

**STAMFORD WATER POLLUTION
CONTROL AUTHORITY**
(An Enterprise Fund of
the City of Stamford, Connecticut)
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

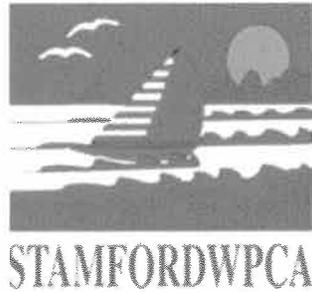


O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

STAMFORD WATER POLLUTION CONTROL AUTHORITY

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	i - iv
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 14
Comparative Statements of Net Assets	15 - 16
Comparative Statements of Revenues, Expenses and Changes in Net Assets	17
Comparative Statements of Cash Flows	18
Notes to Financial Statements	19 - 31
Schedule of Revenues – Budgetary Basis – Budget and Actual	32
Schedule of Operating Expenses – Budgetary Basis – Budget and Actual	33
Financial Trend	34 - 35
Revenue Capacity	36 - 37
Debt Capacity	38 - 41
Demographic and Economic Information	42
Operating Information	43 - 44



Ernest A. Orgera
Director of Operations
Email: eorgera@ci.stamford.ct.us

January 18, 2012

To: Mayor Michael A. Pavia
Board of Finance
Board of Representatives
SWPCA Board
Citizens of Stamford

The audited financial statements of the Stamford Water Pollution Control Authority (“SWPCA”) are being published for the fiscal year ended June 30, 2011 in compliance with Connecticut State law.

The SWPCA management assumes full responsibility for the completeness and reliability of the information contained in this report. A framework of internal control has been established by the management of the SWPCA. 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.

O’Connor Davies Munns & Dobbins, LLP, a firm of licensed certified public accountants, has issued an unqualified opinion on the SWPCA’s financial statements for the year ended June 30, 2011. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (“MD&A”) immediately follows the independent auditors’ report and provides a narrative overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The SWPCA adheres to a variety of financial policies and procedures adopted by the City of Stamford’s Board of Finance. Such policies include procurement, accounts payable, accounts receivable, and cash receipts among others. These policies and procedures are intended to help the SWPCA maintain a sound financial condition and also help ensure that the SWPCA meets all requirements set by State and Federal regulations.

The Stamford Water Pollution Control Authority

Ordinance No. 803, adopted November 6, 1996, established the Stamford Water Pollution Control Authority (“SWPCA”). 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 (flood

protection system) 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 wastewater. Wastewater is treated through the processes installed during the upgrade and expansion project which was completed in 2006. The plant has a treatment capacity of 24 million gallons of wastewater per day (“MGD”). Currently, the average annual flow is about 18 MGD, so there is excess capacity for the growth that is currently occurring in Stamford.

Beginning in 2006, the SWPCA was also made responsible for the City-wide stormwater permit program. This program consists of monitoring, reporting, and other compliance requirements of the Municipal Separate Stormwater Sewer System (“MS4”) permit. The City of Stamford’s existing stormwater MS4 permit expired in March 2010. Permit renewal activities and active discussions are underway with the state DEEP by City officials. Until the new permit is officially issued to the City, the SWPCA will continue to handle such site-specific responsibilities for all City of Stamford facilities. As of June 2011, the SWPCA is no longer involved in the management or support of the water quality restoration projects for the Rippowam/Mill Rivers and Holly Pond/Noroton River, although it is providing some transitional administrative support on these projects while such responsibilities are transferred elsewhere within the City.

Service Area

The SWPCA’s service area includes residential, commercial, government and non-profit customers in Stamford, CT and the adjacent Town of Darien, CT (“Darien”). The customer base served by the SWPCA consists of a diverse mix of residential and commercial customers. In Stamford, approximately 88% of customers are residential (including home owners, condominium owners and renters) and 12% of customers are commercial and industrial in nature. The service area boundaries for Stamford are the Merritt Parkway to the north, the Noroton River on the east, Old Greenwich on the west and Long Island Sound to the south.

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 service area boundaries for Darien are the City of Norwalk on the east, the Merritt Parkway on the north and Long Island Sound to the south.

An Interlocal Agreement between SWPCA and Darien provides a formula for compensation to the SWPCA for operation and maintenance and for capital improvements. Based on this formula, which reflects the proportionate share of Darien’s flow to the total flow entering the treatment plant, in fiscal 2010 Darien was responsible for approximately 13% of the SWPCA’s operating and maintenance costs. Darien is solely responsible for the operation and maintenance of all of its pumping stations and collection system and all border crossings. All capital improvements to the SWPCA’s treatment plant, pumping stations or sewers that treat or convey wastewater from Darien are similarly paid using the same 13% cost sharing ratio. The town bills its ratepayers in Darien annually, typically in October. The SWPCA bills Darien annually in September. The bill is based on all of the SWPCA’s operating and maintenance costs and capital investment amounts plus any adjustments to the previous bill.

Physical Assets

The physical assets of the SWPCA include 22 wastewater-pumping stations, about 300 miles of sanitary sewer, four storm water pumping stations and the wastewater treatment plant. For these 22 pumping

stations the pumping capacity ranges from 100,000 gallons per day to 5 million gallons per day. There are capital improvement programs in place for both the sanitary sewer system and the pumping stations.

Management and Organization

The SWPCA Board of Directors (“Board”) is comprised of nine members, all of whom are voting members. During the past year some new members (Ms. Andreana and Mr. Kaufman) were appointed to the Board and a new Chairman and Vice Chairman were elected (Mr. Casale and Ms. Rinaldi, respectively). By ordinance, the Board includes the City’s Director of Operations, Director of Administration, President of the Board of Representatives or designee, Chairman of the Board of Finance or designee, and five at-large members, one of whom must be a financial professional and the other an engineer. Currently, the at-large engineer position is open.

The members of the Board are:

Louis J. Casale, Jr., Chairman, At-Large
Mary Lou Rinaldi, Vice Chairman, Board of Finance
Ernest A. Orgera, Director of Operations
Frederick C. Flynn, Jr., Director of Administration
Mitchell Kaufman, Board of Representatives
Cristina Andreana, At Large (Financial)
Donald A. Huppert, At-Large
Tim Curtin, Jr., At Large
Open, At-Large (Engineer)

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

Ms. Jeanette Brown, the former Executive Director of the SWPCA, resigned in June, 2011 to pursue other interests. The SWPCA is in the process of recruiting a qualified successor

Rates and Charges

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

Capital Improvement Plan

The SWPCA typically manages several capital projects. The projects are categorized as engineering studies, engineering design, building and equipment replacement or upgrades, and sewer repairs or

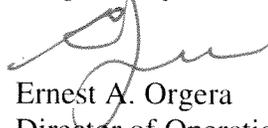
extensions. The Intervale sewer extension and East Cross road area sewers are two of the recently completed projects during the past year. These projects have benefited approximately 70 properties in the Intervale Road area and 17 properties at East Cross Road that will connect to the City of Stamford sewer system. Also, the piping for the odor control system at the plant was recently retrofitted.

Three new sewer projects, including Carriage Drive area sewers, Wedgemere Road area sewers, and Perna Lane area sewers are in various design stages. The SWPCA is in the process of implementing a comprehensive, computerized asset management system as mandated by the EPA. In addition, the SWPCA is upgrading various process equipment, including clarifiers, thickeners, sludge pumps, mixers, and vehicles used in maintenance of the treatment plant and the sanitary sewer conveyance system.

Summary

The SWPCA has been in operation since 1996. The Board is comprised of a number of experienced elected and appointed officials. Furthermore, sufficient operating capacity is in place to meet the SWPCA's expected customer demand in its service area.

Respectfully Submitted,



Ernest A. Orgera
Director of Operations
City of Stamford



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 years ended June 30, 2011 and 2010 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 audits 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 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SWPCA's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the SWPCA Fund and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut as of June 30, 2011 and 2010, and the changes in its financial position and its cash flows, where applicable, for the years 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 SWPCA as of June 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 32 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures

do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the SWPCA's financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

O'Connor Davies Munno & Dobbins, LLP

Stamford, Connecticut
January 18, 2012

Stamford Water Pollution Control Authority Management's Discussion and Analysis June 30, 2011

This discussion and analysis of the Stamford Water Pollution Control Authority ("SWPCA") is intended to provide an overview of the SWPCA's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

Financial Highlights

- ◆ As of June 30, 2011 the assets (\$171.6 million) of the Stamford Water Pollution Control Authority exceeded its liabilities (\$115.4 million), resulting in total net assets at the end of the fiscal year of \$56.2 million. Net assets increased \$2.9 million versus the prior year-end period primarily due to increased accounts receivable (\$1.5 million), and lower depreciation expense (\$1.2 million). Total net assets of \$56.2 million and unrestricted net assets of \$2.7 million increased moderately over the prior year.
- ◆ Operating revenues in fiscal 2011 were \$18.5 million, compared to \$18.3 million in the prior year, primarily reflecting increased sewer use charges, partially offset by lower contract revenue from Darien. Operating expenses were \$16.7 million versus \$17.6 million the prior year, resulting in operating income of approximately \$1.8 million compared to \$0.7 million the prior year. The increase in operating income primarily reflects the favorable impact of lower depreciation expense resulting from the change in estimated useful lives of certain plant infrastructure assets, partially offset by unpredicted expenses of \$0.3 million related to a break in a sewer line and \$0.3 million in increased provision for bad debts. Other non-operating revenue of \$1.0 million reflects over-accruals in 2009 and 2010 being reversed.
- ◆ Current Assets increased \$1.5 million, primarily reflecting \$1.2 million increase in Accounts Receivable. A slowdown in collections caused days sales outstanding ("DSO") in the usage charges receivables to increase from 70 days to 102 days as of June 30, 2011; a concerted effort is underway to address this unfavorable trend.
- ◆ Current Liabilities increased \$5.3 million, primarily due to higher advances from the City to support the SWPCA's working capital requirements. The SWPCA depends on the City for some of its finance and administration functions.
- ◆ As of June 30, 2011 the SWPCA's long term debt – including bonds and notes payable -- decreased by \$5.8 million to \$106.3 million. This reflects the repayment of \$6.2 million of General Obligation Bonds and Notes Payable offset by \$0.4 million in debt refinancing. The SWPCA's outstanding debt is rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.
- ◆ Net Assets increased \$2.9 million or 6% to \$56.2 million. Net Assets invested in capital assets includes \$1.2 million of unexpended bond proceeds from the 2010 debt issuance. Unrestricted Net Assets were 15% of Operating Revenue, an improvement from the prior year ratio of 6%.
- ◆ The SWPCA's capital assets decreased by about \$0.8 million to \$150.6 million versus the prior period. Depreciation expense of \$5.1 million was more than the capital asset additions (\$4.3 million) during the fiscal year. The SWPCA's capital assets and available operating capacity are considered sufficient to meet the City of Stamford's currently foreseeable needs.

Overview of the Financial Statements

The SWPCA's financial statements 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 financial statements; and 3) Schedule of Revenues and Expenses on a Budgetary Basis. The accompanying statistical section provides trend comparisons of selected financial and non-financial information over a number of years.

SWPCA Financial Statements

The SWPCA's financial statements are designed to provide readers with a general understanding of the SWPCA's finances in a manner similar to those for a private-sector business. All the resources which the SWPCA has at its disposal are reported, including major capital assets such as buildings, equipment and infrastructure. In addition, a thorough accounting of the costs of the SWPCA's operations is provided.

Statement of Net Assets. The Statement of Net Assets presents information on all of the SWPCA's assets and liabilities, with the difference reported as net assets. Evaluating the amount and composition of the SWPCA's net assets – the difference between assets and liabilities – is one way to measure the SWPCA'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 SWPCA is improving or deteriorating. However, other non-financial factors need to be considered as well, including changes in the SWPCA's customer base and the condition of the SWPCA's facilities, to assess the overall health of the SWPCA.

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

Statement of Cash Flows. The Statement of Cash Flows presents information on where cash came from and how it was used. The Statement of Cash Flows is important because it helps to determine if the SWPCA met its cash needs during the year and how it met them. It is important to understand financial activity measured on the accrual basis of accounting (as reflected in the Statement of Revenues, Expenses and Changes in Net Assets) 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) are presented on pages 15-18 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 are presented on pages 19-31 of this report.

Budgetary Information. The Board of Directors of SWPCA and the City of Stamford adopt an annual revenue and expenditure budget for the SWPCA. From a reporting standpoint, the SWPCA is reported as an Enterprise Fund. Budgetary comparison statements are provided to demonstrate compliance with the authorized budget and are presented on pages 32-33 of this report.

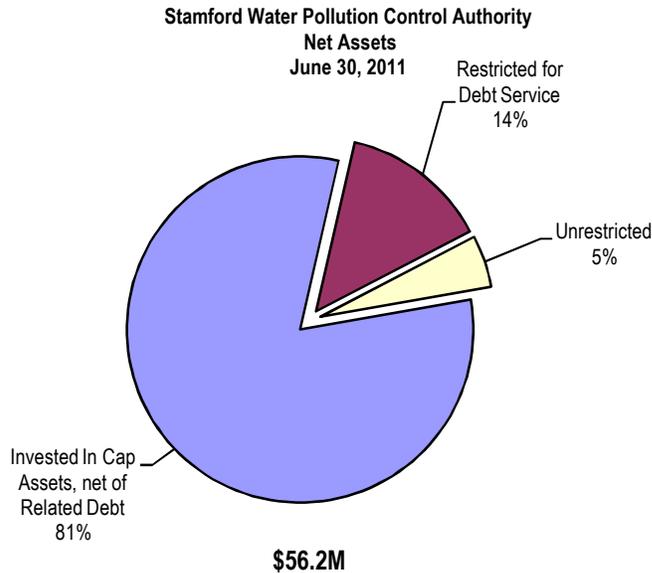
Financial Analysis

Net Assets

- ◆ As noted earlier, net assets may serve over time as a useful indicator of the SWPCA’s financial condition and an important determinant of the SWPCA’s ability to finance its future cash needs. The SWPCA’s assets exceeded its liabilities by \$56.2 million at June 30, 2011. The SWPCA’s net assets of \$56.2 million increased by \$2.9 million or approximately 6% from the prior year-end period, primarily reflecting the increased usage charges. Unrestricted net assets increased by \$1.7 million to approximately \$2.7 million at June 30, 2011. Unrestricted net assets provide financial flexibility to meet the needs of the SWPCA’s customers and creditors.

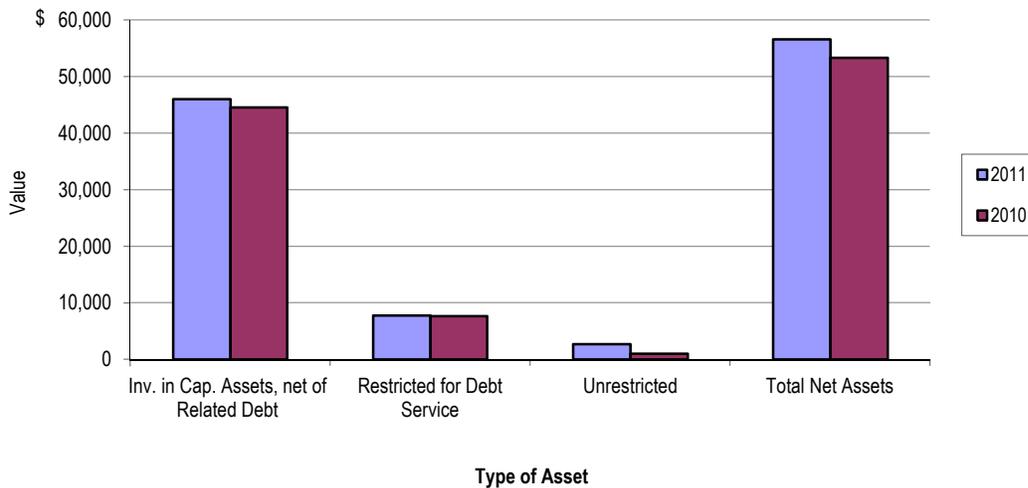
**Stamford Water Pollution Control Authority
Net Assets (\$000s)**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Change</u>
Assets:			
Current Assets (Cash & Accounts Receivable)	\$ 6,294	\$ 4,810	\$ 1,484
Restricted Cash	7,811	7,677	134
Non-Current Assets (special assessments and deferred)	6,811	5,600	1,211
Capital Assets (net of depreciation)	<u>150,637</u>	<u>151,399</u>	<u>(762)</u>
Total Assets	<u>171,553</u>	<u>169,486</u>	<u>2,067</u>
Current Liabilities	14,966	9,695	5,271
Long-term Liabilities	<u>100,424</u>	<u>106,552</u>	<u>(6,129)</u>
Total Liabilities	<u>115,390</u>	<u>116,247</u>	<u>(858)</u>
Net Assets:			
Invested In Cap Assets, net of Related Debt	45,613	44,538	1,075
Restricted for Debt Service	7,811	7,677	134
Unrestricted	<u>2,739</u>	<u>1,023</u>	<u>1,716</u>
Total Net Assets	<u>\$ 56,163</u>	<u>\$ 53,238</u>	<u>\$ 2,925</u>



A common measure of liquidity is the current ratio (Current Assets ÷ Current Liabilities); it helps determine whether, over the next year, the SWPCA will have sufficient cash and readily liquid assets on hand to finance its short term cash requirements. As of June 30, 2011 the SWPCA's current ratio was 0.4 to 1 as compared to 0.5 to 1 at the prior year end period. In Fiscal 2011, new working capital (Current Assets minus Current Liabilities) declined from negative \$3.8 million to negative \$8.7 million, primarily reflecting increased advances from the City. The SWPCA typically handles any interim short term cash needs until the next billing cycle and connection period (e.g. April and October), by borrowing from the City of Stamford. Under a long standing pooled cash arrangement, the SWPCA pays the City interest to cover such short-term cash needs. Nevertheless, the SWPCA's recent liquidity trend, including increased DSP, is unfavorable and requires certain corrective actions.

**Stamford Water Pollution Control Authority
Net Assets (\$000s)
FYE 2011 vs. 2010 (at June 30)**



Net Assets – Invested in Capital Assets (Net of Related Debt). As of June 30, 2011 the largest portion 81% of the SWPCA’s \$56.2 million in net assets involved its investment in capital assets (land, buildings, machinery, equipment, etc.), net of accumulated depreciation, unexpended bond proceeds, and any related outstanding debt used to acquire those assets. The SWPCA uses these capital assets to provide services to its customers; consequently, these assets cannot be readily liquidated and are not available to fund future spending needs. Although the SWPCA’s investment in 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, fees and other income), since the capital assets themselves are not readily available as a source of funds to liquidate these liabilities.

Net Assets – Restricted. The SWPCA has net assets that are restricted for debt service. These assets are maintained in restricted trust accounts due to indenture requirements related to the 2003 and 2006 Revenue Bond issuances. Of the SWPCA’s \$56.2 million in total net assets as of June 30, 2011, \$7.8 million or 14% was restricted and may not be used to fund the SWPCA’s ongoing obligations (with the exception of debt service under certain restricted circumstances).

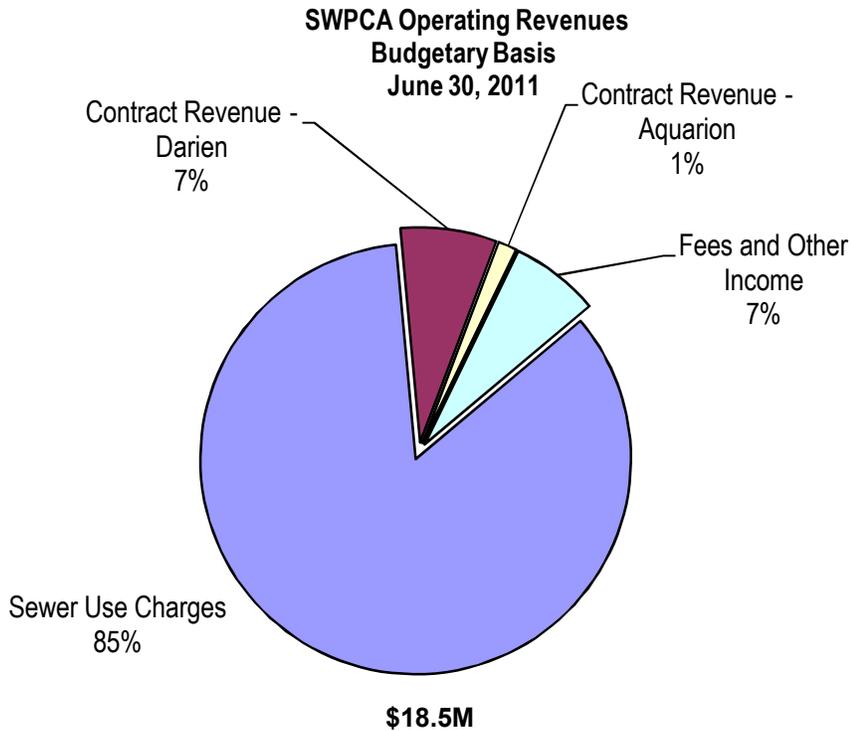
Net Assets – Unrestricted. Of the SWPCA’s total net assets at June 30, 2011, \$2.7 million or 5% was unrestricted and available to be used to meet the SWPCA’s obligations to customers, creditors and for capital projects.

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

	Fiscal 2011	Fiscal 2010	Change
Operating Revenues	\$18,504	\$18,252	\$252
Operating Expenses	16,660	17,580	(920)
Net Operating Income	1,844	672	1,172
Non-Operating Revenue (Expenses)	1,081	(896)	1,977
Capital Contributions, Transfers & Special Items	---	(2,226)	2,226
Change in Net Assets	2,925	(2,450)	5,375
Net Assets, beginning (6/30/10)	53,238	55,688	(2,450)
Net Assets, ending (6/30/11)	<u>\$56,163</u>	<u>\$53,238</u>	<u>\$2,925</u>

Budgetary Information

Revenues. In fiscal 2011 the SWPCA's operating revenue sources consisted of sewer usage charges for Stamford customers (85%) and Darien customers, fees and other operating income (15%).

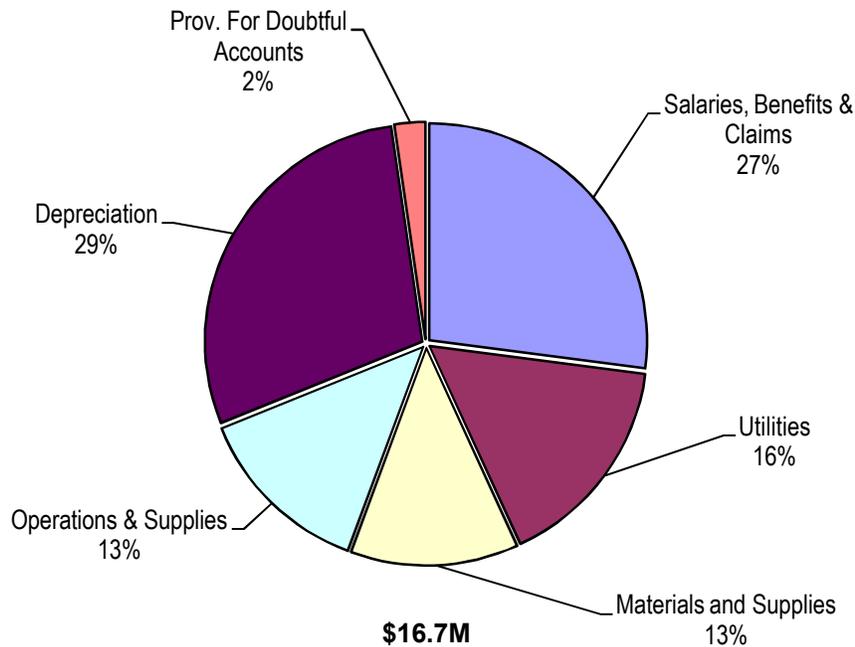


The original fiscal 2011 revenue estimate for user fees was set at approximately \$16.0 million prior to the actual consumption data being available. At the annual rate setting meeting, adjustments were made to account for estimates of other revenue, collection rate assumptions and indenture requirements for debt service coverage. Based on these adjustments, the user charge rate was set at \$3.56 per CCF, resulting in an annual billing of \$16.3 million (based on assumed consumption of 4.6 million CCFs). After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal 2011 based on actual consumption of 4.3 million CCFs was \$15.7 million. Fiscal 2011 revenues totaled \$18.5 million. Despite the challenging economic environment, the collection rate within twelve months on sewer use charges in fiscal 2011 was approximately 89.0% (vs. 95% in the prior year).

In fiscal 2011 the SWPCA's primary operating revenues of \$18.5 million (as compared to \$18.3 million the prior year) included sewer use charges (\$15.7 million), contract revenues (\$1.6 million, substantially from Darien), and fees and other income (\$1.2 million, primarily reflecting revenue from the State of Connecticut nitrogen credit trading program).

Expenses. In fiscal 2011 the SWPCA's operating expenses, which totaled \$16.7 million (as compared to \$17.6 million the prior year), consisted of salaries, employee benefits and claims (\$4.4 million), utilities costs (\$2.6 million), materials and supplies (\$2.0 million), operations and supplies (\$2.2 million), depreciation (\$5.1 million), and a provision for doubtful accounts (\$0.4 million). The \$0.9 million reduction in operating expenses in fiscal 2011 reflected the impact of lower depreciation and utilities costs of (\$1.2 million, reflecting change in depreciation estimates, and \$0.4 million, respectively) partially offset by a \$0.3 million provision for doubtful accounts and higher salary and materials and supply expenses (of \$0.2 million and \$0.2 million, respectively).

**SWPCA Operating Expenses
Budgetary Basis
June 30, 2011**



The SWPCA's non-operating revenue of \$4.4 million included special assessments and connection charges (\$3.2 million), other non-operating revenue (\$1.1 million) and interest income (\$0.1 million); non-operating expense of \$3.3 million consisted of interest expense (\$3.2 million) and provision for doubtful accounts – special assessment and connection charge (\$0.1 million). Additional information on revenue and expense budgetary information is contained in the supplemental information section.

Organization of SWPCA Operations

The SWPCA's organization includes three primary Divisions, as follows:

Administration Division: responsible for the overall management of the SWPCA, including technical decisions, operational supervision, financial management (including billing and collections), planning, procurement, management of capital projects and various other administrative duties.

Process Division: responsible to ensure that the SWPCA's facilities are operated effectively and meet all state and federal requirements. Activities within this Division include sludge processing, storm water discharge and management, and laboratory services.

Maintenance Division: responsible for the maintenance of the SWPCA's facilities, including property and equipment, pumping stations and sanitary sewer maintenance.

As of June 30, 2011 the SWPCA had 41 full time equivalent employees a decrease of 1 from the prior year.

SWPCA's Major Recent Capital Projects

The SWPCA's major recent projects included:

Intervale Area Project: to construct approximately 10,000 linear feet of sanitary sewer; as of June 30, 2011, project was completed. The project included the design and installation of approximately 2 miles of sanitary sewers and 1 mile of storm sewers; approximately 70 properties will benefit from this project. The budget authorization for this project was approximately \$6.2 million; spending to date (as of June 30, 2011) was approximately \$4.6 million.

Hurricane Barrier Recertification: during fiscal 2011 approximately \$295,000 was spent on the recertification of the Hurricane Barrier, tree and stump removal, and pumping station switch gear upgrades required by ACOE (A). The Hurricane Barrier is now fully accredited by FEMA. Completion of this project prevented some areas from being classified as flood areas, which would have required property owners in those areas to obtain flood insurance.

East Cross Road Sewer Project: Approximately 2,160 linear feet of sanitary sewers were installed to serve about 17 properties at East Cross Road. The project was started in September 2010 and was completed in July 2011. The budget authorization for this project was approximately \$1.45 million; spending to date (as of June 30, 2011) was approximately \$1.4 million

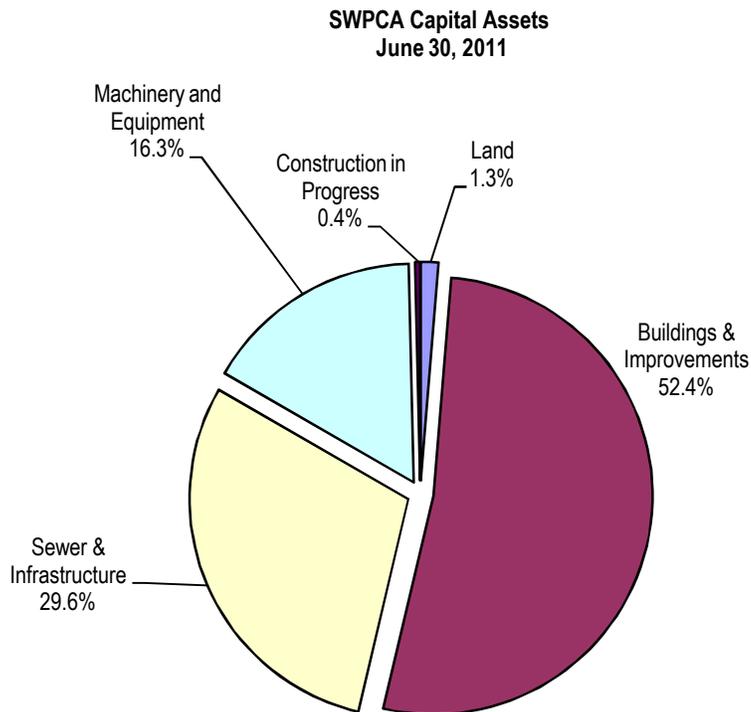
Stormwater: The existing City of Stamford stormwater MS4 permit expired in March 2010. The current permit renewal process, started by the SWPCA, will be completed by the City. Until the new permit is officially issued, the SWPCA responsibilities for compliance with the requirements of the existing permit continue. The project has a budget of \$100,000 for labor and non-labor costs in fiscal 2012.

Additionally the SWPCA is upgrading the primary and secondary clarifiers, odor control systems, sludge thickeners, ultra violet disinfection system.

Capital Assets. As of June 30, 2011, the SWPCA had total capital assets (net of accumulated depreciation) of \$150.6 million, as follows:

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

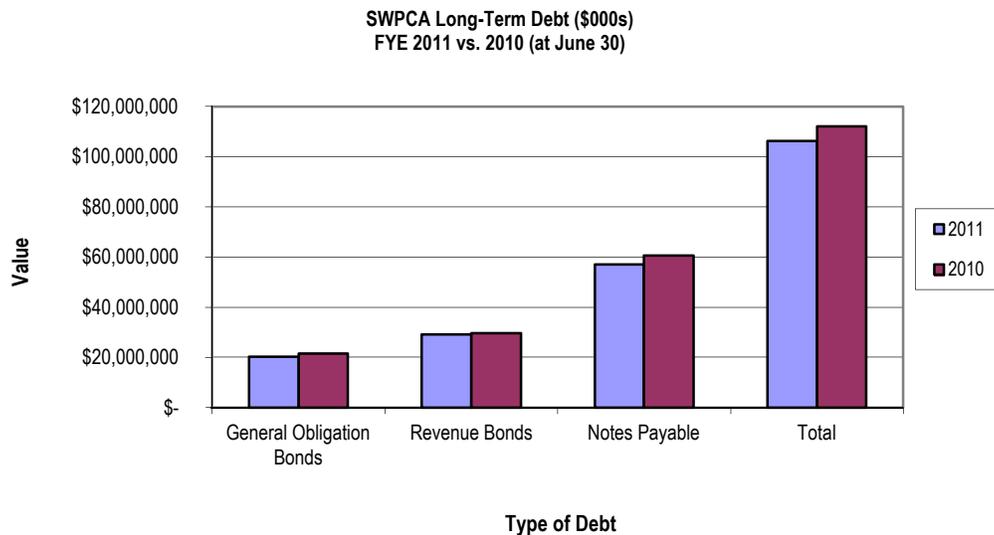
	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Change</u>
Land	\$ 2,833	\$ 2,833	\$ -
Buildings & Improvements	116,080	115,470	610
Sewer & Infrastructure	65,638	59,934	5,704
Machinery and Equipment	36,111	36,111	-
Construction in Progress	<u>825</u>	<u>2,814</u>	<u>(1,989)</u>
Total before Depreciation	221,487	217,162	4,325
Less Accumulated Depreciation	<u>(70,850)</u>	<u>(65,764)</u>	<u>(5,086)</u>
Total	<u><u>\$ 150,637</u></u>	<u><u>\$ 151,398</u></u>	<u><u>\$ (761)</u></u>



Additional information on capital assets is presented in Note 5 on page 24 of this report.

Long-Term Debt. As of June 30, 2011, the Stamford Water Pollution Control Authority had long term debt outstanding of approximately \$106.3 million, as follows:

SWPCA Long-Term Debt			
	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Change</u>
General Obligation Bonds	\$ 20,190,447	\$ 21,641,342	\$ (1,450,895)
Revenue Bonds	29,051,418	29,732,684	(681,266)
Notes Payable	57,015,782	60,670,682	(3,654,900)
Totals	\$ 106,257,647	\$ 112,044,708	\$ (5,787,061)



The Stamford Water Pollution Control Authority’s total long-term debt decreased by approximately \$5.7 million in fiscal 2011, reflecting the net impact of the principal payment of \$3.7 million in note payables, \$1.9 million in general obligation debt, and \$0.7 million in revenue bonds, partially offset by the refunding of \$0.4 million in general obligation bonds—confirm.

The Stamford Water Pollution Control Authority currently has its debt rated Aa2 by Moody’s Investors Service and AA+ by Standard & Poor’s.

Additional information on long-term debt is presented in Note 7 of this report on pages 25-29

Economic Factors and Subsequent Events

The service area economy and customer base characteristics are key factors which impact the operating results and financial health of the SWPCA.

As of June 2011, Stamford's unemployment rate was 7.3%, which compared favorably to a rate of 9.1% for the State of Connecticut and 9.3% nationally. The estimated 2010 median household income in Stamford was approximately \$73,000, which compared favorably to the median of approximately \$ 65,700 for households in the State of Connecticut and \$49,500 nationally.

The central business district office vacancy rate in June 2011 in Stamford was approximately 24% compared to about 21% in Fairfield County, CT. Despite the challenging economic environment, Stamford is continuing to attract new businesses and has a significant amount of local commercial and retail development underway. The City of Stamford's strong financial condition is reflected by its AAA debt rating by Standard & Poor's and Aa1 rating by Moody's Investors Service.

Requests for Information

This financial report is designed to provide a general financial overview of the Stamford Water Pollution Control Authority for those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Mary Lou Rinaldi, Chairman of the SWPCA, at 111 Harbor View Ave, Stamford, CT 06902. Or Mr. Ernest A. Orgera, the City's Director of Operations (EOrgera@ci.stamford.ct.us) at 888 Washington Boulevard, Stamford, CT 06901.

STAMFORD WATER POLLUTION CONTROL AUTHORITY

COMPARATIVE STATEMENTS OF NET ASSETS
 JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 470,240	\$ 457,031
Accounts receivable:		
Usage charges, net of allowance for doubtful accounts of \$1,200,000 and \$825,000	3,627,796	2,431,927
Special assessments and connection charges, net	996,094	579,348
Other	1,189,433	1,331,587
Other current assets	<u>10,258</u>	<u>9,902</u>
Total Current Assets	<u>6,293,821</u>	<u>4,809,795</u>
Non-current Assets		
Capital assets		
Land	2,833,278	2,833,278
Sewer and infrastructure	65,637,806	59,934,349
Building and improvements	116,080,368	115,470,138
Equipment	36,111,047	36,111,047
Construction in progress	825,007	2,813,917
Less accumulated depreciation	<u>(70,850,450)</u>	<u>(65,763,541)</u>
Total Capital Assets	150,637,056	151,399,188
Restricted assets - cash	7,811,039	7,676,929
Special assessments and connection charges receivable, net	6,600,182	5,363,449
Deferred charges	<u>210,540</u>	<u>236,190</u>
Total Non-current Assets	<u>165,258,817</u>	<u>164,675,756</u>
Total Assets	<u>\$ 171,552,638</u>	<u>\$ 169,485,551</u>

See notes to financial statements

STAMFORD WATER POLLUTION CONTROL AUTHORITY

COMPARATIVE STATEMENTS OF NET ASSETS
 JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 948,857	\$ 1,212,473
Accrued liabilities	1,457,352	986,709
Unearned revenue	154,062	205,022
Due to the City of Stamford	6,273,695	1,490,099
Current portion of general obligation bonds	1,687,234	1,450,129
Current portion of revenue bonds payable	690,000	665,000
Current portion of notes payable	3,725,044	3,654,901
Current portion of compensated absences	<u>30,000</u>	<u>30,841</u>
Total Current Liabilities	14,966,244	9,695,174
General Obligation Bonds, net	18,503,213	20,191,213
Revenue Bonds Payable, net	28,361,418	29,067,684
Notes Payable	53,290,738	57,015,781
Compensated Absences	<u>268,107</u>	<u>277,573</u>
Total Liabilities	<u>115,389,720</u>	<u>116,247,425</u>
Net Assets		
Invested in capital assets, net of related debt (including unexpended bond funds of \$1,233,468 and \$5,183,749)	45,612,877	44,538,229
Restricted	7,811,039	7,676,929
Unrestricted	<u>2,739,002</u>	<u>1,022,968</u>
Total Net Assets	<u>56,162,918</u>	<u>53,238,126</u>
Total Liabilities and Net Assets	<u>\$ 171,552,638</u>	<u>\$ 169,485,551</u>

See notes to financial statements

STAMFORD WATER POLLUTION CONTROL AUTHORITY

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Sewer use charges	\$ 17,261,841	\$ 16,928,676
Fees and other income	<u>1,242,067</u>	<u>1,323,594</u>
Total Operating Revenues	<u>18,503,908</u>	<u>18,252,270</u>
OPERATING EXPENSES		
Salaries, benefits and claims	4,398,009	4,221,364
Utilities	2,613,984	2,976,052
Materials and supplies	2,030,557	1,943,117
Operations and supplies	2,155,766	2,026,335
Depreciation	5,086,909	6,288,177
Provision for doubtful accounts	<u>375,000</u>	<u>125,000</u>
Total Operating Expenses	<u>16,660,225</u>	<u>17,580,045</u>
Net Operating Income	<u>1,843,683</u>	<u>672,225</u>
NON-OPERATING REVENUES (EXPENSES)		
Special assessments and connection charges	3,182,499	2,763,438
Provision for doubtful accounts - special assessments and connection charges	(100,000)	-
Other non-operating revenue	1,067,492	-
Interest income	112,844	104,324
Interest expense	<u>(3,181,726)</u>	<u>(3,763,960)</u>
Total Non-Operating Expenses	<u>1,081,109</u>	<u>(896,198)</u>
Net Income (Loss) Before Special Item	2,924,792	(223,973)
SPECIAL ITEM		
Special item - impairment of assets	<u>-</u>	<u>(2,226,167)</u>
Change in Net Assets	2,924,792	(2,450,140)
NET ASSETS		
Beginning of year	<u>53,238,126</u>	<u>55,688,266</u>
End of year	<u>\$ 56,162,918</u>	<u>\$ 53,238,126</u>

See notes to financial statements

STAMFORD WATER POLLUTION CONTROL AUTHORITY

COMPARATIVE STATEMENTS OF CASH FLOWS
JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	\$ 17,011,166	\$ 18,250,653
Cash payments to employees	(3,254,784)	(3,111,454)
Cash payments to suppliers	(6,095,510)	(5,709,952)
Cash payments for benefits and claims	(1,201,092)	(1,082,898)
Net Cash from Operating Activities	<u>6,459,780</u>	<u>8,346,349</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net change in due to the City of Stamford	4,783,596	(5,266,426)
Principal payments on debt	(6,217,061)	(6,469,204)
Interest paid on debt	(3,293,902)	(3,057,908)
Bond proceeds	430,000	10,408,000
Purchase of property and equipment	(4,637,517)	(5,456,539)
Other non-operating revenue	1,067,492	-
Special assessment and connection charges proceeds	<u>1,442,087</u>	<u>1,528,167</u>
Net Cash from Capital and Related Financing Activities	<u>(6,425,305)</u>	<u>(8,313,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	<u>112,844</u>	<u>104,324</u>
Net Change in Cash and Cash Equivalents	147,319	136,763
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>8,133,960</u>	<u>7,997,197</u>
End of year	<u>\$ 8,281,279</u>	<u>\$ 8,133,960</u>
Cash and cash equivalents	470,240	457,031
Restricted cash	<u>7,811,039</u>	<u>7,676,929</u>
Total Cash and Cash Equivalents	<u>\$ 8,281,279</u>	<u>\$ 8,133,960</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 1,843,683	\$ 672,225
Adjustments to reconcile operating income to net cash provided by operating activities		
Provision for doubtful accounts	375,000	125,000
Depreciation	5,086,909	6,288,177
Changes in operating assets and liabilities		
Increase in accounts receivable	(1,428,715)	(84,799)
Decrease in other assets	(356)	-
Increase in accounts payable and accrued liabilities	647,286	1,262,564
(Decrease) increase in unearned revenue	<u>(64,027)</u>	<u>83,182</u>
Net Cash from Operating Activities	<u>\$ 6,459,780</u>	<u>\$ 8,346,349</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 3,293,902	\$ 3,057,908
SUPPLEMENTAL NON-CASH CAPITAL ACTIVITIES		
Capital acquisition financed with debt and accounts payable	\$ 58,091	\$ 370,831

See notes to financial statements

Note 1 – Organization

Ordinance Number 803, adopted November 6, 1996, created the Stamford Water Pollution Control Authority (the “SWPCA”) to operate the Water Pollution Control Facility, sanitary sewage system, pumping stations and hurricane barriers for the City of Stamford, Connecticut (the “City”). SWPCA operations are financed primarily through direct charges to the users of its services. The SWPCA is exempt from Federal, State and local income taxes. The SWPCA uses administrative services of the City in exchange for an administrative fee.

Note 2 – Summary of Significant Accounting Policies

Financial Reporting Entity

In accordance with criteria enumerated in Governmental Accounting Standards Board (“GASB”) Statement No. 14, the SWPCA has been identified as a blended component unit of the City and is presented as a business-type activity in the City’s basic financial statements. The accompanying financial statements present only the SWPCA fund and do not purport to, and do not, present the financial position of the City or the changes in the City’s financial position and cash flows.

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.

The SWPCA follows GASB Statement No. 20 “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.

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.

Under a long standing arrangement with the City, the SWPCA shares in a pooled cash account controlled by, and in the name of, the City. The SWPCA’s share of this pooled cash account was a deficit at both June 30, 2011 and the prior year period and is reflected as “Due to the City of Stamford” in the accompanying financial statements. The SWPCA’s own unrestricted cash balance was \$470,240 and \$457,031 at June 30, 2011 and the prior year period.

Note 2 – Summary of Significant Accounting Policies (Continued)**Accounts Receivable**

Accounts receivable are stated net of an estimate made for doubtful accounts. 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.

Capital Assets

Property, plant and equipment are 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>
Sewer and infrastructure	50-100
Buildings and improvements	25-50
Equipment	5-20

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. Non-vested sick leave is recognized to the extent it is expected to be paid.

Operating Revenue

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

The SWPCA has the authority to and does routinely file liens on past due accounts. The lien amounts are payable, subject to unpaid property taxes and any superior claims, i.e. first mortgages, upon transfer of the respective properties.

Note 2 – Summary of Significant Accounting Policies (Continued)**Special Assessments and Connection Charges**

Special assessments are fees assessed by the SWPCA for new sewer lines. Interest is charged on the special assessments outstanding receivable balances at an annual rate set by the SWPCA at the time the special assessments are assessed. Connection charges are fees assessed for new connections to existing sewer lines in residences and commercial businesses. No interest is charged on connection charges. Accordingly, connection charges are recorded net of an imputed interest charge. Amounts receivable for special assessments and connection charge fees are stated net of interest and imputed interest. Interest is recognized as it is earned over the period of collection. The special assessment and the connection charge fees are generally payable over periods of 10 to 20 years.

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 requirements in accordance with the terms of the outstanding revenue bonds.

Non-operating Revenue

Non-operating revenue represents the reversal of prior year's estimated accruals.

Change in Accounting Estimate

The SWPCA's policy is to periodically review the estimated useful lives of its fixed assets. This review during 2011 indicated that actual lives for certain asset categories generally were longer than the useful lives used for depreciation purposes in the SWPCA's financial statements. As a result, the SWPCA revised the estimated useful lives of certain assets included in equipment, effective July 1, 2010. This change in estimate is being applied prospectively. The effect of this change in estimate was to reduce 2011 depreciation expense by \$1,270,345.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 18, 2012.

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 – Cash and Cash Equivalents

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, 2011 and June 30, 2010 was restricted in accordance with the terms of various outstanding debt of the SWPCA (see Note 6).

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

	<u>Carrying and Fair Values</u>	
	<u>2011</u>	<u>2010</u>
Cash	\$ 470,240	\$ 457,031
Restricted cash	<u>7,811,039</u>	<u>7,676,929</u>
	<u>\$ 8,281,279</u>	<u>\$ 8,133,960</u>

Note 4 - Special Assessments and Connection Charges Receivable

The following is a summary of special assessments and connection charges receivable at June 30:

	<u>2011</u>		
	<u>New Sewer Line Charges</u>	<u>Connection Charges</u>	<u>Total</u>
Due in the year ending June 30:			
2012	\$ 361,171	\$ 917,177	\$ 1,278,348
2013	218,245	531,570	749,815
2014	214,874	452,371	667,245
2015	217,184	430,872	648,056
2016	218,274	396,589	614,863
Thereafter	<u>1,509,802</u>	<u>3,237,942</u>	<u>4,747,744</u>
	2,739,550	5,966,521	8,706,071
Less imputed interest	<u>-</u>	<u>(827,541)</u>	<u>(827,541)</u>
Receivable Before Interest and Lien Fees Receivables and Allowance for Doubtful Accounts	<u>\$ 2,739,550</u>	<u>\$ 5,138,980</u>	7,878,530
Plus related interest and lien fees receivable			217,746
Less allowance for doubtful accounts			<u>(500,000)</u>
Net Special Assessments and Connection Charges Receivable			<u>\$ 7,596,276</u>

Note 4 - Special Assessments and Connection Charges Receivable (continued)

	2010		
	<u>New Sewer Line Charges</u>	<u>Connection Charges</u>	<u>Total</u>
Due in the year ending June 30:			
2011	\$ 306,155	\$ 506,725	\$ 812,880
2012	147,044	497,325	644,369
2013	144,122	482,237	626,359
2014	144,122	404,141	548,263
2015	144,122	380,176	524,298
Thereafter	<u>716,894</u>	<u>3,044,091</u>	<u>3,760,985</u>
	1,602,459	5,314,695	6,917,154
Less imputed interest	<u>-</u>	<u>(740,825)</u>	<u>(740,825)</u>
Receivable Before Interest and Lien Fees Receivables and Allowance for Doubtful Accounts	<u>\$ 1,602,459</u>	<u>\$ 4,573,870</u>	6,176,329
Plus related interest and lien fees receivable			166,468
Less allowance for doubtful accounts			<u>(400,000)</u>
Net Special Assessments and Connection Charges Receivable			<u>\$ 5,942,797</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 – Capital Assets

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

	2011			
	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated				
Land	\$ 2,833,278	\$ -	\$ -	\$ 2,833,278
Construction in process	<u>2,813,917</u>	<u>2,319,424</u>	<u>4,308,334</u>	<u>825,007</u>
Total capital assets, not being depreciated	<u>5,647,195</u>	<u>2,319,424</u>	<u>4,308,334</u>	<u>3,658,285</u>
Capital assets being depreciated				
Sewer and infrastructure	59,934,349	5,703,457	-	65,637,806
Building and improvements	115,470,138	610,230	-	116,080,368
Equipment	<u>36,111,047</u>	<u>-</u>	<u>-</u>	<u>36,111,047</u>
Total capital assets being depreciated	<u>211,515,534</u>	<u>6,313,687</u>	<u>-</u>	<u>217,829,221</u>
Less accumulated depreciation	<u>65,763,541</u>	<u>5,086,909</u>	<u>-</u>	<u>70,850,450</u>
Total capital assets being depreciated, net	<u>145,751,993</u>	<u>1,226,778</u>	<u>-</u>	<u>146,978,771</u>
Capital assets, net	<u>\$ 151,399,188</u>	<u>\$ 3,546,202</u>	<u>\$ 4,308,334</u>	<u>\$ 150,637,056</u>
	2010			
	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated				
Land	\$ 2,833,278	\$ -	\$ -	\$ 2,833,278
Construction in process	<u>1,375,379</u>	<u>3,971,552</u>	<u>2,533,014</u>	<u>2,813,917</u>
Total capital assets, not being depreciated	<u>4,208,657</u>	<u>3,971,552</u>	<u>2,533,014</u>	<u>5,647,195</u>
Capital assets being depreciated				
Sewer and infrastructure	59,268,091	666,258	-	59,934,349
Building and improvements	115,025,861	444,277	-	115,470,138
Equipment	<u>36,105,687</u>	<u>5,360</u>	<u>-</u>	<u>36,111,047</u>
Total capital assets being depreciated	<u>210,399,639</u>	<u>1,115,895</u>	<u>-</u>	<u>211,515,534</u>
Less accumulated depreciation	<u>59,475,364</u>	<u>6,288,177</u>	<u>-</u>	<u>65,763,541</u>
Total capital assets being depreciated, net	<u>150,924,275</u>	<u>(5,172,282)</u>	<u>-</u>	<u>145,751,993</u>
Capital assets, net	<u>\$ 155,132,932</u>	<u>\$ (1,200,730)</u>	<u>\$ 2,533,014</u>	<u>\$ 151,399,188</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 6 – Restricted Assets

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

	<u>2011</u>	<u>2010</u>
Clean Water Fund - Debt Service Reserve	\$ 4,652,364	\$4,557,073
2003 Debt Service Reserve Fund	840,609	814,169
2006 Debt Service Reserve Fund	1,207,299	1,207,299
2003 and 2006 Debt Service Funding Accrual	<u>1,110,767</u>	<u>1,098,388</u>
	<u>\$ 7,811,039</u>	<u>\$7,676,929</u>

Note 7 – Long-Term Obligations

Long-term liability activity was as follows for the years ended June 30:

	<u>2011</u>				
	<u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>	<u>Due Within One Year</u>
Bonds payable					
General obligation bonds	\$ 21,580,517	\$ 430,000	\$ 1,874,129	\$ 20,136,388	\$ 1,687,234
Unamortized premium	<u>60,825</u>	<u>-</u>	<u>6,766</u>	<u>54,059</u>	<u>-</u>
	<u>21,641,342</u>	<u>430,000</u>	<u>1,880,895</u>	<u>20,190,447</u>	<u>1,687,234</u>
Revenue bonds	29,640,000	-	665,000	28,975,000	690,000
Unamortized premium	<u>92,684</u>	<u>-</u>	<u>16,266</u>	<u>76,418</u>	<u>-</u>
	<u>29,732,684</u>	<u>-</u>	<u>681,266</u>	<u>29,051,418</u>	<u>690,000</u>
Notes payable	<u>60,670,682</u>	<u>-</u>	<u>3,654,900</u>	<u>57,015,782</u>	<u>3,725,044</u>
Total bonds and notes payable	<u>112,044,708</u>	<u>430,000</u>	<u>6,217,061</u>	<u>106,257,647</u>	<u>6,102,278</u>
Compensated absences	<u>308,414</u>	<u>-</u>	<u>10,307</u>	<u>298,107</u>	<u>30,000</u>
Total	<u>\$ 112,353,122</u>	<u>\$ 430,000</u>	<u>\$ 6,227,368</u>	<u>\$ 106,555,754</u>	<u>\$ 6,132,278</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 7 – Long-Term Obligations (Continued)

	2010				Due Within One Year
	July 1, 2009	Increases	Decreases	June 30, 2010	
Bonds payable					
General obligation bonds	\$ 13,098,192	\$ 10,408,000	\$ 1,925,675	\$ 21,580,517	\$ 1,450,129
Unamortized premium	<u>142,892</u>	<u>-</u>	<u>82,067</u>	<u>60,825</u>	<u>-</u>
	<u>13,241,084</u>	<u>10,408,000</u>	<u>2,007,742</u>	<u>21,641,342</u>	<u>1,450,129</u>
Revenue bonds	30,285,000	-	645,000	29,640,000	665,000
Unamortized premium	<u>323,000</u>	<u>-</u>	<u>230,316</u>	<u>92,684</u>	<u>-</u>
	<u>30,608,000</u>	<u>-</u>	<u>875,316</u>	<u>29,732,684</u>	<u>665,000</u>
Notes payable	<u>64,256,828</u>	<u>-</u>	<u>3,586,146</u>	<u>60,670,682</u>	<u>3,654,901</u>
Total bonds and notes payable	<u>108,105,912</u>	<u>10,408,000</u>	<u>6,469,204</u>	<u>112,044,708</u>	<u>5,770,030</u>
Compensated absences	<u>292,866</u>	<u>15,548</u>	<u>-</u>	<u>308,414</u>	<u>30,841</u>
Total	<u>\$ 108,398,778</u>	<u>\$ 10,423,548</u>	<u>\$ 6,469,204</u>	<u>\$ 112,353,122</u>	<u>\$ 5,800,871</u>

General Obligation Bonds

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

Note 7 – Long-Term Obligations (Continued)

General Obligation Bonds (Continued)

The SWPCA's allocable portion of the City's general obligation bonds outstanding as of June 30, 2011 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amounts</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance June 30, 2011</u>
Public Improvements	2001	\$ 3,640,000	2012	4.625 %	\$ 113,134
Refunding Bonds	2002	2,718,590	2015	4.250 - 5.500	1,032,027
Refunding Bonds	2003	3,982,952	2016	5.000 - 5.250	2,607,853
Refunding Bonds	2004	1,268,429	2019	3.250 - 5.250	1,107,529
Public Improvements	2005	3,136,000	2012	3.250 - 4.000	179,600
Refunding Bonds	2006	2,247,600	2021	3.500 - 5.000	2,144,800
Refunding Bonds	2008	1,817,639	2015	3.000 - 5.000	1,040,014
Refunding Bonds	2009	1,073,431	2020	2.500 - 5.000	1,073,431
Public Improvements	2010	10,000,000	2030	1.500 - 5.550	10,000,000
Refunding Bonds	2010	408,000	2023	4.000 - 5.000	408,000
Refunding Bonds	2010	430,000	2025	2.000 - 4.000	430,000
					<u>\$ 20,136,388</u>

Aggregate debt service requirements subsequent to June 30, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,687,235	\$ 890,196	\$ 2,577,431
2013	1,743,440	830,750	2,574,190
2014	1,771,784	755,382	2,527,166
2015	1,790,158	675,096	2,465,254
2016	1,372,117	606,289	1,978,406
2017-2021	5,819,654	2,169,673	7,989,327
2022-2026	3,332,000	1,115,523	4,447,523
2027-2030	<u>2,620,000</u>	<u>292,675</u>	<u>2,912,675</u>
Debt Service requirement	20,136,388	7,335,584	27,471,972
Plus bond premium	<u>54,059</u>	<u>-</u>	<u>54,059</u>
Net Debt Service requirement	<u>\$20,190,447</u>	<u>\$ 7,335,584</u>	<u>\$27,526,031</u>

Note 7 – Long-Term Obligations (Continued)**Revenue Bonds**

SWPCA revenue bonds outstanding consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Stamford Water Pollution Control System and Facility Revenue Bonds - 2003. Issued in the aggregate amount of \$12,480,000 revenue bonds in October 2003 at interest rates ranging from 2.0% to 5.0%, 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 premiums of \$41,448 and \$52,501 at June 30, 2011 and 2010.	\$10,681,448	\$10,977,501
Stamford Water Pollution Control System and Facility Revenue Bonds - 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 premiums of \$34,970 and \$40,183 at June 30, 2011 and 2010.	<u>18,369,970</u>	<u>18,755,183</u>
Total revenue bonds payable	29,051,418	29,732,684
Less: current portion	<u>690,000</u>	<u>665,000</u>
Total revenue bonds payable - non-current	<u>\$28,361,418</u>	<u>\$29,067,684</u>

Note 7 – Long-Term Obligations (Continued)**Revenue Bonds (Continued)**

Aggregate debt service requirements subsequent to June 30, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	775,000	1,217,181	1,992,181
2016	805,000	1,186,625	1,991,625
2017-2021	4,570,000	5,385,278	9,955,278
2022-2026	5,700,000	4,261,207	9,961,207
2027-2031	7,190,000	2,772,931	9,962,931
2032-2036	6,610,000	984,914	7,594,914
2037	<u>1,175,000</u>	<u>27,906</u>	<u>1,202,906</u>
Debt Service requirement	28,975,000	19,656,098	48,631,098
Plus bond premium	<u>76,418</u>	-	<u>76,418</u>
Net Debt Service requirement	<u>\$29,051,418</u>	<u>\$19,656,098</u>	<u>\$48,707,516</u>

Notes Payable

The SWPCA has loans from the State of Connecticut for various sewer projects. The SWPCA completed a \$105 million upgrade of the waste water treatment facility in 2006. 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, 2011 and 2010 the combined loan balances were \$57,015,782 and \$60,670,682.

Aggregate debt service requirements subsequent to June 30, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,864,423	876,859	4,741,282
2016	3,883,503	799,730	4,683,233
2017-2021	20,204,189	2,801,464	23,005,653
2022-2026	<u>17,672,414</u>	<u>761,291</u>	<u>18,433,705</u>
Net Debt Service requirement	<u>\$57,015,782</u>	<u>\$ 8,331,296</u>	<u>\$65,347,078</u>

Note 8 – Commitments and Contingencies**General Contingencies**

The SWPCA is a defendant in a lawsuit. In the opinion of the City's General Counsel and SWPCA's management, the resolution of this matter is not expected to have a material adverse effect on the future financial condition of the SWPCA.

Waste-to-Energy Project

The objective of the waste-to-energy project ("Project") was to evaluate and design an interface between the sludge drying system (pelletization) and the proposed electrical generating system, including schematic design and waste-to-energy options. However, on July 7, 2010, the SWPCA Board voted to discontinue this project. The Project was supported by grant funding from the U.S. Department of Energy ("DOE") on a 50% basis. Of the approximately \$2.2 million in costs incurred since the Project's inception, approximately \$1.1 million was provided by the DOE. The assets (approximately \$2.2 million) associated with this project were written off last year.

Note 9 – Risk Management

The SWPCA 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 SWPCA is insured through the City's internal service insurance fund. The City's self-insurance fund covers the City, including the SWPCA, per claim for up to \$250,000 with an aggregate limit of \$1,000,000 for general and auto liability, \$1,500,000 for worker's compensation, \$100,000 for public officials' liability and \$250,000 for property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the City's 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. For the years ended June 30, 2011 and 2010, the SWPCA paid the City approximately \$328,000 and \$341,000 to the City's internal service insurance fund.

Changes in the balances of claims liabilities related to the SWPCA in the City's insurance internal service fund, primarily workers' compensation during the past two years, are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2011	\$ 278,376	\$ 217,171	\$ 154,733	\$ 340,814
2010	\$ 349,000	\$ 25,390	\$ 96,014	\$ 278,376

Note 10 – Employee Retirement Plan

Nearly all full-time City employees are covered by a pension plan. The employees of the SWPCA are covered under the City's Classified Employees' Retirement Fund. Employees become eligible at date of hire and can contribute from 0% to 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 or 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, 2011 and 2010.

Note 11 – Other Post-Employment Benefits (OPEB)

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 provided on a pay-as-you-go basis. 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, 2010. 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 SWPCA's share of the contribution was \$75,121 and \$60,723 for the fiscal years 2011 and 2010, respectively.

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

Note 12 – Transactions with the City of Stamford

In the fiscal years 2011 and 2010, the City paid approximately \$195,000 and \$141,000, respectively, in sewer use charges to the SWPCA, and the SWPCA paid the City approximately \$75,000 and \$75,000 for administrative services, approximately \$760,000 and \$643,000 to the City's internal service medical insurance fund, approximately \$8,500 and \$8,000 in interest on advances from the City.

SUPPLEMENTAL INFORMATION

STAMFORD WATER POLLUTION CONTROL AUTHORITY

SCHEDULE OF REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Sewer use charges	\$ 15,950,782	\$ 15,950,782	\$ 15,663,871	\$ (286,911)
Contract revenue - Town of Darien, Connecticut	1,570,000	1,570,000	1,335,401	(234,599)
Contract revenue - Aquarion Water Company	175,000	175,000	262,569	87,569
Nitrogen Trading Credit	500,000	500,000	938,196	438,196
Fees and other income	<u>556,368</u>	<u>556,368</u>	<u>303,871</u>	<u>(252,497)</u>
Total Operating Revenue	<u>18,752,150</u>	<u>18,752,150</u>	<u>18,503,908</u>	<u>(248,242)</u>
NON-OPERATING REVENUE				
Sewer assessments	1,948,139	1,948,139	1,442,087	(207,727)
Interest income	<u>95,000</u>	<u>95,000</u>	<u>112,844</u>	<u>17,844</u>
Total Non-Operating Revenue	<u>2,043,139</u>	<u>2,043,139</u>	<u>1,554,931</u>	<u>(189,883)</u>
Total Revenues	<u>\$ 20,795,289</u>	<u>\$ 20,795,289</u>	20,058,839	<u>\$ (438,125)</u>
Non-operating revenue on a GAAP basis			1,067,492	
Additional sewer assessment revenue on a GAAP basis			<u>1,740,412</u>	
Revenues on a GAAP Basis			<u>\$ 22,866,743</u>	

STAMFORD WATER POLLUTION CONTROL AUTHORITY

SCHEDULE OF OPERATING EXPENSES - BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING EXPENSES				
Administration	\$ 3,051,581	\$ 2,786,581	\$ 2,701,672	\$ 84,909
Process control	3,450,615	3,558,615	3,560,455	(1,840)
Laboratory	471,183	463,183	448,669	14,514
Sludge processing - operating	735,725	715,725	519,357	196,368
Sludge processing - contractual	1,560,000	1,560,000	1,376,780	183,220
Storm water management	108,387	100,387	96,698	3,689
Building maintenance	209,450	209,450	159,241	50,209
Equipment maintenance	641,267	775,267	788,199	(12,932)
Pump station maintenance	579,387	532,887	529,684	3,203
Sanitary sewer maintenance	198,468	180,468	176,080	4,388
Barrier maintenance	213,200	213,200	119,345	93,855
Billing services	347,927	471,427	479,373	(7,946)
Depreciation	<u>6,600,000</u>	<u>6,600,000</u>	<u>5,086,909</u>	<u>1,513,091</u>
Total Operating Expenses	18,167,190	18,167,190	16,042,462	2,124,728
Other Non-Operating Expenses				
Debt service	<u>3,461,392</u>	<u>3,461,392</u>	<u>3,173,222</u>	<u>288,170</u>
Total Expenses	<u>\$ 21,628,582</u>	<u>\$ 21,628,582</u>	19,215,684	<u>\$ 2,412,898</u>
Net encumbrances included in budgetary basis and not GAAP basis and other adjustments for GAAP basis			251,267	
Provision for doubtful accounts			375,000	
Interest expense			<u>(3,181,726)</u>	
Operating expenditures on a GAAP basis			<u>\$ 16,660,225</u>	

Statistical Section

This part of the SWPCA'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 SWPCA's overall financial health.

Contents

Financial Trend

These schedules contain trend information to help the reader understand how the SWPCA's financial performance and well-being have changed over time. 34 - 35

Revenue Capacity

These schedules contain information to help the reader assess the SWPCA's most significant local revenue source, the sewer use charge. 36 - 37

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 38 - 41

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the SWPCA's financial activities take place. 42

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. 43 - 44

Stamford Water Pollution Control Authority

Financial Trend - Statement of Revenues, Expenses and Changes In Net Assets

Fiscal Year Ended June 30,

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Operating Revenues								
Charges for Services	\$ 11,645,375	\$ 12,015,120	\$ 13,564,628	\$ 15,454,711	\$ 15,996,214	\$ 18,644,768	\$ 18,252,270	\$ 18,503,908
Operating Expenses								
Salaries, benefits and claims	2,965,748	2,274,428	2,865,737	3,557,855	4,060,424	4,067,922	4,221,364	4,398,009
Operations and supplies	4,287,731	1,936,966	4,593,903	3,278,956	4,755,814	6,376,080	6,945,504	6,800,307
Depreciation and amortization	2,947,040	3,830,295	6,820,795	6,758,207	6,668,489	7,105,524	6,288,177	5,086,909
Provision for doubtful accounts	-	-	-	-	-	-	125,000	375,000
Total Operating Expenses	10,200,519	8,041,689	14,280,435	13,595,018	15,484,727	17,549,526	17,580,045	16,660,225
Net Operating Income (Loss)	1,444,856	3,973,431	(715,807)	1,859,693	511,487	1,095,242	672,225	1,843,683
Nonoperating Revenues (Expenses)								
Special assessments and connection charges	2,527,122	456,327	1,039,061	1,204,777	3,220,475	1,738,321	2,763,438	3,182,499
Provision for doubtful accounts - special assessments and connection charges	-	-	-	-	-	-	-	(100,000)
Other non-operating revenue	-	-	-	-	-	-	-	1,067,492
Interest income	-	-	361,720	791,625	772,533	182,255	104,324	112,844
Interest expense	(2,037,167)	(2,086,979)	(1,142,393)	(4,885,754)	(4,401,176)	(4,180,971)	(3,763,960)	(3,181,726)
Total Non-Operating Revenue (Expenses)	489,955	(1,630,652)	258,388	(2,889,352)	(408,168)	(2,260,395)	(896,198)	1,081,109
Capital Grants, Transfers and Special Items								
Capital grants	7,514,214	3,360,806	1,247,212	743,567	5,643,094	-	-	-
Transfers out	-	-	-	-	-	(1,566,677)	-	-
Special item - impairment of assets	-	-	-	-	-	-	(2,226,167)	-
Total Capital Grants, Transfers and Special Items	7,514,214	3,360,806	1,247,212	743,567	5,643,094	(1,566,677)	(2,226,167)	-
Change in Net Assets	9,449,025	5,703,585	789,793	(286,092)	5,746,413	(2,731,830)	(2,450,140)	2,924,792
Net assets, beginning	37,017,372	46,466,397	52,169,982	52,959,775	52,673,683	58,420,096	55,688,266	53,238,126
Net assets, ending	\$ 46,466,397	\$ 52,169,982	\$ 52,959,775	\$ 52,673,683	\$ 58,420,096	\$ 55,688,266	\$ 53,238,126	\$ 56,162,918

Note:
Prior to 2004, data not categorized as shown above.

Stamford Water Pollution Control Authority

Financial Trend - Net Assets

Fiscal Year Ended June 30,

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Assets								
Invested in capital assets, net	\$ 34,419,261	\$ 39,605,077	\$ 40,465,291	\$ 43,245,983	\$ 48,992,332	\$ 47,027,020	\$ 44,538,229	\$ 45,612,877
Restricted	-	7,612,182	9,313,030	14,958,556	3,672,144	7,540,166	7,676,929	7,811,039
Unrestricted	12,047,136	4,952,723	3,181,454	(5,530,856)	5,755,620	1,121,080	1,022,968	2,739,002
Total Net Assets	<u>\$ 46,466,397</u>	<u>\$ 52,169,982</u>	<u>\$ 52,959,775</u>	<u>\$ 52,673,683</u>	<u>\$ 58,420,096</u>	<u>\$ 55,688,266</u>	<u>\$ 53,238,126</u>	<u>\$ 56,162,918</u>

Stamford Water Pollution Control Authority

Revenue Capacity - Customer, Consumption & Rate Statistics

Fiscal Year (ended June 30)	Customers	Consumption (CCF)	Annual Consumption Change	Rate per CCF	Annual Rate Change	Average Residential Bill
2002	N/A	5,408,000	0.42%	\$1.76	6.67%	\$238.00
2003	N/A	5,146,220	-4.84%	\$1.91	8.52%	\$252.12
2004	N/A	5,194,867	0.95%	\$2.06	7.85%	\$267.80
2005	N/A	5,432,112	4.57%	\$2.20	6.80%	\$259.60
2006	18,428	5,010,172	-7.77%	\$2.30	4.55%	\$285.20
2007	18,510	4,755,682	-5.08%	\$2.96	28.70%	\$330.00
2008	18,572	4,336,336	-8.82%	\$3.03	2.36%	\$339.36
2009	19,084	4,553,000	5.00%	\$3.38	11.55%	\$378.56
2010	19,066	4,575,000	0.48%	\$3.46	2.37%	\$366.76
2011	19,360	4,277,668	-6.50%	\$3.56	2.89%	\$391.60

Notes:

N/A - Number of Customers prior to 2006 not available.

Consumption data reflects hundred cubic feet (CCF) of water consumed.

Customers as presented reflects residential, commercial and industrial customers.

CCF = 100 cubic feet of water, which is equivalent to 748 gallons.

Stamford Water Pollution Control Authority

**Revenue Capacity - Principal Water Users
Current and Previous Year (as of June 30)**

2011			2010		
Property Owner	Annual Billed Consumption (CCF)	% of Total Consumption	Property Owner	Annual Billed Consumption (CCF)	% of Total Consumption
1 Stamford Hospital	43,210	1.01%	Procter & Gamble Co.	53,880	1.14%
2 Saint John's Towers	33,220	0.78%	Hilton Stamford Hotel	48,274	1.02%
3 Hilton Stamford Hotel	31,602	0.74%	Stamford Hospital	44,360	0.94%
4 Fairfield Bedford LLC	24,760	0.58%	Saint John's Towers	36,000	0.76%
5 Stamford Marriott Hotel	23,122	0.54%	Spartech Polycast Inc	29,990	0.63%
6 Stamford Town Center	22,194	0.52%	Hoyt Bedford Apartments	24,762	0.52%
7 Bayview Towers	21,788	0.51%	UBS	23,600	0.50%
8 Hoyt Bedford Apartments	21,468	0.50%	Stamford Marriott Hotel	23,136	0.49%
9 UBS	17,220	0.40%	Fairfield Bedford LLC	23,080	0.49%
10 Continuing Care Retirement	16,980	0.40%	Stamford Town Center	21,228	0.45%
	<u>255,564</u>	<u>5.97%</u>		<u>328,310</u>	<u>6.93%</u>

Note:

CCF = 100 cubic feet of water, which is equivalent to 748 gallons.

Stamford Water Pollution Control Authority

**Debt Capacity - Debt Outstanding by Type
(000s)**

Fiscal Year (ended June 30)	Notes Payable	General Obligation Bonds	Revenue Bonds	Total Debt	Number of Customers	Debt Per Customer
2002	10,812	27,127	0	37,939	N/A	N/A
2003	38,112	24,192	0	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	18,428	6,067
2007	71,172	19,678	31,993	122,843	18,510	6,637
2008	67,775	14,920	31,277	113,972	18,572	6,137
2009	64,257	13,241	30,608	108,106	19,084	5,665
2010	60,671	21,641	29,733	112,045	19,066	5,877
2011	57,016	20,190	29,051	106,257	19,360	5,488

Notes:

Details of the SWPCA's outstanding debt are provided in the notes to the financial statements.

N/A - not available.

Customers reflects number of rate payors.

Stamford Water Pollution Control Authority

Debt Capacity - Debt Coverage - Revenue Bonds

Fiscal Year (ended June 30)	Charges for Services	Less - Operating Expenses	Net Available Revenues	Revenue Bonds			Coverage
				Debt Service			
				Principal	Interest	Total	
2004	\$ 11,645,375	\$ 7,253,479	\$ 4,391,896	\$ 334,229	\$ 443,379	\$ 777,608	5.65X
2005	12,015,120	4,211,394	7,803,726	577,347	641,668	1,219,015	6.40
2006	13,564,628	7,459,640	6,104,988	585,527	630,042	1,215,569	5.02
2007	15,454,711	6,836,811	8,617,900	600,000	1,392,163	1,992,163	4.33
2008	15,996,214	8,816,238	7,179,976	620,000	1,371,775	1,991,775	3.60
2009	18,644,768	10,444,002	8,200,766	645,000	1,349,900	1,994,900	4.11
2010	18,252,270	11,291,868	6,960,402	665,000	1,325,575	1,990,575	3.50
2011	18,503,908	11,573,316	6,930,592	690,000	1,300,056	1,990,056	3.48

Notes:

Source: City records

Revenue was not pledged until fiscal year 2004.

Stamford Water Pollution Control Authority

Debt Capacity - Debt Coverage - General Obligations Bonds

Fiscal Year (ended June 30)	Charges for Services	Less - Operating Expenses	Net Available Revenues	General Obligation Bonds			Coverage
				Debt Service		Total	
				Principal	Interest		
2004	\$ 11,645,375	\$ 7,253,479	\$ 4,391,896	\$ 1,941,487	\$ 1,104,473	\$ 3,045,960	1.44X
2005	12,015,120	4,211,394	7,803,726	2,130,618	2,236,464	4,367,082	1.79
2006	13,564,628	7,459,640	6,104,988	2,039,624	859,205	2,898,829	2.11
2007	15,454,711	6,836,811	8,617,900	1,979,080	798,698	2,777,778	3.10
2008	15,996,214	8,816,238	7,179,976	1,687,234	890,196	2,577,430	2.79
2009	18,644,768	10,444,002	8,200,766	1,747,179	631,594	2,378,773	3.45
2010	18,252,270	11,291,868	6,960,402	1,450,129	953,559	2,403,688	2.90
2011	18,503,908	11,573,316	6,930,592	1,687,234	890,196	2,577,430	2.69

Notes:

Source: City records

Revenue was not pledged until fiscal year 2004.

Stamford Water Pollution Control Authority

Debt Capacity - Debt Coverage - Notes Payable

Fiscal Year (ended June 30)	Charges for Services	Less - Operating Expenses	Net Available Revenues	Notes Payable			Coverage
				Debt Service			
				Principal	Interest	Total	
2004	\$ 11,645,375	\$ 7,253,479	\$ 4,391,896	\$ 619,625	\$ 188,384	\$ 808,009	5.44X
2005	12,015,120	4,211,394	7,803,726	3,854,604	1,216,131	5,070,735	1.54
2006	13,564,628	7,459,640	6,104,988	8,574,604	2,711,216	11,285,820	0.54
2007	15,454,711	6,836,811	8,617,900	3,396,269	1,393,024	4,789,293	1.80
2008	15,996,214	8,816,238	7,179,976	3,725,044	1,106,287	4,831,331	1.49
2009	18,644,768	10,444,002	8,200,766	3,518,750	1,323,367	4,842,117	1.69
2010	18,252,270	11,291,868	6,960,402	3,654,901	1,180,025	4,834,926	1.44
2011	18,503,908	11,573,316	6,930,592	3,725,044	1,106,287	4,831,331	1.43

Notes:

Source: City records

Revenue was not pledged until fiscal year 2004.

Stamford Water Pollution Control Authority

Demographic and Economic Information

<u>Fiscal Year (ended June 30)</u>	<u>Population</u>	<u>Median Age</u>	<u>Median Household Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	117,334	N/A	N/A	15,370	3.4
2003	119,580	N/A	N/A	15,566	4.4
2004	120,202	39.0	64,782	15,268	4.4
2005	121,142	38.0	66,461	15,304	4.2
2006	121,821	38.0	68,699	15,443	3.9
2007	122,261	39.0	73,131	15,043	3.6
2008	122,342	39.0	74,519	14,946	4.0
2009	120,038	39.0	75,723	14,995	6.0
2010	120,038	39.0	75,723	15,490	7.7
2011	120,068	39.0	73,034	15,677	7.3

Notes:

Sources: City records, cerc.com

N/A - Data prior to 2004 not available.

Certain 2010 and 2011 data not yet available; in such cases 2009 data was used (e.g., Population, Median Age, and Median Household Income).

School enrollment represents Oct. 21, 2011 data.

Stamford Water Pollution Control Authority

Operating Information - Full-Time Equivalent Employees
As of June 30,

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>33</u>	<u>38</u>	<u>37</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>42</u>	<u>41</u>

Notes:

Source: City records

Data prior to 2004 not available.

Stamford Water Pollution Control Authority

Operating Information - Capital Asset Statistics by Function/Program

As of June 30,

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Treatment Plant										
Pumps and Motors (units)	29	29	29	29	134	134	134	134	134	134
Bioreactor Volume (million gallons per day)	5	5	5	5	15	15	15	15	15	15
Clarifiers (units)	5	5	5	5	6	6	6	6	6	6
Dryer and Pelletizer Equipment (units)	0	0	0	0	1	1	1	1	1	1
Pumping Station										
Wastewater Stations (units)	22	22	22	22	22	22	22	22	22	22
Stormwater Stations (units)	4	4	4	4	4	4	4	4	4	4
Portable Generators (units)	4	4	4	4	4	4	4	4	4	3
Wastewater										
Sanitary sewers (miles)	300	300	300	300	300	300	300	300	303	304
Storm sewers (miles)	155	157	157	600	600	600	600	600	600	600
Treatment capacity (million gallons per day)	20	20	20	20	24	24	24	24	24	24