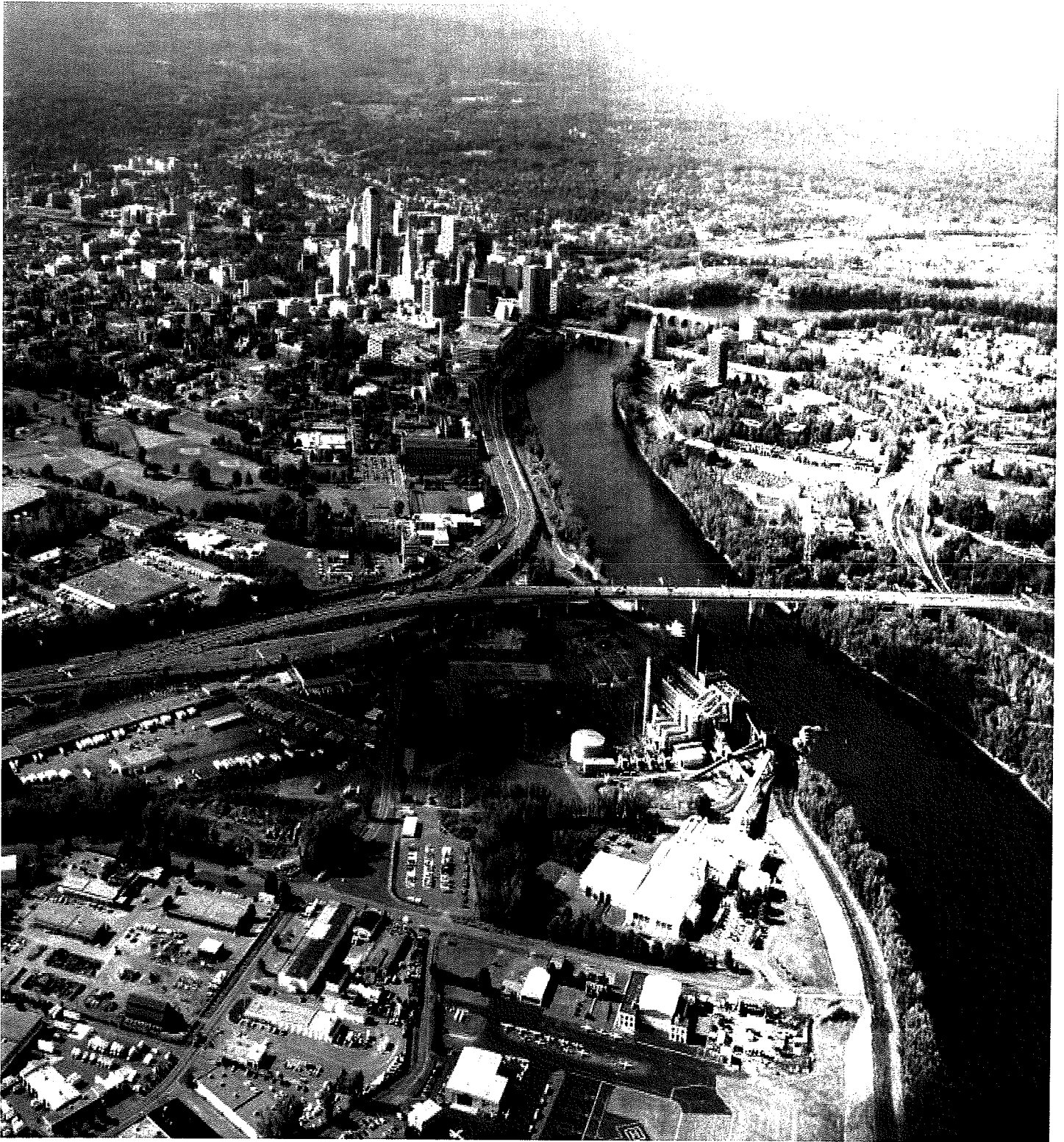


Connecticut Resources Recovery Authority

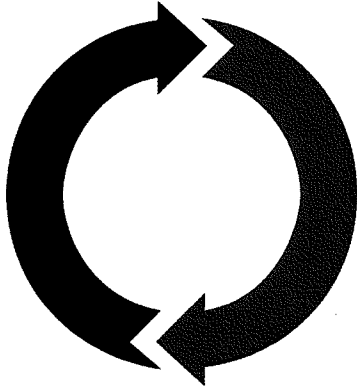
A Component Unit of the State of Connecticut

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010



Mid-Connecticut Project Facilities, Hartford, Connecticut



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

A Component Unit of the State of Connecticut

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2010

Submitted by:

James P. Bolduc
Chief Financial Officer

Nhan T. Vo-Le
Director of Accounting and Financial Reporting



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**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010**

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Introductory Section



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December 15, 2010

Board of Directors
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, CT 06103

We are pleased to present the Connecticut Resources Recovery Authority's (the "Authority") Comprehensive Annual Financial Report prepared for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by Bollam, Sheedy, Torani & Co. LLP, CPAs ("BST"), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority as of and for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements as of and for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE AUTHORITY

The Authority is a body politic and corporate, created in 1973 by an act of the Connecticut Legislature, and is a public instrumentality and political subdivision of the State of Connecticut (the "State"). The Authority is responsible for implementing solid waste disposal, recycling and resource recovery systems, facilities and services. Revenues generated by Authority operations, primarily disposal fees, energy and recycling revenues provide for the support of the Authority and its operations on a self-sustaining basis. The State provides no revenues to the Authority, and the Authority has no taxing power. In carrying out its mission, the Authority utilizes private industry to construct and operate solid waste disposal and resource recovery facilities. The Authority has executed contracts with the operators/contractors of the resource recovery facilities, regional recycling centers, transfer stations and landfills containing various terms and conditions expiring through November 2015. Generally, operating charges are derived from various factors such as tonnage processed, energy produced and certain pass-through operating costs. The Authority contracts with Connecticut member municipalities; non-member municipalities (spot waste); and commercial haulers to provide solid waste management services and charges fees for these services. The Authority is authorized to issue tax-exempt bonds and notes to finance its activities upon approval of the State Treasurer.

The Authority is governed by an eleven member Board of Directors ("Board"). In addition, two *ad hoc* directors are eligible to serve on the Board for each of the Authority's regional solid waste management projects. These *ad hoc* directors vote only on matters concerning the project they represent.

Solid Waste Management Systems

The Authority oversees three regional solid waste management projects, two divisions, and a General Fund, which together serve 101 Connecticut cities and towns. Each of these systems is described below:

Mid-Connecticut Project

The Mid-Connecticut Project consists of a 2,850 ton per day municipal solid waste ("MSW") / 2,030 ton per day refuse derived fuel resource recovery facility located in Hartford, Connecticut; a regional single stream recycling center; a network of four transfer stations; the Hartford Landfill¹; and the Ellington Landfill, which has been closed. The Mid-Connecticut Project serves 70 Connecticut municipalities in the greater Hartford area and around the State. The initial contracts with the municipalities begin to expire in November 2012.

The Mid-Connecticut resource recovery facility began commercial operation in October 1988 and generated power at an annual hourly average rate of 44.56 megawatts of electrical energy (net of in-plant usage) in fiscal year 2010.

¹ The Hartford Landfill accepted the last shipment of solid waste on December 31, 2008. The closure construction activities at the Hartford Landfill will be completed by the end of calendar year 2012.

Bridgeport Project

The Authority's contract with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

SouthWest Division

The Authority's contracts with the towns that delivered solid waste to the former Bridgeport Project expired on December 31, 2008. The Authority proposed a new solid waste agreement, which commenced on January 1, 2009, and 12 of the former Bridgeport Project towns accepted the Authority's terms and entered into a five-and-a-half-year (with one-year extension) solid waste disposal contract with the Authority for disposal of approximately 265,000 tons of MSW annually at the Wheelabrator facility located in Bridgeport. These 12 towns are collectively referred to as the SouthWest Division towns.

Property Division

The Property Division was created on January 1, 2009 to reflect the former Bridgeport Project assets that are no longer project-specific. These include numerous landfill post-closure reserves, the Shelton transfer station, and the Garbage Museum (located in Stratford). In addition, other landfill post-closure reserves related to the Wallingford and Mid-Connecticut Projects are anticipated to be transferred to the Property Division following the culmination of these two projects expected in July 2010 and July 2012, respectively.

Wallingford Project

The Wallingford Project consists of a 420 ton per day mass burn resource recovery facility located in Wallingford, Connecticut and the Wallingford Landfill, which has been closed. The ash residue from the resource recovery facility is disposed at a landfill under contract with a private operator. The Wallingford Project serves five Connecticut municipalities in New Haven County. The operating contract between the Authority and the contractor expired on June 30, 2010. The contract has a provision whereby the Authority can exercise an option to purchase the facility when the contract ends. The Authority did not exercise its option to purchase and the vendor now owns the facility. The Authority retained the right to deliver 25,000 tons per year of MSW.

The Wallingford facility began commercial operation in May 1989 and generated power at an annual hourly average rate of 6.61 megawatts of electrical energy (net of in-plant usage) in fiscal year 2010.

Southeast Project

The Southeast Project consists of a 690 ton per day mass burn resource recovery facility located in Preston, Connecticut and the Montville Landfill, which has been closed. The ash residue from the resource recovery facility is disposed of at an in-state landfill under contract with a private operator. The Southeast Project serves 14 Connecticut municipalities in the eastern portion of the State. The initial contracts with the municipalities expire in November 2015.

The Southeast facility began commercial operation in February 1992 and generated power at an annual hourly average rate of 15.73 megawatts of electrical energy (net of in-plant usage) in fiscal year 2010.

General Fund

In addition to the Authority's operating projects and divisions, the Authority maintains a General Fund in which the costs of central administration are accumulated.

Please refer to Note 1A in the "Notes to the Financial Statements" in the Financial Section of this report for additional information on the Authority's solid waste management systems.

THE AUTHORITY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Local Economy

The Authority's "local economy" entails the entire State. The Authority's solid waste management projects situated in Hartford, Preston, and Wallingford, serve the residents of 101 of the 169 municipalities of the State.

Connecticut is a highly developed and urbanized state. It is situated directly between the financial centers of Boston and New York. Connecticut is bordered by Long Island Sound, New York, Massachusetts and Rhode Island. More than one-quarter of the total population of the United States and more than 50% of the Canadian population live within 500 miles of the State.

The population of Connecticut in mid-2009 was estimated at 3,518,000. The State's population growth has slowed during the past three decades. The 2009 population density was 726 persons per square mile, compared with 87 for the United States as a whole.

Connecticut has an extensive network of expressways and major arterial highways that provide access to local and regional markets. The power grid that supplies electricity to the entire State is owned and operated by both private and municipal electrical companies. Transmission lines connect Connecticut with New York, New England and Canada. All investor owned electric utilities in the State are members of the New England Power Pool (operated by ISO New England) and operate as part of the regional bulk power system.

Connecticut has a high level of personal income; the historic average per capita income has consistently been among the highest in the nation. This is due to a concentration of relatively high paying manufacturing jobs along with a higher portion of residents working in the non-manufacturing sector in such areas as finance, insurance and real estate as well as educational services. A concentration of major corporate headquarters located within the State also contributes to the high level of income. Per capita income in 2008 was \$56,272 for Connecticut compared with \$40,194 for the nation. Per capita income in 1999 was \$38,718 for Connecticut compared with \$28,323 for the nation.

Major industries in the State include Manufacturing; Finance, Insurance and Real Estate; Utilities; Retail Trade; Professional, Business and Personal Services; and Government. In 2008, three industries – Services; Manufacturing; and Finance, Insurance and Real Estate (FIRE) – accounted for 69.5% of total Gross State Product² in Connecticut compared to 58.7% for the nation and was little changed from 68.4% in 1999. This demonstrates that Connecticut's economy is more heavily concentrated in a few industries than the nation as a whole and this concentration has changed little in recent years.

One important component of the manufacturing sector in Connecticut is the defense industry. Approximately one-quarter of the State's manufacturing employees are employed in defense-related businesses. This sector's significance in the State's economy has declined considerably since the early 1980s as there was a marked reduction in the amount of federal spending earmarked for defense related industries in the State. However, these amounts have been climbing since fiscal year 2001 and in fiscal year 2008, the State received \$9.7 billion of prime contract awards, which ranked the State eleventh in total defense dollars awarded and fourth in per capita dollars awarded nationwide. These increases were primarily due to the procurement of helicopters and submarines.

The State's unemployment rate has mirrored the economic recession of the early 1990s, the economic boom of the late 1990s and the slowdown during the recession of the early 2000s. The unemployment rate in the State reached its low of 2.3% in 2000, compared to New England's average of 2.8% and the national average of 4.0%. The current recession has seen the unemployment rate in Connecticut rise to 8.0% for 2009, compared with the New England average of 8.3% and the national average of 9.3% for the same time period.

Historically, as the State's economy has grown, so has the need for solid waste disposal capacity. The Connecticut Department of Environmental Protection ("CTDEP") adopted a revised State Solid Waste Management Plan ("SWMP") in December 2006 (please see "Solid Waste Management Plan" on pages xv and xvi). The SWMP recognizes that there is currently insufficient disposal capacity within Connecticut to manage the MSW generated, but the SWMP does not explicitly propose that additional capacity be installed. Instead, the SWMP sets an aggressive twenty-year diversion (recycling) and source reduction goal of 58% that, if met, will theoretically maintain the in-state disposal rate, and out-of-state export rate, at current levels.

² Gross State Product is the current market value of all final goods and services produced by labor and property located within the State of Connecticut. Source: State of Connecticut Special Tax Obligation Bonds, 2010 Series A, B & C dated October 28, 2010.

Major Initiatives

Low costs and low tip fee: It is the Board's objective to keep costs low and the tip fee as low as possible. During fiscal year 2009, the Board adopted the Mid-Connecticut Project tip fee of \$69 per ton for fiscal year 2010, a \$3 per ton decrease from the fiscal year 2009 adopted tip fee. In addition, the Board authorized the Authority to utilize its Mid-Connecticut Tip Fee Stabilization Reserve funds to offer a \$6 per ton subsidy to the Mid-Connecticut Project members to offset the fiscal year 2010 tip fee. The fiscal year 2010 tip fees of \$60 per ton for the Southeast and Wallingford projects and \$63 per ton for the SouthWest Division were unchanged from fiscal year 2009.

Hartford Landfill: Through the efforts of the Authority's management and member town persistence, the state legislature authorized \$13.0 million to be disbursed through the State Bond Commission to the Authority to assist with closure costs for the Hartford landfill, with \$3.0 million authorized for fiscal year 2008 and \$10.0 million authorized for fiscal year 2009. In March 2008, the State Bond Commission allocated \$3.0 million, which the Authority received in January 2009. In July 2010, the State Bond Commission allocated another \$5.0 million, which the Authority received in November 2010. Both amounts were deposited into the Hartford Landfill Post-Closure Reserve account to fund the Hartford landfill closure and post-closure costs that would otherwise be charged in the Mid-Connecticut Project tip fees.

The Hartford Landfill includes a lined ash area of approximately 18 acres and an adjacent MSW area of about 78 acres. Installation of a synthetic cap over the ash area on the northerly end of the site is complete. Installation of a synthetic cap over about 44 acres of the MSW area is expected to be completed in December 2010. The Authority anticipates issuing a public solicitation for the capping of the final 34 acres in February 2011, with construction beginning in the spring of 2011. Since closing of the Hartford Landfill in December 2008, the Mid-Connecticut Project has incurred substantial cost increases for transport and disposal of the non-processible waste, process residue, and ash residue to other privately-owned facilities. A new ash landfill in Connecticut would mitigate some of these costs.

Ash landfill initiative: The Authority is charged with providing solid waste management and disposal services for the benefit of the people and municipalities of the State. To provide such services, the Authority is given the responsibility and authority necessary to develop, own, and operate ash landfills required for the disposal of the residual ash from the operation of its trash-to-energy facilities. The Hartford Landfill, the last publicly owned and operated ash landfill in Connecticut, served for many years as the depository for ash from Authority operations, until, in the interests of environmental justice, the Authority closed it in December 2008. In August 2009, the Authority decided, based on clear indication from the State leaders, to suspend its efforts to develop an ash landfill in the State, and instead, focus on consideration of other environmentally sound options for long-term disposal of ash residue from its resource recovery facilities, including disposal at other in-state and out-of-state landfills and other options that the Authority finds beneficial.

Distributions to member towns: In November 2009, the Authority made an initial distribution of Bridgeport Project surplus funds to the former Bridgeport Project member towns based on the pro-rata of each town's average deliveries to the Bridgeport Project during the immediate past five years. The amount distributed was \$1,639,185.

The Wallingford Project officially ended on June 30, 2010. In November 2010, \$15,995,496 of surplus funds was distributed to the former Wallingford Project member towns based on a five-year weighted average of tons delivered during the immediate past five years.

Hauler settlements: During fiscal year 2010, the Authority settled with various hauling companies for diversion of waste from the Mid-Connecticut Project in violation of their contracts. As a result of the settlements, the Authority will receive a total of approximately \$8.4 million from the haulers as revenues for waste deliveries to the Mid-Connecticut facility through December 2012.

Capital projects: In September 2009, the Board authorized \$1.2 million and \$1.235 million of Authority Jets/Energy Generating Facility reserve funds to purchase a new jet fuel tank for the Mid-Connecticut Jet Turbine Facility and new boiler pressure parts for the Mid-Connecticut Power Block Facility, respectively. The new jet fuel tank will replace the existing tank that has experienced significant corrosion and is reaching the end of its service life. The new boiler pressure parts will maintain boiler availability and increase their capacity.

Debt refinancing: In August 1998, the Authority issued \$87,650,000 Resource Recovery Revenue Bonds (American Ref-Fuel Company of Southeastern Connecticut Project 1998 Series A Bonds) (of which \$9,755,000 was allocable to Authority purposes) with an average interest cost of 5.12%. On December 1, 2010, the Authority priced \$27,750,000 Resource Recovery Revenue Refunding Bonds (2010 Series A) to refund the 1998 Bonds in their entirety of approximately \$34.0 million. This refunding resulted in \$2.57 million in present value savings.

New contracts with haulers: The Authority has contracts with over 45 commercial waste haulers under which the haulers deliver MSW to the Mid-Connecticut Project facilities. Those contracts were due to expire on June 30, 2010. During fiscal year 2010, the Authority developed new hauler contracts which, for the first time, included minimum quarterly tonnage commitments and quarterly tonnage caps for the larger haulers. If a hauler delivers less than its minimum commitment, it is required to pay the Authority \$15 in the summer and \$30 in the winter for each ton that it is under its minimum commitment. If a hauler delivers more than its tonnage cap, it is required to pay the Authority a proportionate share of any expenses incurred by the Authority to export waste. After negotiations with many of the haulers, the parties agree to the new contracts. The cumulative minimum commitments contained in the agreements exceed 425,000 tons of MSW per year.

New facility operator procurement: The Authority's contract with the current operator of the Mid-Connecticut Waste Processing Facility ("WPF") expires in December 2011 and its contract with the current operator of the Power Block Facility/Energy Generating Facility ("PBF/EGF") expires in May 2012. During fiscal year 2010, the Authority issued a Request for Qualifications/Request for Bids and Proposals process to seek competitive bids for the operation and maintenance ("O&M") of the Mid-Connecticut facilities. The Authority issued the Request for Qualifications in September 2009 and received responses from five firms by the November

2010 deadline (the current operators were not required to submit responses). In May 2010, the Authority invited six of the firms to submit bids and/or proposals for O&M of the facilities with responses due in September 2010. It is the Authority's goal to select a single operator for the facilities and to complete the selection process and have the operator under contract by the end of December 2010.

New Municipal Service Agreement ("MSAs") for Mid-Connecticut Project: The Authority has MSAs with 70 municipalities for use of the Mid-Connecticut Project facilities. Under the MSAs, the municipalities commit to deliver their waste to the Authority and the Authority commits to disposal of the waste from the municipalities. Most of the MSAs expire in November 2012. During fiscal year 2010, the Authority developed a new MSA for consideration by the municipalities. The new MSA would take advantage of recent US Supreme Court decisions that permit municipalities to require that waste generated within their borders be sent to a designated facility so long as that facility is a publicly-owned facility. The Authority's facilities are publicly-owned facilities. In April 2010, the Authority sent a draft of the new MSA to member municipalities for their review and comment. The Authority received comments from 14 municipalities and two regional organizations. The Authority prepared a document responding to the comments and a revised draft of the new MSA and delivered it to the member municipalities in July 2010. The Authority's goal is to have municipalities execute the new MSAs by July 1, 2011.

Customer service: The Authority's mission is to work for and in the best interests of the municipalities it serves. To achieve its organizational mission, the Authority began a customer service initiative to provide quality customer service and mechanisms to reduce costs to create customer value during fiscal year 2010. This initiative includes examining the method the Authority conducts its business and identifying opportunities to improve efficiency and increase productivity.

This new initiative is in addition to the Authority's existing efforts to foster relationships with its participating cities and towns. In 2008, the Board created the Mid-Connecticut Project Municipal Advisory Committee, consisting of the chief executive or his/her designee of each of the 70 Mid-Connecticut Project cities and towns. Participants in the Committee's quarterly meetings have expressed their pleasure with this effort.

Education: Since 1993, the Authority has provided award-winning education programs with its Trash Museum located in Hartford and its Garbage Museum located in Stratford. More than 680,000 people have participated in the Authority's education programs through both Museums. In 2010, the Museums had their busiest summer ever, with 8,855 participants in July and August.

Long-Term Service Planning

The contractual life of the Authority's projects (the term of the MSAs, power contracts, operating contracts and project bonds) started to expire in 2008. The Authority continues to evaluate how solid waste services will be provided to Connecticut municipalities beyond the term of the existing projects. The Authority's management has been conducting meetings with its member cities and towns to discuss long-term planning with regard to solid waste flow. As required by State Statute, Future Planning Committees were created for the Bridgeport, Mid-

Connecticut, and Wallingford Projects to participate in the discussion of the future options for the member cities and towns. In addition, the Board is in the process of developing long-term strategic plans designed to determine the future course for the Authority's projects and, concurrently, plan ways to manage the State's solid waste disposal and recycling needs for decades to come in conjunction with the CTDEP's new SWMP (please see "Solid Waste Management Plan" on pages xv and xvi).

Long-Term Financial Planning

In light of the upcoming expiration of the existing project contracts, the Authority is reviewing the financial condition of each of its projects to ensure adequate funds are set aside to cover each project's long-term financial obligations, which includes, but is not limited to, closure and post-closure costs associated with the landfills. During fiscal years 2008 and 2009, many of the landfill closure and post-closure cost estimates were adjusted due to: (1) the assumption by the Authority of the responsibility of all closure and post-closure care costs and (2) market interest rate decreases and consumer price index changes associated with the global economic recession. The Authority increased its contribution for several of the landfills for projected reserve shortfalls in administration costs, including estimated annual premiums for pollution liability insurance as well as post-closure monitoring and maintenance costs. In addition, the Authority is evaluating its financial plan in conjunction with its strategic plan and the CTDEP's new SWMP.

Market Competitive Tip Fees

The Authority establishes tip fees at the Mid-Connecticut and Southeast projects on a net cost of operations basis. In addition, the Authority has a set disposal and administrative fee at the SouthWest Division, which escalates based on pre-determined indices. Furthermore, it has to be cognizant of pressures on deliveries from competitive market tip fees. The Authority balances these factors by implementing cost control initiatives and enhancing revenue streams. Furthermore, the Authority has been successful in its efforts to defease outstanding bonds of its Mid-Connecticut Project.

The Authority expects the Mid-Connecticut Project operating costs to increase as a result of the closing of the Hartford Landfill. Because of the new solid waste delivery agreement, which began January 1, 2009, between the Authority and Wheelabrator, the Authority anticipates the SouthWest Division to have stable tip fees for the upcoming fiscal year. The Authority, along with the Southeastern Connecticut Regional Resources Recovery Authority and the Wallingford Policy Board, have had stable tip fees at the Southeast and Wallingford projects, respectively.

Solid Waste Management Plan

In December 2006, the CTDEP completed an amendment of the State's SWMP. It replaced the SWMP that was adopted in 1991. The CTDEP is required by State Statute to prepare and adopt the SWMP. In preparing the SWMP, the CTDEP adopted a twenty-year planning horizon for the SWMP. The SWMP sets out three goals: 1) significantly reduce the amount of Connecticut-generated solid waste requiring disposal through increased source reduction, reuse, recycling, and composting; 2) manage the solid waste that ultimately must be disposed in an efficient, equitable, and environmentally protective manner, consistent with the statutory solid waste

hierarchy; and 3) adopt stable, long-term funding mechanisms that provide sufficient revenue for State, regional, and local programs while providing incentives for increased waste reduction and diversion. The statutory hierarchy for managing solid waste, in descending order from the most to the least preferable, is as follows:

- Source reduction
- Recycling
- Composting of yard waste or vegetable matter
- Bulky waste recycling
- Resource recovery or waste-to-energy plants
- Incineration and landfilling

The SWMP establishes a target of 58% MSW disposal diversion by fiscal year 2024, an increase of approximately 28% from the current MSW diversion rate. The SWMP includes over 75 strategies to be implemented by a variety of entities to achieve this goal.

The Authority developed the Annual Plan of Operations (the “Plan”) in conjunction with the fiscal year 2009 budget development process during late fall/early winter 2007, incorporating certain components for the then-current fiscal year 2008. In January 2008, the Board authorized management to submit the Plan for fiscal years 2008 and 2009 to the CTDEP. By correspondence dated July 15, 2008, the Authority received a response from CTDEP, which advised the Authority that it cannot approve the Plan as submitted without further clarification by the Authority of several matters discussed in the Plan. The Authority has responded to these questions and submitted the response to the DEP in December 2008. Upon receiving final DEP concurrence that the Plan is consistent with the SWMP, the Plan will then be brought before the Board for adoption. On January 26, 2010, the Authority sent a letter to the DEP requesting a meeting to discuss what additional information DEP needs in order to approve the Plan. Currently, the Authority is awaiting a response from the DEP.

CERTIFICATE OF ACHIEVEMENT


The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Connecticut Resources Recovery Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the seventeenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Authority must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

We would like to express our gratitude to the many employees whose dedication and support contributed to the production of this report. We also appreciate the assistance and dedication of the audit team from BST. Finally, we would like to thank the Board for their interest and support in planning and conducting the Authority's finances and operations.

Respectfully Submitted,



James P. Bolduc
Chief Financial Officer



Nhan T. Vo-Le
Director of Accounting and Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut Resources Recovery Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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

Board of Directors and Executive Management As of June 30, 2010

Directors

The Honorable Michael A. Pace, Chairman

Louis J. Auletta

David B. Damer

The Honorable Timothy Griswold

The Honorable Michael J. Jarjura

Dot Kelly

The Honorable Mark A. Lauretti

Theodore H. Martland

The Honorable Nicolas H. Mullane, Jr.

Vacancy

Vacancy

Ad Hoc Directors

Mid-Connecticut Project

Steve Wawruck, Jr.

Vacancy

Bridgeport Project

Stephen Edwards

Mark Tillinger

Wallingford Project

Warren C. Howe, Jr.

Geno J. Zandri, Jr.

Southeast Project

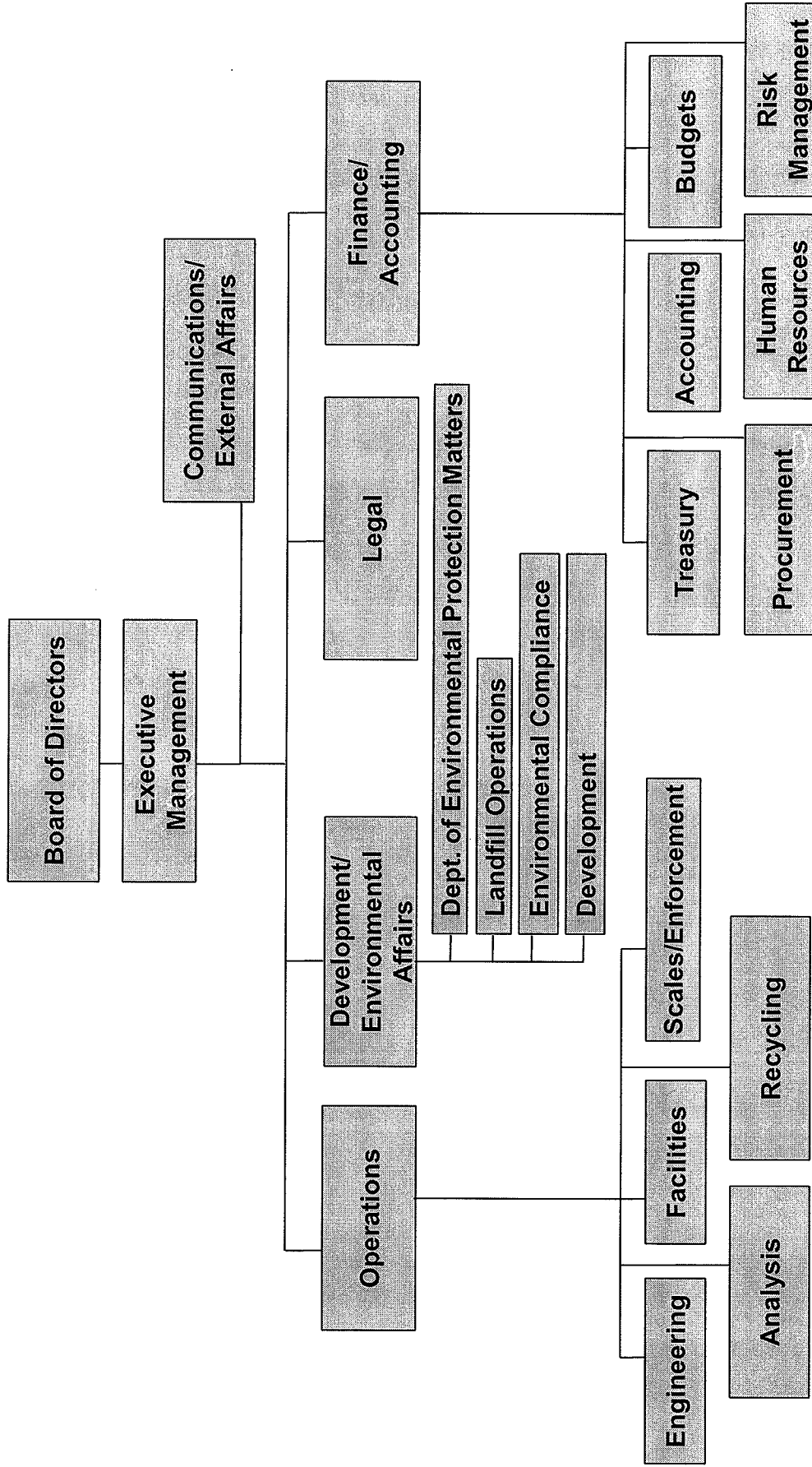
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Executive Management

Thomas D. Kirk, President

Connecticut Resources Recovery Authority - Organization Chart



Financial Section



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BOLLAM, SHEEDY, TORANI & CO. LLP
Certified Public Accountants
New York, New York

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Connecticut Resources Recovery Authority
Hartford, Connecticut

We have audited the accompanying balance sheets of the Connecticut Resources Recovery Authority (Authority), a component unit of the State of Connecticut, as of June 30, 2010 and 2009, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the years 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 29, 2010, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Management's Discussion and Analysis and supplemental information on pages 3 through 21 and 47 through 53, respectively, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Introductory Section, pages vii through xx, and the Statistical Section, pages 57 through 87 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audits of the 2010 and 2009 basic financial statements and, accordingly, we express no opinion on them.

Bollam Sheedy Torani & Co LLP

New York, New York
December 22, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the Connecticut Resources Recovery Authority's (the "Authority") activities and financial performance provides an introduction to the audited financial statements for the fiscal years ended June 30, 2010 and 2009. Following the MD&A are the basic financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

FINANCIAL POSITION SUMMARY

The Authority's fiscal year 2010 total assets decreased by \$25.2 million or 7.5% from fiscal year 2009 and total liabilities decreased by \$16.3 million or 15.3%. Total assets exceeded total liabilities by \$217.8 million as of June 30, 2010 as compared to \$226.7 million as of June 30, 2009 or a net decrease of \$8.9 million.

The fiscal year 2009 total assets decreased by \$26.3 million or 7.3% from fiscal year 2008 and total liabilities decreased by \$3.4 million or 3.1%. Total assets exceeded total liabilities by \$226.7 million as of June 30, 2009 as compared to \$249.5 million as of June 30, 2008, or a net decrease of \$22.8 million.

BALANCE SHEETS

As of June 30,
(In Thousands)

	2010	2009	2008
ASSETS			
Current unrestricted assets	\$ 106,616	\$ 123,081	\$ 133,044
Current restricted assets	46,410	28,639	37,409
Total current assets	<u>153,026</u>	<u>151,720</u>	<u>170,453</u>
Non-current assets:			
Restricted cash and cash equivalents	22,434	33,390	36,472
Restricted investments	817	817	809
Capital assets, net	129,521	144,559	148,216
Development and bond issuance costs, net	2,727	3,190	3,978
Total non-current assets	<u>155,499</u>	<u>181,956</u>	<u>189,475</u>
TOTAL ASSETS	<u>\$ 308,525</u>	<u>\$ 333,676</u>	<u>\$ 359,928</u>
LIABILITIES			
Current liabilities	\$ 33,776	\$ 37,659	\$ 40,607
Long-term liabilities	56,906	69,356	69,849
TOTAL LIABILITIES	<u>90,682</u>	<u>107,015</u>	<u>110,456</u>
NET ASSETS			
Invested in capital assets, net of related debt	120,895	133,360	135,575
Restricted	37,015	36,646	45,876
Unrestricted	59,933	56,655	68,021
Total net assets	<u>217,843</u>	<u>226,661</u>	<u>249,472</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 308,525</u>	<u>\$ 333,676</u>	<u>\$ 359,928</u>



FINANCIAL HIGHLIGHTS

The following is an overview of significant changes within the Balance Sheets as of June 30, 2010 and 2009:

ASSETS

Current unrestricted assets decreased by \$16.5 million or 13.4% from fiscal year 2009, which decreased by \$10.0 million or 7.5% over fiscal year 2008. The fiscal year 2010 decrease is primarily due to:

- Unrestricted cash and cash equivalents decreased by \$18.9 million. This occurred primarily due to:
 - Payments of \$13.2 million for closure costs at the Hartford landfill, equipment purchases and plant improvements at the Mid-Connecticut Waste Processing and Power Block Facilities; fiscal year 2009 service fee at the Southeast Project; various capital expenditures at the Energy Generating Facility; costs associated with the landfill development; post-closure costs at the Shelton landfill; and a claim in connection with a Mid-Connecticut operator; and
 - A transfer of \$5.7 million to the Property Division non-current restricted Post-closure Trust Fund as a result of a new Stewardship Permit at the Shelton Landfill; and
 - A \$3.5 million transfer of funds, net to the Mid-Connecticut Project current restricted Revenue Fund account for credit to the Mid-Connecticut Project members to offset the fiscal year 2010 adopted tip fee of \$69 per ton of solid waste delivered; and
 - A \$1.6 million distribution of Bridgeport Project-related funds to the former Bridgeport Project town members; and
 - Higher disbursement of funds for goods and services received at the Mid-Connecticut Project (\$1.5 million); and
 - Lower transfer of funds from the Mid-Connecticut current restricted Revenue Fund account for operating activities due to timing (\$1.1 million); and
 - A transfer of \$500,000 to the Authority's current restricted Escrow Account in accordance with the Connecticut Transfer Act for the conveyance of the Wallingford Resource Recovery Facility to the Covanta Projects of Wallingford, LP.; partially offset by:
 - Contributions toward operating cash requirements of \$4.4 million at the Mid-Connecticut Project for monitoring and maintenance of the Hartford and Ellington landfills post-closure care costs and capital expenditures at the Mid-Connecticut Project facilities; and
 - A \$1.7 million transfer of funds from the Wallingford Project non-current restricted assets to stabilize the project fiscal year 2010 tip fee of \$60 per ton; and
 - A \$1.2 million transfer of funds from the Mid-Connecticut Project non-current restricted assets for a purchase of a new jet fuel tank at the Mid-Connecticut Jet Turbine Facility scheduled in fiscal year 2011; and



- A receipt of \$495,000 settlement funds (net of attorneys' fees and costs of litigation of \$55,000) at the Mid-Connecticut Project as a result of an Enron-related lawsuit settlement.
- Accounts receivable, net increased by \$2.9 million as a result of the following:
 - Increased accounts receivable at the Mid-Connecticut Project. This increase reflects an increase in miscellaneous receivables as a result of a \$5.0 million State grant receivable from the Connecticut Department of Environmental Protection ("CTDEP") as reimbursement of additional costs previously incurred by the Authority in the closure of the Hartford Landfill; partially offset by a decrease in service payment receivables as a result of the credit to the Mid-Connecticut Project town members and improved collection in other miscellaneous receivables; and
 - Decreased accounts receivable at the Wallingford Project due to decreases in electricity generation and contract rates.
- Prepaid expenses decreased by \$645,000, reflecting payments to vendors for insurance expenses and payments in lieu of taxes ("PILOT") that are applicable to future accounting periods. These payments are recorded as prepaid items as of June 30, 2010.

The fiscal year 2009 decrease was primarily due to:

- A \$26.7 million distribution of Wallingford Project reserves to the Wallingford Project member towns; and
- Payments of \$19.0 million for the design, upgrade, and retrofit of the Mid-Connecticut Regional Recycling Center, equipment purchases, and plant improvements at the Mid-Connecticut Waste Processing Facility and Power Block Facility, closure costs at the Hartford landfill, costs associated with the purchase option for the Wallingford plant, and landfill development; and
- Decreased accounts receivable, net of \$2.5 million at the Bridgeport Project due to the Bridgeport Project municipal service agreements ("MSA") with the towns terminating on December 31, 2008; offset by:
 - Contributions toward operating cash requirements for a total of \$22.7 million at the Bridgeport Project (\$1.6 million), Mid-Connecticut Project (\$17.5 million), and Wallingford Project (\$3.6 million) for specific purposes; and
 - Increased operating cash balance of \$5.4 million mainly due to timely transfers of funds from the Mid-Connecticut restricted Revenue Fund account for operating activities and an increase in tipping fees enacted at the Bridgeport, Mid-Connecticut, and Wallingford Projects; and
 - Settlement funds of \$3.5 million (net of attorneys' fees and costs of litigation) at the Mid-Connecticut Project as a result of a litigation-related settlement; and
 - A \$3.0 million grant received from the CTDEP in January 2009 as reimbursement of costs previously incurred by the Authority in the closure of the Hartford landfill; and
 - Interest earned on current unrestricted cash and cash equivalents of \$1.8 million; and
 - A \$1.2 million transfer of funds from the Bridgeport Project current restricted assets as a result of the bonds maturities in January 2009.



Current restricted assets increased by \$17.8 million or 62.1% from fiscal year 2009, which decreased by \$8.8 million or 23.4% from fiscal year 2008. The fiscal year 2010 increase is primarily due to:

- A reclass of \$14.4 million from the non-current restricted Wallingford Tip Fee Stabilization Fund as a result of the Wallingford Project expiration with the town members and operator as of June 30, 2010; and
- The transfer of \$500,000 from the Authority's current unrestricted Risk Fund to the Authority's current restricted Escrow Account in accordance with the Connecticut Transfer Act for the conveyance of the Wallingford Resource Recovery Facility to the Covanta Projects of Wallingford, LP.; and
- Contributions toward reserve requirements of \$500,000 at the Mid-Connecticut Project for recycling education program and Southeast Project for monitoring and maintenance of the Montville landfill post-closure care costs ; and
- Revenue Fund account balance at the Mid-Connecticut Project increased by \$5.0 million. This increase is attributable to the following:
 - The impact of lower debt service transfer during fiscal year 2010 as a result of the fiscal year 2009 debt service transfer in advance resulting from the indenture rate covenant calculation; and
 - The transfer of funds from the Mid-Connecticut Project current unrestricted Debt Service Stabilization Fund for credit to the Mid-Connecticut Project members to offset the fiscal year 2010 adopted tip fee of \$69 per ton of solid waste delivered; and
 - The impact of lower transfers of funds to the Mid-Connecticut unrestricted Operating Fund for operating activities due to timing; partially offset by:
- Debt Service Fund balances at the Mid-Connecticut and Southeast Projects decreased by \$2.9 million as a result of regular principal and interest payments due on Authority bonds in November 2009 and May 2010; which is partially offset by additional debt service deposits for regular principal payments due in November 2010.

The fiscal year 2009 decrease was primarily due to:

- Revenue Fund account balances at two projects decreased by a total of \$7.8 million; the Mid-Connecticut Project (\$5.7 million) and the Wallingford Project (\$2.1 million). The decrease at the Mid-Connecticut Project is mainly due to the timely transfers of funds to the Mid-Connecticut unrestricted assets for operating activities. The decrease at the Wallingford Project is due to decreases in electricity generation and contract rates; and
- The \$1.2 million transfer of funds to the Bridgeport Project current unrestricted assets as the result of the bonds maturities in January 2009; offset by:
- Interest earned on current restricted assets of \$0.7 million.

Non-current assets decreased by \$26.5 million or 14.5% from fiscal year 2009, which decreased by \$7.5 million or 4.0% from fiscal year 2008. The fiscal year 2010 decrease occurred primarily due to:



- Restricted cash and cash equivalents decreased by \$11.0 million. This decrease reflects a combination of the following:
 - The reclass of \$14.4 million to the Wallingford Project current restricted assets as the result of the Wallingford Project expiration with the town members and operator as of June 30, 2010; and
 - The \$1.2 million transfer of funds to the Mid-Connecticut Project current unrestricted Facility Modifications Fund for the purchase of a new jet fuel tank at the Mid-Connecticut Jet Turbine Facility scheduled in fiscal year 2011; and
 - The \$1.7 million transfer of funds to the Wallingford Project current unrestricted Operating Fund for stabilizing the project fiscal year 2010 tip fee of \$60 per ton; partially offset by:
 - The transfer of \$5.7 million from the Property Division current unrestricted Post-closure Fund to establish the Shelton Landfill Post-closure Trust Fund as a result of the new Stewardship Permit; and
 - A \$1.1 million contribution toward reserve cash requirement.
- Capital assets – depreciable, net decreased by \$5.0 million due to a \$16.8 million of depreciation expense, offset by \$1.3 million in plant improvements and equipment purchases and a reclass of \$10.5 million in construction in progress from the nondepreciable capital assets.
- Capital assets – nondepreciable decreased by \$10.0 million due to the reclass of \$10.5 million in construction in progress to the depreciable capital assets, net and a write-off of \$1.6 million in deferred acquisition costs in association with the licensing and development of the Franklin landfill as a result of the suspension of landfill development in the State of Connecticut; partially offset by an increase of \$2.1 million in construction in progress.
- Development and bond issuance costs, net decreased by \$463,000 due to amortization expense.

The fiscal year 2009 decrease was primarily due to:

- Payments of \$3.3 million for two gas turbines and the rebuild of a turbine at the Energy Generating Facility; and
- Decreased capital assets, net of \$3.6 million due to \$16.6 million of depreciation expense and a \$2.4 million loss on a write-off of assets that were transferred to certain Bridgeport Project member towns on January 1, 2009; offset by \$15.7 million in plant improvements, equipment purchases, construction in progress, and deferred acquisition costs; and
- Decreased development and bond issuance costs, net of \$0.8 million due to amortization expense.



LIABILITIES

Current liabilities decreased by \$3.9 million or 10.3% compared to fiscal year 2009, which decreased by \$2.9 million or 7.3% compared to fiscal year 2008. The fiscal year 2010 decrease from 2009 is primarily due to:

- An \$861,000 decrease in net current portion of landfill closure and post-closure care mainly due to lower costs anticipated to be incurred at the Hartford Landfill within the next twelve months; and
- A \$3.3 million decrease in accounts payable and accrued expenses due to a lower accrued expenses balance at the Bridgeport, Mid-Connecticut, and Wallingford Projects.

The fiscal year 2009 decrease from 2008 was primarily due to:

- A decrease in net current portion of closure and post-closure care of landfills of \$1.1 million as a result of lower costs anticipated to be incurred at the Hartford and Waterbury landfills within the next twelve months; and
- A decrease in accounts payable and accrued expenses of \$3.0 million due to lower accrued expenses balance at the Bridgeport Project as a result of the closure of the Bridgeport Project on December 31, 2008; partially offset by higher accrued expenses balance at the Southeast Project; offset by:
- An increase in current portion of bonds payable, net of \$1.1 million as a result of the resumption of principal payments for the Mid-Connecticut 1996 Series A Bonds scheduled in November 2009; partially offset by the three bond issues maturing during fiscal year 2009: Bridgeport Project Refinancing Bonds 1999 Series A, Bridgeport Refinancing Bonds 2000 Series A, and Wallingford Project Refinancing Bonds 1998 Series A.

Long-term liabilities decreased by \$12.5 million or 18.0% compared to fiscal year 2009, which decreased by \$490,000 or 0.7% compared to fiscal year 2008. The fiscal year 2010 decrease is primarily due to:

- Decreased bonds payable, net of \$4.3 million due to regular principal payment due on Authority bonds in November 2009; and
- Decreased landfill closure and post-closure care of \$8.0 million. This occurred due to a \$6.4 million reduction in the long-term liability accounts as a result of payments for closure and post-closure care costs and a \$2.5 million decrease in projected costs at the Ellington, Hartford, Shelton, Wallingford, and Waterbury landfills; partially offset by the impact of lower current portion of closure and post-closure care costs of \$861,000. The decrease in projected costs is a combination of the following:
 - Hartford Landfill: Fiscal year 2010 actual expenditures were less than estimated; and
 - Shelton Landfill:
 - Estimated cost for permit fees was decreased as a result of the Stewardship Permit; and
 - Certain other estimated costs were decreased based on improved maintenance and operating for the gas system and re-analysis of costs required; and



- Wallingford Landfill:
 - Certain estimated costs were decreased as a result of the Stewardship Permit.

The fiscal year 2009 decrease from 2008 was due to:

- Decreased bonds payable, net of \$4.0 million due to regular principal payments on Authority bonds and the three bond issues maturing during fiscal year 2009: Bridgeport Project Refinancing Bonds 1999 Series A, Bridgeport Refinancing Bonds 2000 Series A, and Wallingford Project Refinancing Bonds 1998 Series A; offset by:
- Increased landfill closure and post-closure care of \$3.7 million due to:
 - Increased projected costs of \$10.0 million. This increase is due to increased post-closure monitoring and maintenance costs at the Ellington, Hartford, Shelton, and Wallingford landfills and increased pollution legal liability insurance at the Shelton landfill; and
 - Increased estimated total current costs of \$1.3 million at the Hartford landfill due to an increase in the Hartford landfill capacity used; and
 - Lower current portion of closure and post-closure care costs of \$1.1 million; offset by:
 - A reduction of \$7.9 million in the long-term liability accounts as a result of payments for closure and post-closure care costs at the Ellington, Hartford, Shelton, Wallingford, and Waterbury landfills; and
 - Decreased projected costs of \$770,000 at the Waterbury landfill due to lower actual closure costs and a decrease in the estimated cost for pollution legal liability insurance.



SUMMARY OF OPERATIONS AND CHANGES IN NET ASSETS

Net assets may serve over time as a useful indicator of the Authority’s financial position.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Fiscal Years Ended June 30,
(In Thousands)

	2010	2009	2008
Operating revenues	\$ 138,122	\$ 171,703	\$ 189,988
Operating expenses	135,011	183,553	170,954
Income (loss) before depreciation and amortization and other non-operating revenues and (expenses)	3,111	(11,850)	19,034
Depreciation and amortization	17,292	17,398	18,184
Income (loss) before other non-operating revenues and (expenses), net	(14,181)	(29,248)	850
Non-operating revenues, net	5,363	6,437	9,851
Change in net assets	(8,818)	(22,811)	10,701
Total net assets, beginning of year	226,661	249,472	238,771
Total net assets, end of year	\$ 217,843	\$ 226,661	\$ 249,472

Operating revenues decreased by \$33.6 million or 19.6% during fiscal year 2010 from fiscal year 2009 and decreased by \$18.3 million or 9.6% during fiscal year 2009 from fiscal year 2008. The fiscal year 2010 decrease is primarily due to a \$12.9 million decrease in member service charges, a \$9.2 million decrease in other service charges, a \$5.4 million decrease in energy sales, a \$2.5 million decrease in ash disposal reimbursement, and a \$3.6 million decrease in other operating revenues.

The fiscal year 2009 decrease was primarily due to a \$15.7 million decrease in member and contract service charges, a \$2.2 million decrease in ash disposal reimbursement, and a \$511,000 decrease in other operating revenues.

Operating expenses decreased by \$48.5 million or 26.4% during fiscal year 2010 primarily due to a \$25.0 million decrease in distribution to member towns, a \$13.0 million decrease in landfill closure and post-closure care costs, a \$9.5 million decrease in solid waste operations, a \$1.6 million decrease in General and Administrative services, and an \$865,000 decrease in legal services – external; partially offset by an \$805,000 increase in Operational and Environmental services.

Operating expenses increased by \$12.6 million or 7.4% during fiscal year 2009 primarily due to a \$26.7 million distribution to the Wallingford Project member towns and a \$5.4 million increase in landfill closure and post-closure care costs, offset by a \$16.9 million decrease in solid waste operations and a \$2.7 million decrease in maintenance and utilities.

Depreciation and amortization remained relatively flat, decreasing by \$106,000 or 0.6% during fiscal year 2010. During fiscal year 2009, depreciation and amortization decreased by \$786,000



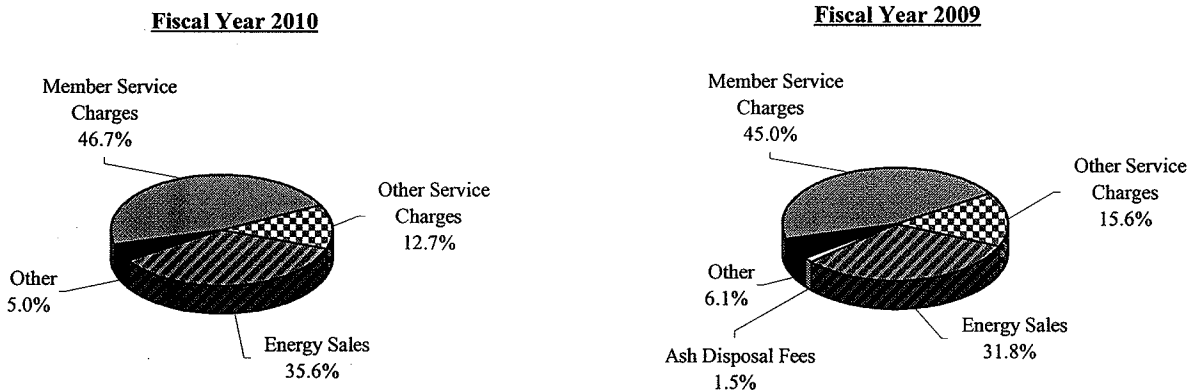
or 4.3%. The fiscal year 2009 decrease was primarily due to the transfers of the Bridgeport Project assets to the towns on January 1, 2009, and other fully depreciated assets.

Non-operating revenues, net decreased by \$1.1 million during fiscal year 2010 primarily due to a \$2.3 million decrease in investment income and a \$4.3 million decrease in litigation-related settlement income resulting from various Enron-related lawsuits during fiscal year 2009; partially offset by the \$5.0 million State grant as reimbursement of additional costs previously incurred by the Authority in the closure of the Hartford Landfill.

Non-operating revenues, net decreased by \$3.4 million during fiscal year 2009 primarily due to the loss on the transfers of the Bridgeport Project assets to the towns, and decreased investment income, which is partially offset by the \$3.0 million State grant as reimbursement of costs previously incurred by the Authority in the closure of the Hartford landfill.

SUMMARY OF OPERATING REVENUES

The following charts show the major sources and the percentage of operating revenues for the fiscal years ended June 30, 2010 and 2009:



During fiscal year 2010, Solid Waste tipping fees (member service and other service charges) account for 59.4% of the Authority’s operating revenues. Energy sales make up another 35.6% of operating revenues. During fiscal year 2009, Solid Waste tipping fees (member service and other service charges) plus ash disposal reimbursement account for 62.1% of the Authority’s operating revenues. Energy sales make up another 31.8% of operating revenues.



A summary of operating revenues and non-operating revenues, and the amount and percentage of change in relation to the immediate prior two fiscal years is as follows:

SUMMARY OF OPERATING AND NON-OPERATING REVENUES
Fiscal Years Ended June 30,
(In Thousands)

	2010	2009	2010 Increase/ (Decrease) from 2009	2010 Percent Increase/ (Decrease)	2008	2009 Increase/ (Decrease) from 2008	2009 Percent Increase/ (Decrease)
Operating Revenues:							
Member service charges	\$ 64,393	\$ 77,236	\$ (12,843)	(16.6%)	\$ 86,455	\$ (9,219)	(10.7%)
Other service charges	17,597	26,838	(9,241)	(34.4%)	33,308	(6,470)	(19.4%)
Energy sales	49,203	54,568	(5,365)	(9.8%)	54,460	108	0.2%
Ash disposal reimbursement	-	2,511	(2,511)	(100.0%)	4,704	(2,193)	(46.6%)
Other operating revenues	6,929	10,550	(3,621)	(34.3%)	11,061	(511)	(4.6%)
Total Operating Revenues	138,122	171,703	(33,581)	(19.6%)	189,988	(18,285)	(9.6%)
Non-Operating Revenues:							
Litigation-related settlements	-	4,250	(4,250)	(100.0%)	4,745	(495)	(10.4%)
Investment income	556	2,818	(2,262)	(80.3%)	7,208	(4,390)	(60.9%)
Other income	5,912	3,871	2,041	52.7%	292	3,579	1225.7%
Total Non-Operating Revenues	6,468	10,939	(4,471)	(40.9%)	12,245	(1,306)	(10.7%)
TOTAL	\$ 144,590	\$ 182,642	\$ (38,052)	(20.8%)	\$ 202,233	\$ (19,591)	(9.7%)

Overall, fiscal year 2010 total revenues decreased by \$38.1 million or 20.8% from fiscal year 2009. Fiscal year 2009 total revenues decreased by \$19.6 million or 9.7% from fiscal year 2008. The following discusses the major changes in operating and non-operating revenues of the Authority:

- Member service charges decreased by \$12.8 million and \$9.2 million in fiscal years 2010 and 2009, respectively. The fiscal year 2010 decrease is primarily due to an \$18.7 million decrease in member revenues at the Bridgeport Project as a result of the closure of the Bridgeport Project as of December 31, 2008, a \$2.3 million decrease in member revenues at the Mid-Connecticut Project as a result of the credit to the Mid-Connecticut Project members, which is partially offset by an \$8.0 million increase in member revenues at the SouthWest Division as a result of the commencement of operations at the Wheelabrator Bridgeport Facility since January 2009. The fiscal year 2009 decrease was primarily due to the closure of the Bridgeport Project, lower member deliveries at the Mid-Connecticut and Southeast Projects; partially offset by an increase in member revenues at the SouthWest Division.
- Other service charges to both contract towns and spot waste haulers decreased by \$9.2 million and \$6.5 million in fiscal years 2010 and 2009, respectively. The fiscal year 2010 decrease is primarily at the Bridgeport and Mid-Connecticut Projects. The \$7.6 million decrease at the Bridgeport Project is due to the closure of the project. The \$1.6 million decrease at the Mid-Connecticut Project is mainly as a result of the credit to the Mid-Connecticut Project members. The fiscal year 2009 decrease was primarily due to the closure of the Bridgeport Project as of December 31, 2008, and lower contract deliveries



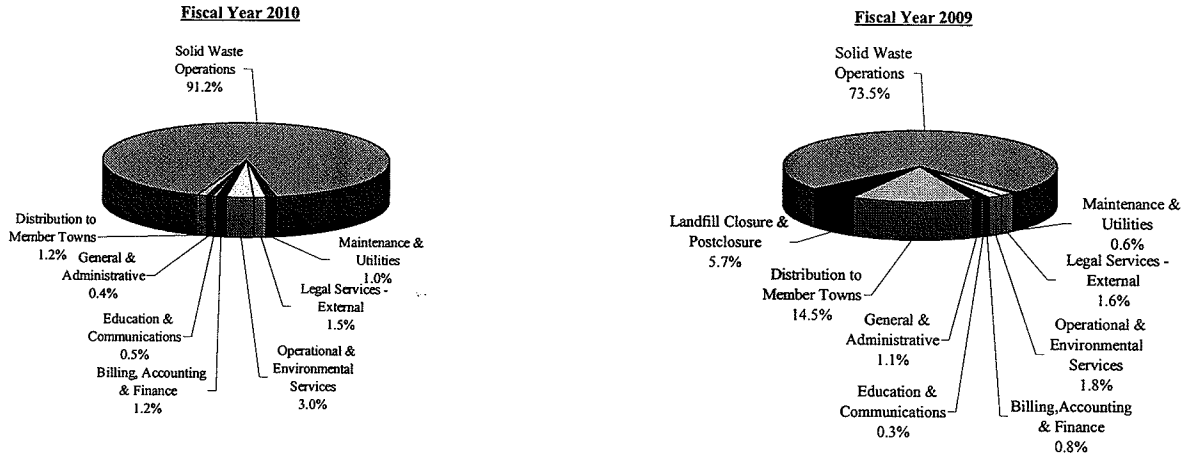
at the Southeast Project; which is partially offset by increased contract deliveries at the Mid-Connecticut Project and increased spot waste deliveries at the Southeast Project.

- Energy sales decreased by \$5.4 million during fiscal year 2010 and slightly increased by \$108,000 in fiscal year 2009. The fiscal year 2010 decrease is due to a \$5.9 million decreased energy sales at the Wallingford Project as a result of decreases in electricity generation and contract rates and a \$500,000 decreased energy sales at the Mid-Connecticut Project as a result of major outages, which is offset by a \$1.0 million increased energy sales at the Southeast Project as a result of higher electricity generation. The fiscal year 2009 increase was due to increased contract electricity rates received for the first 250 million kilowatts generated at the Mid-Connecticut Project; partially offset by a decrease in electricity revenue received at the Wallingford Project due to decreases in electricity generation and contract rates.
- Ash disposal reimbursement decreased by \$2.5 million and \$2.2 million in fiscal years 2010 and 2009, respectively. Both of the fiscal years 2010 and 2009 decreases are due to the closure of the Bridgeport Project as of December 31, 2008.
- Other operating revenues decreased by \$3.6 million and \$511,000 in fiscal years 2010 and 2009, respectively. The fiscal year 2010 decrease is due to a \$2.6 million decrease in other operating revenues at the Bridgeport Project as a result of the closure of the Bridgeport Project, a \$1.9 million decrease in commercial bulky waste and DEP certified materials at the Mid-Connecticut Project; which is partially offset by a \$1.0 million increase in other operating revenues at the Property Division as a result of the creation of the Property Division to reflect certain transactions that used to be accounted for under the Bridgeport Project. The fiscal year 2009 decrease was due to decreased recycling sales.
- Litigation-related settlements: There were no litigation-related settlements during fiscal year 2010. Litigation-related settlements of \$4.3 million during fiscal year 2009 represent settlements of various Enron-related lawsuits.
- Investment income decreased by \$2.3 million from fiscal year 2009 to 2010 and \$4.4 million from fiscal year 2008 to 2009. The fiscal year 2010 decrease is mainly due to lower reserve balances due to the utilization of certain operating cash and reserves for the distributions of funds to the Wallingford Project town members in April 2009 and the former Bridgeport Project town members in November 2009. In addition, continued low interest rates resulting from the overall global recession and depressed market conditions is also attributable to the decrease in investment income in fiscal year 2010. The fiscal year 2009 decrease was mainly due to lower interest rate resulting from the overall global recession and depressed market conditions.
- Other income of \$5.9 million for fiscal year 2010 represents the \$5.0 million State grant as reimbursement of additional costs previously incurred by the Authority in the closure of the Hartford landfill, reimbursement from the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRA") for fiscal year 2009 service fee, gains on sales of equipment, and miscellaneous income. Other income of \$3.9 million for fiscal year 2009 represents the \$3.0 million State grant as reimbursement of costs previously incurred by the Authority in the closure of the Hartford landfill, gains on sales of equipment, and miscellaneous income.



SUMMARY OF OPERATING EXPENSES

The following charts show the major sources and the percentage of operating expenses for the fiscal years ended June 30, 2010 and 2009:



Solid Waste Operations are the major component of the Authority's operating expenses, accounting for 91.2% of operating expenses in fiscal year 2010. During fiscal year 2009, Solid Waste Operations accounted for 73.5% of operating expenses.



A summary of operating expenses and non-operating expenses and the amount and percentage of change in relation to the immediate prior two fiscal years is as follows:

SUMMARY OF OPERATING AND NON-OPERATING EXPENSES
Fiscal Years Ended June 30,
(In Thousands)

	2010	2009	2010 Increase/ (Decrease) from 2009	2010 Percent Increase/ (Decrease)	2008	2009 Increase/ (Decrease) from 2008	2009 Percent Increase/ (Decrease)
Operating Expenses:							
Solid waste operations	\$ 125,407	\$ 134,944	\$ (9,537)	(7.1%)	\$ 151,887	\$ (16,943)	(11.2%)
Maintenance and utilities	1,365	1,168	197	16.9%	3,862	(2,694)	(69.8%)
Landfill closure and post-closure	(2,495)	10,507	(13,002)	(123.7%)	5,114	5,393	105.5%
Legal services - external	2,055	2,920	(865)	(29.6%)	2,804	116	4.1%
Operational & Environmental services	4,112	3,307	805	24.3%	3,118	189	6.1%
Billing, Accounting & Finance services	1,651	1,462	189	12.9%	1,527	(65)	(4.3%)
Education & Communications services	754	477	277	58.1%	484	(7)	(1.4%)
General & Administrative services	523	2,093	(1,570)	(75.0%)	2,158	(65)	(3.0%)
Distribution to member towns	1,639	26,675	(25,036)	0.0%	-	26,675	0.0%
Total Operating Expenses	135,011	183,553	(48,542)	(26.4%)	170,954	12,599	7.4%
Depreciation and amortization	17,292	17,398	(106)	(0.6%)	18,184	(786)	(4.3%)
Non-Operating Expenses:							
Interest expense	1,063	1,284	(221)	(17.2%)	1,863	(579)	(31.1%)
Other expenses	42	3,218	(3,176)	(98.7%)	531	2,687	506.0%
Total Non-Operating Expenses	1,105	4,502	(3,397)	(75.5%)	2,394	2,108	88.1%
TOTAL	\$ 153,408	\$ 205,453	(52,045)	(25.3%)	\$ 191,532	\$ 13,921	7.3%

The Authority's total expenses decreased by \$52.04 million or 25.3% between fiscal years 2010 and 2009. Fiscal year 2009 total expenses increased by \$14.0 million or 7.3% from fiscal year 2008. Notable differences between the fiscal years include:

- Solid waste operations decreased by \$9.5 million from fiscal year 2009 to 2010. This occurred primarily due to the following:
 - Operating expenses at the Bridgeport Project decreased by \$25.1 million due to the closure of the project; and
 - Operating expenses at the Southeast Project decreased by \$1.2 million due to decreased contract operating charges and lower distribution of funds to the SCRRA for future expenses; and
 - Operating expenses at the Wallingford Project decreased by \$765,000 due to lower contract operating charges; partially offset by:
 - Operating expenses at the Mid-Connecticut Project increased by \$9.2 million primarily due to higher ash transportation and disposal services as a result of the closure of the Hartford landfill, the impact on the write-off of prior years' deferred



acquisition costs, and higher contract operating charges at the Waste Processing Facility; which is partially offset by decreased landfill development costs and lower contract operating charges at the waste transport and the Hartford Landfill; and

- Operating expenses at the SouthWest Division increased by \$7.7 million due to the commencement of operations at the Wheelabrator Bridgeport Facility; and
- Operating expenses at the Property Division increased by \$674,000 due to the creation of the Property Division in January 2009 to reflect certain transactions that used to be accounted for under the Bridgeport Project.

Solid waste operations decreased by \$16.9 million from fiscal year 2008 to 2009 primarily due to:

- Operating expenses at the Bridgeport Project decreased due to the closure of the project as of December 31, 2008; and
- Operating expenses at the Wallingford Project decreased due to lower operating contract charges; partially offset by:
- Operating expenses at the Mid-Connecticut Project increased due to an increase in ash disposal costs associated with the closing of the Hartford landfill including waste transportation; and
- Operating expenses at the SouthWest Division increased due the commencement of operations at the Wheelabrator Bridgeport facility; and
- Operating expenses at the Southeast Project increased due to higher distribution of funds to the SCRRRA for future expenses and an increase in the per ton processing fee as a result of a decrease in the project tonnage offset by savings in ash disposal.
- Maintenance and utilities expenses remained relatively flat, increasing by \$197,000 during fiscal year 2010. During fiscal year 2009, maintenance and utilities expenses decreased by \$2.7 million primarily due to lower closure costs at the Hartford landfill.
- Landfill closure and post-closure costs of (\$2.5 million) for fiscal year 2010 represents the decreases in estimated costs at the Hartford, Shelton, and Wallingford landfills. Landfill closure and post-closure costs of \$10.5 million for fiscal year 2009 represents the increases in post-closure monitoring and maintenance costs at the Ellington, Hartford, Shelton, and Wallingford landfills, the increase in pollution legal liability insurance at the Shelton landfill, and the increase in the Hartford landfill capacity used, which is offset by the decreases in closure costs and pollution legal liability insurance at the Waterbury landfill.
- Legal services - external decreased by \$865,000 during fiscal year 2010 as a result of higher legal fees and costs incurred during fiscal year 2009 in association with the closure of the Bridgeport Project, the Enron litigation-related settlement and the purchase option for the Wallingford plant. During fiscal year 2009, legal services – external remained relatively flat, increasing by \$116,000.
- Operational and Environmental services increased by \$805,000 from fiscal year 2009 and \$189,000 from fiscal year 2008. The fiscal year 2010 increase is primarily due to the allocation of legal consulting costs from the General and Administrative department.



- General and Administrative services decreased by \$1.6 million from fiscal year 2009 and \$65,000 from fiscal year 2008. The fiscal year 2010 decrease is primarily due to the allocation of legal consulting costs to other departments.
- Distribution to member towns of \$1.6 million during fiscal year 2010 represents the distribution of funds to the former Bridgeport Project town members. During fiscal year 2009, distribution to member towns of \$26.7 million represents the distribution of funds to the Wallingford Project member towns.
- Interest expense decreased by \$221,000 during fiscal year 2010 and \$579,000 during fiscal year 2009 due to decreases in the principal amount of bonds.
- Other expenses during fiscal year 2010 of \$42,000 represents trustee fees, letter of credit fees, and other miscellaneous expenses. Other expenses during fiscal year 2009 of \$3.2 million include the \$2.4 million loss on the write-off of the Bridgeport assets, costs associated with the purchase option for the Wallingford plant, plus trustee fees and letter of credit fees.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities as of June 30, 2010 and 2009 totaled \$129.5 million and \$144.6 million, respectively (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, equipment, gas and steam turbines, land, landfills, roadways, rolling stock and vehicles.

The total fiscal year 2010 and 2009 decrease in the Authority's investment in capital assets was 10.4% and 2.5%, respectively. The fiscal year 2010 decrease is due to depreciation expense; partially offset by plant improvements, equipment purchases, and construction in progress. The fiscal year 2009 decrease was due to depreciation expense and the loss on the transfers of the Bridgeport Project assets, offset by plant improvements, equipment purchases, construction in progress and deferred acquisition costs.

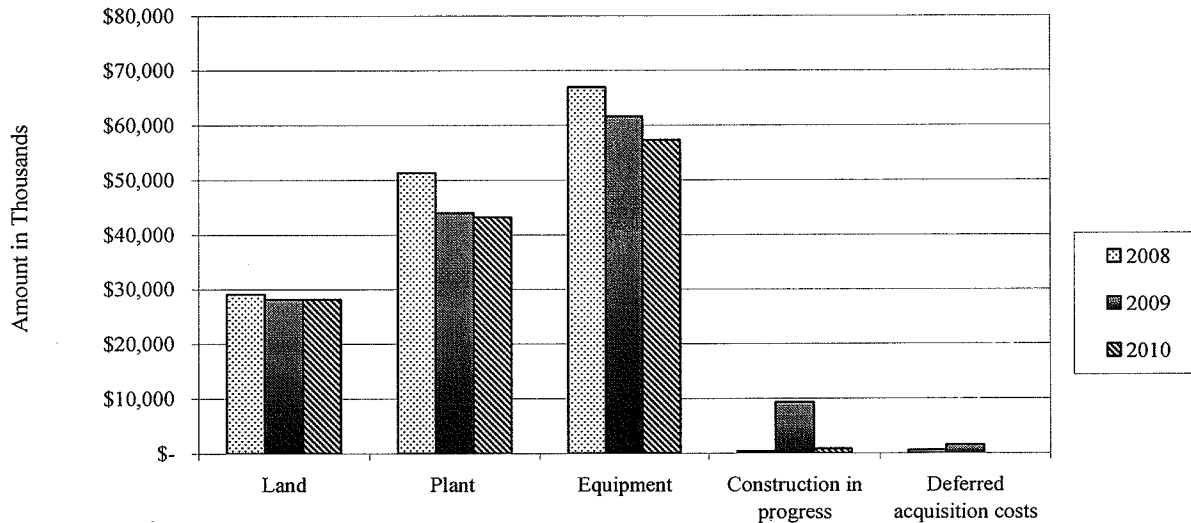
Major capital asset events during the current and immediate prior two fiscal years included purchases of new boiler pressure parts for the Mid-Connecticut Power Block Facility and two new gas turbines for the Mid-Connecticut Jet Turbine Facility, conversion of the Mid-Connecticut Regional Recycling Facility, renovations of the ash loadout area, improvements of the HVAC system at the Mid-Connecticut Waste Processing Facilities, land purchase, landfill development costs, conveyor rebuilds, overhaul of turbines #5 and #6, and upgrade of the automation system.



The following table is a three year comparison of the Authority's investment in capital assets:

**Capital Assets
(Net of Accumulated Depreciation)
As of June 30,
(In Thousands)**

	2008	2009	2010
Land	\$ 29,079	\$ 28,180	\$ 28,180
Plant	51,293	43,917	43,189
Equipment	66,958	61,566	57,291
Construction-in-progress	327	9,330	861
Deferred acquisition costs	559	1,566	-
Totals	\$ 148,216	\$ 144,559	\$ 129,521



Additional information on the Authority's capital assets can be found in Notes 1K, 1L, and 3 on pages 30 - 31 and 35 of this report.

LANDFILL ACTIVITY

Ash Landfill Initiative

In August 2009, the Authority decided, based on clear indication from the State leaders, to suspend its efforts to develop an ash landfill in the State of Connecticut, and instead, focus on consideration of other environmentally sound options for long-term disposal of ash residue from its resource recovery facilities, including disposal at other in-state and out-of-state landfills.



Hartford Landfill

The Connecticut State Legislature approved legislation that provides \$13.0 million, for the Authority, for costs associated with the closure of the Hartford landfill, with \$3.0 million allocated in fiscal year 2008, and \$10.0 million allocated in fiscal year 2009. In March 2008, the State Bond Commission appropriated \$3.0 million. The Authority received the \$3.0 million in January 2009. In July 2010, the State Bond Commission appropriated another \$5.0 million. The Authority expects to receive the \$5.0 million by the end of this calendar year.

In June and July 2007, the Authority awarded two closure construction contracts, together valued at approximately \$15.0 million. These construction activities proceeded during fiscal 2008 and continued into fiscal year 2009. In July 2009, the Authority awarded a closure contract for the final portion Phase I ash area valued at approximately \$2.5 million. The closure construction activities associated with the Phase I ash area were completed in fiscal year 2010 and the closure construction activities associated with the MSW/Interim ash area will continue into fiscal year 2011. It is expected that these closure activities will be completed during calendar year 2012.

Waterbury Landfill

The Authority's Waterbury Bulky Waste Landfill, a small, 5.5 acre landfill, was permitted in the mid-1980's by Waterbury Landfill Associates to accept waste such as land clearing debris and construction and demolition debris. The landfill was subsequently purchased by the Authority in 1986 and made part of its Bridgeport Project. The landfill reached the end of its economically useful life in fiscal year 2008 and the Authority initiated closure activities at the beginning of fiscal year 2009. Closure construction work was completed in November 2008. The Authority inspected the closure construction activities in summer 2009 and confirmed that the vegetative support layer of the landfill had been satisfactorily established. The Authority submitted a closure construction certification report on September 18, 2009, and received a notice for CTDEP certifying compliant closure of the landfill dated November 19, 2009.

Shelton and Wallingford Landfills

These two landfills are both closed and are being compliantly managed in accordance with CTDEP's regulations governing post-closure management of solid waste landfills and the specific environmental permits that govern post-closure requirements at these landfills. In January 2009, CTDEP advised the Authority that it was finally in a position to issue Stewardship permits to the Shelton and Wallingford landfills. The Authority had submitted post-closure permit applications to the U.S. Environmental Protection Agency ("USEPA") under the federal hazardous waste program in December 1991 for both landfills. Both of these permits were issued on September 16, 2009. Both landfills are subject to this permit program because both have metal hydroxide waste (hazardous waste) disposal areas. In general, these Stewardship permits will incorporate and subsume permit conditions and regulatory requirements currently found in the solid waste and groundwater discharge permits for the landfills, in addition to the requirements specified in the hazardous waste regulations. One change that CTDEP is requiring as part of issuance of these permits is that the Authority adds a 15% contingency to the post-closure cost estimate for each landfill (15% above the Authority's estimate).



AUTHORITY RATES AND CHARGES

During the months of January and February each year, as required under the various project bond resolutions, the Authority’s Board of Directors approves the succeeding fiscal year tip fees for all of the projects except the Southeast Project, which is subject to approval by the SCRRRA. The following table presents a history of the tip fees for each of the projects:

TIP FEE HISTORY BY PROJECT						
(Dollars charged per ton of solid waste delivered)						
Fiscal Year	Mid-Connecticut 1,2,3	Bridgeport ⁴		SouthWest Division ⁵	Wallingford	Southeast
2001	\$50.00	\$60.00	\$7.00	N/A	\$56.00	\$58.00
2002	\$51.00	\$60.00	\$7.00	N/A	\$55.00	\$57.00
2003	\$57.00	\$62.00	\$7.00	N/A	\$55.00	\$57.00
2004	\$63.75	\$63.00	\$8.00	N/A	\$55.00	\$60.00
2005	\$70.00	\$64.50	\$8.00	N/A	\$56.00	\$60.00
2006	\$70.00	\$66.00	\$8.00	N/A	\$57.00	\$60.00
2007	\$69.00	\$70.00	\$8.00	N/A	\$58.00	\$60.00
2008	\$69/\$60.96	\$76.00	\$5.00	N/A	\$59.00	\$60.00
2009	\$72/\$62	\$80.00	\$18.50	N/A	\$60.00	\$60.00
2010	\$69/\$63	N/A	N/A	\$63.00	\$60.00	\$60.00

¹ On October 25, 2007, per court order, the Authority reduced the Mid-Connecticut Project tip fee for municipalities for the remainder of fiscal year 2008. The hauler’s rate remained at \$69/ton for the entire year.

² The Mid-Connecticut Project tip fee was reduced to \$62.00 per ton for the period January 1 – June 30, 2009.

³ On June 18, 2009, the Board of Directors extended a \$6 per ton credit to the Mid-Connecticut Project tip fee.

⁴ The Bridgeport Project charges a split rate; the first rate is for actual tons delivered and the second rate is based on the minimum commitment tonnage.

⁵ Contracts with the towns within the Bridgeport Project expired on December 31, 2008. Many former Bridgeport Project towns entered into contracts with the Authority for disposal at the Bridgeport facility at a rate of \$63.00 per ton for the period January 1 – June 30, 2009.

LONG-TERM DEBT ISSUANCE, ADMINISTRATION AND CREDIT RATINGS

As detailed in the table on the following page, as of the fiscal year ended June 30, 2010 the Authority had \$95.1 million of outstanding debt. Of this amount, \$39.9 million comprises debt issued by the Authority as a conduit issuer for the Southeast Project in connection with the Covanta Southeastern Connecticut Company and is not carried on the Authority’s books. In addition, \$35.4 million of the outstanding bonds pertaining to the Southeast Project do not appear on the books of the Authority as these bonds were issued to fund construction of waste processing facilities operated by independent contractors who have commitments to repay the debt that is not allocable to Authority purposes.

With the exception of the Southeast Project conduit bonds, the other bonds issued by the Authority are secured by credit enhancement in the form of municipal bond insurance and by the Special Capital Reserve Fund (“SCRF”) of the State. The SCRF is a contingent liability of the State available to replenish any debt service reserve fund draws on bonds that have the SCRF



designation. The funds used to replenish a debt service reserve draw are provided by the State's General Fund and are deemed appropriated by the Connecticut legislature.

The current ratings of the Authority's outstanding bonds reflect the upheaval in the credit markets following the sub-prime mortgage crisis of 2007 and 2008. As a result, most of the major bond insurers suffered rating downgrades reflecting their sub-prime mortgage exposure.

The Authority did not issue long-term debt for any purpose during the fiscal year ended June 30, 2010.

Additional information on the Authority's long-term debt can be found in Note 4 on pages 35 and 36 of this report.

STATUS OF OUTSTANDING BONDS ISSUED AS OF JUNE 30, 2010

PROJECT / Series	Moody's Rating	Standard & Poor's Rating	Credit Enhancement	X= SCRF-Backed ¹	Dated	Maturity Date	Original Principal (\$000)	Principal Outstanding (\$000)	On Authority's Books (\$000)
MID-CONNECTICUT PROJECT									
1996 Series A - Project Refinancing	Aa3	AA	MBIA	X	08/20/96	11/15/12	\$209,675	\$11,765	\$11,765
								11,765	11,765
SOUTHEAST PROJECT									
1998 Series A - Project Refinancing	Aa3	AA	MBIA	X	08/18/98	11/15/15	87,650	39,855	4,435
CORPORATE CREDIT REVENUE BONDS									
1992 Series A - Corporate Credit	Ba2	BB+	--	--	09/01/92	11/15/22	30,000	30,000	0
2001 Series A - Covanta Southeastern Connecticut Company-I	Ba2	NR	--	--	11/15/01	11/15/15	6,750	6,750	0
2001 Series A - Covanta Southeastern Connecticut Company-II	Ba2	NR	--	--	11/15/01	11/15/15	6,750	6,750	0
								83,355	4,435
TOTAL PRINCIPAL BONDS OUTSTANDING								\$95,120	\$16,200

¹ SCRF = Special Capital Reserve Fund of the State of Connecticut.

NR = Not Rated

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Accounting and Financial Reporting, 100 Constitution Plaza – 6th Floor, Hartford, CT 06103.



**BALANCE SHEETS
AS OF JUNE 30, 2010 AND 2009
(Dollars in Thousands)**

**EXHIBIT I
Page 1 of 2**

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 79,031	\$ 97,949
Accounts receivable, net of allowances	22,571	19,715
Inventory	3,870	3,628
Prepaid expenses	1,144	1,789
Total Unrestricted Assets	<u>106,616</u>	<u>123,081</u>
Restricted Assets:		
Cash and cash equivalents	46,385	28,406
Accrued interest receivable	25	233
Total Restricted Assets	<u>46,410</u>	<u>28,639</u>
Total Current Assets	<u>153,026</u>	<u>151,720</u>
NON-CURRENT ASSETS		
Restricted cash and cash equivalents	22,434	33,390
Restricted investments	817	817
Capital Assets:		
Depreciable, net	100,480	105,483
Nondepreciable	29,041	39,076
Development and bond issuance costs, net	2,727	3,190
Total Non-Current Assets	<u>155,499</u>	<u>181,956</u>
TOTAL ASSETS	<u>\$ 308,525</u>	<u>\$ 333,676</u>

The accompanying notes are an integral part of these financial statements



BALANCE SHEETS (Continued)
AS OF JUNE 30, 2010 AND 2009
(Dollars in Thousands)

EXHIBIT I
Page 2 of 2

	<u>2010</u>	<u>2009</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of:		
Bonds payable, net	\$ 4,280	\$ 4,039
Closure and post-closure care of landfills	10,243	11,104
Accounts payable	2,739	4,867
Accrued expenses and other current liabilities	16,514	17,649
	<u>33,776</u>	<u>37,659</u>
LONG-TERM LIABILITIES		
Bonds payable, net	11,664	15,944
Closure and post-closure care of landfills	44,238	52,285
Other liabilities	1,004	1,127
	<u>56,906</u>	<u>69,356</u>
TOTAL LIABILITIES	<u>90,682</u>	<u>107,015</u>
NET ASSETS		
Invested in capital assets, net of related debt	<u>120,895</u>	<u>133,360</u>
Restricted for:		
Tip fee stabilization	14,454	16,154
Energy generating facility	7,099	7,566
Debt service reserve funds	4,016	4,037
Equipment replacement	1,770	1,764
Operating and maintenance	1,770	1,764
Revenue fund	1,637	-
Debt service funds	1,543	1,525
Montville landfill post-closure	1,097	719
Select Energy escrow	1,000	1,000
Shelton landfill future use	872	870
DEP trust - landfills	817	817
Covanta Wallingford escrow	500	-
Recycling education fund	213	201
Rebate fund	179	178
Other restricted net assets	48	51
Total Restricted	<u>37,015</u>	<u>36,646</u>
Unrestricted	<u>59,933</u>	<u>56,655</u>
	<u>217,843</u>	<u>226,661</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 308,525</u>	<u>\$ 333,676</u>

The accompanying notes are an integral part of these financial statements



STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(Dollars in Thousands)

EXHIBIT II

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Service charges:		
Members	\$ 64,393	\$ 77,236
Others	17,597	26,838
Energy sales	49,203	54,568
Ash disposal reimbursement	-	2,511
Other operating revenues	<u>6,929</u>	<u>10,550</u>
Total operating revenues	<u>138,122</u>	<u>171,703</u>
Operating Expenses		
Solid waste operations	125,407	134,944
Depreciation and amortization	17,292	17,398
Maintenance and utilities	1,365	1,168
Closure and post-closure care of landfills	(2,495)	10,507
Legal services - external	2,055	2,920
Operational and Environmental services	4,112	3,307
Billing, Accounting and Finance services	1,651	1,462
Education and Communications services	754	477
General and Administrative services	523	2,093
Distribution to member towns	<u>1,639</u>	<u>26,675</u>
Total operating expenses	<u>152,303</u>	<u>200,951</u>
Operating Loss	(14,181)	(29,248)
Non-Operating Revenues (Expenses)		
Investment income	556	2,818
Litigation-related settlements	-	4,250
Other income, net	5,870	653
Interest expense	<u>(1,063)</u>	<u>(1,284)</u>
Net Non-Operating Revenues	<u>5,363</u>	<u>6,437</u>
Change in Net Assets	(8,818)	(22,811)
Total Net Assets, beginning of year	<u>226,661</u>	<u>249,472</u>
Total Net Assets, end of year	<u>\$ 217,843</u>	<u>\$ 226,661</u>

The accompanying notes are an integral part of these financial statements



**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(Dollars in Thousands)**

EXHIBIT III

	<u>2010</u>	<u>2009</u>
Cash Flows Provided (Used) by Operating Activities		
Payments received from providing services	\$ 141,714	\$ 177,862
Proceeds from settlements	-	4,675
Payments to suppliers for goods and services	(133,550)	(146,079)
Payments to employees for services	(4,532)	(4,522)
Distribution to member towns	(1,639)	(26,675)
Net Cash Provided by Operating Activities	<u>1,993</u>	<u>5,261</u>
Cash Flows Provided (Used) by Investing Activities		
Interest on investments	<u>770</u>	<u>2,968</u>
Net Cash Provided by Investing Activities	<u>770</u>	<u>2,968</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities		
Proceeds from sales of equipment	126	174
Payments for landfill closure and post-closure care liabilities	(6,413)	(7,936)
Acquisition and construction of capital assets	(3,225)	(15,575)
Interest paid on long-term debt	(987)	(1,216)
Principal paid on long-term debt	(4,143)	(3,003)
Net Cash Used by Capital and Related Financing Activities	<u>(14,642)</u>	<u>(27,556)</u>
Cash Flows Used by Non-Capital Financing Activities		
Other interest and fees	<u>(16)</u>	<u>(528)</u>
Net Cash Used by Non-Capital Financing Activities	<u>(16)</u>	<u>(528)</u>
Net decrease in cash and cash equivalents	(11,895)	(19,855)
Cash and cash equivalents, beginning of year	<u>159,745</u>	<u>179,609</u>
Cash and cash equivalents, end of year	<u>\$ 147,850</u>	<u>\$ 159,754</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (14,181)	\$ (29,248)
Adjustments to reconcile operating (loss) income to net cash provided (used) by operating activities:		
Depreciation of capital assets	16,829	16,611
Amortization of development and bond issuance costs	463	787
Write-off of deferred acquisition costs	1,566	-
Provision for closure and post-closure care of landfills	(2,495)	10,507
Other income	5,643	3,622
Litigation-related settlements	-	4,250
(Increase) decrease in:		
Accounts receivable, net	(2,856)	2,487
Inventory	(242)	(18)
Prepaid expenses and other current assets	645	(661)
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	<u>(3,379)</u>	<u>(3,076)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,993</u>	<u>\$ 5,261</u>

The accompanying notes are an integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity and Services

The Connecticut Resources Recovery Authority (the "Authority") is a body politic and corporate, created in 1973 by the State Solid Waste Management Services Act, constituting Chapter 446e of the Connecticut General Statutes. The Authority is a public instrumentality and political subdivision of the State of Connecticut (the "State") and is included as a component unit in the State's Comprehensive Annual Financial Report. As of June 30, 2010, the Authority is authorized to have a board consisting of eleven directors and eight ad-hoc members. The Governor of the State appoints three directors and all eight ad-hoc members. The remaining eight directors are appointed by various state legislative leaders. All appointments require the advice and consent of both houses of the General Assembly.

The State Treasurer continues to approve the issuance of all Authority bonds and notes. The State is contingently liable to restore deficiencies in debt service reserves established for certain Authority bonds. The Authority has no taxing power.

The Authority has responsibility for implementing solid waste disposal and resources recovery systems and facilities throughout the State in accordance with the State Solid Waste Management Plan. To accomplish its purposes, the Authority is empowered to determine the location of and construct solid waste management projects, to own, operate and maintain waste management projects, or to make provisions for operation and maintenance by contracting with private industry. The Authority is required to be self-sufficient in its operation in order to cover the cost of fulfilling the Authority's mission.

The Authority is comprised of three comprehensive solid waste disposal systems, two divisions and a General Fund. Each of the operating systems has a unique legal, contractual, financial, and operational structure described as follows:

Mid-Connecticut Project

The Mid-Connecticut Project consists of a 2,850 ton per day municipal solid waste / 2,030 ton per day refuse derived fuel Resources Recovery Facility located in Hartford, Connecticut, four transfer stations, the Hartford Landfill, the Ellington Landfill, and a Regional Recycling Center located in Hartford, Connecticut. This system of facilities provides solid waste disposal and recycling services to 70 Connecticut municipalities through service contract arrangements. The initial contracts with the municipalities begin to expire in November 2012 in conjunction with the final Bond payments. In January 2010, the Authority began development of new municipal solid waste agreements and in April 2010 presented draft copies of these Agreements to the current 70 Connecticut municipalities delivering solid waste to the Mid-Connecticut Project. The Authority anticipates finalizing these agreements by October 2010 for consideration by the municipalities. The Authority owns the Resources Recovery Facility, the transfer stations, the Ellington Landfill, and the Regional Recycling Center. The Authority leases the land for the Essex transfer station. The Authority controls the Hartford Landfill under a long-term lease with the City of Hartford. The Hartford landfill has been closed as of December 31, 2008. The Authority is shipping ash to Putnam Landfill. Private vendors, under various operating contracts, conduct operation of the facilities. All revenue generated by the facilities accrues to the Authority. Certain operating contracts have provisions for revenue sharing with a vendor if prescribed operating parameters are achieved. The Authority has responsibility



for all debt issued in the development of the Mid-Connecticut system.

Starting December 31, 2011, the Resources Recovery Facility's initial operating agreements begin to expire. The Authority began an extensive bidding process in August 2009 to secure new Resources Recovery Facility operating contracts. The Authority expects to receive the results from this process in September 2010.

Bridgeport Project

The Authority's contract with the Bridgeport Project's municipalities ended on December 31, 2008, as did the Authority's agreement with the Bridgeport Project's operator. As a result, the Bridgeport Project is no longer accepting solid waste and has effectively ceased operations. On January 1, 2009, the Authority transferred seven Bridgeport Project transfer stations, which are included in the capital assets in the accompanying balance sheet, to their host towns. In addition, certain other capital assets included in the accompanying balance sheet will be transferred to the Authority and be used for payment of the Bridgeport Project's current and projected liabilities and future obligations for post-closure care of the Bridgeport Project's landfills. The Authority has executed a new five-and-a-half-year service agreement with an operator, to commence on January 1, 2009, for the disposal of approximately 265,000 tons of municipal solid waste ("MSW") annually from 12 of the Project's municipalities. These Bridgeport Project municipalities have signed service agreements with the Authority's SouthWest Division for waste deliveries beginning on January 1, 2009.

SouthWest Division

The Authority's contracts with the towns that delivered solid waste to the former Bridgeport Project expired on December 31, 2008. The Authority had proposed a new solid waste agreement to commence on January 1, 2009 and 12 of the former 20 Bridgeport Project towns accepted and entered into a new five-and-a-half year (with one year extension) solid waste disposal contract with the Authority for disposal

at the Wheelabrator facility located in Bridgeport. These 12 towns are collectively referred to as the SouthWest Division towns. The Bridgeport Facility formerly operated under an operating agreement and site lease agreement between the Authority and Wheelabrator Bridgeport, both of which expired December 31, 2008. Subsequently, on December 31, 2008, the Authority and Wheelabrator Bridgeport entered into a First Amendment and Renewal of Site Lease whereby Wheelabrator Bridgeport purchased the Authority's nominal interest in the Facility and will make annual lease payment to the Authority.

Property Division

Following the expiration of the Bridgeport Project on December 31, 2008 and the simultaneous maturity of the Authority's bonds that had been issued to finance the construction of the Bridgeport Project, the Authority was the owner and holder of several funds, assets, and *liabilities*. These include numerous landfill post-closure reserves related to the former Bridgeport Project, the Shelton transfer station, and the Garbage Museum (located in Stratford). As these assets and *liabilities* are no longer project-specific, the Authority has created the Property Division to reflect their status. In addition, other landfill post-closure reserves related to the Wallingford and Mid-Connecticut Projects are anticipated to be transferred to the Property Division following the culmination of these two projects expected in July 2010 and July 2012, respectively.

Wallingford Project

The Wallingford Project consists of a 420 ton per day mass burn Resources Recovery Facility located in Wallingford, Connecticut and the Wallingford Landfill. Five Connecticut municipalities in New Haven County are provided solid waste disposal services by this system through service contract arrangements. The Authority leases the Wallingford Landfill and owns the Resources Recovery Facility. The Resources Recovery Facility is leased to a private vendor under a long-term arrangement. The private vendor has beneficial ownership of the facility through this arrangement. The



vendor is responsible for operating the facility and servicing the debt (other than the portion allocable to Authority purposes for which the Authority is responsible). The Wallingford Project's revenues are derived primarily from service fees charged to participating municipalities and other system users and fees for electric energy generated. The Authority pays the vendor a contractually determined service fee. The operating contract has provisions for revenue sharing with the vendor if prescribed operating parameters are achieved.

The operating contract between the Authority and the vendor expired on June 30, 2010. The contract has a provision whereby the Authority can exercise an option to purchase the facility when the contract ends. The Authority did not exercise its option to purchase and the vendor now owns the Facility. The Authority retained the right to deliver 25,000 tons per year of solid waste. The five original Wallingford Project towns signed agreements with the vendor and continue to deliver their solid waste to the Facility.

Southeast Project

The Southeast Project consists of a 690 ton per day mass burn Resources Recovery Facility located in Preston, Connecticut and the Montville Landfill. The Southeast Project provides solid waste disposal services to 14 Connecticut municipalities in the eastern portion of the State through service contract arrangements. The initial contracts with the municipalities begin to expire in November 2015. The Authority owns the Resources Recovery Facility. It is leased to a private vendor under a long-term lease. The private vendor has beneficial ownership of the facility through this arrangement. The vendor is obligated to operate and maintain the facility and service the debt (other than the portion allocable to Authority purposes for which the Authority is responsible). The Authority derives its revenues from service fees charged to participating municipalities and other system users. The Authority pays the vendor a contractually determined service fee. Electric energy revenues and certain other service charges are accrued by the vendor with certain

contractually prescribed credits payable to the Authority for these revenue types.

General Fund

The Authority has a General Fund in which the costs of central overall expenditures are accumulated. These costs were historically allocated to the Authority's projects primarily based on time expended. Effective fiscal year 2010, these costs are allocated to the Authority's projects primarily based on a weighting of assets, revenues, number of towns, and tonnage deliveries, in order to be more indicative of cost causation.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The Authority is considered to be an Enterprise Fund. The Authority's operations and balances are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Authority's financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Interest on revenue bonds, used to finance the construction of certain asset, is capitalized during the construction period, net of interest earned on the investment of unexpended bond proceeds.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services and sales of electricity. Operating expenses include the cost



of solid waste operations, maintenance and utilities, closure and post-closure care of landfills, administrative expenses, distribution to member towns, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements are presented in accordance with Alternative #1 under Governmental Accounting Standards Board ("GASB") Statement No. 20, whereby the Authority follows (1) all GASB pronouncements and (2) Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those which conflict with a GASB pronouncement.

The Authority has elected not to comply with authoritative pronouncements applicable to non-governmental entities (i.e., Financial Accounting Standards Board (FASB) statements), issued after November 30, 1989.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 balance sheets and the reported amounts of revenues and expenses during the reporting period. Such estimates are subsequently revised as deemed necessary when additional information becomes available. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

All unrestricted and restricted highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

F. Accounts Receivable, Net

Accounts receivable are shown net of an allowance for the estimated portion that is not expected to be collected. The Authority performs ongoing credit evaluations and generally requires a guarantee of payment form of collateral. The Authority has established an allowance for the estimated portion that is not expected to be collected of \$115,000 and \$808,000 at June 30, 2010 and 2009, respectively.

G. Inventory

The Authority's spare parts inventory is stated at the lower of cost or market using the weighted-average cost method. The Authority's coal inventory is stated at the lower of cost or market using the FIFO method.

Inventories at June 30, 2010 and 2009 are summarized as follows:

Inventories	2010 (\$000)	2009 (\$000)
Spare Parts	\$ 3,759	\$ 3,504
Coal	111	124
Total	<u>\$ 3,870</u>	<u>\$ 3,628</u>

H. Investments

Investments are stated at fair value. Gains or losses on sales of investments are determined using the specific identification method.

Interest on investments is recorded as revenue in the year the interest is earned, unless capitalized as an offset to capitalized interest expense on assets acquired with tax-exempt debt.

I. Restricted Assets

Under provisions of various bond indentures and certain other agreements, restricted assets are used for debt service, special capital reserve funds and other debt service reserve funds, development, construction and operating costs.



J. Development and Bonds Issuance Costs

Costs incurred during the development stage of an Authority project, including, but not limited to, initial planning and permitting, and bond issuance costs are capitalized. When the project begins commercial operation, the development costs are amortized using the straight-line method over the estimated life of the project. Bond issuance costs are amortized over the life of the related bond issue using the straight-line method.

At June 30, 2010 and 2009, development and bond issuance costs for the projects are as follows:

Project	2010 (\$000)	2009 (\$000)
Development Costs:		
Mid-Connecticut	\$ 3,277	\$ 3,277
Wallingford	5,667	5,667
Southeast	10,006	10,006
	<u>18,950</u>	<u>18,950</u>
Less accumulated amortization:		
Mid-Connecticut	3,277	3,277
Wallingford	5,667	5,667
Southeast	7,653	7,261
	<u>16,597</u>	<u>16,205</u>
Total development costs, net	<u>\$ 2,353</u>	<u>\$ 2,745</u>
Bond Issuance Costs:		
Mid-Connecticut	239	239
Bridgeport	275	275
Wallingford	105	105
Southeast	1,008	1,008
	<u>1,627</u>	<u>1,627</u>
Less accumulated amortization:		
Mid-Connecticut	201	186
Bridgeport	275	275
Wallingford	105	105
Southeast	672	616
	<u>1,253</u>	<u>1,182</u>
Total bond issuance costs, net	<u>\$ 374</u>	<u>\$ 445</u>
Totals, net	<u>\$ 2,727</u>	<u>\$ 3,190</u>

A summary of future amortization for bond issuance costs is as follows:

June 30,	Amount (\$000)
2011	\$ 71
2012	71
2013	64
2014	56
2015	<u>56</u>
Total	<u>\$ 318</u>

K. Capital Assets

Capital assets with a useful life in excess of one year are capitalized at historical cost. Depreciation of exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of landfills are based on the estimated years of available disposal capacity. The estimated useful lives of other capital assets are as follows:

Capital Assets	Years
Resources Recovery Buildings	30
Other Buildings	20
Resources Recovery Equipment	30
Gas and Steam Turbines	10-20
Recycling Equipment	10
Rolling Stock and Automobiles	5
Office and Other Equipment	3-5
Roadways	20



The Authority's capitalization threshold for property, plant, and equipment and for office furniture and equipment is \$5,000 and \$1,000, respectively. Improvements, renewals, and significant repairs that extend the useful life of a capital asset are capitalized; other repairs and maintenance costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any related gains or losses are recorded.

The Authority reviews its long-lived assets used in operations for impairment when there is an event or change in circumstances that indicates impairment in value. The Authority records impairment losses and reduces the carrying value of properties when indicators of impairment are present and the expected undiscounted cash flows related to those properties are less than their carrying amounts. In cases where the Authority does not expect to recover its carrying costs on properties held for use, the Authority reduces its carrying cost to fair value, and for properties held for sale, the Authority reduces its carrying value to the fair value less costs to sell. During the fiscal years ended June 30, 2010 and 2009, no impairment losses were recognized. Management does not believe that the value of its properties is impaired as of June 30, 2010.

L. Deferred Acquisition Costs

Deferred acquisition costs include legal fees and permitting and engineering costs associated with the licensing and development (siting) of additional landfills, and certain costs incurred to ready additional landfill areas for use. These costs are deferred as they will be recoverable through future revenue or benefit future operations. If licensure or recoverability becomes doubtful, these costs are then charged to operations.

Deferred acquisition costs of \$1.567 million as of June 30, 2009, were classified as nondepreciable capital assets in the accompanying balance sheet. During fiscal year 2010, as a result of the suspension of landfill development in the State of Connecticut, the Authority wrote-off the \$1.567 million deferred

acquisition costs and charged these costs to operations.

M. Accrued Compensation

The Authority's liability for vested accumulated unpaid vacation and other employee benefit amounts is included in accrued expenses and other current liabilities in the accompanying balance sheet.

N. Net Assets

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net assets may be divided into designated and undesignated portions. Designated net assets represent the Authority's self-imposed limitations on the use of otherwise unrestricted net assets. Unrestricted net assets have been designated by the Board of Directors of the Authority for various purposes. Such designations totaled \$31.7 million and \$34.6 million as of June 30, 2010 and 2009, respectively. Designated net assets at June 30, 2010 and 2009 are summarized as follows:



Unrestricted Designated Net Assets	2010 (\$000)	2009 (\$000)
Non-GASB #18 post-closure	\$ 10,379	\$ 10,354
Future loss contingencies	7,992	8,991
Landfill development	3,113	3,148
Rolling stock	2,784	2,950
Project closure	1,616	-
Future use	1,532	2,349
Facility modifications	1,493	285
Debt service stabilization	812	4,834
Recycling	709	758
Post-litigation expense	585	659
Deferred municipal credit	570	-
South Meadows site remediation	88	103
Benefit fund	-	217
Total	\$ 31,673	\$ 34,648

Restrictions of net assets are limited to outside third party restrictions and represent the net assets that have been legally identified for specific purposes. Restricted net assets totaled \$37.0 million and \$36.6 million as of June 30, 2010 and 2009, respectively.

2. CASH DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following as of June 30, 2010 and 2009:

Cash and Cash Equivalents	2010 (\$000)	2009 (\$000)
Unrestricted:		
Cash deposits	\$ 2,209	\$ 2,218
Cash equivalents:		
STIF *	76,822	95,731
	<u>79,031</u>	<u>97,949</u>
Restricted – current:		
Cash deposits	399	321
Cash equivalents:		
STIF *	42,384	25,086
U.S. Treasuries	3,601	-
Money Market Funds	1	2,999
	<u>46,385</u>	<u>28,406</u>
Restricted – non-current:		
Cash equivalents:		
STIF *	16,761	33,390
U.S. Treasuries	5,673	-
	<u>22,434</u>	<u>33,390</u>
Total	\$147,850	\$159,745

* STIF = Short-Term Investment Fund of the State of Connecticut

A. Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority’s investment policy does not have a deposit policy for custodial credit risk.

As of June 30, 2010 and 2009, approximately \$5.4 million and \$3.2 million, respectively, of the Authority’s bank balance of cash deposits were exposed to custodial credit risk as follows:

Custodial Credit Risks	2010 (\$000)	2009 (\$000)
Uninsured and Uncollateralized	\$ 4,614	\$ 2,756
Uninsured but collateralized with securities held by the pledging bank’s trust department or agent but not in the Authority’s name	796	423
Total	\$5,410	\$3,179



All of the Authority’s deposits were in qualified public institutions as defined by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank’s risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments in the Short-Term Investment Fund (“STIF”), U.S. Treasuries, and Money Market Funds as of June 30, 2010 and 2009 are included in cash and cash equivalents in the accompanying balance sheet. For purposes of disclosure under GASB Statement No. 40, such amounts are considered investments and are included in the investment disclosures that follow.

B. Investments

Interest Rate Risk

As of June 30, 2010, the Authority’s investments consisted of the following debt securities:

Investment Type	Fair Value (\$000)	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
STIF	\$135,967	\$135,967	\$ -	\$ -	\$ -
U.S. Treasuries	10,091	10,091	-	-	-
Money Market Funds	1	1	-	-	-
Total	\$146,059	\$146,059	\$ -	\$ -	\$ -

As of June 30, 2009, the Authority’s investments consisted of the following debt securities:

Investment Type	Fair Value (\$000)	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
STIF	\$154,207	\$154,207	\$ -	\$ -	\$ -
U.S. Treasuries	817	817	-	-	-
Money Market Funds	2,999	2,999	-	-	-
Total	\$158,023	\$158,023	\$ -	\$ -	\$ -

STIF is an investment pool of short-term money market instruments that may include adjustable-rate federal agency and foreign government securities whose interest rates vary directly with short-term money market indices and are generally reset daily, monthly, quarterly, and semi-annually. The adjustable-rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers. The fair value of the position in the pool is the same as the value of the pool shares. As of June 30, 2010 and 2009, STIF had a weighted average maturity of 19 days and nine days, respectively. The U.S. Treasury Securities are U.S. Treasury Bills that had 90 day maturities as of both June 30, 2010 and 2009. The Money Market Funds invest exclusively in short-term U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations. This fund complies with Securities and Exchange Commission regulations regarding money market fund maturities, which requires that the weighted average maturity be 90 days or less. As of June 30, 2010 and 2009, the weighted average maturity of these funds was 38 days and 46 days, respectively.

The Authority’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority is limited to investment maturities as required by specific bond resolutions or as needed for immediate use or disbursement. Those funds not included in the foregoing may be invested in longer-term securities as authorized in the Authority’s investment policy. The primary objectives of the Authority’s



investment policy are the preservation of principal and the maintenance of liquidity.

Credit Risk

The Authority’s investment policy delineates the investment of funds in securities as authorized and defined within the bond resolutions governing the Mid-Connecticut and Southeast Projects for those funds established under the bond resolution and held in trust by the Authority’s trustee. For all other funds, Connecticut state statutes permit the Authority to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

As of June 30, 2010, the Authority’s investments were rated as follows:

Security	Fair Value (\$000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF U.S.	\$135,967	AAAm	Not Rated	Not Rated
Treasuries Money	10,091	AAA	Aaa	AAA
Market Funds	1	AAAm	Aaa	AAAmmf

As of June 30, 2009, the Authority’s investments were rated as follows:

Security	Fair Value (\$000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF U.S.	\$154,207	AAAm	Not Rated	Not Rated
Treasuries Money	817	AAA	Aaa	AAA
Market Funds	2,999	AAAm	Aaa	AAA

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s investment policy does not include provisions for custodial credit risk, as the Authority does not invest in securities that are held by counterparties. In accordance with GASB Statement No. 40, none of the Authority’s investments require custodial credit risk disclosures.

Concentration of Credit Risk

The Authority’s investment policy places no limit on the amount of investment in any one issuer, but does require diversity of the investment portfolio if investments are made in non-U.S. government or U.S. agency securities to eliminate the risk of loss of over-concentration of assets in a specific class of security, a specific maturity and/or a specific issuer. The asset allocation of the investment portfolio should, however, be flexible enough to assure adequate liquidity for Authority and/or bond resolution needs. As of June 30, 2010 and 2009, approximately 93.1% and 97.6%, respectively, of the Authority’s investments are in the STIF, which is rated in the highest rating category by Standard & Poor’s and provides daily liquidity, thereby satisfying the primary objectives of the Authority’s investment policy.



3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended June 30, 2009 and 2010:

	Balance at June 30, 2008 (\$000)	Additions (\$000)	Transfers (\$000)	Sales and Disposals (\$000)	Balance at June 30, 2009 (\$000)	Additions (\$000)	Transfers (\$000)	Sales and Disposals (\$000)	Balance at June 30, 2010 (\$000)
Nondepreciable assets:									
Land	\$ 29,079	\$ -	\$ -	\$ (899)	\$ 28,180	\$ -	\$ -	\$ -	\$ 28,180
Construction-in-progress	327	11,236	(2,233)	-	9,330	2,000	(10,469)	-	861
Deferred acquisition costs	559	1,007	-	-	1,566	-	-	(1,566)	-
Total nondepreciable assets	\$ 29,965	\$ 12,243	\$ (2,233)	\$ (899)	\$ 39,076	\$ 2,000	\$ (10,469)	\$ (1,566)	\$ 29,041
Depreciable assets:									
Plant	\$ 190,555	\$ 383	\$ -	\$ (10,149)	\$ 180,789	166	\$ 4,931	\$ (33)	\$ 185,853
Equipment	212,369	3,025	2,069	(2,266)	215,197	1,214	\$ 5,537	\$ (3,114)	218,834
Total at cost	402,924	3,408	2,069	(12,415)	395,986	1,380	10,469	(3,147)	404,687
Less accumulated depreciation for:									
Plant	(139,262)	(6,370)	-	8,760	(136,872)	(5,822)	\$ -	\$ 30	(142,664)
Equipment	(145,411)	(10,245)	-	2,025	(153,631)	(11,006)	\$ -	\$ 3,094	(161,543)
Total accumulated depreciation	(284,673)	(16,615)	-	10,785	(290,503)	(16,828)	-	3,124	(304,207)
Total depreciable assets, net	\$ 118,251	\$ (13,207)	\$ 2,069	\$ (1,630)	\$ 105,483	\$ (15,448)	\$ 10,469	\$ (23)	\$ 100,480

Interest is capitalized on assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the projects with interest earned on invested debt proceeds over the same period. During fiscal 2010 and 2009, there was no capitalized interest as there was no new external borrowing.

4. LONG-TERM DEBT

The principal long-term obligations of the Authority are special obligation revenue bonds issued to finance the design, development, and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts, and monies pledged in the respective bond indentures.

The following is a summary of changes in bonds payable for the years ended June 30, 2009 and 2010:

Bonds Payable	Balance at July 1, 2008 (\$000)	Increases (\$000)	Decreases (\$000)	Balance at June 30, 2009 (\$000)	Increases (\$000)	Decreases (\$000)	Balance at June 30, 2010 (\$000)	Amounts Due Within One Year (\$000)
Bonds payable - principal	\$ 23,346	\$ -	\$ (3,003)	\$ 20,343	\$ -	\$ (4,143)	\$ 16,200	\$ 4,366
Unamortized amounts:								
Premiums	330	-	(77)	254	-	(66)	188	57
Deferred amount on refunding	(808)	-	195	(614)	-	170	(444)	(143)
Total bonds payable	\$ 22,868	\$ -	\$ (2,885)	\$ 19,983	\$ -	\$ (4,039)	\$ 15,944	\$ 4,280



Connecticut Resources Recovery Authority

The long-term debt amounts for the projects in the table above have been reduced by the deferred amount on refunding of bonds, net of the unamortized premium on the sale of bonds at June 30, 2010 and 2009 as follows:

Project	2010 (\$000)	2009 (\$000)
Deferred amount on refunding:		
Mid-Connecticut	\$ 26	\$ 48
Southeast	418	566
Subtotal	<u>444</u>	<u>614</u>
Reduced by unamortized premium:		
Southeast	<u>(188)</u>	<u>(254)</u>
Subtotal	<u>(188)</u>	<u>(254)</u>
Net Reduction	<u>\$ 256</u>	<u>\$ 360</u>

Certain of the Authority's bonds are secured by special capital reserve funds. Each fund is equal to the highest annual amount of debt service remaining on the issue. The State is contingently liable to restore any deficiencies that exist in these funds in the event that the Authority must draw from the fund. Bond principal amounts recorded as long-term debt at June 30, 2010 and 2009, which are backed by special capital reserve funds, are as follows:

Project	2010 (\$000)	2009 (\$000)
Mid-Connecticut	\$ 11,765	\$ 15,290
Southeast	<u>4,435</u>	<u>5,053</u>
Total	<u>\$ 16,200</u>	<u>\$ 20,343</u>

These special capital reserve funds are presented as net assets, restricted for debt service reserve funds on the Authority's balance sheet.

Annual debt service requirements to maturity on bonds payable are as follows:

Year ending June 30,	Mid-Connecticut		Southeast		Total	
	Principal (\$000)	Interest (\$000)	Principal (\$000)	Interest (\$000)	Principal (\$000)	Interest (\$000)
2011	3,715	542	650	215	4,365	757
2012	3,915	335	684	179	4,599	514
2013	4,135	114	720	141	4,855	255
2014	-	-	756	103	756	103
2015	-	-	793	63	793	63
Thereafter	-	-	832	21	832	21
	<u>\$ 11,765</u>	<u>\$ 991</u>	<u>\$ 4,435</u>	<u>\$ 722</u>	<u>\$ 16,200</u>	<u>\$ 1,713</u>
Interest Rates	5.375-5.5%		5.125-5.5%			



5. LONG-TERM LIABILITIES FOR CLOSURE AND POST-CLOSURE CARE OF LANDFILLS

Federal, State and local regulations require the Authority to place final cover on its landfills when it stops accepting waste (including ash) and to perform certain maintenance and monitoring functions for periods which may extend to thirty years after closure.

GASB Statement No. 18 "Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs," applies to closure and post-closure care costs that are paid near or after the date a landfill stops accepting waste. In accordance with GASB Statement No. 18, the Authority estimates its liability for these closure

and post-closure care costs and records any increases or decreases to the liability as an operating expense. For landfills presently open, such estimate is based on landfill capacity used as of the balance sheet date. The liability for these costs is reduced when the costs are actually paid, which is generally after the landfill is closed.

Actual costs may be higher due to inflation or changes in permitted capacity, technology or regulation. The closure and post-closure care liabilities including the amounts paid and accrued for fiscal 2009 and 2010 for the landfills, are presented in the following table:

Project/Landfill	Liability at July 1, 2008 (\$000)	Expense (\$000)	Paid (\$000)	Transfer in / (out) (\$000)	Liability at June 30, 2009 (\$000)	Expense (\$000)	Paid (\$000)	Liability at June 30, 2010 (\$000)	Amounts Due Within One Year (\$000)
Mid-Connecticut:									
Hartford	\$ 38,265	\$ 6,481	\$ (6,633)	\$ -	\$ 38,113	\$ (593)	\$ (5,725)	\$ 31,795	\$ 8,630
Ellington	3,805	584	(173)	-	4,216	(90)	(141)	3,985	246
Bridgeport:									
Shelton	10,669	-	(223)	(10,446)	-	-	-	-	-
Waterbury	2,338	-	(559)	(1,779)	-	-	-	-	-
Property Division:									
Shelton	-	3,047	(191)	10,446	13,302	(1,156)	(382)	11,764	775
Waterbury	-	(771)	(1)	1,779	1,007	3	(32)	978	29
Wallingford:	5,741	1,166	(156)	-	6,751	(659)	(133)	5,959	563
Total	\$ 60,818	\$ 10,507	\$ (7,936)	\$ -	\$ 63,389	\$ (2,495)	\$ (6,413)	\$ 54,481	\$ 10,243



The Connecticut Department of Environmental Protection (“CTDEP”) requires that certain financial assurance mechanisms be maintained by the Authority to ensure payment of closure and post-closure costs related to certain landfills. Additionally, CTDEP requires that the Authority budget for anticipated closure costs for Mid-Connecticut’s Hartford Landfill.

The Authority has placed funds in trust accounts for the Ellington, Waterbury, and Wallingford Landfills for financial assurance purposes. These trust accounts are reflected as restricted investments in the accompanying balance sheet.

At June 30, 2009, a letter of credit for \$305,000 was outstanding for financial assurance of the Shelton Landfill. No funds were drawn on this letter during fiscal year 2009. The annual fee for this letter of credit was two percent, paid quarterly in advance. Due to a new Stewardship Permit, the Authority no longer needs this letter of credit. On May 26, 2010, the Authority established a post-closure trust fund with its trustee in the amount of \$5,671,800 as a new financial assurance mechanism for the Shelton Landfill. This trust fund is reflected as restricted investments in the accompanying balance sheet.

6. MAJOR CUSTOMERS

Energy sales to CL&P and Constellation totaled 16.99% and 13.94%, respectively, of the Authority’s operating revenues for the fiscal year ended June 30, 2010. Energy sales to CL&P and Constellation totaled 16.6% and 11.6%, respectively, of the Authority’s operating revenues for the fiscal year ended June 30, 2009.

Service charge revenues from All Waste, Inc. totaled 7% and 6% of the Authority’s operating revenues for fiscal year ended June 30, 2010 and 2009, respectively.

7. RETIREMENT PLAN

The Authority is the Administrator of its 401(k) Employee Savings Plan. This defined contribution retirement plan covers all eligible employees.

Under the Amended and Restated 401(k) Employee Savings Plan, effective July 1, 2000, Authority contributions are five percent of payroll plus a dollar for dollar match of employees’ contributions up to five percent of employee wages. Authority contributions for the years ended June 30, 2010 and 2009 amounted to \$417,000 and \$431,000, respectively. Employees contributed \$414,000 to the plan in fiscal year 2010 and \$425,000 in fiscal year 2009.

In addition, the Authority is a participating employer in the State of Connecticut’s defined contribution 457(b) Plan, which allows Authority employees to participate in the State of Connecticut’s deferred compensation plan created in accordance with Internal Revenue Code Section 457. All amounts of compensation deferred under the 457(b) plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority holds no fiduciary responsibility for the plan; rather, fiduciary responsibility rests with the State Comptroller’s office.

The Authority has no postemployment benefit plans as of June 30, 2009 and 2010.

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss. The Authority endeavors to purchase commercial insurance for all insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. In fiscal year 2007, the Authority increased its overall property insurance limit to reflect an increase in overall property values. This provides 100% of the replacement cost value for the Mid-Connecticut Power Block Facility and Energy Generating Facility, plus business interruption and extra expense values for the Mid-Connecticut Project. This is the Authority’s highest valued single facility. The limit applies on a blanket basis for property damage to all locations.



The Authority is a member of the Connecticut Interlocal Risk Management Agency's ("CIRMA") Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is a guaranteed cost program. The premium for each of the policy periods from July 1, 2010 through July 1, 2011 and July 1, 2009 through July 1, 2010 was \$71,000 and \$59,000, respectively.

9. COMMITMENTS

The Authority has various operating leases for office space, land, landfills, and office equipment. The following schedule shows the composition of total rental expense for all operating leases:

Fiscal year	2010 (\$000)	2009 (\$000)
Minimum rentals	\$ 119	\$ 379
Contingent rentals	<u>320</u>	<u>326</u>
Total	<u>\$ 439</u>	<u>\$ 705</u>

The Authority also has agreements with various municipalities for payments in lieu of taxes ("PILOT") for personal and real property. For the years ended June 30, 2010 and 2009, the PILOT payments, which are included in the solid waste operations in the accompanying statements of revenues, expenses and changes in net assets, totaled \$6,435,000 and \$7,697,000, respectively. Future minimum rental commitments under non-cancelable operating leases and future PILOT payments as of June 30, 2010 are as follows:

Fiscal Year	Lease Amount (\$000)	PILOT Amount (\$000)
2011	118	5,124
2012	118	5,247
2013	6	846
2014	6	885
2015	-	926
Thereafter	<u>-</u>	<u>1,985</u>
Total	<u>\$ 248</u>	<u>\$ 15,013</u>

The Authority has executed contracts with the operators/contractors of the resources recovery facilities, regional recycling centers, transfer stations, and landfills containing various terms and conditions expiring through November 2015. Generally, operating charges are derived from various factors such as tonnage processed, energy produced, and certain pass-through operating costs.

The approximate amount of contract operating charges included in solid waste operations and maintenance and utilities expense for the years ended June 30, 2010 and 2009 was as follows:

Project	2010 (\$000)	2009 (\$000)
Mid-Connecticut	\$ 62,824	\$ 55,313
Bridgeport	-	21,143
Property	1,686	1,062
SouthWest	14,165	6,458
Wallingford	9,587	10,961
Southeast	<u>20,809</u>	<u>21,542</u>
Total	<u>\$ 109,071</u>	<u>\$ 116,479</u>

As of June 30, 2010 and 2009, the Authority has executed construction contracts totaling approximately \$0.0 and \$18.0 million, respectively, for construction activities at the Mid-Connecticut Hartford landfill and Regional Recycling Facility. Remaining commitments on construction contracts executed as of June 30, 2010 and 2009 totaling approximately \$1.9 million and \$4.4 million, respectively.



10. OTHER FINANCING

The Authority served as a conduit issuer for several bonds pursuant to bond resolutions to fund the construction of waste processing facilities built and operated by independent contractors. The revenue bonds were issued by the Authority to lower the cost of borrowing for the contractor/operator of the projects. The Authority was not involved in the construction activities, and construction requisitions by the contractor were made from various trustee accounts.

The Authority is not involved in the repayment of debt on these issues except for the portion of the bonds allocable to Authority purposes. In the event of default, and except in cases where the State has a contingent liability discussed below, the payment of debt is not guaranteed by the Authority or the State. Therefore, the Authority does not record the assets and liabilities related to these bond issues on its financial statements. The principal amounts of these bond issues outstanding at June 30, 2010 (excluding portions allocable to Authority purposes) are as follows:

11. SEGMENT INFORMATION

The Authority has three projects that operate resources recovery and recycling facilities and landfills throughout the State plus two divisions and are required to be self-supporting through user service fees and sales of electricity. The Authority has issued various revenue bonds to provide financing for the design, development, and construction of these resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts, and monies pledged in the respective bond indentures. Financial segment information is presented below as of and for the years ended June 30, 2010 and 2009, respectively.

Project	Amount (\$000)
Southeast -	
1992 Series A - Corp. Credit	30,000
1998 Series A - Project	35,420
2001 Series A - Covanta Southeastern Connecticut Company - I	6,750
2001 Series A - Covanta Southeastern Connecticut Company - II	<u>6,750</u>
Total	<u>\$ 78,920</u>



Fiscal Year 2010	Mid-Connecticut Project (\$000)	Bridgeport (1) Project (\$000)	Property Division (\$000)	SouthWest Division (\$000)	Wallingford Project (\$000)	Southeast Project (\$000)
Condensed Balance Sheets						
Assets:						
Current unrestricted assets	\$ 69,385	\$ 1,559	\$ 9,372	\$ 1,535	\$ 14,990	\$ 8,562
Current restricted assets	27,530	-	872	-	15,012	2,996
Total current assets	96,915	1,559	10,244	1,535	30,002	11,558
Non-current assets:						
Restricted cash and cash equivalents	15,698	-	5,672	-	-	1,064
Restricted investments	490	174	-	-	153	-
Capital assets, net	111,717	-	15,072	-	2,145	-
Other assets, net	38	-	-	-	-	2,689
Total non-current assets	127,943	174	20,744	-	2,298	3,753
Total assets	\$ 224,858	\$ 1,733	\$ 30,988	\$ 1,535	\$ 32,300	\$ 15,311
Liabilities:						
Current liabilities	\$ 24,895	\$ 51	\$ 1,090	\$ 1,381	\$ 1,823	\$ 3,803
Long-term liabilities	34,943	-	11,938	-	5,396	4,629
Total liabilities	59,838	51	13,028	1,381	7,219	8,432
Net Assets:						
Invested in capital assets, net of related debt	103,090	-	15,072	-	2,145	-
Restricted	19,533	174	872	-	15,107	1,329
Unrestricted	42,397	1,508	2,016	154	7,829	5,550
Total net assets	165,020	1,682	17,960	154	25,081	6,879
Total liabilities and net assets	\$ 224,858	\$ 1,733	\$ 30,988	\$ 1,535	\$ 32,300	\$ 15,311
Condensed Statements of Revenues, Expenses, and Changes in Net Assets						
Operating revenues	\$ 84,422	\$ (39)	\$ 2,298	\$ 14,664	\$ 11,083	\$ 25,872
Operating expenses	81,996	1,123	1,041	14,662	12,028	24,339
Depreciation and amortization expense	16,296	11	303	-	33	448
Operating (loss) income	(13,870)	(1,173)	954	2	(978)	1,085
Non-operating revenues (expenses):						
Investment income	338	9	49	1	98	58
Other income (expenses), net	5,092	-	197	-	(5)	325
Interest expense	(735)	-	-	-	-	(328)
Net non-operating revenues (expense)	4,695	9	246	1	93	55
Income (loss) before transfers	(9,175)	(1,164)	1,200	3	(885)	1,140
Transfers in (out)	-	(2,087)	2,087	-	-	-
Change in net assets	(9,175)	(3,251)	3,287	3	(885)	1,140
Total net assets, July 1, 2009	174,195	4,933	14,673	151	25,966	5,739
Total net assets, June 30, 2010	\$ 165,020	\$ 1,682	\$ 17,960	\$ 154	\$ 25,081	\$ 6,879
Condensed Statements of Cash Flows						
Net cash provided (used) by:						
Operating activities	\$ 5,165	\$ (1,680)	\$ 182	\$ 54	\$ (1,170)	\$ (567)
Investing activities	349	7	50	1	259	95
Capital and related financing activities	(13,227)	-	(414)	-	(133)	(868)
Non-capital financing activities	(8)	(2,087)	2,084	-	(5)	-
Net (decrease) increase	(7,721)	(3,760)	1,902	55	(1,049)	(1,340)
Cash and cash equivalents, July 1, 2009	102,194	5,299	13,703	25	30,171	7,019
Cash and cash equivalents, June 30, 2010	\$ 94,473	\$ 1,539	\$ 15,605	\$ 80	\$ 29,122	\$ 5,679

(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.



Connecticut Resources Recovery Authority

Fiscal Year 2009	Mid-Connecticut Project (\$000)	Bridgeport (1) Project (\$000)	Property Division (\$000)	SouthWest Division (\$000)	Wallingford Project (\$000)	Southeast Project (\$000)
Condensed Balance Sheets						
Assets:						
Current unrestricted assets	\$ 75,782	\$ 5,437	\$ 12,978	\$ 1,411	\$ 15,754	\$ 10,557
Current restricted assets	25,167	-	870	-	224	2,378
Total current assets	<u>100,949</u>	<u>5,437</u>	<u>13,848</u>	<u>1,411</u>	<u>15,978</u>	<u>12,935</u>
Non-current assets:						
Restricted cash and cash equivalents	16,168	-	-	-	16,154	1,068
Restricted investments	490	174	-	-	153	-
Capital assets, net	126,357	10	15,375	-	2,177	-
Other assets, net	53	-	-	-	-	3,137
Total non-current assets	<u>143,068</u>	<u>184</u>	<u>15,375</u>	<u>-</u>	<u>18,484</u>	<u>4,205</u>
Total assets	<u>\$ 244,017</u>	<u>\$ 5,621</u>	<u>\$ 29,223</u>	<u>\$ 1,411</u>	<u>\$ 34,462</u>	<u>\$ 17,140</u>
Liabilities:						
Current liabilities	\$ 25,851	\$ 688	\$ 960	\$ 1,260	\$ 2,033	\$ 6,069
Long-term liabilities	43,971	-	13,590	-	6,463	5,332
Total liabilities	<u>69,822</u>	<u>688</u>	<u>14,550</u>	<u>1,260</u>	<u>8,496</u>	<u>11,401</u>
Net Assets:						
Invested in capital assets, net of related debt	115,156	11	15,375	-	2,178	-
Restricted	18,340	174	870	-	16,307	955
Unrestricted	40,699	4,748	(1,572)	151	7,481	4,784
Total net assets	<u>174,195</u>	<u>4,933</u>	<u>14,673</u>	<u>151</u>	<u>25,966</u>	<u>5,739</u>
Total liabilities and net assets	<u>\$ 244,017</u>	<u>\$ 5,621</u>	<u>\$ 29,223</u>	<u>\$ 1,411</u>	<u>\$ 34,462</u>	<u>\$ 17,140</u>
Condensed Statements of Revenues, Expenses, and Changes in Net Assets						
Operating revenues	\$ 90,732	\$ 31,412	\$ 1,324	\$ 6,632	\$ 16,979	\$ 24,774
Operating expenses	81,036	25,466	3,488	6,483	41,676	25,554
Depreciation and amortization expense	15,806	464	153	-	326	448
Operating (loss) income	<u>(6,110)</u>	<u>5,482</u>	<u>(2,317)</u>	<u>149</u>	<u>(25,023)</u>	<u>(1,228)</u>
Non-operating revenues (expenses):						
Litigation-related settlements	4,250	-	-	-	-	-
Investment income	1,533	212	60	2	778	226
Other income (expenses), net	3,064	(2,444)	-	-	(230)	-
Interest expense	(859)	(41)	-	-	(12)	(372)
Net non-operating revenues (expense)	<u>7,988</u>	<u>(2,273)</u>	<u>60</u>	<u>2</u>	<u>536</u>	<u>(146)</u>
Income (loss) before transfers	1,878	3,209	(2,257)	151	(24,487)	(1,374)
Transfers in (out)	-	(16,930)	16,930	-	-	-
Change in net assets	1,878	(13,721)	14,673	151	(24,487)	(1,374)
Total net assets, July 1, 2008	172,317	18,654	-	-	50,453	7,113
Total net assets, June 30, 2009	<u>\$ 174,195</u>	<u>\$ 4,933</u>	<u>\$ 14,673</u>	<u>\$ 151</u>	<u>\$ 25,966</u>	<u>\$ 5,739</u>
Condensed Statements of Cash Flows						
Net cash provided (used) by:						
Operating activities	\$ 23,965	\$ 5,069	\$ 208	\$ 23	\$ (24,252)	\$ 257
Investing activities	1,592	212	60	2	743	343
Capital and related financing activities	(22,926)	(2,686)	(192)	-	(883)	(869)
Non-capital financing activities	(10)	(13,645)	13,627	-	(500)	-
Net (decrease) increase	<u>2,621</u>	<u>(11,050)</u>	<u>13,703</u>	<u>25</u>	<u>(24,892)</u>	<u>(269)</u>
Cash and cash equivalents, July 1, 2008	99,573	16,349	-	-	55,063	7,288
Cash and cash equivalents, June 30, 2009	<u>\$ 102,194</u>	<u>\$ 5,299</u>	<u>\$ 13,703</u>	<u>\$ 25</u>	<u>\$ 30,171</u>	<u>\$ 7,019</u>

(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.



12. SIGNIFICANT EVENTS

During fiscal years 2009 and 2010, the Authority received a total of \$3,456,000 (net of attorneys' fees and costs of litigation of \$677,000) and \$495,000 (net of attorneys' fees and costs of litigation of \$55,000) from settlements resulting from various Enron-related lawsuits, respectively. The \$3.456 million, net settlement contains a contingency, whereby if the Authority fails to settle with any other of a specified group of settling parties for more than the settlement amount of \$4.1 million, the Authority shall rebate this settling party an amount equal to the sum of the difference between \$4.1 million and the next largest settling party and an additional \$50,000, but in no event shall the rebate amount exceed \$425,000. The Authority has reported both gains as non-operating revenues in the accompanying statement of revenues, expenses and changes in net assets and deferred the \$425,000 contingency as accrued expenses and other current liabilities in the accompanying balance sheets.

During fiscal year 2010, the Authority settled with its waste hauling companies for diversion of waste from the Authority's Mid-Connecticut Project. As a result of the settlements, the Authority will receive from the haulers approximately \$8,350,000 as revenues for wastes to be delivered to the Mid-Connecticut facility through December 2012.

13. CONTINGENCIES

Mid-Connecticut Project:

On October 7, 2009, The Metropolitan District Commission ("MDC") initiated an arbitration proceeding against the Authority seeking a declaratory judgment that the Authority is responsible for certain post-employment benefits and other costs that MDC may incur upon the expiration of its contract for the operation of a portion of the Mid-Connecticut Project on December 30, 2011. The MDC did not specify the amount of its monetary claim in its demand for arbitration, but has separately set forth the amount as a range of \$32.0 million to \$36.0 million. The Authority has denied such

alleged responsibility. The arbitration is not proceeding at this time because the Authority has challenged the impartiality of the MDC party-appointed arbitrator. MDC filed a motion in Connecticut Superior Court to compel the arbitration to proceed, and the Authority filed a counterclaim requesting that the court disqualify MDC's party-appointed arbitrator. On April 28, 2010, the court ruled that the parties may appoint non-neutral arbitrators. The Authority subsequently appealed that ruling, and the appeal is currently pending. The matter is too preliminary to estimate any potential exposure.

On May 27, 2010, Tabacco & Son Builders, Inc. brought suit against the Authority and one of the Authority's former employees, for breach of contract, slander, libel, and various other legal and equitable causes of action, and seeking damages. The claim has been tendered to the Authority's insurer, which is defending. The matter is too preliminary to estimate any potential exposure.

In January 2006, the Authority's pollution liability insurance carrier, American International Specialty Lines Insurance Company ("AISLIC") settled with numerous commercial and residential neighbors of the Hartford Landfill who had filed suit against the Authority in 2001, claiming that the Authority negligently maintained and operated its Hartford Landfill and that the Hartford Landfill constituted a public nuisance. On May 4, 2006, AISLIC initiated a declaratory judgment action in federal district court seeking a declaration that AISLIC is not obligated to indemnify the Authority in connection with the settled lawsuit and that AISLIC should be awarded the amount it spent on defense and indemnification of the Authority. The Authority is defending against this action, and has counterclaimed, alleging bad faith and seeking recovery of attorneys' fees. Discovery is officially over, but the Authority has a motion to compel the production of additional documents from AISLIC pending. The matter is too preliminary to estimate any potential exposure.

On May 6, 2008, a Trustee of the Chapter 7 Bankruptcy Estate of O.N.E./C.H.A.N.E. brought suit against the Authority in Superior Court, claiming that the Authority breached the



October 6, 1999 Community Support Agreement between the Authority and O.N.E./C.H.A.N.E. and seeking damages of approximately \$20.0 million. The matter was tried to a jury in June 2010. The jury rendered its verdict in favor of the Authority on June 30, 2010, and judgment was entered on the verdict on July 20, 2010.

In January 2009, the Authority brought suit against Dainty Rubbish Services, Inc., alleging that Dainty has diverted substantial amounts of municipal solid waste to waste disposal facilities other than Authority facilities, contrary to Dainty's contractual obligations to deliver the waste to Authority facilities. On September 2, 2009, Dainty filed a counterclaim against the Authority alleging, among other things, breach of contract, misrepresentation, and fraud, and seeking rescission of all contracts, damages, interest and costs, and an accounting. The entire case was settled in principle at a mediation in December 2009 without payment or other compensation due from the Authority. Dainty agreed to compensate the Authority for past waste diversions. The parties are currently finalizing a settlement agreement and associated waste delivery agreement.

Bridgeport Project:

In the early 1990's, the Authority was named as a Potentially Responsible Party in the now-combined federal and State of New Jersey suits to recover the costs of remediation of the landfill known as Combe Fill South. The Authority's liability was substantially resolved in the spring of 2009 as a result of a mediated global settlement. However, one of the settling parties is pursuing a contribution action against certain non-settling entities. The Authority continues to monitor these remaining case activities to the extent they may implicate the Authority.

On January 21, 2009, a Complaint was filed against the Authority alleging injuries suffered by a Milford resident at the Milford Transfer Station and seeking monetary damages, including medical expenses and a new motor vehicle to accommodate Plaintiff's physical injuries. The claim was tendered to the Authority's insurer, which defended and indemnified the Authority, subject to a \$50,000

deductible. A mediated settlement was achieved in June 2010, and the case was subsequently withdrawn.

In February 2008, a Complaint was filed against the Authority alleging injuries suffered by an employee of Enviro Express, the operator of the Norwalk Transfer Station, and seeking damages, including medical expenses and lost wages. The claim was tendered to the insurer of Enviro Express, which defended the Authority pursuant to a reservation of rights. The matter was withdrawn on August 10, 2010.

Other Issues and Unasserted Claims and Assessments:

The Authority is subject to numerous federal, state and local environmental and other regulatory laws and regulations and management believes it is in substantial compliance with all such governmental laws and regulations.

14. SUBSEQUENT EVENTS

The Authority plans to refund its outstanding Resource Recovery Revenue Bonds (American Ref-Fuel Company of Southeastern Connecticut Project - 1998 Series A) relating to the Southeast Project sometime during the second quarter of fiscal year 2011. The amount of 1998 Series A Bonds currently outstanding is \$39,885,000. The purpose of the proposed refunding will be to achieve economic savings. The proposed refunding will not extend the current maturity of the bonds, which is November 15, 2015.

15. CURRENT ACCOUNTING PRONOUNCEMENTS

During November 2007, GASB issued *Statement No. 52, "Land and Other Real Estate Held as Investments by Endowment."* This statement requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. As



of June 30, 2010 and 2009, the Authority has no land and other real estate that are held as investments by endowments.

During June 2008, GASB issued *Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments."* This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. During fiscal years 2010 and 2009, the Authority did not enter into any derivative instrument arrangements.

During June 2007, GASB issued *Statement No. 51, "Accounting and Financial Reporting for Intangible Assets"* (GASB No. 51). This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software in an effort to reduce inconsistencies in accounting and financial reporting of intangible assets. As of June 30, 2010 and 2009, the Authority has no intangible assets that apply to GASB No. 51, except two easements: (1) easement right to access land owned by a private party in order for the Authority to access certain areas of the land for which the Authority bought from this party, that is adjacent to the Ellington Landfill; and (2) easement right to a property owned by another private party that essentially enables the Authority to control the zone of influence of the Shelton Landfill leachate plume. The value for both of these easements is immaterial; therefore, is not reflected on the Authority's financial statements as intangible assets.

**16. ACCOUNTING PRONOUNCEMENTS
ISSUED BUT NOT EFFECTIVE YET**

During February 2009, GASB issued *Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions,"* (GASB No. 54) that will become effective for financial statements for periods beginning after June 15, 2010. This statement establishes accounting and financial reporting standards including criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

Supplementary Information



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF BALANCE SHEETS

AS OF JUNE 30, 2010

(Dollars in Thousands)

EXHIBIT A
Page 1 of 2

ASSETS	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
CURRENT ASSETS									
Unrestricted Assets:									
Cash and cash equivalents	\$ 1,352	\$ 51,253	\$ 1,539	\$ 9,061	\$ 80	\$ 14,110	\$ 1,636	\$ -	\$ 79,031
Accounts receivable, net of allowances	22	13,088	-	249	1,455	831	6,926	-	22,571
Inventory	-	3,870	-	-	-	-	-	-	3,870
Prepaid expenses	27	986	20	62	-	49	-	-	1,144
Due from other funds	-	188	-	-	-	-	-	(188)	-
Total Unrestricted Assets	1,401	69,385	1,559	9,372	1,535	14,990	8,562	(188)	106,616
Restricted Assets:									
Cash and cash equivalents	-	27,522	-	872	-	15,012	2,979	-	46,385
Accrued interest receivable	-	8	-	-	-	-	17	-	25
Total Restricted Assets	-	27,530	-	872	-	15,012	2,996	-	46,410
Total Current Assets	1,401	96,915	1,559	10,244	1,535	30,002	11,558	(188)	153,026
NON-CURRENT ASSETS									
Restricted cash and cash equivalents	-	15,698	-	5,672	-	-	1,064	-	22,434
Restricted investments	-	490	174	-	-	153	-	-	817
Capital Assets:									
Depreciable:									
Plant	864	169,546	616	14,827	-	-	-	-	185,853
Equipment	1,248	214,936	-	2,373	-	277	-	-	218,834
	2,112	384,482	616	17,200	-	277	-	-	404,687
Less: Accumulated depreciation	(1,525)	(285,526)	(616)	(16,429)	-	(111)	-	-	(304,207)
Total Depreciable, net	587	98,956	-	771	-	166	-	-	100,480
Nondepreciable:									
Land	-	11,900	-	14,301	-	1,979	-	-	28,180
Construction in progress	-	861	-	-	-	-	-	-	861
Total Nondepreciable	-	12,761	-	14,301	-	1,979	-	-	29,041
Development and bond issuance costs, net	-	38	-	-	-	-	2,689	-	2,727
Total Non-Current Assets	587	127,943	174	20,744	-	2,298	3,753	-	155,499
TOTAL ASSETS	\$ 1,988	\$ 224,858	\$ 1,733	\$ 30,988	\$ 1,535	\$ 32,300	\$ 15,311	\$ (188)	\$ 308,525



COMBINING SCHEDULE OF BALANCE SHEETS (Continued)

AS OF JUNE 30, 2010
(Dollars in Thousands)

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Current portion of:									
Bonds payable, net	\$ -	\$ 3,699	\$ -	\$ -	\$ -	\$ -	\$ 581	\$ -	\$ 4,280
Closure and post-closure care of landfills	-	8,876	-	804	-	563	-	-	10,243
Accounts payable	119	2,252	-	44	2	316	6	-	2,739
Accrued expenses and other current liabilities	614	10,068	51	242	1,379	944	3,216	-	16,514
Due to other funds	188	-	-	-	-	-	-	(188)	-
Total Current Liabilities	921	24,895	51	1,090	1,381	1,823	3,803	(188)	33,776
LONG-TERM LIABILITIES									
Bonds payable, net	-	8,039	-	-	-	-	3,625	-	11,664
Closure and post-closure care of landfills	-	26,904	-	11,938	-	5,396	-	-	44,238
Other liabilities	-	-	-	-	-	-	1,004	-	1,004
Total Long-Term Liabilities	-	34,943	-	11,938	-	5,396	4,629	-	56,906
TOTAL LIABILITIES	921	59,838	51	13,028	1,381	7,219	8,432	(188)	90,682
NET ASSETS									
Invested in capital assets, net of related debt	588	103,090	-	15,072	-	2,145	-	-	120,895
Restricted:									
Tip fee stabilization	-	-	-	-	-	14,454	-	-	14,454
Energy generating facility	-	7,099	-	-	-	-	-	-	7,099
Debt service reserve funds	-	3,963	-	-	-	-	53	-	4,016
Equipment replacement	-	1,770	-	-	-	-	-	-	1,770
Operating and maintenance	-	1,770	-	-	-	-	-	-	1,770
Revenue fund	-	1,637	-	-	-	-	-	-	1,637
Debt service funds	-	1,543	-	-	-	-	-	-	1,543
Montville landfill post-closure	-	-	-	-	-	-	1,097	-	1,097
Select Energy escrow	-	1,000	-	-	-	-	-	-	1,000
Shelton landfill future use	-	-	-	872	-	-	-	-	872
DEP trust - landfills	-	490	174	-	-	153	-	-	817
Covanta Wallingford escrow	-	-	-	-	-	500	-	-	500
Recycling education fund	-	213	-	-	-	-	-	-	213
Rebate fund	-	-	-	-	-	-	179	-	179
Other restricted net assets	-	48	-	-	-	-	-	-	48
Total Restricted	-	19,533	174	872	-	15,107	1,329	-	37,015
Unrestricted	479	42,397	1,508	2,016	154	7,829	5,550	-	59,933
Total Net Assets	1,067	165,020	1,682	17,960	154	25,081	6,879	-	217,843
TOTAL LIABILITIES AND NET ASSETS	\$ 1,988	\$ 224,858	\$ 1,733	\$ 30,988	\$ 1,535	\$ 32,300	\$ 15,311	\$ (188)	\$ 308,525



Connecticut Resources Recovery Authority

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(Dollars in Thousands)**

EXHIBIT B

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
Operating Revenues									
Service charges:									
Members	\$ -	\$ 31,979	\$ -	\$ -	\$ 14,664	\$ 8,536	\$ 9,214	\$ -	\$ 64,393
Others	-	17,517	-	-	-	114	144	(178)	17,597
Energy sales	-	30,258	-	-	-	2,431	16,514	-	49,203
Other operating revenues	-	4,668	(39)	2,298	-	2	-	-	6,929
Total operating revenues	-	84,422	(39)	2,298	14,664	11,083	25,872	(178)	138,122
Operating Expenses									
Solid waste operations	-	73,936	(553)	1,692	14,179	12,146	24,185	(178)	125,407
Depreciation and amortization	201	16,296	11	303	-	33	448	-	17,292
Maintenance and utilities	-	1,272	-	86	-	7	-	-	1,365
Closure and post-closure care of landfills	-	(683)	-	(1,153)	-	(659)	-	-	(2,495)
Legal services - external	-	1,993	4	8	17	33	-	-	2,055
Operational and Environmental services	-	3,407	19	232	165	258	31	-	4,112
Billing, Accounting and Finance services	-	1,052	8	82	206	187	116	-	1,651
Education and Communications services	-	604	3	87	32	26	2	-	754
General and Administrative services	-	415	3	7	63	30	5	-	523
Distribution to member towns	-	-	1,639	-	-	-	-	-	1,639
Total operating expenses	201	98,292	1,134	1,344	14,662	12,061	24,787	(178)	152,303
Operating (Loss) Income	(201)	(13,870)	(1,173)	954	2	(978)	1,085	-	(14,181)
Non-Operating Revenues (Expenses)									
Investment income	3	338	9	49	1	98	58	-	556
Other income (expenses)	261	5,092	-	197	-	(5)	325	-	5,870
Interest expense	-	(735)	-	-	-	-	(328)	-	(1,063)
Net Non-Operating Revenues	264	4,695	9	246	1	93	55	-	5,563
Income (Loss) before Transfers	63	(9,175)	(1,164)	1,200	3	(885)	1,140	-	(8,818)
Transfers in (out)	-	-	(2,087)	2,087	-	-	-	-	-
Change in Net Assets	63	(9,175)	(3,251)	3,287	3	(885)	1,140	-	(8,818)
Total Net Assets, beginning of year	1,004	174,195	4,933	14,673	151	25,966	5,739	-	226,661
Total Net Assets, end of year	\$ 1,067	\$ 165,020	\$ 1,682	\$ 17,960	\$ 154	\$ 25,081	\$ 6,879	\$ -	\$ 217,843



Connecticut Resources Recovery Authority

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(Dollars in Thousands)**

**EXHIBIT C
Page 1 of 2**

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
Cash Flows Provided (Used) by Operating Activities									
Payments received from providing services	\$ 117	\$ 86,485	\$ 42	\$ 2,358	\$ 14,595	\$ 12,103	\$ 26,192	\$ (178)	\$ 141,714
Payments received from other funds	-	108	-	-	-	-	-	(108)	-
Payments to suppliers for goods and services	-	(78,346)	(83)	(1,931)	(14,133)	(12,625)	(26,609)	178	(133,550)
Payments to employees for services	-	(3,082)	-	(245)	(408)	(648)	(150)	-	(4,532)
Distribution to member towns	-	-	(1,639)	-	-	-	-	-	(1,639)
Payments to other funds	(108)	-	-	-	-	-	-	108	-
Net Cash Provided (Used) by Operating Activities	9	5,165	(1,680)	182	54	(1,170)	(567)	-	1,993
Cash Flows Provided (Used) by Investing Activities									
Interest on investments	9	349	7	50	1	259	95	-	770
Net Cash Provided by Investing Activities	9	349	7	50	1	259	95	-	770
Cash Flows Provided (Used) by Capital and Related Financing Activities									
Proceeds from sales of equipment	-	126	-	-	-	-	-	-	126
Payments for landfill closure and post-closure care liabilities	-	(5,866)	-	(414)	-	(133)	-	-	(6,413)
Acquisition and construction of capital assets	-	(3,225)	-	-	-	-	-	-	(3,225)
Interest paid on long-term debt	-	(737)	-	-	-	-	(250)	-	(987)
Principal paid on long-term debt	-	(3,525)	-	-	-	-	(618)	-	(4,143)
Net Cash Used by Capital and Related Financing Activities	-	(13,227)	-	(414)	-	(133)	(868)	-	(14,642)
Cash Flows Provided (Used) by Non-Capital Financing Activities									
Other interest and fees	-	(8)	-	(3)	-	(5)	-	-	(16)
Cash inflow / (outflow)	-	-	(2,087)	2,087	-	-	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(8)	(2,087)	2,084	-	(5)	-	-	(16)



Connecticut Resources Recovery Authority

**COMBINING SCHEDULE OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2010
(Dollars in Thousands)**

**EXHIBIT C
Page 2 of 2**

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
Net (decrease) increase in cash and cash equivalents	\$ 18	\$ (7,721)	\$ (3,760)	\$ 1,902	\$ 55	\$ (1,049)	\$ (1,340)	\$ -	\$ (11,895)
Cash and cash equivalents, beginning of year	1,334	102,194	5,299	13,703	25	30,171	7,019	-	159,745
Cash and cash equivalents, end of year	\$ 1,352	\$ 94,473	\$ 1,539	\$ 15,605	\$ 80	\$ 29,122	\$ 5,679	\$ -	\$ 147,850
Reconciliation of Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities:	\$ (201)	\$ (13,870)	\$ (1,173)	\$ 954	\$ 2	\$ (978)	\$ 1,085	\$ -	\$ (14,181)
Operating (loss) income									
Adjustments to reconcile operating (loss) income to net cash provided (used) by operating activities:									
Depreciation of capital assets	201	16,281	11	303	-	33	-	-	16,829
Amortization of development and bond issuance costs	-	15	-	-	-	-	448	-	463
Write-off of deferred acquisition costs	-	1,566	-	-	-	-	-	-	1,566
Provision for closure and post-closure care of landfills	-	(683)	-	(1,153)	-	(659)	-	-	(2,495)
Other income	107	5,011	-	200	-	-	325	-	5,643
Changes in assets and liabilities:									
(Increase) decrease in:									
Accounts receivable, net	-	(3,555)	81	(140)	(69)	832	(5)	-	(2,856)
Inventory	-	(242)	-	-	-	-	-	-	(242)
Prepaid expenses and other current assets	75	465	37	(26)	-	86	8	-	645
Due from other funds	-	108	-	-	-	-	-	(108)	-
(Decrease) increase in:									
Accounts payable, accrued expenses and other liabilities	(65)	69	(636)	44	121	(484)	(2,428)	-	(3,379)
Due to other funds	(108)	-	-	-	-	-	-	108	-
Net Cash Provided (Used) by Operating Activities	\$ 9	\$ 5,165	\$ (1,680)	\$ 182	\$ 54	\$ (1,170)	\$ (567)	\$ -	\$ 1,993



Connecticut Resources Recovery Authority

**COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010
(Dollars in Thousands)**

**EXHIBIT D
Page 1 of 2**

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Total
Net assets invested in capital assets, net of related debt	\$ 588	\$ 103,090	\$ -	\$ 15,072	\$ -	\$ 2,145	\$ -	\$ 120,895
Restricted net assets:								
Current restricted cash and cash equivalents:								
Revenue fund	-	20,646	-	-	-	-	1,451	22,097
Tip fee stabilization	-	-	-	-	-	14,454	-	14,454
Debt service funds	-	5,322	-	-	-	-	399	5,721
Montville landfill post-closure	-	-	-	-	-	-	1,129	1,129
Select Energy escrow	-	1,000	-	-	-	-	-	1,000
Shelton landfill future use	-	-	-	872	-	-	-	872
Covanta Wallingford escrow	-	-	-	-	-	500	-	500
Recycling education fund	-	213	-	-	-	-	-	213
Customer guarantee of payment	-	293	-	-	-	58	-	351
Town of Ellington trust - pooled funds	-	48	-	-	-	-	-	48
Total current restricted cash and cash equivalents	-	27,522	-	872	-	15,012	2,979	46,385
Non-current restricted cash and cash equivalents and investments:								
Energy generating facility	-	7,099	-	-	-	-	-	7,099
Shelton landfill trust fund	-	-	-	5,672	-	-	-	5,672
Debt service reserve funds	-	5,059	-	-	-	-	885	5,944
Operating and maintenance	-	1,770	-	-	-	-	-	1,770
Equipment replacement	-	1,770	-	-	-	-	-	1,770
DEP trust - landfills	-	490	174	-	-	153	-	817
Rebate fund	-	-	-	-	-	-	179	179
Total non-current restricted cash and cash equivalents and investments	-	16,188	174	5,672	-	153	1,064	23,251
Less liabilities to be paid with current restricted assets:								
Bonds payable, net including accrued interest	-	3,779	-	-	-	-	399	4,178
Other liabilities	-	19,302	-	-	-	58	1,483	20,843
Total liabilities to be paid with current restricted assets	-	23,081	-	-	-	58	1,882	25,021
Less liabilities to be paid with non-current restricted assets:								
Bonds payable, net	-	1,096	-	-	-	-	832	1,928
Landfill post-closure care costs	-	-	-	5,672	-	-	-	5,672
Total liabilities to be paid with non-current restricted assets	-	1,096	-	5,672	-	-	832	7,600
Total restricted net assets	-	19,533	174	872	-	15,107	1,329	37,015



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF NET ASSETS (Continued)

AS OF JUNE 30, 2010

(Dollars in Thousands)

EXHIBIT D
Page 2 of 2

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	South West Division	Wallingford Project	Southeast Project	Total
Unrestricted net assets:								
Designated for:								
Non-GASB #18 post-closure	\$ -	\$ 4,831	\$ -	\$ 3,763	\$ -	\$ 1,785	\$ -	\$ 10,379
Future loss contingencies	-	7,191	-	-	-	549	252	7,992
Landfill development	-	3,113	-	-	-	-	-	3,113
Rolling stock	-	2,784	-	-	-	-	-	2,784
Project closure	-	-	795	-	-	821	-	1,616
Future use	-	-	-	-	-	1,532	-	1,532
Facility modifications	-	1,493	-	-	-	-	-	1,493
Debt service stabilization	-	812	-	-	-	-	-	812
Recycling	-	-	-	709	-	-	-	709
Post-litigation expense	-	585	-	-	-	-	-	585
Deferred municipal credit	-	570	-	-	-	-	-	570
South Meadows site remediation	-	88	-	-	-	-	-	88
Undesignated	479	20,930	713	(2,456)	154	3,142	5,298	28,260
Total unrestricted net assets	479	42,397	1,508	2,016	154	7,829	5,550	59,933
Total Net Assets	\$ 1,067	\$ 165,020	\$ 1,682	\$ 17,960	\$ 154	\$ 25,081	\$ 6,879	\$ 217,843

**INDEPENDENT AUDITOR'S 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***

Board of Directors
Connecticut Resources Recovery Authority
Harford, Connecticut

We have audited the financial statements of the Connecticut Resources Recovery Authority (Authority) as of and for the year ended June 30, 2010, and have issued our report thereon dated September 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority'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 the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

We noted certain matters that we reported to management of the Authority in a separate letter dated September 29, 2010.

This report is intended solely for the information and use of the Board of Directors and management of the Authority, the State of Connecticut and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co LLP

New York, New York
September 29, 2010



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Statistical Section

This Authority's Comprehensive Annual Financial Report – Statistical Section – presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	58 - 66
<p>These schedules contain trend information to help the readers understand and assess how the Authority's financial performance and well-being have changed over time.</p>	
Revenue Capacity	67 - 76
<p>These schedules contain information to help the readers understand and assess the Authority's significant revenue sources.</p>	
Debt Capacity	77 - 80
<p>These schedules present information to help the readers understand and assess the affordability of the Authority's current levels of outstanding debt and its ability to issue additional debt in the future.</p>	
Demographic Information	81 - 82
<p>The schedule offers demographic indicators to help the readers understand the environment within which the Authority's financial activities take place.</p>	
Operating Information	83 - 87
<p>These schedules contain information to help the readers understand and assess the Authority's significant expense sources and how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</p>	



Connecticut Resources Recovery Authority

Exhibit 1 - Net Assets Last Nine Fiscal Years (1) (Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Invested in capital assets, net of related debt	\$ 503	\$ 288	\$ 986	\$ 895	\$ 927	\$ 836	\$ 765	\$ 640	\$ 588
Restricted	21	20	20	20	21	21	22	-	-
Unrestricted	8,509	8,881	(735)	(445)	(256)	(64)	148	364	479
Total Net Assets	9,033	9,189	271	470	692	793	935	1,004	1,067
Mid-Connecticut Project									
Invested in capital assets, net of related debt	14,865	14,005	13,030	86,710	75,294	123,358	115,611	115,156	103,090
Restricted	35,814	52,572	53,552	44,704	45,183	24,103	25,879	18,340	19,533
Unrestricted	41,273	8,611	6,561	45,362	68,109	18,247	30,827	40,699	42,397
Total Net Assets	91,952	75,188	73,143	176,776 (2)	188,586	165,708	172,317	174,195	165,020
Wallingford Project									
Invested in capital assets, net of related debt	1,979	1,979	1,979	1,979	2,091	2,370	2,375	2,178	2,145
Restricted	1,446	8,105	7,842	14,118	14,734	15,556	16,273	16,307	15,107
Unrestricted	14,998	12,483	18,489	17,563	22,408	28,243	31,805	7,481	7,829
Total Net Assets	18,423	22,567	28,310	33,660	39,233	46,169	50,453	25,966	25,081
Southeast Project									
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-
Restricted	1,280	1,271	147	260	1,104	649	723	955	1,329
Unrestricted	5,535	2,450	3,865	4,897	5,104	6,044	6,390	4,784	5,550
Total Net Assets	6,815	3,721	4,012	5,157	6,208	6,693	7,113	5,739	6,879

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Significantly higher total net assets for the Mid-Connecticut Project at the end of fiscal year 2005 due to the recognition of \$111.7 million received from the sale of the Authority's bankruptcy claim against Enron. The \$111.7 million sale proceeds were used to defease certain outstanding bonds issued for the Mid-Connecticut Project and to established an escrow account for future State loans repayments.



Connecticut Resources Recovery Authority

Exhibit 1 Continued - Net Assets
Last Nine Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bridgeport Project (2)									
Invested in capital assets, net of related debt	12,172	12,451	13,066	13,761	14,594	15,486	16,824	11	-
Restricted	1,416	1,417	2,464	2,534	2,865	2,995	2,979	174	174
Unrestricted	(8,891)	(7,044)	(2,433)	(1,590)	256	927	(1,149)	4,748	1,508
Total Net Assets	4,697	6,824	13,097	14,705	17,715	19,408	18,654	4,933	1,682
Property Division (3)									
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	15,375	15,072
Restricted	-	-	-	-	-	-	-	870	872
Unrestricted	-	-	-	-	-	-	-	(1,572)	2,016
Total Net Assets	-	-	-	-	-	-	-	14,673	17,960
SouthWest Division (4)									
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	151	154
Total Net Assets	-	-	-	-	-	-	-	151	154
Total Net Assets	\$ 130,920	\$ 117,489	\$ 118,833	\$ 230,768	(5) \$ 252,434	\$ 238,771	\$ 249,472	\$ 226,661	\$ 217,843

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

(3) The Property Division was created on January 1, 2009 to reflect the former Bridgeport Project assets that are no longer project-specific.

(4) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.

(5) Please see note (2) on page 58.



Connecticut Resources Recovery Authority

Exhibit 2 - Changes in Net Assets

Last Nine Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses									
Solid waste operations (2)	28	9	7	11	10	-	-	-	-
Depreciation and amortization	237	203	180	169	182	187	181	201	201
Other costs (3)	-	-	-	-	-	13	-	-	-
Total operating expenses	265	212	187	180	192	200	181	201	201
Operating Loss	(265)	(212)	(187)	(180)	(192)	(200)	(181)	(201)	(201)
Non-Operating Revenues and (Expenses)									
Investment income	270	165	32	18	44	56	38	7	3
Other income, net	158	75	316	361	370	245	285	263	261
Net Non-Operating Revenues	428	240	348	379	414	301	323	270	264
Income before Transfers	163	28	161	199	222	101	142	69	63
Transfers in (out)	(2,042)	128	(9,079)	-	-	-	-	-	-
(Decrease) Increase in Net Assets	\$ (1,879)	\$ 156	\$ (8,918)	\$ 199	\$ 222	\$ 101	\$ 142	\$ 69	\$ 63

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).
 (2) Solid waste operations for fiscal years 2002 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.
 (3) Other Costs for fiscal years 2002 - 2005 do not include legal expenses (see (2) above).



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Nine Fiscal Years ⁽¹⁾
(Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mid-Connecticut Project									
Operating Revenues									
Service charges:									
Members	\$ 33,041	\$ 37,703	\$ 39,466	\$ 42,133	\$ 42,691	\$ 40,221	\$ 36,552	\$ 34,269	\$ 31,979
Others	12,913	14,739	15,789	18,259	18,099	18,255	17,590	19,094	17,517
Energy generation	30,184	21,532	24,052	20,496	24,849	24,067	28,773	30,773	30,258
Other operating revenues	4,175	3,220	4,448	5,683	7,467	8,503	6,496	6,596	4,668
Total operating revenues	80,313	77,194	83,755	86,571	93,106	91,046	89,411	90,732	84,422
Operating Expenses									
Solid waste operations ⁽²⁾	62,003	61,000	58,675	59,094	60,164	58,221	59,361	64,778	73,936
Depreciation and amortization	14,893	16,284	16,081	16,080	16,072	16,397	16,365	15,806	16,296
Maintenance and utilities	1,716	1,144	1,481	1,730	1,997	1,833	3,559	926	1,272
Closure and post-closure care of landfills	587	2,005	467	385	178	34,194	3,122	7,065	(683)
Other costs ⁽³⁾	4,895	3,782	4,381	4,985	8,769	9,523	7,419	8,267	7,471
Total operating expenses	84,094	84,215	81,085	82,274	87,180	120,168	89,826	96,842	98,292
Operating (Loss) Income	(3,781)	(7,021)	2,670	4,297	5,926	(29,122)	(415)	(6,110)	(13,870)
Non-Operating Revenues (Expenses)									
Enron claims	-	-	-	82,760	-	-	-	-	-
Litigation-related settlements, net	-	375	-	-	-	39,075	4,745	4,250	-
Investment income	3,040	1,581	1,102	3,063	5,214	5,431	3,891	1,533	338
Other income (expenses), net	(75)	(8)	(122)	(89)	5,457	638	(332)	3,064	5,092
Litigation-related judgment	-	-	-	-	-	(35,800)	-	-	-
Interest expense	(12,660)	(11,875)	(11,032)	(8,819)	(4,787)	(1,952)	(1,280)	(859)	(735)
Net Non-Operating Revenues and (Expenses)	(9,695)	(9,927)	(10,052)	76,915	5,884	7,392	7,024	7,988	4,695
(Loss) Income before Special Items and Transfers	(13,476)	(16,948)	(7,382)	81,212	11,810	(21,730)	6,609	1,878	(9,175)
Special Items:									
Gain on sale of Enron claims	-	-	-	28,502	-	-	-	-	-
Defeasance of debt	-	-	-	(6,081)	-	(1,148)	-	-	-
Total Special Items	-	-	-	22,421	-	(1,148)	-	-	-
Transfers in	962	113	5,337	-	-	-	-	-	-
(Decrease) Increase in Net Assets	\$ (12,514)	\$ (16,835)	\$ (2,045)	\$ 103,633	\$ 11,810	\$ (22,878)	\$ 6,609	\$ 1,878	\$ (9,175)

⁽¹⁾ Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

⁽²⁾ Solid waste operations for fiscal years 2002 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.

⁽³⁾ Other Costs for fiscal years 2002 - 2005 do not include legal expenses (see ⁽²⁾ above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.

⁽⁴⁾ Significantly higher increase in net assets for the Mid-Connecticut Project at the end of fiscal year 2005 due to the recognition of \$111.7 million received from the sale of the Authority's bankruptcy claim against Enron. Of the \$111.7 million, the Authority reported \$82.8 million, which represented a court approved estimated value of its Enron claim, as non-revenue operating, and \$28.5 million, which represented the gain on the sale of the Enron claim, as a special item in the statements of revenues, expenses and changes in net assets.



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Nine Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bridgeport Project (2)									
Operating Revenues									
Service charges:									
Members	\$ 25,558	\$ 27,016	\$ 30,098	\$ 30,535	\$ 31,280	\$ 32,267	\$ 31,330	\$ 18,722	\$ -
Others	16,050	14,341	11,556	12,207	14,680	15,172	15,856	7,558	-
Ash disposal reimbursement	3,945	4,033	4,031	4,025	4,229	4,485	4,704	2,511	-
Other operating revenues	2,111	3,073	3,881	3,260	3,638	3,860	4,526	2,621	(39)
Total operating revenues	47,664	48,463	49,566	50,027	53,827	55,784	56,416	31,412	(39)
Operating Expenses									
Solid waste operations (3)	44,277	43,555	42,228	44,356	46,595	53,079	53,503	24,513	(553)
Depreciation and amortization	1,073	929	854	858	849	854	867	464	11
Maintenance and utilities	1,849	(280)	241	301	297	560	283	157	-
Closure and post-closure care of landfills	400	625	1,158	(180)	1,498	84	1,235	-	-
Other costs (4)	996	801	861	1,122	1,935	3,052	1,701	796	37
Distribution to member towns	-	-	-	-	-	-	-	-	1,639
Total operating expenses	48,595	45,630	45,342	46,457	51,174	57,629	57,589	25,930	1,134
Operating (Loss) Income	(931)	2,833	4,224	3,570	2,653	(1,845)	(1,173)	5,482	(1,173)
Non-Operating Revenues and (Expenses)									
Investment income	219	100	100	286	591	775	605	212	9
Other income (expenses), net	(22)	12	(40)	(1,870)	65	2,979	(59)	(2,444)	-
Interest expense	(632)	(527)	(454)	(378)	(299)	(216)	(127)	(41)	-
Net Non-Operating Revenues and (Expenses)	(1,045)	(415)	(394)	(1,962)	357	3,538	419	(2,273)	9
(Loss) Income before Transfers	(1,366)	2,418	3,830	1,608	3,010	1,693	(754)	3,209	(1,164)
Transfers in (out)	1,080	(291)	2,443	-	-	-	-	(16,930)	(2,087)
(Decrease) Increase in Net Assets	\$ (286)	\$ 2,127	\$ 6,273	\$ 1,608	\$ 3,010	\$ 1,693	\$ (754)	\$ (13,721)	\$ (3,251)

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

(3) Solid waste operations for fiscal years 2002 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.

(4) Other Costs for fiscal years 2002 - 2005 do not include legal expenses (see (3) above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Two Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year	
	2009	2010
Property Division		
Operating Revenues		
Other operating revenues	\$ 1,324	\$ 2,298
Total operating revenues	<u>1,324</u>	<u>2,298</u>
Operating Expenses		
Solid waste operations	1,018	1,692
Depreciation and amortization	153	303
Maintenance and utilities	78	86
Closure and post-closure care of landfills	2,276	(1,153)
Other costs (2)	116	416
Total operating expenses	<u>3,641</u>	<u>1,344</u>
Operating Loss	<u>(2,317)</u>	<u>954</u>
Non-Operating Revenues and (Expenses)		
Investment income	60	49
Other income (expenses), net	-	197
Net Non-Operating Revenues	<u>60</u>	<u>246</u>
Loss before Transfers	(2,257)	1,200
Transfers in	16,930	2,087
Increase in Net Assets	<u>\$ 14,673</u>	<u>\$ 3,287</u>

(1) The Property Division was created on January 1, 2009 to reflect the former Bridgeport Project assets that are no longer project-specific.

(2) Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Two Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year	
	2009	2010
SouthWest Division		
Operating Revenues		
Service charges:		
Members	\$ 6,632	\$ 14,664
Total operating revenues	<u>6,632</u>	<u>14,664</u>
Operating Expenses		
Solid waste operations	6,458	14,179
Other costs (2)	25	483
Total operating expenses	<u>6,483</u>	<u>14,662</u>
Operating Income	149	2
Non-Operating Revenues		
Investment income	2	1
Non-Operating Revenues	<u>2</u>	<u>1</u>
Income	151	3
Increase in Net Assets	<u>\$ 151</u>	<u>\$ 3</u>

(1) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.

(2) Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Nine Fiscal Years (1)
(Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Wallingford Project									
Operating Revenues									
Service charges:									
Members	\$ 8,318	\$ 8,387	\$ 8,313	\$ 8,560	\$ 8,907	\$ 8,856	\$ 8,649	\$ 8,439	\$ 8,536
Others	210	136	142	53	24	59	177	255	114
Energy generation	13,062	13,107	12,946	13,302	13,096	13,790	11,189	8,276	2,431
Other operating revenues	13	13	86	58	115	44	39	9	2
Total operating revenues	21,603	21,643	21,487	21,973	22,142	22,749	20,054	16,979	11,083
Operating Expenses									
Solid waste operations (2)	14,753	15,296	15,864	16,196	17,249	16,887	15,732	12,911	12,146
Depreciation and amortization	324	324	324	309	299	303	323	326	33
Maintenance and utilities	-	93	(25)	6	19	8	20	7	7
Closure and post-closure care of landfills	(140)	1,488	264	(25)	(47)	361	757	1,166	(659)
Other costs (3)	459	439	469	542	641	650	811	917	534
Distribution to member towns	-	-	-	-	-	-	-	26,675	-
Total operating expenses	15,396	17,640	16,896	17,028	18,161	18,209	17,643	42,002	12,061
Operating Income (Loss)	6,207	4,003	4,591	4,945	3,981	4,540	2,411	(25,023)	(978)
Non-Operating Revenues and (Expenses)									
Investment income	676	442	359	796	1,698	2,492	2,048	778	98
Other income (expenses), net	(574)	-	-	(184)	(7)	(25)	(133)	(230)	(5)
Interest expense	(479)	(319)	(254)	(160)	(99)	(71)	(42)	(12)	-
Net Non-Operating Revenues and (Expenses)	(377)	123	105	452	1,592	2,396	1,873	536	93
Income before Special Item and Transfers	5,830	4,126	4,696	5,397	5,573	6,936	4,284	(24,487)	(885)
Special Item:									
Early retirement of debt	-	-	-	(47)	-	-	-	-	-
Total Special Item	-	-	-	(47)	-	-	-	-	-
Transfers in	-	18	1,047	-	-	-	-	-	-
Increase in Net Assets	\$ 5,830	\$ 4,144	\$ 5,743	\$ 5,350	\$ 5,573	\$ 6,936	\$ 4,284	\$ (24,487)	\$ (885)

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Solid waste operations for fiscal years 2002 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.

(3) Other Costs for fiscal years 2002 - 2005 do not include legal expenses (see (2) above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.



Connecticut Resources Recovery Authority

Exhibit 2 Continued - Changes in Net Assets

Last Nine Fiscal Years (1)

(Dollars in Thousands)

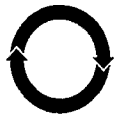
	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Southeast Project									
Operating Revenues									
Service charges:									
Members	\$ 9,717	\$ 9,809	\$ 10,664	\$ 10,666	\$ 10,635	\$ 10,504	\$ 9,924	\$ 9,174	\$ 9,214
Others	1,617	1,376	1,225	1,143	856	720	1,031	81	144
Other operating revenues	-	-	49	-	-	-	-	15,519	16,514
Total operating revenues	11,334	11,185	11,938	11,809	11,491	11,224	10,955	24,774	25,872
Operating Expenses									
Solid waste operations (2)	12,391	10,678	10,570	10,176	9,481	9,869	9,649	25,416	24,185
Depreciation and amortization	448	448	448	448	448	448	448	448	448
Maintenance and utilities	-	119	-	-	-	-	-	-	-
Other costs (3)	269	183	169	183	136	104	160	138	154
Total operating expenses	13,108	11,428	11,187	10,807	10,065	10,421	10,257	26,002	24,787
Operating (Loss) Income	(1,774)	(243)	751	1,002	1,426	803	698	(1,228)	1,085
Non-Operating Revenues and (Expenses)									
Investment income	183	98	30	308	117	134	136	226	58
Other income (expenses), net	(8)	(16)	-	500	-	2	-	-	325
Interest expense	(685)	(789)	(742)	(665)	(492)	(454)	(414)	(372)	(328)
Net Non-Operating Revenues and (Expenses)	(510)	(707)	(712)	143	(375)	(318)	(278)	(146)	55
(Loss) Income before Transfers	(2,284)	(950)	39	1,145	1,051	485	420	(1,374)	1,140
Transfers in	-	32	252	-	-	-	-	-	-
(Decrease) Increase in Net Assets	(2,284)	(918)	291	1,145	1,051	485	420	(1,374)	1,140
TOTAL (DECREASE) INCREASE IN NET ASS	\$ (11,133)	\$ (11,326)	\$ 1,344	\$ 111,935 (4)	\$ 21,666	\$ (13,663)	\$ 10,701	\$ (22,811)	\$ (8,818)

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Solid waste operations for fiscal years 2002 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.

(3) Other Costs for fiscal years 2002 - 2005 do not include legal expenses (see (2) above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.

(4) Please see note (4) on page 61.



Connecticut Resources Recovery Authority

Exhibit 3 - Historical Waste Summary

Last Ten Fiscal Years

Exhibit 3A Fiscal Year	Total Municipal Solid Waste Deliveries (tons)				Total
	Mid-Connecticut	Bridgeport (1)	SouthWest (2)	Wallingford	
2001	880,708	704,036	-	142,403	1,966,487
2002	887,764	722,574	-	154,722	2,011,919
2003	907,060	752,308	-	154,796	2,074,106
2004	856,143	735,417	-	153,623	2,006,213
2005	854,570	724,432	-	153,809	1,994,290
2006	860,252	773,707	-	156,754	2,051,530
2007	830,859	758,419	-	153,727	2,012,025
2008	800,409	753,500	-	149,809	1,966,892
2009	803,589	367,130	103,593	146,455	1,691,171
2010	788,901	-	232,770	147,860	1,444,318

Exhibit 3B Member Municipal Solid Waste Deliveries (tons)

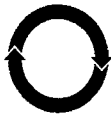
Fiscal Year	Member Municipal Solid Waste Deliveries (tons)		Total
	Bridgeport (1)	SouthWest (2)	
2001	622,837	365,921	1,302,325
2002	641,677	371,616	1,334,861
2003	656,959	383,196	1,364,749
2004	614,229	412,607	1,354,712
2005	598,449	419,176	1,348,251
2006	605,998	417,753	1,357,299
2007	578,543	405,322	1,310,492
2008	542,084	381,997	1,236,135
2009	504,421	178,277	1,079,858
2010	507,985	-	1,031,679

Exhibit 3C Contract Solid Waste Deliveries (tons)

Fiscal Year	Contract Solid Waste Deliveries (tons)		Total
	Bridgeport (1)	SouthWest (2)	
2001	222,021	250,177	491,134
2002	229,667	263,223	521,669
2003	237,096	228,358	488,409
2004	229,562	180,480	429,916
2005	243,384	196,704	458,256
2006	247,055	230,596	490,865
2007	244,120	234,412	489,333
2008	228,783	238,331	481,839
2009	249,154	111,094	361,703
2010	261,912	-	264,312

(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

(2) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.



Connecticut Resources Recovery Authority

Exhibit 3 Continued - Historical Waste Summary Last Ten Fiscal Years

Exhibit 3D Fiscal Year	Short-Term Waste Deliveries (tons)				Total
	Mid-Connecticut	Bridgeport (1)	Wallingford	Southeast	
2001	35,850	87,938	6,036	43,204	173,028
2002	16,421	87,735	3,492	47,742	155,390
2003	13,005	140,754	2,299	64,890	220,948
2004	12,352	142,330	2,472	64,431	221,585
2005	12,737	108,552	938	65,556	187,783
2006	7,199	125,358	413	70,396	203,366
2007	8,196	118,685	1,012	84,307	212,200
2008	29,542	133,172	3,160	83,044	248,918
2009	50,014	77,759	5,782	116,055	249,610
2010	19,005	-	5,565	123,758	148,328

Exhibit 3E Fiscal Year	Municipal Solid Waste Processed (tons)				Total
	Mid-Connecticut	Bridgeport (1)	Wallingford	Southeast	
2001	852,372	719,472	138,526	241,366	1,951,736
2002	791,487	723,207	144,747	244,775	1,904,216
2003	820,692	742,602	149,337	258,677	1,971,308
2004	809,215	733,771	142,083	259,822	1,944,891
2005	797,644	717,704	149,279	258,468	1,923,095
2006	809,046	728,553	139,570	255,697	1,932,866
2007	794,027	733,669	142,178	265,184	1,935,058
2008	734,656	742,073	143,326	259,215	1,879,270
2009	800,895	368,314	146,855	262,259	1,578,323
2010	789,334	-	148,618	268,984	1,206,936

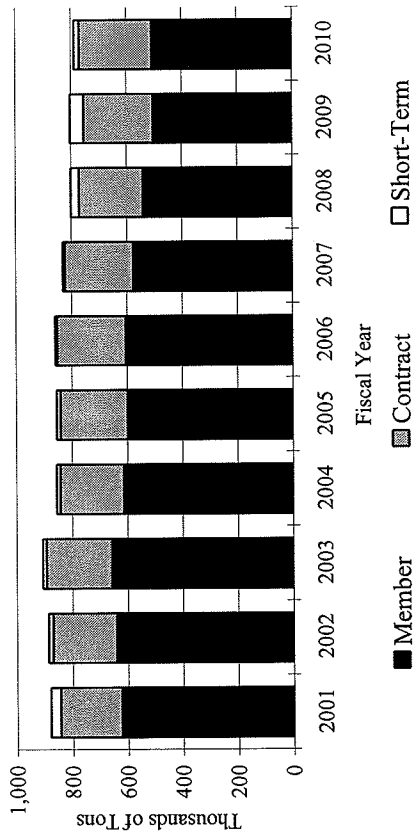
Exhibit 3F Fiscal Year	Recyclables Processed (tons)			Total
	Mid-Connecticut	Bridgeport (1)	SouthWest (2)	
2001	75,709	63,849	-	139,558
2002	69,131	58,999	-	128,130
2003	79,476	60,991	-	140,467
2004	77,406	63,490	-	140,896
2005	78,485	61,467	-	139,952
2006	76,461	59,604	-	136,065
2007	76,659	57,655	-	134,314
2008	88,183	59,713	-	147,896
2009	82,916	28,620	19,260	130,796
2010	83,405	-	36,335	119,740

(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.
 (2) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.

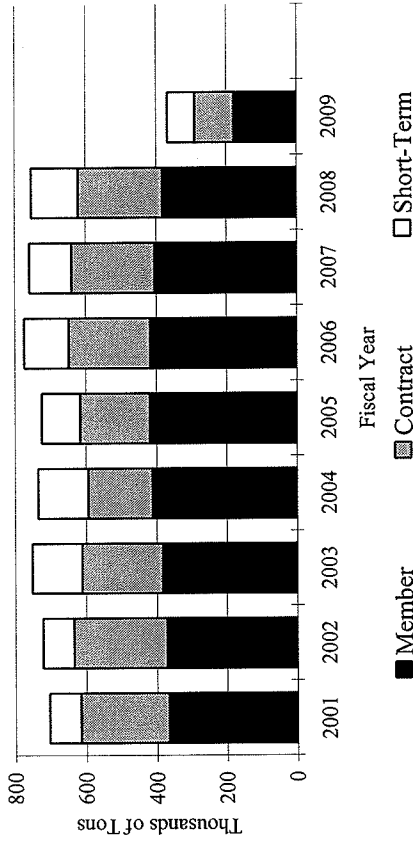


Exhibit 4 - Waste Delivery Summary
Last Ten Fiscal Years

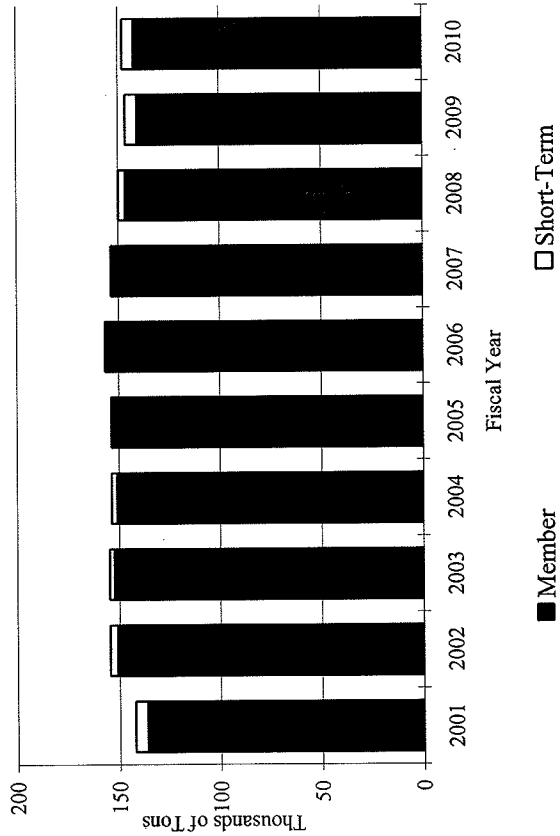
Mid-Connecticut Project



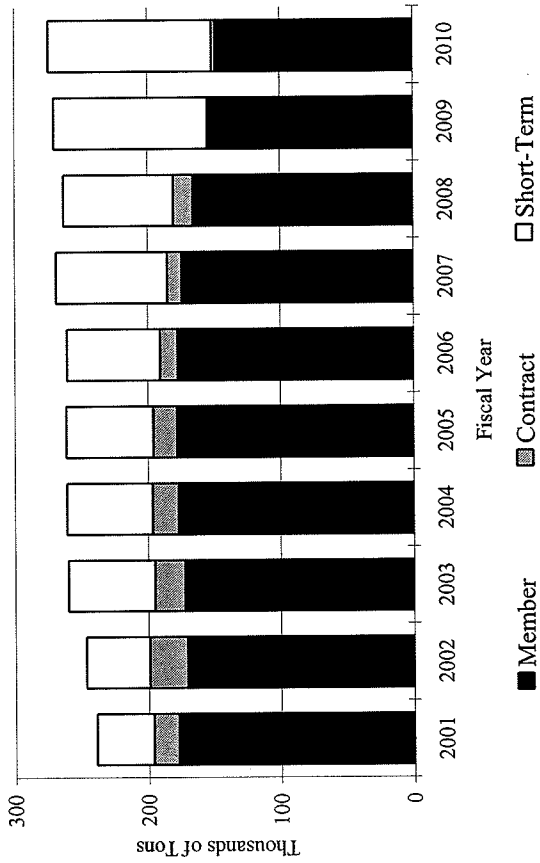
Bridgeport Project (1)



Wallingford Project



Southeast Project

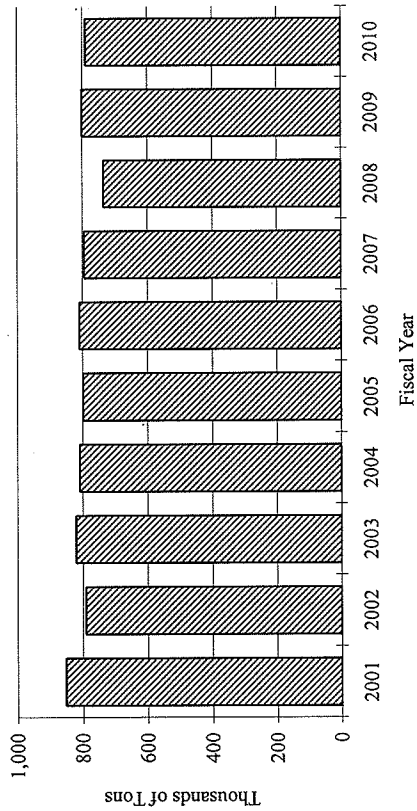


(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

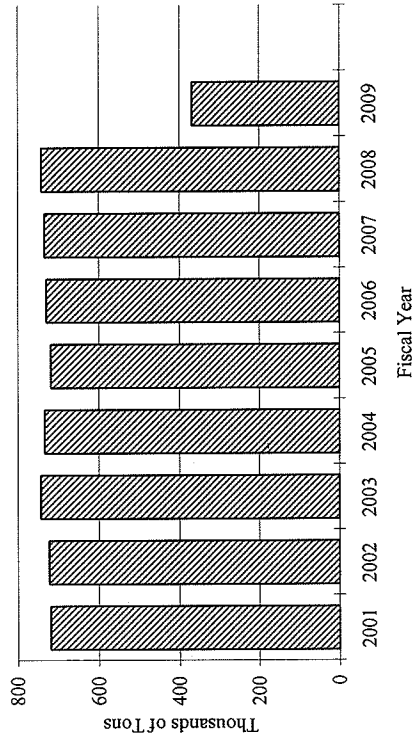


Exhibit 4 Continued - Waste Processed Summary
Last Ten Fiscal Years

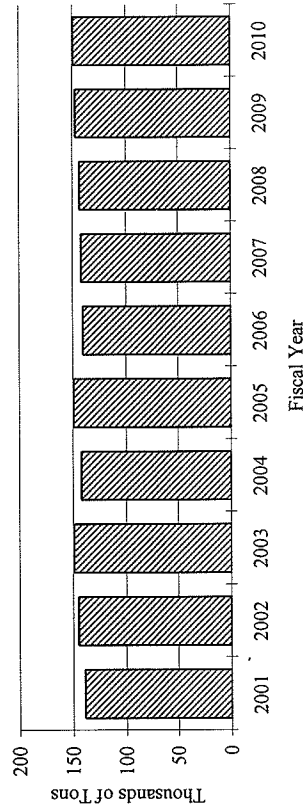
Mid-Connecticut Project



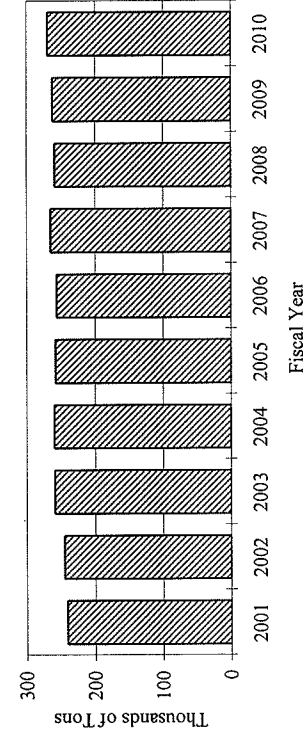
Bridgeport Project (1)



Wallingford Project



Southeast Project



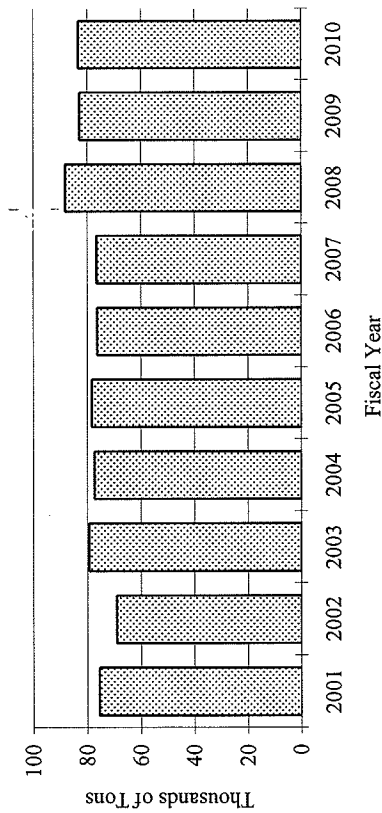
(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.



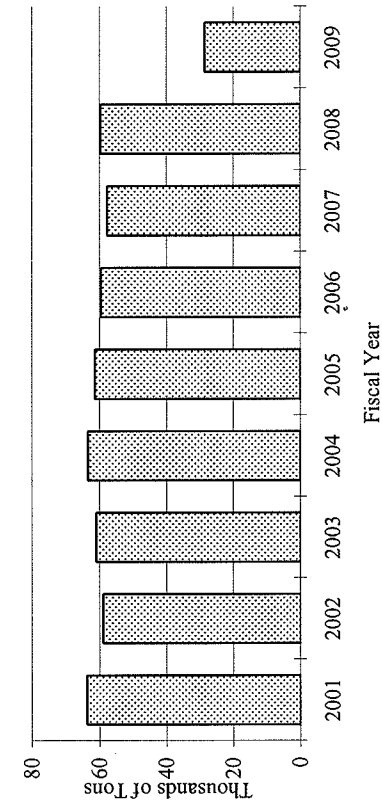
Connecticut Resources Recovery Authority

**Exhibit 4 Continued - Recyclables Processed Summary
Last Ten Fiscal Years**

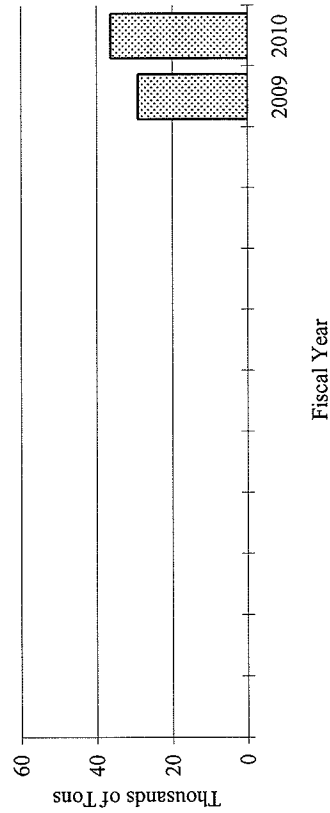
Mid-Connecticut Project



Bridgeport Project (1)



South West Division (2)



(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.
(2) The South West Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.



Connecticut Resources Recovery Authority

**Exhibit 5 - Energy Generation, Net of In-plant Usage
Last Ten Fiscal Years
(Total annual megawatts) (1)**

Fiscal Year	Mid-Connecticut	Bridgeport (2)	Wallingford	Southeast
2001	471,852	484,916	60,044	123,357
2002	453,745	480,673	66,326	134,773
2003	446,884	476,304	66,511	138,181
2004	438,887	479,671	65,178	138,407
2005	413,654	454,600	67,248	131,884
2006	409,407	491,567	61,788	130,491
2007	402,991	486,135	62,495	130,988
2008	358,380	495,581	59,714	133,765
2009	396,643	246,436	58,415	129,266
2010	390,426	-	57,979	137,800

(1) Total annual megawatts / 365 days / 24 hours = Annual hourly average rate.

(2) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

Exhibit 6 - Top Five Sources of Member Waste - 2010 (1)

Mid-Connecticut	SouthWest (2)	Wallingford	Southeast
Hartford	Bridgeport	Wallingford	Groton
Waterbury	Milford	Meriden	Norwich
Manchester	Fairfield	Hamden	New London
West Hartford	Stratford	North Haven	Montville
East Hartford	Westport	Cheshire	Waterford
18.93%	25.54%	25.81%	19.17%
15.35%	15.14%	22.62%	16.34%
7.44%	15.11%	22.33%	14.73%
7.39%	11.43%	15.93%	12.71%
6.23%	8.12%	13.31%	9.59%
55.34%	75.34%	100.00%	72.54%

(1) Percentage represents ratio of Member Deliveries / Total Member Deliveries.

(2) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.



Connecticut Resources Recovery Authority

**Exhibit 7 - Per Ton Service Charge for Member Waste
Last Ten Fiscal Years**

Fiscal Year	Mid-Connecticut	Bridgeport (1)	South West (2)	Wallingford	Southeast
2001	\$ 50.00	\$ 67.00	\$ -	\$ 56.00	\$ 58.00
2002	\$ 51.00	\$ 67.00	\$ -	\$ 55.00	\$ 57.00
2003	\$ 57.00	\$ 69.00	\$ -	\$ 55.00	\$ 57.00
2004	\$ 63.75	\$ 71.00	\$ -	\$ 55.00	\$ 60.00
2005	\$ 70.00	\$ 72.50	\$ -	\$ 56.00	\$ 60.00
2006	\$ 70.00	\$ 74.00	\$ -	\$ 57.00	\$ 60.00
2007	\$ 69.00	\$ 78.00	\$ -	\$ 58.00	\$ 60.00
2008	\$ 69.00	\$ 81.00	\$ -	\$ 59.00	\$ 60.00
2009	\$ 72.00	\$ 98.50	\$ 63.00	\$ 60.00	\$ 60.00
2010	\$ 69.00	\$ -	\$ 63.00	\$ 60.00	\$ 60.00

(1) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

(2) The South West Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.

**Exhibit 8 - Average Per Ton Short-Term Rate (Combined) (1)
Last Ten Fiscal Years**

Fiscal Year	Rate
2001	\$56.47
2002	\$56.85
2003	\$60.73
2004	\$64.56
2005	\$67.09
2006	\$67.52
2007	\$68.61
2008	\$67.35
2009	\$64.64
2010	\$61.53

(1) Average includes contract and short-term solid waste deliveries, excludes Bridgeport Project (please see (a) below) and Southeast Project short-term waste revenues which accrue to the facility operator.

(a) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.



Connecticut Resources Recovery Authority

Exhibit 9 - Revenues by Source (1)
Last Ten Fiscal Years
 (Dollars in Thousands)

Fiscal Year	Total Revenues	Member and Other Service Charges	% of Annual	Energy Sales	% of Annual	Ash Disposal Revenue	% of Annual	Landfill Revenue	% of Annual	Recycling Revenue	% of Annual	Investment Income & Other Operating Revenues	% of Annual
Mid-Connecticut Project													
2001	\$ 94,266	\$ 44,891	47.62%	\$ 39,828	42.25%	\$ -	-	\$ 1,320	1.40%	\$ 2,232	2.37%	\$ 5,995	6.36%
2002	\$ 73,958	\$ 45,954	62.14%	\$ 21,670	29.30%	\$ -	-	\$ 1,665	2.25%	\$ 1,135	1.53%	\$ 3,534	4.78%
2003	\$ 79,150	\$ 52,442	66.26%	\$ 21,532	27.20%	\$ -	-	\$ 1,139	1.44%	\$ 1,480	1.87%	\$ 2,557	3.23%
2004	\$ 84,857	\$ 55,255	65.12%	\$ 24,052	28.34%	\$ -	-	\$ 1,133	1.34%	\$ 1,844	2.17%	\$ 2,573	3.03%
2005	\$ 89,634	\$ 60,392	67.38%	\$ 20,496	22.87%	\$ -	-	\$ 1,241	1.38%	\$ 3,061	3.41%	\$ 4,444	4.96%
2006	\$ 98,320	\$ 60,790	61.83%	\$ 24,849	25.27%	\$ -	-	\$ 1,101	1.12%	\$ 4,507	4.58%	\$ 7,073	7.19%
2007	\$ 96,477	\$ 58,476	60.61%	\$ 24,067	24.95%	\$ -	-	\$ 778	0.80%	\$ 3,247	3.37%	\$ 9,909	10.27%
2008	\$ 93,302	\$ 54,142	58.03%	\$ 28,773	30.84%	\$ -	-	\$ 569	0.61%	\$ 3,621	3.88%	\$ 6,197	6.64%
2009	\$ 92,265	\$ 53,363	57.85%	\$ 30,773	33.35%	\$ -	-	\$ 2,532	2.74%	\$ 2,105	2.28%	\$ 3,492	3.78%
2010	\$ 84,760	\$ 49,496	58.40%	\$ 30,258	35.70%	\$ -	-	\$ 519	0.61%	\$ 1,926	2.27%	\$ 2,561	3.02%
Bridgeport Project (2)													
2000	\$ 46,846	\$ 39,634	84.60%	\$ -	-	\$ 3,670	7.83%	\$ -	-	\$ 1,700	3.63%	\$ 1,842	3.93%
2001	\$ 47,492	\$ 40,377	85.02%	\$ -	-	\$ 3,721	7.84%	\$ -	-	\$ 1,576	3.32%	\$ 1,818	3.83%
2002	\$ 47,883	\$ 41,608	86.90%	\$ -	-	\$ 3,945	8.24%	\$ -	-	\$ 1,003	2.09%	\$ 1,327	2.77%
2003	\$ 48,575	\$ 41,357	85.14%	\$ -	-	\$ 4,033	8.30%	\$ -	-	\$ 1,941	4.00%	\$ 1,244	2.56%
2004	\$ 49,666	\$ 41,654	83.87%	\$ -	-	\$ 4,031	8.12%	\$ -	-	\$ 2,607	5.25%	\$ 1,374	2.77%
2005	\$ 50,313	\$ 42,742	84.95%	\$ -	-	\$ 4,025	8.00%	\$ -	-	\$ 2,089	4.15%	\$ 1,457	2.90%
2006	\$ 54,418	\$ 45,960	84.46%	\$ -	-	\$ 4,229	7.77%	\$ -	-	\$ 2,443	4.49%	\$ 1,786	3.28%
2007	\$ 56,558	\$ 47,439	83.88%	\$ -	-	\$ 4,485	7.93%	\$ -	-	\$ 2,647	4.68%	\$ 1,987	3.51%
2008	\$ 57,021	\$ 47,186	82.75%	\$ -	-	\$ 4,704	8.25%	\$ -	-	\$ 3,256	5.71%	\$ 1,875	3.29%
2009	\$ 31,624	\$ 26,280	83.10%	\$ -	-	\$ 2,511	7.94%	\$ -	-	\$ 1,752	5.54%	\$ 1,081	3.42%

(1) Excludes non-operating revenues except investment income.

(2) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.



Connecticut Resources Recovery Authority

**Exhibit 9 - Revenues by Source (1)
Last Two Fiscal Years (2) and (3)**
(Dollars in Thousands)

Fiscal Year	Total Revenues	Member and Other Service Charges	% of Annual	Recycling Revenue	% of Annual	Investment Income & Other Operating Revenues	% of Annual
Property Division (2)							
2009	\$ 1,384	\$ -	-	\$ 665	48.05%	\$ 719	51.95%
2010	\$ 2,347	\$ -	-	\$ 1,527	65.06%	\$ 820	34.94%
South West Division (3)							
2009	\$ 6,634	\$ 6,632	99.97%	\$ -	-	\$ 2	0.03%
2010	\$ 14,665	\$ 14,664	99.99%	\$ -	-	\$ 1	0.01%

(1) Excludes non-operating revenues except investment income.

(2) The Property Division was created on January 1, 2009 to reflect the former Bridgeport Project assets that are no longer project-specific.

(3) The South West Division was formed on January 1, 2009 through a new five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.



Connecticut Resources Recovery Authority

Exhibit 9 - Revenues by Source (1) Last Ten Fiscal Years (Dollars in Thousands)

Fiscal Year	Total Revenues	Member Service and Other Charges	% of Annual	Energy Sales	% of Annual	Investment Income & Other Operating Revenues	% of Annual
Wallingford Project							
2001	\$ 22,275	\$ 7,993	35.88%	\$ 12,813	57.52%	\$ 1,469	6.59%
2002	\$ 22,279	\$ 8,528	38.28%	\$ 13,062	58.63%	\$ 689	3.09%
2003	\$ 22,085	\$ 8,523	38.59%	\$ 13,107	59.35%	\$ 455	2.06%
2004	\$ 21,846	\$ 8,455	38.70%	\$ 12,946	59.26%	\$ 445	2.04%
2005	\$ 22,769	\$ 8,613	37.83%	\$ 13,302	58.42%	\$ 854	3.75%
2006	\$ 23,840	\$ 8,931	37.46%	\$ 13,096	54.93%	\$ 1,813	7.60%
2007	\$ 25,241	\$ 8,915	35.32%	\$ 13,790	54.63%	\$ 2,536	10.05%
2008	\$ 22,102	\$ 8,826	39.93%	\$ 11,189	50.62%	\$ 2,087	9.45%
2009	\$ 17,757	\$ 8,694	48.96%	\$ 8,276	46.61%	\$ 787	4.43%
2010	\$ 11,181	\$ 8,650	77.36%	\$ 2,431	21.74%	\$ 100	0.89%
Southeast Project							
2001	\$ 11,959	\$ 11,445	95.70%	-	-	\$ 514	4.30%
2002	\$ 11,517	\$ 11,334	98.41%	-	-	\$ 183	1.59%
2003	\$ 11,283	\$ 11,185	99.13%	-	-	\$ 98	0.87%
2004	\$ 11,968	\$ 11,889	99.34%	-	-	\$ 79	0.66%
2005	\$ 12,117	\$ 11,809	97.46%	-	-	\$ 308	2.54%
2006	\$ 11,608	\$ 11,491	98.99%	-	-	\$ 117	1.01%
2007	\$ 11,358	\$ 11,224	98.82%	-	-	\$ 134	1.18%
2008	\$ 11,091	\$ 10,955	98.77%	-	-	\$ 136	1.23%
2009	\$ 25,000	\$ 9,255	37.02%	\$ 15,519	62.08%	\$ 226	0.90%
2010	\$ 25,930	\$ 9,358	36.09%	\$ 16,514	63.69%	\$ 58	0.22%

(1) Excludes non-operating revenues except investment income.

(2) Higher revenue as a result of energy sales reflected on the statements of revenues, expenses and changes in net assets as operating revenues. Prior to FY2009, energy sales are reported on the statements of revenues, expenses and changes in net assets as net from Operating Expenses - Solid Waste Operations.



Connecticut Resources Recovery Authority
Exhibit 10 - Revenue Bond Coverage Ratios (Combined)

Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2001	\$ 179,840	\$ 137,056	\$ 42,784	\$ 17,234	\$ 15,776	\$ 33,010	1.30
2002	\$ 161,901	\$ 141,082	\$ 20,819	\$ 21,498	\$ 13,970	\$ 35,468	0.59
2003	\$ 158,206	\$ 138,272	\$ 19,934	\$ 19,024	\$ 13,018	\$ 32,042	0.62
2004	\$ 167,195	\$ 135,482	\$ 31,713	\$ 19,353	\$ 12,126	\$ 31,479	1.01
2005	\$ 173,412	\$ 137,443	\$ 35,969	\$ 21,660 (4)	\$ 10,373	\$ 32,033	1.12
2006	\$ 187,757	\$ 148,449	\$ 39,308	\$ 5,494	\$ 5,399	\$ 10,893 (6)	3.61
2007	\$ 189,402	\$ 188,149 (5)	\$ 1,253	\$ 5,653 (4)	\$ 2,981	\$ 8,634 (6)	0.15 (5)
2008	\$ 182,208	\$ 155,966	\$ 26,242	\$ 4,941 (7)	\$ 1,836 (7)	\$ 6,777	3.87
2009	\$ 174,521 (8)	\$ 156,878 (9)	\$ 17,643	\$ 3,003	\$ 1,216	\$ 4,219	4.18
2010	\$ 138,678 (10)	\$ 133,372 (11)	\$ 5,306	\$ 4,143	\$ 987	\$ 5,130	1.03

(1) Includes operating revenues and investment income, excludes non-operating revenues.

(2) Excludes depreciation and amortization, write-off of development costs and interest expense.

(3) Does not include transfers from reserves and other sources to maintain coverage requirements.

(4) Excludes early retirement/defeasance of debt.

(5) Significantly higher operating expenses for fiscal year 2007 primarily due to Authority assuming responsibility for all closure and post-closure care costs at the Hartford Landfill (approximately \$31.0 million) and increased administration costs at all five landfills (approximately \$3.6 million).

(6) Lower debt service requirements for fiscal years 2006 and 2007 primarily as a result of the Mid-Connecticut Project bond defeasance in March 2005 and July 2006.

(7) Excludes Mid-Connecticut Project State Loans pay-off of \$11.574 million and \$17 thousand for principal and interest, respectively.

(8) Lower gross revenues primarily due to the closure of the Bridgeport Project as of December 31, 2008.

(9) Excludes distribution to Wallingford member towns of \$26.675 million.

(10) Lower gross revenues primarily due to the closure of the Bridgeport Project as of December 31, 2008 and decreased energy sales at the Wallingford Project as a result of decreases in electricity generation and contract rates.

(11) Lower operating expenses primarily due to the closure of the Bridgeport Project as of December 31, 2008; excludes distribution to Bridgeport former member towns of \$1.639 million.



Connecticut Resources Recovery Authority

**Exhibit 11 - Revenue Bond Ratings
As of June 30, 2010**

PROJECT	OUTSTANDING SERIES	MOODYS RATING	STANDARD & POORS RATING	FITCH ** RATING	BOND INSURER
Mid-Connecticut	1996 Series A	Aa3	AA	Withdrawn	MBIA
Southeast	1998 Series A	Aa3	AA	Withdrawn	MBIA
	CORPORATE CREDIT REVENUE BONDS: *				
	1992 Series A - Corporate Credit Bonds	Ba2	BB+	Not Rated	None
	2001 Series A - Corporate Credit Bonds	Ba2	Not Rated	Not Rated	None
	Covanta Southeastern Connecticut Company-I				
	2001 Series A - Corporate Credit Bonds	Ba2	Not Rated	Not Rated	None
	Covanta Southeastern Connecticut Company-II				
	2001 Series A - Corporate Credit Bonds	Ba2	Not Rated	Not Rated	None

* The Authority was a conduit issuer for these Bonds. They are not carried on the Authority's books.

** On June 26, 2008 Fitch withdrew their ratings of MBIA and AMBAC insured bonds.

Source: www2.standardandpoors.com
www.moodys.com



Connecticut Resources Recovery Authority

Exhibit 12 - Outstanding Debt by Type Last Nine Fiscal Years (1)

(Dollars in Thousands)

Fiscal Year	Mid-Connecticut		Bridgeport		Wallingford		Southeast		Total Outstanding Debt	Per Capita (8)
	Special Obligation Bonds	Subordinate Bonds (2)	Special		Special		Special			
			Obligation Bonds (3)	Subordinate Bonds	Obligation Bonds (4)	Subordinate Bonds	Obligation Bonds (5)	Subordinate Bonds		
2002	\$ 198,050	\$ 13,210	\$ 4,230	\$ 7,875	\$ 4,456	\$ 4,000	\$ 11,215	\$ -	\$ 243,036	104
2003	\$ 183,775	\$ 15,210	\$ 3,730	\$ 6,805	\$ 3,886	\$ 2,000	\$ 10,604	\$ -	\$ 226,010	97
2004	\$ 168,780	\$ 25,299	\$ 3,190	\$ 5,725	\$ 3,297	\$ 1,250	\$ 9,957	\$ -	\$ 217,498	93
2005	\$ 69,415 (6)	\$ 18,558	\$ 2,605	\$ 4,640	\$ 2,688	\$ -	\$ 7,227	\$ -	\$ 105,133	44
2006	\$ 69,415	\$ 15,939	\$ 1,970	\$ 3,535	\$ 2,055	\$ -	\$ 6,725	\$ -	\$ 99,639	40
2007	\$ 15,290 (7)	\$ 13,320	\$ 1,280	\$ 2,380	\$ 1,397	\$ -	\$ 6,194	\$ -	\$ 39,861	16
2008	\$ 15,290	\$ -	\$ 535	\$ 1,170	\$ 712	\$ -	\$ 5,639	\$ -	\$ 23,346	9
2009	\$ 15,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,053	\$ -	\$ 20,343	9
2010	\$ 11,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,435	\$ -	\$ 16,200	8

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Commencing in Fiscal Year 2003, Mid-Connecticut Project Subordinated Bonds also includes the principal balances due on State Loans received.

(3) Represents Authority's on-book portion of approximately 3.7%. Approximately 96.3% of these bonds are on the books of Wheelabrator Bridgeport.

(4) Represents Authority's on-book portion of 15.313%. 84.687% of these bonds are on the books of Covanta Projects of Wallingford.

(5) Represents Authority's on-book portion of 11.129%. 88.871% of these bonds are on the books of Covanta Southeastern Connecticut Company.

(6) In March 2005, the Authority fully defeased its outstanding Mid-Connecticut Project Bonds 1997 Series A (\$2.1 million) and 2001 Series A (\$13.2 million) and partially defeased its outstanding Mid-Connecticut Project bonds 1996A (\$81.5 million).

(7) In July 2006, the Authority defeased its outstanding Mid-Connecticut Project Bonds 1996 Series A (\$54.125 million).

(8) Please see Exhibit 14 Demographic Information for population data.



Connecticut Resources Recovery Authority

Exhibit 13 - Special Capital Reserve Fund Debt Limit Information
Last Nine Fiscal Years (1)
 (Dollars in Thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Special Capital Reserve Funds (SCRF) limit (2)	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000
<u>Project:</u>									
Mid-Connecticut Project									
1996 Series A	\$ 193,170	\$ 179,775	\$ 165,705	\$ 69,415	\$ 69,415	\$ 15,290	\$ 15,290	\$ 15,290	\$ 11,765
1997 Series A	4,880	4,000	3,075	-	-	-	-	-	-
Southeast Project									
1998 Series A (3)	77,140	73,280	69,220	64,940	60,430	55,675	50,675	45,405	39,855
1989 Series A	2,630	2,450	2,255	-	-	-	-	-	-
TOTAL SCRF-BACKED DEBT	277,820	259,505	240,255	134,355	129,845	70,965	65,965	60,695	51,620
Legal debt margin	\$ 447,180	\$ 465,495	\$ 484,745	\$ 590,645	\$ 595,155	\$ 654,035	\$ 659,035	\$ 664,305	\$ 673,380
Total outstanding as a percentage of SCRF limit	38.32%	35.79%	33.14%	18.53%	17.91%	9.79%	9.10%	8.37%	7.12%

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).

(2) Per Connecticut General Statutes Section 22a-272(b), the aggregate amount of bonds outstanding at any time secured by Special Capital Reserve Funds shall not exceed \$725 million dollars.

(3) Includes both on-book and off-book portions of principal outstanding.



**Exhibit 14 - Demographic Information
Last Ten Fiscal Years**

Fiscal Year	Mid-Connecticut			Bridgeport(2)			South West(3)			Wallingford			Southeast		
	Population Served	Average Unemployment Rate	# of Towns	Population Served	Average Unemployment Rate	# of Towns	Population Served	Average Unemployment Rate	# of Towns	Population Served	Average Unemployment Rate	# of Towns	Population Served	Average Unemployment Rate	# of Towns
2001	1,177,063	2.6	66	633,372	2.7	18	-	-	-	208,360	2.9	5	254,715	2.7	17
2002	1,184,419	3.8	70	678,550	3.7	18	-	-	-	212,984	3.9	5	258,382	3.9	15
2003	1,184,419	4.7	70	678,550	4.4	18	-	-	-	212,984	5.0	5	258,382	4.9	15
2004	1,193,139	4.3	70	680,745	4.0	18	-	-	-	214,584	4.5	5	261,260	4.5	15
2005	1,199,845	4.2	70	683,657	4.0	18	-	-	-	215,195	4.6	5	264,468	4.5	15
2006	1,203,325	3.8	70	822,947	3.5	20	-	-	-	215,574	4.2	5	265,026	4.2	15
2007	1,205,963	3.9	70	821,740	3.7	20	-	-	-	215,282	4.3	5	245,291	4.3	14
2008	1,219,637	5.1	70	815,807	5.2	20	-	-	-	214,437	5.8	5	248,799	5.9	14
2009	1,204,329	7.1	70	816,014	7.0	20	455,029	6.8	12	214,934	7.6	5	245,597	7.4	14
(1) 2010	1,208,813	7.5	70	-	-	-	457,634	7.8	12	215,244	8.4	5	248,233	8.2	14

(1) Population provided by the State Department of Health Services and based on estimates as of July 1, 2009. Unemployment data provided by the State Department of Labor for September 2010.

(2) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008.

(3) The South West Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.



Connecticut Resources Recovery Authority

**Exhibit 15 - Principal Employers,
Current Year and Nine Years Ago**

<u>Employer</u>	2010			2001		
	<u>Employees</u> (1)	<u>Rank</u>	<u>Percentage of Total Authority Employment</u>	<u>Employees</u> (2)	<u>Rank</u>	<u>Percentage of Total Authority Employment</u>
United Technologies Corp.	27,050	1	0.19%	20,200	1	0.22%
The Hartford Financial Services Group, Inc.	11,300	2	0.45%	11,000	2	0.41%
Mohegan Sun	8,800	3	0.58%	6,000	8	0.75%
General Dynamics Electric Boat	8,200	4	0.62%	7,700	6	0.58%
Foxwoods Resort Casino	7,672	5	0.66%	-	-	0.00%
Aetna Inc.	7,231	6	0.71%	7,800	5	0.58%
The Travelers Cos Inc.	7,000	7	0.73%	9,000	3	0.50%
General Electric, Co.	5,600	8	0.91%	7,700	6	0.58%
Pfizer Global Research & Development	5,000	9	1.02%	6,400	7	0.70%
Hartford Hospital	4,866	10	1.05%	8,507	4	0.53%
Total	92,719		6.92%	84,307		4.86%

(1) Hartford Business Journal - June 28, 2010.

(2) State of Connecticut Comprehensive Annual Financial Report - Fiscal Year Ending June 30, 2002.



Connecticut Resources Recovery Authority

Exhibit 16 - Expenses by Function (1)
Last Ten Fiscal Years
 (Dollars in Thousands)

Fiscal Year	Total Expenses	Solid Waste Operations (2)	% of Annual	Maintenance & Utilities	% of Annual	Other Costs (3)	% of Annual	Landfill Closure & Post-closure	% of Annual	Debt Service	% of Annual	
												Annual
Mid-Connecticut Project												
2001	\$ 88,073	\$ 53,733	61.02%	\$ 1,651	1.87%	\$ 5,213	5.92%	\$ (85)	-0.10%	\$ 27,561	31.29%	
2002	\$ 90,813	\$ 56,914	62.67%	\$ 1,289	1.42%	\$ 4,733	5.21%	\$ 587	0.65%	\$ 27,290	30.05%	
2003	\$ 94,081	\$ 61,000	64.84%	\$ 1,144	1.22%	\$ 3,782	4.02%	\$ 2,005	2.13%	\$ 26,150	27.80%	
2004	\$ 91,783	\$ 58,675	63.93%	\$ 1,481	1.61%	\$ 4,381	4.77%	\$ 467	0.51%	\$ 26,779	29.18%	
2005	\$ 92,957	\$ 59,094	63.57%	\$ 1,730	1.86%	\$ 4,985	5.36%	\$ 385	0.41%	\$ 26,763	28.79%	
2006	\$ 78,514	\$ 60,164	76.63%	\$ 1,997	2.54%	\$ 8,769	11.17%	\$ 178	0.23%	\$ 7,406	9.43%	
2007	\$ 108,344 (4)	\$ 58,221	53.74%	\$ 1,833	1.69%	\$ 9,523	8.79%	\$ 34,194	31.56%	\$ 4,573	4.22%	
2008	\$ 88,061	\$ 59,361	67.41%	\$ 3,559	4.04%	\$ 7,419	8.42%	\$ 3,122	3.55%	\$ 14,600	16.58%	
2009	\$ 81,895	\$ 64,778	79.10%	\$ 926	1.13%	\$ 8,267	10.09%	\$ 7,065	8.63%	\$ 859	1.05%	
2010	\$ 86,256	\$ 73,936	85.72%	\$ 1,272	1.47%	\$ 7,471	8.66%	\$ (683)	-0.79%	\$ 4,260	4.94%	
Bridgeport Project (5)												
2001	\$ 49,205	\$ 42,341	86.05%	\$ 926	1.88%	\$ 1,136	2.31%	\$ 1,894	3.85%	\$ 2,908	5.91%	
2002	\$ 50,894	\$ 44,277	87.00%	\$ 1,849	3.63%	\$ 996	1.96%	\$ 400	0.79%	\$ 3,372	6.63%	
2003	\$ 46,798	\$ 43,555	93.07%	\$ (280)	-0.60%	\$ 801	1.71%	\$ 625	1.34%	\$ 2,097	4.48%	
2004	\$ 46,562	\$ 42,228	90.69%	\$ 241	0.52%	\$ 861	1.85%	\$ 1,158	2.49%	\$ 2,074	4.45%	
2005	\$ 47,647	\$ 44,356	93.09%	\$ 301	0.63%	\$ 1,122	2.35%	\$ (180)	-0.38%	\$ 2,048	4.30%	
2006	\$ 52,364	\$ 46,595	88.98%	\$ 297	0.57%	\$ 1,935	3.70%	\$ 1,498	2.86%	\$ 2,039	3.89%	
2007	\$ 58,836	\$ 53,079	90.22%	\$ 560	0.95%	\$ 3,052	5.19%	\$ 84	0.14%	\$ 2,061	3.50%	
2008	\$ 58,804	\$ 53,503	90.99%	\$ 283	0.48%	\$ 1,701	2.89%	\$ 1,235	2.10%	\$ 2,082	3.54%	
2009	\$ 27,212	\$ 24,513	90.07%	\$ 157	0.58%	\$ 796	2.93%	\$ -	-	\$ 1,746	6.42%	

(1) Excludes depreciation and amortization and non-operating expenses; debt service includes principal repayments.
 (2) Solid Waste Operations for fiscal years 2001 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.
 (3) Other Costs for fiscal years 2001 - 2005 do not include legal expenses (see (2) above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.
 (4) Significantly higher total expenses due to increased landfill closure and post-closure costs as a result of Authority assuming responsibility for all closure and post-closure care costs at the Hartford Landfill (approximately \$31.0 million) and increased administration costs at all five landfills (approximately \$3.6 million).
 (5) Contracts with the Bridgeport Project's municipalities and operator ended on December 31, 2008. In November 2009, \$1.639 million of Bridgeport Project surplus funds was distributed to the former Bridgeport Project member towns.



Connecticut Resources Recovery Authority

Exhibit 16 Continued - Expenses by Function (1)

Fiscal Year 2009 and 2010 (2) and (3)

(Dollars in Thousands)

Fiscal Year	Total Expenses	Solid Waste Operations	% of Annual	Maintenance & Utilities	% of Annual	Other Costs (4)	% of Annual	Landfill Closure & Post-closure	% of Annual
Property Division (2)									
2009	\$ 3,488	\$ 1,018	29.18%	\$ 78	2.24%	\$ 116	3.33%	\$ 2,276	65.25%
2010	\$ 1,041	\$ 1,692	162.54%	\$ 86	8.26%	\$ 416	39.96%	\$ (1,153)	-110.76%
SouthWest Division (3)									
2009	\$ 6,483	\$ 6,458	99.61%	-	-	\$ 25	0.39%	\$ -	-
2010	\$ 14,662	\$ 14,179	96.71%	-	-	\$ 483	3.29%	\$ -	-

- (1) Excludes depreciation and amortization and non-operating expenses; debt service includes principal repayments.
- (2) The Property Division was created on January 1, 2009 to reflect the former Bridgeport Project assets that are no longer project-specific.
- (3) The SouthWest Division was formed on January 1, 2009 through a five-and-a-half-year solid waste disposal contract with twelve of the former Bridgeport Project's municipalities.
- (4) Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.
- (5) Amount represents a decrease in estimated costs at the Shelton Landfill.



Connecticut Resources Recovery Authority

Exhibit 16 Continued - Expenses by Function (1)
Last Ten Fiscal Years
 (Dollars in Thousands)

Fiscal Year	Total Expenses	Solid Waste Operations (2)	% of Annual	Maintenance & Utilities	% of Annual	Other Costs (3)	% of Annual	Landfill		% of Annual	Debt Service	% of Annual	Distribution to Town Members	% of Annual
								Closure & Post-closure	% of Annual					
Wallingford Project														
2001	\$ 16,208	\$ 13,916	85.86%	1,480	9.13%	\$ 538	3.32%	\$ (631)	-3.89%	\$ 905	5.58%	-	-	-
2002	\$ 19,101	\$ 14,753	77.24%	-	-	\$ 459	2.40%	\$ (140)	-0.73%	\$ 4,029	21.09%	-	-	-
2003	\$ 20,204	\$ 15,296	75.71%	93	0.46%	\$ 439	2.17%	\$ 1,488	7.36%	\$ 2,888	14.29%	-	-	-
2004	\$ 18,165	\$ 15,864	87.33%	(25)	-0.14%	\$ 469	2.58%	\$ 264	1.45%	\$ 1,593	8.77%	-	-	-
2005	\$ 18,239	\$ 16,196	88.80%	6	0.03%	\$ 542	2.97%	\$ (25)	-0.14%	\$ 1,520	8.33%	-	-	-
2006	\$ 18,594	\$ 17,249	92.77%	19	0.10%	\$ 641	3.45%	\$ (47)	-0.25%	\$ 732	3.94%	-	-	-
2007	\$ 18,635	\$ 16,887	90.62%	8	0.04%	\$ 650	3.49%	\$ 361	1.94%	\$ 729	3.91%	-	-	-
2008	\$ 18,046	\$ 15,732	87.19%	20	0.11%	\$ 811	4.49%	\$ 757	4.19%	\$ 726	4.02%	-	-	-
2009	\$ 42,400 (4)	\$ 12,911	30.45%	7	0.02%	\$ 917	2.16%	\$ 1,166	2.75%	\$ 724	1.71%	26,675	62.91%	-
2010	\$ 12,028	\$ 12,146	100.98%	7	0.06%	\$ 534	4.44%	\$ (659)	-5.48%	\$ -	0.00%	-	-	-
Southeast Project														
2001	\$ 13,299	\$ 11,721	88.13%	-	-	\$ 255	1.92%	\$ -	-	\$ 1,323	9.95%	-	-	-
2002	\$ 13,923	\$ 12,391	89.00%	-	-	\$ 269	1.93%	\$ -	-	\$ 1,263	9.07%	-	-	-
2003	\$ 12,379	\$ 10,678	86.26%	119	0.96%	\$ 183	1.48%	\$ -	-	\$ 1,399	11.30%	-	-	-
2004	\$ 12,128	\$ 10,570	87.15%	-	-	\$ 169	1.39%	\$ -	-	\$ 1,389	11.45%	-	-	-
2005	\$ 11,710	\$ 10,176	86.90%	-	-	\$ 183	1.56%	\$ -	-	\$ 1,351	11.54%	-	-	-
2006	\$ 10,611	\$ 9,481	89.35%	-	-	\$ 136	1.28%	\$ -	-	\$ 994	9.37%	-	-	-
2007	\$ 10,956	\$ 9,869	90.08%	-	-	\$ 104	0.95%	\$ -	-	\$ 983	8.97%	-	-	-
2008	\$ 10,779	\$ 9,649	89.52%	-	-	\$ 160	1.48%	\$ -	-	\$ 970	9.00%	-	-	-
2009	\$ 26,512	\$ 25,416 (5)	95.87%	-	-	\$ 138	0.52%	\$ -	-	\$ 958	3.61%	-	-	-
2010	\$ 25,285	\$ 24,185	95.65%	-	-	\$ 154	0.61%	\$ -	-	\$ 946	3.74%	-	-	-

(1) Excludes depreciation and amortization and non-operating expenses; debt service includes principal repayments.

(2) Solid Waste Operations for fiscal years 2001 - 2005 include legal expenses. Starting FY2006, legal expenses are included under Other Costs.

(3) Other Costs for fiscal years 2001 - 2005 do not include legal expenses (see (2) above). Starting FY2009, Other Costs are classified on the statements of revenues, expenses and changes in net assets as legal services - external; operational & environmental services; general & administrative services; billing, accounting & finance services; and education & communications services.

(4) Higher expenses due to the distribution to the Wallingford town members of \$26.675 million during fiscal year 2009.

(5) Higher Solid Waste Operations expense as a result of energy sales reflected on the statements of revenues, expenses and changes in net assets as operating revenues. Prior to FY2009, energy sales are reported on the statements of revenues, expenses and changes in net assets as net from Operating Expenses - Solid Waste Operations.



**Exhibit 17 - Full-Time Employees by Function
Last Nine Fiscal Years (1)**

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Administration	3	3	4	5	5	3	3	4	4
Communications External Affairs	3	2	2	3	3	3	3	3	3
Environmental Affairs	4	6	6	6	6	6	6	7	7
Finance and Accounting	9	11	12	13	13	15	16	13	14
Legal	3	2	3	3	3	4	4	3	3
Operations	13	20	22	22	24	23	21	23	20
Total	<u>35</u>	<u>44</u>	<u>49</u>	<u>52</u>	<u>54</u>	<u>54</u>	<u>53</u>	<u>53</u>	<u>51</u>

(1) Data is presented retroactively to the year the Authority implemented GASB No. 34 (FY 2002).



**Exhibit 18 - Capital Asset Statistics by Operating Units
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Resources Recovery Facilities	4	4	4	4	4	4	4	4	3	3
Energy Generating Facility	1	1	1	1	1	1	1	1	1	1
Regional Recycling Centers	2	2	2	2	2	2	2	2	2	2
Transfer Stations	12	12	12	12	12	12	12	12	5	5
Landfills	5	5	5	5	5	5	5	5	5	5
Jet Turbines	4	4	4	4	4	4	4	4	4	4
Steam Turbines	2	2	2	2	2	2	2	2	2	2