

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, 2022 AND 2021

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
TABLE OF CONTENTS
JUNE 30, 2022 AND 2021**

Introductory Section - Unaudited		Page
	Letter of Transmittal	i-iii
Financial Section		
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis - Unaudited	4-15
Basic Financial Section		
Exhibit		
I	Comparative Statements of Net Position	16
II	Comparative Statements of Revenues, Expenses and Changes in Net Position	17
III	Comparative Statements of Cash Flows	18
	Notes to the Financial Statements	19-42
Required Supplementary Information - Unaudited		
	Pension Plan:	
RSI-1	Schedule of Changes in Net Pension Liability and Related Ratios	43
RSI-2	Schedule of Employer Contributions	44
	Other Postemployment Benefits (OPEB) Plan:	
RSI-3	Schedule of Changes in Net OPEB Liabilities and Related Ratios	45
RSI-4	Schedule of Employer Contributions – OPEB Plan	46
Other Information -Unaudited		
A-1	Schedule of Revenues and Other Financing Sources – Budget and Actual – Budgetary Basis	47
A-2	Schedule of Expenses and Other Financing Uses – Budget and Actual – Budgetary Basis	48
Statistical Section -Unaudited		
Table		
	Financial Trends:	
1	Revenues, Expenses and Changes in Net Position	49
2	Net Position	50
	Revenue Capacity:	
3	Customer, Consumption & Rate Statistics	51
4	Principal Water Users	52
	Debt Capacity:	
5	Debt Outstanding by Type	53
6	Debt Coverage	54
	Operating Information:	
7	Full-Time Equivalent Employees	55
8	Capital Asset Statistics by Function/Program	56

INTRODUCTORY SECTION



Letter of Transmittal

April 7, 2023

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, 2022, 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.

RSM US 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, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately 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 help ensure that the SWPCA meets 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 activities were 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 and additional upgrades completed in 2021. 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, 2022, the flow to the plant averaged approximately 16.3 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 homeowners, 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 its pumping stations, its collection system, and all border crossings.

The Interlocal Agreement between the SWPCA and Darien signed on July 26, 2019, was effective as of October 1, 2018, and replaced previous agreements dating from 2013 and 1971. The Interlocal Agreement will expire on June 30, 2023, and with the consent of both parties, it is renewable for another 5 years. It provides a formula for compensation to the SWPCA for operating and maintenance costs and for capital improvements to the SWPCA’s treatment plant and collection sewers which convey Darien’s wastewater. Based on this formula, Darien was responsible for 14.39% of such costs in the fiscal year ended June 30, 2022. 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 of whom must be 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 final 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, 2022, were:

Edward Kelly, At-Large and Chairman
Sandra Dennies, Director of Administration
Matthew Quinones, Director of Operations
Steven Bagwin, At-Large
Amiel Goldberg, Board of Representatives
J.R. McMullen, Board of Finance
Merritt Nesin, At-Large (engineer) and Technical Committee Chair
Adam Perlaky, At-Large (financial professional)
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 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,



Edward Kelly
Chairman
SWPCA Board of Directors

FINANCIAL SECTION



Independent Auditor's Report

RSM US LLP

The City of Stamford
Board of Finance
Stamford Water Pollution Control Authority
Stamford, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the SWPCA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the SWPCA, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SWPCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only on the SWPCA, an enterprise fund of the City of Stamford Connecticut, and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut as of June 30, 2022, and the changes in its financial position, or where applicable its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of the SWPCA, as of and for the year ended June 30, 2021, were audited by other auditors, whose report, dated April 5, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SWPCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and pension schedules and other postemployment benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal, the Schedule of Revenues and Other Financing Sources – Budget and Actual – Budgetary basis schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2023 on our consideration of the SWPCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SWPCA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWPCA's internal control over financial reporting and compliance.

RSM US LLP

Hartford, Connecticut
April 7, 2023

STAMFORD WATER POLLUTION CONTROL AUTHORITY
Management's Discussion and Analysis- (Unaudited)
For the Year Ended June 30, 2022

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, 2022. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

2022 Financial Highlights

- As of June 30, 2022, the SWPCA's total assets and deferred outflows of resources (\$229.0 million) exceeded its total liabilities and deferred inflows (\$117.5 million), resulting in total net position of \$111.5 million. Net position increased \$5.7 million versus the prior year-end period primarily due to increases in unrestricted net position (\$3.7 million), increase in net investment in capital assets (\$1.9 million) and net position restricted for debt service (\$0.6 million) offset by a decrease in net position restricted for pensions (\$0.5 million).
- Operating revenues in fiscal 2022 were \$26.6 million, compared to \$25.9 million in the prior year primarily reflecting an increase in Sewer Use Charges (\$0.5 million) and Fees and Other Income (\$0.2 million). Operating expenses were \$21.1 million versus \$19.4 million the prior year. Operating income was \$5.7 million as compared to \$6.6 million in the prior year.
- As noted above, total net position increased \$5.7 million (5.4%), to \$111.5 million. The unrestricted part of net position increased to \$37.1 million and represents approximately 140% of operating revenue, compared to approximately 125% in the prior year.
- Current assets increased by \$1.9 million, primarily reflecting an increase in unrestricted cash and investments (\$1.3 million) and an increase in sewer use and sewer connection accounts receivable (\$0.3 million) and an increase in other accounts receivable – primarily due from the City of Darien for a treatment of sewage and capital reimbursement receivable (\$0.3 million). Days sales outstanding ("DSO") for the gross usage charges accounts receivable increased by 4 days to 50 days.
- Current liabilities decreased by \$2.8 million, primarily due to a decrease in accounts payable, accrued liabilities and accrued interest (\$3.0 million) offset by an increase in the current portion of bonds payable (\$0.2 million).
- Long term debt outstanding – including general obligation bonds and revenue bonds – decreased by \$7.7 million to \$101.4 million as of June 30, 2022. Debt service principal payments totaling \$6.3 million and bond premium amortization of \$1.4 million accounted for this decrease. 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 \$2.3 million to \$150.3 million versus the prior period. Fixed asset additions totaling \$9.1 million were offset by depreciation expense of \$6.8 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. \$14.7 million of unexpended bond proceeds from the 2020, 2019, 2015 and 2013 debt issues 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 SWPCA reimburses the City for the cost of these support services.

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 a decrease in unrestricted cash and investments (\$0.9 million), a decrease in sewer use and sewer connection accounts receivable (\$0.6 million) and a decrease in other accounts receivable – primarily a lower nitrogen trading credit (\$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 and notes 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 amortizable premium). Separately, Series B revenue bonds in the amount of \$15.8 million were issued in conjunction with the refunding of the 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 were 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 issues 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 and 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 presents 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 16-18 of this report.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are presented on pages 19-42 of this report.

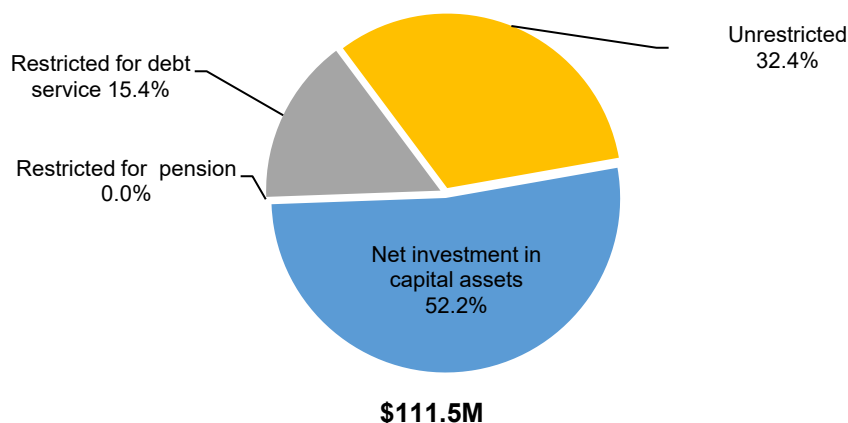
Annual Revenue and Expense Budgets

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)

				Increase (decrease)	
	June 30, 2022	June 30, 2021	June 30, 2020	2022 v 2021	2021 v 2020
Assets:					
Current Assets (cash & accounts receivable)	\$ 34,355	\$ 32,404	\$ 36,648	\$ 1,951	\$ (4,244)
Restricted Cash	31,793	42,546	25,300	(10,753)	17,246
Non-Current Assets (special assessments and deferred)	9,934	10,371	9,538	(437)	833
Capital Assets (net of depreciation)	150,329	148,051	135,389	2,278	12,662
Total Assets	226,411	233,372	206,875	(6,961)	26,497
Deferred outflows of resources:	2,479	1,638	2,406	841	(768)
Current Liabilities	9,076	11,849	12,333	(2,773)	(484)
Long-term Liabilities	107,270	112,276	96,693	(5,006)	15,583
Total Liabilities	116,346	124,125	109,026	(7,779)	15,099
Deferred inflows of resources:	1,117	4,115	1,130	(2,998)	2,985
Net Position					
Net investment in capital assets	57,265	56,347	51,252	918	5,095
Restricted for pensions	-	503	-	(503)	503
Restricted for debt service	17,133	16,478	14,083	655	2,395
Unrestricted	37,029	32,443	33,789	4,586	(1,346)
Total Net Position	\$ 111,427	\$ 105,771	\$ 99,124	\$ 5,656	\$ 6,647

Stamford Water Pollution Control Authority Net Position June 30, 2022



2022 Financial Analysis

The SWPCA's total net position (excess of assets over liabilities) was \$111.5 million at June 30, 2022. The SWPCA's unrestricted net position increased by approximately \$4.7 million to approximately \$37.1 million at June 30, 2022 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, 2022, the SWPCA's current ratio was 3.8 to 1 as compared to 2.7 to 1 at the prior year-end.

In fiscal year 2022, net working capital (current assets minus current liabilities) increased by \$4.7 million to \$25.3 million, primarily reflecting increases in unrestricted cash and investments and accounts receivable (\$1.3 million and \$0.5 million), decreases in accounts payable, accrued expenses and accrued interest (\$2.8 million) offset by an increase in the current portion of bonds and notes payable (\$0.2 million). During the past year, the SWPCA has maintained a positive pooled cash balance, ending the year at \$7.8 million and with the month-end balance never dropping below \$4.2 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 2021 and April 2022 billing cycles while actively controlling expenses and improving the collection rates.
- Increasing its capital reserve by \$ 9.0 million and, when market interest rates are favorable, planning the issuance of \$18 million in new revenue bonds to fund additional plant-related capital projects and the refunding of \$17.0 million of 2013 Series A revenue debt to more favorable interest rates.

Net Position – Net Investment in Capital Assets.

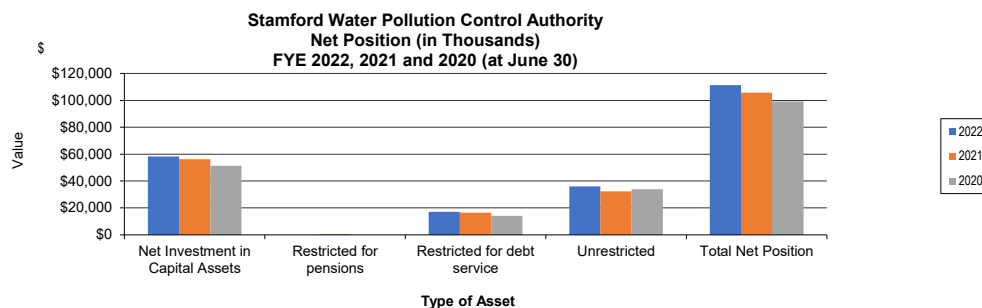
At June 30, 2022, the largest portion of the SWPCA's \$111.5 million in net position (approximately 51.4%) relates to its investment in capital assets (land, buildings, machinery, equipment, etc.), net of accumulated depreciation, unexpended bond proceeds, and any other outstanding debt used to acquire 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's 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 \$111.5 million in total net position as of June 30, 2022, \$17.1 million (approximately 15.4% of the total), was restricted for debt service, and consequently, these funds 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, 2022, \$37.1 million, or approximately 33.2%, was unrestricted and available to be used to meet the SWPCA's obligations to customers, creditors, and day-to-day operations.



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 and \$3.4 million), increases in accounts payable, accrued expense 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 balance (cash managed in conjunction with the City), 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 and improving the collection rates.
- Issued \$23.8 million in new revenue bonds to continue to fund authorized major plant capital projects and a 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 (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.

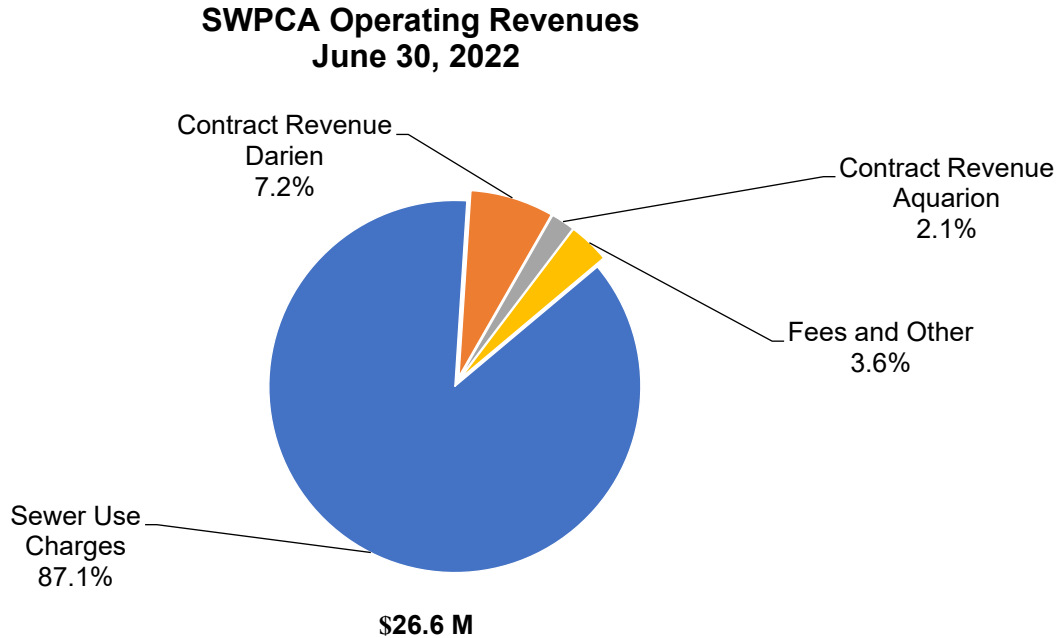
Operating Revenues and Expenses Analysis

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

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Increase (decrease)	
				2022 v 2021	2021 v 2020
Operating revenues	\$ 26,611	\$ 25,875	\$ 25,993	\$ 736	\$ (118)
Operating expenses	21,113	19,364	19,223	1,749	141
Net Operating Income	5,498	6,511	6,770	(1,013)	(259)
Nonoperating revenue (expenses)	597	584	1,234	13	(650)
Capital contributions - Grant	-	-	48	-	(48)
Transfers out	(440)	(448)	(430)	8	(18)
Change in Net Position	5,655	6,647	7,623	(992)	(975)
Deferred inflows of resources:	105,772	99,124	91,501	6,648	7,623
Total Net Position	\$ 111,427	\$ 105,771	\$ 99,124	\$ 5,656	\$ 6,648

2022 Revenues.

In fiscal year 2022, the SWPCA’s operating revenue included sewer use charges for both City residents and Town of Darien customers that were approximately 94% of total operating revenue and Aquarion contract revenue, fees and other income were approximately 6% of total operating revenue.



The original fiscal year 2022 revenue estimate for sewer use charges was \$20.7 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 \$5.26 per CCF, resulting in an annual billing, and an adjusted original budget, of \$21.7 million (based on assumed consumption of 4.23 million CCFs). After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal year 2022 based on actual consumption of 4.15 million CCFs was \$21.9 million.

Fiscal year 2022 operating revenues totaled \$26.6 million (as compared to \$25.9 million the prior year) and included sewer use charges, lien fees and interest (\$23.2 million), contract revenues (\$1.9 million and \$0.6 million, from Darien and Aquarion, respectively), and fees and other income (\$0.9 million, with the largest portion of this amount being attributable to receipt of an energy credit paid by Eversource for Plant energy saving upgrades (\$0.5 million).

Despite the challenging economic environment, the collection rate for sewer use charges during fiscal year 2022 was approximately 99% (same as the previous year).

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 4.11 million CCFs-corrected). 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.

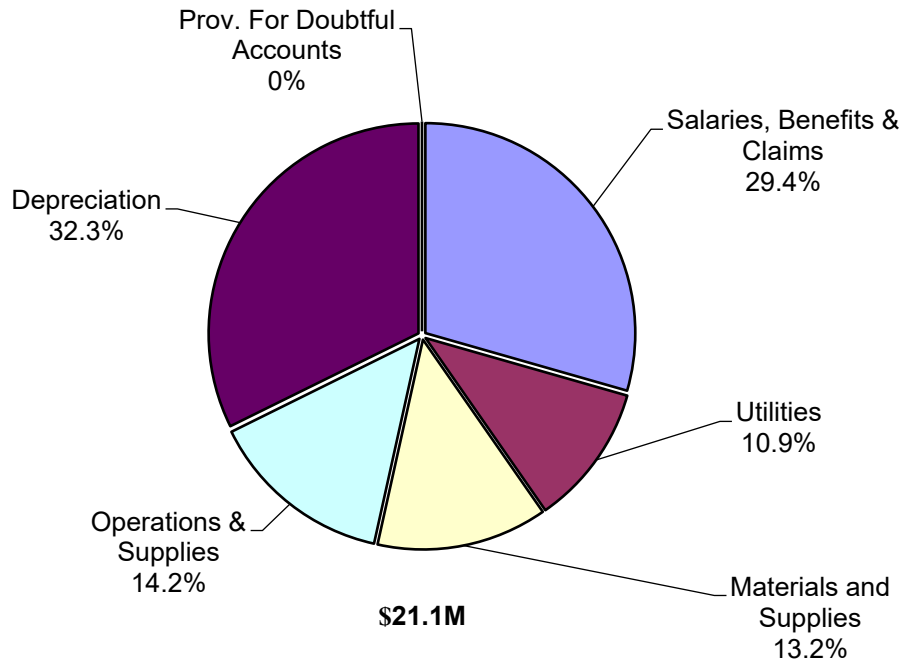
Fiscal year 2021 operating revenues totaled \$25.9 million (as compared to \$26.0 million the prior year) and included sewer use charges, lien fees and interest (\$22.7 million), contract revenues (\$1.8 million and \$0.5 million, from Darien and Aquarion, respectively), and fees and other income (\$0.8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

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

2022 Expenses.

In fiscal year 2022 the SWPCA's operating expenses totaled \$21.1 million (as compared to \$19.4 million the prior year), and consisted of salaries, employee benefits and claims (\$6.2 million), utilities costs (\$2.3 million), materials and supplies (\$2.7 million), operations and supplies (\$3.0 million) and depreciation (\$6.8 million).

**SWPCA Operating Expenses
June 30, 2022**



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).

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

The net non-operating revenue and (expense) was \$0.6 million for fiscal year 2022 as compared to \$0.6 million in fiscal year 2021. The SWPCA's fiscal year 2022 non-operating revenue of \$3.9 million included special assessments and connection charges (\$2.3 million), capital reimbursements from Darien (\$1.5 million), net gain on insurance recoveries (\$0.6 million) offset by interest income and a reduction in the market value of investments (-\$0.6 million); non-operating expense and transfers out was primarily interest expense (\$3.2 million) and transfers to the City (\$0.4 million). Additional information on revenue and expense budgetary information is contained in the Supplementary and Other Information section of the financial statements.

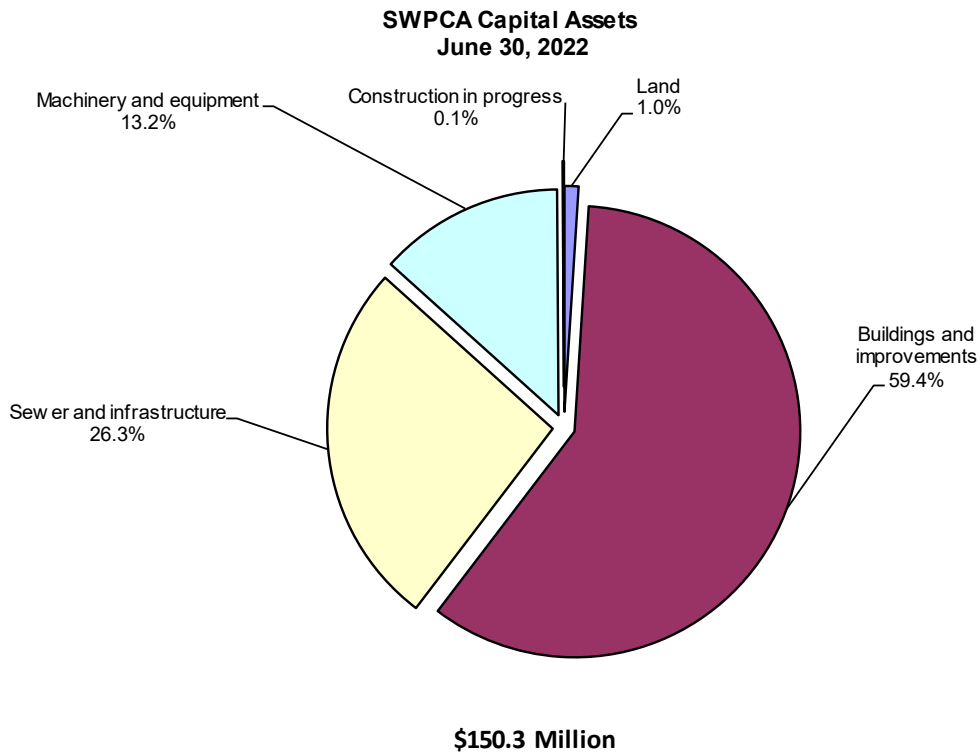
Capital Assets

As of June 30, 2022, the SWPCA had total capital assets, net of accumulated depreciation, of approximately \$150.3 million, as follows:

Additional information on capital assets is presented in Note 4 on page 27 of this report.

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

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Increase (decrease)	
				2022 v 2021	2021 v 2020
Land	\$ 2,833	\$ 2,833	\$ 2,833	\$ -	\$ -
Buildings and improvements	168,219	158,248	141,318	9,971	16,930
Sewer and infrastructure	74,479	74,233	73,305	246	928
Machinery and equipment	37,520	37,421	37,421	99	-
Construction in progress	287	1,505	537	(1,218)	968
Subtotal	283,338	274,240	255,414	9,098	18,826
Less accumulated depreciation	(133,009)	(126,190)	(120,025)	(6,819)	(6,165)
Net Capital Assets	\$ 150,329	\$ 148,050	\$ 135,389	\$ 2,279	\$ 12,661



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, 2022 were as follows:

- Completed 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.
- Completed repair of the 800 foot long, 42-inch diameter force main from the Raw Sewage Pump Station to the Primary Clarifiers.
- Design and permitting for construction of a new emergency power generator and electrical equipment for the Greenwich Avenue Pump Station were completed.

- Design of the Upgrade of the Primary Sludge Pumping and Degritting System was completed.
- 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.

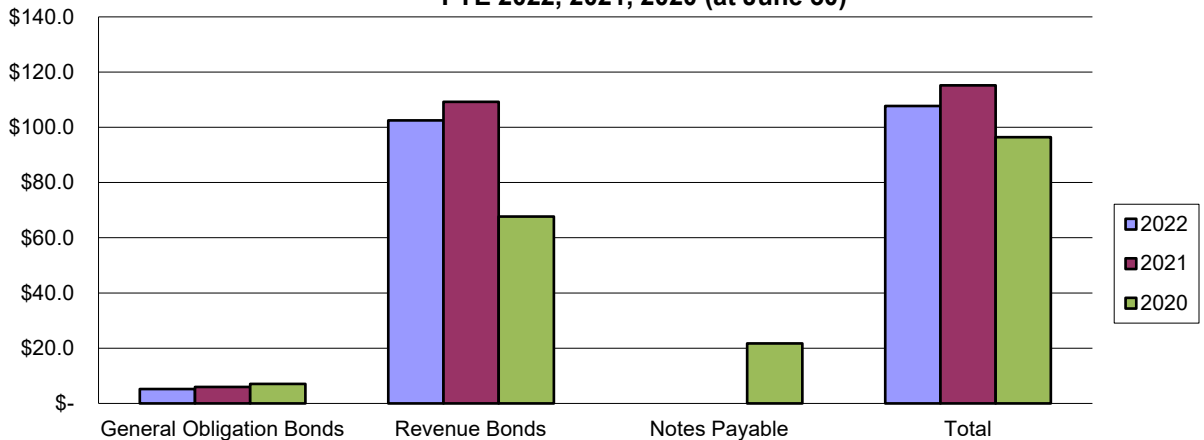
Debt Outstanding

As of June 30, 2022, the SWPCA had bonds payable outstanding of approximately \$107.7 million, as follows:

Stamford Water Pollution Control Authority Debt Outstanding (in Millions)

	Fiscal 2022	% of Total	Fiscal 2021	% of Total	Fiscal 2020	% of Total
General Obligation Bonds	\$ 5.2	4.8%	\$ 5.9	5.1%	\$ 7.0	7.3%
Revenue Bonds	102.5	95.2%	109.2	94.9%	67.7	70.2%
Notes Payable	-	-	-	0.0%	21.7	22.5%
Total	\$ 107.70	100%	\$ 115.1	100.0%	\$ 96.4	100.0%

SWPCA Long-Term Debt (in Millions) FYE 2022, 2021, 2020 (at June 30)



The SWPCA's total debt outstanding – including current and long-term general obligation bonds and revenue bonds, decreased by \$7.5 million to \$107.7 million as of June 30, 2022. This decrease reflects bond repayments (\$6.1 million) and amortization of bond premium (\$1.4 million). Additional information on debt outstanding is presented in Note 6 of this report on pages 28-33.

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, 2022, the SWPCA had 39 full time equivalent employees versus 43 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 Kelly, 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, 2022 AND 2021

EXHIBIT I

	<u>2022</u>	<u>2021</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 12,634,532	\$ 16,496,109
Investments	17,294,616	12,081,687
Accounts receivable:		
Usage charges, net of allowance for doubtful accounts of \$2,000,000	1,468,721	1,086,787
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	2,140,101	2,282,037
Other receivables	646,996	447,794
Other current assets	9,902	9,902
Total current assets	<u>34,194,868</u>	<u>32,404,316</u>
Noncurrent:		
Restricted cash and cash equivalents	31,792,897	41,546,413
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	10,094,066	9,867,427
Net pension asset	-	503,491
Capital assets not being depreciated	3,120,571	4,338,283
Capital assets being depreciated, net of depreciation	147,207,804	143,712,785
Total noncurrent assets	<u>192,215,338</u>	<u>199,968,399</u>
Total assets	<u>226,410,206</u>	<u>232,372,715</u>
Deferred Outflows of Resources:		
Deferred amounts on refunding	954,320	996,502
Deferred outflows related to pension	1,053,356	293,311
Deferred outflows related to OPEB	471,620	348,431
Total deferred outflows of resources	<u>2,479,296</u>	<u>1,638,244</u>
Liabilities:		
Current:		
Accounts and retainage payable	1,152,514	3,563,250
Accrued liabilities	155,167	798,052
Accrued interest payable	1,228,566	1,144,042
Unearned revenue	83,086	150,339
Current portion of bonds payable	6,293,000	6,046,000
Current portion of compensated absences	163,614	147,369
Total current liabilities	<u>9,075,947</u>	<u>11,849,052</u>
Noncurrent liabilities:		
Bonds payable	101,429,886	109,138,962
Compensated absences	208,877	301,000
Net pension liability	2,431,850	-
Net OPEB liability	3,199,229	2,835,850
Total noncurrent liabilities	<u>107,269,842</u>	<u>112,275,812</u>
Total liabilities	<u>116,345,789</u>	<u>124,124,864</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	172,988	2,377,626
Deferred inflows related to OPEB	943,832	1,736,944
Total deferred inflows of resources	<u>1,116,820</u>	<u>4,114,570</u>
Net Position:		
Net investment in capital assets	58,219,039	56,347,083
Restricted for pensions	-	503,491
Restricted for debt service	17,133,668	16,477,827
Unrestricted	36,074,186	32,443,124
Total Net Position	<u>\$ 111,426,893</u>	<u>\$ 105,771,525</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, 2022 AND 2021**

EXHIBIT II

	2022	2021
Operating Revenues:		
Sewer use charges	\$ 25,667,280	\$ 25,106,392
Fees and other income	943,665	768,895
Total operating revenues	<u>26,610,945</u>	<u>25,875,287</u>
Operating Expenses:		
Salaries	4,400,247	4,460,936
Employee benefits and claims	1,813,446	1,867,501
Operations and supplies	8,079,824	6,870,964
Depreciation	6,819,964	6,164,318
Total operating expenses	<u>21,113,481</u>	<u>19,363,719</u>
Operating Income	<u>5,497,464</u>	<u>6,511,568</u>
Nonoperating Revenue (Expense):		
Special assessments, connection charges, and other	3,771,432	3,378,854
Net gain on insurance recoveries	555,477	332,076
Loss on disposal of asset	-	(249,773)
Interest income (loss) and change in investment value	(549,967)	352
Interest expense	(3,179,527)	(2,877,025)
Total deferred outflows of resources	<u>597,415</u>	<u>584,484</u>
Income Before Transfers	6,094,879	7,096,052
Transfers Out	<u>(439,511)</u>	<u>(448,564)</u>
Change in Net Position	5,655,368	6,647,488
Net Position - Beginning of Year	<u>105,771,525</u>	<u>99,124,037</u>
Net Position - End of Year	<u>\$ 111,426,893</u>	<u>\$ 105,771,525</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, 2022 AND 2021**

EXHIBIT III

	2022	2021
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 25,962,556	\$ 27,754,842
Payments to suppliers	(10,490,560)	(9,340,874)
Payments to employees	(5,043,132)	(4,387,207)
Payments for benefits and claims	(2,471,588)	(2,697,049)
Net cash provided by operating activities	<u>7,957,276</u>	<u>11,329,712</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	(439,511)	(448,564)
Net cash used in noncapital financing activities	<u>(439,511)</u>	<u>(448,564)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from debt	-	39,615,000
Principal payments on debt	(6,046,000)	(25,980,296)
Premium on bonds	-	6,681,812
Interest paid on debt and other sources and uses	(4,553,421)	(4,217,149)
Proceeds from insurance reimbursements	555,477	1,832,076
Special assessments, connection charges, and other	3,686,729	3,050,580
Purchase of capital assets	(9,097,271)	(16,492,416)
Net cash provided by (used in) capital and related financing activities	<u>(15,454,486)</u>	<u>4,489,607</u>
Cash Flows from Investing Activities:		
Interest received on investments	(465,443)	67,124
Sale (purchase) of investments	(5,212,929)	(4,475,731)
Net cash provided by (used in) investing activities	<u>(5,678,372)</u>	<u>(4,408,607)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,615,093)	10,962,148
Cash and Cash Equivalents - Beginning of Year (including restricted cash and cash equivalents)	<u>58,042,522</u>	<u>47,080,374</u>
Cash and Cash Equivalents - End of Year (including restricted cash and cash equivalents)	<u>\$ 44,427,429</u>	<u>\$ 58,042,522</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 5,497,464	\$ 6,511,568
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	6,819,964	6,164,318
Changes in assets and liabilities:		
(Increase) decrease in usage charges	(381,934)	668,722
(Increase) decrease in other receivables	(199,202)	1,197,853
(Increase) decrease in deferred outflows of resources for pension	(760,045)	359,225
(Increase) decrease in deferred outflows of resources for OPEB	(123,189)	366,400
Increase (decrease) in accounts payable	(2,410,736)	(2,683,713)
Increase (decrease) in accrued liabilities	(642,885)	213,803
Increase (decrease) in unearned revenues	(67,253)	12,980
Increase (decrease) in compensated absences	(75,878)	73,729
Increase (decrease) in net pension liability (asset)	2,935,341	(3,082,860)
Increase (decrease) in net OPEB liability	363,379	(1,456,959)
Increase (decrease) in deferred inflows of resources for pension	(2,204,638)	2,028,434
Increase (decrease) in deferred inflows of resources for OPEB	(793,112)	956,212
Net Cash Provided by Operating Activities	<u>\$ 7,957,276</u>	<u>\$ 11,329,712</u>

The accompanying notes are an integral part of the financial statements.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 \$7,812,372 and \$14,909,399 at June 30, 2022 and 2021, respectively. The SWPCA's own unrestricted cash and cash equivalents balance was \$4,822,160 and \$1,586,710 at June 30, 2022 and 2021, 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.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

F. Accounts Receivable

Accounts receivables 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.

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.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 lien properties.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 payable over periods of 10 to 20 years.

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, granters or laws or regulation of other governments. Unrestricted net position represents all other amounts that do not meet the definition of "net investment in capital assets" or "restricted."

O. Accounting Estimates

The preparation of financial statements in conformity with accounting principles 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 6, 2023.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash Equivalents

As of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 12,634,532	\$ 16,496,109
Restricted cash and cash equivalents	31,792,897	41,546,413
	<u>\$ 44,427,429</u>	<u>\$ 58,042,522</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, 2022 and 2021, was restricted in accordance with the terms of various outstanding debt of the SWPCA (Note 5).

B. Investments

As of June 30, 2022 and 2021, the SWPCA had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
<u>June 30, 2022</u>					
Interest-bearing investments:					
U.S. Government Securities	Aaa	\$ 7,186,565	\$ 588,354	\$ 6,598,211	\$ -
U.S. Government Agencies	Aaa	10,108,051	1,232,941	8,875,110	-
		<u>\$ 17,294,616</u>	<u>\$ 1,821,295</u>	<u>\$ 15,473,321</u>	<u>\$ -</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	11,078,367	600,078	10,478,289	-
		<u>\$ 12,081,687</u>	<u>\$ 1,603,398</u>	<u>\$ 10,478,289</u>	<u>\$ -</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The SWPCA categorizes its fair value measurements within the fair value hierarchy established by 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, 2022 and 2021:

	Fair Value Measurements Using			
	June 30, 2022	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 7,186,505	\$ 7,186,505	\$ -	\$ -
U.S. Government Agencies	10,108,051	-	10,108,051	-
	<u>\$ 17,294,556</u>	<u>\$ 7,186,505</u>	<u>\$ 10,108,051</u>	<u>\$ -</u>
	Fair Value Measurements Using			
	June 30, 2021	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 1,003,320	\$ 1,003,320	\$ -	\$ -
U.S. Government Agencies	11,078,367	600,078	10,478,289	-
	<u>\$ 12,081,687</u>	<u>\$ 12,081,687</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
JUNE 30, 2022

3. SPECIAL ASSESSMENTS AND CONNECTION CHARGES RECEIVABLE

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

	2022			
	New Sewer	Connection		Due Within
	Line Charges	Charges	Total	One Year
Due in the year ending June 30:				
2023	\$ 273,793	\$ 1,838,349	\$ 2,112,142	\$ 2,112,141
2024	89,355	1,520,138	1,609,493	-
2025	89,355	1,447,816	1,537,171	-
2026	89,283	1,384,077	1,473,360	-
2027	87,829	1,352,294	1,440,123	-
Thereafter	57,035	7,989,479	8,046,514	-
	<u>686,650</u>	<u>15,532,153</u>	<u>16,218,803</u>	<u>2,112,141</u>
Less imputed interest	-	(3,442,751)	(3,442,751)	-
Receivable Before Interest and Lien Fees Receivable and Allowance for Doubtful Accounts	<u>\$ 686,650</u>	<u>\$ 12,089,402</u>	12,776,052	2,112,141
Plus related interest and lien fees receivable			542,833	542,833
Less allowance for doubtful accounts			(1,000,000)	(500,000)
Special Assessment and Connection Charges Receivable, Net			<u>\$ 12,318,885</u>	<u>\$ 2,154,974</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	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	-	(3,228,947)	(3,228,947)	-
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			(1,000,000)	(500,000)
Special Assessment and Connection Charges Receivable, Net			<u>\$ 12,149,464</u>	<u>\$ 2,282,037</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. CAPITAL ASSETS

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

	2022			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,833,278	\$ -	\$ -	\$ 2,833,278
Construction in progress	1,505,005	-	(1,217,712)	287,293
Total capital assets not being depreciated	<u>4,338,283</u>	<u>-</u>	<u>(1,217,712)</u>	<u>3,120,571</u>
Capital assets being depreciated:				
Buildings and improvements	158,248,241	8,752,728	1,217,712	168,218,681
Sewer and infrastructure	74,232,974	245,607	-	74,478,581
Equipment	37,421,089	98,936	-	37,520,025
Total capital assets being depreciated	<u>269,902,304</u>	<u>9,097,271</u>	<u>1,217,712</u>	<u>280,217,287</u>
Less accumulated depreciation for:				
Buildings and improvements	65,630,635	5,297,055	-	70,927,690
Sewer and infrastructure	31,072,807	1,166,351	-	32,239,158
Equipment	29,486,077	356,559	-	29,842,636
Total accumulated depreciation	<u>126,189,519</u>	<u>6,819,964</u>	<u>-</u>	<u>133,009,483</u>
Total capital assets being depreciated, net	<u>143,712,785</u>	<u>2,277,307</u>	<u>1,217,712</u>	<u>147,207,804</u>
Capital Assets, Net	<u>\$ 148,051,068</u>	<u>\$ 2,277,307</u>	<u>\$ -</u>	<u>\$ 150,328,375</u>
	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>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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:

2015 Debt Service Reserve Fund	\$ 2,045,144	\$ 2,044,998
2013, 2015, 2019 and 2020 Debt Service Fund	9,262,196	8,606,846
2013 Debt Service Reserve Fund	1,696,524	1,696,402
2019 Debt Service Fund	1,029,669	1,029,669
2013 Debt - unspent bond proceeds	6,521	6,521
2015 Debt - unspent bond proceeds	697,179	728,121
2019 Debt - unspent bond proceeds	454,191	687,318
2020 Debt - unspent bond proceeds	13,501,339	23,646,626
2020 Debt Service Fund Series A	1,514,912	1,514,804
2020 Debt Service Fund Series B	1,585,223	1,585,108
	<u>\$ 31,792,898</u>	<u>\$ 41,546,413</u>

6. LONG-TERM OBLIGATIONS

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

	2022				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 5,374,000	\$ -	\$ 596,000	\$ 4,778,000	\$ 613,000
Unamortized premium	568,801	-	117,191	451,610	-
Revenue bonds	97,895,000	-	5,450,000	92,445,000	5,680,000
Unamortized premium	11,347,161	-	1,298,885	10,048,276	-
Total bonds payable	115,184,962	-	7,462,076	107,722,886	6,293,000
Compensated absences	448,369	-	75,878	372,491	163,614
Net pension liability	-	2,431,850	-	2,431,850	-
Net OPEB liability	2,835,850	363,379	-	3,199,229	-
Long-Term Liabilities	<u>\$ 118,469,181</u>	<u>\$ 2,795,229</u>	<u>\$ 7,537,954</u>	<u>\$ 113,726,456</u>	<u>\$ 6,456,614</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	2021				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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	5,945,382	6,681,812	1,280,033	11,347,161	-
Total bonds payable	74,692,395	46,296,812	5,804,245	115,184,962	6,046,000
Notes payable	21,699,296	-	21,699,296	-	-
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	4,292,809	-	1,456,959	2,835,850	-
Long-Term Liabilities	\$ 103,638,509	\$ 46,607,277	\$ 31,776,605	\$ 118,469,181	\$ 6,193,369

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, 2022, consisted of the following:

Description	Year of Issue	Amount of Interest Rate (%)	Balance Original Issue	Outstanding June 30, 2022	Outstanding June 30, 2021
Refunding bonds	2010	4.00-5.00	408,000	\$ 192,257	\$ 272,000
Refunding bonds	2011	2.00-4.00	430,000	159,743	226,000
Refunding bonds	2018	4.00-5.00	5,312,000	4,426,000	4,876,000
Total				\$ 4,778,000	\$ 5,374,000

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Aggregate debt service requirements for the SWPCA's allocable portion of the City's general obligation bonds outstanding subsequent to June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
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	562,000	93,820	655,820
2028-2031	1,846,000	115,525	1,961,525
Debt service requirements	4,778,000	869,195	5,647,195
Plus unamortized premium	451,610	-	451,610
Total	\$ 5,229,610	\$ 869,195	\$ 6,098,805

The SWPCA 's share of interest expense incurred on general obligation bonds was \$236,828 and \$275,520 for the years ended June 30, 2022 and 2021, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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>2022</u>	<u>2021</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.	\$ 17,715,000	\$ 18,405,000
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.	25,750,000	26,625,000
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.	14,450,000	14,830,000
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.	23,230,000	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.	11,300,000	14,270,000
Total Long-Term Revenue Bonds Outstanding	<u>\$ 92,445,000</u>	<u>\$ 97,895,000</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022 and 2021, was \$15,623,609 and \$16,055,091, respectively. SWPCA Revenue Bond principal of \$5,450,000 and \$3,425,000 and interest of \$4,232,069 and \$3,324,742 was paid in fiscal year 2022 and 2021, respectively.

Aggregate debt service requirements subsequent to June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
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	3,170,000	2,964,444	6,134,444
2028-2032	18,450,000	12,236,263	30,686,263
2033-2037	19,470,000	8,052,322	27,522,322
2038-2042	17,105,000	4,352,450	21,457,450
2043-2046	11,710,000	808,207	12,518,207
Debt Service Requirement	<u>\$ 92,445,000</u>	<u>\$ 42,653,312</u>	<u>\$ 135,098,312</u>

C. Notes Payable

The SWPCA completed a \$105 million upgrade of the wastewater 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, 2022 and 2021, the outstanding balance on the loan was \$0 and \$0, respectively. The notes payable were paid off during in 2021 with revenue refunding bonds.

The loans bear interest at 2%. Interest expense incurred on these notes payables was \$-0- and \$175,276 for the years ended June 30, 2022 and 2021, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 six 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.

7. REVENUE

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

	<u>2022</u>	<u>2021</u>
Sewer use fees	\$ 22,229,121	\$ 21,754,368
Contract revenue - Town of Darien, CT	1,925,309	1,824,597
Contract revenue - Aquarion	548,115	509,116
Interest	391,188	318,456
Lien fees	92,760	101,340
	<u>\$ 25,186,493</u>	<u>\$ 24,507,877</u>

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

	<u>2022</u>	<u>2021</u>
Connection charges	\$ 1,876,520	\$ 1,727,534
Capital reimbursement - Town of Darien, CT	1,535,564	996,133
Interest	(337,237)	438,195
Delinquent interest and lien fees	19,797	126,966
	<u>\$ 3,094,644</u>	<u>\$ 3,288,828</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.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022 and 2021, the SWPCA paid the City approximately \$715,394 and \$754,261, respectively, to the City's internal service insurance fund.

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, 2022 and 2021, the SWPCA's contribution to the retirement fund was \$364,000 and \$331,000, representing approximately 4.5% and 4.1%, 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, 2022. At June 30, 2022 and 2021, the CERF had \$255.3 million and \$301.7 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.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

B. Net Pension Liability (Asset) of the SWPCA

The components of the SWPCA's net pension liability at June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 15,937,339	\$ 15,455,965
Plan fiduciary net position	<u>13,505,489</u>	<u>15,959,456</u>
Net pension liability (asset)	<u>\$ 2,431,850</u>	<u>\$ (503,491)</u>
Plan fiduciary net position as a percentage of the total pension liability	84.74%	103.26%

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

	<u>2022</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances as of July 1, 2021	\$ 15,455,965	\$ 15,959,456	\$ (503,491)
Changes for the year:			
Service cost	177,062	-	177,062
Interest on total pension liability	1,055,076	-	1,055,076
Effect of economic/demographic gains or losses	(182,717)	-	(182,717)
Effect of assumptions changes or inputs	351,567	-	351,567
Employer contributions	-	364,000	(364,000)
Member contributions	-	85,955	(85,955)
Net investment income (loss)	-	(1,977,790)	1,977,790
Benefit payments, including refund to employee contributions	(919,614)	(919,614)	-
Administrative expenses	-	(6,518)	6,518
Net changes	<u>481,374</u>	<u>(2,453,967)</u>	<u>2,935,341</u>
Balances as of June 30, 2022	<u>\$ 15,937,339</u>	<u>\$ 13,505,489</u>	<u>\$ 2,431,850</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	2021		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
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	368,369	3,451,229	(3,082,860)
Balances as of June 30, 2021	\$ 15,455,965	\$ 15,959,456	\$ (503,491)

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

The following presents the net pension liability (asset) of the SWPCA, calculated using the current discount rate, as well as what the SWPCA 's net pension liability (asset) 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:

	2022		
	Current		
	1% Decrease to 5.70%	Discount Rate 6.70%	1% Increase to 7.70%
Net Pension Liability	\$ 3,988,365	\$ 2,431,850	\$ 1,104,198
	2021		
	Current		
	1% Decrease to 5.95%	Discount Rate 6.95%	1% Increase to 7.95%
Net Pension Liability (Asset)	\$ 996,123	\$ (503,491)	\$ (1,783,786)

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

At June 30, 2022 and 2021, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 172,989	\$ -
Changes of assumptions	-	272,901
Net difference between projected and actual earning on pension plan investments	-	780,455
	<u>\$ 172,989</u>	<u>\$ 1,053,356</u>
	<u>June 30, 2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	-	2,233,405
	<u>\$ 293,311</u>	<u>\$ 2,377,626</u>

Subsequent to June 30, 2022, 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

2023	\$ 158,254
2024	93,335
2025	14,690
2026	614,088
	<u>\$ 880,367</u>

The SWPCA recognized pension expense of \$334,659 and \$(364,201) for the fiscal years ended June 30, 2022 and 2021, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

F. Defined Contribution Retirement Plans Plan Description

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 \$48,396 and \$53,382 for fiscal year 2022 and 2021, respectively.

11. TRANSACTIONS WITH THE CITY

In the fiscal years 2022 and 2021, the City paid approximately \$182,458 and \$325,870, respectively, in sewer use charges to the SWPCA. The City reimbursed the SWPCA approximately \$575,048 and \$553,165 for the City's share of the hurricane barrier maintenance, operations and sewer lateral repairs for the years ended June 30, 2022 and 2021, respectively.

For the fiscal years 2022 and 2021, the SWPCA paid the City approximately \$439,511 and \$448,564, for an allocation of central services costs, respectively, and \$674,743 and \$1,000,348 to the City's internal service medical insurance fund for health insurance coverage of active and retired employees, respectively.

In connection with the pooled cash arrangement with the City, the SWPCA earned interest income of approximately \$8,154 and \$16,734 on balances due from the City during the years ended June 30, 2022 and 2021, 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. 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, 2022 and 2021, the SWPCA's contribution to the OPEB fund was \$572,000 and \$532,000, respectively, representing approximately 1.7% and 1.6% respectively, of total contributions to the OPEB fund for each year.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

The City's basic financial statements contain OPEB activity and funding information as of June 30, 2022. At June 30, 2022 and 2021, the OPEB fund had \$225.5 million and \$246.9 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, 2022 and 2021. The components of the SWPCA's portion of the City's net OPEB liability were as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Total OPEB liability	\$ 6,570,078	\$ 6,499,653
Plan fiduciary net position	<u>3,370,849</u>	<u>3,663,803</u>
Net OPEB Liability	<u>\$ 3,199,229</u>	<u>\$ 2,835,850</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.31%	56.37%

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

	<u>2022</u>		
	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances as of July 1, 2021	\$ 6,499,653	\$ 3,663,803	\$ 2,835,850
Changes for the year:			
Service cost	184,802	-	184,802
Interest on total OPEB liability	458,498	-	458,498
Effect of economic/demographic gains or losses	(126,753)	-	(126,753)
Effect of assumptions changes or inputs	(268,416)	-	(268,416)
Employer contributions	-	572,000	(572,000)
Member contributions	-	-	-
Net investment income (loss)	-	(686,590)	686,590
Benefit payments, including refund to employee contributions	(177,706)	(177,706)	-
Administrative expenses	-	(658)	658
Net changes	<u>70,425</u>	<u>(292,954)</u>	<u>363,379</u>
Balances as of June 30, 2022	<u>\$ 6,570,078</u>	<u>\$ 3,370,849</u>	<u>\$ 3,199,229</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

	2021		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
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 economic/demographic gains or losses	369,033	-	369,033
Effect of assumptions changes or inputs	(768,223)	-	(768,223)
Employer contributions	(341,441)	-	(341,441)
Member 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	(257,947)	1,199,012	(1,456,959)
Balances as of June 30, 2021	\$ 6,499,653	\$ 3,663,803	\$ 2,835,850

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:

	2022		
	Current		
	1% Decrease to 5.70%	Discount Rate 6.70%	1% Increase to 7.70%
Net OPEB Liability	\$ 4,127,990	\$ 3,199,229	\$ 2,444,142
	2021		
	Current		
	1% Decrease to 5.95%	Discount Rate 6.95%	1% Increase to 7.95%
Net OPEB Liability	\$ 3,755,832	\$ 2,835,850	\$ 2,089,612

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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:

	2022		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB Liability	\$ 2,357,559	\$ 3,199,229	\$ 4,239,594

	2021		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB Liability	\$ 2,002,470	\$ 2,835,850	\$ 3,867,575

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

At June 30, 2022 and 2021, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 563,669	\$ -
Changes of assumptions	380,152	58,344
Net difference between projected and actual earning on OPEB investments	-	413,276
	<u>\$ 943,821</u>	<u>\$ 471,620</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

	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
	<u>\$ 348,431</u>	<u>\$ 1,736,944</u>

Subsequent to June 30, 2022, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending June 30,

2023	\$ (283,650)
2024	(286,581)
2025	(92,975)
2026	191,005
	<u>\$ (472,201)</u>

The SWPCA recognized OPEB expense of \$19,078 and \$397,653 for the fiscal years ended June 30, 2022 and 2021, respectively.

REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)

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

RSI-1

	2022	2021	2020	2019	2018	2017
Total pension liability:						
Service cost	\$ 177,062	\$ 203,398	\$ 188,878	\$ 225,781	\$ 285,518	\$ 317,378
Interest	1,055,076	1,048,595	987,316	1,078,349	1,029,172	1,020,081
Effect of plan changes	5	-	363	(589,689)	981	(215,835)
Effect of economic/demographic gains or losses	(182,717)	(171,674)	282,225	(984,086)	370,193	(233,718)
Effect of assumptions changes or inputs	351,562	137,161	361,397	114,838	388,504	121,491
Benefit payments, including refunds of member contributions	(919,614)	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Net change in total pension liability	481,374	(817,387)	936,206	(1,029,808)	1,426,216	390,454
Total pension liability - beginning	15,455,965	15,087,596	14,151,390	15,181,198	13,754,982	13,364,528
Total pension liability - ending	15,937,339	14,270,209	15,087,596	14,151,390	15,181,198	13,754,982
Plan fiduciary net position:						
Contributions - employer	364,000	331,000	268,000	416,000	358,000	317,000
Contributions - member	85,955	109,633	106,373	101,344	128,388	127,074
Net investment income (loss)	(1,977,790)	3,864,506	724,050	513,001	1,105,767	1,462,803
Benefit payments, including refunds of member contributions	(919,614)	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Administrative expense	(6,518)	(4,799)	(5,423)	(9,243)	(6,501)	(5,321)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	(2,453,967)	3,451,229	209,027	146,101	937,502	1,282,613
Plan fiduciary net position - beginning	15,959,456	12,508,227	12,299,200	12,153,099	11,215,597	9,932,984
Plan fiduciary net position - ending	13,505,489	15,959,456	12,508,227	12,299,200	12,153,099	11,215,597
Net Pension Liability (Asset) - Ending	\$ 2,431,850	\$ (1,689,247)	\$ 2,579,369	\$ 1,852,190	\$ 3,028,099	\$ 2,539,385
Plan fiduciary net position as a percentage of the total pension liability	84.74%	103.26%	82.90%	86.91%	80.05%	81.54%
Covered payroll	\$ 2,248,952	\$ 2,061,466	\$ 2,248,952	\$ 2,290,105	\$ 2,572,105	\$ 2,541,480
Net pension liability as a percentage of covered payroll	108.13%	-24.42%	114.69%	80.88%	117.73%	99.92%

Notes to Schedule

Assumption Changes:

Investment rate of return	6.70%; Prior: 6.95%
Discount rate	6.70%; Prior: 6.95%

* 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 - (Unaudited)
CLASSIFIED EMPLOYEES' RETIREMENT FUND
LAST SEVEN FISCAL YEARS *

RSI-2

	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 364,000	\$ 331,000	\$ 268,000	\$ 416,000	\$ 35,800	\$ 317,000	\$ 304,000
Contributions in relation to the actuarially determined contribution	364,000	331,000	268,000	416,000	358,000	317,000	304,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (322,200)	\$ -	\$ -
Covered payroll	\$ 2,248,952	\$ 2,061,466	\$ 2,248,952	\$ 2,290,105	\$ 2,572,105	\$ 2,572,105	\$ 2,333,159
Contributions as a percentage of covered payroll	16.19%	16.06%	11.92%	18.17%	13.92%	12.47%	13.03%

Notes to Schedule

Valuation date: July 1, 2021
Measurement date: June 30 2022
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 determined contribution rates:

Actuarial cost method	Entry Age Normal
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	6.70%; Prior: 6.95%
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 - (Unaudited)
OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
LAST FIVE FISCAL YEARS *

RSI-3

	2022	2021	2020	2019	2018
Total OPEB liability:					
Service cost	\$ 184,802	\$ 179,433	\$ 172,410	\$ 132,164	\$ 164,658
Interest	458,498	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	(126,753)	(768,223)	(266,457)	(893,532)	(348,342)
Effect of assumptions changes or inputs	(268,416)	(341,441)	252,974	663,539	347,869
Benefit payments, including refunds of member contributions	(177,706)	(179,587)	(207,966)	(172,569)	(207,517)
Net change in total pension liability	70,425	(257,947)	511,762	708,377	350,405
Total pension liability - beginning	6,499,653	6,757,600	6,245,838	5,537,461	5,187,056
Total pension liability - ending	6,570,078	6,499,653	6,757,600	6,245,838	5,537,461
Plan fiduciary net position:					
Contributions - employer	572,000	532,000	482,000	463,000	488,000
Contributions - member	-	-	-	-	-
Net investment income (loss)	(686,590)	847,612	71,298	82,168	208,673
Benefit payments, including refunds of member contributions	(177,706)	(179,587)	(207,966)	(172,569)	(207,517)
Administrative expense	(658)	(1,013)	(740)	(364)	(272)
Net change in plan fiduciary net position	(292,954)	1,199,012	344,592	372,235	488,884
Plan fiduciary net position - beginning	3,663,803	2,464,791	2,120,199	1,747,964	1,259,080
Plan fiduciary net position - ending	3,370,849	3,663,803	2,464,791	2,120,199	1,747,964
Net OPEB Liability - Ending	\$ 3,199,229	\$ 2,835,850	\$ 4,292,809	\$ 4,125,639	\$ 3,789,497
Plan fiduciary net position as a percentage of the total OPEB liability	51.31%	56.37%	36.47%	33.95%	31.57%
Covered payroll	\$ 2,202,963	\$ 2,407,841	\$ 2,017,461	\$ 2,224,616	\$ 254,541
Net OPEB liability as a percentage of covered payroll	145.22%	117.78%	212.78%	185.45%	148.88%

Notes to Schedule

Assumption Changes:

Investment rate of return	6.70%; Prior: 6.95%
Discount rate	6.70%; Prior: 6.95%

* 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 - (Unaudited)
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST TEN FISCAL YEARS**

RSI-4

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution (1)	\$ 572,000	\$ 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	571,670	532,000	482,000	463,000	488,000	382,000	329,000	160,862	125,300	343,000
Contribution Deficiency (Excess)	\$ 330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ (26,862)	\$ 36,700	\$ 119,000
Covered payroll	\$ 2,202,963	\$ 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	25.96%	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, 2021

Measurement date: June 30 2022

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 determined contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
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% - 4.25% over 65 years
Salary increases	2.60%
Investment rate of return	6.70%; Prior: 6.95%
Retirement age	Age Based Table
Mortality	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.
WPCA	

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, 2022**

EXHIBIT A-1

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Sewer use chares	\$ 21,650,363	\$ 21,650,363	\$ 23,189,088	\$ 1,538,725
Contract revenue - Town of Darien, CT	1,912,140	1,912,140	1,925,309	13,169
Contract revenue - Aquarion Water Company	486,902	486,902	548,115	61,213
Fees and other income	328,600	328,600	692,127	363,527
Nitrogen trading credit	900,000	900,000	256,306	(643,694)
Total operating revenues	<u>25,278,005</u>	<u>25,278,005</u>	<u>26,610,945</u>	<u>1,332,940</u>
Nonoperating revenues:				
Special assessments, connection charges, and other	2,511,133	2,511,133	3,856,150	1,345,017
Net gain on insurance recoveries	-	-	555,477	555,477
Interest income and change in investment value	75,000	75,000	(549,966)	(624,966)
Total nonoperating revenues	<u>2,586,133</u>	<u>2,586,133</u>	<u>3,861,661</u>	<u>1,275,528</u>
Total	<u>\$ 27,864,138</u>	<u>\$ 27,864,138</u>	<u>\$ 30,472,606</u>	<u>\$ 2,608,468</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, 2022**

EXHIBIT A-2

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating expenses:				
Administration	\$ 5,564,856	\$ 5,524,856	\$ 3,951,852	\$ 1,573,004
Process control	3,224,869	3,346,869	3,159,347	187,522
Laboratory	371,249	371,249	402,250	(31,001)
Sludge processing	3,070,828	3,140,828	3,192,158	(51,330)
Regulatory compliance	224,451	213,451	173,348	40,103
Building maintenance	300,000	315,000	292,014	22,986
Equipment maintenance	1,274,415	1,273,489	1,099,711	173,778
Pump station maintenance	940,893	941,819	758,064	183,755
Sanitary sewer maintenance	541,722	541,722	435,532	106,190
Barrier maintenance	223,000	298,000	268,641	29,359
Billing services	493,466	504,466	504,125	341
Total operating expenses	<u>16,229,749</u>	<u>16,471,749</u>	<u>14,237,042</u>	<u>2,234,707</u>
Nonoperating expenses:				
Debt services	10,517,889	10,517,889	10,599,421	(81,532)
Miscellaneous contingency	500,000	258,000	-	258,000
Total nonoperating expenses	<u>11,017,889</u>	<u>10,775,889</u>	<u>10,599,421</u>	<u>176,468</u>
Total	<u>\$ 27,247,638</u>	<u>\$ 27,247,638</u>	<u>24,836,463</u>	<u>\$ 2,411,175</u>

Budgetary expenses are different than GAAP expenses because:

Other adjustments for GAAP basis	(31,295)
Change in net pension liability (asset)	2,935,341
Change in net OPEB liability	363,379
Change in deferred outflows of resources	(883,234)
Change in deferred inflows of resources	(2,997,750)
Change in accrued interest	(84,524)
Change in compensated absences	(75,878)
Depreciation	6,819,964
Principal payments on debt	<u>(6,046,000)</u>

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

\$ 24,836,466

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) - Unaudited
FOR THE YEARS ENDED JUNE 30,

TABLE 1

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
							(Restated)			(Restated)
Operating Revenues:										
Total operating revenues	\$ 26,611	\$ 25,875	\$ 25,993	\$ 27,550	\$ 24,708	\$ 24,135	\$ 24,469	\$ 23,769	\$ 22,355	\$ 21,155
Operating Expenses:										
Operations and supplies	8,080	6,871	6,526	7,543	6,704	6,454	7,152	7,153	7,228	8,131
Salaries, benefits and claims	6,214	6,328	6,745	6,182	6,553	6,019	6,356	5,950	4,541	5,196
Depreciation	6,819	6,164	5,952	6,149	5,971	5,714	5,583	5,507	5,373	5,239
Total Operating Expenses	21,113	19,363	19,223	19,874	19,228	18,187	19,091	18,610	17,142	18,566
Operating Income	5,498	6,512	6,770	7,676	5,480	5,948	5,378	5,159	5,213	2,589
Nonoperating Revenue (Expense):										
Special assessments and connection charges	3,771	3,379	3,647	3,624	3,398	4,014	2,821	3,911	2,516	2,987
Provision for doubtful accounts - Special assessments and connection charges	-	-	-	-	-	-	-	-	-	(500)
Interest income and change in investment value	(550)	-	716	721	194	(30)	83	18	34	95
Net gain on insurance recoveries	555	332	309	-	-	-	-	-	-	-
Loss on disposal of asset	-	(250)	-	-	-	-	-	-	-	-
Gain on sale of assets	-	-	-	-	-	8	42	-	-	-
Interest expense	(3,179)	(2,877)	(3,438)	(3,522)	(3,320)	(3,322)	(3,045)	(3,227)	(3,149)	(2,940)
Transfer in	-	-	-	-	-	-	-	-	288	-
Net Nonoperating Revenue (Expense)	597	584	1,234	823	272	670	(99)	702	(311)	(358)
Capital Grants, Transfer Out and Special Items:										
Capital grants	-	-	48	77	191	66	390	-	-	-
Transfers Out	(440)	(448)	(429)	(421)	(455)	(398)	(324)	(349)	-	-
Total	(440)	(448)	(381)	(344)	(264)	(332)	66	(349)	-	-
Change In Net Position	5,655	6,648	7,623	8,155	5,488	6,286	5,344	5,513	4,902	2,231
Net position - beginning of year	105,772	99,124	91,501	83,346	77,858	71,572	69,359	63,846	58,943	59,493
Restatement for net pension loss per GASB 8	-	-	-	-	-	-	-	-	-	(2,780)
Restatement for net OPEB loss per GASB 75	-	-	-	-	-	-	(3,131)	-	-	-
Net position - end of year	\$ 111,427	\$ 105,772	\$ 99,124	\$ 91,501	\$ 83,346	\$ 77,858	\$ 71,572	\$ 69,359	\$ 63,846	\$ 58,943

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

TABLE 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
						(Restated)	(Restated)		(Restated)	(Restated)
Net Position:										
Net investment in capital assets	\$ 58,219	\$ 56,347	\$ 51,252	\$ 43,877	\$ 45,196	\$ 50,217	\$ 49,195	\$ 50,755	\$ 48,395	\$ 50,460
Restricted for pension, debt service and capital improvements	17,134	16,982	14,083	13,609	11,247	11,170	10,906	9,597	9,532	7,965
Unrestricted	36,074	32,443	33,789	34,015	26,903	16,471	14,602	9,007	5,919	3,299
Restatement for net pension loss per GASB 68	-	-	-	-	-	-	-	-	-	(2,780)
Restatement for net OPEB loss per GASB 75	-	-	-	-	-	-	(3,131)	-	-	-
Total Net Position	\$ 111,427	\$ 105,772	\$ 99,124	\$ 91,501	\$ 83,346	\$ 77,858	\$ 71,572	\$ 69,359	\$ 63,846	\$ 58,943

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

TABLE 3

For the Year Ended June 30,	Customers	Consumption (CCF)	Annual Consumption Change	Rate per CCF	Annual Rate Change	Average Residential Bill
2022	19,634	4,154,327	1.09%	\$ 5.33	3.29%	\$ 479.70
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 date 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 - Unaudited
CURRENT AND PREVIOUS YEAR (AS OF JUNE 30)**

TABLE 4

2022			2021		
Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption	Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption
1 Stamford Housing Authority	63,178	1.52%	1 Stamford Hospital	59,801	1.46%
2 Stamford Hospital	45,564	1.10%	2 Stamford Housing Authority	53,254	1.30%
3 Rippowan Park Associates LP	43,090	1.04%	3 City of Stamford	42,949	1.05%
4 Cornerstone Apartments	31,378	0.76%	4 Rippowan Park Associates LP	38,648	0.94%
5 City of Stamford	30,954	0.75%	5 SLC Operating LP	31,002	0.75%
6 Hoyt Bedford Apartments	26,932	0.65%	6 Cornerstone Apartments	29,290	0.71%
7 Westcott Apartments DE LLC	20,972	0.50%	7 Hoyt Bedford Apartments	28,428	0.69%
8 Hilton Stamford Hotel	19,242	0.46%	8 Stamford Town Center	22,710	0.55%
9 HPP FOUR LLC	17,604	0.42%	9 Stamford Marriott Hotel	20,560	0.50%
10 TGM Anchor Point LLC	17,182	0.41%	10 Hilton Stamford Hotel	19,424	0.47%
Total	<u>316,096</u>	7.61%	Total	<u>346,066</u>	8.42%
Total Consumption Billed in CCF	4,154,327		Total Consumption Billed in CCF	4,109,661	

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) - Unaudited

TABLE 5

For the Year Ended June 30,	General Obligation Bonds	Revenue Bonds	Notes Payable	Total Debt	Customers	Debt Per Customer
2022	\$ 4,778	\$ 92,445	\$ -	97,223	19,634	\$ 4,952
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	105,611	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) - Unaudited

TABLE 6

For the Year Ended June 30,	Operating Revenues Plus Special Assessments and Connection Charges	Less - Operating Exps. (Restated) (excluding Amortization)	Net Available Revenues	Revenue Bonds plus Notes Payable			Coverage
				Debt Service			
				Principal	Interest	Total	
2022	\$ 30,382	\$ 14,294	\$ 16,088	\$ 6,046	\$ 3,180	\$ 9,226	1.74
2021	29,254	13,199	16,055	3,425	3,325	6,750	2.38
2020	29,640	13,272	16,368	5,560	2,670	8,230	1.99
2019	31,174	13,825	17,349	5,560	2,670	8,230	2.11
2018	28,106	12,473	15,633	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	13,781	5,153	3,110	8,263	1.67
2015	27,680	13,103	14,577	4,829	2,690	7,519	1.94
2014	24,870	11,769	13,101	4,499	2,803	7,302	1.79
2013	24,142	16,187	7,955	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) - Unaudited
 AS OF JUNE 30,**

TABLE 7

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FTE's	39	43	42	40	43	44	44	40	41	36

Source:
 City records.

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

TABLE 8

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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 G Generators	2	2	2	2	2	2	2	2	2	2
Pumping Station										
Wastewater Stations (units)	23	23	23	23	23	23	23	23	23	22
Stormwater Stations (units)	4	4	4	4	4	4	4	4	4	4
Portable Generators (units)	4	4	4	4	4	4	4	4	4	3
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	250	275	304
Treatment capac City (million gallons per day)	24	24	24	24	24	24	24	24	24	24

Source:

SWPCA records.