

THE NARRAGANSETT BAY COMMISSION

FISCAL YEAR

2009

A COMPONENT UNIT OF THE STATE OF RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Narragansett Bay Commission

A Component Unit of the State of Rhode Island

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

Prepared by: The Division of Administration and Finance
of the Narragansett Bay Commission



Photo: Sunset on Narragansett Bay

Narragansett Bay Commission's Mission Statement

**“The mission of the Narragansett Bay Commission is
to maintain a leadership role
in the protection and enhancement of water quality
in Narragansett Bay and its tributaries
by providing safe and reliable
wastewater collection and treatment services
to its customers at a reasonable cost.”**



Photo: Beach in Narragansett

NARRAGANSETT BAY COMMISSION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended 2009

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Comprehensive Annual Financial Report
Introductory Section



Photo: Slater Mill in Pawtucket RI

In addition, the NBC's Citizen Advisory Committee (CAC) is a diverse group of dedicated individuals, representing municipalities throughout the NBC's service area, industrial and residential users, environmental organizations and the general public. The CAC also advises the Board on matters pertaining to sewer usage fees, sewer construction, pretreatment, public awareness and education.

The NBC prepares its operating budget on a modified cash basis. Accordingly, certain non-cash expenses such as depreciation and amortization are not provided for in the operating budget. The budget includes the debt service principal payments on all debt, including debt issued to finance capital projects included in NBC's Capital Improvement Program (CIP).

A line item budget is maintained for each individual section or program. Finance staff reviews the budget versus actual status on a monthly basis. All budget transfers must be approved by the Division Director and the Director of Administration and Finance. The Executive Director notifies the NBC's Finance Committee of these adjustments on a monthly basis. In addition, the Finance Committee reviews and approves the monthly financial statements and the status of the budget versus expenses prior to presentation at the monthly Board Meeting.

LOCAL ECONOMY

The NBC provides wastewater treatment and collection services to more than 360,000 residents and 7,900 businesses in ten Rhode Island communities in the metropolitan Providence and Blackstone Valley areas. Of the ten member communities that make up the NBC service area, Providence, Pawtucket and North Providence represent more than 73% of the NBC's accounts.

According to the Rhode Island Department of Economic Development, the Rhode Island economy has been shifting from manufacturing and goods producing to services over the last decade. NBC's ten largest customers are in the health, education and governmental services. It should also be mentioned that one of the primary service industries in Rhode Island is tourism, which is largely focused on recreational activities on and around Narragansett Bay.

Information developed at the May 2009 Rhode Island Revenue Estimating Conference indicates that "the national economic downturn is severe, the worst since the 1930's. It is predicted that the downturn will end in the last quarter of 2009." As far as Rhode Island is concerned "Rhode Island is currently not as badly off as in 1992, but the situation continues to deteriorate. Unemployment rates are predicted to reach 12.3 percent in the first half of 2010. Job growth and personal income growth will lag the U.S."

LONG-TERM FINANCIAL PLANNING

The NBC maintains and updates a long-term financial model in order to project current and future operating and capital requirements. The model is used to develop and support financing strategies that will provide stability and continuity as well as minimize rate increases.

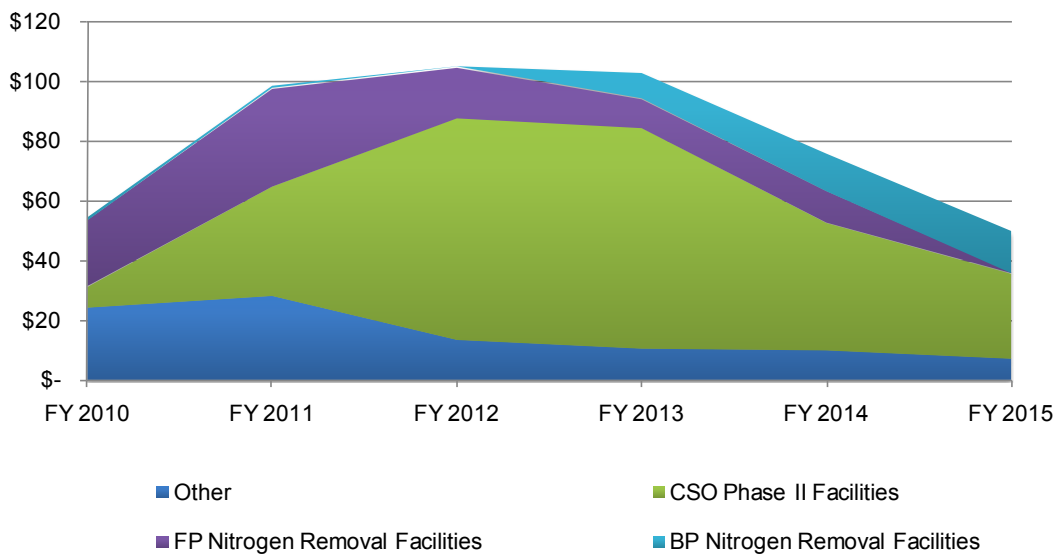
MAJOR INITIATIVES

The NBC's fiscal year 2011 - 2015 Capital Improvement Program (CIP) identifies 47 projects totaling approximately \$432 million either in progress, to be initiated, or to be completed during the fiscal years of 2011 - 2015 in addition to \$55 million in expenditures in fiscal year 2010, totaling approximately \$486 million over the six year period. Expenditures on these projects are necessary in order to comply with current and future regulatory requirements, take advantage of technological changes, and ensure the integrity of the NBC's infrastructure.

The three major projects included in the CIP are the CSO Phase II Facilities, Nutrient Removal Facilities at the Field's Point Wastewater Treatment Facility, and Nutrient Removal Facilities at the Bucklin Point Wastewater Treatment Facility. Costs for these three initiatives during the six-year period total \$393 million or more than 80% of the CIP. Construction of the Nitrogen Removal Facilities at Field's Point is scheduled to begin in FY 2010 and construction of the CSO Phase II Facilities is scheduled to begin in FY 2011. The Bucklin Point Nutrient Removal Facilities is not scheduled to begin until FY 2013. NBC's investment in its other infrastructure initiatives is anticipated to remain fairly level in the near future as part of NBC's commitment to maintain its infrastructure.

The following graph and table show the projected cash flows for NBC's major initiatives over the next six years, as well as the other smaller projects included in the CIP.

Expenditures by Major Initiative (Millions of \$)

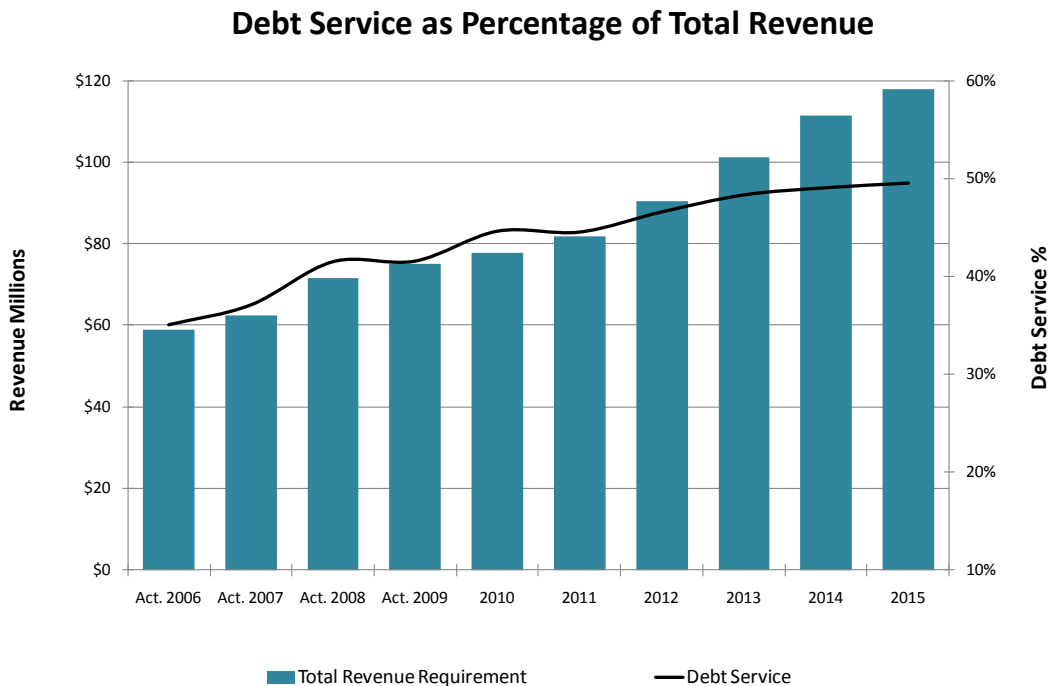


Expenditures by Major Initiatives (In thousands)

Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total Costs FY 2010 - 2015	Percentage of Six-Year Costs
CSO Phase II Facilities	\$ 6,941	\$ 36,585	\$ 74,305	\$ 73,930	\$ 42,648	\$ 28,433	\$ 262,841	54%
FP Nitrogen Removal Facilities	22,311	32,921	17,050	9,726	10,629	375	93,011	19%
BP Nitrogen Removal Facilities	1,047	673	47	8,411	12,522	14,042	36,742	8%
Other	24,268	28,192	13,476	10,551	9,972	7,178	93,638	19%
Total	\$ 54,567	\$ 98,371	\$ 104,878	\$ 102,618	\$ 75,771	\$ 50,027	\$ 486,232	100%

IMPACT OF CIP ON DEBT SERVICE

Since the CIP is financed primarily through the issuance of long-term debt, the capital program's primary impact on the operating budget is the payment of the associated principal and interest. Overall, debt service is anticipated to increase from approximately \$34.7 million in FY 2010 to approximately \$58.5 million in FY 2015. The chart below shows debt service as a percentage of projected revenues through FY 2015. Annual debt service as a percentage of total revenue has increased from 35% in FY 2006 to 41.6% in FY 2009 and is projected to reach 49.6% in FY 2015. All debt service projections are based on a number of assumptions including the cash flow estimates outlined in the CIP.



AWARDS AND ACKNOWLEDGEMENTS

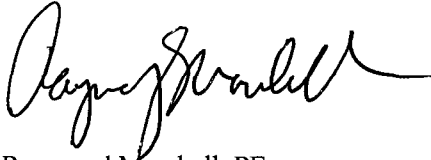
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to the NBC for its CAFR for the fiscal year ended June 30, 2008. This was the seventh consecutive year that the NBC has received this prestigious award. In order to be awarded a Certificate of Achievement, the NBC issued an easily readable and efficiently organized CAFR which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the high standards of the Certificate of Achievement Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the NBC also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2009. The GFOA also awarded NBC Special Performance Measures Recognition. In order to qualify for the Distinguished Budget Presentation award, the budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the NBC's Division of Administration and Finance. Credit also must be given to the Chairman and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the NBC's finances.

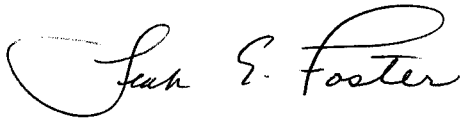
Respectfully Submitted,



Raymond Marshall, PE
Executive Director



Karen L. Giebink
Director of Administration and Finance



Leah E. Foster, CPA
Controller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Narragansett Bay Commission
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



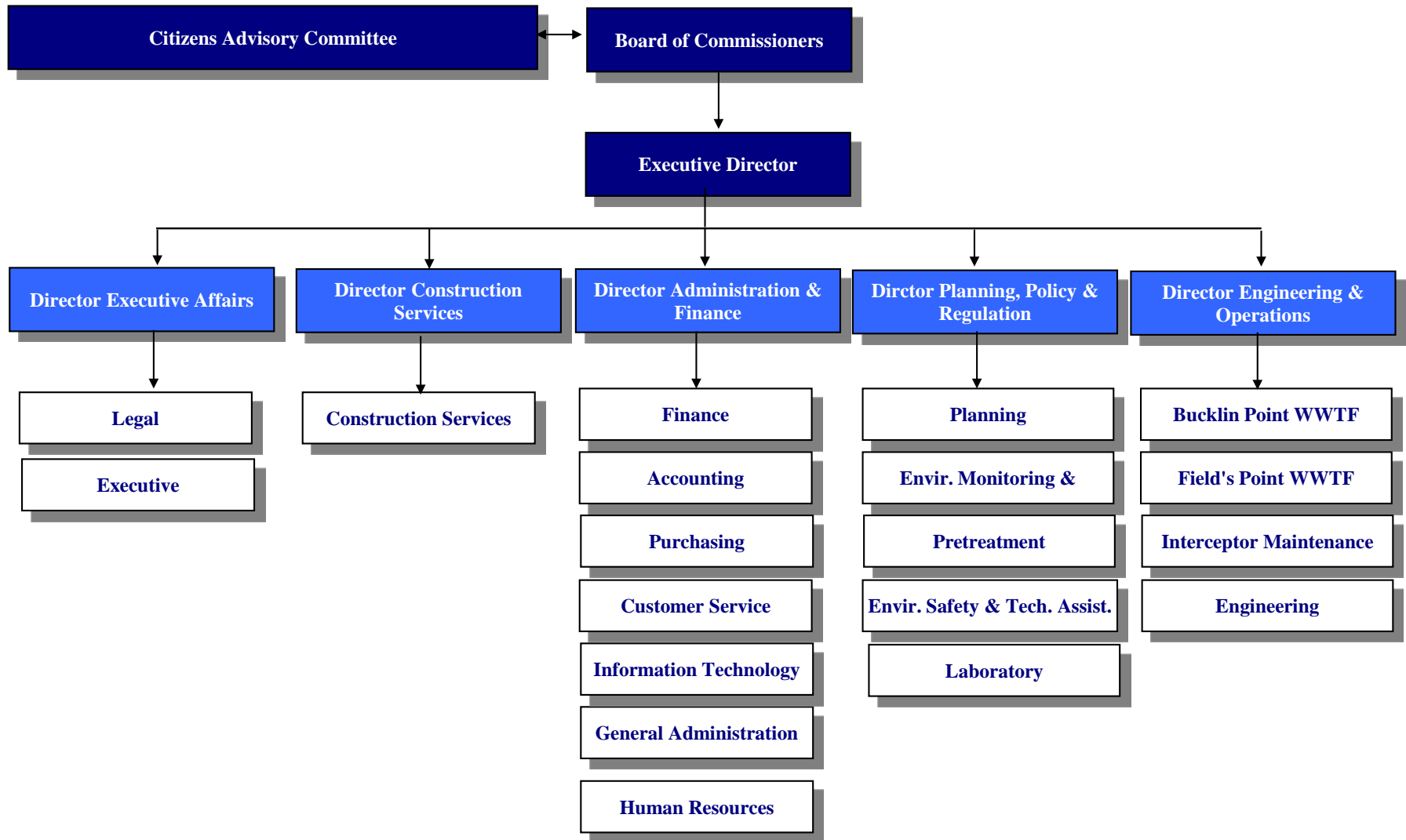
President

Executive Director

**NARRAGANSETT BAY COMMISSION
BOARD OF COMMISSIONERS**

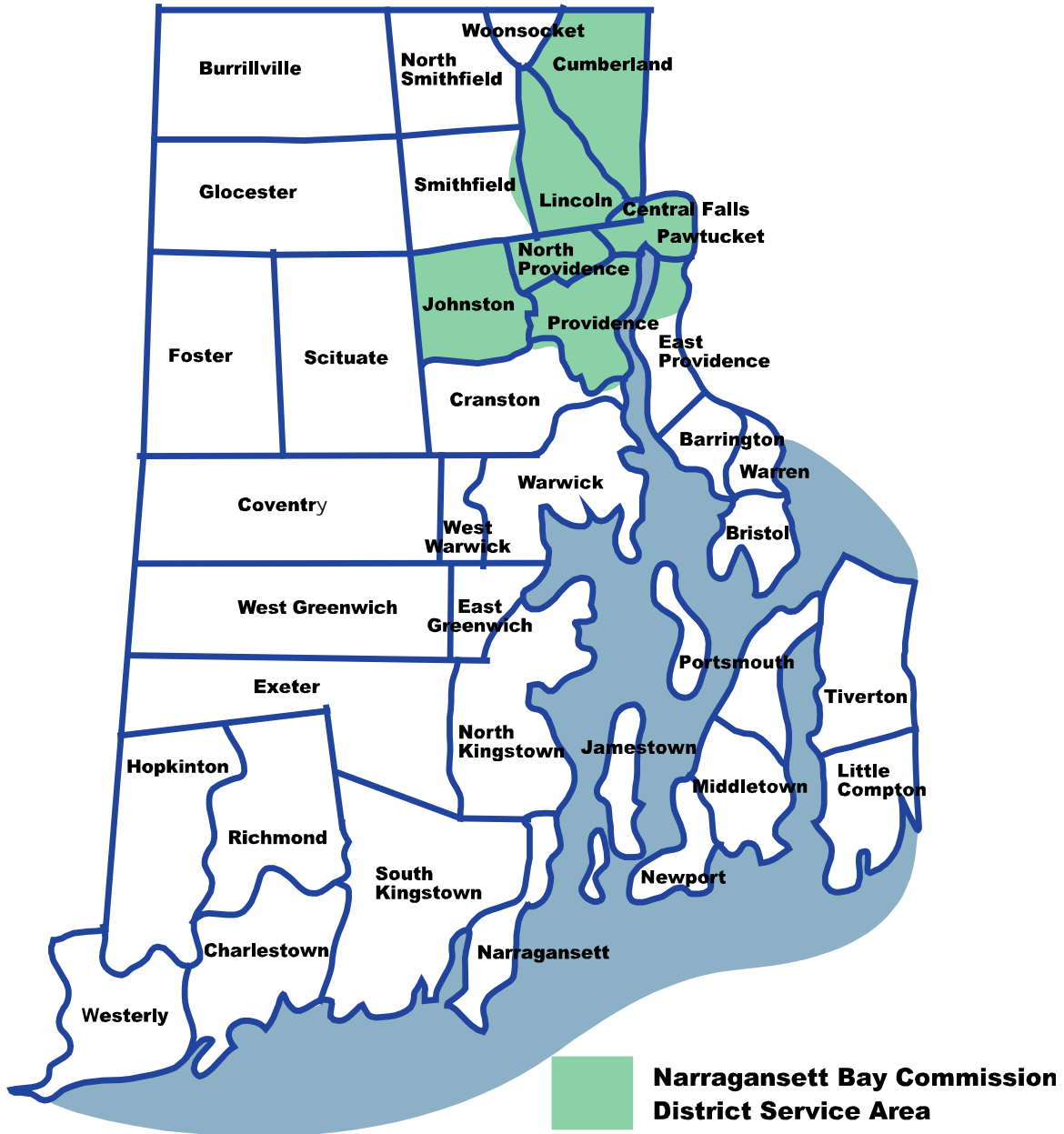
Vincent J. Mesolella, Jr. Chairman
Raymond Marshall, Executive Director and Secretary of the Board
Angelo S. Rotella, Vice Chairman
Robert P. Andrade, Treasurer

Richard Burroughs
Richard Brown
Bruce Campbell
R. David Cruise
Michael DiChiro, Esq
Jonathan Farnum
Leslie M. Gray, III
Ronald Leone
Joseph Kimball
John MacQueen
Alessandro Montanari
Alan Nathan
Michael A. Salvatore
Leo P. Thompson
Richard D. Worrell



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NARRAGANSETT BAY COMMISSION SERVICE AREA



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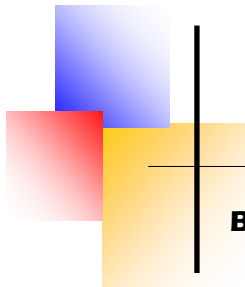
Comprehensive Annual Financial Report
Financial Section



Photo: Bucklin Point Wastewater Treatment Facility



Photo: Field's Point Wastewater Treatment Facility



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America Counts on CPAs

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Warwick, RI 02886

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Fax: 401-826-1710

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Narragansett Bay Commission
Providence, Rhode Island

We have audited the accompanying basic financial statements of the Narragansett Bay Commission (NBC), a component unit of the State of Rhode Island for financial reporting purposes, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of NBC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NBC as of June 30, 2009, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2009 on our consideration of NBC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and schedule of funding progress on pages 12 through 18 and page 48 are not a required part 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 primarily 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 an opinion on the financial statements that collectively comprise NBC's basic financial statements. The Introductory Section, the schedule of expenses – budget to actual, the combining schedule of net assets and the combining schedule of revenues, expenses and changes in net assets, the Statistical Section, the schedule of expenditures of federal awards and the schedule of travel expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenses – budget to actual, the combining schedule of net assets, the combining schedule of revenues, expenses and changes in net assets, the schedule of expenditures of federal awards and the schedule of travel expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements as a whole. The Introductory and Statistical Sections 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.

Bacm and Company, CPAs, LLC

Warwick, Rhode Island
September 15, 2009

Management's Discussion and Analysis

Our discussion and analysis of Narragansett Bay Commission's financial performance provides an overview of NBC's financial activities for the fiscal year ended June 30, 2009. It should be read in conjunction with the transmittal letter beginning on page 1 and NBC's basic financial statements, which begin on page 19.

Financial Statements

Our discussion and analysis is intended to serve as an introduction to the NBC's basic financial statements, which consist of the financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The financial statements report information about the NBC based upon an accrual accounting method similar to those used by private sector companies. The financial statements include a Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and Notes to the Financial Statements.

The Statement of Net Assets presents the financial position of the NBC on the accrual basis of accounting, with the exception of fine assessments and monitoring fees that are recorded on a cash basis. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the NBC is improving or deteriorating.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the NBC's operations over the past year and can be used to determine whether the NBC has successfully recovered all its costs through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The purpose of this statement is to provide information about the changes in cash and cash equivalents, resulting from operating, capital and related financing, noncapital financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of assets.

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the statements. The notes to the financial statements can be found on pages 24-47 of this report.

Financial Highlights

The NBC's financial condition is strong and the NBC's performance for the current year exceeded the budget. The following are the key financial highlights:

- The assets of NBC exceeded its liabilities at the close of the most recent fiscal year by \$304,925,778 (total net assets). Of this amount, \$64,044,903 (unrestricted net assets) may be used to meet NBC's ongoing obligations.
- Operating revenues increased by \$3,465,950 during 2009 compared to 2008.
- Operating expenses increased by \$1,862,925 during 2009 compared to 2008.

- The total change in net assets was \$18,175,814, an increase of \$1,041,399 over the prior year.
- Debt Service Coverage calculated as gross revenue, less operating expenses exclusive of depreciation and amortization, divided by total debt service was 127% for fiscal year 2009, exceeding the 125% debt service coverage level recommended by credit rating agencies.

Financial Analysis

Net assets over time may serve as a useful indicator of a government's financial position. In the case of NBC, assets exceeded liabilities by \$304,925,778 as of June 30, 2009. This represents an increase in total net assets of \$18,175,814 or 6.3% from FY 2008 and demonstrates that the financial position of NBC is improving.

The largest portion of the NBC's net assets, 79%, reflects its investment in capital assets (e.g., land, buildings, equipment, and capital projects) less any related debt used to acquire those assets that is still outstanding. The NBC uses these capital assets to provide wastewater treatment and collection services to its customers. Consequently, only the unrestricted net assets are available for future spending. Although the NBC's investment in its capital assets 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.

Condensed Statement of Net Assets

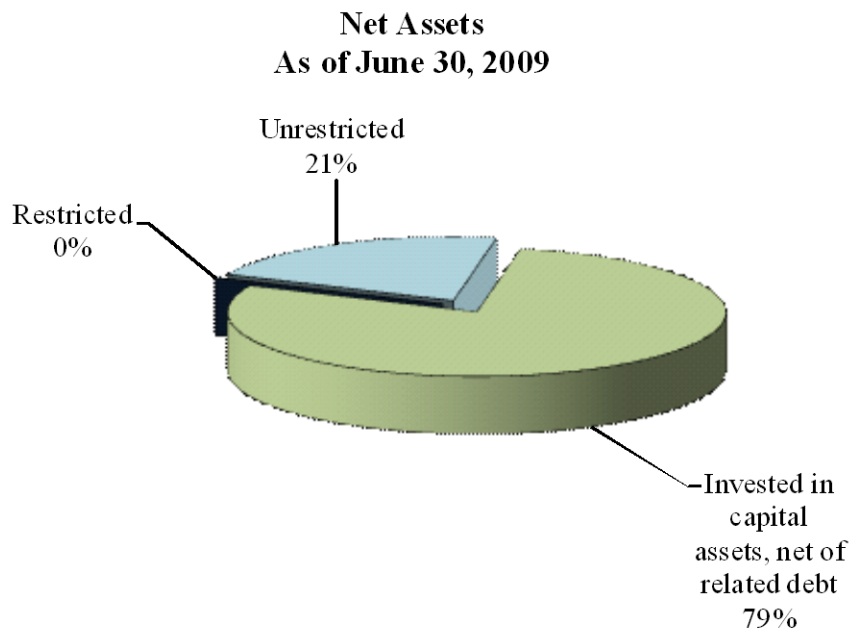
	<u>2009</u>	<u>2008</u>
Current assets	\$ 36,208,496	\$ 36,428,233
Restricted assets	46,952,691	47,147,974
Capital assets (net)	656,568,035	638,868,755
Other assets	<u>5,226,944</u>	<u>5,749,157</u>
Total assets	<u>744,956,166</u>	<u>728,194,119</u>
Current liabilities	30,262,567	31,740,677
Noncurrent liabilities	<u>409,767,821</u>	<u>409,703,478</u>
Total liabilities	<u>440,030,388</u>	<u>443,444,155</u>
Invested in capital assets, net of related debt	240,723,854	228,385,908
Restricted	157,021	189,545
Unrestricted	<u>64,044,903</u>	<u>58,174,511</u>
Total net assets	<u>\$304,925,778</u>	<u>\$286,749,964</u>

The table on the previous page reflects one significant increase when compared on a year to year basis. The total assets have increased by \$16,762,047. The majority of this increase is in the net capital assets which increased by 2.8% from FY 2008 to FY 2009. Driving the increase in net capital assets is the construction in progress account. This account has increased significantly due to the substantial progress that NBC made in FY 2009 on a number of the initiatives identified in the Capital Improvement Program (CIP).

In FY 2009, the NBC shows restricted assets of \$46,952,691. Of this amount \$157,021 is restricted for future environmental enforcement activities in accordance with Rhode Island General Law Section 46-25-38.1. These funds are held in a restricted cash account and are reflected as a restricted net asset. In addition, \$28,879,474 is restricted cash for future debt service and debt service coverage in accordance with the Report and Order of the Rhode Island Public Utilities Commission (PUC) as well as the Trust Indenture. As of June 30, 2009, the NBC's restricted cash account for future acquisition and construction of capital assets had a balance of \$17,916,196.

In 2009, the noncurrent liabilities increased by \$64,343. This is the net result of the draw down of the remainder of the proceeds from the FY 2008 \$25 million long-term borrowing from the Rhode Island Clean Water Finance Agency to finance NBC's CIP, debt service principal payments during FY 2009 and the refunding of the Series 2004 A Wastewater System Revenue Bonds. The increase in noncurrent liabilities and the \$17,699,280 increase in net capital assets over the prior year reflect NBC's continued capital investment and the related debt in FY 2009.

Below is the detail of the Net Assets as of June 30, 2009:

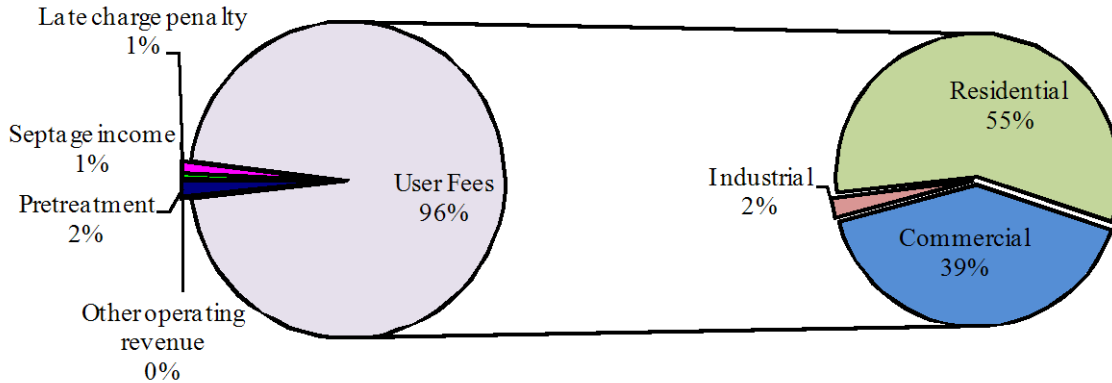


Condensed Statement of Revenues, Expenses and Changes in Net Assets

	<u>2009</u>	<u>2008</u>
Operating Revenues		
User fees	\$ 67,958,753	\$ 64,462,984
Pretreatment	1,126,654	1,115,529
Septage income	382,955	372,711
Late charge penalties	849,127	741,834
Other operating revenues	226,192	384,673
Nonoperating revenues	<u>640,149</u>	<u>2,318,626</u>
Total revenues	<u>71,183,830</u>	<u>69,396,357</u>
Operating Expenses		
Personnel services	17,832,832	17,052,860
General and administration	1,147,786	896,481
Operation and maintenance	6,940,124	5,877,881
Depreciation and amortization	7,301,816	7,463,646
Contractual services	7,221,939	7,214,382
Miscellaneous	534,190	610,512
Nonoperating expenses	<u>12,029,329</u>	<u>13,146,180</u>
Total expenses	<u>53,008,016</u>	<u>52,261,942</u>
Change in net assets	18,175,814	17,134,415
Total Net Assets, Beginning	<u>286,749,964</u>	<u>269,615,549</u>
Total Net Assets, Ending	<u>\$304,925,778</u>	<u>\$286,749,964</u>

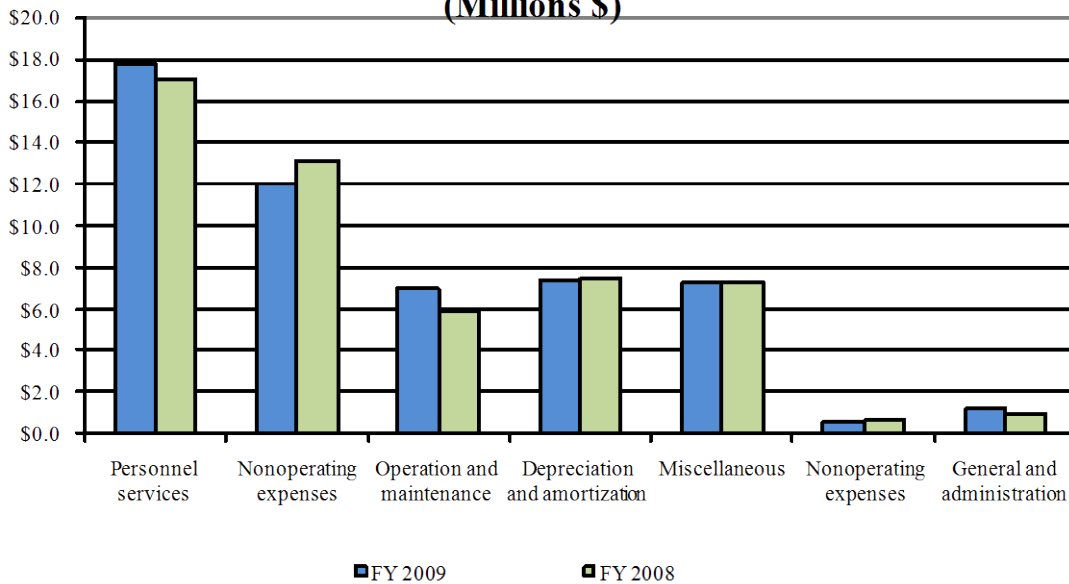
User fees are NBC's primary source of revenue, representing approximately 96% of total operating revenues. Fiscal Year 2009 user fee revenue was \$67,958,753 which is \$3,495,769 more than the prior year. The increase in user fees is primarily the result of a rate increase effective July 1, 2008. The rate increase of 11.24% was related to operating and maintenance costs, debt service and debt service coverage as well as an adjustment in the rate base to reflect declining consumption. Because a portion of the rate increase was for a rate base adjustment and the NBC also realized a further decline in consumption during FY 2009, the overall increase in user fee revenues in FY 2009 was less than the approved increase. In FY 2009 late charge penalties increased \$107,293 or 14.4% over FY 2008 as the result of a full year of charges billed under the new compounded late charge penalty calculation. Nonoperating revenues decreased by \$1,678,477 or 72.397% as the result of lower investment earnings on unexpended revenue bond proceeds.

Operating Revenue for FY 2009



Total expenses in FY 2009 increased \$746,074 over the prior year. Operating expenses were \$1,862,925 higher in FY 2009 than the prior year. This was primarily the result of increased personnel costs, including employer contributions to the union retirement plan as well as health insurance. Operation and maintenance expense increased \$1,062,243 over the prior year as a result of two factors. NBC experienced higher utility costs associated with the CSO Phase I Facilities that became operational in November 2008 and specifically electrical usage at the Tunnel Pump Station. In addition, chemical expenses were higher than the prior year due to increased chemical usage as part of the wastewater treatment process. Nonoperating expenses decreased \$1,116,851 as a result of lower interest expense resulting from the low short-term interest rates at which NBC was able to remarket its Variable Rate Demand Obligations in weekly mode.

Total Expenses for FY 2009 and FY 2008 (Millions \$)

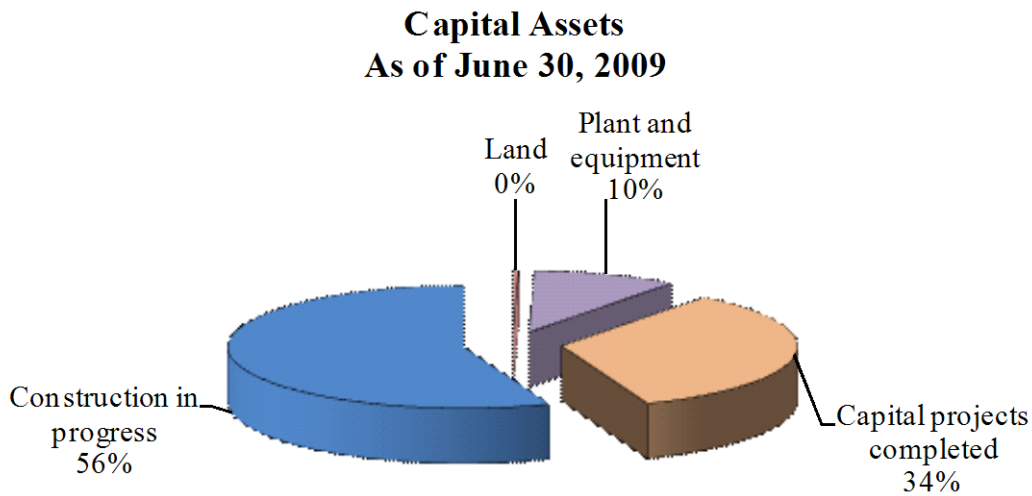


CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2009, the NBC had \$656 million invested in net capital assets. This amount represents an increase of more than \$17.7 million, or 2.8% over last year. The following schedule summarizes the NBC’s capital assets and changes therein, for the years ended June 30, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Capital Assets		
Land	\$ 2,754,407	\$ 2,754,407
Plant and equipment	76,830,816	75,480,473
Capital projects completed	260,300,608	255,551,726
Construction in progress	<u>431,243,898</u>	<u>412,852,916</u>
	771,129,729	746,639,522
Less accumulated depreciation	<u>(114,561,694)</u>	<u>(107,770,767)</u>
Net capital assets	<u>\$ 656,568,035</u>	<u>\$ 638,868,755</u>



Long-Term Debt

During fiscal year 2009, the NBC refunded the 2004 Series A Wastewater System Revenue Bonds (Variable Rate Demand Obligations). The total debt to net capital asset ratio is 65.2% and 66.9% for fiscal years ending June 30, 2009 and 2008, respectively.

For additional information related to capital assets or long-term debt see the notes to the financial statements. The notes to the financial statements can be found on pages 24-47 of this report.

Economic Factors and Next Year's Budgets and Rates

NBC is governed by a 19-member Board of Commissioners (Board) and is also regulated by the Rhode Island Public Utilities Commission (PUC). Both NBC's Board and the PUC must authorize all adjustments to user charges.

The NBC filed a General Rate Filing with the PUC on December 22, 2008 related to higher operating expenses and a rate base adjustment for declining consumption. The PUC authorized a 10.29% increase in revenues effective July 1, 2009 to be recovered entirely through flat fees. The PUC also authorized NBC to increase the frequency of user charge billings from quarterly to monthly effective October 2009. All of these factors were considered during the preparation of the NBC's FY 2010 operating budget.

Contacting NBC's Financial Management

This financial report is designed to provide the Board, the NBC's ratepayers, bond investors and other interested parties with the general overview of the NBC's finances, and to demonstrate the NBC's accountability for the financial resources it manages. If you have any questions concerning this report or need additional financial information contact the Director of Administration and Finance at One Service Road, Providence, RI, 02905.

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NARRAGANSETT BAY COMMISSION

Statement of Net Assets

June 30, 2009

Assets

Current assets

Cash and cash equivalents	\$ 13,301,800
Accounts receivable	
Sewer use fees (net of allowance)	6,255,458
Sewer use unbilled	16,398,179
Receivables, other	20,718
Prepaid expenses	200,529
Negative net pension obligation	31,812
Total current assets	36,208,496

Noncurrent assets

Restricted assets

Cash, environmental enforcement	157,021
Cash and cash equivalents, restricted	28,879,474
Cash and cash equivalents, restricted for the acquisition and construction of capital assets	17,916,196
Total restricted assets	46,952,691

Capital assets

Land	2,754,407
Plant and equipment	76,830,816
Capital projects completed	260,300,608
Construction in progress	431,243,898
	771,129,729
Less accumulated depreciation	(114,561,694)
Net capital assets	656,568,035

Other assets

Organization costs (net of accumulated amortization)	48,884
Bond and loan issuance costs (net of accumulated amortization)	5,178,060
Total other assets	5,226,944

Total noncurrent assets 708,747,670

Total assets \$ 744,956,166

(Continued)

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Net Assets (Continued)

June 30, 2009

Liabilities

Current liabilities

Accounts and contracts payable	\$ 5,313,518
Accrued interest payable	3,908,406
Accrued expenses	2,429,495
Unearned revenue	279,856
Current portion of loans payable	16,583,897
Current portion of leases payable	182,395
Current portion of long-term debt	1,565,000
<i>Total current liabilities</i>	<u>30,262,567</u>

Noncurrent liabilities

Net OPEB obligation	114,705
Other accrued expenses	72,724
Long-term loans payable, net	254,797,125
Long-term leases payable, net	259,061
Long-term debt, net	154,524,206
<i>Total noncurrent liabilities</i>	<u>409,767,821</u>

Total liabilities

440,030,388

Net assets

Invested in capital assets, net of related debt	240,723,854
Restricted, environmental enforcement	157,021
Unrestricted	64,044,903
<i>Total net assets</i>	<u>\$ 304,925,778</u>

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009

<i>Operating revenues</i>	
User fees, residential	\$ 38,727,419
User fees, commercial and industrial	29,231,334
Permit and connection fees	140,822
Pretreatment	1,126,654
Environmental enforcement	3,700
Septage income	382,955
Abatement fees	3,384
Late charge penalties	849,127
Miscellaneous revenue	11,847
BOD/TSS surcharge	66,439
<i>Total operating revenues</i>	<u>70,543,681</u>
<i>Operating expenses</i>	
Personnel services	17,832,832
Contractual services	7,221,939
Travel	43,746
Repairs and maintenance	1,304,720
Utilities	4,156,172
Supplies	1,479,232
Depreciation and amortization	7,301,816
Insurance	1,104,040
Miscellaneous	534,190
<i>Total operating expenses</i>	<u>40,978,687</u>
<i>Operating income</i>	<u>29,564,994</u>
<i>Nonoperating revenues (expenses)</i>	
Grants	34,300
Interest expense	(12,013,384)
Interest income	420,017
Loss on disposal of assets	(144)
Miscellaneous nonoperating income	185,832
Bond and note issuance costs	(15,801)
<i>Total nonoperating revenues (expenses)</i>	<u>(11,389,180)</u>
<i>Change in net assets</i>	18,175,814
<i>Total net assets - beginning of year</i>	<u>286,749,964</u>
<i>Total net assets - end of year</i>	<u>\$ 304,925,778</u>

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows
For the Year Ended June 30, 2009

<i>Cash flows from operating activities</i>	
Cash received from customers	\$ 70,325,465
Cash paid to suppliers for goods and services	(15,072,323)
Cash paid to employees for services	(17,722,832)
Other operating revenues	201,380
	<hr/>
<i>Net cash provided by operating activities</i>	37,731,690
	<hr/>
<i>Cash flows from noncapital financing activities</i>	
Cash receipts from grants	34,300
	<hr/>
<i>Net cash provided by noncapital financing activities</i>	34,300
	<hr/>
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(8,975,807)
Principal paid on debt, net	(17,723,931)
Interest paid on debt	(12,030,679)
Bond and note issuance costs	(698)
	<hr/>
<i>Net cash used for capital and related financing activities</i>	(38,731,115)
	<hr/>
<i>Cash flows from investing activity</i>	
Interest on investments	488,929
	<hr/>
<i>Net cash provided by investing activities</i>	488,929
	<hr/>
<i>Net decrease in cash and cash equivalents</i>	(476,196)
	<hr/>
<i>Cash and cash equivalents at beginning of year</i>	60,730,687
	<hr/>
<i>Cash and cash equivalents at end of year</i>	\$ 60,254,491
	<hr/> <hr/>

(Continued)

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2009

***Reconciliation of operating income to net cash
provided by operating activities:***

<i>Operating income</i>	<u>\$ 29,564,994</u>
<i>Adjustments to reconcile operating income to net cash provided by operating activities</i>	
Depreciation and amortization	7,301,816
Changes in assets and liabilities:	
Decrease in accounts receivable	428,534
Increase in unbilled revenue	(629,150)
Decrease in other receivables	40,211
Increase in prepaid expenses	(10,324)
Decrease in negative net pension obligation	56,547
Increase in accounts and contracts payable	741,828
Increase in other accrued expenses	53,453
Decrease in unearned revenue	(2,052)
Nonoperating income reported as operating revenues received	<u>185,833</u>
<i>Total adjustments</i>	<u>8,166,696</u>
 <i>Net cash provided by operating activities</i>	 <u><u>\$ 37,731,690</u></u>

Noncash capital and related financing activities

Purchase of equipment financed by a capital lease	\$ 122,588
Proceeds from a refunding bond	66,360,000
Payment of principal and interest expense on refunded bond	65,914,889
Payment of bond issuance costs for refunding bond	445,111

The NBC participates in the State Revolving Loan Fund as described in Note 6 to the financial statements. Project costs are paid directly by the Rhode Island Clean Water Finance Agency on behalf of the NBC and the related loan payable as shown on the financial statements. The State Revolving Loan Project activity during the year was as follows:

Project invoices paid by Rhode Island Clean Water Finance Agency	\$ 18,296,164
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The notes to the financial statements are an integral part of this statement.

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NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 1 – ORGANIZATION

The Narragansett Bay Commission (NBC) is a public corporation established in 1980 by an Act of the Rhode Island Legislature. NBC was created for purposes of acquiring, planning, constructing, extending, improving, operating and maintaining publicly owned wastewater treatment facilities (Field's Point Facility) in the District. The Field's Point service area includes the City of Providence and the Town of North Providence and portions of the Towns of Johnston and Lincoln and the City of Cranston.

On June 27, 1991, the Governor of the State of Rhode Island signed into law legislation mandating the merger of NBC and the Blackstone Valley District Commission (BVDC). The merger became effective January 1, 1992. The Bucklin Point service area includes the City of Pawtucket, the City of Central Falls, the Rumford area of the City of East Providence and portions of the Towns of Lincoln, Cumberland and Smithfield. NBC also accepts septage generated from within the State of Rhode Island at its Lincoln septage facility. NBC can provide service to other communities as long as it is a mutual agreement between the two parties.

NBC is considered a component unit of the State of Rhode Island for financial reporting purposes. Accordingly, the financial statements of NBC will be included in the State of Rhode Island's Annual Financial Report.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The accounting policies of NBC conform to generally accepted accounting principles as applicable to governmental proprietary fund types (enterprise funds). For enterprise funds, the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges. The financial statements of NBC are accounted for using the "economic resources" measurement focus and have been prepared on the accrual basis of accounting with the exception of fine assessments and monitoring fees, which are recorded on a cash basis. Under the accrual basis of accounting, all assets and liabilities associated with operations are included on the statement of net assets, and revenues are recorded when earned and expenses recognized at the time of liabilities are incurred. In accordance with Government Accounting Standards Board Statement No. 20, NBC has elected to apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989: FASB Statements and Interpretations, APB opinions and ARBs unless these pronouncements conflict with or contradict GASB pronouncements.

Cash equivalents – For purposes of the statement of cash flows, cash equivalents are considered to be all highly liquid investments (including restricted assets purchased) with a maturity of three months or less.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Cash and cash equivalents restricted accounts – Based upon a Report and Order issued by the Rhode Island Public Utilities Commission (PUC), along with the Trust Indenture and supplemental indentures, NBC established accounts for operating capital assets, debt service, debt service coverage and an Operating Reserve for Revenue Stability Fund. NBC is required to set aside a certain percentage of its monthly receipts from user charges into the restricted cash accounts. Funds from the accounts may only be used for those expenses outlined above and any other use so ordered by the PUC and in conformance with the Trust Indenture and supplemental indentures.

Cash and cash equivalents are also restricted for acquisition and construction of capital assets as set forth in the Trust Indenture and supplemental indentures.

The restricted cash for environmental enforcement activities is in accordance with Rhode Island General Law 46-25.

Investments – NBC reports investments at fair value.

NBC is authorized to invest excess funds, by provisions of its Act, in obligations of the State and of the United States Government or certain agencies thereof, and in certificates of deposit. NBC is also authorized to enter into repurchase agreements.

Receivables – Permit fees and fixed fees for sewer usage are billed to all customers in advance on a quarterly basis. Consumption based fees are billed in arrears, based on water consumption meter readings.

The allowance for doubtful accounts for June 30, 2009 was \$543,953.

Capital assets – Capital assets are valued at cost. Plant and equipment and capital projects completed are depreciated using the straight-line method over the estimated useful lives of the respective assets. Construction in progress and land are not depreciated. NBC's asset capitalization threshold is \$2,500. Depreciation expense is recognized over the following useful lives:

	<u>Years</u>
Plant and equipment	3-50
Capital projects completed	5-60

Construction in progress – Construction in progress consists of the capital projects' design, planning and construction costs. Upon completing the project and finalizing the financial transaction, the construction in progress is transferred into the completed project capital asset account. Once transferred, NBC will start to depreciate the completed capital project.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Organization costs – Organization costs, which were assumed from BVDC in the merger, are amortized on a straight-line method over a 60-year period ending June 30, 2014.

The total organization costs at June 30, 2009 were \$581,385. The accumulated amortization through June 30, 2009 was \$532,501.

Bond and loan issuance costs – Bond and loan issuance costs are amortized over the life of the related bond or loan.

The total bond and loan issuance costs as of June 30, 2009 were \$7,341,826. The accumulated amortization through June 30, 2009 was \$2,163,766.

Unearned revenue – Unearned revenue represents amounts billed in the current fiscal year for pretreatment fees relating to the subsequent fiscal year.

Capital contributions – Capital contributions represent financial assistance from Federal and State governments for the construction and upgrade of sewer treatment facilities and related capital projects.

Operating revenues and expenses – Operating revenues and expenses for NBC are those that result from providing wastewater treatment and collection services and related activities. It also includes all revenue and expenses not related to capital and related financing, noncapital financing or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Income taxes – NBC is exempt from Federal and State income taxes.

Regulatory – NBC is a regulated utility, and its rates are set by the PUC. For rate-making purposes, depreciation expense is excluded while principal payments and capital outlays are included in the total expenses to arrive at a regulatory net income (loss). For this reason, the net income (loss) on a regulatory basis differs from the net income (loss) in the audited financial statements, which are prepared in conformance with generally accepted accounting principles.

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

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

Cash deposits: NBC’s cash deposits are in one financial institution. The carrying amount of deposits is separately displayed on the statement of net assets as “cash and cash equivalents”.

The carrying value of deposits, investments and petty cash funds reported on the statement of net assets as “cash and cash equivalents” are as follows:

Cash deposits	\$ 7,281,497
Cash equivalents	52,972,069
Petty cash	625
Cash with customer service	300
Total cash and cash equivalents	<u><u>\$ 60,254,491</u></u>

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity.

The carrying amount of NBC’s deposits at June 30, 2009 was \$7,281,497 and the bank balance was \$7,403,822.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, NBC will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, \$7,153,822 of NBC’s bank balance of \$7,403,822 was exposed to custodial credit risk as follows:

	<u>Bank</u> <u>Balance</u>
Insured (Federal depository insurance funds)	\$ 250,000
Collateralized with securities held by pledging financial institutions or its agent, in NBC’s name	<u>7,153,822</u>
Total	<u><u>\$ 7,403,822</u></u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Investments – NBC’s investments as of June 30, 2009 were as follows:

<u>As of June 30, 2009</u>	<u>Fair Value</u>	<u>Maturity</u>
Money Market Funds	<u>\$ 52,972,069</u>	Average 38 days

These investments are classified as cash equivalents.

Interest rate risk – Funds held by NBC are invested in accordance with NBC’s investment policy. This investment policy does not limit investment maturities as a means of limiting its exposure to fair value losses arising from interest rates. Money held by the Trustee under the Indenture must be invested in accordance with Permitted Investments as defined under the Trust Indenture and all supplemental indentures, which mitigates interest rate exposure by limiting Federal funds or bankers acceptances to a maximum term of one year and requires Bond Insurer approval of Repurchase Agreements which exceed 30 days.

Credit risk – NBC’s investment policy objective states that all financial assets held by NBC shall be invested in a manner that will preserve the value and safety of capital. NBC shall invest funds in order to maximize earnings and minimize risk during the period of availability of the funds. NBC’s investment policy limits investments to U.S. Treasury securities, securities of the U.S. government agencies and instrumentalities that are backed by the full faith and credit or guarantee of the U.S. government, which have a liquid market with a readily determinable market value, investment-grade obligations of the State of Rhode Island, or any municipality or political subdivision of the State of Rhode Island, repurchase agreements backed by collateral, certificate of deposits, money market mutual funds whose portfolios consist of U.S. Treasury securities, U.S. agency obligations and repurchase agreements fully collateralized by such securities and governmental investment products backed by collateral consisting of U.S. Treasury and U.S. Agency securities. NBC’s Money Market Funds were rated Aaa by Moody’s Investment Service. Money held by the Trustee under the Indenture is invested at the direction of an Authorized Officer from NBC and must be invested in accordance with Permitted Investments as defined under the Trust Indenture and all supplemental indentures. The monies invested in the Money Market Funds held by the Trustee were rated Aaa by Moody’s Investment Service.

Concentration of credit risk – NBC’s investment policy is not specific but states that investments shall be diversified to minimize the risk of loss that may occur due to concentration in a specific maturity, a specific issue or a specific class of securities.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2009:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2009</u>
Non-depreciable assets:				
Land	\$ 2,754,407	\$ -	\$ -	\$ 2,754,407
Construction in progress	412,852,916	23,139,864	(4,748,882)	431,243,898
Total non-depreciable assets	<u>415,607,323</u>	<u>23,139,864</u>	<u>(4,748,882)</u>	<u>433,998,305</u>
Depreciable assets:				
Plant and equipment	75,480,473	1,529,433	(179,090)	76,830,816
Capital projects completed	255,551,726	4,748,882	-	260,300,608
Total depreciable assets	<u>331,032,199</u>	<u>6,278,315</u>	<u>(179,090)</u>	<u>337,131,424</u>
Less accumulated depreciation for:				
Plant and equipment	(52,149,275)	(2,349,772)	178,745	(54,320,302)
Capital projects completed	(55,621,492)	(4,619,900)	-	(60,241,392)
Less accumulated depreciation	<u>(107,770,767)</u>	<u>(6,969,672)</u>	<u>178,745</u>	<u>(114,561,694)</u>
Total capital assets, net	<u>\$ 638,868,755</u>	<u>\$ 22,448,507</u>	<u>\$ (4,749,227)</u>	<u>\$ 656,568,035</u>

NOTE 5 – COMPENSATED ABSENCES

NBC's employees are granted vacation and sick leave in varying amounts based on years of service with NBC. At the termination of service, an employee is paid for accumulated unused vacation leave and sick leave. Sick leave payments are based on age and years of service for both union and non-union employees. NBC has determined that the dollar value of accumulated accrued vacation leave and sick leave, valued at the current rate of pay, at June 30, 2009 to be \$1,749,562. The accrued vacation and sick leave is reported on the statements of net assets as other accrued expenses.

The changes in compensated absences for the year ended June 30, 2009 were as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 1,692,853</u>	<u>\$ 270,907</u>	<u>\$ 214,198</u>	<u>\$ 1,749,562</u>	<u>\$ 1,676,838</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 6 – LOANS PAYABLE

NBC has fourteen loans outstanding with the Rhode Island Clean Water Finance Agency (RICWFA) at June 30, 2009 as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2009</u>
The Butler Hospital Project - The total loan authorized is \$1,662,055 with an interest rate of 3.2644%.	\$ 536,695	-	\$ 99,557	\$ 437,138
The North Providence Interceptor Project - The total loan authorized is \$2,647,977 with an interest rate of 3.225%.	694,640	-	164,252	530,388
The Washington Park Project - The total loan authorized is \$3,694,678 with an interest rate of 1.9773%.	1,304,627	-	204,292	1,100,335
Pooled Loan #1 - The total loan authorized is \$14,781,000 with an interest rate of 3.16917%.	7,214,250	-	791,750	6,422,500
Pooled Loan #2 - The total loan authorized is \$17,279,000 with an interest rate of 2.9938%.	8,323,983	-	919,234	7,404,749
Pooled Loan #3 - The total loan authorized is \$8,150,000 with an interest rate of 3.14473%.	5,569,857	-	377,909	5,191,948
Pooled Loan #4 - The total loan authorized is \$23,955,000 with an interest rate of 3.032%.	21,795,000	-	2,120,000	19,675,000
Pooled Loan #5 - The total loan authorized is \$57,000,000 with an interest rate of 3.30%.	45,510,000	-	4,000,000	41,510,000
Pooled Loan #6 - The total loan authorized is \$57,000,000 with an interest rate of 1.0785%.	45,419,012	-	2,504,048	42,914,964
Pooled Loan #7 - The total loan authorized is \$40,000,000 with an interest rate of 1.349%.	34,822,000	-	1,768,000	33,054,000

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2009</u>
Pooled Loan #8 - The total loan authorized is \$40,000,000 with an interest rate of 1.404%.	35,061,000	-	403,000	34,658,000
Pooled Loan #9 - The total loan authorized is \$30,000,000 with an interest rate of 1.397%.	27,340,000	-	1,300,000	26,040,000
Pooled Loan #10 - The total loan authorized is \$30,000,000 with an interest rate of 1.27%	28,732,000	-	1,290,000	27,442,000
Pooled Loan #11 - The total loan authorized is \$ 25,000,000 with an interest rate of 1.475%	<u>25,000,000</u>	<u>-</u>	<u>-</u>	<u>25,000,000</u>
Total loans payable	\$287,323,064	<u>\$ -</u>	<u>\$15,942,042</u>	\$271,381,022
Less funds not yet drawn from pool	(18,296,164)			-
Less current portion	<u>(15,942,042)</u>			<u>(16,583,897)</u>
Net long-term loans payable	<u>\$253,084,858</u>			<u>\$254,797,125</u>

The RICWFA pays all invoices related to the projects funded by these RICWFA loans. Amounts paid on NBC's behalf are shown as loans payable on the statements of net assets. The total loan authorized must be drawn down within three years, at which time NBC will be responsible for repayment of the total loan authorized.

Maturities of loans payable as of June 30, 2009 are due in future years as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 16,583,897	\$ 6,016,416	\$ 22,600,313
2011	17,012,657	5,585,001	22,597,658
2012	17,385,443	5,152,547	22,537,990
2013	17,778,503	4,723,474	22,501,977
2014	18,033,382	4,291,905	22,325,287
2015-2019	89,616,355	15,093,366	104,709,721
2020-2024	74,733,785	5,461,173	80,194,958
2025-2029	<u>20,237,000</u>	<u>681,058</u>	<u>20,918,058</u>
	<u>\$ 271,381,022</u>	<u>\$47,004,940</u>	<u>\$ 318,385,962</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 7 – CAPITAL LEASES

NBC entered into capital leases for computers. The assets are included in NBC's Statement of Net Assets at June 30, 2009 are as follows:

Plant and equipment	<u>\$122,588</u>
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Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2009.

As of June 30, 2009, future minimum rental commitments under capital leases are as follows:

<u>Years ending June 30</u>	
2010	\$200,292
2011	180,680
2012	67,917
2013	<u>23,412</u>
Total future minimum rental payments	472,301
Less interest portion of payments	<u>(30,845)</u>
Present value of minimum lease payments	441,456
Less current maturities of capital lease	<u>(182,395)</u>
Long-term capital lease obligations	<u><u>\$259,061</u></u>

The changes in capital leases for the year ended June 30, 2009 was as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2009</u>
Capital Leases	<u>\$585,756</u>	<u>\$122,588</u>	<u>\$266,888</u>	<u>\$441,456</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 8 – LONG TERM DEBT

Long-term debt at June 30, 2009 consists of the following:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2009</u>
Revenue Bonds (variable rate) 2004 Series A, dated April 29, 2004, maturing September 1, 2034	\$65,765,000	\$ -	\$65,765,000	\$ -
Revenue Bonds 2005 Series A, 5% average coupon rate, dated August 4, 2005, maturing August 1, 2035 (net of premium amortized at June 30, 2009 of \$2,429,506)	47,429,506	-	-	47,429,506
Revenue Bonds 2007 Series A, 4.84825% average coupon rate, dated February 8, 2007, maturing February 1, 2037 (net of premium amortized at June 30, 2009 of \$1,919,216)	44,419,216	-	-	44,419,216
Revenue Bonds (variable rate) 2008 Series A, dated July 1, 2008, maturing September 1, 2034 (net of refunding loss amortized at June 30, 2009 of \$604,516)	-	66,360,000	2,119,516	64,240,484
	<u>\$157,613,722</u>	<u>\$66,360,000</u>	<u>\$67,884,516</u>	<u>\$156,089,206</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Maturities of long-term debt for the years ending June 30, 2010 through 2037 are as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,565,000	\$ 6,658,883	\$ 8,223,883
2011	1,620,000	6,599,452	8,219,452
2012	1,670,000	6,538,258	8,208,258
2013	1,735,000	6,474,311	8,209,311
2014	1,790,000	6,408,656	8,198,656
2015-2019	9,975,000	30,972,509	40,947,509
2020-2024	11,940,000	28,927,007	40,867,007
2025-2029	32,340,000	25,504,352	57,844,352
2030-2034	60,255,000	14,369,411	74,624,411
2035-2037	29,455,000	2,009,950	31,464,950
	<u>\$ 152,345,000</u>	<u>\$ 134,462,789</u>	<u>\$ 286,807,789</u>

The above bonds are subject to federal arbitrage regulations. Based on current calculations, NBC has no arbitrage liability.

On July 17, 2008, NBC issued \$66,360,000 in Wastewater System Revenue Refunding Bonds to refund on a current basis, \$65,765,000 of the outstanding Wastewater System Revenue Bonds, 2004 Series A and to pay the costs of issuance associated therewith. The reacquisition price exceeded the net carrying amount of the old debt by \$627,767. This amount is being netted against the new debt and amortized over the new debt's life.

The Bonds were issued under a Trust Indenture dated as of April 15, 2004 between NBC and Wells Fargo Bank, N.A., as Trustee and a Ninth Supplemental Indenture dated as of July 1, 2008 between NBC and the Trustee.

These bonds have been issued in weekly rate mode but can be changed by NBC to a daily, commercial paper or term rate mode. The interest rate is determined weekly or daily based on the mode and interest is paid monthly. The interest rate for the bonds outstanding during fiscal year 2009 ranged from .25% to 6.5%. The Bonds shall be repaid from Revenues, as defined in the Indenture of the Commission pledged under the Indenture and funds drawn under an irrevocable direct pay letter of credit issued by RBS Citizens National Association. Under the Letter of Credit, the Bank is obligated to pay to the Trustee, upon presentation of required documentation, the amount necessary to pay the principal and purchase price of and interest on the Bonds of up to 60 days at the maximum rate of 10% on the Bonds. The Letter of Credit provides that it will expire on July 16, 2010.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 9 – RISK MANAGEMENT

NBC is exposed to various risk of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health of employees and natural disasters. NBC purchases commercial insurance for property damage, general liability, errors and omissions and employee health coverage.

NBC has been commercially insured for workers' compensation benefits since March 1, 2000. Prior to that date, NBC was self-insured and the workers' compensation benefits were administered by the State of Rhode Island.

NBC has established an Owner Controlled Insurance Program for the construction projects associated with Phase I of the CSO abatement program, which has estimated costs of \$349 million. Commercial coverage has been purchased for workers' compensation benefits, general liability, builder's risk and environmental pollution. Settlement claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years. The end of year liability is covered by the owner controlled insurance program and is not a direct liability of NBC. It is anticipated that all claims and judgments will be due within one year.

The following schedules detail settlement activity for the years ended June 30, 2009 and 2008:

	<i>Owner Controlled Insurance</i>	
	<i>2009</i>	<i>2008</i>
	<u> </u>	<u> </u>
<i>Claims liability at beginning of year</i>	\$ 778,571	\$ 1,027,364
Plus:		
Claims incurred during year	2,589	51,895
Adjustments to claims of prior year	730,355	994,993
Less:		
Paid claims	(870,931)	(1,295,681)
<i>Claims liability at the end of year</i>	<u><u>\$ 640,584</u></u>	<u><u>\$ 778,571</u></u>

NOTE 10 – NET ASSETS

Investment in capital assets, net of related debt is intended to reflect the portion of net assets that are associated with nonliquid capital assets less outstanding capital asset related debt.

Chapter 46-25 of the general laws enacted by the General Assembly established a restricted environmental enforcement fund. The fund consists of sums recovered by administrative or civil enforcement action and may be used as outlined in chapter 46-25. NBC has restricted net assets equal to the balance of funds in the environmental enforcement restricted cash and cash equivalent account.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 11 – PENSION PLANS

EMPLOYEES’ RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

All NBC eligible full-time union employees participate in the Employees’ Retirement System of the State of Rhode Island (“System”), a cost-sharing multiple-employer defined benefit pension plan (“Plan”) administered by the State of Rhode Island. The payroll for NBC employees covered by the System for the year ended June 30, 2009 was \$4,779,782. NBC’s total payroll was \$13,145,584.

Plan Description

The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The eligibility provisions and level of benefits provided to State employees are established by Title 36 Chapters 36-10 of the Rhode Island General Laws, and was amended by the General Assembly in 2005 and 2009. The Plan changes resulting from the amendments are reflected below. The benefits are subject to additional amendment by the General Assembly.

Schedule A Provisions (for members vested as of July 1, 2005)

Pension benefits vest after 10 years of service. Participants are eligible to retire after 10 years of service if they have attained age 60, or after 28 years of service regardless of age and are entitled to retirement benefits payable monthly for life.

The retirement benefit is a percentage of final average salary per year of credited service with a maximum benefit of 80% of final average salary. The percentage for each year of credited service is as follows:

<u>Years of Credited Service</u>	<u>Percent/Year</u>
1-10	1.7%
11-20	1.9%
21-34	3.0%
35	2.0%

Final average salary is computed using the three highest consecutive years of earned salary excluding overtime, bonuses or severance pay. Retirees’ benefits are subject to a 3% compounded annual cost of living increase commencing on the January 1st following the third anniversary of an employee’s retirement.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

The Plan also provides pre-retirement benefits at a minimum of 17% of salary for nonoccupational disabilities after 5 years of service and at 67% of salary for occupational disabilities regardless of years of service. Surviving spouses are also eligible for both pre- and post-retirement benefits with minimum amounts established under varying circumstances.

Schedule B Provisions (for members vested after July 1, 2005)

Pension benefits vest after 10 years of service. Participants are eligible to retire after 10 years of service if they have attained age 65 with a minimum of 10 contributing years of retirement service credit, or at age 59 with 29 years of retirement service credit.

The retirement benefit is a percentage of final average salary for each year of service, as follows:

<u><i>Years of Credited Service</i></u>	<u><i>Percent/Year</i></u>
1-10	1.6%
11-20	1.8%
21-25	2.0%
26-30	2.25%
31-37	2.5%
38	2.25% (Max. 75% of salary)

Final average salary is computed using the three highest consecutive years of earned salary excluding overtime, bonuses or severance pay. Beginning the month after the 3rd anniversary of the date of retirement, the cost of living adjustment is the lesser of 3% or the CPI-U (Consumer Price Index for all Urban Consumers) as of September 30th of the prior calendar year compounded annually.

The Plan also provides for ordinary disability benefits after 5 years of service, including a minimum of 3 years of consecutive service based upon 16% of the three highest consecutive years of salary.

Plan Changes Enacted into Law by General Assembly in 2009

The plan changes become effective October 1, 2009. Plan members who are eligible to retire as of September 30, 2009, are not affected by the changes, even if the plan members do not retire. The plan changes are as follows:

Retirement Eligibility

The law establishes a minimum retirement age of 62 for all members, except those Schedule B members who retire with less than 29 years of service; their retirement eligibility still remains 65 years old with a minimum of 10 years of service credit. The law provides a proportional downward adjustment of the minimum retirement age based on the years of service credited to the plan member's account as of September 30, 2009.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Service Credit Accrual Rates

The law freezes service credit earned for members under Schedule A as of September 30, 2009. Future accrual of service credits will be earned under Schedule B.

Final Average Salary

For members not eligible to retire as of September 30, 2009, the final average salary will be based on the 5 consecutive highest years of salary.

Cost of Living Adjustments (COLA)

The law changes the COLA to that provided under Schedule B which is the lower of the Consumer Price Index (CPI) or 3%, and requires a full 3 year anniversary for receipt.

Service Credit Purchases

Effective for all service credit purchase requests received after June 16, 2009, the cost will be determined at full actuarial value, except purchases of military service and contribution refund paybacks.

Disability Provisions

Effective for applications filed after September 30, 2009, accidental disability will be available at 66 2/3% for members who are permanently and totally disabled as determined by the Retirement Board. If the disability is determined to be partial and the member is able to work in other jobs, the benefit will be limited to 50%.

Contributions Required and Contributions Made

Rhode Island General Laws set the contribution rates for participating State employees at 8.75% of the member's salary. Annual contributions by the State on behalf of those employees are determined by actuaries and assessed as a percentage of the member's salary. NBC was required to contribute 21.64% for all full-time employees for fiscal year 2009. The required contributions include (a) normal costs and (b) payments to amortize the unfunded actuarial accrued liability as of June 30, 1999 over 30 years. Normal cost is determined using the entry age normal cost method. In addition, NBC is required to contribute 6.01% for post-retirement health benefits.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

The amounts contributed to the Plan are as follows:

<u>Years ended June 30</u>	<u>Employee Contributions</u>	<u>NBC Required Contributions</u>
2009	\$418,231	\$1,034,345
2008	402,357	955,078
2007	393,298	827,045

NBC contributed 100% of the required contribution.

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2007 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island.

NON-UNION PROFIT-SHARING PLAN

NBC's Board of Commissioners approved a resolution, at the regular business meeting on May 15, 2002, adopting the Narragansett Bay Commission Non-union Defined Contribution Plan, which is a profit-sharing plan for its non-union employees pursuant to 401(a) of the Internal Revenue Code. The profit-sharing plan is a defined contribution, single employer pension plan. As of June 30, 2009, there were 112 participants.

Contributions are discretionary and established annually and may be amended by the Board of Commissioners. NBC's contribution to the profit-sharing plan for the year ended June 30, 2009 amounted to \$358,425 representing a contribution rate of 5% for the year ended June 30, 2009. Employees are allowed to make voluntary contributions to the profit-sharing plan on an after-tax basis. The employees' contribution to the plan for the year ended June 30, 2009 amounted to \$ 0.

Non-union employees are eligible to participate in the profit-sharing plan if they have performed one year of service and are at least twenty-one years of age. These provisions were adopted and may be amended by the Board of Commissioners.

NBC funds the annual profit-sharing plan contribution biweekly based on each eligible employee's biweekly compensation. The plan is administered by a third-party administrator and Capital Bank and Trust is the Plan's trustee.

NBC's payroll for employees covered by the profit-sharing plan was \$7,168,502 for the year ended June 30, 2009. The total payroll for the year ended June 30, 2009 amounted to \$13,145,584.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NON-UNION DEFINED BENEFIT PLAN

Plan Description

NBC's Board of Commissioners approved a resolution, at the regular business meeting on December 20, 2004 adopting a defined benefit plan for its non-union employees effective February 1, 2005, pursuant to 401(a) of the Internal Revenue Code. The plan is a single-employer, defined benefit pension plan. The plan year begins January 1 and ends December 31, with the initial plan year ending December 31, 2005.

The Pension Plan is being administered by third party administrator.

NBC's payroll for employees covered by the Plan for the year ended June 30, 2009 was \$6,531,059 and NBC's total payroll was \$13,145,584.

At December 31, 2008, employee membership related to the plan was as follows:

Active – vested benefits	80
Active – not vested	17
Terminated – deferred vested benefit	17
Total	<u>114</u>

Benefit Provisions

All non-union employees are eligible to participate in the plan after the completion of one year of service and attaining age 21. The monthly retirement benefit is based on 1% of average monthly compensation multiplied by total years of service limited to 30 years. Participants are eligible to retire at age 65 after 5 years of service. A participant is eligible for early actuarially adjusted retirement after 20 years of service and if they have attained age 62. The Plan has cliff vesting after 7 years. There are no retirement benefit payment distributions for the first five years of the plan or year 2010. The Board is authorized to establish and amend all plan provisions.

Effective as of January 1, 2007 the Plan was amended such that 1,000 hours of service was added to the definitions of both "Period of Service" and "Period of Participation."

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Funding Policy

The contribution requirements of the plan participants and NBC are established and may be amended by the Board. Eligible plan participants must contribute 5% of covered earnings. NBC is required to contribute an actuarially determined amount. The annual required contribution for the plan year January 1, 2008 through December 31, 2008 was \$800,139. This includes both the employee and employer contributions for the plan year ending December 31, 2008.

The contributions made to the plan for the plan year ended December 31, 2008 were \$743,592, which consists of employer contributions of \$424,294 and employee contributions of \$319,298.

Annual Pension Cost

NBC's annual pension cost and net pension obligation for the plan year ended December 31, 2008 were as follows:

Annual required contribution (ARC)	\$800,139
Interest on net pension obligation	-
Adjustment to ARC	-
Annual pension cost (APC)	<u>800,139</u>
Contributions made	<u>743,592</u>
Increase in net pension obligation	<u>56,547</u>
Negative net pension obligation, beginning of year	<u>(88,359)</u>
Negative net pension obligation, end of year	<u>\$(31,812)</u>

Three-Year Trend Information

<u>Plan Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
12/31/2006	\$677,295	102%	\$(59,263)
12/31/2007	687,937	104%	(88,359)
12/31/2008	800,139	93%	(31,812)

Actuarial Methods and Assumptions

The annual required contribution was determined by an actuarial valuation as of December 31, 2008 using the entry age normal cost with frozen initial liability actuarial cost method. The actuarial assumptions included (a) 6% investment rate of return and (b) projected salary increases of 3.5% per year due to inflation and merit raises. NBC's unfunded actuarial accrued liability is being amortized over 30 years on a closed basis using the level dollar method. The remaining amortization period at December 31, 2008 is 27 years. The actuarial value of the investments was based on market value.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2008 the most recent actuarial valuation is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (AAL) (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	UAAL as a % of Covered Payroll
12/31/2008	\$2,331,076	\$8,229,436	\$5,898,360	28.3%	\$6,279,494	93.93%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

A separate audited pension plan financial statement is not available for the plan year ended December 31, 2008.

NOTE 12 – SALARY DEFERRAL

Under a salary reduction plan adopted by NBC, the gross pay of non-union employees of the Field’s Point service area was reduced by 12 ½% from March 10, 1991 through June 29, 1991; the gross pay of union employees of the Bucklin Point service area was reduced 14% from April 21, 1991 through June 29, 1991; and the gross pay of all non-union employees of the Field’s Point service area was reduced 10% from June 30, 1991 through March 21, 1992. The equivalent number of pay hours was accrued as deferred vacation days.

Field’s Point service area employees may discharge this additional deferred leave during any payroll period following the payroll period(s) in which it was earned commencing July 1, 1991.

Bucklin Point service area employees may discharge this additional deferred leave during any payroll period following the payroll period(s) in which it was earned. Cash payment may be elected for one additional day of paid leave per calendar month commencing July 1, 1992.

Employees at either facility may retain this additional deferred leave to be paid upon termination and at such time, receive payment at their then-current rate of pay.

Salary deferred under the salary reduction plan is included in compensated absences as of June 30, 2009 and is reported as a long-term liability within other accrued expenses.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

NOTE 13 – USER BILLING

At its 1983 session, the Rhode Island General Assembly enacted Public Law 1983 Chapter 235, which amended NBC's enabling legislation (Title 46, Chapter 25 of the General Laws). The amendment required that NBC institute a retail billing system with rates and fees subject to review and approval by the PUC. A PUC approved retail billing system went into effect July 1, 1985, for the Field's Point service area, and January 1, 1992, for the Bucklin Point service area.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

NBC has entered into various engineering and construction contracts for the design and improvement of its facilities as part of its capital improvement program. Commitments under these contracts aggregated approximately \$19,720,389 at June 30 2009.

NBC, during the ordinary course of its operations, is a party to various claims, legal actions and complaints. In the opinion of NBC's management and legal counsel, the potential liability to NBC, if any, or an evaluation of the outcome to these matters cannot be made at the present time.

NOTE 15 – POST-EMPLOYMENT UNION HEALTHCARE PLAN

Plan Description

The NBC union employees are eligible to participate in a State administered defined benefit post-employment health care plan known as the Rhode Island Retiree Health Care Benefits Plan (RIRHCBP or "the Plan"). The RIRHCBP is an agent multiple employer plan.

The RIRHCBP is reported in an internal service fund of the State using the accrual basis of accounting. The fund reports all employer and retired participant (plan member) contributions to the Plan. Contributions are recognized when made. Benefits (health care claims) and refunds are recognized when due and payable in accordance with the terms of the Plan. A liability for incurred but not reported claims is determined based on past claims payment trends and is included in the State of RI's financial statements. Working premium rates are determined by the State each fiscal year after consultation with an employee benefits consultant and are designed to fund current claims incurred during the fiscal year as well as the costs of administering the Plan. For the year ended June 30, 2009, the Plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to RIRHCBP members. The RIRHCBP does not issue a stand-alone financial report.

Funding Policy

RIGL Sections 36-10-2, 36-12.1, 36-12.2.2 and 36-12-4 govern the provisions of the RIRHCBP. The contribution requirements of plan members, the State and other participating employers are established and may be amended by the General Assembly.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

For Plan members who retired on or before September 30, 2008, the Plan provides two types of subsidies for health care benefits. The Tier I subsidy applies to non-Medicare eligible plans and provides that the Plan will pay the portion of the cost of post-retirement health care for the retired participants and any dependents above the active group rate. The retired participant pays the active monthly rate and the Plan pays the difference between the active group rate and the early retiree rate. This subsidy is not based on years of service and ends at age 65. In addition to the Tier I benefits, the Plan pays a portion of the cost of post-retirement health care above the Tier I costs for certain plan members meeting eligibility requirements based upon the age and service of the retired participant which is referred to as the Tier II benefit.

For those participants who retired on or before September 30, 2008, the fiscal 2009 contributions are as follows:

<i>Retiree Age</i>	<i>Years of Service</i>	<i>Amount of Cost Paid by Retiree</i>
Below 60: (1)	28-34	10%
	35+	0%
Retiree Age from 60 to 65: (2)	10 – 15	50%
	16 – 22	30%
	23 – 27	20%
	28+	0%
Retiree Age Greater than 65: (3)	10 – 15	50%
	16 – 19	30%
	20 – 27	10%
	28+	0%

- (1) The monthly premium rate for fiscal year 2009 is \$789.76 for the individual plan. The retired participant's cost is then calculated based on a maximum of \$481.28 (the active plan rate).
- (2) The monthly premium rates are the same as indicated above for the Retiree Age Below 60 category.
- (3) The monthly premium rate for the Medicare Supplemental plan is \$201.16 for the individual plan, and the monthly premium for the Medicare HMO plan was \$107 for the first six months of fiscal year 2009 and \$115 thereafter. Retired participants can choose between the two plans. The retired participant's cost is then calculated based on their years-of-service subsidy above.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

For any participant who retired on or after October 1, 2008, age 59 through 64, with a minimum of 20 years of service, the Plan will pay 80% of the actual cost of health care coverage. The Plan contributed \$631.81 per month for these retirees during fiscal 2009. For eligible retirees ages 65 or older, the Plan pays 80% of the cost of the Medicare supplement products as described in note (3) above.

Annual Other Postemployment Benefit (OPEB) Cost and Net OPEB Obligation

The NBC recognized an expense equal to the annual required contribution of the employer (ARC), which is actuarially determined in accordance with GASB Statement 45, interest on the net OPEB obligation at the beginning of the fiscal year and the ARC adjustment. 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 thirty years. The ARC for fiscal 2009 was determined based on an actuarial valuation performed as of June 30, 2005. Separate actuarial valuations were not performed at June 30, 2005 for each participating component unit. For fiscal year 2009, the ARC, as a percentage of covered payroll, for participating component units was the same for all active plan members, 6.01% of covered payroll. Beginning with the actuarial valuation performed as of June 30, 2007, separate ARCs and unfunded actuarial accrued liabilities were determined for each participating component unit. The NBC actually contributed 5.62% of annual covered payroll for fiscal 2009. The NBC's annual OPEB cost and the net OPEB obligation for fiscal 2009, were as follows:

Annual required contribution (ARC)	\$287,265
Plus: Interest on net OPEB obligation at beginning of year	3,903
Less: Adjustment to ARC	<u>(3,688)</u>
<i>Annual OPEB cost</i>	<u>\$287,480</u>
Contributions made	\$282,216
Increase in OPEB obligation	5,264
Net obligation at beginning of year	<u>109,441</u>
<i>Net obligation at end of year</i>	<u>\$114,705</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

The NBC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008 (first year of GASB 45 implementation) were as follows:

<i>Fiscal Year Ended</i>	<i>Annual OPEB Cost</i>	<i>Percentage of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i>
June 30, 2008	\$276,362	60%	\$109,441
June 30, 2009	\$287,480	94%	\$114,705

Funded Status and Funding Progress

The funded status of the NBC's share of the plan as of June 30, 2007 (the date of the most recent valuation), was as follows:

Actuarial Accrued Liability (AAL)	\$3,131,891
Actuarial Value of Plan Assets	<u> -</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$3,131,891</u>
Funded ratio (Actuarial Value of Plan Assets / AAL)	0%
Annual Covered Payroll (Active Plan Members)	\$4,441,000
UAAL as a Percentage of Covered Payroll	70.5%

A separate actuarial valuation was performed to determine the actuarial accrued liability for the NBC, a participating employer.

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 actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation. The actuarial assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2009

The Annual Required Contributions for fiscal year 2009 was determined based on the June 30, 2005 valuation. The most recent actuarial valuation was performed as of June 30, 2007. The Unfunded Actuarial Accrued Liability (UAAL) was amortized by a level (principal and interest combined) percent of payroll contribution for each component unit employer. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL is being amortized over the remainder of a closed 30-year (or shorter) period from June 30, 2006.

Plan changes effective for employees retiring after October 1, 2008 have been reflected in the actuarial valuation performed as of June 30, 2007 and June 30, 2005.

The individual entry-age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 3.566% discount rate based upon the average rate of return during the 10 years ended June 30, 2008 for short term investments of the State's General Fund; an annual healthcare cost trend rate of 12% progressively declining to 4.5% after 10 years for the 2005 valuation; and a salary growth rate ranging from 8.25% in the first year of service to 4.75% in year 15 and beyond for the 2005 valuation. In the June 30, 2007 valuation the health care cost trend assumption was changed to a rate of 10% progressively declining to 4.5% after 8 years and the salary growth assumption was changed to a rate of 9.00% in the first year of service to 4.5% in year 15 and beyond. Other changes in assumptions between the 2005 and 2007 valuations include changes in the assumed rates of termination, rates of retirement, percent married, and retiree health care election rates. These assumptions changes were based on the experience study for the Employees' Retirement System of Rhode Island as well as anticipated experience changes in conjunction with the adopted plan changes.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are formulated about the future.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Schedule of Funding Progress (1)
"Unaudited"

	<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL) -Entry Age</i>	<i>Unfunded Liability/ (Funding) (Excess)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>Unfunded Liability/ (Funding Excess) as a Percentage of Covered Payroll</i>
<i>Non-Union Defined Benefit Plan</i>	12/31/2006	\$ 1,550,915	\$ 6,549,837	\$ 4,998,922	23.68%	\$ 5,769,487	86.64%
	12/31/2007	2,351,065	7,296,345	4,945,280	32.22%	5,843,128	84.63%
	12/31/2008	2,331,076	8,229,436	5,898,360	28.33%	6,279,494	93.93%
<i>Postemployment Union Healthcare Plan (2)</i>	6/30/2007	\$ -	\$ 3,131,891	\$ 3,131,891	0.00%	\$ 4,441,000	70.52%

(1) The information included in the schedule of funding progress was obtained from the annual actuarial valuation at the date indicated.

(2) Prior to the valuation performed at June 30, 2007, separate actuarial valuations were not performed to determine the actuarial accrued liability for NBC, a participating employer.

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NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<i>Variance Favorable (Unfavorable)</i>
Operating Expenses			
Personnel services			
Union regular	\$ 5,054,157	\$ 4,908,626	\$ 145,531
Union overtime	469,976	434,333	35,643
Non-union regular	7,707,331	7,685,569	21,762
Non-union overtime	90,500	79,745	10,755
Non-union limited	48,600	37,311	11,289
Fringe benefits	6,541,759	6,262,567	279,192
Workers' compensation old claims	280,000	275,349	4,651
Project salaries and fringe benefits capitalized	(1,616,739)	(1,575,319)	(41,420)
Total personnel services	<u>18,575,584</u>	<u>18,108,181</u>	<u>467,403</u>
Contract services			
Medical services	13,815	9,736	4,079
Biosolids disposal	4,372,414	4,080,583	291,831
Screening and grit disposal	164,364	129,974	34,390
Security services	32,781	30,475	2,306
Regulatory expenses	260,622	201,127	59,495
Legal services	202,500	175,954	26,546
Management/audit services	2,232,143	2,389,182	(157,039)
Special clerical services	40,950	36,496	4,454
Other special services	141,630	105,307	36,323
Total contract services	<u>7,461,219</u>	<u>7,158,834</u>	<u>302,385</u>
Travel			
Local travel	5,645	3,413	2,232
Long distance travel	58,000	40,333	17,667
Total travel	<u>63,645</u>	<u>43,746</u>	<u>19,899</u>
Repairs and maintenance			
Building and ground maintenance	109,877	96,955	12,922
Vehicle fuel and maintenance	172,932	163,024	9,908
Repairs, building and structures	555,881	488,716	67,165
Repairs, highway and walls	15,500	14,710	790
Maintenance/service agreements	575,988	527,343	48,645
Highway and landscape	17,154	13,972	3,182
Total repairs and maintenance	<u>1,447,332</u>	<u>1,304,720</u>	<u>142,612</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)-(Continued)
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Utilities			
Telephone	\$ 157,765	\$ 134,312	\$ 23,453
Central telephone services	4,100	4,346	(246)
Fuel, oil - kerosene	400	-	400
Diesel for equipment	10,300	-	10,300
Fuel, gas	521,625	472,405	49,220
Electricity	3,616,034	3,514,784	101,250
Water	80,326	30,325	50,001
Total utilities	<u>4,390,550</u>	<u>4,156,172</u>	<u>234,378</u>
Supplies			
Clothing and clothing materials	33,338	25,105	8,233
Household, laundry and chemical supplies	30,662	27,636	3,026
Building and machinery supplies and expenses	205,615	198,444	7,171
Educational expenses	79,615	61,296	18,319
Lab supplies	242,000	242,785	(785)
Computer supplies	91,900	75,474	16,426
Other operating supplies and expenses	10,175	8,749	1,426
Chemicals	844,755	836,955	7,800
Total supplies	<u>1,538,060</u>	<u>1,476,444</u>	<u>61,616</u>
Miscellaneous			
Office expense	75,090	71,347	3,743
Postage	168,185	168,596	(411)
Dues and subscriptions	64,241	49,996	14,245
Freight	37,150	26,646	10,504
Insurance	386,533	353,096	33,437
Workers' compensation insurance	481,978	475,596	6,382
Printing and binding	81,735	71,244	10,491
Advertising	12,100	4,793	7,307
Rental of outside property	6,623	3,814	2,809
Rental of equipment	43,180	33,368	9,812
Rental of clothing	51,400	35,849	15,551
Safety equipment	26,350	21,202	5,148
Miscellaneous	600	-	600
Public outreach education	15,000	14,894	106
Total miscellaneous	<u>1,450,165</u>	<u>1,330,441</u>	<u>119,724</u>
Total operating expenses	<u>34,926,555</u>	<u>33,578,538</u>	<u>1,348,017</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)-(Continued)
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<i>Variance Favorable (Unfavorable)</i>
Nonoperating expenses			
Interest expense- 2007 Series A	\$ 2,065,563	\$ 2,065,563	\$ -
Interest expense- VDRO	148,427	148,427	-
Interest expense- SRF	6,209,744	6,164,915	44,829
Interest expense- Leases	50,000	31,187	18,813
Interest expense- 2005 Series A	2,250,000	2,250,000	-
Interest expense- 2008 Series A	2,359,289	1,353,292	1,005,997
Programmed debt	683,600	-	683,600
Bond and note issue fees	35,000	15,801	19,199
Total nonoperating expenses	<u>13,801,623</u>	<u>12,029,185</u>	<u>1,772,438</u>
Capital outlays			
Automotive equipment	67,000	46,292	20,708
Building and plant equipment	188,525	130,529	57,996
Laboratory equipment	14,000	11,750	2,250
Medical surg and laboratory equipment	42,820	42,814	-
Office furniture and equipment	80,900	78,397	2,503
Computer software	320,000	250,395	69,605
Computer hardware	310,000	270,962	39,038
Other equipment	33,936	30,210	3,726
Buildings and other structures	104,400	18,766	85,634
Replacement reserve	709,885	649,318	60,567
Total capital outlays	<u>1,871,466</u>	<u>1,529,433</u>	<u>342,027</u>
Debt service principal	<u>17,457,042</u>	<u>17,457,042</u>	<u>-</u>
Total budgeted expenses	<u>\$ 68,056,686</u>	<u>\$ 64,594,198</u>	<u>\$ 3,462,482</u>

The NBC prepares its operating budget on a modified cash basis. Accordingly certain noncash expenditures such as depreciation and amortization expense are not provided for in the operating budget.

Reconciliation of Budgetary Basis Expenses to GAAP Expenses:

Total expenses on budgetary basis	\$ 64,594,198
Add:	
Depreciation	6,969,672
Amortization	332,144
Loss on disposal of assets	144
Grant expenses	98,333
Less:	
Capital outlay	(1,529,433)
Debt service principal	(17,457,042)
Total expenses on a GAAP basis	<u>\$ 53,008,016</u>

NARRAGANSETT BAY COMMISSION
Combining Schedule of Net Assets
 June 30, 2009

<i>Assets</i>	<i>Revenue Fund</i>	<i>O & M Fund</i>	<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Total</i>
<i>Current Assets</i>						
Cash and cash equivalents	\$ 4,951,811	\$ 3,994,004	\$ 4,355,985	\$ -	\$ -	\$ 13,301,800
Accounts receivable						
Sewer use (net of allowance)	6,255,458	-	-	-	-	6,255,458
Sewer use unbilled	16,398,179	-	-	-	-	16,398,179
Receivables, other	-	20,718	-	-	-	20,718
Prepaid expenses	-	200,529	-	-	-	200,529
Negative net pension obligation	-	31,812	-	-	-	31,812
<i>Total current assets</i>	27,605,448	4,247,063	4,355,985	-	-	36,208,496
<i>Noncurrent Assets</i>						
<i>Restricted assets</i>						
Cash and cash equivalents, environmental enforcement	157,021	-	-	-	-	157,021
Cash and cash equivalents	-	-	161,557	27,217,495	1,500,422	28,879,474
Cash and cash equivalents, restricted for the acquisition and construction of plant assets	-	-	17,916,196	-	-	17,916,196
<i>Total restricted assets</i>	157,021	-	18,077,753	27,217,495	1,500,422	46,952,691
<i>Capital assets</i>						
Land	-	-	2,754,407	-	-	2,754,407
Plant and equipment	-	-	76,830,816	-	-	76,830,816
Capital projects completed	-	-	260,300,608	-	-	260,300,608
Construction in progress	-	-	431,243,898	-	-	431,243,898
	-	-	771,129,729	-	-	771,129,729
Less accumulated depreciation	-	-	(114,561,694)	-	-	(114,561,694)
<i>Net capital assets</i>	-	-	656,568,035	-	-	656,568,035
<i>Other assets</i>						
Organization costs (net of accumulated amortization)	-	48,884	-	-	-	48,884
Bond and loan issuance costs (net of accumulated amortization)	-	-	5,178,060	-	-	5,178,060
<i>Total other assets</i>	-	48,884	5,178,060	-	-	5,226,944
<i>Total noncurrent assets</i>	157,021	48,884	679,823,848	27,217,495	1,500,422	708,747,670
<i>Total Assets</i>	\$ 27,762,469	\$ 4,295,947	\$ 684,179,833	\$ 27,217,495	\$ 1,500,422	\$ 744,956,166

(Continued)

NARRAGANSETT BAY COMMISSION
Combining Schedule of Net Assets (Continued)
June 30, 2009

<i>Liabilities</i>	<i>Revenue Fund</i>	<i>O & M Fund</i>	<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Total</i>
<i>Current Liabilities</i>						
Accounts and contracts payable	\$ 24,889	\$ 1,890,569	\$ 3,398,060	\$ -	\$ -	\$ 5,313,518
Accrued interest payable	-	-	-	3,908,406	-	3,908,406
Accrued expenses	-	2,429,495	-	-	-	2,429,495
Unearned revenue	279,856	-	-	-	-	279,856
Current portion of loans payable	-	-	16,583,897	-	-	16,583,897
Current portion of leases payable	-	-	182,395	-	-	182,395
Current portion of long-term debt	-	-	1,565,000	-	-	1,565,000
<i>Total current liabilities</i>	<u>304,745</u>	<u>4,320,064</u>	<u>21,729,352</u>	<u>3,908,406</u>	<u>-</u>	<u>30,262,567</u>
<i>Noncurrent Liabilities</i>						
Net OPEB Obligation	-	114,705	-	-	-	114,705
Other accrued expenses	-	72,724	-	-	-	72,724
Long-term loans payable, net	-	-	254,797,125	-	-	254,797,125
Long-term leases payable, net	-	-	259,061	-	-	259,061
Long-term debt, net	-	-	154,524,206	-	-	154,524,206
<i>Total noncurrent liabilities</i>	<u>-</u>	<u>187,429</u>	<u>409,580,392</u>	<u>-</u>	<u>-</u>	<u>409,767,821</u>
<i>Total liabilities</i>	<u>304,745</u>	<u>4,507,493</u>	<u>431,309,744</u>	<u>3,908,406</u>	<u>-</u>	<u>440,030,388</u>
<i>Net Assets</i>						
Investment in capital assets, net of related debt	-	-	240,723,854	-	-	240,723,854
Restricted, environmental enforcement	157,021	-	-	-	-	157,021
Unrestricted	27,300,703	(211,546)	12,146,235	23,309,089	1,500,422	64,044,903
<i>Total net assets</i>	<u>\$ 27,457,724</u>	<u>\$ (211,546)</u>	<u>\$ 252,870,089</u>	<u>\$ 23,309,089</u>	<u>\$ 1,500,422</u>	<u>\$ 304,925,778</u>

NARRAGANSETT BAY COMMISSION
Combining Schedule of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2009

	<i>Revenue Fund</i>	<i>O & M Fund</i>	<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Total</i>
Operating revenues						
User fees, residential	\$ 38,727,419	\$ -	\$ -	\$ -	\$ -	\$ 38,727,419
User fees, commercial and industrial	29,231,334	-	-	-	-	29,231,334
Permit and connection fees	140,822	-	-	-	-	140,822
Pretreatment	1,126,654	-	-	-	-	1,126,654
Environmental enforcement	3,700	-	-	-	-	3,700
Septage income	382,955	-	-	-	-	382,955
Abatement fees	3,384	-	-	-	-	3,384
Late charge penalties	849,127	-	-	-	-	849,127
Miscellaneous revenue	11,847	-	-	-	-	11,847
BOD/TSS surcharge	66,439	-	-	-	-	66,439
Total operating revenues	<u>70,543,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,543,681</u>
Operating expenses						
Personnel services	-	17,832,832	-	-	-	17,832,832
Contractual services	-	7,221,939	-	-	-	7,221,939
Travel	-	43,746	-	-	-	43,746
Repairs and maintenance	-	1,304,720	-	-	-	1,304,720
Utilities	-	4,156,172	-	-	-	4,156,172
Supplies	-	1,479,232	-	-	-	1,479,232
Depreciation	-	-	7,301,816	-	-	7,301,816
Insurance	-	1,104,040	-	-	-	1,104,040
Miscellaneous	-	534,190	-	-	-	534,190
Total operating expenses	<u>-</u>	<u>33,676,871</u>	<u>7,301,816</u>	<u>-</u>	<u>-</u>	<u>40,978,687</u>
Operating income (loss)	<u>70,543,681</u>	<u>(33,676,871)</u>	<u>(7,301,816)</u>	<u>-</u>	<u>-</u>	<u>29,564,994</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Combining Schedule of Revenues, Expenses and Changes in Net Assets (Continued)
For the year ended June 30, 2009

	<i>Revenue Fund</i>	<i>O & M Fund</i>	<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Total</i>
<i>Nonoperating revenues (expenses)</i>						
Grant	\$ 34,300	\$ -	\$ -	\$ -	\$ -	\$ 34,300
Interest expense	-	(31,187)	-	(11,982,197)	-	(12,013,384)
Interest income	100,659	37,089	171,748	110,099	422	420,017
Loss on disposal of assets	-	-	(144)	-	-	(144)
Miscellaneous income	185,832	-	-	-	-	185,832
Bond and note issuance costs	-	(15,801)	-	-	-	(15,801)
Total nonoperating revenues (expenses)	<u>320,791</u>	<u>(9,899)</u>	<u>171,604</u>	<u>(11,872,098)</u>	<u>422</u>	<u>(11,389,180)</u>
Net income before transfers	<u>70,864,472</u>	<u>(33,686,770)</u>	<u>(7,130,212)</u>	<u>(11,872,098)</u>	<u>422</u>	<u>18,175,814</u>
Transfers in (out)	<u>(72,258,343)</u>	<u>34,488,331</u>	<u>21,538,541</u>	<u>14,731,471</u>	<u>1,500,000</u>	<u>-</u>
Change in net assets	(1,393,871)	801,561	14,408,329	2,859,373	1,500,422	18,175,814
Total net assets, beginning of year	28,851,595	(1,013,107)	238,461,760	20,449,716	-	286,749,964
Total net assets ending end of year	<u>\$ 27,457,724</u>	<u>\$ (211,546)</u>	<u>\$ 252,870,089</u>	<u>\$ 23,309,089</u>	<u>\$ 1,500,422</u>	<u>\$ 304,925,778</u>

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Comprehensive Annual Financial Report
Statistical Section



Photo: Boats in Newport Harbor

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the NBC's financial performance and well-being have changed over time.

- Net Assets by Component
- Changes in Net Assets
- Revenue by Source
- Expenses by Function

Revenue Capacity

These schedules contain information to help the reader assess the NBC's most significant revenue sources.

- User Fee Revenue by Customer Type
- Residential Sewer Rates
- Non-residential Sewer Rates
- Comparative Sewer Rates – RI Municipalities
- Principal Commercial Users

Debt Capacity

These schedules present information to help the reader assess the affordability of the NBC's current levels of outstanding debt and the NBC's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Debt Service Coverage

Demographic and Economic Information

This schedule offer demographic and economic indicators to help the reader understand the environment within which the NBC's financial activities take place.

- Demographic & Economic Statistics

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the NBC's financial report relates to the Services the NBC provides and the activities it performs.

- Operating Indicators by Division
- Budgeted Employees by Activity

Sources: Unless otherwise noted, the information in these schedules was derived from the comprehensive annual financial report for the relevant year.

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NARRAGANSETT BAY COMMISSION
Net Assets By Component - (Unaudited)
Last Ten Fiscal Years

<i><u>Years Ending June 30,</u></i>	<i><u>Investment in Capital Assets, net of related debt</u></i>	<i><u>Restricted Environmental Enforcement</u></i>	<i><u>Unrestricted</u></i>	<i><u>Total Net Assets</u></i>
2000	\$ 165,503,461	\$ 103,856	\$ 15,387,628	\$ 180,994,945
2001	164,604,758	101,241	16,251,384	180,957,383
2002	173,360,798	45,288	20,891,265	194,297,351
2003	180,119,178	70,699	26,584,786	206,774,663
2004	176,130,955	34,340	46,295,161	222,460,456
2005	195,783,867	49,193	43,092,952	238,926,012
2006	205,752,364	84,735	50,790,866	256,627,965
2007	214,974,154	127,370	54,514,025	269,615,549
2008	228,385,908	189,545	58,174,511	286,749,964
2009	240,723,854	157,021	64,044,903	304,925,778

NARRAGANSETT BAY COMMISSION
Change in Net Assets (Unaudited)
Last Ten Fiscal Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Operating Revenues										
User fees	\$ 67,958,753	\$ 64,462,984	\$ 56,094,973	\$ 56,395,730	\$ 51,186,822	\$ 47,873,355	\$ 41,993,962	\$ 33,249,538	\$ 27,765,540	\$ 27,209,839
Pretreatment fees	1,126,654	1,115,529	1,163,397	1,165,749	1,209,418	1,234,447	1,083,886	861,821	875,338	896,287
Other operating revenue	1,458,274	1,499,218	1,399,037	1,464,685	1,381,662	1,305,690	1,510,275	1,325,622	1,624,235	1,516,108
Total Operating Revenues	70,543,681	67,077,731	58,657,407	59,026,164	53,777,902	50,413,492	44,588,123	35,436,981	30,265,113	29,622,234
Non Operating Revenues										
Interest income	420,017	2,195,657	2,849,252	2,483,388	914,079	515,567	260,466	244,713	494,964	431,581
Grants	34,300	27,653	49,037	20,695	35,530	74,983	391,631	1,132,839	228,265	77,844
Other nonoperating revenue	185,832	95,316	111,703	30,465	-	-	-	260,632	160,201	-
Total Nonoperating Revenues	640,149	2,318,626	3,009,992	2,534,548	949,609	590,550	652,097	1,638,184	883,430	509,425
Operating Expenses										
Personnel Services	17,832,832	17,052,860	16,043,809	15,681,061	15,367,770	14,984,343	13,893,990	13,373,277	11,809,558	12,252,827
Contractual Services	7,221,939	7,214,382	6,474,726	5,299,762	3,226,479	3,470,114	1,577,752	4,083,886	4,504,501	4,229,469
General and Administrative	8,622,100	7,384,874	7,413,415	7,319,290	7,821,574	7,050,880	8,650,093	6,495,336	6,904,768	5,618,680
Depreciation and amortization	7,301,816	7,463,646	6,803,213	6,129,019	6,397,410	6,265,860	5,981,286	5,849,189	5,388,068	5,032,327
Total Operating Expenses	40,978,687	39,115,762	36,735,163	34,429,132	32,813,233	31,771,197	30,103,121	29,801,688	28,606,895	27,133,303
Nonoperating Expenses										
Interest Expense	12,013,384	13,121,460	11,913,538	9,836,182	8,381,979	5,720,685	4,296,363	2,877,973	2,563,511	2,752,805
Other Expenses	15,945	24,720	36,740	1,016,836	8,436	49,740	27,973	119,986	20,788	29,987
Total Nonoperating Expenses	12,029,329	13,146,180	11,950,278	10,595,585	8,390,415	5,770,425	4,324,336	2,997,959	2,584,299	2,782,792
Net Income before capital contributions	18,175,814	17,134,415	12,981,958	16,535,995	13,523,863	13,462,420	10,812,762	4,275,518	(42,651)	215,564
Capital contribution	-	-	5,626	1,165,958	2,941,693	2,223,373	1,664,550	9,064,450	5,089	14,496,966
Change in Net Assets	18,175,814	17,134,415	12,987,584	17,701,953	16,465,556	15,685,793	12,477,312	13,339,968	(37,562)	14,712,530
Net Assets- beginning	286,749,964	269,615,549	256,627,965	238,926,012	222,460,456	206,774,663	194,297,351	180,957,383	180,994,945	166,282,415
Net Assets- ending	\$ 304,925,778	\$ 286,749,964	\$ 269,615,549	\$ 256,627,965	\$ 238,926,012	\$ 222,460,456	\$ 206,774,663	\$ 194,297,351	\$ 180,957,383	\$ 180,994,945

NARRAGANSETT BAY COMMISSION
Revenue by Source (Unaudited)
Last Ten Fiscal Years

<i>Years Ending June 30,</i>	<i>Operating Revenue</i>							<i>Operating Revenue</i>			<i>Nonoperating Revenue</i>				<i>Total Revenue</i>
	<i>User Fees</i>	<i>Permit and Connection Fees</i>	<i>Pretreatment</i>	<i>Environmental Enforcement</i>	<i>Septage Income</i>	<i>Late Charge Penalties</i>	<i>BOD/TSS Surcharge</i>	<i>Other Revenue</i>	<i>Total Operating Revenue</i>	<i>Grants</i>	<i>Interest Income</i>	<i>Arbitrage Rebate</i>	<i>Miscellaneous</i>		
2000	\$ 27,209,839	\$ 59,256	\$ 896,287	\$ 49,874	\$ 578,357	\$ 523,798	\$ 156,933	\$ 147,890	\$ 29,622,234	\$ 77,844	\$ 431,581	\$ -	\$ -	\$ 30,131,659	
2001	27,765,540	57,150	875,338	40,639	599,232	446,311	201,261	279,642	30,265,113	228,265	494,964	-	160,201	31,148,543	
2002	33,249,538	51,450	861,821	5,060	597,696	470,674	116,088	84,654	35,436,981	1,132,839	244,713	260,632	-	37,075,165	
2003	41,993,962	106,164	1,083,886	42,260	610,582	434,509	187,438	129,322	44,588,123	391,631	260,466	-	-	45,240,220	
2004	47,873,355	115,241	1,234,447	44,443	532,769	434,081	134,448	44,708	50,413,492	74,983	515,567	-	-	51,004,042	
2005	51,186,822	197,595	1,209,418	69,536	435,145	458,176	194,215	26,995	53,777,902	35,530	914,079	-	-	54,727,511	
2006	56,395,730	357,496	1,165,749	81,398	387,068	447,672	152,123	38,928	59,026,164	20,695	2,483,388	-	30,465	61,560,712	
2007	56,094,973	205,589	1,163,397	52,525	357,206	631,183	139,815	12,719	58,657,407	49,037	2,849,252	-	111,703	61,667,399	
2008	64,462,984	181,290	1,115,529	75,500	372,711	741,834	116,096	11,787	67,077,731	27,653	2,195,657	-	95,316	69,396,357	
2009	67,958,753	140,822	1,126,654	3,700	382,955	849,127	66,439	15,231	70,543,681	34,300	420,017	-	185,832	71,183,830	

NARRAGANSETT BAY COMMISSION
Expenses by Function (Unaudited)
Last Ten Fiscal Years

<i>Years Ending June 30,</i>	<i>Operating Expenses</i>							<i>Nonoperating Expenses</i>			<i>Total Expenses</i>	
	<i>Personnel Services</i>	<i>Contractual Services</i>	<i>Repairs and Maintenance</i>	<i>Utilities</i>	<i>Supplies</i>	<i>Depreciation Amortization</i>	<i>Miscellaneous</i>	<i>Operating Expenses</i>	<i>Interest Expenses</i>	<i>Arbitrage Expenses</i>		<i>Other Expenses</i>
2000	\$12,252,827	\$4,229,469	\$ 1,025,234	\$ 2,225,058	\$ 847,146	\$ 5,032,327	\$ 1,521,242	\$ 27,133,303	\$ 2,752,805	\$ -	\$ 29,987	\$ 29,916,095
2001	11,809,558	4,504,501	1,190,439	3,286,815	930,849	5,388,068	1,496,665	28,606,895	2,563,511	17,538	3,250	31,191,194
2002	13,373,277	4,083,886	1,237,214	2,388,772	1,370,809	5,849,189	1,498,541	29,801,688	2,877,973	-	119,986	32,799,647
2003	13,893,990	3,577,752	1,187,923	2,800,886	1,299,002	5,981,286	1,362,282	30,103,121	4,296,363	-	27,973	34,427,457
2004	14,984,343	3,470,114	1,321,740	2,922,865	1,173,647	6,265,860	1,632,628	31,771,197	5,720,685	-	49,740	37,541,622
2005	15,367,770	3,226,479	1,378,543	3,809,972	1,132,783	6,397,410	1,500,276	32,813,233	8,381,979	-	8,436	41,203,648
2006	15,681,061	5,299,762	1,259,874	3,470,521	1,044,137	6,386,452	1,287,325	34,429,132	9,836,182	-	759,403	45,024,717
2007	16,043,809	6,474,726	1,349,609	3,345,585	1,067,524	6,803,213	1,650,697	36,735,163	11,913,538	-	36,740	48,685,441
2008	17,052,860	7,214,382	1,258,783	3,435,790	1,183,308	7,463,646	1,506,993	39,115,762	13,121,460	-	24,720	52,261,942
2009	17,832,832	7,221,939	1,304,720	4,156,172	1,479,232	7,301,816	1,681,976	40,978,687	12,013,384	-	15,945	53,008,016

NARRAGANSETT BAY COMMISSION
User Fee Revenue by Customer Type - (Unaudited)
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>
Residential	\$ 38,711,515	\$ 36,113,007	\$ 30,990,979	\$ 30,875,896	\$ 27,436,514	\$ 26,103,320	\$ 23,706,243	\$ 18,096,097	\$ 14,802,543	\$ 14,782,659
Commercial	27,647,095	26,584,703	23,412,834	23,454,508	21,715,154	19,744,104	16,418,380	13,040,443	10,604,822	10,190,288
Industrial	1,584,239	1,765,274	1,691,160	2,065,326	2,035,154	2,025,931	1,869,339	2,112,998	2,358,175	2,236,892
Total	<u>\$ 67,942,849</u>	<u>\$ 64,462,984</u>	<u>\$ 56,094,973</u>	<u>\$ 56,395,730</u>	<u>\$ 51,186,822</u>	<u>\$ 47,873,355</u>	<u>\$ 41,993,962</u>	<u>\$ 33,249,538</u>	<u>\$ 27,765,540</u>	<u>\$ 27,209,839</u>

NARRAGANSETT BAY COMMISSION
Schedule of Residential Sewer Rates - (Unaudited)
Last Ten Fiscal Years

<u><i>Fiscal Year</i></u>	<u><i>Fixed Rate (per Dwelling Unit)</i></u>	<u><i>Consumption Rate (HCF)</i></u>
2000	\$ 44.23	\$0.850
2001	44.23	0.850
2002	54.68	1.120
2003	68.25	1.400
2004	79.00	1.625
2005	83.70	1.722
2006	94.38	1.942
2007	98.21	2.021
2008	112.35	2.309
2009	124.98	2.569

* HCF - per hundred cubic feet

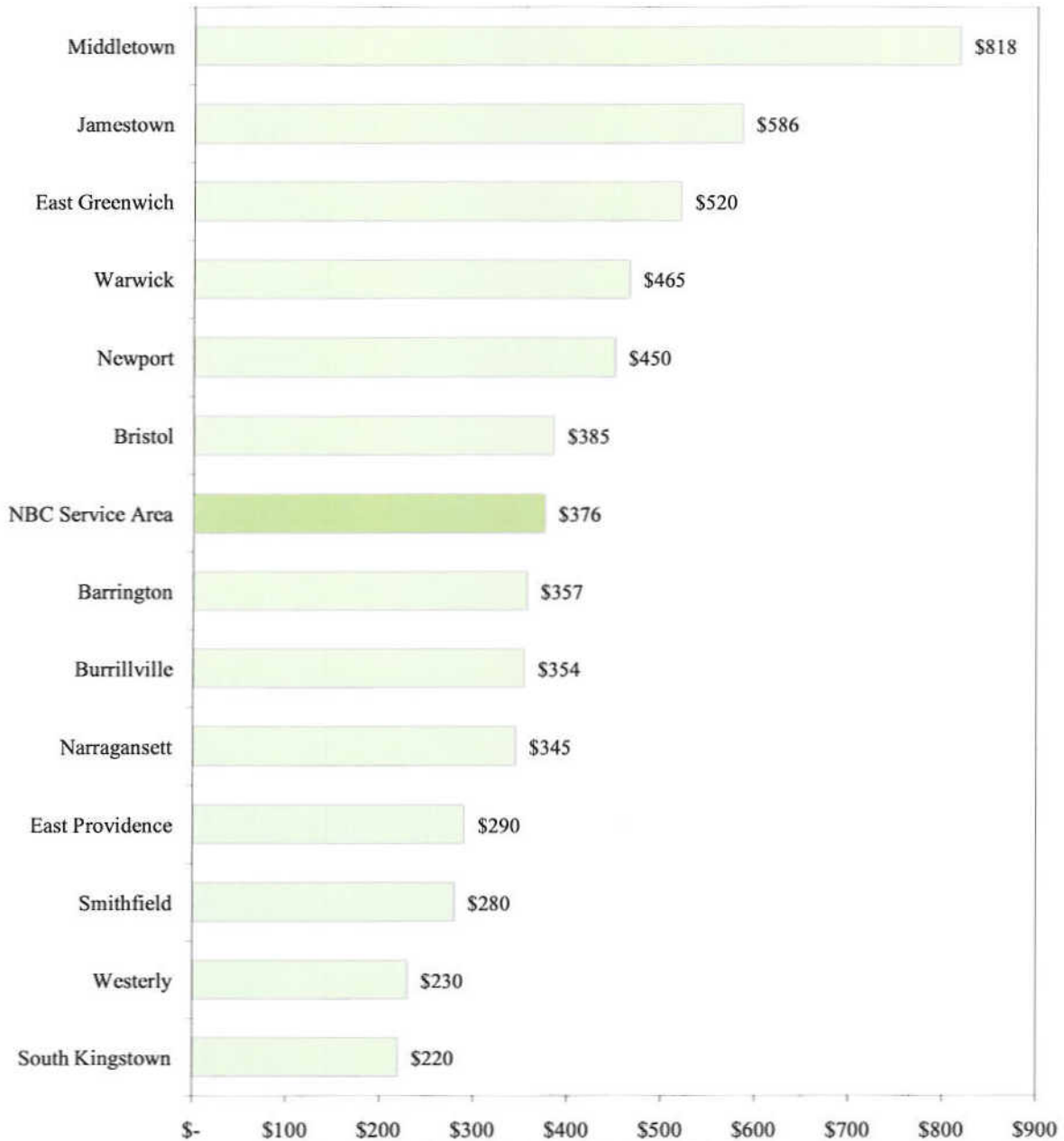
NARRAGANSETT BAY COMMISSION
Schedule of Non-residential Sewer Rates - (Unaudited)
Last Ten Fiscal Years

<i><u>Fiscal Year</u></i>	<i><u>Non-residential Fixed Rate (Based on 5/8" meter)</u></i>	<i><u>Industrial Consumption Rate (HCF)</u></i>	<i><u>Commercial Consumption Rate (HCF)</u></i>
2000	\$ 98.00	\$ 0.770	\$ 1.280
2001	98.00	0.770	1.280
2002	122.01	1.050	1.630
2003	152.27	1.310	2.030
2004	177.00	1.515	2.355
2005	188.00	1.605	2.495
2006	212.00	1.810	2.813
2007	221.00	1.884	2.927
2008	253.00	2.153	3.349
2009	281.00	2.395	3.725

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Annual Residential Sewer Charges Rhode Island Cities & Towns

The survey shown below, conducted by the Narragansett Bay Commission (NBC) in 2008, compares the annual residential sewer charges for participating Rhode Island Cities & Towns. The survey shows NBC, with its current fee structure, ranks 8th lowest among participants.



Source: 2008 Narragansett Bay Commission Residential Sewer User Survey

Notes:

In this survey, all Annual Residential Sewer charges are based on 97.6 HCF.

The average 2008 Annual Residential Sewer User Fee for Participating Rhode Island Cities & Towns is \$405.

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NARRAGANSETT BAY COMMISSION
Principal Commercial Users - (Unaudited)
2009 and 2000

<u>Company</u>	<u>2009</u>			<u>2000</u>		
	<u>Annual Billing</u>	<u>Rank</u>	<u>Percentage of Total Billing</u>	<u>Annual Billing</u>	<u>Rank</u>	<u>Percentage of Total Billing</u>
Brown University	\$ 1,219,793	1	1.80%	\$ 405,000	1	1.59%
Providence Housing Authority	1,158,229	2	1.71%	362,000	2	1.35%
Rhode Island Hospital	1,093,390	3	1.62%	179,000	4	0.66%
City of Providence	543,619	4	0.80%			
City of Pawtucket	472,830	5	0.70%			
Providence School Department	402,904	6	0.60%			
Providence College	353,578	7	0.52%	104,000	10	0.38%
Johnson & Wales	282,369	8	0.42%	114,000	6	0.42%
State of RI	252,115	9	0.37%			
Rhode Island College	242,348	10	0.36%	196,700	3	0.73%
Rhode Island School of Design						
Roger William Hospital				145,000	5	0.54%
Slater				108,000	7	0.40%
St. Joseph Hospital				105,000	8	0.39%
Pawtucket Memorial Hospital				104,000	9	0.38%
Total	<u>\$ 6,021,173</u>		<u>8.90%</u>	<u>\$ 1,822,700</u>		<u>6.84%</u>

NARRAGANSETT BAY COMMISSION
Ratios of Outstanding Debt - (Unaudited)
Last Ten Years

<i>Fiscal Year Ended June 30,</i>	<i>Loans Payable</i>	<i>Bonds Payable</i>	<i>Total Outstanding Debt</i>	<i>Capitalized Assets*</i>	<i>Construction in Process</i>	<i>Total Capital Assets</i>	<i>(1) Population</i>	<i>Ratio of Outstanding Debt to Capital Assets</i>	<i>Ratio of Outstanding Debt per Population</i>
2000	\$ 47,349,721	\$ 20,011,688	\$ 67,361,409	\$ 187,010,007	\$ 31,729,006	\$ 218,739,013	1,050,725	0.31	64.11
2001	52,813,472	18,351,154	71,164,626	192,340,284	37,451,809	229,792,093	1,058,065	0.31	67.26
2002	74,810,860	15,972,043	90,782,903	187,657,682	76,255,003	263,912,685	1,065,937	0.34	85.17
2003	136,619,669	13,775,319	150,394,988	195,311,349	134,283,423	329,594,772	1,071,302	0.46	140.39
2004	204,228,468	81,628,122	285,856,590	203,821,078	201,485,348	405,306,426	1,071,095	0.71	266.88
2005	222,735,236	70,000,000	292,735,236	211,608,992	271,817,109	483,426,101	1,064,439	0.61	275.01
2006	247,768,485	116,064,506	363,832,991	220,781,312	330,122,836	550,904,148	1,058,991	0.66	343.57
2007	269,690,992	159,068,722	428,759,714	225,428,491	378,547,610	603,976,101	1,053,136	0.71	407.13
2008	269,026,900	157,613,722	426,640,622	226,015,839	412,852,916	638,868,755	1,050,788	0.67	406.02
2009	271,381,022	156,089,206	427,470,228	225,324,137	431,243,898	656,568,035	N/A	0.65	N/A

* Capitalized assets net of accumulated depreciation

(1) Source: United States Census Bureau (Note: Not based on population of service area, but total population of State of Rhode Island)

NARRAGANSETT BAY COMMISSION
Schedule of Debt Service Coverage - (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2000	\$ 30,131,659	\$ 22,100,976	\$ 8,030,683	\$ 3,813,219	\$ 2,752,805	\$ 6,566,024	1.22
2001	31,148,543	23,218,827	7,929,716	3,693,168	2,551,913	6,245,081	1.27
2002	37,075,165	24,101,905	12,973,260	4,326,500	2,864,094	7,190,594	1.80
2003	45,240,220	24,322,698	20,917,522	5,623,294	4,276,165	9,899,459	2.11
2004	51,004,042	25,738,005	25,266,037	8,934,425	5,694,831	14,629,256	1.73
2005	54,727,511	26,601,612	28,125,899	9,035,349	7,295,728	16,331,077	1.72
2006	61,560,712	28,300,113	33,260,599	10,922,981	9,840,948	20,763,929	1.60
2007	61,667,399	29,931,950	31,735,449	12,502,822	10,742,156	23,244,978	1.37
2008	69,396,357	31,652,116	37,744,241	16,800,972	12,879,158	29,680,130	1.27
2009	71,183,830	33,676,871	37,506,959	17,457,042	11,982,197	29,439,239	1.27

(1) Total revenues including interest income

(2) Total operating expenses exclusive of depreciation and amortization

NARRAGANSETT BAY COMMISSION
Demographic Statistics - (Unaudited)
State of Rhode Island
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Millions of dollars)(4)</u>	<u>Per Capita Income (4)</u>	<u>Labor Force (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
2000	1,050,725	\$ 30,519	\$ 29,113	504,800	114,816	4.10%
2001	1,058,065	31,750	29,984	503,566	115,004	4.70%
2002	1,065,937	33,503	31,319	556,428	157,599	5.10%
2003	1,071,302	34,347	31,916	572,956	159,205	5.30%
2004	1,071,095	36,453	33,733	562,289	158,592	5.20%
2005	1,064,439	38,907	36,153	569,451	153,560	5.00%
2006	1,058,991	39,054	36,289	578,243	153,417	5.10%
2007	1,053,136	41,745	39,463	576,987	151,619	5.00%
2008	1,050,788	43,091	41,008	567,597	145,342	7.80%
2009	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Source United States Census Bureau
- (2) Source Rhode Island Department of Labor
- (3) Source Rhode Island Department of Education
- (4) Source Rhode Island Department of Commerce

NARRAGANSETT BAY COMMISSION
Operating Indicators by Division - (Unaudited)
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>
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of Employees	244	237	241	245	247	247	255	243	229	240
<i>Field's Point Plant (Largest WWTF in RI)</i>										
Daily average treatment in gallons (mgd)	43.06	43.06	49.39	53.07	45.69	45.69	41.00	41.00	41.00	41.00
Maximum daily capacity of treatment (mgd)	200	200	200	200	200	200	200	200	200	200
Number of pump stations	4	4	4	4	4	5	5	6	6	6
Number of active combined sewer overflows (CSOs)	38	38	38	39	39	39	39	39	39	39
Miles of interceptor	80	80	80	80	80	80	80	80	80	80
Number of tide gates	32	32	32	32	32	32	32	32	32	32
<i>Bucklin Point Plant (Second largest WWTF in RI)</i>										
Daily average treatment in gallons (mgd)	19.6	19.60	24.83	24.83	24.61	24.61	24.48	24.48	24.48	24.48
Maximum daily capacity of treatment (mgd)	116	116	116	116	46	46	46	46	46	46
Number of pump stations	3	3	3	3	3	3	3	3	3	3
Number of active combined sewer overflows (CSOs)	26	26	26	27	27	27	27	27	27	27
Miles of interceptor	30	30	30	30	30	30	30	30	30	30

Mgd = million gallons per day
Source: Management of NBC

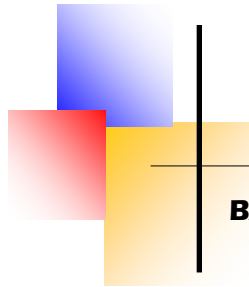
NARRAGANSETT BAY COMMISSION
Budgeted Employees by Activity - (Unaudited)
Last Ten Fiscal Years

<i>Departments</i>	<i>FY 2009</i>	<i>FY 2008</i>	<i>FY 2007</i>	<i>FY 2006</i>	<i>FY 2005</i>	<i>FY 2004</i>	<i>FY 2003</i>	<i>FY 2002</i>	<i>FY 2001</i>	<i>FY 2000</i>
Executive	8.0	8.0	8.0	8.0	8.0	7.0	7.0	6.0	11.0	11.0
Construction and Grants	10.0	9.0	10.0	10.0	9.9	11.0	10.0	5.0	3.0	3.0
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Legal	5.0	5.0	5.0	5.0	5.5	5.3	5.8	5.0	-	-
Finance	5.0	5.0	5.0	5.0	5.0	5.0	8.0	6.0	5.0	6.0
Accounting	10.0	10.0	10.0	11.0	11.0	12.0	13.0	12.0	12.0	10.0
Information Technology	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	9.0	9.0
Customer Service	22.0	22.0	22.0	21.0	21.0	20.0	19.0	19.0	18.0	19.0
Purchasing	4.0	4.0	4.0	4.0	4.0	6.0	4.0	4.0	4.0	4.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Pretreatment	15.0	15.0	15.0	15.0	16.0	16.0	16.0	16.0	15.0	16.0
Laboratory	15.0	15.0	15.0	15.0	15.0	15.0	14.0	13.0	14.0	18.0
Environmental Safety & Technical Assistance	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	2.5	3.5
Environmental Monitoring & Data Analysis	17.0	17.0	17.0	17.0	17.0	18.0	15.0	15.0	13.0	10.0
Interceptor Maintenance	22.0	22.0	22.0	21.0	23.0	23.0	23.0	23.0	23.0	23.0
Engineering	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Field's Point WWTF	56.0	56.0	56.0	56.0	61.0	62.0	61.0	61.0	61.0	63.0
Bucklin Point WWTF	32.0	32.0	32.0	32.0	32.0	32.0	31.0	31.0	28.0	29.0
Total	254.0	254.0	254.0	253.0	261.4	264.3	257.8	247.0	237.5	244.5

Comprehensive Annual Financial Report
Compliance Section



Photo: Fishing Boat at Galilee Port Narragansett



BACON & COMPANY, CPA'S, LLC



America Counts on CPAs

875 Centerville Road
Bldg. 3, Unit 10
Warwick, RI 02886

Phone: 401-586-6565
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Narragansett Bay Commission
Providence, Rhode Island

We have audited the financial statements of the Narragansett Bay Commission, a component unit of the State of Rhode Island for financial reporting purposes, as of and for the year ended June 30, 2009 and have issued our report thereon dated September 15, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered NBC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of NBC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NBC's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NBC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, the State of Rhode Island Auditor General and the Public Utilities Commission and is not intended to be and should not be used by anyone other than these specified parties.

Baermann Company, CPAs, LHC

Warwick, Rhode Island
September 15, 2009

NARRAGANSETT BAY COMMISSION
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Program or Award Amount</u>	<u>Type of Program</u>	<u>Expenditures</u>
Direct Program:					
U.S. Environmental Protection Agency SIG Grant	66.940	EI-97187901-8	\$ 275,000	B	\$ 34,300
			<u>\$ 275,000</u>		<u>\$ 34,300</u>

NARRAGANSETT BAY COMMISSION
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the NBC.

BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

DETERMINATION OF TYPE A AND TYPE B PROGRAMS

The determination of Type A and Type B federal programs was based upon the overall level of expenditures for all federal programs for the State of Rhode Island. As such, the threshold for determining Type A and Type B programs is determined at the State level. For the year ended June 30, 2009, grants with expenditures exceeding \$9,500,000 were determined to constitute a Type A program. The NBC had no Type A programs for the year ended June 30, 2009.

**NARRAGANSETT BAY COMMISSION
LONG DISTANCE TRAVEL DETAIL
FISCAL YEAR 2009**

TRAVELER	PAYEE		TRAVEL DATES	CHECK	DATE PAID BY NBC	PURPOSE OF TRAVEL	DESTINATION	MILEAGE	MEALS	REGISTRY	AIRFARE	HOTEL	OTHER	TOTALS
Executive														
Raymond J Marshall	Raymond J Marshall	S	7/13-7/18/08	62593	7/29/08	NACWA Summer Conference	Anchorage, AK		\$225.00			\$100.80	\$122.96	\$448.76
Diane M Buerger	Diane M Buerger	S	6/21-6/25/08	62551	7/29/08	Nat'l SHRM Conference	Chicago, IL	50.50	220.00			804.35	163.80	1,238.65
Raymond J Marshall	Raymond J Marshall	A	9/22-9/23/08	63057	9/9/08	NACWA Fall Retreat	Washington, DC				695.00	300.00		995.00
Raymond J Marshall	Raymond J Marshall	S	9/22-9/23/08	63272	10/1/08	NACWA Fall Retreat	Washington, DC		50.00			43.44	66.00	159.44
Laurie H Bissonette	Laurie H Bissonette	A	11/13-11/14/08	63513	10/22/08	NACWA Conference	Washington, DC				695.00	289.00		984.00
Laurie H Bissonette	Laurie H Bissonette	S	11/13-11/14/08	64330	1/6/2009	NACWA Conference	Washington, DC		50.90			41.91	10.00	102.81
Diane M Buerger	Diane M Buerger	AC				Reverse of Prior Year Accrual	Chicago, IL	(50.50)	(220.00)			(804.35)	(163.80)	(1,238.65)
Raymond J Marshall	Raymond J Marshall	A	2/3-2/6/09	64500	01/21/09	NACWA Winter Meeting	Atlanta, GA				510.20	627.00		1,137.20
Raymond J Marshall	Raymond J Marshall	S	2/3-2/6/09	64857	02/17/09	NACWA Winter Meeting	Atlanta, GA		120.00			94.05	181.44	395.49
Jamie R Samons	Jamie R Samons	A	2/3-2/6/09	64478	01/21/09	NACWA Winter Meeting	Atlanta, GA				284.40	627.00		911.40
Jamie R Samons	NACWA	R	03/03/09	65105	03/10/09	NACWA Winter Meeting	Atlanta, GA			825.00				825.00
Diane M Buerger	Diane M Buerger	R	6/28-7/1/09	65440	04/07/09	SHRM Annual Conference	New Orleans, LA			1,250.00				1,250.00
Laurie H Bissonette	Laurie H Bissonette	S	04/06/09	65664	04/21/09	NBC Representation	Milwaukee, WI				333.90		108.00	441.90
Jennifer J Galego	Jennifer J Galego	S	04/06/09	65663	4/21/09	NBC Representation	Milwaukee, WI		27.36		520.71		20.00	568.07
Raymond J Marshall	Raymond J Marshall	A	5/4-5/6/09	65729	04/28/09	NACWA 2009 Policy Forum	Washington, DC				675.20	661.80		1,337.00
Raymond J Marshall	Raymond J Marshall	S	5/4-5/6/09	66079	05/19/09	NACWA 2009 Policy Forum	Washington, DC				0.00	0.02	206.85	206.87
Diane M Buerger	Diane M Buerger	A	6/27-7/1/09	65779	05/05/09	SHRM Annual Conference	New Orleans, LA				436.00			436.00
Diane M Buerger	Diane M Buerger	S	6/27-7/1/09	67098	07/21/09	SHRM Annual Conference	New Orleans, LA		245.00			1,047.08	123.26	1,415.34
Jamie R Samons	Jamie R Samons	A	5/3-5/6/09	65791	05/05/09	NACWA 2009 Policy Forum	Washington, DC				159.20	578.00		737.20
Jamie R Samons	Jamie R Samons	S	2/3-2/6/09	65856	05/12/09	NACWA Winter Meeting	Atlanta, GA				0.00	94.05	231.30	325.35
Jamie R Samons	NACWA	R	5/3-5/6/09	66195	06/02/09	NACWA 2009 Policy Forum	Washington, DC			650.00				650.00
Raymond J Marshall	NACWA	R	2/3-2/6/09	66463	06/16/09	NACWA Winter Meeting	Atlanta, GA			825.00				825.00
Raymond J Marshall	NACWA	R	5/3-5/6/09	66378	06/09/09	NACWA 2009 Policy Forum	Washington, DC			725.00				725.00
Raymond J Marshall	NACWA	R	7/13-7/18/09	66805	06/24/09	2009 NACWA Summer Conference	Anchorage, AK			785.00				785.00
Jamie R Samons	Jamie R Samons	S	5/3-5/5/09	66789	06/24/09	NACWA 2009 Policy Forum	Washington, DC		90.00			111.20	106.85	308.05
Jamie R Samons	Jamie R Samons	A	7/14-7/17/09	66789	06/24/09	2009 NACWA Summer Conference	Milwaukee, WI				360.91	649.77		1,010.68
Total Executive														16,980.56
IT														
Keith A Zuidema	Keith A Zuidema	A	11/9-11/14/08	63351	10/8/08	HP-Unix Training	Toronto, Canada				464.12	600.00		1,064.12
Keith A Zuidema	Advizex Technologies	R	11/9-11/14/08	63564	10/28/08	HP-Unix Training	Toronto, Canada			3,000.00				3,000.00
Keith A Zuidema	Advizex Technologies	R	11/9-11/14/08	63649	11/3/08	HP-Unix Training	Toronto, Canada			450.00				450.00
Keith A Zuidema	Keith A Zuidema	S	11/9-11/14/08	63929	11/25/08	HP-Unix Training	Toronto, Canada		265.00		3.72	36.05	185.00	489.77
Keith A Zuidema	Keith A Zuidema	A	5/4-5/8/09	65709	4/28/09	Cisco ASA Fundamentals Training	Burlington, MA					566.00		566.00
Kathleen J Smith	Kathleen J Smith	A	5/3-5/8/09	65708	4/28/09	Oracle Training	Fort Lauderdale, FL				242.80	380.00		622.80
Kathleen J Smith	Kathleen J Smith	AC				Class Cancelled-Check returned					(242.80)	(380.00)		(622.80)
Keith A Zuidema	Global Knowledge Network	R	7/5-7/10/09	65603	4/21/09	Ultimate Exchange Server 2007	New York, NY			2,695.50				2,695.50
Keith A Zuidema	Keith A Zuidema	S	5/4-5/8/09	66107	5/27/09	Cisco ASA Fundamentals Training	Burlington, MA	107.29					240.00	347.29
Keith A Zuidema	Keith A Zuidema	A	7/5-7/10/09	66368	6/9/09	Ultimate Exchange Server 2007	New York, NY					1,044.80		1,044.80
Kathleen J Smith	Kathleen J Smith	A	6/21-6/26/09	66950	7/7/09	Oracle Training	Reston, VA			272.29				272.29
Kathleen J Smith	Kathleen J Smith	A	6/21-6/26/09	66793	6/24/09	Oracle Training	Reston, VA				632.70	346.85		979.55
Total IT														10,909.32
Engineering														
Thomas P Grala	Info Global Solutions	R	10/13-10/16/08	62446	7/15/08	Inforum 2008	Las Vegas, NV			850.00				850.00
Thomas P Grala	Thomas P Grala	A	10/13-10/16/08	62471	7/15/08	Inforum 2008	Las Vegas, NV				404.50			404.50
Thomas P Grala	Thomas P Grala	S	10/13-10/16/08	63706	11/3/08	Inforum 2008	Las Vegas, NV		100.00			432.73	109.95	642.68
Thomas P Grala	Thomas P Grala	AC				Pay back from overpayment on check 63706							(15.00)	(15.00)
Total Engineering														1,882.18

NARRAGANSETT BAY COMMISSION
LONG DISTANCE TRAVEL DETAIL
FISCAL YEAR 2009

TRAVELER	PAYEE		TRAVEL DATES	CHECK	DATE PAID BY NBC	PURPOSE OF TRAVEL	DESTINATION	MILEAGE	MEALS	REGISTRY	AIRFARE	HOTEL	OTHER	TOTALS
Field's Point														
Carmine Goneconte	Carmine Goneconte	S	08/27/08	63576	10/28/08	Trip to see new calarifier	Portland, ME						7.70	7.70
Paul A Desrosiers	Paul A Desrosiers	S	1/25-1/27/09	64670	2/3/09	NEWEA 2009 Annual Conference	Boston, MA					386.82		386.82
Paul A Desrosiers	NE Water Environ	R	1/25-1/27/09	65109	3/10/09	NEWEA 2009 Annual Conference	Boston, MA			370.00				370.00
Total Field's Point														764.52
Bucklin Point														
Erasmus Torres	Erasmus Torres	S	8/25-8/28/08	63034	9/9/08	CCST Review Course	Morristown, NJ	246.87	105.00			524.76	23.00	899.63
Total Bucklin Point														899.63
Pretreatment														
Kerry M. Britt	Kerry M. Britt	A	9/6-9/9/08	62906	8/26/08	ERP Consortium Nat'l Meeting	Reno, NV				250.00			250.00
Kerry M. Britt	Kerry M. Britt	S	9/6-9/9/08	63102	9/16/08	ERP Consortium Nat'l Meeting	Reno, NV		185.00		93.00	213.27	60.00	551.27
Kerry M. Britt	Northeast Waste Mgnt	R	9/6-9/9/08	63522	10/22/08	ERP Consortium Nat'l Meeting	Reno, NV			80.00				80.00
Kerry M. Britt	Kerry M. Britt	A	3/24-3/27/09	64832	2/17/09	2009 NACWA Conference	Charlotte, NC				250.00			250.00
Thomas P Uva	Thomas P Uva	A	3/24-3/27/09	64870	2/17/09	2009 NACWA Conference	Charlotte, NC				450.00			450.00
Thomas P Uva	Thomas P Uva	S	3/24-3/27/09	65480	4/7/09	2009 NACWA Conference	Charlotte, NC		150.00		27.70	515.16	79.00	771.86
Kerry M. Britt	Kerry M. Britt	S	3/24-3/27/09	65460	4/7/09	2009 NACWA Conference	Charlotte, NC		150.00		227.70	515.16	61.00	953.86
Thomas Uva	NACWA	R	3/24-3/27/09	66378	6/9/09	2009 NACWA Conference	Charlotte, NC			545.00				545.00
James McCaughey	NACWA	R	3/24-3/27/09	66378	6/9/09	2009 NACWA Conference	Charlotte, NC			495.00				495.00
Kerry M. Britt	NACWA	R	3/24-3/27/09	66378	6/9/09	2009 NACWA Conference	Charlotte, NC			495.00				495.00
Total Pretreatment														4,841.99
Envir. Safety & Tech. Assist.														
James McCaughey	James McCaughey	S	9/6-9/10/08	63099	9/16/08	ERP Consortium Nat'l Meeting	Reno, NV		165.00		343.00	213.27	40.00	761.27
James McCaughey	Northeast Waste Mgnt	R	9/6-9/10/08	63522	10/22/08	ERP Consortium Nat'l Meeting	Reno, NV			80.00				80.00
James McCaughey	James McCaughey	S	3/24-3/27/09	65455	4/7/09	2009 NACWA Conference	Charlotte, NC		175.00		167.70	515.16	114.00	971.86
James McCaughey	National Pollution Prevention	R	5/2-5/9/09	66216	6/2/09	2009 Nat'l Environmental Summit	San Francisco, CA			495.00				495.00
James McCaughey	James McCaughey	S	5/2-5/9/09	66223	6/2/09	2009 Nat'l Environmental Summit	San Francisco, CA		140.00		259.20	1,231.80	115.94	1,746.94
Total Envir. Safety & Tech. Assist.														4,055.07
										GRAND TOTAL TRAVEL				\$40,333.27