

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, 2021 AND 2020



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INTRODUCTORY SECTION



Letter of Transmittal

April 5, 2022

To: Mayor Caroline Simmons
Board of Finance
Board of Representatives
SWPCA Board
Citizens of Stamford

Introduction

I am pleased to transmit the audited financial statements of the Stamford Water Pollution Control Authority (“SWPCA”) for the fiscal year ended June 30, 2021 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.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has issued an unmodified opinion on the SWPCA’s financial statements for the year ended June 30, 2021. 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The SWPCA adheres to financial policies and procedures adopted by the City of Stamford’s Board of Finance. Such policies include procurement, accounts payable, accounts receivable, cash receipts, and capital project funding among others. The SWPCA also adheres to financial policies established by its Board regarding setting rates and charges for sewer use, collection of user charges, and maintenance of cash reserves. These policies and procedures are intended to help the SWPCA maintain a sound financial position and also help ensure that the SWPCA meets all of the requirements set forth by State and federal regulations.

The Stamford Water Pollution Control Authority

Ordinance No. 803, adopted November 6, 1996, established the SWPCA. Prior to that date, wastewater collection and treatment was performed as a function under the City of Stamford’s Office of Operations. The SWPCA was established pursuant to Chapter 103, Sections 7-245 through 7-273a inclusive of the Connecticut General Statutes. The Authority was created to operate the Water Pollution Control Facility (“treatment plant”), sanitary sewer system, sanitary pumping stations, and the Hurricane Barriers (“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 treatment plant upgrade and expansion project which was completed in 2006. The treatment plant has capacity to treat an annual average flow of 24 million gallons of wastewater per day (“MGD”). During the fiscal year ended June 30, 2021 the flow to the plant averaged approximately 14.9 MGD. The plant has adequate reserve capacity for the growth that is currently occurring in Stamford.

Service Area

The SWPCA’s service area includes residential, commercial, government, and non-profit customers in the City of Stamford, Connecticut (“Stamford”) and the adjacent Town of Darien, Connecticut (“Darien”). The customer base served by the SWPCA consists of a diverse mix of residential and commercial customers. In Stamford, approximately 90% of customers are residential (including home owners, condominium owners, and renters) and 10% of customers are commercial, governmental, or 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. Darien is solely responsible for the operation and maintenance of all of its pumping stations, its collection system, and all border crossings.

The Interlocal Agreement between the SWPCA and Darien signed on July 26, 2019 and effective October 1, 2018, which replaced previous agreements dating from 2013 and 1971, provides a formula for compensation to the SWPCA for operation and maintenance costs and for capital improvements of SWPCA’s treatment plant and collection sewers which convey Darien’s wastewater. Based on this formula, Darien was responsible for 14.58% of such costs in the fiscal year ended June 30, 2021. A portion of the cost of capital improvements to the SWPCA’s treatment plant was similarly paid by Darien using the same cost sharing ratio. The total payment by Darien was based on its share of the SWPCA’s operating and maintenance costs and capital investment amounts, plus any adjustments to the previous year’s bill.

Physical Assets

The physical assets of the SWPCA include 23 wastewater pumping stations, about 250 miles of sanitary sewers, and the wastewater treatment facility.

Management and Organization

The SWPCA Board of Directors (the “Board”) consists of nine members. By ordinance, the Board includes the City’s Director of Administration and Director of Operations, the Chairman of the Board of Finance (or his/her designee), the President of the Board of Representatives (or his/her designee), and five at-large members, one of whom must be a financial professional and another an engineer.

The Mayor, with the approval of the Board of Representatives, appoints the City’s Directors of Administration and Operations. SWPCA Board members from the Board of Finance and the Board of Representatives are elected in citywide 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 a three-year term. There are no term limits; therefore, at-large members may serve multiple terms.

The members of the Board on June 30, 2021 were:

Edward Kelly, At-Large and Chairman
Sandra Dennies, Director of Administration
Mark McGrath, Director of Operations
Steven Bagwin, At-Large
Monica DiCostanzo, Board of Representatives
David Mannis, Board of Finance
Merritt Nesin, At-Large (engineer) and Technical Committee Chair
Adam Perlaky, At-Large
Robert Barocas, At-Large and Finance Committee Chair

William P. Brink, P.E., BCEE is SWPCA's Executive Director, a position he has held since March of 2013.

Rates and Charges

The SWPCA, through its Board of Directors, is responsible for setting the sewer use charge billing rate and imposing other fees and charges for all of its customers in Stamford. 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. The SWPCA bills its ratepayers semiannually, in October and April, and it bills Darien annually, typically in November.

Capital Improvement Plan

The SWPCA continues to execute its long-term capital improvement plan and is in the process of conducting engineering studies and designs in conjunction with its construction and equipment upgrade / replacement projects. These are detailed in the Management Discussion and Analysis section of this financial report.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'E. Kelly', is centered below the text 'Respectfully Submitted,'.

Edward Kelly
Chairman
SWPCA Board of Directors

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FINANCIAL SECTION



Independent Auditors' Report

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 (the SWPCA) (an Enterprise Fund of the City of Stamford, Connecticut) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the SWPCA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the SWPCA and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut, as of June 30, 2021 and 2020, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the pension schedules and the OPEB schedules, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SWPCA's basic financial statements. The letter of transmittal, budgetary comparison information, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The transmittal letter and statistical section 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
April 5, 2022

STAMFORD WATER POLLUTION CONTROL AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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, 2021. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

2021 Financial Highlights

- As of June 30, 2021, the SWPCA's total assets and deferred outflows of resources (\$234.0 million) exceeded its total liabilities and deferred inflows (\$128.3 million), resulting in total net position of \$105.7 million. Net position increased \$6.6 million versus the prior year-end period primarily due to increases in net investment in capital assets (\$5.1 million), increase in net position restricted for debt service (\$2.4 million) and net position restricted for pensions (\$0.5 million) offset by a decrease in unrestricted net position (\$1.4 million).
- Operating revenues in fiscal 2021 were \$25.9 million, compared to \$26.0 million in the prior year primarily reflecting decreases in Fees and Other Income (\$1.0 million) offset by an increase in Sewer Use Charges (\$0.9 million). Operating expenses were \$19.4 million versus \$19.2 million the prior year. Operating income was \$6.5 million as compared to \$6.8 million in the prior year.
- As noted above, total net position increased \$6.6 million (6.7%), to \$105.7 million. The unrestricted part of net position decreased to \$32.4 million and represents approximately 125% of operating revenue, compared to approximately 130% in the prior year.
- Current assets decreased by \$4.2 million, primarily reflecting decreases in unrestricted cash and investments (\$0.9 million), sewer use and sewer connection accounts receivable (\$0.6 million) and in other accounts receivable (\$2.7 million). Days sales outstanding (DSO) for the gross usage charges accounts receivable decreased from 58 days to 46 days as collections improved from the prior year.
- Current liabilities decreased by \$0.5 million, primarily due to a decrease in the current portion of bonds payable (\$0.7 million) offset by an increase in accounts payable, accrued liabilities and accrued interest (\$0.2 million).
- Long term debt outstanding – including general obligation bonds, revenue bonds, and notes payable – increased by \$19.5 million to \$109.1 million as of June 30, 2021. New revenue bonds were issued in the amount of \$23.8 million (Series A for capital expenditures with a \$5.2 million amortizable premium). Separately, Series B revenue bonds in the amount of \$15.8 million were issued in conjunction with the refunding of Clean Water Fund (CWF) notes payable of \$21.7 million (with a \$1.5 million amortizable premium). These amounts were offset by debt service principal payments, premium amortization, and adjustments to the current portion, totaling \$5.1 million. The SWPCA's outstanding debt is rated Aa2 by Moody's and AA+ with a positive outlook by Fitch Ratings.
- The SWPCA's capital assets, net of accumulated depreciation, increased by about \$12.7 million, to \$148.1 million versus the prior period. Fixed asset additions totaling \$19.1 million was offset by a write-down of capital assets (\$0.2 million) and depreciation expense of \$6.2 million. The SWPCA's capital assets and available operating capacity are considered sufficient to meet the City of Stamford's (the City's) currently foreseeable needs for the SWPCA's services. \$25.1 million of unexpended bond proceeds from the 2020, 2019, 2015 and 2013 debt issuances is available to fund authorized capital projects.

- The SWPCA continues to rely on the City for certain back-office support services such as payroll, accounts payable, procurement, IT tech support, etc., which would not be cost efficient to implement internally at the present time. The City is reimbursed for the cost of these support services.

2020 Financial Highlights

- As of June 30, 2020, the SWPCA's total assets and deferred outflows of resources (\$209.3 million) exceeded its total liabilities and deferred inflows (\$110.2 million), resulting in total net position of \$99.1 million. Net position increased \$7.6 million versus the prior year-end period primarily due to an increase in net investment in capital assets (\$7.4 million), an increase in net position restricted for debt service (\$0.4 million) offset by a decrease in unrestricted net position (\$0.2 million).
- Operating revenues in fiscal 2020 were \$26.0 million, compared to \$27.6 million in the prior year primarily reflecting decreases in Fees and Other Income (\$1.1 million), Sewer Use Charges (\$0.2 million), and Transfers to General Fund (\$0.2 million). Operating expenses were \$19.2 million versus \$19.9 million the prior year. Operating income was \$6.8 million as compared to \$7.7 million in the prior year.
- As noted above, total net position increased \$7.6 million (8.3%), to \$99.1 million. The unrestricted part of net position decreased to \$33.8 million and represents approximately 130% of operating revenue, compared to approximately 124% in the prior year.
- Current assets increased by \$1.8 million, primarily reflecting an increase in unrestricted cash and investments (\$7.2 million), an increase in accounts receivable (\$0.8 million) and offset by a decrease in Due from General Fund of \$6.2 million due to the refunding of the Build America Bonds. Days sales outstanding (DSO) for the gross usage charges accounts receivable increased by 5 days to 58 days.
- Current liabilities decreased by \$4.0 million, primarily due to a decrease in the current portion of bonds and notes payable (\$6.3 million) offset by an increase in accounts payable, accrued liabilities and accrued interest (\$2.3 million).
- Long term debt outstanding – including general obligation bonds, revenue bonds, and notes payable – decreased by \$7.1 million to \$89.7 million as of June 30, 2021 reflecting debt service principal payments. The SWPCA's outstanding debt is rated AA+ by Standard & Poor's and AA+ by Fitch Ratings.
- The SWPCA's capital assets, net of accumulated depreciation, increased by about \$3.6 million to \$135.4 million versus the prior period. Capital asset additions totaling \$12.7 million were offset by an additional write down of the damaged sludge dryer building and equipment totaling \$3.2 million (net of depreciation) and depreciation expense of \$6.0 million. The SWPCA's capital assets and available operating capacity are considered sufficient to meet the City of Stamford's (the City's) currently foreseeable needs for the SWPCA's services. \$11.2 million of unexpended bond proceeds from the 2019, 2015 and 2013 debt issuances is available to fund authorized capital projects.

Overview of the Financial Statements

The SWPCA's financial statements are comprised of: 1) basic financial statements, including a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; and a Statement of Cash Flows; 2) Notes to Financial Statements; and 3) Required Supplementary Information. The Schedule of Revenues and Expenses on a Budgetary Basis (see Exhibits A1 – A2), transmittal letter and statistical section are presented for purposes of additional information and analysis. The accompanying statistical section provides trend comparisons of selected financial and non-financial information over a number of years.

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 Position.

The Statement of Net Position presents information on all of the SWPCA's assets, deferred inflows of resources and liabilities, with the difference reported as net position.

Statement of Revenues, Expenses and Changes in Net Position.

The Statement of Revenues, Expenses and Changes in Net Position present information regarding the SWPCA's changes in net position during the most recent fiscal year on an accrual basis.

Statement of Cash Flows.

The Statement of Cash Flows presents information on where cash came from and how it was used.

The financial statements (Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows) are presented on pages 15-17 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 18-38 of this report.

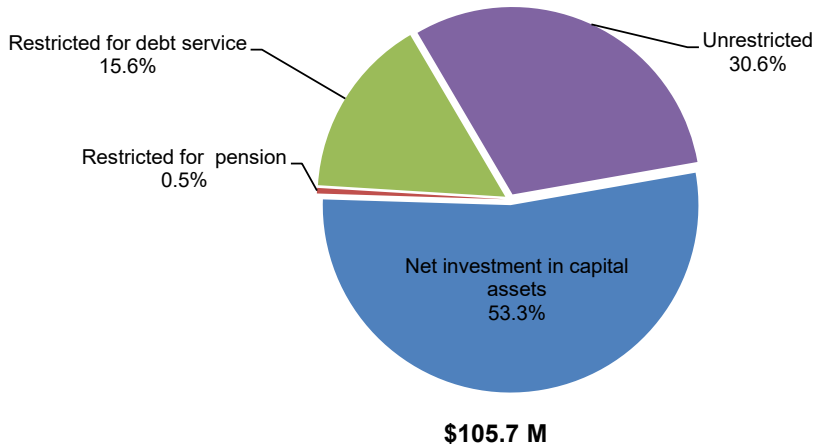
Annual Revenue and Expense Budgets

The Board of Directors of SWPCA, and the City's Board of Finance and Board of Representatives, review and approve annual revenue and expense budgets 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 43-44 of this report.

**Stamford Water Pollution Control Authority
Net Position (in Thousands)**

	June 30, 2021	June 30, 2020	June 30, 2019	Increase (decrease)	
				2021 v 2020	2020 v 2019
Assets:					
Current Assets (cash & accounts receivable)	\$ 32,404	\$ 36,648	\$ 34,874	\$ (4,244)	\$ 1,774
Restricted Cash	41,546	25,300	34,414	16,246	(9,114)
Non-Current Assets (special assessments and deferred)	10,371	9,538	8,955	833	583
Capital Assets (net of depreciation)	148,051	135,389	131,805	12,662	3,584
Total Assets	<u>232,372</u>	<u>206,875</u>	<u>210,048</u>	<u>25,497</u>	<u>(3,173)</u>
Deferred outflows of resources:	1,638	2,406	2,338	(768)	68
Current Liabilities	11,849	12,333	16,344	(484)	(4,011)
Long-term Liabilities	112,276	96,693	102,919	15,583	(6,226)
Total Liabilities	<u>124,125</u>	<u>109,026</u>	<u>119,263</u>	<u>15,099</u>	<u>(10,237)</u>
Deferred inflows of Resources:	4,115	1,130	1,622	2,985	(492)
Net Position:					
Net investment in capital assets	56,347	51,252	43,877	5,095	7,375
Restricted for pensions	503	-	-	503	-
Restricted for debt service	16,478	14,083	13,609	2,395	474
Unrestricted	32,443	33,789	34,015	(1,346)	(226)
Total Net Position	<u>\$ 105,771</u>	<u>\$ 99,124</u>	<u>\$ 91,501</u>	<u>\$ 6,647</u>	<u>\$ 7,623</u>

**Stamford Water Pollution Control Authority
Net Position
June 30, 2021**



2021 Financial Analysis

The SWPCA's total net position (excess of assets over liabilities) was \$105.7 million at June 30, 2021. The SWPCA's unrestricted net position decreased by approximately \$1.3 million to approximately \$32.4 million at June 30, 2021 and provided additional financial flexibility to meet the needs of the SWPCA's customers and creditors.

A common measure of liquidity is the current ratio (current assets divided by 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, 2021, the SWPCA's current ratio was 2.73 to 1 as compared to 2.97 to 1 at the prior year-end.

In fiscal year 2021, net working capital (current assets minus current liabilities) decreased by \$3.8 million to \$20.6 million, primarily reflecting decreases in unrestricted cash and investments and accounts receivable (\$0.9 million and \$3.4 million), increases in accounts payable, accrued expenses and accrued interest (\$0.2 million) offset by decreases in the current portion of bonds and notes payable (\$0.7 million). During the past year, the SWPCA has maintained a positive pooled cash (cash managed in conjunction with the City) balance; ending the year at \$14.9 million and with the month-end balance never dropping below \$10.8 million. The SWPCA's goal is to continue to improve its financial position and generate cash flows that are sufficient to meet its infrastructure repair and replacement needs. Steps taken have included:

- Increasing the sewer use charge billing rate for both the October 2020 and April 2021 billing cycles while actively controlling expenses, improving the collection rate and increasing the operating cash balance.
- Issued \$23.8 million in new revenue bonds to continue to fund authorized major plant capital projects and refunded the \$21.7 million State of Connecticut CWF debt (noted previously).

Net Position – Net Investment in Capital Assets.

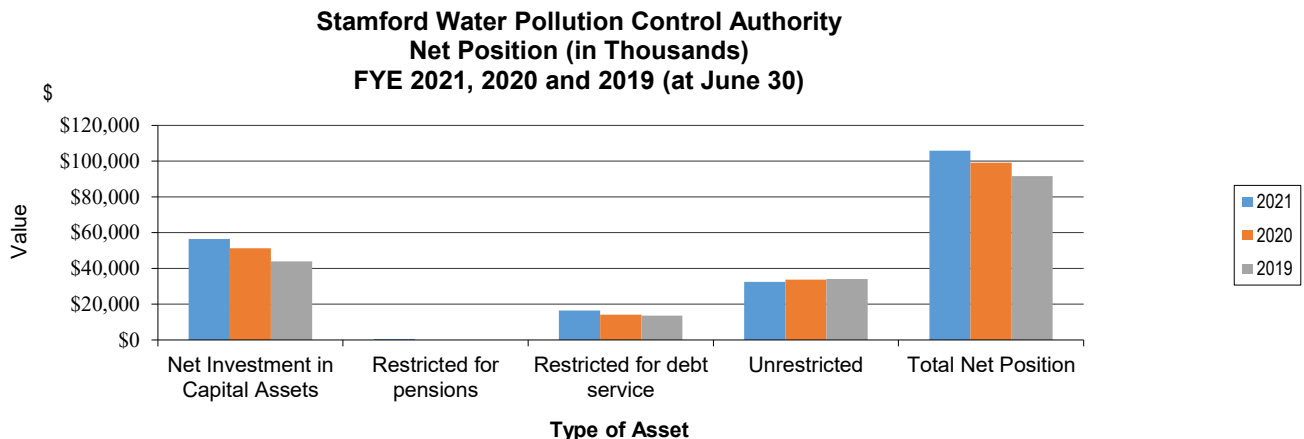
At June 30, 2021, the largest portion of the SWPCA's \$105.7 million in net position (approximately 53%) relates to its investment in capital assets (land, buildings, machinery, equipment, etc.), net of accumulated depreciation, unexpended bond proceeds, and any other outstanding debt used to acquire 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 and the resources needed to repay this debt must be provided from other sources (i.e., sewer use charges, fees and other income, etc.).

Net Position – Restricted.

A portion of the SWPCA net position is restricted for debt service and pensions. Cash balances are held in restricted trust accounts in accordance with the indenture requirements related to the 2013, 2015, 2019 and 2020 bond issuances. Of the SWPCA's \$105.7 million in total net position as of June 30, 2021, \$16.5 million (approximately 15.5% of the total), was restricted for debt service and \$0.5 million (approximately 0.5% of the total) was restricted for pension liabilities. These funds are restricted and may not be used to fund the SWPCA's day-to-day operations.

Net Position – Unrestricted.

Of the SWPCA's total net position at June 30, 2021, \$32.4 million, or approximately 31%, was unrestricted and available to be used to meet the SWPCA's obligations to customers, creditors, and day-to-day operations.



2020 Financial Analysis

The SWPCA's total net position (excess of assets over liabilities) was \$99.1 million at June 30, 2020. The SWPCA's unrestricted net position decreased by approximately \$0.2 million to approximately \$33.8 million at June 30, 2020 and provided additional financial flexibility to meet the needs of the SWPCA's customers and creditors.

A common measure of liquidity is the current ratio (current assets divided by 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, 2020, the SWPCA's current ratio was 2.97 to 1 as compared to 2.13 to 1 at the prior year-end.

In fiscal year 2020, net working capital (current assets minus current liabilities) increased by \$5.8 million to \$24.3 million, primarily reflecting increases in unrestricted cash and investments and accounts receivable (\$7.1 and \$0.8 million), decreases in the current portion of bonds and notes payable (\$6.3 million) offset by increases in accounts payable, accrued expenses and accrued interest (\$2.2 million) and a decrease in Due from General Fund (\$6.2 million) resulting from the refunding of the BABs bond. During the past year, the SWPCA has maintained a positive pooled cash balance; ending the year at \$20.8 million and with the month-end balance never dropping below \$10.8 million. The SWPCA's goal is to continue to improve its financial position and generate cash flows that are sufficient to meet its infrastructure repair and replacement needs. Steps taken have included:

- Maintaining the sewer use charge billing rate for both the October 2019 and April 2020 billing cycles while actively controlling expenses, improving the collection rate and increasing the operating cash balance on-hand.
- Planning for the issuance of \$23.8 million in new revenue bonds to continue to fund authorized major plant capital projects and a refunding of \$21.7 million State of Connecticut CWF debt during fiscal year 2021.

Net Position – Net Investment in Capital Assets.

At June 30, 2020, the largest portion of the SWPCA's \$99.1 million in net position (approximately 52%) relates to its investment in capital assets (land, buildings, machinery, equipment, etc.), net of accumulated depreciation, unexpended bond proceeds, and any other 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 and the resources needed to repay this debt must be provided from other sources (sewer use charges, fees and other income, etc.).

Net Position – Restricted.

A portion of the SWPCA net position is restricted for debt service. Cash balances are held in restricted trust accounts in accordance with the indenture requirements related to the 2013, 2015 and 2019 bond issuances. Of the SWPCA's \$99.1 million in total net position as of June 30, 2020, \$14.1 million (approximately 14% of the total), was restricted and may not be used to fund the SWPCA's day-to-day operations.

Net Position – Unrestricted.

Of the SWPCA's total net position at June 30, 2020, \$33.8 million, or approximately 34%, was unrestricted and available to be used to meet the SWPCA's obligations to customers, creditors, and day-to-day operations.

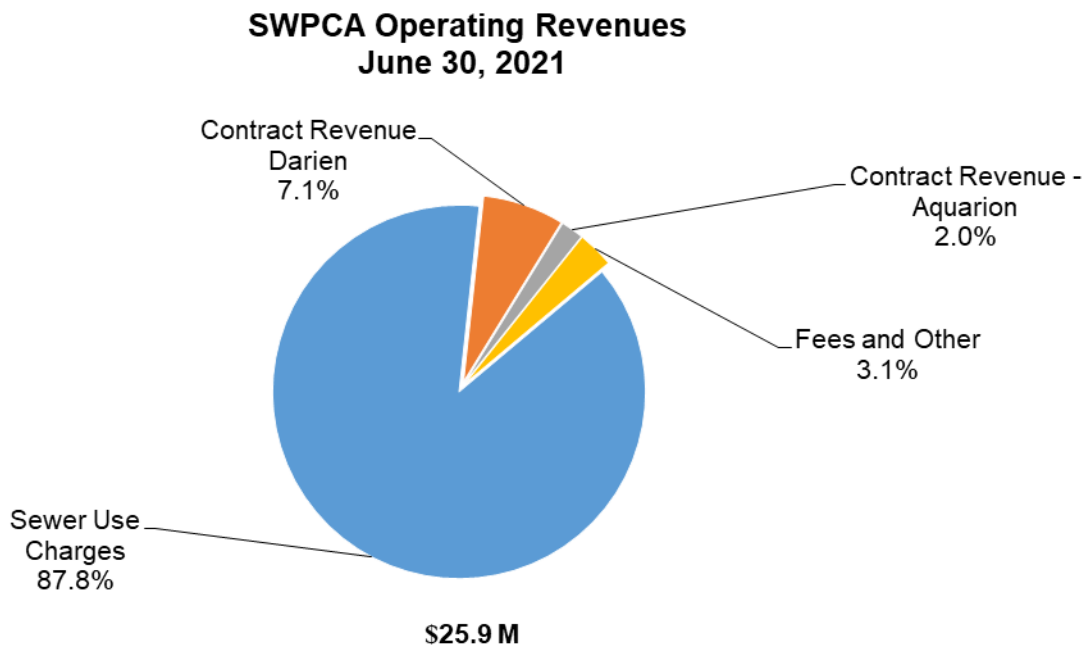
Operating Revenues and Expenses Analysis

Statement of Revenues, Expenses, and Other Changes in Net Position (in Thousands)

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Increase (decrease)	
				2021 v 2020	2020 v 2019
Operating revenues	\$ 25,875	\$ 25,993	\$ 27,550	\$ (118)	\$ (1,557)
Operating expenses	19,364	19,223	19,875	141	(652)
Net Operating Income	<u>6,511</u>	<u>6,770</u>	<u>7,675</u>	<u>(259)</u>	<u>(905)</u>
Nonoperating revenue (expenses)	584	1,234	824	(650)	411
Capital contributions - Grant	-	48	77	(48)	(28)
Transfers out	(448)	(430)	(421)	(18)	(8)
Change in Net Assets	<u>6,647</u>	<u>7,623</u>	<u>8,155</u>	<u>(975)</u>	<u>(531)</u>
Net position - beginning of year	<u>99,124</u>	<u>91,501</u>	<u>83,346</u>	<u>7,623</u>	<u>8,155</u>
Net Position - End of Year	<u>\$ 105,771</u>	<u>\$ 99,124</u>	<u>\$ 91,501</u>	<u>\$ 6,648</u>	<u>\$ 7,623</u>

2021 Revenues.

In fiscal year 2021, the SWPCA's operating revenue included sewer use charges for both City residents and Town of Darien customers that were approximately 95% of total operating revenue and Aquarion contract revenue, fees and other income were approximately 5% of total operating revenue.



The original fiscal year 2021 revenue estimate for sewer use charges was \$20.0 million prior to actual consumption data being available. At the annual rate setting meeting, adjustments were made to account for collection rate assumptions, estimates of other revenue, and indenture requirements for debt service coverage. Based on these adjustments, the sewer use charge billing rate was set at \$5.16 per CCF, resulting in an annual billing, and an adjusted original budget, of \$20.9 million (based on assumed consumption of 4.19 million CCFs). After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal year 2021 based on actual consumption of 4.11 million CCFs was \$21.4 million.

Fiscal year 2021 operating revenues totaled \$25.9 million (as compared to \$26.0 million the prior year) and included sewer use charges, lien fees and interest (\$22.7 million), contract revenues (\$1.8 million and \$0.5 million, from Darien and Aquarion, respectively), and fees and other income (\$0.8 million, with the largest portion of this amount being attributable to revenue from the State of Connecticut's nitrogen credit trading program which declined by \$1.1 million over the prior year).

Despite the challenging economic environment, the collection rate for sewer use charges during fiscal year 2021 was approximately 99% (up from the previous year).

2020 Revenues.

In fiscal year 2020, the SWPCA's operating revenue included sewer use charges for both City and Town of Darien customers that were approximately 91% of total operating revenue and Aquarion contract revenue, fees and other income were approximately 9% of total operating revenue.

The original fiscal year 2020 revenue estimate for sewer use charges was \$20.0 million prior to actual consumption data being available. At the annual rate setting meeting, adjustments were made to account for collection rate assumptions, estimates of other revenue, and indenture requirements for debt service coverage. Based on these adjustments, the sewer use charge billing rate was set at \$5.00 per CCF, resulting in an annual billing, and an adjusted original budget, of \$21.3 million (based on assumed consumption of 4.38 million CCFs). After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal year 2020 based on actual consumption of 4.26 million CCFs was \$21.3 million.

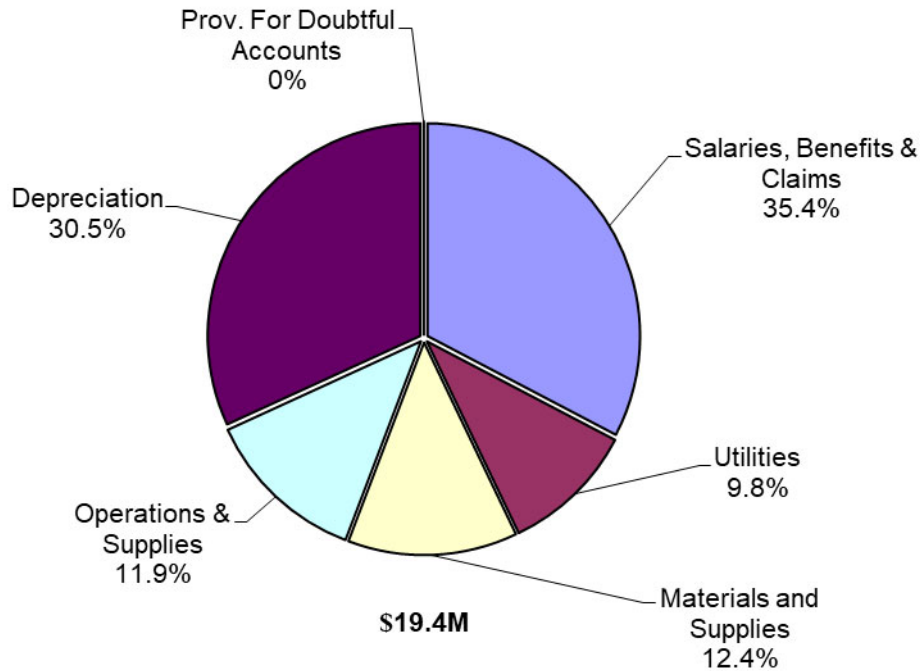
Fiscal year 2020 operating revenues totaled \$26.0 million (as compared to \$27.6 million the prior year) and included sewer use charges, lien fees and interest (\$22.1 million), contract revenues (\$1.6 million and \$0.5 million, from Darien and Aquarion, respectively), and fees and other income (\$1.8 million, with the largest portion of this amount being attributable to revenue from the State of Connecticut's nitrogen credit trading program).

Despite the challenging economic environment, the collection rate for sewer use charges during fiscal year 2020 was approximately 98% (same as the prior year).

2021 Expenses.

In fiscal year 2021 the SWPCA's operating expenses totaled \$19.4 million (as compared to \$19.2 million the prior year), and consisted of salaries, employee benefits and claims (\$6.3 million), utilities costs (\$2.0 million), materials and supplies (\$2.5 million), operations and supplies (\$2.4 million) and depreciation (\$6.2 million).

**SWPCA Operating Expenses
June 30, 2021**



2020 Expenses.

In fiscal year 2020 the SWPCA’s operating expenses totaled \$19.2 million (as compared to \$19.9 million the prior year), and consisted of salaries, employee benefits and claims (\$6.7 million), utilities costs (\$2.0 million), materials and supplies (\$2.2 million), operations and supplies (\$2.3 million) and depreciation (\$6.0 million).

Net Non-Operating Revenue (Expense), Capital Contributions and Transfers Out.

The SWPCA’s fiscal year 2021 non-operating revenue of \$3.7 million included special assessments and connection charges (\$2.4 million), capital reimbursements from Darien (\$1.0 million), net gain on insurance recoveries (\$0.3 million) and interest income (\$0.4 million); non-operating expense and transfers out was primarily interest expense (\$2.9 million) and transfers to the City (\$.4 million). Additional information on revenue and expense budgetary information is contained in the Supplementary and Other Information section of the financial statements.

Capital Assets

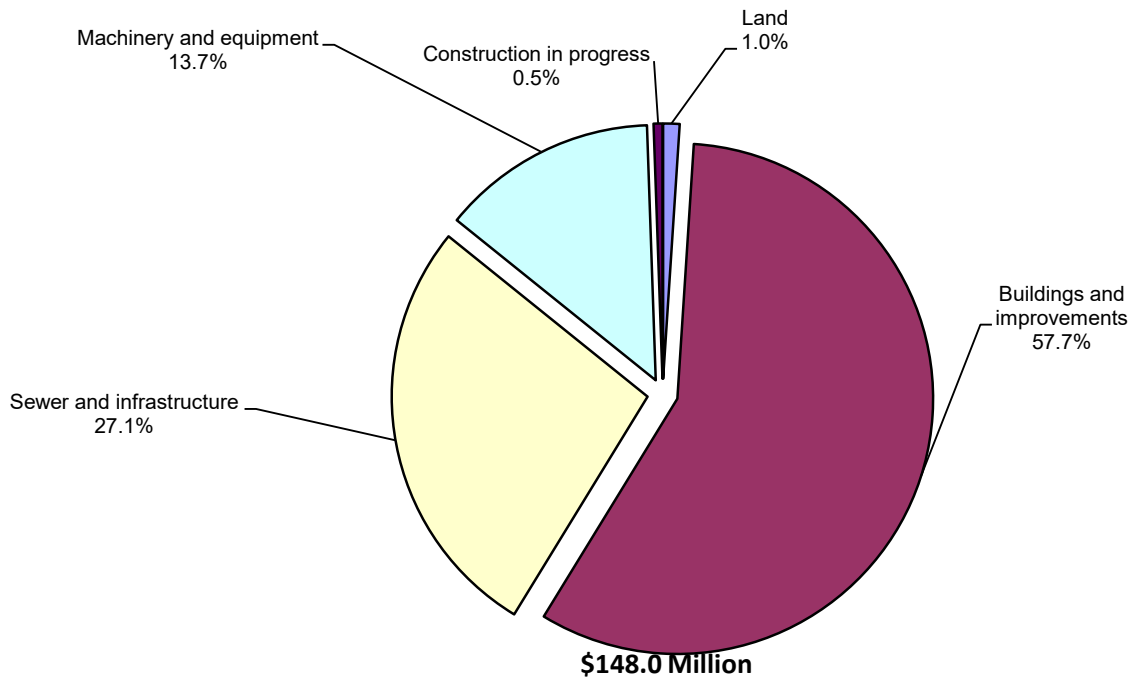
As of June 30, 2021, the SWPCA had total capital assets, net of accumulated depreciation, of approximately \$148.1 million, as follows:

Additional information on capital assets is presented in Note 4 on page 24 of this report.

**Stamford Water Pollution Control Authority
Capital Assets (in Thousands)**

	June 30, 2021	June 30, 2020	June 30, 2019	Increase (decrease)	
				2021 v 2020	2020 v 2019
Land	\$ 2,833	\$ 2,833	\$ 2,833	\$ -	\$ -
Buildings and improvements	158,248	141,318	133,291	16,930	8,027
Sewer and infrastructure	74,233	73,305	73,065	928	240
Machinery and equipment	37,421	37,421	37,421	-	-
Construction in progress	1,505	537	527	968	10
Subtotal	274,240	255,414	247,137	18,826	8,277
Less accumulated depreciation	(126,190)	(120,025)	(115,332)	(6,165)	(4,693)
Total	\$ 148,050	\$ 135,389	\$ 131,805	\$ 12,661	\$ 3,584

**SWPCA Capital Assets
June 30, 2021**



SWPCA Capital Projects.

The SWPCA typically manages multiple concurrent capital projects. The projects are categorized as engineering studies, engineering design, building construction and equipment replacement (or upgrades), and sanitary sewer systems repairs or extensions. Capital projects completed or ongoing during the fiscal year ended June 30, 2021 were as follows:

- Construction of the upgrade of the Water Pollution Control Facility's (WPCF's) Raw Sewage Pump Station, Ultra-violet (UV) Disinfection System, and Improvements to the Secondary Treatment Process is ongoing. Installation of the 3rd UV channel and new aeration blowers was completed, and installation of new mechanical screens and raw sewage pumps in the Raw Sewage Pump Station began.
- Repair of the 800 foot long, 42-inch diameter force main from the Raw Sewage Pump Station to the Primary Clarifiers began.

- Replacement of damaged equipment, including installation of new safety equipment, for the WPCF's sludge dryer and repairs to the sludge dryer building were completed.
- Design/build of a new emergency power generator and electrical equipment for the Greenwich Avenue Pump Station is ongoing.
- A program to identify and remove extraneous water entering the sanitary sewer system, known as Infiltration and Inflow (I/I), is ongoing. Sewer system sub-areas having the greatest amount of I/I have been identified and prioritized for further evaluation using CCTV sewer inspection, smoke and dyed water testing to identify the source(s) of I/I. I/I is then removed through various sewer and manhole rehabilitation methods including lining, grouting of leaking cracks and joints, and when necessary, replacement.
- Cleaning and inspection of the sanitary sewer system is ongoing, and sanitary sewers identified as needing repair were either replaced or lined.
- Replacement of pumps that have exceeded their useful life in various pumping stations in the sanitary sewer system is ongoing.
- Major equipment including pumps, mixers and motors were replaced at the WPCF as needed.

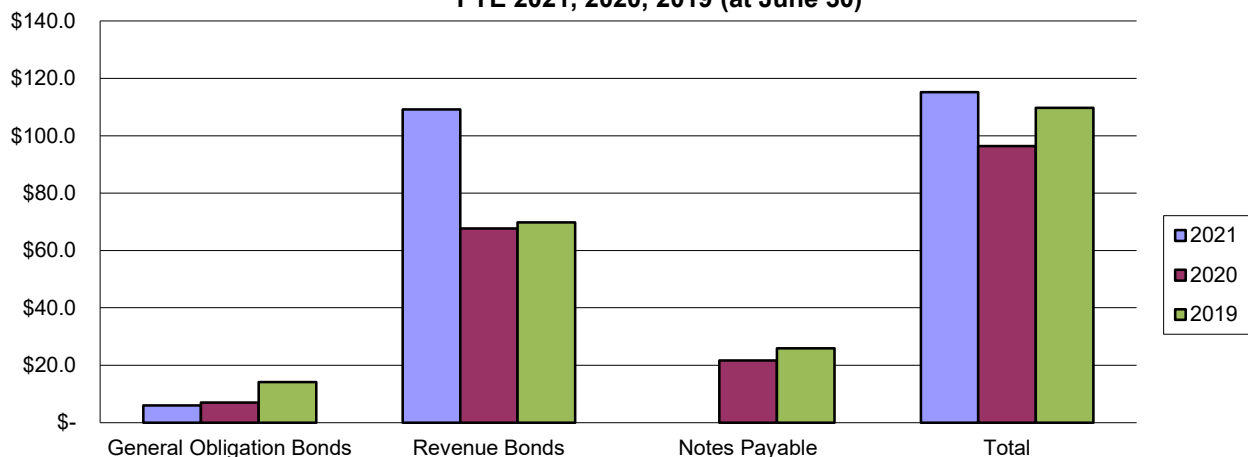
Debt Outstanding

As of June 30, 2021, the SWPCA had bonds payable outstanding of approximately \$115.2 million, as follows:

Stamford Water Pollution Control Authority Debt Outstanding (in Millions)

	Fiscal 2021	% of Total	Fiscal 2020	% of Total	Fiscal 2019	% of Total
General Obligation Bonds	\$ 5.9	5.2%	\$ 7.0	7.3%	\$ 14.1	12.8%
Revenue Bonds	109.2	94.8%	67.7	70.2%	69.8	63.6%
Notes Payable	-	0.0%	21.7	22.5%	25.9	23.6%
Total	\$ 115.2	100.0%	\$ 96.4	100.0%	\$ 109.8	100.0%

SWPCA Long-Term Debt (in Millions) FYE 2021, 2020, 2019 (at June 30)



The SWPCA'S total debt outstanding– including general obligation bonds, revenue bonds, and notes payable – increased by \$18.8 million to \$115.2 million as of June 30, 2021. New revenue bonds were issued in the amount of \$23.8 million (Series A for capital expenditures with a \$5.2 million amortizable premium). Separately, Series B revenue bonds in the amount of \$15.8 million were issued in conjunction with the refunding of Clean Water Fund (CWF) notes payable of \$21.7 million (with a \$1.5 million amortizable premium). These amounts were offset by debt service principal payments and amortization of \$5.8 million. Additional information on debt outstanding is presented in Note 6 of this report on pages 25-29.

Organization of SWPCA Operations

The SWPCA's organization includes three divisions, as follows:

Administration:

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:

Responsible for ensuring that the SWPCA's facilities are operated effectively and meet all state and federal requirements. Activities within this division include wastewater treatment, sludge processing and laboratory services.

Maintenance:

Responsible for the maintenance of the SWPCA's facilities, including property and equipment, pumping stations and sanitary sewer maintenance.

As of June 30, 2021, the SWPCA had 43 full time equivalent employees versus 42 in the prior year.

Requests for Information

This financial report is designed to provide a general understanding of the SWPCA's most recent financial statements which will be available on the City web site at www.stamfordct.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Edward Kelley, Chairman of the SWPCA, at 111 Harbor View Ave, Stamford, CT 06902.

BASIC
FINANCIAL
STATEMENTS

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 16,496,109	\$ 21,780,649
Investments	12,081,687	7,672,729
Accounts receivable:		
Usage charges, net of allowance for doubtful accounts of \$2,000,000	1,086,787	1,755,509
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	2,282,037	2,283,610
Other receivables	447,794	3,145,647
Other current assets	9,902	9,902
Total current assets	<u>32,404,316</u>	<u>36,648,046</u>
Noncurrent:		
Restricted cash and cash equivalents	41,546,413	25,299,725
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	9,867,427	9,537,580
Net pension asset	503,491	-
Capital assets not being depreciated	4,338,283	3,370,344
Capital assets being depreciated, net of depreciation	143,712,785	132,018,287
Total noncurrent assets	<u>199,968,399</u>	<u>170,225,936</u>
Total assets	<u>232,372,715</u>	<u>206,873,982</u>
Deferred Outflows of Resources:		
Deferred amounts on refunding	996,502	1,038,684
Deferred outflows related to pension	293,311	652,536
Deferred outflows related to OPEB	348,431	714,831
Total deferred outflows of resources	<u>1,638,244</u>	<u>2,406,051</u>
Liabilities:		
Current:		
Accounts and retainage payable	3,563,250	3,662,852
Accrued liabilities	798,052	584,249
Accrued interest payable	1,144,042	1,003,103
Unearned revenue	150,339	137,359
Current portion of bonds payable	6,046,000	2,682,000
Current portion of notes payable	-	4,026,883
Current portion of compensated absences	147,369	236,736
Total current liabilities	<u>11,849,052</u>	<u>12,333,182</u>
Noncurrent liabilities:		
Bonds payable	109,138,962	72,010,395
Notes payable	-	17,672,413
Compensated absences	301,000	137,904
Net pension liability	-	2,579,369
Net OPEB liability	2,835,850	4,292,809
Total noncurrent liabilities	<u>112,275,812</u>	<u>96,692,890</u>
Total liabilities	<u>124,124,864</u>	<u>109,026,072</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	2,377,626	349,192
Deferred inflows related to OPEB	1,736,944	780,732
Total deferred inflows of resources	<u>4,114,570</u>	<u>1,129,924</u>
Net Position:		
Net investment in capital assets	56,347,083	51,252,281
Restricted for pensions	503,491	-
Restricted for debt service	16,477,827	14,083,068
Unrestricted	32,443,124	33,788,688
Total Net Position	<u>\$ 105,771,525</u>	<u>\$ 99,124,037</u>

The accompanying notes are an integral part of the financial statements

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Sewer use charges	\$ 25,106,392	\$ 24,194,838
Fees and other income	768,895	1,798,452
Total operating revenues	<u>25,875,287</u>	<u>25,993,290</u>
Operating Expenses:		
Salaries	4,460,936	4,227,608
Employee benefits and claims	1,867,501	2,518,060
Operations and supplies	6,870,964	6,525,891
Depreciation	6,164,318	5,951,604
Total operating expenses	<u>19,363,719</u>	<u>19,223,163</u>
Operating Income	<u>6,511,568</u>	<u>6,770,127</u>
Nonoperating Revenue (Expense):		
Special assessments, connection charges, and other	3,378,854	3,647,122
Net gain on insurance recoveries	332,076	308,685
Loss on disposal of asset	(249,773)	
Interest income and change in investment value	352	716,120
Interest expense	(2,877,025)	(3,437,865)
Net nonoperating revenue	<u>584,484</u>	<u>1,234,062</u>
Income Before Capital Contributions and Transfers	7,096,052	8,004,189
Capital contributions - Grant	-	48,455
Transfers Out	<u>(448,564)</u>	<u>(429,503)</u>
Change in Net Position	6,647,488	7,623,141
Net Position - Beginning of Year	<u>99,124,037</u>	<u>91,500,896</u>
Net Position - End of Year	<u>\$ 105,771,525</u>	<u>\$ 99,124,037</u>

The accompanying notes are an integral part of the financial statements

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 27,754,842	\$ 26,871,445
Payments to suppliers	(9,340,874)	(4,378,380)
Payments to employees	(4,387,207)	(4,204,634)
Payments for benefits and claims	(2,697,049)	(2,226,556)
Payments for interfund services used	-	6,181,603
Net cash provided by operating activities	<u>11,329,712</u>	<u>22,243,478</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	(448,564)	(429,503)
Net cash used in noncapital financing activities	<u>(448,564)</u>	<u>(429,503)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital grants	-	48,455
Proceeds from debt	39,615,000	-
Principal payments on debt	(25,980,296)	(12,994,931)
Premium on bonds	6,681,812	-
Interest paid on debt and other sources and uses	(4,217,149)	(3,720,984)
Proceeds from insurance reimbursements	1,832,076	2,000,000
Special assessments, connection charges, and other	3,050,580	2,897,603
Purchase of capital assets	(16,492,416)	(12,726,612)
Net cash provided by (used in) capital and related financing activities	<u>4,489,607</u>	<u>(24,496,469)</u>
Cash Flows from Investing Activities:		
Interest received on investments	67,124	716,120
Sale (purchase) of investments	(4,475,731)	65,205
Net cash provided by (used in) investing activities	<u>(4,408,607)</u>	<u>781,325</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,962,148	(1,901,169)
Cash and Cash Equivalents - Beginning of Year (including restricted cash and cash equivalents)	<u>47,080,374</u>	<u>48,981,543</u>
Cash and Cash Equivalents - End of Year (including restricted cash and cash equivalents)	<u>\$ 58,042,522</u>	<u>\$ 47,080,374</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 6,511,568	\$ 6,770,127
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	6,164,318	5,951,604
Changes in assets and liabilities:		
(Increase) decrease in usage charges	668,722	(287,739)
(Increase) decrease in other receivables	1,197,853	1,146,533
(Increase) decrease in due from other funds	-	6,181,603
(Increase) decrease in net pension asset	(503,491)	-
(Increase) decrease in deferred outflows of resources for pension	359,225	(143,321)
(Increase) decrease in deferred outflows of resources for OPEB	366,400	32,949
Increase (decrease) in accounts payable	(2,683,713)	1,774,530
Increase (decrease) in accrued liabilities	213,803	372,981
Increase (decrease) in unearned revenues	12,980	19,361
Increase (decrease) in compensated absences	73,729	22,974
Increase (decrease) in net pension liability	(2,579,369)	727,179
Increase (decrease) in net OPEB liability	(1,456,959)	167,170
Increase (decrease) in deferred inflows of resources for pension	2,028,434	(332,054)
Increase (decrease) in deferred inflows of resources for OPEB	956,212	(160,419)
Net Cash Provided by Operating Activities	<u>\$ 11,329,712</u>	<u>\$ 22,243,478</u>

The accompanying notes are an integral part of the financial statements

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**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Ordinance Number 803, adopted November 6, 1996 (the Ordinance), pursuant to Chapter 103, Sections 7-245 through 7-273a, inclusive, of the Connecticut General Statutes created the Stamford Water Pollution Control Authority (the SWPCA) to operate the Water Pollution Control Facility, sanitary sewage system, wastewater pumping stations and hurricane barrier for the City of Stamford, Connecticut (the City). The 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 relies on the City for certain administrative and financial support as detailed elsewhere in the notes to the financial statements.

The SWPCA 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.

B. Basis of Presentation

The accounts of the SWPCA are organized on the basis of an enterprise fund, which is considered a separate accounting entity. The operations of the fund are accounted for through a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses.

C. 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.

D. 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 \$14,909,399 and \$20,782,411 at June 30, 2021 and 2020, respectively. The SWPCA's own unrestricted cash and cash equivalents balance was \$1,586,710 and \$998,238 at June 30, 2021 and 2020, respectively.

E. Restricted Cash and Cash Equivalents

Certain assets are classified as restricted because their use is limited. Restricted cash and cash equivalents in the SWPCA are to be used for construction and debt service purposes.

F. 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. Recoveries of accounts receivable previously written off are recorded when received.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

G. 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. Property, plant, and equipment are depreciated over the following estimated useful lives:

	<u>Years</u>
Sewer and infrastructure	50-100
Buildings and improvements	25-50
Equipment	5-20

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The SWPCA reports a deferred amount on refunding and deferred outflows related to pension and OPEB in the statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and net difference between projected and actual earnings. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources were reported as they related to pension and OPEB. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and net difference between projected and actual earnings. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner.

I. 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.

J. Net Pension Liability (Asset)

The net pension liability (asset) is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension asset), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability (asset) is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Operating Revenues and Expenses

Revenues are based on the SWPCA's authorized sewer use charge billing rate per hundred cubic feet of customer consumption of water and other fee and charges. The SWPCA accrues an estimate for services delivered but not billed at the end of each fiscal year. The SWPCA distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues result from charges to customers for sewer treatment and related services. Operating expenses include the cost of operations, consisting of facility employees' salaries and benefits, work related and legal claims, utilities, materials and supplies, maintenance, sales and service, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating or as transfers.

Interest is levied on accounts that are 30 days past due. The SWPCA has the authority to, and does routinely, file liens on past due accounts. The liens are subordinate only to property taxes upon the transfer of the liened properties.

The SWPCA also has an agreement with the Town of Darien (Darien) for certain sewage treatment services it provides. Darien is billed annually for wastewater conveyance and treatment at the SWPCA's treatment facility.

M. 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. 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 charges are stated net of interest and imputed interest. Interest is recognized as it is earned over the period of collection. The special assessments and the connection charges are generally payable over periods of 10 to 20 years.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the SWPCA or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Unrestricted net position represents all other amounts that don't meet the definition of "net investment in capital assets" or "restricted."

O. 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

P. 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 April 5, 2022.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash Equivalents

As of June 30, 2021 and 2020, cash and cash equivalents, including balances restricted for repayment of principal and interest on state loans and for capital improvements, consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 16,496,109	\$ 21,780,649
Restricted cash and cash equivalents	<u>41,546,413</u>	<u>25,299,725</u>
	<u>\$ 58,042,522</u>	<u>\$ 47,080,374</u>

Responsibility for custodial credit risks of deposits rests with the City; accordingly, separate disclosure is not possible. Disclosure of the City's custodial credit risk of deposits is contained in the City's basic financial statements.

The restricted cash balance at June 30, 2021 and 2020 was restricted in accordance with the terms of various outstanding debt of the SWPCA (Note 5).

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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B. Investments

As of June 30, 2021 and 2020, the SWPCA had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
<u>June 30, 2021</u>					
Interest-bearing investments:					
U.S. Government Securities	Aaa	\$ 1,003,320	\$ 1,003,320	\$	\$
U.S. Government Agencies	Aaa	<u>11,078,367</u>	<u>600,078</u>	<u>10,478,289</u>	
		<u>\$ 12,081,687</u>	<u>\$ 1,603,398</u>	<u>\$ 10,478,289</u>	<u>\$ -</u>
<u>June 30, 2020</u>					
Interest-bearing investments:					
U.S. Government Securities	Aaa	\$ 6,657,573	\$ 4,986,037	\$ 1,671,536	\$
U.S. Government Agencies	Aaa	<u>1,015,156</u>	<u>1,015,156</u>		
		<u>\$ 7,672,729</u>	<u>\$ 6,001,193</u>	<u>\$ 1,671,536</u>	<u>\$ -</u>

The SWPCA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

The WPCA has the following recurring fair value measurements as of June 30, 2021 and 2020:

	<u>June 30, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
U.S. Government Securities	\$ 1,003,320	\$ 1,003,320	\$	\$
U.S. Government Agencies	<u>11,078,367</u>	<u>11,078,367</u>		
	<u>\$ 12,081,687</u>	<u>\$ 12,081,687</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>June 30, 2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
U.S. Government Securities	\$ 6,657,573	\$ 6,657,573	\$	\$
U.S. Government Agencies	<u>1,015,156</u>	<u>1,015,156</u>		
	<u>\$ 7,672,729</u>	<u>\$ 7,672,729</u>	<u>\$ -</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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3. SPECIAL ASSESSMENTS AND CONNECTION CHARGES RECEIVABLE

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

	2021			
	New Sewer Line Charges	Connection Charges	Total	Due Within One Year
Due in the year ending June 30:				
2022*	\$ 326,452	\$ 1,802,149	\$ 2,128,601	\$ 2,128,601
2023	92,408	1,394,534	1,486,942	
2024	92,408	1,377,031	1,469,439	
2025	92,408	1,302,585	1,394,993	
2026	92,336	1,237,829	1,330,165	
Thereafter	157,536	7,757,299	7,914,835	
	<u>853,548</u>	<u>14,871,427</u>	<u>15,724,975</u>	<u>2,128,601</u>
Less imputed interest		<u>(3,228,947)</u>	<u>(3,228,947)</u>	
Receivable Before Interest and Lien Fees Receivable and Allowance for Doubtful Accounts	<u>\$ 853,548</u>	<u>\$ 11,642,480</u>	12,496,028	2,128,601
Plus related interest and lien fees receivable			653,436	653,436
Less allowance for doubtful accounts			<u>(1,000,000)</u>	<u>(500,000)</u>
Special Assessment and Connection Charges Receivable, Net			<u>\$ 12,149,464</u>	<u>\$ 2,282,037</u>

	2020			
	New Sewer Line Charges	Connection Charges	Total	Due Within One Year
Due in the year ending June 30:				
2021 *	\$ 360,538	\$ 1,832,077	\$ 2,192,615	\$ 2,192,615
2022	145,645	1,302,452	1,448,097	
2023	94,919	1,282,331	1,377,250	
2024	92,339	1,260,028	1,352,367	
2025	90,867	1,189,161	1,280,028	
Thereafter	235,973	7,545,621	7,781,594	
	<u>1,020,281</u>	<u>14,411,670</u>	<u>15,431,951</u>	<u>2,192,615</u>
Less imputed interest		<u>(3,201,756)</u>	<u>(3,201,756)</u>	
Receivable Before Interest and Lien Fees Receivable and Allowance for Doubtful Accounts	<u>\$ 1,020,281</u>	<u>\$ 11,209,914</u>	12,230,195	2,192,615
Plus related interest and lien fees receivable			590,995	590,995
Less allowance for doubtful accounts			<u>(1,000,000)</u>	<u>(500,000)</u>
Special Assessment and Connection Charges Receivable, Net			<u>\$ 11,821,190</u>	<u>\$ 2,283,610</u>

* Includes past due amounts from prior years.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. CAPITAL ASSETS

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

	2021			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,833,278	\$	\$	\$ 2,833,278
Construction in progress	537,066	1,217,712	249,773	1,505,005
Total capital assets not being depreciated	<u>3,370,344</u>	<u>1,217,712</u>	<u>249,773</u>	<u>4,338,283</u>
Capital assets being depreciated:				
Buildings and improvements	141,317,828	16,930,413		158,248,241
Sewer and infrastructure	73,304,571	928,403		74,232,974
Equipment	37,421,089			37,421,089
Total capital assets being depreciated	<u>252,043,488</u>	<u>17,858,816</u>	<u>-</u>	<u>269,902,304</u>
Less accumulated depreciation for:				
Buildings and improvements	60,997,782	4,632,853		65,630,635
Sewer and infrastructure	29,913,502	1,159,305		31,072,807
Equipment	29,113,917	372,160		29,486,077
Total accumulated depreciation	<u>120,025,201</u>	<u>6,164,318</u>	<u>-</u>	<u>126,189,519</u>
Total capital assets being depreciated, net	<u>132,018,287</u>	<u>11,694,498</u>	<u>-</u>	<u>143,712,785</u>
Capital Assets, Net	<u>\$ 135,388,631</u>	<u>\$ 12,912,210</u>	<u>\$ 249,773</u>	<u>\$ 148,051,068</u>

	2020			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,833,278	\$	\$	\$ 2,833,278
Construction in progress	526,623	10,443		537,066
Total capital assets not being depreciated	<u>3,359,901</u>	<u>10,443</u>	<u>-</u>	<u>3,370,344</u>
Capital assets being depreciated:				
Buildings and improvements	133,291,356	12,476,293	4,449,821	141,317,828
Sewer and infrastructure	73,064,695	239,876		73,304,571
Equipment	37,421,089			37,421,089
Total capital assets being depreciated	<u>243,777,140</u>	<u>12,716,169</u>	<u>4,449,821</u>	<u>252,043,488</u>
Less accumulated depreciation for:				
Buildings and improvements	57,839,059	4,417,229	1,258,506	60,997,782
Sewer and infrastructure	28,758,415	1,155,087		29,913,502
Equipment	28,734,629	379,288		29,113,917
Total accumulated depreciation	<u>115,332,103</u>	<u>5,951,604</u>	<u>1,258,506</u>	<u>120,025,201</u>
Total capital assets being depreciated, net	<u>128,445,037</u>	<u>6,764,565</u>	<u>3,191,315</u>	<u>132,018,287</u>
Capital Assets, Net	<u>\$ 131,804,938</u>	<u>\$ 6,775,008</u>	<u>\$ 3,191,315</u>	<u>\$ 135,388,631</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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5. RESTRICTED ASSETS

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

	<u>2021</u>	<u>2020</u>
Clean Water Fund - Debt Service Reserve	\$	\$ 4,424,111
2015 Debt Service Reserve Fund	2,044,998	2,044,793
2013, 2015, 2019 and 2020 Debt Service Fund	8,606,846	4,888,332
2013 Debt Service Reserve Fund	1,696,402	1,696,232
2013 Debt Service Service Account	1,029,669	1,029,600
2013 Debt - unspent bond proceeds	6,521	6,521
2015 Debt - unspent bond proceeds	728,121	1,589,078
2019 Debt - unspent bond proceeds	687,318	9,621,058
2020 Debt - unspent bond proceeds	23,646,626	
2020 Debt Service Fund Series A	1,514,804	
2020 Debt Service Fund Series B	<u>1,585,108</u>	
	<u>\$ 41,546,413</u>	<u>\$ 25,299,725</u>

6. LONG-TERM OBLIGATIONS

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

	<u>2021</u>				
	<u>Beginning</u>		<u>Reductions</u>	<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>		<u>Balance</u>	<u>One Year</u>
Bonds payable:					
General obligation bonds	\$ 6,230,000	\$	\$ 856,000	\$ 5,374,000	\$ 596,000
Unamortized premium	812,013		243,212	568,801	
Revenue bonds	61,705,000	39,615,000	3,425,000	97,895,000	5,450,000
Unamortized premium	<u>5,945,382</u>	<u>6,681,812</u>	<u>1,280,033</u>	<u>11,347,161</u>	
Total bonds payable	74,692,395	46,296,812	5,804,245	115,184,962	6,046,000
Notes payable:	<u>21,699,296</u>		<u>21,699,296</u>	-	
Total bonds and notes payable	96,391,691	46,296,812	27,503,541	115,184,962	6,046,000
Compensated absences	374,640	310,465	236,736	448,369	147,369
Net pension liability	2,579,369		2,579,369	-	
Net OPEB liability	<u>4,292,809</u>		<u>1,456,959</u>	<u>2,835,850</u>	
Long-Term Liabilities	<u>\$ 103,638,509</u>	<u>\$ 46,607,277</u>	<u>\$ 31,776,605</u>	<u>\$ 118,469,181</u>	<u>\$ 6,193,369</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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	2020				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 13,160,072	\$	\$ 6,930,072	\$ 6,230,000	\$ 837,000
Unamortized premium	987,585		175,572	812,013	
Revenue bonds	63,610,000		1,905,000	61,705,000	1,845,000
Unamortized premium	<u>6,197,050</u>		<u>251,668</u>	<u>5,945,382</u>	
Total bonds payable	83,954,707	-	9,262,312	74,692,395	2,682,000
Notes payable:	<u>25,859,155</u>		<u>4,159,859</u>	<u>21,699,296</u>	<u>4,026,883</u>
Total bonds and notes payable	109,813,862	-	13,422,171	96,391,691	6,708,883
Compensated absences	351,666	252,803	229,829	374,640	236,736
Net pension liability	1,852,190	727,179		2,579,369	
Net OPEB liability	<u>4,125,639</u>	<u>167,170</u>		<u>4,292,809</u>	
Long-Term Liabilities	<u>\$ 116,143,357</u>	<u>\$ 1,147,152</u>	<u>\$ 13,652,000</u>	<u>\$ 103,638,509</u>	<u>\$ 6,945,619</u>

A. General Obligation Bonds

Per Connecticut state law, 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 any City general obligation bonds.

The SWPCA's allocable portion of the City's general obligation bonds outstanding as of June 30, 2021 consisted of the following:

<u>Description</u>	<u>Year of Issue</u>	<u>Amount of Interest Rate (%)</u>	<u>Balance Original Issue</u>	<u>Outstanding June 30, 2021</u>	<u>Outstanding June 30, 2020</u>
Refunding bonds	2005	4.00 - 5.00 %	\$ 2,247,600	\$	\$ 250,000
Refunding bonds	2010	4.00 - 5.00	408,000	272,000	408,000
Refunding bonds	2011	2.00 - 4.00	430,000	226,000	260,000
Refunding bonds	2018	4.00 - 5.00	5,312,000	<u>4,876,000</u>	<u>5,312,000</u>
Total				<u>\$ 5,374,000</u>	<u>\$ 6,230,000</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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Aggregate debt service requirements subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 596,000	\$ 236,828	\$ 832,828
2023	613,000	208,905	821,905
2024	579,000	179,545	758,545
2025	641,000	150,105	791,105
2026	537,000	121,295	658,295
2027-2031	<u>2,408,000</u>	<u>209,345</u>	<u>2,617,345</u>
Debt service requirement	<u>5,374,000</u>	<u>1,106,023</u>	<u>6,480,023</u>
Plus unamortized premium	<u>568,801</u>		<u>568,801</u>
 Total	 <u>\$ 5,942,801</u>	 <u>\$ 1,106,023</u>	 <u>\$ 7,048,824</u>

The SWPCA's share of interest expense incurred on general obligation bonds was \$275,520 and \$345,194 for the years ended June 30, 2021 and 2020, respectively.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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B. Revenue Bonds

Revenue bonds are special limited obligations of the City payable solely from revenues and other receipts of the SWPCA.

Revenue bonds outstanding consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Stamford Water Pollution Control System and Facility Revenue and Revenue Refunding Bonds - 2013. Issued in the aggregate amount of \$22,095,000, consisting of \$12,770,000 of revenue bonds and \$9,325,000 of Refunding Revenue Bonds, in August 2013 at interest rates ranging from 3.0% to 6.0%, due annually, on August 15. Debt service is paid to the trustee monthly, with principal maturity paid from August 2013 through August 2044.	\$ 18,405,000	\$ 19,055,000
Stamford Water Pollution Control System and Facility Revenue and Revenue Refunding Bonds - 2015. Issued in the aggregate amount of \$31,070,000, consisting of \$15,610,000 of revenue bonds and \$15,460,000 of Refunding Revenue Bonds, in July 2015 at interest rates ranging from 3.0% to 5.0%, due annually, on September 15. Debt service is paid to the trustee monthly, with principal maturity paid from September 2015 through September 2045.	26,625,000	27,455,000
Stamford Water Pollution Control System and Facility Revenue and Bonds - 2019. Issued in the amount of \$15,700,000, in June 2019 at interest rates ranging from 4.0% to 5.0%, due annually, on April 1. Debt service is paid to the trustee monthly, with principal maturity paid from April 2020 through April 2044.	14,830,000	15,195,000
Stamford Water Pollution Control System and Facility Revenue and Bonds - Series A. Issued in the amount of \$23,765,000, in November 2020 at interest rates ranging from 3.0% to 5.0%, due annually, on February 15. Debt service is paid to the trustee semi-annually, with principal maturity paid from November 2021 through November 2045.	23,765,000	
Stamford Water Pollution Control System and Facility Refunding Revenue Bonds - Series B. Issued in the amount of \$15,850,000, in November 2020 at interest rates ranging from 3.0% to 5.0%, due annually, on February 15. Debt service is paid to the trustee semi-annually, with principal maturity paid from February 2021 through August 2025.	<u>14,270,000</u>	
Total Long-Term Revenue Bonds Outstanding	<u>\$ 97,895,000</u>	<u>\$ 61,705,000</u>

After each fiscal year, the SWPCA is required to review its fees to ensure anticipated revenues are sufficient to meet the above requirements. If this review discloses any risk of future noncompliance, the SWPCA must engage an independent industry specialist to undertake a study of its fee schedules. Within 90 days after the beginning of the fiscal year, the specialist's recommended fees must be implemented at a level adequate to meet the above requirements.

The City has pledged future SWPCA customer revenues, net of specified operating expenses, to repay \$61,705,000 in outstanding SWPCA revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from SWPCA customer net revenues and are payable through 2046. The net revenues pledged for the year ended June 30, 2021 and 2020 was \$16,055,091 and \$17,133,432, respectively. SWPCA Revenue Bond principal of \$3,425,000 and \$1,905,000 and interest of \$3,324,742 and \$2,712,941 was paid in fiscal year 2021 and 2020, respectively.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Aggregate debt service requirements subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,450,000	\$ 4,232,069	\$ 9,682,069
2023	5,680,000	4,004,069	9,684,069
2024	5,955,000	3,730,044	9,685,044
2025	7,880,000	3,386,694	11,266,694
2026	3,025,000	3,118,819	6,143,819
2027-2031	17,565,000	13,116,594	30,681,594
2032-2036	19,480,000	8,837,291	28,317,291
2037-2041	17,435,000	5,073,213	22,508,213
2042-2046	<u>15,425,000</u>	<u>1,386,588</u>	<u>16,811,588</u>
Debt Service Requirement	<u>\$ 97,895,000</u>	<u>\$ 46,885,381</u>	<u>\$ 144,780,381</u>

C. Notes Payable

The SWPCA completed a \$105 million upgrade of the waste water treatment facility in 2006. To fund the upgrade project, the City obtained a Project Loan Obligation from the State of Connecticut for \$73,561,481. This loan is a special limited obligation loan of the City that is to be repaid solely from revenues, funds, accounts, moneys and securities of the SWPCA. The project was also funded through grants and a local share. As of June 30, 2021 and 2020, the outstanding balance on the loan was \$- and \$21,699,296, respectively. The notes payable were paid off during the year with revenue refunding bonds.

The loans bear interest at 2%. Interest expense incurred on these notes payables was \$175,276 and \$479,189 for the years ended June 30, 2021 and 2020, respectively.

General Obligation Refunding Bonds

On November 18, 2021, the City issued \$15,850,000 of revenue refunding bonds with an interest rate between 3%-5%. The bonds were issued to refund \$20,031,203 aggregate principal amounts outstanding of SWPCA outstanding project loan obligations with the State of Connecticut (see note payable above). The net proceeds of \$21,804,848, including \$4,424,089 of existing CWF DSRF funds, (after an original issue premium of \$1,530,759 and payment of \$177,236 in underwriter's fees and other issuance costs) were paid directly to the State of Connecticut. The SWPCA refunded the above bonds to reduce total debt service payments over 6 years by \$5,136,541 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,088,155.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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7. REVENUE

Sewer use charges are comprised of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Sewer use fees	\$ 22,351,933	\$ 21,660,076
Contract revenue - Town of Darien, CT	1,824,597	1,636,340
Contract revenue - Aquarion	509,116	445,449
Interest	318,456	347,453
Lien fees	<u>102,290</u>	<u>105,520</u>
	<u>\$ 25,106,392</u>	<u>\$ 24,194,838</u>

Special assessments, connection charges and other are comprised of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Connection charges	\$ 1,727,534	\$ 1,676,362
Capital reimbursement - Town of Darien, CT	996,133	1,223,262
Interest	528,221	574,430
Delinquent interest and lien fees	<u>126,966</u>	<u>173,068</u>
	<u>\$ 3,378,854</u>	<u>\$ 3,647,122</u>

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.

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 \$1,000,000 for general and auto liability, \$1,500,000 for workers' 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, 2021 and 2020, the SWPCA paid the City approximately \$754,261 and \$539,314, respectively, to the City's internal service insurance fund.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
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10. EMPLOYEE RETIREMENT PLAN

A. Plan Description and Benefits Provided

Certain employees of the SWPCA are covered under the City’s Classified Employees’ Retirement Fund (CERF), a single employer defined benefit plan. Eligibility begins at date of hire and vesting occurs in full after 5 years of service. Benefits are payable to an employee who retires at age 60 with a minimum of 10 years of service or an employee who has reached age 58 with at least 15 years of service. Certain contracts allow employees with 25 years of service to retire. Annual benefits equal 2% per year of service with maximums up to 70% of final salary for each year of credited service. Employees contribute 3% of their annual salary until they have reached 33 years of credited service. Some union contracts allow employees to exchange sick or vacation leave for up to 4% additional pension credit (1% for each 25 days exchanged). Interest of 5% is credited to the employees’ contribution.

The City uses an independent actuary to determine the allocation of contributions required for the various departments and groups that participate in the retirement plans, including the SWPCA. For the years ended June 30, 2021 and 2020, the SWPCA’s contribution to the retirement fund was \$185,401 and \$268,000, representing approximately 2.3% and 4%, respectively, of total contributions to the CERF for each year.

The City’s basic financial statements contain CERF activity and funding information as of June 30, 2021. At June 30, 2021 and 2020, the CERF had \$301.7 million and \$232.6 million in net position, respectively.

GASB Statement No. 68 requires certain pension related items to be recorded. The items below provide detail of those items. Refer to the City of Stamford annual comprehensive financial report (ACFR) for the full pension disclosures.

B. Net Pension Liability (Asset) of the SWPCA

The components of the SWPCA’s net pension liability at June 30, 2021 and 2020 were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total pension liability	\$ 15,455,965	\$ 15,087,596
Plan fiduciary net position	<u>15,959,456</u>	<u>12,508,227</u>
Net Pension Liability (Asset)	<u>\$ (503,491)</u>	<u>\$ 2,579,369</u>
Plan fiduciary net position as a percentage of the total pension liability	103.26%	82.90%

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

C. Changes in the Net Pension Liability (Asset) - SWPCA's Portion of the City's Employee Retirement Plan

	2021		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2020	\$ 15,087,596	\$ 12,508,227	\$ 2,579,369
Changes for the year:			
Service cost	203,398		203,398
Interest on total pension liability	1,048,595		1,048,595
Effect of economic/demographic gains or losses	(171,674)		(171,674)
Effect of assumptions changes or inputs	137,161		137,161
Employer contributions		331,000	(331,000)
Member contributions		109,633	(109,633)
Net investment income		3,864,506	(3,864,506)
Benefit payments, including refund to employee contributions	(849,111)	(849,111)	-
Administrative expenses		(4,799)	4,799
Net changes	<u>368,369</u>	<u>3,451,229</u>	<u>(3,082,860)</u>
Balances as of June 30, 2021	\$ <u>15,455,965</u>	\$ <u>15,959,456</u>	\$ <u>(503,491)</u>
	2020		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	(a)	(b)	(a)-(b)
Balances as of July 1, 2019	\$ 14,151,390	\$ 12,299,200	\$ 1,852,190
Changes for the year:			
Service cost	188,878		188,878
Interest on total pension liability	987,316		987,316
Change in benefit terms	363		363
Effect of economic/demographic gains or losses	282,225		282,225
Effect of assumptions changes or inputs	361,397		361,397
Employer contributions		268,000	(268,000)
Member contributions		106,373	(106,373)
Net investment income		724,050	(724,050)
Benefit payments, including refund to employee contributions	(883,973)	(883,973)	-
Administrative expenses		(5,423)	5,423
Net changes	<u>936,206</u>	<u>209,027</u>	<u>727,179</u>
Balances as of June 30, 2020	\$ <u>15,087,596</u>	\$ <u>12,508,227</u>	\$ <u>2,579,369</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

D. Sensitivity of the SWPCA’s Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the SWPCA, calculated using the current discount date, as well as what the SWPCA’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate, as noted below:

June 30, 2021			
	1% Decrease to 5.95%	Current Discount Rate 6.95%	1% Increase to 7.95%
Net Pension Liability (Asset)	\$ <u>996,123</u>	\$ <u>(503,491)</u>	\$ <u>(1,783,786)</u>
June 30, 2020			
	1% Decrease to 6.05%	Current Discount Rate 7.05%	1% Increase to 8.05%
Net Pension Liability	\$ <u>4,034,632</u>	\$ <u>2,579,369</u>	\$ <u>1,334,970</u>

E. SWPCA’s Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 and 2020, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

June 30, 2021		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,587	\$ 144,221
Changes of assumptions	205,724	
Net difference between projected and actual earning on pension plan investments		<u>2,233,405</u>
Total	<u>\$ 293,311</u>	<u>\$ 2,377,626</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,606	\$ 349,192
Changes of assumptions	342,275	
Net difference between projected and actual earning on pension plan investments	63,655	
Total	<u>\$ 652,536</u>	<u>\$ 349,192</u>

Subsequent to June 30, 2021, amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Recognition Year

2022	\$ (397,701)
2023	(514,058)
2024	(573,156)
2025	(599,400)

The SWPCA recognized pension expense of \$(364,201) and \$519,803 for the fiscal years ended June 30, 2021 and 2020, respectively.

F. Defined Contribution Retirement Plans

Plan Description

The City has established a defined contribution retirement plan for SWPCA employees hired after certain specified dates in 2012 for all unions except UAW and IUOE/Operations.

Employees in this group are not members of the CERF pension plan, but are eligible to contribute to a 457 deferred compensation plan. The City matches 50% of the employee's contribution by way of a contribution to a 401(a) money purchase plan. The SWPCA's contribution shall not exceed 4.5% of the employee's annual wages. The SWPCA contribution into the plan was \$53,382 and \$36,972 for fiscal year 2021 and 2020, respectively.

11. TRANSACTIONS WITH THE CITY

In the fiscal years 2021 and 2020, the City paid approximately \$325,870 and \$226,000, respectively, in sewer use charges to the SWPCA. The City reimbursed the SWPCA approximately \$553,165 and \$605,674 for the City's share of the hurricane barrier maintenance, operations and sewer lateral repairs for the years ended June 30, 2021 and 2020, respectively.

For the fiscal years 2021 and 2020, the SWPCA paid the City approximately \$448,564 and \$429,503, for an allocation of central services costs, respectively, and \$1,000,348 and \$893,810 to the City's internal service medical insurance fund for health insurance coverage of active and retired employees, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

In connection with the pooled cash arrangement with the City, the SWPCA earned interest income of approximately \$16,734 and \$208,000 on balances due from the City during the years ended June 30, 2021 and 2020, respectively.

12. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

The City provides certain health care benefits for retired employees through a single employer defined benefit plan in which the SWPCA participates. The various collective bargaining agreements stipulate the employees' covered and the percentage of contribution, if any, to the cost of health care benefits. Contributions by the City may vary according to length of service. The cost of providing postemployment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expense as claims are paid.

The City uses an independent actuary to determine the allocation of contributions required for the various departments and groups that participate in the retirement plans, including the SWPCA. For the years ended June 30, 2021 and 2020, the SWPCA's contribution to the OPEB fund was \$531,922 and \$482,000, respectively, representing approximately 1.6% of total contributions to the OPEB fund for each year.

The City's basic financial statements contain OPEB activity and funding information as of June 30, 2021. At June 30, 2021 and 2020, the OPEB fund had \$246.9 million and \$167.7 million in net position, respectively.

GASB Statement No. 75 requires certain items to be recorded. The items below provide detail of those items. Refer to the City of Stamford annual comprehensive financial report (ACFR) for the full OPEB disclosures.

B. Net OPEB Liability - SWPCA's Portion of the City's OPEB Plan

The SWPCA's portion of the City's net OPEB liability was measured as of June 30, 2021 and 2020. The components of the SWPCA's portion of the City's net OPEB liability were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total OPEB liability	\$ 6,499,653	\$ 6,757,600
Plan fiduciary net position	<u>3,663,803</u>	<u>2,464,791</u>
Net OPEB Liability	<u>\$ 2,835,850</u>	<u>\$ 4,292,809</u>
Plan fiduciary net position as a percentage of the total OPEB liability	56.37%	36.47%

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

C. Changes in the Net OPEB Liability - SWPCA's Portion of the City's OPEB Plan

	2021		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2020	\$ 6,757,600	\$ 2,464,791	\$ 4,292,809
Changes for the year:			
Service cost	179,433		179,433
Interest on total OPEB liability	482,838		482,838
Effect of plan changes	369,033		369,033
Effect of economic/demographic gains or losses	(768,223)		(768,223)
Effect of assumptions changes or inputs	(341,441)		(341,441)
Employer contributions		532,000	(532,000)
Net investment income		847,612	(847,612)
Benefit payments, including refund to employee contributions	(179,587)	(179,587)	-
Administrative expenses		(1,013)	1,013
Net changes	<u>(257,947)</u>	<u>1,199,012</u>	<u>(1,456,959)</u>
Balances as of June 30, 2021	<u>\$ 6,499,653</u>	<u>\$ 3,663,803</u>	<u>\$ 2,835,850</u>
	2020		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 6,245,838	\$ 2,120,199	\$ 4,125,639
Changes for the year:			
Service cost	172,410		172,410
Interest on total OPEB liability	448,439		448,439
Change in benefit terms	112,362		112,362
Effect of economic/demographic gains or losses	(266,457)		(266,457)
Differences between expected and actual experience	252,974		252,974
Effect of assumptions changes or inputs		482,000	(482,000)
Member contributions		71,298	(71,298)
Net investment income	(207,966)	(207,966)	-
Benefit payments, including refund to employee contributions		(740)	740
Net changes	<u>511,762</u>	<u>344,592</u>	<u>167,170</u>
Balances as of June 30, 2020	<u>\$ 6,757,600</u>	<u>\$ 2,464,791</u>	<u>\$ 4,292,809</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

D. Sensitivity of the SWPCA’s Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the SWPCA, as well as what the SWPCA’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

June 30, 2021			
	1% Decrease to 5.95%	Current Discount Rate 6.95%	1% Increase to 7.95%
Net OPEB Liability	\$ <u>3,755,832</u>	\$ <u>2,835,850</u>	\$ <u>2,089,612</u>

June 30, 2020			
	1% Decrease to 6.05%	Current Discount Rate 7.05%	1% Increase to 8.05%
Net OPEB Liability	\$ <u>5,233,919</u>	\$ <u>4,292,809</u>	\$ <u>3,528,262</u>

E. Sensitivity of the SWPCA’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the SWPCA, as well as what the SWPCA’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

June 30, 2021			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ <u>2,002,470</u>	\$ <u>2,835,850</u>	\$ <u>3,867,575</u>

June 30, 2020			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ <u>3,450,987</u>	\$ <u>4,292,809</u>	\$ <u>5,334,972</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

F. SWPCA’s OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021 and 2020, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2021		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,001,523
Changes of assumptions	348,431	260,146
Net difference between projected and actual earning on pension plan investments		475,275
Total	<u>\$ 348,431</u>	<u>\$ 1,736,944</u>

June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 780,732
Changes of assumptions	653,014	
Net difference between projected and actual earning on pension plan investments	61,817	
Total	<u>\$ 714,831</u>	<u>\$ 780,732</u>

Subsequent to June 30, 2021, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2022	\$ (448,702)
2023	(375,852)
2024	(378,783)
2025	(185,176)

The SWPCA recognized OPEB expense of \$397,653 and \$521,700 for the fiscal years ended June 30, 2021 and 2020, respectively.

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REQUIRED
SUPPLEMENTARY
INFORMATION

STAMFORD WATER POLLUTION CONTROL AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CLASSIFIED EMPLOYEES' RETIREMENT FUND
LAST FIVE FISCAL YEARS *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability:					
Service cost	\$ 203,398	\$ 188,878	\$ 225,781	\$ 285,518	\$ 317,378
Interest	1,048,595	987,316	1,078,349	1,029,172	1,020,081
Effect of plan changes		363	(589,689)	981	(215,835)
Effect of economic/demographic gains or losses	(171,674)	282,225	(984,086)	370,193	(233,718)
Effect of assumptions changes or inputs	137,161	361,397	114,838	388,504	121,491
Benefit payments, including refunds of member contributions	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Net change in total pension liability	368,369	936,206	(1,029,808)	1,426,216	390,454
Total pension liability - beginning	15,087,596	14,151,390	15,181,198	13,754,982	13,364,528
Total pension liability - ending	15,455,965	15,087,596	14,151,390	15,181,198	13,754,982
Plan fiduciary net position:					
Contributions - employer	331,000	268,000	416,000	358,000	317,000
Contributions - member	109,633	106,373	101,344	128,388	127,074
Net investment income (loss)	3,864,506	724,050	513,001	1,105,767	1,462,803
Benefit payments, including refunds of member contributions	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Administrative expense	(4,799)	(5,423)	(9,243)	(6,501)	(5,321)
Other					
Net change in plan fiduciary net position	3,451,229	209,027	146,101	937,502	1,282,613
Plan fiduciary net position - beginning	12,508,227	12,299,200	12,153,099	11,215,597	9,932,984
Plan fiduciary net position - ending	15,959,456	12,508,227	12,299,200	12,153,099	11,215,597
Net Pension Liability (Asset) - Ending	\$ (503,491)	\$ 2,579,369	\$ 1,852,190	\$ 3,028,099	\$ 2,539,385
Plan fiduciary net position as a percentage of the total pension liability	103.26%	82.90%	86.91%	80.05%	81.54%
Covered payroll	\$ 2,061,466	\$ 2,248,952	\$ 2,290,105	\$ 2,572,105	\$ 2,541,480
Net pension liability as a percentage of covered payroll	-24.42%	114.69%	80.88%	117.73%	99.92%

Notes to Schedule

Assumption Changes:

Investment rate of return	6.95%; Prior: 7.05%
Discount rate	6.95%; Prior: 7.05%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CLASSIFIED EMPLOYEES' RETIREMENT FUND
LAST SIX FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 331,000	\$ 268,000	\$ 416,000	\$ 358,000	\$ 317,000	\$ 304,000
Contributions in relation to the actuarially determined contribution	<u>331,000</u>	<u>268,000</u>	<u>416,000</u>	<u>358,000</u>	<u>317,000</u>	<u>304,000</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 2,061,466	\$ 2,248,952	\$ 2,290,105	\$ 2,572,331	\$ 2,541,480	\$ 2,333,159
Contributions as a percentage of covered payroll	16.06%	11.92%	18.17%	13.92%	12.47%	13.03%

Notes to Schedule

Valuation date: July 1, 2020

Measurement date: June 30, 2021

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	15 years, open
Asset valuation method	5-year smoothed market
Inflation	2.60%
Salary increases	Graded by age
Investment rate of return	6.95%; Prior: 7.05%
Retirement age	Graded by age and service
Mortality	Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

STAMFORD WATER POLLUTION CONTROL AUTHORITY
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ 179,433	\$ 172,410	\$ 132,164	\$ 164,658
Interest	482,838	448,439	402,108	393,737
Effect of plan changes	369,033	112,362	576,667	
Effect of economic/demographic gains or losses	(768,223)	(266,457)	(893,532)	(348,342)
Effect of assumptions changes or inputs	(341,441)	252,974	663,539	347,869
Benefit payments, including refunds of member contributions	(179,587)	(207,966)	(172,569)	(207,517)
Net change in total OPEB liability	(257,947)	511,762	708,377	350,405
Total OPEB liability - beginning	6,757,600	6,245,838	5,537,461	5,187,056
Total OPEB liability - ending	<u>6,499,653</u>	<u>6,757,600</u>	<u>6,245,838</u>	<u>5,537,461</u>
Plan fiduciary net position:				
Contributions - employer	532,000	482,000	463,000	488,000
Contributions - member				
Net investment income (loss)	847,612	71,298	82,168	208,673
Benefit payments, including refunds of member contributions	(179,587)	(207,966)	(172,569)	(207,517)
Administrative expense	(1,013)	(740)	(364)	(272)
Net change in plan fiduciary net position	1,199,012	344,592	372,235	488,884
Plan fiduciary net position - beginning	2,464,791	2,120,199	1,747,964	1,259,080
Plan fiduciary net position - ending	<u>3,663,803</u>	<u>2,464,791</u>	<u>2,120,199</u>	<u>1,747,964</u>
Net OPEB Liability - Ending	<u>\$ 2,835,850</u>	<u>\$ 4,292,809</u>	<u>\$ 4,125,639</u>	<u>\$ 3,789,497</u>
Plan fiduciary net position as a percentage of the total OPEB liability	56.37%	36.47%	33.95%	31.57%
Covered payroll	\$ 2,407,841	\$ 2,017,461	\$ 2,224,616	\$ 2,545,410
Net OPEB liability as a percentage of covered payroll	117.78%	212.78%	185.45%	148.88%

Notes to Schedule

Assumption Changes:

 Investment rate of return 6.95%; Prior: 7.05%

 Discount rate 6.95%; Prior: 7.05%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF STAMFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution (1)	\$ 532,000	\$ 482,000	\$ 463,000	\$ 488,000	\$ 382,000	\$ 366,000	\$ 134,000	\$ 162,000	\$ 462,000
Contributions in relation to the actuarially determined contribution	<u>532,000</u>	<u>482,000</u>	<u>463,000</u>	<u>488,000</u>	<u>382,000</u>	<u>329,000</u>	<u>160,862</u>	<u>125,300</u>	<u>343,000</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>37,000</u>	\$ <u>(26,862)</u>	\$ <u>36,700</u>	\$ <u>119,000</u>
Covered payroll	\$ 2,407,841	\$ 2,017,431	\$ 2,224,616	\$ 2,545,410	\$ 2,535,297	\$ 2,333,000	\$ 2,265,000	\$ 2,455,000	\$ 2,220,000
Contributions as a percentage of covered payroll	22.09%	23.89%	20.81%	19.17%	15.07%	14.10%	7.10%	5.10%	15.45%

1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2020

Measurement date: June 30, 2021

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent
Remaining amortization period	20 years, open
Asset valuation method	Fair Value
Inflation	2.60%
Healthcare cost trend rates	Pre-65: 10.70% - 4.2% over 53 years; Post-65: 5.00% - 4.2% over 65 years
Salary increases	2.60%
Investment rate of return	6.95%, Prior Valuation: 7.05%
Retirement age	Age Based Table
Mortality	
WPCA	PubG-2010 Mortality Table with generational projection per MP-2019 ultimate scale, with employee rates before benefit commencement and healthy and disabled annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

SUPPLEMENTARY
AND OTHER
INFORMATION

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Sewer use charges	\$ 21,177,069	\$ 21,177,069	\$ 22,728,281	\$ 1,551,212
Contract revenue - Town of Darien, CT	2,237,667	2,237,667	1,824,597	(413,070)
Contract revenue - Aquarion Water Company	462,853	462,853	509,116	46,263
Fees and other income	348,300	348,300	491,273	142,973
Nitrogen trading credit	900,000	900,000	322,020	(577,980)
Total operating revenues	<u>25,125,889</u>	<u>25,125,889</u>	<u>25,875,287</u>	<u>749,398</u>
Nonoperating revenues:				
Special assessments, connection charges, and other	2,441,683	2,441,683	3,378,854	937,171
Net gain on insurance recoveries			332,076	332,076
Interest income and change in investment value	147,234	147,234	352	(146,882)
Total nonoperating revenues	<u>2,588,917</u>	<u>2,588,917</u>	<u>3,711,282</u>	<u>1,122,365</u>
Total	<u>\$ 27,714,806</u>	<u>\$ 27,714,806</u>	<u>\$ 29,586,569</u>	<u>\$ 1,871,763</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
SCHEDULE OF EXPENSES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Operating expenses:				
Administration	\$ 5,698,544	\$ 5,799,544	\$ 5,413,525	\$ 386,019
Process control	3,368,310	3,139,040	2,868,772	270,268
Laboratory	361,954	428,224	332,850	95,374
Sludge processing	2,953,955	3,002,930	2,715,555	287,375
Regulatory compliance	194,647	205,496	175,941	29,555
Building maintenance	330,250	330,250	226,843	103,407
Equipment maintenance	1,243,022	1,293,022	941,729	351,293
Pump station maintenance	843,466	843,466	679,785	163,681
Sanitary sewer maintenance	602,020	542,196	419,544	122,652
Barrier maintenance	273,910	273,910	216,866	57,044
Billing services	480,150	492,150	486,103	6,047
Total operating expenses	<u>16,350,228</u>	<u>16,350,228</u>	<u>14,477,513</u>	<u>1,872,715</u>
Nonoperating expenses:				
Debt service	10,559,978	10,559,978	8,807,119	1,752,859
Miscellaneous contingency	500,000	500,000		500,000
Total nonoperating expenses	<u>11,059,978</u>	<u>11,059,978</u>	<u>8,807,119</u>	<u>2,252,859</u>
Total	\$ <u>27,410,206</u>	\$ <u>27,410,206</u>	23,284,632	\$ <u>4,125,574</u>

Budgetary expenses are different than GAAP expenses because:

Loss on disposal of capital asset	249,773
Change in net pension liability (asset)	(3,082,860)
Change in net OPEB liability	(1,456,959)
Change in deferred outflows of resources	725,625
Change in deferred inflows of resources	2,984,646
Depreciation	6,164,318
Principal payments on debt	<u>(5,930,094)</u>

Total Expenses and Other Financing Uses as Reported on the
Statement of Revenues, Expenses and Changes in Net Position

\$ 22,939,081

STATISTICAL SECTION

STATISTICAL SECTION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition

Statistical section information is presented in the following categories:

- Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.
- Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the basic financial statements for the relevant year

STAMFORD WATER POLLUTION CONTROL AUTHORITY
REVENUES, EXPENSES AND CHANGES IN NET POSITION (in Thousands)
FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2013</u> (Restated)	<u>2012</u>
Operating Revenues:										
Total operating revenues	\$ 25,875	\$ 25,993	\$ 27,550	\$ 24,708	\$ 24,135	\$ 24,469	\$23,769	\$ 22,355	\$21,155	\$20,305
Operating Expenses:										
Operations and supplies	6,871	6,526	7,543	6,704	6,454	7,152	7,153	7,228	8,131	6,120
Salaries, benefits and claims	6,328	6,745	6,182	6,553	6,019	6,356	5,950	4,541	5,196	5,468
Depreciation	6,164	5,952	6,149	5,971	5,714	5,583	5,507	5,373	5,239	5,055
Total Operating Expenses	<u>19,363</u>	<u>19,223</u>	<u>19,874</u>	<u>19,228</u>	<u>18,187</u>	<u>19,091</u>	<u>18,610</u>	<u>17,141</u>	<u>18,566</u>	<u>16,642</u>
Operating Income	<u>6,512</u>	<u>6,770</u>	<u>7,676</u>	<u>5,480</u>	<u>5,948</u>	<u>5,378</u>	<u>5,159</u>	<u>5,213</u>	<u>2,589</u>	<u>3,663</u>
Nonoperating Revenue (Expense):										
Special assessments and connection charges	3,379	3,647	3,624	3,398	4,014	2,821	3,911	2,516	2,987	2,703
Provision for doubtful accounts - Special assessments and connection charges									(500)	
Interest income and change in investment value		716	721	194	(30)	83	18	34	95	98
Net gain on insurance recoveries	332	309								
Loss on disposal of asset	(250)									
Gain on sale of assets					8	42				
Interest expense	(2,877)	(3,438)	(3,522)	(3,320)	(3,322)	(3,045)	(3,227)	(3,149)	(2,940)	(3,133)
Transfers in								288		
Net Nonoperating Revenue (Expense)	<u>584</u>	<u>1,234</u>	<u>823</u>	<u>272</u>	<u>670</u>	<u>(99)</u>	<u>702</u>	<u>(311)</u>	<u>(358)</u>	<u>(332)</u>
Capital Grants, Transfers Out and Special Items:										
Capital grants		48	77	191	66	390				
Transfers out	(448)	(429)	(421)	(455)	(398)	(324)	(349)			
Total	<u>(448)</u>	<u>(381)</u>	<u>(344)</u>	<u>(264)</u>	<u>(332)</u>	<u>66</u>	<u>(349)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change In Net Business	6,648	7,623	8,155	5,488	6,286	5,344	5,513	4,902	2,231	3,330
Net position - beginning of year	99,124	91,501	83,346	77,858	71,572	69,359	63,846	58,943	59,493	56,163
Restatement for net pension loss per GASB 68									(2,780)	
Restatement for net OPEB loss per GASB 75						(3,131)				
Net Position - End of Year	<u>\$ 105,772</u>	<u>\$ 99,124</u>	<u>\$ 91,501</u>	<u>\$ 83,346</u>	<u>\$ 77,858</u>	<u>\$ 71,572</u>	<u>\$69,359</u>	<u>\$63,846</u>	<u>\$58,943</u>	<u>\$59,493</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NET POSITION (in Thousands)
AS OF JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
					(Restated)	(Restated)		(Restated)	(Restated)	
Net Position:										
Net investment in capital assets	\$ 56,347	\$ 51,252	\$43,877	\$45,196	\$50,217	\$49,195	\$ 50,755	\$ 48,395	\$50,460	\$46,503
Restricted for pension, debt service and capital improvements	16,982	14,083	13,609	11,247	11,170	10,906	9,597	9,532	7,965	7,742
Unrestricted	32,443	33,789	34,015	26,903	16,471	14,602	9,007	5,919	3,299	5,248
Restatement for net pension loss per GASB 68									(2,780)	
Restatement for net OPEB loss per GASB 75						(3,131)				
Total Net Position	<u>\$105,772</u>	<u>\$ 99,124</u>	<u>\$91,501</u>	<u>\$83,346</u>	<u>\$77,858</u>	<u>\$71,572</u>	<u>\$ 69,359</u>	<u>\$ 63,846</u>	<u>\$58,943</u>	<u>\$59,493</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
REVENUE CAPACITY - CUSTOMER, CONSUMPTION & RATE STATISTICS

For the Year Ended June 30,	Customers	Consumption (CCF)	Annual Consumption Change	Rate per CCF	Annual Rate Change	Average Residential Bill
2021	19,661	4,109,661	(3.53)%	\$5.16	3.20%	\$464.40
2020	19,348	4,259,877	0.28%	\$5.00	0.00%	\$510.00
2019	19,671	4,248,187	1.88%	\$5.00	2.46%	\$510.00
2018	19,648	4,169,897	(3.60)%	\$4.88	3.39%	\$497.76
2017	19,598	4,325,661	2.06%	\$4.72	1.72%	\$481.44
2016	19,619	4,238,192	(3.08)%	\$4.64	1.98%	\$473.28
2015	19,470	4,372,971	2.27%	\$4.55	3.41%	\$464.10
2014	19,447	4,276,100	0.14%	\$4.40	8.64%	\$448.80
2013	19,378	4,270,274	(1.00)%	\$4.05	4.92%	\$429.42
2012	19,381	4,313,364	0.83%	\$3.86	8.43%	\$393.72

Notes:

Customers as presented reflects the total number of residential, commercial and industrial customers.

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

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

Source: SWPCA records

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
REVENUE CAPACITY - PRINCIPAL WATER USERS
CURRENT AND PREVIOUS YEAR (AS OF JUNE 30)**

2021			2020		
Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption	Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption
1 Stamford Housing Authority	59,801	1.46%	1 Stamford Hospital	65,978	1.55%
2 Stamford Hospital	53,254	1.30%	2 Stamford Housing Authority	48,286	1.13%
3 City of Stamford	42,949	1.05%	3 City of Stamford	44,866	1.05%
4 Rippowan Park Associates LP	38,648	0.94%	4 Rippowan Park Associates LP	42,822	1.01%
5 Southfield Village LP	31,002	0.75%	5 SLC Operating LP	32,946	0.77%
6 Cornerstone Apartments	29,290	0.71%	6 Cornerstone Apartments	29,864	0.70%
7 Hoyt Bedford Apartments	28,428	0.69%	7 Hoyt Bedford Apartments	29,190	0.69%
8 Stamford Town Center	22,710	0.55%	8 Stamford Town Center	27,572	0.65%
9 Stamford Marriott Hotel	20,560	0.50%	9 Stamford Marriott Hotel	22,628	0.53%
10 Hilton Stamford Hotel	19,424	0.47%	10 Hilton Stamford Hotel	21,006	0.49%
Total	<u>346,066</u>	8.42%	Total	<u>365,158</u>	8.57%
Total Consumption Billed in CCF	4,109,661		Total Consumption Billed in CCF	4,259,877	

Notes:

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

Source: SWPCA records

STAMFORD WATER POLLUTION CONTROL AUTHORITY
DEBT CAPACITY - DEBT OUTSTANDING BY TYPE (in Thousands)

For the Year Ended June 30,	General Obligation Bonds	Revenue Bonds	Notes Payable	Total Debt	Customers	Debt Per Customer
2021	5,374	97,895	-	103,269	19,661	5,252
2020	6,230	61,705	21,699	89,634	19,348	4,633
2019	13,160	63,610	25,859	102,629	19,671	5,217
2018	14,458	49,240	29,937	93,635	19,648	4,766
2017	10,441	50,505	33,934	94,880	19,598	4,841
2016	11,753	55,981	37,877	105,612	19,619	5,383
2015	12,970	40,620	41,760	95,350	19,470	4,897
2014	14,919	41,337	45,625	101,881	19,447	5,239
2013	16,762	27,614	49,494	93,870	19,378	4,844
2012	18,496	28,345	53,291	100,132	19,381	5,167

Source:

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

Customers as presented reflects the total number of residential, commercial and industrial customers.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
DEBT CAPACITY - DEBT COVERAGE (in Thousands)

For the Year Ended June 30,	Operating Revenues plus Special Assessments and Connection Charges	Less - Operating Exps. (Restated) (excluding Depreciation & Amortization)	Net Available Revenues	Revenue Bonds plus Notes Payable			
				Debt Service			Coverage
				Principal	Interest	Total	
2021	\$ 29,254	\$ 13,199	\$ 16,055	\$ 3,425	\$ 3,325	\$ 6,750	2.38
2020	29,640	13,272	16,369	5,560	2,670	8,230	1.99
2019	31,174	13,825	17,350	5,560	2,670	8,230	2.11
2018	28,106	12,473	15,634	5,408	2,826	8,234	1.90
2017	28,149	12,580	15,569	5,262	2,974	8,236	1.89
2016	27,289	13,508	13,782	5,153	3,110	8,263	1.67
2015	27,680	13,103	14,578	4,829	2,690	7,519	1.94
2014	24,870	11,769	13,102	4,499	2,803	7,302	1.79
2013	24,142	16,187	7,956	4,415	2,301	6,716	1.18
2012	23,008	11,645	11,363	4,512	2,305	6,817	1.67

Source: City and SWPCA records

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
OPERATING INFORMATION - FULL-TIME EQUIVALENT EMPLOYEES (FTE'S)
AS OF JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
FTE's	<u>43</u>	<u>42</u>	<u>40</u>	<u>43</u>	<u>44</u>	<u>44</u>	<u>40</u>	<u>41</u>	<u>36</u>	<u>39</u>

Source: City records

TABLE 8

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
OPERATING INFORMATION - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
AS OF JUNE 30,**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Treatment Plant										
Pumps and Motors (units)	134	134	134	134	134	134	134	134	134	134
Bioreactor Volume (million gallons)	15	15	15	15	15	15	15	15	15	15
Clarifiers (units)	6	6	6	6	6	6	6	6	6	6
Dryer and Pelletizer Equipment (units)	1	1	1	1	1	1	1	1	1	1
Stand-by Generators	2	2	2	2	2	2	2	2	2	2
Pumping Station										
Wastewater Stations (units)	23	23	23	23	23	23	23	23	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	3	3
Stand-by Generators	4	4	4	4	4	4	4	4	4	4
Wastewater										
Sanitary sewers (miles - per GIS data)	250	250	250	250	250	250	250	275	304	304
Treatment capacity (million gallons per day)	24	24	24	24	24	24	24	24	24	24

Source: SWPCA records

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