

**Comprehensive
Annual Financial Report**

**THE METROPOLITAN
DISTRICT
Hartford County
Hartford, Connecticut**



Year Ended December 31, 2009

**Comprehensive
Annual Financial Report**

**THE METROPOLITAN
DISTRICT
Hartford County
Hartford, Connecticut**

Year Ended December 31, 2009

Finance Department

John M. Zinzarella

Chief Financial Officer

THE METROPOLITAN DISTRICT

DECEMBER 31, 2009

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INTRODUCTORY SECTION



The Metropolitan District

water supply • environmental services • geographic information

June 17, 2010

Members of the Board of Finance
Members of the District Board
District Chairman
The Metropolitan District
Hartford, Connecticut

Dear Commissioners and Citizen Members:

State law requires that every governmental unit publish a complete set of audited financial statements within six months of the close of each fiscal year. We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of The Metropolitan District (the District), Hartford County, for the year ended December 31, 2009, which fulfills that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that has been established for that purpose. Because the cost of internal controls should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., has issued an unqualified (“clean”) opinion of the District’s financial statements for the year ended December 31, 2009. The independent accountant’s report is located in the front of the financial section of this report.

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

PROFILE OF THE DISTRICT

Description of the District

The Metropolitan District, Hartford County, Connecticut was created by the Connecticut General Assembly in 1929 and operates as a quasi-municipal corporation of the State of Connecticut under Act No. 511 and the 1929 Special Acts of the State of Connecticut, as amended. The District’s purpose is to provide, as authorized, complete, adequate and modern system of water supply, sewage collection and disposal facilities for its member municipalities. Additionally as a result of a Charter amendment approved by the Connecticut General Assembly in 1979, the

District is also empowered to construct, maintain, and operate hydroelectric dams and the operation of long-term regional solid waste disposal services in conjunction with the Connecticut Resources Recovery Authority (the CRRA). The member municipalities incorporated in the District as of December 31, 2008 are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. The District also provides sewage disposal facilities and supplies water, under special agreements, to non-member towns and state facilities. These towns currently include Berlin, East Granby, Farmington, Glastonbury, Manchester, New Britain, Portland, South Windsor, Unionville and Windsor Locks.

The District Board

A 29-member commission, referred to as the District Board, governs the District. Member municipalities appoint 17 commissioners, 8 are appointed by the Governor and 4 are appointed by the leadership of the Connecticut State Legislature. Appointments made by municipalities having three or more members are subject to the minority representation provisions of Section 9-167a of the Connecticut General Statutes. All commissioners serve without remuneration for terms of six years.

Powers and Responsibilities of the District Board

The District Board is authorized to establish ordinances or by-laws; organize committees and bureaus; define the powers and duties of such bodies; fix salaries and define the duties of all officers and employees; appoint deputies to any officers or agents of the District; issue negotiable bonds, notes or other certificates of debt to meet the cost of public improvements or to raise funds in anticipation of taxes or water revenue, which debt shall be an obligation of the District and its inhabitants. The Board has the power to levy a tax upon the member municipalities to finance the operational and capital budget of the General Fund. The District Board refers a proposed budget of revenues and expenditures to the Board of Finance annually. The Board of Finance reviews the proposed budget, makes adjustments, if desired, and refers it back to the District Board for final enactment. Capital project appropriations to be financed by the issuance of bonds, notes and other obligations of the District are subject to approval of the District Board upon recommendation of the Board of Finance.

Responsibilities of Administration

Responsibility for the overall administration and management of the District policy, operations and services rests with the Chief Executive Officer. The District reorganized its internal structure to meet the ongoing demands of the District's Clean Water Project and normal operations into four operating functions under the Chief Administrative Officer, Chief Financial Officer, Chief Operating Officer and Chief of Program Management. The Chief Administrative Officer is responsible for engineering and capital planning, environment, health and safety, human resources, customer service and information technology. The Chief Financial Officer has responsibility for the District's accounting, treasury, budget and procurement functions. The Chief Operating Officer directs maintenance operations, solid waste, water pollution control, water treatment and supply functions of the District. The Chief of Program Management has direct responsibility for the design and construction of the District's Clean Water Project. Currently, the Chief Administration Officer is acting as the Chief of Program Management.

District Employees

As of December 31, 2009, there were 643 full-time employees at the District.

District Employees Covered by Collective Bargaining Unit Agreements - 2009

<u>Bargaining Groups</u>	<u>Positions Covered</u>	<u>Current Contract Expiration Date</u>
Clerks, Technicians and Non Supervisory Engineers - Local 3713	148	December 31, 2010
Supervisors - Local 1026	59	December 31, 2010
Operational - Local 184	<u>333</u>	December 31, 2010
Total Collective Bargaining Unit Employees	540	

District Functions

Principal functions of the District are the development and maintenance of sewer and water systems within the boundaries of its member municipalities. Additionally, as a result of Charter amendments approved by the Connecticut General Assembly, the District is also empowered to construct, maintain and operate hydroelectric dams.

The District's Bureau of Public Works is responsible for the sewer system, which includes collection, transmission and treatment of sewage from within the boundaries of the member municipalities and the treatment of sewage received from nonmember municipalities per special agreement. Commissioners appointed to the Bureau of Public Works are empowered to authorize the layout and construction of additions and improvements to the sewer system, assessment of betterments on the property abutting the sanitary sewer line, deferral of assessment as authorized by ordinance and such other matters that by charter, bylaw or ordinance must first be voted upon by the Bureau and then referred to the District Board for final authorization. Public hearings are held during the month at which time the Bureau members act as a court for the assessments and appraisals of damages. Any party claiming to be aggrieved may take an appeal to the Superior Court of the Judicial District of Hartford.

The District's Water Bureau is responsible for the water system that includes watershed protection, storage, transmission, treatment and distribution of water to customers. In addition, the Water Bureau is responsible for the acquisition, construction and operation of hydroelectric plants. Commissioners appointed to the Water Bureau are empowered to make such bylaws or regulations for the preservation, protection and management of the water operations as may be deemed advisable. These include the power to establish rates for the use of water, and to adopt rates for the assessment of benefits upon lands and buildings resulting from installation of water mains and service pipes.

Several other committees are appointed by the District Board to carry out various other functions.

The District also engages in surveying and mapping as a service to its member municipalities and its own operations.

In conjunction with the CRRA, the District is responsible for all waste processing portions of the resource recovery facility for the Mid-Connecticut region. On a cost pass-through basis, the District is providing the necessary administrative and technical support for the operation of the system. However, the CRRA indemnifies, defends and holds harmless the District, its Commissioners and Boards, employees and agents, its successors or assigns, as is now or hereafter may be constituted, from and against all liability claims, suits (except suits for specific

performance), demands, judgments, costs, interest and expenses. In addition, total debt service of the Mid-Connecticut project is the sole responsibility of the CRRA.

Additionally, the General Assembly of the State of Connecticut passed special legislation enabling the District to maintain a series of parks (developed by Riverfront Recapture) along the Connecticut River. The cost of maintaining Riverfront Recapture's parks is incorporated as part of the District's water budget and recovered through water rates.

The geographic area served by the District is mid-way between Boston and New York City.

MAJOR INITIATIVES

Fiscal Responsibility

As the 2009 budget was being prepared and completed, the adverse impact of the equity market slide was still being realized in our economic region by our member towns and ratepayers. Based upon what the District was witnessing, the District acted to undertake a responsible action by developing a budget and capital plan which would lessen the impact on our member towns, stakeholders, and business and residential customers.

In 2009, the District made a commitment to retain its focus on the key initiatives as outlined in our Strategic Plan, which would help drive a more proactive business model and reduce future operating costs. This commitment was accentuated by a reduction in the ad valorem tax to the 2007 level and a reduction in the based water rate 6.34% while improving our customer service. The District has carried this commitment forward into 2010 by holding the ad valorem tax constant and implementing a modest increase in the base water rate of 2.3%.

The District is committed to achieving its 2010 budgetary goals through prudent planning, aggressive budget monitoring, cost containment initiatives and cautious use of contingency.

Clean Water Project

On November 6, 2006, the residents of the District member towns overwhelmingly supported a referendum authorizing the District to expend \$800 million for the the first phase of the Clean Water Project. The Clean Water Project will address approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The project was estimated to cost \$1.6 billion at the time of the referendum for Phase I authorization.

The Clean Water Project is comprised of three projects based upon a final consent decree entered in Federal Court by the United States Department of Justice, the United States Environmental Protection Agency and the Connecticut Department of Environmental Protection, Connecticut Attorney General and a separate consent order by the Connecticut Department of Environmental Protection and a general permit for nitrogen reduction by the Connecticut Department of Environmental Protection.

1. Under the consent decree, the District is required to eliminate Sanitary Sewer Overflows (SSOs) caused by excessive inflow and infiltration of clean water into the sewer system in Rocky Hill, Wethersfield and Windsor by 2015 (or five years after the approval of the Sewer System Evaluation Survey) and West Hartford and Newington by 2020 (or ten years after the approval of the Sewer System Evaluation Survey).

2. Under the consent order, the District is required to develop and implement a Long-Term Control Plan for the abatement of Combined Sewer Overflows (CSOs). This control plan includes the reduction of CSOs from the Hartford sewer system, elimination of all overflows to the Wethersfield Cove, Folly Brook and the North Branch of the Park River, expansion of the Hartford water pollution control facility, and the construction of a storage tunnel and a new conveyance tunnel from West Hartford. The consent order stipulates interim milestones and requires full compliance by 2021.
3. The Connecticut Department of Environmental Protection requires the District to reduce the nitrogen in the effluent from the District's wastewater facilities to reduce hypoxia in the Long Island Sound by 2014. In order to meet the permit requirements, new treatment processes and facilities will have to be added to existing facilities to reduce the nitrogen in the effluent or alternatively, the Connecticut Department of Environmental Protect has established a nitrogen credit trading program which allows for the purchase of credits to meet the permit limits. The District plans to construct facilities prior to 2014 and in the interim will be purchasing credits to meet the annual permit levels.

Since authorization, the Clean Water Project has completed Preliminary Design work in all six of the Combined Sewer Separation Areas in Hartford. A total of six projects designed to accomplish the separation of combined sewers are currently under construction. Twelve additional sewer separation projects are in final design and expected to go into construction over the next eighteen months. Since that authorization, the District has expended approximately \$65 million on projects and programs funded through the Clean Water Project. The District has expended or encumbered for construction in excess of \$218 million (inclusive of the \$65 million) which have advanced the goals of the program.

The Sanitary Sewer Evaluation Studies have been completed and work has begun to resolve sanitary sewer overflows (SSO). To date, more than seventy-five miles of sewer pipe have been lined and/or repaired in West Hartford, Newington, Rocky Hill, Wethersfield and Windsor. Projects have been conducted to replace manhole covers to eliminate storm water infiltration and to replace faulty pipe segments throughout the system. Three additional projects are currently in design and will be awarded for construction in 2010.

The Master Plan for the Hartford Water Pollution Control Facility has been completed. Contracts have been awarded for the construction of two new aeration tanks, an Ultraviolet treatment facility and a heat recovery system at the Hartford plant. These contracts total more than \$73 million. Design is underway for two other major treatment plant projects, valued at more than \$350 million, which are expected to go to construction in 2011. Finally, the District has acquired property adjacent to the Hartford treatment plant to accommodate the necessary facility expansion required to meet the goals of the Clean Water Project.

The referendum authorized the District to finance the first phase of the Clean Water Project by pursuing State Clean Water Fund grants and loans, federal grants, to the extent available, and through the issuance of general obligation bonds. The District anticipates funding 25-35% of the entire project with State and Federal grants with an additional 50% of the required funding being obtained via State Clean Water Fund loans, and the remainder with open market debt.

The District has aggressively pursued Clean Water Fund monies from the Connecticut Department of Environmental Protection. In 2009, the District was awarded \$60 million (50%

grants, 50% low interest loans) in support of four CSO projects. An additional \$19.7 million (20% grants, 80% low interest loans) was awarded in support of the heat recovery project at the Hartford Water Pollution Control Facility. These new awards are combined with more than \$40 million in previously awarded grants and loans for both CSO and SSO work. Once the 2010 DEP Clean Water Fund awards are finalized, the District anticipates an additional \$66.7 million in new grants and loans in support of projects in design and under construction. The favorable 2% interest rate on Clean Water Fund low interest loans combined with outright grants keeps the long-term cost to rate payers lower than it would be under market conditions.

The District's Sewer Ordinances were amended on October 1, 2007 by the District Board to allow the implementation of a Special Sewer Service Surcharge on users of District Water who also use the District's sewer system in order to repay the indebtedness to be issued for the District's Clean Water Project. The Special Sewer Service Surcharge was implemented effective January 1, 2008 at a rate of \$0.35 per ccf of water consumed. The table below summarizes the activity in the Special Sewer Service Surcharge account since inception.

Special Sewer Service Surcharge (SSSC)					
	<u>SSSC Rate per ccf</u>	<u>Amount Billed to Customers</u>	<u>Amount Collected from Customers</u>	<u>Clean Water Project Principle & Interest Payments</u>	<u>Balance</u>
Fiscal 2008	\$ 0.35	\$ 5,549,162	\$ 4,326,801	\$ -	\$ 4,326,801
Fiscal 2009	\$ 0.70	\$ 10,939,325	\$ 9,661,762	\$ -	\$ 13,988,563

Asset Management

During 2009, the District staff continued its progress on developing its comprehensive Asset Management Program for all horizontal infrastructure components of the water business. The objectives of the Asset Management Program are to address aging infrastructure assets before they fail by maintaining a desired level of service from water mains and pump stations while achieving the lowest possible life cycle cost. Life cycle cost is defined as the best appropriate cost for rehabilitation, repair, replacement, asset improvement or new asset addition.

The analysis developed expected life expectancies for 22 classes of pipe materials and condition and through a model and GIS system produced a schedule of replacement based on condition, material, age, use, soil condition, priority and several other factors. The plan will be implemented through the District Capital Improvement Program over the next forty-five years in order to maintain an acceptable life span. In the Fiscal 2010 Capital Improvement Budget, in excess of \$25 million of projects for design or construction were identified and included in the capital budget and coordinated along with the Clean Water Project as a result of the Asset Management Program.

The foreseeable benefits from the Asset Management Program to the District are to continue efficient operation of infrastructure assets without service interruption; to enable the District to achieve optimal productivity from its infrastructure assets and the workforce entrusted to maintain those assets; to provide requisite information so that all expenditure outlays on

infrastructure are based upon an investment decision so that finite financial resources are maximized and to assist the District with its budgeting and long-term planning.

Strategic Plan

During 2009, the District staff completed the first step of implementing the District's strategic plan through the efforts of the four re-engineering teams which were empowered to evaluate, document and create/improve, where applicable, the following key business processes within the District: Procurement, Asset Management, Customer Centric Services and Human Capital. Team membership transcended traditional functional boundaries and each team was facilitated by an external consultant with subject matter expertise relative to the specific team. As a result of the work which was performed by each of these teams, the District developed a revised organization structure which will allow the District to further execute its mission statement which is being driven by its core values:

“The mission of the District is to provide our customers with safe, pure drinking water, environmentally protective wastewater collection and treatment and other services that benefit the member towns.”

In meeting our mission, the District is driven by our core values:

- Excellent, reliable customer services;
- A stable, dedicated skilled and diverse workforce;
- Continual environmental compliance and stewardship of the watershed;
- A safe and healthy workplace;
- A program to continually improve our performance;
- Open communications and transparency with our member towns and stakeholders; and
- A workplace and contract service climate of acceptance and inclusion.

Based upon recommendations which were developed from the four reengineering teams, the District has made several improvements to its operations. During 2009, the District launched an upgrade version of its website, rolled out a new and improved e-payment system for its customers, established and built an Operations Command Center, and improved its communication with member towns through quarterly informational update meetings.

Additional recommendations from the reengineering teams are currently underway and are expected to be completed and incorporated into the Fiscal 2011 Budget. These items are the development of an organization-wide updated compensation and classification model, adoption of a new General Ordinance which will apply procedures set forth in the Federal Acquisition Regulations to implement a quality based selection process for the procurement of professional engineering services and the creation of the District Small Local Business Enterprise Development Program.

FUTURE PLANS

During 2009, the District will continue to utilize its strategic vision and values to focus on its key initiatives;

- Asset Management - Continue to operate the State's most advanced system of enhanced technology to more efficiently prioritize future repair, replacement and maintenance of District infrastructure, thereby optimizing short and long range infrastructure investment to balance cost of service to the members towns and customer base;
- Contracting and Procurement - Establish an effective, efficient and scalable process that ensures procurement integrity and utilizes available best practices to enable the District to address the growing demands of its core operations, as well as the Clean Water Project, while providing improved service and equity to a growing and increasingly diverse vendor community;
- Continued Enhancement of Customer Service - Continue our transformation towards a more "Customer Centric" focused organizational culture. Provide improved communication portals/mediums to transmit and receive customer communications and to further improve our process to resolve customer issues and concerns;
- Human Capital/Succession Planning - Proactively evaluate and prioritize the organizational needs of the District, including plans for the transfer of institutional knowledge to ensure a stable, dedicated, skilled and diverse workforce responsive to changing demands in technology and customer expectations;
- Environmental Stewardship/Compliance - Maintain continual environmental and regulatory compliance, consent order/decreed compliance and natural resource management consistent with regulatory requirements and all existing agreements;
- Performance Assessment/Process Reengineering - Maintain the enhanced program to continually assess and improve our performance. Continue to realign the organization and its processes to support the strategic vision of the District Board; and
- Continued Enhancement of Stakeholder Communications - Maintain and enhance an internal and external communications plan which continues to establish more open communications and transparency with our member towns, customers and stakeholders.
- Further Development of Water Supply Resources and New Water Business Opportunities: Further development of the water supply resource (includes both subsurface and surface water supply sources) and expansion of the customer base to optimize use of our water assets and revenue growth from increased water sales.

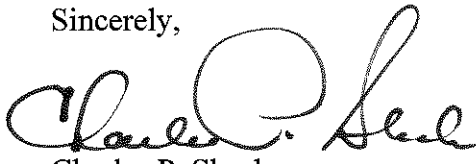
ACKNOWLEDGMENTS

Again, the employees in the finance department have joined their many talents to produce this Comprehensive Annual Financial Report, and we thank them.

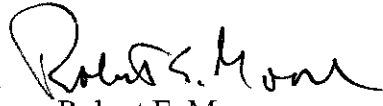
Special thanks to members of the Board of Finance and District Board for the guidance and support they provide year after year. The District's financial strength reflects their vigilance and stewardship.

The District is committed to remain focused on the efficient fulfillment of its core mission. In pursuit of that objective we remain fully committed to providing our customers with safe, pure drinking water, environmentally protective wastewater collection and treatment and other services that benefit the member towns.

Sincerely,



Charles P. Sheehan
Chief Executive Officer

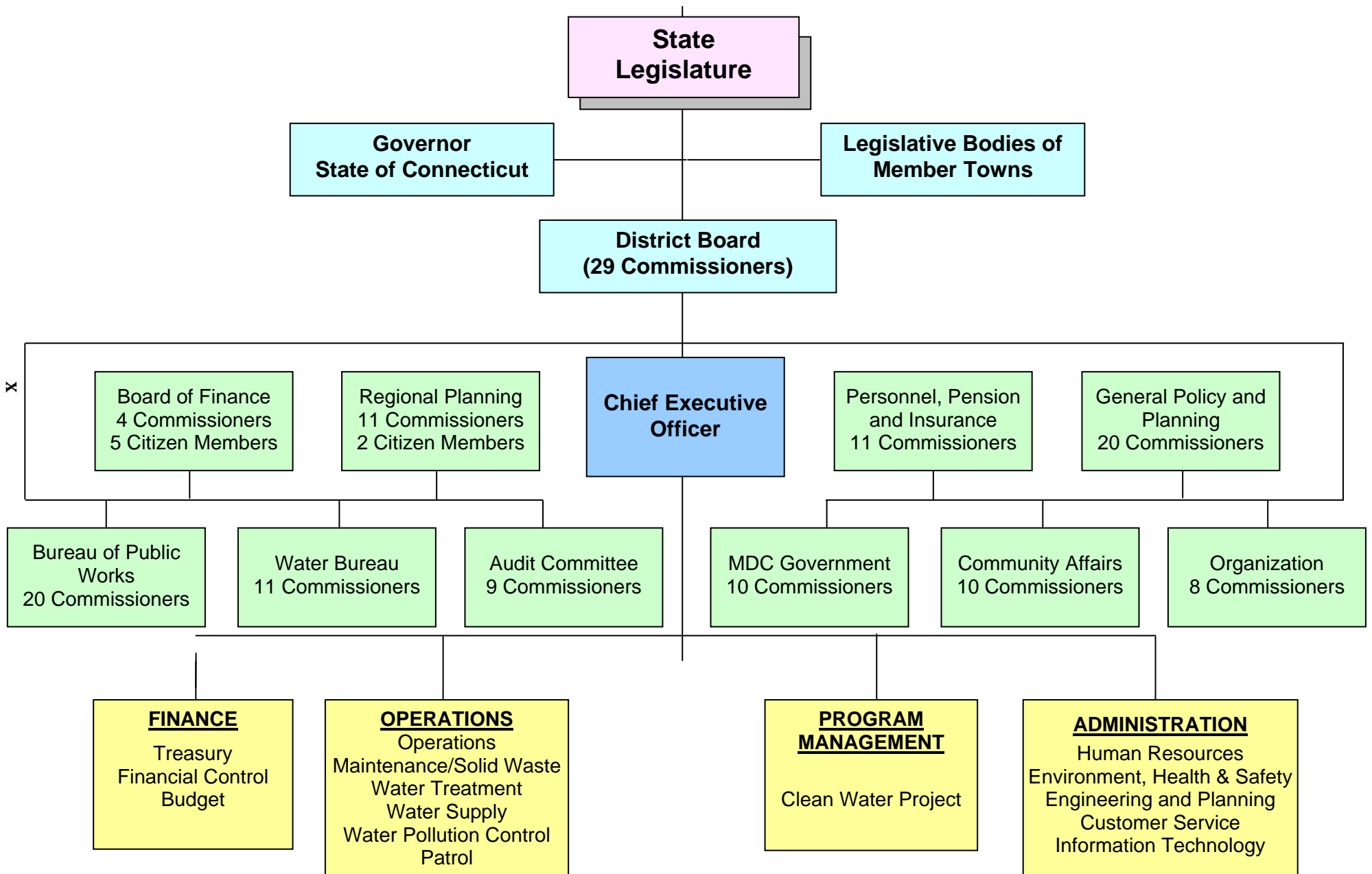


Robert E. Moore
Chief Administrative Officer



John M. Zinzarella
Chief Financial Officer

The Metropolitan District Hartford County Organization Chart



**THE METROPOLITAN DISTRICT
THE DISTRICT BOARD**

Name	Primary Occupation	Municipality Represented	Term Expires	Bureaus, Boards, Committees
William A. DiBella, Chairman	Consultant	Hartford	12-31-2014	Ex Officio Member of all Bureaus, Boards, Commissions and Standing Committees
Maureen Magnan, Vice Chairman	Government Relations	West Hartford	12-31-2014	Bureau of Public Works; MDC Government, Personnel, Pension & Insurance, Community Affairs, CRRA Steering Committee;
Ronald Armstrong		Hartford	21-31-2014	Bureau of Public Works, Subcommittee on Diversity
Daniel A. Camilliere	Retired	Wethersfield	12-31-2014	Water Bureau, Strategic Planning Committee, General Policy & Planning, Community Affairs
Adam Cloud	Attorney	Hartford	12-31-2010	Bureau of Public Works, Board of Finance, Commission on Regional Planning, Subcommittee on Diversity, Strategic Planning Committee, Committee on Organization, General Policy & Planning
Timothy Curtis	Teacher	Windsor	12-31-2010	Water Bureau, General Policy & Planning, Personnel, Pension & Insurance, Commission on Regional Planning, Subcommittee on Diversity, Audit Committee, Farmington River Watershed
Daniel J. Ferraina		Windsor	12-31-2012	
Jamal Gatling	Finance	Hartford	12-31-2012	Bureau of Public Works, Subcommittee on Diversity, CRRA Steering Committee, Farmington River Watershed
John M. Grottole	Retired	East Hartford	12-31-2014	Water Bureau, Personnel, Pension & Insurance, Community Affairs, Commission on Regional Planning, Subcommittee on Diversity
Donna Hemman	RN/Insurance	Wethersfield	12-31-2012	Bureau of Public Works, Subcommittee on Diversity, Personnel, Pension & Insurance, Strategic Planning Committee
Allan Hoffman		West Hartford	12-31-2012	Bureau of Public Works, Board of Finance, Audit Committee, MDC Government, Committee on Organization
William P. Horan	Attorney	East Hartford	12-31-2010	Bureau of Public Works, Board of Finance, MDC Government, CRRA Steering Committee, Committee on Organization
Joseph Klett	CT Marshall	Newington	12-31-2010	Bureau of Public Works, Water Bureau, Personnel, Pension & Insurance, Subcommittee on Diversity
Joseph H. Kronen	Retired	East Hartford	12-31-2012	Bureau of Public Works, Community Affairs, Commission on Regional Planning
Daniel E. Lilly	Insurance	Hartford	12-31-2012	Water Bureau
Michael Lupo	Education	Hartford	12-31-2012	Bureau of Public Works
Alphonse Marotta		Hartford	12-31-2010	Bureau of Public Works, MDC Government, Commission on Regional Planning, Audit Committee, Strategic Planning Committee, Committee on Organization
Trude H. Mero	Consultant	Hartford	12-31-2014	Water Bureau, MDC Government, Personnel, Pension & Insurance, CRRA Steering Committee, Committee on Organization, Bureau of Public Works

Name	Primary Occupation	Municipality Represented	Term Expires	Bureaus, Boards, Committees
Mark A. Pappa		Newington	12-31-2014	Water Bureau, General Policy & Planning, Audit Committee, Farmington River Watershed, Energy Committee, Strategic Planning Committee
J. Lawrence Price	Attorney	West Hartford	12-31-2012	Bureau of Public Works, General Policy & Planning, MDC Government, Personnel, Pension & Insurance, Strategic Planning Committee
Albert F. Reichin,	Retired	Bloomfield	12-31-2012	Bureau of Public Works, MDC Government, Personnel, Pension & Insurance, Community Affairs, Subcommittee on Diversity, Strategic Planning Committee
Hector M. Rivera	Retired	Hartford	12-31-2010	Bureau of Public Works, MDC Government, Committee on Organization, Community Affairs, Subcommittee on Diversity, Farmington River Watershed, Energy Committee
Pasquale J. Salemi	Engineer	East Hartford	12-31-2010	Water Bureau, Personnel, Pension & Insurance, CRRA Steering Committee, Energy Committee, General Policy & Planning, Board of Finance, Strategic Planning Committee
Michael Seder		West Hartford	12-31-2012	Water Bureau, Community Affairs, Strategic Planning Committee, Committee on Organization
Raymond Sweezy		Rocky Hill	12-31-2012	Bureau of Public Works, Water Bureau, General Policy & Planning, Committee on Organization, Personnel, Pension & Insurance, Community Affairs, Commission on Regional Planning, Subcommittee on Diversity
Alvin E. Taylor	Attorney	Bloomfield	12-31-2010	Bureau of Public Works, General Policy & Planning, MDC Government, Committee on Organization, Personnel, Pension & Insurance, Subcommittee on Diversity, Audit Committee, Strategic Planning Committee, Community Affairs
Joseph Verrengia	Police Officer	West Hartford	12-31-2010	Water Bureau, MDC Government, Committee on Organization, Personnel, Pension & Insurance, Audit Committee, CRRA Steering Committee, Strategic Planning Committee
Richard W. Vicino		Rocky Hill	12-31-2009	Bureau of Public Works, Audit Committee, Strategic Planning Committee, Energy Committee, Committee on Organization
Jeffrey A. Wright		Newington	12-31-2014	Bureau of Public Works, Strategic Planning Committee, Farmington River Watershed

THE METROPOLITAN DISTRICT
HARTFORD COUNTY
DISTRIBUTION OF DISTRICT BOARD MEMBERSHIP

	Total	Appointed By		
	Commissioners	Municipality	Governor	Legislature
Hartford	9	6	3	
East Hartford	4	3	1	
West Hartford	4	3	1	
Windsor	2	1	1	
Bloomfield	1	1		
Wethersfield	2	1	1	
Newington	2	1	1	
Rocky Hill	1	1		
Legislative Appointment	4			4
	29	17	8	4

THE METROPOLITAN DISTRICT

**HARTFORD COUNTY
BOARD OF FINANCE**

	<u>Term Expires</u>
Adam Cloud	12-31-2010
William A. DiBella (Ex-Officio)	12-31-2014
Allen Hoffman	12-31-2012
William P. Horan	12-31-2010
Martin B. Courneen	12-31-2009
Linda A. King-Corbin	12-31-2010
Richard T. Mulready	12-31-2009
Pasquale J. Salemi	12-31-2010
Dale A. Ryan	12-31-2009
Terrence Kitchen	12-31-2009

FINANCIAL SECTION

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
The Metropolitan District
Hartford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of and for the year ended December 31, 2009, which collectively comprise The Metropolitan District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Metropolitan District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of December 31, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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Management's discussion and analysis on pages 3 through 12 and the schedules of funding progress - Pension Trust Fund and Other Post-Employment Benefits Trust Fund on pages 58 and 59 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Metropolitan District's basic financial statements. The introductory section, combining nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2010 on our consideration of The Metropolitan District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

June 17, 2010

*The Metropolitan District
Management's Discussion and Analysis
December 31, 2009*

The management of the Metropolitan District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the current year by \$353,334,223 and \$251,744,806 for the Governmental Activities and the Business-Type Activities, respectively.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$(21,827,968), a decrease of \$25,554,602 in comparison with the prior year, which is primarily due to the timing of capital outlays that will be permanently financed in future years.
- On a government-wide basis, the District's total net assets increased by \$2,127,884 for Governmental Activities and decreased by \$2,136,225 for Business-Type Activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the current year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes, sewer user charges and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District

include general government, engineering and planning, operations, plants and maintenance, and water treatment and supply. The business-type activities of the District include water operations and hydroelectricity facilities as well as the operation of the Mid-Connecticut Project.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 83 individual funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund and the Capital Projects Fund, of which the General Fund, Debt Service Fund, Assessable Sewer Construction Fund and Sanitary Sewer Overflow Construction Fund (included in the Capital Projects Funds) are considered to be major funds.

Data from the other Capital Projects governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-19 of this report.

Proprietary Funds - The District maintains three enterprise type funds. Enterprise funds report the same functions as presented by the business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water, hydroelectricity and Mid-Connecticut Project operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and hydroelectricity operations and the Mid-Connecticut Project, which are considered to be major funds of the District.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 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 government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-56 of this report.

The notes to this report also contain certain supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds and proprietary funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 59-95 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$353,334,223 and \$251,744,806 for the governmental activities and business-type activities, respectively, at the close of the most recent fiscal year.

By far, the largest portion of the District's assets is its investment in capital assets (e.g., infrastructure, plants, machinery and equipment). It is presented in the statement of net assets less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Metropolitan District Commission
NET ASSETS
December 31, 2009 and 2008

	2009			2008		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 72,197,582	\$ 58,661,829	\$ 130,859,411	\$ 59,723,869	\$ 68,907,340	\$ 128,631,209
Capital assets, net of accumulated depreciation	527,950,638	318,262,699	846,213,337	486,963,844	293,779,054	780,742,898
Total assets	<u>600,148,220</u>	<u>376,924,528</u>	<u>977,072,748</u>	<u>546,687,713</u>	<u>362,686,394</u>	<u>909,374,107</u>
Current liabilities	86,095,703	42,981,899	129,077,602	48,897,144	28,174,814	77,071,958
Long-term liabilities outstanding	160,718,294	82,197,823	242,916,117	146,584,230	80,630,549	227,214,779
Total liabilities	<u>246,813,997</u>	<u>125,179,722</u>	<u>371,993,719</u>	<u>195,481,374</u>	<u>108,805,363</u>	<u>304,286,737</u>
Net Assets:						
Invested in capital assets, net of related debt	310,716,811	232,648,584	543,365,395	339,628,992	218,419,454	558,048,446
Unrestricted	42,617,412	19,096,222	61,713,634	11,577,347	35,461,577	47,038,924
Total Net Assets	<u>\$ 353,334,223</u>	<u>\$ 251,744,806</u>	<u>\$ 605,079,029</u>	<u>\$ 351,206,339</u>	<u>\$ 253,881,031</u>	<u>\$ 605,087,370</u>

The District's total net assets decreased by \$8,341 during the current year.

Metropolitan District Commission
CHANGES IN NET ASSETS
For the Years Ended December 31, 2009 and 2008

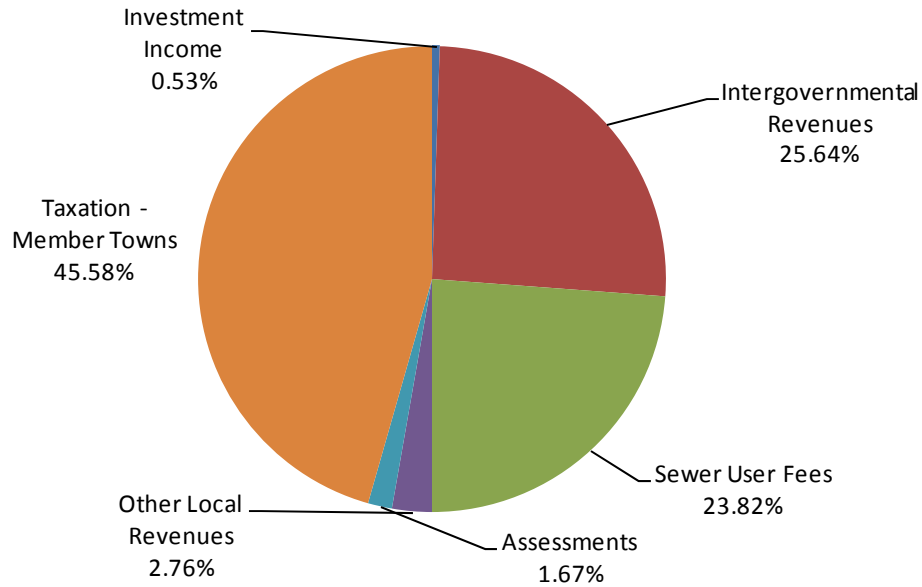
	2009			2008		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 25,750,098	\$ 72,422,874	\$ 98,172,972	\$ 21,913,460	\$ 75,483,102	\$ 97,396,562
Operating grants and contributions	27,047		27,047	12,459		12,459
Capital grants and contributions	10,466,313	5,514,475	15,980,788	12,150,267	5,211,841	17,362,108
General revenues:						
Sewer taxation - member municipalities	30,967,000		30,967,000	32,670,177		32,670,177
Unrestricted investment earnings	363,110	193,329	556,439	890,911	491,296	1,382,207
Miscellaneous income		1,878,317	1,878,317		1,192,004	1,192,004
Total revenues	<u>67,573,568</u>	<u>80,008,995</u>	<u>147,582,563</u>	<u>67,637,274</u>	<u>82,378,243</u>	<u>150,015,517</u>
Expenses:						
General government	15,293,399		15,293,399	5,516,662		5,516,662
Engineering and planning	2,242,238		2,242,238	1,798,273		1,798,273
Operations	10,659,623		10,659,623	6,793,093		6,793,093
Plants and maintenance	27,085,660		27,085,660	23,569,236		23,569,236
Interest on long-term debt	4,615,043		4,615,043	3,810,761		3,810,761
Water		70,626,419	70,626,419		63,281,267	63,281,267
Hydroelectricity		447,432	447,432		375,156	375,156
Mid-Connecticut Project		17,978,766	17,978,766		15,726,127	15,726,127
Total expenses	<u>59,895,963</u>	<u>89,052,617</u>	<u>148,948,580</u>	<u>41,488,025</u>	<u>79,382,550</u>	<u>120,870,575</u>
Excess (Deficiency) of Revenues over Expenditures before Transfers	7,677,605	(9,043,622)	(1,366,017)	26,149,249	2,995,693	29,144,942
Donated Assets	1,357,676		1,357,676			-
Transfers	<u>(6,907,397)</u>	<u>6,907,397</u>	<u>-</u>	<u>2,579,293</u>	<u>(2,579,293)</u>	<u>-</u>
Net change in net assets	2,127,884	(2,136,225)	(8,341)	28,728,542	416,400	29,144,942
Net Assets at Beginning of Year	<u>351,206,339</u>	<u>253,881,031</u>	<u>605,087,370</u>	<u>322,477,797</u>	<u>253,464,631</u>	<u>575,942,428</u>
Net Assets at End of Year	<u>\$ 353,334,223</u>	<u>\$ 251,744,806</u>	<u>\$ 605,079,029</u>	<u>\$ 351,206,339</u>	<u>\$ 253,881,031</u>	<u>\$ 605,087,370</u>

The District's net assets decreased by \$8,341 overall during the fiscal year with ending net assets of Governmental Activities and Business-Type Activities of \$353,334,223 and \$251,744,806, respectively.

Governmental Activities

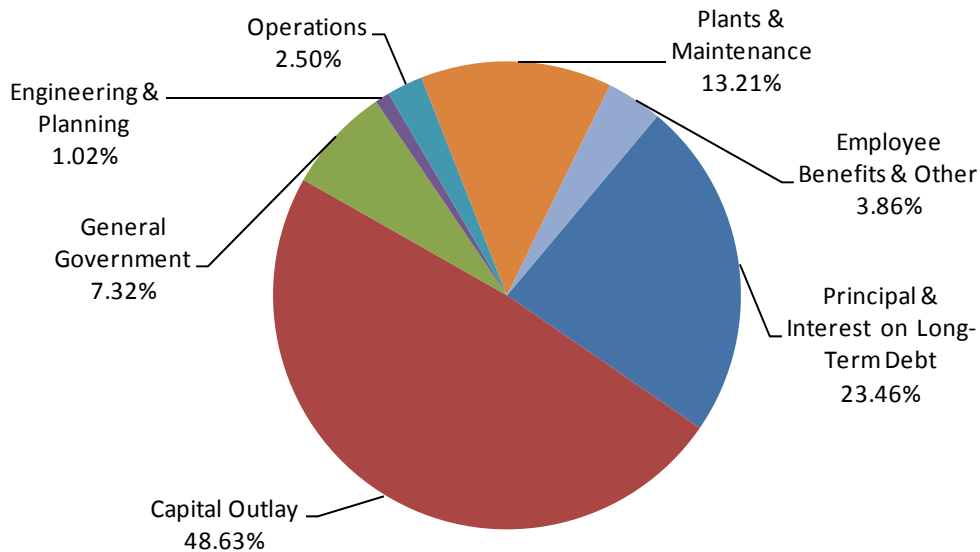
Net assets of governmental activities increased by \$2,127,884 in 2009.

Major Revenue Factors Include:



- Approximately 46% of the governmental activity revenues were derived from taxes levied on our member towns. These taxes decreased by \$1,703,177 over the prior year.
- The primary components of charges for services consisted of sewer user fees of \$16,185,424 and intergovernmental revenues of \$17,420,010 which increased by \$6,110,268 from the prior year. Sewer user charges increased due to the rate increase. The intergovernmental revenue increase is due to the receipt of clean water grants to fund the Clean Water Project.

Major Expenditure Factors Include:

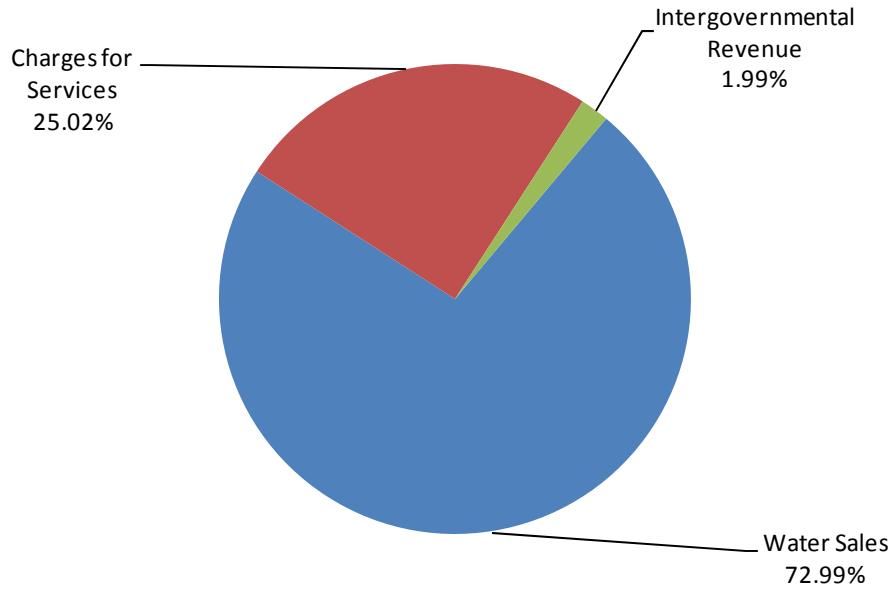


- During 2009, expenses increased by \$12,624,903 with the greatest increase experienced in capital outlay related to the Clean Water Project.

Business-Type Activities

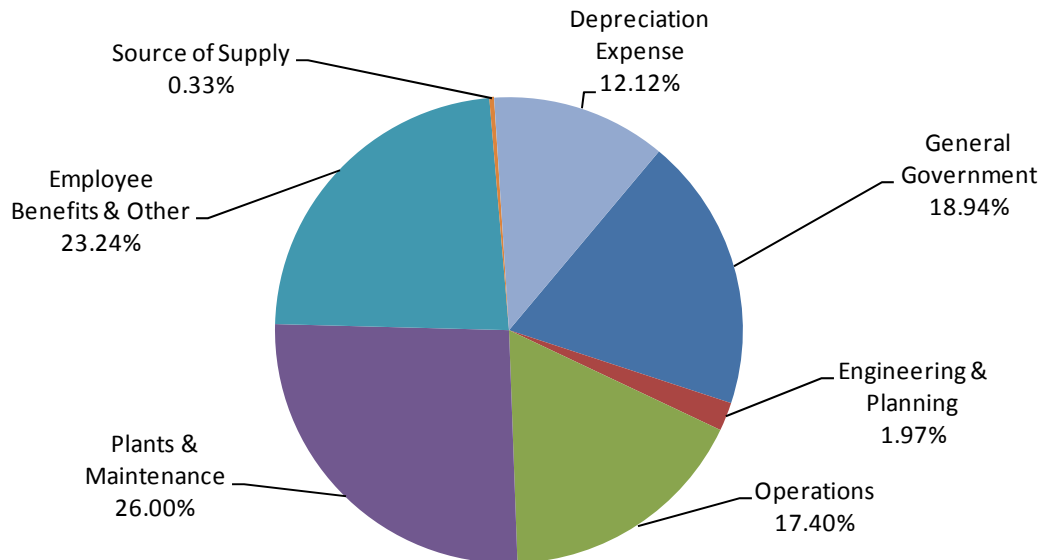
Net assets of business-type activities decreased by \$2,136,225 in 2009.

Major Revenue Factors Include:



- Water Utility Fund Revenue decreased by \$5,423,169 or 9% due to decreased water rates and decreased water consumption. Charges for services increased by \$2,252,639, or 13%, due to an increase in operating costs at the Mid-Connecticut Project. The Hydroelectric Fund decreased by \$17,190 due to decreased water levels resulting in less production of electricity.

Major Expenditure Factors Include:



- Expenses increased by \$8,835,757 or 11% with most of the increase attributable to legal, employee benefits and overtime related to the boil water advisory matter.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund deficits of \$(21,827,968), a decrease of \$25,554,602 in comparison with the prior year. Of the fund balances \$12,755,389 is designated for the infrastructure improvements, \$81,449,135 has been committed to liquidating contracts and purchase orders in the prior period, \$20,159,743 is reserved for debt service and \$1,439,183 is reserved for inventory. The capital projects show a deficit of \$137,631,418.

The General Fund is the chief operating fund of the District. At the end of the current year, the General Fund total fund balance was \$16,219,423, of which \$12,755,389 is designated for the infrastructure improvements, \$2,024,851 has been committed to liquidating contracts and purchase orders in the prior period, and \$1,439,183 is reserved for inventory.

The Assessable Sewer Construction Fund has a fund balance of \$7,758,853 at the end of the year, a decrease of \$2,337,583 from the prior year.

The Sanitary Sewer Overflow Construction Fund, has a fund deficit of (\$4,869,273), as a result of the timing of capital outlays versus the timing of temporary and permanent financing.

Other nonmajor governmental funds have a total fund deficit of (\$29,052,390), an increase in deficit of \$12,213,950 from the prior year. The increase is due to capital outlays of \$16,830,424 which exceeded the Clean Water Fund loan proceeds. The deficit will be funded by future bonding, notes, grants and low interest loans from the State of Connecticut Clean Water Fund.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall proprietary funds net assets total \$251,744,806 at the end of the year.

Unrestricted net assets of the Water Utility Fund at the end of the year amounted to \$18,418,104, or 7% of total net assets of the fund. Net assets invested in capital assets, net of related debt, amounted to \$224,500,284, or 93% of the total net assets of the fund. The Hydroelectricity Fund has unrestricted net assets of \$2,955,545, or 27% of total net assets. Assets invested in capital assets, net of related debt, amounted to \$8,148,300, or 73% of total net assets of the fund.

General Fund Budgetary Highlights

During the 2009 budget year, revenues were below the budget by \$491,107 or 1%, and expenditures were less than budget by \$1,880,947, or 5%.

Some of the major highlights are as follows:

- Intergovernmental revenue was below budget due to the reduction in operating costs at the Mid-Connecticut Project, resulting in lower overhead reimbursements. Investment income was \$77,983 below budget due to lower than expected cash balances and falling interest rates.
- Expenditures were favorable to budget by \$1,880,947.
- Favorable performance was primarily due to lower utility costs, lower fuel costs and less usage of chemicals due to process improvements.
- Operating transfers in and out were slightly less than budget.

Capital Assets and Debt Administration

Capital Assets - The District’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2009 amounted to \$527,950,638 and \$318,262,699, respectively. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and sewer and water pipes.

Major capital asset additions in 2009 consisted of infrastructure improvements, contributions of capital assets by developers and continued construction in progress, including the commencement of the Clean Water Project.

**Metropolitan District Commission
CAPITAL ASSETS (net of depreciation)
December 31, 2009 and 2008**

	2009			2008		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 643,754	\$ 8,348,654	\$ 8,992,408	\$ 643,754	\$ 8,348,654	\$ 8,992,408
Buildings	256,518,737	192,509,009	449,027,746	233,091,080	190,337,503	423,428,583
Machinery and equipment	10,636,841	14,611,107	25,247,948	4,894,109	6,727,738	11,621,847
Construction in progress	260,151,306	102,793,929	362,945,235	248,334,901	88,365,159	336,700,060
Total	\$ <u>527,950,638</u>	\$ <u>318,262,699</u>	\$ <u>846,213,337</u>	\$ <u>486,963,844</u>	\$ <u>293,779,054</u>	\$ <u>780,742,898</u>

Additional information on the District’s capital assets can be found in Note 3C on pages 36-44 of this report.

Long-Term Debt - At the end of the current year, the District had total bonded debt outstanding of \$124,744,349. All of the Governmental Activities debt, \$160,718,294, is backed by the full faith and credit of the District’s member towns.

**Metropolitan District Commission
OUTSTANDING DEBT
December 31, 2009 and 2008**

	2009			2008		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation bonds	\$ 69,175,958	\$ 55,568,391	\$ 124,744,349	\$ 74,691,338	\$ 59,395,968	\$ 134,087,306
Clean/drinking water loans	78,706,869	5,821,724	84,528,593	62,317,514	5,125,632	67,443,146
Compensated absences	2,234,318	3,511,096	5,745,414	2,868,069	5,165,439	8,033,508
OPEB obligation	10,601,149	17,296,612	27,897,761	6,707,309	10,943,510	17,650,819
Total	<u>\$ 160,718,294</u>	<u>\$ 82,197,823</u>	<u>\$ 242,916,117</u>	<u>\$ 146,584,230</u>	<u>\$ 80,630,549</u>	<u>\$ 227,214,779</u>

The District enjoys a strong financial position from an AA+ rating from Standard & Poor's to an Aa1 rating from Moody's for general obligation debt.

The District's Charter limits the amount of general obligation debt it may issue up to 5% of the combined Grand List of its member towns. The current debt limitation for the District is \$1,154,369,393, which is significantly more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 3G.

Economic Factors

- The District strives to minimize the tax impact to its member municipalities by limiting increases to General Fund expenditures.
- Inflationary trends in the region are consistent with budgeted General Fund expenditure increases.
- Water consumption decreased due to poor economic conditions in the greater Hartford area as well as a higher than expected amount of precipitation.

All of these factors were considered in preparing the District's 2009 year budget.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan District Commission.

BASIC FINANCIAL STATEMENTS

THE METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 52,133,830	\$ 26,643,380	\$ 78,777,210
Receivables, net of allowance for uncollectibles	14,456,587	22,578,396	37,034,983
Prepaid items	319,990	622,824	942,814
Inventory	1,439,183	3,640,588	5,079,771
Internal balances	(56,303)	56,303	-
Other assets	124,242	109,568	233,810
Pension asset	3,780,053	5,010,770	8,790,823
Capital assets, nondepreciable	260,795,060	111,142,583	371,937,643
Capital assets, net of accumulated depreciation	267,155,578	207,120,116	474,275,694
Total assets	<u>600,148,220</u>	<u>376,924,528</u>	<u>977,072,748</u>
Liabilities:			
Accounts payable and accrued items	12,955,970	12,498,118	25,454,088
Deferred revenue	647,403		647,403
Customer advances for construction	3,141,330	2,863,197	6,004,527
Claims incurred but not reported		3,396,584	3,396,584
Bond anticipation note	69,351,000	24,224,000	93,575,000
Noncurrent liabilities:			
Due within one year	9,864,522	4,254,434	14,118,956
Due in more than one year	150,853,772	77,943,389	228,797,161
Total liabilities	<u>246,813,997</u>	<u>125,179,722</u>	<u>371,993,719</u>
Net Assets:			
Invested in capital assets, net of related debt	310,716,811	232,648,584	543,365,395
Unrestricted	42,617,412	19,096,222	61,713,634
Total Net Assets	<u>\$ 353,334,223</u>	<u>\$ 251,744,806</u>	<u>\$ 605,079,029</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 15,293,399	\$	\$	\$	\$ (15,293,399)	\$	\$ (15,293,399)
Engineering and planning	2,242,238				(2,242,238)		(2,242,238)
Operations	10,659,623	10,406,577			(253,046)		(253,046)
Plants and maintenance	27,085,660	15,343,521	27,047	10,466,313	(1,248,779)		(1,248,779)
Interest on long-term debt	4,615,043				(4,615,043)		(4,615,043)
Total governmental activities	<u>59,895,963</u>	<u>25,750,098</u>	<u>27,047</u>	<u>10,466,313</u>	<u>(23,652,505)</u>	<u>-</u>	<u>(23,652,505)</u>
Business-type activities:							
Water	70,626,419	53,333,306		5,514,475		(11,778,638)	(11,778,638)
Hydroelectricity	447,432	1,110,802				663,370	663,370
Mid-Connecticut Project	17,978,766	17,978,766					-
Total business-type activities	<u>89,052,617</u>	<u>72,422,874</u>	<u>-</u>	<u>5,514,475</u>	<u>-</u>	<u>(11,115,268)</u>	<u>(11,115,268)</u>
Total	<u>\$ 148,948,580</u>	<u>\$ 98,172,972</u>	<u>\$ 27,047</u>	<u>\$ 15,980,788</u>	<u>(23,652,505)</u>	<u>(11,115,268)</u>	<u>(34,767,773)</u>
General revenues:							
Sewer taxation - member municipalities					30,967,000		30,967,000
Miscellaneous						1,878,317	1,878,317
Unrestricted investment earnings					363,110	193,329	556,439
Donated assets					1,357,676		1,357,676
Transfers					(6,907,397)	6,907,397	-
Total general revenues and transfers					<u>25,780,389</u>	<u>8,979,043</u>	<u>34,759,432</u>
Change in Net Assets					2,127,884	(2,136,225)	(8,341)
Net Assets at Beginning of Year					<u>351,206,339</u>	<u>253,881,031</u>	<u>605,087,370</u>
Net Assets at End of Year					<u>\$ 353,334,223</u>	<u>\$ 251,744,806</u>	<u>\$ 605,079,029</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Assessable Sewer Construction</u>	<u>Sanitary Sewer Overflow Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 14,644,672	\$ 4,230,402	\$ 8,711,561	\$ 713,733	\$ 9,087,711	\$ 14,745,751	\$ 52,133,830
Receivables, net of allowance for uncollectibles	2,696,560		4,178,521		6,852,973	728,533	14,456,587
Prepaid assets	317,869	1,388	25		486	222	319,990
Due from other funds	1,994,800						1,994,800
Inventory	1,439,183						1,439,183
Total Assets	<u>\$ 21,093,084</u>	<u>\$ 4,231,790</u>	<u>\$ 12,890,107</u>	<u>\$ 713,733</u>	<u>\$ 15,941,170</u>	<u>\$ 15,474,506</u>	<u>\$ 70,344,390</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable and accrued items	\$ 1,458,498		\$ 268,943	\$ 23,006	\$ 5,438,138	\$ 4,860,128	\$ 12,048,713
Deferred revenue		647,403	4,862,311				5,509,714
Customer advances for construction	3,141,330						3,141,330
Bond anticipation note				5,560,000	25,972,000	37,819,000	69,351,000
Current portion of compensated absences	70,498						70,498
Due to other funds	203,335					1,847,768	2,051,103
Total liabilities	<u>4,873,661</u>	<u>647,403</u>	<u>5,131,254</u>	<u>5,583,006</u>	<u>31,410,138</u>	<u>44,526,896</u>	<u>92,172,358</u>
Fund balances:							
Reserved:							
Inventory	1,439,183						1,439,183
Encumbrances	2,024,851		1,778,185	7,125,062	52,496,446	18,024,591	81,449,135
Debt service		3,584,387			16,575,356		20,159,743
Unreserved:							
Designated for infrastructure improvement	12,755,389						12,755,389
Capital projects funds			5,980,668	(11,994,335)	(84,540,770)	(47,076,981)	(137,631,418)
Total fund balance	<u>16,219,423</u>	<u>3,584,387</u>	<u>7,758,853</u>	<u>(4,869,273)</u>	<u>(15,468,968)</u>	<u>(29,052,390)</u>	<u>(21,827,968)</u>
Total Liabilities and Fund Balance	<u>\$ 21,093,084</u>	<u>\$ 4,231,790</u>	<u>\$ 12,890,107</u>	<u>\$ 713,733</u>	<u>\$ 15,941,170</u>	<u>\$ 15,474,506</u>	<u>\$ 70,344,390</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

Amounts reported for governmental activities in the statement of net assets (page 13) are different because of the following:

Fund balances - total governmental funds (page 15)		\$ (21,827,968)
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 760,738,794	
Less accumulated depreciation	<u>232,788,156</u>	
Net capital assets		527,950,638

Governmental pension assets		3,780,053
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Bond issuance costs	132,702	
Less current year amortization	<u>8,460</u>	
		124,242
Sewer assessment receivables		4,862,289

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable		(68,810,109)
Premium on bond refunding		(1,011,652)
Notes payable		(78,706,869)
Interest payable on long-term debt		(907,235)
Compensated absences		(2,163,820)
Loss on bond refunding		645,803
OPEB obligation		<u>(10,601,149)</u>

Net Assets of Governmental Activities (page 13)		\$ <u><u>353,334,223</u></u>
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The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Assessable Sewer Construction</u>	<u>Sanitary Sewer Overflow Construction</u>	<u>2006 Clean Water Project Referendum</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxation - member towns	\$ 30,967,000	\$	\$	\$	\$	\$	\$ 30,967,000
Assessments			1,131,637				1,131,637
Sewer user fees	5,196,099				10,989,325		16,185,424
Intergovernmental revenues	6,953,697				8,943,464	1,522,849	17,420,010
Investment income	97,017	9,483	234,974		21,636		363,110
Other local revenues	1,535,880		279,437			63,065	1,878,382
Total revenues	<u>44,749,693</u>	<u>9,483</u>	<u>1,646,048</u>	<u>-</u>	<u>19,954,425</u>	<u>1,585,914</u>	<u>67,945,563</u>
Expenditures:							
Current:							
General government	6,351,751					3,753,664	10,105,415
Engineering and planning	1,401,698						1,401,698
Operations	3,446,176						3,446,176
Plants and maintenance	18,243,576						18,243,576
Employee benefits and other	5,323,916						5,323,916
Debt service:							
Principal retirement		28,034,682					28,034,682
Interest		4,381,890					4,381,890
Capital outlay			1,983,631	765,151	47,581,689	16,830,424	67,160,895
Total expenditures	<u>34,767,117</u>	<u>32,416,572</u>	<u>1,983,631</u>	<u>765,151</u>	<u>47,581,689</u>	<u>20,584,088</u>	<u>138,098,248</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,982,576</u>	<u>(32,407,089)</u>	<u>(337,583)</u>	<u>(765,151)</u>	<u>(27,627,264)</u>	<u>(18,998,174)</u>	<u>(70,152,685)</u>
Other Financing Sources (Uses):							
Clean Water Fund loan issued				13,682,656	21,636,531	3,731,651	39,050,838
Transfers in	4,000,000	32,625,512				5,000,000	41,625,512
Transfers out	(16,163,137)	(450,000)	(2,000,000)	(11,510,612)	(4,007,091)	(1,947,427)	(36,078,267)
Total other financing sources (uses)	<u>(12,163,137)</u>	<u>32,175,512</u>	<u>(2,000,000)</u>	<u>2,172,044</u>	<u>17,629,440</u>	<u>6,784,224</u>	<u>44,598,083</u>
Net Change in Fund Balances	(2,180,561)	(231,577)	(2,337,583)	1,406,893	(9,997,824)	(12,213,950)	(25,554,602)
Fund Balances at Beginning of Year	<u>18,399,984</u>	<u>3,815,964</u>	<u>10,096,436</u>	<u>(6,276,166)</u>	<u>(5,471,144)</u>	<u>(16,838,440)</u>	<u>3,726,634</u>
Fund Balances at End of Year	<u>\$ 16,219,423</u>	<u>\$ 3,584,387</u>	<u>\$ 7,758,853</u>	<u>\$ (4,869,273)</u>	<u>\$ (15,468,968)</u>	<u>\$ (29,052,390)</u>	<u>\$ (21,827,968)</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2009

Amounts reported for governmental activities in the statement of activities (page 14) are different because of the following:

Net change in fund balances - total governmental funds (page 17)	\$ (25,554,602)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays, net	51,446,406
Contributed assets	1,357,676
Depreciation expense	(11,804,925)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(12,363)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Sewer assessment revenue	(427,350)
Interest receivable	55,355

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Proceeds from Clean Water Fund loan obligations	(39,050,838)
Bond payments	5,512,018
Amortization of bond premium, bond issuance costs and loss on bond refunding	(5,158)
Clean Water loans payments	22,661,483
Change in accrued interest	(228,055)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	610,489
Increase in net pension asset	1,461,588
OPEB obligation	(3,893,840)

Change in Net Assets of Governmental Activities (page 14)	\$ <u>2,127,884</u>
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The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxation	\$ 30,967,000	\$ 30,967,000	\$ 30,967,000	\$ -
Sewer user fees	4,731,000	4,731,000	5,196,099	465,099
Intergovernmental	8,240,500	8,240,500	6,953,697	(1,286,803)
Investment income	175,000	175,000	97,017	(77,983)
Other revenues	1,127,300	1,127,300	1,535,880	408,580
Total revenues	<u>45,240,800</u>	<u>45,240,800</u>	<u>44,749,693</u>	<u>(491,107)</u>
Expenditures:				
Current:				
General government	5,831,122	6,166,807	5,787,592	379,215
Engineering and planning	1,492,579	1,492,580	1,405,137	87,443
Chief Operating Office	301,920	301,921	253,273	48,648
Operations	2,586,075	2,900,199	2,897,622	2,577
Plants and maintenance	21,836,538	21,495,526	20,296,137	1,199,389
Employee benefits and other	6,368,766	6,059,967	5,896,292	163,675
Total expenditures	<u>38,417,000</u>	<u>38,417,000</u>	<u>36,536,053</u>	<u>1,880,947</u>
Excess of Revenues over Expenditures	<u>6,823,800</u>	<u>6,823,800</u>	<u>8,213,640</u>	<u>1,389,840</u>
Other Financing Sources (Uses):				
Appropriation of fund balance	2,946,000	2,946,000		(2,946,000)
Transfers in	4,550,000	4,550,000	4,000,000	(550,000)
Transfers out	(14,319,800)	(14,319,800)	(14,263,137)	56,663
Total other financing uses	<u>(6,823,800)</u>	<u>(6,823,800)</u>	<u>(10,263,137)</u>	<u>(3,439,337)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,049,497)</u>	<u>\$ (2,049,497)</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
DECEMBER 31, 2009

	<u>Business-Type Activities - Enterprise Funds</u>				Business- Type Activities - Internal Service Fund
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid - Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 22,875,644	\$ 136,192	\$ 2,559,622	\$ 25,571,458	\$ 1,071,922
Accounts receivable, net of allowance for uncollectibles	18,987,108	3,415,699	173,354	22,576,161	2,235
Due from other funds	1,602,170	168,931		1,771,101	
Inventory	3,395,740		244,848	3,640,588	
Prepaid items	621,699	1,125		622,824	
Total current assets	<u>47,482,361</u>	<u>3,721,947</u>	<u>2,977,824</u>	<u>54,182,132</u>	<u>1,074,157</u>
Noncurrent assets:					
Capital assets, nondepreciable	111,142,583			111,142,583	
Capital assets, net of accumulated depreciation	198,971,816		8,148,300	207,120,116	
Net pension asset	5,010,770			5,010,770	
Other	62,568		2,000	64,568	45,000
Total noncurrent assets	<u>315,187,737</u>	<u>-</u>	<u>8,150,300</u>	<u>323,338,037</u>	<u>45,000</u>
Total assets	<u>362,670,098</u>	<u>3,721,947</u>	<u>11,128,124</u>	<u>377,520,169</u>	<u>1,119,157</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued items	10,943,917	1,529,922	24,279	12,498,118	
Due to other funds		1,714,798		1,714,798	
Bond anticipation note	24,224,000			24,224,000	
Current portion of compensated absences	75,998	23,447		99,445	
Current portion of bonds and loans payable	4,154,989			4,154,989	
Customer advances for construction	2,863,197			2,863,197	
Total current liabilities	<u>42,262,101</u>	<u>3,268,167</u>	<u>24,279</u>	<u>45,554,547</u>	<u>-</u>
Noncurrent liabilities:					
Compensated absences	2,957,871	453,780		3,411,651	
Bonds and loans payable after one year	57,235,126			57,235,126	
Claims incurred but not reported					3,396,584
OPEB obligation	17,296,612			17,296,612	
Total noncurrent liabilities	<u>77,489,609</u>	<u>453,780</u>	<u>-</u>	<u>77,943,389</u>	<u>3,396,584</u>
Total liabilities	<u>119,751,710</u>	<u>3,721,947</u>	<u>24,279</u>	<u>123,497,936</u>	<u>3,396,584</u>
Net Assets:					
Invested in capital assets, net of related debt	224,500,284		8,148,300	232,648,584	
Restricted	-			-	
Unrestricted	18,418,104		2,955,545	21,373,649	(2,277,427)
Total Net Assets	<u>\$ 242,918,388</u>	<u>\$ -</u>	<u>\$ 11,103,845</u>	<u>254,022,233</u>	<u>\$ (2,277,427)</u>
				Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>(2,277,427)</u>
				Net Assets of Business-Type Activities	<u>\$ 251,744,806</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Business-Type Activities - Enterprise Funds</u>				Business- Type Activities - Internal Service Fund
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid-Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Operating Revenues:					
Water sales	\$ 51,330,641		\$ 1,110,802	\$ 52,441,443	
Charges for services		17,978,766		17,978,766	1,600,000
Intergovernmental revenue	1,426,721			1,426,721	
Reimbursements				-	402,665
Total operating revenues	<u>52,757,362</u>	<u>17,978,766</u>	<u>1,110,802</u>	<u>71,846,930</u>	<u>2,002,665</u>
Operating Expenses:					
General government	12,260,893	3,682,848		15,943,741	
Engineering and planning	1,656,104			1,656,104	
Operations	13,248,302	1,397,142		14,645,444	2,112,903
Plants and maintenance	16,696,773	5,192,978		21,889,751	
Employee benefits and other	11,857,016	7,705,798		19,562,814	
Source of supply			275,216	275,216	
Depreciation expense	10,040,221		172,216	10,212,437	
Total operating expenses	<u>65,759,309</u>	<u>17,978,766</u>	<u>447,432</u>	<u>84,185,507</u>	<u>2,112,903</u>
Operating Income (Loss)	<u>(13,001,947)</u>	<u>-</u>	<u>663,370</u>	<u>(12,338,577)</u>	<u>(110,238)</u>
Nonoperating Revenues (Expenses):					
Investment income	183,574		8,618	192,192	1,137
Miscellaneous nonoperating revenue	1,878,317			1,878,317	
Interest and fiscal charges	<u>(2,754,207)</u>			<u>(2,754,207)</u>	
Net nonoperating revenues (expenses)	<u>(692,316)</u>	<u>-</u>	<u>8,618</u>	<u>(683,698)</u>	<u>1,137</u>
Income (Loss) Before Transfers and Contributions	<u>(13,694,263)</u>	<u>-</u>	<u>671,988</u>	<u>(13,022,275)</u>	<u>(109,101)</u>
Transfers and Contributions:					
Capital contributions	16,542,396			16,542,396	
Transfers out	<u>(3,997,245)</u>		<u>(1,550,000)</u>	<u>(5,547,245)</u>	
Total transfers and contributions	<u>12,545,151</u>	<u>-</u>	<u>(1,550,000)</u>	<u>10,995,151</u>	<u>-</u>
Change in Net Assets	(1,149,112)	-	(878,012)	(2,027,124)	(109,101)
Net Assets at Beginning of Year	<u>244,067,500</u>	<u>-</u>	<u>11,981,857</u>		<u>(2,168,326)</u>
Net Assets at End of Year	<u>\$ 242,918,388</u>	<u>\$ -</u>	<u>\$ 11,103,845</u>		<u>\$ (2,277,427)</u>
				Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>(109,101)</u>
				Change in Net Assets of Business-Type Activities	<u>\$ (2,136,225)</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Business-Type Activities - Enterprise Funds</u>				Business-Type Activities - Internal Service Fund
	<u>Major</u>		<u>Nonmajor</u>		
	<u>Water Utility</u>	<u>Mid-Connecticut Project</u>	<u>Hydroelectric Development Project</u>	<u>Total</u>	
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 51,894,483	\$ 16,026,790	\$ 1,132,072	\$ 69,053,345	\$ 2,003,491
Receipts from interfund services provided	(1,561,954)			(1,561,954)	110,386
Payments to suppliers	(30,969,322)	(9,381,361)	(251,516)	(40,602,199)	
Payments to employees	(17,933,345)	(8,005,460)		(25,938,805)	(1,178,865)
Payments for interfund services used	(3,800,000)	895,995		(2,904,005)	(1,098,506)
Net cash provided by (used in) operating activities	<u>(2,370,138)</u>	<u>(464,036)</u>	<u>880,556</u>	<u>(1,953,618)</u>	<u>(163,494)</u>
Cash Flows from Noncapital Financing Activities:					
Transfers out to other funds	(3,997,245)		(1,550,000)	(5,547,245)	
Net cash used in noncapital financing activities	<u>(3,997,245)</u>	<u>-</u>	<u>(1,550,000)</u>	<u>(5,547,245)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets/utility plant	(18,183,161)		(8,903)	(18,192,064)	
Proceeds from bonds	1,098,087			1,098,087	
Proceeds from bond anticipation notes	24,224,000			24,224,000	
Principal payments on bonds	(3,832,982)			(3,832,982)	
Principal payments on bond anticipation notes	(10,838,000)			(10,838,000)	
Principal payments on notes payable	(401,995)			(401,995)	
Interest payments on bonds and notes	(2,754,207)			(2,754,207)	
Net cash used in capital and related financing activities	<u>(10,688,258)</u>	<u>-</u>	<u>(8,903)</u>	<u>(10,697,161)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	189,077		8,618	197,695	1,137
Miscellaneous nonoperating revenue	1,878,317			1,878,317	
Net cash provided by investing activities	<u>2,067,394</u>	<u>-</u>	<u>8,618</u>	<u>2,076,012</u>	<u>1,137</u>
Net Decrease in Cash and Cash Equivalents	(14,988,247)	(464,036)	(669,729)	(16,122,012)	(162,357)
Cash and Cash Equivalents at Beginning of Year	<u>37,863,891</u>	<u>600,228</u>	<u>3,229,351</u>	<u>41,693,470</u>	<u>1,234,279</u>
Cash and Cash Equivalents at End of Year	<u>\$ 22,875,644</u>	<u>\$ 136,192</u>	<u>\$ 2,559,622</u>	<u>\$ 25,571,458</u>	<u>\$ 1,071,922</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (13,001,947)		\$ 663,370	\$ (12,338,577)	\$ (110,238)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	10,040,221		172,216	10,212,437	
Loss on disposal of capital assets	38,378			38,378	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(901,362)	(1,951,976)	21,270	(2,832,068)	826
(Increase) decrease in prepaid items	5,438	(1,125)		4,313	
(Increase) decrease in other assets	4,218			4,218	
(Increase) decrease in pension assets	1,257,675			1,257,675	
(Increase) decrease in due to/from other funds	(5,361,954)	895,995		(4,465,959)	110,386
(Increase) decrease in inventory	(129,108)		10,754	(118,354)	
Increase (decrease) in compensated absences	(1,354,682)	(299,662)		(1,654,344)	
Increase (decrease) in accounts payable and accrued expenses	516,533	892,732	12,946	1,422,211	(117,256)
Increase (decrease) in customer advances	163,344			163,344	
Increase (decrease) in OPEB obligation	6,353,108			6,353,108	
Increase (decrease) in claims payable					(47,212)
Total adjustments	<u>10,631,809</u>	<u>(464,036)</u>	<u>217,186</u>	<u>10,384,959</u>	<u>(53,256)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,370,138)</u>	<u>\$ (464,036)</u>	<u>\$ 880,556</u>	<u>\$ (1,953,618)</u>	<u>\$ (163,494)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets contributed by Capital Projects Fund	<u>\$ 16,542,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,542,396</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2009

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,670,964
Accounts receivable	214,027
Investments, at fair value:	
Long-term investments	99,004,809
Pooled investments	34,264,999
Total assets	<u>135,154,799</u>
NET ASSETS	
Held in Trust for Pension Benefits and Other Purposes	\$ <u><u>135,154,799</u></u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer - paid	\$ 4,062,425
Employer - accrued	214,027
Plan members	2,189,617
Total contributions	<u>6,466,069</u>
Investment earnings:	
Net increase in fair value of investments	26,541,325
Interest and dividends	3,859,538
Total investment earnings	<u>30,400,863</u>
Total additions	<u>36,866,932</u>
Deductions:	
Benefits	10,801,361
Administrative expense	670,709
Total deductions	<u>11,472,070</u>
Change in Net Assets	25,394,862
Net Assets at Beginning of Year	<u>109,759,937</u>
Net Assets at End of Year	<u>\$ 135,154,799</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Metropolitan District (the District) was empowered in 1929 by the General Assembly of Connecticut. The District provides the following services as authorized by its Charter: design, construction and maintenance of sewage, hydroelectric and water systems and plants, stream and watercourse controls, the sale and delivery of water and hydroelectric power, and resources recovery.

The financial statements include all of the funds of the District that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with the requirements of statements issued by the Governmental Accounting Standards Board. The more significant of the District's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sewer taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, including sewer assessments, to be available if they are collected within 60 days after the end of the current fiscal period.

Taxes on member municipalities, sewer assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Assessable Sewer Construction Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Projects Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The *Sanitary Sewer Overflow Construction Fund* accounts for financial resources to be used to eliminate sanitary sewer overflows and reduce infiltration and inflow within sanitary sewers serving member towns.

The *2006 Clean Water Project Referendum Fund* accounts for financial resources to be used for the first phase of the Clean Water Project, which was authorized on November 6, 2006. The Clean Water Project includes programs to eliminate eight sanitary sewer overflows, to reduce the nitrogen contaminants from sewer flows into the water pollution control facilities, and to lessen the inflow of rain water into the sanitary sewer system.

The District reports the following major proprietary funds:

The *Water Utility Fund* and the *Mid-Connecticut Project Fund* are the District's funds used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund types:

The *Internal Service Fund* is used to account for the District's self-insurance program for accident and health insurance coverage of employees.

The *Pension Trust Fund* is used to account for the activities of the District's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are

reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days from the date of acquisition are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Inventories and Prepaid Items

All inventories are valued at the lower of cost (average cost) or market method. Inventory in the governmental and enterprise funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are presented net of an allowance for uncollectibles.

G. Compensated Absences

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets such as water and sewer mains, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recognized at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their lives are expensed currently.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	50-75
Mains	100
Dams	150
Nonutility property	10-40
Equipment	6-20

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums, discounts, issuance costs and losses on bond refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and unamortized losses on bond refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This category represents all capital assets, net of accumulated depreciation and related debt.

Restricted Net Assets - This category represents amounts restricted to use by outside parties.

Unrestricted Net Assets - This category represents the net assets of the District not restricted for use.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

During the last quarter of the year, the ensuing year's proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1 of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. Total fund budgets are adopted for the Hydroelectric Development Project and the Mid-Connecticut Project Enterprise Funds. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapse at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data in this report have been presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the end of this note. Additionally, the groupings of expense items in the Water Utility Enterprise Fund on a GAAP basis differ from those shown on a budgetary basis due to the reporting requirements of the State of Connecticut Department of Public Utilities Control. The legal level of budgetary control is at the function level except for the engineering and planning, operations, and plants and maintenance functions, which are controlled at the activity level due to the size of their operating budgets. The Chief Executive Officer has the authority to transfer budgeted amounts between items comprising an appropriation for a given function or activity level in the case of the three functions

controlled at that level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above. There were no supplemental appropriations made during the year.

Budgetary integration is employed on a continuing (project length) basis for capital projects funds where appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond and note indenture provisions.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities under GAAP.

The following is a reconciliation of General Fund GAAP basis data to budgetary basis:

Net change in fund balance - GAAP basis	\$ (2,180,561)
Change in encumbrances	(723,704)
GAAP transfer	1,900,000
Expenditures not included in the budget, consisting primarily of the material and equipment used for Mid-Connecticut Project orders	<u>(1,045,232)</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ (2,049,497)</u>

B. Deficit Fund Equity

Certain individual funds had fund balance deficits at December 31, 2009 as follows:

Sanitary Sewer Overflow Construction	\$ 4,869,273
2006 Clean Water Project Referendum	15,468,968
General Purpose Sewer 2009	859,358
General Purpose Sewer 2008	378,407
General Purpose Sewer 2007	631,760
General Purpose Sewer 2006	996,285
General Purpose Sewer 2005	635,183
General Purpose Sewer 2004	10,953
General Purpose Sewer 2003	215,543
General Purpose Sewer 2002	30,430
General Purpose Sewer 2000	179,728
General Purpose Sewer 1999	8,680
General Purpose Sewer 1997	3,870
Tower Brook	395,905
Connecticut River Cleanup	735,494
WPCF Infrastructure Improvements	1,437
Headquarters Improvements	422,182

Safety & Regulatory Upgrades	\$ 222,389
Connecticut River Cleanup Phase II	1,166,655
WPC Facilities Improvements	6,945
Information Systems Development	1,485,129
Fishfry Pump Station Rehabilitation	512,662
HWPCF Electrical System Phase III	1,063,066
Incineration Modification for Regulatory Compliance	127,580
Biosolids Material Upgrade	3,502
Overflow Alarm/Gate Repair	405,637
Inflow Infiltration Removal	1,536,793
Storm Drain Improvements Phase I	308,022
Process Control System Design	1,865
Pump Station Replacements	3,378,030
Upper Albany Improvements Phase I	735
Upper Albany Avenue	368,762
Nutrient Removal Program	124,580
HWPCF Chlorine Toxic Elimination	1,442
Long Term Control Plan	2,575,616
Combined Sewer LT Control Plan	437,663
Sludge Processing Building Odor	58,746
Wastewater Treatment Facility Improvement	928,983
Combined Sewer Separator	8,389
Inflow & Infiltration Master Plan	2,194,879
Nitrogen Reduction Program	183,363
Wastewater Pump Station Improvement	36,859
Long Term Strategic Initiatives	836,327
Emergency Generator Replacements	58,146
Capital Equipment Replacements	42,050
2006 Incinerator Upgrade	41,676
2007 Facility & Buildings Improvements	2,112,241
2007 Capital Management Operations & Maintenance	6,167,086
2007 Wastewater Treatment Facility Improvements	207,552
2008 WPC Infrastructure Replacement and Improvement	245,614
Vehicle and Equipment Replacement	1,045,545
2008 SCADA System Improvements	35,402
CMOM Compliance	722,910

The Capital Projects Funds' deficits have arisen because bonds and loans authorized for these projects have not yet been issued. When the bonds and loans are issued, or the General Fund appropriates and transfers amounts to these funds, the deficits will be eliminated.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposit will not be returned. The District does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its principal place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$4,056,318 of the District’s bank balance of \$4,806,765 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,575,687
Uninsured and collateral held by the pledging bank’s trust department, not in the District’s name	<u>480,631</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 4,056,318</u>

Cash Equivalents

At December 31, 2009, the District's cash equivalents amounted to \$74,457,506. The following table provides a summary of the District's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pool has maturities of less than one year.

	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	AAAm	
Aetna	N/A	

Investments

As of December 31, 2009, the District had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
<u>Fiduciary Type</u>					
CIF International Research Equity Fund	N/A	\$ 14,305,562	\$ 14,305,562		
CIF Research Equity Fund	N/A	56,246,032	56,246,032		
CIF Small Cap 2000	N/A	15,489,091	15,489,091		
CIF Global Bond	N/A	12,964,124	12,964,124		
Aetna Pooled Portfolio	N/A	34,264,999	34,264,999		
Total		\$ <u>133,269,808</u>	\$ <u>133,269,808</u>	\$ <u>-</u>	\$ <u>-</u>

N/A - not applicable

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of the District. The District has no investment policy that would limit its investment choices due to credit risk.

Concentration of Credit Risk - The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2009, the District did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

B. Receivables

Receivables as of year end for the District's individual major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	General	Assessable Sewer Construction	2006 Clean Water Project Referendum	Nonmajor Funds	Water Utility	Mid- Connecticut Project	Hydroelectric Development Project	Internal Service Fund	Total
Sewer use charges	\$ 946,810		\$ 2,550,789						\$ 3,497,599
Customers and employees	2,296,454				17,747,297		175,105		20,218,856
Assessments		3,628,320			1,503,343				5,131,663
Accrued interest		1,285,502			266,101				1,551,603
Intergovernmental			4,499,784	727,011	2,524,808				7,751,603
Other	10,000			1,522		3,851,327		3,061	3,865,910
Gross receivables	3,253,264	4,913,822	7,050,573	728,533	22,041,549	3,851,327	175,105	3,061	42,017,234
Less allowance for uncollectibles	556,704	735,301	197,600		3,054,441	435,628	1,751	826	4,982,251
Net Total Receivables	\$ 2,696,560	\$ 4,178,521	\$ 6,852,973	\$ 728,533	\$ 18,987,108	\$ 3,415,699	\$ 173,354	\$ 2,235	\$ 37,034,983

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund	\$	\$ 647,403
Assessable Sewer Fund:		
Assessments	3,586,255	
Interest on assessments	1,276,056	
Total Deferred Revenue for Governmental Funds	\$ 4,862,311	\$ 647,403

Water usage is billed on a cycle basis. Unbilled water charges as of December 31, 2009 totaled approximately \$4,129,000.

C. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 643,754	\$	\$	\$ 643,754
Construction in progress	<u>248,334,901</u>	<u>65,243,511</u>	<u>53,427,106</u>	<u>260,151,306</u>
Total capital assets not being depreciated	<u>248,978,655</u>	<u>65,243,511</u>	<u>53,427,106</u>	<u>260,795,060</u>
Capital assets being depreciated:				
Buildings	167,623,172	25,028,844		192,652,016
Machinery and equipment	11,202,229	9,327,940	2,695,017	17,835,152
Infrastructure	<u>282,846,484</u>	<u>6,630,893</u>	<u>20,811</u>	<u>289,456,566</u>
Total capital assets being depreciated	<u>461,671,885</u>	<u>40,987,677</u>	<u>2,715,828</u>	<u>499,943,734</u>
Less accumulated depreciation for:				
Buildings	83,746,744	3,850,000		87,596,744
Machinery and equipment	6,308,120	3,581,103	2,690,912	7,198,311
Infrastructure	<u>133,631,832</u>	<u>4,373,822</u>	<u>12,553</u>	<u>137,993,101</u>
Total accumulated depreciation	<u>223,686,696</u>	<u>11,804,925</u>	<u>2,703,465</u>	<u>232,788,156</u>
Total capital assets being depreciated, net	<u>237,985,189</u>	<u>29,182,752</u>	<u>12,363</u>	<u>267,155,578</u>
Governmental Activities Capital Assets, Net	<u>\$ 486,963,844</u>	<u>\$ 94,426,263</u>	<u>\$ 53,439,469</u>	<u>\$ 527,950,638</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,348,654	\$	\$	\$ 8,348,654
Construction in progress	<u>88,365,159</u>	<u>17,053,443</u>	<u>2,624,673</u>	<u>102,793,929</u>
Total capital assets not being depreciated	<u>96,713,813</u>	<u>17,053,443</u>	<u>2,624,673</u>	<u>111,142,583</u>
Capital assets being depreciated:				
Buildings	71,507,690	1,265,983		72,773,673
Machinery and equipment	14,159,077	14,152,704	5,272,650	23,039,131
Infrastructure	<u>238,637,396</u>	<u>4,887,003</u>	<u>49,089</u>	<u>243,475,310</u>
Total capital assets being depreciated	<u>324,304,163</u>	<u>20,305,690</u>	<u>5,321,739</u>	<u>339,288,114</u>
Less accumulated depreciation for:				
Buildings	33,252,060	874,253		34,126,313
Machinery and equipment	7,431,339	6,260,789	5,264,104	8,428,024
Infrastructure	<u>86,555,523</u>	<u>3,077,395</u>	<u>19,257</u>	<u>89,613,661</u>
Total accumulated depreciation	<u>127,238,922</u>	<u>10,212,437</u>	<u>5,283,361</u>	<u>132,167,998</u>
Total capital assets being depreciated, net	<u>197,065,241</u>	<u>10,093,253</u>	<u>38,378</u>	<u>207,120,116</u>
Business-Type Activities Capital Assets, Net	<u>\$ 293,779,054</u>	<u>\$ 27,146,696</u>	<u>\$ 2,663,051</u>	<u>\$ 318,262,699</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	\$ 2,915,017
Engineering	146,423
Operations	4,724,764
Plant and maintenance	<u>4,018,721</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>11,804,925</u></u>
Business-type activities:	
Water	\$ 10,040,221
Hydroelectric	<u>172,216</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>10,212,437</u></u>

Construction Commitments

The government has active construction projects as of December 31, 2009. At year end, the District's commitments with contractors for governmental activities are as follows:

<u>Project Name</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
1999 ASP Ridge Road, South of Wells, Wethersfield	\$ 797,973	\$ 505,727
2000 ASP-Reservoir #6-Outlet Sewer	1,245,452	231,097
2000 Long View Road, West Hartford	261,708	13,292
2000 Reserve	194,767	5,233
2001 ASP-245 South Main Street, West Hartford	237	918
2001 ASP-Wolcott Hill Road, Wethersfield	55,139	347,561
2001 Clarkridge Road, Wethersfield	244,533	14,065
2001 Harbison Avenue, Hartford	495,220	8,789
2001 Safety and Regulatory Upgrades, Rocky Hill	691,391	308,609
2001-P.C.S.I./Eff. Pump and PLC Replacement	391,816	108,184
2002 GPS-Deerfield Avenue, Hartford	17,552	672,448
2002-603 New Britain Ave, Newington	54,806	5,194
2002-99 Jordan Lane, Wethersfield	454	102,546
2002-ASP Spruce Lane, West Hartford	640,839	2,587
2003 Fire Detection Systems	8,494	491,506
2003 Nitrogen Removal Program	516,710	5,767
2003 Rocky Hill Headworks & Primary Hydraulics	4,218,873	421,127
2003 Tunxis Road, West Hartford	186,556	613,444
2003 Upper Albany Area-CSO Burton Street	184,659	4,815,341
2003 Wethersfield Cove CSO Abatements	4,793	4,995,207
2003 WPC Infrastructure Impr.	547,929	292,071
2004 ASP- Cliffmore Rd, West Hartford	856,070	79,038
2004 Assessable Sewer Program	135,559	864,441
2004 Interim Nitrogen Removal Program	1,292,623	7,377
2004 Process Control System Improvements	3,279,217	810,783
2004 Pump Station Rehabilitation	2,787,933	562,067
2004 Tower Brook Conduit Extension	117,694	2,117,306

Project Name	Spent to Date	Remaining Commitment
2004 WPCF Infrastructure Improvements	\$ 1,035,513	\$ 64,487
2005 Assessable Sewer	1,885	298,116
2005 Reserve	80,250	69,750
2006 Assessable Sewer Program	698,230	51,770
2006 Clean Water Project Referendum Phase I	71,452,550	728,457,450
2006 GPS Reserve	219,702	80,298
2006 Information System Improvements	1,755,349	44,651
2006 SSO Program	16,403,928	13,596,072
2006 Emergency Generators	127,130	172,870
2006 Facilities and Buildings	1,053,738	
2006 GPS West Normandy Drive, West Hartford	59,854	155,146
2006 GPS-VariouS Sewer Rehabilitation	1,989,089	795,911
2006 Long-Term Strategic Initiatives	1,100,000	
2006 Sewer Inspection/CMOM	4,187,071	812,929
2006 Wastewater Pump Station Imp	194,290	5,710
2006 Wastewater Treatment Facilities	1,288,269	911,731
2006 WTF Incinerator Upgrade	179,742	4,820,258
2007 Assessable Sewer Program	1,403,223	66,777
2007 Asset Management Wastewater Admin.	96,845	3,155
2007 CF - Document Management	1,097,584	2,416
2007 CF - Information Technology	383,028	2,716,972
2007 GPSP Backwater Valve Program (PPID)	139,299	210,701
2007 GPSP Curcombe St Pump Station	56,932	67,068
2007 GPSP Dividend Road Rocky	9,880	550,120
2007 GPSP Pleasant St. Windsor	13,238	176,762
2007 GPSP Various Replacements	93,117	1,432,883
2007 GPSP Various Roof Replacements	247,516	352,484
2007 Sewer Inspection/CMOM	1,006,269	1,043,731
2007 Upgrade Building Systems 60 Murphy	479,481	20,519
2007 Wastewater Treatment Facilities Improvements	225,450	4,374,550
2007-GPS-Replacement of Waste Water Pump	96,148	3,852
2008 Assessable Sewer Program	150,441	149,559
2008 Asset Management Wastewater Admin.	133,606	266,394
2008 CMOM Equipment & Staffing	1,423,211	3,576,789
2008 District Facility Improvements	514,822	85,178
2008 GPS Airport Road Hartford Repair and Maintenance	1,491	148,509
2008 GPS Lawrence St. Hartford 12" Main Rep	172,980	238,270
2008 GPS Park River 51" Interceptor Rep	287,939	12,061
2008 Information Systems Equipment Replacement	662,439	37,561
2008 Security System Upgrades	66,623	733,377
2008 WPC Infrastructure Replacement & Improvements	217,236	1,782,764
249/251 Newfield Avenue	7,508	2,492
ADA Handi Access Improv	78,654	421,346
ASP 1999-Kelley Avenue, Wethersfield	71,939	28,061
Assessable Sewer - Mountain Road W.H.	158,039	4,841,961
Assessable Sewer	12,956	2,891,044
Assessable Sewer Program - 2002	43,909	756,091
BA 5674 Rocky Hill, Safety and Regulator	1,974,899	250,358
Backwater Valve Installation Program	523,221	366
Burnside Ave, Sewer Repl., East Hartford	654,600	15,400
Cedar St Hartford Storm Drain	2,695	1,197,305
Center Trunk Sewer Sys. Study, West Hartford	178	316,822

Project Name	Spent to Date	Remaining Commitment
CMOM Compliance	\$ 277,634	\$ 4,722,366
CMOM Compliance	448,456	4,551,544
CMOM Equip & Staff	244,162	4,755,838
Combined Sewer Long-Term Control Plan	3,433,276	66,724
Combined Sewer Separation	21,112	1,389,688
Completed Projects	118	24,882
Computer System Upgrade	2,671,074	28,926
Cons/Updating SOP'S/Catastrophic Assessment	216,162	33,838
Contingency Reserve	14,371	285,629
Contingency Reserve	185,255	14,745
Cornwall Street, Hartford	370,110	4,890
CSO Project Formerly 500	40,838	67,274
EHWPCP Expansion	13,421,817	9,720,110
Electronic Equip Repl	46,889	32,111
Facility & Bld Impr Headquarters	261,672	738,328
Facility and Building Improvements	3,787,603	662,397
Farmington Avenue Sewer Storm Separation	1,214,926	335,074
Ferncliff Drive, West Hartford	1,819,643	100,310
Fishfry Street Pump Station Rehabilitation	3,942,210	1,057,790
General Purpose Sewer 1998	504,527	1,507
General Purpose Sewer Projects	608,200	998,800
GIS Landbase Development	745,227	4,773
Griswold Road, Wethersfield	30,657	34,343
Headquarters Modifications	2,462,596	37,404
Hudson Street Sewer Replacement	207,460	67,540
Improvements to SCADA System	40,972	2,459,028
Incineration Modifications for RC	2,979,481	770,519
Inflow & Infiltration Removal Program	5,615,847	249,065
Inflow & Infiltration Master Plan	3,586,360	687,840
Info Sytm Improvement	516,707	187,793
Information System	1,068	16,498,932
IT Sys Equip & Operating	497,075	20,925
Kennedy Road, Windsor	580,797	19,203
Long-Term Strategic Initait	66,327	933,673
Long-Term Control Plan	5,458,515	10,341,485
Maple Avenue Area CSO Abatement	4,262,356	412,644
Maple Avenue Sewer Separation, Phase IIA	2,459,553	40,447
MDC-CRRA Setup Costs	1,052,872	
Mountain Farms, West Hartford	154,096	2,103,834
Nitrogen Reduction Program 2005	1,338,569	2,961,431
Nutrient Removal Program-2002	288,877	11,123
Old Mill Lane, West Hartford	493,117	179,310
Orchard Road, West Hartford	11,998	588,002
Overbrook Road, Private Lane, West Hartford	1,942	28,058
Overflow Alarm and Gate Repair Program	4,807,315	192,685
Private Property Inflow Program	7,685	292,315
Pump Station Assessment	200,000	
Pump Station Renovations	48,862	26,138
Rainleader Disconnection Program	60,511	4,939,489
Regional Liquid Waste Receiving Facility	588,005	11,995
Regional Solids Receiving	3,035	65
Rocky Hill Expansion	2,961,871	1,234,893

Project Name	Spent to Date	Remaining Commitment
Security Modifications	\$ 343,562	\$ 32,438
Sewer Inspection	296,012	203,988
Sewer Rehabilitation Projects	15	1,987
Sewer Rehabilitation Projects - 2001	1,747	103,213
Sewer Rehabilitation Projects - 2003	170,518	89,482
Silas Deane Highway Pump Station	5,881	1,994,119
Simmons Road Sewer Replacement	1,093,868	6,132
Sludge Process Building Panel Mods.	104,551	12,012
Sludge Processing Building Odor Control	538,746	1,161,254
SRP-Clinton Street, Hartford	90	105,031
SRP-Gilbert Road, Newington	93,010	
SRP-Southwest Trunk Manhole Rehab, West Hartford	153	
SRP-Wethersfield Trunk Relining, Wethersfield	81	822,608
SRP-Charlotte Street, Hartford	296,973	284,027
SRP-Crosby Street, Sewer Replacement, Hartford	1,464	18,036
SRP-Long Term CSO Water Quality Monitoring	312,693	37,307
SRP-Love Lane, Hartford	312,625	66,375
SRP-WPCF Infrastructure Improvement Program	917,045	432,955
SSO Elimination Sewer Evaluation	685,828	
SSO Elimination Short Term Action Plan	43,800	
Storm Drainage Improvements	4,051,724	734,104
Stowe Village, Hartford	86,390	13,610
Styles Avenue, Newington	1,076	3,924
Sunny Reach Drive, West Hartford	1,228,014	67,047
Tower Brook Removal and Separation, Hartford	7,889,249	2,110,751
Tremont Sewer Separation	948,919	72,217
Upgrade Motor Oil Dispensing	390	399,610
Upper Albany Avenue CSO-Phase I Construction	2,245,446	754,554
Upper Albany Avenue CSO-Phase II Design	30,540	219,460
Upper Albany Avenue Rainleader Relocation	40,610	4,459,390
Upper Albany Sewer System Impr Phase I	1,663,930	836,070
Various Sewer Rehabilitation Projects District-Wide	1,246,308	853,692
Vernon Street, Hartford	1,336	765,164
Vernon Street, Hartford	278,007	21,993
Water Pollution Control No. 3 Program	985,781	
West Normandy Drive	600,965	9,035
West Primary Settling Tank Work	184,887	22,577
Wethersfield Cove Floatables Control	19,855,748	678,972
Wethersfield Cove Floatables Control	4,894	995,106
Wethersfield Pump Station Replacement, Rocky Hill	3,517,396	882,604
Windsor Interceptor Rehabilitation	82	404,918
Windsor Interceptor Emergency Overflow	9,972	262,028
Windsor Trunk So. Relining	2,259	247,741
Woodside Drive, Wethersfield	567	146,483
WPC Facilities Infrast. Improvements	443,424	104,565
WPC Facilities Prevent. Maint. Program	242,477	7,523
WPCF Infrastructure Improvements	749,459	541
Total	\$ 260,151,303	\$ 892,884,938

The District's commitments with contractors for construction in process for business-type activities are as follows:

Project Name	Spent to Date	Remaining Commitment
1999 West Hartford Treatment	\$ 5,033,872	\$ 2,536
2000 Dam Safety Impr. Reservoir #2	271,519	4,728,481
2000 GPW-Nepaug Pipeline Repair	28,039	71,961
2000 Product Development	64,138	10,862
2001 Assessable Water Program	333	999,667
2001 Electrical Upgrades, Phase II, West Hartford	1,964,389	460,611
2001 GPW-Reserve	68,550	56,450
2001 GPW-System Improvements Various Locations	109,731	15,269
2001 Vernon Street Hartford, Trinity College	1,380	498,620
2001 Windsor Ave., Windsor	85,622	114,378
2002 Birchwood Road Windsor Class I Water Main	664,169	34,231
2002 GPW-Commerce Street Bridge, Hartford	172,490	2,510
2002 GPW-Goodrich Street, Hartford	588,167	191,833
2002 Hillsboro Drive, West Hartford	29,231	769
2002 Improvements to Water Storage	486,711	13,289
2002 Kelley Ave, Wethersfield	110,566	9,155
2002 Lake McDonough Recreation Area Improvements	254,667	2,151,813
2002 Long Hill/Burnham Streets, East Hartford Class I Water Main	360,208	14,792
2002 St. Regis Street, East Hartford	288,741	11,259
2002 Terry Plains Road, Bloomfield	485,640	114,360
2002 Unionville Water Co.	694,059	305,941
2002 Uplands Pump Station Upgrade, Glastonbury	341,626	158,374
2002 Various System Improvements	614,403	129,883
2002 West Hartford Treatment Plant Wastewater Disposal	49,679	2,400,321
2003 Assessable Water Program	129,774	70,226
2003 Farmington Avenue Water Main Replacement, Phase II	1,185,639	64,222
2003 GIS Landbase Development	528,884	46,116
2003 Radio Based Automated Meter Reading	491,156	8,844
2003 Reserve	116,250	33,750
2003 South Mill Pump Station	211,263	388,737
2003 Various System Improvements	293,049	6,951
2003 AWP Chapel Road, South Windsor	10,061	989,939
2004 AW-Kenmore Road, West Hartford	2,377,817	
2004 Bloomfield Electrical Upgrades	1,500,432	64,568
2004 Bloomfield Filter Expansion	573,886	26,114
2004 Facility Renovations	199,853	147
2004 GPW- Roof Repairs at WWT&S	428,915	13,762
2004 GPW-Land Acquisition for Watershed	500,029	
2004 GPW-Radio Based Automated Meter	496,663	3,337
2004 GPW-Various System Improvements	445,440	554,560
2004 GPW-Water Facilities Security Imp.	1,428,930	451,070
2004 Simsbury Road W.P.S. Upgrade	4,011	645,989
2004 West Hartford Chemical Feed System	367,314	7,686
2005 Assessable Water	3,781	85,219
2005 Reserve	129,292	20,708
2006 Water Pump Station Improvement	150,957	69,043
2006 Water Treatment Facilities Imp	1,092,785	7,215

Project Name	Spent to Date	Remaining Commitment
2006 36" Water Main Replacement	\$ 239,289	\$ 4,460,711
2006 GPW-Land Acquisition	1,957	498,043
2006 GPW-Reserve	42,915	257,085
2006 GPW-Storage Facilities	355,391	144,609
2006 GPW-Transmission System	264,002	35,998
2006 GPW-Water Replacement/Rehab.	740,163	359,837
2006 Water Distribution Improvements Oak Street Phase II	801	3,799,199
2007 A M Non-CSO Buckingham Street, Hartford	56,376	673,624
2007 A M Non-CSO Capital Avenue, Hartford	58,658	621,342
2007 A M Non-CSO Church Street, Hartford	70,785	1,012,215
2007 A M Non-CSO Tunxis Avenue, Bloomfield	1,566,674	182,326
2007 Asset Management Non-CSO-Related Assets-Silas	150,030	26,365
2007 Asset Management Planning & Testing	1,378,032	15,559
2007 Asset Management Water Administration	3,002,353	4,207,047
2007 Asset Mgmt Non-CSO Related Assets	856	757,144
2007 AWP Old Mill Lane, West Hartford	143,108	32,219
2007 GPWP Mohawk Drive, West Hartford	529,653	12,393
2007 GPWP Pleasant Street, Windsor	34,762	155,238
2007 GPWP Watershed Road Rehab	87,515	62,485
2007 Radio Frequency Automated Meter Reading	3,412,683	1,587,317
2007 Treatment Facility Upgrades	721,659	378,341
2007 Water Assessable Program	238,673	736,327
2007 Water Supply Facility Improvements	691,610	758,390
2007 Paving Program	2,086,426	13,574
2008 AM-Non CSO Burnside Avenue East Hartford	17,019	360,981
2008 AM-Non CSO Lawrence Street, Hartford	84,639	266,111
2008 AM-Non CSO Park Road, West Hartford	63,196	737,404
2008 Asset Management - Water Administration	290,607	209,393
2008 East Farmington Water Main Install	903,370	2,596,631
2008 Farmington Avenue Water Main Replacement	3,369	996,631
2008 Filtered Water Basin Interconnection	466	1,999,534
2008 Paving Program	3,367,164	132,836
2008 Radio Frequency Automated Meter Reading	1,430,646	3,569,354
2008 Transmission Valve Replacement	56,206	1,943,794
2008 West Hartford Access & Security Improvements	1,978,955	521,045
2008 Assessable Water	71,609	78,391
2008 AW Pope Park Highway Water Main Extension	390,887	9,113
2009 Assessable Water	12,591	1,218,409
2009 Gen Purpose Water	659,306	2,855,694
2009 Non-CSO Rel Projects	91,306	4,208,694
2009 Paving Prgm	2,543,941	456,059
2009 Transmission Valve Repl	3,543	3,496,457
Automated Meter Reading	91,302	4,908,698
Bloomfield Water Treatment Improvements	1,678,238	1,921,762
Bloomfield Water Treatment Plant Improvements	445,979	1,054,021
Bloomfield Water Treatment Plant Improvements	4,146,682	853,318
Broadview High Newington	4,042	
Bushnell Street, Hartford	15,397	283,803
Canal Rd Storage Tank	24,119	1,575,881
Cedar St Htf Water Main Repl	17,730	632,270
Central Avenue, Windsor	3,667	22,483

Project Name	Spent to Date	Remaining Commitment
Chatham & Cornwall Settlement	\$ 152,500	\$
Chemical Feed Chamber	12,694	107,306
Clark Street, South Windsor	128,644	171,356
Cold Spring Dr Blfd Water Main	28,690	1,471,310
Comstock Place, East Hartford	124,581	2,119
Consultant Engineering Services	94,158	155,842
Contingency Reserve	104,876	95,124
Cromwell Avenue Bridge/West Main Street Repair	170,795	334,205
Dam Rehabilitation & Safety Improvements	2,126,781	1,908,219
Duncaster, Bloomfield	2,742,552	257,448
Efficiency Upgrades at Reservoir #6	93,117	72,883
Elm Street, Windsor	610	113,105
Farmington Avenue Water Main	39,496	2,460,504
Glastonbury Ground Water II A Studies	273,925	171,075
Goodrich & South Road Farmington	5,342	1,494,658
Goodrich, South Road, Farmington	2,910	
GPW 2000 Replace/Upgrade Fuel Storage	620,651	
GPW 2000 Dev. Computer Mode T/D Systems	635,391	114,609
GPW 2000 Sinclair Street, Windsor	31,696	18,304
GPW 2000 Water P.S. Electrical Upgrade	49,411	200,589
GPW 2000 Water Supply Main Pipe Cleaning	138,437	761,563
GPW 2000 Wilson Street, Windsor	42,155	234,345
Hemlock Hill Drive-Glastonbury	130,684	68,982
Hillcrest Ave., Wethersfield	194	49,806
Installation of Water Main and Assoc.	4,994	
Installation of Water Main to Portland	1,293,952	106,048
Kitts Lane Fedder Main GPW-1999	17,858	762,142
Land Acquisition	700,000	
Longhill at Burnham, East Hartford	13,412	6,589
Mainsfield St Hart Water Main	16,280	1,478,720
Meter Conversion	14,703,202	456,798
Mid Franklin 2008-92	94,902	1,343,703
New London Turnpike Feeder Main	210,633	2,289,367
Newington Feeder Main, Phase II, Newington	3,107	1,033,393
Oak St E Hfd Water Main Work	1,444	1,148,556
Phelps Street, East Hartford	141,835	39,959
Prospect Street, Bloomfield	414,425	77,575
Pump Station Improvements	254,727	273
Radio Based Automation Meter Reading	4,531,336	1,268,664
Raw Water Bypass Removal	1,236,435	263,565
Reservoir #5 and 6 Intake Improvements	734,001	21,999
Ridgewood Road, East Hartford	194,679	51,821
Rolling Hills Drive, Glastonbury	212,179	
Roof Replacement Various Locations	226,860	98,140
Roslyn Street, Hartford	161,099	37,401
Spring Street, Wethersfield	276,014	161,986
System Improvements	310	
Tower Avenue North Water Main Rep. 2007	1,545,320	1,189,680
Tunxis Avenue, Bloomfield Water Replacement	57,200	366,300
Upgrade Hawley Road Pump Station	20,042	829,958
Upper Albany Phase I Water Main Replacement	230	

Project Name	Spent to Date	Remaining Commitment
Various Water Main Replacements/Rehabilitation	\$ 1,615,349	\$ 49,865
Vexation Hill Tank 4, Rocky Hill	304	856,196
Water Distribution System Improvements	379,332	2,620,668
Water Improvements	3,716	529
Water Main Vlve Repl	32,317	2,267,684
Water Pump Station/Storage Tank Improvements (160)	128,861	
Water Storage Facilities Improvements	544,748	5,252
Water Storage Facilities Replacement/Rehabilitation	394,651	5,349
Water Storage/Hydro. Tank Rest	299,892	108
Water Supply and Treatment Plant Improvements	3,702,764	297,236
Water Supply Facility and Site Improvements	158,502	541,498
Water Supply Improvements	506,337	17,718
Water Supply Improvements	415,298	1,234,702
Water Trtmt Facility Improv	80,066	2,704,934
Whitney Street, East Hartford	10,579	167,421
Total	\$ <u>102,793,940</u>	\$ <u>107,816,872</u>

The commitments are being financed with general obligation bonds and state and federal grants.

D. Interfund Receivables, Payables and Transfers

Interfund loans are generally used to transfer monies as a result of cash flow. Interfund receivables and payables balances at December 31, 2009 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	OPEB Fund	\$ 702,152
	Mid-Connecticut Project Fund	1,292,648
		<u>1,994,800</u>
Water Utility Fund	General Fund	34,404
	Mid-Connecticut Project Fund	422,150
	OPEB Fund	1,145,616
		<u>1,602,170</u>
Mid-Connecticut Project Fund	General Fund	<u>168,931</u>
Total		\$ <u><u>3,765,901</u></u>

Interfund transfers are generally used to supplement revenues of other funds. Interfund transfers for the year ended December 31, 2009 were as follows:

	Transfers In			
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:				
General Fund	\$	\$ 14,263,137	\$ 1,900,000	\$ 16,163,137
Debt Service Fund	450,000			450,000
Assessable Sewer Construction	2,000,000			2,000,000
Water Utility Fund		897,245	3,100,000	3,997,245
Hydroelectric Development Fund	1,550,000			1,550,000
2006 Clean Water Project		4,007,091		4,007,091
Sanitary Sewer Overflow		11,510,612		11,510,612
Nonmajor Governmental Funds		1,947,427		1,947,427
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Transfers Out	<u>\$ 4,000,000</u>	<u>\$ 32,625,512</u>	<u>\$ 5,000,000</u>	<u>\$ 41,625,512</u>

E. Bond Anticipation Note

The District uses bond anticipation notes during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

The District issued bond anticipation notes of \$33,575,000 at an interest rate of 2% on July 22, 2009 and \$60,000,000 at interest rate of 1.5% on November 10, 2009. Both notes mature on July 15, 2010.

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding, December 31, 2008	\$ 21,164,000
New borrowings	93,575,000
Repayments	<u>(21,164,000)</u>
Outstanding, December 31, 2009	<u>\$ 93,575,000</u>

F. Operating Leases

Commitments under an operating lease agreement with the Army Corps of Engineers for water storage rights require minimum annual rental payments, including interest at 3.14% through 2019. Total costs for such leases were \$204,222 for the year ended December 31, 2009. Future minimum lease payments for these leases are as follows:

	<u>Amount</u>
2010	\$ 204,222
2011	204,222
2012	204,222
2013	204,222
2014	204,222
2015-2019	<u>1,021,109</u>
 Total	 <u>\$ 2,042,219</u>

G. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 74,322,127	\$	\$ 5,512,018	\$ 68,810,109	\$ 5,162,006
Issuance premiums	1,080,689		69,037	1,011,652	
Loss on bond refunding	(711,478)		(65,675)	(645,803)	
Total bonds payable	<u>74,691,338</u>		<u>5,515,380</u>	<u>69,175,958</u>	<u>5,162,006</u>
Clean water fund loans	62,317,514	39,050,838	22,661,483	78,706,869	4,632,018
Compensated absences	2,868,069	2,279,033	2,912,784	2,234,318	70,498
OPEB obligation	<u>6,707,309</u>	<u>3,893,840</u>		<u>10,601,149</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 146,584,230</u>	<u>\$ 45,223,711</u>	<u>\$ 31,089,647</u>	<u>\$ 160,718,294</u>	<u>\$ 9,864,522</u>
Business-Type Activities:					
General obligation bonds	\$ 59,287,873	\$	\$ 3,832,982	\$ 55,454,891	\$ 3,752,994
Issuance premiums	531,062		33,609	497,453	
Loss on bond refunding	(422,967)		(39,014)	(383,953)	
Total bonds payable	<u>59,395,968</u>		<u>3,827,577</u>	<u>55,568,391</u>	<u>3,752,994</u>
Drinking water fund loans	5,125,632	1,098,087	401,995	5,821,724	401,995
Compensated absences	5,165,439	2,999,500	4,653,843	3,511,096	99,445
OPEB obligation	<u>10,943,510</u>	<u>6,353,102</u>		<u>17,296,612</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 80,630,549</u>	<u>\$ 10,450,689</u>	<u>\$ 8,883,415</u>	<u>\$ 82,197,823</u>	<u>\$ 4,254,434</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on member towns and other operating revenues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ 68,810,109
Business-type activities	Various	<u>55,454,891</u>
		<u>\$ 124,265,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,162,006	\$ 2,795,143	\$ 3,752,994	\$ 2,130,729
2011	5,098,617	2,590,832	3,496,383	1,987,609
2012	4,869,035	2,380,509	3,495,965	1,858,466
2013	4,873,616	2,178,640	3,496,383	1,724,358
2014	4,527,223	1,974,117	3,217,778	1,589,353
2015-2019	22,026,490	7,075,786	15,188,510	6,174,591
2020-2024	15,076,122	2,866,616	13,983,878	3,215,986
2025-2028	<u>7,177,000</u>	<u>587,617</u>	<u>8,823,000</u>	<u>722,383</u>
Total	<u>\$ 68,810,109</u>	<u>\$ 22,449,260</u>	<u>\$ 55,454,891</u>	<u>\$ 19,403,475</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds at December 31, 2009 is \$1,019,557,488. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

General Obligation Bonds - Current Refunding

During 2004, the District issued \$22,300,000 of general obligation refunding bonds to currently refund various bond issues totaling \$21,585,000. As a result, the refunded bonds are considered partially defeased, and all future interest and principal on the partially defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the partially defeased bonds have been called. The balance in escrow was \$8,142,438 at December 31, 2009. The balance of the defeased bonds was \$7,700,000 at December 31, 2009.

Clean Water Fund Loans

The District participates in the State of Connecticut's Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible waste water and 2.5% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time internal loan obligations are replaced by permanent loan obligations.

Clean Water Fund loans finance the sewer infrastructure and facility improvements (governmental activities) and will be repaid from future taxation and user fees.

Drinking Water Fund loans finance the water infrastructure and facility improvements (business-type activities) and will be financed by user charges.

Permanent loan obligations mature as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2010	\$ 4,632,018	\$ 1,078,866
2011	4,632,018	986,225
2012	4,622,770	893,624
2013	4,602,572	801,318
2014	4,569,724	709,649
2015-2019	16,615,650	2,413,958
2020-2024	10,950,990	1,055,742
2025-2028	5,440,558	196,875
	<u>\$ 56,066,300</u>	<u>\$ 8,136,257</u>
Year Ending December 31	Business-Type Activities	
	Principal	Interest
2010	\$ 401,995	\$ 109,858
2011	401,995	100,035
2012	401,995	90,212
2013	401,995	80,389
2014	401,995	70,567
2015-2019	2,009,974	205,490
2020-2023	703,688	20,337
	<u>\$ 4,723,637</u>	<u>\$ 676,888</u>

Interim loan obligations mature as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$ -
2011	15,515,603	566,932
2012	3,890,239	213,183
Not yet determined	3,234,727	Unknown
	<u>\$ 22,640,569</u>	<u>\$ 780,115</u>

<u>Year Ending December 31</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Not yet determined	\$ 1,098,087	\$ Unknown
	<u>\$ 1,098,087</u>	<u>\$</u>

4. EMPLOYEE RETIREMENT PLAN

A. Plan Description

The District has an employee retirement system with a pension plan adopted January 1, 1944 and amended April 1, 1989. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System (MDERS), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand-alone financial report.

At January 1, 2009, which is the last date of actuarial valuation, membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	523
Terminated members entitled to but not yet receiving benefits	7
Current active members	626
Nonvested former participants	<u>11</u>
Total Members	<u>1,167</u>

Participation in the plan is immediate upon employment for anyone below the normal retirement age. Vesting in benefits occurs after 10 years of service. Termination of employment before that time results in forfeiture of the District's portion of the contribution.

The District's Personnel, Pension and Insurance Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings subject to a maximum of 32 years.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with plan provisions. Administrative costs of the plan are financed through investment earnings.

Valuation of Investments - Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price.

C. Funding Policy

Employees are required to contribute 5% of their annual covered salary. The District is required to contribute at an actuarially determined rate; the current rate is 9.8% of annual covered payroll.

D. Annual Pension Cost and Net Pension Asset

The District's pension cost and net pension asset to the MDERS for the current year are as follows:

Annual required contribution	\$ 7,066,074
Interest on the net pension asset	(686,953)
Adjustments to the annual required contribution	<u>1,093,420</u>
Annual pension cost	7,472,541
Contributions made	<u>7,676,453</u>
Change in net pension asset	(203,912)
Net pension asset, January 1, 2009	<u>(8,586,911)</u>
Net Pension Asset, December 31, 2009	\$ <u><u>(8,790,823)</u></u>

The following is a summary of certain significant actuarial assumptions and other MDERS information:

Valuation Date	January 1, 2009
Actuarial Cost Method	Frozen Entry Age
Amortization Method	Level Percent - Closed
Remaining Amortization Period	19 Years for MDC and 3 Years for Mid-CT
Asset Valuation Method	5-Year Smoothing of Investment Returns Greater (Less) than Expected
Actuarial Assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Cost of living adjustments	N/A

E. Three-Year Trend Information

<u>Year Ended December 31</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
2007	\$ 4,123,306	91.6%	\$ (8,523,226)
2008	3,720,513	101.7	(8,586,911)
2009	7,472,541	102.7	(8,790,823)

5. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

The Retiree Health Plan (RHP) is provided through indemnity plans and health maintenance organizations. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

The District has opted to remain on the pay-as-you-go basis; therefore, there is no fund statement presented for the RHP in the financial statements. The District records the annual insurance premiums and claim costs in its expenditures or expenses, as appropriate.

At January 1, 2009, plan membership consisted of the following:

	Retiree Health Plan
Retired members	539
Spouses of retired members	108
Active plan members	<u>628</u>
Total Participants	<u><u>1,275</u></u>

Funding Policy

The contribution requirements of plan members and the District are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums.

The cost per month for District retiree spouse coverage under Connecticut Blue Cross/Blue Shield Century 94 plus Major Medical Blue Cross Basic Dental Plan is 5% of the difference in cost between the individual coverage and the cost of the coverage selected. There is no cost for retirees. Retirees are eligible to receive term life insurance in the amount equal to one half of their group life insurance.

Employer contributions to the plan of \$4,873,081 were made on the pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligations

The District's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	Retiree Health Plan
Annual required contribution (ARC)	\$ 15,429,144
Interest on net OPEB obligation	706,033
Adjustment to annual required contribution	<u>(1,015,148)</u>
Annual OPEB cost	15,120,029
Contributions made	<u>4,873,081</u>
Increase in net OPEB obligation	10,246,948
Net OPEB obligation, beginning of year	<u>17,650,813</u>
Net OPEB Obligation, End of Year	<u><u>\$ 27,897,761</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended December 31, 2009 are presented below.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
12/31/07	\$ 13,222,655	\$ 4,035,877	30.5%	\$ 9,186,778
12/31/08	13,783,385	5,319,344	38.6	17,650,813
12/31/09	15,120,029	4,873,081	32.2	27,897,761

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$160 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$160 million. The covered payroll (annual payroll of active employees covered by the plan) was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit

costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The annual medical cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% in 2013. The annual dental cost trend rate is 5%. The general inflation assumption is 2.5% - 3.0%. Projected salary increases are 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2009 was 27 years.

6. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss including torts; officers' and employees' liabilities; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except those risks described in the next paragraph. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

The District is self-insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The self-insurance fund is primarily supported by contributions from the General Fund and the Water Utility Enterprise Fund. Administration for workers' compensation and general and auto liability claims is performed in-house and through third-party administrators whose administrative fees are paid by the self-insurance fund. Blue Cross and Blue Shield administer the District's medical insurance plan for which the District pays a fee. The medical insurance plan provides coverage for most District employees. The District has purchased a stop loss policy for total medical claims in any one year exceeding an aggregate of 110% of expected claims. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in any coverage during the year from that of the prior year.

The claims liability of \$3,396,584 for the self-insurance fund reported at December 31, 2009 is based on the requirements of GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. The District's policy is to have an actuarial study performed annually.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends

(including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Accrued Liability Claim Payments		Accrued Liability End of Fiscal Year
2008	\$	3,811,438	\$	1,625,141	\$	1,992,783	\$	3,443,796
2009		3,443,796		2,112,903		2,160,115		3,396,584

B. Contingent Liabilities

Environmental Matters

On November 6, 2006, the voters on the Metropolitan District overwhelmingly approved the referendum for the first phase of the Clean Water Project authorizing the District to bond \$800,000,000 of the current total estimated project cost of \$1.6 billion. The Clean Water Project includes all the programs needed to comply with the Consent Decree from the United States Department of Justice, the U.S. Environmental Protection Agency (EPA) and the Connecticut Department of Environmental Protection (CT DEP) to eliminate eight Sanitary Sewer Overflows (SSOs) and the Consent Order from CT DEP to implement the Long-Term Control Plan for Combined Sewer Overflow Abatement and to reduce nitrogen from the District's water pollution control facilities as required by CT DEP general permit. The District plans to utilize the State of Connecticut Clean Water Fund to finance the eligible portions of these projects to the extent funding is available. The Clean Water Fund provides a grant and loan combination for all of this work.

The Consent Decree issued on August 23, 2006 by the U.S. Department of Justice, the EPA and CT DEP for the elimination of SSOs requires the overflows to be eliminated within five years of the approval of an elimination plan by the EPA in Wethersfield, Rocky Hill and Windsor and within ten years in West Hartford and Newington. The Decree also carried an \$850,000 civil penalty which was paid in 2006. The Decree requires many interim actions reports and construction necessary to reduce the infiltration and inflow of clean water into the sewer systems in the towns outside Hartford including individual homeowner actions. The Clean Water Fund can supply loans at 2% interest for this design and construction.

A Consent Order issued on November 6, 2006 by CT DEP establishes a compliance schedule for the full implementation of the Long-Term Control Plan for Combined Sewer Overflow Abatement by 2021. The work includes separation of sewers in portions of Hartford to eliminate certain overflows, construction of new conveyance sewers, treatment plant expansion for wet weather flows and a large storage tunnel for retention of flow for later treatment. Meeting the schedule will require extensive and timely capital expenditures, currently projected to be more than \$1 billion over the next 15 years. Construction costs are eligible for State Clean Water Fund financing with a 50% grant and loan at 2% for the balance to the extent funding is available. In the case that funding was

unavailable through the Clean Water Fund, the District would be obligated to issue bonds for the construction, adding increased debt service to its budget.

The third component of the Clean Water Project includes the reduction of nitrogen in the treatment facilities' effluent to meet the state general permit to reduce nitrogen to Long Island Sound. The permit requires the annual reduction of nitrogen levels through 2014. New facilities are eligible for financing by the Clean Water Fund with a 30% grant and loan at 2% for the balance. Nitrogen credits can and are being purchased to meet the interim compliance levels.

Arbitrage

The District may be subject to rebate penalties to the federal government relating to various bond and note issues. The District expects such amounts, if any, to be immaterial.

Mid-Connecticut Project

The Connecticut Resource Recovery Authority (the CRRA) and the District entered into a contract dated December 31, 1984, which defines the responsibilities of both parties with respect to the Mid-Connecticut Project. The agreement detailed contractual obligations of the District with respect to the operation of the waste-processing facility, the transfer stations, the Hartford Landfill and the transportation systems between the transfer stations, the Hartford Landfill and the waste-processing facilities, as well as the contractual obligations of the CRRA to compensate and indemnify the District for its services.

The term of the initial agreement was for 27 years and the CRRA has the option to extend the agreement for an additional 20 years under the same terms and conditions. The District has received notification from the CRRA of its intent to not extend the agreement; therefore, the agreement will terminate effective December 31, 2011. Upon receipt of the pending contract termination, the District initiated discussions with the CRRA with respect to contract termination liabilities as the termination costs were estimated to be in excess of \$32 million. Under the terms of the contract, the CRRA is required to indemnify the District for any cost incurred in connection with the operation of the facility.

Despite attempts to resolve the issues associated with contract termination liability, no resolution was able to be reached; therefore, in accordance with contract terms, in September 2009, the District presented the CRRA with formal notice of the dispute and commenced a Petition for Declaratory Judgment in arbitration.

Blonski v Metropolitan District Commission

On May 16, 2002, Maribeth Blonski was operating a mountain bicycle on the District's West Hartford Reservoir property and had an accident that resulted in her suffering personal injuries. On May 14, 2004, Maribeth Blonski initiated legal action against the District alleging that the District was responsible for her personal injuries.

On May 7, 2010, a Connecticut Superior Court jury awarded Maribeth Blonski \$2.9 million less 30% for comparable negligence, and a deduction of approximately \$150,000 for collateral source benefits as a result of her legal action against the District. The District has filed an appeal with respect to the verdict and fully expects the award to be overturned.

The District maintains a comprehensive risk management program with specific insurance policies in force with respect to general liability and umbrella liability. At the time of the accident, the District maintained insurance coverages with appropriate policy limits and these policies contained a self-insurance retention of \$250,000.

Other

There are other various suits and claims pending against the District, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the District's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

**THE METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUND**

Schedule of Funding Progress

Actuarial Valuation Date January 1	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ([(B-A)/C])
2004	\$ 115,331,990	\$ 136,931,309	\$ 21,599,319	84.2 %	\$ 37,088,883	58.2 %
2005	119,981,688	140,979,236	20,997,548	85.1	34,217,060	61.4
2006	134,835,524	147,742,676	12,907,152	91.3	33,494,108	38.5
2007	144,581,658	155,753,248	11,171,590	92.8	36,862,131	30.3
2008	150,707,160	175,269,586	24,562,426	86.0	37,960,169	64.7
2009	131,276,651	174,498,025	43,221,374	75.2	42,052,737	102.8

Schedule of Employer Contributions

<u>Year Ended December 31</u>	<u>Required Contribution</u>	<u>Annual Percentage Contributed</u>
2004	\$ 3,938,018	339.7 %
2005	3,295,483	96.6
2006	3,283,457	109.5
2007	3,710,728	101.8
2008	3,784,198	100.0
2009	7,066,074	108.6

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

**THE METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION -
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Retiree Medical Program</i>						
1/1/2007	\$ -	\$ 146,467,950	\$ 146,467,950	0.00%	n/a	n/a
1/1/2008	-	152,354,680	152,354,679	0.00	n/a	n/a
1/1/2009	-	100,389,339	160,119,431	0.00	n/a	n/a

Schedule of Employer Contributions

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/2007	\$ 13,222,655	30.5%	\$ 9,186,778
12/31/2008	13,783,385	38.6	17,650,813
12/31/2009	15,120,029	32.2	27,897,761

As December 1, 2007 was the transition year, information in these schedules is only presented for three years.
n/a - The covered payroll is not available.

**SUPPLEMENTAL, COMBINING
STATEMENTS AND SCHEDULES**

THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget -
				Positive
				(Negative)
Revenues:				
Taxation:				
Hartford	\$ 8,548,800	\$ 8,548,800	\$ 8,548,800	\$ -
East Hartford	3,880,800	3,880,800	3,880,800	-
Newington	2,628,500	2,628,500	2,628,500	-
Wethersfield	2,493,500	2,493,500	2,493,500	-
Windsor	2,757,000	2,757,000	2,757,000	-
Bloomfield	2,276,400	2,276,400	2,276,400	-
Rocky Hill	1,740,000	1,740,000	1,740,000	-
West Hartford	6,642,000	6,642,000	6,642,000	-
Total taxation	<u>30,967,000</u>	<u>30,967,000</u>	<u>30,967,000</u>	<u>-</u>
Sewer user fees:				
Bradley Airport - Hamilton - East Granby	520,000	520,000	524,258	4,258
Nonmunicipal - tax exempt	2,511,000	2,511,000	2,617,413	106,413
Hi-flow charges	2,225,900	2,225,900	1,811,302	(414,598)
Hi-strength	400,000	400,000	698,433	298,433
Penalties	35,000	35,000	8,031	(26,969)
Manchester	48,000	48,000	82,988	34,988
South Windsor	7,000	7,000	8,106	1,106
Farmington	75,100	75,100	53,647	(21,453)
Cromwell	4,000	4,000	4,054	54
CRRA	135,000	135,000	116,158	(18,842)
SUC tax credit	(500,000)	(500,000)	(415,662)	84,338
Total	<u>5,461,000</u>	<u>5,461,000</u>	<u>5,508,728</u>	<u>47,728</u>
Less sewer user rebates	(730,000)	(730,000)	(312,629)	417,371
Total sewer user fees	<u>4,731,000</u>	<u>4,731,000</u>	<u>5,196,099</u>	<u>465,099</u>
Intergovernmental:				
Sludge handling	3,100,000	3,100,000	2,618,304	(481,696)
Septage/glycol discharge fees	607,500	607,500	806,592	199,092
Household hazardous waste	273,000	273,000	237,858	(35,142)
Connecticut Resources Recovery Authority	4,250,000	4,250,000	3,263,896	(986,104)
Other government agencies	10,000	10,000	27,047	17,047
Total intergovernmental	<u>8,240,500</u>	<u>8,240,500</u>	<u>6,953,697</u>	<u>(1,286,803)</u>
Investment income	<u>175,000</u>	<u>175,000</u>	<u>97,017</u>	<u>(77,983)</u>

(Continued on next page)

THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Other revenues:				
Rental fees	\$ 5,000	\$ 5,000	\$ 4,522	\$ (478)
Bill jobs	90,000	90,000	10,190	(79,810)
Developers	90,000	90,000	268,013	178,013
Payroll additives and indirect costs	45,000	45,000	12,340	(32,660)
Nontaxable fees	25,000	25,000	79,900	54,900
Taxable fees	15,000	15,000	7,938	(7,062)
Property rents	62,000	62,000	41,703	(20,297)
Miscellaneous	795,300	795,300	1,111,274	315,974
Total other revenues	<u>1,127,300</u>	<u>1,127,300</u>	<u>1,535,880</u>	<u>408,580</u>
 Total revenues	 <u>45,240,800</u>	 <u>45,240,800</u>	 <u>44,749,693</u>	 <u>(491,107)</u>
Other financing sources:				
Appropriation of fund balance	2,946,000	2,946,000		(2,946,000)
Transfers in	4,550,000	4,550,000	4,000,000	(550,000)
	<u>7,496,000</u>	<u>7,496,000</u>	<u>4,000,000</u>	<u>(3,496,000)</u>
 Total Revenues and Other Financing Sources	 <u>52,736,800</u>	 <u>52,736,800</u>	 <u>48,749,693</u>	 <u>(3,987,107)</u>
Expenditures:				
General government:				
District Board	127,792	127,792	111,988	15,804
Executive office	425,369	425,369	350,571	74,798
Administrative services	162,435	162,435	126,053	36,382
Legal	678,699	923,699	921,168	2,531
Human resources	879,354	879,354	741,956	137,398
Chief Administrative office	203,056	212,366	200,330	12,036
Information systems	1,236,279	1,255,092	1,249,500	5,592
Finance	1,055,700	1,101,600	1,084,933	16,667
Environmental health and safety	607,992	624,654	566,309	58,345
Customer service	454,446	454,446	434,784	19,662
Total general government	<u>5,831,122</u>	<u>6,166,807</u>	<u>5,787,592</u>	<u>379,215</u>
Engineering and planning	<u>1,492,579</u>	<u>1,492,580</u>	<u>1,405,137</u>	<u>87,443</u>
Chief Operating office	<u>301,920</u>	<u>301,921</u>	<u>253,273</u>	<u>48,648</u>
Operations	<u>2,586,075</u>	<u>2,900,199</u>	<u>2,897,622</u>	<u>2,577</u>

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THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget -
				Positive
				(Negative)
Plants and maintenance:				
Water Pollution Control	\$ 17,946,200	\$ 17,531,700	\$ 16,382,465	\$ 1,149,235
Maintenance	3,890,338	3,963,826	3,913,672	50,154
Total plants and maintenance	<u>21,836,538</u>	<u>21,495,526</u>	<u>20,296,137</u>	<u>1,199,389</u>
Employee benefits and other:				
Employee benefits	4,015,236	4,526,336	4,525,802	534
General insurance	989,730	904,380	869,206	35,174
Special agreements and programs	628,800	628,800	501,284	127,516
Contingencies	735,000	451	-	451
Total employee benefits and other	<u>6,368,766</u>	<u>6,059,967</u>	<u>5,896,292</u>	<u>163,675</u>
Total expenditures	38,417,000	38,417,000	36,536,053	1,880,947
Other financing uses:				
Transfers out	<u>14,319,800</u>	<u>14,319,800</u>	<u>14,263,137</u>	<u>56,663</u>
Total Expenditures and Other Financing Uses	<u>52,736,800</u>	<u>52,736,800</u>	<u>50,799,190</u>	<u>1,937,610</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,049,497)</u>	<u>\$ (2,049,497)</u>

**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	General Purpose Sewer									
	2009 Fund	2008 Fund	2007 Fund	2006 Fund	2005 Fund	2004 Fund	2003 Fund	2002 Fund	2001 Fund	
ASSETS										
Cash	\$	\$ 110,293	\$ 2,509	\$ 1,151,274	\$	\$ 47	\$ 92,917	\$ 19,570	\$ 2,123	
Accounts receivable										
Prepaid expenses		46								
Total	\$	46	\$ 110,293	\$ 2,509	\$ 1,151,274	\$ -	\$ 47	\$ 92,917	\$ 19,570	\$ 2,123
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable and accrued items	\$	356,404	\$ 16,700	\$ 269	\$ 15,559	\$ 235,183	\$	\$ 460	\$	
Notes payable		503,000	472,000	634,000	2,132,000	400,000	11,000	308,000	50,000	
Due to other funds										
Total liabilities		859,404	488,700	634,269	2,147,559	635,183	11,000	308,460	50,000	-
Fund balance:										
Reserved for encumbrances		2,968	1,356,015	1,331,348	25,847	837,952		7,368		
Unreserved and undesignated		(862,326)	(1,734,422)	(1,963,108)	(1,022,132)	(1,473,135)	(10,953)	(222,911)	(30,430)	2,123
Total fund balance		(859,358)	(378,407)	(631,760)	(996,285)	(635,183)	(10,953)	(215,543)	(30,430)	2,123
Total	\$	46	\$ 110,293	\$ 2,509	\$ 1,151,274	\$ -	\$ 47	\$ 92,917	\$ 19,570	\$ 2,123

**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General Purpose Sewer</u>						<u>Tower Brook</u>	<u>Connecticut River Cleanup</u>	<u>Combined Sewer Overflow</u>
	<u>2000 Fund</u>	<u>1999 Fund</u>	<u>1998 Fund</u>	<u>1997 Fund</u>	<u>1996 Fund</u>	<u>1989 Fund</u>			
ASSETS									
Cash	\$ 33,276	\$ 5,507	\$ 5,668	\$ 6,130	\$ 200	\$ -	\$ 435	\$ -	\$ -
Accounts receivable									
Prepaid expenses									
Total	<u>\$ 33,276</u>	<u>\$ 5,507</u>	<u>\$ 5,668</u>	<u>\$ 6,130</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable and accrued items	\$ 12,004	\$ 4,187	\$ -	\$ -	\$ 200	\$ -	\$ 3,340	\$ 735,494	\$ -
Notes payable	201,000	10,000	-	10,000	-	-	393,000	-	-
Due to other funds									
Total liabilities	<u>213,004</u>	<u>14,187</u>	<u>-</u>	<u>10,000</u>	<u>200</u>	<u>-</u>	<u>396,340</u>	<u>735,494</u>	<u>-</u>
Fund balance:									
Reserved for encumbrances	34,811								
Unreserved and undesignated	(214,539)	(8,680)	5,668	(3,870)	-	-	(395,905)	(735,494)	-
Total fund balance	<u>(179,728)</u>	<u>(8,680)</u>	<u>5,668</u>	<u>(3,870)</u>	<u>-</u>	<u>-</u>	<u>(395,905)</u>	<u>(735,494)</u>	<u>-</u>
Total	<u>\$ 33,276</u>	<u>\$ 5,507</u>	<u>\$ 5,668</u>	<u>\$ 6,130</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ -</u>

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**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>WPCF Infrastructure Improvements</u>	<u>Vehicle Maintenance</u>	<u>Headquarters Improvements</u>	<u>Safety & Regulatory Upgrades</u>	<u>Connecticut River Cleanup Phase II</u>	<u>WPC Facilities Improvements</u>	<u>Information Systems Development</u>	<u>Maple Ave. Area CSO Abatement</u>
ASSETS								
Cash	\$	\$	\$	\$ 2,571	\$	\$ 4,073	\$ 213,019	\$
Accounts receivable				40				
Prepaid expenses								
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,611</u>	<u>\$ -</u>	<u>\$ 4,073</u>	<u>\$ 213,019</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$ 1,437	\$	\$ 317,182	\$	\$ 30,655	\$ 1,018	\$ 68,148	\$
Notes payable			105,000	225,000	1,136,000	10,000	1,630,000	
Due to other funds								
Total liabilities	<u>1,437</u>	<u>-</u>	<u>422,182</u>	<u>225,000</u>	<u>1,166,655</u>	<u>11,018</u>	<u>1,698,148</u>	<u>-</u>
Fund balance:								
Reserved for encumbrances	6,420		638,421				164,868	
Unreserved and undesignated	<u>(7,857)</u>		<u>(1,060,603)</u>	<u>(222,389)</u>	<u>(1,166,655)</u>	<u>(6,945)</u>	<u>(1,649,997)</u>	
Total fund balance	<u>(1,437)</u>	<u>-</u>	<u>(422,182)</u>	<u>(222,389)</u>	<u>(1,166,655)</u>	<u>(6,945)</u>	<u>(1,485,129)</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,611</u>	<u>\$ -</u>	<u>\$ 4,073</u>	<u>\$ 213,019</u>	<u>\$ -</u>

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**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	Fishfry Pump Station Rehabilitation	HWPCF Electrical SYS Improvements Phase III	Incineration Modif for Regulatory Compliance	Biosolids Material Update	WPCF Improvements	Overflow Alarm/Gate Repair	Inflow Infiltration Removal	Storm Drain Improvements Phase I
ASSETS								
Cash	\$ 338	\$ 376,934	\$ 20,938	\$ 498	\$ 125,263	\$ -	\$ 32	\$ 608,148
Accounts receivable			1,482					181,313
Prepaid expenses								
Total	\$ 338	\$ 376,934	\$ 22,420	\$ 498	\$ 125,263	\$ -	\$ 32	\$ 789,461
 LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$ 398,637	\$ 2,825	\$ 18,483
Notes payable	513,000	1,440,000	150,000	4,000		7,000	1,534,000	1,079,000
Due to other funds								
Total liabilities	513,000	1,440,000	150,000	4,000	-	405,637	1,536,825	1,097,483
Fund balance:								
Reserved for encumbrances								70,811
Unreserved and undesignated	(512,662)	(1,063,066)	(127,580)	(3,502)	125,263	(405,637)	(1,536,793)	(378,833)
Total fund balance	(512,662)	(1,063,066)	(127,580)	(3,502)	125,263	(405,637)	(1,536,793)	(308,022)
Total	\$ 338	\$ 376,934	\$ 22,420	\$ 498	\$ 125,263	\$ -	\$ 32	\$ 789,461

**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>Process Control System Design</u>	<u>Process Control System</u>	<u>HWPCF Electrical System</u>	<u>Dissolved Air Flotation</u>	<u>Maple Avenue Phase II</u>	<u>HWPCF Electrical System Phase II</u>	<u>Stormwater Management</u>	<u>Pump Station Replacements</u>
ASSETS								
Cash	\$ 3,135	\$ 603,786	\$ 211,750	\$ 2,755	\$ 1,023,623	\$ 794,010	\$ 297,024	\$ 1,079
Accounts receivable								
Prepaid expenses								
Total	<u>\$ 3,135</u>	<u>\$ 603,786</u>	<u>\$ 211,750</u>	<u>\$ 2,755</u>	<u>\$ 1,023,623</u>	<u>\$ 794,010</u>	<u>\$ 297,024</u>	<u>\$ 1,079</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$	\$ 46,170	\$	\$	\$ 16,895	\$	\$ 4,734	\$ 9,109
Notes payable	5,000							3,370,000
Due to other funds								
Total liabilities	<u>5,000</u>	<u>46,170</u>	<u>-</u>	<u>-</u>	<u>16,895</u>	<u>-</u>	<u>4,734</u>	<u>3,379,109</u>
Fund balance:								
Reserved for encumbrances						1	11,468	
Unreserved and undesignated	<u>(1,865)</u>	<u>557,616</u>	<u>211,750</u>	<u>2,755</u>	<u>1,006,728</u>	<u>794,009</u>	<u>280,822</u>	<u>(3,378,030)</u>
Total fund balance	<u>(1,865)</u>	<u>557,616</u>	<u>211,750</u>	<u>2,755</u>	<u>1,006,728</u>	<u>794,010</u>	<u>292,290</u>	<u>(3,378,030)</u>
Total	<u>\$ 3,135</u>	<u>\$ 603,786</u>	<u>\$ 211,750</u>	<u>\$ 2,755</u>	<u>\$ 1,023,623</u>	<u>\$ 794,010</u>	<u>\$ 297,024</u>	<u>\$ 1,079</u>

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**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	Upper Albany Impr Ph I	Upper Albany Avenue	Nutrient Removal Program	GIS Landbase Database Development	Construction Inspection Automation	HWPCF Chlorine Toxic Elimination	Biosolids Conveying System	Long Term Control Plan
ASSETS								
Cash	\$ 9,265	\$ 1,821,278	\$ 5,420	\$ 4,773	\$ 756	\$ 98,558	\$	\$
Accounts receivable		545,698						
Prepaid expenses								
Total	\$ 9,265	\$ 2,366,976	\$ 5,420	\$ 4,773	\$ 756	\$ 98,558	\$ -	\$ -
 LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$	\$ 358,738	\$	\$	\$	\$	\$	\$ 36,616
Notes payable	10,000	2,377,000	130,000			100,000		2,539,000
Due to other funds								
Total liabilities	10,000	2,735,738	130,000	-	-	100,000	-	2,575,616
Fund balance:								
Reserved for encumbrances		2,390,665						366,081
Unreserved and undesignated	(735)	(2,759,427)	(124,580)	4,773	756	(1,442)		(2,941,697)
Total fund balance	(735)	(368,762)	(124,580)	4,773	756	(1,442)	-	(2,575,616)
Total	\$ 9,265	\$ 2,366,976	\$ 5,420	\$ 4,773	\$ 756	\$ 98,558	\$ -	\$ -

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**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>Combined Sewer LT Control Plan</u>	<u>Sludge Processing Building Odor</u>	<u>Wastewater Treatment Fac. Improvement</u>	<u>Combined Sewer Sep</u>	<u>Inflow & Infiltration Master Plan</u>	<u>Nitrogen Reduction Program</u>	<u>Wastewater Pump Station Improvement</u>	<u>Sewer Inspection Rehab- CMOM</u>
ASSETS								
Cash	\$ 345	\$ 254	\$ 266,298	\$ 611	\$ 121	\$	\$	\$ 632,384
Accounts receivable								
Prepaid expenses								
Total	<u>\$ 345</u>	<u>\$ 254</u>	<u>\$ 266,298</u>	<u>\$ 611</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,384</u>
 LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$ 1,008	\$	\$ 108,281	\$	\$	\$ 8,363	\$ 17,859	\$ 2,395
Notes payable	437,000	59,000	1,087,000	9,000	2,195,000	175,000	19,000	
Due to other funds								
Total liabilities	<u>438,008</u>	<u>59,000</u>	<u>1,195,281</u>	<u>9,000</u>	<u>2,195,000</u>	<u>183,363</u>	<u>36,859</u>	<u>2,395</u>
Fund balance:								
Reserved for encumbrances			79,304					
Unreserved and undesignated	<u>(437,663)</u>	<u>(58,746)</u>	<u>(1,008,287)</u>	<u>(8,389)</u>	<u>(2,194,879)</u>	<u>(183,363)</u>	<u>(36,859)</u>	<u>629,989</u>
Total fund balance	<u>(437,663)</u>	<u>(58,746)</u>	<u>(928,983)</u>	<u>(8,389)</u>	<u>(2,194,879)</u>	<u>(183,363)</u>	<u>(36,859)</u>	<u>629,989</u>
Total	<u>\$ 345</u>	<u>\$ 254</u>	<u>\$ 266,298</u>	<u>\$ 611</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,384</u>

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**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>Long Term Strategic Initiatives</u>	<u>Emergency Generator Replacements</u>	<u>Capital Equipment Replacements</u>	<u>Dewatering System Improvements Cent Rotat</u>	<u>2006 Incinerator Upgrade</u>	<u>2007 Facility & Buildings Improvements</u>	<u>2007 Capital Mgt. Ops. & Maint. (CMOM)</u>	<u>2007 Asset Mgt. Wastewater Admin.</u>
ASSETS								
Cash	\$ 269,673	\$ 191,854	\$ 7,950	\$	\$ 873,324	\$	\$	\$ 223,193
Accounts receivable								
Prepaid expenses							176	
Total	<u>\$ 269,673</u>	<u>\$ 191,854</u>	<u>\$ 7,950</u>	<u>\$ -</u>	<u>\$ 873,324</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 223,193</u>
 LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$ 844,241	\$ 423,262	\$
Notes payable	1,106,000	250,000	50,000		915,000	1,268,000	5,744,000	
Due to other funds								
Total liabilities	<u>1,106,000</u>	<u>250,000</u>	<u>50,000</u>	<u>-</u>	<u>915,000</u>	<u>2,112,241</u>	<u>6,167,262</u>	<u>-</u>
Fund balance:								
Reserved for encumbrances	575,000				4,600,000	496,924	1,104,729	
Unreserved and undesignated	<u>(1,411,327)</u>	<u>(58,146)</u>	<u>(42,050)</u>		<u>(4,641,676)</u>	<u>(2,609,165)</u>	<u>(7,271,815)</u>	223,193
Total fund balance	<u>(836,327)</u>	<u>(58,146)</u>	<u>(42,050)</u>	<u>-</u>	<u>(41,676)</u>	<u>(2,112,241)</u>	<u>(6,167,086)</u>	<u>223,193</u>
Total	<u>\$ 269,673</u>	<u>\$ 191,854</u>	<u>\$ 7,950</u>	<u>\$ -</u>	<u>\$ 873,324</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 223,193</u>

**THE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>2007 Document Management</u>	<u>2007 Wastewater Treat. Facility Improvements</u>	<u>2008 WPC Infrastruct Replace and Improv</u>	<u>Vehicle and Equipment Replace</u>	<u>2008 SCADA System Imps</u>	<u>CMOM Compliance</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS								
Cash	\$ 2,416	\$ 413,415	\$ 436,294	\$ -	\$ -	\$ 674,540	\$ 3,094,104	\$ 14,745,751
Accounts receivable								728,533
Prepaid expenses								222
Total	<u>\$ 2,416</u>	<u>\$ 413,415</u>	<u>\$ 436,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,540</u>	<u>\$ 3,094,104</u>	<u>\$ 15,474,506</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued items	\$ -	\$ 36,967	\$ 3,908	\$ 428,545	\$ 35,402	\$ 259,450	\$ -	\$ 4,860,128
Notes payable		584,000	678,000	617,000		1,138,000		37,819,000
Due to other funds							1,847,768	1,847,768
Total liabilities	<u>-</u>	<u>620,967</u>	<u>681,908</u>	<u>1,045,545</u>	<u>35,402</u>	<u>1,397,450</u>	<u>1,847,768</u>	<u>44,526,896</u>
Fund balance:								
Reserved for encumbrances		263,568	507,697	820,000	16,603	2,315,722		18,024,591
Unreserved and undesignated	2,416	(471,120)	(753,311)	(1,865,545)	(52,005)	(3,038,632)	1,246,336	(47,076,981)
Total fund balance	<u>2,416</u>	<u>(207,552)</u>	<u>(245,614)</u>	<u>(1,045,545)</u>	<u>(35,402)</u>	<u>(722,910)</u>	<u>1,246,336</u>	<u>(29,052,390)</u>
Total	<u>\$ 2,416</u>	<u>\$ 413,415</u>	<u>\$ 436,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,540</u>	<u>\$ 3,094,104</u>	<u>\$ 15,474,506</u>

**THE METROPOLITAN DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Purpose Sewer								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Revenues:									
Intergovernmental	\$	\$	\$	\$ 201,113	\$	\$	\$	\$	\$
Other revenue						1,112			
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,113</u>	<u>-</u>	<u>1,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
General government									
Capital outlay	859,358	181,572	144,420	388,100	253,418	10,831	64,553		
Total expenditures	<u>859,358</u>	<u>181,572</u>	<u>144,420</u>	<u>388,100</u>	<u>253,418</u>	<u>10,831</u>	<u>64,553</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(859,358)</u>	<u>(181,572)</u>	<u>(144,420)</u>	<u>(186,987)</u>	<u>(253,418)</u>	<u>(9,719)</u>	<u>(64,553)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
CWF loan proceeds				201,113					
Transfers in									
Transfers out						(40)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,113</u>	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(859,358)</u>	<u>(181,572)</u>	<u>(144,420)</u>	<u>14,126</u>	<u>(253,418)</u>	<u>(9,759)</u>	<u>(64,553)</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>(196,835)</u>	<u>(487,340)</u>	<u>(1,010,411)</u>	<u>(381,765)</u>	<u>(1,194)</u>	<u>(150,990)</u>	<u>(30,430)</u>	<u>2,123</u>
Fund Balance, End of Year	<u>\$ (859,358)</u>	<u>\$ (378,407)</u>	<u>\$ (631,760)</u>	<u>\$ (996,285)</u>	<u>\$ (635,183)</u>	<u>\$ (10,953)</u>	<u>\$ (215,543)</u>	<u>\$ (30,430)</u>	<u>\$ 2,123</u>

(Continued on next page)

**THE METROPOLITAN DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General Purpose Sewer</u>							<u>Connecticut River Cleanup</u>	<u>Combined Sewer Overflow</u>
	<u>2000 Fund</u>	<u>1999 Fund</u>	<u>1998 Fund</u>	<u>1997 Fund</u>	<u>1996 Fund</u>	<u>1989 Fund</u>	<u>Tower Brook</u>		
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other revenue			2,940						
Total revenues	<u>-</u>	<u>-</u>	<u>2,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
General government									
Capital outlay							11,890		
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,890</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,890)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
CWF loan proceeds									
Transfers in									
Transfers out						(5,225)			(24,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,225)</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>2,940</u>	<u>-</u>	<u>-</u>	<u>(5,225)</u>	<u>(11,890)</u>	<u>-</u>	<u>(24,000)</u>
Fund balance, beginning of year	<u>(179,728)</u>	<u>(8,680)</u>	<u>2,728</u>	<u>(3,870)</u>	<u>-</u>	<u>5,225</u>	<u>(384,015)</u>	<u>(735,494)</u>	<u>24,000</u>
Fund Balance, End of Year	<u>\$ (179,728)</u>	<u>\$ (8,680)</u>	<u>\$ 5,668</u>	<u>\$ (3,870)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (395,905)</u>	<u>\$ (735,494)</u>	<u>\$ -</u>

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**THE METROPOLITAN DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>WPCF Infrastructure Improvements</u>	<u>Vehicle Maintenance</u>	<u>Headquarters Improvements</u>	<u>Safety & Regulatory Upgrades</u>	<u>Connecticut River Cleanup Phase II</u>	<u>WPC Facilities Improvements</u>	<u>Information Systems Development</u>	<u>Maple Ave. Area CSO Abatement</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Other revenue		7,819			36,923			
Total revenues	<u>-</u>	<u>7,819</u>	<u>-</u>	<u>-</u>	<u>36,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Capital outlay	75,927		333,346				1,763,065	
Total expenditures	<u>75,927</u>	<u>-</u>	<u>333,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763,065</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(75,927)</u>	<u>7,819</u>	<u>(333,346)</u>	<u>-</u>	<u>36,923</u>	<u>-</u>	<u>(1,763,065)</u>	<u>-</u>
Other financing sources (uses):								
CWF loan proceeds								
Transfers in								
Transfers out								(3,516)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,516)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(75,927)</u>	<u>7,819</u>	<u>(333,346)</u>	<u>-</u>	<u>36,923</u>	<u>-</u>	<u>(1,763,065)</u>	<u>(3,516)</u>
Fund balance, beginning of year	<u>74,490</u>	<u>(7,819)</u>	<u>(88,836)</u>	<u>(222,389)</u>	<u>(1,203,578)</u>	<u>(6,945)</u>	<u>277,936</u>	<u>3,516</u>
Fund Balance, End of Year	<u>\$ (1,437)</u>	<u>\$ -</u>	<u>\$ (422,182)</u>	<u>\$ (222,389)</u>	<u>\$ (1,166,655)</u>	<u>\$ (6,945)</u>	<u>\$ (1,485,129)</u>	<u>\$ -</u>

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**THE METROPOLITAN DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Fishfry Pump Station Rehabilitation</u>	<u>HWPCF Electrical SYS Improvements Phase III</u>	<u>Incineration Modif for Regulatory Compliance</u>	<u>Biosolids Material Update</u>	<u>WPCF Improvements</u>	<u>Overflow Alarm/Gate Repair</u>	<u>Inflow Infiltration Removal</u>	<u>Storm Drain Improvements Phase I</u>
Revenues:								
Intergovernmental	\$	\$ 1,756	\$	\$	\$	\$	\$ 28,813	\$ 462,201
Other revenue					2,460			
Total revenues	<u>-</u>	<u>1,756</u>	<u>-</u>	<u>-</u>	<u>2,460</u>	<u>-</u>	<u>28,813</u>	<u>462,201</u>
Expenditures:								
General government								
Capital outlay		4,604	27,953			5,533	35,818	1,004,963
Total expenditures	<u>-</u>	<u>4,604</u>	<u>27,953</u>	<u>-</u>	<u>-</u>	<u>5,533</u>	<u>35,818</u>	<u>1,004,963</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,848)</u>	<u>(27,953)</u>	<u>-</u>	<u>2,460</u>	<u>(5,533)</u>	<u>(7,005)</u>	<u>(542,762)</u>
Other financing sources (uses):								
CWF loan proceeds		241,058					28,813	462,200
Transfers in								
Transfers out		(232,357)						
Total other financing sources (uses)	<u>-</u>	<u>8,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,813</u>	<u>462,200</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>5,853</u>	<u>(27,953)</u>	<u>-</u>	<u>2,460</u>	<u>(5,533)</u>	<u>21,808</u>	<u>(80,562)</u>
Fund balance, beginning of year	<u>(512,662)</u>	<u>(1,068,919)</u>	<u>(99,627)</u>	<u>(3,502)</u>	<u>122,803</u>	<u>(400,104)</u>	<u>(1,558,601)</u>	<u>(227,460)</u>
Fund Balance, End of Year	<u>\$ (512,662)</u>	<u>\$ (1,063,066)</u>	<u>\$ (127,580)</u>	<u>\$ (3,502)</u>	<u>\$ 125,263</u>	<u>\$ (405,637)</u>	<u>\$ (1,536,793)</u>	<u>\$ (308,022)</u>

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**THE METROPOLITAN DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Process Control System Design</u>	<u>Process Control System</u>	<u>HWPCF Electrical System</u>	<u>Dissolved Air Flotation</u>	<u>Maple Avenue Phase II</u>	<u>HWPCF Electrical System Phase II</u>	<u>Stormwater Management</u>	<u>Pump Station Replacements</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Other revenue			8,290	11		667		
Total revenues	<u>-</u>	<u>-</u>	<u>8,290</u>	<u>11</u>	<u>-</u>	<u>667</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Capital outlay	9,606	4,855					1,220	58,422
Total expenditures	<u>9,606</u>	<u>4,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,220</u>	<u>58,422</u>
Excess (deficiency) of revenues over expenditures	<u>(9,606)</u>	<u>(4,855)</u>	<u>8,290</u>	<u>11</u>	<u>-</u>	<u>667</u>	<u>(1,220)</u>	<u>(58,422)</u>
Other financing sources (uses):								
CWF loan proceeds								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(9,606)	(4,855)	8,290	11	-	667	(1,220)	(58,422)
Fund balance, beginning of year	<u>7,741</u>	<u>562,471</u>	<u>203,460</u>	<u>2,744</u>	<u>1,006,728</u>	<u>793,343</u>	<u>293,510</u>	<u>(3,319,608)</u>
Fund Balance, End of Year	<u><u>\$ (1,865)</u></u>	<u><u>\$ 557,616</u></u>	<u><u>\$ 211,750</u></u>	<u><u>\$ 2,755</u></u>	<u><u>\$ 1,006,728</u></u>	<u><u>\$ 794,010</u></u>	<u><u>\$ 292,290</u></u>	<u><u>\$ (3,378,030)</u></u>

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**THE METROPOLITAN DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Upper Albany Impr Ph I</u>	<u>Upper Albany Avenue</u>	<u>Nutrient Removal Program</u>	<u>GIS Landbase Database Development</u>	<u>Construction Inspection Automation</u>	<u>HWPCF Chlorine Toxic Elimination</u>	<u>Biosolids Conveying System</u>	<u>Long Term Control Plan</u>
Revenues:								
Intergovernmental	\$	\$ 737,502	\$	\$	\$	\$	\$	\$
Other revenue			1,060					
Total revenues	<u>-</u>	<u>737,502</u>	<u>1,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Capital outlay		2,164,316						146,199
Total expenditures	<u>-</u>	<u>2,164,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,199</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,426,814)</u>	<u>1,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,199)</u>
Other financing sources (uses):								
CWF loan proceeds		1,161,098						
Transfers in								
Transfers out							(2,960)	
Total other financing sources (uses)	<u>-</u>	<u>1,161,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,960)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>(265,716)</u>	<u>1,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,960)</u>	<u>(146,199)</u>
Fund balance, beginning of year	<u>(735)</u>	<u>(103,046)</u>	<u>(125,640)</u>	<u>4,773</u>	<u>756</u>	<u>(1,442)</u>	<u>2,960</u>	<u>(2,429,417)</u>
Fund Balance, End of Year	<u>\$ (735)</u>	<u>\$ (368,762)</u>	<u>\$ (124,580)</u>	<u>\$ 4,773</u>	<u>\$ 756</u>	<u>\$ (1,442)</u>	<u>\$ -</u>	<u>\$ (2,575,616)</u>

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**THE METROPOLITAN DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Combined Sewer LT Control Plan</u>	<u>Sludge Processing Building Odor</u>	<u>Wastewater Treatment Fac. Improvement</u>	<u>Combined Sewer Sep</u>	<u>Inflow & Infiltration Master Plan</u>	<u>Nitrogen Reduction Program</u>	<u>Wastewater Pump Station Improvement</u>	<u>Sewer Inspection Rehab- CMOM</u>
Revenues:								
Intergovernmental	\$	\$	\$ 8,132	\$	\$	\$ 34,432	\$	\$
Other revenue								
Total revenues	<u>-</u>	<u>-</u>	<u>8,132</u>	<u>-</u>	<u>-</u>	<u>34,432</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Capital outlay			814,688		230,860	57,416	32,208	421,040
Total expenditures	<u>-</u>	<u>-</u>	<u>814,688</u>	<u>-</u>	<u>230,860</u>	<u>57,416</u>	<u>32,208</u>	<u>421,040</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(806,556)</u>	<u>-</u>	<u>(230,860)</u>	<u>(22,984)</u>	<u>(32,208)</u>	<u>(421,040)</u>
Other financing sources (uses):								
CWF loan proceeds			38,715		816,861	781,793		
Transfers in								
Transfers out			(19,357)		(800,301)	(687,821)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>19,358</u>	<u>-</u>	<u>16,560</u>	<u>93,972</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>(787,198)</u>	<u>-</u>	<u>(214,300)</u>	<u>70,988</u>	<u>(32,208)</u>	<u>(421,040)</u>
Fund balance, beginning of year	<u>(437,663)</u>	<u>(58,746)</u>	<u>(141,785)</u>	<u>(8,389)</u>	<u>(1,980,579)</u>	<u>(254,351)</u>	<u>(4,651)</u>	<u>1,051,029</u>
Fund Balance, End of Year	<u>\$ (437,663)</u>	<u>\$ (58,746)</u>	<u>\$ (928,983)</u>	<u>\$ (8,389)</u>	<u>\$ (2,194,879)</u>	<u>\$ (183,363)</u>	<u>\$ (36,859)</u>	<u>\$ 629,989</u>

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**THE METROPOLITAN DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Long Term Strategic Initiatives</u>	<u>Emergency Generator Replacements</u>	<u>Capital Equipment Replacements</u>	<u>Dewatering System Improvements Cent Rotat</u>	<u>2006 Incinerator Upgrade</u>	<u>2007 Facility & Buildings Improvements</u>	<u>2007 Capital Mgt. Ops. & Maint. (CMOM)</u>	<u>2007 Asset Mgt. Wastewater Admin.</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Other revenue								1,783
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,783</u>
Expenditures:								
General government								
Capital outlay	442,105	18,855				1,563,360	3,285,702	
Total expenditures	<u>442,105</u>	<u>18,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,563,360</u>	<u>3,285,702</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(442,105)</u>	<u>(18,855)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,563,360)</u>	<u>(3,285,702)</u>	<u>1,783</u>
Other financing sources (uses):								
CWF loan proceeds								
Transfers in								
Transfers out				(171,850)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(171,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(442,105)</u>	<u>(18,855)</u>	<u>-</u>	<u>(171,850)</u>	<u>-</u>	<u>(1,563,360)</u>	<u>(3,285,702)</u>	<u>1,783</u>
Fund balance, beginning of year	<u>(394,222)</u>	<u>(39,291)</u>	<u>(42,050)</u>	<u>171,850</u>	<u>(41,676)</u>	<u>(548,881)</u>	<u>(2,881,384)</u>	<u>221,410</u>
Fund Balance, End of Year	<u>\$ (836,327)</u>	<u>\$ (58,146)</u>	<u>\$ (42,050)</u>	<u>\$ -</u>	<u>\$ (41,676)</u>	<u>\$ (2,112,241)</u>	<u>\$ (6,167,086)</u>	<u>\$ 223,193</u>

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**THE METROPOLITAN DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2007 Document Management</u>	<u>2007 Wastewater Treat. Facility Improvements</u>	<u>2008 WPC Infrastruct Replace and Improv</u>	<u>Vehicle and Equipment Replacement</u>	<u>2008 SCADA System Imps</u>	<u>CMOM Compliance</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$ 48,900	\$	\$	\$	\$ 1,522,849
Other revenue								63,065
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,585,914</u>
Expenditures:								
General government							3,753,664	3,753,664
Capital outlay	258,376	145,618	157,470	1,094,445	35,402	722,910		16,830,424
Total expenditures	<u>258,376</u>	<u>145,618</u>	<u>157,470</u>	<u>1,094,445</u>	<u>35,402</u>	<u>722,910</u>	<u>3,753,664</u>	<u>20,584,088</u>
Excess (deficiency) of revenues over expenditures	<u>(258,376)</u>	<u>(145,618)</u>	<u>(157,470)</u>	<u>(1,045,545)</u>	<u>(35,402)</u>	<u>(722,910)</u>	<u>(3,753,664)</u>	<u>(18,998,174)</u>
Other financing sources (uses):								
CWF loan proceeds								3,731,651
Transfers in							5,000,000	5,000,000
Transfers out								(1,947,427)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>6,784,224</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(258,376)</u>	<u>(145,618)</u>	<u>(157,470)</u>	<u>(1,045,545)</u>	<u>(35,402)</u>	<u>(722,910)</u>	<u>1,246,336</u>	<u>(12,213,950)</u>
Fund balance, beginning of year	<u>260,792</u>	<u>(61,934)</u>	<u>(88,144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,838,440)</u>
Fund Balance, End of Year	<u>\$ 2,416</u>	<u>\$ (207,552)</u>	<u>\$ (245,614)</u>	<u>\$ (1,045,545)</u>	<u>\$ (35,402)</u>	<u>\$ (722,910)</u>	<u>\$ 1,246,336</u>	<u>\$ (29,052,390)</u>

**THE METROPOLITAN DISTRICT
ASSESSABLE SEWER CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF CHANGES IN ASSESSMENTS RECEIVABLE - CONNECTION CHARGE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>Year</u>	<u>Total Assessments Billed</u>	<u>Assessments Receivable January 1, 2009</u>	<u>Assessments Billed</u>	<u>Assessment Collections</u>	<u>Assessments Receivable December 31, 2009</u>	<u>Interest Collected</u>
1984	\$ 339,907	\$ 21,357	\$	\$	\$ -	\$
1987	1,528,989	15,899			15,899	500
1988	1,396,781	1,607			1,607	404
1989	1,773,618	40,807			40,807	
1991	593,837	5,089			5,089	
1992	738,044	19,334		3,395	15,939	10,237
1993	959,586				-	
1994	435,058	11,611		7,184	-	6,888
1995	386,007	10,498		1,291	9,207	164
1996	688,918	69,612		11,442	58,170	3,562
1997	566,625	2,645		605	2,040	159
1998	1,046,123	226,470		41,614	184,856	12,314
1999	919,666	12,466		930	11,536	390
2000	1,032,647	183,854		19,244	164,610	11,576
2001	693,600	144,756		11,304	133,452	6,527
2002	1,349,465	174,032		27,729	146,303	11,763
2003	1,843,321	237,285		19,234	218,051	11,944
2004	1,155,681	220,707		161,051	59,656	16,561
2005	804,622	286,422		8,907	277,515	3,054
2006	1,786,053	65,430		3,435	61,995	3,207
2007	1,120,400	37,383		6,900	30,483	1,130
2008	1,108,907	129,980		4,821	125,159	6,930
2009	568,934		568,934	468,979	99,955	260
Total	\$ 22,836,789	\$ 1,917,244	\$ 568,934	\$ 798,065	\$ 1,662,329	\$ 107,570

**THE METROPOLITAN DISTRICT
ASSESSABLE SEWER CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF CHANGES IN ASSESSMENTS RECEIVABLE - COST RATE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>Year</u>	<u>Total Assessments Billed</u>	<u>Assessments Receivable January 1, 2009</u>	<u>Assessment Collections</u>	<u>Assessments Receivable December 31, 2009</u>	<u>Interest Collected</u>
1963	\$ 2,020,909	\$ 148	\$	\$ 148	\$
1965	1,183,554	477		477	
1966	1,386,258	5,302		5,302	60
1977	<u>1,735</u>	<u>3,116</u>		<u>3,116</u>	
Total	<u>\$ 4,592,456</u>	<u>\$ 9,043</u>	<u>\$ -</u>	<u>\$ 9,043</u>	<u>\$ 60</u>

THE METROPOLITAN DISTRICT
ASSESSABLE SEWER CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF CHANGES IN ASSESSMENTS RECEIVABLE - FLAT RATE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Year</u>	<u>Total Assessments Billed</u>	<u>Assessments Receivable January 1, 2009</u>	<u>Assessments Billed</u>	<u>Assessment Collections</u>	<u>Assessments Receivable December 31, 2009</u>	<u>Interest Collected</u>
1968	\$ 95,129	\$	\$	\$	\$ -	\$
1969	1,281,481	275			275	
1970	1,470,999	881			881	
1971	1,163,010	5,656		889	4,767	1,156
1972	1,797,528	1,482			1,482	
1974	2,440,324	601			601	
1975	3,374,189	24,698		1,024	23,674	2,760
1976	2,138,533	11,434			11,434	
1977	1,153,162	5,125			5,125	
1978	1,349,827	6,771			6,771	
1979	264,420	621			621	
1980	543,089	3,646			3,646	467
1981	579,611	9,225			9,225	
1982	1,055,566	3,345			3,345	
1983	337,968	20,810			20,810	
1984	733,969	9,757		1,743	8,014	3,849
1985	415,297	6,878			6,878	
1986	1,311,771	24,206		1,245	22,961	82
1987	745,611	12,227		4,674	7,553	3,515
1988	783,189	4,315			4,315	
1989	1,677,068	1,571			1,571	
1990	940,534	44,838		5,274	39,564	5,779
1991	954,339	5,943			5,943	
1992	2,088,751	71,783		7,505	64,278	13,768
1993	2,054,195	20,516		4,494	16,022	697
1994	208,930	8,389		4,526	3,863	897
1995	253,918	9,538		1,430	8,108	428
1996	1,497,194	140,147		27,102	113,045	4,951
1997	470,955	54,097		12,365	41,732	3,246
1998	1,534,220	159,637		39,859	119,778	10,627
1999	298,946	11,022		1,580	9,442	661
2000	597,575	148,263		17,116	131,147	7,659
2001	514,481	126,719		24,812	101,907	8,430
2002	375,756	46,361		3,168	43,193	2,184
2003	684,750	254,795		64,879	189,916	22,420
2004	714,634	274,485		45,067	229,418	22,089
2005	18,097	7,792		462	7,330	468
2006	258,777	109,041		7,072	101,969	4,097
2007	677,398	358,497		13,793	344,704	18,189
2008	113,301	104,957		4,130	100,827	4,894
2009			146,490	33,110	113,380	132
Total	\$ 38,968,492	\$ 2,110,344	\$ 146,490	\$ 327,319	\$ 1,929,515	\$ 143,445

THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>GPS</u> <u>Program</u>	<u>2008</u> <u>Fund</u>	<u>2007</u> <u>Fund</u>	<u>2006</u> <u>Fund</u>	<u>2005</u> <u>Fund</u>	<u>2004</u> <u>Fund</u>	<u>2003</u> <u>Fund</u>	<u>2002</u> <u>Fund</u>	<u>2001</u> <u>Fund</u>	<u>2000</u> <u>Fund</u>
Total Project Authorization	\$ 3,507,000	4,000,000	\$ 3,600,000	\$ 3,300,000	\$ 2,750,000	\$ 2,860,000	\$ 1,600,000	\$ 2,590,000	\$ 2,350,000	\$ 3,300,000
Revenues:										
State and federal grants	\$	\$	\$	333,263	2,000	\$	\$	\$	\$	\$
Sewer user charges										
Assessments										
Other revenues										
Investment income						205		256	1,181	71,411
Total project revenues	-	-	-	333,263	2,000	205	-	256	1,181	71,411
Project expenditures	859,358	378,407	641,760	2,088,227	1,619,265	1,161,198	865,543	1,862,686	2,233,390	2,429,179
Other financing sources (uses):										
BAN proceeds			10,000	420,000	980,000	850,000	600,000	890,000	310,000	180,000
CWF loan proceeds				476,246	4,164	80				
Bond proceeds			10,000	420,000	980,000	1,150,000	650,000	1,832,000	1,605,000	180,000
Proceeds from permanent funding										
Debt service										
Transfers in:										
General Fund									630,000	2,066,225
Transfers out:										
Debt Service Fund			(10,000)	(557,567)	(982,082)	(850,040)	(600,000)	(890,000)	(310,000)	(180,000)
Transfers out:										
General Fund									(668)	(68,185)
Total other financing sources (uses)	-	-	10,000	758,679	982,082	1,150,040	650,000	1,832,000	2,234,332	2,178,040
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (859,358)	\$ (378,407)	\$ (631,760)	\$ (996,285)	\$ (635,183)	\$ (10,953)	\$ (215,543)	\$ (30,430)	\$ 2,123	\$ (179,728)

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THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>1999</u> <u>Fund</u>	<u>1998</u> <u>Fund</u>	<u>1997</u> <u>Fund</u>	<u>1996</u> <u>Fund</u>	<u>1989</u> <u>Fund</u>	<u>Towerbrook</u> <u>Phase I & II</u>	<u>Connecticut</u> <u>River</u> <u>Cleanup</u>	<u>Combined</u> <u>Sewer</u> <u>Overflow</u>	<u>WPCF</u> <u>Infrastructure</u> <u>Improvements</u>	<u>Vehicle</u> <u>Maintenance</u> <u>Facility</u>	<u>Headquarters</u> <u>Improvement</u>
Total Project Authorization	\$ 3,300,000	\$ 3,000,000	\$ 3,302,500	\$ 3,850,000	\$ 250,000	\$ 7,235,000	\$ 80,000,000	\$ 1,500,000	\$ 1,100,000	\$ 4,000,000	\$ 6,500,000
Revenues:											
State and federal grants	\$	\$	\$	\$ 250,690	\$	\$ 3,478,288	\$ 29,829,386	\$	\$ 45,900	\$	\$
Sewer user charges											
Assessments											
Other revenues	29,198					1,883,274	12,795	24,000			193
Investment income	62,167	47,452	19,790	60,927	59,136		348,866				5,829
Total project revenues	91,365	47,452	19,790	311,617	59,136	5,361,562	30,191,047	24,000	45,900	-	6,022
Project expenditures	2,443,104	2,609,358	2,673,901	3,494,523	909,775	7,646,024	78,819,725		1,035,415		5,185,689
Other financing sources (uses):											
BAN proceeds	20,000	10,000	10,000				1,416,000		880,000		1,070,000
CWF loan proceeds						5,660,388			216,156		
Bond proceeds	255,000	235,000	520,000	75,000			14,580,921		880,000		3,811,000
Proceeds from permanent funding							35,588,887				
Debt service							(741,417)				
Transfers in:											
General Fund	2,150,000	2,380,000	2,150,000	3,271,130	915,000						950,000
Transfers out:											
Debt Service Fund	(20,000)	(10,000)	(10,000)		(5,225)	(3,771,831)	(1,416,000)	(24,000)	(988,078)		(1,070,000)
Transfers out:											
General Fund	(61,941)	(47,426)	(19,759)	(163,224)	(59,136)		(1,535,207)				(3,515)
Total other financing sources (uses)	2,343,059	2,567,574	2,650,241	3,182,906	850,639	1,888,557	47,893,184	(24,000)	988,078	-	4,757,485
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (8,680)	\$ 5,668	\$ (3,870)	\$ -	\$ -	\$ (395,905)	\$ (735,494)	\$ -	\$ (1,437)	\$ -	\$ (422,182)

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THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>Safety & Regulatory Upgrades, RH</u>	<u>Connecticut River Cleanup Phase II</u>	<u>WPC Facility Improvements</u>	<u>Information Systems</u>	<u>Maple Ave. Area CSO Abatement</u>	<u>Station Rehabilitation</u>	<u>HWPCF Electrical System Impr. Phase III</u>	<u>Incineration Modifications</u>	<u>Biosolids Material Handling Prog.</u>	<u>WPC Facility Improvements</u>	<u>Overflow Alarm & Gate Repair</u>
Total Project Authorization	\$ 6,390,000	\$ 3,100,000	\$ 5,100,000	\$ 28,872,500	\$ 4,675,000	\$ 5,000,000	\$ 3,060,000	\$ 3,750,000	\$ 5,000,000	\$ 1,600,000	\$ 4,950,000
Revenues:											
State and federal grants	\$	\$ 42,184	\$	\$	\$ 1,807,186	\$	\$ 97,608	\$	\$ 2,849,890	\$	\$ 2,666,635
Sewer user charges											
Assessments											
Other revenues										3	
Investment income		157	376	44,074	68		6,209	7,406	1,924	17,611	
Total project revenues	<u>-</u>	<u>42,341</u>	<u>376</u>	<u>44,074</u>	<u>1,807,254</u>	<u>-</u>	<u>103,817</u>	<u>7,406</u>	<u>2,851,814</u>	<u>17,614</u>	<u>2,666,635</u>
Project expenditures	<u>4,862,389</u>	<u>3,031,752</u>	<u>4,997,321</u>	<u>26,018,938</u>	<u>3,748,517</u>	<u>3,935,832</u>	<u>2,132,201</u>	<u>2,979,562</u>	<u>5,289,632</u>	<u>1,185,640</u>	<u>5,465,761</u>
Other financing sources (uses):											
BAN proceeds	4,640,000		70,000	1,870,000				940,000	80,000		
CWF loan proceeds		87,824				6,846,341	464,713				
Bond proceeds	4,640,000	1,109,000	4,990,000	15,415,000	136,258		739,000	2,852,000	2,099,000	1,600,000	400,000
Proceeds from permanent funding					1,812,315				492,557		1,993,489
Debt service					(3,794)				(155,310)	(288,901)	
Transfers in:											
General Fund		670,000		9,122,375							
Transfers out:											
Debt Service Fund	(4,640,000)	(43,912)	(70,000)	(1,870,000)	(3,516)	(3,423,171)	(232,357)	(940,000)	(80,000)		
Transfers out:											
General Fund		(156)		(47,640)			(6,038)	(7,424)	(1,931)	(17,810)	
Total other financing sources (uses)	<u>4,640,000</u>	<u>1,822,756</u>	<u>4,990,000</u>	<u>24,489,735</u>	<u>1,941,263</u>	<u>3,423,170</u>	<u>965,318</u>	<u>2,844,576</u>	<u>2,434,316</u>	<u>1,293,289</u>	<u>2,393,489</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (222,389)</u>	<u>\$ (1,166,655)</u>	<u>\$ (6,945)</u>	<u>\$ (1,485,129)</u>	<u>\$ -</u>	<u>\$ (512,662)</u>	<u>\$ (1,063,066)</u>	<u>\$ (127,580)</u>	<u>\$ (3,502)</u>	<u>\$ 125,263</u>	<u>\$ (405,637)</u>

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THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>Inflow & Infiltration Program</u>	<u>Storm Drainage Imp.</u>	<u>Process Control System Design</u>	<u>Process Control Systems</u>	<u>HWPCF Electrical System Impr. Phase 1</u>	<u>Dissolved Air Flotation</u>	<u>Maple Ave Sewer Sep. Phase II</u>	<u>HWPCF Electrical System Impr. Phase II</u>	<u>Stormwater Management</u>	<u>Pump Station Replacements</u>	<u>Upper Albany Avenue</u>
Total Project Authorization	\$ 5,000,000	\$ 4,341,000	\$ 1,000,000	\$ 4,590,000	\$ 5,000,000	\$ 2,000,000	\$ 2,500,000	\$ 3,060,000	\$ 10,600,000	\$ 9,750,000	\$ 2,225,000
Revenues:											
State and federal grants	\$ 998,125	\$ 1,652,981	\$	\$	\$ 2,424,531	\$	\$ 1,748,467	\$	\$	\$	\$
Sewer user charges											
Assessments											
Other revenues											
Investment income	189		167	2,665	17,644	5,640	9,899	7,724	2,438		
Total project revenues	998,314	1,652,981	167	2,665	2,442,175	5,640	1,758,366	7,724	2,438	-	-
Project expenditures	4,682,972	3,670,437	991,032	3,644,154	4,345,002	1,910,244	2,489,159	1,139,479	307,697	6,153,546	1,590,735
Other financing sources (uses):											
BAN proceeds			180,000	1,470,000		70,000					1,590,000
CWF loan proceeds	1,993,295	2,956,668								5,551,033	
Bond proceeds	1,137,000		989,000	4,200,000	1,284,000	1,913,000	39,751	1,933,000	600,000		1,590,000
Proceeds from permanent funding					318,829		1,708,716				
Debt service											
Transfers in:											
General Fund					530,000						
Transfers out:											
Debt Service Fund	(982,241)	(1,247,234)	(180,000)	(1,470,000)		(70,000)				(2,775,517)	(1,590,000)
Transfers out:											
General Fund	(189)			(895)	(18,252)	(5,641)	(10,946)	(7,235)	(2,451)		
Total other financing sources (uses)	2,147,865	1,709,434	989,000	4,199,105	2,114,577	1,907,359	1,737,521	1,925,765	597,549	2,775,516	1,590,000
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (1,536,793)	\$ (308,022)	\$ (1,865)	\$ 557,616	\$ 211,750	\$ 2,755	\$ 1,006,728	\$ 794,010	\$ 292,290	\$ (3,378,030)	\$ (735)

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THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>Upper Albany Avenue</u>	<u>Nutrient Removal Program</u>	<u>GIS Landbase Database Development</u>	<u>HWPCF Inspection Automation</u>	<u>WPCF Chlorine Toxic Elimination</u>	<u>Conveying System</u>	<u>LT Control Plan</u>	<u>Pump Sewer LT Control Plan</u>	<u>Dewatering Combined Processing Building Odor</u>	<u>Sludge Treatment Fac Improvement</u>	<u>Combined Sewer Separation</u>
Total Project Authorization	\$ 9,610,000	\$ 2,100,000	\$ 750,000	\$ 300,000	\$ 565,000	\$ 650,000	\$ 15,800,000	\$ 3,500,000	\$ 1,700,000	\$ 2,200,000	\$ 3,100,000
Revenues:											
State and federal grants	\$ 745,959	\$ 827,163	\$	\$	\$	\$	\$ 1,425,962	\$ 2,052,524	\$	\$ 8,132	\$ 927,164
Sewer user charges											
Assessments											
Other revenues											65,223
Investment income			2,436	205							
Total project revenues	<u>745,959</u>	<u>827,163</u>	<u>2,436</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>1,425,962</u>	<u>2,052,524</u>	<u>-</u>	<u>8,132</u>	<u>992,387</u>
Project expenditures	<u>2,284,622</u>	<u>2,075,743</u>	<u>744,831</u>	<u>299,449</u>	<u>51,442</u>	<u>597,040</u>	<u>5,098,149</u>	<u>3,433,048</u>	<u>538,746</u>	<u>1,226,473</u>	<u>1,954,806</u>
Other financing sources (uses):											
BAN proceeds					50,000	600,000	31,600,000		380,000	270,000	
CWF loan proceeds	1,178,704	2,248,000					2,879,571	1,885,722		38,715	1,908,059
Bond proceeds			750,000	300,000	50,000	600,000		480,000		270,000	
Proceeds from permanent funding											
Debt service											
Transfers in:											
General Fund											
Transfers out:											
Debt Service Fund	(8,803)	(1,124,000)			(50,000)	(602,960)	(33,037,089)	(942,861)	(380,000)	(289,357)	(954,029)
Transfers out:											
General Fund			(2,832)				(345,911)				
Total other financing sources (uses)	<u>1,169,901</u>	<u>1,124,000</u>	<u>747,168</u>	<u>300,000</u>	<u>50,000</u>	<u>597,040</u>	<u>1,096,571</u>	<u>942,861</u>	<u>480,000</u>	<u>289,358</u>	<u>954,030</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>(368,762)</u>	\$ <u>(124,580)</u>	\$ <u>4,773</u>	\$ <u>756</u>	\$ <u>(1,442)</u>	\$ <u>-</u>	\$ <u>(2,575,616)</u>	\$ <u>(437,663)</u>	\$ <u>(58,746)</u>	\$ <u>(928,983)</u>	\$ <u>(8,389)</u>

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THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>Inflow & Infiltration Master Plan</u>	<u>Nitrogen Reduction Program</u>	<u>2006 Wastewater Pump Station Improvements</u>	<u>Fishfry Pump Inspection Rehab-CMOM</u>	<u>2006 Long-Term Strategic Initiatives</u>	<u>2006 Emergency Generator Replacements</u>	<u>2006 Capital Equipment Replacements</u>	<u>2006 Wastewater Incinerator Upgrade</u>	<u>2007-Facility & Buildings Improvements</u>
Total Project Authorization	\$ 5,000,000	\$ 4,300,000	\$ 1,000,000	\$ 5,000,000	\$ 3,825,000	\$ 300,000	\$ 1,400,000	\$ 5,000,000	\$ 7,122,000
Revenues:									
State and federal grants	\$ 655,158	\$ 288,939							
Sewer user charges									
Assessments									
Other revenues									
Investment income									
Total project revenues	<u>655,158</u>	<u>288,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Project expenditures	<u>4,311,914</u>	<u>1,160,124</u>	<u>186,859</u>	<u>4,262,061</u>	<u>1,166,327</u>	<u>108,146</u>	<u>1,392,050</u>	<u>160,676</u>	<u>3,252,241</u>
Other financing sources (uses):									
BAN proceeds			150,000	15,000,000	330,000	50,000	1,350,000	119,000	140,000
CWF loan proceeds	2,790,755	1,375,643							
Bond proceeds			150,000	5,000,000	330,000	50,000	1,350,000	119,000	1,140,000
Proceeds from permanent funding									
Debt service									
Transfers in:									
General Fund									
Transfers out:									
Debt Service Fund	(1,328,878)	(687,821)	(150,000)	(15,000,000)	(330,000)	(50,000)	(1,350,000)	(119,000)	(140,000)
Transfers out:									
General Fund				(107,950)					
Total other financing sources (uses)	<u>1,461,877</u>	<u>687,822</u>	<u>150,000</u>	<u>4,892,050</u>	<u>330,000</u>	<u>50,000</u>	<u>1,350,000</u>	<u>119,000</u>	<u>1,140,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (2,194,879)</u>	<u>\$ (183,363)</u>	<u>\$ (36,859)</u>	<u>\$ 629,989</u>	<u>\$ (836,327)</u>	<u>\$ (58,146)</u>	<u>\$ (42,050)</u>	<u>\$ (41,676)</u>	<u>\$ (2,112,241)</u>

(Continued on next page)

THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>2007 Cap.Mgt Ops. & Maint. (CMOM)</u>	<u>2007 Asset Management Wastewater Admin.</u>	<u>2007 Wastewater Treat. Facility Improvements</u>	<u>2008 WPC Infrastruct Replace and Improv</u>	<u>Vehicle and Equipment Replacement</u>	<u>2008 SCADA System Improvements</u>	<u>CMOM Compliance</u>	<u>Assessable Sewer Program</u>	<u>2006-Clean Water Project Referendum</u>	<u>Sanitary Sewer Overflow Program</u>
Total Project Authorization	\$ 12,050,000	\$ 500,000	\$ 4,600,000	\$ 7,571,000	\$ 1,956,500	\$ 2,500,000	\$ 10,000,000	\$ 42,314,000	\$ 800,000,000	\$ 30,000,000
Revenues:										
State and federal grants	\$	\$	\$	\$	\$ 48,900	\$	\$	\$	\$ 13,659,017	\$
Sewer user charges									16,538,487	
Assessments								24,831,981		
Other revenues								4,345,907		
Investment income								1,914,896	36,866	
Total project revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,900</u>	<u>-</u>	<u>-</u>	<u>31,092,784</u>	<u>30,234,370</u>	<u>-</u>
Project expenditures	<u>6,167,086</u>	<u>236,807</u>	<u>207,552</u>	<u>245,614</u>	<u>1,094,445</u>	<u>35,402</u>	<u>722,910</u>	<u>7,833,931</u>	<u>70,359,379</u>	<u>15,732,190</u>
Other financing sources (uses):										
BAN proceeds		60,000								60,000,000
CWF loan proceeds									28,663,132	23,021,226
Bond proceeds		460,000								
Proceeds from permanent funding										
Debt service										
Transfers in:										
General Fund										
Transfers out:										
Debt Service Fund		(60,000)							(4,007,091)	(71,510,613)
Transfers out:										
General Fund								(15,500,000)		(647,696)
Total other financing sources (uses)	<u>-</u>	<u>460,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,500,000)</u>	<u>24,656,041</u>	<u>10,862,917</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (6,167,086)</u>	<u>\$ 223,193</u>	<u>\$ (207,552)</u>	<u>\$ (245,614)</u>	<u>\$ (1,045,545)</u>	<u>\$ (35,402)</u>	<u>\$ (722,910)</u>	<u>\$ 7,758,853</u>	<u>\$ (15,468,968)</u>	<u>\$ (4,869,273)</u>

(Continued on next page)

THE METROPOLITAN DISTRICT
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS - ALL CAPITAL PROJECTS FUNDS
PROJECT INCEPTION TO DECEMBER 31, 2009

	<u>Station Assessment</u>	<u>Upper Albany Rainleader Relocation</u>	<u>Rocky Hill Facility Upgrade Phase I</u>	<u>2007 Wastewater Trt.Fac.Sec. & Comm. Imp</u>	<u>2007 Wastewater Primary Tank Rehabilitation</u>	<u>2006 Energy Recovery Program</u>	<u>2008 Fats, Oils & Grease Rec. Station</u>	<u>Backwater Valve/ Private Prop Disconnect</u>	<u>Dewatering System Imp Centrifuge</u>	<u>Total</u>
Total Project Authorization	\$ 200,000	\$ 4,500,000	\$ 500,000	\$ 3,200,000	\$ 3,200,000	\$ 5,000,000	\$ 1,000,000	\$ 395,000	\$ 700,000	\$ 1,269,966,500
Revenues:										
State and federal grants	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 68,866,052
Sewer user charges										16,538,487
Assessments										24,831,981
Other revenues										6,360,593
Investment income									1,282	2,757,096
Total project revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,282</u>	<u>119,354,209</u>
Project expenditures	<u>200,000</u>								<u>528,170</u>	<u>352,294,346</u>
Other financing sources (uses):										
BAN proceeds	200,000									128,855,000
CWF loan proceeds										90,246,435
Bond proceeds	200,000								700,000	87,898,930
Proceeds from permanent funding										41,914,793
Debt service										(1,189,422)
Transfers in:										
General Fund										24,834,730
Transfers out:										
Debt Service Fund	(200,000)								(171,850)	(163,807,123)
Transfers out:										
General Fund									(1,262)	(18,691,320)
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,888</u>	<u>190,062,023</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,878,114)</u>

**THE METROPOLITAN DISTRICT
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF CHANGES IN PLANT ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>Utility Plant in Service</u>	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Disposals and Retirements</u>	<u>Balance December 31, 2009</u>
Source of supply:				
Land	\$ 7,765,149	\$	\$	\$ 7,765,149
Plant	24,881,757	644,568		25,526,325
Pumping:				
Land	32,629			32,629
Plant	5,388,431	601,873		5,990,304
Water treatment:				
Land	287,429			287,429
Plant	27,794,267	1,177,325		28,971,592
Transmission and distribution:				
Land	209,896			209,896
Plant	241,289,575	3,733,704	49,089	244,974,190
General plant:				
Land	27,137			27,137
Plant	4,365,574			4,365,574
Equipment	9,215,039	14,152,703	5,272,649	18,095,093
Total	321,256,883	20,310,173	5,321,738	336,245,318
Utility plant - construction-in-progress	88,365,162	17,053,446	2,624,673	102,793,935
Total utility plant assets	409,622,045	37,363,619	7,946,411	439,039,253
Nonutility assets	221,858		13,390	208,468
Total Assets	\$ 409,843,903	\$ 37,363,619	\$ 7,959,801	\$ 439,247,721

**THE METROPOLITAN DISTRICT
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF CHANGES IN BOND INDEBTEDNESS
AS OF DECEMBER 31, 2009**

Description of Issue	Interest Rate	Maturity Date	Amount of Issue	Balance January 1, 2009	Issued During 2009	Maturities During 2009	Balance December 31, 2009	Maturities During 2010	Interest Expense 2009
Water Filtration and Transmission, Series D	5.50	02/01/2009	\$ 3,000,000	\$ 75,000	\$	\$ 75,000	\$	\$	\$ 2,063
Water System Improvement, No. 1, Series A	Var.	09/01/2010	4,500,000	300,000		150,000	150,000	150,000	25,500
Water System Improvement, No. 2, Series A	Var.	09/01/2010	3,000,000	200,000		100,000	100,000	100,000	17,000
Automated Meter Reading, Series F (2002)	Var.	04/01/2022	278,000	194,600		13,900	180,700	13,900	9,400
Water Supply Improvement, Series C (2002)	Var.	04/01/2022	985,000	689,500		49,250	640,250	49,250	33,305
Bloomfield Water Treatment Facility Improvements, Series A (2002)	Var.	04/01/2022	846,000	592,200		42,300	549,900	42,300	28,605
West Hartford Water Treatment Facility Improvements, Series A (2002)	Var.	04/01/2022	530,000	371,000		26,500	344,500	26,500	17,921
Water Filtration Facility Improvements, Series A (2002)	Var.	04/01/2022	121,000	84,700		6,050	78,650	6,050	4,091
Farmington Avenue Water Main Replacement, Series A (2002)	Var.	04/01/2022	1,678,000	1,174,600		83,900	1,090,700	83,900	56,737
Dam Rehabilitation & Safety Improvements (2004)	Var.	05/01/2024	400,000	320,000		20,000	300,000	20,000	13,950
Water Filtration Facility Improvements (2004)	Var.	05/01/2024	2,250,000	1,800,000		112,500	1,687,500	112,500	78,469
Bloomfield Water Treatment Facility Impr. (2004)	Var.	05/01/2024	1,700,000	1,360,000		85,000	1,275,000	85,000	59,288
W. Hartford Water Treatment Facility Impr. (2004)	Var.	05/01/2024	1,300,000	1,040,000		65,000	975,000	65,000	45,338
2003 Radio Based Automated Meter Reading (2004)	Var.	05/01/2024	500,000	400,000		25,000	375,000	25,000	17,438
2004 Radio Based Automated Meter Reading (2004)	Var.	05/01/2024	300,000	240,000		15,000	225,000	15,000	10,463
Electrical Upgrades, Phase II, West Hartford (2004)	Var.	05/01/2024	1,750,000	1,400,000		87,500	1,312,500	87,500	61,031
South Mill Pump Station, Phase II (2004)	Var.	05/01/2024	500,000	400,000		25,000	375,000	25,000	17,438
South Mill Pump Station (2004)	Var.	05/01/2024	200,000	160,000		10,000	150,000	10,000	6,975
2002 W. Hfd. Water Treatment Plant Wastewater Disp. (2004)	Var.	05/01/2024	100,000	80,000		5,000	75,000	5,000	3,488
Automated Meter Reading Program, Series C (a)	Var.	05/01/2017	1,348,980	918,369		104,082	814,287	104,082	36,153
Automated Meter Reading Program, Series D (a)	Var.	05/01/2019	194,585	140,626		13,125	127,501	12,917	5,741
Water Supply Dam Improvements, Series A (a)	Var.	05/01/2019	194,586	140,627		13,125	127,502	12,917	5,741
Automated Meter Reading Program, Series E (a)	Var.	05/01/2020	214,500	158,415		13,650	144,765	13,464	6,550
Water Supply Dam Improvements, Series B (a)	Var.	05/01/2020	206,249	152,321		13,125	139,196	12,946	6,298
Watershed Land Acquisition, Series A (a)	Var.	05/01/2020	239,249	176,693		15,225	161,468	15,018	7,305
Automated Meter Reading Program, Series B (a)	Var.	05/01/2015	2,210,222	1,354,222		208,000	1,146,222	204,000	52,640
Automated Meter Reading Program, Series A	Var.	12/01/2013	5,000,000	1,250,000		250,000	1,000,000	250,000	64,375
GPW 1999 (b)	Var.	06/01/2028	340,000	340,000		17,000	323,000	17,000	12,166
GPW 2001 (b)	Var.	06/01/2028	220,000	220,000		11,000	209,000	11,000	7,872
GPW 2002 (b)	Var.	06/01/2028	1,990,000	1,990,000		99,500	1,890,500	99,500	71,205
GPW 2004 (b)	Var.	06/01/2028	1,910,000	1,910,000		95,500	1,814,500	95,500	68,342
GPW 2005 (b)	Var.	06/01/2028	2,010,000	2,010,000		100,500	1,909,500	100,500	71,920
GPW 2006 (b)	Var.	06/01/2028	560,000	560,000		28,000	532,000	28,000	20,037
1999 West Hartford Water Treatment Plant (b)	Var.	06/01/2028	2,770,000	2,770,000		138,500	2,631,500	138,500	99,114
Electrical Upgrades - Bloomfield (b)	Var.	06/01/2028	1,450,000	1,450,000		72,500	1,377,500	72,500	51,883
Filter Expansion - Bloomfield (b)	Var.	06/01/2028	460,000	460,000		23,000	437,000	23,000	16,459

(Continued on next page)

**THE METROPOLITAN DISTRICT
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF CHANGES IN BOND INDEBTEDNESS (CONTINUED)
AS OF DECEMBER 31, 2009**

Description of Issue	Interest Rate	Maturity Date	Amount of Issue	Balance January 1, 2009	Issued During 2009	Maturities During 2009	Balance December 31, 2009	Maturities During 2010	Interest Expense 2009
Chemical Feed System - W. Hartford Plant (b)	Var.	06/01/2028	330,000	330,000		16,500	313,500	16,500	11,808
Improvements - Bloomfield Plant (b)	Var.	06/01/2028	2,790,000	2,790,000		139,500	2,650,500	139,500	99,830
2005 Radio Based Meter Reading (b)	Var.	06/01/2028	1,280,000	1,280,000		64,000	1,216,000	64,000	45,800
Water Supply Plant & Site Improvements (b)	Var.	06/01/2028	130,000	130,000		6,500	123,500	6,500	4,652
Richard's Corner Dam Gatehouse (b)	Var.	06/01/2028	580,000	580,000		29,000	551,000	29,000	20,753
Raw Water Bypass (b)	Var.	06/01/2028	800,000	800,000		40,000	760,000	40,000	28,625
2006 Water Treatment Plant Improvements (b)	Var.	06/01/2028	870,000	870,000		43,500	826,500	43,500	31,130
2006 Radio Based Meter Reading (b)	Var.	06/01/2028	3,690,000	3,690,000		184,500	3,505,500	184,500	132,033
2006 Water Pump Station Improvements (b)	Var.	06/01/2028	100,000	100,000		5,000	95,000	5,000	3,578
2006 Paving (b)	Var.	06/01/2028	1,100,000	1,100,000		55,000	1,045,000	55,000	39,359
2007 Paving Program (b)	Var.	06/01/2028	2,100,000	2,100,000		105,000	1,995,000	105,000	75,141
2007 Treatment Plant Upgrades (b)	Var.	06/01/2028	200,000	200,000		10,000	190,000	10,000	7,156
Capital Equipment (b)	Var.	06/01/2028	1,500,000	1,500,000		75,000	1,425,000	75,000	53,672
Improvements - Bloomfield Plant (b)	Var.	06/01/2028	5,000,000	5,000,000		250,000	4,750,000	250,000	178,906
2007 Water Administration (b)	Var.	06/01/2028	427,000	427,000		21,350	405,650	21,350	15,279
2007 Planning and Testing (b)	Var.	06/01/2028	1,300,000	1,300,000		65,000	1,235,000	65,000	46,516
2007 Water Asset Management (b)	Var.	06/01/2028	5,000,000	5,000,000		250,000	4,750,000	250,000	178,906
2007 Radio Frequency (b)	Var.	06/01/2028	1,808,000	1,808,000		90,400	1,717,600	90,400	64,693
2008 Radio Frequency (b)	Var.	06/01/2028	1,000,000	1,000,000		50,000	950,000	50,000	35,781
2008 Security Improvements - W. Hartford (b)	Var.	06/01/2028	2,400,000	2,400,000		120,000	2,280,000	120,000	85,875
Clean Water Fund Loan #9704-C	2%	12/31/2020	860,842	516,506		43,042	473,463	43,042	12,916
Clean Water Fund Loan #9709-C	2%	08/31/2020	206,898	120,690		10,345	110,345	10,345	3,015
Clean Water Fund Loan #9710-C	2%	06/30/2021	861,978	538,736		43,099	495,637	43,099	12,975
Clean Water Fund Loan #9704-DC-D1	2%	12/31/2020	2,225,346	1,570,832		130,903	1,439,930	130,903	39,282
Clean Water Fund Loan #9709-C-D1	2%	08/31/2020	956,990	669,894		57,419	612,474	57,419	16,733
Clean Water Fund Loan #200105-C	2%	07/30/2023	2,343,735	1,708,974		117,187	1,591,787	117,187	34,761
TOTAL			<u>\$ 85,117,162</u>	<u>\$ 64,413,505</u>	<u>\$ -</u>	<u>\$ 4,234,977</u>	<u>\$ 60,178,528</u>	<u>\$ 4,154,989</u>	<u>\$ 2,391,470</u>

**THE METROPOLITAN DISTRICT
WATER UTILITY ENTERPRISE FUND
FUTURE BUDGET DEBT SERVICE
AS OF DECEMBER 31, 2009**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Water Utility Fund Budget Debt Service</u>
2010	\$ 4,154,989	\$ 2,240,586	\$ 6,395,575
2011	3,898,378	2,087,644	5,986,022
2012	3,897,960	1,948,679	5,846,639
2013	3,898,378	1,804,747	5,703,125
2014	3,619,773	1,659,919	5,279,692
2015	3,619,489	1,534,549	5,154,038
2016	3,445,633	1,415,614	4,861,247
2017	3,444,645	1,278,119	4,722,764
2018	3,344,359	1,137,873	4,482,232
2019	3,344,359	1,013,926	4,358,285
2020	3,296,485	888,540	4,185,025
2021	3,016,386	765,400	3,781,786
2022	2,994,837	643,576	3,638,413
2023	2,724,107	525,008	3,249,115
2024	2,655,750	413,799	3,069,549
2025	2,205,750	314,319	2,520,069
2026	2,205,750	226,089	2,431,839
2027	2,205,750	136,481	2,342,231
2028	2,205,750	45,494	2,251,244
Total	\$ <u>60,178,528</u>	\$ <u>20,080,362</u>	\$ <u>80,258,890</u>

**THE METROPOLITAN DISTRICT
HYDROELECTRIC DEVELOPMENT PROJECT ENTERPRISE FUND
SCHEDULE OF CHANGES IN UTILITY PLANT
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>Utility Plant in Service</u>	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance December 31, 2009</u>
General plant:				
Plant	\$ 6,882,856	\$ 8,903	\$ -	\$ 6,891,759
Equipment	<u>4,291,217</u>	<u> </u>	<u> </u>	<u>4,291,217</u>
Total	<u>\$ 11,174,073</u>	<u>\$ 8,903</u>	<u>\$ -</u>	<u>\$ 11,182,976</u>

STATISTICAL SECTION

This part of the District's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	97-100
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	101
These schedules contain information to help the reader assess the District's most significant local revenue source, taxation of member municipalities.	
Debt Capacity	102-104
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	105-106
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	107-109
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**THE METROPOLITAN DISTRICT
NET ASSETS BY COMPONENT
SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:							
Invested in capital assets, net of related debt	\$ 288,609,152	\$ 271,619,177	\$ 291,142,177	\$ 277,273,373	\$ 327,496,469	\$ 339,628,992	\$ 310,716,811
Unrestricted	<u>38,610,784</u>	<u>29,739,469</u>	<u>14,662,400</u>	<u>34,720,492</u>	<u>(5,018,672)</u>	<u>11,577,347</u>	<u>42,617,412</u>
Total Governmental Activities Net Assets	<u>\$ 327,219,936</u>	<u>\$ 301,358,646</u>	<u>\$ 305,804,577</u>	<u>\$ 311,993,865</u>	<u>\$ 322,477,797</u>	<u>\$ 351,206,339</u>	<u>\$ 353,334,223</u>
Business-Type Activities:							
Invested in capital assets, net of related debt	\$ 200,924,333	\$ 191,800,425	\$ 215,143,703	\$ 239,027,758	\$ 220,142,573	\$ 121,705,641	\$ 232,648,584
Unrestricted	<u>35,986,958</u>	<u>45,867,059</u>	<u>24,060,162</u>	<u>11,452,303</u>	<u>33,322,058</u>	<u>132,175,390</u>	<u>19,096,222</u>
Total Business-Type Activities Net Assets	<u>\$ 236,911,291</u>	<u>\$ 237,667,484</u>	<u>\$ 239,203,865</u>	<u>\$ 250,480,061</u>	<u>\$ 253,464,631</u>	<u>\$ 253,881,031</u>	<u>\$ 251,744,806</u>
Primary Government:							
Invested in capital assets, net of related debt	\$ 489,533,485	\$ 463,419,602	\$ 506,285,880	\$ 516,301,131	\$ 547,639,042	\$ 461,334,633	\$ 543,365,395
Unrestricted	<u>74,597,742</u>	<u>75,606,528</u>	<u>38,722,562</u>	<u>46,172,795</u>	<u>28,303,386</u>	<u>143,752,737</u>	<u>61,713,634</u>
Total Primary Government Net Assets	<u>\$ 564,131,227</u>	<u>\$ 539,026,130</u>	<u>\$ 545,008,442</u>	<u>\$ 562,473,926</u>	<u>\$ 575,942,428</u>	<u>\$ 605,087,370</u>	<u>\$ 605,079,029</u>

Note: The MDC began to report accrual information when it implemented GASB Statement No. 34 in 2003.

**THE METROPOLITAN DISTRICT
CHANGES IN NET ASSETS
SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:							
Governmental activities:							
General government	\$ 6,345,750	\$ 6,686,625	\$ 6,645,881	\$ 5,441,367	\$ 5,777,636	\$ 5,516,662	\$ 15,293,399
Engineering and planning	3,784,457	3,849,965	4,306,948	3,288,609	3,014,020	1,798,273	2,242,238
Operations	22,424,345	12,749,569	12,611,938	9,183,338	9,476,097	6,793,093	10,659,623
Plants and maintenance	24,815,667	21,183,730	20,191,021	29,365,991	25,286,168	23,569,236	27,085,660
Water treatment and supply	1,236,441	420,973	2,239,926	1,666,370	1,979,974		
Interest on long-term debt	3,822,967	3,416,892	3,664,468	3,159,444	4,026,409	3,810,761	4,615,043
Total governmental activities expenses	<u>62,429,627</u>	<u>48,307,754</u>	<u>49,660,182</u>	<u>52,105,119</u>	<u>49,560,304</u>	<u>41,488,025</u>	<u>59,895,963</u>
Business-type activities:							
Water	47,963,126	48,432,989	49,426,904	50,411,435	54,101,176	63,281,267	70,626,419
Hydroelectricity	509,303	493,752	352,962	365,649	433,989	375,156	447,432
Mid-Connecticut Project	19,887,660	17,700,660	15,936,659	18,729,932	18,165,810	15,726,127	17,978,766
Total business-type activities expenses	<u>68,360,089</u>	<u>66,627,401</u>	<u>65,716,525</u>	<u>69,507,016</u>	<u>72,700,975</u>	<u>79,382,550</u>	<u>89,052,617</u>
Total Primary Government Expenses	<u>\$ 130,789,716</u>	<u>\$ 114,935,155</u>	<u>\$ 115,376,707</u>	<u>\$ 121,612,135</u>	<u>\$ 122,261,279</u>	<u>\$ 120,870,575</u>	<u>\$ 148,948,580</u>
Program revenues:							
Governmental activities:							
Charges for services	\$ 18,752,722	\$ 15,130,958	\$ 13,749,945	\$ 16,811,930	\$ 17,761,744	\$ 21,913,460	\$ 25,750,098
Operating grants and contributions	247,219	19,375	36,902	169,747	116,176	12,459	27,047
Capital grants and contributions	1,220,174	32,289	2,897,290	8,154,895	7,444,860	12,150,267	10,466,313
Total governmental activities program revenues	<u>20,220,115</u>	<u>15,182,622</u>	<u>16,684,137</u>	<u>25,136,572</u>	<u>25,322,780</u>	<u>34,076,186</u>	<u>36,243,458</u>
Business-type activities:							
Charges for services	61,205,397	60,334,550	67,155,214	68,465,134	70,382,255	75,483,102	72,422,874
Capital grants and contributions	203,251	35,050	9,410,516	12,458,934	6,026,925	5,211,841	5,514,475
Total business-type activities program revenues	<u>61,408,648</u>	<u>60,369,600</u>	<u>76,565,730</u>	<u>80,924,068</u>	<u>76,409,180</u>	<u>80,694,943</u>	<u>77,937,349</u>
Total Primary Government Program Revenues	<u>\$ 81,628,763</u>	<u>\$ 75,552,222</u>	<u>\$ 93,249,867</u>	<u>\$ 106,060,640</u>	<u>\$ 101,731,960</u>	<u>\$ 114,771,129</u>	<u>\$ 114,180,807</u>
Net revenues (expenses):							
Governmental activities	\$ (42,209,512)	\$ (33,125,132)	\$ (32,976,045)	\$ (26,968,547)	\$ (24,237,524)	\$ (7,411,839)	\$ (23,652,505)
Business-type activities	(6,951,441)	(6,257,801)	10,849,205	11,417,052	3,708,205	1,312,393	(11,115,268)
Total Primary Government Net Expense	<u>\$ (49,160,953)</u>	<u>\$ (39,382,933)</u>	<u>\$ (22,126,840)</u>	<u>\$ (15,551,495)</u>	<u>\$ (20,529,319)</u>	<u>\$ (6,099,446)</u>	<u>\$ (34,767,773)</u>
General revenues and other changes in net assets:							
Governmental activities:							
Sewer taxation - member municipalities	\$ 24,264,660	\$ 25,684,985	\$ 26,242,985	\$ 28,690,598	\$ 30,966,992	\$ 32,670,177	\$
Miscellaneous	183,564	142,436					
Unrestricted investment earnings	1,161,120	686,449	916,541	1,948,704	1,268,716	890,911	
Transfers	2,613,111	464,192	10,262,450	2,518,533	2,485,748	2,579,293	
Total governmental activities	<u>28,222,455</u>	<u>26,978,062</u>	<u>37,421,976</u>	<u>33,157,835</u>	<u>34,721,456</u>	<u>36,140,381</u>	<u>-</u>
Business-type activities:							
Miscellaneous	987,466	1,040,799	417,284	1,794,096	1,280,974	1,192,004	
Unrestricted investment earnings	319,562	296,943	532,342	583,581	481,139	491,296	
Transfers	(2,613,111)	(464,192)	(10,262,450)	(2,518,533)	(2,485,748)	(2,579,293)	
Total business-type activities	<u>(1,306,083)</u>	<u>873,550</u>	<u>(9,312,824)</u>	<u>(140,856)</u>	<u>(723,635)</u>	<u>(895,993)</u>	<u>-</u>
Total Primary Government	<u>\$ 26,916,372</u>	<u>\$ 27,851,612</u>	<u>\$ 28,109,152</u>	<u>\$ 33,016,979</u>	<u>\$ 33,997,821</u>	<u>\$ 35,244,388</u>	<u>\$ -</u>
Change in net assets:							
Governmental activities	\$ (13,987,057)	\$ (6,147,070)	\$ 4,445,931	\$ 6,189,288	\$ 10,483,932	\$ 28,728,542	\$ (23,652,505)
Business-type activities	(8,257,524)	(5,384,251)	1,536,381	11,276,196	2,984,570	416,400	(11,115,268)
Total Primary Government	<u>\$ (22,244,581)</u>	<u>\$ (11,531,321)</u>	<u>\$ 5,982,312</u>	<u>\$ 17,465,484</u>	<u>\$ 13,468,502</u>	<u>\$ 29,144,942</u>	<u>\$ (34,767,773)</u>

Note: The MDC began to report accrual information when it implemented GASB Statement No. 34 in 2003.

**THE METROPOLITAN DISTRICT
PERCENTAGE DISTRIBUTION OF ANNUAL TAX LEVY
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Hartford</u>	<u>East Hartford</u>	<u>Newington</u>	<u>Wethersfield</u>	<u>Windsor</u>	<u>Bloomfield</u>	<u>Rocky Hill</u>	<u>West Hartford</u>
2009	27.61 %	12.53 %	8.49 %	8.05 %	8.90 %	7.35 %	5.62 %	21.45 %
2008	27.48	13.10	8.37	7.89	8.90	7.25	5.57	21.44
2007	27.07	13.34	8.42	7.77	9.14	7.19	5.50	21.57
2006	26.78	13.58	8.36	7.71	9.26	7.08	5.63	21.60
2005	27.37	13.42	8.26	7.75	9.20	7.05	5.48	21.47
2004	27.81	13.42	8.20	7.71	8.94	7.12	5.47	21.33
2003	28.96	13.28	8.09	7.65	8.66	6.98	5.20	21.18
2002	29.79	13.07	8.05	7.56	8.36	6.86	5.16	21.15
2001	30.97	12.69	7.84	7.52	8.15	6.60	5.06	21.17
2000	32.09	12.36	7.64	7.44	7.86	6.54	5.04	21.03

Source: Tax warrants served on member towns.

THE METROPOLITAN DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund:										
Reserved	\$ 3,417,195	\$ 35,142	\$ 440,720	\$	\$	\$ 2,948,564	\$ 3,135,152	\$ 3,434,598	\$ 3,273,412	\$ 3,464,034
Unreserved	<u>3,508,172</u>	<u>1,500,000</u>	<u>1,433,000</u>	<u>1,843,868</u>	<u>147,562</u>	<u>6,631,339</u>	<u>8,879,786</u>	<u>11,967,934</u>	<u>15,126,572</u>	<u>12,755,389</u>
Total General Fund	<u>\$ 6,925,367</u>	<u>\$ 1,535,142</u>	<u>\$ 1,873,720</u>	<u>\$ 1,843,868</u>	<u>\$ 147,562</u>	<u>\$ 9,579,903</u>	<u>\$ 12,014,938</u>	<u>\$ 15,402,532</u>	<u>\$ 18,399,984</u>	<u>\$ 16,219,423</u>
All other governmental funds:										
Reserved	\$ 22,460,637	\$ 14,491,602	\$ 12,151,111	\$ 8,263,078	\$ 5,874,011	\$ 4,936,579	\$ 32,720,538	\$ 34,445,117	\$ 102,385,771	\$ 99,584,027
Unreserved, reported in:										
Capital projects funds				29,569,650	15,573,468	(6,175,832)	(15,433,364)	(56,115,846)	(117,059,121)	(137,631,418)
Undesignated fund balance	<u>(4,393,053)</u>	<u>5,209,421</u>	<u>25,397,787</u>							
Total All Other Governmental Funds	<u>\$ 18,067,584</u>	<u>\$ 19,701,023</u>	<u>\$ 37,548,898</u>	<u>\$ 37,832,728</u>	<u>\$ 21,447,479</u>	<u>\$ (1,239,253)</u>	<u>\$ 17,287,174</u>	<u>\$ (21,670,729)</u>	<u>\$ (14,673,350)</u>	<u>\$ (38,047,391)</u>

THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues:										
Taxation - member municipalities	\$ 23,349,949	\$ 23,786,075	\$ 23,681,260	\$ 24,264,660	\$ 25,684,985	\$ 26,991,288	\$ 29,214,143	\$ 30,966,992	\$ 32,670,177	\$ 30,967,000
Assessments	1,794,081	2,729,502	3,621,964	4,748,455	2,141,738	1,525,057	2,541,151	2,345,764	1,387,523	1,131,637
Sewer user fees	4,447,134	3,864,925	3,567,077	5,642,848	3,833,062	4,088,017	4,831,293	4,390,879	10,837,597	16,185,424
Intergovernmental revenues	11,469,240	10,845,862	10,753,040	8,775,239	8,472,534	6,576,205	12,221,782	13,982,442	16,588,057	17,420,010
Investment income	1,375,162	1,507,134	1,555,728	908,379	809,668	916,541	1,948,704	1,268,716	890,911	363,110
Other local revenues	621,950	334,938	1,092,477	1,514,250	989,320	1,603,816	1,389,108	2,675,916	2,967,692	1,878,382
Total revenues	<u>43,057,516</u>	<u>43,068,436</u>	<u>44,271,546</u>	<u>45,853,831</u>	<u>41,931,307</u>	<u>41,700,924</u>	<u>52,146,181</u>	<u>55,630,709</u>	<u>65,341,957</u>	<u>67,945,563</u>
Expenditures:										
Current:										
General government	4,442,245	4,173,512	4,000,132	4,123,976	4,546,255	4,335,909	3,777,892	4,322,023	4,902,564	10,105,415
Engineering and planning	2,269,630	2,517,486	2,527,262	2,521,686	2,508,354	2,439,357	1,723,568	1,418,756	1,481,110	1,401,698
Operations	3,688,810	2,449,652	2,273,775	2,418,222	5,138,999	4,997,642	2,359,908	2,430,307	2,827,880	3,446,176
Plants and maintenance	11,463,985	13,825,973	16,544,787	18,741,240	14,612,757	14,210,807	18,600,994	20,269,789	20,922,437	18,243,576
Employee benefits and other	5,305,080	6,110,174	6,124,527	7,433,577	12,843,986	13,001,065	8,488,057	6,798,102	6,889,633	5,323,916
Debt service:										
Principal retirement	6,283,111	6,718,076	7,109,192	8,389,227	9,124,063	8,473,568	7,939,904	113,210,735	49,007,742	28,034,682
Interest	2,594,772	2,979,474	3,286,291	3,660,918	3,620,815	3,438,837	3,128,750	4,188,484	3,811,487	4,381,890
Refunding bond issuance costs				27,300	141,904					
Capital outlay	22,246,644	23,934,437	19,440,569	10,843,736	5,831,707	14,320,590	43,220,678	34,170,587	35,560,980	67,160,895
Total expenditures	<u>58,294,277</u>	<u>62,708,784</u>	<u>61,306,535</u>	<u>58,159,882</u>	<u>58,368,840</u>	<u>65,217,775</u>	<u>89,239,751</u>	<u>186,808,783</u>	<u>125,403,833</u>	<u>138,098,248</u>
Deficiency of revenues over expenditures	<u>(15,236,761)</u>	<u>(19,640,348)</u>	<u>(17,034,989)</u>	<u>(12,306,051)</u>	<u>(16,437,533)</u>	<u>(23,516,851)</u>	<u>(37,093,570)</u>	<u>(131,178,074)</u>	<u>(60,061,876)</u>	<u>(70,152,685)</u>
Other financing sources (uses):										
Bond proceeds	13,200,000		21,662,000	8,525,000	22,891,629		50,800,000	78,055,000	35,885,000	
Payment to refunded bond escrow agent					(18,105,430)					
Loan obligation proceeds	2,635,078	8,451,081	10,220,392	1,170,683	5,777		4,736,499	14,866,682	31,592,415	39,050,838
Bond premium				251,235	1,128,388			200,335		
Operating transfers in	25,896,689	22,216,836	16,872,946	20,180,601	23,505,001	32,582,294	14,768,654	120,649,219	56,153,928	41,625,512
Operating transfers out	(14,944,789)	(11,692,817)	(13,533,897)	(17,567,490)	(23,040,809)	(22,319,844)	(12,250,121)	(118,163,471)	(53,574,635)	(36,078,267)
Total other financing sources	<u>26,786,978</u>	<u>18,975,100</u>	<u>35,221,441</u>	<u>12,560,029</u>	<u>6,384,556</u>	<u>10,262,450</u>	<u>58,055,032</u>	<u>95,607,765</u>	<u>70,056,708</u>	<u>44,598,083</u>
Net change in fund balances	11,550,217	(665,248)	18,186,452	253,978	(10,052,977)	(13,254,401)	20,961,462	(35,570,309)	9,994,832	(25,554,602)
Fund balance at beginning of year	13,442,734	21,901,413	21,236,165	39,422,617	31,648,020	21,595,043	8,340,650	29,302,111	(6,268,198)	3,726,634
Fund Balance at End of Year	<u>\$ 24,992,951</u>	<u>\$ 21,236,165</u>	<u>\$ 39,422,617</u>	<u>\$ 39,676,595</u>	<u>\$ 21,595,043</u>	<u>\$ 8,340,642</u>	<u>\$ 29,302,112</u>	<u>\$ (6,268,198)</u>	<u>\$ 3,726,634</u>	<u>\$ (21,827,968)</u>
Debt Service as a Percentage to Noncapital Expenditures	24.63%	25.01%	24.83%	25.52%	24.53%	23.40%	24.05%	76.91%	58.79%	45.70%

**THE METROPOLITAN DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Outstanding Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Clean Water Fund Loans</u>	<u>General Obligation Bonds</u>	<u>Drinking Water Fund Loans</u>			
2009	\$ 68,810,109	\$ 56,205,118	\$ 55,454,891	\$ 4,723,638	\$ 185,193,756	2.20%	\$ 518
2008	74,322,127	44,212,621	59,287,873	5,125,633	182,948,254	2.20%	512
2007	43,172,868	47,742,100	16,922,132	5,527,909	113,365,009	1.20%	278
2006	48,025,579	39,633,442	18,749,421	6,034,679	112,443,121	1.14%	298
2005	52,979,290	37,883,136	20,650,710	6,331,617	117,844,753	1.25%	327
2004	58,367,429	40,968,565	23,252,571	6,733,612	129,322,177	1.38%	359
2003	58,933,900	43,520,760	16,231,100	7,184,434	125,870,194	1.35%	350
2002	55,947,000	43,941,704	17,898,000	1,754,848	119,541,552	1.29%	334
2001	38,964,000	44,257,316	15,530,000	1,872,885	100,624,201	1.11%	282
2000	43,645,000	32,048,300	17,650,000		93,343,300	1.45%	258

**THE METROPOLITAN DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 955,509,448	\$ 819,445,892	\$ 836,423,162	\$ 847,940,867	\$ 940,954,416	\$ 906,030,869	\$ 937,911,611	\$ 1,043,324,745	\$ 1,105,210,831	\$ 1,154,369,393
Total net debt applicable to limit	<u>69,716,740</u>	<u>88,695,066</u>	<u>96,577,967</u>	<u>96,606,292</u>	<u>86,238,268</u>	<u>93,888,556</u>	<u>83,812,205</u>	<u>135,256,808</u>	<u>138,286,198</u>	<u>205,972,050</u>
Legal Debt Margin	<u>\$ 885,792,708</u>	<u>\$ 730,750,826</u>	<u>\$ 739,845,195</u>	<u>\$ 751,334,575</u>	<u>\$ 854,716,148</u>	<u>\$ 812,142,313</u>	<u>\$ 854,099,406</u>	<u>\$ 908,067,937</u>	<u>\$ 966,924,633</u>	<u>\$ 948,397,343</u>
Total net debt applicable to the limit as a percentage of debt limit	7.30%	10.82%	11.55%	11.39%	9.16%	10.36%	8.94%	12.96%	12.51%	17.84%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the District exceed 5% of the combined grand list of District member municipalities. The calculation of the 2009 debt limit can be found on page 104 of this report.

**THE METROPOLITAN DISTRICT
SCHEDULE OF DEBT LIMITATION AND LEGAL DEBT MARGIN
DECEMBER 31, 2009**

Schedule of Debt Limitation

Combined 2009 Grand List of Member Municipalities of the District \$ 23,087,387,862

Debt Limit, 5% thereof \$ 1,154,369,393

Total Outstanding Debt , December 31, 2009:

Water Bonds	\$	60,178,529
Sewer Bonds		111,072,893
Sewer CWF Interim Funding Obligation		19,405,843
Headquarters Bonds		4,552,200
Maxim Road Facility Bonds		1,479,928
Information System Bonds		5,196,500
Vehicle Maintenance Facility Bonds		880,206
Pump Station Assessment Bonds		190,000
Long Term Strategic Initiative Bonds		313,500
Emergency Generator Replacement Bonds		47,500
Capital Equipment Replacement Bonds		1,282,500
Bond Anticipation Notes		<u>93,575,000</u>

Total Outstanding Debt 298,174,599

Less Outstanding Debt Not Subject to Debt Limitation:

Water Bonds (A)		60,178,529
Water's Share of Headquarters Bonds		2,139,534
Water's Share of Maxim Road Facility Bonds		991,552
Water's Share of Information System Bonds		3,481,655
Water's Share of Vehicle Maintenance Facility Bonds		378,489
Water's Share of Pump Station Assessment Bonds		98,800
Water's Share of Long Term Strategic Initiative Bonds		163,020
Water's Share of Emergency Generator Replacement Bonds		24,700
Water's Share of Capital Equipment Replacement Bonds		666,900
Bond Anticipation Notes (water share)		<u>24,079,370</u>

Total Outstanding Debt Not Subject to Debt Limitation 92,202,549

Total Debt Subject to Debt Limitation 205,972,050

Excess of Charter Debt Limitation Over Outstanding Debt \$ 948,397,343

(A) The District's Charter does not limit its borrowing capacity for water purposes, but limits its capacity for nonwater purposes to 5% of the combined grand lists of its member municipalities. The nature of this of the limitation requires the aggregation of obligations which normally appear in separate account groups.

(B) In accordance with Title 7, Section 374b of the Connecticut General Statutes, indebtedness, incurred by the District for the supply of electricity, or issued in anticipation of receipt of proceeds from assessments which have been levied upon property benefited by any public improvement, is not subject to limitation.

**THE METROPOLITAN DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2000	362,204	\$ 1,017,262,029	\$ 25,358	39.8	60,219	3.5%
2001	356,479	1,039,776,178	26,701	39.5	61,367	3.6%
2002	358,913	1,043,490,889	26,701	39.7	61,435	5.1%
2003	359,665	1,039,204,276	26,330	39.7	61,722	6.5%
2004	360,626	1,046,215,824	26,504	39.7	61,917	6.3%
2005	360,891	1,050,316,368	26,675	39.9	62,100	6.4%
2006	360,833	1,048,532,132	26,572	39.8	59,823	7.0%
2007	360,822	1,039,931,760	26,188	40.0	59,035	6.6%
2008	362,333	1,038,430,679	26,308	41.6	59,872	8.1%
2009	358,560	1,054,880,474	27,032	39.7	56,654	8.7%

Sources:

Town CAFRs

Any information not contained in CAFRs was taken from the 1990 or 2000 Census

**THE METROPOLITAN DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

-106-

Name	2009			1998		
	Employees	Rank	Percentage of Total Area Employment	Employees	Rank	Percentage of Total Area Employment
State of Connecticut (statewide)	58,587	1	36.57 %	11,700	1	7.28 %
United Technologies	26,400	2	16.48	8,500	2	5.29
The Hartford Financial Group	12,600	3	7.86			
Aetna	7,366	4	4.60	7,267	3	4.52
St Paul/Travelers	6,200	5	3.87	5,890	5	3.67
Bank of America	5,100	6	3.18			
Hartford Hospital	5,100	7	3.18	6,186	4	3.85
John Dempsey Hospital	5,000	8	3.12			
Northeast Utilities	4,148	9	2.59			
University of Connecticut	4,000	10	2.50			
St. Francis Hospital	3,466	8	2.16	3,900	6	2.43
ING Group	1,800	10	1.12	3,000	7	1.87
Asea Brown Boveri				3,000	8	1.87
Hartford Steam Boiler/AIG				2,027	9	1.26
Travelers Life Annuity				2,004	10	1.25
	<u>139,767</u>		<u>87.23 %</u>	<u>53,474</u>		<u>33.30 %</u>

Source: Member Town CAFRS

**THE METROPOLITAN DISTRICT
FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Officials/administrators	43	40	31	27	22	26	26	9	11	11
Other administrative	58	56	64	53	53	53	53	53	53	53
Professional/technical	182	151	138	140	133	160	167	177	178	164
Protective service	7	9	7	6	6	6	6	6	6	6
Skilled craft, service/maintenanace	<u>366</u>	<u>375</u>	<u>361</u>	<u>359</u>	<u>360</u>	<u>380</u>	<u>391</u>	<u>402</u>	<u>425</u>	<u>422</u>
Total	<u>656</u>	<u>631</u>	<u>601</u>	<u>585</u>	<u>574</u>	<u>625</u>	<u>643</u>	<u>647</u>	<u>673</u>	<u>656</u>

Notes: A full-time employee is scheduled to work 1,950 or 2,080 hours per year (including vacation and sick leave). Full time equivalent employment is calculated by dividing total labor hours by 1,950 or 2,080.

**THE METROPOLITAN DISTRICT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Water Operations</u>										
Miles of water mains added	3.00	2.33	3.92	10.10	7.90	5.00	6.69	6.47	5.70	5.00
Water connections made	101,971	101,124	100,598	98,282	99,764	99,673	99,589	97,668	97,161	99,673
Average daily consumption (millions of gallons)	42.1	52.79	54.55	52.56	55.43	54.71	55.12	57.25	58.94	55.56
Maximum consumption (millions of gallons daily)	70.87	75.22	78.38	80.49	87.79	76.19	76.74	90.85	98.09	87.45
Minimum consumption (millions of gallons daily)	41.97	44.23	42.69	40.52	45.31	44.92	46.07	45.41	46.14	44.87
<u>Sewer Operations</u>										
Miles of sewer mains added	2.24	2.11	3.36	4.93	3.58	4.76	6.41	3.92	6.61	3.43
Sewer connections made	113,901	113,267	112,600	111,988	111,284	110,795	110,047	109,730	109,044	108,305
Average daily flow (millions of gallons)	73.78	78.35	64.70	80.52	72.90	71.30	73.28	63.67	52.56	67.43
<u>Mid-Connecticut Project</u>										
Tons of municipal solid waste processed/year	798,406	766,786	741,363	805,912	821,312	779,575	834,868	798,394	817,533	860,650
Average tons processed/week	15,354	14,746	14,257	15,498	15,794	14,992	16,055	15,354	15,722	16,551

Source: MDC Budgets 2000 through 2009

**THE METROPOLITAN DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Water Services</u>										
Miles of water mains	1,539	1,536	1,534	1,530	1,520	1,512	1,507	1,501	1,495	1,489
Number of hydrants	11,291	11,311	11,362	11,324	11,207	11,433	11,382	11,306	11,191	11,100
Number of services	101,678	101,124	100,598	99,881	99,764	99,673	99,589	97,668	97,161	97,125
Number of meters	100,378	100,022	99,600	99,069	97,764	97,460	96,527	96,080	95,262	94,707
Plant capacity	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
<u>Sewer Services</u>										
Miles of sanitary sewers	1,075.58	1,073.34	1,071.23	1,067.87	1,062.94	1,059.36	1,054.60	1,048.19	1,044.27	1,037.66
Miles of combined sewers	160	160	160	160	160	160	160	160	159	159
Miles of storm sewers	72	71	71	71	70	69	69	69	68	54
Estimated sewer connections	113,901	113,077	112,600	111,988	111,284	110,795	110,047	109,730	109,044	108,305
Plant capacity	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
<u>Mid-Connecticut Project</u>										
Tons of municipal solid waste processed/year	798,406	766,786	741,363	805,912	821,312	779,575	834,868	798,394	817,533	860,650
Average tons processed/week	15,354	14,746	14,257	15,498	15,794	14,992	16,055	15,354	15,722	16,551

Source: MDC Budgets 2000 through 2009

**CONTINUING BOND DISCLOSURE INFORMATION
FOR FISCAL YEAR ENDED
DECEMBER 31, 2009**

WATER POLLUTION CONTROL

Treatment: Water pollution control operations include the primary and secondary treatment of wastewater that flows into the facilities, septic tank loads received at the Hartford facility, and sludge delivered from non-member towns. All treatment processes are in compliance with the District's National Pollution Discharge Elimination permits issued by the State's Department of Environmental Protection ("DEP").

Regulatory Compliance: The District entered into a consent order and a consent decree with the State of Connecticut Department of Environmental Protection, Department of Justice, and the U.S. Environmental Protection Agency to address sanitary sewer overflow, nitrogen reduction, and combined sewer overflow issues. On November 6, 2006, the voters of the Metropolitan District approved an \$800,000,000 referendum, "Clean Water Project," to implement components of the previously mentioned consent order and decree.

Maintenance/Replacement: The District's maintenance of its sewer system is part of the annual sewer operational budget. The District's replacement program is funded through appropriations under the District's Capital Improvement Budget.

Revenue: Effective January 1, 1982, the District formally adopted the Adjusted Ad Valorem sewer user charge method of funding its sewer operations. This method of funding allocates the estimated cost of providing sewer services to customers based on actual use of the sewerage system. More specifically, the Adjusted Ad Valorem sewer user charge method recovers sewer system costs from three separate user classifications: (1) low flow users (less than 25,000 gallons of discharge per day); (2) high flow users (more than 25,000 gallons per day); and (3) non-municipal tax-exempt users.

Revenue from low flow users is derived from the tax levied on the District's member municipalities and as shown under the revenue item "Tax on Member Municipalities."

Revenue from high flow users is based on actual sewer flow discharges from those users. A surcharge is levied on high flow users whose share of costs, based on flow, exceeds the portion of their annual property tax payments rendered in support of the District's sewer system. Conversely, high flow users are eligible for year-end rebates if their user charge, based on flow, is less than the portion of the property tax they pay in support of sewer services.

Revenue from non-municipal tax-exempt properties is based on sewer flows from those properties. In addition, sewer user charge revenues from non-member municipalities, per written agreement, are based on actual sewer flows.

Cost Recovery: The District's ability to recover costs associated with the operations of the sewer system is defined in its Charter and Ordinances. Authority to levy a tax on its member towns and to bill a Sewer User Charge is defined in Chapters 3 and 10, respectively, of the District Charter. Specific ordinances relating to the District's Adjusted Ad Valorem Sewer User Charge are found in Section 12 of the District's General Sewer Ordinances.

Section 12 of the Metropolitan District Sewer Ordinances was amended on October 1, 2007 by the District Board to allow the implementation of a special sewer service surcharge to fund the debt issued for the Clean Water Project.

Sewer User Charge
January 1,
Per Hundred Cubic Feet (CCF)

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$2.08	\$2.08	\$2.08	\$1.96	\$1.84

Special Sewer Service Charge
January 1,
Per Hundred Cubic Feet (CCF)

<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1.05	\$0.70	\$0.35

WATER OPERATIONS

Shortly after the District was created in 1929, approval was obtained from the Connecticut General Assembly and the member municipalities' electorates to construct the Barkhamsted Reservoir located on the east branch of the Farmington River in the towns of Barkhamsted and Hartland. The Barkhamsted Reservoir is the largest single water supply reservoir in Connecticut and has a capacity of 30.3 billion gallons of water.

The District has sought and received legislative and voter approval for various water programs, all with the basic objective of providing a water supply and water distribution system sufficient in size to meet current and anticipated future needs. The District's average annual level of water production for 2008 was 52.79 million gallons per day.

Average Daily Consumption As of December 31 Million Gallons Per Day					
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Domestic	28.27	30.19	31.67	31.68	31.02
Commercial	8.67	9.14	9.63	9.60	10.06
Industrial	1.51	1.69	1.73	1.78	1.78
Municipal and other	<u>3.65</u>	<u>3.62</u>	<u>3.95</u>	<u>3.82</u>	<u>4.03</u>
Total million gallons per day ¹	42.10	44.64	46.98	46.88	46.89
Maximum day	70.87	75.22	78.38	80.49	87.79
Minimum day	41.97	44.23	42.69	40.52	45.31

¹ Represents net consumption billed.

Water Utility Unit Charge As of January 1 Per Hundred Cubic Feet

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$2.12	\$2.07	\$2.21	\$1.96	\$1.84

Treatment: Standards for the quality of drinking water supplied to District customers are maintained in conformity with the public health code of the Connecticut Department of Health and as promulgated under Federal water quality standards, under the Safe Drinking Water Act.

The District is in compliance with the Safe Drinking Water Act, also known as Public Health Code Regulation 19-13-B102, "Standards for Quality of Public Drinking Water," and all subsequent amendments. The District has consistently pursued a policy to provide its consumers a safe, potable water supply.

Maintenance/Replacement: The District's maintenance of its water system is part of the annual water operational budget. Its replacement program is funded through appropriations under the District's Capital Improvement Budget.

Revenue: The Department of Public Utility Control does not have jurisdiction to establish rates for the use of water but does require that the District maintain its accounting records for water operations in accordance with a uniform system of accounts prescribed for Class A water utilities. Setting of rates for the use of water is vested in the Water Bureau, and as required by Charter, rates must be uniform throughout the District.

Billing Cycles: The District has 102,299 accounts that are primarily billed on a quarterly basis.

Cost Recovery: The District's ability to recover costs associated with the operation of the water system is defined in its Charter and Ordinances. Authority to establish rates is defined in Chapter 5 of the Charter. Specific ordinances relating to the above are found in Section W-I of the District's Water Supply Ordinances.

ECONOMIC AND DEMOGRAPHIC INFORMATION - MEMBER MUNICIPALITIES

The member municipalities comprising the District are located in central Connecticut, midway between Boston and New York. The Town of East Hartford operates under a strong Mayor-Council form of government, while all other member municipalities operate under the Council-Manager system.

The member municipalities are served by a network of highways. Interstate 91 provides north-south access between New Haven and the Canadian border. Interstate 84 runs from Hartford west to Danbury and through New York State and east to the Massachusetts Turnpike. State Routes 2 and 9 link Hartford with Connecticut's southern coast on Long Island Sound. Connecticut's largest airport, Bradley International, is located 14 miles north of the City of Hartford.

Population and Density

<u>Municipality</u>	<u>2000 Population</u>	<u>1990 Population</u>	<u>1980 Population</u>	<u>% Change 1980-2000</u>	<u>Square Miles</u>	<u>Density¹</u>
Bloomfield	19,587	19,483	18,608	5.3	26.4	742
East Hartford.....	49,575	50,452	52,563	(5.7)	18.7	2,651
Hartford.....	124,121	139,739	136,392	(9.0)	18.4	6,746
Newington.....	29,306	29,208	28,841	1.6	13.2	2,220
Rocky Hill.....	17,966	16,554	14,559	23.4	13.9	1,292
West Hartford.....	63,589	60,110	61,301	3.7	22.2	2,864
Wethersfield.....	26,271	25,651	26,013	1.0	13.0	2,021
Windsor.....	<u>28,237</u>	<u>27,817</u>	<u>25,204</u>	12.0	31.1	908
Total.....	358,652	369,014	363,481	(1.3)	156.9	2,286

¹ Based on 2000 population.

Source: 1980-1990 - U.S. Department of Commerce, Bureau of Census.

Income Levels

<u>Municipality</u>	<u>Income Per Capita</u>	<u>Median Family Income</u>	<u>Median Household Income</u>
Bloomfield	\$28,843	\$64,892	\$53,812
East Hartford	21,763	50,540	41,424
Hartford	13,428	27,051	24,820
Newington	26,881	67,085	57,118
Rocky Hill	29,701	72,726	60,247
West Hartford	33,468	77,865	61,665
Wethersfield	28,930	68,154	53,289
Windsor	27,633	73,064	64,137
Hartford Cty	\$26,047	\$62,144	\$52,064
State Average	\$28,766	\$65,521	\$53,935

MAJOR EMPLOYERS IN GREATER HARTFORD AREA

<u>Business Name</u>	<u>Nature of Business</u>	<u>Location</u>	<u>Employees</u>
United Technologies	Diversified Manufacturer	Regional	26,400
Hartford Financial Group	Insurance, Financial Services	Hartford	21,300
Aetna	Insurance, Financial Services	Hartford	7,366
St. Paul Travelers	Insurance, Financial Services	Hartford	6,200
Hartford Hospital	General Hospital	Hartford	5,028
Cigna	Insurance, Financial Services	Bloomfield	4,500
Saint Francis Hospital	General Hospital	Hartford	3,466
United Health Care	Health Insurance	Hartford	2,300
ING Group	Insurance, Financial Services	Hartford	2,050
MetLife	Insurance, Financial Services	Hartford	1,800
University of Hartford	University	West Hartford	1,500
Hartford Life	Insurance, Financial Services	Windsor	1,450
ABB, Inc.	Power Generator	Windsor	1,400
Connecticut Dept. of Transportation	State of CT	Newington	1,200
Uniprise	Insurance, Financial Services	Hartford	1,018
Kaman	Diversified Manufacturer	Bloomfield	924
Hebrew Home	Health Care	West Hartford	750
Wiremold Product, Inc.	Manufacturer	West Hartford	720
Stanadyne	Manufacturer	Windsor	650
Coca Cola	Bottler	East Hartford	650
Homegoods Distribution	Wholesale Distribution	Bloomfield	570
St. Joseph College	University	West Hartford	540
Westinghouse Electric Company	Manufacturer	Windsor	520
Colt Manufacturing	Manufacturer	West Hartford	520
Macy's	Retail	West Hartford	500
Data-Mail	Mail Services	Newington	500
Sysco Food Services	Wholesale Food Distributor	Rocky Hill	354

BONDED DEBT MATURITY SCHEDULE
BY PURPOSE
AS OF DECEMBER 31, 2009

<u>Year</u>	<u>Sewer Principal</u>	<u>Water Principal</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Cumulative Principal Retired %</u>
2010	\$ 9,253,009	\$ 4,696,005	\$ 13,949,014	\$ 6,117,369	7.53%
2011	9,191,425	4,437,589	13,629,014	5,667,475	14.89%
2012	8,953,072	4,436,696	13,389,768	5,225,583	22.12%
2013	8,936,981	4,437,589	13,374,570	4,787,472	29.34%
2014	8,611,321	4,105,401	12,716,722	4,346,456	36.21%
2015	8,405,271	4,104,472	12,509,743	3,947,585	42.97%
2016	7,356,467	3,908,387	11,264,854	3,573,179	49.05%
2017	7,009,669	3,905,636	10,915,305	3,175,850	54.94%
2018	6,864,900	3,800,406	10,665,306	2,777,011	60.70%
2019	6,685,014	3,800,406	10,485,420	2,410,070	66.36%
2020	6,207,361	3,723,388	9,930,749	2,052,302	71.73%
2021	5,645,651	3,354,418	9,000,069	1,717,034	76.58%
2022	5,172,332	3,332,866	8,505,198	1,399,589	81.18%
2023	3,806,723	3,047,683	6,854,406	1,119,556	84.88%
2024	3,450,232	2,974,010	6,424,242	877,209	88.35%
2025	3,131,202	2,514,610	5,645,812	666,501	91.40%
2026	3,131,202	2,514,610	5,645,812	473,584	94.44%
2027	3,021,273	2,514,610	5,535,883	278,592	97.43%
2028	<u>2,237,214</u>	<u>2,514,655</u>	<u>4,751,869</u>	<u>88,199</u>	100.00%
Total	\$ <u>117,070,319</u>	\$ <u>68,123,437</u>	\$ <u>185,193,756</u>	\$ <u>50,700,616</u>	

PRINCIPAL OUTSTANDING

AS OF DECEMBER 31, 2009

<u>Fund</u>	<u>Principal Outstanding</u>
DWSRF - Water	\$ 4,723,638
Water - GO Bonds	<u>55,454,891</u>
Total Water Debt	<u>60,178,529</u>
 <u>Combined Debt</u>	
Headquarters	4,552,200
Capital Equipment	1,282,500
Emergency Generator	47,500
Pump Stations	190,000
Strategic Initiatives	313,500
Maxim Road	1,479,928
VMF	880,206
Information Systems	<u>5,196,500</u>
Total Combined Debt	<u>13,942,334</u>
 CWF - General	 56,205,118
General - GO	<u>54,867,775</u>
Total General Fund Debt	<u>111,072,893</u>
 Total General Obligation Debt	 \$ <u>185,193,756</u>

FINANCIAL ADMINISTRATION

2010 BUDGET REVENUES

Water Revenues:

Sale of Water and Other Operating Revenues	\$	57,195,600
Non-Operating Revenue		<u>1,750,000</u>
Total Source of Revenues - Water		<u>58,945,600</u>

Sewer Revenues:

Tax on Member Municipalities		30,967,000
Revenue From Other Government Agencies		6,292,300
Sewer User Charge Revenue		5,088,900
Other Sewer Revenues		4,294,300
Contribution From Other Funds		5,438,000
Designated From Surplus		<u>2,946,000</u>
Total Source of Revenues - Sewer		<u>55,026,500</u>

Total Source of Revenues - Water and Sewer	\$	<u><u>113,972,100</u></u>
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2010 BUDGET APPROPRIATIONS

	<u>Water</u>	<u>General</u>	<u>Total</u>
District Board	\$ 132,900	\$ 127,600	\$ 260,500
Executive Office	461,300	443,100	904,400
Administrative Services	129,500	124,500	254,000
Legal	1,049,500	1,008,300	2,057,800
Human Resources	1,014,600	974,800	1,989,400
Chief Administrative Office	233,000	223,900	456,900
Information Technology	2,905,500	1,431,000	4,336,500
Finance	1,745,400	1,676,900	3,422,300
Environment, Health and Safety	665,100	639,000	1,304,100
Engineering and Planning	1,904,200	1,829,500	3,733,700
Customer Service	2,530,500	555,400	3,085,900
Operations	7,300,800	2,433,600	9,734,400
Chief Operating Office	274,700	286,000	560,700
Water Pollution Control		17,096,400	17,096,400
Maintenance	4,378,700	4,206,900	8,585,600
Water Treatment and Supply	7,334,700		7,334,700
Water Supply	3,308,300		3,308,300
Patrol	1,062,600		1,062,600
Debt Service	7,268,000	12,858,000	20,126,000
Employee Benefits	8,268,200	6,764,900	15,033,100
General Insurance	2,023,500	867,200	2,890,700
Taxes and Fees	2,225,000		2,225,000
Special Agreements and Programs	873,900	744,500	1,618,400
Contingencies	765,000	735,000	1,500,000
Riverfront Park Systems	1,090,700		1,090,700
	<u>1,090,700</u>	<u>17,096,400</u>	<u>18,187,100</u>
Total Water and Sewer Budget	\$ <u>58,945,600</u>	\$ <u>55,026,500</u>	\$ <u>113,972,100</u>