

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Embracing the Future



CRRA
2000 ANNUAL REPORT

CRRA

The Connecticut Resources Recovery Authority is a statewide solid waste management authority. CRRA has developed and helps oversee four waste-to-energy projects across the State (Bridgeport, Hartford, Preston and Wallingford). These facilities serve more than three out of every four Connecticut municipalities.

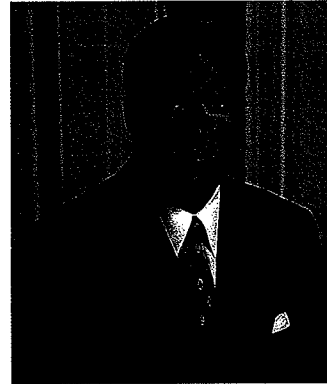
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PROVIDING SOLUTIONS

Letter from the Governor

On behalf of the people of the State of Connecticut, I am pleased to accept the year 2000 Annual Report of the Connecticut Resources Recovery Authority.

Over a generation ago, Governor Thomas Meskill and the Connecticut General Assembly created CRRA to implement solid waste recycling and resources recovery systems throughout this state. Then, as now, the time called for leadership in solid waste management.



This quasi-public authority, created in 1973, has become a terrific example of providing essential public services in partnership with the private sector—serving three out of every four Connecticut municipalities. Public oversight is maintained through CRRA's administration of its facilities across the state. In almost all cases, these facilities are operated by private partners applying their ingenuity to solve a difficult environmental problem: safe, efficient waste disposal.

**CONNECTICUT IS NATIONALLY
RECOGNIZED FOR ITS SUCCESS-
FUL APPROACH TO MANAGING
SOLID WASTE.**

At the dawn of the new millennium, Connecticut is nationally recognized for its successful approach to managing solid waste. Gone are the hundreds of local "dumps" that dotted Connecticut's landscape. In their place are integrated, regional systems that encourage reducing waste by recycling, recovering the energy value from trash, and depositing the remaining ash residue in safe, contained landfills.

Connecticut's solid waste system is very successful, but there is more to do. As Will Rogers once said, "Even if you're on the right track, you'll get run over if you just sit there." New challenges and opportunities hold the promise of a dynamic new era featuring clean energy, low or no-emission waste disposal, and expanded recycling programs recovering more items every year.

At the outset of my administration, I appointed new leadership to the CRRA Board of Directors with the specific charge to prepare the Authority for the future. They are doing so. Out-of-control disposal fees have been dramatically reduced, and all four CRRA projects stand on sound financial footing. And here's the payoff: Because of this management, CRRA now has the ability to plan for and invest in new technologies, providing better and cleaner ways to handle waste.

Based on its record of accomplishments, I am confident that the CRRA will continue to provide leadership and direction in finding cleaner, more innovative ways to manage solid waste at a reasonable cost for Connecticut's cities and towns.

John G. Rowland
Governor

EMBRACING THE FUTURE

Letter from the Chairman and President

The Connecticut Resources Recovery Authority is a statewide solid waste management authority created by the General Assembly in 1973. CRRA has developed and now oversees four waste-to-energy projects across the state. These facilities (in Bridgeport, Hartford, Preston and Wallingford) serve more than three out of every four municipalities in the state. We also have developed two of the country's largest recycling facilities and a statewide transportation network.



Peter N. Ellef



Robert E. Wright

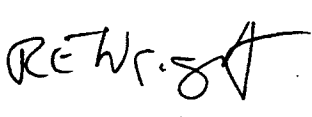
Over the last several years, CRRA has worked hard to make its facilities competitive with commercial markets. We have refinanced our debt, negotiated favorable settlements in court cases and actively competed for commercial waste contracts.

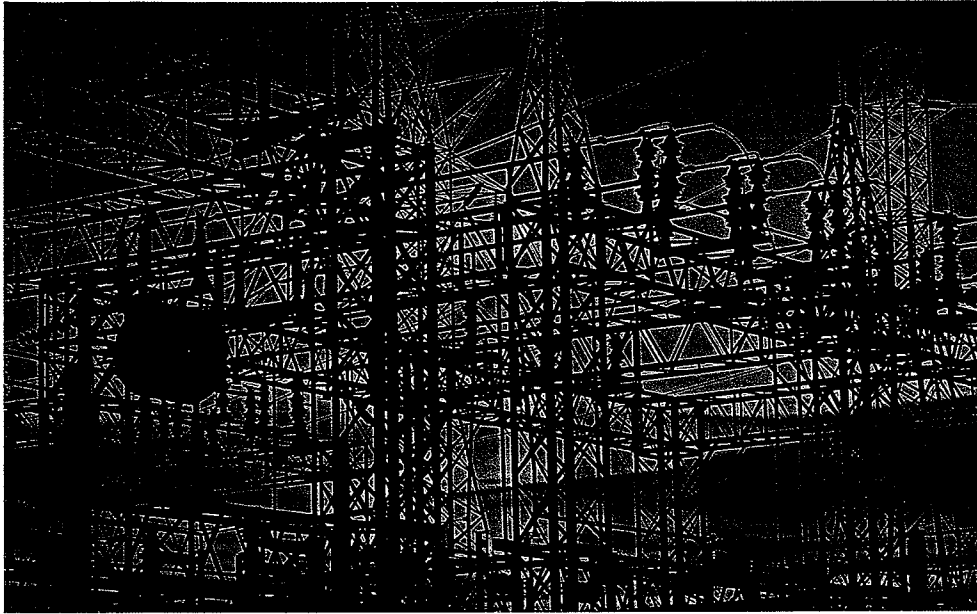
WE HAVE REFINANCED OUR DEBT, NEGOTIATED FAVORABLE SETTLEMENTS IN COURT CASES AND ACTIVELY COMPETED FOR COMMERCIAL WASTE CONTRACTS.	<p>These efforts have been successful, and, as a result, our facilities are full and our projects are economically healthy. CRRA's favorable economic position allows us to plan for the next generation of clean waste disposal systems while substantially enhancing the environmental protection features of our existing facilities—often well ahead of any regulatory requirement to do so.</p> <p>The waste business, however, is extremely competitive and CRRA must work hard to preserve its competitive position in the years ahead.</p> <p>Electricity deregulation dramatically affects CRRA's business. CRRA earns nearly half of its revenue from electricity sales. Each year we convert approximately 2 million tons of waste into over 1 billion kilowatt-hours of electricity which we sell to the state's utility companies.</p>
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The challenge for CRRA will be to maintain our strong position in a newly deregulated utility market. To accomplish this, we are attempting to negotiate advantageous energy contract buy downs or assignments, exploring the possibility of selling energy in the form of steam rather than electricity, and carefully monitoring the rising costs of gas and oil to see if energy made from waste may be even more valuable in the future.

As you will see in this Annual Report, CRRA has made great progress during the last several years and the future holds great promise. We plan to be on the cutting edge of technological innovation. We are reviewing technologies from around the world to provide the cleanest means possible for handling waste, exploring cleaner ways to make energy and actively searching out innovative ways to further improve the outstanding environmental record of our existing facilities.

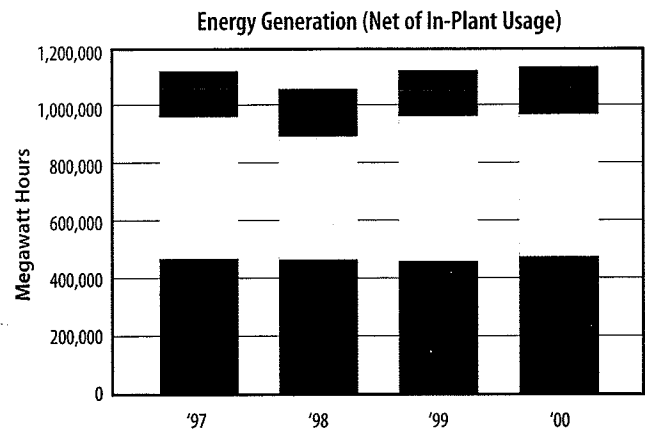
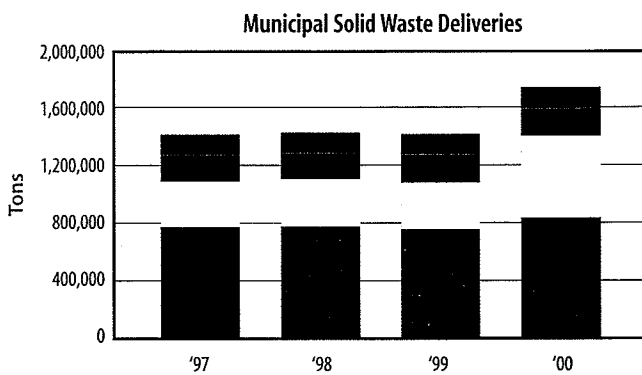

Peter N. Ellef
Chairman


Robert E. Wright
President



DURING THE PAST DECADE, CRRA'S BUSINESS HAS UNDERGONE A COMPLETE TRANSFORMATION FROM A PROTECTED PUBLIC MONOPOLY TO A FULLY COMPETITIVE ENTERPRISE. CRRA HAS ACCEPTED THIS CHALLENGE AND THRIVED AS A RESULT.

MEETING THE CHALLENGES OF A NEW MARKETPLACE



Mid-Connecticut
 Bridgeport
 Southeast
 Wallingford

CRRA PROJECTS

CRRA governs and administers four separate solid waste management systems.

During fiscal year 1997-1998, CRRA devised strategic plans to restore the competitive positions of our projects. Over the following years, each plan was successfully implemented.

Today all CRRA projects charge competitive rates and each is more financially secure.

MID-CONNECTICUT

The 65 towns participating in the Mid-Connecticut Project have one of the least costly and most environmentally efficient solid waste disposal and recycling solutions in the northeastern United States. The challenge for the future will be to maintain the Project's remarkable performance in the face of changing market conditions.

CRRA has substantially improved the Mid-Connecticut waste-to-energy facility and its regional recycling center in recent years. Several years ago the Project added improved nitrogen oxide emission controls that were installed years before any regulatory requirement. In addition, CRRA currently is installing a new \$15 million dollar odor control system.

The Authority also has taken significant steps to secure and improve the Project's economics. We have renegotiated the Project's energy sales agreement with the Connecticut Light & Power Company, which buys Mid-Connecticut's power. Through this transaction, CRRA has helped secure and improve the Mid-Connecticut Project's solid financial foundation.

BRIDGEPORT

The Bridgeport Project has undergone an impressive turnaround achieving dramatically lower disposal fees and robust deliveries that have nearly doubled in just two years. This major restructuring was assisted greatly by the efforts of local elected officials and volunteers.

For years the Project's high disposal fees were driving waste away, which caused disposal fees to spiral even higher. But two years ago, local officials approved a plan to refinance Project debt and to allow CRRA to compete for commercial (non-municipal) waste in the open market. The current disposal fee is a full 25 percent lower than the \$89.50 fee towns paid just two years ago. And it includes extraordinary transportation services for many towns and free recycling for all.

Moreover, this free recycling service has greatly improved. In 1998, local officials voted to have CRRA manage educational services at the recycling facility. Since that time, attendance at the recycling education facility has increased by more than 50 percent. These programs lay the foundation for future acceptance of recycling as a vital part of our environmental stewardship.

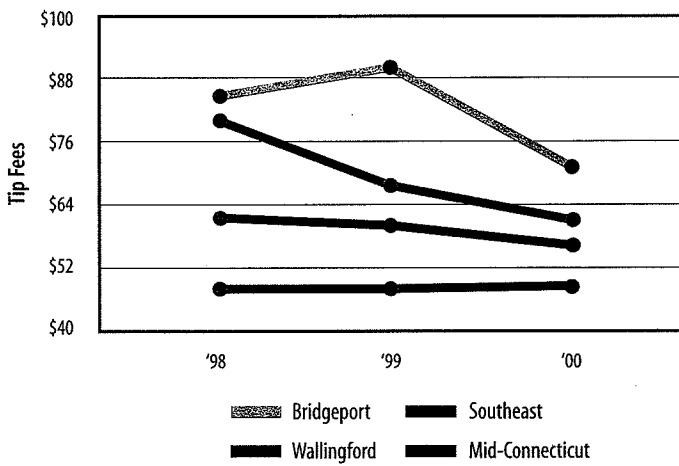
**"THE MID-CT PROJECT'S
POSITIVE CREDIT FUNDAMEN-
TALS INCLUDE ECONOMICS
OF SCALE, A FAVORABLE
GEOGRAPHIC LOCATION,
AND STRONG OPERATING
PERFORMANCE."**

FROM MOODY'S INVESTOR SERVICES

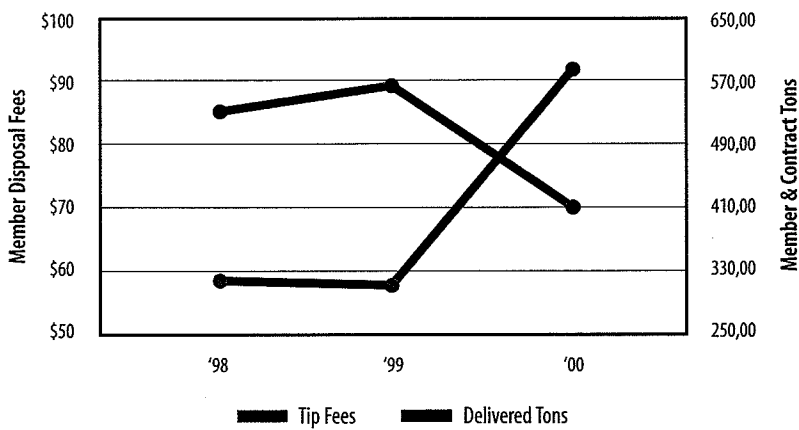
"CRRA'S MULTI-PROJECT OVER-SIGHT IS KEY TO THE STABILITY OF ALL OF CONNECTICUT'S RESOURCE RECOVERY PROJECTS."

FROM MOODY'S INVESTOR SERVICES

Municipal Solid Waste Tip Fees By Project



Bridgeport Municipal Solid Waste Deliveries



THE 65 TOWNS PARTICIPATING IN THE MID-CT PROJECT ARE GENERALLY CONSIDERED TO HAVE THE BEST SOLID WASTE DISPOSAL SOLUTION AND RECYCLING SOLUTION IN THE NORTHEASTERN UNITED STATES.

THE BRIDGEPORT PROJECT'S WASTE DISPOSAL FEES HAVE DROPPED BY 25% IN JUST TWO YEARS.

CRRA PROJECTS

**"THE OUTLOOK ON THE
A2 RATING FOR THE
SOUTHEASTERN PROJECT'S
BONDS IS STABLE DUE TO
THE PROJECT'S IMPROVED
COMPETITIVE POSITION."**

**"THE STABLE OUTLOOK FOR
THE WALLINGFORD PROJECT'S
RATINGS IS DUE PRIMARILY
TO THE FAVORABLE CREDIT
QUALITY OF THE FIVE MEMBER
TOWNS, THE STABILITY OF
THE WASTE STREAM, AND
MOODY'S EXPECTATION THAT
THE PROJECT'S FAVORABLE
CASH RESERVE WILL BE
MAINTAINED."**

FROM MOODY'S INVESTOR SERVICES

WALLINGFORD

The Wallingford Project has been reliably disposing of waste from five south-central Connecticut communities for more than a decade. The 420-ton per day mass burn resources recovery facility is in an extremely strong financial position.

Disposal fees will be set at \$55.00 per ton for fiscal year 2001-2002. This reduced fee, which has dropped more than 20 percent in the last three years, is the result of a successful strategy implemented by CRRA and the Project's Policy Board, which represents the five Wallingford Project municipalities.

Wallingford was the first project to authorize CRRA to negotiate competitive disposal contracts with commercial customers. In addition, project bonds were refinanced and CRRA negotiated a favorable settlement to a longstanding energy contract dispute.

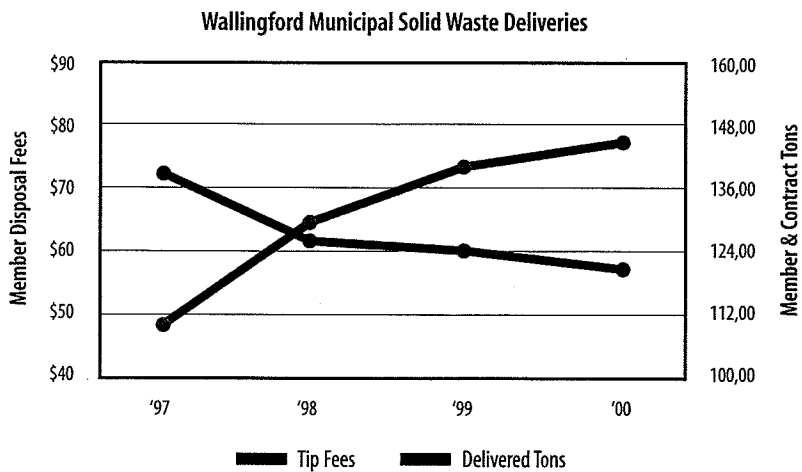
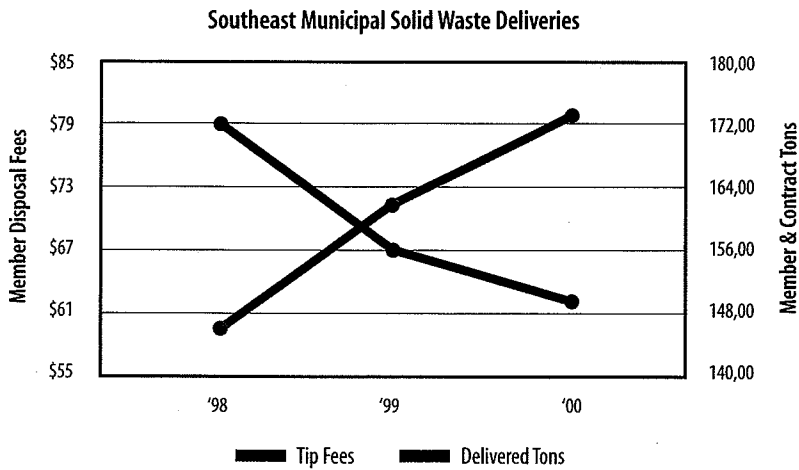
SOUTHEAST

Disposal fees the Southeast Project in Preston will be reduced by \$2.00 per ton to \$57.00 per ton for fiscal year 2001-2002. This reduced fee, which has dropped more than 25 percent during the last three years, is a tribute to regional cooperation among the towns, their Southeastern Connecticut Regional Resources Recovery Authority (SCRRA) representatives, and CRRA.

The Project has been reliably disposing of southeastern Connecticut waste for more than a decade. Municipal solid waste deliveries to the Southeast Project increased 7.3 percent during fiscal year 2000-2001.

The Project's remarkable financial achievements have been the result of a successful strategy implemented over the last several years. The strategy consisted of refinancing Project debt, favorably settling long-term litigation concerning the Project's energy contract, and closing the Project's costly ash landfill.

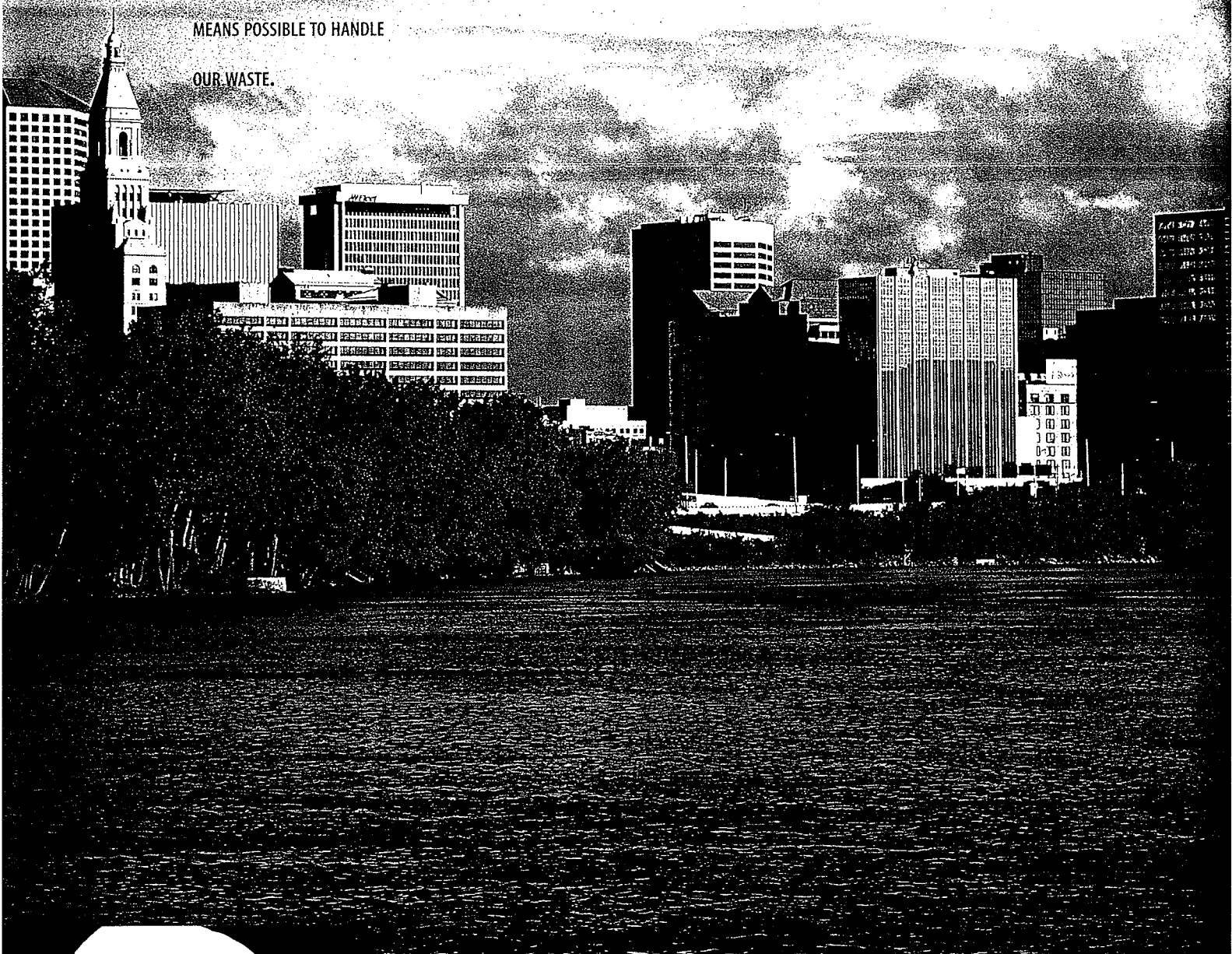
SUCCESSFULLY IMPLEMENTED STRATEGIES HAVE RETURNED WASTE TO THE PROJECTS AND REDUCED DISPOSAL FEES.



IN JUST THREE YEARS THE SOUTHEAST PROJECT'S WASTE DISPOSAL FEES HAVE DROPPED OVER 25%.

OVER THE LAST FIVE YEARS, THE WALLINGFORD PROJECT'S WASTE DISPOSAL FEES HAVE DROPPED BY 22 %.

OUR CONCERN FOR
CONNECTICUT'S NATURAL
RESOURCES DRIVES US TO
PROVIDE THE CLEANEST
MEANS POSSIBLE TO HANDLE
OUR WASTE.



BALANCING THE NEEDS OF TODAY WHILE PROTECTING
RESOURCES FOR TOMORROW.

ENVIRONMENTAL STEWARDSHIP

Protection drives innovation

Concern for Connecticut's air, water and soil led to CRRA's creation a generation ago. Continuing concern for our state's natural resources drives us to review technologies from around the world to find the cleanest means possible for handling waste.

When we increase the amount of waste we recycle, we decrease the amount of waste we dispose of. CRRA is Connecticut's largest recycler, removing over 200 million pounds of material from the waste stream each year. For waste that cannot be recycled, CRRA has been upgrading its resources recovery systems.

Several years ago, we installed additional equipment to further control NOx emissions. This installation was completed years before any regulation would have required it. Moreover, CRRA has committed to upgrading the Mid-Connecticut facility with a \$15 million odor control system to be the best possible neighbor to Hartford and surrounding towns.

Our resources recovery facilities, which generate energy from household garbage that cannot be recycled, help solve issues critical to Connecticut's quality of life. At a time when volatile energy prices are affecting the state and national economies, Connecticut reliably recovers energy from 80% of its nonrecyclable waste. In this way, our geographically small state is preserving valuable land for more productive uses than the town dump.

WE ARE EXPLORING INNOVATIVE

WAYS TO COUPLE NEW WASTE

DISPOSAL TECHNOLOGIES WITH

CLEAN POWER GENERATION.

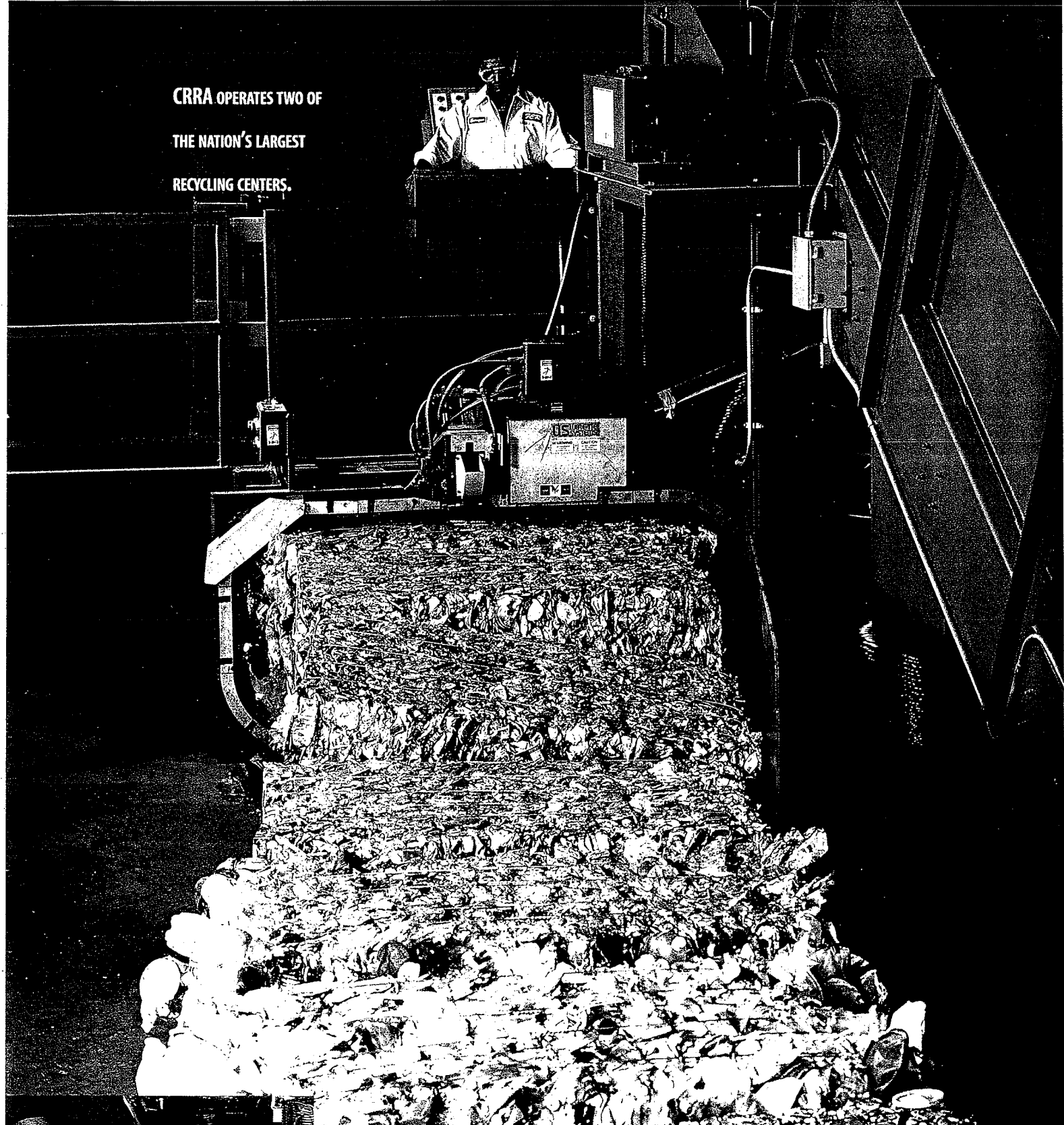
We are accomplishing these goals very cleanly. Connecticut's waste-to-energy plants operate under some of the world's strictest emissions standards. CRRA's mission has been not only to meet these standards, but to operate far below them. For example, the Mid-Connecticut facility typically operates 85% below its emissions limits.

In addition, during fiscal year 2000, the CRRA Board of Directors created a Strategic Planning Committee. This group is charged with searching for the next generation of clean waste disposal systems. They are reviewing technologies from around the world to make sure that when CRRA's facilities can be improved, they are. And when cleaner disposal systems are invented, CRRA will introduce them to our state.



CRRA has pioneered modern landfill technologies, including double-liners, groundwater collection and treatment systems, and generated energy by reclaiming landfill gases.

CRRA OPERATES TWO OF
THE NATION'S LARGEST
RECYCLING CENTERS.



RECYCLABLES PROCESSED:
CONNECTICUT'S COMBINED SOURCE REDUCTION AND
RECYCLING RATE IS 42% — BEATING THE 40% GOAL
ESTABLISHED BY THE STATE SEVERAL YEARS AGO.

RECYCLING

“If you’re not recycling, you’re throwing it all away.”

As Connecticut’s largest recycler, we are especially pleased by the results of a recent study that revealed that Connecticut’s combined source reduction and recycling rate is 42%—beyond the 40% goal established by the state several years ago. Franklin Associates, the same people who helped the U.S. Environmental Protection Agency develop its own recycling standards and performance measures, authored the study.

The study confirmed what we already knew: the amount of glass, plastic, metals and paper recycled by CRRRA and others has increased significantly, thus reducing the amount of waste we must dispose of and saving valuable natural resources.

CRRRA provides recycling services to our member towns free of charge.

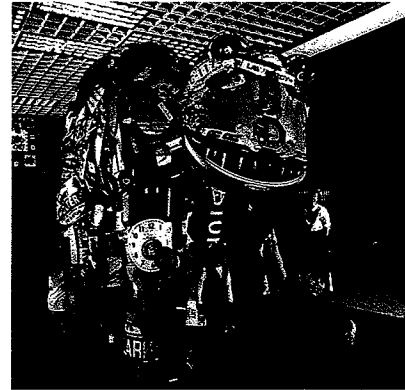
The Mid-Connecticut Project’s Regional Recycling Center is the largest recycling center of its kind in the United States, and continues to help communities meet their recycling needs. In fiscal year 1999-2000, the Regional Recycling Center processed more than 67,000 tons of recyclable material.

Similar successes have emerged in the Bridgeport Project’s Regional Recycling Center, located in Stratford, which saw 60,000 tons of recyclables processed in fiscal year 1999-2000.

CRRRA’s recycling education programs also have soared, fueled by our two educational visitors centers: the Mid-Connecticut Project Visitors Center in Hartford and the Southwest Connecticut Children’s Garbage Museum and Education Center in Stratford. These programs lay the foundation for future acceptance of recycling as an integral part of our environmental stewardship. Together, the facilities have hosted more than 50,000 school children from across the state.

**CRRRA HAS RECYCLED OVER
279 TONS OF ELECTRONIC
EQUIPMENT, TAKING RECYCLING
INTO THE 21ST CENTURY.**

As we continue to try to maximize recycling rates for paper, plastic, glass and aluminum, CRRRA has expanded the kinds of products we recycle. In 17 special collections over the last two years, CRRRA recycled more than 279 tons of residential electronic equipment, computers, VCRs and televisions—and their components—out of the waste stream. We also have sponsored mercury reduction programs, including thermometer swaps. And we have aggressively marketed grass composting and magazine recycling programs.



CRRRA’s recycling education programs have soared, fueled by our two educational visitors centers: the Mid-Connecticut Project Visitors Center in Hartford and the Southwest Connecticut Children’s Garbage Museum and Education Center in Stratford.

CONNECTICUT RESOURCES RECOVERY AUTHORITY 2000

FINANCIAL REVIEW

BALANCE SHEETS
JUNE 30, 2000 AND 1999
(In Thousands)

ASSETS	<u>2000</u>	<u>1999</u>
Current Assets:		
Cash and cash equivalents	\$57,140	\$47,999
Service payments receivable	13,808	11,881
Accrued interest and other assets	<u>15,990</u>	<u>16,852</u>
Total Current Assets	86,938	76,732
Restricted Assets:		
Cash and cash equivalents	74,678	64,849
Investments	508	6,938
Accrued interest receivable	<u>750</u>	<u>744</u>
Total Restricted Assets	75,936	72,531
Development and Bond Issuance Costs	13,312	14,504
Long-term Receivables	0	277
Property, Plant and Equipment, net	<u>202,501</u>	<u>214,351</u>
TOTAL ASSETS	<u>\$378,687</u>	<u>\$378,395</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Current portion of bonds payable, net	\$17,235	\$16,519
Current portion of closure and postclosure care of landfills	3,537	3,752
Accounts payable and accrued expenses	<u>23,946</u>	<u>18,423</u>
Total Current Liabilities	44,718	38,694
Long-term Liabilities:		
Bonds payable, net	246,525	263,700
Closure and postclosure care of landfills	<u>21,455</u>	<u>18,640</u>
TOTAL LIABILITIES	312,698	321,034
Fund Equity:		
Contributed Capital	1,713	1,835
Retained Earnings: -		
Reserved	19,263	18,676
Unreserved	<u>45,013</u>	<u>36,850</u>
Total Retained Earnings	<u>64,276</u>	<u>55,526</u>
TOTAL FUND EQUITY	<u>65,989</u>	<u>57,361</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$378,687</u>	<u>\$378,395</u>

CONNECTICUT RESOURCES RECOVERY AUTHORITY 2000

FINANCIAL REVIEW

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999
(In Thousands)**

	<u>2000</u>	<u>1999</u>
OPERATING REVENUES		
Service charges:		
Members	\$72,987	\$75,906
Other	29,304	12,930
Energy generation	52,770	48,334
Ash disposal fees	3,670	3,955
Other income	<u>7,410</u>	<u>7,279</u>
Total operating revenues	<u>166,141</u>	<u>148,404</u>
OPERATING EXPENSES		
Solid waste operations	113,516	95,081
Depreciation and amortization	16,136	15,730
Maintenance and utilities	2,340	7,067
Closure and postclosure care of landfills	6,189	1,424
Project administration	<u>6,548</u>	<u>5,493</u>
Total operating expenses	<u>144,729</u>	<u>124,795</u>
OPERATING INCOME	21,412	23,609
NONOPERATING REVENUES (EXPENSES)		
Investment income	7,116	6,076
Settlement income	2,642	4,723
Bond interest expense	(16,872)	(18,229)
Other	<u>(5,670)</u>	<u>(4,870)</u>
Net nonoperating expenses	<u>(12,784)</u>	<u>(12,300)</u>
NET INCOME	8,628	11,309
Add item affecting contributed capital - depreciation on equipment acquired through capital grants	122	126
Retained earnings, beginning of year	<u>55,526</u>	<u>44,091</u>
RETAINED EARNINGS, END OF YEAR	<u>\$64,276</u>	<u>\$55,526</u>

CONNECTICUT RESOURCES RECOVERY AUTHORITY 2000

FINANCIAL REVIEW

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999
(In Thousands)

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$21,412	\$23,609
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	14,945	14,540
Provision for closure and postclosure care of landfills	6,189	1,424
Settlement income	2,642	(108)
Amortization of development and bond issuance costs	1,190	1,189
Increase in other long-term liabilities	0	220
Other nonoperating expenses	(782)	(1,786)
Rebate to municipalities	(5,000)	(3,000)
(Increase) decrease in:		
Service payments receivable	(2,046)	(892)
Other assets	1,550	1,910
Increase (decrease) in accounts payable and accrued expenses	5,814	(4,529)
Net Cash Provided by Operating Activities	<u>45,914</u>	<u>32,577</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other interest and fees	(98)	(123)
Net Cash Used for Noncapital Financing Activities	<u>(98)</u>	<u>(123)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of bonds	5,245	16,395
Refunding of debt	369	(3,570)
Proceeds from sale of property and equipment	443	2,011
Bond issuance costs incurred	0	(707)
Acquisition and construction of capital assets	(3,536)	(2,343)
Payment of landfill closure and postclosure care liabilities	(3,589)	(1,544)
Interest paid on bonds	(16,278)	(17,542)
Principal paid on bonds	(22,957)	(35,162)
Net Cash Used for Capital and Related Financing Activities	<u>(40,303)</u>	<u>(42,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	7,072	6,252
Proceeds from sale and maturities of investment securities	6,885	1,014
Purchase of investment securities	(500)	(368)
Net Cash Provided by Investing Activities	<u>13,457</u>	<u>6,898</u>
Net Increase (Decrease) in Cash and Cash Equivalents	18,970	(3,110)
Cash and Cash Equivalents, Beginning of Year, (Unrestricted and Restricted)	<u>112,848</u>	<u>115,958</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, (UNRESTRICTED AND RESTRICTED)	<u><u>\$131,818</u></u>	<u><u>\$112,848</u></u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During fiscal 1999, a settled claim resulted in settlement income of \$4,130,000 (the amount provided in excess of the payment).

CONNECTICUT RESOURCES RECOVERY AUTHORITY 2000

FINANCIAL REVIEW

STATUS OF OUTSTANDING BONDS ISSUED AS OF JUNE 30, 2000

SERIES	X = SCRF BACKED	DATED	ORIGINAL AMOUNT BONDED	PRINCIPAL PAYMENTS OR REDEMPTIONS	PRINCIPAL OUTSTANDING
MID-CONNECTICUT PROJECT					
1991 Series A - Recycling	X	08/15/91	7,735,000	5,775,000	1,960,000 (1)
1993 Series A - Project Refinancing	X	08/17/93	43,825,000	31,625,000	12,200,000 (1)(a)
1996 Series A - Project Refinancing	X	08/20/96	209,675,000	2,765,000	206,910,000 (1)(b)
1997 Series A - Project	X	07/15/97	8,000,000	1,485,000	6,515,000 (1)
BRIDGEPORT PROJECT					
1989 Series A - MSF Subordinated		06/01/89	16,135,000	5,875,000	10,260,000 (2)
1991 Series A - Recycling	X	08/15/91	9,480,000	7,095,000	2,385,000 (2)
1999 Series A - Project Refinancing		08/31/99	141,695,000	5,635,000	136,060,000 (2)(c)
WALLINGFORD PROJECT					
1991 Series One - Subordinated		08/01/91	7,000,000	0	7,000,000 (3)
1998 Series A - Project Refinancing		10/23/98	33,790,000	0	33,790,000 (4)(d)
1998 Series B - Project Refinancing		10/23/98	3,085,000	715,000	2,370,000 (5)(e)
SOUTHEAST PROJECT					
1988 Series A - MSF Landfill		12/01/88	17,855,000	16,590,000	1,265,000 (1)(f)
1989 Series A	X	06/01/89	3,935,000	980,000	2,955,000 (1)
1992 Series A - Corp. Credit		09/01/92	30,000,000	0	30,000,000 (6)(e)
1998 Series A - Project Refinancing	X	08/18/98	87,650,000	3,340,000	84,310,000 (5)(g)
1998 Corp. Credit BFI Series A		12/10/98	6,750,000	0	6,750,000 (7)(e)
1998 Corp. Credit Duke Capital Series A		12/10/98	6,750,000	0	6,750,000 (8)(e)
TOTAL BONDS OUTSTANDING			<u>\$633,360,000</u>	<u>\$81,880,000</u>	<u>\$551,480,000</u>
OUTSTANDING SCRF BONDS					<u>\$317,235,000</u>

The Special Capital Reserve Fund (SCRF) bonding authorization for CRRA is \$725,000,000. As part of this SCRF authorization, the State requires that \$25 million of the next \$200 million SCRF bonds issued on or after July 1, 1989 be for Recycling Projects. Since July 1, 1989, of the \$25,215,000 SCRF bonds issued, \$17,215,000 were for Recycling Projects (Bridgeport and Mid-Connecticut 1991 Series A Bonds).

The Southeast Project bond indenture requires reservation of \$30 million of the SCRF authorization for possible future bond issues.

The total SCRF bonds outstanding and reserved equals \$347,235,000 as of June 30, 2000.

(a) The amount recorded on CRRA's books has been reduced by \$29,773 which represents the deferred amount on the August 1993 refunding of \$43,825,000 of 1985 Series A bonds.

(b) The amount recorded on CRRA's books has been reduced by \$4,743,550 which represents the deferred amount on the August 1996 refunding of \$209,900,000 of 1985 Series B bonds.

(c) The portion allocable to Authority purposes which is recorded on CRRA's books is \$5,115,000 (Guaranteed Borrowing), plus the amount of \$240,957 which represents the deferred amount on the August 1999 Refunding of \$153,355,000 of 1985 Series A and B Bonds.

(d) The portion allocable to Authority purposes which is recorded on CRRA's books is \$5,174,263 reduced by \$82,825 which represents the deferred amount on the October 29, 1998 refunding of \$34,000,000 of 1986 Series A bonds.

(e) Not recorded on CRRA's books.

(f) Not recorded on CRRA's books since January 29, 1999, when the Authority defeased the entire amount outstanding (\$2,445,000). The bonds will continue to be paid from an irrevocable escrow account as scheduled with final maturity November 15, 2000. Prior to January 29, 1999, the bonds were SCRF bonds which were recorded on CRRA's books.

(g) The portion allocable to Authority purposes which is recorded on CRRA's books is \$9,382,860, reduced by the amount of \$2,688,060 which represents the deferred amount on the August 1998 refunding of \$89,835,000 of 1988 Series A Bonds and increased by \$1,206,603 which represents the unamortized premium on the sale of the 1998 Bonds.

CONNECTICUT RESOURCES RECOVERY AUTHORITY 2000

FINANCIAL REVIEW

REVENUE BOND RATINGS

PROJECT	SERIES	STANDARD & POOR's RATING	MOODY'S RATING	BOND INSURER
Mid-Connecticut	1991 Series A	AA	A1	NA
	1993 Series A	AA-	A1	NA
	1996 Series A	AAA	Aaa	MBIA
	1997 Series A	AAA	Aaa	MBIA
Bridgeport	1989 Series A - Subordinated	A1	A3	NA
	1991 Series A - Subordinated	AA	NR	NA
	1999 Series A	AAA	Aaa	MBIA
Wallingford	1991 Series One - Subordinated	NL	A3	NA
	1998 Series A	AAA	Aaa	AMBAC
	1998 Series B	NR	A2	NA
Southeastern	1988 Series A	AA+	A2	NA
	1989 Series A	AA	A2	NA
	1992 Series A - Corporate Credit	NR	NR	NA
	1998 Series A	AAA	Aaa	MBIA
	1998 Series A - Corporate Credit (Duke)	NR	A3	NA
	1998 Series A - Corporate Credit (BFI)	NR	A2	NA

NA - Not Applicable
 NL - Not Listed
 NR - No Rating

Source: S & P's Municipal Ratings
 Moody's Municipal Credit Research Report
 Official Statements

The Balance Sheets, Statements of Revenues, Expenses and Changes in Retained Earnings and Statements of Cash Flows for the Connecticut Resources Recovery Authority for the year ended June 30, 2000 are presented herein for informational purposes only and, as such, do not intend to represent full financial statements of disclosure. The complete General Purpose Financial Statements and Related Notes, as required by governmental accounting, auditing and financial reporting standards, were audited by the firm of Simone Scillia Larrow & Dowling LLC of New Haven and Hartford, Connecticut. An unqualified report covering these statements was issued on September 1, 2000. Copies of the auditors' reports are available for review in the offices of the Connecticut Resources Recovery Authority, 100 Constitution Plaza, 17th Floor, Hartford Connecticut.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

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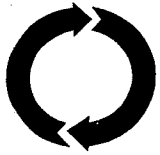
For further information please contact Brian J. Flaherty, Communications Coordinator, CRRRA, 100 Constitution Plaza, 17th Floor, Hartford, CT 06103. Call (860) 757-7700, or FAX (860) 727-4141. E-mail bflaherty@crra.org. Web: www.crra.org

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Connecticut Resources Recovery Authority
100 Constitution Plaza
Hartford, Connecticut 06103-1702
860.757.7771