



THE NARRAGANSETT BAY COMMISSION
FISCAL YEAR 2011

A Component Unit Of The State Of Rhode Island
Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2011

Narragansett Bay Commission

A Component Unit of the State of Rhode Island

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

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



Photo: View of boats 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: Sunset on Narragansett Bay

NARRAGANSETT BAY COMMISSION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended 2011

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Comprehensive Annual Financial Report
Introductory Section

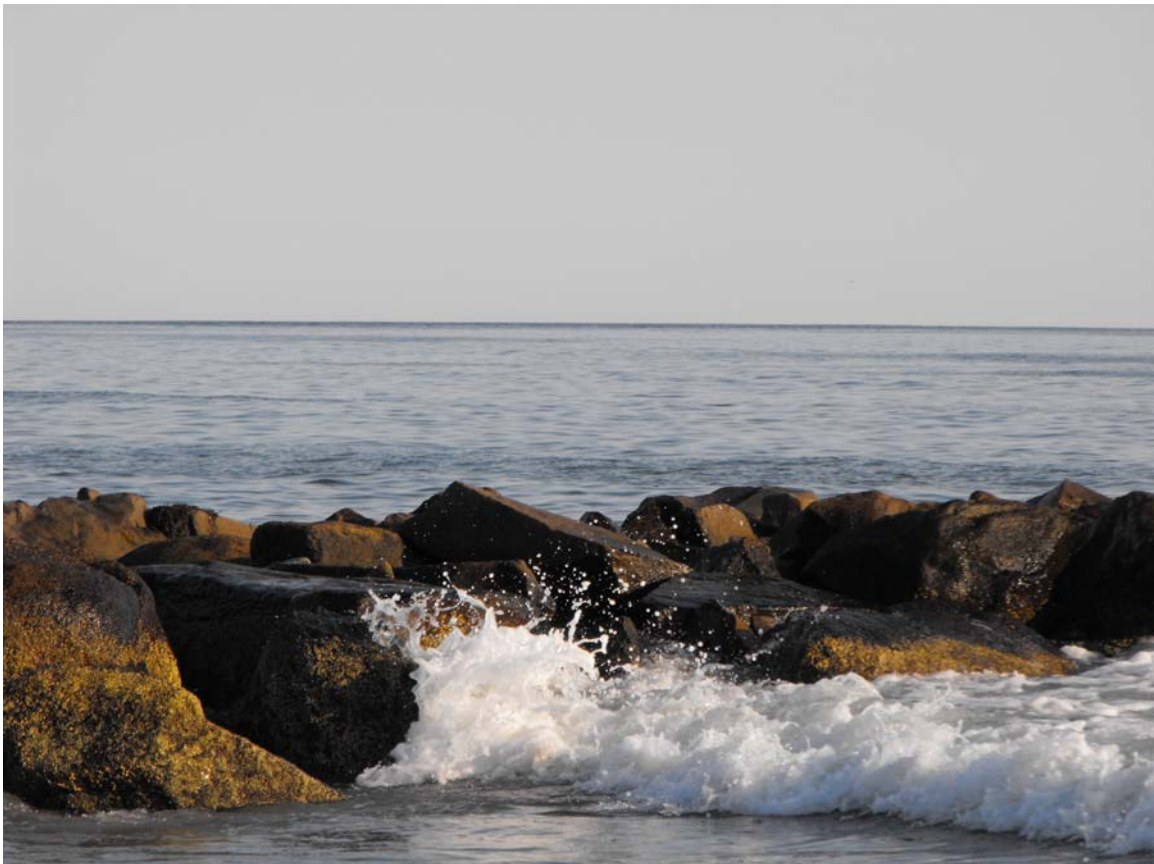


Photo: Narragansett Bay

A 19-member Board of Commissioners (Board) governs the NBC. The Board represents the municipalities in the service area, and also includes ten gubernatorial appointments. Empowered with responsibilities that range from ensuring that the NBC operates a balanced budget to approving contracts for improving and sustaining the treatment facilities and wastewater collection system, the Board meets monthly to guide the direction of the NBC.

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 budget versus actual expenses before they are presented at the monthly Board Meeting.

LOCAL ECONOMY

The NBC provides wastewater treatment and collection services to more than 360,000 residents and approximately 7,800 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 72% 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.

The State of Rhode Island's Report from the May 2011 Rhode Island Revenue Estimating Conference indicates that, the Rhode Island labor market has pivoted from the cyclical bottom into recovery and "the March 2010 flood events cost the state slightly over 3,000 jobs within the retail and leisure/hospitality employment." The report further states that, "overall, job growth in Rhode Island is expected to lag in both the New England region and the U.S. as a whole in CY 2011. However, the state is projected to return to peak employment levels in late 2014, more than one year after the nation and region."

LONG-TERM FINANCIAL PLANNING

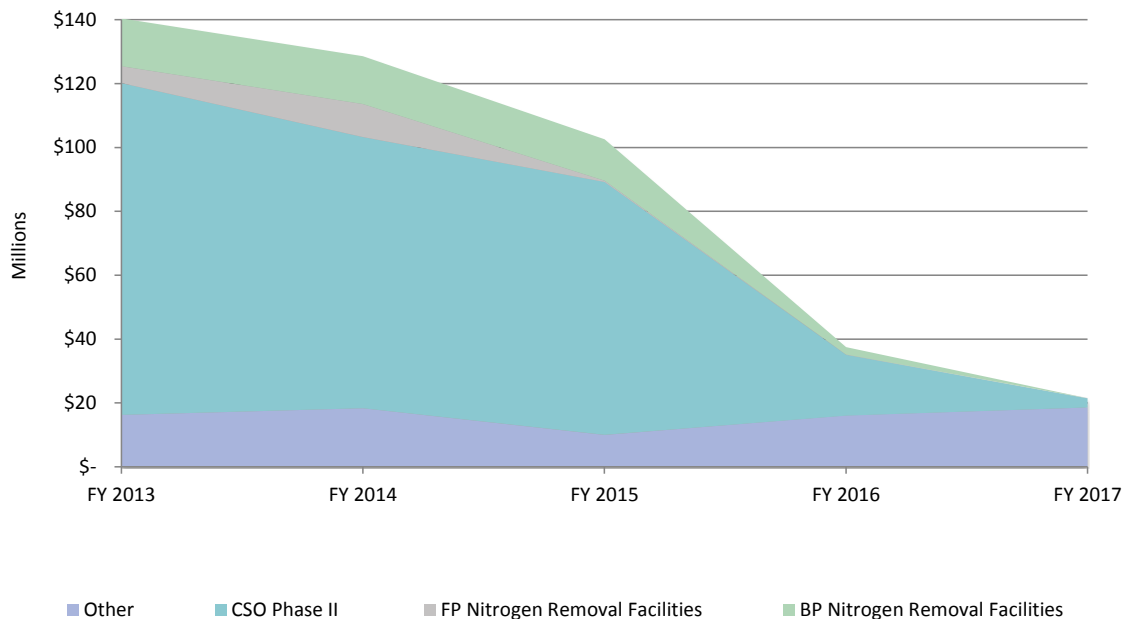
The NBC maintains and updates a long-term financial model in order to project current and future operating and capital requirements. The model is used to develop and support financing strategies that will provide stability and continuity as well as minimize rate increases.

MAJOR INITIATIVES

The NBC's fiscal year 2013 - 2017 Capital Improvement Program (CIP) identifies 51 projects totaling approximately \$430 million either in progress, to be initiated, or to be completed during the fiscal years of 2013 -2017 in addition to \$100 million in expenditures in fiscal year 2012, for a total of approximately \$530 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 construction of the Combined Sewer Overflow (CSO) Phase II Facilities, Nitrogen Removal Facilities at the Field's Point Wastewater Treatment Facility (WWTF), and Nitrogen Removal Facilities at the Bucklin Point WWTF. Costs for these three initiatives during the five-year period total \$351 million or more than 82% of this year's CIP. The construction of the Nitrogen Removal Facilities at Field's Point began in FY 2010 at a projected cost of \$72 million. Construction of the CSO Phase II Facilities began in FY 2011 and construction of the Nitrogen Removal Facilities at Bucklin Point is scheduled to begin in FY 2012. 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 shows the projected cash flows for NBC's major initiatives and other smaller projects included in the CIP over the next five years.

Expenditures by Major Initiative

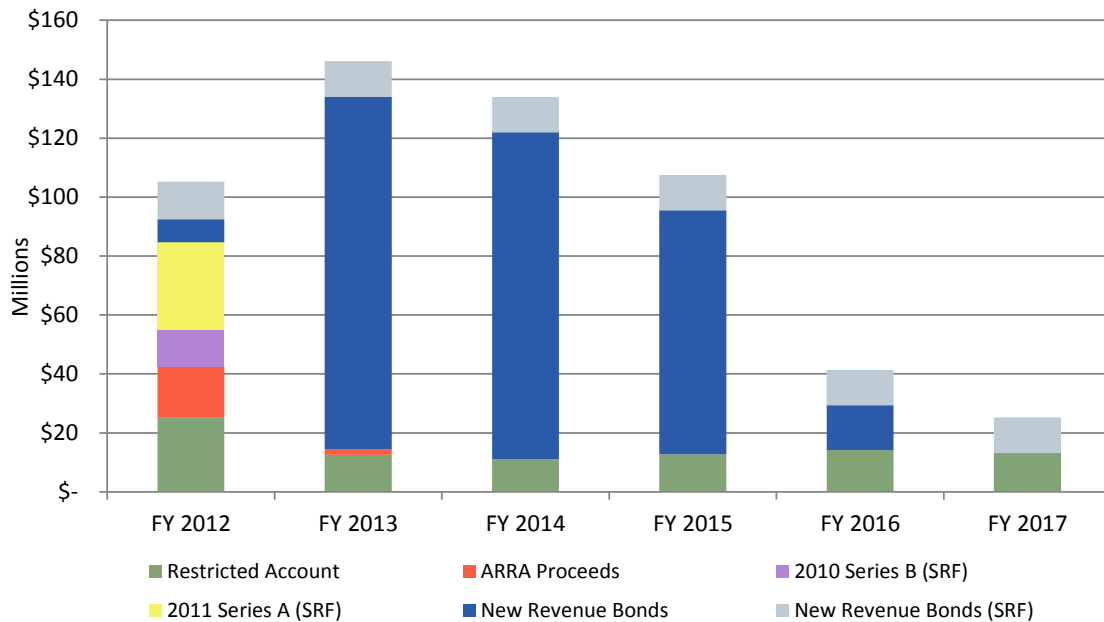


FUNDING OF THE CIP

In FY 2012, NBC plans to fund the CIP with approximately \$42.1 million in unexpended State Revolving Funds (SRF) proceeds borrowed through the Rhode Island Clean Water Finance Agency (RICWFA), \$17.3 million unexpended SRF proceeds that have an American Recovery and Reinvestment Act principal forgiveness component, \$25.3 million in Restricted Funds, and \$0.1 million in Capital Funds. The NBC also plans on borrowing \$12.75 million from the RICWFA and issuing \$7.8 million in revenue bonds.

During the five year period of FY 2013 – 2017 CIP, the NBC plans on issuing \$328.5 million in revenue bonds, making it NBC’s largest source of capital. Current borrowing plans also include \$60 million in loans from the RICWFA over the same period. The actual timing and type of debt issuance will be determined based upon cash flows, market conditions, SRF availability and other factors. The graph below illustrates the projected sources of funds for FY 2012 through FY 2017. NBC will rely heavily on revenue bonds to finance to the CIP, with the revenue bond issuance peaking in FY 2013 at more than \$118 million.

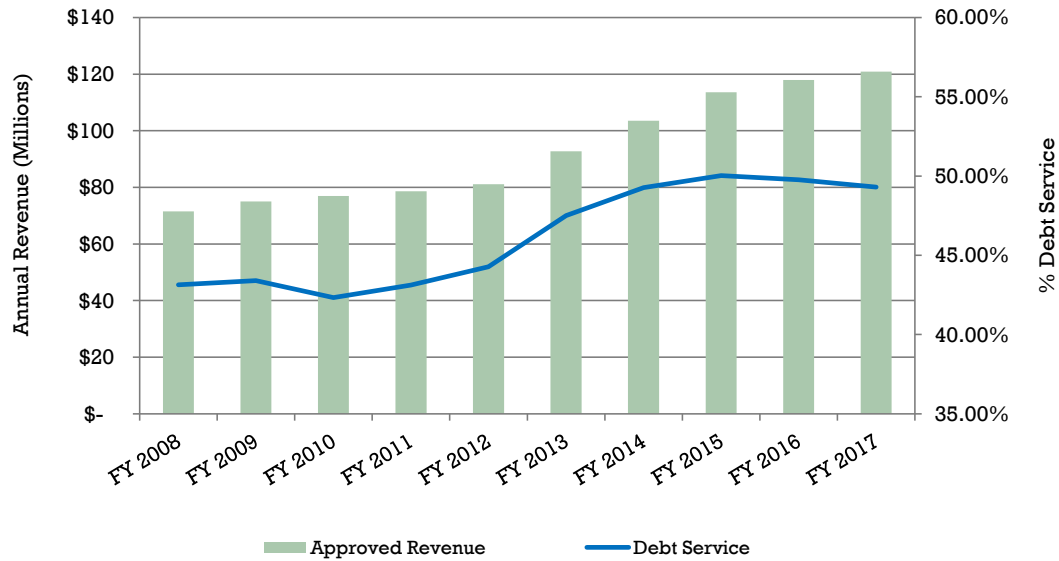
Sources of Funds



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 \$34.8 million in FY 2012 to approximately \$59.6 million in FY 2017. The chart on the next page shows debt service as a percentage of projected revenues through FY 2017. Annual debt service as a percentage of total revenue is projected to increase from 44.3% in FY 2012 to 50.0% in FY 2015 and then decline to 49.3% in FY 2017. All debt service projections are based on a number of assumptions including the cash flow estimates outlined in the CIP.

Debt Service vs. Total Revenue



AWARDS AND ACKNOWLEDGEMENTS

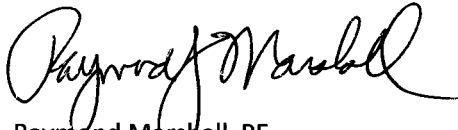
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to the NBC for its CAFR for the fiscal year ended June 30, 2010. This was the ninth consecutive year that the NBC has received this prestigious award. 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.

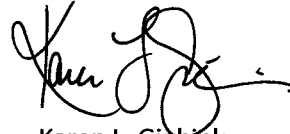
In addition, the NBC also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2011. The GFOA also awarded NBC Special Capital Recognition. In order to qualify for the Distinguished Budget Presentation award, the budget document 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 unflinching support for maintaining the highest standards of professionalism in the management of the NBC’s finances.

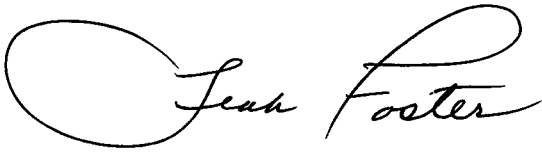
Respectfully Submitted,



Raymond Marshall, PE
Executive Director



Karen L. Giebink
Director of Administration and Finance



Leah E. Foster, CPA
Controller

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, 2010

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.



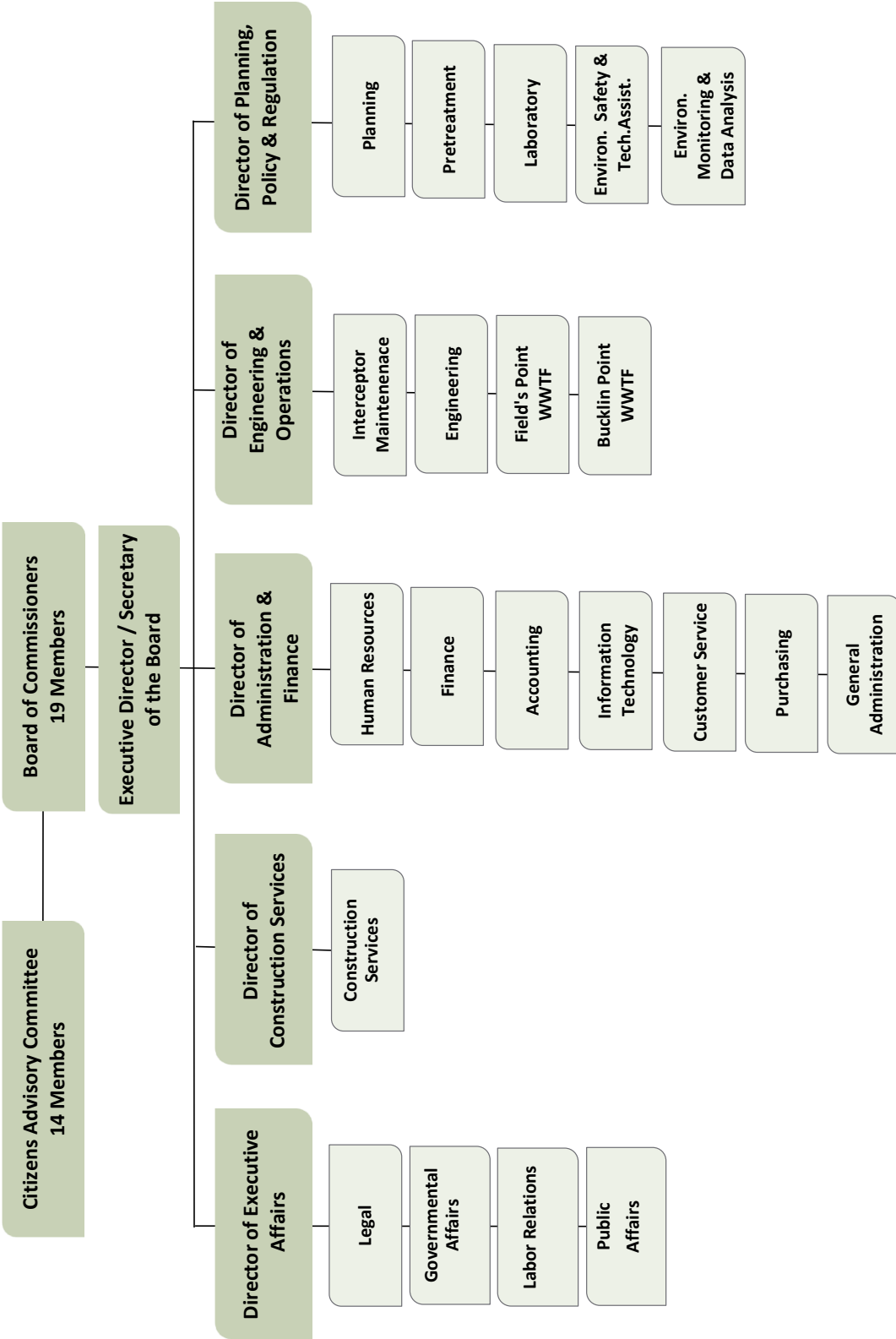
President

Executive Director

**NARRAGANSETT BAY COMMISSION
BOARD OF COMMISSIONERS**

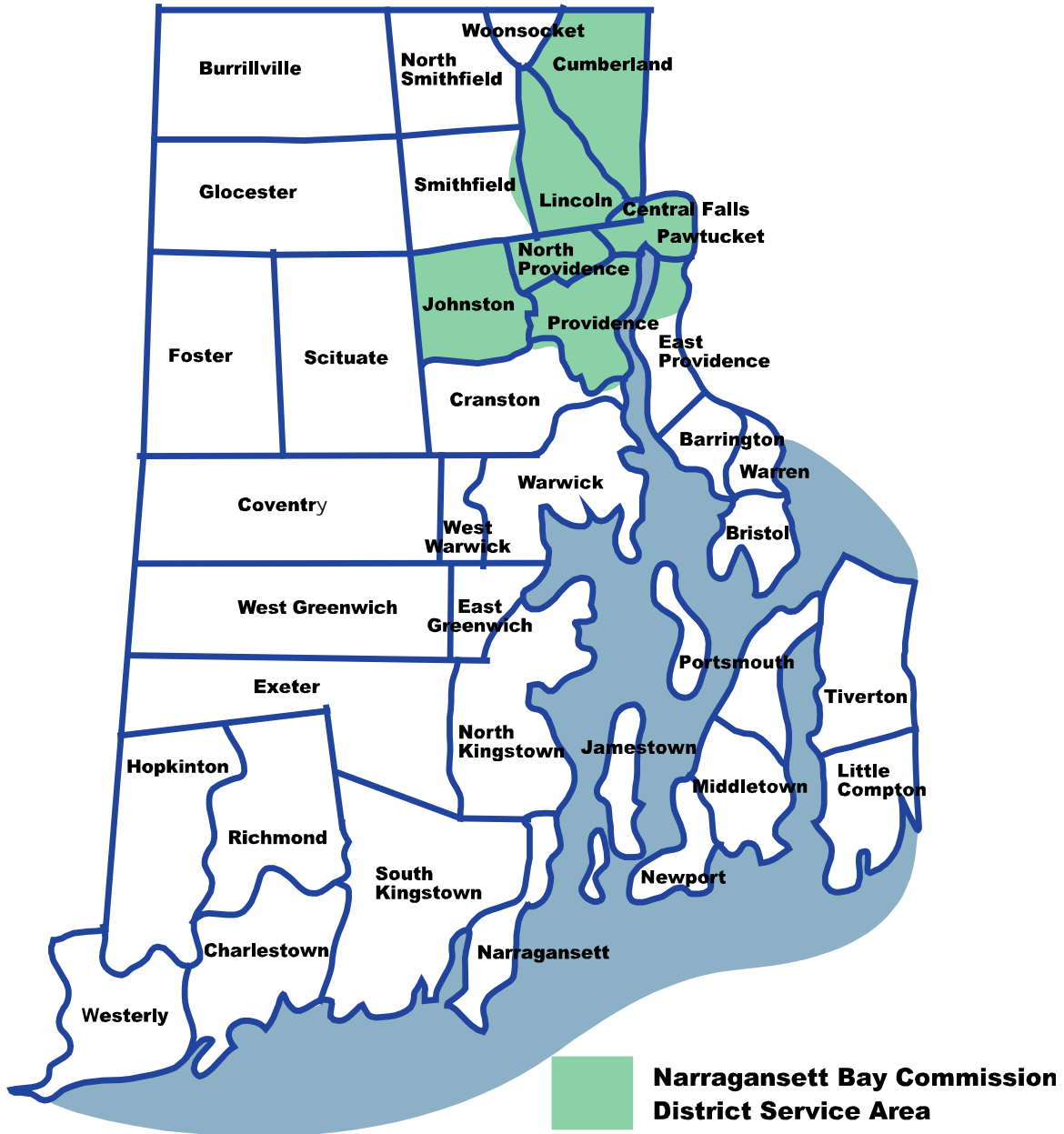
*Vincent J. Mesolella, Jr. Chairman
Raymond Marshall, Executive Director and Secretary of the Board
Angelo S. Rotella, Vice Chairman
Robert P. Andrade, Treasurer*

*Richard Burroughs
Richard Brown
Bruce Campbell
Mario Carlino
Michael DiChiro, Esq
Jonathan Farnum
Leslie M. Gray, III
Ronald Leone
Joseph Kimball
John MacQueen
Joan Milas
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: Narragansett Bay

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, as of and for the year ended June 30, 2011, 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 previously present fairly, in all material respects, the financial position of NBC as of June 30, 2011, 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 20, 2011 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 supplementary pension information on pages 13 through 19 and pages 46 through 47 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.

Bacon & Company, LLC

Warwick, Rhode Island
September 20, 2011

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, 2011. It should be read in conjunction with the transmittal letter beginning on page 1 and NBC's basic financial statements, which begin on page 20.

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 25-45 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 \$353,234,303 (total net assets). Of this amount, \$71,793,204 (unrestricted net assets) may be used to meet NBC's ongoing obligations.

- Operating revenues increased by \$4,138,526 during 2011 compared to 2010.
- Operating expenses increased by \$655,539 during 2011 compared to 2010.
- The total change in net assets was \$25,247,402, an increase of \$2,186,279 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 147% for fiscal year 2011, 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 \$353,234,303 as of June 30, 2011. This represents an increase in total net assets of \$25,247,402 or 7.7% from FY 2010 and demonstrates that the financial position of NBC is improving.

The largest portion of the NBC's net assets, 80%, 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

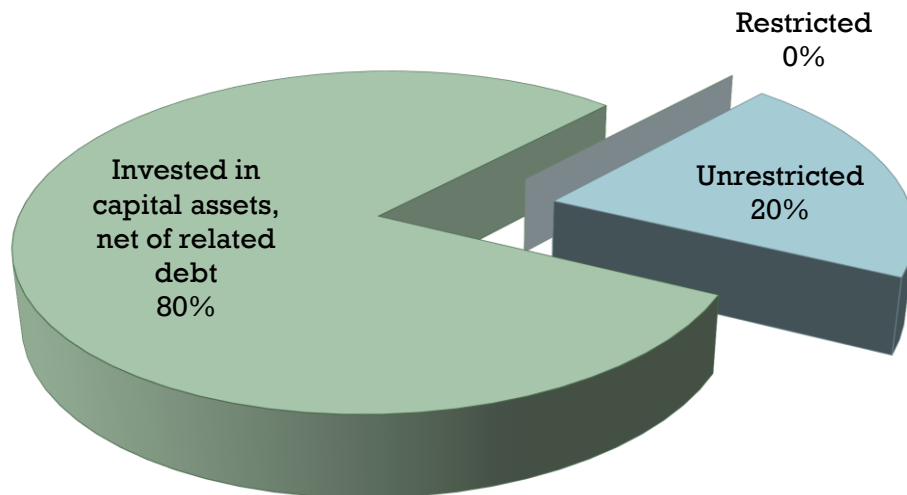
	2011	2010
Current assets	\$ 28,650,164	\$ 27,774,421
Restricted assets	51,193,624	43,822,873
Capital assets (net)	705,115,563	673,356,083
Other assets	5,901,172	5,850,851
Total assets	790,860,523	750,804,228
Current liabilities	35,393,330	30,932,827
Noncurrent liabilities	402,232,890	391,884,500
Total liabilities	437,626,220	422,817,327
Invested in capital assets, net of related debt	281,322,303	264,347,077
Restricted	118,796	146,170
Unrestricted	71,793,204	63,493,654
Total net assets	\$ 353,234,303	\$ 327,986,901

The table on the previous page reflects an increase in Current assets of \$875,743 from FY 2010 to FY 2011. This increase is driven by the increase of cash and cash equivalents. There is also a significant increase in Capital assets (net) of \$31,759,480 from FY 2010 to FY 2011. This increase is the result of substantial progress that NBC made in FY 2011 on the initiatives identified in the Capital Improvement Program (CIP).

In FY 2011, the NBC shows restricted assets of \$51,193,624. Of this amount \$118,796 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, \$34,890,995 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, 2011, the NBC's restricted cash account for future acquisition and construction of capital assets had a balance of \$16,183,833 which is an \$8,030,196 increase from FY 2010.

In 2011, the noncurrent liabilities increased by \$10,348,390. This is the net result of the draw down from the proceeds of the long-term borrowings from the Rhode Island Clean Water Finance Agency (RICWFA) and debt service principal payments during FY 2011.

**Net Assets
As of June 30, 2011**

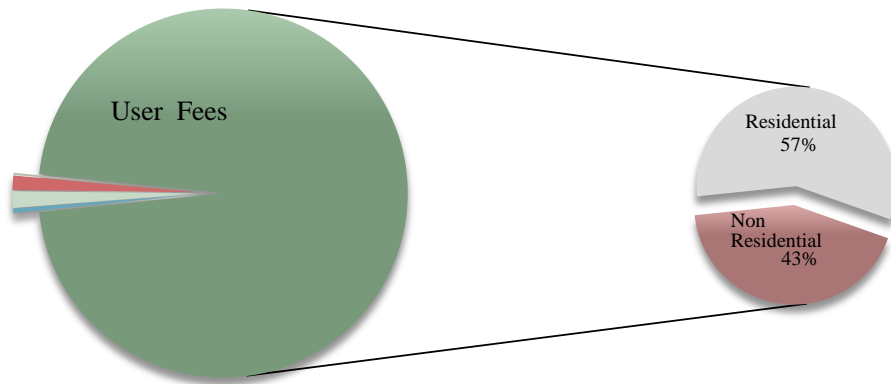


Condensed Statement of Revenues, Expenses and Changes in Net Assets

	2011	2010
Operating Revenues		
User fees	\$ 73,412,706	\$ 69,224,415
Pretreatment	1,109,709	1,114,004
Septage income	293,718	380,579
Late charge penalties	951,351	901,619
Other operating revenues	145,091	153,432
Nonoperating revenue	341,698	608,437
Total revenue	76,254,273	72,382,486
Operating Expenses		
Personnel services	18,751,300	18,767,282
General and administration	957,208	894,291
Operating and maintenance	6,511,840	6,927,346
Depreciation and amortization	10,437,059	9,065,008
Contractual services	6,614,019	7,008,213
Miscellaneous	754,593	708,340
Nonoperating expenses	11,023,690	10,856,852
Total expenses	55,049,709	54,227,332
Net income (loss) before capital contributions	21,204,564	18,155,154
Capital contributions	4,042,838	4,905,969
Change in net assets	25,247,402	23,061,123
Total net assets - beginning of year	327,986,901	304,925,778
Total net assets - end of year	\$ 353,234,303	\$ 327,986,901

User fees are NBC's primary source of revenue, representing approximately 97% of total operating revenues. Fiscal Year 2011 user fee revenue was \$73,412,706 which is \$4,188,291 more than the prior year. The increase in user fees is primarily the result of a rate increase effective July 1, 2010 and an increase in consumption billed. The rate increase of 2.25% was related to debt service and debt service coverage. The PUC approved that increase to be applied to both the consumption and the flat fees.

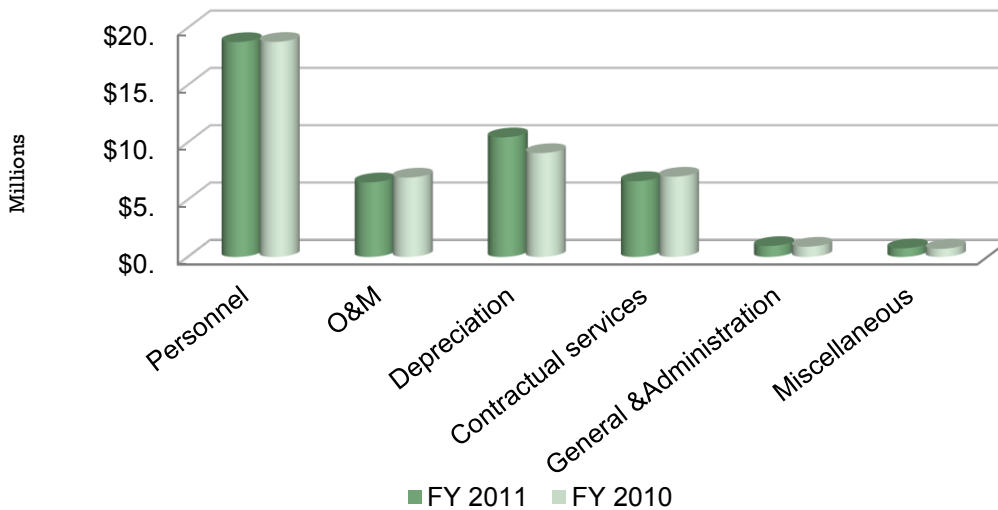
Operating Revenue for FY 2011



- Septage income
- Pretreatment
- Late charge penalties
- Other operating revenues
- Residential
- Non Residential

Total expenses in FY 2011 increased \$822,377 over the prior year. Operating expenses were \$655,539 higher in FY 2011 than the prior year. Depreciation expense also increased by \$1,372,051 as NBC finished a number of major capital projects. These projects were reclassified to completed projects and NBC began to depreciate them. These increases were offset by savings in operation and maintenance expense and contractual services. The savings were primarily attributable to reduced electricity expense and lower chemical costs at NBC's Wastewater Treatment Facilities. Non-operating expenses increased \$166,838 a result of increased interest expense and bond and note issuance costs.

Total Expenses for FY 2011 and FY 2010



CAPITAL ASSETS AND DEBT ADMINISTRATION

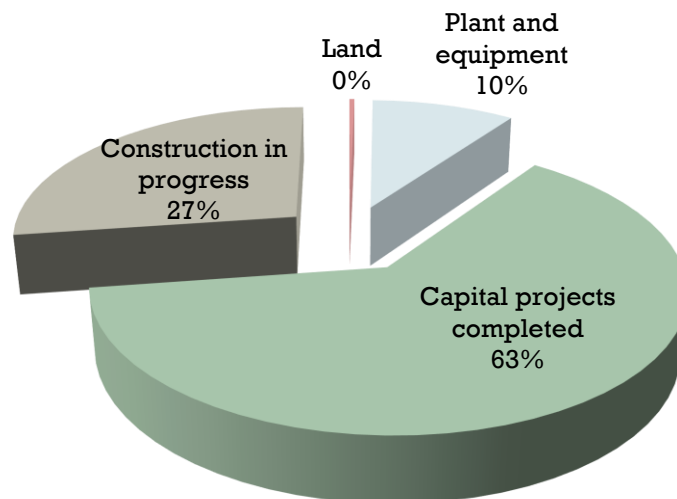
CAPITAL ASSETS

At the end of FY 2011, the NBC had \$705 million invested in net capital assets. This amount represents an increase of more than \$31.7 million, or 4.7% over last year. The following schedule summarizes the NBC's capital assets and changes therein, for the years ended June 30, 2011 and 2010.

Capital Assets for FY 2011 and FY 2010

	2011	2010
Capital Assets		
Land	\$ 2,754,407	\$ 2,754,407
Plant and equipment	79,928,018	78,310,057
Capital projects completed	526,998,864	521,519,722
Construction in progress	228,402,550	193,843,866
	<u>838,083,839</u>	<u>796,428,052</u>
Less accumulated depreciation	<u>(132,968,276)</u>	<u>(123,071,969)</u>
Net capital assets	<u>\$ 705,115,563</u>	<u>\$ 673,356,083</u>

Capital Assets As of June 30, 2011



LONG-TERM DEBT

During fiscal year 2011, the NBC borrowed \$30 million from the RI Clean Water Finance Agency (RICWFA). All the funds borrowed from RICWFA will be used to finance projects identified in the CIP. The total debt to net capital asset ratio is 60% and 61% for fiscal years ending June 30, 2011 and 2010, 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 25-45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET 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 Compliance Rate Filing with the PUC on March 2, 2010 related to increase in debt service and debt service coverage. The PUC authorized a 2.25% increase in user fee revenues effective July 1, 2010 to be recovered through flat fees and consumption fees. All these factors were considered during the preparation of the NBC's FY 2011 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, 2011

Assets

Current assets

Cash and cash equivalents	\$ 14,695,751
Accounts receivable	
Sewer use fees (net of allowance)	9,948,162
Sewer use unbilled	3,578,044
Receivables, other	138,924
Prepaid expenses	289,283
<i>Total current assets</i>	<u>28,650,164</u>

Noncurrent assets

Restricted assets

Cash, environmental enforcement	118,796
Cash and cash equivalents, restricted	34,890,995
Cash and cash equivalents, restricted for the acquisition and construction of capital assets	16,183,833
<i>Total restricted assets</i>	<u>51,193,624</u>

Capital assets

Land	2,754,407
Plant and equipment	79,928,018
Capital projects completed	526,998,864
Construction in progress	228,402,550
	<u>838,083,839</u>
Less accumulated depreciation	(132,968,276)
<i>Net capital assets</i>	<u>705,115,563</u>

Other assets

Negative net pension obligation	69,089
Organization costs (net of accumulated amortization)	29,505
Bond and loan issuance costs (net of accumulated amortization)	5,802,578
<i>Total other assets</i>	<u>5,901,172</u>

Total noncurrent assets 762,210,359

Total assets \$ 790,860,523

(Continued)

NARRAGANSETT BAY COMMISSION

Statement of Net Assets (Continued)

June 30, 2011

Liabilities

Current liabilities

Accounts and contracts payable	\$ 8,131,695
Accrued interest payable	3,867,788
Accrued expenses	2,617,008
Unearned revenue	270,216
Current portion of loans payable	18,680,893
Current portion of leases payable	155,730
Current portion of long-term debt	<u>1,670,000</u>
<i>Total current liabilities</i>	<u>35,393,330</u>

Noncurrent liabilities

Other accrued expenses	69,892
Long-term loans payable, net	250,755,702
Long-term leases payable, net	126,588
Long-term debt, net	<u>151,280,708</u>
<i>Total noncurrent liabilities</i>	<u>402,232,890</u>

Total liabilities

437,626,220

Net assets

Invested in capital assets, net of related debt	281,322,303
Restricted, environmental enforcement	118,796
Unrestricted	<u>71,793,204</u>
<i>Total net assets</i>	<u>\$ 353,234,303</u>

NARRAGANSETT BAY COMMISSION
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2011

<i>Operating revenues</i>	
User fees, residential	\$ 41,892,869
User fees, commercial and industrial	31,519,837
Permit and connection fees	82,914
Pretreatment	1,109,709
Environmental enforcement	8,315
Septage income	293,718
Abatement fees	3,096
Late charge penalties	951,351
Miscellaneous revenue	6,062
BOD/TSS surcharge	44,704
<i>Total operating revenues</i>	<u>75,912,575</u>
<i>Operating expenses</i>	
Personnel services	18,751,300
Contractual services	6,614,019
Travel	41,290
Repairs and maintenance	1,315,887
Utilities	3,940,125
Supplies	1,255,828
Depreciation and amortization	10,437,059
Insurance	915,918
Miscellaneous	754,593
<i>Total operating expenses</i>	<u>44,026,019</u>
<i>Operating income</i>	<u>31,886,556</u>
<i>Nonoperating revenues (expenses)</i>	
Grants	66,851
Interest expense	(10,887,026)
Interest income	11,609
Miscellaneous nonoperating income	263,238
Bond and note issuance costs	(136,664)
<i>Total nonoperating revenues (expenses)</i>	<u>(10,681,992)</u>
<i>Income before capital contributions</i>	21,204,564
<i>Capital contributions</i>	<u>4,042,838</u>
<i>Change in net assets</i>	25,247,402
<i>Total net assets - beginning of year</i>	<u>327,986,901</u>
<i>Total net assets - end of year</i>	<u>\$ 353,234,303</u>

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows
For the Year Ended June 30, 2011

<i>Cash flows from operating activities</i>	
Cash received from customers	\$ 76,035,743
Cash paid to suppliers for goods and services	(14,973,607)
Cash paid to employees for services	(18,856,133)
Other operating revenues	<u>276,875</u>
<i>Net cash provided by operating activities</i>	<u>42,482,878</u>
<i>Cash flows from noncapital financing activities</i>	
Cash receipts from grants	<u>179,711</u>
<i>Net cash provided by noncapital financing activities</i>	<u>179,711</u>
<i>Cash flows from capital and related financing activities</i>	
Acquisition and construction of capital assets	(4,455,077)
Principal paid on debt, net	(18,927,933)
Interest paid on debt	(10,760,803)
Bond and note issuance costs	(136,664)
<i>Net cash used for capital and related financing activities</i>	<u>(34,280,477)</u>
<i>Cash flows from investing activity</i>	
Interest on investments	<u>11,609</u>
<i>Net cash provided by investing activities</i>	<u>11,609</u>
<i>Net increase in cash and cash equivalents</i>	8,393,721
<i>Cash and cash equivalents at beginning of year</i>	<u>57,495,654</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 65,889,375</u>

(Continued)

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2011

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

<i>Operating income</i>	<u>\$ 31,886,556</u>
<i>Adjustments to reconcile operating income to net cash provided by operating activities</i>	
Depreciation and amortization	10,437,059
Changes in assets and liabilities:	
Increase in accounts receivable	(382,634)
Decrease in unbilled revenue	523,756
Increase in other receivables	(55,338)
Increase in prepaid expenses	(51,418)
Increase in negative net pension obligation	(43,720)
Decrease in accounts and contracts payable	(29,931)
Decrease in other accrued expenses	(61,112)
Decrease in unearned revenue	(3,578)
Nonoperating income reported as operating revenues received	<u>263,238</u>
<i>Total adjustments</i>	<u>10,596,322</u>
 <i>Net cash provided by operating activities</i>	 <u><u>\$ 42,482,878</u></u>

Noncash capital and related financing activities

Purchase of equipment financed by a capital lease	<u><u>\$ 141,664</u></u>
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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 and debt forgiveness, reported as contribution capital, is reported in 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	<u><u>\$ 34,866,899</u></u>
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NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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, 2011

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 monthly basis. Consumption based fees are billed in arrears on a monthly basis, based on estimated and actual water consumption meter readings.

The allowance for doubtful accounts for June 30, 2011 was \$529,767.

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	5-100

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, 2011

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, 2011 were \$581,385. The accumulated amortization through June 30, 2011 was \$551,880.

Long-term debt – Long-term debt is reported as a liability in the statement of net assts. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond and loan issuance costs are reported as deferred charges and amortized over the term of the related debt. Loans payable are reported net of the loan balance remaining to be draw down from the RI Clean Water Finance Agency (RICWFA).

The total bond premiums as of June 30, 2011 were \$4,348,722.

The total bond and loan issuance costs as of June 30, 2011 were \$8,658,808. The accumulated amortization through June 30, 2011 was \$2,856,230.

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, 2011

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	\$ 12,939,164
Cash equivalents	52,949,186
Petty cash	625
Cash with customer service	400
<i>Total cash and cash equivalents</i>	<u><u>\$ 65,889,375</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, 2011 was \$12,939,164 and the bank balance was \$13,851,796.

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, 2011, \$8,204,894 of NBC’s bank balance of \$13,851,796 was exposed to custodial credit risk as follows:

	<i>Bank</i>
	<u><i>Balance</i></u>
Insured (Federal depository insurance funds)	\$ 5,646,902
Collateralized with securities held by pledging financial institution's or its agent, in NBC's name	8,204,894
<i>Total</i>	<u><u>\$ 13,851,796</u></u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

Investments – NBC’s investments as of June 30, 2011 were as follows:

<u>As of June 30, 2011</u>	<u>Fair Value</u>	<u>Maturity</u>
Wells Fargo Government Money Market Funds	\$ 51,126,334	average 27 days
Fidelity Institutional Money Market Portfolio	1,822,852	average 49 days
	<u>\$ 52,949,186</u>	

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, 2011

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2011:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2011</u>
Non-depreciable assets:				
Land	\$ 2,754,407	\$ -	\$ -	\$ 2,754,407
Construction in progress	193,843,866	40,037,826	(5,479,142)	228,402,550
Total non-depreciable assets	<u>196,598,273</u>	<u>40,037,826</u>	<u>(5,479,142)</u>	<u>231,156,957</u>
Depreciable assets:				
Plant and equipment	78,310,057	1,795,322	(177,361)	79,928,018
Capital projects completed	521,519,722	5,479,142	-	526,998,864
Total depreciable assets	<u>599,829,779</u>	<u>7,274,464</u>	<u>(177,361)</u>	<u>606,926,882</u>
Less accumulated depreciation for:				
Plant and equipment	(56,438,345)	(3,172,250)	177,361	(59,433,234)
Capital projects completed	(66,633,624)	(6,901,418)	-	(73,535,042)
Less accumulated depreciation	<u>(123,071,969)</u>	<u>(10,073,668)</u>	<u>177,361</u>	<u>(132,968,276)</u>
Total capital assets, net	<u>\$ 673,356,083</u>	<u>\$ 37,238,622</u>	<u>\$ (5,479,142)</u>	<u>\$ 705,115,563</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, 2011 to be \$2,021,993. 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, 2011 were as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 1,852,245</u>	<u>\$ 300,447</u>	<u>\$ 130,699</u>	<u>\$ 2,021,993</u>	<u>\$ 1,952,101</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

NOTE 6 – LOANS PAYABLE

NBC has eighteen loans outstanding with the Rhode Island Clean Water Finance Agency (RICWFA) at June 30, 2011 as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>
The Butler Hospital Project – 1992 – The total loan authorized is \$1,662,055 with an interest rate of 3.2644%.	\$ 333,834	-	\$ 107,192	\$ 226,642
The North Providence Interceptor Project – 1992 – The total loan authorized is \$2,647,977 with an interest rate of 3.225%.	360,017	-	176,717	183,300
The Washington Park Project – 1993 The total loan authorized is \$3,694,678 with an interest rate of 1.9773%.	890,957	-	214,591	676,366
Pooled Loan #1 – 1993 – The total loan authorized is \$14,781,000 with an interest rate of 3.16917%.	5,601,500	-	851,250	4,750,250
Pooled Loan #2 – 1994 The total loan authorized is \$17,279,000 with an interest rate of 2.9938%.	6,453,237	-	984,923	5,468,314
Pooled Loan #3 – 1997 Series – The total loan authorized is \$8,150,000 with an interest rate of 3.14473%.	4,800,196	-	406,102	4,394,094
Pooled Loan #4 – 1999 Series – The total loan authorized is \$23,955,000 with an interest rate of 3.032%.	17,375,000	-	2,125,000	15,250,000
Pooled Loan #5 – 2001 Series –The total loan authorized is \$57,000,000 with an interest rate of 2.671%.	37,295,000	-	4,200,000	33,095,000
Pooled Loan #6 – 2002 Series –The total loan authorized is \$57,000,000 with an interest rate of 1.0785%. interest rate of 1.349%.	40,344,384	-	2,638,881	37,705,503
Pooled Loan #7 – 2003 Series – The total loan authorized is \$40,000,000 with an interest rate of 1.349%.	31,261,000	-	1,820,000	29,441,000

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>
Pooled Loan #8 – 2004 Series B – The total loan authorized is \$40,000,000 with an interest rate of 1.404%.	34,336,000	-	484,000	33,852,000
Pooled Loan #9 – 2005 Series B – The total loan authorized is \$30,000,000 with an interest rate of 1.397%.	24,840,000	-	1,345,000	23,495,000
Pooled Loan #10 2006 Series A – The total loan authorized is \$30,000,000 with an interest rate of 1.27%	26,131,000	-	1,334,000	24,797,000
Pooled Loan #11 – 2007 Series B – The total loan authorized is \$25,000,000 with an interest rate of 1.475%	24,775,000	-	325,000	24,450,000
Pooled Loan #12 – 2009 Series A – The total loan authorized is \$55,000,000 with principal forgiveness of \$8,302,114 and an interest rate of 2.301%.	46,697,886	-	-	46,697,886
Pooled Loan #12 Takeover – 2010 Series A – The total loan authorized is \$2,000,000 with principal forgiveness of \$301,895 and an interest rate of 1.861%.	1,698,105	-	67,075	1,631,030
Pooled Loan #13 – 2010 Series B – The total loan authorized is \$20,000,000 with an interest rate of 2.143%.	20,000,000	-	3,000	19,997,000
Pooled Loan #14 – 2011 Series A – The total loan authorized is \$30,000,000, with principal forgiveness of \$1,845,345 and an interest rate of 2.547%	-	28,154,655	-	28,154,655
Total loans payable	\$323,193,116	<u>\$28,154,655</u>	<u>\$17,082,731</u>	\$334,265,040
Less funds not yet drawn from pool	(67,497,850)			(64,828,445)
Less current portion	(17,082,732)			(18,680,893)
Net long-term loans payable	<u>\$238,612,534</u>			<u>\$250,755,702</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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. NBC is obligated for the total loan amount once the underlying bonds are issued on NBC's behalf by RICWFA.

Maturities of loans payable as of June 30, 2011 are due in future years as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 18,680,893	\$ 6,604,145	\$ 25,285,038
2013	20,191,973	7,259,721	27,451,694
2014	20,469,901	6,982,526	27,452,427
2015	20,907,024	6,526,110	27,433,134
2016	21,288,331	6,039,737	27,328,068
2017-2021	112,173,772	22,553,154	134,726,926
2022-2026	80,214,522	10,744,528	90,959,050
2027-2031	38,444,754	3,333,660	41,778,414
2032	1,893,870	37,025	1,930,895
	<u>\$ 334,265,040</u>	<u>\$ 70,080,606</u>	<u>\$ 404,345,646</u>

NOTE 7 – CAPITAL LEASES

NBC entered into capital leases for computers and a copier. The assets are included in NBC's Statement of Net Assets at June 30, 2011 are as follows:

Plant and equipment	<u>\$141,664</u>
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Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2011.

As of June 30, 2011, future minimum rental commitments under capital leases are as follows:

<u>Years ending June 30</u>	
2012	\$ 164,397
2013	95,674
2014	<u>34,532</u>
Total future minimum rental payments	294,603
Less interest portion of payments	<u>(12,285)</u>
Present value of minimum lease payments	282,318
Less current maturities of capital lease	<u>(155,730)</u>
Long-term capital lease obligations	<u>\$ 126,588</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

The changes in capital leases for the year ended June 30, 2011 was as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>
Capital Leases	<u>\$365,855</u>	<u>\$141,664</u>	<u>\$225,201</u>	<u>\$282,318</u>

NOTE 8 – LONG TERM DEBT

Long-term debt at June 30, 2011 consists of the following:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>
Revenue Bonds 2005 Series A, 5% average coupon rate, dated August 4, 2005, maturing August 1, 2035 (net of premium amortized at June 30, 2011 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, 2011 of \$1,919,216)	44,419,216	-	-	44,419,216
Revenue Bonds (variable rate) 2008 Series A, dated July 17, 2008, maturing September 1, 2034 (net of refunding loss amortized at June 30, 2011 of \$558,015)	<u>62,698,735</u>	<u>-</u>	<u>1,596,749</u>	<u>61,101,986</u>
Total long-term debt	\$154,547,457	<u>\$ -</u>	<u>\$1,596,749</u>	\$152,950,708
Less current portion	<u>(1,620,000)</u>			<u>(1,670,000)</u>
Net long-term debt	<u>\$152,927,457</u>			<u>\$151,280,708</u>

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

Maturities of long-term debt for the years ending June 30, 2012 through 2037 are as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,855,000	6,340,604	8,195,604
2016	1,915,000	6,270,406	8,185,406
2017-2021	10,745,000	30,198,211	40,943,211
2022-2026	12,760,000	28,005,056	40,765,056
2027-2031	49,485,000	21,984,650	71,469,650
2032-2036	62,000,000	8,737,065	70,737,065
2037	5,205,000	247,238	5,452,238
	<u>\$ 149,160,000</u>	<u>\$ 121,204,455</u>	<u>\$ 270,364,455</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 fourteenth Supplemental Indenture dated as of March 29, 2011 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 2011 ranged from .09% to .50%. 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 US Bank. 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 13, 2013.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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.

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.

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 ("ERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Rhode Island Retirement Board. The payroll for NBC employees covered by the ERS for the year ended June 30, 2011 was \$5,266,717. NBC's total payroll was \$13,777,780.

Plan Description

The plan provides retirement, disability, and death benefits to plan members and beneficiaries under the provisions of chapters 8 to 10, inclusive of Title 36 of the Rhode Island General Laws, and as amended by the General Assembly. The plan changes resulting from the amendments are reflected below. The benefits are subject to additional amendment by the General Assembly. The plan provides a two-tier benefit structure referred to as Schedule A and B.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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

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

Final average earnings are computed using the three highest consecutive years of earnings 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.

The plan also provides pre-retirement benefits at a minimum of 17% of earnings for non-occupational disabilities after 5 years of service and at 67% of earnings 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 earnings 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)

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

Final average earnings are computed using the three highest consecutive years of earnings 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 earnings.

Plan Changes Enacted into Law by General Assembly in 2009

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

Retirement Eligibility and Benefit

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 for Schedule A members not eligible to retire as of September 30, 2009. For Schedule A members who were not eligible to retire as of September 30, 2009, the retirement benefit is calculated as described under Schedule A Provisions for service through September 30, 2009 and as described under Schedule B Provisions for service after September 30, 2009, up to a maximum of 80% of final average earnings.

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 earnings.

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 for all Urban Consumers (CPI-U) or 3%, and requires a full 3 year anniversary for receipt.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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%.

Plan Changes Enacted into Law by General Assembly in 2010

The following plan changes became effective June 13, 2010. Plan members who were eligible to retire on or before June 12, 2010 were not affected by the changes, even if the plan member remained active beyond June 12, 2010. The plan changes are as follows:

Cost of Living Adjustments (COLA)

The law changes the COLA for Schedule B members not eligible to retire on or before June 12, 2010. For these members, the COLA will apply only to the first \$35,000 of retirement allowance, indexed annually, and will commence upon the retiree's 3rd anniversary of the date of retirement or age 65, whichever is later. The \$35,000 limit will increase annually by the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the US Department of Labor Statistics, determined as of September 30 of the prior calendar year or 3%, whichever is less.

Contributions Required and Contributions Made

Rhode Island General Laws set the contribution rates for participating State employees at 8.75% of the member's earnings. Annual contributions by the State on behalf of those employees are determined by actuaries and assessed as a percentage of the member's earnings. NBC was required to contribute 20.78% for all full-time employees for fiscal year 2011. 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.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

The amounts contributed to the Plan are as follows:

<u>Years ended June 30</u>	<u>Employee Contributions</u>	<u>NBC Required Contributions</u>
2011	\$460,838	\$1,094,426
2010	445,285	1,099,571
2009	418,231	1,034,345

NBC contributed 100% of the required contribution.

Trend information showing the ERS'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, 2009 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, 2011, there were 112 active 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, 2011 amounted to \$375,430 representing a contribution rate of 5% of eligible employee compensation for the year ended June 30, 2011. 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, 2011 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 \$7,508,604 for the year ended June 30, 2011. The total payroll for the year ended June 30, 2011 amounted to \$13,777,780.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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, 2011 was \$6,818,449 and NBC's total payroll was \$13,777,780.

At December 31, 2010, employee membership related to the plan was as follows:

Active – vested benefits	79
Active – not vested	20
Terminated – deferred vested benefit	17
Retired	8
Total	<u>124</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 were 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."

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, 2010 through December 31, 2010 was \$759,694. This includes both the employee and employer contributions for the plan year ending December 31, 2010.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

The contributions made to the plan for the plan year ended December 31, 2010 were \$803,414, which consists of employer contributions of \$458,462 and employee contributions of \$344,952.

Annual Pension Cost

NBC's annual pension cost and net pension obligation for the plan year ended December 31, 2010 were as follows:

Annual required contribution (ARC)	\$759,694
Interest on net pension obligation	-
Adjustment to ARC	-
Annual pension cost (APC)	<u>759,694</u>
Contributions made	803,414
Increase in net pension obligation	<u>(43,720)</u>
Negative net pension obligation, beginning of year	<u>(25,369)</u>
Negative net pension obligation, end of year	<u><u>\$ (69,089)</u></u>

Three-Year Trend Information

<i>Plan Year</i> <i>Ending</i>	<i>Annual Pension</i> <i>Cost (APC)</i>	<i>Percentage of APC</i> <i>Contributed</i>	<i>Negative Net Pension</i> <i>Obligation</i>
12/31/2008	\$800,139	93%	\$(31,812)
12/31/2009	785,638	99%	(25,369)
12/31/2010	759,694	106%	(69,089)

Actuarial Methods and Assumptions

The annual required contribution was determined by an actuarial valuation as of December 31, 2010 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, 2010 is 25 years. The actuarial value of the investments was based on market value.

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2010 the most recent actuarial valuation is as follows:

<i>Actuarial</i> <i>Valuation Date</i>	<i>Actuarial</i> <i>Value of Assets</i>	<i>Actuarial Accrued</i> <i>Liability (AAL)</i>	<i>Unfunded (AAL)</i> <i>(UAAL)</i>	<i>Funded</i> <i>Ratio</i>	<i>Covered</i> <i>Payroll</i>	<i>UAAL as</i> <i>a % of</i> <i>Covered</i> <i>Payroll</i>
12/31/2010	\$4,862,359	\$9,871,087	\$5,008,728	49.3%	\$6,667,172	75.13%

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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, 2010.

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, 2011 and is reported as a long-term liability within other accrued expenses.

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.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

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 \$61,406,906 at June 30 2011.

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 Narragansett Bay Commission contributes (for union employees) to the State Employees' defined benefit post-employment health care plan, a cost sharing multiple employer plan administered through the Rhode Island State Employees' and Electing Teachers Other Post Employment Benefit System (OPEB). The State of Rhode Island OPEB Board (Board) was authorized, created and established under Chapter 36-12.1 of the RI General Laws. The Board was established to independently hold and administer, in trust, the funds of the OPEB system. The plan provides medical benefits to certain retired employees of participating employers including Narragansett Bay Commission.

Pursuant to legislation enacted by the General Assembly, a trust was established in fiscal year 2011 to accumulate assets and pay benefits and other costs associated with the system.

Beginning with the fiscal year ended June 30, 2011, the OPEB system will issue a stand-alone financial report. A copy will be available at the web site of the Office of Accounts & Control- <http://controller.admin.ri.gov/Financial%20Reports/index.php>.

Funding Policy

RIGL Sections 36-12.1, 36-12-2.2, and 36-12-4 govern the provisions of the OPEB System. The contribution requirements of plan members, the State, and other participating employers are established and may be amended by the General Assembly. Active employees make no contribution to the OPEB plan. Employees who retired after October 1, 2008 must contribute 20% of the annual estimated benefit cost (working rate) or annual premium for Medicare supplemental coverage. Employees retiring before October 1, 2008 have varying co-pay percentages ranging from 0% to 50% based on age and years of service at retirement. Further information about the contributions of plan members can be found in the financial report of the OPEB System.

NARRAGANSETT BAY COMMISSION
Notes to Financial Statements
June 30, 2011

Effective in fiscal year 2011, all participating employers are required by law to fund the actuarially determined annual required contribution (ARC), which for fiscal year 2011 was 6.74% of covered payroll. 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 Narragansett Bay Commission's contribution to the plan for the year ended June 30, 2011 was \$354,976. Prior to the creation of the OPEB trust in fiscal year 2011, the contributions to the plan were made on a pay as you go basis.

In prior years, the Narragansett Bay Commission contributed to the State Employees' OPEB plan, which consistent with GASB 45 provisions, was administered as an agent multiple employer plan because no separate legal trust had been created. The transition by the State of its OPEB plan in fiscal 2011 to an OPEB Trust resulted in the State Employees' Plan being redefined as a cost sharing multiple employer plan. In accordance with the requirements of GASB 45, the component unit's net OPEB obligation recorded in previous years has been reduced to zero.

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded Liability/ (Funding) (Excess)	Funded Ratio	Covered Payroll	Unfunded Liability/ (Funding) Excess) as a Percentage of Covered Payroll
Non-Union Defined Benefit Plan						
12/31/2005	\$ 749,690	\$ 5,841,205	\$ 5,091,515	12.83%	\$ 5,673,797	89.74%
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%
12/31/2009	3,641,180	9,084,433	5,443,253	40.08%	6,596,574	82.52%
12/31/2010	4,862,359	9,871,087	5,008,728	49.26%	6,667,172	75.13%

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

NARRAGANSETT BAY COMMISSION
Required Supplementary Information - Non-Union Defined Benefit Pension Plan
Schedule of Employer Contributions
Unaudited

<u><i>Plan Year Ending December 31</i></u>	<u><i>Annual Required Contribution</i></u>	<u><i>Actual Contribution</i></u>	<u><i>Percent Funded</i></u>
2005	\$ 681,441	\$ 726,896	107%
2006	677,295	691,281	102%
2007	687,937	717,033	104%
2008	800,139	743,593	93%
2009	785,638	779,195	99%
2010	759,694	803,414	106%

NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses			
Personnel services			
Union regular	\$ 5,397,825	\$ 5,384,389	\$ 13,436
Union overtime	455,090	415,783	39,307
Non-union regular	7,913,107	7,808,173	104,934
Non-union overtime	71,400	59,947	11,453
Non-union limited	46,600	21,088	25,512
Fringe benefits	6,945,004	6,616,997	328,007
Workers' compensation old claims	60,000	59,540	460
Project salaries and fringe benefits capitalized	(1,786,110)	(1,555,077)	(231,033)
Total personnel services	<u>19,102,916</u>	<u>18,810,840</u>	<u>292,076</u>
Contract services			
Medical services	11,900	7,938	3,962
Biosolids disposal	4,227,395	3,948,169	279,226
Screening and grit disposal	162,896	145,168	17,728
Security services	52,251	36,583	15,668
Regulatory expenses	261,837	269,913	(8,076)
Legal services	216,100	177,612	38,488
Management/audit services	2,389,360	1,901,664	487,696
Special clerical services	37,500	19,585	17,915
Other special services	127,600	88,180	39,420
Total contract services	<u>7,486,839</u>	<u>6,594,812</u>	<u>892,027</u>
Travel			
Local travel	5,200	2,112	3,088
Long distance travel	51,900	39,178	12,722
Total travel	<u>57,100</u>	<u>41,290</u>	<u>15,810</u>
Repairs and maintenance			
Building and ground maintenance	105,332	85,441	19,891
Vehicle fuel and maintenance	189,450	193,448	(3,998)
Repairs, building and structures	491,182	399,961	91,221
Repairs, highway and walls	11,500	9,093	2,407
Maintenance/service agreements	707,574	597,968	109,606
Highway and landscape	18,923	16,286	2,637
Total repairs and maintenance	<u>1,523,961</u>	<u>1,302,197</u>	<u>221,764</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)-(Continued)
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Utilities			
Telephone	\$ 163,450	\$ 141,034	\$ 22,416
Central telephone services	4,800	5,611	(811)
Diesel for equipment	16,418	13,689	2,729
Fuel, gas	492,306	424,814	67,492
Electricity	4,250,277	3,321,247	929,030
Water	62,626	47,419	15,207
Total utilities	<u>4,989,877</u>	<u>3,953,814</u>	<u>1,036,063</u>
Supplies			
Clothing and clothing materials	28,100	25,980	2,120
Household, laundry and chemical supplies	33,239	33,100	139
Building and machinery supplies and expenses	190,715	149,785	40,930
Educational expenses	76,350	63,948	12,402
Lab supplies	249,180	238,991	10,189
Computer supplies	78,250	57,542	20,708
Other operating supplies and expenses	10,200	6,850	3,350
Chemicals	714,997	678,746	36,251
Total supplies	<u>1,381,031</u>	<u>1,254,942</u>	<u>126,089</u>
Miscellaneous			
Office expense	79,690	69,914	9,776
Postage	363,246	333,531	29,715
Dues and subscriptions	58,165	49,470	8,695
Freight	40,500	36,173	4,327
Insurance	445,256	438,165	7,091
Workers' compensation insurance	435,000	418,213	16,787
Printing and binding	140,100	121,832	18,268
Advertising	16,950	7,121	9,829
Rental of outside property	5,700	5,626	74
Rental of equipment	36,600	24,218	12,382
Rental of clothing	38,425	35,821	2,604
Safety equipment	25,400	18,804	6,596
Miscellaneous expense	700	-	700
Public outreach education	16,000	16,143	(143)
Total miscellaneous	<u>1,701,732</u>	<u>1,575,031</u>	<u>126,701</u>
Total operating expenses	<u>36,243,456</u>	<u>33,532,926</u>	<u>2,710,530</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Schedule of Expenses - Budget and Actual (Budgetary Basis)-(Continued)
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<i>Variance Favorable (Unfavorable)</i>
Nonoperating expenses			
Interest expense- 2007 Series A	\$ 2,065,562	\$ 2,065,562	\$ -
Interest expense- 2008 Series A	2,156,913	580,990	1,575,923
Interest expense- SRF	5,953,167	5,952,231	936
Interest expense- Leases	48,000	14,992	33,008
Interest expense- 2005 Series A	2,250,000	2,250,000	-
Programmed debt	1,583,000	-	1,583,000
Bond and note issue fees	105,000	-	105,000
Total nonoperating expenses	<u>14,161,642</u>	<u>10,863,775</u>	<u>3,297,867</u>
Capital outlays			
Building and plant equipment	483,803	307,810	175,993
Medical surg and laboratory equipment	93,600	93,515	85
Office furniture and equipment	20,400	14,666	5,734
Computer software	328,500	73,782	254,718
Computer hardware	533,500	496,217	37,283
Buildings and other structures	35,800	23,880	11,920
Replacement reserve	1,052,175	785,452	266,723
Total capital outlays	<u>2,547,778</u>	<u>1,795,322</u>	<u>752,456</u>
Debt service principal	<u>18,702,732</u>	<u>18,702,732</u>	<u>-</u>
Total budgeted expenses	<u>\$ 71,655,608</u>	<u>\$ 64,894,755</u>	<u>\$ 6,760,853</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	\$ 64,894,755
Add:	
Depreciation	10,073,667
Amortization	386,643
Grant expenses	56,034
Bond and note fees	136,664
Less:	
Capital outlay	(1,795,322)
Debt service principal	(18,702,732)
Total expenses on a GAAP basis	<u>\$ 55,049,709</u>

NARRAGANSETT BAY COMMISSION

Combining Schedule of Net Assets
June 30, 2011

Assets	Revenue Fund	O & M Fund	Project Fund	Debt Service Fund	Operating Reserve for Revenue Stability Fund	Total
Current assets						
Cash and cash equivalents	\$ 7,352,572	\$ 7,291,673	\$ 51,506	\$ -	\$ -	\$ 14,695,751
Accounts receivable	9,948,162	-	-	-	-	9,948,162
Sewer use (net of allowance)	3,578,044	-	-	-	-	3,578,044
Sewer use unbilled	7,876	131,048	-	-	-	138,924
Receivables, other	-	289,283	-	-	-	289,283
Prepaid expenses	-	-	-	-	-	-
Total current assets	<u>20,886,654</u>	<u>7,712,004</u>	<u>51,506</u>	<u>-</u>	<u>-</u>	<u>28,650,164</u>
Noncurrent assets						
Restricted assets						
Cash and cash equivalents, environmental enforcement	118,796	-	-	-	-	118,796
Cash and cash equivalents	-	-	161,590	30,228,339	4,501,066	34,890,995
Cash and cash equivalents, restricted for the acquisition and construction of plant assets	-	-	16,183,833	-	-	16,183,833
Total restricted assets	<u>118,796</u>	<u>-</u>	<u>16,345,423</u>	<u>30,228,339</u>	<u>4,501,066</u>	<u>51,193,624</u>
Capital assets						
Land	-	-	2,754,407	-	-	2,754,407
Plant and equipment	-	-	79,928,018	-	-	79,928,018
Capital projects completed	-	-	526,998,864	-	-	526,998,864
Construction in progress	-	-	228,402,550	-	-	228,402,550
Less accumulated depreciation	-	-	838,083,839	-	-	838,083,839
Net capital assets	<u>-</u>	<u>-</u>	<u>(132,968,276)</u>	<u>-</u>	<u>-</u>	<u>(132,968,276)</u>
Other assets						
Negative net pension obligation	-	69,089	-	-	-	69,089
Organization costs (net of accumulated amortization)	-	29,505	-	-	-	29,505
Bond and loan issuance costs (net of accumulated amortization)	-	-	5,802,578	-	-	5,802,578
Total other assets	<u>-</u>	<u>98,594</u>	<u>5,802,578</u>	<u>-</u>	<u>-</u>	<u>5,901,172</u>
Total noncurrent assets	<u>118,796</u>	<u>98,594</u>	<u>727,263,564</u>	<u>30,228,339</u>	<u>4,501,066</u>	<u>762,210,359</u>
Total assets	<u>\$ 21,005,450</u>	<u>\$ 7,810,598</u>	<u>\$ 727,315,070</u>	<u>\$ 30,228,339</u>	<u>\$ 4,501,066</u>	<u>\$ 790,860,523</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Combining Schedule of Net Assets (Continued)
June 30, 2011

	Revenue Fund	O & M Fund	Project Fund	Debt Service Fund	Operating Reserve for Revenue Stability Fund	Total
Liabilities						
Current liabilities						
Accounts and contracts payable	\$ 27,539	\$ 1,177,938	\$ 6,926,218	\$ -	\$ -	\$ 8,131,695
Accrued interest payable	-	-	-	3,867,788	-	3,867,788
Accrued expenses	-	2,617,008	-	-	-	2,617,008
Unearned revenue	270,216	-	-	-	-	270,216
Current portion of loans payable	-	-	18,680,893	-	-	18,680,893
Current portion of leases payable	-	-	155,730	-	-	155,730
Current portion of long-term debt	-	-	1,670,000	-	-	1,670,000
Total current liabilities	<u>297,755</u>	<u>3,794,946</u>	<u>27,432,841</u>	<u>3,867,788</u>	<u>-</u>	<u>35,393,330</u>
Noncurrent liabilities						
Other accrued expenses	-	69,892	-	-	-	69,892
Long-term loans payable, net	-	-	250,755,702	-	-	250,755,702
Long-term leases payable, net	-	-	126,588	-	-	126,588
Long-term debt, net	-	-	151,280,708	-	-	151,280,708
Total noncurrent liabilities	<u>-</u>	<u>69,892</u>	<u>402,162,998</u>	<u>-</u>	<u>-</u>	<u>402,232,890</u>
Total liabilities	<u>297,755</u>	<u>3,864,838</u>	<u>429,595,839</u>	<u>3,867,788</u>	<u>-</u>	<u>437,626,220</u>
Net assets						
Investment in capital assets, net of related debt	-	-	281,322,303	-	-	281,322,303
Restricted, environmental enforcement	118,796	-	-	-	-	118,796
Unrestricted	20,588,899	3,945,760	16,396,928	26,360,551	4,501,066	71,793,204
Total net assets	<u>\$ 20,707,695</u>	<u>\$ 3,945,760</u>	<u>\$ 297,719,231</u>	<u>\$ 26,360,551</u>	<u>\$ 4,501,066</u>	<u>\$ 353,234,303</u>

NARRAGANSETT BAY COMMISSION
 Combining Schedule of Revenues, Expenses and Changes in Net Assets
 For the year ended June 30, 2011

	Revenue Fund	O & M Fund	Project Fund	Debt Service Fund	Operating Reserve for Revenue Stability Fund	Total
Operating revenues						
User fees, residential	\$ 41,892,869	-	-	-	-	\$ 41,892,869
User fees, commercial and industrial	31,519,837	-	-	-	-	31,519,837
Permit and connection fees	82,914	-	-	-	-	82,914
Pretreatment	1,109,709	-	-	-	-	1,109,709
Environmental enforcement	8,315	-	-	-	-	8,315
Septage income	293,718	-	-	-	-	293,718
Abatement fees	3,096	-	-	-	-	3,096
Late charge penalties	951,351	-	-	-	-	951,351
Miscellaneous revenue	6,062	-	-	-	-	6,062
BOD/TSS surcharge	44,704	-	-	-	-	44,704
Total operating revenues	<u>75,912,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,912,575</u>
Operating expenses						
Personnel services	-	18,751,300	-	-	-	18,751,300
Contractual services	-	6,614,019	-	-	-	6,614,019
Travel	-	41,290	-	-	-	41,290
Repairs and maintenance	-	1,315,887	-	-	-	1,315,887
Utilities	-	3,940,125	-	-	-	3,940,125
Supplies	-	1,255,828	-	-	-	1,255,828
Depreciation	-	-	10,437,059	-	-	10,437,059
Insurance	-	915,918	-	-	-	915,918
Miscellaneous	-	754,593	-	-	-	754,593
Total operating expenses	<u>-</u>	<u>33,588,960</u>	<u>10,437,059</u>	<u>-</u>	<u>-</u>	<u>44,026,019</u>
Operating income (loss)	<u>75,912,575</u>	<u>(33,588,960)</u>	<u>(10,437,059)</u>	<u>-</u>	<u>-</u>	<u>31,886,556</u>

(Continued)

NARRAGANSETT BAY COMMISSION
Combining Schedule of Revenues, Expenses and Changes in Net Assets (Continued)
For the year ended June 30, 2011

	Revenue Fund	O & M Fund	Project Fund	Debt Service Fund	Operating Reserve for Revenue Stability Fund	Total
Nonoperating revenues (expenses)						
Grant	\$ 66,851	\$ -	\$ -	\$ -	\$ -	\$ 66,851
Interest expense	-	(14,992)	-	(10,872,034)	-	(10,887,026)
Interest income	1,022	6,688	1,552	1,931	416	11,609
Miscellaneous income	263,238	-	-	-	-	263,238
Bond and note issuance costs	-	-	-	(136,664)	-	(136,664)
Total nonoperating revenues (expenses)	<u>331,111</u>	<u>(8,304)</u>	<u>1,552</u>	<u>(11,006,767)</u>	<u>416</u>	<u>(10,681,992)</u>
Net income(loss) before capital contributions and transfers	<u>76,243,686</u>	<u>(33,597,264)</u>	<u>(10,435,507)</u>	<u>(11,006,767)</u>	<u>416</u>	<u>21,204,564</u>
Capital contributions	-	-	4,042,838	-	-	4,042,838
Transfers in (out)	<u>(77,162,794)</u>	<u>35,443,389</u>	<u>31,448,113</u>	<u>8,771,292</u>	<u>1,500,000</u>	<u>-</u>
Change in net assets	<u>(919,108)</u>	<u>1,846,125</u>	<u>25,055,444</u>	<u>(2,235,475)</u>	<u>1,500,416</u>	<u>25,247,402</u>
Total net assets, beginning of year	21,626,803	2,099,635	272,663,787	28,596,026	3,000,650	327,986,901
Total net assets ending end of year	<u>\$ 20,707,695</u>	<u>\$ 3,945,760</u>	<u>\$ 297,719,231</u>	<u>\$ 26,360,551</u>	<u>\$ 4,501,066</u>	<u>\$ 353,234,303</u>

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Comprehensive Annual Financial Report
Statistical Section



Photo: Shoreline of Narragansett Bay

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

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

- ▶ Demographic & Economic Statistics
- ▶ Principal Employers

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

<u>Years Ending June 30,</u>	<u>Investment in Capital Assets, net of related debt</u>	<u>Restricted Environmental Enforcement</u>	<u>Unrestricted</u>	<u>Total Net Assets</u>
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
2010	264,347,077	146,170	63,493,654	327,986,901
2011	281,322,303	118,796	71,793,204	353,234,303

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating Revenues										
User fees	\$ 73,412,706	\$ 69,224,415	\$ 67,958,753	\$ 64,462,984	\$ 56,094,973	\$ 56,395,730	\$ 51,186,822	\$ 47,873,355	\$ 41,993,962	\$ 33,249,538
Pretreatment fees	1,109,709	1,114,004	1,126,654	1,115,529	1,163,397	1,165,749	1,209,418	1,234,447	1,083,886	861,821
Other operating revenue	1,390,160	1,435,630	1,458,274	1,499,218	1,399,037	1,464,685	1,381,662	1,305,690	1,510,275	1,325,622
Total Operating Revenues	75,912,575	71,774,049	70,543,681	67,077,731	58,657,407	59,026,164	53,777,902	50,413,492	44,588,123	35,436,981
Non Operating Revenues										
Interest income	11,609	47,803	420,017	2,195,657	2,849,252	2,483,388	914,079	515,567	260,466	244,713
Grants	66,851	279,978	34,300	27,653	49,037	20,695	35,530	74,983	391,631	1,132,839
Other nonoperating revenue	263,238	280,656	185,832	95,316	111,703	30,465	-	-	-	260,632
Total Nonoperating Revenues	341,698	608,437	640,149	2,318,626	3,009,992	2,534,548	949,609	590,550	652,097	1,638,184
Operating Expenses										
Personnel Services	18,751,300	18,767,282	17,832,832	17,052,860	16,043,809	15,681,061	15,367,770	14,984,343	13,893,990	13,373,277
Contractual Services	6,614,019	7,008,213	7,221,939	7,214,382	6,474,726	5,299,762	3,226,479	3,470,114	1,577,752	4,083,886
General and Administrative	8,223,641	8,529,977	8,622,100	7,384,874	7,413,415	7,319,290	7,821,574	7,050,880	8,650,093	6,495,336
Depreciation and amortization	10,437,059	9,065,008	7,301,816	7,463,646	6,803,213	6,129,019	6,397,410	6,265,860	5,981,286	5,849,189
Total Operating Expenses	44,026,019	43,370,480	40,978,687	39,115,762	36,735,163	34,429,132	32,813,233	31,771,197	30,103,121	29,801,688
Nonoperating Expenses										
Interest Expense	10,887,026	10,820,471	12,013,384	13,121,460	11,913,538	9,836,182	8,381,979	5,720,685	4,296,363	2,877,973
Other Expenses	136,664	36,381	15,945	24,720	36,740	1,016,836	8,436	49,740	27,973	119,986
Total Nonoperating Expenses	11,023,690	10,856,852	12,029,329	13,146,180	11,950,278	10,595,585	8,390,415	5,770,425	4,324,336	2,997,959
Net Income before capital contributions	21,204,564	18,155,154	18,175,814	17,134,415	12,981,958	16,535,995	13,523,863	13,462,420	10,812,762	4,275,518
Capital contribution	4,042,838	4,905,969	-	-	5,626	1,165,958	2,941,693	2,223,373	1,664,550	9,064,450
Change in Net Assets	25,247,402	23,061,123	18,175,814	17,134,415	12,987,584	17,701,953	16,465,556	15,685,793	12,477,312	13,339,968
Net Assets- beginning	327,986,901	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
Net Assets- ending	\$ 353,234,303	\$ 327,986,901	\$ 304,925,778	\$ 286,749,964	\$ 269,615,549	\$ 256,627,965	\$ 238,926,012	\$ 222,460,456	\$ 206,774,663	\$ 194,297,351

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

Years Ending June 30,	Operating Revenue										Nonoperating Revenue					Total Revenue
	User Fees	Permit and Connection Fees	Pretreatment	Environmental Enforcement	Septage Income	Late Charge Penalties	BOD/TSS Surcharge	Other Revenue	Total Operating Revenue	Grants	Interest Income	Arbitrage Rebate	Miscellaneous			
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		
2010	69,224,415	86,009	1,114,004	13,650	380,579	901,619	29,419	24,354	71,774,049	279,978	47,803	-	280,656	72,382,486		
2011	73,412,706	82,914	1,109,709	8,315	293,718	951,351	44,704	9,158	75,912,575	66,851	11,609	-	263,238	76,254,273		

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

Years Ending June 30,	Operating Expenses						Nonoperating Expenses			Total Expenses	
	Personnel Services	Contractual Services	Repairs and Maintenance	Utilities	Supplies	Depreciation Amortization	Miscellaneous	Operating Expenses	Interest Expenses		Other Expenses
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
2010	18,767,282	7,008,213	1,265,659	4,187,385	1,474,302	9,065,008	1,602,631	43,370,480	10,820,471	36,381	54,227,332
2011	18,751,300	6,614,019	1,315,887	3,940,125	1,255,828	10,437,059	1,711,801	44,026,019	10,887,026	136,664	55,049,709

NARRAGANSETT BAY COMMISSION
User Fee Revenue by Customer Type - (Unaudited)
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Residential	\$ 41,892,869	\$ 39,392,798	\$ 38,727,419	\$ 36,113,007	\$ 30,990,979	\$ 30,875,896	\$ 27,436,514	\$ 26,103,320	\$ 23,706,243	\$ 18,096,097
Commercial	29,713,682	28,295,493	27,647,095	26,584,703	23,412,834	23,454,508	21,715,154	19,744,104	16,418,380	13,040,443
Industrial	1,806,155	1,536,124	1,584,239	1,765,274	1,691,160	2,065,326	2,035,154	2,025,931	1,869,339	2,112,998
Total	\$ 73,412,706	\$ 69,224,415	\$ 67,958,753	\$ 64,462,984	\$ 56,094,973	\$ 56,395,730	\$ 51,186,822	\$ 47,873,355	\$ 41,993,962	\$ 33,249,538

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>
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
2010	159.21	2.569
2011	162.79	2.627

* HCF - per hundred cubic feet

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

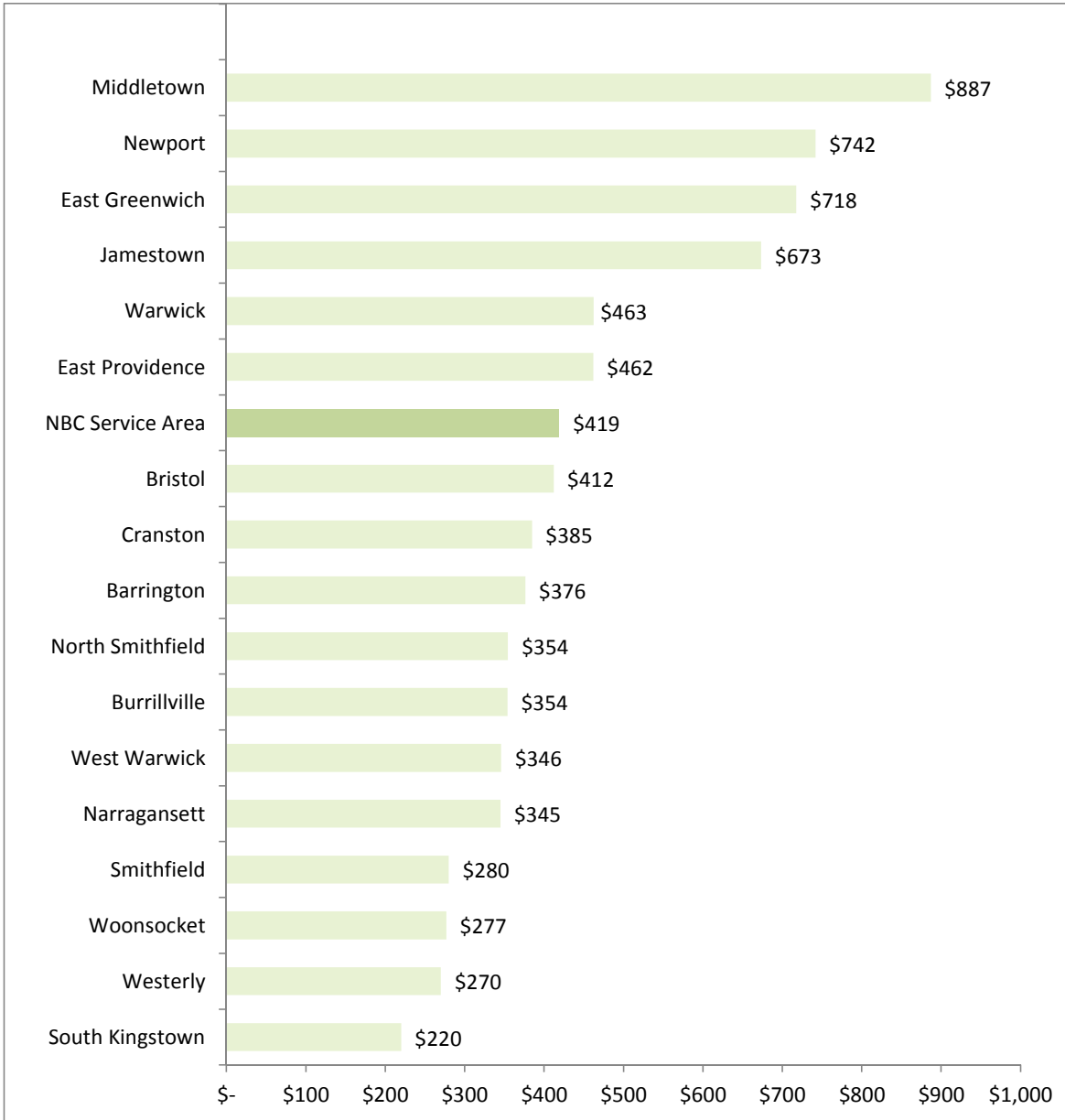
<u><i>Fiscal Year</i></u>	<u><i>Non-residential Fixed Rate (Based on 5/8" meter)</i></u>	<u><i>Industrial Consumption Rate (HCF)</i></u>	<u><i>Commercial Consumption Rate (HCF)</i></u>
2002	\$122.01	\$ 1.050	\$ 1.630
2003	152.27	1.310	2.030
2004	177.00	1.515	2.355
2005	188.00	1.605	2.495
2006	212.00	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
2010	380.00	2.395	3.725
2011	389.00	2.449	3.809

* HCF - per hundred cubic feet

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Annual Residential Sewer Charges Rhode Island Cities & Towns

The survey shown below, conducted by the Narragansett Bay Commission (NBC) in 2010, compares the annual residential sewer charges for participating Rhode Island Cities & Towns. The survey shows NBC, with its current fee structure, ranks 12th lowest among participants.



Source: 2010 Narragansett Bay Commission Residential Sewer User Survey

Notes:

In this survey, all Annual Residential Sewer Charges are based on 97.6 HCF. The average 2010 Annual Residential Sewer User Fee for Rhode Island Cities & Towns is \$444.

Warren's sewer costs are built into municipal taxes and therefore do not appear on this chart.

NARRAGANSETT BAY COMMISSION
Principal Commercial Users - (Unaudited)
2011 and 2002

<u>Company</u>	<u>2011</u>			<u>2002</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>
RI Hospital	\$ 1,344,693	1	1.65%	\$ 627,992	1	1.89%
Brown University	1,311,639	2	1.61%	517,493	2	1.56%
Providence Housing Authority	1,269,187	3	1.55%	447,063	3	1.34%
City of Providence	706,540	4	0.86%			
City of Pawtucket	620,007	5	0.76%			
Providence School Department	520,011	6	0.64%			
Providence College	357,819	7	0.44%	131,110	9	0.39%
Fairfield Residential	357,794	8	0.44%			
Johnson & Wales	327,983	9	0.40%	131,768	8	0.40%
State of RI	308,128	10	0.38%			
Rhode Island School of Design						
Roger Williams Hospital				246,130	4	0.74%
Slater				67,068	10	0.20%
St. Joseph Hospital				153,182	7	0.46%
RI College				185,658	5	0.56%
Pawtucket Memorial Hospital				153,983	6	0.46%
Total	\$ 7,123,801		8.73%	\$ 2,661,447		8.00%

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

<i>Fiscal Year</i>	<i>Gross Revenues (1)</i>	<i>Operating Expenses (2)</i>	<i>Net Revenue Available for Debt Service</i>	<i>Debt Service Requirement</i>			<i>Coverage</i>
				<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
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
2010	72,382,486	34,305,472	38,077,014	18,148,897	10,620,806	28,769,703	1.32
2011	76,254,273	33,588,960	42,665,313	18,702,732	10,349,378	29,052,110	1.47

(1) Total revenues including interest income

(2) Total operating expenses exclusive of depreciation and amortization

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

Fiscal Year Ended June 30,	Loans Payable	Bonds Payable	Lease Payable	Total Outstanding Debt	Capitalized Assets*	Construction in Process	Total Capital Assets	Ratio of Outstanding Debt to Capital Assets	Ratio of Outstanding Debt per Population (1)	Percentage Personal Income to Outstanding Debt (1)
2002	74,810,860	15,972,043	297,181	91,080,084	187,657,682	76,255,003	263,912,685	0.35	85.45	0.037%
2003	136,619,669	13,775,319	435,114	150,830,102	195,311,349	134,283,423	329,594,772	0.46	140.79	0.023%
2004	204,228,468	81,628,122	453,757	286,310,347	203,821,078	201,485,348	405,306,426	0.71	267.31	0.013%
2005	222,735,236	70,000,000	481,393	293,216,629	211,608,992	271,817,109	483,426,101	0.61	275.47	0.013%
2006	247,768,485	116,064,506	495,453	364,328,444	220,781,312	330,122,836	550,904,148	0.66	344.03	0.011%
2007	269,690,992	159,068,722	587,356	429,347,070	225,428,491	378,547,610	603,976,101	0.71	407.68	0.010%
2008	269,026,900	157,613,722	585,756	427,226,378	226,015,839	412,852,916	638,868,755	0.67	406.58	0.010%
2009	271,381,022	156,089,206	441,456	427,911,684	225,324,137	431,243,898	656,568,035	0.65	406.29	0.010%
2010	255,695,266	154,547,457	365,855	410,608,578	479,512,217	193,843,866	673,356,083	0.61	390.10	0.011%
2011	269,436,595	152,950,708	282,318	422,669,621	476,713,013	228,402,550	705,115,563	0.60	N/A	N/A

* Capitalized assets net of accumulated depreciation

(1) See the Demographics and Economic Statistics schedule for the personal income and population data.

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>
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	1,053,209	43,185	41,003	567,093	145,231	11.20%
2010	1,052,567	44,801	42,579	566,166	145,118	10.30%
2011	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
Principal Employers - (Unaudited)
 2011 and 2002

<u>Company</u>	<u>2011</u>			<u>2002</u>		
	<i>Number of employees</i>	<i>Rank</i>	<i>Percentage of total State employment</i>	<i>Number of employees</i>	<i>Rank</i>	<i>Percentage of total State employment</i>
Lifespan	11,869	1	2.74%	10,082	1	1.95%
Diocese of Providence	6,200	2	1.43%	5,630	2	1.09%
Care New England	5,953	3	1.37%	5,608	4	1.08%
CVS Corp	5,800	4	1.34%	5,622	3	1.09%
Citizens Bank	4,991	5	1.15%	4,100	7	0.79%
Brown University	4,800	6	1.11%	4,450	6	0.86%
Stop & Shop	3,632	7	0.84%	4,555	5	0.88%
Bank of America	3,500	8	0.81%	3,967	8	0.77%
Fidelity Investments	2,934	9	0.68%			
RI ARC	2,851	10	0.66%	2,383	10	0.46%
Jan Companies				3,365	9	0.65%
Total	52,530		12.12%	49,762		9.61%

Source: RI Economic Development Corporation

NARRAGANSETT BAY COMMISSION
Operating Indicators by Division - (Unaudited)
Last Ten Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of Employees	246	246	244	237	241	245	247	247	255	243
Field's Point Plant (Largest WWTF in RI)										
Daily average treatment in gallons (mgd)	43.06	43.06	43.06	43.06	49.39	53.07	45.69	45.69	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	4	4	5	5	6
Number of active combined sewer overflows (CSOs)	38	38	38	38	38	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
Bucklin Point Plant (Second largest WWTF in RI)										
Daily average treatment in gallons (mgd)	19.6	19.6	19.6	19.6	24.83	24.83	24.61	24.61	24.48	24.48
Maximum daily capacity of treatment (mgd)	116	116	116	116	116	116	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	26	26	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 2011</i>	<i>FY 2010</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>
Executive	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	6.0
Construction Services	12.0	10.0	10.0	9.0	10.0	10.0	9.9	11.0	10.0	5.0
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Legal	5.0	5.0	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	5.0	5.0	8.0	6.0
Accounting	10.0	10.0	10.0	10.0	10.0	11.0	11.0	12.0	13.0	12.0
Information Technology	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0
Customer Service	24.0	24.0	22.0	22.0	22.0	21.0	21.0	20.0	19.0	19.0
Purchasing	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	4.0	4.0
Planning	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pretreatment	15.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0	16.0	16.0
Laboratory	16.0	17.0	15.0	15.0	15.0	15.0	15.0	15.0	14.0	13.0
Environmental Safety & Technical Assistance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Environmental Monitoring & Data Analysis	17.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	15.0	15.0
Interceptor Maintenance	22.0	22.0	22.0	22.0	22.0	21.0	23.0	23.0	23.0	23.0
Engineering	10.0	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
Field's Point WWTF	56.0	56.0	56.0	56.0	56.0	56.0	61.0	62.0	61.0	61.0
Bucklin Point WWTF	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	31.0	31.0
Total	260.0	258.0	254.0	254.0	254.0	253.0	261.4	264.3	257.8	247.0

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Comprehensive Annual Financial Report
Compliance Section



Photo: Sunset on Narragansett Bay

***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 (NBC), a component unit of the State of Rhode Island, as of and for the year ended June 30, 2011 and have issued our report thereon dated September 20, 2011. 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

Management of the Narragansett Bay Commission is responsible for establishing and maintaining effective 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

A handwritten signature in black ink that reads "Bacon & Company, LLC". The signature is written in a cursive, flowing style.

Warwick, Rhode Island
September 20, 2011

NARRAGANSETT BAY COMMISSION
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Expenditures</u>
<i>U.S. Environmental Protection Agency</i>			
<i>Direct Program:</i>			
Environmental Policy and State Innovations Grant	66.940	EI-97187901-0	\$ 44,736
<i>Passed through RI Clean Water Finance Agency:</i>			
Capitalization Grants for Clean Water State Revolving Funds - ARRA	66.458	N/A	4,042,838
<i>Total U.S. Environmental Protection Agency</i>			<u>4,087,574</u>
<i>Total expenditures of federal awards</i>			<u>\$ 4,087,574</u>

NARRAGANSETT BAY COMMISSION
Notes to Schedule of Expenditures of Federal Awards
June 30, 2011

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, 2011, grants with expenditures exceeding \$17,000,000 were determined to constitute a Type A program. The NBC had no Type A programs for the year ended June 30, 2011.

Narragansett Bay Commission
Long Distance Travel Detail
Fiscal Year 2011

TRAVELER	PAYEE	TRAVEL DATES	CHECK	DATE PAID BY NBC	PURPOSE OF TRAVEL	DESTINATION	MILEAGE	MEALS	REGISTRY	AIRFARE	HOTEL	MISC./ OTHER	TOTALS
Executive (21)													
Raymond J. Marshall	Raymond J. Marshall	7/19/10-7/23/10	71627	7/13/10	NACWA Summer Conference	San Francisco, CA	\$	\$	\$	569.80	1,350.00	\$	1,919.80
Jamie R Samons	Jamie R Samons	7/19/10-7/23/10	71687	7/20/10	NACWA Summer Conference	San Francisco, CA				380.80	1,076.00		1,457
Raymond J. Marshall	NACWA	7/19/10-7/23/10	71694	7/20/10	NACWA Summer Conference	San Francisco, CA			825.00				825
Jamie R Samons	NACWA	7/19/10-7/23/10	71694	7/20/10	NACWA Summer Conference	San Francisco, CA			800.00			49.05	800
Raymond J. Marshall	Raymond J. Marshall	7/19/10-7/23/10	72002	8/10/10	NACWA Summer Conference	San Francisco, CA		250.00			739.10		999
Vincent Mesolella Jr	Vincent Mesolella Jr	6/23/10-6/24/10	72114	8/17/10	Build America Bond Conference	New York, NY		75.00		185.00			510
Jamie R Samons	Jamie R Samons	7/19/10-7/23/10	72236	9/1/10	NACWA Summer Conference	San Francisco, CA		130.00			222.60	157.32	946
Jamie R Samons	Jamie R Samons	1/31/11-2/4/11	73858	1/19/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL				150.10	796.00		946
Raymond J. Marshall	Raymond J. Marshall	1/31/11-2/4/11	74312	2/22/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL		200.00		204.40	883.56	121.50	1,409
Jamie R Samons	Jamie R Samons	1/31/11-2/4/11	74289	2/22/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL		145.00			87.56	120.00	353
Jamie R Samons	Jamie R Samons	2/28/11-3/2/11	74289	2/22/11	NACWA Money Matters Summit	Washington, DC				153.40	528.00		681
Diane Buerger	Diane Buerger	6/25/11-6/30/11	74699	3/29/11	SHRM Annual Conference & Exposition	Las Vegas, NV		65.00		557.80	106.06	105.00	558
Jamie Samons	Jamie Samons	2/28/11-3/2/11	74715	3/29/11	NACWA Money Matters Summit	Washington, DC					276		276
Jamie Samons	Jamie Samons	4/13/11-4/15/11	74715	3/29/11	NACWA National Urban Wet Weather Workshop	Nashville, TN			495.00	304.30	438.00		742
Jamie Samons	Wet Weather Partnership	4/13/11-4/15/11	74761	3/29/11	NACWA National Urban Wet Weather Workshop	Nashville, TN							495
Diane Buerger	Diane Buerger	6/25/11-6/29/11	74971	4/19/11	SHRM Annual Conference & Exposition	Las Vegas, NV			1,070.00				1,070
Jamie Samons	Jamie Samons	4/13/11-4/15/11	75231	5/10/11	NACWA National Urban Wet Weather Workshop	Nashville, TN							257
Jamie Samons	Jamie Samons	5/9/11-5/11/11	75231	5/10/11	NACWA National Environmental Policy Forum	Washington, DC		90.00			75.80	91.33	679
Vincent Mesolella Jr.	Vincent Mesolella Jr.	3/30/11-4/1/11	75446	5/24/11	Municipal Bond Summit	Ft. Lauderdale, FL		150.00		181.40	498.00		679
Raymond Marshall	Raymond Marshall	5/9/11-5/11/11	75257	5/24/11	NACWA National Environmental Policy Forum	Washington, DC				513.10	643.84	349.43	1,656
Raymond Marshall	Raymond Marshall	5/9/11-5/11/11	75427	5/10/11	NACWA National Environmental Policy Forum	Washington, DC		75.00		225.15	500.00		725
Raymond Marshall	Raymond Marshall	5/4/2011	75257	5/10/11	Sen. Whitehouse's RI Energy & Env. Leaders Day	Washington, DC		35.00		233.65	70.22	76.08	322
Jamie Samons	Jamie Samons	5/9/11-5/11/11	76104	7/6/11	NACWA National Environmental Policy Forum	Washington, DC		75.00			98.12	87.35	260
Jamie Samons	Jamie Samons	7/19/11-7/22/11	76104	7/6/11	2011 NACWA Summer Conference	Chicago, IL			850.00	299.40	567.00		866
Jamie Samons	NACWA	7/19/11-7/22/11	76124	7/6/11	2011 NACWA Summer Conference	Chicago, IL							850
Raymond Marshall	NACWA	7/19/11-7/22/11	76124	7/6/11	2011 NACWA Summer Conference	Chicago, IL			750.00				750
Raymond Marshall	NACWA	1/31/11-2/4/11	76213	7/11/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL			850.00				850
Raymond Marshall	NACWA	5/9/11-5/11/11	76213	7/11/11	2011 NACWA Winter Conference	Washington, DC			775.00				775
Total Executive Cost Center (21)													21,553
Construction (22)													
Jose M Medina	Jose M Medina	7/19/10-7/22/10	71891	8/3/10	To inspect equipment-Contract 109.01C	Birmingham, AL		200.00		658.30	226.44	233.24	1,318
Jose M Medina	NBC				Reimbursement by Capital Projects			(200.00)		(658.30)	(226.44)	(233.24)	(1,318)
Dennis aRusso	Dennis aRusso	11/29/10-12/1/10	72624	10/5/10	NASSCO Inspector Training Certification	Owings Mills, MD				524.00	1,085.28		1,677
Dennis aRusso	Dennis aRusso	11/29/10-12/1/10	72856	10/26/10	NASSCO Inspector Training Certification	Owings Mills, MD							524
Joseph G Moniz	Joseph G Moniz	11/17/10-11/18/10	73393	12/7/10	To verify stored material for Contract 109.01C	Knoxville, TN		100.00		611.70	129.50	126.75	968
Joseph G Moniz	Joseph G Moniz	11/29/10-12/1/10	73483	12/14/10	CIPP Training and Certification-contract 304.54C	Baltimore, MD		90.00				51.00	141
Anthony M Dalmaizzi	Anthony M Dalmaizzi	11/29/10-12/1/10	73450	12/14/10	CIPP Training and Certification-contract 304.54C	Baltimore, MD		90.00				60.00	150
Dennis aRusso	Dennis aRusso	11/29/10-12/1/10	73464	12/14/10	CIPP Training and Certification-contract 304.54C	Baltimore, MD		90.00				32.00	122
Dennis aRusso	Dennis aRusso	11/29/10-12/1/10	73559	12/21/10	CIPP Training and Certification-contract 304.54C	Baltimore, MD						84.79	85
Joseph G Moniz	NBC				Reimbursement by Capital Projects			(90.00)				(51.00)	(141)
Anthony M Dalmaizzi	NBC				Reimbursement by Capital Projects			(90.00)				(60.00)	(150)
Dennis aRusso	NBC				Reimbursement by Capital Projects			(100.00)		(1,115.67)	(1,085.28)	(116.79)	(2,408)
Joseph G Moniz	NBC				Reimbursement by Capital Projects					(611.70)	(129.50)	(126.75)	(968)
Total Construction Cost Center (22)													0
Legal (24)													
Jennifer J Galego	Jennifer J Galego	11/16/10-11/19/10	72707	10/13/10	NACWA Devel. In Clean Water Law Seminar	Sante Fe, NM				423.30	532.89	169.00	956
Jennifer J Galego	Jennifer J Galego	11/16/10-11/19/10	73327	12/1/10	NACWA Devel. In Clean Water Law Seminar	Sante Fe, NM		155.00					324
Jennifer J Galego	NACWA	11/16/10-11/19/10	74200	2/15/11	2010 Law Seminar	Sante Fe, NM			850.00				850
Jennifer J Galego	Ctr for Amer & Intern'l Law	5/12/11-5/13/11	75204	5/10/11	4th Annual Power & Alternative Energy Law Conf	Houston, TX			395.00				395
Jennifer J Galego	Jennifer J Galego	5/12/11-5/13/11	75233	5/10/11	4th Annual Power & Alternative Energy Law Conf	Houston, TX				512.88	372.06		885
Jennifer J Galego	Jennifer J Galego	5/12/11-5/13/11	75599	6/1/11	4th Annual Power & Alternative Energy Law Conf	Houston, TX		105.00				179.00	284
Total Legal Cost Center (24)													3,694

Narragansett Bay Commission
Long Distance Travel Detail
Fiscal Year 2011

TRAVELER	PAYEE	TRAVEL DATES	CHECK	DATE PAID BY NBC	PURPOSE OF TRAVEL	DESTINATION	MILEAGE	MEALS	REGISTRY	AIRFARE	HOTEL	MISC./ OTHER	TOTALS
A&F (31)													
Karen Giebink	Karen Giebink	2/1/11-2/4/11	73658	12/28/10	2011 NACWA Winter Conference	Ft. Lauderdale, FL				155.00			155
Karen Giebink	NACWA	2/1/11-2/4/11	73803	1/11/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL			850.00				850
Karen Giebink	Karen Giebink	2/1/11-2/4/11	74290	2/22/11	2011 NACWA Winter Conference	Ft. Lauderdale, FL		165.00		34.40	662.67	55.00	917
NACWA	NBC				Refund				(75.00)				(75)
NACWA	NBC				Refund				(75.00)				(75)
Total A&F Cost Center (31)													1,772
IT (33)													
Kathleen J Smith	Oracle America Inc	9/19/10-9/23/10	71709	7/20/10	Oracle World Conference	San Francisco, CA			1,595.00				1,595
Keith A Zuidema	Keith A Zuidema	11/7/10-11/12/10	72174	8/23/10	HP Blade Class	Montreal, Canada				1,409.25			1,409
Kathleen J Smith	Kathleen J Smith	9/18/10-9/24/10	72238	9/1/10	Oracle World Conference	San Francisco, CA				406.43	874.97		1,281
Kathleen J Smith	Kathleen J Smith	9/18/10-9/24/10	72644	10/5/10	Oracle World Conference	San Francisco, CA		230.00				161.25	391
Keith A Zuidema	Keith A Zuidema	11/7/10-11/12/10	73331	12/1/10	HP Blade Class	Montreal, Canada		285.00				324.14	609
Total IT Cost Center (33)													5,286
IM (43)													
Michael Caruolo	Michael Caruolo	11/29/10-12/1/10	73494	12/14/10	CIPP Training and Certification-contract 304.54C	Baltimore, MD		50.41				51.00	101
Total IM Cost Center (43)													101
Engineering (44)													
Kathryn Kelly	Kathryn Kelly	5/3/11-5/4/11	74468	3/8/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH					186.39		186
Kathryn Kelly	Kathryn Kelly	5/3/11-5/4/11	75397	5/24/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH	112.71	100.00			10.00	14.00	237
Kathryn Kelly	NE Water Environmental	5/3/11-5/4/11	75416	5/25/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH			200.00				200
Total Engineering Cost Center (44)													623
PP&R (51)													
Nora Lough	NHWPCA	6/21/11-6/22/11	2254	6/20/11	NHWPCA-Microbiology Conference	Concord, NH			50.00				50
Nora Lough	Nora Lough	6/20/11-6/22/11	76128	7/6/11	2-day Seminar ID & Control of Filamentous Bacteria	Concord, NH	133.71	70.00			281.22	2.00	487
Total PP&R Cost Center (51)													537
Pretreatment (52)													
Kerry Britt	Kerry Britt	5/17/11-5/20/11	74719	3/29/11	2011 NACWA Pretreatment & Pollution Prevention	St Louis, MO				250.00			250
Kerry Britt	Kerry Britt	5/17/11-5/20/11	75672	6/7/11	2011 NACWA Pretreatment & Pollution Prevention	St Louis, MO		140.00		65.80	298.62	52.08	557
Kerry Britt	NACWA	5/18/11-5/20/11	75927	6/21/11	2011 NACWA Pretreatment & Pollution Prevention	St Louis, MO			575.00				575
Total Pretreatment Cost Center (52)													1,382
Planning (54)													
Barry Wenskowicz	Barry Wenskowicz	7/22/10	71855	8/3/10	NEIWPCC Training Seminar	Haverhill, MA	104.00						104
John Bissonette	John Bissonette	6/7/10-6/8/10	71978	8/10/10	NEWEA	Orquiquit, ME	140.00	65.00				10.00	215
Barry Wenskowicz	Green Thinking LTD	12/6/10-12/8/10	72865	10/26/10	Green Power Conference	London, ENGLAND			299.00				299
Barry Wenskowicz	Barry Wenskowicz	11/9/10-11/10/10	73544	12/21/10	Annual NEBRA Conference	Lowell, MA	164.00					12.00	176
Barry Wenskowicz	Barry Wenskowicz	12/3/10-12/7/10	73544	12/21/10	Small HydroPower	Washington, DC		70.00		139.40	188.58	128.45	526
Barry Wenskowicz	Barry Wenskowicz	2/9/11	74856	4/12/11	Participate in Barriers to Biogas Focus Group	New York, NY	235.00						235
James McCaughy	James McCaughy	5/17/11-5/20/11	75598	6/1/11	2011 NACWA Pretreatment & Pollution Prevention	St Louis, MO		200.00		315.80	447.93	41.44	1,005
James McCaughy	NACWA	5/18/11-5/20/11	75927	6/21/11	2011 NACWA Pretreatment & Pollution Prevention	St Louis, MO			600.00				525
James McCaughy	Water Environment Fed	7/31/11-8/3/11	75969	6/21/11	Energy & Water 2011	Chicago, IL							600
Total Planning Cost Center (54)													3,686
EMDA (55)													
Christine Comeau	Christine Comeau	5/3/11-5/4/11	74520	3/15/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH	118.32				186.39		305
Christine Comeau	NE Water Environmental	5/3/11-5/4/11	75415	5/24/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH			220.00				220
Christine Comeau	Christine Comeau	5/3/11-5/4/11	75577	6/1/11	NEWEA Stormwater & CSO Specialty Seminar	Portsmouth, NH		9.45				10.00	19
GRAND TOTAL TRAVEL													\$ 39,178.11