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December 19, 2012

Mr. Alan Calandro
Director
Office of Fiscal Analysis
State of Connecticut
Legislative Office Building, Room 5200
Hartford, CT 06106-1591

RE: Connecticut General Statutes Sections 1-123(b) and (c)
Quarterly Report of Connecticut Resources Recovery Authority Finances
For Quarter Ending September 30, 2012

Dear Mr. Calandro:

Enclosed please find the quarterly financial report of the Connecticut Resources Recovery Authority (the "Authority") for the quarter ending September 30, 2012 for the period from July 1, 2012 through September 30, 2012 as required and defined by Connecticut General Statutes Sections 1-123(b) and (c) and 4-69; respectively. Note that the Authority has employed the interpretation of the Section 4-69 definition provided by OFA for this report.

The Authority is responsible for implementing solid waste disposal and resource recovery systems and facilities throughout the State of Connecticut in accordance with the State's Solid Waste Management Plan.

Should you have any questions on these or other matters, or if we may provide additional information, please contact me directly at (860) 757-7777.

Best regards,

A handwritten signature in black ink, appearing to read "TD Kirk".

Thomas D. Kirk
President

cc: James Bolduc, Chief Financial Officer
✓ Nhan Vo-Le, Director of Accounting and Financial Reporting
Laurie Hunt, Esq., Director of Legal Services
Eric Womack, Director of Human Resources

QUARTER ENDING: SEPTEMBER 30, 2012

CGS Section 1-123 (b)

1. The following are Authority's beginning fiscal year balance ^(a):

Project/Division	Cash balance ^(a) as of July 1, 2012 : (Dollars in Thousands)
Landfill Division	\$ 13,032
Mid-Conn Project	\$ 72,660
Property Division	\$ 2,137
Recycling Division	\$ 1,243
Southeast Project	\$ 7,196
SouthWest Division	\$ 1,430

2. The following are revenues earned ^{(b) & (c)} and expenses incurred ^(c) for this quarter:

Project/Division	Total Revenues ^{(b) & (c)}	Total Expenses ^(c)
	(Dollars in Thousands)	
Landfill Division	\$ 8	\$ 174
Mid-Conn Project	\$ 20,832	\$ 20,787
Property Division	\$ 165	\$ 125
Recycling Division	\$ 178	\$ 201
Southeast Project	\$ 7,347	\$ 6,711
SouthWest Division	\$ 3,641	\$ 3,495

3. The following are estimated operating revenues ^{(b) & (c)} and estimated operating expenses ^(c) at the end of the fiscal year:

Project/Division	Total Revenues ^{(b) & (c)}	Total Expenses ^(c)
	(Dollars in Thousands)	
CSWS ^(d)	\$ 39,210	\$ 40,882
Landfill Division	\$ 32	\$ 2,084
Mid-Conn Project	\$ 30,718	\$ 36,243
Property Division	\$ 5,711	\$ 5,711
Recycling Division	\$ 704	\$ 1,061
Southeast Project	\$ 28,177	\$ 28,290
SouthWest Division	\$ 17,333	\$ 17,333

QUARTER ENDING: SEPTEMBER 30, 2012

CGS Section 1-123 (c)

1. The total number of Authority employees for this quarter is: 49

2. The positions vacated and filled during this quarter:

Position Vacant	Position Filled
4	0

3. The positions estimated to be vacat and filled at the end of the fiscal year:

Position Vacant	Position Filled
3	1

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- (a) Section 1-123 (b) (1) does not clarify which beginning fiscal year balance. Accordingly to Ms. Marcy Bicano from the Office of Fiscal Analysis ("OFA") on July 26, 2012, this part of the Section refers to cash. Note: Authority cash balance, which includes restricted and designated cash, is on an accrual basis of accounting.
- (b) According to Section 4-69 Definitions, (31)-"Revenue" means additions to cash or other current assets which neither increase any liability or reserve nor represent the recovery of an expenditure. Authority previously filed its quarter reports for September 30, 2010 and December 31, 2010 to OFA. Based on Section 4-69 Definition for revenue, the Authority reported its revenues as zero for those quarters. On March 25, 2011, Ms. Marcy Bicano from OFA contacted the Authority regarding the revenues reported. According to Ms. Bicano, OFA does not agree with the revenues reported and indicated that the Authority had revenues based on Authority audit report. Note that the Authority has employed the interpretation of the Section 4-69 definition provided by OFA for these reports.
- (c) Authority financial statements are preapred using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Authority reports its revenues and expenses to OFA based on the accrual basis.
- (d) CSWS = Connecticut Solid Waste System; effective November 16, 2012.