

McGladrey & Pullen

Certified Public Accountants

STAMFORD WATER POLLUTION CONTROL AUTHORITY

An Enterprise Fund of the City of Stamford, Connecticut

FINANCIAL REPORT

June 30, 2009

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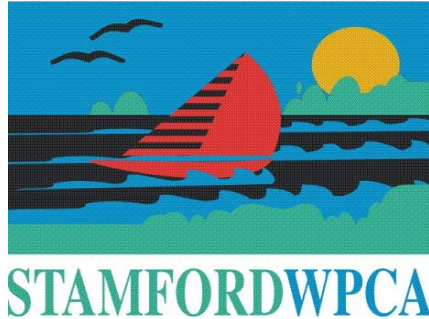
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Introductory Section

Jeanette A. Brown, P.E., DEE
Executive Director
Email: jbrown@ci.stamford.ct.us



Ben Barnes, Chairman
Email: bbarnes@ci.stamford.ct.us

November 23, 2009

To: Mayor Dannel P. Malloy
Board of Finance
Board of Representatives
WPCA Board
Citizens of Stamford

The audited financial statement of the Stamford Water Pollution Control Authority (WPCA) is being published for the fiscal year ending June 30, 2009 in compliance with Connecticut State law.

The WPCA management assumes full responsibility for the completeness and reliability of the information contained in the report based upon a comprehensive frame work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP, Certified Public Accountants have issued an unqualified opinion on the Stamford WPCA financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should b read in conjunction with it.

The WPCA has continued to undertake significant changes in financial and operational policies in order to strengthen our organization as it faces challenges presented by Stamford's growth. These changes have been the institution of policies and procedures associated with billing and financial management and adding dedicated financial staff time. These changes along with other changes in the next fiscal year will ensure

Stamford WPCA, One Harbor View Ave., Stamford, CT 06902

that the WPCA can meet all requirements set by State and Federal regulations and meet the future needs of the City of Stamford.

The Stamford Water Pollution Control Authority

Ordinance No. 803 established the Stamford Water Pollution Control Authority (SWPCA) on November 28, 1996. Prior to that date, wastewater collection and treatment was performed as a function under the Office of Operations. The SWPCA was established pursuant to Chapter 103, Sections 7-245 through 7-273 A inclusive of the Connecticut General Statutes Revision of 1958 as amended. The purpose for which the Authority was created is to operate the Water Pollution Control Facility ("treatment plant"), sanitary sewer system, sanitary pumping stations and Hurricane Barrier pumping stations for the City of Stamford, to use, equip, re-equip, repair, maintain, supervise, manage, operate and perform any act pertinent to the collection, transportation, treatment and disposal of sewage. Wastewater is treated through the processes installed during the upgrade and expansion project which was completed in December 2005. The plant has a capacity of 24 million gallon per day (MGD). Currently the average annual flow is about 18 MGD. There is excess capacity for the growth that is currently occurring in Stamford.

In addition, the SWPCA is also responsible for the City-wide stormwater program. This program consists of monitoring, reporting, and other compliance requirements of the SW4 (NPDES Phase 1 Stormwater Permit). A separate cost center has been established for this program in the SWPCA budget. Additionally the SWPCA is managing water quality restoration projects for the Rippowam and Noroton Rivers.

Service Area

The service area includes residential, commercial, government and non-profit customers in Stamford and Darien. The Town of Darien pumps wastewater to the east side of Stamford where the wastewater is then conveyed through the SWPCA collection system to the treatment plant. The Interlocal Agreement between SWPCA and the Town of Darien provides a formula for compensation to the SWPCA for operation and maintenance and for capital improvements. This formula is based on the ratio of Darien's flow to the total flow entering the treatment plant and is currently 13.3 %. The Town of Darien is solely responsible for the operation and maintenance of all of their pumping stations and collection system and all border crossings. All capital improvements to the treatment plant, pumping stations or sewers that treat or convey wastewater from Darien are paid using that same 13.3 % ratio. The Town bills the ratepayers in Darien annually, typically in October. The SWPCA bills the town of Darien in September of every year. The bill is based on all operating and maintenance costs and on the capital cost and any adjustments to the previous bill. The Town of Darien is allowed to pay the bill in 12 monthly installments.

The service area boundaries for Stamford are the Merritt Parkway to the north, the Noroton River on the east and Old Greenwich on the west bound. The service area boundaries for the Town of Darien are the City of Norwalk on the east and the Merritt Parkway on the north.

Physical Assets

The physical assets of the SWPCA include 22 wastewater-pumping stations, about 300 miles of sanitary sewer, three stormwater pumping stations and the wastewater treatment plant. The wastewater pumping stations range in size from 100,000 gallons per day to 5 million gallons per day. There is a capital improvement program in place for both the sanitary sewer system and pumping stations.

Management and Organization

The SWPCA Board of Directors is made up of ten members, nine of which are voting members. By ordinance, the Board includes the Director of Operations, Director of Administration, Director of Legal Affairs, President of the Board of Representatives or designee, Chairman of the Board of Finance or Designee, and five at-large members; one of which must be a financial professional and the other an engineer. The members of the Board are:

Ben Barnes, Chair, Director of Operations
Sandra Dennies, Vice-chair Director of Administration
Thomas Cassone, Director of Legal Affairs
John Bocuzzi, Board of Representatives
Mary Lou Rinaldi, Board of Finance
Alan Barnet (Financial)
Donald Huppert
Louis Casale
Tim Curtin
Engineer position vacant due to resignation

The Mayor with approval of the Board of Representatives appoints the Directors of Operations, Administration and Legal Affairs. The Board of Finance and the Board of Representatives SWPCA Board members are elected in citywide elections. The five at-large members are recommended by either the Democratic or Republican City Committee, interviewed by the Mayor who then recommends their appointment to the Board of Representatives for their approval. Each of the at-large members is appointed for three-year terms. There are no term limits so they can serve multiple terms.

Jeanette Brown is the Executive Director of the WPCA. She is a Registered Professional Engineer in Connecticut, a Board Certified Environmental Engineer and a Diplomat of Water Resources Engineering. Director Brown received the American Academy of Environmental Engineers Cleary Award in May 2008 which is given to an individual who is an outstanding performer in the management of environmental protection enterprises conducted under either public or private auspices who has demonstrated exemplary professional conduct, personal leadership, originality in devising new environmental protection techniques and sensitivity and responsiveness to social, economic, and political factors in environmental protection. She was also elected Vice-President of the Water Environment Federation, which is an international organization of environmental professionals.

Under her leadership, the wastewater treatment plant was upgraded to a state of the art nitrogen removal facility. This \$105 million project was completed on time and on budget and has been used as a model nationally. In early 2008, the WPCA completed a solids drying and pelletizing project which is Phase I of the waste to energy project developed by Director Brown. The waste to energy project has received over \$3 million in grant money since 2006 and received an additional \$1.9 million in 2009.

Rates and Charges

The SWPCA, through its Board of Directors (the "Board"), is responsible for setting and imposing sewer user rates and charges for the all customers in the service area. The Board requires that rates be maintained at levels sufficient to pay operating and maintenance expenses of the collection and treatment system, to pay debt service on bonds and provide for reserves.

Capital Improvement Program

The SWPCA manages several capital projects. The projects are categorized as engineering studies, engineering design, building and equipment replacement or upgrades and sewer repair or extensions. Current major projects include Intervale Sewer Extension, Mill River Stormwater Management, Holly Pond Sediment Project, and Waste to Energy Project.

Respectfully Submitted,

A handwritten signature in black ink that reads "Jeanette A. Brown". The signature is written in a cursive style with a large initial "J".

Jeanette A. Brown, PE, DEE, D.WRE, F.ASCE
Executive Director

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the City of Stamford
Board of Finance
Stamford Water Pollution Control Authority
Stamford, Connecticut

We have audited the accompanying financial statements of the Stamford Water Pollution Control Authority (SWPCA), an enterprise fund of the City of Stamford, Connecticut, as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of the SWPCA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Stamford WPCA fund and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut as of June 30, 2009, and the changes in its financial position and its cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stamford Water Pollution Control Authority as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis is not a required part of the basic financial statements. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SWPCA's basic financial statements. The introductory section, budgetary detail, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
November 23, 2009

Stamford Water Pollution Control Authority Management's Discussion and Analysis June 30, 2009

Our discussion and analysis of the Stamford Water Pollution Control Authority (WPCA) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

Financial Highlights

- ◆ The WPCA's net assets decreased by \$2.7 million or 4.6% from last fiscal year. The assets of the Stamford Water Pollution Control Authority exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$55.7 million. Net assets decreased primarily due to a transfer of storm sewer assets to the City of Stamford from the WPCA (\$1.6 million). If we exclude the capital asset transfer, then net assets decreased by \$1.1 million from FY 2008 to FY 2009.
- ◆ The WPCA experienced operating income of \$1,095,242 for FY 2009 as compared with FY 2008 operating income of \$511,487, an increase of 100%. Operating revenues were \$18.6 million while offsetting operating expenses were \$17.5 million.
- ◆ The WPCA's bonds and notes payable balances decreased by \$6 million to \$108 million, primarily due to principal repayments and savings related to a City refunding of general obligation bonds and WPCA's associated projects. The WPCA did not issue any new revenue bonds this year to finance its capital projects.
- ◆ The WPCA's capital assets decreased by about \$6.8 million. Depreciation expense exceeded capital asset additions for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Stamford Water Pollution Control Authority's financial statements which are comprised of: 1) basic financial statements including a Statement of Net Assets; a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows, 2) notes to the financial statements and 3) a Schedule of Revenues and Expenditures on a Budgetary Basis. The statistical section provides trend comparisons of selected financial and non-financial information over a number of years.

WPCA Financial Statements

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

Statement of Net Assets. The Statement of Net Assets presents information on all of the WPCA's assets and liabilities, with the difference reported as net assets. One of the most important questions asked about the WPCA's finances is: "As a result of this year's activities, is the WPCA better or worse than the previous year?" One can think of the WPCA's net assets – the difference between assets and liabilities – as one way to measure the WPCA's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the WPCA is improving or deteriorating. However, other non-financial factors will need to be considered as well, including changes in the WPCA customer base and the condition of the WPCA plant facilities, to assess the overall health of the WPCA.

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

Statement of Cash Flows. The Statement of Cash Flows presents information on where cash comes from and how it is used. The Statement of Cash Flows is important because it helps to determine if the WPCA has met its cash needs during the year and how it met them. It is important to understand financial activity measured on the accrual basis (Statement of Revenues, Expenses and Changes in Net Assets) of accounting as well as on a cash basis of accounting.

The financial statements (Statement of Net Assets, Statement of Revenue, Expenses and Changes in Net Assets and the Statement of Cash Flows) can be found on pages 14-16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-26 of this report.

Budgetary Information. The City of Stamford adopts an annual expenditure and revenue budget for its WPCA fund. Budgetary comparison statements have been provided to demonstrate compliance with the authorized budget and can be found on pages 27-28.

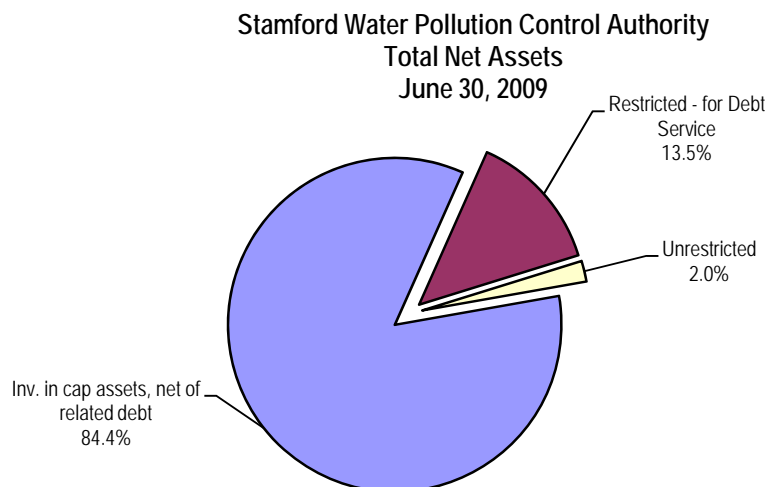
Financial Analysis

Net Assets

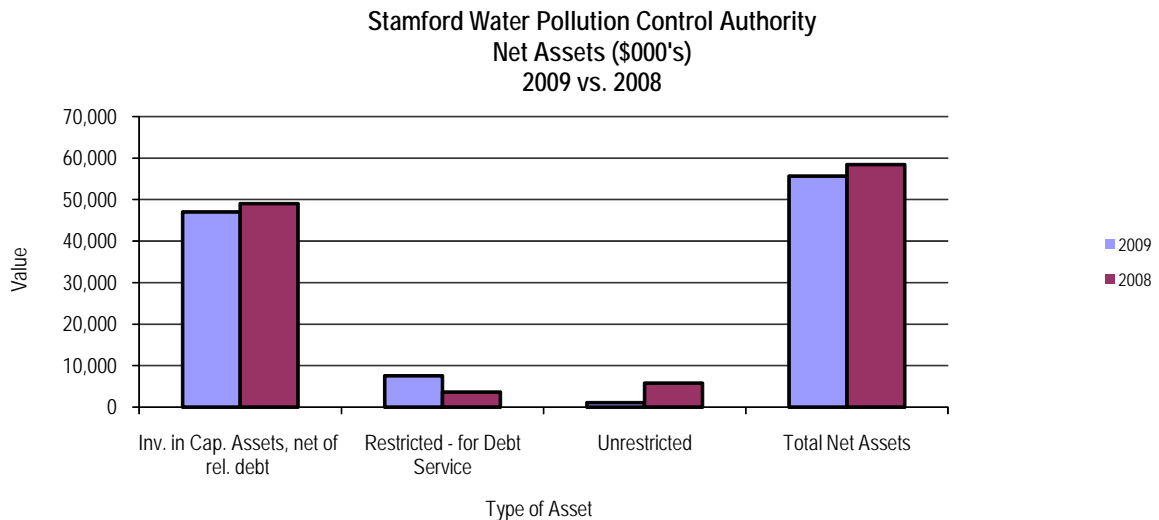
As noted earlier, net assets may serve over time as a useful indicator of financial position and an important determinant of its ability to finance services in the future. The WPCA's assets exceeded liabilities by \$55.7 million at June 30, 2009. This is a decrease of \$2.7 million from the previous year. Most of this decrease (\$1.6 million) is due to the return of a capital asset contribution made by the City of Stamford in FY 2007/2008. If we exclude this, then the net assets of the WPCA decreased by \$1 million between FY 2008 and FY 2009.

Stamford Water Pollution Control Authority Net Assets (\$000's)

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Current (Cash & A/R)	\$ 4,620	\$ 7,744
Restricted Cash Assets	7,540	3,672
Noncurrent (special assessments)	4,707	4,523
Capital Assets (net of depreciation)	<u>155,133</u>	<u>161,964</u>
Total assets	<u>172,000</u>	<u>177,903</u>
Current liabilities	13,955	11,397
Long-term liabilities outstanding	<u>102,357</u>	<u>108,086</u>
Total liabilities	<u>116,312</u>	<u>119,483</u>
Net Assets:		
Inv. in cap assets, net of related debt	47,027	48,992
Restricted - for Debt Service	7,540	3,672
Unrestricted	<u>1,121</u>	<u>5,756</u>
Total Net Assets	<u>\$ 55,688</u>	<u>\$ 58,420</u>



One measure of liquidity is the current ratio (current assets ÷ current liabilities) and it helps us determine if, over the next year, the WPCA will have enough cash or readily liquidated assets on hand to finance the bills that come due. The WPCA's current ratio is 0.33, meaning the WPCA doesn't have enough cash in the short term to fund its current liabilities. It is typical that until the next billing cycle and connection period (October 2009), the WPCA will "borrow" money from the City of Stamford to pay its bills. Under a long standing pooled cash arrangement, the WPCA pays the City interest to cover its short-term cash flow needs. Until the issuance of a new bond, the City will advance the necessary funds to the WPCA to cover their operating and capital cash requirements.



Net Assets – Invested in Capital Assets (Net of Related Debt). By far the largest portion of the WPCA's net assets (84.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The WPCA uses these capital assets to provide services to citizens and customers; consequently, these assets cannot be readily liquidated and are not available for future spending. Although the WPCA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (user charges and fees), since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets – Restricted. The WPCA's restricted net assets are restricted for debt service. These assets are in restricted trust accounts due to indenture requirements related to the 2003 and 2006 Revenue Bond issuances. Of the WPCA's total net assets at June 30, 2009, \$7.5 million or 13.5% is restricted and may not be used to meet the WPCA's ongoing obligations (with the exception of debt service under certain restricted circumstances). Restricted funds increased this year because a bond insurance company's credit rating fell below the rating required by the legal indentures. Therefore, the WPCA was required to restrict additional funding for a debt service reserve fund as required by the indenture.

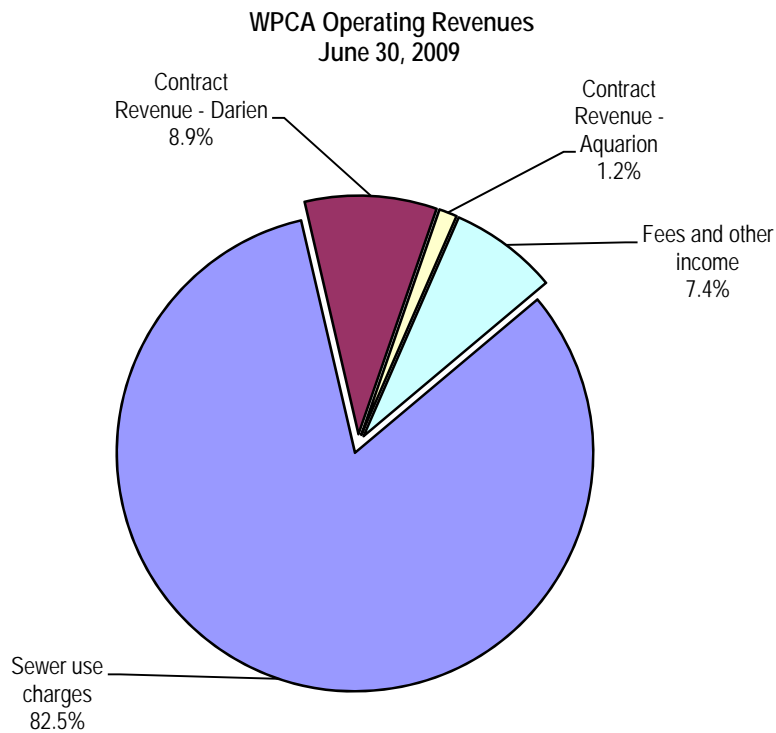
Net Assets – Unrestricted. Of the WPCA's total net assets at June 30, 2009, \$1.1 million or 2% is unrestricted and may be used to meet the WPCA's obligations to users and creditors.

**Statement of Revenues
Expenses and Other Changes
in Net Assets (\$000's)**

	June 30, 2009	June 30, 2008
Operating Revenues	\$ 18,645	\$ 15,996
Operating Expenses	17,550	15,485
Net operating income	1,095	511
Non-operating Revenue (Expenses)	(3,999)	(3,629)
Capital Contributions & Transfers	172	8,864
Change in net assets	(2,732)	5,746
Net Assets, beginning	58,420	52,674
Net Assets, ending	\$ 55,688	\$ 58,420

Budgetary Information

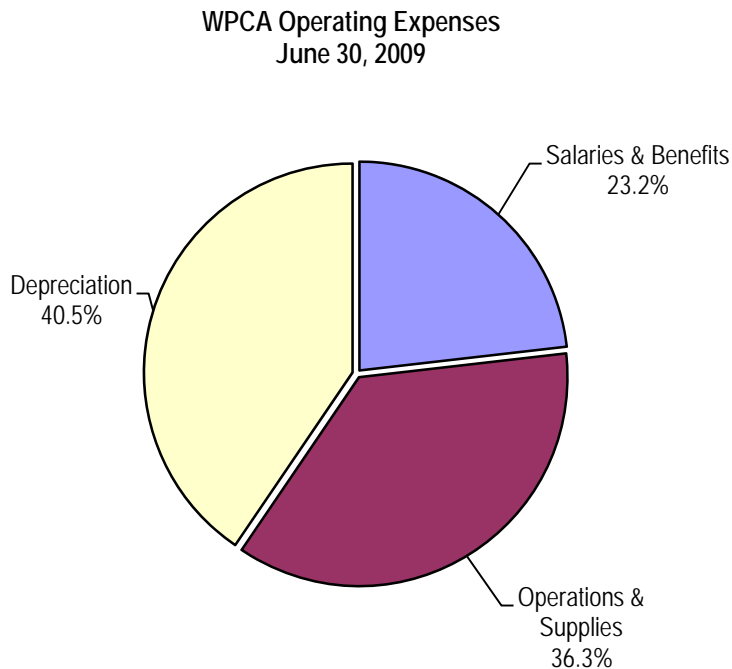
Revenues: The WPCA's operating revenue sources consist of sewer usage charges for Stamford Customers (82.5%), contract revenue from Darien Interlocal Agreement (8.9%), contract revenue from Aquarian (1.2%) and fees and other operating income (7.4%).



The original revenue estimate was set at \$16,032,759 prior to the actual consumption data being available. At the annual rate setting meeting adjustments were made to account for estimates of other revenue, collection rate assumptions and indenture requirements for debt service coverage and the approved annual billing amount was \$15,843,000 (using 4.7 million CCF's and an approved rate of 3.38). After adjustments (off-cycle charges, cancel/rebill charges), actual revenue billed was \$15,378,402.

The WPCA's non-operating revenue sources consist of sewer assessments (52.7%), Darien Interlocal (37.8%) and interest income (9.5%).

Expenses. The WPCA's operating expenses consist of salaries and benefits (23.2%), operations and supplies (36.3%), depreciation (40.5%).



The WPCA's non-operating expenses consist of Interest expense (\$4.2 million) and Transfer out of Capital Assets (\$1.6 million).

Organization of WPCA Operations

The WPCA's operation consists of 11 distinct activity centers. They are:

The Administration Division is responsible for the overall management of the WPCA. Personnel working in this Division are responsible for all technical decisions, supervision, budgeting, planning, procuring outside services, project management, and other administrative duties. In addition, key personnel in this Division are responsible for overseeing the construction, water resources and stormwater project.

The Process Control Activity of the Process Division ensures that the WPCA facility is operated in accordance with technical directives issued from the Administration Division. The personnel working in this Activity implement process changes, run all process equipment, add and monitor process chemicals, and perform all other activities which enable the plant to run effectively and meet all state and federal requirements.

The Laboratory Activity of the Process Division ensures that all in-plant tests and those for other communities are performed accurately and in compliance with all EPA laboratory testing procedures and that data and bills are sent to the other communities in a timely manner. Personnel working in the Laboratory Activity are responsible for taking and analyzing samples from the treatment plant, industries, sanitary sewer system and watercourses. In addition, the Stamford Regional Laboratory does testing for twenty treatment plants throughout the State.

The Sludge Processing Activity of the Process Division is responsible for ensuring wastewater residuals are managed in accordance with all regulations and at the prescribed rate. Solids processing is the key to ensuring the treatment plant runs well, and is therefore one of the most important activities of the WPCA. There are various processes involved - thickening and dewatering managed and operated by the WPCA, and drying and pelletizing managed by a contract operator.

The Stormwater Activity of the Process Division ensures compliance with all requirements set by CT-DEP for stormwater discharge and management.

The Building Maintenance activity ensures that all buildings and grounds under the responsibility of the WPCA are kept to in good condition. Personnel ensure the proper upkeep of all building including painting, replacing broken windows, maintain heating system and landscaping.

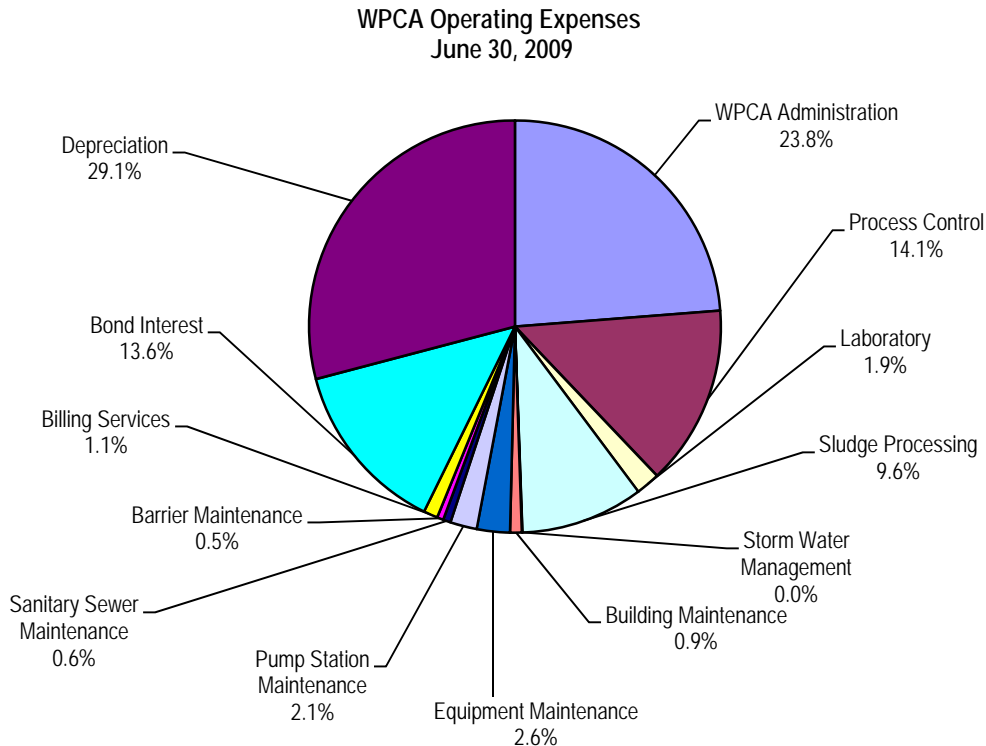
The Equipment Maintenance Activity ensures that all equipment is maintained according to manufacturer's recommendations and requirements. By accomplishing this mission, the treatment plant will run without interruption. Personnel assigned to this activity implement and manage preventive maintenance programs. Additionally this includes rapid response to breakdowns that may affect treatment ability.

The Pumping Station Maintenance Activity ensures that the twenty one pumping stations run reliably. This is accomplished by performing regular maintenance in a timely manner and by following all manufacturers' recommendations. The activity also ensures that all equipment and process piping is maintained according to manufacturer's recommendations and requirements.

The Sanitary Sewer Maintenance Activity ensures that all preventive maintenance is performed in the time period required, to answer emergency calls promptly, to assess problems quickly to prevent environmental and property damage and to assist other departments and agencies with sewer related problems. The sanitary sewer activity cleans and maintains the sanitary sewer system to ensure no overflows or back-ups which can affect public health and the environment.

The Hurricane Barrier Activity ensures that all three of the Hurricane Barrier pumping stations are operated and maintained to ensure there is no flooding of low-lying areas during storm conditions and storm surges and maintains the flood walls and levee systems.

The **Billing Activity** ensures that rate payers are billed accurately for sewer use charges, assessments and connection charges and funds are collected and liens placed as necessary.



Additional information on revenue and expense budgetary information can be found on pages 27-28.

WPCA Major Capital Project Initiatives

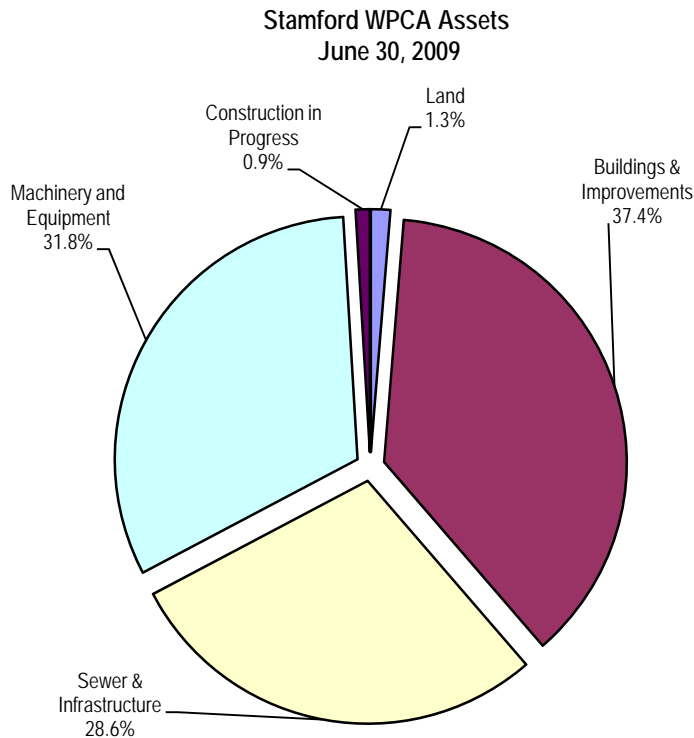
- ◆ Intervale Area Project - to construct approximately 10,000 linear feet of sanitary sewer. As of June 30, 2009, 6% of the project is complete. Budget authorization \$6,240,000; spending \$344,596.
- ◆ Waste to Energy Project – to evaluate and design interface between the drying system and the proposed electrical generating system, including schematic design of waste to energy options. As of June 30, 2009, project was 41% complete. Budget authorization \$5,970,000; spending \$2,440,000.
- ◆ Mill River Stormwater Management – Phase 1 to determine quality and quantity flowing through the river. Phase 2 will design and construct improvements required for Mill River to make it useful for recreational purposes. As of June 30, 2009, project was 50% complete. Budget authorization \$2,971,555; spending \$1,482,365.

- ◆ Stormwater Pump Stations – to upgrade and perform major repairs to the three barrier pump stations that are operated and maintained by WPCA, and upgrade electrical switchgear at Dyke Lane Pumping Station. As of June 30, 2009, project costs were \$542,505 or 52% of the \$1,050,000 authorized budget.

Capital Assets. At the end of the fiscal year, the WPCA had total capital assets (net of accumulated depreciation) of approximately \$157 million.

**Stamford Water Pollution Control Authority
Capital Assets**

	June 30, 2009	June 30, 2008
Land	\$ 2,833	\$ 2,833
Buildings & Improvements	81,663	80,820
Sewer & Infrastructure	62,558	62,503
Machinery and Equipment	69,468	69,347
Construction in Progress	2,059	750
Less Accumulated Depreciation	(61,413)	(54,289)
Total	\$ 157,168	\$ 161,964



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

- ◆ Waste to Energy project costs were just over \$800,000.
- ◆ Section 18-1, Phase 2, Intervale are, Carriage Drive and East Cross Road sanitary sewer projects were just over \$325,000,
- ◆ Pump station upgrade costs were just over \$500,000 for Dyke Lane, Alvord Lane and Hobson Street.
- ◆ Purchase of clarifier rakes and motor cost approximately \$250,000.

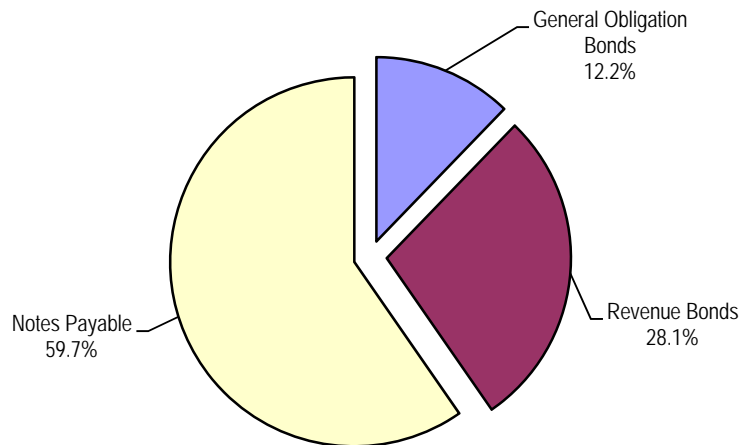
Additional information on capital assets can be found in Note 3 on page 20 of this report.

Long-term debt. At the end of the fiscal year, the Stamford Water Pollution Control Authority had total bonded debt outstanding of approximating \$108 million.

**Stamford WPCA
Outstanding Debt**

	June 30, 2009	June 30, 2008
General Obligation Bonds	\$ 13,172,817	\$ 14,919,540
Revenue Bonds	30,285,000	31,277,000
Notes Payable	64,256,858	67,775,446
Totals	\$ 107,714,675	\$ 113,971,986

**WPCA Outstanding Debt
June 30, 2009**



The Stamford Water Pollution Control Authority's total long-term debt decreased by about \$6.3 million during the 2008-2009 fiscal year due to principal repayments. The WPCA did not issue new revenue bonds this year. Their new authorized projects have been funded by the City through the issuance of new bonds or debt.

The Stamford Water Pollution Control Authority maintains an Aa3 rating from Moody's Investors Service and an AA+ from Standard and Poor's.

Additional information on long-term debt can be found in Note 5 of this report on page 21.

Economic Factors and Subsequent Events

The service area economy and customer base characteristics are key factors to the financial health and strength of the WPCA.

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

Requests for Information

The financial report is designed to provide a general overview of the Stamford Water Pollution Control Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration at 888 Washington Boulevard, Stamford, CT 06901 or the Executive Director of the WPCA at One Harbor View Ave, Stamford, CT 06902.

Financial Statements

STAMFORD WATER POLLUTION CONTROL AUTHORITY

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS

Current Assets

Cash	\$ 457,031
Usage receivable, net of allowance for doubtful accounts \$700,000	3,803,715
Other assets	359,264
Total current assets	4,620,010

Noncurrent Assets

Capital assets:

Land	2,833,278
Sewer and infrastructure	59,268,091
Building and improvements	81,663,354
Equipment	69,468,194
Construction in progress	1,375,379

214,608,296

Less accumulated depreciation	59,475,364
	155,132,932

Restricted assets - cash	7,540,166
Special assessments, net of allowance for doubtful accounts \$400,000	4,707,698

Total noncurrent assets 167,380,796

Total assets 172,000,806

LIABILITIES

Current Liabilities

Accounts payable	7,318,611
Accrued liabilities	770,447
Unearned revenues	117,570
Current maturities of general obligation bonds	1,517,675
Current maturities of revenue bonds payable	645,000
Current maturities on notes payable	3,586,146

Total current liabilities 13,955,449

Noncurrent Liabilities

General obligation bonds (net of unamortized discount)	11,723,409
Revenue bonds payable	29,963,000
Notes payable	60,670,682

Total noncurrent liabilities 102,357,091

Total liabilities 116,312,540

NET ASSETS

Invested in capital assets, net of related debt	47,027,020
Restricted	7,540,166
Unrestricted	1,121,080
Total net assets	\$ 55,688,266

See Notes to Financial Statements.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2009

Operating Revenues	
Sewer use charges	\$ 15,378,401
Contracted revenues	1,895,721
Fees and other income	1,370,646
Total operating revenues	<u>18,644,768</u>
Operating Expenses	
Salaries, benefits and claims	4,067,922
Utilities	2,582,878
Materials and supplies	1,557,856
Operations and supplies	2,235,346
Depreciation	7,105,524
Total operating expenses	<u>17,549,526</u>
Net operating income	<u>1,095,242</u>
Non-operating Revenue (Expense)	
Interest income	182,255
Interest expense	(4,180,971)
Total non-operating revenue (expenses)	<u>(3,998,716)</u>
Net loss before contributions and transfers	<u>(2,903,474)</u>
Contributions and transfers	
Interlocal - Darien	726,059
Transfers out	(1,566,677)
Special assessments	1,012,262
Total contributions and transfers	<u>171,644</u>
Change in net assets	<u>(2,731,830)</u>
Net assets, beginning	<u>58,420,096</u>
Net assets, ending	<u>\$ 55,688,266</u>

See Notes to Financial Statements.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2009

Cash Flows From Operating Activities	
Receipts from customers and users	\$ 18,630,386
Payments to suppliers	(782,370)
Payments to employees for salaries and benefits	(4,067,921)
Payments to the general fund for operations	(4,014,318)
Net cash provided by operating activities	<u>9,765,777</u>
Cash Flows From Capital and Related Financing Activities	
Principal payments on debt	(5,875,625)
Payments to refunding escrow	(1,133,708)
Interest paid on debt	(4,180,971)
Bond proceeds	1,073,431
Purchase of property and equipment	(724,175)
Subsidy from State and Federal government	726,059
Special assessment proceeds	827,476
Net cash used in capital and related financing activities	<u>(9,287,513)</u>
Cash Flows From Investing Activities	
Interest received on investments	182,255
Net cash provided by investing activities	<u>182,255</u>
Net increase in cash	660,519
Cash	
Beginning	<u>7,336,678</u>
Ending	<u>\$ 7,997,197</u>
Cash	\$ 457,031
Restricted cash	<u>7,540,166</u>
	<u>\$ 7,997,197</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 1,095,242
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	7,105,524
Changes in assets and liabilities:	
Increase in accounts receivable	(83,288)
Increase in accrued expenses and accounts payable	5,593,711
Increase in deferred revenue	68,906
Decrease in due to other funds	(4,014,318)
Net cash provided by operating activities	<u>\$ 9,765,777</u>
Supplemental Disclosure of Cash Flow Information	
Cash paid for:	
Interest	<u>\$ 3,412,143</u>
Supplemental Noncash Capital Activities	
Capital acquisition financed with debt and accounts payable	<u>\$ 1,046,770</u>
Transfer of capital assets	<u>\$ 1,566,677</u>

See Notes to Financial Statements.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS June 30, 2009

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

Reporting entity

Article III, Ordinance Number 836, adopted October 6, 1997, created the Stamford Water Pollution Control Authority (SWPCA) to operate the Water Pollution Control Facility, sanitary sewage system, pumping stations and hurricane barrier pumping stations for the City of Stamford (the "City"). It is independent in terms of its relationship to other City functions and is reported as a business-type activity in the City's basic financial statements. Its operations are financed through direct charges to the user of the service. The financial statements present only the Stamford WPCA fund and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut as of June 30, 2009, and the changes in its financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Significant accounting policies are as follows:

Basis of accounting

The SWPCA utilizes the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when a liability is incurred.

Accounting estimates

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

Cash and cash equivalents

For purposes of reporting cash flows, the SWPCA considers all highly liquid investments with an original maturity term of three months or less when purchased to be cash equivalents.

Accounts receivable

Accounts receivable are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Capital assets

Property, plant and equipment is stated at cost. Normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets being constructed over a period of time are classified as construction in progress. No depreciation is computed on these assets until they are complete and placed into service. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets as follows:

	<u>Years</u>
Land	-
Buildings and improvements	40-50
Equipment	5-20
Sewer infrastructure	50-100

The SWPCA capitalizes interest during the period of construction.

Compensated absences

Under terms of the bargaining unit agreements, employees are awarded vacation on July 1 of each year based on years of service, and can accumulate up to 45-60 days of unused vacation, depending upon their specific union contract. Employees are also allowed sick leave, which is earned monthly, and can accumulate up to 150 days. Upon termination of employment without eligibility for retirement, each employee is paid for unused vacation.

Vested sick leave and accumulated vacation leave is recognized as an expense and liability as the benefits accrue to employees. Nonvested sick leave is recognized to the extent it is expected to be paid.

Revenues

Operating Revenue

Operating revenues are based on the SWPCA authorized minimum charges applied to customer consumption of water. The SWPCA accrues amounts earned at the end of each accounting period.

The SWPCA has the authority to file liens on past due accounts. The liens are payable second to property taxes upon transfer of the respective properties.

Capital Contributions

Special assessments are fees assessed by the SWPCA for new sewer lines and for new connections to existing sewer lines in residences and commercial businesses. The assessments and the connection fees charged are payable over a 10-20 year period. Interest on the assessment fees is charged at an annual set rate by the SWPCA. State and federal capital grants are recognized when eligibility requirements are met.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Proprietary fund accounting

The SWPCA follows Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." This Statement provides guidance on the applicability of accounting pronouncements from other standard setting organizations. Under the SWPCA's election, it must apply all GASB pronouncements and the following pronouncements issued before November 30, 1989 unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the SWPCA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The SWPCA has cash restricted for debt service requirement per the revenue bonds.

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2009:

	<u>Carrying and Fair Values</u>
Cash	\$ 457,031
Restricted cash	7,540,166
	<u>\$ 7,997,197</u>

Responsibility for custodial credit risk of deposits rests with the City; accordingly, separate disclosure is not possible. The notes of the City's comprehensive annual financial report should be read to determine the City's custodial credit risk of deposits. The restricted cash balance at June 30, 2009 is restricted for Clean Water Fund debt service reserve fund.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2009

Note 3. Capital Assets

A summary of capital assets as of June 30, 2009 is as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,833,278	\$ -	\$ -	\$ 2,833,278
Construction in process	750,321	1,309,174	(684,116)	1,375,379
Total capital assets, not being depreciated	<u>3,583,599</u>	<u>1,309,174</u>	<u>(684,116)</u>	<u>4,208,657</u>
Capital assets being depreciated:				
Sewer and infrastructure	62,502,643	250,952	(3,485,504)	59,268,091
Building and improvements	80,820,087	843,267	-	81,663,354
Equipment	69,347,209	120,985	-	69,468,194
Total capital assets being depreciated	<u>212,669,939</u>	<u>1,215,204</u>	<u>(3,485,504)</u>	<u>210,399,639</u>
Less accumulated depreciation	<u>54,289,177</u>	<u>7,105,523</u>	<u>(1,919,336)</u>	<u>59,475,364</u>
Net capital assets	<u>\$ 161,964,361</u>	<u>\$ (4,581,145)</u>	<u>\$ (2,250,284)</u>	<u>\$ 155,132,932</u>

Note 4. Restricted Assets

Pursuant to the Revenue Bond Indenture, certain funds are required to be maintained for purposes specified in the applicable agreement. At June 30, 2009, SWPCA's restricted assets were being maintained for the following purposes:

Clean Water Fund- Debt Service Reserve	\$ 4,457,746
2003 Debt Service Reserve fund	789,250
2006 Debt Service Reserve Fund	1,206,582
2003 and 2006 Debt Service Funding Accrual	1,086,588
	<u>\$ 7,540,166</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2009

Note 5. Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 14,919,540	\$ 1,073,431	\$ 2,894,779	\$ 13,098,192	\$ 1,517,675
Premium on bonds	-	142,892	-	142,892	-
Revenue bonds, plus unamortized original issue premium	31,277,000	-	669,000	30,608,000	645,000
Notes payable	67,775,446	-	3,518,618	64,256,828	3,586,146
Total bonds and notes payable	113,971,986	1,216,323	7,082,397	108,105,912	5,748,821
Compensated absences	278,009	14,857	-	292,866	-
Self-insurance	64,275	-	-	64,275	64,275
Total other long- term obligations	342,284	14,857	-	357,141	64,275
Total	\$ 114,314,270	\$ 1,231,180	\$ 7,082,397	\$ 108,463,053	\$ 5,813,096

General obligation bonds

The SWPCA does not have the authority to issue general obligation bonds. General obligation bonds issued on behalf of the SWPCA is considered general obligation debt of the City of Stamford. The SWPCA pays the principal and interest due on its allocable portion of the City's debt.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2009

The SWPCA's allocable portion of general obligation bonds outstanding as of June 30, 2009 consisted of the following:

Date of Issue	Interest Rate(s)(%)	Original Amounts	Maturity Dates	Balance June 30, 2009
January 1990	6.0 - 7.75	\$ 8,007,000	2001 - 2010	\$ 343,599
April 2001	4.0-5.0	3,640,000	2002 - 2020	574,633
April 2003	2.0-5.25	3,982,952	2003- 2015	1,280,249
November 2003	2.5 to 4.5	2,660,000	2004 - 2023	3,331,182
November 2003	2.0 to 5.25	2,027,600	2004 - 2018	1,247,659
September 2003	2.5 to 4.25	3,136,000	2005 - 2024	1,205,800
March 2005	3.0 to 5.0	2,247,600	2006 - 2021	2,224,000
June 2008	3.25 to 5.0	1,817,639	2009 - 2014	1,817,639
April 2009	4.0 to 5.0	1,073,431	2009 - 2019	1,073,431
				\$ 13,098,192

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

	Principal	Interest	Total
2010	\$ 1,517,675	\$ 569,115	\$ 2,086,790
2011	1,450,129	509,027	1,959,156
2012	1,288,234	451,745	1,739,979
2013	1,334,440	392,256	1,726,696
2014	1,336,784	326,828	1,663,612
2015-2019	4,718,657	844,368	5,563,025
2020-2024	1,316,273	129,101	1,445,374
2025-2026	136,000	2,890	138,890
Debt Service requirement	\$ 13,098,192	\$ 3,225,330	\$ 16,323,522

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Bonds payable

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

Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2003. Issued in the aggregate amount of \$12,480,000 revenue bonds in October 2003 at interest rates ranging from 2.0% to 5.00%, due annually, on November 1. Interest is payable monthly, with principal maturity paid from July 2002 through July 2032. The aggregate new amount includes unamortized premium of \$202,000 at June 30, 2009. \$ 11,407,000

Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2006. Issued in the aggregate amount of \$19,765,000 revenue bonds in September 2006 at interest rates ranging from 3.4% to 4.75%, due annually, on March 15 and September 15. Interest is payable monthly, with principal maturity paid from September 2007 through September 2036. The aggregate new amount includes unamortized premium of \$121,000. 19,201,000

Total revenue bonds payable 30,608,000

Less: current portion 645,000

Total revenue bonds payable - non-current \$ 29,963,000

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Debt service requirements - revenue bonds

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

	Principal	Interest	Total
2010	\$ 645,000	\$ 1,349,900	\$ 1,994,900
2011	665,000	1,325,575	1,990,575
2012	690,000	1,300,056	1,990,056
2013	715,000	1,273,825	1,988,825
2014	745,000	1,246,175	1,991,175
2015-2019	4,205,000	5,752,846	9,957,846
2020-2024	5,210,000	4,746,232	9,956,232
2025-2029	6,540,000	3,425,319	9,965,319
2030-2034	7,505,000	1,666,900	9,171,900
2035-2039	3,365,000	244,744	3,609,744
Debt Service requirement	30,285,000	22,331,573	52,616,573
Plus bond premium	323,000	-	323,000
Net Debt Service requirement	<u>\$ 30,608,000</u>	<u>\$ 22,331,573</u>	<u>\$ 52,939,573</u>

Notes payable

The SWPCA has loans from the State of Connecticut for various sewer projects. The SWPCA has completed a \$105 million dollar upgrade of the waste water treatment facility. The project was also funded through grants and a local share. The loans bear interest at 2%. The loans are payable in monthly installments ranging from approximately \$3,601 to \$368,000 through August 2025, plus accrued interest. As of June 30, 2009 the combined loans' balance is \$64,256,828.

	Principal	Interest	Total
Fiscal year ending June 30:			
2010	\$ 3,586,146	\$ 1,252,376	\$ 4,838,522
2011	3,654,901	1,180,025	4,834,926
2012	3,725,044	1,106,287	4,831,331
2013	3,796,603	1,031,132	4,827,735
2014	3,869,606	954,533	4,824,139
2015-2019	19,765,373	3,601,658	23,367,031
2020-2024	20,761,666	1,573,737	22,335,403
2025-2029	5,097,489	63,948	5,161,437
Total	<u>\$ 64,256,828</u>	<u>\$ 10,763,696</u>	<u>\$ 75,020,524</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 6. Commitments and Contingencies

The City is a defendant in several claims and lawsuits. In the opinion of the City's attorney and management, the resolution of these matters will not have a material adverse effect on the future financial statements of the SWPCA.

Note 7. Subsequent Events

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

Note 8. Risk Management

The City is exposed to various risks of loss related to torts, theft or impairment to assets, errors and omissions, injury to employees, employee health insurance, and natural disasters.

The City is self-insured per claim for up to \$250,000 with an aggregate limit of \$750,000 for general and auto liability, \$1,500,000 for workers' compensation, \$100,000 for public officials' liability and \$100,000 for property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the insurance internal service fund in addition to claims incurred but not reported. The SWPCA is charged by the City for its share of premium cost and claims. Settled claims have not exceeded commercial coverage in any of the past three years.

Changes in the balances of claims liabilities, primarily workers' compensation during the past year, are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2009	\$ 349,000	\$ 650,000	\$ 650,000	\$ 349,000
2008	\$ 313,000	\$ 645,000	\$ 609,000	\$ 349,000

Note 9. Employee Retirement Plan

Nearly all full-time City employees are covered by a pension plan. The employees of the SWPCA are covered under the Classified Employees Retirement Fund. Employees become eligible at date of hire and can contribute between 0% and 5% until they have reached 33 years of service. Full benefits are payable to an employee who retires at age 60 with a minimum of 10 years of service or a vested employee who is age 58 and has reached at least 15 years of service.

The City does not calculate contributions, net pension obligation of assets at the fund level. The City's basic financial statements contain Classified Employee's Retirement Fund activity and funding information as of June 30, 2009.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 10. Other Post-Employment Benefits (OPEB)

Post-retirement benefits

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

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the Projected Unit Credit Method. The City contributed \$25,000 for the year ended June 30, 2009.

Information with respect to the OPEB valuation is contained in the City's basic financial statements.

Note 11. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2009 that have effective dates that may impact future financial presentations.

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

- ♦ GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the SWPCA as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.
- ♦ GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the SWPCA as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.
- ♦ GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the SWPCA as required by the GASB during the fiscal year ending June 30, 2011. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

Supplementary Information

STAMFORD WATER POLLUTION CONTROL AUTHORITY

SCHEDULE OF REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Sewer use charges	\$ 16,032,759	\$ 16,032,759	\$ 15,378,402	\$ (654,357)
Contract Revenue-Darien	1,526,841	1,526,841	1,667,955	141,114
Contract Revenue-Aquarion	120,000	120,000	227,766	107,766
Fees and other income	810,000	810,000	1,370,645	560,645
Total operating revenue	18,489,600	18,489,600	18,644,768	155,168
NON-OPERATING REVENUE				
Sewer assessments	1,366,367	1,366,367	1,012,262	(354,105)
Interlocal capital-Darien	619,372	619,372	726,059	106,687
Interest income	350,000	350,000	182,255	(167,745)
Total non-operating revenue	2,335,739	2,335,739	1,920,576	(415,163)
Total revenues	\$ 20,825,339	\$ 20,825,339	\$ 20,565,344	\$ (259,995)

STAMFORD WATER POLLUTION CONTROL AUTHORITY

SCHEDULE OF OPERATING EXPENSES - BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OPERATING EXPENSES				
WPCA administration	\$ 10,214,722	\$ 10,045,813	\$ 9,583,157	\$ 462,656
Process control	3,206,597	3,483,096	3,445,970	37,126
Laboratory	455,403	471,105	462,987	8,118
Sludge processing-operating	1,006,680	1,077,903	1,056,462	21,441
Sludge processing-contractual	1,463,167	1,303,167	1,300,000	3,167
Storm water management	119,285	48,239	9,946	38,293
Building maintenance	221,450	229,133	223,444	5,689
Equipment maintenance	583,349	675,397	635,068	40,329
Pump station maintenance	622,713	569,176	510,887	58,289
Sanitary sewer maintenance	222,315	186,973	146,029	40,944
Barrier maintenance	113,600	123,600	121,423	2,177
Billing services	324,841	340,520	271,564	68,956
Total operating expenses	18,554,122	18,554,122	17,766,937	787,185
NON-OPERATING EXPENSES AND TRANSFERS				
Debt service	3,405,641	3,405,641	3,326,736	78,905
Total non-operating expenses and transfers	3,405,641	3,405,641	3,326,736	78,905
Total expenses	\$ 21,959,763	\$ 21,959,763	21,093,673	\$ 866,090
Net encumbrances included in budgetary basis and not GAAP basis and other adjustments for GAAP basis			(217,411)	
Interest expense			(3,326,736)	
Expenditures on a GAAP Basis			<u>\$ 17,549,526</u>	

Statistical Section

Statistical Section

This part of the Stamford WPCA's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the SWPCA's financial performance and well-being have changed over time. 29

Revenue Capacity

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the SWPCA's financial activities take place. 31

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the SWPCA's financial report relates to the services the SWPCA provides and the activities it performs. 32-33

Water Pollution Control Authority of the City of Stamford, CT

Debt Outstanding by Type
(Unaudited/000's omitted)

Fiscal Year	Notes Payable	General Obligation Bonds	Revenue Bonds	Total WPCA Debt	Number of Customers	Per Capita
2002	\$ 10,812	\$ 27,127	\$ -	\$ 37,939	N/A	N/A
2003	38,112	24,192	-	62,304	N/A	N/A
2004	61,962	22,408	12,689	97,059	N/A	N/A
2005	71,578	24,422	12,449	108,449	N/A	N/A
2006	77,734	21,899	12,177	111,810	N/A	N/A
2007	71,172	19,678	31,993	122,843	18,698	6,570
2008	67,775	14,920	31,277	113,972	18,822	6,055
2009	64,257	13,098	30,608	107,963	19,084	5,657

Note: Details of the WPCA's outstanding debt are in the notes to the financial statements.

Water Pollution Control Authority of the City of Stamford, CT

Pledged-Revenue Coverage
(Unaudited)

Water Pollution Control Authority Debt Service Coverage Ratios							
Fiscal Year	Total Revenue *	Less Operating Expenses **	Net Available Revenue	Senior Lien Debt Service	Senior Lien Coverage Ratio	Total Debt Service	Total Debt Coverage Ratio
2005	12,471,447	4,211,394	8,260,053	1,219,015	6.78	3,965,986	2.08
2006	14,965,409	7,459,640	7,505,769	5,857,490	1.28	10,224,572	0.73
2007	20,851,113	6,836,811	14,014,302	12,073,750	1.16	13,413,123	1.04
2008	23,661,366	8,816,238	14,845,128	6,781,456	2.19	10,919,972	1.36
2009	28,105,510	10,444,002	17,661,508	6,833,422	2.58	10,116,873	1.75

* Includes operating, non-operating revenues and reserves available to support debt service.

** Not including depreciation expense.

Water Pollution Control Authority of the City of Stamford, CT

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	City of Stamford Population	Personal** Income	Per Capita** Income	Median** Age	Unemployment(*) Rate
2000	110,689	-	-	-	2.5%
2001	117,083	-	-	-	1.7%
2002	117,334	-	-	-	2.7%
2003	119,580	-	-	-	3.7%
2004	120,202	53,174	59,108	39	4.6%
2005	121,142	56,796	62,979	38	4.1%
2006	121,821	60,232	66,719	38	3.5%
2007	122,261	64,743	71,901	39	3.5%
2008	122,342	71,773	80,192	39	5.5%
2009	120,038	74,519	85,666	39	7.3%

(*) Source: Connecticut Department of Labor, By Town, Not Seasonally Adjusted.

** Data prior to 2004 not available.

Water Pollution Control Authority of the City of Stamford, CT

**Principal Water Users
Current and Previous Year**

2009			2008		
Property Owner	Annual Billed Consumption (100 ccf.)	% of Total Consumption	Property Owner	Annual Billed Consumption (100 ccf.)	% of Total Consumption
PROCTER & GAMBLE CO	57,641	1.74%	PROCTER & GAMBLE CO	54,800	1.65%
SAINT JOHN'S TOWERS	38,711	1.17%	SAINT JOHN'S TOWERS	43,320	1.31%
SPARTECH POLYCAST INC	46,742	1.41%	SPARTECH POLYCAST INC	37,788	1.14%
STAMFORD HOSPITAL	42,521	1.28%	STAMFORD HOSPITAL	36,320	1.10%
WESTIN HOTEL STAMFORD	42,499	1.28%	WESTIN HOTEL STAMFORD	29,762	0.90%
UBS	24,222	0.73%	UBS	28,000	0.84%
HOYT BEDFORD APARTMENTS	24,356	0.73%	HOYT BEDFORD APARTMENTS	26,432	0.80%
STAMFORD MARRIOTT HOTEL	23,949	0.72%	STAMFORD MARRIOTT HOTEL	23,288	0.70%
STAMFORD TOWN CENTER	30,402	0.92%	STAMFORD TOWN CENTER	23,122	0.70%
FAIRFIELD BEDFORD LLC	20,871	0.63%	FAIRFIELD BEDFORD LLC	21,720	0.66%
	<u>351,914</u>	<u>10.62%</u>		<u>324,552</u>	<u>9.79%</u>

Note: The Town of Darien contributes 15% of total plant flow for treatment, but is billed pursuant to a contract with the WPCA and is not assessed a user charge.

Water Pollution Control Authority of the City of Stamford, CT

Consumption and Billing

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Customers	Consumption	Annual Consumption Change	Rate per CCF	Annual Rate Change	Average Residential Bill
00	-	5,288,774	1.90%	1.65	0.00%	\$227.70
01	-	5,385,118	1.82%	1.65	0.00%	\$227.70
02	-	5,408,000	0.42%	1.76	6.67%	\$238.00
03	-	5,146,220	-4.84%	1.91	8.52%	\$252.12
04	-	5,194,867	0.95%	2.06	7.85%	\$267.80
05	-	5,432,112	4.57%	2.20	6.80%	\$259.60
06	18,428	5,010,172	-7.77%	2.30	4.55%	\$285.20
07	18,510	4,755,682	-5.08%	2.96	28.70%	\$330.00
08	18,572	4,336,336	-8.82%	3.03	2.36%	\$339.36
09	19,084	4,553,000	5.00%	3.38	11.55%	\$378.56