

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, 2023 AND 2022

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
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INTRODUCTORY SECTION



Letter of Transmittal

May 17, 2024

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, 2023, 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, 2023. The independent auditors' report is located at the front of the financial section of this report.

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

The SWPCA adheres to financial policies and procedures adopted by the City of Stamford's Board of Finance. Such policies include procurement, accounts payable, accounts receivable, cash receipts, and capital project funding among others. The SWPCA also adheres to financial policies established by its Board regarding setting rates and charges for sewer use, collection of user charges, and maintenance of cash reserves. These policies and procedures are intended to help the SWPCA maintain a sound financial position and 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, 2023, the flow to the plant averaged approximately 14.5 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 was renewed on June 30, 2023 for another five (5) years and will expire on June 30, 2028. 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 14.12% of such costs in the fiscal year ended June 30, 2023. 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 compensation.

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, 2023, were:

Edward Kelly, At-Large and Chairman
(Vacant), 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
Frank Salem, 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



RSM US LLP

Independent Auditor's Report

Board of Directors
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, 2023, and the related notes to the 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, 2023, 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, and do not purport to, and do not, present fairly the financial position of the City of Stamford, Connecticut as of June 30, 2023, 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.

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 May 17, 2024 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
May 17, 2024

STAMFORD WATER POLLUTION CONTROL AUTHORITY
Management's Discussion and Analysis - (Unaudited)
For the Year Ended June 30, 2023

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, 2023. Please read it in conjunction with the letter of transmittal and the financial statements that follow this section.

2023 Financial Highlights

- As of June 30, 2023, the SWPCA's total assets and deferred outflows of resources (\$228.2 million) exceeded its total liabilities and deferred inflows (\$109.5 million), resulting in total net position of \$118.7 million. Net position increased \$7.2 million versus the prior year-end period primarily due to increases in unrestricted net position (\$3.7 million), net investment in capital assets (\$1.4 million), net position restricted for pensions (\$1.6 million), and net position restricted for debt service (\$0.5 million).
- Operating revenues in fiscal 2023 were \$25.2 million, compared to \$26.0 million in the prior year primarily reflecting a decrease in Sewer Use Charges (\$0.4 million) and a decrease in Fees and Other Income (\$0.5 million). Operating expenses were \$20.7 million versus \$21.0 million the prior year. Operating income was \$4.5 million as compared to \$5.1 million in the prior year.
- As noted above, total net position increased \$7.2 million (6.5%), to \$118.7 million. The unrestricted part of net position increased to \$39.8 million and represents approximately 158% of operating revenue, compared to approximately 139% in the prior year.
- Current assets increased by \$3.3 million, primarily reflecting a net increase in unrestricted cash and investments (\$3.4 million) and a net decrease in accounts receivable for sewer use and sewer connection charges and in other accounts receivable – primarily due from the City of Darien for the treatment of sewage and a capital reimbursement receivable (\$0.1 million). Days sales outstanding ("DSO") for the gross usage charges accounts receivable decreased by 1 day to 31 days.
- Current liabilities decreased by \$0.6 million, primarily due to a decrease in accounts payable, accrued liabilities and accrued interest (\$0.3 million) and an increase in the current portion of bonds payable and other current liabilities (\$0.3 million).
- Long term debt outstanding – including general obligation bonds and revenue bonds – decreased by \$7.8 million to \$93.6 million as of June 30, 2023. Debt service principal payments totaling \$6.3 million and bond premium amortization of \$1.5 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, decreased by approximately \$5.5 million to \$144.8 million versus the prior period. Fixed asset additions totaling \$1.4 million were offset by depreciation expense of \$7.0 million. The SWPCA's capital assets and available operating capacity are considered sufficient to meet the City of Stamford's (the "City's") currently foreseeable needs for the SWPCA's services. Unexpended bond proceeds from the 2020, 2019, 2015 and 2013 debt issues totaling \$14.4 million are 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.

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 6 days to 32 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 approximately \$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 are 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.

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 to provide more detailed information and analysis. The accompanying statistical section includes trend comparisons of selected financial and non-financial information over a number of fiscal years.

The SWPCA's financial statements are intended 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 land, buildings (and related improvements), equipment and sewer 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 17-40 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 45-46 of this report.

Stamford Water Pollution Control Authority
Net Position (in Thousands)

	Increase (decrease)				
	June 30, 2023	June 30, 2022	June 30, 2021	2023 v 2022	2022 v 2021
Assets:					
Current Assets (cash & accounts receivable)	\$ 37,466	\$ 34,195	\$ 32,404	\$ 3,271	\$ 1,791
Restricted Cash	32,029	31,793	42,546	236	(10,753)
Non-Current Assets (special assessments and deferred)	12,085	10,094	10,371	1,991	(277)
Capital Assets (net of depreciation)	144,782	150,328	148,051	(5,546)	2,277
Total Assets	226,362	226,410	233,372	(48)	(6,962)
Deferred outflows of resources:	1,800	2,479	1,638	(679)	841
Current Liabilities	9,703	9,076	11,849	627	(2,773)
Long-term Liabilities	93,779	107,270	112,276	(13,491)	(5,006)
Total Liabilities	103,482	116,346	124,125	(12,864)	(7,779)
Deferred inflows of resources:	6,034	1,117	4,115	4,917	(2,998)
Net Position					
Net investment in capital assets	59,659	58,219	56,347	1,440	1,872
Restricted for pensions/opeb	1,552	-	503	1,552	(503)
Restricted for debt service	17,660	17,133	16,478	527	655
Unrestricted	39,775	36,074	32,443	3,701	3,631
Total Net Position	\$ 118,646	\$ 111,426	\$ 105,771	\$ 7,220	\$ 5,655

2023 Financial Analysis

The SWPCA's total net position (excess of assets over liabilities) was \$118.6 million at June 30, 2023. The SWPCA's unrestricted net position increased by approximately \$3.4 million to approximately \$39.5 million at June 30, 2023 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, 2023, the SWPCA's current ratio was 3.9 to 1 as compared to 3.8 to 1 at the prior year-end.

In fiscal year 2023, net working capital (current assets minus current liabilities) increased by \$2.7 million to \$27.8 million, primarily reflecting increases in unrestricted cash and investments (\$3.4 million) and other receivables (\$0.2 million), offset by an increase in accounts payable, accrued expenses and accrued interest (\$0.3 million), an increase in the current portion of bonds and notes payable (\$0.2 million), an increase in the current portion of compensated absences (\$0.1 million), and a decrease in net accounts receivable (\$0.3 million). During the past year, the SWPCA has maintained a positive pooled cash balance, ending the year at \$8.8 million and with the month-end balance never dropping below \$3.2 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 2022 and April 2023 billing cycles while actively controlling expenses and improving the collection rates.
- Increasing its capital reserve by \$2.4 million and, when market interest rates are favorable, planning the issuance of \$18.0 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, 2023, the largest portion of the SWPCA's \$118.6 million in net position (approximately 50.5%) relates to its investment in capital assets (land, buildings (and related improvements), infrastructure, 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 therefore the resources needed to fund the operations of the SWPCA must be provided from other sources (sewer use charges, special assessments and connections charges, 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 \$118.6 million in total net position as of June 30, 2023, \$17.7 million (approximately 14.9% 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, 2023, \$39.5 million, or approximately 33.3%, was unrestricted and available to be used to meet the SWPCA's obligations to customers, creditors, and day-to-day operations.

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.

Operating Revenues and Expenses Analysis

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

	Fiscal 2023	Fiscal 2022	Fiscal 2021	Increase (decrease)	
				2023 v 2022	2022 v 2021
Operating revenues	\$ 25,190	\$ 26,036	\$ 25,875	\$ (846)	\$ 161
Operating expenses	20,723	20,978	19,364	(255)	1,614
Net Operating Income	4,467	5,058	6,511	(591)	(1,453)
Nonoperating revenue (expenses)	1,131	(938)	584	2,069	(1,522)
Capital contributions	1,622	1,535	-	87	1,535
Transfers out	-	-	(448)	-	448
Change in Net Position	7,220	5,655	6,647	1,565	(992)
Beginning Net Position:	111,426	105,771	99,124	5,655	6,647
Total Net Position	\$ 118,646	\$ 111,426	\$ 105,771	\$ 7,220	\$ 5,655

2023 Revenues.

In fiscal year 2023, the SWPCA’s operating revenue included sewer use charges for both City residents and Town of Darien customers that were approximately 96.6% of total operating revenue and Aquarion contract revenue, fees and other income were approximately 3.4% of total operating revenue.

The original fiscal year 2023 revenue estimate for sewer use charges was \$22.0 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 \$5.33 per CCF, resulting in an annual billing, and an adjusted original budget, of \$22.0 million (based on assumed consumption of 4.10 million CCFs). After adjustments (e.g., off-cycle charges, cancel/rebill charges), the amount of revenue billed in fiscal year 2023 based on actual consumption of 4.10 million CCFs was \$22.0 million.

Fiscal year 2023 operating revenues totaled \$26.1 million (as compared to \$26.6 million the prior year) and included sewer use charges, lien fees and interest (\$23.4 million), contract revenues (\$1.9 million and \$0.4 million, from Darien and Aquarion, respectively), and fees and other income (\$0.5 million).

Despite the challenging economic environment, the collection rate for sewer use charges during fiscal year 2023 was approximately 98% (down about 1% from the previous year).

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).

2023 Expenses.

In fiscal year 2023 the SWPCA's operating expenses totaled \$21.2 million (as compared to \$21.1 million in the prior year), and consisted of salaries, employee benefits, and claims (\$5.3 million), utilities costs (\$2.8 million), operations and supplies (\$5.6 million), allowance for bad debts (\$0.5 million), and depreciation (\$7.0 million).

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).

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

The SWPCA’s fiscal year 2023 non-operating revenue of \$5.6 million included special assessments and connection charges (\$2.4 million), capital reimbursements from Darien (\$1.6 million), interest income and change in market value of investments (\$1.6 million); non-operating expenses were comprised of interest expense (\$2.9 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, 2023, the SWPCA had total capital assets, net of accumulated depreciation, of approximately \$144.8 million, as follows:

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

	Fiscal 2023	Fiscal 2022	Fiscal 2021	Increase (decrease)	
				2023 v 2022	2022 v 2021
Land	\$ 2,833	\$ 2,833	\$ 2,833	\$ -	\$ -
Buildings and improvements	168,545	168,219	158,248	326	9,971
Sewer and infrastructure	74,553	74,479	74,233	74	246
Machinery and equipment	37,520	37,520	37,421	-	99
Construction in progress	1,326	287	1,505	1,039	(1,218)
Subtotal	284,777	283,338	274,240	1,439	9,098
Less accumulated depreciation	(139,995)	(133,009)	(126,190)	(6,986)	(6,819)
Net Capital Assets	\$ 144,782	\$ 150,329	\$ 148,050	\$ (5,547)	\$ 2,279

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, 2023 were as follows:

- Engineering evaluation and the basis of design for the upgrade of the Saddle Rock Road, Commerce Drive and Alvord Lane Pump Stations was ongoing.
- Engineering evaluation and the basis of design for the Upgrade of the Return Sludge, Waste Sludge and Plant Water Pumps at the SWPCA was completed.
- Final design of the Perna Lane Area Sanitary Sewer Project was ongoing.
- Construction of the Upgrade of the Primary Sludge Pumping and Degritting System at the SWPCA was ongoing.
- A program to identify and remove extraneous water entering the sanitary sewer system, known as Infiltration and Inflow (I/I), is ongoing. Sewer system sub-areas having the greatest amount of I/I have been identified and prioritized for further evaluation using CCTV sewer inspection, smoke and dyed water testing to identify the source(s) of I/I. I/I is then removed through various sewer and manhole rehabilitation methods including lining, grouting of leaking cracks and joints, and when necessary, replacement.

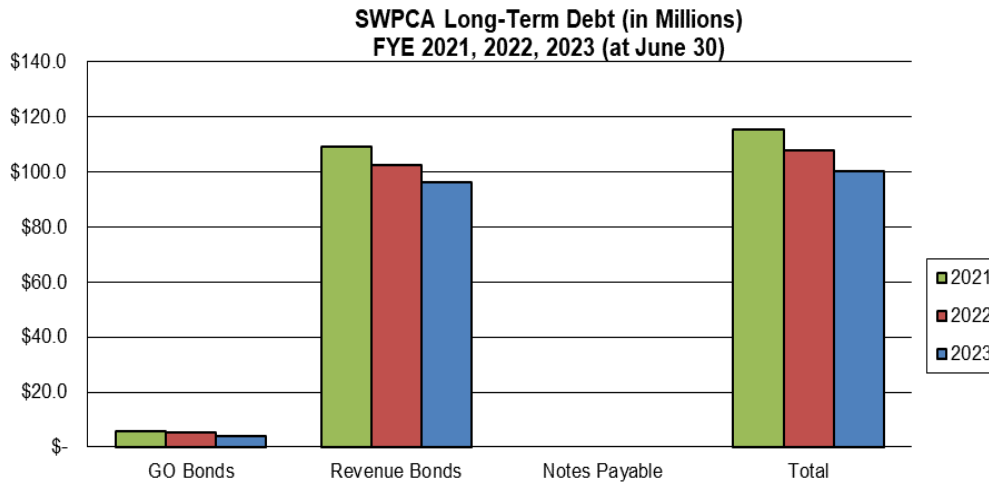
- Cleaning and inspection of the sanitary sewer system is ongoing, and sanitary sewers identified as needing repair were either replaced or lined.
- Replacement of pumps that have exceeded their useful life in various pumping stations in the sanitary sewer system is ongoing.
- Major equipment including pumps, mixers and motors were replaced at the SWPCA as needed.

Debt Outstanding

As of June 30, 2023, the SWPCA had bonds payable, including unamortized premiums, outstanding of approximately \$100.5 million, as follows:

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

	Fiscal 2023	% of Total	Fiscal 2022	% of Total	Fiscal 2021	% of Total
General Obligation Bonds	\$ 4.5	4.5%	\$ 5.2	4.8%	\$ 5.9	5.1%
Revenue Bonds	96.0	95.5%	102.5	95.2%	109.2	94.9%
Notes Payable	-	-	-	0.0%	-	0.0%
Total	\$ 100.5	100%	\$ 107.7	100.0%	\$ 115.1	100.0%



The SWPCA’s total debt outstanding – including current and long-term general obligation bonds and revenue bonds, decreased by \$7.2 million to \$100.5 million as of June 30, 2023. This decrease reflects bond repayments (\$6.3 million) and amortization of bond premium (\$1.3 million). Additional information on debt outstanding is presented in Note 6 of this report on pages 25-29.

Organization of SWPCA Operations

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

Administration:

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

Process:

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

Maintenance:

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

As of June 30, 2023, the SWPCA had 44 full time equivalent employees versus 39 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, 2023 AND 2022

EXHIBIT I

	2023	2022
Assets:		
Current:		
Cash and cash equivalents	\$ 11,583,973	\$ 12,634,532
Investments	21,749,101	17,294,616
Accounts receivable:		
Usage charges, net of allowance for doubtful accounts of \$1,000,000	897,954	1,468,721
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	2,358,725	2,140,101
Other receivables	866,102	646,996
Other current assets	9,902	9,902
Total current assets	<u>37,465,757</u>	<u>34,194,868</u>
Noncurrent:		
Restricted cash and cash equivalents	32,028,878	31,792,897
Special assessments and connection charges, net of allowance for doubtful accounts of \$500,000	10,533,158	10,094,066
Net pension asset	80,316	-
Net OPEB asset	1,471,707	-
Capital assets not being depreciated	4,159,324	3,120,571
Capital assets being depreciated, net of depreciation	140,622,637	147,207,804
Total noncurrent assets	<u>188,896,020</u>	<u>192,215,338</u>
Total assets	<u>226,361,777</u>	<u>226,410,206</u>
Deferred Outflows of Resources:		
Deferred amounts on refunding	912,138	954,320
Deferred outflows related to pension	538,344	1,053,356
Deferred outflows related to OPEB	349,761	471,620
Total deferred outflows of resources	<u>1,800,243</u>	<u>2,479,296</u>
Liabilities:		
Current:		
Accounts and retainage payable	1,248,419	1,152,514
Accrued liabilities	485,297	155,167
Accrued interest payable	1,131,666	1,228,566
Unearned revenue	101,262	83,086
Current portion of bonds payable	6,534,000	6,293,000
Current portion of compensated absences	202,180	163,614
Total current liabilities	<u>9,702,824</u>	<u>9,075,947</u>
Noncurrent liabilities:		
Bonds payable	93,612,927	101,429,886
Compensated absences	166,115	208,877
Net pension liability	-	2,431,850
Net OPEB liability	-	3,199,229
Total noncurrent liabilities	<u>93,779,042</u>	<u>107,269,842</u>
Total liabilities	<u>103,481,866</u>	<u>116,345,789</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	1,692,119	172,988
Deferred inflows related to OPEB	4,341,620	943,832
Total deferred inflows of resources	<u>6,033,739</u>	<u>1,116,820</u>
Net Position:		
Net investment in capital assets	59,659,489	58,219,039
Restricted for pensions/opeb	1,552,023	-
Restricted for debt service	17,659,810	17,133,668
Unrestricted	39,775,093	36,074,186
Total Net Position	<u>\$ 118,646,415</u>	<u>\$ 111,426,893</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, 2023 AND 2022**

EXHIBIT II

	2023	2022
Operating Revenues:		
Sewer use charges	\$ 24,729,584	\$ 25,092,232
Fees and other income	460,701	943,665
Total operating revenues	<u>25,190,285</u>	<u>26,035,897</u>
Operating Expenses:		
Salaries	4,286,963	4,400,247
Employee benefits and claims	986,630	1,813,446
Operations and supplies	8,464,330	7,944,287
Depreciation	6,985,301	6,819,964
Total operating expenses	<u>20,723,224</u>	<u>20,977,944</u>
Operating Income	<u>4,467,061</u>	<u>5,057,953</u>
Nonoperating Revenue (Expense):		
Special assessments, connection charges, and other	2,416,642	2,235,868
Net gain on insurance recoveries	38,854	555,477
Interest income (loss) and change in investment value	1,550,433	(549,967)
Interest expense	(2,875,297)	(3,179,527)
Total nonoperating revenue (expense)	<u>1,130,632</u>	<u>(938,149)</u>
Income Before Capital Contributions	5,597,693	4,119,804
Capital Contributions	<u>1,621,829</u>	<u>1,535,564</u>
Change in Net Position	7,219,522	5,655,368
Net Position - Beginning of Year	<u>111,426,893</u>	<u>105,771,525</u>
Net Position - End of Year	<u>\$ 118,646,415</u>	<u>\$ 111,426,893</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, 2023 AND 2022

EXHIBIT III

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 25,560,122	\$ 25,387,508
Payments to suppliers	(8,368,424)	(10,355,023)
Payments to employees	(3,956,833)	(5,043,132)
Payments for benefits and claims	(2,620,138)	(2,471,588)
Net cash provided by operating activities	<u>10,614,727</u>	<u>7,517,765</u>
Cash Flows from Capital and Related Financing Activities:		
Principal payments on debt	(6,293,000)	(6,046,000)
Interest paid on debt and other sources and uses	(4,116,074)	(4,553,421)
Proceeds from insurance reimbursements	38,854	555,477
Special assessments, connection charges, and other	1,758,926	2,151,165
Capital contributions	1,621,829	1,535,564
Purchase of capital assets	(1,438,888)	(9,097,271)
Net cash used in capital and related financing activities	<u>(8,428,353)</u>	<u>(15,454,486)</u>
Cash Flows from Investing Activities:		
Interest received on investments	1,099,493	(465,443)
Sale of investments	13,068,308	3,180,239
Purchase of investments	(17,168,753)	(8,393,168)
Net cash used in investing activities	<u>(3,000,952)</u>	<u>(5,678,372)</u>
Net Decrease in Cash and Cash Equivalents	(814,578)	(13,615,093)
Cash and Cash Equivalents - Beginning of Year (including restricted cash and cash equivalents)	<u>44,427,429</u>	<u>58,042,522</u>
Cash and Cash Equivalents - End of Year (including restricted cash and cash equivalents)	<u>\$ 43,612,851</u>	<u>\$ 44,427,429</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 4,467,061	\$ 5,057,953
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	6,985,301	6,819,964
Changes in assets and liabilities:		
(Increase) decrease in usage charges	570,767	(381,934)
(Increase) decrease in other receivables	(219,106)	(199,202)
(Increase) decrease in deferred outflows of resources for pension	515,012	(760,045)
(Increase) decrease in deferred outflows of resources for OPEB	121,859	(123,189)
Increase (decrease) in accounts payable	95,906	(2,410,736)
Increase (decrease) in accrued liabilities	330,130	(642,885)
Increase (decrease) in unearned revenues	18,176	(67,253)
Increase (decrease) in compensated absences	(4,196)	(75,878)
Increase (decrease) in net pension liability (asset)	(2,512,166)	2,935,341
Increase (decrease) in net OPEB liability	(4,670,936)	363,379
Increase (decrease) in deferred inflows of resources for pension	1,519,131	(2,204,638)
Increase (decrease) in deferred inflows of resources for OPEB	3,397,788	(793,112)
Net Cash Provided by Operating Activities	<u>\$ 10,614,727</u>	<u>\$ 7,517,765</u>

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

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

Reclassifications: Certain reclassifications have been made to the 2022 financial statements to confirm to the 2023 financial statement presentation. These classifications had no effect on ending net position or changes in net position.

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 \$8,768,243 and \$7,812,372 at June 30, 2023 and 2022, respectively. The SWPCA's own unrestricted cash and cash equivalents balance was \$2,815,730 and \$4,822,160 at June 30, 2023 and 2022, 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, 2023

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 on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Sewer and infrastructure	50-100
Buildings and improvements	20-50
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, 2023**

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. The investments are stated at fair value, based on quoted market prices.

K. Net OPEB Liability (Asset)

The net OPEB liability (asset) 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 (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. The investments are stated at fair value, based on quoted market prices.

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, 2023

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 May 17, 2024.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash Equivalents

As of June 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,583,973	\$ 12,634,532
Restricted cash and cash equivalents	32,028,878	31,792,897
	<u>\$ 43,612,851</u>	<u>\$ 44,427,429</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, 2023 and 2022, was restricted in accordance with the terms of various outstanding debt of the SWPCA (Note 5).

B. Investments

As of June 30, 2023 and 2022, the SWPCA had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
June 30, 2023					
Interest-bearing investments:					
U.S. Government Securities	Aaa	\$ 12,782,219	\$ 9,669,274	\$ 3,112,945	\$ -
U.S. Government Agencies	Aaa	8,966,882	7,271,192	1,695,690	-
		<u>\$ 21,749,101</u>	<u>\$ 16,940,466</u>	<u>\$ 4,808,635</u>	<u>\$ -</u>
June 30, 2022					
Interest-bearing investments:					
U.S. Government Securities	Aaa	\$ 7,186,565	\$ 588,345	\$ 6,598,220	\$ -
U.S. Government Agencies	Aaa	10,108,051	1,232,941	8,875,110	-
		<u>\$ 17,294,616</u>	<u>\$ 1,821,286</u>	<u>\$ 15,473,330</u>	<u>\$ -</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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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 SWPCA has the following recurring fair value measurements as of June 30, 2023 and 2022:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 12,782,219	\$ 12,782,219	\$ -	\$ -
U.S. Government Agencies	8,966,882	-	8,966,882	-
	<u>\$ 21,749,101</u>	<u>\$ 12,782,219</u>	<u>\$ 8,966,882</u>	<u>\$ -</u>
	June 30, 2022	Fair Value Measurements Using		
		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>

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

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

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

		2023			
		New Sewer Line Charges	Connection Charges	Total	Due Within One Year
Due in the year ending June 30:					
2024*	\$	254,317	\$ 2,062,237	\$ 2,316,554	\$ 2,316,554
2025		81,577	1,602,279	1,683,856	-
2026		81,549	1,539,913	1,621,462	-
2027		79,730	1,509,237	1,588,967	-
2028		29,483	1,414,693	1,444,176	-
Thereafter		28,767	8,136,736	8,165,503	-
		555,423	16,265,095	16,820,518	2,316,554
Less imputed Interest		-	(3,470,806)	(3,470,806)	-
Receivable and Allowance for Doubtful Accounts		\$ 555,423	\$ 12,794,289	13,349,712	2,316,554
Plus related interest and lien fees receivable				542,171	542,171
Less allowance for doubtful accounts				(1,000,000)	(500,000)
Special Assessments and Connection Charges Receivable, Net				\$ 12,891,883	\$ 2,358,725

		2022			
		New Sewer Line Charges	Connection Charges	Total	Due Within One Year
Due in the year ending June 30:					
2023*	\$	273,792	\$ 1,838,349	\$ 2,112,141	\$ 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	-
		686,649	15,532,153	16,218,802	2,112,141
Less imputed Interest		-	(3,442,751)	(3,442,751)	-
Receivable Before Interest and Lien Fees Receivable and Allowance for Doubtful Accounts		\$ 686,649	\$ 12,089,402	12,776,051	2,112,141
Plus related interest and lien fees receivable				542,835	542,835
Less allowance for doubtful accounts				(1,000,000)	(500,000)
Special Assessments and Connection Charges Receivable, Net				\$ 12,318,886	\$ 2,154,976

*Includes past due amounts from prior years

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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4. CAPITAL ASSETS

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

	2023			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,833,278	\$ -	\$ -	\$ 2,833,278
Construction in progress	287,293	1,303,748	(264,995)	1,326,046
Total capital assets not being depreciated	<u>3,120,571</u>	<u>1,303,748</u>	<u>(264,995)</u>	<u>4,159,324</u>
Capital assets being depreciated:				
Buildings and improvements	168,218,681	135,140	190,934	168,544,755
Sewer and infrastructure	74,478,581	-	74,061	74,552,642
Equipment	37,520,025	-	-	37,520,025
Total capital assets being depreciated	<u>280,217,287</u>	<u>135,140</u>	<u>264,995</u>	<u>280,617,422</u>
Less accumulated depreciation for:				
Buildings and improvements	70,927,690	5,578,003	(6,513,057)	69,992,636
Sewer and infrastructure	32,239,158	1,112,242	19,073	33,370,473
Equipment	29,842,636	295,056	6,493,984	36,631,676
Total accumulated depreciation	<u>133,009,484</u>	<u>6,985,301</u>	<u>-</u>	<u>139,994,785</u>
Total capital assets being depreciated, net	<u>147,207,803</u>	<u>(6,850,161)</u>	<u>264,995</u>	<u>140,622,637</u>
Capital Assets, Net	<u>\$ 150,328,374</u>	<u>\$ (5,546,413)</u>	<u>\$ -</u>	<u>\$ 144,781,961</u>
	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>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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5. RESTRICTED ASSETS

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

	<u>2023</u>	<u>2022</u>
2015 Debt Service Reserve Fund	\$ 2,101,535	\$ 2,045,144
2013, 2015, 2019 and 2020 Debt Service Fund	9,599,690	9,262,196
2013 Debt Service Reserve Fund	1,743,302	1,696,524
2019 Debt Service Fund	1,029,669	1,029,669
2013 Debt - unspent bond proceeds	6,701	6,521
2015 Debt - unspent bond proceeds	657,121	697,179
2019 Debt - unspent bond proceeds	463,148	454,191
2020 Debt - unspent bond proceeds	13,242,098	13,501,339
2020 Debt Service Fund Series A	1,556,683	1,514,912
2020 Debt Service Fund Series B	1,628,931	1,585,222
	<u>\$ 32,028,878</u>	<u>\$ 31,792,897</u>

6. LONG-TERM OBLIGATIONS

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

	<u>2023</u>				
	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Bonds payable:					
General obligation bonds	\$ 4,778,000	\$ -	\$ 613,000	\$ 4,165,000	\$ 579,000
Unamortized premium	451,610	-	104,900	346,710	-
Revenue bonds	92,445,000	-	5,680,000	86,765,000	5,955,000
Unamortized premium	10,048,276	-	1,178,059	8,870,217	-
Total bonds payable	107,722,886	-	7,575,959	100,146,927	6,534,000
Compensated absences	372,491	116,462	120,658	368,295	202,180
Net pension liability	2,431,850	-	(2,431,850)	-	-
Net OPEB liability	3,199,229	-	(3,199,229)	-	-
Long-Term Liabilities	<u>\$ 113,726,456</u>	<u>\$ 116,462</u>	<u>\$ 2,065,538</u>	<u>\$ 100,515,222</u>	<u>\$ 6,736,180</u>

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
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	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	 \$ 118,469,181	 \$ 2,795,229	 \$ 7,537,954	 \$ 113,726,456	 \$ 6,456,614

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, 2023, consisted of the following:

Description	Year of Issue	Amount of Interest Rate (%)	Balance Original Issue	Outstanding June 30, 2023	Outstanding June 30, 2022
Refunding bonds	2010	4.00-5.00	408,000	\$ -	\$ 192,257
Refunding bonds	2011	2.00-4.00	430,000	-	159,743
Refunding bonds	2018	4.00-5.00	5,312,000	3,953,000	4,426,000
Refunding bonds	2021	4.00	216,000	212,000	-
Total				<u>\$ 4,165,000</u>	<u>\$ 4,778,000</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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Aggregate debt service requirements for the SWPCA's allocable portion of the City's general obligation bonds outstanding subsequent to June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
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	593,000	64,945	657,945
2029-2031	1,253,000	50,580	1,303,580
Debt service requirements	4,165,000	660,290	4,825,290
Plus unamortized premium	346,710	-	346,710
Total	\$ 4,511,710	\$ 660,290	\$ 5,172,000

The SWPCA's share of interest expense incurred on general obligation bonds was \$208,905 and \$236,828 for the years ended June 30, 2023 and 2022, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
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B. Revenue Bonds

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

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

	<u>2023</u>	<u>2022</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.	\$ 16,980,000	\$ 17,715,000
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.	24,830,000	25,750,000
Stamford Water Pollution Control System and Facility Revenue and Revenue Refunding 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.	14,055,000	14,450,000
Stamford Water Pollution Control System and Facility Revenue and Revenue Refunding 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.	22,675,000	23,230,000
Stamford Water Pollution Control System and Facility Revenue and Revenue Refunding 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.	8,225,000	11,300,000
Total Long-Term Revenue Bonds Outstanding	<u>\$ 86,765,000</u>	<u>\$ 92,445,000</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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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 \$86,765,000 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" as defined, pledged for the years ended June 30, 2023 and 2022, were \$15,927,132 and \$16,088,856, respectively. SWPCA Revenue Bond principal of \$5,680,000 and \$5,450,000 and interest of \$4,004,069 and \$4,232,069 was paid in fiscal year 2023 and 2022, respectively.

Aggregate debt service requirements subsequent to June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
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	3,335,000	2,802,444	6,137,444
2029-2033	19,340,000	11,349,409	30,689,409
2034-2038	18,380,000	7,288,119	25,668,119
2039-2043	17,845,000	3,620,800	21,465,800
2034-2046	7,835,000	388,468	8,223,468
Debt Service Requirement	<u>\$ 86,765,000</u>	<u>\$ 38,649,241</u>	<u>\$ 125,414,241</u>

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.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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7. REVENUE

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

	<u>2023</u>	<u>2022</u>
Sewer use fees	\$ 22,007,022	\$ 22,229,121
Contract revenue - Town of Darien, CT	1,878,897	1,925,309
Contract revenue - Aquarion	429,380	548,115
Interest	303,079	291,198
Lien fees and other	111,206	98,489
	<u>\$ 24,729,584</u>	<u>\$ 25,092,232</u>

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

	<u>2023</u>	<u>2022</u>
Connection charges	\$ 1,849,913	\$ 1,791,800
Interest	455,515	424,271
Delinquent interest and lien fees	111,214	19,797
	<u>\$ 2,416,642</u>	<u>\$ 2,235,868</u>

8. COMMITMENTS AND CONTINGENCIES

General Contingencies

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

9. RISK MANAGEMENT

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

The SWPCA is insured through the City's internal service insurance fund. The City's self-insurance fund covers the City, including the SWPCA, per claim for up to \$1,000,000 for general and auto liability, \$1,500,000 for workers' compensation, \$100,000 for public officials' liability and \$250,000 for property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the City's insurance internal service fund in addition to claims incurred but not reported. The SWPCA is charged by the City for its share of premium cost and claims. Settled claims have not exceeded commercial coverage in any of the past three years. For the years ended June 30, 2023 and 2022, the SWPCA paid the City \$701,246 and \$715,394, respectively, to the City's internal service insurance fund.

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

A. Plan Description and Benefits Provided

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

The City uses an independent actuary to determine the allocation of contributions required for the various departments and groups that participate in the retirement plans, including the SWPCA. For the years ended June 30, 2023 and 2022, the SWPCA's contribution to the retirement fund was \$303,286 and \$364,000, representing approximately 4.2% and 4.5%, 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, 2023. At June 30, 2023 and 2022, the CERF had \$270.2 million and \$255.3 million in net position, respectively.

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

B. Net Pension Liability (Asset) of the SWPCA

The components of the SWPCA's net pension liability (asset) at June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 14,078,778	\$ 15,937,339
Plan fiduciary net position	14,160,836	13,505,489
Net pension liability (asset)	<u>\$ (82,058)</u>	<u>\$ 2,431,850</u>
Plan fiduciary net position as a percentage of the total pension liability	100.58%	84.74%

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

	2023		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2022	\$ 15,937,339	\$ 13,505,489	\$ 2,431,850
Changes for the year:			
Service cost	171,087	-	171,087
Interest on total pension liability	1,048,558	-	1,048,558
Effect of economic/demographic gains or losses	(769,264)	-	(769,264)
Effect of assumptions changes or inputs	(1,377,218)	-	(1,377,218)
Employer contributions	-	303,286	(303,286)
Member contributions	-	103,532	(103,532)
Net investment income	-	1,187,806	(1,187,806)
Benefit payments, including refund to employee contributions	(931,724)	(931,724)	-
Administrative expenses	-	(7,553)	7,553
Net changes	(1,858,561)	655,347	(2,513,908)
Balances as of June 30, 2023	\$ 14,078,778	\$ 14,160,836	\$ (82,058)
	2022		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
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	481,374	(2,453,967)	2,935,341
Balances as of June 30, 2022	\$ 15,937,339	\$ 13,505,489	\$ 2,431,850

STAMFORD WATER POLLUTION CONTROL AUTHORITY
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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 date, 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:

	2023		
	Current		
	1% Decrease to 5.70%	Discount Rate 6.70%	1% Increase to 7.70%
Net Pension Liability (Asset)	\$ 1,325,203	\$ (82,058)	\$ (1,290,900)

	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

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
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E. SWPCA's Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 and 2022, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 642,811
Changes of assumptions	109,106	1,049,309
Net difference between projected and actual earning on pension plan investments	429,238	-
	<u>\$ 538,344</u>	<u>\$ 1,692,120</u>
	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
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>

Subsequent to June 30, 2023, 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

2024	\$ (477,851)
2025	(556,496)
2026	42,902
2027	(162,331)
	<u>\$ (1,153,776)</u>

The SWPCA recognized pension expense/(credit) of (\$176,479) and \$334,659 for the fiscal years ended June 30, 2023 and 2022, respectively.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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 \$50,114 and \$48,396 for fiscal year 2023 and 2022, respectively.

11. TRANSACTIONS WITH THE CITY

In the fiscal years 2023 and 2022, the City's General Fund paid \$257,610 and \$182,458, respectively, in sewer use charges to the SWPCA. The City reimbursed the SWPCA \$956,793 and \$575,048 for the City's share of the hurricane barrier maintenance, operations and sewer lateral repairs for the years ended June 30, 2023 and 2022, respectively, which is included in operating expenses in the statements of revenues, expenses and changes in net position.

For the fiscal years 2023 and 2022, the SWPCA paid the City \$436,299 and \$439,511, for an allocation of central services costs, respectively, and \$787,012 and \$674,743 to the City's internal service medical insurance fund for health insurance coverage of active and retired employees, respectively. These amounts are included in operating expenses in the statements of revenues, expenses and changes in net position.

In connection with the pooled cash arrangement with the City, the SWPCA earned interest income of \$1,196,393 and \$29,814 on balances due from the City during the years ended June 30, 2023 and 2022, 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, 2023 and 2022, the SWPCA's contribution to the OPEB fund was \$428,110 and \$572,000, respectively, representing approximately 1.8% and 1.7%, respectively, of total contributions to the OPEB fund for each year.

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

The City's basic financial statements contain OPEB activity and funding information as of June 30, 2023. At June 30, 2023 and 2022, the OPEB fund had \$263.7 million and \$225.5 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(Asset) - SWPCA's Portion of the City's OPEB Plan

The SWPCA's portion of the City's net OPEB liability/(asset) was measured as of June 30, 2023 and 2022. The components of the SWPCA's portion of the City's net OPEB liability/(asset) were as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Total OPEB liability	\$ 2,413,664	\$ 6,570,078
Plan fiduciary net position	<u>3,885,371</u>	<u>3,370,849</u>
Net OPEB Liability (Asset)	<u>\$ (1,471,707)</u>	<u>\$ 3,199,229</u>
Plan fiduciary net position as a percentage of the total OPEB liability	160.97%	51.31%

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

	<u>2023</u>		
	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balances as of July 1, 2022	\$ 6,570,078	\$ 3,370,849	\$ 3,199,229
Changes for the year:			
Service cost	71,299	-	71,299
Interest on total OPEB liability	441,028	-	441,028
Effect of economic/demographic gains or losses	(4,261,256)	-	(4,261,256)
Effect of assumptions changes or inputs	(287,803)	-	(287,803)
Employer contributions	-	428,110	(428,110)
Member contributions	-	-	-
Net investment income	-	206,574	(206,574)
Benefit payments, including refund to employee contributions	(119,682)	(119,682)	-
Administrative expenses	-	(480)	480
Net changes	<u>(4,156,414)</u>	<u>514,522</u>	<u>(4,670,936)</u>
Balances as of June 30, 2023	<u>\$ 2,413,664</u>	<u>\$ 3,885,371</u>	<u>\$ (1,471,707)</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

	2022		
	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
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	70,425	(292,954)	363,379
Balances as of June 30, 2022	\$ 6,570,078	\$ 3,370,849	\$ 3,199,229

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

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

	2023		
	1% Decrease to 5.70%	Current Discount Rate 6.70%	1% Increase to 7.70%
Net OPEB Liability (Asset)	\$ (1,184,435)	\$ (1,471,707)	\$ (1,712,620)

	2022		
	1% Decrease to 5.70%	Current Discount Rate 6.70%	1% Increase to 7.70%
Net OPEB Liability	\$ 4,127,990	\$ 3,199,229	\$ 2,444,142

**STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

E. Sensitivity of the SWPCA's Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the SWPCA, as well as what the SWPCA's net OPEB liability (asset) 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:

	2023		
	Healthcare Cost Trend Rates		
	1% Decrease	Trend Rates	1% Increase
Net OPEB Liability (Asset)	\$ (1,757,897)	\$ (1,471,707)	\$ (1,122,717)

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

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

At June 30, 2023 and 2022, the SWPCA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,867,736
Changes of assumptions	-	473,884
Net difference between projected and actual earning on OPEB investments	349,761	-
	<u>\$ 349,761</u>	<u>\$ 4,341,620</u>

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>June 30, 2022</u>	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
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>

Subsequent to June 30, 2023, 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,

2024	\$ (1,002,732)
2025	(809,126)
2026	(525,157)
2027	(716,150)
2028	(722,073)
Thereafter	(216,621)
	<u>\$ (3,991,859)</u>

The SWPCA recognized OPEB expense/(credit) of (\$723,179) and \$19,078 for the fiscal years ended June 30, 2023 and 2022, respectively.

13. SUBSEQUENT EVENTS

The SWPCA did not submit the Debt Service Coverage Ratio Certificate (the DSCR Certificate) and the Annual Audited Financial Statements (the Audit) prior to the date required under the Indenture of Trust (the Indenture) dated as of December 21, 2001, by and among the City, the SWPCA, and the Trustee, as amended and supplemented. Such violation of covenant has a 30-day cure period which ended on April 7, 2024.

On April 5, 2024, prior to the 30-day cure period expiring, the SWPCA provided the DSCR Certificate to the Trustee. This certificate showed a Debt Service Coverage Ratio of 1.64 (defined as the ratio of aggregate annual debt service to revenues net of operating expenses), above the minimum level established in the Indenture of 1.15.

STAMFORD WATER POLLUTION CONTROL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Under Section 1001(4) of the Indenture, the failure by the SWPCA to deliver the Audit by April 7, 2024 constituted an Event of Default (Default) under the Indenture. Although it did not remedy the Default, on April 12, 2024, a draft of the audit was delivered to the Trustee. Upon completion and delivery of this audit to the Trustee as required by the Indenture, the default will be immediately remedied pursuant to Section 1004 of the indenture. During the period between April 7 and the completion of this audit there was no action by the Trustee or the bondholders to accelerate payment on or call the outstanding revenue bonds. Based on the remedy of the Default with the filing of this audit, the SWPCA's outstanding revenue bonds are presented as Long-Term Revenue Bonds Outstanding, except for current amounts due in fiscal year 2024.

REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)

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

RSI-1

	2023	2022	2021	2020	2019	2018	2017
Total pension liability:							
Service cost	\$ 171,087	\$ 177,062	\$ 203,398	\$ 188,878	\$ 225,781	\$ 285,518	\$ 317,378
Interest	1,048,558	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	(769,264)	(182,717)	(171,674)	282,225	(984,086)	370,193	(233,718)
Effect of assumptions changes or inputs	(1,377,218)	351,562	137,161	361,397	114,838	388,504	121,491
Benefit payments, including refunds of member contributions	(931,724)	(919,614)	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Net change in total pension liability	(1,858,561)	481,374	368,369	936,206	(1,029,808)	1,426,216	390,454
Total pension liability - beginning	15,937,339	15,455,965	15,087,596	14,151,390	15,181,198	13,754,982	13,364,528
Total pension liability - ending	14,078,778	15,937,339	15,455,965	15,087,596	14,151,390	15,181,198	13,754,982
Plan fiduciary net position:							
Contributions - employer	303,286	364,000	331,000	268,000	416,000	358,000	317,000
Contributions - member	103,532	85,955	109,633	106,373	101,344	128,388	127,074
Net investment income (loss)	1,187,806	(1,977,790)	3,864,506	724,050	513,001	1,105,767	1,462,803
Benefit payments, including refunds of member contributions	(931,724)	(919,614)	(849,111)	(883,973)	(875,001)	(648,152)	(618,943)
Administrative expense	(7,553)	(6,518)	(4,799)	(5,423)	(9,243)	(6,501)	(5,321)
Net change in plan fiduciary net position	655,347	(2,453,967)	3,451,229	209,027	146,101	937,502	1,282,613
Plan fiduciary net position - beginning	13,505,489	15,959,456	12,508,227	12,299,200	12,153,099	11,215,597	9,932,984
Plan fiduciary net position - ending	14,160,836	13,505,489	15,959,456	12,508,227	12,299,200	12,153,099	11,215,597
Net Pension Liability (Asset) - Ending	\$ (82,058)	\$ 2,431,850	\$ (503,491)	\$ 2,579,369	\$ 1,852,190	\$ 3,028,099	\$ 2,539,385
Plan fiduciary net position as a percentage of the total pension liability	100.58%	84.74%	103.26%	82.90%	86.91%	80.05%	81.54%
Covered payroll	\$ 1,958,076	\$ 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	-4.19%	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 EIGHT FISCAL YEARS *

RSI-2

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 303,286	\$ 364,000	\$ 331,000	\$ 268,000	\$ 416,000	\$ 35,800	\$ 317,000	\$ 304,000
Contributions in relation to the actuarially determined contribution	303,286	364,000	331,000	268,000	416,000	358,000	317,000	304,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (322,200)	\$ -	\$ -
Covered payroll	\$ 1,958,076	\$ 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	15.49%	16.19%	16.06%	11.92%	18.17%	13.92%	12.47%	13.03%

Notes to Schedule

Valuation date: July 1, 2022
Measurement date: June 30 2023
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%
Retirement age	Graded by age and service
Mortality	Pub-2010 Mortality Table with generational projection per the MP-2021 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 (ASSET) AND RELATED RATIOS - (Unaudited)
OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
LAST SIX FISCAL YEARS *

RSI-3

	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	\$ 71,299	\$ 184,802	\$ 179,433	\$ 172,410	\$ 132,164	\$ 164,658
Interest	441,028	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	(4,261,256)	(126,753)	(768,223)	(266,457)	(893,532)	(348,342)
Effect of assumptions changes or inputs	(287,803)	(268,416)	(341,441)	252,974	663,539	347,869
Benefit payments, including refunds of member contributions	(119,682)	(177,706)	(179,587)	(207,966)	(172,569)	(207,517)
Net change in total pension liability	(4,156,414)	70,425	(257,947)	511,762	708,377	350,405
Total pension liability - beginning	6,570,078	6,499,653	6,757,600	6,245,838	5,537,461	5,187,056
Total pension liability - ending	2,413,664	6,570,078	6,499,653	6,757,600	6,245,838	5,537,461
Plan fiduciary net position:						
Contributions - employer	428,110	572,000	532,000	482,000	463,000	488,000
Contributions - member	-	-	-	-	-	-
Net investment income (loss)	206,574	(686,590)	847,612	71,298	82,168	208,673
Benefit payments, including refunds of member contributions	(119,682)	(177,706)	(179,587)	(207,966)	(172,569)	(207,517)
Administrative expense	(480)	(658)	(1,013)	(740)	(364)	(272)
Net change in plan fiduciary net position	514,522	(292,954)	1,199,012	344,592	372,235	488,884
Plan fiduciary net position - beginning	3,370,849	3,663,803	2,464,791	2,120,199	1,747,964	1,259,080
Plan fiduciary net position - ending	3,885,371	3,370,849	3,663,803	2,464,791	2,120,199	1,747,964
Net OPEB Liability (Asset) - Ending	\$ (1,471,707)	\$ 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	160.97%	51.31%	56.37%	36.47%	33.95%	31.57%
Covered payroll	\$ 2,392,567	\$ 2,202,963	\$ 2,407,841	\$ 2,017,461	\$ 2,224,616	\$ 254,541
Net OPEB liability as a percentage of covered payroll	-61.51%	145.22%	117.78%	212.78%	185.45%	148.88%

Notes to Schedule

Assumption Changes:

Investment rate of return	6.70%
Discount rate	6.70%

* 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (1)	\$ 428,110	\$ 572,000	\$ 532,000	\$ 482,000	\$ 463,000	\$ 488,000	\$ 382,000	\$ 366,000	\$ 134,000	\$ 162,000
Contributions in relation to the actuarially determined contribution	428,110	571,670	532,000	482,000	463,000	488,000	382,000	329,000	160,862	125,300
Contribution Deficiency (Excess)	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ (26,862)	\$ 36,700
Covered payroll	\$ 2,392,567	\$ 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
Contributions as a percentage of covered payroll	17.89%	25.96%	22.09%	23.89%	20.81%	19.17%	15.07%	14.10%	7.10%	5.10%

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%
Retirement age	Age Based Table
Mortality	PubG-2010 Mortality Table with generational projection per MP-2021 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.
SWPCA	

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, 2023**

EXHIBIT A-1

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Sewer use charges	\$ 21,977,435	\$ 21,977,435	\$ 22,412,872	\$ 435,437
Contract revenue - Town of Darien, CT	1,977,000	1,977,000	1,878,897	(98,103)
Contract revenue - Aquarion Water Company	291,666	291,666	429,380	137,714
Fees and other income	321,700	321,700	341,143	19,443
Nitrogen trading credit	322,020	322,020	127,993	(194,027)
Total operating revenues	<u>24,889,821</u>	<u>24,889,821</u>	<u>25,190,285</u>	<u>300,464</u>
Nonoperating revenues:				
Special assessments, connection charges, and other	3,325,000	3,325,000	4,038,471	713,471
Net gain on insurance recoveries	-	-	38,854	38,854
Interest income and change in investment value	50,000	50,000	1,550,433	1,500,433
Total nonoperating revenues	<u>3,375,000</u>	<u>3,375,000</u>	<u>5,627,758</u>	<u>2,252,758</u>
Total	<u>\$ 28,264,821</u>	<u>\$ 28,264,821</u>	<u>\$ 30,818,043</u>	<u>\$ 2,553,222</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, 2023**

EXHIBIT A-2

	<u>Budgeted Amounts</u>			Variance - Positive (Negative)
	Original	Final	Actual	
Operating expenses:				
Administration	\$ 5,412,939	\$ 5,666,939	\$ 2,767,232	\$ 2,899,707
Process control	3,682,045	3,219,396	2,794,744	424,652
Laboratory	379,754	382,254	391,035	(8,781)
Sludge processing	3,113,417	3,408,417	3,559,330	(150,913)
Regulatory compliance	227,537	227,537	168,967	58,570
Building maintenance	312,500	347,249	235,122	112,127
Equipment maintenance	1,277,746	1,352,146	1,288,742	63,404
Pump station maintenance	949,413	961,413	779,114	182,299
Sanitary sewer maintenance	533,460	533,460	436,396	97,064
Barrier maintenance	232,150	321,150	275,143	46,007
Billing services	507,181	492,181	493,622	(1,441)
Total operating expenses	<u>16,628,142</u>	<u>16,912,142</u>	<u>13,189,447</u>	<u>3,722,695</u>
Nonoperating expenses:				
Debt services	10,505,974	10,505,974	10,409,074	96,900
Miscellaneous contingency	500,000	216,000	-	216,000
Total nonoperating expenses	<u>11,005,974</u>	<u>10,721,974</u>	<u>10,409,074</u>	<u>312,900</u>
Total	<u>\$ 27,634,116</u>	<u>\$ 27,634,116</u>	<u>23,598,521</u>	<u>\$ 4,035,595</u>

Budgetary expenses are different than GAAP expenses because:

Other adjustments for GAAP basis	845,301
Change in net pension liability (asset)	(2,512,166)
Change in net OPEB liability	(4,670,936)
Change in deferred outflows of resources	636,871
Change in deferred inflows of resources	4,916,919
Change in accrued interest	95,906
Change in compensated absences	(4,196)
Depreciation	6,985,301
Principal payments on debt	<u>(6,293,000)</u>

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

\$ 23,598,521

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(Restated)									
Operating Revenues:										
Total operating revenues	\$ 25,190	\$ 26,611	\$ 25,875	\$ 25,993	\$ 27,550	\$ 24,708	\$ 24,135	\$ 24,469	\$ 23,769	\$ 22,355
Operating Expenses:										
Operations and supplies	8,464	8,080	6,871	6,526	7,543	6,704	6,454	7,152	7,153	7,228
Salaries, benefits and claims	5,274	6,214	6,328	6,745	6,182	6,553	6,019	6,356	5,950	4,541
Depreciation	6,985	6,819	6,164	5,952	6,149	5,971	5,714	5,583	5,507	5,373
Total Operating Expenses	20,723	21,113	19,363	19,223	19,874	19,228	18,187	19,091	18,610	17,142
Operating Income	4,467	5,498	6,512	6,770	7,676	5,480	5,948	5,378	5,159	5,213
Nonoperating Revenue (Expense):										
Special assessments and connection charges	2,416	3,771	3,379	3,647	3,624	3,398	4,014	2,820	3,912	2,517
Provision for doubtful accounts - Special assessments and connection charges	-	-	-	-	-	-	-	-	-	-
Interest income and change in investment value	1,550	(550)	-	716	721	194	(30)	83	18	34
Net gain on insurance recoveries	39	555	332	309	-	-	-	-	-	-
Loss on disposal of asset	-	-	(250)	-	-	-	-	-	-	-
Gain on sale of assets	-	-	-	-	-	-	8	42	-	-
Interest expense	(2,875)	(3,179)	(2,877)	(3,438)	(3,522)	(3,320)	(3,322)	(3,045)	(3,227)	(3,149)
Transfer in	-	-	-	-	-	-	-	-	-	288
Net Nonoperating Revenue (Expense)	1,130	597	584	1,234	823	272	670	(100)	703	(310)
Capital Grants, Transfer Out and Special Items:										
Capital grants	-	-	-	48	77	191	66	390	-	-
Capital contributions	1,622	-	-	-	-	-	-	-	-	-
Transfers Out	-	(440)	(448)	(429)	(421)	(455)	(398)	(324)	(349)	-
Total	1,622	(440)	(448)	(381)	(344)	(264)	(332)	66	(349)	-
Change In Net Position	7,219	5,655	6,648	7,623	8,155	5,488	6,286	5,344	5,513	4,903
Net position - beginning of year	111,427	105,772	99,124	91,501	83,346	77,858	71,572	69,359	63,846	58,943
Restatement for net OPEB loss per GASB 75	-	-	-	-	-	-	-	(3,131)	-	-
Net position - end of year	\$ 118,646	\$ 111,427	\$ 105,772	\$ 99,124	\$ 91,501	\$ 83,346	\$ 77,858	\$ 71,572	\$ 69,359	\$ 63,846

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

TABLE 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
							(Restated)	(Restated)		(Restated)
Net Position:										
Net investment in capital assets	\$ 59,659	\$ 58,219	\$ 56,347	\$ 51,252	\$ 43,877	\$ 45,196	\$ 50,217	\$ 49,195	\$ 50,755	\$ 48,395
Restricted for pension/opeb, debt service and capital improvements	19,212	17,134	16,982	14,083	13,609	11,247	11,170	10,906	9,597	9,532
Unrestricted	39,775	36,074	32,443	33,789	34,015	26,903	16,471	14,602	9,007	5,919
Restatement for net OPEB loss per GASB 75	-	-	-	-	-	-	-	(3,131)	-	-
Total Net Position	\$ 118,646	\$ 111,427	\$ 105,772	\$ 99,124	\$ 91,501	\$ 83,346	\$ 77,858	\$ 71,572	\$ 69,359	\$ 63,846

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
2023	19,807	4,104,360	-1.20%	\$ 5.33	0.00%	\$ 479.70
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

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

2023			2022		
Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption	Property Owner	Annual Billed Consumption (100 CCF)	% of Total Consumption
1 Cornerstone Apartments Property	31,548	0.77%	1 Stamford Housing Authority	63,178	1.52%
2 Hoyt Bedford Limited Partnership	27,814	0.68%	2 Stamford Hospital	45,564	1.10%
3 Wescott Apartments De 1 LLC	20,960	0.51%	3 Rippowan Park Associates LP	43,090	1.04%
4 Stamford Hospital	20,104	0.49%	4 Cornerstone Apartments	31,378	0.76%
5 Hilton Stamford Hotel	19,374	0.47%	5 City of Stamford	30,954	0.75%
6 Stamford Marriott Hotel	18,090	0.44%	6 Hoyt Bedford Apartments	26,932	0.65%
7 Continuing Care Retirement Com	17,068	0.42%	7 Westcott Apartments DE LLC	20,972	0.50%
8 HPC-Eight LLC	16,566	0.40%	8 Hilton Stamford Hotel	19,242	0.46%
9 Saint John's Towers	16,386	0.40%	9 HPP FOUR LLC	17,604	0.42%
10 Tully Health Center	15,948	0.39%	10 TGM Anchor Point LLC	17,182	0.41%
Total	<u>203,858</u>	4.97%	Total	<u>316,096</u>	7.61%
Total Consumption Billed in CCF	4,104,360		Total Consumption Billed in CCF	4,154,327	

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
2023	\$ 4,165	\$ 86,765	\$ -	90,930	19,807	\$ 4,591
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

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	
2023	\$ 27,607	\$ 13,738	\$ 13,869	\$ 6,293	\$ 2,875	\$ 9,168	1.51
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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FTE's	44	39	43	42	40	43	44	44	40	41

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	23
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	4
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	250	275
Treatment capac City (million gallons per day)	24	24	24	24	24	24	24	24	24	24

Source:

SWPCA records.