

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, 2014 AND 2013

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
FINANCIAL STATEMENTS**

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INTRODUCTORY SECTION



Letter of Transmittal

January 20, 2015

To: Mayor David R. Martin
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, 2014 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.

Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants, has issued an unmodified opinion on the SWPCA’s financial statements for the year ended June 30, 2014. The independent auditors’ report is located at the front of the financial section of this report.

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

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

The Stamford Water Pollution Control Authority

Ordinance No. 803, adopted November 6, 1996, established the SWPCA. Prior to that date, wastewater collection and treatment was performed as a function under the 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, wastewater 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 upgrade and expansion project which was completed in 2006. The treatment plant has capacity to treat an annual average flow of 24 million gallons of wastewater per day (“MGD”). During the fiscal year ended June 30, 2014 the flow to the plant averaged approximately 16 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 89% of customers are residential (including home owners, condominium owners, and renters) and 11% of customers are commercial, governmental, or industrial in nature. The service area boundaries for Stamford are the Merritt Parkway to the north, the Noroton River on the east, Old Greenwich on the west, and Long Island Sound to the south.

Darien pumps wastewater to the east side of Stamford where the wastewater is then conveyed through the SWPCA collection system to the treatment plant. The service area boundaries for Darien are the City of Norwalk on the east, the Merritt Parkway on the north, and Long Island Sound to the south. Darien is solely responsible for the operation and maintenance of all of its pumping stations, its collection system, and all border crossings.

The Interlocal Agreement between the SWPCA and Darien, as outlined in the December 3, 2013 agreement, which replaces and supersedes previous agreements dating from 2001 and 1971, provides a formula for compensation to the SWPCA for operation and maintenance costs and for capital improvements of SWPCA’s treatment plant and collection sewers which convey Darien’s wastewater. Based on this formula, Darien was responsible for 12.5% of such costs in the fiscal year ended June 30, 2014. 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 275 miles of sanitary sewer systems, and the wastewater treatment facility.

Management and Organization

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

The Mayor, with the approval of the Board of Representatives, appoints the City’s Directors of Administration and Operations. SWPCA Board members from the Board of Finance and the Board of Representatives are elected in citywide elections. The five at-large Board members are recommended by either the Democratic or Republican Town Committee and interviewed by the Mayor, who then recommends their appointment to the Board of Representatives for its approval.

Each of the at-large Board members is appointed for a three-year term. There are no term limits; therefore, at-large members may serve multiple terms.

During Fiscal 2014, Gerald Bosak replaced Timothy Abbazia as the designee of the Chairman of the Board of Finance and James Fountain replaced Mitchell Kaufman as the designee of the President of the Board of Representatives. Edward Kelly joined the Board as an at-large member in June, 2014. The members of the Board on June 30, 2014 were:

Michael E. Handler, Director of Administration and Chairman
Daniel E. Capano, At-Large and Vice Chairman
Ernest A. Orgera, Director of Operations
Gerald Bosak, Board of Finance
Jay Fountain, Board of Representatives
Cristina Andreana, At-Large (financial professional)
Daniel Schwartz, At-Large (engineer)
Donald A. Huppert, At-Large
Edward Kelly, At-Large

The SWPCA retained William P. Brink, P.E., BCEE as its Executive Director in March of 2013. Mr. Brink was previously retained as Interim Executive Director in December of 2012.

Rates and Charges


The SWPCA, through its Board of Directors, is responsible for setting the sewer use charges billing rate and imposing other fees and charges for all of its customers in Stamford. The Board requires that rates be maintained at levels sufficient to pay for operating and maintenance costs of the collection and treatment system, to pay debt service on outstanding debt, and to provide for appropriate reserves. The SWPCA bills its ratepayers semiannually, in October and April, and it bills Darien annually, typically in November.

Capital Improvement Plan

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

Finally, the SWPCA is in the process of implementing a comprehensive, computerized maintenance management system (“CMMS”) to track the maintenance, repairs, and reliability of its plant and equipment to more efficiently serve its customers over time.

Respectfully Submitted,



Michael E. Handler
Chairman
SWPCA Board of Directors

FINANCIAL SECTION

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Stamford Water Pollution Control Authority (SWPCA) (an Enterprise Fund of the City of Stamford, Connecticut) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the SWPCA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SWPCA as of June 30, 2014 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the SWPCA and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut, as of June 30, 2014 and the changes in its financial position and its cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 13, the schedule of funding progress for other post employment benefits on page 33 and the schedule of employer contributions for other post employment benefits on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SWPCA's basic financial statements. The budgetary comparison information on pages 35 and 36, the letter of transmittal and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The transmittal letter and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the SWPCA as of and for the year ended June 30, 2013 were audited by other auditors who have issued their report thereon dated February 20, 2014, which contained an unmodified opinion on the SWPCA's basic financial statements and emphasized the fact that those financial statements presented only the financial position of the SWPCA and not that of the City of Stamford. The accompanying basic financial statements as of and for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statements. The SWPCA's basic financial statements as of and for the year ended June 30, 2013 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
January 20, 2015

**Stamford Water Pollution Control Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

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, 2014. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

Financial Highlights

- ◆ As of June 30, 2014, the SWPCA's total assets and deferred inflows of resources (\$175.4 million) exceeded its total liabilities (\$109.7 million), resulting in total net position of \$65.7 million. Net position increased \$4.0 million versus the prior year-end period primarily due to the net decrease in net investment in capital assets (\$2.1 million) offset by an increase in assets restricted for debt service (\$1.6 million) and an increase in unrestricted net position (\$4.5 million) to \$7.8 million.
- ◆ Operating revenues in fiscal 2014 were \$22.4 million, compared to \$21.2 million in the prior year, primarily reflecting increased sewer use charges. Operating expenses were \$18.1 million versus \$18.6 million the prior year. Operating income was \$4.3 million as compared to \$2.6 million in the prior year. Unrestricted net position of \$7.8 million was 34.7% of Operating Revenue, compared to 15.6% in the prior year.
- ◆ Current assets increased by \$1.4 million, primarily reflecting an increase in unrestricted cash (\$1.8 million) offset by a decrease in accounts receivable from sewer use charges, new sewer connection fees and other receivables (\$.4 million). Days sales outstanding ("DSO") for the gross usage charges accounts receivable decreased from 86 days to 76 days as of June 30, 2014. The decrease reflects the continuing effort to collect overdue sewer use charges.
- ◆ Current liabilities decreased by \$3.0 million, primarily due to a decrease in due to other funds (the City of Stamford) of \$3.3 million for operating advances (\$1.6 million) and capital expenditure related advances (\$1.7 million) and a decrease in the current portion of debt and notes payable (\$.1 million) offset by an increase accrued liabilities and unearned income of \$.4 million.
- ◆ Total debt outstanding – including current and long-term general obligation bonds, revenue bonds, and notes payable – increased by \$8.0 million to \$101.9 million as of June 30, 2014. This reflects the issuance of \$24.4 million of new revenue bonds, the refunding of \$10.2 million of the 2003 revenue bond issue, the repayment of \$1.8 million of general obligation bonds and \$3.9 million of notes payable, and other items netting to \$.5 million. The SWPCA's outstanding debt is rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.
- ◆ As noted above, total net position increased \$4.0 million (approximately 6%), to \$65.7 million.
- ◆ The SWPCA's capital assets, net of accumulated depreciation, decreased by about \$.3 million to \$143.8 million versus the prior period. Depreciation expense of \$5.4 million was offset by capital asset additions of \$5.1 million during the fiscal year. 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. \$6.2 million of unexpended bond proceeds from the 2013 debt issuance is available to fund authorized capital projects.
- ◆ The SWPCA continues to use the City for certain back-office support services such as payroll, accounts payable, procurement, IT tech support, etc., which would not be cost efficient to implement internally at the present time. The City is reimbursed for the cost of these support services.

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, transmittal letter and statistical section are presented for purposes of additional 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 14-16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are presented on pages 17-32 of this report.

Annual Revenue and Expense Budgets

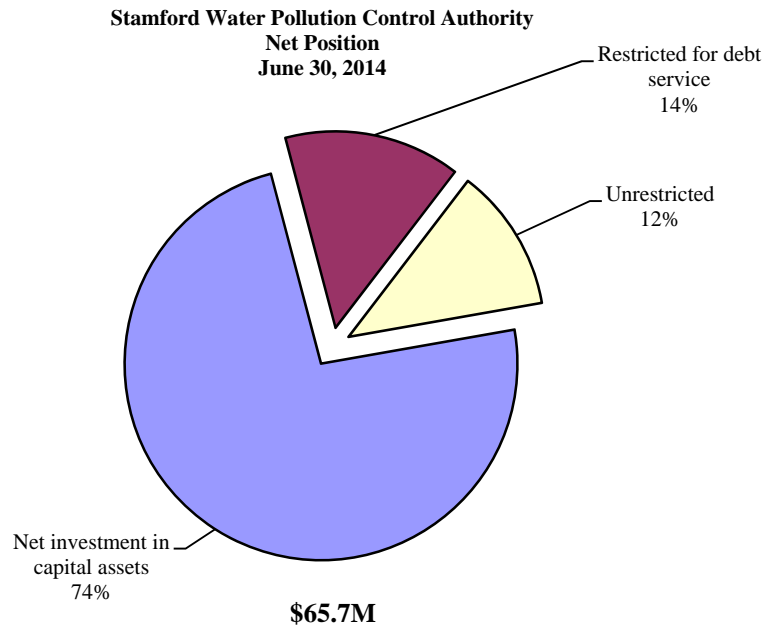
The Board of Directors of SWPCA and the City's Board of Finance and Board of Representatives review and approve annual revenue and expense budgets for the SWPCA. From a reporting standpoint, the SWPCA is reported as an Enterprise Fund. Budgetary comparison statements are provided to demonstrate compliance with the authorized budget and are presented on pages 35-36 of this report.

Financial Analysis

The SWPCA's total net position (excess of assets over liabilities) was \$65.7 million at June 30, 2014. The SWPCA's unrestricted net position increased by approximately \$4.5 million to approximately \$7.8 million at June 30, 2014 and provided additional financial flexibility to meet the needs of the SWPCA's customers and creditors. The \$1.7 million increase in operating income over the prior fiscal year primarily reflects the favorable impact of a sewer use charges billing rate increase (\$1.2 million) and lower legal claims expense (\$.7 million) offset by higher salaries (\$.2 million due to filling open positions).

Stamford Water Pollution Control Authority Net Position (in Thousands)

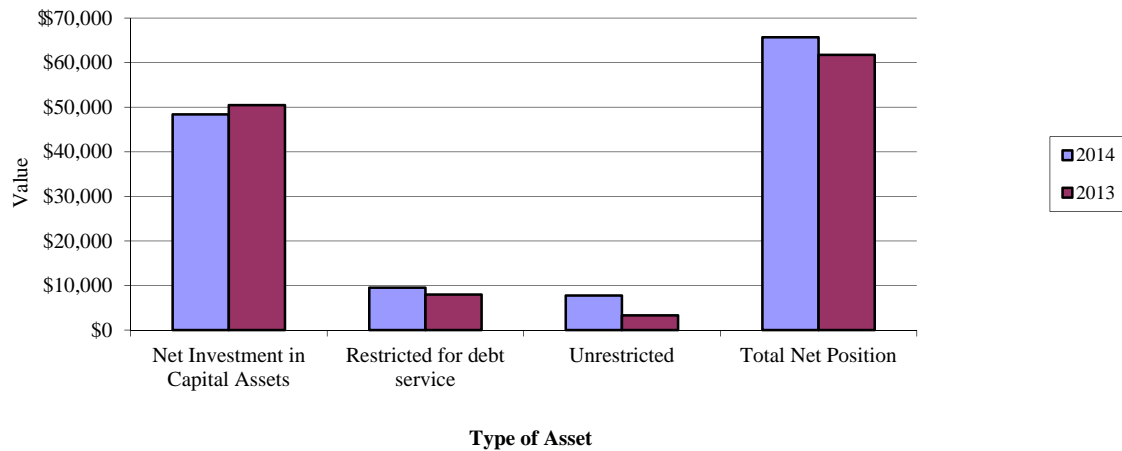
	June 30, 2014	June 30, 2013	\$ Change
Current assets (cash and accounts receivable)	\$ 7,796	\$ 6,433	\$ 1,363
Restricted cash and investments	15,734	7,965	7,769
Noncurrent assets (special assessments and deferred)	7,868	7,690	178
Capital assets (net of depreciation)	143,835	144,103	(268)
Total Assets	175,233	166,191	9,042
Deferred amounts on refunding	238		238
Deferred Inflows of Resources	238	-	238
Current liabilities	13,270	16,318	(3,048)
Long-term liabilities	96,509	88,149	8,360
Total Liabilities	109,779	104,467	5,312
Net Position:			
Net investment in capital assets	48,395	50,460	(2,065)
Restricted for debt service	9,532	7,965	1,567
Unrestricted	7,764	3,299	4,465
Total Net Position	\$ 65,691	\$ 61,724	\$ 3,967



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, 2014 the SWPCA's current ratio was 0.60 to 1 as compared to 0.39 to 1 at the prior year-end. In fiscal year 2014, net working capital (current assets minus current liabilities) improved from a negative \$9.9 to a negative \$5.3 million, primarily reflecting a decrease in the balance due to the other funds of \$3.3 million and an increase of \$1.8 million in unrestricted cash. During the period between the billing cycles for sewer use charges and connection charges / special assessments (e.g. April and October), the SWPCA funds any short term cash needs with cash advances from the City and repays them with its cash receipts (similar to a revolving credit agreement). Under a long standing pooled cash arrangement, the SWPCA pays the City interest to cover such short-term cash needs. Nevertheless, it is the SWPCA's goal 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 the October 2013 and April 2014 billing cycles
- Budgeting for an increase in cash reserves of \$1.5 million and for a \$1.15 million reduction in the operating balance due the City in fiscal year 2015
- Issuing \$24.4 million in new revenue bonds to fund authorized capital projects and a refunding (i.e., refinancing) of \$10.2 million of the 2003 revenue bonds during fiscal year 2015

**Stamford Water Pollution Control Authority
Net Position (in Thousands)
FYE 2014 vs. 2013 (at June 30)**



Net Position – Net Investment in Capital Assets. At June 30, 2014 the largest portion of the SWPCA’s \$65.7 million in net position (74%) 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).

Net Position – Restricted. A portion of the SWPCA net position is restricted for debt service. Cash balances are held in restricted trust accounts in accordance with the indenture requirements related to the 2006 and 2013 Revenue Bond issuances. Of the SWPCA’s \$65.7 million in total net position as of June 30, 2014, \$9.5 million (14% of the total), was restricted and may not be used to fund the SWPCA’s day-to-day operations.

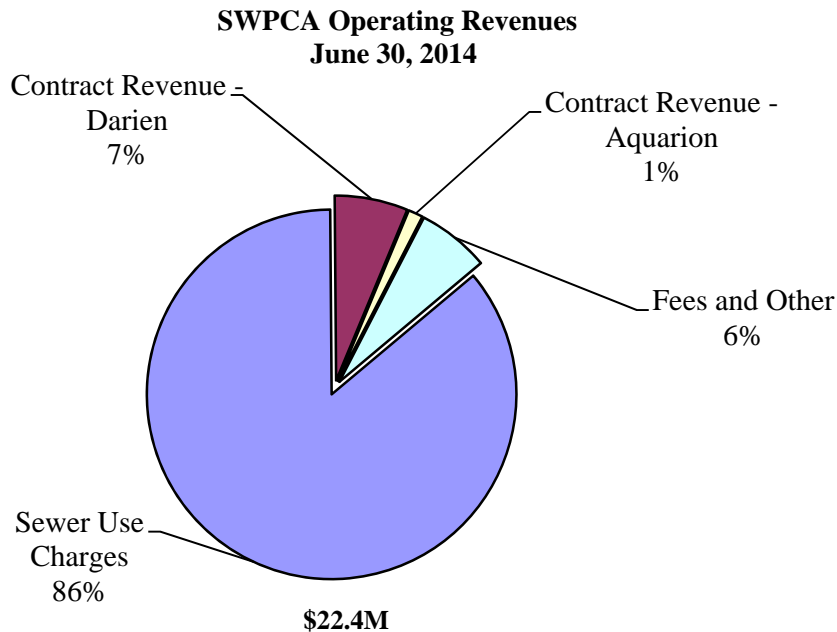
Net Position – Unrestricted. Of the SWPCA’s total net position at June 30, 2014, \$7.8 million, or approximately 12%, was unrestricted and available to be used to meet the SWPCA’s obligations to customers, creditors, and day-to-day operations.

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

	<u>Fiscal 2014</u>	<u>Fiscal 2013</u>	<u>\$ Change</u>
Operating revenues	\$ 22,355	\$ 21,155	\$ 1,199
Operating expenses	18,077	18,566	(490)
Net Operating Income	<u>4,278</u>	<u>2,589</u>	<u>1,689</u>
Nonoperating revenue (expenses)	<u>(311)</u>	<u>(358)</u>	<u>48</u>
Change in Net Assets	3,967	2,231	1,737
Net position - beginning of year	<u>61,724</u>	<u>59,493</u>	<u>2,231</u>
Net Position - End of Year	<u><u>\$ 65,691</u></u>	<u><u>\$ 61,724</u></u>	<u><u>\$ 3,967</u></u>

Operating Revenues and Expenses

Revenues. In fiscal year 2014 the SWPCA’s operating revenue included sewer use charges for both City and Town of Darien customers (approximately 86% of total operating revenue) and contract revenue, fees and other income (approximately 14% of total operating revenue).



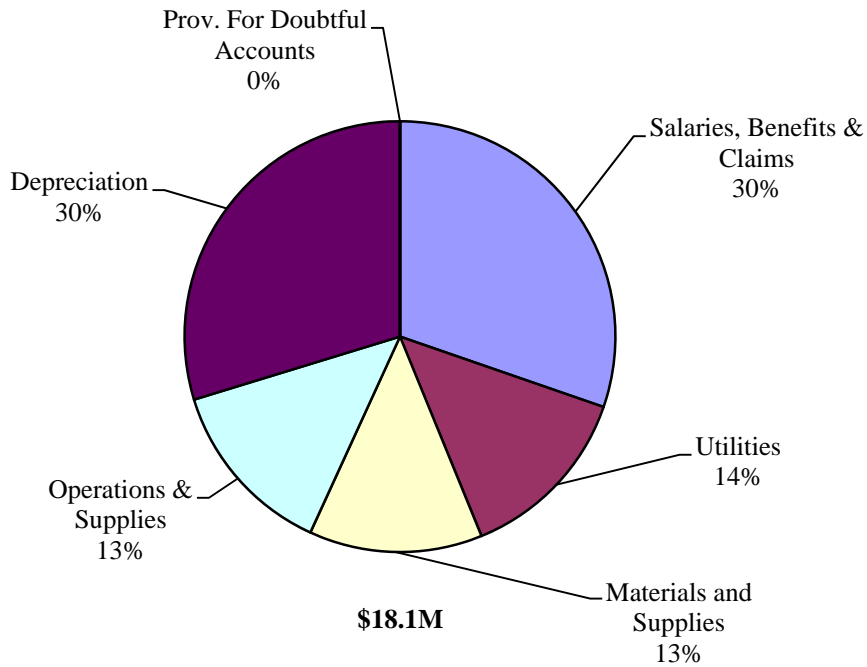
The original fiscal year 2014 revenue estimate for sewer use charges was \$18.2 million prior to actual consumption data being available. At the annual rate setting meeting, adjustments were made to account for collection rate assumptions, estimates of other revenue, and indenture requirements for debt service coverage. Based on these adjustments, the sewer use charge billing rate was set at \$4.40 per CCF, resulting in an annual billing, and an adjusted original budget, of \$18.9 million (based on assumed consumption of 4.29 million CCFs).

After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal year 2014 based on actual consumption of 4.3 million CCFs was \$18.5 million. Fiscal year 2014 revenues totaled \$22.4 million. Despite the challenging economic environment, the collection rate for sewer use charges during fiscal year 2014 was approximately 96% (vs. approximately 95% in the prior year).

In fiscal year 2014 the SWPCA’s actual operating revenue of \$22.4 million (as compared to \$21.2 million the prior year) included sewer use charges (\$19.2 million), contract revenues (\$1.4 million and \$0.3 million, from Darien and Aquarion, respectively), and fees and other income (\$1.6 million, with the largest portion of this amount being attributable to revenue from the State of Connecticut’s nitrogen credit trading program).

Expenses. In fiscal year 2014 the SWPCA’s operating expenses, which totaled \$18.1 million (as compared to \$18.6 million the prior year), consisted of salaries, employee benefits and claims (\$5.5 million), utilities costs (\$2.4 million), materials and supplies (\$2.4 million), operations and supplies (\$2.4 million) and depreciation (\$5.4 million). Lower legal claims expense (\$.7 million) was offset by higher salaries, employee benefits and claims expense.

**SWPCA Operating Expenses
June 30, 2014**



The SWPCA's fiscal year 2014 non-operating revenue of \$2.8 million included special assessments and connection charges (\$2.5 million) and capital contributions from the City (\$.3 million); non-operating expense was primarily interest expense (\$3.1 million). Additional information on revenue and expense budgetary information is contained in the Supplementary and Other Information section of the financial statements.

Capital Assets

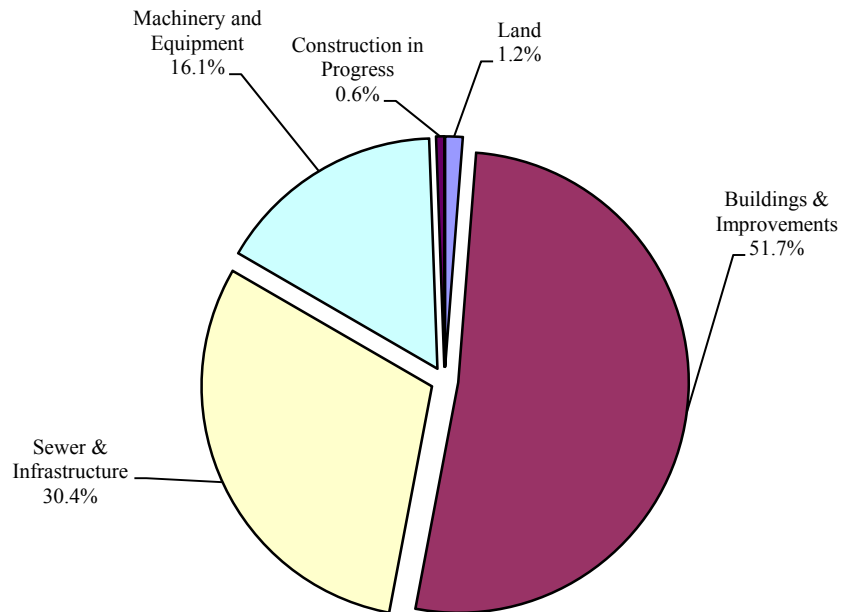
As of June 30, 2014, the SWPCA had total capital assets, net of accumulated depreciation, of approximately \$143.8 million, as follows:

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

	June 30, 2014	June 30, 2013	\$ Change
Land	\$ 2,833	\$ 2,833	\$ -
Buildings and improvements	119,212	118,227	985
Sewer and infrastructure	69,979	66,535	3,444
Machinery and equipment	36,998	36,392	606
Construction in progress	1,330	1,259	71
Subtotal	<u>230,352</u>	<u>225,246</u>	5,106
Less accumulated depreciation	<u>(86,517)</u>	<u>(81,144)</u>	(5,373)
Total	<u><u>\$ 143,835</u></u>	<u><u>\$ 144,102</u></u>	<u><u>\$ (267)</u></u>

Additional information on capital assets is presented in Note 4 on page 22 of this report.

**SWPCA Capital Assets
June 30, 2014**



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, 2014 were as follows:

- Citywide computerized mapping of the sanitary sewer systems (using GIS) continued and is ongoing.
- Evaluation and assessment of the existing sanitary sewer systems and pumping stations is ongoing. Sanitary sewer lines identified as needing repairs were either relined or rebuilt, replacing any deteriorating or misaligned sewer segments.
 - In the Wedgemere Road and Perna Lane areas, engineering design of sanitary sewer systems is continuing and is about 80% percent complete for both areas.
 - In the Soundview Avenue area, larger sanitary sewer interceptor lines (36 and 42 inches in diameter) were lined as a result of the above mentioned evaluation and assessment.
 - In the Carriage Drive area, sanitary sewer lines were extended and a pumping station installed that provided access to public sewers for 71 residential properties that were previously using septic systems.
- Engineering firms were selected to review and design the upgrade of the Water Pollution Control Facility's (WPCF) raw sewage pumping station, the flow distribution to the secondary clarifiers, and the computerized Supervisory Control and Data Acquisition (SCADA) process monitoring system.
- Replacement vehicles were purchased including a new vacuum truck for sewer and manhole cleaning.
- Very importantly, the upgrade and repair of the Odor Control systems at the WPCF were completed and fugitive odors have been significantly reduced.

- Other capital projects that are ongoing include:
 - Replacement of pipe supports in the WPCF raw sewage pumping station.
 - Replacement of sludge transfer pumps.
 - Replacement of deteriorated walkways in the UV disinfection and effluent pumping facility.

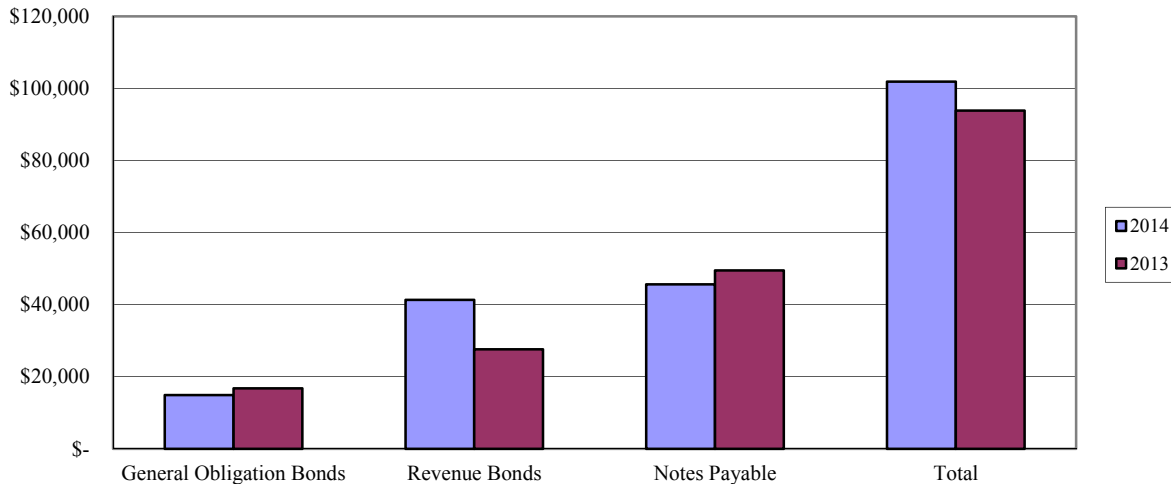
Debt Outstanding

As of June 30, 2014, the SWPCA had bonds and notes payable outstanding of approximately \$101.9 million, as follows:

**Stamford Water Pollution Control Authority
Debt Outstanding (in Thousands)**

	<u>2014</u>	<u>% of Total</u>	<u>2013</u>	<u>% of Total</u>
General obligation bonds	\$ 14,919	15%	\$ 16,762	18%
Revenue bonds	41,337	41%	27,614	29%
Notes payable	45,625	45%	49,494	53%
Total	<u>\$ 101,880</u>	<u>100%</u>	<u>\$ 93,870</u>	<u>100%</u>

**SWPCA Long-Term Debt (in Thousands)
FYE 2014 vs. 2013 (at June 30)**



The SWPCA’s total debt outstanding increased by approximately \$8 million in fiscal year 2014, reflecting the net impact of principal repayments of \$1.8 million for general obligation bonds, \$3.9 million for notes payable as well as the issuance of new revenue bonds of \$24.4 million and the refunding of \$10.2 million from the 2003 revenue bond issue, and other items netting \$.5 million.

Additional information on debt outstanding is presented in Note 6 of this report on pages 23-28.

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, 2014 the SWPCA had 41 full time equivalent employees; an increase of 5 from the prior year from filling open positions.

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 Mr. Michael E. Handler, Chairman of the SWPCA, at 111 Harbor View Ave, Stamford, CT 06902. Mr. Handler is also the City's Director of Administration (MHandler@stamfordct.gov), and maintains an office at 888 Washington Boulevard, Stamford, CT 06901.

**BASIC
FINANCIAL
STATEMENTS**

STAMFORD WATER POLLUTION CONTROL AUTHORITY

COMPARATIVE STATEMENTS OF NET POSITION

JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 2,746,129	\$ 991,721
Accounts receivable:		
Usage charges, net of allowance for doubtful accounts of \$2,000,000 in 2014 and \$1,952,359 in 2013	2,346,947	2,647,575
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	1,565,728	1,434,424
Other receivables	1,127,058	1,349,292
Other current assets	9,902	9,902
Total current assets	<u>7,795,764</u>	<u>6,432,914</u>
Noncurrent:		
Restricted cash and cash equivalents	9,531,631	7,964,869
Restricted investments	6,202,155	
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	7,867,615	7,462,643
Deferred bond issuance costs		227,240
Capital assets not being depreciated	4,162,787	4,092,397
Capital assets being depreciated, net of depreciation	<u>139,672,598</u>	<u>140,010,426</u>
Total noncurrent assets	<u>167,436,786</u>	<u>159,757,575</u>
Total assets	<u>175,232,550</u>	<u>166,190,489</u>
Deferred Inflows of Resources:		
Deferred amounts on refunding	<u>237,984</u>	<u>-</u>
Liabilities:		
Current:		
Accounts payable	1,326,102	574,528
Accrued liabilities	304,304	642,220
Accrued interest payable	487,514	589,700
Due to other funds	4,681,577	7,969,902
Unearned revenue	152,139	88,343
Current portion of bonds payable	2,423,391	2,552,691
Current portion of notes payable	3,864,423	3,869,606
Current portion of compensated absences	30,960	31,000
Total current liabilities	<u>13,270,410</u>	<u>16,317,990</u>
Noncurrent liabilities:		
Bonds payable	53,832,327	41,823,619
Notes payable	41,760,105	45,624,528
Compensated absences	254,634	275,392
Other post employment benefit obligations payable	661,700	425,000
Total noncurrent liabilities	<u>96,508,766</u>	<u>88,148,539</u>
Total liabilities	<u>109,779,176</u>	<u>104,466,529</u>
Net Position:		
Net investment in capital assets	48,395,278	50,459,619
Restricted for debt service	9,531,631	7,964,869
Unrestricted	<u>7,764,449</u>	<u>3,299,472</u>
Total Net Position	<u>\$ 65,691,358</u>	<u>\$ 61,723,960</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Sewer use charges	\$ 20,941,371	\$ 19,744,918
Fees and other income	1,404,783	1,410,338
Intergovernmental	8,368	
Total operating revenues	<u>22,354,522</u>	<u>21,155,256</u>
Operating Expenses:		
Salaries, benefits and claims	5,476,462	5,196,225
Operations and supplies	7,227,505	8,209,918
Depreciation	5,372,558	5,239,334
Total operating expenses	<u>18,076,525</u>	<u>18,645,477</u>
Operating Income	<u>4,277,997</u>	<u>2,509,779</u>
Nonoperating Revenue (Expense):		
Special assessments and connection charges	2,515,652	2,987,162
Provision for doubtful accounts - special assessments and connection charges		(500,000)
Interest income	34,167	94,901
Interest expense	<u>(3,148,656)</u>	<u>(2,940,267)</u>
Net nonoperating expense	<u>(598,837)</u>	<u>(358,204)</u>
Income Before Capital Contributions	3,679,160	2,151,575
Capital Contributions	<u>288,238</u>	<u>79,000</u>
Change in Net Position	3,967,398	2,230,575
Net Position - Beginning of Year	<u>61,723,960</u>	<u>59,493,385</u>
Net Position - End of Year	<u>\$ 65,691,358</u>	<u>\$ 61,723,960</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 22,404,904	\$ 20,651,554
Payments to suppliers	(6,916,033)	(7,574,862)
Payments to employees	(3,502,742)	(3,229,372)
Payments for benefits and claims	(1,737,020)	(1,545,250)
Payments for interfund services used	(3,288,325)	927,787
Net cash provided by operating activities	<u>6,960,784</u>	<u>9,229,857</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from note payable, City of Stamford		1,465,646
Proceeds from debt	24,402,941	
Principal payments on debt	(16,393,139)	(6,255,043)
Interest paid on debt	(3,180,198)	(2,999,787)
Future bond issuance costs		(68,000)
Special assessment and connection charges proceeds	2,515,652	2,044,208
Purchase of capital assets	(5,105,120)	(2,891,977)
Capital contributions	288,238	79,000
Net cash provided by (used in) capital and related financing activities	<u>2,528,374</u>	<u>(8,625,953)</u>
Cash Flows from Investing Activities:		
Interest received on investments	34,167	94,901
Purchase of investments	(6,202,155)	
Net cash provided by (used in) investing activities	<u>(6,167,988)</u>	<u>94,901</u>
Net Increase in Cash and Cash Equivalents	3,321,170	698,805
Cash and Cash Equivalents - Beginning of Year (including restricted cash and cash equivalents)	<u>8,956,590</u>	<u>8,257,785</u>
Cash and Cash Equivalents - End of Year (including restricted cash and cash equivalents)	<u>\$ 12,277,760</u>	<u>\$ 8,956,590</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 4,277,997	\$ 2,509,779
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,372,558	5,239,334
Changes in assets and liabilities:		
Increase in accounts receivable	(235,648)	(414,495)
Decrease in other receivables	222,234	
Increase in accounts payable and accrued expenses	311,472	631,659
Increase in other post employment benefit obligations payable	236,700	425,000
Increase (decrease) in unearned revenues	63,796	(89,207)
Increase (decrease) in due to City of Stamford	(3,288,325)	927,787
Net Cash Provided by Operating Activities	<u>\$ 6,960,784</u>	<u>\$ 9,229,857</u>

The accompanying notes are an integral part of the financial statements

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

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). 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. Accounting Estimates

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

E. Cash and Cash Equivalents

For purposes of reporting cash flows, the SWPCA considers all highly liquid investments with an original maturity term of three months or less when purchased to be cash equivalents. Under a long standing arrangement with the City, the SWPCA shares in a pooled cash account controlled by, and in the name of, the City. The SWPCA's share of this pooled cash account was a deficit at both June 30, 2014 and 2013, and is reflected as due to other funds in the accompanying financial statements. The SWPCA's own unrestricted cash balance was \$2,746,129 and \$991,721 at June 30, 2014 and 2013, respectively.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

F. Accounts Receivable

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

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

The SWPCA capitalizes interest during the period of construction.

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 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.

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. As of June 30, 2014, there were no amounts required to be reported as deferred outflows of resources in the statement of net position.

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.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

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. Operating Revenues

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. Operating revenues result from charges to customers for sewer treatment and related services. Operating expenses include the cost of operations, maintenance, sales and service, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating or capital contributions.

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.

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.

K. Special Assessments and Connection Charges

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

L. Net Position

Net position represents the difference between assets plus deferred inflows of resources and liabilities plus deferred outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the SWPCA or through external restrictions imposed by creditors, grantors or laws or regulation of other governments.

The SWPCA has cash restricted for debt service requirements in accordance with the terms of the outstanding revenue bonds (see Note 2).

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

M. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through January 20, 2015, the date that the financial statements were available to be issued.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents

As of June 30, 2014 and 2013, 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>June 30, 2014</u>	<u>June 30, 2013</u>
Cash and cash equivalents	\$ 2,746,129	\$ 991,721
Restricted cash and cash equivalents	<u>9,531,631</u>	<u>7,964,869</u>
	<u>\$ 12,277,760</u>	<u>\$ 8,956,590</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, 2014 and 2013, was restricted in accordance with the terms of various outstanding debt of the SWPCA (Note 5).

Investments

As of June 30, 2014, the SWPCA had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Treasury bonds	N/A	\$ 6,202,155	\$ 6,202,155	\$ -	\$ -

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

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:

	2014	2013
Clean Water Fund - Debt Service Reserve	\$ 4,641,207	\$ 4,724,655
2003 Debt Service Reserve Fund		893,561
2006 Debt Service Reserve Fund	1,207,648	1,207,546
2003 and 2006 Debt Service Funding Accrual	2,043,095	1,139,107
2012 Debt Service Reserve Fund	1,639,681	
2013 Debt - unspent bond proceeds	6,202,155	
	\$ 15,733,786	\$ 7,964,869

6. LONG-TERM OBLIGATIONS

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

	2014				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 16,547,885	\$	\$ 1,807,691	\$ 14,740,194	\$ 1,788,391
Unamortized premium	214,540		35,768	178,772	
Revenue bonds	27,570,000	22,095,000	10,585,000	39,080,000	635,000
Unamortized premium	43,885	2,307,941	95,074	2,256,752	
Total bonds payable	44,376,310	24,402,941	12,523,533	56,255,718	2,423,391
Notes payable:	49,494,134		3,869,606	45,624,528	3,864,423
Total bonds and notes payable	93,870,444	24,402,941	16,393,139	101,880,246	6,287,814
Compensated absences	306,392		20,798	285,594	30,960
Net OPEB obligation	425,000	236,700		661,700	
Long-Term Liabilities	\$ 94,601,836	\$ 24,639,641	\$ 16,413,937	\$ 102,827,540	\$ 6,318,774

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

	2013				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 18,449,154	\$ 1,778,834	\$ 3,680,103	\$ 16,547,885	\$ 1,807,691
Unamortized premium	47,293	174,013	6,766	214,540	
Revenue bonds	28,285,000		715,000	27,570,000	745,000
Unamortized premium	60,152		16,267	43,885	
Total bonds payable	46,841,599	1,952,847	4,418,136	44,376,310	2,552,691
Notes payable:	53,290,737		3,796,603	49,494,134	3,869,606
Total bonds and notes payable	100,132,336	1,952,847	8,214,739	93,870,444	6,422,297
Compensated absences	315,347		8,955	306,392	31,000
Net OPEB obligation		425,000		425,000	
Long-Term Liabilities	\$ 100,447,683	\$ 2,377,847	\$ 8,223,694	\$ 94,601,836	\$ 6,453,297

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, 2014 consisted of the following:

Description	Year of Issue	Interest Rate (%)	Original Issue	Outstanding 6/30/2014	Outstanding 6/30/2013
Refunding bonds	2003	5.25 %	\$ 3,982,952	\$	\$ 907,836
Refunding bonds	2004	3.60 - 5.25	1,268,429	476,693	479,696
Refunding bonds	2005	4.00 - 5.00	2,247,600	2,144,600	2,144,800
Refunding bonds	2008	3.25 - 5.00	1,817,639	226,609	285,288
Refunding bonds	2009	3.25 - 5.00	1,073,431	961,873	1,073,431
Public improvement	2010	2.80 - 5.45	10,000,000	8,735,000	9,165,000
Refunding bonds	2010	4.00 - 5.00	408,000	408,000	408,000
Refunding bonds	2011	2.00 - 4.00	430,000	300,000	305,000
Refunding bonds	2013	1.00 - 2.00	435,990	171,452	435,990
Refunding bonds	2013	2.00 - 5.00	1,342,884	1,315,967	1,342,844
Total				\$ 14,740,194	\$ 16,547,885

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Aggregate debt service requirements subsequent to June 30, 2014 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,788,391	\$ 649,004	\$ 2,437,395
2016	1,223,189	597,808	1,820,997
2017	1,198,677	548,648	1,747,325
2018	1,311,034	490,691	1,801,725
2019	1,323,631	428,169	1,751,800
2020-2024	3,955,272	1,470,021	5,425,293
2025-2029	3,250,000	620,513	3,870,513
2030	690,000	19,148	709,148
Debt service requirement	14,740,194	4,824,002	19,564,196
Plus unamortized premium	178,772		178,772
Total	<u>\$ 14,918,966</u>	<u>\$ 4,824,002</u>	<u>\$ 19,742,968</u>

The SWPCA's share of interest expense incurred on general obligation bonds was \$755,382 and \$647,802 for the years ended June 30, 2014 and 2013, respectively.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

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:

	2014	2013
<p>Stamford Water Pollution Control System and Facility Revenue Bonds - 2003. Issued in the aggregate amount of \$12,480,000 revenue bonds in October 2003 at interest rates ranging from 2.0% to 5.0%, due annually, on November 1. Debt service was paid to the trustee monthly, with principal maturity paid from July 2002 through July 2032. The issued bonds were refunded in August 2013 with the 2013 issuance noted below. The aggregate included unamortized premiums of \$-0- and \$19,343 at June 30, 2014 and 2013, respectively.</p>	\$	\$ 10,059,343
<p>Stamford Water Pollution Control System and Facility Revenue Bonds - 2006. Issued in the aggregate amount of \$19,765,000 revenue bonds in September 2006 at interest rates ranging from 3.4% to 4.75%, due annually, on March 15 and September 15. Debt service is paid to the trustee monthly, with principal maturity paid from September 2007 through September 2036. The aggregate includes unamortized premiums of \$19,331 and \$24,542 at June 30, 2014 and 2013, respectively.</p>	17,119,331	17,554,542
<p>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. The issued bonds were refunded with the 2013 issuance noted below. The aggregate includes unamortized premiums of \$2,237,421 at June 30, 2014.</p>	24,217,421	
<p>Less current portion</p>	41,336,752 635,000	27,613,885 745,000
	\$ 40,701,752	\$ 26,868,885

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

The 2013 refunding net proceeds of \$10,277,984 (including a premium of \$974,046 and issuance costs of \$21,062, net of underwriter's discounts) will reduce total debt service payments over the next 31 years by approximately \$970,000. The refunded bonds are considered partially defeased, and all future interest and principal on the partially defeased bonds will be paid from the proceeds of the refunding issue, which were placed into an irrevocable escrow account until all the partially defeased bonds have been called. The outstanding balance of the defeased bonds was called during the year.

Aggregate debt service requirements subsequent to June 30, 2014 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 635,000	\$ 1,926,170	\$ 2,561,170
2016	945,000	1,890,720	2,835,720
2017	1,000,000	1,840,051	2,840,051
2018	1,050,000	1,787,138	2,837,138
2019	1,105,000	1,733,686	2,838,686
2020-2024	6,445,000	7,745,353	14,190,353
2025-2029	8,250,000	5,960,319	14,210,319
2030-2034	9,700,000	3,716,775	13,416,775
2035-2039	6,220,000	1,633,481	7,853,481
2040-2044	3,730,000	510,038	4,240,038
Debt service requirement	<u>39,080,000</u>	<u>28,743,731</u>	<u>67,823,731</u>
Plus bond premium	<u>2,256,752</u>		<u>2,256,752</u>
Total	<u>\$ 41,336,752</u>	<u>\$ 28,743,731</u>	<u>\$ 70,080,483</u>

Interest incurred on revenue bonds was \$1,346,536 and \$1,251,440 for the years ended June 30, 2014 and 2013, respectively.

Notes Payable

The City obtained in fiscal years 1996, 1998 and 2001 project loan obligations from the State of Connecticut for various sewer projects of \$2,731,211, \$864,280 and \$3,574,208, respectively, of which \$56,900, \$111,636 and \$1,214,415 was outstanding as of June 30, 2014 and \$193,461, \$154,850 and \$1,403,035 was outstanding as of June 30, 2013. The repayment on these three loans is not restricted to the funds of the SWPCA. Currently, the SWPCA is repaying these notes on behalf of the City.

The SWPCA completed a \$105 million upgrade of the waste water treatment facility in 2006. To fund the upgrade project, the City obtained a Project Loan Obligation from the State of Connecticut for \$73,561,481. This loan is a special limited obligation loan of the City that is to be repaid solely from revenues, funds, accounts, moneys and securities of the SWPCA. The project was also funded through grants and a local share. At June 30, 2014 and 2013, the outstanding balance on the loan was \$44,241,577 and \$47,742,788, respectively.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

The loans bear interest at 2%. The loans are payable in monthly installments ranging from approximately \$3,601 to \$368,000 through August 2025, plus accrued interest. The combined loan balances were \$45,624,528 and \$49,494,134 as of June 30, 2014 and 2013, respectively.

Interest expense incurred on these notes payables was \$954,533 and \$1,031,132 for the years ended June 30, 2014 and 2013, respectively.

Aggregate debt service requirements subsequent to June 30, 2014 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,864,423	\$ 876,859	\$ 4,741,282
2016	3,883,503	799,730	4,683,233
2017	3,943,011	721,412	4,664,423
2018	3,996,881	642,166	4,639,047
2019	4,077,555	561,491	4,639,046
2020-2024	20,761,666	1,573,737	22,335,403
2025-2026	<u>5,097,489</u>	<u>63,949</u>	<u>5,161,438</u>
Debt Service Requirement	\$ <u>45,624,528</u>	\$ <u>5,239,344</u>	\$ <u>50,863,872</u>

7. REVENUE

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

	<u>2014</u>	<u>2013</u>
Sewer use fees	\$ 18,521,507	\$ 17,278,581
Contract revenue - Town of Darien, CT	1,433,211	1,354,377
Contract revenue - Aquarion	287,150	315,742
Interest	511,393	586,811
Lien fees	<u>188,110</u>	<u>209,407</u>
	<u>\$ 20,941,371</u>	<u>\$ 19,744,918</u>

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

	<u>2014</u>	<u>2013</u>
Special assessments	\$ 901,173	\$ (55,571)
Connection charges	500,211	1,876,923
Capital reimbursement - Town of Darien, CT	728,481	887,131
Interest	273,022	214,787
Delinquent interest and lien fees	<u>112,765</u>	<u>63,892</u>
	<u>\$ 2,515,652</u>	<u>\$ 2,987,162</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

8. COMMITMENTS AND CONTINGENCIES

General Contingencies

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

9. RISK MANAGEMENT

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

The SWPCA is insured through the City's internal service insurance fund. The City's self-insurance fund covers the City, including the SWPCA, per claim for up to \$1,000,000 for general and auto liability, \$1,500,000 for workers' compensation, \$100,000 for public officials' liability and \$250,000 for property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the City's insurance internal service fund in addition to claims incurred but not reported. The SWPCA is charged by the City for its share of premium cost and claims. Settled claims have not exceeded commercial coverage in any of the past three years. For the years ended June 30, 2014 and 2013, the SWPCA paid the City approximately \$380,000 and \$286,000, respectively, to the City's internal service insurance fund.

10. EMPLOYEE RETIREMENT PLAN

Nearly all full-time City employees are covered by a pension plan. The employees of the SWPCA are covered under the City's Classified Employees' Retirement Fund. 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 budget purposes only. The City does not account for net pension obligation or assets at the fund level. The City's basic financial statements contain Classified Employees' Retirement Fund (CERF) activity and funding information as of June 30, 2014 and 2013. At June 30, 2014 and 2013, the CERF had \$209.3 million and \$184.4 million in net position, respectively. The actuarial accrued liability at July 1, 2013 was \$227.3 million and the CERF was approximately 86% funded. For the years ended June 30, 2014 and 2013, the SWPCA's contribution to the retirement fund was \$341,460 and \$315,000, representing approximately 5% of total contributions to the CERF for each year.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

11. TRANSACTIONS WITH THE CITY

In the fiscal years 2014 and 2013, the City paid approximately \$297,000 and \$274,000, respectively, in sewer use charges to the SWPCA. The City reimbursed the SWPCA approximately \$288,000 and \$79,000 for the City's share of the hurricane barrier maintenance and operations for the years ended June 30, 2014 and 2013, respectively.

For the fiscal years 2014 and 2013, the SWPCA paid the City approximately \$357,000 and \$306,000, for an allocation of central services costs, respectively, \$-0- and \$72,500 for services provided by the City's finance department, respectively, and approximately \$858,000 and \$799,000 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 incurred interest expense of approximately \$7,400 and \$9,900 on deficit balances during the years ended June 30, 2014 and 2013, respectively.

12. OTHER POST EMPLOYMENT BENEFITS

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 post employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expense as claims are paid.

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost," an "actuarial accrued liability," and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

The actuarial calculations of the OPEB plan reflect a long-term perspective.

For financial reporting purposes, the City is required to accrue the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. The contribution requirements of plan members and the City are established and may be amended by the City. The assumed health care cost trend rates, representative of the future expected increases in net medical premiums are as follows:

<u>Year Ended June 30,</u>	<u>Assumed Increase</u>
2015	7.0%
2016	6.5
2017	6.0
2018	5.5
2019	5.0
2020	4.5

The amortization basis is the level percentage of payroll method with an open amortization approach with 20 years in the amortization period. The actuarial assumptions included a 7.5% investment rate of return, 3.5% payroll growth assumption and an inflation rate assumption of 3.0%. The actuarial cost method utilized was the projected unit credit method. Separate financial statements have not been prepared for the post employment benefit plan.

The number of SWPCA participants as of June 30, 2014 was as follows:

Active employees	34
Retired employees	<u>8</u>
Total	<u><u>42</u></u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SWPCA's Share of Amortization Component	
Actuarial Accrued Liability as of July 1, 2013	\$ 3,029,000
Assets at Market Value	<u>307,000</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 2,722,000</u>
Funded Ratio	<u>10.14%</u>
Covered Payroll	<u>\$ 2,455,000</u>
UAAL as a Percentage of Covered Payroll	<u>110.88%</u>
Annual required contribution	\$ 162,000
Interest on net OPEB obligation	2,000
Adjustment to annual required contribution	<u>198,000</u>
Annual OPEB cost	362,000
Contributions made	<u>125,300</u>
Increase in net OPEB obligation	236,700
Net OPEB obligation - beginning of year	<u>425,000</u>
Net OPEB Obligation - End of Year	<u>\$ 661,700</u>

The latest actuarial valuation was made July 1, 2013. Information with respect to the entire OPEB valuation is contained in the City's basic financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

STAMFORD WATER POLLUTION CONTROL AUTHORITY

**SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS**

LAST THREE FISCAL YEARS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess (Unfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2013	\$ 307,000	\$ 3,029,000	\$ (2,722,000)	10.14%	\$ 2,455,000	(110.88%)
July 1, 2012	193,000	2,893,000	(2,700,000)	6.67%	2,220,000	(121.62%)

Note - Information not available prior to July 1, 2012 valuation

STAMFORD WATER POLLUTION CONTROL AUTHORITY

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS**

LAST THREE FISCAL YEARS

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 162,000	\$ 125,300	75.19%
2013	462,000	343,000	74.24%

Note - Information not available prior to fiscal year ended June 30, 2013

**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, 2014
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Sewer use charges	\$ 18,950,000	\$ 18,950,000	\$ 19,221,010	\$ 271,010
Contract revenue - Town of Darien, CT	1,444,026	1,444,026	1,433,211	(10,815)
Contract revenue - Aquarion Water Company	321,418	321,418	287,150	(34,268)
Intergovernmental			8,368	8,368
Fees and other income	663,701	663,701	552,708	(110,993)
Nitrogen trading credit	848,494	848,494	1,038,159	189,665
Total operating revenues	<u>22,227,639</u>	<u>22,227,639</u>	<u>22,540,606</u>	<u>312,967</u>
Nonoperating revenues				
Special assessments and connection charges	3,028,481	3,028,481	2,054,259	(974,222)
Interest income	100,000	100,000	34,167	(65,833)
Total nonoperating revenues	<u>3,128,481</u>	<u>3,128,481</u>	<u>2,088,426</u>	<u>(1,040,055)</u>
Capital contributions (see note below)	<u>335,446</u>	<u>335,446</u>	<u>288,238</u>	<u>(47,208)</u>
Total	<u>\$ 25,691,566</u>	<u>\$ 25,691,566</u>	24,917,270	<u>\$ (774,296)</u>
Budgetary revenues are different than GAAP revenues because:				
Interest subsidy			(186,084)	
Additional sewer assessment revenue on a GAAP basis			<u>461,393</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenses and Changes in Net Position			<u>\$ 25,192,579</u>	

Note: Capital contributions represent hurricane barrier maintenance reimbursement

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, 2014

(In Thousands)

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating expenses:				
Administration (see note below)	\$ 7,068,012	\$ 6,554,044	\$ 3,852,418	\$ 2,701,626
Process control	2,918,555	3,240,945	3,172,162	68,783
Laboratory	416,693	421,693	408,041	13,652
Sludge processing - operating	827,474	924,967	874,398	50,569
Sludge processing - contractual	1,504,230	1,838,330	1,838,325	5
Regulatory compliance	101,218	88,186	88,080	106
Building maintenance	259,500	298,427	292,803	5,624
Equipment maintenance	1,017,244	898,571	871,895	26,676
Pump station maintenance	747,043	588,806	553,041	35,765
Sanitary sewer maintenance	410,486	362,486	333,314	29,172
Barrier maintenance	247,000	247,000	131,916	115,084
Billing services	450,134	504,134	456,909	47,225
Total operating expenses	<u>15,967,589</u>	<u>15,967,589</u>	<u>12,873,302</u>	<u>3,094,287</u>
Nonoperating expenses				
Debt service	<u>9,723,977</u>	<u>9,723,977</u>	<u>9,056,758</u>	<u>667,219</u>
Total	<u>\$ 25,691,566</u>	<u>\$ 25,691,566</u>	21,930,060	<u>\$ 3,761,506</u>

Budgetary expenses are different than GAAP expenses because:

Net encumbrances included in budgetary basis and not GAAP basis	(16,101)
Change in accrued interest payable and deferred charges	125,055
Depreciation	5,372,558
Principal payments on debt	<u>(6,186,391)</u>

Total Expenses and Other Financing Uses as Reported on the
Statement of Revenues, Expenses and Changes in Net Position \$ 21,225,181

Note: Original and budgeted amounts for administration include amounts budgeted for transfers to the reserve fund for \$1,500,000 and \$1,150,000 for the repayment of the balance due to the City.

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

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

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

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating Revenues										
Total operating revenues	\$ 22,355	\$ 21,155	\$ 20,305	\$ 18,504	\$ 18,252	\$ 18,645	\$ 15,996	\$ 15,455	\$ 13,565	\$ 12,015
Operating Expenses:										
Operations and supplies	7,228	8,131	6,120	6,800	6,946	6,376	4,756	3,279	4,594	1,937
Salaries, benefits and claims	5,476	5,196	5,468	4,773	4,346	4,068	4,060	3,558	2,866	2,274
Depreciation	5,373	5,239	5,055	5,087	6,288	7,106	6,668	6,758	6,821	3,830
Total Operating Expenses	<u>18,076</u>	<u>18,566</u>	<u>16,642</u>	<u>16,660</u>	<u>17,580</u>	<u>17,550</u>	<u>15,485</u>	<u>13,595</u>	<u>14,280</u>	<u>8,042</u>
Operating Income (Loss)	<u>4,278</u>	<u>2,589</u>	<u>3,663</u>	<u>1,844</u>	<u>672</u>	<u>1,095</u>	<u>511</u>	<u>1,860</u>	<u>(716)</u>	<u>3,973</u>
Nonoperating Revenue (Expense):										
Special assessments and connection charges	2,516	2,987	2,703	3,182	2,763	1,738	3,220	1,205	1,039	456
Provision for doubtful accounts - Special assessments and connection charges		(500)		(100)						
Interest income	34	95	98	113	104	182	773	792	362	
Interest expense	(3,149)	(2,940)	(3,133)	(3,182)	(3,764)	(4,181)	(4,401)	(4,886)	(1,142)	(2,087)
Transfers in and other nonoperating revenue	288			1,067						
Net Nonoperating Revenue (Expense)	<u>(311)</u>	<u>(358)</u>	<u>(332)</u>	<u>1,081</u>	<u>(896)</u>	<u>(2,260)</u>	<u>(408)</u>	<u>(2,889)</u>	<u>258</u>	<u>(1,631)</u>
Capital grants, transfers out and special items:										
Capital grants							5,643	744	1,247	3,361
Transfers out						(1,567)				
Special item - impairment of assets					(2,226)					
Total Capital Grants, Transfers and Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,226)</u>	<u>(1,567)</u>	<u>5,643</u>	<u>744</u>	<u>1,247</u>	<u>3,361</u>
Change in net position	3,967	2,231	3,330	2,925	(2,450)	(2,732)	5,746	(286)	790	5,704
Net position - beginning of year	<u>61,723</u>	<u>59,493</u>	<u>56,163</u>	<u>53,238</u>	<u>55,688</u>	<u>58,420</u>	<u>52,673</u>	<u>52,959</u>	<u>52,170</u>	<u>46,466</u>
Net Position - End of Year	<u>\$ 65,691</u>	<u>\$ 61,723</u>	<u>\$ 59,493</u>	<u>\$ 56,163</u>	<u>\$ 53,238</u>	<u>\$ 55,688</u>	<u>\$ 58,420</u>	<u>\$ 52,673</u>	<u>\$ 52,959</u>	<u>\$ 52,170</u>

TABLE 2

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Position:										
Net investment in capital assets	\$ 48,395	\$ 50,460	\$ 46,503	\$ 45,613	\$ 44,538	\$ 47,027	\$ 48,992	\$ 43,246	\$ 40,465	\$ 39,605
Restricted for debt service and capital improvements	9,532	7,965	7,742	7,811	7,677	7,540	3,672	14,959	9,313	7,612
Unrestricted	<u>7,764</u>	<u>3,299</u>	<u>5,248</u>	<u>2,739</u>	<u>1,023</u>	<u>1,121</u>	<u>5,756</u>	<u>(5,531)</u>	<u>3,181</u>	<u>4,953</u>
Total Net Position	<u>\$ 65,691</u>	<u>\$ 61,724</u>	<u>\$ 59,493</u>	<u>\$ 56,163</u>	<u>\$ 53,238</u>	<u>\$ 55,688</u>	<u>\$ 58,420</u>	<u>\$ 52,674</u>	<u>\$ 52,960</u>	<u>\$ 52,170</u>

TABLE 3

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

For the Year Ended June 30,	Customers	Consumption (CCF)	Annual Consumption Change	Rate per CCF	Annual Rate Change	Average Residential Bill
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
2011	19,360	4,277,668	-6.50%	\$3.56	2.89%	\$391.60
2010	19,066	4,575,000	0.48%	\$3.46	2.37%	\$380.60
2009	19,084	4,553,000	5.00%	\$3.38	11.55%	\$371.80
2008	18,572	4,336,336	-8.82%	\$3.03	2.36%	\$339.36
2007	18,510	4,755,682	-5.08%	\$2.96	28.70%	\$330.00
2006	18,428	5,010,172	-7.77%	\$2.30	4.55%	\$285.20
2005	N/A	5,432,112	4.57%	\$2.20	6.80%	\$259.60

Notes:

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

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

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

N/A - Prior to 2006, number of customers not available.

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

2014			2013		
Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption	Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption
1 City of Stamford	71,642	1.68%	1 City of Stamford	62,434	1.46%
2 Stamford Hospital	54,638	1.28%	2 Stamford Hospital	42,306	0.99%
3 Stamford Town Center	42,032	0.98%	3 Hilton Stamford Hotel	36,520	0.86%
4 Hilton Stamford Hotel	34,454	0.81%	4 Saint John's Towers	35,922	0.84%
5 Saint Johns Towers	34,100	0.80%	5 Spartech Polycast Inc	35,336	0.83%
6 Stamford Housing Authority	31,964	0.75%	6 Stamford Housing Authority	29,530	0.69%
7 SLC Operating LLC	29,454	0.69%	7 Stamford Marriott Hotel	28,668	0.67%
8 Fairfield Bedford LLC	26,716	0.62%	8 Fairfield Bedford LLC	28,342	0.66%
9 Continuing Care Retirement	24,920	0.58%	9 Stamford Town Center	23,246	0.54%
10 Stamford Marriott Hotel	24,280	0.57%	10 The Wescott	21,702	0.51%
Total	<u>374,200</u>	<u>8.76%</u>		<u>344,006</u>	<u>8.06%</u>

Note:

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

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

For the Year Ended June 30,	General Obligation Bonds	Revenue Bonds	Notes Payable	Total Debt	Customers	Debt Per Customer
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
2011	20,190	29,051	57,016	106,257	19,360	5,488
2010	21,641	29,733	60,671	112,045	19,066	5,877
2009	13,241	30,608	64,257	108,106	19,084	5,665
2008	14,920	31,277	67,775	113,972	18,572	6,137
2007	19,678	31,993	71,172	122,843	18,510	6,637
2006	21,899	12,177	77,734	111,810	18,428	6,067
2005	24,422	12,449	71,578	108,449	N/A	N/A

Notes:

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

N/A - Prior to 2006, number of customers not available.

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

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

For the Year Ended June 30,	Operating Revenues plus Special Assessments and Connection Charges	Less - Operating Expenses (excluding Depreciation & Amortization)	Net Available Revenues	Revenue Bonds plus Notes Payable			
				Debt Service			Coverage
				Principal	Interest	Total	
2014	\$ 24,870	\$ 12,704	\$ 12,166	\$ 4,499	\$ 2,803	\$ 7,302	1.67
2013	24,142	13,327	10,815	4,415	2,301	6,716	1.61
2012	23,008	11,645	11,363	4,512	2,305	6,817	1.67
2011	21,686	11,573	10,113	4,415	2,406	6,821	1.48
2010	21,016	11,292	9,724	4,320	2,506	6,826	1.42
2009	20,383	10,444	9,939	4,164	2,673	6,837	1.45
2008	19,217	8,816	10,400	4,345	2,478	6,823	1.52
2007	16,659	6,837	9,823	3,996	2,785	6,781	1.45
2006	14,604	7,460	7,144	9,160	3,341	12,501	0.57
2005	12,471	4,211	8,260	4,432	1,858	6,290	1.31

Notes:

Source: City and SWPCA records

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
FTE's	<u>41</u>	<u>36</u>	<u>39</u>	<u>39</u>	<u>41</u>	<u>42</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>37</u>	<u>38</u>

Notes:
Source: City records

TABLE 8

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

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Treatment Plant										
Pumps and Motors (units)	134	134	134	134	134	134	134	134	134	29
Bioreactor Volume (million gallons per day)	15	15	15	15	15	15	15	15	15	5
Clarifiers (units)	6	6	6	6	6	6	6	6	6	5
Dryer and Pelletizer Equipment (units)	1	1	1	1	1	1	1	1	1	-
Stand-by Generators	2	2	2	2	2	2	2	2	2	1
Pumping Station										
Wastewater Stations (units)	23	22	22	22	22	22	22	22	22	22
Stormwater Stations (units)	4	4	4	4	4	4	4	4	4	4
Portable Generators (units)	4	3	3	3	4	4	4	4	4	4
Stand-by Generators	4	4	4	4	4	4	4	4	4	4
4 Wastewater										
Sanitary sewers (miles - per GIS data)	275	304	304	304	303	300	300	300	300	300
Treatment capacity (million gallons per day)	24	24	24	24	24	24	24	24	24	20

Source: SWPCA records