	-
Barnum Avenue Streetscape	1,500,000	-	-	-	1,500,000	-
Whippoorwill Lane Bride Replacement	500,000	-	-	-	500,000	-
Manor Hill Road Drainage	125,000	-	-	-	125,000	-
Bridge Evaluation Study	100,000	-	-	-	100,000	-
FiberOptic Transmission Lines	500,000	-	-	-	500,000	-
Playground Renovations	50,000	-	-	-	50,000	-
New Tennis Courts BHS and FMS	150,000	-	-	-	150,000	-
New Playground Equipment	125,000	-	-	-	125,000	-
Restoration/Improvements Penders	550,000	-	-	-	550,000	-
Picnic Pavilion @ Short Beach	100,000	-	-	-	100,000	-
Irrigation @ Short Beach Admin Building	10,000	-	-	-	10,000	-
Second Hill Lane Basketball Court	25,000	-	-	-	25,000	-
Payloader	165,000	-	-	-	165,000	-
Recycling Truck	175,000	-	-	-	175,000	-
Pumper Replacement	350,000	-	-	-	350,000	-
Technology Infrastructure	500,000	-	-	-	500,000	-
School Building Repairs	135,000	-	-	-	135,000	-
Stratford High School Library Retrofit	450,000	-	-	-	450,000	-
Bunnell High School Lab Retrofit	600,000	-	-	-	600,000	-
Elevator Code Compliance/Replacement	100,000	-	-	-	100,000	-
NIC Lavatory ADA Replacement	17,000	-	-	-	17,000	-
LOR Elementary HVAC	15,000	-	-	-	15,000	-
Sub-Total FY 2009-10 Capital Bond Ordinance	9,797,000	-	-	-	7,747,000	2,050,000

	Amount of Total <u>Authorization</u>	Prior Debt <u>Issued</u>	Grants <u>Received</u>	<u>The Notes</u>	<u>The Bonds</u>	Authorized but <u>Unissued</u>
Various Masonry Replacements	375,000	-	-	-	375,000	-
SHS Science Lab Retrofit	150,000	-	-	-	150,000	-
Flooring Replacement Various Schools	550,000	-	-	-	550,000	-
BHS - Window/Exterior Panel Replacement	50,000	-	-	-	50,000	-
FRA - Window Replacement	350,000	-	-	-	350,000	-
Window Replacement Various Schools	267,000	-	-	-	267,000	-
BHS - Room HVAC	200,000	-	-	-	200,000	-
Sidewalk Curb replacement	35,000	-	-	-	35,000	-
Various Doors and Hardware	137,200	-	-	-	137,000	200
FRA - Gate and Rails	9,500	-	-	-	9,000	500
NIC - Ceiling Tiles	15,000	-	-	-	15,000	-
Birdseye/Stratford Academy Field	300,000	-	-	-	-	300,000
Sub-Total FY 2009-10 Capital Bond Ordinance	2,438,700	-	-	-	2,138,000	300,700
Total All Projects	\$ 120,930,756	\$ 73,306,461	\$ 12,873,678	\$ 3,800,000	\$ 10,385,000	\$ 20,565,617

Combined Schedule of Long Term Debt through Maturity

As of April 15, 2010 (Pro Forma)

Fiscal <u>Year</u>	Existing Indebtness			Principal <u>This Issue</u>	Principal <u>All Issues</u> ⁽¹⁾
	Principal <u>Payments</u>	Interest <u>Payments</u>	Total <u>Debt Service</u>		
2010	\$ 12,563,594	\$ 7,411,028	\$ 19,974,622	\$ -	\$ 12,563,594
2011	12,855,429	6,574,562	19,429,991	520,000	13,375,429
2012	12,472,401	5,882,113	18,354,514	520,000	12,992,401
2013	12,844,513	5,255,536	18,100,048	520,000	13,364,513
2014	13,198,003	4,597,099	17,795,102	520,000	13,718,003
2015	12,659,650	3,913,624	16,573,274	520,000	13,179,650
2016	12,973,464	3,234,320	16,207,785	520,000	13,493,464
2017	13,455,250	2,522,178	15,977,428	520,000	13,975,250
2018	13,972,072	1,771,159	15,743,230	520,000	14,492,072
2019	4,763,930	980,970	5,744,900	520,000	5,283,930
2020	4,070,826	785,096	4,855,922	520,000	4,590,826
2021	3,392,760	614,090	4,006,850	520,000	3,912,760
2022	3,009,733	469,529	3,479,263	520,000	3,529,733
2023	3,016,746	342,567	3,359,313	520,000	3,536,746
2024	2,593,800	222,739	2,816,539	520,000	3,113,800
2025	1,620,895	134,026	1,754,921	520,000	2,140,895
2026	1,193,033	76,570	1,269,603	520,000	1,713,033
2027	714,023	37,403	751,426	520,000	1,234,023
2028	545,000	11,581	556,581	520,000	1,065,000
2029	-	-	-	520,000	520,000
2030	-	-	-	505,000	505,000
	<u>\$ 141,915,123</u>	<u>\$ 44,836,189</u>	<u>\$ 186,751,312</u>	<u>\$ 10,385,000</u>	<u>\$ 152,300,123</u>

(1) Includes principal payments of \$12,478,311 made as of April 15, 2010.

Source: Annual audited financial statements.

Schedule of General Fund Bonded Debt through Maturity

As of April 15, 2010 (Pro Forma)

Fiscal Year	Existing Indebtness			Principal This Issue	Principal All Issues (1)
	Principal Payments	Interest Payments	Total Debt Service		
2010	\$ 12,225,000	\$ 7,352,218	\$ 19,577,218	\$ -	\$ 12,225,000
2011	12,510,000	6,522,586	19,032,586	520,000	13,030,000
2012	12,120,000	5,837,110	17,957,110	520,000	12,640,000
2013	12,485,000	5,217,644	17,702,644	520,000	13,005,000
2014	12,860,000	4,566,379	17,426,379	520,000	13,380,000
2015	12,440,000	3,888,848	16,328,848	520,000	12,960,000
2016	12,885,000	3,212,298	16,097,298	520,000	13,405,000
2017	13,365,000	2,501,941	15,866,941	520,000	13,885,000
2018	13,880,000	1,752,743	15,632,743	520,000	14,400,000
2019	4,670,000	964,413	5,634,413	520,000	5,190,000
2020	3,975,000	770,435	4,745,435	520,000	4,495,000
2021	3,295,000	601,363	3,896,363	520,000	3,815,000
2022	2,910,000	458,776	3,368,776	520,000	3,430,000
2023	2,915,000	333,826	3,248,826	520,000	3,435,000
2024	2,490,000	216,052	2,706,052	520,000	3,010,000
2025	1,515,000	129,434	1,644,434	520,000	2,035,000
2026	1,085,000	74,116	1,159,116	520,000	1,605,000
2027	650,000	36,975	686,975	520,000	1,170,000
2028	545,000	11,581	556,581	520,000	1,065,000
2029	-	-	-	520,000	520,000
2030	-	-	-	505,000	505,000
	<u>\$ 138,820,000</u>	<u>\$ 44,448,737</u>	<u>\$ 183,268,737</u>	<u>\$ 10,385,000</u>	<u>\$ 149,205,000</u>

(1) Includes principal payments of \$12,225,000 made as of April 15, 2010.

Source: Annual audited financial statements.

Schedule of Enterprise Fund Debt through Maturity (1, 2)

As of April 15, 2010 (Pro Forma)

Fiscal <u>Year</u>	Principal <u>Payments</u> (1)	Interest <u>Payments</u>	Total Debt <u>Service</u>
2010	\$ 338,594	\$ 58,810	\$ 397,404
2011	345,429	51,976	397,404
2012	352,401	45,004	397,404
2013	359,513	37,892	397,404
2014	338,003	30,720	368,723
2015	219,650	24,775	244,426
2016	88,464	22,023	110,487
2017	90,250	20,237	110,487
2018	92,072	18,415	110,487
2019	93,930	16,557	110,487
2020	95,826	14,661	110,487
2021	97,760	12,727	110,487
2022	99,733	10,754	110,487
2023	101,746	8,741	110,487
2024	103,800	6,687	110,487
2025	105,895	4,592	110,487
2026	108,033	2,454	110,487
2027	64,023	428	64,451
	<u>\$ 3,095,123</u>	<u>\$ 387,452</u>	<u>\$ 3,482,575</u>

(1) Does not include this issue.

(2) Excludes State of Connecticut Clean Water Fund IFO in the amount of \$47,170,632. See "Clean Water Fund Program" herein.

(3) Includes principal payments of \$253,311 made as of April 15, 2010.

Source: Annual audited financial statements.

SECTION V - FINANCIAL DATA

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Account Policies" in the Notes to Financial Statements.

Basis of Accounting

See Note 1 "Basis of Accounting" in the Notes to Financial Statements.

Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of Stratford Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The current auditors, Blum Shapiro LLP, were appointed by the Town Council and are required to conduct their examination under the guidelines issued by the State of Connecticut Office of Policy & Management, who receive a copy of said Audit Report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2009, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by Blum Shapiro LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. Individuals wishing a complete document should contact the Director of Finance of the Town of Stratford, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting: The Town of Stratford has received a Certificate of Achievement for Excellence in Financial Reporting for the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial report for fiscal year ending June 30, 2009. This was the 19th consecutive year that the Town has received this prestigious award. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

Budgetary Procedure

The Town follows the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. Financial controls are provided under the Town Council which is responsible for approving annual budgets and all other Town appropriations, and determining the tax rate. The annual budget making process for the Town is outlined in Section 6 of the Town Charter. The timetable is established annually but all actions must be completed at least 30 days prior to the beginning of each fiscal year based upon a budget submitted by the Mayor. The budget making process is detailed below:

<u>Date</u>	<u>Action</u>
By February 23	Departments, offices, boards, commissions submit estimates of revenues and expenditures to the Mayor. The Mayor reviews the budget requests together with estimates of revenues and expenditures for the current year with the requesting agency.
By March 12	Estimated revenues and expenditures, including the Board of Education, submitted to the Town Council by the Mayor.
By May 5	The Town Council holds one or more public hearings and makes any changes they believe are needed.
By May 12	The Ordinance Committee adopts a proposed budget and holds one or more public hearings.
By May 12	The Town Council adopts a recommended budget and sets the tax rate for the fiscal year beginning July 1.

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Emergency Appropriation

Under the Town Charter, emergency appropriations may be made upon the recommendation of the Mayor and by a vote of not less than two-thirds (2/3), or seven members, of the Town Council, provided that a public hearing is held prior to making such appropriation. The hearing and notice of hearing may be waived if the Town Council, by two-thirds (2/3) of its entire membership, decides that a delay in making the emergency appropriation would jeopardize the peace, health, safety or property of its citizens. In the absence of an available un-appropriated and unencumbered general fund cash balance to meet such appropriation, additional means of financing shall be provided in such a manner, consistent with the provisions of the Connecticut General Statutes, and of the Town Charter, as may be determined by the Town Council.

Employee Pension Systems

The Town maintains the Town's retirement plan, a single-employer, defined benefit public employee retirement system ("PERS"). This defined benefit pension plan was established by the Town to provide pension benefits for its employees. The retirement plan is governed by a thirteen member board composed of seven members appointed by the Town Council; one member elected each of the following: by the employees of the Public Works Department, the Police Department, the Fire Department, the Educational Department and one member by other Town employees as a group. The supervisors elect one of their members as a member of the board. The Director of Finance of the Town is the Treasurer of the Retirement Plan. This plan covers all Town employees, except for the two groups described below. As of July 1, 2007, the date of the last actuarial valuation, there were 971 active, disabled, retired or beneficiaries of deceased members covered under this plan.

The Town is also the administrator of two defined contribution retirement plans for employees. The plan created for employees hired on or after their 45th birthday is now closed. A second defined contribution retirement plan was established for all employees (except sworn police officers and fire employees) hired after February, 1999. This plan is administered by the Town's Human Resource Department. There are currently 156 members covered under this plan.

The third plan available in the Town is the Connecticut State Teachers Retirement Plan. This is a noncontributory multiple employer PERS. The certified teaching faculty and administrative personnel participate in this employee contributory plan administered by the Connecticut State Teachers Retirement Board. The Town does not contribute to the plan nor does it have any legal obligation for benefit payments. Currently, approximately 500 employees are members of this plan.

Based upon a July 1, 2007 actuarial valuation, the actuarial value of assets and actuarial accrued liabilities for the defined benefit plan were as follows:

	As of July 1, 2008			
	Town/BOE	Fire	Police	Total
Actuarial Value of Assets	\$ 59,222,075	\$ 39,146,510	\$ 34,384,957	\$ 132,753,542
Entry Age Normal Accrued Liability				
Active Members	24,953,012	20,194,657	19,409,151	64,556,820
Retired Members	55,427,413	21,847,047	26,935,219	104,209,679
Disabled Members	11,215,437	21,492,774	9,738,815	42,447,026
Beneficiaries of Deceased Members	3,006,209	1,889,995	2,245,824	7,142,028
Terminated Vested and Inactive Members	6,016,718	1,085,769	91,315	7,193,802
Total Accrued Liability	100,618,789	66,510,242	58,420,324	225,549,355
Unfunded Accrued Liability	<u>\$ 41,396,714</u>	<u>\$ 27,363,732</u>	<u>\$ 24,035,367</u>	<u>\$ 92,795,813</u>

The plan actuaries used an assumed rate of return of 8.25%.

Prior to fiscal year 1993-94 the Town's pension funding policy was on a modified pay-as-you-go basis. On May 11, 1998 the Town Council enacted a pension funding bond ordinance (the "Pension Bond Ordinance"). On August 13, 1998 the Town issued \$95,000,000 in Taxable Pension Obligation Bonds (the "Pension Bond Issue") that fully funded the Town's unfunded pension benefit obligation at that time. The Pension Bond Issue was issued by the Town in part pursuant to Title 7 of the Connecticut General Statutes, including Sections 7-374b and 7-403a. In 1999, Public Act 99-182 repealed and replaced Section 7-374 of the Connecticut General Statutes. Notwithstanding the foregoing, the Town's Pension Bond Issue is not affected by such repeal. The Pension Bond Issue is not subject to the requirements of Public Act 99-182.

Bond proceeds were deposited into a Retiree Benefits Reserve Fund administered by the Trustee and Investment Advisor of the Town, and overseen by a committee consisting of the Town Manager, the Director of Finance, the Town Treasurer, the Chairman of the Finance Committee of the Town Council, and a designated minority member of the Town Council. Under the terms of the Pension Bond Ordinance, the town is authorized to use excess assets from the Retiree Benefits Reserve Fund to pay debt service on the Pension Bond Issue or to reduce the Town's current annual pension contribution for the succeeding fiscal year. In fiscal years 1999-2000, 2000-01 and 2001-02, \$9,216,278, \$9,116,513 and \$9,111,838, respectively, was used to pay all or a part of the debt service payments on the Pension Bond Issue. Beginning in fiscal year 2002-03, the Town began budgeting the debt service payments on the Pension Bond Issue from the General Fund, and has continued this practice uninterrupted into FY 2008-2009. The Town expects to pay the Pension Bond debt service from the General Fund in the future.

Under the terms of the Pension Bond Ordinance authorizing the Pension Bond Issue, the Town covenanted for the benefit of the holders of the Pension Bonds to appropriate in its annual budget, all of the annual contributions required under the retirement plan for each fiscal year and to fund any future unfunded actuarial accrued liability which may arise. For fiscal year 2002-03, the Town did not budget the required annual contribution from the General Fund, in order to balance Town operations. The Town has since budgeted such amounts for fiscal years 2003-04 to 2008-09 through the tax rate, and expects to continue to do so in the future (Please see the table below for actual contributions). Under the terms of the Pension Bond Ordinance, the Director of Finance is also required to submit, within 30 days of the close of the fiscal year, to the Mayor, the Pension Board and the Town Council an annual report concerning the condition of the Retiree Benefits Reserve Fund, the use of moneys therein to make payments to the Retirement Fund to liquidate the unfunded actuarial accrued liability, and the amount of any remaining or new unfunded actuarial accrued liability.

The Pension Bond Ordinance was amended in fiscal year 2006 to eliminate the Town's ability to withdraw excess assets from the Retiree Benefits Reserve Fund to the debt service on the Pension Obligation Bonds. The Pension Bond Ordinance was again amended in fiscal year 2007 to allow the proceeds of the Pension Obligation Bonds to be transferred to the pension trust and invested in the same manner and at the same asset allocations as the pension trust assets. As a result of these amendments, the proceeds of the Pension Bond issue were transferred to the pension trust in fiscal year 2007. These changes have are expected to have two important positive results. First, by lifting the 40% equity allocation restriction of the original bond ordinance, it is expected that that the future investment returns are more likely to meet the Board's 8.25% actuarial assumption for return on investment. Second, the Pension Obligation Bond proceeds can now be treated as pension assets for the purposes of GASB 25 and GASB 27, since they now reside within the irrevocable trust, whereas they were previously required to be excluded.

Due to the recent unprecedented volatility in the capital markets, the market value of the Town's pension assets has declined from \$125,651,071 as July 1, 2007 to approximately \$85.5 million as of October 31, 2008. For valuation purposes, the Town's actuary calculates an Actuarial Value of Assets that smoothes market fluctuations over a five year period. The Town expects that its Actuarial Required Contribution will increase as a result of theses market losses and intends to continue its policy of fully funding the ARC. The Town has recently changed fund managers for certain asset allocations.

The following table represents recent funding trends for the Town's Pension Plans. Actual Contributions include contributions from the General Fund, Water Pollution Control Authority Fund and Short Beach Golf Course Fund.

<u>Fiscal Year</u>	Actuarial	<u>Actual</u>	<u>Percentage</u>
	<u>Required</u>		
	<u>Contribution</u>	<u>Contribution</u>	<u>Contributed</u>
2010 (1)	\$ 7,233,452	\$ 7,233,452	100.0 %
2009	5,622,700	5,622,712	100.0
2008	5,646,600	5,646,600	100.0
2007	5,086,800	5,086,900	100.0
2006	4,840,940	4,840,940	100.0

(1) Adopted Budget.

See Appendix A, "Audited Financial Statements", for additional information concerning the Town's retirement plan.

Other Post Employment Benefits

The Town provides certain health care and life insurance benefits, in accordance with union contracts, to all Town employees who retire. Certain employees of the Board of Education receive post-employment benefits depending upon bargaining unit. Benefits for retirees (including the Board of Education) have traditionally been funded by the Town on a “pay-as-you-go” basis. The Town also pays benefits under the Heart and Hypertension Act to retirees whose disabilities are claimed to be job related.

The Town has retained the firm Milliman Inc. to perform an actuarial valuation to determine the Town's liability for post-employment benefits. The valuation was effective July 1, 2007 and the following reflects the assumptions and results of the actuarial report:

Valuation Report Date	July 1, 2008
Remaining amortization period	29
Actuarial assumptions:	
Investment rate of return	8.25%-Town / 4.00%-BOE
Actuarial accrued liability	\$121,914,800
ARC - fiscal year ending June 30, 2010	\$10,247,500

As of June 30, 2008, the funding and payment of the post-employment benefits are accounted for in the General Fund. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust may not be established in the future to exclusively control the funding and reporting of post-employment benefits, since a combination of trust fund and internal service fund control may be used, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's Fiscal Year 2009-10 adopted and FY 2010-11 proposed budgets provides \$589,743 in addition to the amount that will be needed to pay retiree claims currently due.

Investment Policies and Practices

Under the Town Charter and under Connecticut General Statutes Section 7-400, as amended, the Town may invest in certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, mutual funds and money market mutual funds.

The Town's investment practices have been to invest only in certificates of deposit, repurchase agreements, the State of Connecticut Short-Term Investment Fund (STIF), MBIA Class Investment Fund and the State of Connecticut Tax-Exempt Proceeds Fund. The Town does not invest in derivative products. The Town Treasurer has followed these investment practices and the Town's operating funds and capital funds are currently invested in the following short-term investments: (1) the State of Connecticut Tax-Exempt Proceeds Fund; (2) overnight repurchase agreements with The Chase Manhattan Bank collateralized by U. S. government agency obligations such as the Federal Home Loan Mortgage Corporation which are valued daily; (3) overnight U. S. Treasury obligations; (4) Flexible (90 day to 1 year) Certificates of Deposit.

All Town pension funds are invested in mutual funds and securities by pension fund administrators. Board of Education pension funds for Administrators and teachers are invested in a cost sharing, multiple employer public employees retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities. For further description of the Town's Pension Plans, see Note 9, to the Town's audited financial statements in Appendix A hereof.

Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town 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 and motor vehicles 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 for real property 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 the revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

The Town of Stratford is in the process of completing a revaluation which will take effect in fiscal year 2010-11. The Town last had a general property revaluation in 2004 which was effective for the 2005-06 fiscal year. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

Tax Collection Procedure

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent and interest will accrue at the rate of 1.5% per month (18% per annum). Outstanding real estate tax accounts are automatically lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

{The remainder of this page intentionally left blank}

Real Property Tax Levies and Collections

FY Ending 30-Jun	Net Taxable Grand List (\$000)	Total Tax Rate (In Mills)	Adjusted Tax Levy	Collected	Uncollected Taxes	
				End of Each FY	Each FY	As of 6/30/2009
2010 (1)	\$4,626,610,486	30.36	\$ 137,961,983	N/A	N/A	N/A
2009	4,575,719,237	30.51	137,961,016	98.2%	\$ 2,466,479	\$ 2,466,479
2008	4,527,589,766	30.12	134,121,083	98.2	2,060,481	523,434
2007	4,552,315,463	28.86	129,886,426	98.4	2,002,131	430,113
2006 (2)	4,470,658,205	26.98	119,631,515	98.3	2,900,905	20,753
2005	3,166,375,505	36.99	118,365,972	97.5	2,691,701	28,742
2004	3,087,667,635	36.44	111,892,258	97.5	2,470,565	4,497
2003	2,999,540,267	35.02	104,596,475	97.5	2,828,062	120,205
2002	2,890,221,616	34.68	99,819,819	97.3	3,130,632	287,814
2001	2,671,397,157	35.27	93,842,623	96.6	2,525,046	77,047

(1) Adopted Budget.

(2) Year of revaluation.

Sources: Annual audited financial statements; Fiscal year 2009-10 Adopted Budget.

Taxable Grand List

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/1/08	\$ 4,445,709,460	\$ 387,991,848	\$ 292,972,012	\$ 5,126,673,320	\$ 500,062,834	\$ 4,626,610,486
10/1/07	4,413,077,651	324,965,038	301,530,992	5,039,573,681	463,854,444	4,575,719,237
10/1/06	4,369,719,660	296,714,314	294,560,508	4,960,994,482	433,404,716	4,527,589,766
10/1/05	4,348,831,040	304,253,994	293,947,103	4,947,032,137	394,716,674	4,552,315,463
10/1/04	4,321,547,220	305,312,078	274,033,287	4,900,892,585	430,234,380	4,470,658,205
10/1/03	2,701,855,730	284,056,665	259,928,790	3,245,841,185	79,465,680	3,166,375,505
10/1/02	2,695,732,340	283,715,770	269,462,735	3,248,910,845	161,243,210	3,087,667,635
10/1/01	2,703,833,720	285,014,372	260,897,675	3,249,745,767	250,205,500	2,999,540,267
10/1/00	2,455,603,570	280,349,201	253,957,285	2,989,910,056	99,688,440	2,890,221,616
10/1/99	2,250,707,850	281,034,617	240,767,720	2,772,510,187	101,113,030	2,671,397,157

The following table sets forth the Real Property portion of the Town's grand list by component:

Grand List Dated	Residential Property	Commercial/ Industrial Property	Total Other Land	Total Real Property
10/1/08	\$ 3,703,369,750	\$ 686,179,150	\$ 56,160,560	\$ 4,445,709,460
10/1/07	3,677,306,412	677,498,179	58,273,060	4,413,077,651
10/1/06	3,651,929,210	628,681,490	89,108,960	4,369,719,660
10/1/05	3,631,734,170	632,049,890	85,046,980	4,348,831,040
10/01/04 (1)	3,609,325,020	614,535,100	97,687,100	4,321,547,220
10/1/03	2,119,464,040	546,675,090	35,716,600	2,701,855,730
10/1/02	2,111,830,350	547,763,090	36,138,900	2,695,732,340
10/1/01	2,104,057,340	563,438,890	36,337,490	2,703,833,720
10/01/00 (2)	1,918,043,405	509,422,290	28,137,875	2,455,603,570
10/1/99	1,712,013,310	499,232,450	39,462,090	2,250,707,850

(1) Statistical revaluation, fully implemented in fiscal year ending 2006.

(2) First year of implementation of physical revaluation. Revaluation was phased in over four years (fiscal years 2002-2005).

Source: Town of Stratford Assessor's Office.

Largest Taxpayers

Business-Name	Nature Of Business	Total Estimated Assessment	Estimated Taxes Payable
Sikorsky Aircraft	Helicopters	\$ 242,274,170	\$ 8,033,811
United Illuminating Co.	Utility	74,430,790	2,468,125
UB Dockside LLC	Real Estate	19,661,110	651,962
Stonybrook Gardens Co-op, Inc.	Apartment Co-op	27,210,120	902,288
Ashcroft Inc.	Manufacturer Gauges, Valves	14,454,740	479,319
Southern Connecticut Gas	Utility	17,654,710	585,430
Home Depot, USA, Inc.	Hardware & Construction	21,275,610	705,499
Wal-Mart Real Estate Business Trust	Department Store	16,938,740	561,689
Dramont Operating Partnership LP	Real Estate	17,572,660	582,709
Second Avenue Development	Real Estate	20,807,640	689,981
	Total	<u>\$ 472,280,290</u>	<u>\$ 15,660,813</u>

(1) Represents 10.21% of the net taxable grand list of \$4,626,610,486 as of 10/1/08

(2) Represents 11.35% of the tax levy of \$137,961,983 for fiscal year 2009-10.

Source: Town of Stratford Assessor's Office.

Property Tax Revenues

Fiscal Year	Tax Revenues as % Total Revenues
2009-10 (1)	79.8 %
2008-09	76.3
2007-08	78.3
2006-07	77.1
2005-06	76.3
2004-05	77.3
2003-04	77.1
2002-03	78.9
2001-02	78.3
2000-01	76.9
1999-00	76.9

(1) Adopted Budget.

Sources: Annual audited financial statements; Fiscal year 2009-10 Adopted Budget.

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Federal and State Aid	Aid as a Percentage Of General Fund Revenue
2010 (1)	\$ 176,829,578	\$ 28,305,366	16.0%
2009	182,651,151	35,293,644	19.3
2008	173,274,606	29,153,385	16.8
2007	170,775,083	30,242,213	17.7
2006	159,438,873	30,270,697	19.0
2005	153,846,545	27,356,971	17.8
2004	146,608,044	27,215,539	18.6
2003	134,638,111	25,602,118	19.0
2002	129,594,496	24,112,780	18.6
2001	122,956,223	24,438,264	19.9

(1) Adopted Budget.

Sources: Annual audited financial statements; Fiscal year 2009-10 Adopted Budget.

Expenditures

Fiscal Year	Education	Public Safety	Employee Benefits	Debt Service	Physical Development
2010 (1)	52.45 %	11.96 %	10.49 %	11.96%	7.24 %
2009	50.14	11.70	10.88	10.87	7.11
2008	48.34	12.58	10.46	12.92	7.22
2007	50.20	12.44	9.74	12.61	6.95
2006	50.58	12.14	9.70	12.36	6.77
2005	47.18	11.91	9.13	13.52	6.74
2004	48.91	12.29	8.20	14.19	6.67
2003	50.53	12.20	5.33	15.62	7.37
2002	52.43	12.71	8.62	8.88	7.51
2001	52.24	12.95	7.41	9.04	7.71

(1) Adopted Budget.

Sources: Annual audited financial statements; Fiscal year 2009-10 Adopted Budget.

{The remainder of this page intentionally left blank}

Comparative General Fund Operating Statement

Budget and Actual (Budgetary Basis)

	Fiscal Year 2008-09			Fiscal Year 2009-10
	Revised Budget	Actual Operations	Variance Favorable (Unfavorable)	Adopted Budget
REVENUES				
Property taxes, interest and liens	\$138,759,208	\$139,314,290	\$ 555,082	\$141,133,511
Intergovernmental revenue	28,233,903	28,106,251	(127,652)	28,305,366
Departmental revenues	2,060,575	1,830,034	(230,541)	1,520,901
Licenses, fees and permits	455,400	378,107	(77,293)	427,900
Investment Income	931,235	1,181,254	250,019	1,170,270
Other revenues	3,153,443	4,653,823	1,500,380	4,271,630
TOTAL REVENUES	173,593,764	175,463,759	1,869,995	176,829,578
EXPENDITURES				
Current:				
Administration	3,668,547	4,319,252	(650,705)	4,054,409
Contingency	3,247,828	2,137,492	1,110,336	2,588,328
Employee Benefits	28,049,725	28,008,906	40,819	30,252,885
Finance	1,943,796	1,969,237	(25,441)	1,543,088
Human Development	5,290,425	5,332,445	(42,020)	5,513,663
Physical Development	12,378,797	13,192,404	(813,607)	11,633,787
Public Safety	20,370,791	21,779,578	(1,408,787)	21,122,905
Education	87,286,707	87,274,406	12,301	88,772,646
Debt Service	9,818,515	9,818,515	-	10,415,167
TOTAL EXPENDITURES	172,055,131	173,832,235	(1,777,104)	175,896,878
Excess (deficiency) of revenues over expenditures	1,538,633	1,631,524	92,891	932,700
Other financing sources (uses):				
Operating transfers in	688,271	688,271	-	-
Operating transfers out	(2,218,904)	(2,101,904)	117,000	(932,700)
Total Other financing sources (uses)	(1,530,633)	(1,413,633)	117,000	(932,700)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 8,000	\$ 217,891	\$ 209,891	\$ -

Sources: Audited financial statements; Fiscal year 2009-10 adopted budget.

Comparative Balance Sheets - General Fund

Fiscal Year Ended:	2005	2006	2007	2008	2009
ASSETS					
Cash and cash equivalents	\$ 6,832,161	\$ 8,832,597	\$11,843,944	\$17,223,935	\$25,402,464
Investments	3,905,678	-	1,949,232	-	-
Receivables, net	6,796,020	15,995,173	11,672,655	9,201,515	8,860,888
Due from other funds	2,107,821	3,074,223	1,234,858	1,559,464	5,203,939
TOTAL ASSETS	\$19,641,680	\$27,901,993	\$26,700,689	\$27,984,914	\$39,467,291
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,131,530	\$ 3,077,456	\$ 4,337,423	\$ 3,325,178	\$ 6,984,671
Accrued Liabilities	1,213,918	834,400	813,006	935,936	1,114,146
Due to other funds	5,411,530	15,232,433	10,841,079	8,121,210	13,008,140
Deferred revenue	1,873,582	509,371	864,625	3,913,469	7,558,609
TOTAL LIABILITIES	10,630,560	19,653,660	16,856,133	16,295,793	28,665,566
FUND BALANCES					
Reserved for encumbrances	664,656	1,016,686	1,696,108	3,468,681	2,363,395
Unreserved	8,346,464	7,231,647	8,148,448	8,220,440	8,438,330
TOTAL FUND BALANCES	9,011,120	8,248,333	9,844,556	11,689,121	10,801,725
TOTAL LIABILITIES AND FUND BALANCES	\$19,641,680	\$27,901,993	\$26,700,689	\$27,984,914	\$39,467,291

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Fiscal Year Ended:	2005	2006	2007	2008	2009
REVENUES					
Property taxes	\$118,879,157	\$121,671,365	\$131,728,690	\$135,666,547	\$139,314,290
State and Federal Governments	27,356,971	30,270,697	30,242,213	62,597,178	35,293,644
Departmental revenues	2,375,928	2,509,791	2,443,563	2,270,095	1,830,034
Liscenses and permits	432,080	535,825	598,137	428,323	378,108
Investment income	478,148	1,355,784	1,814,262	1,410,334	1,181,254
Other revenues.	4,324,261	3,095,411	3,948,218	4,404,734	4,653,821
TOTAL REVENUES	\$153,846,545	\$159,438,873	\$170,775,083	\$206,777,211	\$182,651,151
EXPENDITURES					
Current:					
Administration	3,057,037	3,403,078	3,565,869	4,207,322	4,368,603
Contingency	3,882,903	3,498,503	3,212,059	2,544,946	2,137,492
Employee Benefits	14,127,669	15,494,212	16,363,636	18,521,699	19,096,291
Finance	1,828,174	1,731,335	1,728,845	1,825,218	1,969,237
Human Development	7,466,720	4,861,493	5,034,224	5,002,603	5,327,827
Physical Development	10,422,992	10,814,176	11,667,496	12,584,468	13,192,302
Public Safety	18,431,357	19,406,923	20,886,761	21,810,317	21,779,680
Education	72,989,297	80,837,801	84,310,065	115,569,201	95,522,351
Debt service	20,909,751	19,753,350	21,181,342	22,075,206	18,731,130
Capital outlay	1,596,800	6,000	-	-	-
TOTAL EXPENDITURES	154,712,700	159,806,871	167,950,297	204,140,980	182,124,913
Excess (deficiency) of revenues over expenditures	(866,155)	(367,998)	2,824,786	2,636,231	526,238
Other financing sources (uses):					
Operating transfers in	-	253,500	259,300	583,353	688,271
Operating transfers (out)	-	(648,289)	(1,487,863)	(1,375,019)	(2,101,904)
Total other financing sources (uses)	-	(394,789)	(1,228,563)	(791,666)	(1,413,633)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(866,155)	(762,787)	1,596,223	1,844,565	(887,395)
Fund Balance - July 1	9,877,275	9,011,120	8,248,333	9,844,556	11,689,121
Fund Balance - June 30	\$ 9,011,120	\$ 8,248,333	\$ 9,844,556	\$11,689,121	\$10,801,726

Source: Annual audited financial statements.

Comparative Balance Sheets - Capital Project Fund

Fiscal Year Ended:	2005	2006	2007	2008	2009
ASSETS					
Cash and cash equivalents	\$ 9,576,169	\$11,651,197	\$ 4,872,915	\$20,262,712	\$15,020,316
Investments	4,973,771	983,500	1,949,232	-	-
Recievables, net	404,150	508,596	506,738	573,524	449,483
Due from other funds	806,208	8,621	230,754	163,382	12,283,325
TOTAL ASSETS	\$15,760,298	\$13,151,914	\$ 7,559,639	\$20,999,618	\$27,753,124
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,810,651	\$ 571,395	\$ 846,787	\$ 514,773	\$ 1,292,617
Accrued liabilities	3,866	-	-	-	-
Deferred revenue	397,900	415,675	493,482	495,996	449,483
Bond anticipation notes	-	-	-	4,245,000	5,700,000
Due to other funds	1,623,142	2,843,711	464,338	3,585,079	5,656,223
TOTAL LIABILITIES	4,835,559	3,830,781	1,804,607	8,840,848	13,098,323
FUND BALANCES					
Reserved	-	127,377	-	-	-
Unreserved:	10,924,739	9,193,756	5,755,032	12,158,770	14,654,801
TOTAL FUND BALANCES (DEFICITS)	10,924,739	9,321,133	5,755,032	12,158,770	14,654,801
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$15,760,298	\$13,151,914	\$ 7,559,639	\$20,999,618	\$27,753,124

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Project Fund

Fiscal Year Ended:	2005	2006	2007	2008	2009
REVENUES					
Property taxes and assessments	\$ 145,214	\$ 181,608	\$ 46,983	\$ 111,774	\$ 131,764
Intergovernmental revenue	2,377,274	788,540	207,217	342,054	559,734
Investment Income	172,947	362,431	528,403	105,579	(45,773)
Other	358,000	-	-	-	-
TOTAL REVENUES	3,053,435	1,332,579	782,603	559,407	645,725
EXPENDITURES					
Current:					
Physical development	162,135	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	10,181,345	10,589,668	5,441,567	5,859,769	8,530,694
TOTAL EXPENDITURES	10,343,480	10,589,668	5,441,567	5,859,769	8,530,694
Excess (deficiency) of revenues over expenditures	(7,290,045)	(9,257,089)	(4,658,964)	(5,300,362)	(7,884,969)
Other financing sources (uses):					
Proceeds from bonds and notes	11,105,000	7,365,000	-	10,795,000	8,730,000
Operating transfers in	-	246,400	1,092,863	909,100	1,651,000
Operating transfers out	-	42,083	-	-	-
Total other financing sources (uses)	11,105,000	7,653,483	1,092,863	11,704,100	10,381,000
Revenues and other financing sources over (under) expenditures and other financing uses	3,814,955	(1,603,606)	(3,566,101)	6,403,738	2,496,031
Fund Balance - July 1	7,109,784	10,924,739	9,321,133	5,755,032	12,158,770
Fund Balance - June 30	<u>\$10,924,739</u>	<u>\$ 9,321,133</u>	<u>\$ 5,755,032</u>	<u>\$ 12,158,770</u>	<u>\$ 14,654,801</u>

Source: Annual audited financial statements.

Comparative Balance Sheets - Special Revenue Funds

Fiscal Year Ended:	2005	2006	2007	2008	2009
ASSETS					
Cash and cash equivalents	\$ 2,933,636	\$ 3,121,673	\$ 3,689,352	\$ 3,978,303	\$ 4,162,473
Receivables, net	90,186	465,214	535,089	291,489	288,526
Intergovernmental	-	-	-	522,323	275,813
Due from other funds	992,319	443,136	451,657	602,997	785,841
Inventory	53,955	23,573	23,660	24,203	18,135
TOTAL ASSETS	\$ 4,070,096	\$ 4,053,596	\$ 4,699,758	\$ 5,419,315	\$ 5,530,788
LIABILITIES AND FUND BALANCES (DEFICITS):					
LIABILITIES					
Accounts payable	\$ 848,588	\$ 324,414	\$ 997,779	\$ 973,522	\$ 847,492
Accrued liabilities	26,045	14,400	17,124	28,076	30,258
Deferred revenue	74,559	891,695	811,891	1,332,160	1,595,247
Due to other funds	744,734	213,374	59,686	181,095	583,832
TOTAL LIABILITIES	1,693,926	1,443,883	1,886,480	2,514,853	3,056,829
FUND BALANCES (DEFICITS)					
Reserved for Inventory	53,955	23,573	23,660	24,203	24,203
Unreserved	2,322,215	2,586,140	2,789,618	2,880,259	2,449,756
TOTAL FUND BALANCES (DEFICITS)	2,376,170	2,609,713	2,813,278	2,904,462	2,473,959
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,070,096	\$ 4,053,596	\$ 4,699,758	\$ 5,419,315	\$ 5,530,788

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Funds

Fiscal Year Ended:	2005	2006	2007	2008	2009
REVENUES					
Property taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,951,242	5,896,031	6,458,884	6,483,258	7,075,792
Departmental revenue	2,809,763	2,852,036	3,008,842	3,174,868	2,733,876
Licenses and permits	450,969	257,957	296,986	326,279	307,113
Investment income	27,044	119,268	151,872	93,582	81,321
Other	620	17,660	26,638	24,094	35,688
TOTAL REVENUES	9,239,638	9,142,952	9,943,222	10,102,081	10,233,790
EXPENDITURES					
Current:					
Education	5,654,722	5,914,379	6,489,933	6,540,657	6,575,252
Human Development	1,714,640	2,146,320	1,275,258	1,181,233	1,754,098
Physical Development	1,429,725	602,541	1,694,495	1,972,245	2,145,029
Public Safety	289,993	260,687	261,053	191,180	245,264
Capital outlay	214,890	357,371	383,918	561,501	268,804
TOTAL EXPENDITURES	9,303,970	9,281,298	10,104,657	10,446,816	10,988,447
Excess (deficiency) of revenues over expenditures	(64,332)	(138,346)	(161,435)	(344,735)	(754,657)
Other financing sources (uses):					
Operating transfers in	-	401,889	395,000	465,919	450,904
Operating transfers out	-	(30,000)	(30,000)	(30,000)	(126,750)
Total other financing sources (uses)	-	371,889	365,000	435,919	324,154
Revenues and other financing sources over (under) expenditures and other financing uses	(64,332)	233,543	203,565	91,184	(430,503)
 Fund Balance - Jul 1	 2,440,502	 2,376,170	 2,609,713	 2,813,278	 2,904,462
 Fund Balance - June 30	 <u>\$ 2,376,170</u>	 <u>\$ 2,609,713</u>	 <u>\$ 2,813,278</u>	 <u>\$ 2,904,462</u>	 <u>\$ 2,473,959</u>

Source: Annual audited financial statements.

SECTION VI - ADDITIONAL INFORMATION

Litigation

The Town, its officers, employees, boards and commissions are defendants in various lawsuits. The Town Attorney is of the opinion that all pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Availability of Continuing Disclosure Information

In accordance with State law, the Town provides or causes to be provided annual audited financial statements and operating statements and files such annual audits with the State of Connecticut Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide the rating agencies with ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested from time to time.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain material events with respect to the Bonds and the Notes; and (iii) timely notice of a failure by the Town to provide the required annual financial information with respect to the Bonds on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The successful bidder's obligation to purchase the Bonds and Notes shall be conditioned upon its receiving, at or prior to the delivery of the Bonds and Notes, executed copies of the Continuing Disclosure Agreements for the Bonds and Notes.

The Town 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 events of notices pursuant to Rule 15c2-12(b)(5). To date the Town has not failed to meet any of its undertakings under such agreements.

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC, of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds and the Notes. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification of, nor do they assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC are an independent advisory firm and are not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Documents Accompanying Delivery of the Bonds and the Notes

Upon delivery of the Bonds and the Notes, the original purchaser(s) will be furnished 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 and the Notes or the levy or collection of taxes to pay them;
2. Certificates on behalf of the Town, signed by the Mayor and the Director of Finance which will be dated the date of delivery and attached to signed copies of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time bids were received on the Bonds and the Notes the descriptions and statements in the Official Statement relating to the Town of Stratford 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 statement therein, in the 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 Town from that set forth in or contemplated by the Official Statement;
3. Receipts for the purchase prices of the Bonds and Notes;
4. The approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford;
5. Executed continuing disclosure agreements for the Bonds and the Notes in substantially the forms of Appendixes D and E, respectively, attached hereto; and

6. The Town will provide the winning bidders of the Bonds 100 copies of the final Official Statement, and the winning bidder(s) of the Notes 15 copies of the final Official Statement, as prepared for this issue at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (Noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any on the Bonds and the Notes.

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

Additional Information

Additional information may be obtained upon request from the Finance Office at (203) 385-4040 or from Independent Bond and Investment Consultants LLC at (203) 245-8715.

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

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 of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC do not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

TOWN OF STRATFORD, CONNECTICUT

BY: _____
JOHN A. HARKINS
Mayor

BY: _____
SUSAN COLLIER
Acting Finance Director

Dated: April 1, 2010

APPENDIX A - AUDITED FINANCIAL STATEMENTS

TABLE OF CONTENTS

JUNE 30, 2009

	<u>Page</u>
Independent Auditors' Report	A-1
Management Discussion and Analysis	A-3
 <i>Exhibit: Basic Financial Statements:</i>	
<i>Government-wide Financial Statements</i>	
I Statement of Net Assets	A-12
II Statement of Activities	A-13
 <i>Fund Financial Statements</i>	
III Government Funds – Balance Sheet	A-14
IV Government Funds – Statement of Revenues, Expenditures and Changes in Fund Balance	A-16
 V Proprietary Funds – Statement of Net Assets	 A-18
VI Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Assets	A-19
VII Proprietary Funds – Statement of Cash Flows	A-20
 VIII Fiduciary Funds – Statement of Fiduciary Net Assets	 A-21
IX Fiduciary Funds – Statement of Changes in Plan Net Assets Pension Trust Funds	A-22
 Notes to General Purpose Financial Statements	 A-23
 RSI-1 Schedule of Revenues and Other Financing Sources – Budget and Actual	 A-48
RSI-2 Schedule of Expenditures and Other Financing Uses - Budget and Actual	A-51

Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of Stratford for the Fiscal Year ending June 30, 2009 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Stratford, Connecticut.



Accounting | Tax | Business Consulting

Independent Auditors' Report

The Honorable James R. Miron, Mayor and
Members of the Town Council
Town of Stratford
Stratford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town'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. 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 consideration of internal control over financial reporting as a basis for designing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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, each major fund and the aggregate remaining fund information of the Town of Stratford, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

WEST HARTFORD • SHELTON
Westport • Waterbury • New York

An Independent Member of Baker Tilly International

Management's discussion and analysis on pages A-3 through A-11 and budgetary comparison information on pages A-48 through A-53 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 principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blum, Shapiro & Company, P.C.

December 23, 2009

TOWN OF STRATFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

This discussion and analysis of the Town of Stratford, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

Financial Highlights

- The Town's net assets decreased as a result of this year's operations. The net assets of our business-type activities increased by \$0.6 million, or 1.7% and the net assets of our governmental activities decreased by (\$1.0 million), or (5.5%).
- During the year, the Town had expenses that were \$1.0 million more than the \$191.9 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues from charges for services increased slightly to \$8.3 million (or 1.1%) while operating expenses increased by \$3.0 million to \$10.1 million (or 42.5%), primarily due to the Water Treatment plant upgrade which increased their operating expenses by \$2.9 million to \$8.5 million (or 40.5%).
- Total cost of all of the Town's programs was \$203.6 million with no major new programs added this year.
- The General Fund reported a fund balance this year of \$10.8 million.
- Revenues in the General Fund totaled \$176,152 thousand while expenditures totaled \$175,934 thousand resulting in a surplus of \$218 thousand on a budgetary basis.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector

companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, we divide the Town into two types of activities:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, highways and streets, sanitation, economic development and recreation. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Waste Operating Facility, Town golf facilities and EMS Fund are reported here.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Projects Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State Department of Education). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which 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 readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. 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 Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets decreased from a year ago from \$53.6 million to \$53.2 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental and business-type activities.

Table 1
NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets \$	72,624	\$ 66,935	\$ 12,565	\$ 12,733	\$ 85,189	\$ 79,668
Capital assets, net of depreciation	127,308	125,240	71,959	64,438	199,267	189,678
Total assets	<u>199,932</u>	<u>192,175</u>	<u>84,524</u>	<u>77,171</u>	<u>284,456</u>	<u>269,346</u>
Current liabilities	19,758	13,877	42,740	35,638	62,498	49,515
Long-term debt outstanding	163,170	160,309	5,586	5,927	168,756	166,236
Total liabilities	<u>182,928</u>	<u>174,186</u>	<u>48,326</u>	<u>41,565</u>	<u>231,254</u>	<u>215,751</u>
Net Assets:						
Invested in capital assets, net of debt	45,102	51,011	26,998	29,187	72,100	80,198
Restricted	2,187	2,611			2,187	2,611
Unrestricted	<u>(30,285)</u>	<u>(35,633)</u>	<u>9,200</u>	<u>6,419</u>	<u>(21,085)</u>	<u>(29,214)</u>
Total Net Assets	<u>\$ 17,004</u>	<u>\$ 17,989</u>	<u>\$ 36,198</u>	<u>\$ 35,606</u>	<u>\$ 53,202</u>	<u>\$ 53,595</u>

Net assets of the Town's governmental activities decreased by 5.5% (\$17.0 million compared to \$18.0 million). Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$(35.6) million at June 30, 2008 to \$(30.3) million at the end of this year.

Table 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 7,986	\$ 10,750	\$ 8,268	\$ 8,182	\$ 16,254	\$ 18,932
Operating grants and contributions	39,737	61,968			39,737	61,968
Capital grants and contributions	100	109	2,741	7,031	2,841	7,140
General revenues:						
Property taxes	139,087	135,680			139,087	135,680
Grants and contributions not restricted to specific purposes	4,203	4,269			4,203	4,269
Unrestricted investment earnings	830	1,310	225	278	1,055	1,588
Total revenues	<u>191,943</u>	<u>214,086</u>	<u>11,234</u>	<u>15,491</u>	<u>203,177</u>	<u>229,577</u>
Program expenses:						
General government	27,808	32,424			27,808	32,424
Human development	7,347	6,426			7,347	6,426
Physical development	16,734	15,742			16,734	15,742
Public safety	23,053	22,943			23,053	22,943
Education	111,307	123,854			111,307	123,854
Interest expense	7,242	7,588			7,242	7,588
Waste operating			8,490	5,624	8,490	5,624
Short Beach Golf Course			1,126	441	1,126	441
Miniature Golf Course			453	17	453	17
Emergency Medical Services			11	991	11	991
Total program expenses	<u>193,491</u>	<u>208,977</u>	<u>10,080</u>	<u>7,073</u>	<u>203,571</u>	<u>216,050</u>
Excess before transfers	(1,548)	5,109	1,154	8,418	(394)	13,527
Transfers	<u>562</u>	<u>553</u>	<u>(562)</u>	<u>(553)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ (986)</u>	<u>\$ 5,662</u>	<u>\$ 592</u>	<u>\$ 7,865</u>	<u>\$ (394)</u>	<u>\$ 13,527</u>

The Town's total revenues were \$203.2 million. The total cost of all programs and services was \$203.6 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Approximately 72.5% of the revenues were derived from property taxes; the remaining 27.5% of revenue is made up of operating and capital grants and investment earnings.

Major revenue factors include:

- Property taxes increased by \$4.2 million over the prior year. Current tax collections totaled \$135.5 million or 98.2% of the levy. Arrears taxes and interest collected were \$2.6 million. Unrestricted investment earnings were \$0.5 million less than the prior year.
- Operating grants for governmental activities decreased by \$22.2 million over the prior year. The State of Connecticut Education Cost Sharing grant and debt service reimbursements totaled \$22.0 million or 35% of the Operating grants total.

Increases in expenses closely paralleled inflation and growth in the demand for services except for the major cost increases experienced for electric power and petroleum based products particularly gasoline and heating oil.

Table 3 presents the cost of each of the Town's five largest programs - education, public safety, physical development, administration and human development - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
General government	\$ 27,808	\$ 32,424	\$ 26,798	\$ 30,778
Public safety	23,053	22,943	21,905	20,748
Physical development	16,734	15,742	14,290	14,093
Education	111,307	123,854	72,701	62,306
Human development	7,347	6,426	3,291	979
All others	7,242	7,588	6,682	7,246
Total	\$ <u>193,491</u>	\$ <u>208,977</u>	\$ <u>145,667</u>	\$ <u>136,150</u>

Business-Type Activities

Business-type activities increased the Town's net assets by \$0.6 million. The key factors were the Waste Operating Fund favorable operating results and capital investment in a major plant upgrade.

Town Funds Financial Analysis

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spend able resources. Such information is useful in assessing the Town'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 Town's governmental funds reported combined ending fund balances of \$30.1 million, an increase of \$0.8 million in comparison with the prior year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$10.8 million. Of this total fund balance, \$2.4 million is reserved for encumbrances, \$5.0 million is designated for the emergency fund and the balance is reserved for future tax relief and miscellaneous small items.

The budgetary fund balance of the Town's General Fund increased by \$217,891 during the current fiscal year. Key factors affecting the General Fund are as follows:

- Collections of the current tax levy were 98.2%, the fourth consecutive year that collections have reached that level.
- Departmental revenues and investment earnings were also very favorable throughout the fiscal year.

The Capital Projects Fund has a fund balance of \$14.7 million at the end of the year, an increase of \$2.5 million from the prior year. During fiscal 2009 the Town issued bonds to fund capital improvements.

Other nonmajor governmental funds have a total fund balance of \$4.7 million, a decrease of \$0.9 million in the current year.

Proprietary Funds

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

Overall proprietary funds net assets total \$36.2 million at the end of 2009, increasing by approximately \$0.6 million from the previous year.

Net assets of the Waste Operating Fund at the end of the year are \$34.5 million, 95.2% of total net assets of the fund. Other nonmajor activities have net assets of \$1.7 million or 4.8% of the total net assets. The total decrease in net assets for all funds was \$0.4 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's Business-Type Activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for both revenues and expenditures were less than 1%. During the year, revenues were over budgetary estimates by \$1.9 million and expenditures were more than budgetary estimates by \$1.7 million, thus creating an increase to fund balance.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2009 amounted to \$127.3 million and \$72.0 million, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$9.6 million.

TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 12,870	\$ 12,870	\$	\$	\$ 12,870	\$ 12,870
Land improvements	3,787	1,784	483	496	4,270	2,280
Buildings and improvements	85,263	87,165	60,218	5,102	145,481	92,267
Infrastructure	15,972	14,335	9,249	9,385	25,221	23,720
Machinery and equipment	7,952	8,283	1,902	2,246	9,854	10,529
Construction in progress	1,464	802	107	47,210	1,571	48,012
Total	<u>\$ 127,308</u>	<u>\$ 125,239</u>	<u>\$ 71,959</u>	<u>\$ 64,439</u>	<u>\$ 199,267</u>	<u>\$ 189,678</u>

This year's major additions included (in millions):

- Upgrade of the Water Pollution Control Facility - \$10.7
- Purchase of Capital Equipment for Public Works, Police & Fire - \$1.7
- Road resurfacing / reconstruction - \$1.9
- Birdseye Field restoration - \$0.5
- 2009 Revaluation - \$0.5
- School Technology Infrastructure - \$0.5

- Various school improvements / repairs - \$0.7
- Franklin & Nichols Elementary School Bus Drop Offs - \$0.2

The Town's fiscal-year 2009-10 capital plans call for it to spend another \$9.4 million for capital projects, principally for the following (in millions):

- Water Pollution Control Facility Upgrade - \$1.0
- Railroad Station Improvements - \$1.0
- Barnum Avenue Streetscape Improvements - \$1.5
- Animal Control Facility - \$1.3
- Road Resurfacing / Reconstruction - \$1.0
- Penders Field Restoration / Improvements - \$0.5
- Fiber Optic Transmission Lines - \$0.5

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2009, the Town had \$142.2 million in bonds and notes outstanding versus \$145.2 million last year, a decrease of 2.0%, as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 136,814	\$ 139,360	\$ 2,276	\$ 2,370	\$ 139,090	\$ 141,730
Notes payable			3,095	3,427	3,095	3,427
Totals	\$ 136,814	\$ 139,360	\$ 5,371	\$ 5,797	\$ 142,185	\$ 145,157

The Town issued \$8,730,000 debt during FY2009.

The Town and its Water Pollution Control Authority both maintain an "AA-" rating from Standard & Poor's and an "A-1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town amounts to \$970.0 million, significantly more than the Town's outstanding general obligation debt.

More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Inflationary trends in the region are comparable to national indices.
- The Town's annual average unemployment rate was 6.1% for calendar year 2008 up significantly from 4.5% in 2007. This also compares to the State's annual average unemployment rate of 5.7% and the US rate of 5.8%.

All of these factors were considered in preparing the Town's budget for the 2008-2009 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$8.4 million. In the FY2009-10 budget the Town has not appropriated any of this amount for spending.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax and other funding it receives. The report is available on the Town website: www.townofstratford.com. If you have questions about this report or need additional financial information, contact the Finance Director, Town of Stratford, 2725 Main Street, Stratford, Connecticut 06615.

TOWN OF STRATFORD, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 45,198,818	\$ 10,615,700	\$ 55,814,518
Investments	1,573,012		1,573,012
Receivables, net	12,402,500	973,773	13,376,273
Internal balances	(975,090)	975,090	-
Net pension asset	14,406,974		14,406,974
Inventory and deferred charges	18,134		18,134
Capital assets:			
Assets not being depreciated	14,334,380	106,841	14,441,221
Assets being depreciated, net	112,973,185	71,852,505	184,825,690
Total assets	199,931,913	84,523,909	284,455,822
Liabilities:			
Accounts payables	11,626,111	1,089,989	12,716,100
Accrued liabilities	1,144,404	51,872	1,196,276
Unearned revenue	1,288,486	2,089	1,290,575
Bond anticipation notes	5,700,000	41,596,186	47,296,186
Noncurrent liabilities:			
Due within one year	13,680,561	497,270	14,177,831
Due in more than one year	149,488,802	5,088,876	154,577,678
Total liabilities	182,928,364	48,326,282	231,254,646
Net Assets:			
Invested in capital assets, net of related debt	45,100,821	26,998,108	72,098,929
Restricted for:			
Nonexpendable trust	2,186,577		2,186,577
Unrestricted	(30,283,849)	9,199,519	(21,084,330)
Total Net Assets	\$ 17,003,549	\$ 36,197,627	\$ 53,201,176

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 27,808,127	\$ 1,009,709	\$	\$	\$ (26,798,418)	\$	\$ (26,798,418)
Human development	7,347,538	2,782,844	1,273,893		(3,290,801)		(3,290,801)
Physical development	16,734,073	1,147,574	1,196,163	100,446	(14,289,890)		(14,289,890)
Public safety	23,052,625	1,117,421	29,802		(21,905,402)		(21,905,402)
Education	111,306,988	1,928,691	36,677,584		(72,700,713)		(72,700,713)
Debt service	7,241,721		559,734		(6,681,987)		(6,681,987)
Total governmental activities	<u>193,491,072</u>	<u>7,986,239</u>	<u>39,737,176</u>	<u>100,446</u>	<u>(145,667,211)</u>	<u>-</u>	<u>(145,667,211)</u>
Business-type activities:							
Waste Operating	8,489,957	6,303,152		2,740,542		553,737	553,737
Emergency Medical Services	1,125,970	1,656,628				530,658	530,658
Short Beach Golf Course	452,515	308,124				(144,391)	(144,391)
Miniature Golf Course	11,068					(11,068)	(11,068)
Total business-type activities	<u>10,079,510</u>	<u>8,267,904</u>	<u>-</u>	<u>2,740,542</u>	<u>-</u>	<u>928,936</u>	<u>928,936</u>
Total	<u>\$ 203,570,582</u>	<u>\$ 16,254,143</u>	<u>\$ 39,737,176</u>	<u>\$ 2,840,988</u>	<u>\$ (145,667,211)</u>	<u>\$ 928,936</u>	<u>(144,738,275)</u>
General revenues:							
Property taxes					139,086,477		139,086,477
Grants and contributions not restricted to specific programs					4,203,085		4,203,085
Unrestricted investment earnings					830,243	224,402	1,054,645
Total general revenues					<u>144,119,805</u>	<u>224,402</u>	<u>144,344,207</u>
Transfers					561,521	(561,521)	-
Total					<u>144,681,326</u>	<u>(337,119)</u>	<u>144,344,207</u>
Change in net assets					(985,885)	591,817	(394,068)
Net Assets at Beginning of Year					<u>17,989,434</u>	<u>35,605,810</u>	<u>53,595,244</u>
Net Assets at End of Year					<u>\$ 17,003,549</u>	<u>\$ 36,197,627</u>	<u>\$ 53,201,176</u>

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 25,402,464	\$ 15,020,316	\$ 4,776,038	\$ 45,198,818
Investments			1,573,012	1,573,012
Receivables, net	8,860,888	449,483	564,339	9,874,710
Inventories			18,135	18,135
Due from other funds	<u>5,203,939</u>	<u>12,283,325</u>	<u>729,879</u>	<u>18,217,143</u>
Total Assets	<u>\$ 39,467,291</u>	<u>\$ 27,753,124</u>	<u>\$ 7,661,403</u>	<u>\$ 74,881,818</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 6,984,671	\$ 1,292,617	\$ 847,492	\$ 9,124,780
Accrued liabilities	1,114,146		30,258	1,144,404
Deferred revenue	7,558,609	449,483	1,595,247	9,603,339
Bond anticipation notes		5,700,000		5,700,000
Due to other funds	<u>13,008,140</u>	<u>5,656,223</u>	<u>527,870</u>	<u>19,192,233</u>
Total liabilities	<u>28,665,566</u>	<u>13,098,323</u>	<u>3,000,867</u>	<u>44,764,756</u>
Fund balances:				
Reserved	2,363,395		24,203	2,387,598
Unreserved, reported in:				
General Fund	8,438,330			8,438,330
Special Revenue Funds			2,449,756	2,449,756
Capital Project Funds		14,654,801		14,654,801
Permanent Funds			<u>2,186,577</u>	<u>2,186,577</u>
Total fund balances	<u>10,801,725</u>	<u>14,654,801</u>	<u>4,660,536</u>	<u>30,117,062</u>
Total Liabilities and Fund Balances	<u>\$ 39,467,291</u>	<u>\$ 27,753,124</u>	<u>\$ 7,661,403</u>	<u>\$ 74,881,818</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are
different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 30,117,062
--	---------------

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 269,764,885	
Less accumulated depreciation	<u>(142,457,320)</u>	
Net capital assets		127,307,565

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not recorded in the funds:

Net pension asset	14,406,974
Property tax receivables greater than 60 days	3,478,165
Interest receivable on property taxes	2,527,790
Assessments receivable	443,458
Housing loans	253,219
Receivable from the state for school construction projects	4,140,011

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(136,814,114)
Interest payable on bonds and notes	(2,501,332)
Compensated absences	(5,156,820)
Capital lease	(2,629)
Landfill closure	(5,250,000)
OPEB obligation	(9,669,800)
IBNR	(5,676,000)
Claims and judgments	<u>(600,000)</u>

Net Assets of Governmental Activities (Exhibit I)	<u><u>\$ 17,003,549</u></u>
---	-----------------------------

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes and assessments	\$ 139,314,290	\$ 131,764	\$	\$ 139,446,054
State and Federal governments	35,293,644	559,734	7,075,792	42,929,170
Department revenue	1,830,034		2,733,876	4,563,910
Licenses and permits	378,108		307,113	685,221
Investment income (loss)	1,181,254	(45,773)	(305,238)	830,243
Other	4,653,821		39,893	4,693,714
Total revenues	<u>182,651,151</u>	<u>645,725</u>	<u>9,851,436</u>	<u>193,148,312</u>
Expenditures:				
Current:				
General government:				
Administration	4,368,603			4,368,603
Contingency	2,137,492			2,137,492
Employee benefits	19,096,291			19,096,291
Finance	1,969,237			1,969,237
Human development	5,327,827		1,754,098	7,081,925
Physical development	13,192,302		2,145,029	15,337,331
Public safety	21,779,680		245,264	22,024,944
Education	95,522,351		6,617,321	102,139,672
Debt service:				
Principal retirements	11,275,886			11,275,886
Interest and other charges	7,455,244			7,455,244
Capital outlay		8,530,694	268,804	8,799,498
Total expenditures	<u>182,124,913</u>	<u>8,530,694</u>	<u>11,030,516</u>	<u>201,686,123</u>
Excess (Deficiency) of Revenues over Expenditures	<u>526,238</u>	<u>(7,884,969)</u>	<u>(1,179,080)</u>	<u>(8,537,811)</u>
Other Financing Sources (Uses):				
Issuance of debt		8,730,000		8,730,000
Transfers in	688,271	1,651,000	450,904	2,790,175
Transfers out	(2,101,904)		(126,750)	(2,228,654)
Total other financing sources (uses)	<u>(1,413,633)</u>	<u>10,381,000</u>	<u>324,154</u>	<u>9,291,521</u>
Net Change in Fund Balances	(887,395)	2,496,031	(854,926)	753,710
Fund Balances at Beginning of Year	<u>11,689,120</u>	<u>12,158,770</u>	<u>5,515,462</u>	<u>29,363,352</u>
Fund Balances at End of Year	<u>\$ 10,801,725</u>	<u>\$ 14,654,801</u>	<u>\$ 4,660,536</u>	<u>\$ 30,117,062</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 753,710
---	------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	10,194,560
Depreciation expense	(7,881,157)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the cost of the assets sold. (245,511)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(747,529)
Property tax receivable	244,495
Accrued interest receivable	(457,487)
Housing loans	54,440
Assessments	(46,141)
Net pension asset	(208,636)

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	(8,730,000)
Proceeds from sale of bonds	11,275,886
Capital lease payments	10,521

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 the governmental funds.

Compensated absences	(302,814)
Accrued interest	213,378
Self-insurance claims	678,000
OPEB obligation	(5,541,600)
Landfill post closure care	(250,000)

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u>(985,885)</u>
--	---------------------

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2009

	Business-Type Activities		
	Waste Operating Funds	Other Nonmajor Funds	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 9,176,997	\$ 1,438,703	\$ 10,615,700
Receivables:			
Accounts and other		614,568	614,568
Special assessments	359,205		359,205
Due from other funds	173,720	1,133,702	1,307,422
Total current assets	<u>9,709,922</u>	<u>3,186,973</u>	<u>12,896,895</u>
Capital assets:			
Assets not being depreciated		106,841	106,841
Assets being depreciated, net	71,105,562	746,943	71,852,505
Total capital assets	<u>71,105,562</u>	<u>853,784</u>	<u>71,959,346</u>
Total assets	<u>80,815,484</u>	<u>4,040,757</u>	<u>84,856,241</u>
Liabilities:			
Current:			
Accounts payable	1,021,668	68,321	1,089,989
Accrued wages and benefits	35,286	16,586	51,872
Unearned revenue		2,089	2,089
Due to other funds	227,413	104,919	332,332
Bond anticipation notes	41,596,186		41,596,186
Bonds payable		94,114	94,114
Serial and notes payable	338,594		338,594
Compensated absences	33,563	30,999	64,562
Total current liabilities	<u>43,252,710</u>	<u>317,028</u>	<u>43,569,738</u>
Noncurrent liabilities:			
Bonds payable	270,000	1,911,772	2,181,772
Serial notes payable	2,756,458		2,756,458
Compensated absences	78,315	72,331	150,646
Total noncurrent liabilities	<u>3,104,773</u>	<u>1,984,103</u>	<u>5,088,876</u>
Total liabilities	<u>46,357,483</u>	<u>2,301,131</u>	<u>48,658,614</u>
Net Assets:			
Invested in capital assets, net of related debt	26,144,324	853,784	26,998,108
Unrestricted	<u>8,313,677</u>	<u>885,842</u>	<u>9,199,519</u>
Total Net Assets	<u>\$ 34,458,001</u>	<u>\$ 1,739,626</u>	<u>\$ 36,197,627</u>

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities		
	Waste Operating Funds	Other Nonmajor Funds	Total
Operating Revenues:			
Charges for services	\$ 6,303,152	\$ 1,964,752	\$ 8,267,904
Operating Expenses:			
Operating and maintenance	4,952,250	1,278,941	6,231,191
Depreciation	3,472,198	179,277	3,651,475
Total operating expenses	8,424,448	1,458,218	9,882,666
Operating Income (Loss)	(2,121,296)	506,534	(1,614,762)
Nonoperating Revenues (Expenses):			
Interest income	219,741	4,661	224,402
Interest expense	(65,509)	(131,335)	(196,844)
Total nonoperating revenues (expenses)	154,232	(126,674)	27,558
Income (Loss) Before Contributions and Transfers	(1,967,064)	379,860	(1,587,204)
Capital Contributions	2,740,542		2,740,542
Transfers Out	(240,000)	(321,521)	(561,521)
Change in Net Assets	533,478	58,339	591,817
Net Assets at Beginning of Year	33,924,523	1,681,287	35,605,810
Net Assets at End of Year	\$ 34,458,001	\$ 1,739,626	\$ 36,197,627

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities		
	Waste Operating Funds	Other Nonmajor Funds	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 6,277,919	\$ 1,899,920	\$ 8,177,839
Cash payments to suppliers	(5,796,294)	(526,202)	(6,322,496)
Cash payments to employees	(2,050,669)	(806,208)	(2,856,877)
Payments for interfund services	3,336,236	978,552	4,314,788
Net cash provided by operating activities	<u>1,767,192</u>	<u>1,546,062</u>	<u>3,313,254</u>
Cash Flows from Noncapital Financing Activities:			
Transfers to other funds	<u>(240,000)</u>	<u>(321,521)</u>	<u>(561,521)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal payments on debt	(331,895)	(94,114)	(426,009)
Proceeds from bond anticipation notes	10,041,248		10,041,248
Interest paid on debt	(65,509)	(131,335)	(196,844)
Purchase of capital assets	(11,093,098)	79,018	(11,014,080)
Intergovernmental revenue	2,740,542		2,740,542
Net cash provided by (used in) capital and related financing activities	<u>1,291,288</u>	<u>(146,431)</u>	<u>1,144,857</u>
Cash Flows from Investing Activities:			
Interest revenues	<u>219,741</u>	<u>4,661</u>	<u>224,402</u>
Net Increase in Cash and Cash Equivalents	3,038,221	1,082,771	4,120,992
Cash and Cash Equivalents at Beginning of Year	<u>6,138,776</u>	<u>355,932</u>	<u>6,494,708</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,176,997</u>	<u>\$ 1,438,703</u>	<u>\$ 10,615,700</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (2,121,296)	\$ 506,534	\$ (1,614,762)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,472,198	179,277	3,651,475
Change in assets and liabilities:			
Decrease (increase) in accounts receivable and deferred charges	(25,233)	(64,832)	(90,065)
Decrease (increase) in due from other funds	3,108,822		3,108,822
Increase (decrease) in accounts payable and accrued expenses	(2,894,712)	(53,469)	(2,948,181)
Increase (decrease) in due to other funds	227,413	978,552	1,205,965
Net Cash Provided by Operating Activities	<u>\$ 1,767,192</u>	<u>\$ 1,546,062</u>	<u>\$ 3,313,254</u>

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Pension Trust Fund	Student Activity Agency Fund
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 683,353	\$ 317,447
Investments:		
Common stocks	41,041,558	
Mutual funds - open end	39,654,559	
Other receivable	<u>1,179,380</u>	<u> </u>
Total assets	<u>82,558,850</u>	\$ <u><u>317,447</u></u>
Liabilities:		
Due to students and others		\$ 317,447
Other liabilities	<u>226,639</u>	<u> </u>
Total liabilities	<u>226,639</u>	\$ <u><u>317,447</u></u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 82,332,211</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2009

Additions:

Contributions:

Plan members	\$ 2,109,938
Employer	<u>5,420,187</u>
Total contributions	<u>7,530,125</u>

Investment income (loss):

Net depreciation in fair market value of investments	(19,190,089)
Interest and dividends	<u>380,552</u>
Total investment loss	(18,809,537)
Investment fee	<u>(302,148)</u>
Net investment loss	<u>(19,111,685)</u>

Total reductions	<u>(11,581,560)</u>
------------------	---------------------

Deductions:

Benefits	16,833,110
Other	<u>197,075</u>
Total deductions	<u>17,030,185</u>

Net Decrease	(28,611,745)
--------------	--------------

Net Assets Held in Trust for Pension Benefits at Beginning of Year	<u>110,943,956</u>
--	--------------------

Net Assets Held in Trust for Pension Benefits at End of Year	<u><u>\$ 82,332,211</u></u>
--	-----------------------------

The accompanying notes are an integral part of the financial statements

TOWN OF STRATFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Stratford, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town was founded in 1639. The Town covers an area of 18.7 square miles and is located on Long Island Sound 65 miles east of New York City and 50 miles southwest of Hartford, Connecticut. The Town has operated under a Council/Manager form of government since 1921. Effective December 12, 2005, the Town became a Mayor-Council form of government.

The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

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, have been considered, and, as a result, there are no agencies or entities that should be but are not included in the financial statements of the Town.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. 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.

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.

The various funds included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

General Fund is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Waste Operating Fund, Emergency Medical Services, Short Beach Golf Course and Miniature Golf Course Fund are the Town's enterprise funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Fund accounts for the Defined Benefit and Defined Contribution Fund.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Student Activity Fund is the Town's only agency fund.

C. 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. However, agency funds, unlike other fiduciary funds, report only assets and liabilities, do not have a measurement focus and follow 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. For this purpose, the Town 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, expenditures related to compensated absences and claims and judgments, as well as landfill closure and postclosure costs, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

The General Fund is the Town'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 the proceeds of specific general obligation bonds for various projects to further develop the Town.

The Town reports the following major proprietary fund:

The Waste Operating Fund accounts for the operations at the Stratford Water Pollution Control Authority.

Additionally, the Town reports the following fund types:

The Pension Trust Funds account for the activities of the Town's defined benefit and defined contribution pension plans, which accumulate resources for pension benefit payments to qualified employees.

The Agency Funds account for monies held as a custodian for outside groups and agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those 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 Town 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 payments in lieu of taxes and other charges between certain Town functions because the 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 property taxes.

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

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

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are assessed as of October 1 and are levied for and due on the following July 1. Taxes are due in two installments on July 1 and January 1. Supplemental motor vehicle taxes are due in full January 1. Liens are recorded during the month of April.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Distribution and collection systems	50-65
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.

H. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

I. 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 any significant applicable bond premium or discount. Significant 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, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

General Fund

The Town's general budget policies are as follows:

Not later than March 12 the Mayor prepares and submits to the Town Council an annual budget for the next fiscal year based on detailed estimated revenues and expenditures for the Town.

The Town's charter requires the Town Council to hold public hearings prior to the adoption of the final budget, at which time taxpayers' comments are obtained.

Prior to May 13, the Town Council adopts the budget and sets the tax rate for the fiscal year through the passage of ordinances.

All interdepartmental appropriations and budget transfers must be approved by the Town Council. The Mayor approves all intradepartmental transfers.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

Budgeted amounts reported are as originally adopted, or as amended by the Town Council during the course of the year. There were no supplemental appropriations approved for the budget year ended June 30, 2009.

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. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.

B. Deficit Fund Equity

The Town has the following fund deficits at June 30, 2009:

	<u>Amount</u>
School Lunch Program *	\$ 198,018
Community Development*	81,630
Miscellaneous Grants *	85,550

* Deficit will be eliminated through future departmental revenues

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 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. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$51,609,493 of the Town's bank balance of \$52,881,847 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 46,323,544
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,285,949</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 51,609,493</u>

The Town carries additional insurance coverage for \$110,000,000 with Banknorth, which is excess coverage over the FDIC limit of deposit insurance. As of June 30, 2009, excess coverage amounted to \$42,359,587.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2009, the Town's cash equivalents amounted to \$6,032,527. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
StateTax Exempt Proceeds Fund*		
State Short-Term Investment Fund (STIF)	AAAm	

*Not rated

B. Investments

As of June 30, 2009, the Town had the following investments:

Other Investments:	
Common stock	\$ 42,013,660
Mutual funds	<u>40,255,469</u>
Total Investments	<u>\$ 82,269,129</u>

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2009, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Waste Operating</u>	<u>Pension Trust</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 4,621,795	\$	\$	\$	\$ 748,742	\$ 5,370,537
Accounts and other	116,661			1,179,380	564,339	1,860,380
Special assessments		449,483	359,205			808,688
Intergovernmental	4,772,432					4,772,432
Gross receivables	9,510,888	449,483	359,205	1,179,380	1,313,081	12,812,037
Less allowance for uncollectibles	650,000				134,174	784,174
Net Total Receivables	<u>\$ 8,860,888</u>	<u>\$ 449,483</u>	<u>\$ 359,205</u>	<u>\$ 1,179,380</u>	<u>\$ 1,178,907</u>	<u>\$ 12,027,863</u>

Note: Does not include accrued interest on property taxes of \$2,527,790.

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 also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 3,478,165	\$
Special assessments not yet due	443,458	
School building grants	4,140,011	
Housing loans	253,219	
Other		6,025
Grant drawdowns and other revenues received prior to meeting all eligibility requirements		1,282,461
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 8,314,853</u>	<u>\$ 1,288,486</u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,870,506	\$	\$	\$ 12,870,506
Construction in progress	801,915	1,182,410	520,451	1,463,874
Total capital assets not being depreciated	<u>13,672,421</u>	<u>1,182,410</u>	<u>520,451</u>	<u>14,334,380</u>
Capital assets being depreciated:				
Land improvements	5,079,541	2,244,267		7,323,808
Buildings and improvements	130,646,621	983,416		131,630,037
Machinery and equipment	28,726,458	3,406,686	1,317,853	30,815,291
Infrastructure	82,763,136	2,898,233		85,661,369
Total capital assets being depreciated	<u>247,215,756</u>	<u>9,532,602</u>	<u>1,317,853</u>	<u>255,430,505</u>
Less accumulated depreciation for:				
Land improvements	3,296,181	240,800		3,536,981
Buildings and improvements	43,481,615	2,885,999		46,367,614
Machinery and equipment	20,442,859	3,492,490	1,072,342	22,863,007
Infrastructure	68,427,850	1,261,868		69,689,718
Total accumulated depreciation	<u>135,648,505</u>	<u>7,881,157</u>	<u>1,072,342</u>	<u>142,457,320</u>
Total capital assets being depreciated, net	<u>111,567,251</u>	<u>1,651,445</u>	<u>245,511</u>	<u>112,973,185</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,239,672</u>	<u>\$ 2,833,855</u>	<u>\$ 765,961</u>	<u>\$ 127,307,565</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 47,209,760	\$ 88,742	\$ 47,191,661	\$ 106,841
Capital assets being depreciated:				
Land improvements	2,273,634			2,273,634
Buildings and improvements	10,211,321	57,968,284		68,179,605
Machinery and equipment	12,793,115	123,678	77,707	12,839,086
Infrastructure	20,968,713	183,073		21,151,786
Total capital assets being depreciated	<u>46,246,783</u>	<u>58,275,035</u>	<u>77,707</u>	<u>104,444,111</u>
Less accumulated depreciation for:				
Land improvements	1,777,537	12,678		1,790,215
Buildings and improvements	5,109,260	2,852,610		7,961,870
Machinery and equipment	10,546,906	467,744	77,707	10,936,943
Infrastructure	11,584,135	318,443		11,902,578
Total accumulated depreciation	<u>29,017,838</u>	<u>3,651,475</u>	<u>77,707</u>	<u>32,591,606</u>
Total capital assets being depreciated, net	<u>17,228,945</u>	<u>54,623,560</u>	<u>-</u>	<u>71,852,505</u>
Business-Type Activities Capital Assets, Net	<u>\$ 64,438,705</u>	<u>\$ 54,712,302</u>	<u>\$ 47,191,661</u>	<u>\$ 71,959,346</u>

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

Governmental activities:	
General Government	\$ 307,255
Human Development	320,411
Physical Development	2,714,594
Public Safety	798,133
Education	<u>3,740,764</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,881,157</u>
Business-type activities:	
Waste Operating	\$ 3,472,198
Short Beach Golf Course	106,888
Miniature Golf Course	11,068
Emergency Medical Services	<u>61,321</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,651,475</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2009, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 5,203,939	\$ 13,008,140
Nonmajor Governmental Funds:		
Community Development		14,251
Education Federal and State Program	28,637	19,721
Shellfish and Oysters		6,833
Railroad Property		54,821
Miscellaneous Grants	102,324	23,125
Recreation	11,953	203,917
Department of Child and Family Services	34,412	72,314
Counseling Center	10,869	
Harbor Management		24,461
Dog Fund	28,950	
Town Aid Road		164,389
Senior Citizens	9,243	
Reserve Fund	559,453	
Capital Projects Funds:		
Capital Improvements	12,142,279	29,305
Capital Special Projects	34,370	4,126,722
Sidewalk and Road		16,282
Sewer Revolving	244,934	168,770
Water Hookup		210,455
Capital Equipment		1,242,947

Enterprise Funds:		
Waste Operating	173,720	227,413
Emergency Medical Services	1,133,702	
Short Beach Golf Course		86,080
Miniature Golf		18,839
Interfund eliminations	<u>(194,220)</u>	<u>(194,220)</u>
Total	<u>\$ 19,524,565</u>	<u>\$ 19,524,565</u>

All balances resulted from the time lag between the dates payments occur between funds for various activities.

Interfund transfers:

	Transfers In			
	General	Capital Projects	Nonmajor Governmental	Total
Transfers out:				
General Fund	\$	\$ 1,651,000	\$ 450,904	\$ 2,101,904
Waste Operating Fund	240,000			240,000
Nonmajor governmental funds	126,750			126,750
Nonmajor enterprise funds	<u>321,521</u>			<u>321,521</u>
Total	<u>\$ 688,271</u>	<u>\$ 1,651,000</u>	<u>\$ 450,904</u>	<u>\$ 2,790,175</u>

All transfers are for regularly recurring operational transfers.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and notes	\$ 139,360,000	\$ 8,730,000	\$ 11,275,886	\$ 136,814,114	\$ 12,130,886
Capital leases	13,150		10,521	2,629	2,629
Claims and judgments	600,000			600,000	
Compensated absences	4,854,006	1,273,615	970,801	5,156,820	1,547,046
Landfill monitoring closure and postclosure costs	5,000,000	250,000		5,250,000	
OPEB liability	4,128,200	10,299,600	4,758,000	9,669,800	
Risk management	6,354,000		678,000	5,676,000	
Governmental Activities Long-Term Liabilities	<u>\$ 160,309,356</u>	<u>\$ 20,553,215</u>	<u>\$ 17,693,208</u>	<u>\$ 163,169,363</u>	<u>\$ 13,680,561</u>
Business-type activities:					
General obligation bonds payable	\$ 2,370,000	\$	\$ 94,114	\$ 2,275,886	\$ 94,114
Notes payable	3,426,947		331,895	3,095,052	338,594
Compensated absences	130,626	127,729	43,147	215,208	64,562
Business-Type Activities Long-Term Liabilities	<u>\$ 5,927,573</u>	<u>\$ 127,729</u>	<u>\$ 469,156</u>	<u>\$ 5,586,146</u>	<u>\$ 497,270</u>

As of June 30, 2009, the outstanding general obligation bonded indebtedness of the Town recorded in the governmental activities was as follows:

School bonds with interest rates ranging from 3.0% to 6.6% and varying expiration dates ranging from March 2011 to December 2028	\$ 37,494,426
Public improvement bonds with interest rates ranging from 2.5% to 9.5% and varying expiration dates ranging from March 2011 to December 2028	39,009,688
General obligation pension bonds with interest rates ranging from 6.3% to 6.7% and varying expiration dates to February 2018	<u>60,310,000</u>
Total	<u>\$ 136,814,114</u>

The annual debt service requirements of the Town's bonded indebtedness recorded in governmental activities described above are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 12,130,886	\$ 7,270,700	\$ 19,401,586
2011	12,415,886	6,446,245	18,862,131
2012	12,025,886	5,765,767	17,791,653
2013	12,390,886	5,151,066	17,541,952
2014	12,765,886	4,503,801	17,269,687
2015-2019	56,746,127	12,057,648	68,803,775
2020-2024	14,997,743	2,224,459	17,222,202
2025-2028	<u>3,340,814</u>	<u>214,718</u>	<u>3,555,532</u>
Total	<u>\$ 136,814,114</u>	<u>\$ 43,634,404</u>	<u>\$ 180,448,518</u>

The State of Connecticut reimburses the Town for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2009 was approximately \$928,112. Additional payments for bond principal aggregating approximately \$4.1 million are expected to be received through the bonds' maturity dates.

Compensated Absences

Included in the long-term liabilities is the estimated obligation for employee compensated absences which has not become due, aggregating \$5,372,028 as of June 30, 2009.

The liability for compensated absences will be funded from the General Fund and the Enterprise Funds.

Bond Authorizations

Bonds authorized but unissued at June 30, 2009 are as follows:

General purpose	\$ 5,953,821
Schools	691,875
Sewers	<u>49,979,333</u>
Total	<u>\$ 56,625,029</u>

Capital Leases Obligations

Future minimum lease payments are as follows:

2010	\$ 3,546
Less amount representing interest	<u>(917)</u>
Total	<u>\$ 2,629</u>

Business-Type Activities Obligations

At June 30, 2009, long-term debt in the Enterprise Funds consists of the following:

General obligation sewer bonds with interest rates ranging from 3.2% to 12.75% and varying expiration dates ranging from 2010 to 2020	\$ 270,000
Emergency Management Facility bonds with interest rates ranging from 3.5% to 5.5% and varying expiration dates ranging from 2009 to 2028	2,005,886
Clean Water Fund notes, due in varying installments, plus interest at 2%, through 2015	<u>3,095,052</u>
Total	<u>\$ 5,370,938</u>

The annual debt service requirements of the business-type activities are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 432,708	\$ 140,328	\$ 573,036
2011	439,543	128,318	567,861
2012	446,515	116,346	562,861
2013	453,627	104,469	558,096
2014	432,117	93,298	525,415
2015-2019	1,348,239	364,603	1,712,842
2020-2024	1,086,123	209,563	1,295,686
2025-2028	<u>732,066</u>	<u>44,861</u>	<u>776,927</u>
Total	<u>\$ 5,370,938</u>	<u>\$ 1,201,786</u>	<u>\$ 6,572,724</u>

Debt Limitation

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule (in thousands):

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 311,807	\$ 46,970	\$ 264,837
Schools	623,615	34,046	589,569
Sewers	519,679	47,770	471,909
Urban renewal	450,388		450,388
Pension deficit	415,743	60,310	355,433

The total overall statutory debt limit for the Town does not exceed the legal debt limitation that is equal to seven times annual receipts from taxation (\$970.0 million).

The Town is currently participating in capital projects under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” At the beginning of the year, the Town had \$32 million Clear Water Fund notes outstanding relating to the Waste Operating Fund. During the year, the Town received \$10 million additional funding. At June 30, 2009, the amount outstanding was \$41.6 million at an interest rate of 2%.

The Town also issued notes of \$5.7 million dated December 18, 2008 at an interest rate of 2.25%. These notes are reflected in the Capital Project Fund and mature on December 17, 2009.

8. NET ASSETS/FUND BALANCES

Reservations and Designations

Descriptions of the various reservations and designations of the Town’s fund equity accounts are as follows:

- Reserved for Encumbrances - to segregate a portion of fund balance for expenditure upon vendor performance.
- Reserved for Inventory - to segregate an amount equal to the inventory in the asset section of the balance sheet.

9. RISK MANAGEMENT

The Town is self-insured for workers’ compensation and heart and hypertension benefits. The Town recognizes a liability for workers’ compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review.

Changes in the liabilities for self-insured risks are as follows:

Fiscal Year	Claims Payable, July 1	Current Year Claims and Changes in Estimates	Payment Of Claims	Claims Payable, June 30
2009	\$ 6,564,000	\$ 23,171,738	\$ 24,059,738	\$ 5,676,000
2008	5,944,000	20,457,000	19,837,000	6,564,000

At June 30, 2009, \$180 thousand is expected to be paid from current resources recorded as an accrued liability on the fund financial statements, and approximately \$5.7 million is recorded as a noncurrent liability on the statement of net assets.

10. COMMITMENTS AND CONTINGENCIES

Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded in the government-wide financial statements \$600,000 to cover claims not covered by insurance.

Municipal Solid Waste Service Agreement

The Town has entered into a new municipal solid waste agreement, as amended (the Service Agreement) with the Connecticut Resources Recovery Authority (the Authority) pursuant to which it participates with 11 other Connecticut municipalities (the 12 constituting the Contracting Municipalities), in the Greater Bridgeport Resources Recovery System (the System). The new agreement took effect on January 1, 2009 and expires on June 30, 2014.

The key terms of this new Service Agreement include: The Town of Stratford is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 27,144 tons per year. The aggregate minimum commitment of all of the Contracting Municipalities is 265,000 tons per year.

The 2009 tipping fee is \$61.00 per ton and will be adjusted annually based on 75% of the increase in the consumer price index (CPI). Tipping fees adjustments will be applied as changes occur to the cost of diesel fuel, as environmental costs increase and as additional taxes are imposed. The 2009 CRRA (Authority) fee is \$2.00 per ton and will be adjusted annually based on the CPI.

Towns not delivering their guaranteed minimum tonnage shall share, as agreed to among the municipalities or proportionately, any lost tip fees resulting from the failure to deliver 90% of the aggregate guaranteed tonnage in any contract year. Towns delivering in excess of their guaranteed minimum shall share the cost of any excess waste disposal charges imposed upon delivery of more than 110% of the aggregate guaranteed tonnage in any one year. Adjustments to aggregate guaranteed tonnage may occur if reductions are realized through new recycling ventures.

11. OTHER POSTEMPLOYMENT BENEFITS

Post Employment Benefits

A. Plan Description

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand alone financial statements for the plan.

At July 1, 2007, plan membership consisted of the following:

Active members	1,258
Retired members	695
Spouses of retired members	<u>328</u>
Total Participants	<u><u>2,281</u></u>

B. Funding Policy

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2009, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. It is the Town's intention to open such a trust during the fiscal year ending June 30, 2010. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Hall

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after July 1, 1977, age 50, or 5 years of service and age 55.

Medical Benefits:

Retire prior to July 1, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1986 and prior to signing of 1987-1990 collective bargaining agreement -

Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire after signing of 1987-1990 collective bargaining agreement - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

Retire before September 1, 1999 - \$5,000 until age 65.

Retire after September 1, 1999 - \$25,000 until age 70, \$5,000 thereafter.

Police

Generally retirees and their dependents are covered after 25 years of service.

Medical Benefits:

Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

\$5,000 until age 65.

Firefighters

Generally retirees and their dependents are covered after 25 years of service.

Medical Benefits:

Retire prior to July 1, 1987 - Benevolent Society pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1987 and prior to July 1, 1989 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after July 1, 1989 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Public Works

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after July 1, 1985, age 50, or 5 years of service and age 55.

Medical Benefits:

Retire prior to July 1, 1985 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1985 and prior to July 1, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 1, 1986 and prior to July 1, 1987 - Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after July 1, 1987 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

\$5,000 until age 65.

Supervisors

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

Medical Benefits:

Retire prior to July 2, 1985 - Town pays 50% of the cost for the retiree and 50% of the cost for the dependents.

Retire after July 2, 1985 and prior to March 31, 1986 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Retire after April 1, 1986 and prior to September 4, 1987 - Town pays 75% of the cost for the retiree and 50% of the cost for the dependents.

Retire on or after September 4, 1987 - Town pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

Retire after August 2, 1985, \$5,000 until age 65.

BOE Custodians

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

Medical and Dental Benefits:

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

\$15,000.

BOE Nurses

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after July 1, 1977, age 50, or 5 years of service and age 55.

Medical and Dental Benefits:

Board pays 50% of the cost for the retiree only.

BOE Administrators

Generally and administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal retirement for administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Medical and Dental Benefits:

Board pays 50% of the cost for the retiree only.

BOE Paraprofessional/Cafeteria Workers

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

Medical and Dental Benefits:

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

\$7,000.

BOE Secretaries

Generally retirees and their dependents are covered after 23 years of continuous service by retiree and, if hired after April 1, 1985, age 50, or 5 years of service and age 55.

Medical and Dental Benefits:

Board pays 100% of the cost for the retiree and 50% of the cost for the dependents.

Life Insurance:

\$15,000.

BOE Teachers

Generally a teacher retiring under the Connecticut State Teachers Retirement System shall be eligible to receive benefits for self and spouse at the earliest age of 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Medical and Dental Benefits:

Board pays 50% of the cost for the retirees only.

Annual OPEB Cost and Net OPEB Obligations

The Town of Stratford's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 10,247,500
Interest on OPEB obligation	255,100
Adjustment to annual required contribution	<u>(203,000)</u>
Annual OPEB cost	10,299,600
Contributions made	<u>4,758,000</u>
Increase in net OPEB obligation	5,541,600
Net OPEB obligation, beginning of year	<u>4,128,200</u>
Net OPEB Obligation, End of Year	<u>\$ 9,669,800</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2009 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$ 10,299,600	\$ 4,758,000	46.2%	\$ 9,669,800
6/30/2008	8,783,000	4,654,800	53.0	4,128,200

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 the 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 accrual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (OAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ -0-	\$ 98,049,000	\$ 98,049,000	0.0 %	N/A	N/A

Projections for 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 benefit cost 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.

In the July 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.25% rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. This baseline rate of return is based on the long-term earnings potential of any investments set up in a trust to refund these benefits. If a trust is not established the actuarial accrued liability will increase in future years due to a lower rate of return. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after four years.

12. LANDFILL CLOSURE AND POSTCLOSURE MONITORING

State and federal laws and regulations require that the Town place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The estimated total current cost of the landfill closure and postclosure care, aggregating approximately \$5.25 million, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfills as of June 30, 2009. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through the issuance of general obligation bonds and state and federal grants.

13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Employee Defined Benefit Pension Plan

A. Plan Description

The Town is the administrator of a single-employer defined benefit public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town's financial reporting entity and is included in the Town's financial reports as the Defined Benefit Pension Trust Fund. Stand-alone plan reports are not available.

As of July 1, 2008, the date of the most recent actuarial valuation, membership consisted of the following:

Retirees and beneficiaries:	
Currently receiving benefits	576
Vested, benefits deferred	36
Current employees:	
Vested	268
Nonvested	104
	<hr/>
Total	984
	<hr/>

The Town covers all full-time salaried Town employees, noncertified employees of the Board of Education and all full-time uniformed and investigative employees classified as Police Officers and Firefighters. The Town provides all retirement, death and disability benefits through a single employer, contributory, defined benefit plan. Under the plan, all employees are eligible to join after their probationary period.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: Plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are funded with investment earnings of the plan.

Method Used to Value Investments: Investments are reported at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of Plan assets are also recognized at fiscal year end.

C. Funding Policy

The PERS is a contributory defined benefit plan. Participants in the State Teachers' Retirement System and officials elected by popular vote are excluded. Employees hired after age 45 are also excluded, but included in a separate defined contribution plan. Also, police and firefighters are included in a separate defined contribution annuity plan as well as the defined benefit plan.

Under the Town's defined benefit plan, all employees hired and working 20 hours or more per week are eligible. Employees are 100% vested after 10 years of service. The retirement benefit is calculated at 2.4% of average compensation during the 24 months immediately prior to retirement multiplied by up to 25 years of service. The calculation for service over 25 years varies by union contract. Employees are required to contribute 8% of their salaries to the defined benefit plan except for Police hired after 10/17/1996 who contribute 7%. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. The Town is required to contribute the remaining amounts necessary to finance the coverage for its employees. Benefits and contributions are established by the Town and may be amended only by the Town Council and Union negotiations.

D. Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation to the plan for the year ended June 30, 2009 were as follows:

Annual required contribution	\$ 5,622,712
Interest on net pension obligation	(1,205,788)
Adjustment to annual required contribution	<u>1,031,899</u>
Annual pension cost	5,448,823
Contributions made	<u>5,240,187</u>
Increase in net pension asset	208,636
Net Pension Asset, July 1, 2008	<u>(14,615,610)</u>
Net Pension Asset, June 30, 2009	\$ <u>(14,406,974)</u>

The following is a summary of certain significant actuarial assumptions and other Plan information:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Remaining amortization period	21 years
Asset valuation method	Fair value-smoothed
Investment rate of return	8.25% per annum
Retirement:	
Police	25 years of continuous service
Fire	25 years of continuous service
Board of Education and Supervisors	23 years of continuous service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
Para-Professionals	23 years of continuous service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
Public Works	23 years of continuous service and, if hired after 7/1/85, age 50, or 5 years of service and age 55.
Town Hall and Nurses	23 years of continuous service and, if hired after 7/1/77, age 50, or 5 years of service and age 55.
Mortality table	1994 Group Annuity Mortality Table
Salary increases	1.5% per annum
Inflation rate	2.5% per annum
Post-retirement benefit increases	0.0% per annum

E. Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/09	\$ 5,448,823	96.2%	\$ (14,406,974)
6/30/08	5,449,594	104.0	(14,615,610)
6/30/07	13,927,463	801.6	(14,395,272)

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/09	\$ 5,622,712	93.2%
6/30/08	5,646,579	100.4
6/30/07	12,435,843	897.8
6/30/06	11,651,536	41.5
6/30/05	10,535,184	40.0
6/30/04	8,710,077	32.0

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress (In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/07	\$ 136,090	\$ 208,935	\$ 72,845	65.1%	\$ 24,495	297.4%
7/1/06	11,053	204,337	193,284	5.4	24,882	537.0
7/1/05	15,502	195,581	180,079	8.0	26,482	680.0
7/1/04	20,649	191,851	171,202	10.8	24,130	709.5
7/1/03	23,498	181,840	158,342	13.0	24,931	635.0
7/1/02	29,566	167,557	137,991	17.6	24,469	559.3

Defined Contribution Pension Plan

The Town administers a defined contribution pension plan which was opened to new members and contributions beginning in 1999. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employees are vested after five years of service with the Town. Plan investments are reported at fair value. Benefits and contributions are established by the Town and may be amended by the Town Council and union negotiations.

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 60 and has accumulated 20 years of credited service in the public schools of Connecticut or has attained any age and has accumulated 35 years of credited service, at least 25 of which are service in the public schools of Connecticut. The financial statements of the Plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, Connecticut 06105.

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 Town 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 was 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 Town 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 \$7,187,392 for the year ended June 30, 2009. The contribution by the State has decreased significantly as a result of state issued pension obligation bonds to partially fund the plan in prior year.

TOWN OF STRATFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Property taxes:				
Current levy	\$ 135,889,984	\$ 135,889,984	\$ 136,470,989	\$ 581,005
Arrears	1,660,318	1,660,318	1,555,406	(104,912)
Interest and lien fees	987,000	987,000	1,103,085	116,085
Payments in lieu of taxes	221,906	221,906	184,810	(37,096)
Total property taxes	<u>138,759,208</u>	<u>138,759,208</u>	<u>139,314,290</u>	<u>555,082</u>
Intergovernmental revenues:				
State:				
Education equalization grant	20,495,602	20,495,602	20,525,480	29,878
School bond principal	733,011	733,011	766,212	33,201
School bond interest	188,875	188,875	164,280	(24,595)
Special education	1,551,145	1,551,145	1,691,577	140,432
Veterans' additional relief	174,159	174,159	74,923	(99,236)
Aid for the blind	59,600	59,600	13,284	(46,316)
In lieu of State property tax	313,197	313,197	315,235	2,038
Health and welfare	81,710	81,710	79,857	(1,853)
State disability exemption	9,006	9,006	9,368	362
Elderly exemption and circuit breaker	611,217	611,217	591,384	(19,833)
Elderly freeze	20,000	20,000	17,000	(3,000)
State transportation	672,907	672,907	645,696	(27,211)
State nonpublic transportation	77,547	77,547	83,350	5,803
State telephone 86-178	256,917	256,917	213,875	(43,042)
In lieu of boat tax	49,700	49,700	49,670	(30)
Manufacturing pilot grant	2,529,270	2,529,270	2,558,827	29,557
Airplane registration	40,990	40,990	51,030	10,040
Mashantucket grant	253,550	253,550	245,445	(8,105)
Total state	<u>28,118,403</u>	<u>28,118,403</u>	<u>28,096,493</u>	<u>(21,910)</u>
Federal:				
Civil preparedness	15,500	15,500	9,758	(5,742)
Federal grants	100,000	100,000		(100,000)
Total federal	<u>115,500</u>	<u>115,500</u>	<u>9,758</u>	<u>(105,742)</u>
Total intergovernmental revenues	<u>28,233,903</u>	<u>28,233,903</u>	<u>28,106,251</u>	<u>(127,652)</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Departmental revenues:				
Town Clerk	\$ 1,064,450	\$ 1,064,450	\$ 667,610	\$ (396,840)
Police Department	104,000	104,000	69,367	(34,633)
Planning and Zoning	55,250	55,250	60,319	5,069
Health Department	191,875	191,875	249,397	57,522
Education	101,000	101,000	102,553	1,553
Public Works	23,000	23,000	10,355	(12,645)
Finance	45,000	45,000	141,956	96,956
Recreation	216,500	216,500	234,744	18,244
Sanitation	245,000	245,000	259,418	14,418
Inland Wetlands	7,500	7,500	23,696	16,196
Baldwin Center	7,000	7,000	10,619	3,619
Total departmental revenues	<u>2,060,575</u>	<u>2,060,575</u>	<u>1,830,034</u>	<u>(230,541)</u>
Licenses and permits:				
Building permits	385,000	385,000	318,733	(66,267)
Boothe Memorial Park income	36,000	36,000	37,439	1,439
Building education training fee	1,400	1,400	385	(1,015)
Public Works licenses	3,000	3,000	1,150	(1,850)
Street and sewer permits	30,000	30,000	20,400	(9,600)
Total licenses and permits	<u>455,400</u>	<u>455,400</u>	<u>378,107</u>	<u>(77,293)</u>
Investment income	<u>931,235</u>	<u>931,235</u>	<u>1,181,254</u>	<u>250,019</u>
Other:				
Miscellaneous rental:				
Cell tower rentals	61,884	61,884	82,989	21,105
Other Baldwin rental	5,500	5,500	5,805	305
Medicare reimbursement	80,000	80,000	89,374	9,374
Health reimbursements	1,597,224	1,597,224	1,874,433	277,209
Social Security reimbursements	331,854	331,854	340,591	8,737
Fire and liability reimbursements	209,256	209,256	216,260	7,004
Fire administration miscellaneous revenue	3,000	3,000	10,249	7,249
Medical examination reimbursements	26,000	26,000	24,551	(1,449)
Workers' compensation reimbursement	275,000	275,000	169,025	(105,975)
Workers' compensation recovery	15,000	15,000	43,328	28,328
Library refunds and reimbursements			10,570	10,570

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other (continued):				
Insurance recovery	\$ 8,000	\$ 8,000	\$ 3,535	\$ (4,465)
Historic Commission fees	350	350	71	(279)
Capital Improvement Earnings	414,375	414,375	711,497	297,122
Donation			500	500
Plan forfeits	300	300	8,175	7,875
Police special duty - administration	60,000	60,000	64,188	4,188
Police special duty - reimbursement			917,892	917,892
Miscellaneous			16,770	16,770
Boothe Estates	65,700	65,700	64,020	(1,680)
Total other	<u>3,153,443</u>	<u>3,153,443</u>	<u>4,653,823</u>	<u>1,500,380</u>
Total revenues	173,593,764	173,593,764	175,463,759	1,869,995
Other financing sources:				
Transfers in	<u>688,271</u>	<u>688,271</u>	<u>688,271</u>	<u>-</u>
Total	<u>\$ 174,282,035</u>	<u>\$ 174,282,035</u>	176,152,030	<u>\$ 1,869,995</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted

7,187,392

Total Revenues and Other Financing Sources as Reported on the Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds - Exhibit IV

\$ 183,339,422

TOWN OF STRATFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration:				
Council Clerk	\$ 57,724	\$ 57,724	\$ 87,600	\$ (29,876)
Office of the Mayor	253,129	253,129	285,657	(32,528)
Human resources	379,698	379,698	492,209	(112,511)
Town Attorney	1,014,798	1,014,798	1,498,544	(483,746)
Chief Administrative Officer	231,319	231,319	209,951	21,368
Department of Planning	312,206	312,206	332,395	(20,189)
Registrar of Voters	201,569	201,569	176,915	24,654
Town Clerk	381,720	381,720	328,919	52,801
Town buildings	629,360	629,360	686,091	(56,731)
Agencies	207,024	207,024	220,971	(13,947)
Total	<u>3,668,547</u>	<u>3,668,547</u>	<u>4,319,252</u>	<u>(650,705)</u>
Contingency	<u>3,247,828</u>	<u>3,247,828</u>	<u>2,137,492</u>	<u>1,110,336</u>
Employee benefits	<u>28,049,725</u>	<u>28,049,725</u>	<u>28,008,906</u>	<u>40,819</u>
Finance:				
Administration	153,120	153,120	170,111	(16,991)
Accounting	354,676	354,676	400,465	(45,789)
Data processing	369,495	369,495	381,310	(11,815)
Purchasing	135,135	135,135	137,633	(2,498)
Tax Assessor	449,702	449,702	429,806	19,896
Tax Collector	481,668	481,668	449,912	31,756
Total	<u>1,943,796</u>	<u>1,943,796</u>	<u>1,969,237</u>	<u>(25,441)</u>
Human development:				
Community services	191,677	191,677	188,000	3,677
Economic Community Development	129,610	129,610	133,074	(3,464)
Health Department	585,868	585,868	608,194	(22,326)
Recreation Department	679,474	679,474	696,371	(16,897)
Senior Services	599,054	599,054	611,180	(12,126)
Sterling House	114,885	114,885	114,885	-
Stratford Library Association	2,790,455	2,790,455	2,788,901	1,554
Visiting Nurses Association	53,500	53,500	53,500	-
Short Beach	145,902	145,902	138,340	7,562
Total	<u>5,290,425</u>	<u>5,290,425</u>	<u>5,332,445</u>	<u>(42,020)</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Physical development:				
Public works:				
Administration	\$ 926,837	\$ 926,837	\$ 1,367,862	\$ (441,025)
Building inspection	199,976	199,976	206,844	(6,868)
Building maintenance	1,171,663	1,171,664	1,210,306	(38,642)
Engineering	563,487	563,487	568,638	(5,151)
Parks	2,079,489	2,079,488	2,127,129	(47,641)
Highways	2,449,524	2,449,524	2,853,589	(404,065)
Town garage	717,256	717,256	715,419	1,837
Sanitation/refuse	4,270,565	4,270,565	4,142,617	127,948
Total	<u>12,378,797</u>	<u>12,378,797</u>	<u>13,192,404</u>	<u>(813,607)</u>
Public safety:				
Fire Department:				
Administration	851,150	884,150	921,406	(37,256)
Firefighting	8,631,607	8,598,607	9,352,680	(754,073)
Fire prevention	286,075	286,075	304,609	(18,534)
Police Department:				
Administration	945,741	1,158,841	1,127,482	31,359
Investigation	1,622,572	1,576,472	1,529,749	46,723
Patrol	5,520,210	5,528,210	6,229,691	(701,481)
Records	281,397	281,397	263,243	18,154
Traffic	948,095	773,095	805,957	(32,862)
Professional Standards	578,031	578,031	566,459	11,572
Communications center	705,913	705,913	678,302	27,611
Total	<u>20,370,791</u>	<u>20,370,791</u>	<u>21,779,578</u>	<u>(1,408,787)</u>
Board of Education	<u>87,286,707</u>	<u>87,286,707</u>	<u>87,274,406</u>	<u>12,301</u>
Debt service:				
Bonds payable:				
Principal retirement	6,440,886	6,440,886	6,440,886	-
Interest	<u>3,377,629</u>	<u>3,377,629</u>	<u>3,377,629</u>	-
Total	<u>9,818,515</u>	<u>9,818,515</u>	<u>9,818,515</u>	-
Total expenditures	<u>172,055,131</u>	<u>172,055,131</u>	<u>173,832,235</u>	<u>(1,777,104)</u>
Other financing uses:				
Transfers out	<u>2,218,904</u>	<u>2,218,904</u>	<u>2,101,904</u>	<u>117,000</u>
Total	<u>\$ 174,274,035</u>	<u>\$ 174,274,035</u>	<u>175,934,139</u>	<u>\$ (1,660,104)</u>

(Continued on next page)

TOWN OF STRATFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			\$ 7,187,392	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			<u>1,105,286</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>184,226,817</u>	

APPENDIX B-FORM OF OPINION OF BOND COUNSEL - THE BONDS

ROBINSON & COE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

April __, 2010

Town of Stratford,
Stratford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Stratford, Connecticut (the "Town"), a Tax Regulatory Agreement of the Town, dated April 15, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$10,385,000 Town of Stratford, Connecticut General Obligation Bonds, Issue of 2010, Series A, dated April 15, 2010 (the "Bonds"), maturing on April 15 in each of the years, in the principal amounts and bearing interest payable on October 15, 2010 and semiannually thereafter on April 15 and October 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2011	\$520,000		2021	\$520,000	
2012	520,000		2022	520,000	
2013	520,000		2023	520,000	
2014	520,000		2024	520,000	
2015	520,000		2025	520,000	
2016	520,000		2026	520,000	
2017	520,000		2027	520,000	
2018	520,000		2028	520,000	
2019	520,000		2029	520,000	
2020	520,000		2030	505,000	

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of March and September in each year, by check mailed to such registered owner at his address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town 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 Town 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 Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town 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) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

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

Very truly yours,

ROBINSON & COLE LLP

ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

April __, 2010

Town of Stratford,
Stratford, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Stratford, Connecticut (the "Town"), a Tax Regulatory Agreement of the Town, dated April 15, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$3,800,000 Town of Stratford, Connecticut General Obligation Bond Anticipation Notes, Issue of 2010, dated April 15, 2010 and maturing December 15, 2010, consisting of Note R-__ in the aggregate principal amount of \$____,000, bearing interest at the rate of ____% per annum, Note R-__ in the aggregate principal amount of \$____,000, bearing interest at the rate of ____% per annum, and Note R-__ in the aggregate principal amount of \$____,000, bearing interest at the rate of ____% per annum, with principal and interest payable at maturity (the "Notes"). The Notes are not subject to redemption prior to maturity.

The Notes 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 Notes. So long as DTC or its nominee is the registered owner, principal and interest payments on the Notes 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 Notes, 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 Notes under authority of the Constitution and General Statutes of Connecticut and that the Notes are a valid general obligation of the Town 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 Town 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 Town.

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

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town 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 Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Notes.

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

Very truly yours,

ROBINSON & COLE LLP

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE BONDS

**FORM OF CONTINUING DISCLOSURE AGREEMENT
CONTINUING DISCLOSURE AGREEMENT**

Town of Stratford, Connecticut
\$10,385,000 General Obligation Bonds, Issue of 2010, Series A
dated April 15, 2010

April __, 2010

WHEREAS, the Town of Stratford, Connecticut (the "Town") has heretofore authorized the issuance of \$10,385,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2010, Series A, dated April 15, 2010 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the Town's Official Statement dated April 8, 2010 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated April 1, 2010 (the "Notice of Sale"); and

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

WHEREAS, the Town 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 Town 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 Town 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 Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

"Fiscal Year End" shall mean the last day of the Town'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 Town 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 Town:

(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 Town per capita;

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

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

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

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town'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 Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town 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 Town agrees that any such modification will be done in a manner consistent with the Rule. The Town 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 Town 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 Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town 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 Town 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 Town 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 Town 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 Town'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 Town 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 Town 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 Town, 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 Town 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 Town 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 Town 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 Town 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 Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town 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 Town shall fail to perform its duties hereunder, the Town 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 Town 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 Town'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 Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town 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.

TOWN OF STRATFORD, CONNECTICUT

By:
Name: John A. Harkins
Title: Mayor

By:
Name: Susan Collier
Title: Acting Director of Finance

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE NOTES

FORM OF CONTINUING DISCLOSURE AGREEMENT CONTINUING DISCLOSURE AGREEMENT

Town of Stratford, Connecticut
\$3,800,000 General Obligation Bond Anticipation Notes, Issue of 2010
dated April 15, 2010

April __, 2010

WHEREAS, the Town of Stratford, Connecticut (the "Town") has heretofore authorized the issuance of \$3,800,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, Issue of 2010, dated April 15, 2010 (the "Notes"), and to mature on the dates and in the amounts and set forth in the Town's Official Statement dated April 8, 2010, describing the Notes (the "Official Statement"); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated April 1, 2010 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Notes 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 Town desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Town 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 Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the Town in connection with the issuance of the Notes and to be described in the Official Statement, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, the Town 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:

"Listed Events" shall mean any of the events listed in Section 2 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. Event Notices. The Town 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 3. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Town 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 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town 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 Town, 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 Notes 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 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The Town 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 Town under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The Town 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 Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town'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 Town with respect to the Notes.

IN WITNESS WHEREOF, the Town 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.

TOWN OF STRATFORD, CONNECTICUT

By:
Name: John A. Harkins
Title: Mayor

By:
Name: Susan Collier
Title: Acting Director of Finance

APPENDIX F – NOTICE OF SALE AND BID PROPOSAL - THE BONDS

**NOTICE OF SALE
\$10,385,000
TOWN OF STRATFORD, CONNECTICUT**

GENERAL OBLIGATION BONDS, ISSUE OF 2010, SERIES A

Sealed proposals and electronic bids (as described herein) will be received by the **TOWN OF STRATFORD**, Connecticut (the “Town”), until 11:30 A.M. (E.D.T.) Thursday,

APRIL 8, 2010

for the purchase of all, but not less than all, of the \$10,385,000 Town of Stratford, Connecticut General Obligation Bonds, Issue of 2010, Series A (the “Bonds”). Sealed proposals will be received at the Office of the Director of Finance, Town of Stratford, Town Hall, 2725 Main Street, Stratford, Connecticut 06615. (See “Sealed Proposal Procedures”). Electronic bids must be submitted via **PARITY**® (See “Electronic Bidding Procedures”).

The Bonds

The Bonds will be dated April 15, 2010, mature in principal amounts of \$520,000 on April 15 in each of the years 2011-2029, both inclusive, and \$505,000 on April 15, 2030, bear interest payable on October 15, 2010 and semiannually thereafter on April 15 and October 15 in each year until maturity, or earlier redemption, as further described in the Preliminary Official Statement dated April 1, 2010 (the “Preliminary Official Statement”).

The Bonds maturing on or before April 15, 2015 are not subject to redemption prior to maturity. The Bonds maturing on April 15, 2016 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after April 15, 2015, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

Redemption Date Redemption Price

April 15, 2015 and thereafter..... 100%

Nature of Obligation

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

Bank Qualification

The Bonds SHALL be designated by the Town 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.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

A winning bidder may request that the Bonds be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. A winning bidder seeking the issuance of the Bonds in this manner shall bear any and all costs of any re-registration or transfer of Bonds from time to time. Any bidder seeking to have the Bonds issued in the form of a fully registered physical certificate, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of its bid. The Town reserves the right to decline any request to issue the Bonds in non-book-entry form, if it should determine, in its sole discretion, that issuing the Bonds in this manner is not in its best interests.

Electronic Bidding Procedures

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

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

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

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

Sealed Proposal Procedures

Bids will be accepted in written form on the form of Proposal for Bonds at the place and time indicated above. Bids must be enclosed in sealed envelopes marked "Proposal for Bonds" and addressed to Ms. Susan Collier, Acting Director of Finance, Town of Stratford, Town Hall, Office of the Director of Finance, 2725 Main Street, Stratford, Connecticut 06615.

Bid Specifications/Basis of Award

Each bid must be for the entire \$10,385,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state (a) more than one interest rate for any Bonds having the same maturity date, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest will be considered.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to April 15, 2010, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to April 15, 2010, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.D.T.) on April 8, 2010. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, (i) under existing statutes and court decisions interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax 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, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut, and will be available for examination upon request.

Settlement of the Bonds

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

The Bonds will be available for delivery on or about April 15, 2010. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the Town's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town's financial advisor. If the Town's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from William N. Lindsay, Independent Bond & Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (203) 245-9603.

JOHN A. HARKINS
Mayor

SUSAN COLLIER
Acting Director of Finance

April 1, 2010

(See attached for form of Proposal for Bonds)

PROPOSAL FOR BONDS

April __, 2010

JOHN A. HARKINS, Mayor
 SUSAN COLLIER, Acting Director of Finance
 Town of Stratford
 Town Hall, Office of the Director of Finance
 2725 Main Street
 Stratford, Connecticut 06615

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated April 1, 2010, which Notice of Sale is made a part of this proposal, we offer to purchase all \$10,385,000 Town of Stratford, Connecticut General Obligation Bonds, Issue of 2010, Series A, comprising the issue described in said Notice of Sale and to pay therefor par and accrued interest to date of delivery, plus a premium of \$_____, provided that the bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
April 15, 2011	\$520,000	_____%	April 15, 2021	\$520,000	_____%
April 15, 2012	520,000	_____	April 15, 2022	520,000	_____
April 15, 2013	520,000	_____	April 15, 2023	520,000	_____
April 15, 2014	520,000	_____	April 15, 2024	520,000	_____
April 15, 2015	520,000	_____	April 15, 2025	520,000	_____
April 15, 2016	520,000	_____	April 15, 2026	520,000	_____
April 15, 2017	520,000	_____	April 15, 2027	520,000	_____
April 15, 2018	520,000	_____	April 15, 2028	520,000	_____
April 15, 2019	520,000	_____	April 15, 2029	520,000	_____
April 15, 2020	520,000	_____	April, 15, 2030	505,000	_____

Name of Bidder: _____

Mailing Address: _____

Authorized Signature: _____

Telephone Number: _____

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of \$10,385,000 bonds under the foregoing proposal:

Percent True Interest Cost _____%
 (Six Decimals)

APPENDIX G – NOTICE OF SALE AND BID PROPOSAL - THE NOTES

NOTICE OF SALE \$3,800,000 TOWN OF STRATFORD, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES, ISSUE OF 2010

Sealed proposals and electronic bids (as described herein) will be received by the **TOWN OF STRATFORD, CONNECTICUT** (the “Town”) until 11:00 A.M. (E.D.T.) Thursday,

APRIL 8, 2010

for the purchase of \$3,800,000 Town of Stratford, Connecticut General Obligation Bond Anticipation Notes, Issue of 2010 (the “Notes”). Sealed proposals will be received at the Office of the Director of Finance, Town of Stratford, Town Hall, 2725 Main Street, Stratford, Connecticut 06615. (See “Sealed Proposal Procedures”). Electronic bids must be submitted via **PARITY**® (See “Electronic Bidding Procedures”).

The Notes

The Notes will be dated April 15, 2010 and will be payable to the registered owner on December 15, 2010, as further described in the Preliminary Official Statement dated April 1, 2010 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/1000 of 1% per annum.

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Notes when due. The Notes will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Notes SHALL be designated by the Town 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 Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder(s), as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

A winning bidder may request that the Notes be issued in the form of a fully registered physical certificate, rather than in book-entry form through the facilities of DTC. A winning bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of a fully registered physical certificate, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of its bid. The Town reserves the right to decline any request to issue the Notes in non book-entry form, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

Electronic Bidding Procedures

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

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

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

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

Sealed Proposal Procedures

Bids will be accepted in written form on the form of Proposal for Notes at the place and time indicated above. Bids must be enclosed in sealed envelopes marked "Proposal for Notes" and addressed to Ms. Susan Collier, Acting Director of Finance, Town of Stratford, Town Hall, Office of the Director of Finance, 2725 Main Street, Stratford, Connecticut 06615.

Bid Specifications/Basis of Award

Proposals for the purchase of the Notes must be in the form of the Proposal for Notes attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the Town, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Town reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

Closing Documents and Legal Opinion

The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder(s) will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, (i) under existing statutes and court decisions interest on the Notes is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax 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, (iii) under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Notes, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement.

Settlement of the Notes

It shall be the responsibility of the winning bidder(s) to certify to the Town before the delivery of the Notes the price or prices at which a substantial amount of the Notes were initially offered and sold to the public.

The Notes will be available for delivery on or about April 15, 2010. The deposit of the Notes with DTC, or its custodian, under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder(s) to obtain CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder(s) to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). Each winning bidder will be furnished 15 copies of the final Official Statement prepared for the Notes at the Town’s expense. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder(s) no later than seven business days after the bid opening at the office of the Town’s financial advisor. If the Town’s financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices and the name(s) of the winning bidder(s) for the Notes.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide timely notice of the occurrence of certain material events with respect to the Notes. The winning bidder’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Related Information

For more information regarding the Notes and the Town, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from William N. Lindsay, Independent Bond & Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (203) 245-9603.

JOHN A. HARKINS
Mayor

SUSAN COLLIER
Acting Director of Finance

April 1, 2010

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

April ____ 2010

JOHN A. HARKINS, Mayor
SUSAN COLLIER, Acting Director of Finance
Town of Stratford
Town Hall, Office of the Director of Finance
2725 Main Street
Stratford, CT 06615

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated April 1, 2010, which Notice is made a part of this proposal, we offer to purchase the principal amount of the \$3,800,000 Town of Stratford, Connecticut General Obligation Bond Anticipation Notes, Issue of 2010, specified below at the stated interest rate (provided not less than \$100,000 aggregate principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$3,800,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, rounded to six decimal places, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ % (Six Decimals)	Net Interest Cost	_____ % (Six Decimals)
Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ % (Six Decimals)	Net Interest Cost	_____ % (Six Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of the Notes in Federal funds on the date of delivery of the Notes or as soon thereafter (but not later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the Town.

Name of Bidder: _____

Mailing Address: _____

Authorized Signature: _____

Telephone Number: _____