CONNECTICUT RESOURCES RECOVERY AUTHORITY

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June 9, 2014

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

RE: Connecticut General Statutes Sections 1-123(b) and (c)
Quarterly Report of Materials Innovation and Recycling Authority Finances
For Quarter Ending December 31, 2013

Dear Mr. Calandro:

Enclosed please find the quarterly financial report of the Materials Innovation and Recycling Authority[i] (the "Authority") for the quarter ending December 31, 2013 for the period from October 1, 2013 through December 31, 2013 as required and defined by Connecticut General Statutes Sections 1-123(b) and (c) and 4-69; respectively. Note that the Authority has employed the interpretation of the Section 4-69 definition provided by OFA for this report.

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

Best regards,

Thomas D. Kirk
President

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

[i] Formerly Connecticut Resources Recovery Authority

QUARTER ENDING: DECEMBER 31, 2013

CGS Section 1-123 (b)

1. The following are Authority's beginning fiscal year balance [a]:

Project/Division	Cash balance [a] as of July 1, 2013 : (Dollars in Thousands)
Connecticut Solid Waste System	$ 8,940
Landfill Division	$ 27,152
Mid-Conn Project	$ 42,538
Property Division	$ 9,926
Recycling Division	$ 486
Southeast Project	$ 4,897
SouthWest Division	$ 218

2. The following are revenues earned [b] & [c] and expenses incurred [c] for this quarter:

Project/Division	Total Revenues [b] & [c]	Total Expenses [c]
	(Dollars in Thousands)	
Connecticut Solid Waste System	$ 15,170	$ 15,801
Landfill Division	$ 38	$ 826
Mid-Conn Project	$ 178	$ 6,511
Property Division	$ 2,451	$ 5,194
Southeast Project	$ 7,115	$ 7,304
SouthWest Division	$ 3,242	$ 3,242

3. The following are estimated operating revenues [b] & [c] and estimated operating expenses [c] at the end of the fiscal year:

Project/Division	Total Revenues [b] & [c]	Total Expenses [c]
	(Dollars in Thousands)	
Connecticut Solid Waste System	$ 65,392	$ 65,392
Landfill Division	$ 94	$ 2,617
Mid-Conn Project	$ 950	$ 10,000
Property Division	$ 6,722	$ 6,722
Southeast Project	$ 28,917	$ 30,014
SouthWest Division	$ 17,688	$ 17,688

QUARTER ENDING: DECEMBER 31, 2013

CGS Section 1-123 (c)

1. The total number of Authority employees for this quarter is: 44

2. The positions vacated and filled during this quarter:

Position Vacant	Position Filled
6	0

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

Position Vacant	Position Filled
6	0

(a) Section 1-123 (b) (1) does not clarify which beginning fiscal year balance. Accordingly to Ms. Marcy Bicano from the Office of Fiscal Analysis ("OFA") on July 26, 2012, this part of the Section refers to cash. Note: Authority cash balance includes restricted and designated cash. Certain trustee funds excluded.

(b) According to Section 4-69 Definitions, (31)-"Revenue" means additions to cash or other current assets which neither increase any liability or reserve nor represent the recovery of an expenditure.
Authority previously filed its quarter reports for September 30, 2010 and December 31, 2010 to OFA. Based on Section 4-69 Definition for revenue, the Authority reported its revenues as zero for those quarters. On March 25, 2011, Ms. Marcy Bicano from OFA contacted the Authority regarding the revenues reported. According to Ms. Bicano, OFA does not agree with the revenues reported and indicated that the Authority had revenues based on Authority audit report.
Note that the Authority has employed the interpretation of the Section 4-69 definition provided by OFA for these reports.

(c) Authority financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Authority reports its revenues and expenses to OFA based on the accrual basis.
Note: Expenses include reserve fund activity.