



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2021

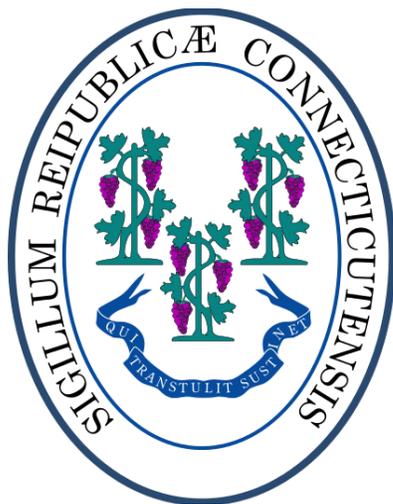
CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
COMPTROLLER NATALIE BRASWELL  
FEBRUARY 2022

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# Connecticut

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2021



Ned Lamont  
GOVERNOR

Natalie Braswell  
STATE COMPTROLLER

Prepared by Budget and Financial Analysis Division  
Office of the State Comptroller

<https://www.osc.ct.gov/reports/annualreport2021.pdf>

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The Comptroller's Office would like to thank the accounting personnel throughout the State. Their efforts to contribute accurate and timely financial data for their agencies, universities, community colleges, and institutions made this report possible.

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**State of Connecticut**

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# *INTRODUCTORY SECTION*

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**NATALIE BRASWELL**

STATE COMPTROLLER



**MARTHA CARLSON**

DEPUTY COMPTROLLER



STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
165 Capitol Ave.  
Hartford, CT 06106

February 24, 2022

To the Citizens, Constitutional Executive Officers, and Members of the Legislative General Assembly of the State of Connecticut:

It is a privilege to present the State of Connecticut Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2021. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

While much of this report is written in a formal and technical manner, my office has presented the information in a comprehensible way to help readers understand the state's overall economic and fiscal position.

This report devotes significant attention to the state's General Fund as it is the largest single governmental fund and is most referenced by the media and the public as a key indicator of the State of Connecticut's finances. About three-quarters of all governmental financial transactions relating to providing state services and the collection of revenues to pay for those services occur within the General Fund.

The General Fund budget is formulated, implemented, and modified during the fiscal year using the statutory or budgetary form of accounting that incorporates certain revenue and expenditure accruals that are not consistent in every instance with the GAAP method of reporting used in this publication. For Fiscal Year 2021 General Fund results on the GAAP basis of accounting, please refer to the Governmental Fund Financial Statements section of this report beginning on page 48. The differences between the statutory basis of accounting and the GAAP presentation in the Annual Comprehensive Financial Report are discussed in more detail beginning on page 126 of this report. This discussion includes a reconciliation of differences between the statutory change in fund balance and the GAAP change in fund balance at June 30, 2021.

The General Fund ended Fiscal Year 2021 with a surplus of \$475,864,135 on the statutory basis of accounting. In a typical year the surplus would be transferred to the Budget Reserve Fund (BRF), but the balance in the BRF has reached the statutory limit of 15 percent of current year net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes (CGS) was applied as described below. The Transportation Fund had an operating surplus of \$72,703,313, which left a positive fund balance of \$241,133,676 at the close of Fiscal Year 2021. STF spending totaled \$1,698,510,251 in FY 2021, increasing by \$28.7 million or 1.7 percent compared with the prior fiscal year.

In FY 2021, for the fourth consecutive year, significant progress was made toward building the balance of the BRF. This was primarily due to the revenue volatility cap, first implemented in FY 2018. This statutory provision requires revenues above a certain threshold to be transferred to the BRF. For FY 2021, the cap was just over \$3.4 billion for estimated and final income tax payments and revenue from the Pass-through Entity Tax. At year-end, a volatility transfer of \$1.24 billion was made to the BRF.

Prior to the close of FY 2021, the balance of the BRF was just over \$3.03 billion. Adding the \$1.24 billion volatility transfer brought the BRF total to \$4.25 billion, or 20.5 percent of net General Fund appropriations for FY 2022. As a result, the BRF was \$1.14 billion above the statutory 15 percent cap. According to CGS Section 4-30a (c)(1)(A), no further transfers will be made to BRF and instead, the State Treasurer decides what is in the best interests of the state: whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employees Retirement Fund (SERF) or to the Teachers' Retirement Fund (TRF). In late September the State Treasurer elected to transfer \$903.6 million to TRF, with the remaining balance of \$238.8 million going to SERF. Based on the State Treasurer's decision, the General Fund surplus of \$475.9 million has now been transferred to SERF to reduce unfunded pension liability.

Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic.

A complete discussion of Fiscal Year 2021 budget and fiscal trends is contained in the Management Discussion and Analysis (MDA) section of this report.

### Major Legislative Initiatives

A number of significant legislative initiatives were enacted during the 2021 legislative session of the Connecticut General Assembly. The following summaries were adapted from the Office of Legislative Research's "Major Public Acts 2021 Legislative Session."

**Notable Programs in the Budget Implementer Bill:** *Public Act No. 21-1, June Special Session "An Act Concerning Provisions Related to Revenue and Other Items to Implement the State Budget for the Biennium Ending June 30, 2023"*

***Debt-Free Community College Funding (Sections 69-74):*** The legislature established a dedicated funding stream for the debt-free community college program enacted in the 2019 legislative session. Starting in FY 2024, the Connecticut Lottery Corporation must transfer up to \$14 million from certain online lottery revenue to a dedicated debt-free community college account to be used for the program.

***Connecticut Essential Workers COVID-19 Assistance Program (Section 289):*** The act establishes the Connecticut Essential Workers COVID-19 Assistance Program to be administered by the Office of the State Comptroller (OSC). A separate legislative provision provided \$34 million carried forward from the General Fund in FY 2021 for program and administrative expenses. The program will provide benefits for lost wages, out-of-pocket

medical expenses, and burial expenses to certain essential employees who could not work due to contracting COVID-19 or symptoms that were later diagnosed as COVID-19. The program's benefits are available within available funds and on a first-come, first served basis, pending verification of eligibility, through June 30, 2024.

**Bonding for Capital Improvements and Social Investments:** *Public Act No. 21-111 "An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes"*

The FY 22-23 bond act authorizes up to \$1.8 billion for FY 22 and \$1.7 billion for FY 23 in new general obligation (GO) bonds for state capital projects and grant programs, including school construction, economic and community development project grants, housing development and rehabilitation programs, and municipal aid. It cancels or reduces \$143.6 million in prior GO bond authorizations for specified projects and grants. The act authorizes up to \$836.9 million in new special tax obligation bonds in FY 22 and \$929.6 million in FY 23 for Department of Transportation projects. And it authorizes up to \$281.0 million in Clean Water Fund revenue bonds for FY 2022 and \$237 million for FY 2023.

In addition, the bond act authorizes funding for several social investment initiatives, including:

***Connecticut Baby Bond Trust:*** The bond act establishes the Connecticut Baby Bond Trust program, administered by the state treasurer, and authorizes up to \$600 million in bonds for the program from Fiscal Years 2023 through 2034. Under this program, the treasurer must create accounts for babies born on or after July 1, 2021, whose births were covered under the HUSKY state medical insurance program and may deposit up to \$3,200 into each designated beneficiary's account at birth. Once they have reached age 18, designated beneficiaries that meet the act's eligibility requirements may receive the funds, including any investment earnings, to be used for an eligible purpose which generally includes expenditures for education, home-buying, business investments, and personal financial investments.

***Community Investment Fund 2030:*** The bond act authorizes up to \$875 million in bonds for a five-year bonding program to fund qualifying projects and grants in eligible municipalities that are designated as public investment communities or alliance districts. It establishes a 21-member board, the Community Investment Fund 2030 board, within the Department of Economic and Community Development (DECD), to accept applications for funding under the program from municipalities, community development corporations, and nonprofits undertaking eligible projects. Eligible projects include brownfield remediation, affordable housing, establishment of or improvements to water and sewer infrastructure to support smaller scale economic development, pedestrian safety and traffic calming improvements, establishment of or improvements to energy resiliency or clean energy projects and land acquisition and capital projects to construct, rehabilitate or renovate buildings and structures to facilitate or improve home rehabilitation programs and facilities such as libraries and senior centers.

**Recreational Cannabis:** *Public Act No. 21-1, June Special Session "An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis"*

A new law legalizes the possession of cannabis (marijuana) for adult recreational use (age 21 or older) up to a specified possession limit and establishes a regulatory structure for cannabis businesses. It erases certain cannabis-related criminal convictions and allows for home grow within certain limits, starting this October for medical marijuana patients age 18 or older and starting in July 2023 for anyone else age 21 or older.

In addition, the act:

- Creates a Social Equity Council to promote and encourage full participation in the cannabis industry by people from communities disproportionately harmed by cannabis prohibition.
- Establishes state and municipal taxes on retail sales of cannabis that apply in addition to the state's 6.35% sales and use tax.
- Requires the Department of Consumer Protection (DCP) to establish various licensing and registration requirements for individuals and entities to work in the cannabis industry (e.g., age requirements and criminal history checks). It also sets cannabis establishment licensure requirements for each license type.

**New In-Person and Online Gaming:** *Public Act No. 21-23 “An Act Concerning the Authorization, Licensing and Regulation of Online Casino Gaming, Retail and Online Sports Wagering, Fantasy Contests, Keno and online Sale of Lottery Tickets”*

The legislature established new frameworks for legalizing and regulating (1) in-person and online sports wagering, (2) online casino gaming, (3) in-person and online keno, (4) online lottery draw games other than keno, and (5) fantasy contests. These frameworks are subject to several conditions, principally that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes, which must then be approved by the U.S. Department of Interior secretary.

The act generally authorizes the tribes and the Connecticut Lottery Corporation (CLC) to operate these games subject to specific requirements, including limiting the authorizations to an initial 10-year period with an option for a five-year renewal. It requires (1) monthly payments from the tribes and CLC to the General Fund ranging from 13.75% to 20% of gross revenues from sports wagering, online casino gaming, and fantasy contests and (2) new annual payments of \$500,000 from each tribe and \$1 million from CLC towards certain problem gambling accounts or programs. The act also delays the authorization for an off-reservation casino gaming facility in East Windsor for 10 years

### Independent Auditor Opinions

As a Connecticut Constitutional Officer, the State Comptroller is responsible for setting state-wide accounting practices. Ultimate responsibility for the accuracy, completeness, and fairness of data presented in this Annual Comprehensive Financial Report, including all disclosures, rests with the State of Connecticut and my office. Connecticut statutes require an annual audit of the state's basic financial statements. These include statements prepared on the budgetary basis of accounting as well as statements prepared using full GAAP standards. The state is also required to undergo an annual “single audit” for reporting to the federal government. To meet all these requirements, the State Auditors of Public Accounts have examined our office's financial statements and the appropriate supporting documentation.

The State auditors gave the Annual Comprehensive Financial Report for the State of Connecticut a “clean” opinion, indicating they can state, without reservation, that the financial statements are fairly presented in all material respects in conformity with GAAP.

## Profile of the Government and its Safeguards

### The Nutmeg State

Connecticut became the fifth state of the United States on January 9, 1788. Its borders encompass 5,009 square miles. Within its boundaries, Connecticut has forested hills, urban skylines, shoreline beaches, and historic village greens. Connecticut is a thriving center of business as well as a vacation location. It is both a New England State, and suburban to New York City. The population of Connecticut was 3,605,597 according to the July 1, 2021, estimate of the U.S. Census Bureau. Five large cities, Bridgeport, Stamford, New Haven, Hartford (the State Capitol since 1875), and Waterbury, have populations of more than 100,000 residents.

### State Government

Separation-of-Powers provisions of the State Constitution established the three branches of state government: executive, legislative, and judicial.

The executive branch, which is responsible for enforcing state laws, consists of six state executive officers: Governor, Lieutenant Governor, Treasurer, Comptroller, Secretary of State and Attorney General. All are elected to four-year terms.

Connecticut’s General Assembly, or legislative branch, is responsible for creating new laws and consists of a Senate and a House of Representatives. There are currently 36 State Senators and 151 State Representatives. Members of the General Assembly are elected to two-year terms. Connecticut also elects two U.S. Senators and five U.S. Representatives to Congress.

The judicial branch is responsible for interpreting and upholding our laws as consistent with the State Constitution and legal precedence and consists of three levels: The Supreme Court, the Appellate Court and, at the lowest level, the Superior Court, which is further divided by state law into Civil, Criminal, Housing and Family Divisions. Judges of the Supreme Court, the Appellate Court and the Superior Court are nominated by the Governor from a list of candidates submitted by the Judicial Selection Commission and are confirmed by the General Assembly. They serve eight-year terms and are eligible for reappointment.

### The Reporting Entity

The State of Connecticut financial reporting entity includes all the funds of the primary government and of its component units. The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the state’s legal entity. Component units are legally separate entities for which the primary government is financially accountable. Note 1 of this report contains detailed information on the reporting entity.

## Internal Controls

Our state's internal control structure has been established to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP and state legal requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

## Budgetary Controls

The Connecticut General Assembly prepares and passes a two-year budget that contains estimates of revenues and expenditures for the ensuing two fiscal years. This biennial budget is the result of negotiations between the Governor and the Legislature. Adjustments, in the form of budget revisions, executive orders, and financial legislation agreed to by the Governor and the Legislature, are made to the annual appropriations throughout the fiscal year. Budgetary controls are maintained at the individual appropriation account level by agency and fund established in authorized appropriation bills. The objective of these controls is to ensure compliance with state laws embodied in the appropriations. The State Comptroller is statutorily responsible for control structures to safeguard revenues due the primary government, to determine the amount equitably due with respect to claims made and to ensure such expenditures are compliant with an appropriation contained in the budget for such purpose.

Budgeted appropriations are the expenditure authorizations that allow state agencies to purchase or create liabilities for goods and services. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process, which includes limits on the power of the Governor to modify appropriations, preserves expenditure controls over special revenue, enterprise, and internal service funds and capital projects that are not budgeted as part of the annual appropriation act as revised.

## The Spending Cap

In November 1992, electors approved an amendment to the State Constitution providing that the amount of budgeted expenditures authorized for any fiscal year shall not exceed the estimated amount of revenue for such fiscal year. This amendment thus provided a framework for placing a cap on budgeted appropriations.

The spending cap limits growth in general budget expenditures to the average five-year increase in personal income or the increase in inflation, whichever is greater. Public Act 17-2, June Special Session clarified certain definitions included in the spending cap language. For example, increase in personal income is defined as the compound annual growth rate of personal income in the state over the preceding five calendar years. Increase in inflation is defined as the increase in the Consumer Price Index for urban consumers, all items less food and energy, during the preceding calendar year.

Certain types of expenditures are excluded from the spending cap. These include debt service, deposits to the BRF, and expenditures from federal funds. In addition, federally mandated or court ordered expenditures and expenditures for federal programs for which the state receives matching funds are excluded for the first fiscal year in which they are authorized. Afterwards, they must be considered general budget expenditures for purposes of determining the following year's limit. Finally, payment of unfunded liability for certain state retirement plans (except for teachers) is exempt through FY 2022. Payment of unfunded liability for the Teachers' Retirement Fund is exempt from the spending cap through FY 2026. The spending cap can be lifted if the Governor declares the existence of extraordinary circumstances and the General Assembly by three-fifths vote approves appropriations above the cap.

### Economic Condition and Outlook

Overall, FY 2021 was characterized by the continued recovery from the recession caused by the COVID-19 pandemic. However, the recovery remains uneven with analysts describing it as K-shaped. This unequal nature of the recovery can be seen by its impact on different industry sectors and various income groups—some recovering quickly while others lag. Individuals and households that were able to work from home, typically white-collar workers, fared much better than lower wage service sector employees who lost jobs due to business closures. While millions remained unemployed nationally, a strong stock market has bolstered wealthier households. As the fiscal year ended, a pattern emerged: economic progress remained largely reliant on the course of the coronavirus.

In the beginning of the fiscal year, Connecticut's unemployment rate stood at 11.3 percent. This was among the highest unemployment rates in more than 40 years. Nonfarm payroll employment totaled 1,525,000, while 213,900 residents were unemployed according to the Connecticut Department of Labor.

As the fiscal year closed, Connecticut's unemployment rate dropped to 7.7 percent. Nonfarm payroll employment reached 1,590,900, but 139,000 residents remained unemployed. Weekly initial unemployment claims dropped to an average of 4,524 while continued claims fell to 59,763. By June of 2021, the state recovered 64.6 percent of the 292,400 jobs lost in March and April of 2020. Six industry sectors experienced growth while four declined over the same period. Leisure and hospitality, the industry most affected by the pandemic, had the greatest net change in employment. While labor market conditions have improved, Connecticut still has work to do to reach pre-pandemic levels of employment.

During FY 2021, the housing market boomed due to work-from-home requirements, low-interest rates, and an exodus from cities to suburbs. In Connecticut, between June 2020 and June 2021, sales of all property types increased 32.44 percent, according to Berkshire Hathaway Home Services, while the median sales price increased 21.79 percent. Average days on the market decreased over 50 percent to 37 days. At the same time, the average sales price of properties sold in Connecticut was higher than the list price. While this was good news for existing homeowners, rapidly increasing prices excluded many first-time homebuyers from the market.

The adopted budget plan for FY 2022 anticipated a \$274.9 million General Fund surplus at year end. Despite ongoing challenges from the pandemic, results have been better than expected as Connecticut continues to regain jobs and the economy continues to recover. Through the first half of FY 2022, the General Fund has a projected surplus of \$1.48 billion on the statutory basis of

accounting, which represents 7.1 percent of net General Fund appropriations. While spending remains below budgeted levels, the main driver of the FY 2022 surplus is better than expected revenue results. This is due to a combination of job growth, strong performance by the financial markets and significant levels of Federal support through the American Rescue Plan Act (ARPA).

The balance in the Budget Reserve Fund presently stands at \$3.11 billion, the statutory threshold of 15 percent. As of this writing, an anticipated revenue volatility transfer of \$969.2 million would be added at fiscal year-end along with the projected FY 2022 surplus of \$1.48 billion. This would bring the BRF balance to \$5.56 billion or 26.8 percent of net General Fund appropriations for FY 2022. If current projections hold, approximately \$2.33 billion of that balance (above the 15 percent threshold) would be available to reduce unfunded pension liability in the the State Employee Retirement Fund (SERF), the Teachers' Retirement Fund (TRF) and other outstanding indebtedness.

As we begin this new calendar year, Connecticut is experiencing positive trends in many key areas. The state's population remains understandably concerned about the ever-changing nature of COVID-19 and what it means in their everyday lives, but the underlying economic conditions should instill confidence moving forward. This remarkable comeback is a tribute to the resilience of Connecticut's people and the strength of its economy.

As our state builds on its recovery after the worst of the pandemic, the benefits of smart long-term planning are also coming to fruition, leading to job growth and unprecedented budgetary stability. Policymakers must continue working ensure the benefits of this recovery reach as many Connecticut residents as possible.

A more complete discussion of Fiscal Year 2021 economic condition and outlook is contained in the MDA section of this report.

### Acknowledgements

I want to thank my staff, the State Auditors, and the agency personnel who contributed to producing this report. I also want to thank its readers who bring meaning to the work that we do.

Sincerely,

DocuSigned by:

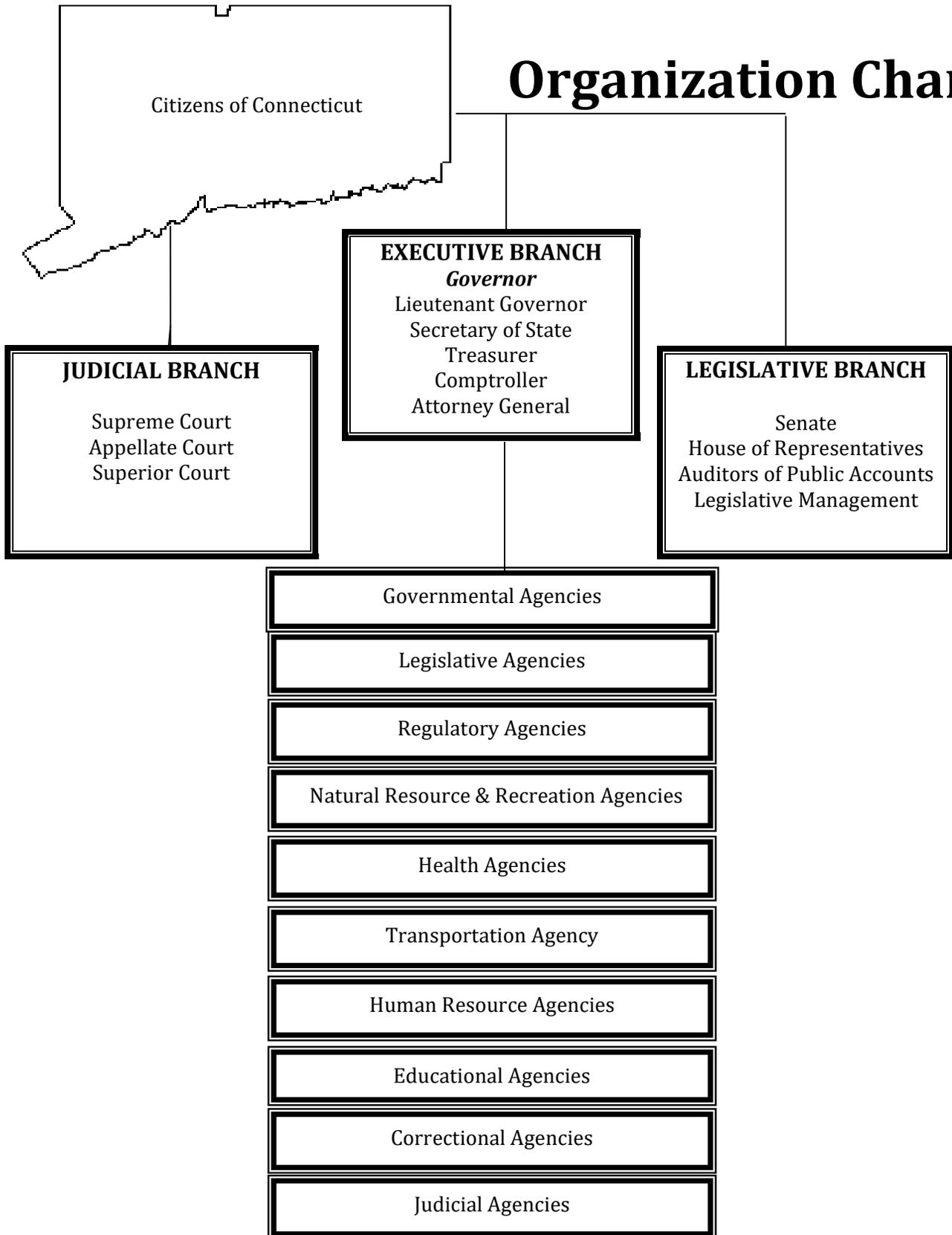
*Natalie Braswell*

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Natalie Braswell

Connecticut State Comptroller

# Organization Chart



***CONSTITUTIONAL OFFICERS  
EXECUTIVE***

Ned M. Lamont Jr.  
*Governor*

Susan Bysiewicz  
*Lieutenant Governor*

Denise W. Merrill  
*Secretary of State*

Shawn T. Wooden  
*Treasurer*

Natalie Braswell  
*Comptroller*

William Tong  
*Attorney General*

***LEGISLATIVE***

Martin M. Looney  
*Democratic President Pro Tempore of the Senate*

Matt Ritter  
*Speaker of the House of Representatives*

***JUDICIAL***

Richard A. Robinson  
*Chief Justice, Supreme Court*



*FINANCIAL  
SECTION*

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

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210 CAPITOL AVENUE  
HARTFORD, CONNECTICUT 06106-1559

CLARK J. CHAPIN

**INDEPENDENT AUDITORS' REPORT**

The Honorable Ned Lamont, Governor  
Members of the General Assembly

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit:

Government-wide Financial Statements

- the financial statements of the Special Transportation Fund account within the Transportation Fund, the Transportation Special Tax Obligations account within the Debt Service Fund, and the Transportation Restricted Grants Fund account within the Restricted Grants and Accounts Fund, which in the aggregate, represent 5% of the assets, 3% of the net position and 7% of the revenues of the Governmental Activities;
- the financial statements of the John Dempsey Hospital, UConn Medical Group and Finance Corporation accounts within the University of Connecticut and Health Center, the Connecticut State University System, the Connecticut Community Colleges, and the federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 58% of the assets, 38% of the net position and 19% of the revenues of the Business-Type Activities;
- the financial statements of the discretely presented component units.

## Fund Financial Statements

- the financial statements of the Special Transportation Fund account, which represents 99% of the assets and 99% of the revenues of the Transportation Fund;
- the financial statements of the Transportation Special Tax Obligations account, which represents 100% of the assets and 100% of the revenues of the Debt Service Fund;
- the financial statements of the Transportation Restricted Grants Fund account, which represents 4% of the assets and 8% of the revenues of the Restricted Grants and Accounts Fund;
- the financial statements of the John Dempsey Hospital, UConn Medical Group, and Finance Corporation accounts within the University of Connecticut and Health Center, the Connecticut State University System, the Connecticut Community Colleges, and the federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 58% of the assets, 38% of the net position and 19% of the revenues of the Enterprise Funds;
- the financial statements of the Connecticut Paid Family and Medical Leave Insurance Authority, which represents .4% of the assets, .4% of the fund balance/net position and 1% of the revenues/additions of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned funds and accounts, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. In addition, the financial statements of the Special Transportation Fund, Transportation Special Tax Obligations Fund, Transportation Restricted Grants Fund, Clean Water Fund, Drinking Water Fund, Connecticut Housing Finance Authority, Connecticut Airport Authority, Materials Innovation and Recycling Authority, Connecticut Health and Educational Facilities Authority, Capital Region Development Authority, Connecticut Innovations Incorporated, Connecticut Green Bank, Connecticut Lottery Corporation, Connecticut Port Authority and Connecticut Paid Family and Medical Leave Insurance Authority were audited by other auditors in accordance with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the University of Connecticut, the University of Connecticut Health Center, the Connecticut State University System, the Connecticut Community Colleges, and the University of Connecticut Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining

fund information of the State of Connecticut, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 21 to the financial statements, the State of Connecticut adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension plan and other postemployment benefits schedules and information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of the State of Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the State of Connecticut's internal control over financial reporting or on compliance. That report will be issued under separate cover in the *Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended June 30, 2021, State of Connecticut Annual Comprehensive Financial Report* and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Connecticut's internal control over financial reporting and compliance.



John C. Geragosian  
State Auditor



Clark J. Chapin  
State Auditor

February 24, 2022  
State Capitol  
Hartford, Connecticut



*MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

The following is a discussion and analysis of the State's financial performance and condition providing an overview of the State's activities for the fiscal year ended June 30, 2021. The information provided here should be read in conjunction with the letter of transmittal in the front of this report and with the State's financial statements, which follow this section.

### HIGHLIGHTS

#### Government-wide Financial Statements

The State's total net position (deficit) increased \$1.6 billion (or 3.4 percent) as a result of this year's operations. Net position (deficit) of governmental activities increased by \$873.8 million (or 1.6 percent) and net position of business-type activities decreased by \$770.7 million (or -11.4 percent). At year-end, net position (deficit) of governmental activities and business-type activities totaled a negative \$55.3 billion and \$6.0 billion, respectively.

Component units reported net position of \$2.8 billion, an increase of \$354.5 million or 14.3 percent from the previous year. Most of the net position is attributable to the Connecticut Housing Finance Authority, a major component unit.

#### Fund Financial Statements

The governmental funds reported combined ending fund balance of \$11.5 billion, an increase of \$3.2 billion in comparison with the prior year. Of this total fund balance, \$243.3 million represents nonspendable fund balance, \$8.0 billion represents restricted fund balance, \$3.9 billion represents committed fund balance, and \$24.3 million represents assigned fund balance. A negative \$661.5 million unassigned fund balance offsets these amounts. This deficit belongs primarily to the General Fund which decreased by \$441.5 million during the fiscal year.

The State's stabilization account, the General Fund Budget Reserve Fund (Rainy Day Fund) ended the fiscal year with a balance of \$3.1 billion compared to the prior year's balance of \$3.0 billion. The primary reason for the increase as in the prior fiscal year, significant progress has been made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2021, the cap was just over \$3.4 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$1.24 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2021, the balance in the Budget Reserve Fund was just over \$3.03 billion. Adding the \$1.24 billion volatility transfer brought the Budget Reserve Fund total to \$4.25 billion, or 20.5 percent of net General Fund appropriations for FY 2022. As a result, the Budget Reserve Fund was \$1.14 billion above the statutory 15 percent cap. According to CGS Section 40-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the State, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement System (TRS). In late September, the State Treasurer elected to transfer \$903.6 million to TRS to reduce unfunded pension liability, with the remaining balance of \$238.8 million going to SERF. In December 2021, the General Fund surplus of \$475.9 million was transferred to SERF to reduce unfunded service liability.

When the excess \$1.14 billion is transferred from the Budget Reserve Fund to TRS and SERF this would bring the Budget Reserve Fund to just over \$3.1 billion or approximately 15 percent of net General Fund appropriations for fiscal year 2022. Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic.

Tax revenues in the governmental funds increased \$2.6 billion or 15 percent. General fund tax revenues decreased \$2.5 billion or 15.2 percent.

## State of Connecticut

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The Enterprise funds reported net position of \$6.0 billion at year-end, a decrease of \$770.7 million during the year, substantially all of which was invested in capital assets or restricted for specific purposes.

### Long-Term Debt

Total long-term debt was \$98.7 billion for governmental activities at year-end, of which \$28.1 billion was bonded debt.

Total long-term debt was \$2.9 billion for business-type activities at year-end, of which \$1.6 billion was bonded debt.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements. The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information to provide additional support to the basic financial statements.

### Government-wide Financial Statements – Reporting the State as a Whole

The Statement of Net Position and the Statement of Activities beginning on page 43 together comprise the government-wide financial statements. These financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private-sector business. All revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State's net position and changes in net position. Over time, increases and decreases in net position measure whether the State's overall financial condition is getting better or worse. Non-financial factors such as the State's economic outlook, changes in its demographics, and the condition of capital assets and infrastructure should also be considered when evaluating the State's overall condition.

The statement of net position presents information on all of the State's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them reported as net position. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted.

The statement of activities presents information showing how the State's net position changed during fiscal year 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

- **Governmental Activities** – The State's basic services fall under this activity including legislative, general government, regulation and protection, conservation and development, health and hospital, transportation, human services, education, corrections, and judicial. Taxes and intergovernmental revenues are major funding sources for these programs.
- **Business-type Activities** – The State operates certain activities much like private-sector companies by charging fees to cover all or most of the costs of providing goods and services. The major business-type activities of the State include the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Community Colleges), Employment Security Fund, and Clean Water Fund.
- **Discretely Presented Component Units** – A number of entities are legally separate from the State, yet the State remains financially accountable for them. The major component units of the State are Connecticut Housing Finance Authority, Connecticut Lottery Corporation, and Connecticut Airport Authority.

### Fund Financial Statements – Report the State’s Most Significant Funds

The fund financial statements beginning on page 48 provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds** – Most of the State’s basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the State’s financial position helps determine whether the State has sufficient resources to cover expenditures for its basic services in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the State’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The State reports five individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Debt Service Fund, Transportation Fund, Restricted Grants and Accounts Fund, and Grants and Loan Programs Fund, all of which are considered major funds. Data from the other nineteen governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements immediately following the required supplementary information.

- **Proprietary Funds** – Proprietary funds include enterprise funds and internal service funds and account for activities that operate more like private-sector businesses and use the full accrual basis of accounting. Enterprise funds charge fees for services provided to outside customers. Enterprise funds are reported as business-type activities on the government-wide financial statements. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the State’s various functions. The State uses Internal Service funds to account for correction industries, information technology, and administrative services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The State reports four individual proprietary funds. Information is presented separately in the proprietary fund statements for the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Connecticut Community Colleges), Employment Security, and Clean Water all of which are considered major funds. Data from the other enterprise funds is combined into a single, aggregated presentation. Individual fund data for all nonmajor proprietary funds is provided in the combining statements immediately following the required supplementary information.

- **Fiduciary Funds** – Fiduciary funds account for resources held by the State in a trustee or agency capacity for others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the State’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

## State of Connecticut

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- **Component Units** – The government-wide financial statements report information for all component units into a single, aggregated presentation. Information is provided separately in the component unit fund statements for the Connecticut Housing Finance Authority, Connecticut Lottery, and Connecticut Airport Authority. Data from the other component units is combined into a single, aggregated presentation. Individual fund data for all other nonmajor component units is provided in the combining statements immediately following the required supplementary information.

### **Reconciliation between Government-wide and Fund Statements**

The financial statements include schedules on pages 49 and 51 which reconcile and explain the differences between the amounts reported for governmental activities on the government-wide statements (full accrual basis of accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual basis of accounting, short-term focus). The following are some of the major differences between the two statements.

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlay spending results in capital assets on the government-wide statements but is expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Net Pension Liability and Net OPEB Liability are included on the government-wide statements but are not reported on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred inflows of resource on the governmental fund statements.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

### **Required Supplementary Information (RSI)**

Following the basic financial statements are budgetary comparison schedules for major funds with legally adopted budgets. In addition, within the RSI there is a reconciliation schedule for Budgetary vs. GAAP basis of accounting. The RSI also includes information regarding employer contributions for pension and other postemployment benefits, change in employers' net pension liability and OPEB liability, and investment return for the State's pension and OPEB plans.

### **Supplementary Information**

The combining financial statements for the State's nonmajor governmental, nonmajor enterprise, nonmajor fiduciary funds, and nonmajor discretely presented component units.

### **Statistical Section**

This section provides up to ten years of financial, economic, and demographic information.

## State of Connecticut

### FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

#### Net Position

The combined net position deficit of the State increased \$1.6 billion or 3.4 percent. In comparison, last year the combined net position deficit increased \$1.4 billion or 3.1 percent. The net position deficit of the State's governmental activities increased \$873.8 million (1.6 percent) to \$55.3 billion during the current fiscal year.

#### State Of Connecticut's Net Position (Expressed in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>						
Current and Other Assets	\$ 15,023	\$ 9,600	\$ 2,219	\$ 2,339	\$ 17,242	\$ 11,939
Noncurrent Assets	19,227	18,690	7,215	7,250	26,442	25,940
<b>Total Assets</b>	<u>34,250</u>	<u>28,290</u>	<u>9,434</u>	<u>9,589</u>	<u>43,684</u>	<u>37,879</u>
<b>Deferred Outflows of Resources</b>	<u>16,122</u>	<u>14,280</u>	<u>10</u>	<u>7</u>	<u>16,132</u>	<u>14,287</u>
<b>LIABILITIES</b>						
Current Liabilities	7,076	5,164	712	665	7,788	5,829
Long-term Liabilities	96,240	89,852	2,732	2,142	98,972	91,994
<b>Total Liabilities</b>	<u>103,317</u>	<u>95,016</u>	<u>3,444</u>	<u>2,807</u>	<u>106,761</u>	<u>97,823</u>
<b>Deferred Inflows of Resources</b>	<u>2,372</u>	<u>2,090</u>	<u>4</u>	<u>5</u>	<u>2,376</u>	<u>2,095</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	6,192	6,165	4,193	4,301	10,385	10,466
Restricted	7,385	5,245	1,085	952	8,470	6,197
Unrestricted	(68,894)	(65,946)	718	1,531	(68,176)	(64,415)
<b>Total Net Position (Deficit)</b>	<u>\$ (55,317)</u>	<u>\$ (54,536)</u>	<u>\$ 5,996</u>	<u>\$ 6,784</u>	<u>\$ (49,321)</u>	<u>\$ (47,752)</u>

Total investment in capital assets net of related debt was \$6.2 billion (buildings, roads, bridges, etc.); and \$7.4 billion was restricted for specific purposes, resulting in an unrestricted net position deficit of \$68.9 billion for governmental activities. This deficit is the result of having long-term obligations that are greater than currently available resources. The State has recorded the following outstanding long-term obligations which contributed to the deficit: a) general obligation bonds outstanding of \$18.6 billion to finance various municipal grant programs (e.g., school construction) and \$2.2 billion issued to finance a contribution to a pension trust fund; and b) other long-term obligations in the amount of \$70.5 billion, which are partially funded or not funded by the State (e.g., net pension and OPEB liabilities and compensated absences).

Net position of the State's business-type activities decreased \$770.7 million (-11.4 percent) to \$6.0 billion during the current fiscal year. Of this amount, \$4.2 billion was invested in capital assets and \$1.1 billion was restricted for specific purposes, resulting in unrestricted net position of \$718 million. These resources are not available to make up for the net position deficit of the State's governmental activities. The State can only use these net positions to finance the ongoing operations of its Enterprise funds (such as the University of Connecticut and Health Center and others).

## State of Connecticut

Changes in net position for the years ended June 30, 2021 and 2020 were as follows:

### State of Connecticut's Changes in Net Position (Expressed in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>% change 21-20</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b>REVENUES</b>							
Program Revenues							
Charges for Services	\$ 3,106	\$ 3,163	\$ 2,929	\$ 3,437	\$ 6,035	\$ 6,600	-8.6%
Operating Grants and Contributions	12,660	9,579	4,116	540	16,776	10,119	65.8%
Capital Grants and Contributions	986	782	12	2	998	784	27.3%
General Revenues							
Taxes	20,752	17,459	-	-	20,752	17,459	18.9%
Casino Gaming Payments	229	164	-	-	229	164	39.6%
Lottery Tickets	407	338	-	-	407	338	20.4%
Other	168	219	6	35	174	254	-31.5%
<b>Total Revenues</b>	<b>38,308</b>	<b>31,704</b>	<b>7,063</b>	<b>4,014</b>	<b>45,371</b>	<b>35,718</b>	<b>27.0%</b>
<b>EXPENSES</b>							
Legislative	139	131	-	-	139	131	6.1%
General Government	5,654	2,792	-	-	5,654	2,792	102.5%
Regulation and Protection	1,208	986	-	-	1,208	986	22.5%
Conservation and Development	1,478	1,190	-	-	1,478	1,190	24.2%
Health and Hospital	3,502	3,081	-	-	3,502	3,081	13.7%
Transportation	2,531	2,314	-	-	2,531	2,314	9.4%
Human Services	11,915	10,834	-	-	11,915	10,834	10.0%
Education, Libraries, and Museums	6,190	5,490	-	-	6,190	5,490	12.8%
Corrections	2,740	2,524	-	-	2,740	2,524	8.6%
Judicial	1,208	1,135	-	-	1,208	1,135	6.4%
Interest and Fiscal Charges	968	943	-	-	968	943	2.7%
University of Connecticut & Health Center	-	-	2,765	2,651	2,765	2,651	4.3%
Board of Regents	-	-	1,432	1,427	1,432	1,427	0.4%
Employment Security	-	-	5,201	1,651	5,201	1,651	215.0%
Clean Water	-	-	42	54	42	54	-22.2%
Other	-	-	43	50	43	50	-14.0%
<b>Total Expenses</b>	<b>37,533</b>	<b>31,420</b>	<b>9,483</b>	<b>5,833</b>	<b>47,016</b>	<b>37,253</b>	<b>26.2%</b>
Excess (Deficiency) Before Transfers	775	284	(2,420)	(1,819)	(1,645)	(1,535)	
Transfers	(1,649)	(1,348)	1,649	1,348	-	-	
<b>Increase in Net Position</b>	<b>(874)</b>	<b>(1,064)</b>	<b>(771)</b>	<b>(471)</b>	<b>(1,645)</b>	<b>(1,535)</b>	
<i>Net Position (Deficit) - Beginning (as restated)</i>	<i>(54,443)</i>	<i>(53,472)</i>	<i>6,767</i>	<i>7,255</i>	<i>(47,676)</i>	<i>(46,217)</i>	
<b>Net Position (Deficit) - Ending</b>	<b>(55,317)</b>	<b>(54,536)</b>	<b>5,996</b>	<b>6,784</b>	<b>(49,321)</b>	<b>(47,752)</b>	<b>3.3%</b>

**Note:** The beginning Net Position for Business-Type Activities was restated due to the reclassification of a proprietary fund to a Component Unit.

The beginning Net Position for Governmental Activities was due to the reclassification of a governmental fund to a Fiduciary Component Unit.

### Changes in Net Position

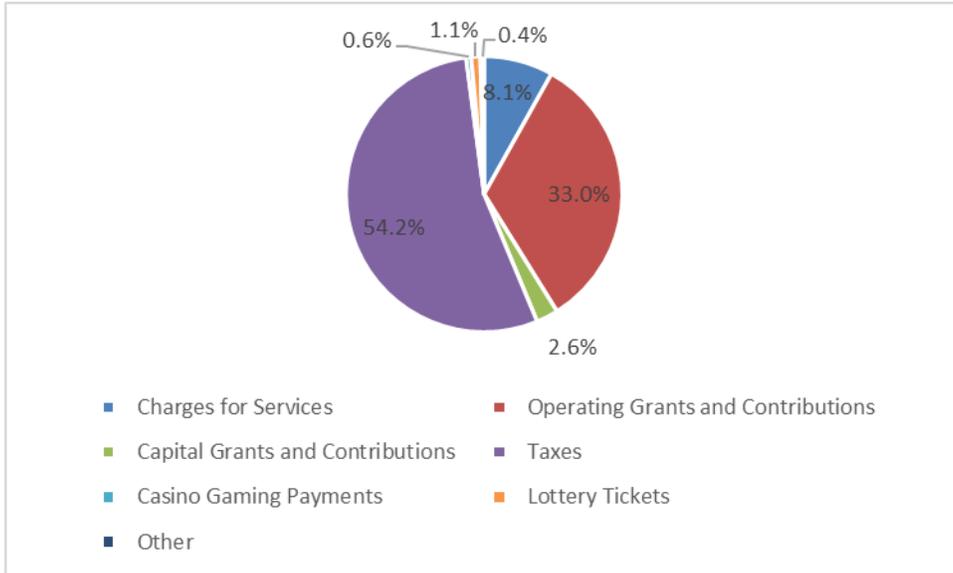
This year the State's governmental activities received 54.2 percent of its revenue from taxes and 35.6 percent of its revenues from grants and contributions. In the prior year, taxes accounted for 55.0 percent and grants and contributions were 32.7 percent of total revenues. Charges for services such as licenses, permits, and fees, rents and fines, and other miscellaneous collections comprised 10.2 percent of total revenue in fiscal year 2021, compared to 12.3 percent in fiscal year 2020.

## State of Connecticut

### Governmental Activities

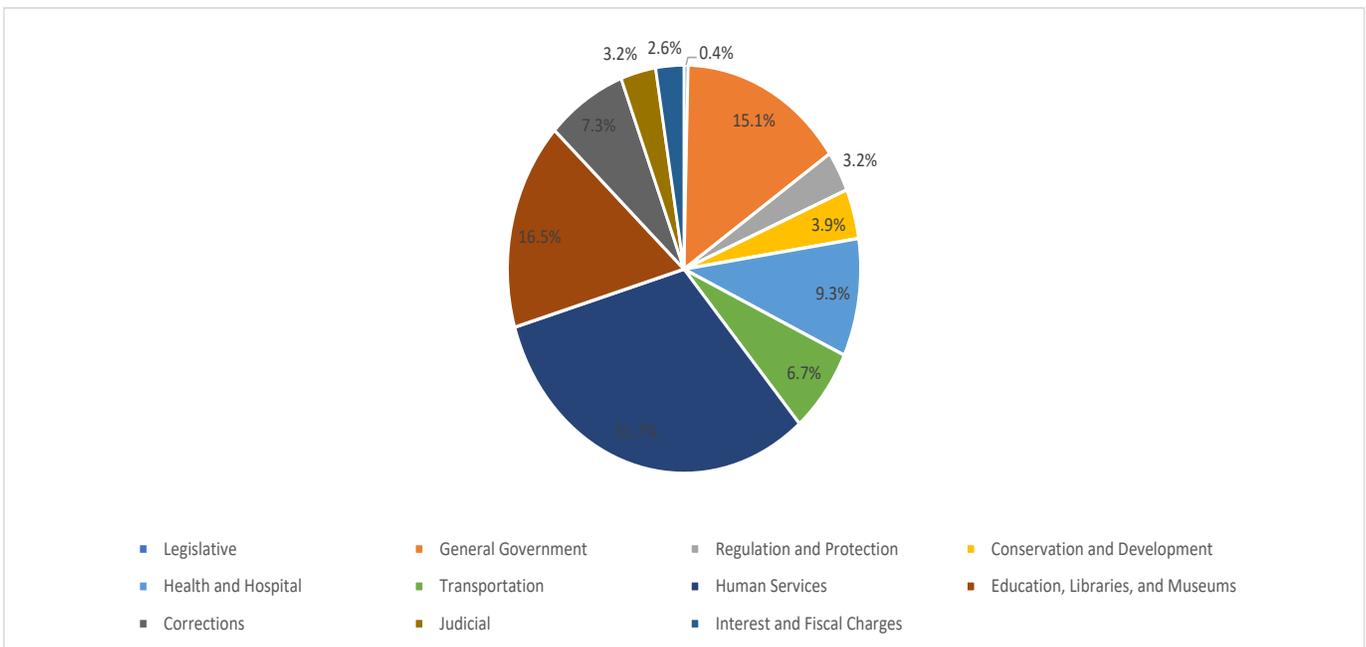
The following graph is a representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues increased by \$6.6 billion, or 20.8 percent. This increase is primarily due to an increase of \$3.3 billion in taxes and \$3.1 billion in operating grants and contributions.

**Revenue by Source – Governmental Funds  
Fiscal Year 2021**



The following graph is a representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses increased by \$6.1 billion, or 19.4 percent.

**Expenses by Type – Governmental Funds  
Fiscal Year 2021**

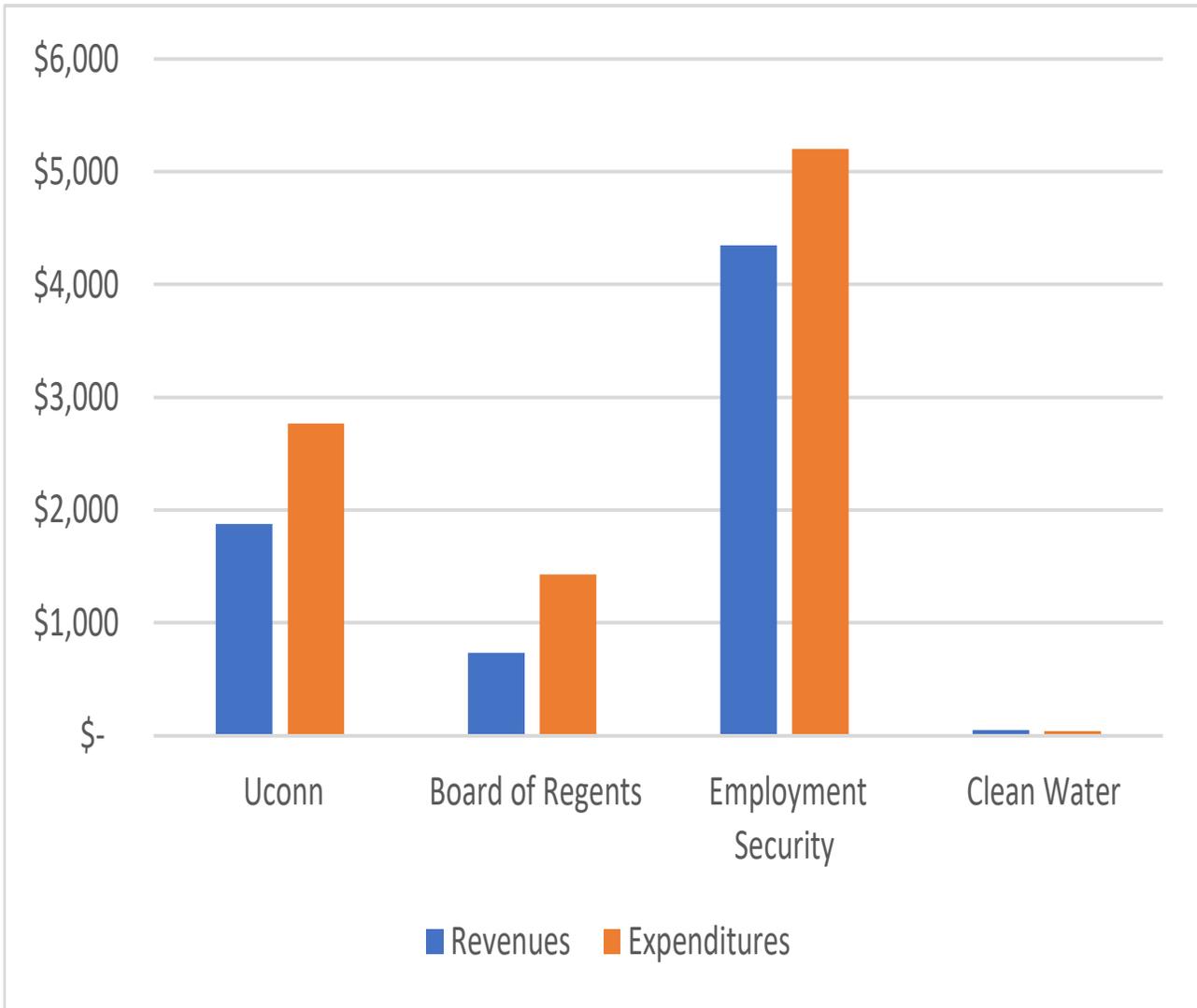


## State of Connecticut

### Business-Type Activities

Net position of business-type activities decreased by \$770.7 million during the fiscal year. The following chart highlights the changes in net position for the major enterprise funds.

**Business-Type Activities  
Program Revenues and Expenses  
For the Fiscal Year June 30, 2021  
(Dollars in Millions)**



During the year, total revenues of business-type activities increased 76.0 percent to \$7.1 billion, while total expenses increased 62.6 percent to \$9.5 billion. In comparison, last year total revenues increased 17.9 percent, while total expenses increased 26.5 percent. The increase in total expenses of \$3.7 billion was due mainly to an increase in Employment Security expenses of \$3.6 billion or 215.0 percent. Although total expenses exceeded total revenues by \$2.4 billion, this deficiency was reduced by transfers of \$1.6 billion, resulting in a decrease in net position of \$770.7 million. The increase in Employment Security was the result of additional unemployment expenses related to the COVID-19 pandemic.

## State of Connecticut

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### FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

As of the end of the fiscal year, the State's governmental funds had fund balances of \$11.5 billion, an increase of \$3.2 billion over the prior year ending fund balances. Of the total governmental fund balances, \$8.0 billion represents fund balance that is considered restricted for specific purposes by external constraints or enabling legislation; \$243.3 million represents fund balance that is non-spendable and \$3.9 billion represents fund balance that is committed or assigned for specific purposes. A negative \$661.5 million unassigned fund balance offsets these amounts.

#### General Fund

The General Fund is the chief operating fund of the State. At the end of the fiscal year, the General Fund had a fund balance of \$3.3 billion, an increase of \$990.4 million in comparison with the prior year. Of this total fund balance, \$3.9 billion represents non-spendable fund balance, committed or assigned for specific purposes, leaving a deficit of \$660.7 million in unassigned fund balance.

Specific changes to the General Fund balance included the following:

- Non-spendable fund balance increased by 8.6 million or 12.6 percent.
- Committed fund balance increased by \$718.4 million or 22.8 percent. The primary reason for the increase as in the prior fiscal year, significant progress was made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund.
- Assigned fund balance decreased by \$144.4 million.
- Unassigned fund balance deficit decreased by \$411.5 million.

At the end of fiscal year 2021, General Fund revenues were 14.6 percent, or \$2.9 billion, higher than fiscal year 2020 revenues. This change in revenue results from increases of \$3.0 billion primarily attributable to taxes (\$2.5 billion), lottery tickets (\$69.8 million), licenses, permits, and fees (\$29.7 million), fines, forfeits, and rents (\$16.7 million), casino gaming payments (\$64.7 million), and federal grants (321.2 million). These increases were offset by decreases of \$55.1 million primarily attributable to charges for services (\$3.2 million), investment earnings (45.8 million) and other revenue (6.1 million).

At the end of fiscal year 2021, General Fund expenditures were 10.6 percent, or \$2.0 billion, higher than fiscal year 2020. This was primarily attributable to increases in general government (\$1.7 billion), human services (\$108.7 million), and education (\$42.6 million).

#### Debt Service Fund

At the end of fiscal year 2021, the Debt Service Fund had a fund balance of \$1.1 billion, all of which was restricted, an increase of \$78.5 million in comparison with the prior year.

#### Transportation Fund

The State's Transportation Fund had a fund balance of \$323.7 million at the end of fiscal 2021. Of this amount, \$27.2 million was in non-spendable form and \$296.5 million was restricted or committed for specific purposes. Fund balance increased by 54.2 million during the current fiscal year.

At the end of fiscal year 2021, Transportation Fund revenues increased by \$205.9 million, or 13.2 percent, and expenditures decreased by \$3.1 million, or -.30 percent. The increase in revenue was primarily due to an increase in licenses, permits, and fees.

#### Restricted Grants and Accounts Fund

At the end of fiscal year 2021, the Restricted Grants and Accounts Fund had a fund balance of \$3.6 billion, all of which was restricted for specific purposes, an increase of \$1.7 billion in comparison with the prior year.

Total revenues were 30.5 percent, or \$2.9 billion, higher than in fiscal year 2020. Overall, total expenditures were 29.1 percent, or \$2.5 billion, higher than fiscal year 2020.

#### Grant and Loan Programs

As of June 30, 2021, the Grant and Loan Programs Fund had a fund balance of \$866.4 million, all of which was restricted or committed for specific purposes, an increase of \$75.4 million in comparison with the prior year.

## State of Connecticut

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### FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Proprietary funds report activities of the State that are similar to for-profit business. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Accordingly, a discussion of the financial activities of the Proprietary funds is provided in that section.

### FINANCIAL ANALYSIS OF THE STATE'S FIDUCIARY FUNDS

The State maintains Fiduciary funds for the assets of Pension and Other Employee Benefit Trust funds, a Fiduciary Component Unit, an Investment Trust fund, a Private-Purpose Trust fund, and Custodial Funds. The net positions of the State's Fiduciary funds totaled \$48.9 billion, an increase of \$10.6 billion when compared to the prior year ending net position.

#### **Budget Highlights - General and Special Transportation Funds**

The State budget is formulated during odd-numbered years; the General Assembly generates a two-year (biennial) budget. The process begins with the Executive Branch when the governor asks the commissioner of each state agency to prepare draft budgets for the following biennium. Over several months the governor's budget office, the Office of Policy and Management (OPM), compiles this information, makes changes as it sees fit, and then works to match the agencies' spending projections with revenue estimates for the same period.

The results referred to as the 'governor's budget,' is delivered to the General Assembly in a formal address by the governor in early February. The annual budget address often includes policy initiatives, spending proposals, and vehicles through which additional revenue may be generated. In the address, the governor identifies his priorities for the biennium.

Thereafter, the legislature goes through a similar process to determine spending priorities and corresponding revenue requirements. Later in the session, the Appropriations and Finance Committees approve a budget, which is often different from the governor's proposal. Negotiations with the governor's office reconcile the two versions and determine the final budget language and the state's fiscal path for the following two years. Lastly, the budget must be voted on and passed by both the House and Senate and signed into law by the governor.

The General Fund ended Fiscal Year 2021 with a surplus of \$475,864,135 on the statutory basis of accounting. In a typical year, once the audit is completed, the surplus would be transferred to the Budget Reserve Fund (BRF). However, the balance in the BRF has reached the statutory limit of 15 percent of current year net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes (CGS) will apply as described below.

In FY 2021, for the fourth consecutive year, significant progress was made toward building the balance of the BRF. This was primarily due to the revenue volatility cap, first implemented in FY 2018. This statutory provision requires revenues above a certain threshold to be transferred to the BRF. For FY 2021, the cap was just over \$3.4 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$1.24 billion was made to the BRF.

Prior to the close of FY 2021, the balance of the BRF was just over \$3.03 billion. Adding the \$1.24 billion volatility transfer brought the BRF total to \$4.25 billion, or 20.5 percent of net General Fund appropriations for FY 2022. As a result, the BRF was \$1.14 billion above the statutory 15 percent cap. According to CGS Section 4-30a (c)(1)(A), no further transfers will be made to BRF. Instead, the State Treasurer decides what is in the best interest of the state, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement System (TRS). In late September the State Treasurer elected to transfer \$903.6 million to TRS, with the remaining balance of \$238.8 million going to SERF. Based on the State Treasurer's decision, the General Fund surplus of \$475.9 million has also been transferred to SERF to reduce unfunded pension liability.

Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic.

## State of Connecticut

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Similar to the pattern in the prior fiscal year, the General Fund budget projections varied widely throughout FY 2021 resulting from the COVID-19 pandemic and its anticipated impact on the state's economy. The FY 2021 budget plan as initially formulated included a built-in General Fund surplus of \$166.2 million. However, revenue estimates were revised significantly downward shortly after the start of the year. This reflected the results of the previous quarter when U.S. economic activity saw its largest drop on record due to COVID-related lock downs and job losses. Amid the uncertainty of the pandemic, the revised revenue schedule reflected a worst-case scenario for the General Fund and a deficit of over \$2.0 billion (or 10.3 percent) was projected at the beginning of the year.

With each passing month, however, the revenue forecasts improved as the economy recovered, supported by significant Federal relief efforts. At the same time, General Fund spending growth was largely held in check. One of the main factors for this was the enhanced Federal Medical Assistance Percentage (FMAP), or matching rate for Medicaid expenditures. As a high-income state, Connecticut's FMAP is typically 50 percent, with the General Fund and Federal funding sources each covering half of the costs. In FY 2021 due to pandemic-related relief provisions, the state received an enhanced Federal reimbursement rate of 56.2 percent, which reduced pressure on the General Fund Medicaid appropriation, the single largest line item in the state budget. In addition, the state began recovering jobs over the course of FY 2021 and the stock market continued its strong performance in the second half of calendar 2020. After the release of the January 15th consensus revenue forecast reached by OPM and the Office of Fiscal Analysis, a modest surplus was reported for the General Fund for the first time in FY 2021.

In the last quarter of the fiscal year, the projected surplus increased as revenue growth continued to exceed expectations in both the April 30th consensus revenue forecast and in the statutory tax accruals. In the end, the General Fund surplus was reduced due to significant carry-forward amounts totaling \$758.4 million that were included in the budget plan for 2022-2023. In other words, amounts that would have lapsed at year-end were instead continued into FY 2022 and 2023 and earmarked for specific purposes.

In FY 2021, General Fund expenditures totaled \$19,436,204,469 on the statutory basis of accounting. This represented an increase of \$247.6 million, or 1.3 percent above FY 2020 spending levels. As noted, one of the primary reasons for the modest growth was a \$119.7 million reduction in General Fund Medicaid spending, a decrease of 4.7 percent compared with the prior year that was largely due to the enhanced FMAP. There was also \$19.7 million (-40.9%) in lower spending from the non-appropriated Adjudicated Claims account, which pays claims against the state. The primary reason was lower payments associated with the SEBAC v. Rowland settlement in FY 2021 compared with FY 2020.

There were significant reductions in several other General Fund accounts in FY 2021. Spending for the General Fund portion of Temporary Assistance to Needy Families (TANF) was lower by \$12.7 million (-22.7%) due to a longer-term trend of caseload decreases that carried into FY 2021. The Care4Kids childcare portion of TANF was lower by \$22.9 million (-29.4%), but this partly reflected a change from gross to net budgeting, where a portion of these expenditures were moved from the General Fund to a Federal grant account. Expenditures for the Board and Care for Children – Foster Care account decreased by \$26.1 million (-19.1%), which reflected pandemic-related spending reductions. For example, due to the COVID-19, fewer children went to day care due to closures or stayed in home settings to reduce the risk of infection. Furthermore, Foster Care transportation costs were lower since many schools went to full time remote learning for significant portions of the year.

Other appropriations saw large spending increases that accounted for much of the growth in FY 2021. The General Fund employer contribution to the State Employee Retirement System (SERS) increased by a net \$119.9 million or 10.0 percent driven entirely by an increase in payments toward unfunded pension liability. This was followed by a \$66.2 million increase in higher education operating expenditures and a \$50.2 million increase in education cost sharing grants to Connecticut cities and towns. The employer contribution to the Teachers' Retirement System grew by \$41 million.

Overall, employee salaries grew modestly in FY 2021. General Fund salary and wage costs (from all appropriations) totaled \$2.83 billion in FY 2021. This represented an increase of \$66.6 million or growth of 2.4 percent compared with FY 2020.

Despite pessimistic projections early in the fiscal year, General Fund revenues finished the year by outperforming their targets. Realized revenues totaled \$20,531,418,459 and came in a net \$278.9 million or 1.4 percent above the FY 2021

## State of Connecticut

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budget plan. When compared with the FY 2020's realized amounts, revenues performed even better, finishing \$1.3 billion or 7.0 percent above the prior year's levels.

For FY 2021, collections in the six largest tax categories all ended the year above their budget targets. The strongest performer was the Pass-Through Entity Tax (PET) which is levied on Partnerships and S-Corporations. PET receipts ended the year \$699.7 million or 45.2 percent above the budget plan. Due to the strong results in the financial markets, estimated and final income tax collections finished \$259.7 million or 8.4 percent over target. Despite the pandemic and its impact on households, the Sales and Use Tax came in \$204.3 million or 4.3 percent above the budget plan. This was partly the result of significant Federal relief efforts, including several rounds of direct relief payments to households that helped stimulate the economy after the pandemic induced recession hit. The Corporations Tax outperformed its target by \$70.6 million or 6.1 percent and the Health Provider Tax came in slightly ahead of budget by \$4.1 million or 0.4 percent.

Despite historic job losses at the start of the pandemic, the withholding portion of the income tax still finished the year \$75.3 million or 1.0 percent above its budget target. Compared with prior year realized amounts, FY 2021 withholding receipts increased by \$428.6 million or 6.3 percent. Growth in withholding reflected several factors, including the concentration of employment losses in the lower wage service sector, the economy regaining jobs throughout the year and having income tax withheld on enhanced unemployment benefits, including the additional \$600 per week that was part of the Federal pandemic relief efforts.

On a statutory basis of accounting, Special Transportation Fund (STF) spending totaled \$1,698,510,251 in FY 2021, increasing by \$28.7 million or 1.7 percent compared with the prior fiscal year. In aggregate expenditure growth was quite modest, but there were significant shifts between budget line items. The three appropriations with the highest dollar increases were Personal Services, the primary account for salaries, which grew by \$18.3 million (+8.6%); debt service on Special Transportation Obligation bonds, which increased \$13.4 million (+2.1%); and the STF employer contribution for SERS retirement, which rose a net \$9.2 million (6.2%) driven by the unfunded liability portion of the payment. Salary increases were caused by a combination of a higher position count in the Transportation Fund, employee wage increases as well as higher overtime costs for snow removal and clean-up activities related to Tropical Storm Isaias in August 2020. Two public transportation-related appropriations had significant spending decreases in FY 2021 due to COVID-19 related reductions in ridership. These included Rail Operations, which dropped by \$15.1 million (-6.5%) and the ADA Para-Transit Program, which decreased by \$7.3 million (-17.8%). In addition, the pandemic slowed the pace of maintenance projects funded by the Pay-As-You-Go Transportation line item, which saw a decline of \$4.5 million or 24.4 percent.

The Transportation Fund had revenue of \$ \$1,777,716,829 on the statutory basis of accounting, which was \$103.1 million or 5.5 percent below the budget plan for FY 2021. Both the Motor Fuel Tax (-\$29.9 million) and the Oil Companies Tax (-\$101.1 million) came in significantly below their budget targets based on a combination of lower oil prices for portions of the year and less consumption due to pandemic-related shutdowns. By contrast, the Sales and Use Tax and Sales Tax - DMV categories each over-perform the budget plan by \$28.8 million and \$31.1 million, respectively.

## State of Connecticut

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$22.1 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress. The net increase in the State's investment in capital assets for the fiscal year was \$551 million.

Major capital asset events for governmental activities during the fiscal year include additions to buildings, land, and construction in progress of \$786 million and depreciation expense of \$718 million.

The following table is a two-year comparison of the investment in capital assets presented for both governmental and business-type activities:

<b>State of Connecticut's Capital Assets</b>						
<b>(Net of Depreciation, in Millions)</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,946	\$ 1,899	\$ 79	\$ 79	\$ 2,024	1,978
Buildings	2,945	2,913	4,046	3,954	6,991	6,867
Improvements Other Than Buildings	44	66	406	363	450	429
Equipment	46	44	335	358	382	402
Infrastructure	5,848	6,073	-	-	5,848	6,073
Construction in Progress	6,124	5,417	300	404	6,424	5,821
Total	<u>\$ 16,953</u>	<u>\$ 16,412</u>	<u>\$ 5,166</u>	<u>\$ 5,157</u>	<u>\$ 22,120</u>	<u>\$ 21,569</u>

Additional information on the State's capital assets can be found in Note 9 of this report.

#### Long-Term Debt - Bonded Debt

At the end of the current fiscal year, the State had total debt outstanding of \$29.8 billion. Pursuant to various public and special acts, the State has authorized the issuance of the following types of debt: general obligation debt (payable from the General Fund), special tax obligation debt (payable from the Debt Service Fund), and revenue debt (payable from specific revenues of the Enterprise funds).

The following table is a two-year comparison of bonded debt presented for both governmental and business-type activities:

<b>State of Connecticut's Bonded Debt (in millions)</b>						
<b>General Obligation and Revenue Bonds</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 18,563	\$ 18,480	\$ -	\$ -	\$ 18,563	\$ 18,480
Direct Borrowings & Direct Placement	268	329	-	-	268	329
Transportation Related Bonds	6,959	6,425	-	-	6,959	6,425
Revenue Bonds	-	-	1,449	1,588	1,449	1,588
Premiums and Deferred Amounts	2,354	2,140	177	204	2,531	2,344
Total	<u>\$ 28,144</u>	<u>\$ 27,374</u>	<u>\$ 1,626</u>	<u>\$ 1,792</u>	<u>\$ 29,770</u>	<u>\$ 29,166</u>

The State's total bonded debt increased by \$604.1 million (2.1 percent) during the current fiscal year. This increase resulted mainly from an increase in Transportation related bonds of \$534.6 million.

## State of Connecticut

Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated General Fund tax receipts of the State for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation. As of February 2021 the State had a debt incurring margin of \$5.3 billion.

### Other Long-Term Debt State of Connecticut Other Long - Term Debt (in Millions)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability	\$ 42,551	\$ 39,841	\$ -	\$ -	\$ 42,551	\$ 39,841
Net OPEB Liability	26,040	23,023	-	-	26,040	23,023
Compensated Absences	578	531	213	196	791	727
Workers Compensation	813	797	-	-	813	797
Nonexchange Financial Guarantee	453	488	-	-	453	488
Other	91	88	323	305	414	393
Total	<u>\$ 70,526</u>	<u>\$ 64,768</u>	<u>\$ 536</u>	<u>\$ 501</u>	<u>\$ 71,062</u>	<u>\$ 65,269</u>

The State's other long-term obligations increased by \$5.8 billion (8.9 percent) during the fiscal year. This increase was due mainly to an increase in the Net Pension Liability and Net OPEB Liability (Governmental activities) of \$5.7 billion or 9.1 percent. Additional information on the State's long-term debt can be found in Notes 16 and 17 of this report.

## State of Connecticut

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### ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Connecticut's budget results are ultimately dependent upon the performance of the national and state economies. Overall, FY 2021 was characterized by the continued recovery from the recession caused by the COVID-19 pandemic. However, the recovery remains uneven with analysts describing it as K-shaped. This unequal nature of the recovery can be seen by its impact on different industry sectors and various income groups—some recovering quickly while others lag. Individuals and households that were able to work from home, typically white-collar workers, fared much better than lower wage service sector employees who lost jobs due to business closures. While millions remained unemployed nationally, a strong stock market has bolstered wealthier households. As the fiscal year ended, a pattern emerged: economic progress remained largely reliant on the course of the coronavirus.

In the beginning of the fiscal year, Connecticut's unemployment rate stood at 11.3 percent. This was among the highest unemployment rates in more than 40 years. According to the Connecticut Department of Labor, nonfarm payroll employment totaled 1,525,000, while 213,900 residents remained unemployed. Weekly initial unemployment claims averaged 10,794 and continued claims jumped to 251,926. These economic circumstances were unlike anything Connecticut had seen in decades. By historical standards, the recession was severe, yet conditions rebounded faster than normal. By the third quarter of 2020, conditions improved rapidly.

As the fiscal year closed, Connecticut's unemployment rate dropped to 7.7 percent. Nonfarm payroll employment reached 1,590,900, but 139,000 residents remained unemployed. Weekly initial unemployment claims dropped to an average of 4,524 while continued claims fell to 59,763. By June of 2021, the state recovered 64.6 percent of the 292,400 jobs lost in March and April of 2020. Over the fiscal year, six industry sectors experienced growth while four declined. Leisure and hospitality, the industry most affected by the pandemic, had the greatest net change in employment.

On a national level, over the course of FY 2021, the U.S. added 6.3 million jobs and the unemployment rate fell from 10.2 percent to 5.9 percent. According to the U.S. Bureau of Labor Statistics, the total number of unemployed persons fell from 16,308,000 to 9,484,000. Job growth over the period was strong but is still down by 6.8 million, or 4.4 percent, from pre-pandemic levels. All industry sectors grew over FY 2021, and notable job gains occurred in leisure and hospitality, professional and business services, and information.

As COVID-19 vaccines became available to the public in early 2021, fears of the virus eased and by June 2021 approximately 60 percent of Connecticut residents were fully vaccinated. The Conference Board reported the U.S. Consumer Confidence Index showed an upward trend during the year starting at 97.1 and ending at 128.9 the highest level since March of 2020. Consumers during this period were increasingly optimistic about business and labor market conditions. Since then, vaccination rates have continued to improve steadily (with Connecticut ranking top 5 for fully vaccinated residents), but the emergence of the COVID-19 Delta and Omicron variants have caused confidence levels to drop amid the increased uncertainty.

In FY 2021, U.S. Gross Domestic Product (GDP) showed continued growth after falling significantly in the first and second quarters of 2020. The Bureau of Economic Analysis (BEA) reported real U.S. GDP increased at an annual rate of 33.8 percent in the third quarter and 4.5 percent in fourth quarter of 2020. In the first two quarters of 2021, U.S. GDP advanced at annual rates of 6.3 percent and 6.7 percent, respectively.

Connecticut followed national GDP trends in FY 2021, growing 33 percent in the third quarter and 6.8 percent in the fourth quarter of 2020. These results reflected the continued economic recovery, reopening of establishments, and continued government response to the COVID-19 pandemic. BEA second quarter state level data showed growth in all 50 states and the District of Columbia. Connecticut's GDP growth rate of 5.9 percent ranked 29th in the U.S. and came in below the national average of 6.7 percent and the New England regional average of 7.1 percent. The Connecticut industries experiencing the largest gains on a percentage basis were accommodation and food services, information, and professional, scientific, and technical services.

After a major plunge in March of 2020, the stock market rallied and shifted to a bull market, erasing most losses by August 2020. Expansionary fiscal policy in response to the pandemic encouraged spending and investing, while Federal Reserve monetary policy kept interest rates low, making it less expensive to borrow. Throughout the year, the stock market proved

## State of Connecticut

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to be volatile, fluctuating as news of COVID-19 outbreaks and variants emerged. However, as the fiscal year closed, all three major market indices (S&P 500, NASDAQ, Dow Jones) reached historic highs.

During FY 2021, the housing market boomed due to work-from-home requirements, low-interest rates, and an exodus from cities to suburbs. In Connecticut, between June 2020 and June 2021, sales of all property types increased 32.44 percent, according to Berkshire Hathaway Home Services while the median sales price increased 21.79 percent. Average days on the market decreased over 50 percent to 37 days. At the same time, the average sales price of properties sold in Connecticut was higher than the list price. While this was good news for existing homeowners, rapidly increasing prices excluded many first-time homebuyers from the market.

Inflation ramped up in FY 2021, reaching highs last seen during the 2008 financial crisis. The consumer price index came in at an annual rate of one percent in July 2020 and grew to 5.4 percent by June 2021. Prices of automobiles (including new, used, and rental cars) gasoline, lumber, airfare, lodging, and food away from home all increased substantially in 2021. Growth in inflation was largely due to increased demand coupled with supply-chain issues, scarcity of materials, and labor shortages. The Federal Reserve, which is tasked with managing inflation, initially labeled the increases as transitory. However, price growth has become broad-based and continues into FY 2022, indicating it may be a longer-term trend.

Connecticut has traditionally ranked among the wealthiest states in the nation and continues to be based on the most recent information available. BEA reported that in 2020, Connecticut had a per capita personal income (PCPI) of \$78,609. This PCPI ranked second in the United States to the District of Columbia and was 132 percent of the national average of \$59,510. The United States 2020 PCPI reflected an increase of 6.2 percent from 2019, while Connecticut's increase was only 3.7 percent. Connecticut's income growth in the previous decade was also slower than the national average. In 2010, the PCPI of Connecticut was \$61,762 and ranked second in the United States to the District of Columbia. However, the state's 2010-2020 compound annual growth rate of PCPI was 2.4 percent compared with 3.9 percent for the nation.

Connecticut's high level of income and quality of life can be attributed to the educational achievement of its residents, as well as the innovation and productivity of its workforce. According to the U.S. Census Bureau, 39.3 percent of Connecticut's population age 25 and over has a bachelor's degree or higher, which was fifth in the nation among U.S. states. In addition, Connecticut ranked third in the country for the percentage of the population with advanced degrees.

Bloomberg published its annual U.S. State Innovation Index for 2020. Connecticut was ranked the fourth most innovative state economy in the nation for the second year in a row. The innovation index is based on six equally weighted metrics: research and development intensity; productivity; clusters of companies in technology; jobs in science, technology, engineering, and mathematics (STEM); proportion of the population with degrees in science and engineering; and patent activity. On these innovation index measures, Connecticut showed strength across all six categories. Connecticut ranked second in patent activity and was ranked eighth in the nation in research and development (R&D) intensity and productivity. On the remaining measures Connecticut ranked 11th in technology company density and 12th for both science and engineering degree holders and the concentration of STEM professionals in the workforce.

Connecticut also achieves high rankings on other quality of life measures:

- Connecticut ranks fourth in the United States for the most fully vaccinated population (75.7%) according to the Center for Disease Control and Prevention.
- Connecticut ranked second in the U.S. Prosperity Index by the Legatum Institute.
- Connecticut ranked fourth best state to live in by 24/7 Wall St.
- Connecticut ranked first in college readiness and is home to 38 top colleges and universities according to U.S. News & World Report in 2021.
- Connecticut ranked third best state for healthcare access, quality, and public health by U.S. News and World Report in 2021.

Connecticut also continues to be a leader in the field of high-tech manufacturing, producing submarines, helicopters, jet engines and parts, electronics, computer equipment and electronic machinery. Much of Connecticut's manufacturing is for the military and the outlook for Connecticut's defense industry remains strong. According to the state's Office of Military

## State of Connecticut

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Affairs (OMA), Connecticut ranked sixth overall in total defense spending, third in defense spending as a percentage of state gross domestic product (GDP), and second in defense spending per capita. OMA's Annual Report for Fiscal Year 2020-2021 notes that contracts awarded to Connecticut defense manufacturers was the fourth highest since 2007, totaling \$18.3 billion. The largest was a \$9.5 billion contract to Electric Boat for construction of the lead and second Columbia-class submarines. Electric Boat is the prime contractor for design and construction of the twelve Columbia-class submarines, which will replace the aging Ohio-class ballistic missile submarines.

Halfway through FY 2022, Connecticut is experiencing positive economic trends in key areas such as job growth, unemployment, and GDP. As of November 2021, the state has recovered 75.3 percent of the 292,400 jobs lost in March and April 2020 due to the COVID-19 lockdown, and the unemployment rate dropped to 6.0 percent. November 2021 job growth marked 11 straight months of employment gains. Significant gains have been made in the leisure and hospitality sector, which was hardest hit by pandemic-related business closures. Connecticut's 2021 third quarter GDP growth rate of 2.7 percent ranked 15th, coming in above the national growth rate of 2.3 percent and the New England regional average of 2.6 percent. Finance, insurance, and real estate (FIRE) continues to be an important industry grouping for Connecticut that represented 30 percent of the state's real gross domestic product (GDP) in 2020.

The state's population remains understandably concerned about the ever-changing nature of COVID-19 and what it means in their everyday lives, but the underlying economic conditions should instill confidence moving forward. Due to the highly educated, productive workforce, capacity for innovation, and prudent response to the COVID-19 pandemic, Connecticut remains well positioned to create a strong economy moving into the future.

Connecticut has made significant progress striving for recovery amid the ongoing COVID-19 pandemic. The most recent consensus revenue forecast for FY 2022 on January 18 showed continued improvement in each of the State's major tax categories. Current forecasts show the General Fund is on track to end FY 2022 with a surplus of \$1.48 billion. This positive fiscal position is a tribute to smart long-term planning, the resilience of Connecticut's people, and the strength of its economy. However, Connecticut continues to face challenges as fixed costs and debt service related to state pension and retirement healthcare systems represent a growing share of the state budget. It remains critical to exercise fiscal restraint, execute responsible long-term planning, and support economic growth to maintain future budget stability.

### **CONTACTING THE STATE'S OFFICES OF FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report, please contact the State Comptroller's Office at (860) 702-3352.

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STATEMENTS*

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*GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS*

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## State of Connecticut

### STATEMENT OF NET POSITION

June 30, 2021

(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,565,869	\$ 864,841	\$ 11,430,710	\$ 319,299
Deposits with U.S. Treasury	-	319,397	319,397	-
Investments	139,068	86,189	225,257	707,458
Receivables, (Net of Allowances)	4,342,509	677,876	5,020,385	75,570
Due from Primary Government	-	-	-	7,210
Inventories	53,810	18,886	72,696	5,572
Restricted Assets	-	132,768	132,768	1,673,265
Internal Balances	(95,647)	95,647	-	-
Other Current Assets	17,494	23,592	41,086	28,080
Total Current Assets	<u>15,023,103</u>	<u>2,219,196</u>	<u>17,242,299</u>	<u>2,816,454</u>
Noncurrent Assets:				
Cash and Cash Equivalents	-	718,514	718,514	-
Due From Component Units	56,216	-	56,216	-
Investments	-	55,376	55,376	294,834
Receivables, (Net of Allowances)	1,114,747	998,044	2,112,791	166,482
Restricted Assets	1,103,038	263,791	1,366,829	5,624,400
Capital Assets, (Net of Accumulated Depreciation)	16,953,414	5,166,319	22,119,733	908,600
Other Noncurrent Assets	-	12,783	12,783	100,720
Total Noncurrent Assets	<u>19,227,415</u>	<u>7,214,827</u>	<u>26,442,242</u>	<u>7,095,036</u>
Total Assets	<u>\$ 34,250,518</u>	<u>\$ 9,434,023</u>	<u>\$ 43,684,541</u>	<u>\$ 9,911,490</u>
<b>Deferred Outflows of Resources</b>				
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ -	\$ -	\$ -	\$ 12,672
Unamortized Losses on Bond Refundings	34,359	5,091	39,450	116,988
Related to Pensions	16,088,140	-	16,088,140	144,210
Other Deferred Outflows	-	5,193	5,193	2,488
Total Deferred Outflows of Resources	<u>\$ 16,122,499</u>	<u>\$ 10,284</u>	<u>\$ 16,132,783</u>	<u>\$ 276,358</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,828,863	\$ 389,393	\$ 3,218,256	\$ 155,013
Due to Component Units	7,210	-	7,210	-
Due to Primary Government	-	-	-	56,216
Due to Other Governments	681,731	1,416	683,147	-
Due to Trustee	1,450	-	1,450	-
Current Portion of Long-Term Obligations	2,430,095	152,792	2,582,887	523,657
Amount Held for Institutions	-	-	-	296,531
Unearned Revenue	24,412	39,486	63,898	3,651
Medicaid Liability	582,234	-	582,234	-
Liability for Escheated Property	433,797	-	433,797	-
Other Current Liabilities	86,383	129,266	215,649	35,576
Total Current Liabilities	<u>7,076,175</u>	<u>712,353</u>	<u>7,788,528</u>	<u>1,070,644</u>
Noncurrent Liabilities:				
Non-Current Portion of Long-Term Obligations	96,240,989	2,731,830	98,972,819	6,196,819
Total Noncurrent Liabilities	<u>96,240,989</u>	<u>2,731,830</u>	<u>98,972,819</u>	<u>6,196,819</u>
Total Liabilities	<u>\$ 103,317,164</u>	<u>\$ 3,444,183</u>	<u>\$ 106,761,347</u>	<u>\$ 7,267,463</u>
<b>Deferred Inflows of Resources</b>				
Related to Pensions	\$ 2,391,163	\$ -	\$ 2,391,163	\$ 84,062
Other Deferred Inflows	(18,788)	4,282	(14,506)	1,073
Total Deferred Inflows of Resources	<u>\$ 2,372,375</u>	<u>\$ 4,282</u>	<u>\$ 2,376,657</u>	<u>\$ 85,135</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 6,192,401	\$ 4,193,263	\$ 10,385,664	\$ 493,455
Restricted For:				
Transportation	130,553	-	130,553	-
Debt Service	1,103,038	-	1,103,038	11,214
Federal Grants and Other Accounts	3,626,039	-	3,626,039	-
Capital Projects	951,004	82,405	1,033,409	118,386
Grant and Loan Programs	882,733	-	882,733	-
Clean Water and Drinking Water Projects	-	809,697	809,697	-
Bond Indenture Requirements	-	-	-	1,042,947
Loans	-	2,225	2,225	-
Permanent Investments or Endowments:				
Expendable	-	-	-	22,496
Nonexpendable	142,505	14,722	157,227	770,526
Other Purposes	548,872	176,012	724,884	226,636
Unrestricted (Deficit)	(68,893,667)	717,518	(68,176,149)	149,590
Total Net Position (Deficit)	<u>\$ (55,316,522)</u>	<u>\$ 5,995,842</u>	<u>\$ (49,320,680)</u>	<u>\$ 2,835,250</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**State of Connecticut**

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2021

(Expressed in Thousands)

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services, Fees, Fines, and Other</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government</b>				
Governmental Activities:				
Legislative	\$ 139,468	\$ 2,636	\$ 81	\$ -
General Government	5,653,974	1,065,741	2,015,347	-
Regulation and Protection	1,207,579	823,384	326,425	-
Conservation and Development	1,478,657	282,396	503,894	-
Health and Hospitals	3,502,081	740,129	546,910	-
Transportation	2,530,536	64,521	-	986,644
Human Services	11,914,912	(39,441)	7,997,042	-
Education, Libraries, and Museums	6,189,985	26,156	1,063,591	-
Corrections	2,739,688	6,728	169,249	-
Judicial	1,208,207	133,567	37,563	-
Interest and Fiscal Charges	968,304	-	-	-
Total Governmental Activities	37,533,391	3,105,817	12,660,102	986,644
Business-Type Activities:				
University of Connecticut & Health Center	2,765,468	1,589,796	277,085	11,640
Board of Regents	1,431,493	671,877	65,185	-
Employment Security	5,201,294	592,659	3,754,181	-
Clean Water	41,606	40,228	9,447	-
Other	43,127	34,681	10,285	-
Total Business-Type Activities	9,482,988	2,929,241	4,116,183	11,640
Total Primary Government	\$ 47,016,379	\$ 6,035,058	\$ 16,776,285	\$ 998,284
<b>Component Units</b>				
Connecticut Housing Finance Authority (12/31/20)	\$ 195,820	\$ 143,111	\$ -	\$ -
Connecticut Lottery Corporation	1,506,158	1,497,907	-	-
Connecticut Airport Authority	107,692	107,658	-	5,079
Other Component Units	272,473	269,638	12,210	10,862
Total Component Units	\$ 2,082,143	\$ 2,018,314	\$ 12,210	\$ 15,941
General Revenues:				
Taxes:				
Personal Income				
Corporate Income				
Sales and Use				
Other				
Restricted for Transportation Purposes:				
Motor Fuel				
Other				
Casino Gaming Payments				
Tobacco Settlement				
Lottery Tickets				
Unrestricted Investment Earnings				
Transfers-Internal Activities				
Total General Revenues, Contributions, and Transfers				
Change in Net Position				
Net Position (Deficit)- Beginning (as restated)				
Net Position (Deficit)- Ending				

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

## State of Connecticut

### Net (Expense) Revenue and Changes in Net Position

		Primary Government					
Governmental Activities	Business-Type Activities	Total	Component Units				
\$	(136,751)	\$	-	\$	(136,751)	\$	-
	(2,572,886)		-		(2,572,886)		-
	(57,770)		-		(57,770)		-
	(692,367)		-		(692,367)		-
	(2,215,042)		-		(2,215,042)		-
	(1,479,371)		-		(1,479,371)		-
	(3,957,311)		-		(3,957,311)		-
	(5,100,238)		-		(5,100,238)		-
	(2,563,711)		-		(2,563,711)		-
	(1,037,077)		-		(1,037,077)		-
	(968,304)		-		(968,304)		-
	(20,780,828)		-		(20,780,828)		-
	-		(886,947)		(886,947)		-
	-		(694,431)		(694,431)		-
	-		(854,454)		(854,454)		-
	-		8,069		8,069		-
	-		1,839		1,839		-
	-		(2,425,924)		(2,425,924)		-
	(20,780,828)		(2,425,924)		(23,206,752)		-
	-		-		-		(52,709)
	-		-		-		(8,251)
	-		-		-		5,045
	-		-		-		20,237
	-		-		-		(35,678)
	9,147,622		-		9,147,622		-
	2,925,675		-		2,925,675		-
	4,779,902		-		4,779,902		-
	2,612,691		-		2,612,691		-
	698,146		-		698,146		-
	588,312		-		588,312		-
	228,883		-		228,883		-
	133,121		-		133,121		-
	407,353		-		407,353		-
	35,316		5,754		41,070		389,728
	(1,649,959)		1,649,463		(496)		496
	19,907,062		1,655,217		21,562,279		390,224
	(873,766)		(770,707)		(1,644,473)		354,546
	(54,442,756)		6,766,549		(47,676,207)		2,480,704
\$	(55,316,522)	\$	5,995,842	\$	(49,320,680)	\$	2,835,250

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*FUND FINANCIAL  
STATEMENTS*

**State of Connecticut**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2021

(Expressed in Thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>Restricted Grants &amp; Accounts</u>	<u>Grant &amp; Loan Programs</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Cash and Cash Equivalents	\$ 4,779,392	\$ -	\$ 102,922	\$ 3,355,983	\$ 561,220	\$ 1,752,828	\$ 10,552,345
Investments	-	-	-	-	-	139,068	139,068
Securities Lending Collateral	-	-	-	-	-	17,232	17,232
Receivables:							
Taxes, Net of Allowances	2,313,291	-	223,847	-	-	-	2,537,138
Accounts, Net of Allowances	579,450	-	36,726	83,325	17,214	66,059	782,774
Loans, Net of Allowances	3,412	-	-	193,607	352,259	565,469	1,114,747
From Other Governments	296,275	-	-	703,974	-	22,141	1,022,390
Interest	-	25	19	-	-	-	44
Other	-	-	-	-	-	3	3
Due from Other Funds	56,167	-	25	227	-	11,621	68,040
Due from Component Units	52,937	-	-	2,638	-	641	56,216
Inventories	20,842	-	27,182	-	-	-	48,024
Restricted Assets	-	1,103,038	-	-	-	-	1,103,038
Total Assets	<u>\$ 8,101,766</u>	<u>\$ 1,103,063</u>	<u>\$ 390,721</u>	<u>\$ 4,339,754</u>	<u>\$ 930,693</u>	<u>\$ 2,575,062</u>	<u>\$ 17,441,059</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable and Accrued Liabilities	\$ 452,730	\$ -	\$ 34,315	\$ 282,782	\$ 47,566	\$ 87,908	\$ 905,301
Due to Other Funds	1,700,682	25	-	5,173	34	69,211	1,775,125
Due to Component Units	52	-	-	7,158	-	-	7,210
Due to Other Governments	679,869	-	-	1,862	-	-	681,731
Due to Trustee	-	-	-	1,450	-	-	1,450
Unearned Revenue	11,429	-	-	-	-	12,983	24,412
Medicaid Liability	215,210	-	-	367,024	-	-	582,234
Liability For Escheated Property	433,797	-	-	-	-	-	433,797
Securities Lending Obligation	-	-	-	-	-	17,232	17,232
Other Liabilities	48,873	-	-	20,278	-	-	69,151
Total Liabilities	<u>3,542,642</u>	<u>25</u>	<u>34,315</u>	<u>685,727</u>	<u>47,600</u>	<u>187,334</u>	<u>4,497,643</u>
<b>Deferred Inflows of Resources</b>							
Receivables to be Collected in Future Periods	1,272,277	-	32,751	73,594	16,679	57,219	1,452,520
<b>Fund Balances</b>							
Nonspendable:							
Inventories/Long-Term Receivables	77,192	-	27,182	-	-	-	104,374
Permanent Fund Principal	-	-	-	-	-	138,879	138,879
Restricted For:							
Debt Service	-	1,103,038	-	-	-	-	1,103,038
Transportation Programs	-	-	258,166	-	-	-	258,166
Federal Grant and State Programs	-	-	-	3,580,433	-	-	3,580,433
Grants and Loans	-	-	-	-	866,414	-	866,414
Other	-	-	-	-	-	2,168,090	2,168,090
Committed For:							
Continuing Appropriations	758,445	-	38,307	-	-	-	796,752
Budget Reserve Fund	3,111,959	-	-	-	-	-	3,111,959
Assigned To:							
Other	-	-	-	-	-	24,255	24,255
Unassigned (Deficit)							
Total Fund Balances	<u>(660,749)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(715)</u>	<u>(661,464)</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 8,101,766</u>	<u>\$ 1,103,063</u>	<u>\$ 390,721</u>	<u>\$ 4,339,754</u>	<u>\$ 930,693</u>	<u>\$ 2,575,062</u>	<u>\$ 17,441,059</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

June 30, 2021

*(Expressed in Thousands)*

Total Fund Balance - Governmental Funds \$ 11,490,896

Amounts reported for governmental activities in the Statement of Net Position are different because:

**Capital assets** used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 9). These consist of:

Cost of capital assets (excluding internal service funds)	34,178,470	
Less: Accumulated depreciation (excluding internal service funds)	(17,271,461)	
Net capital assets		16,907,009

**Some assets** such as receivables, are not available soon enough to pay for current period's expenditures and thus, are offset by unavailable revenue in the governmental funds. 1,471,308

**Deferred losses on refundings** are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds. 34,359

**Deferred outflows for pensions and OPEB** are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13). 16,088,140

**Long-term debt instruments** such as bonds and notes payable, are not due and payable in the current period and, therefore, the outstanding balances are not reported in the funds (see Note 16). Also, unamortized debt premiums and interest payable are reported in the Statement of Net Position but are not reported in the funds. These balances consist of:

General obligation bonds payable	(18,562,830)	
Transportation bonds payable	(6,959,265)	
Direct Borrowings & Direct Placements	(268,425)	
Unamortized premiums	(2,354,396)	
Accrued interest payable	(301,688)	
Net long-term debt		(28,446,604)

**Other liabilities** not due and payable in the current period and, therefore, not reported in the funds (see Note 16).

Net pension liability	(42,551,460)	
Net OPEB liability	(26,040,226)	
Obligations for worker's compensation	(812,645)	
Capital leases payable	(16,511)	
Compensated absences (excluding internal service funds)	(576,302)	
Claims and judgments payable	(44,008)	
Landfill postclosure care	(29,587)	
Nonexchange Financial guarantee	(453,185)	
Total other liabilities		(70,523,924)

**Deferred inflows** for pensions and OPEB are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13). (2,391,163)

Pension and OPEB related

**Internal service funds** are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 53,457

**Total Net Position - Governmental Activities** \$ (55,316,522)

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2021

(Expressed in Thousands)

	<b>General</b>	<b>Debt Service</b>	<b>Transportation</b>	<b>Restricted Grants &amp; Accounts</b>	<b>Grant &amp; Loan Programs</b>	<b>Other Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>							
Taxes	\$ 18,849,644	\$ -	\$ 1,293,377	\$ -	\$ -	\$ -	\$ 20,143,021
Licenses, Permits, and Fees	325,296	-	402,124	14,454	-	145,709	887,583
Tobacco Settlement	-	-	-	-	-	133,121	133,121
Federal Grants and Aid	2,814,104	-	11,957	10,695,507	-	120,822	13,642,390
Assessments	1,997	-	-	-	-	-	1,997
State Grants	-	-	-	4,356	-	-	4,356
Lottery Tickets	407,353	-	-	-	-	-	407,353
Charges for Services	22,876	-	39,940	-	-	403	63,219
Fines, Forfeits, and Rents	97,190	-	16,661	-	-	35	113,886
Casino Gaming Payments	228,883	-	-	-	-	-	228,883
Investment Earnings	2,939	1,057	345	2,882	8,789	19,233	35,245
Interest on Loans	-	-	-	-	-	71	71
Miscellaneous	240,060	-	6,281	1,722,977	39,274	138,716	2,147,308
Total Revenues	<u>22,990,342</u>	<u>1,057</u>	<u>1,770,685</u>	<u>12,440,176</u>	<u>48,063</u>	<u>558,110</u>	<u>37,808,433</u>
<b>Expenditures</b>							
Current:							
Legislative	117,319	-	-	2,235	-	-	119,554
General Government	2,985,787	-	8,557	1,348,030	540,987	75,763	4,959,124
Regulation and Protection	490,267	-	119,448	233,015	4,407	201,759	1,048,896
Conservation and Development	249,177	-	5,151	535,897	339,103	166,033	1,295,361
Health and Hospitals	1,777,118	-	-	1,200,842	17,399	81,613	3,076,972
Transportation	-	-	916,277	986,486	30,659	-	1,933,422
Human Services	5,371,494	-	-	5,114,618	-	2,425	10,488,537
Education, Libraries, and Museums	4,339,043	-	-	1,076,776	14,831	1,731	5,432,381
Corrections	2,158,589	-	-	229,361	1,071	1,735	2,390,756
Judicial	956,322	-	-	41,816	-	55,214	1,053,352
Capital Projects	-	-	-	-	-	988,692	988,692
Debt Service:							
Principal Retirement	1,530,831	339,585	-	-	-	-	1,870,416
Interest and Fiscal Charges	734,027	308,760	275	123,478	3,618	6,060	1,176,218
Total Expenditures	<u>20,709,974</u>	<u>648,345</u>	<u>1,049,708</u>	<u>10,892,554</u>	<u>952,075</u>	<u>1,581,025</u>	<u>35,833,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,280,368</u>	<u>(647,288)</u>	<u>720,977</u>	<u>1,547,622</u>	<u>(904,012)</u>	<u>(1,022,915)</u>	<u>1,974,752</u>
<b>Other Financing Sources (Uses)</b>							
Bonds Issued (Retired)	(2,275)	-	-	-	975,764	1,459,466	2,432,955
Premiums on Bonds Issued	-	34,021	-	-	94,775	314,809	443,605
Transfers In	1,372,057	726,270	1,172	143,388	-	73,451	2,316,338
Transfers Out	(2,665,405)	(1,543)	(669,889)	(8)	(91,158)	(538,294)	(3,966,297)
Refunding Bonds Issued	-	300,045	-	-	-	-	300,045
Payment to Refunded Bond Escrow Agent	-	(333,044)	-	-	-	-	(333,044)
Capital Lease Obligations	5,646	-	-	-	-	-	5,646
Total Other Financing Sources (Uses)	<u>(1,289,977)</u>	<u>725,749</u>	<u>(668,717)</u>	<u>143,380</u>	<u>979,381</u>	<u>1,309,432</u>	<u>1,199,248</u>
Net Change in Fund Balances	<u>990,391</u>	<u>78,461</u>	<u>52,260</u>	<u>1,691,002</u>	<u>75,369</u>	<u>286,517</u>	<u>3,174,000</u>
Fund Balances - Beginning (restated)	2,292,784	1,024,577	269,464	1,889,431	791,045	2,043,992	8,311,293
Change in Reserve for Inventories	3,672	-	1,931	-	-	-	5,603
Fund Balances - Ending	<u>\$ 3,286,847</u>	<u>\$ 1,103,038</u>	<u>\$ 323,655</u>	<u>\$ 3,580,433</u>	<u>\$ 866,414</u>	<u>\$ 2,330,509</u>	<u>\$ 11,490,896</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2021

(Expressed in Thousands)

Net change in fund balances - total governmental funds \$ 3,174,000

Amounts reported for governmental activities in the Statement of Activities are different because:

**Long-term debt** proceeds provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. In the current period, these amounts consist of

Debt issued or incurred:

Bonds issued	(2,432,955)	
Refunding bonds issued	(300,045)	
Premium on bonds issued	(443,600)	
Accretion on Capital Appreciation Bonds	(22,768)	

Principal repayment:

Principal Retirement	1,870,416	
Payments to refunded bond escrow agent	328,836	
Capital lease payments	4,266	

Net debt adjustments		(995,850)
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**Some capital assets** acquired this year were financed with capital leases. The amount financed by leases is reported in the governmental funds as a source of financing, but lease obligations are reported as long-term liabilities on the Statement of Activities

(5,645)

**Capital outlays** are reported as expenditures in the governmental funds. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts and other reductions were as follows:

Capital outlays (including construction-in-progress)	1,251,644	
Depreciation expense (excluding internal service funds)	(713,135)	

538,509

**Inventories** are reported as expenditures in the governmental funds when purchased. However, in the Statement of Activities the cost of these assets is recognized when those assets are consumed. This is the amount by which purchases exceeded consumption of inventories.

5,603

**Some expenses** reported in the Statement of Activities do not require the use of current financial resources and therefore are not recognized in the funds. In the current period, the net adjustments consist of:

Increase in accrued interest	(8,486)	
Amortization of bond premium	229,241	
Amortization of loss on debt refunding's	(12,757)	
Increase in Net OPEB Liability & Net pension liability	(5,727,699)	
Increase in net deferred inflows related to OPEB & pensions	(301,456)	
Increase in net deferred outflows related to OPEB & pensions	1,758,839	
Increase in compensated absences	(45,815)	
Increase in workers compensation	(15,481)	
Increase in claims and judgments	(4,583)	
Decrease in landfill post closure cost	2,516	
Decrease in non-exchange financial guarantees	34,470	

Net expense accruals		(4,091,211)
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**Some revenues** in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment.

501,151

**Internal service funds** are used by management to charge the costs of certain activities, to individual funds. The net revenues (expenses) of internal service funds are included with governmental activities in the Statement of Activities.

(323)

Change in net position - governmental activities \$ (873,766)

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2021

(Expressed in Thousands)

	Business-Type Activities						Governmental
	Enterprise Funds						Activities
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Total	Internal Service Funds
<b>Assets</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 498,272	\$ 308,656	\$ -	\$ 5,290	\$ 52,623	\$ 864,841	\$ 13,524
Deposits with U.S. Treasury	-	-	319,397	-	-	319,397	-
Investments	697	85,492	-	-	-	86,189	-
Receivables:							
Accounts, Net of Allowances	153,389	38,791	178,573	460	5,194	376,407	160
Loans, Net of Allowances	1,979	1,360	-	211,000	59,722	274,061	-
Interest	-	-	-	3,945	1,833	5,778	-
From Other Governments	-	18,023	3,207	-	400	21,630	-
Due from Other Funds	37,414	94,859	1,277	-	-	133,550	4,315
Inventories	18,886	-	-	-	-	18,886	5,786
Restricted Assets	132,768	-	-	-	-	132,768	-
Other Current Assets	15,908	7,684	-	-	-	23,592	262
Total Current Assets	<u>859,313</u>	<u>554,865</u>	<u>502,454</u>	<u>220,695</u>	<u>119,772</u>	<u>2,257,099</u>	<u>24,047</u>
Noncurrent Assets:							
Cash and Cash Equivalents	-	142,221	-	454,444	121,849	718,514	-
Investments	20,194	33,165	-	2,017	-	55,376	-
Receivables:							
Loans, Net of Allowances	3,459	4,616	-	849,166	140,803	998,044	-
Restricted Assets	494	-	-	231,123	32,174	263,791	-
Capital Assets, Net of Accumulated Depreciation	3,230,579	1,935,740	-	-	-	5,166,319	46,405
Other Noncurrent Assets	12,650	133	-	-	-	12,783	-
Total Noncurrent Assets	<u>3,267,376</u>	<u>2,115,875</u>	<u>-</u>	<u>1,536,750</u>	<u>294,826</u>	<u>7,214,827</u>	<u>46,405</u>
Total Assets	<u>\$ 4,126,689</u>	<u>\$ 2,670,740</u>	<u>\$ 502,454</u>	<u>\$ 1,757,445</u>	<u>\$ 414,598</u>	<u>\$ 9,471,926</u>	<u>\$ 70,452</u>
<b>Deferred Outflows of Resources</b>							
Unamortized Losses on Bond Refundings	\$ -	\$ -	\$ -	\$ 4,970	\$ 121	\$ 5,091	\$ -
Other Deferred Outflows	128	5,065	-	-	-	5,193	-
Total Deferred Outflows of Resources	<u>\$ 128</u>	<u>\$ 5,065</u>	<u>\$ -</u>	<u>\$ 4,970</u>	<u>\$ 121</u>	<u>\$ 10,284</u>	<u>\$ -</u>
<b>Liabilities</b>							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 223,533	\$ 145,821	\$ 351	\$ 10,806	\$ 8,882	\$ 389,393	\$ 2,454
Due to Other Funds	35,340	344	2,219	-	-	37,903	12,297
Due to Other Governments	1,390	-	26	-	-	1,416	-
Current Portion of Long-Term Obligations	69,995	29,242	-	46,020	7,535	152,792	95
Unearned Revenue	-	39,486	-	-	-	39,486	-
Other Current Liabilities	113,384	15,882	-	-	-	129,266	-
Total Current Liabilities	<u>443,642</u>	<u>230,775</u>	<u>2,596</u>	<u>56,826</u>	<u>16,417</u>	<u>750,256</u>	<u>14,846</u>
Noncurrent Liabilities:							
Noncurrent Portion of Long-Term Obligations	564,540	429,271	725,073	861,721	151,225	2,731,830	2,149
Total Noncurrent Liabilities	<u>564,540</u>	<u>429,271</u>	<u>725,073</u>	<u>861,721</u>	<u>151,225</u>	<u>2,731,830</u>	<u>2,149</u>
Total Liabilities	<u>\$ 1,008,182</u>	<u>\$ 660,046</u>	<u>\$ 727,669</u>	<u>\$ 918,547</u>	<u>\$ 167,642</u>	<u>\$ 3,482,086</u>	<u>\$ 16,995</u>
<b>Deferred Inflows of Resources</b>							
Other Deferred Inflows	\$ 4,282	\$ -	\$ -	\$ -	\$ -	\$ 4,282	\$ -
Total Deferred Inflows of Resources	<u>\$ 4,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,282</u>	<u>\$ -</u>
<b>Net Position (Deficit)</b>							
Net Investment in Capital Assets	\$ 2,510,651	\$ 1,682,612	\$ -	\$ -	\$ -	\$ 4,193,263	\$ 46,405
Restricted For:							
Clean and Drinking Water Projects	-	-	-	632,168	177,529	809,697	-
Capital Projects	82,405	-	-	-	-	82,405	-
Nonexpendable Purposes	14,164	558	-	-	-	14,722	-
Loans	2,225	-	-	-	-	2,225	-
Other Purposes	26,992	149,020	-	-	-	176,012	-
Unrestricted (Deficit)	477,916	183,569	(225,215)	211,700	69,548	717,518	7,052
Total Net Position	<u>\$ 3,114,353</u>	<u>\$ 2,015,759</u>	<u>\$ (225,215)</u>	<u>\$ 843,868</u>	<u>\$ 247,077</u>	<u>\$ 5,995,842</u>	<u>\$ 53,457</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

## State of Connecticut

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2021

(Expressed in Thousands)

	Business-Type Activities					Totals	Governmental
	Enterprise Funds						Activities
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds		Internal Service Funds
<b>Operating Revenues</b>							
Charges for Sales and Services (Net of allowances & discounts \$325,945)	\$ 1,148,543	\$ 430,329	\$ -	\$ -	\$ -	\$ 1,578,872	\$ 46,076
Assessments	-	-	580,591	-	27,636	608,227	-
Federal Grants, Contracts, and Other Aid	215,732	30,341	3,732,424	-	-	3,978,497	-
State Grants, Contracts, and Other Aid	16,364	22,077	21,757	-	-	60,198	-
Private Gifts and Grants	44,989	12,767	-	-	-	57,756	-
Interest on Loans	-	-	-	23,042	4,168	27,210	-
Other	123,531	7,137	12,068	-	736	143,472	504
Total Operating Revenues	<u>1,549,159</u>	<u>502,651</u>	<u>4,346,840</u>	<u>23,042</u>	<u>32,540</u>	<u>6,454,232</u>	<u>46,580</u>
<b>Operating Expenses</b>							
Salaries, Wages, and Administrative	2,563,370	1,293,059	-	801	10,680	3,867,910	32,053
Unemployment Compensation	-	-	5,201,294	-	-	5,201,294	-
Claims Paid	-	-	-	-	22,978	22,978	-
Depreciation and Amortization	193,070	102,816	-	-	-	295,886	15,705
Other	-	26,892	-	-	2,731	29,623	-
Total Operating Expenses	<u>2,756,440</u>	<u>1,422,767</u>	<u>5,201,294</u>	<u>801</u>	<u>36,389</u>	<u>9,417,691</u>	<u>47,758</u>
Operating Income (Loss)	<u>(1,207,281)</u>	<u>(920,116)</u>	<u>(854,454)</u>	<u>22,241</u>	<u>(3,849)</u>	<u>(2,963,459)</u>	<u>(1,178)</u>
<b>Nonoperating Revenue (Expenses)</b>							
Interest and Investment Income	825	1,047	-	3,418	464	5,754	900
Interest and Fiscal Charges	(9,028)	(8,726)	-	(40,805)	(6,738)	(65,297)	-
Other - Net	317,722	234,411	-	17,186	2,141	571,460	(45)
Total Nonoperating Revenues (Expenses)	<u>309,519</u>	<u>226,732</u>	<u>-</u>	<u>(20,201)</u>	<u>(4,133)</u>	<u>511,917</u>	<u>855</u>
Income (Loss) Before Capital Contributions, Grants, and Transfers	<u>(897,762)</u>	<u>(693,384)</u>	<u>(854,454)</u>	<u>2,040</u>	<u>(7,982)</u>	<u>(2,451,542)</u>	<u>(323)</u>
Capital Contributions	11,640	-	-	-	-	11,640	-
Federal Capitalization Grants	-	-	-	9,447	10,285	19,732	-
Transfers In	928,588	726,770	-	297	192	1,655,847	-
Transfers Out	-	-	(6,384)	-	-	(6,384)	-
Change in Net Position	42,466	33,386	(860,838)	11,784	2,495	(770,707)	(323)
Total Net Position (Deficit) - Beginning (as restated)	<u>3,071,887</u>	<u>1,982,373</u>	<u>635,623</u>	<u>832,084</u>	<u>244,582</u>	<u>6,766,549</u>	<u>53,780</u>
Total Net Position (Deficit) - Ending	<u>\$ 3,114,353</u>	<u>\$ 2,015,759</u>	<u>\$ (225,215)</u>	<u>\$ 843,868</u>	<u>\$ 247,077</u>	<u>\$ 5,995,842</u>	<u>\$ 53,457</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**State of Connecticut**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2021

(Expressed in Thousands)

	Business-Type Activities					Governmental Activities	
	Enterprise Funds						
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other		Totals
<b>Cash Flows from Operating Activities</b>							
Receipts from Customers	\$ 1,340,905	\$ 419,105	\$ 709,090	\$ 324,130	\$ 55,447	\$ 2,848,677	\$ 46,830
Payments to Suppliers	(701,164)	(333,958)	-	-	(2,731)	(1,037,853)	(15,833)
Payments to Employees	(1,576,858)	(978,556)	-	(607)	(10,058)	(2,566,079)	(11,543)
Other Receipts (Payments)	289,253	63,134	(821,180)	(116,688)	(46,112)	(631,593)	(24)
Net Cash Provided by (Used in) Operating Activities	(647,864)	(830,275)	(112,090)	206,835	(3,454)	(1,386,848)	19,430
<b>Cash Flows from Noncapital Financing Activities</b>							
Retirement of Bonds and Annuities Payable	(40,249)	-	-	(90,284)	(11,701)	(142,234)	-
Interest on Bonds and Annuities Payable	(26,197)	-	-	(41,579)	(6,916)	(74,692)	-
Transfers In	595,074	632,735	-	(163)	192	1,227,838	-
Transfers Out	-	-	(6,384)	-	-	(6,384)	-
Other Receipts (Payments)	225,878	236,326	-	-	-	462,204	(45)
Net Cash Flows from Noncapital Financing Activities	754,506	869,061	(6,384)	(132,026)	(18,425)	1,466,732	(45)
<b>Cash Flows from Capital and Related Financing Activities</b>							
Additions to Property, Plant, and Equipment	(214,327)	(101,065)	-	-	-	(315,392)	(18,570)
Proceeds from Sale of Bonds	199,320	(3,201)	-	-	-	196,119	-
Principal Paid on Capital Debt	(108,465)	(18,345)	-	-	-	(126,810)	-
Interest Paid on Capital Debt	(68,533)	(11,372)	-	-	-	(79,905)	-
Transfer In	134,289	86,811	-	-	-	221,100	-
Federal Grant	-	-	-	9,447	10,115	19,562	-
Other Receipts (Payments)	14,850	-	-	-	-	14,850	-
Net Cash Flows from Capital and Related Financing Activities	(42,866)	(47,172)	-	9,447	10,115	(70,476)	(18,570)
<b>Cash Flows from Investing Activities</b>							
Proceeds from Sales and Maturities of Investments	-	49,340	-	-	-	49,340	-
Purchase of Investment Securities	(167)	(27,663)	-	-	-	(27,830)	-
Interest on Investments	1,286	1,176	-	3,694	483	6,639	900
(Increase) Decrease in Restricted Assets	-	-	-	(3,806)	-	(3,806)	-
Other Receipts (Payments)	(10)	-	-	(84,154)	8,160	(76,004)	-
Net Cash Flows from Investing Activities	1,109	22,853	-	(84,266)	8,643	(51,661)	900
Net Increase (Decrease) in Cash and Cash Equivalents	64,885	14,467	(118,474)	(10)	(3,121)	(42,253)	1,715
Cash and Cash Equivalents - Beginning of Year	566,650	436,410	118,474	5,300	55,744	1,182,578	11,809
Cash and Cash Equivalents - End of Year	\$ 631,535	\$ 450,877	\$ -	\$ 5,290	\$ 52,623	\$ 1,140,325	\$ 13,524
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>							
Operating Income (Loss)	\$ (1,207,281)	\$ (920,116)	\$ (860,838)	\$ 22,241	\$ (3,849)	\$ (2,969,843)	\$ (1,178)
Adjustments not Affecting Cash:							
Depreciation and Amortization	193,070	102,816	-	-	-	295,886	15,705
Other	297,748	-	6,384	-	-	304,132	-
Change in Assets and Liabilities:							
(Increase) Decrease in Receivables, Net	(8,914)	(24,231)	13,494	184,594	(1,819)	163,124	(41)
(Increase) Decrease in Due from Other Funds	9,403	(393)	2,097	-	-	11,107	794
(Increase) Decrease in Inventories and Other Assets	30,953	(523)	-	-	1,146	31,576	(527)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	42,381	12,172	724,985	-	1,068	780,606	4,677
Increase (Decrease) in Due to Other Funds	(5,224)	-	1,788	-	-	(3,436)	-
Total Adjustments	559,417	89,841	748,748	184,594	395	1,582,995	20,608
Net Cash Provided by (Used In) Operating Activities	\$ (647,864)	\$ (830,275)	\$ (112,090)	\$ 206,835	\$ (3,454)	\$ (1,386,848)	\$ 19,430
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</b>							
Cash and Cash Equivalents - Current	\$ 498,272	\$ 308,656					
Cash and Cash Equivalents - Noncurrent	-	142,221					
Cash and Cash Equivalents - Noncurrent Restricted	494	-					
Cash and Cash Equivalents - Current Restricted	132,768	-					
	\$ 631,534	\$ 450,877					
<b>Noncash Investing, Capital, and Financing Activities:</b>							
Proceeds from refunding bonds	\$ 141,384						
Amortization of premiums, discounts, and net loss on debt refunding's	22,129						
Acquisition of software license under long term purchase contract	4,799						
Capital assets acquired through gifts	694						
Unrealized gain (loss) on investment	4,226						
Loss on disposal of capital assets	(199)						
Mortgage proceeds held by Trustee in construction escrow account	27						
In kind Coronavirus relief donation	59						
Change in endowment	300						

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2021

(Expressed in Thousands)

	Pension & Other Employee Benefit <u>Trust Funds</u>	Investment <u>Trust Fund</u> External Investment <u>Pool</u>	Private- Purpose <u>Trust Fund</u> Escheat <u>Securities</u>	Fiduciary Component <u>Unit</u> Paid Family Medical Leave <u>Authority</u>	Custodial <u>Funds</u>	<u>Total</u>
<b>Assets</b>						
Current:						
Cash and Cash Equivalents	\$ 333,970	\$ -	\$ -	\$ 103,650	\$ 318,655	\$ 756,275
Receivables:						
Accounts, Net of Allowances	49,572	-	-	104,532	2,750	156,854
From Other Governments	60	-	-	-	-	60
From Other Funds	1,620,250	-	-	1,073	-	1,621,323
Interest	773	322	-	-	1	1,096
Investments (See Note 3)	44,415,019	1,754,745	-	-	-	46,169,764
Securities Lending Collateral	2,548,811	-	-	-	-	2,548,811
Other Assets	-	19	-	147	339,800	339,966
Noncurrent:						
Due From Employers	13,386	-	-	-	-	13,386
Capital Assets, Net of Accumulated Depreciation	-	-	-	6,769	-	6,769
Other Assets	-	-	15,588	-	-	15,588
Total Assets	<u>\$48,981,841</u>	<u>\$ 1,755,086</u>	<u>\$ 15,588</u>	<u>\$ 216,171</u>	<u>\$ 661,206</u>	<u>\$ 51,629,892</u>
<b>Deferred Outflows of Resources</b>						
Related to Pensions & Other Postemployment Benefits	\$ -	\$ -	\$ -	\$ 1,017	\$ -	\$ 1,017
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,017</u>	<u>\$ -</u>	<u>\$ 1,017</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	\$ 66,082	\$ 39	\$ -	\$ 492	\$ 89,103	155,716
Securities Lending Obligation	2,548,811	-	-	-	-	2,548,811
Compensated Absences	-	-	-	134	-	134
Due to Other Funds	1,903	-	-	-	-	1,903
Total Current Liabilities	<u>2,616,796</u>	<u>39</u>	<u>-</u>	<u>626</u>	<u>89,103</u>	<u>2,706,564</u>
Noncurrent Liabilities:						
Pension & OPEB Liability	-	-	-	693	-	693
Noncurrent Portion of Long-Term Obligations	-	-	-	17,320	-	17,320
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,013</u>	<u>-</u>	<u>18,013</u>
Total Liabilities	<u>\$ 2,616,796</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 18,639</u>	<u>\$ 89,103</u>	<u>\$ 2,724,577</u>
<b>Other Deferred Inflows</b>						
Related to Pensions & Other Postemployment Benefits	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ 16
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 16</u>
<b>Net Position</b>						
Restricted for:						
Pension Benefits	\$44,011,803	\$ -	\$ -	\$ -	\$ -	\$ 44,011,803
Other Postemployment Benefits	2,353,242	-	-	-	-	2,353,242
Pool Participants	-	1,755,047	-	-	-	1,755,047
Individuals, Organizations, and Other Governments	-	-	15,588	198,533	572,103	786,224
Total Net Position	<u>\$46,365,045</u>	<u>\$ 1,755,047</u>	<u>\$ 15,588</u>	<u>\$ 198,533</u>	<u>\$ 572,103</u>	<u>\$ 48,906,316</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	Pension & Other Employee Benefit <u>Trust Funds</u>	Investment <u>Trust Fund</u> External Investment <u>Pool</u>	Private- Purpose <u>Trust Fund</u> Escheat <u>Securities</u>	Fiduciary Component <u>Unit</u> Paid Family Medical Leave <u>Authority</u>	Custodial Funds	<u>Total</u>
<b>Additions</b>						
Contributions:						
Plan Members	\$ 807,130	\$ -	\$ -	\$ -	\$ -	\$ 807,130
State	5,651,443	-	-	-	-	5,651,443
Municipalities	116,426	-	-	-	-	116,426
Participant Contributions	-	-	-	205,002	-	205,002
Total Contributions	<u>6,574,999</u>	<u>-</u>	<u>-</u>	<u>205,002</u>	<u>-</u>	<u>6,780,001</u>
Investment Income	9,620,690	2,416	-	5	-	9,623,111
Less: Investment Expense	(548,435)	(218)	-	-	-	(548,653)
Net Investment Income	<u>9,072,255</u>	<u>2,198</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>9,074,458</u>
Insurance Securities	-	-	-	-	326,275	326,275
Escheat Securities Received	-	-	33,900	-	-	33,900
Pool's Share Transactions	-	(231,149)	-	-	-	(231,149)
Other	13,782	-	-	-	89,028	102,810
Total Additions	<u>15,661,036</u>	<u>(228,951)</u>	<u>33,900</u>	<u>205,007</u>	<u>415,303</u>	<u>16,086,295</u>
<b>Deductions</b>						
Administrative Expense	31,285	-	-	5,858	16,825	53,968
Benefit Payments and Refunds	5,429,777	-	-	-	-	5,429,777
Escheat Securities Returned or Sold	-	-	27,054	-	-	27,054
Distributions to Pool Participants	-	2,197	-	-	-	2,197
Depreciation & Amortization	-	-	-	526	-	526
Other	115,074	-	(4,427)	90	-	110,737
Total Deductions	<u>5,576,136</u>	<u>2,197</u>	<u>22,627</u>	<u>6,474</u>	<u>16,825</u>	<u>5,624,259</u>
Change in Net Position Held In Trust For:						
Pension and Other Employee Benefits	10,084,900	-	-	-	-	10,084,900
Individuals, Organizations, and Other Governments	-	(231,148)	11,273	198,533	398,478	377,136
Net Position - Beginning (restated)	<u>36,280,145</u>	<u>1,986,195</u>	<u>4,315</u>	<u>-</u>	<u>173,625</u>	<u>38,444,280</u>
Net Position - Ending	<u>\$ 46,365,045</u>	<u>\$ 1,755,047</u>	<u>\$ 15,588</u>	<u>\$ 198,533</u>	<u>\$ 572,103</u>	<u>\$ 48,906,316</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

## State of Connecticut

### STATEMENT OF NET POSITION COMPONENT UNITS

June 30, 2021

(Expressed in Thousands)

Assets	Connecticut Housing Finance Authority (12-31-20)	Connecticut Lottery Corporation	Connecticut Airport Authority	Other Component Units	Total
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ -	\$ 24,981	\$ 128,180	\$ 166,138	\$ 319,299
Investments	-	4,230	-	703,228	707,458
<b>Receivables:</b>					
Accounts, Net of Allowances	-	24,218	6,272	26,159	56,649
Loans, Net of Allowances	-	-	-	2,614	2,614
Interest Receivable	-	995	-	497	1,492
Due From Other Governments	-	-	14,815	-	14,815
Due From Primary Government	-	-	6,357	853	7,210
Restricted Assets	1,188,570	-	6,739	477,956	1,673,265
Inventories	-	-	-	5,572	5,572
Other Current Assets	-	3,900	890	23,290	28,080
Total Current Assets	<u>1,188,570</u>	<u>58,324</u>	<u>163,253</u>	<u>1,406,307</u>	<u>2,816,454</u>
<b>Noncurrent Assets:</b>					
Investments	-	122,140	-	172,694	294,834
Accounts, Net of Allowances	-	-	-	56,620	56,620
Loans, Net of Allowances	-	-	-	109,862	109,862
Restricted Assets	5,168,488	-	152,065	303,847	5,624,400
Capital Assets, Net of Accumulated Depreciation	3,104	408	503,926	401,162	908,600
Other Noncurrent Assets	-	6,656	-	94,064	100,720
Total Noncurrent Assets	<u>5,171,592</u>	<u>129,204</u>	<u>655,991</u>	<u>1,138,249</u>	<u>7,095,036</u>
Total Assets	<u>\$ 6,360,162</u>	<u>\$ 187,528</u>	<u>\$ 819,244</u>	<u>\$ 2,544,556</u>	<u>\$ 9,911,490</u>
<b>Deferred Outflows of Resources</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ -	\$ -	\$ 12,672	\$ -	\$ 12,672
Unamortized Losses on Bond Refundings	115,687	-	1,301	-	116,988
Related to Pensions & Other Postemployment Benefits	36,848	34,355	46,437	26,570	144,210
Other	-	-	-	2,488	2,488
Total Deferred Outflows of Resources	<u>\$ 152,535</u>	<u>\$ 34,355</u>	<u>\$ 60,410</u>	<u>\$ 29,058</u>	<u>\$ 276,358</u>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Accrued Liabilities	\$ 22,802	\$ 8,590	\$ 39,276	\$ 84,345	\$ 155,013
Current Portion of Long-Term Obligations	484,076	4,901	8,130	26,550	523,657
Due To Primary Government	-	-	2,638	53,578	56,216
Unearned Revenue	-	-	-	3,651	3,651
Amount Held for Institutions	-	-	-	296,531	296,531
Other Liabilities	-	28,527	7,009	40	35,576
Total Current Liabilities	<u>506,878</u>	<u>42,018</u>	<u>57,053</u>	<u>464,695</u>	<u>1,070,644</u>
<b>Noncurrent Liabilities:</b>					
Pension & OPEB Liability	152,851	124,560	176,598	105,813	559,822
Noncurrent Portion of Long-Term Obligations	4,784,269	122,121	245,505	485,102	5,636,997
Total Noncurrent Liabilities	<u>4,937,120</u>	<u>246,681</u>	<u>422,103</u>	<u>590,915</u>	<u>6,196,819</u>
Total Liabilities	<u>\$ 5,443,998</u>	<u>\$ 288,699</u>	<u>\$ 479,156</u>	<u>\$ 1,055,610</u>	<u>\$ 7,267,463</u>
<b>Other Deferred Inflows</b>					
Related to Pensions & Other Postemployment Benefits	\$ 24,790	\$ 17,327	\$ 20,930	\$ 21,015	\$ 84,062
Other Deferred Inflows	-	-	-	1,073	1,073
Total Deferred Inflows of Resources	<u>\$ 24,790</u>	<u>\$ 17,327</u>	<u>\$ 20,930</u>	<u>\$ 22,088</u>	<u>\$ 85,135</u>
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 3,104	\$ 408	\$ 291,325	\$ 198,618	\$ 493,455
<b>Restricted:</b>					
Debt Service	-	-	11,214	-	11,214
Bond Indentures	1,040,805	-	2,142	-	1,042,947
Expendable Endowments	-	-	-	22,496	22,496
Nonexpendable Endowments	-	-	-	770,526	770,526
Capital Projects	-	-	118,386	-	118,386
Other Purposes	-	-	-	226,636	226,636
Unrestricted (Deficit)	-	(84,551)	(43,499)	277,640	149,590
Total Net Position (Deficit)	<u>\$ 1,043,909</u>	<u>\$ (84,143)</u>	<u>\$ 379,568</u>	<u>\$ 1,495,916</u>	<u>\$ 2,835,250</u>

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Connecticut Housing Finance Authority (12/31/20)	\$ 195,820	\$ 143,111	\$ -	\$ -
Connecticut Lottery Corporation	1,506,158	1,497,907	-	-
Connecticut Airport Authority	107,692	107,658	-	5,079
Other Component Units	<u>272,473</u>	<u>269,638</u>	<u>12,210</u>	<u>10,862</u>
Total Component Units	<u>\$ 2,082,143</u>	<u>\$ 2,018,314</u>	<u>\$ 12,210</u>	<u>\$ 15,941</u>

General Revenues:  
 Investment Income  
 Transfer In  
 Total General Revenues  
 Change in Net Position  
 Net Position (Deficit)-Beginning (as restated)  
 Net Position (Deficit)-Ending

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

**State of Connecticut**

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Connecticut Housing Finance Authority (12-31-20)</b>	<b>Connecticut Lottery Corporation</b>	<b>Connecticut Airport Authority</b>	<b>Other Component Units</b>	<b>Totals</b>
\$ (52,709)	\$ -	\$ -	\$ -	\$ (52,709)
-	(8,251)	-	-	(8,251)
-	-	5,045	-	5,045
-	-	-	20,237	20,237
(52,709)	(8,251)	5,045	20,237	(35,678)
185,930	6,048	138	197,612	389,728
-	-	-	496	496
185,930	6,048	138	198,108	390,224
133,221	(2,203)	5,183	218,345	354,546
910,688	(81,940)	374,385	1,277,571	2,480,704
\$ 1,043,909	\$ (84,143)	\$ 379,568	\$ 1,495,916	\$ 2,835,250

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## Note 1

### Summary of Significant Accounting Policies

#### a. Basis of Presentation

The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board, except for the financial statements of the University of Connecticut Foundation, Incorporated (a component unit), and the Board of Regents. Those statements are prepared according to generally accepted accounting principles as prescribed in pronouncements of the Financial Accounting Standards Board.

#### b. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the State's legal entity. Component units are legally separate organizations for which the State is financially accountable. Financial accountability exists if (1) the State appoints a voting majority of the organization's governing board, and (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.

Component units are reported in separate columns and rows in the government-wide financial statements (discrete presentation) to emphasize that they are legally separate from the primary government. Financial statements for the major component units are included in the accompanying financial statements after the fund financial statements. Audited financial statements issued separately by each component unit can be obtained from their respective administrative offices.

The following organizations (Connecticut Housing Finance Authority, Materials Innovation and Recycling Authority, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Student Loan Foundation, and Capital Region Development Authority) are reported as component units because the State appoints a voting majority of the organization's governing board and is contingently liable for the portion of the organization's bonded debt that is secured by a special capital reserve fund, or other contractual agreement.

The State appoints a voting majority of the organization's governing board and can access the resources for the following organizations (Connecticut Innovations, Incorporated, and Connecticut Green Bank) therefore, these organizations are reported as component units.

The Connecticut Lottery Corporation is reported as a component unit because the State appoints a voting majority of the corporation's governing board and receives a significant amount of revenues from the operations of the lottery.

The Connecticut Airport Authority and the Connecticut Port Authority are reported as component units because the nature and significance of their relationship with the State are such that it would be misleading to exclude the authorities from the State's reporting entity.

The State's major and nonmajor component units are:

#### ***Connecticut Housing Finance Authority (CHFA)***

CHFA was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority's fiscal year is for the period ended on December 31, 2020.

#### ***Connecticut Airport Authority (CAA)***

CAA was established to develop, improve, and operate Bradley International Airport and the state's five general aviation airports (Danielson, Groton-New London, Hartford-Brainard, Waterbury-Oxford, and Windham airports). Beginning in Fiscal Year 2021 Bradley Parking Garage (formally a Nonmajor Enterprise Fund of the State) was merged into the Connecticut Airport Authority.

#### ***Materials Innovation and Recycling Authority (MIRA)***

MIRA is responsible for the planning, design, construction, financing, management, ownership, operations and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan.

#### ***Connecticut Higher Education Supplemental Loan Authority (CHESLA)***

CHESLA was created to assist students, their parents, and institutions of higher education to finance the cost of higher education through its bond funds. CHESLA is a subsidiary of CHEFA.

***Connecticut Health and Educational Facilities Authority (CHEFA)***

CHEFA was created to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

***Connecticut Student Loan Foundation (CSLF)***

CSLF was established as a Connecticut state chartered nonprofit corporation established pursuant to State of Connecticut Statute Chapter 187a for the purpose of improving educational opportunity. CSLF is empowered to achieve this by originating and acquiring student loans and providing appropriate service incident to the administration of programs, which are established to improve educational opportunities. CSLF no longer originates or acquires student loans. CSLF is a subsidiary of CHEFA.

***Capital Region Development Authority (CRDA)***

CRDA markets major sports, convention, and exhibition venues in the region.

***Connecticut Innovations, Incorporated (CI)***

CI was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations, and inventions or markets in Connecticut by providing financial and technical assistance.

***Connecticut Green Bank (CGB)***

CGB uses public and private funds to finance and support clean energy investment in residential, municipal, small business and larger commercial projects and stimulate demand for clean energy and the deployment of clean energy sources within the state.

***Connecticut Lottery Corporation (CLC)***

CLC was created in 1996 for the purpose of generating revenues for the State through the operation of a lottery.

***Connecticut Port Authority (CPA)***

CPA was established to grow Connecticut's maritime economy and create jobs by strategically investing in the state's three deep water ports and small harbors.

In addition, the State includes the following non-governmental nonprofit corporation as a component unit:

***University of Connecticut Foundation, Incorporated***

The Foundation was created exclusively to solicit, receive, and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University of Connecticut and Health Center, a major Enterprise fund. The Foundation is reported as a component unit because the nature and significance of its relationship with the State are such that it would be misleading to exclude the Foundation from the State's reporting entity.

**c. Government-wide and Fund Financial Statements*****Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities report information on all the nonfiduciary activities of the primary government and its component units. These statements distinguish between the governmental and business-type activities of the primary government by using separate columns and rows. Governmental activities are generally financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the reporting entity's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three components:

1. Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds issued to buy, construct, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the purchase, construction, or improvement of those assets or related debt should be included in this component of net position.
2. Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
3. Unrestricted – This component of net position is the remaining balance of net position, after the determination of the other two components of net position.

When both restricted and unrestricted resources are available for use, the State generally uses restricted resources first, then unrestricted resources as needed. There may be occasions when restricted funds may only be spent in proportion to unrestricted funds spent.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated to the various functions or segments. Program revenues include a) fees, fines, and charges paid by the recipients of goods or services offered by the functions or segments and b) grants and contributions that are restricted to meeting the operational or capital needs of a function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

#### ***Fund Financial Statements***

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

In the governmental fund financial statements, fund balance (difference between assets and liabilities) is classified as nonspendable, restricted, and unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints on the resources are externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints by formal action of the Legislature, such as appropriation or legislation. Assigned fund balance is constrained by the Legislature's intent to be used for specific uses but is neither restricted nor committed.

The State reports the following major governmental funds:

***General Fund*** - This is the State's primary operating fund. It is used to account for all financial resources which are not required to be accounted in other funds and which are spent for those services normally provided by the State (e.g., health, social assistance, education, etc.).

***Debt Service*** - This fund is used to account for the resources that are restricted for payment of principal and interest on special tax obligation bonds of the Transportation fund.

***Transportation*** - This fund is used to account for motor fuel taxes, vehicle registration and driver license fees, and other revenues that are restricted for the payment of budgeted appropriations of the Transportation and Motor Vehicles Departments.

***Restricted Grants and Accounts*** - This fund is used to account for resources which are restricted by Federal and other providers to be spent for specific purposes.

***Grant and Loan Programs*** - This fund is used to account for resources that are restricted by state legislation for the purpose of providing grants and/or loans to municipalities and organizations located in the State.

The State reports the following major enterprise funds:

***University of Connecticut & Health Center*** - This fund is used to account for the operations of the University of Connecticut, a comprehensive institution of higher education, which includes the University of Connecticut Health Center and John Dempsey Hospital.

***Board of Regents*** - This fund is used to account for the operations of the State University System & the State Community Colleges which consists of four universities: Central, Eastern, Southern, and Western and twelve regional community colleges.

Colleges and universities do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges and universities are legally part of the state their financial operations are reported in the state's financial statements using the fund structure prescribed by GASB.

***Employment Security*** - This fund is used to account for unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

***Clean Water*** - This fund is used to account for resources used to provide grants and loans to municipalities to finance wastewater treatment facilities.

In addition, the State reports the following fund types:

**Internal Service Funds** - These funds account for goods and services provided to other agencies of the State on a cost-reimbursement basis. These goods and services include prisoner-built office furnishings, information services support, telecommunications, printing, and other services.

**Pension Trust Funds** - These funds account for resources held in the custody of the state for the members and beneficiaries of the State's pension plans. These plans are discussed more fully in Notes 10, 11, and 12.

**Other Postemployment Benefit (OPEB) Trust Funds** - These funds account for resources held in trust for the members and beneficiaries of the state's other postemployment benefit plans which are described in notes 13 and 14.

**Investment Trust Fund** - This fund accounts for the external portion of the State's Short-Term Investment Fund, an investment pool managed by the State Treasurer.

**Private-Purpose Trust Fund** - This fund accounts for escheat securities held in trust for individuals by the State Treasurer.

**Fiduciary Component Unit (Connecticut Paid Family Medical Leave Authority-PFMLA)** – PFMLA was established pursuant to Public Act No 19-25. The main objective of the Authority is to establish and administer a paid leave program to eligible employees funded by the employees under the Connecticut Paid Family and Medical Leave Insurance Act.

The Family and Medical Leave Insurance Trust Fund is a non-lapsing fund held by the State Treasurer to hold all contributions and other amounts intended for the Trust. The amounts in the Trust shall not constitute property of the State and the trust is not a department, institution, or agency of the State. The State has no obligation to pay obligations of the Trust and all amounts to be paid from the Trust are limited to amounts in the Trust. In accordance with paragraph 8 of GASB 84 *Fiduciary Activities* PFMLA has been classified as a Fiduciary Component Unit.

**Custodial Funds** - These funds account for deposits, investments, and other assets held by the State as an agent for inmates and patients of State institutions, insurance companies, municipalities, and private organizations.

#### **d. Measurement Focus and Basis of Accounting**

##### ***Government-wide, Proprietary, and Fiduciary Fund Financial Statements***

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Taxes and casino gaming payments are recognized as revenues in the period when the underlying exchange transaction has occurred. Grants and similar items are recognized as revenues in the period when all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the State's enterprise and internal service funds are charges to customers for sales and services, assessments, and intergovernmental revenues. Operating expenses for enterprise and internal service funds include salaries, wages, and administrative expenses, unemployment compensation, claims paid, and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***Governmental Fund Financial Statements***

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers taxes and other revenues to be available if the revenues are collected within 60 days after year-end. Exceptions to this policy are federal grant revenues, which are available if collection is expected within 12 months after year-end, and licenses and fees which are recognized as revenues when the cash is collected. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general-long term debt and acquisitions under capital leases are reported as other financing sources.

#### **e. Assets and Liabilities**

##### ***Cash and Cash Equivalents (see Note 3)***

In addition to petty cash and bank accounts, this account includes cash equivalents – short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents consist of investments in the Short-Term Investment Fund which are reported at the fund's share price.

In the Statement of Cash Flows, certain Enterprise funds exclude from cash and cash equivalents investments in STIF reported as noncurrent or restricted assets.

***Investments (see Note 3)***

Investments include Equity in Combined Investment Funds and other investments. Equity in Combined Investment Funds is reported at fair value based on the funds' current share price. Other investments are reported at fair value, except for the following investments which are reported at cost or amortized cost:

- Nonparticipating interest-earning investment contracts.
- Money market investments that mature within one year or less at the date of their acquisition.
- Investments of the External Investment Pool fund (an Investment Trust fund).

The fair value of other investments is determined based on quoted market prices except for:

- The fair value of State bonds held by the Clean Water and Drinking Water funds (Enterprise funds) which is estimated using a comparison of other State bonds.
- The fair value of securities not publicly traded held by the Connecticut Innovations, Incorporated, a component unit. The fair value of these investments is determined by an independent valuation committee of the Corporation, after considering pertinent information about the companies comprising the investments, including but not limited to recent sales prices of the issuer's securities, sales growth, progress toward business goals, and other operating data.

The State invests in derivatives. These investments are held by the Combined Investment Funds and are reported at fair value in each fund's statement of net position.

***Inventories***

Inventories are reported at cost. Cost is determined by the first-in first-out (FIFO) method. Inventories in the governmental funds consist of expendable supplies held for consumption whose cost was recorded as an expenditure at the time the individual inventory items were purchased. Reported inventories in these funds are offset by a fund balance designation (nonexpendable) to indicate that they are unavailable for appropriation.

***Capital Assets and Depreciation***

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, railways, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the State as assets with an initial individual cost of more than \$5,000 and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation or in the case of gifts at acquisition value.

Collections of historical documents, rare books and manuscripts, guns, paintings, and other items are not capitalized. These collections are held by the State Library for public exhibition, education, or research; and are kept protected, cared for, and preserved indefinitely. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are also not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements Other than Buildings	10-20 years
Machinery and Equipment	5-30 years
Infrastructure	20-28 years

***Securities Lending Transactions (see Note 3)***

Assets, liabilities, income, and expenses arising from securities lending transactions of the Combined Investment Funds are allocated ratably to the participant funds based on their equity in the Combined Investment Funds.

***Escheat Property***

Escheat property is private property that has reverted to the State because it has been abandoned or has not been claimed by the rightful owners for a certain amount of time. State law requires that all escheat property receipts be recorded as revenue in the General fund. Escheat revenue is reduced, and a fund liability is reported to the extent that it is probable that escheat property will be refunded to claimants in the future. This liability is estimated based on the State's historical relationship between escheat property receipts and amounts paid as refunds, considering current conditions and trends.

***Deferred Outflows of Resources***

Deferred outflows of resources are defined as the consumption of net assets in one period that are applicable to future periods. These amounts are reported in the Statement of Net Position on the government-wide and fund financial statements in a separate section, after total assets.

***Unearned Revenues***

In the government-wide and fund financial statements, this liability represents resources that have been received, but not yet earned.

***Long-term Obligations***

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are reported as an expense in the year they are incurred. Other significant long-term obligations include the net pension liability, OPEB obligation, compensated absences, and workers' compensation claims. In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Capital Appreciation Bonds***

Capital appreciation (deep discount) bonds issued by the State, unlike most bonds, which pay interest semi-annually, do not pay interest until the maturity of the bonds. An investor who purchases a capital appreciation bond at its discounted price and holds it until maturity will receive an amount which equals the initial price plus an amount which has accrued over the life of the bond on a semiannual compounding basis. The net value of the bonds is accreted (the discount reduced), based on this semiannual compounding, over the life of the bonds. This deep-discount debt is reported in the government-wide statement of net position at its net or accreted value rather than at face value.

***Compensated Absences***

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Vacation and sick policy are as follows: Employees hired on or before June 30, 1977, and managers regardless of date hired can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent to sixty days.

**f. Derivative Instruments**

The State's derivative instruments consist of interest rate swap agreements, all of which have been determined by the State to be effective cash flow hedges. Accumulated decreases in the fair value of some of the swaps are reported as deferred outflows of resources in the Statement of Net Position.

**g. Deferred Inflows of Resources**

Deferred inflows of resources are defined as the acquisition of net assets in one period that are applicable to future periods. These amounts are reported in the Statement of Net Position and Balance Sheet in a separate section, after total liabilities.

**h. Interfund Activities**

In the fund financial statements, interfund activities are reported as follows:

***Interfund receivables/payables*** - The current portion of interfund loans outstanding at the end of the fiscal year is reported as due from/to other funds; the noncurrent portion as advances to/from other funds. All other outstanding balances between funds are

reported as due from/to other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**Interfund services provided and used** - Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. In the statement of activities, transactions between the primary government and its discretely presented component units are reported as revenues and expenses, unless they represent repayments of loans or similar activities.

**Interfund transfers** - Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

**Interfund reimbursements** - Repayments from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. Reimbursements are not reported in the financial statements.

### **i. Endowments**

The University of Connecticut and Health Center designate the University of Connecticut Foundation (a component unit of the State) as the manager of the University's and Health Center's endowment funds. The Foundation makes spending distributions to the University and Health Center for each participating endowment. The allocation is spent by the University and Health Center in accordance with the respective purposes of the endowments, the policies and procedures of the University and Health Center, and State statutes, and in accordance with the Foundation's endowment spending policy.

Additional information regarding endowments is presented in the UConn Foundation financial report.

### **j. Supplemental Nutrition Assistance Program (SNAP)**

Nutrition assistance distributed to recipients during the year is recognized as an expenditure and a revenue in the governmental fund financial statements.

### **k. External Investment Pool**

Assets and liabilities of the Short-Term Investment Fund are allocated ratably to the External Investment Pool Fund based on its investment in the Short-Term Investment Fund (see Note 3). Pool income is determined based on distributions made to the pool's participants.

## **l. Upcoming Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement is effective for fiscal years beginning after June 15, 2021, due to the COVID-19 pandemic this date is eighteen months later than originally required in the Statement. The State is currently evaluating the impact this standard will have on its financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement is effective for reporting periods beginning after December 15, 2020, due to the COVID-19 pandemic this date is one year later than originally required in the Statement. The State is currently evaluating the impact this standard will have on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice related to (1) commitments extended by issuers, (2) arrangements related with debt obligations, and (3) related note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021, due to the COVID-19 pandemic this date is one year later than originally required in the Statement. The State is currently evaluating the impact this standard will have on its financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after

June 15, 2021, due to the COVID-19 pandemic this date is one year later than originally required in the Statement. The State is currently evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of the Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. This Statement is effective for reporting periods beginning after December 31, 2021, due to the COVID-19 pandemic this date is one year later than originally required in the Statement. The requirements in paragraphs 13 and 14 have an effective date for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The State is currently evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership (PPP's). This Statement is effective for fiscal years beginning after June 15, 2022. The State is currently evaluating the impact this standard will have on its financial statements.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of the following pronouncements are postponed by one year:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The effective date of the following pronouncement is postponed by 18 months:

- Statement No. 87, *Leases*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and provide uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement is effective for fiscal years beginning after June 15, 2022, due to the COVID-19 pandemic this date is a year later than what the Board proposed in the exposure draft. The State is currently evaluating the impact this standard will have on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units when a component unit does not have a governing board and the primary government performs the duties that a government board would typically perform; (2) ease costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or OPEB plans; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for fiscal years beginning after June 15, 2021. The State is currently evaluating the impact this standard will have on its financial statements.

### **m. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

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## Note 2

### Nonmajor Fund Deficits

The following funds have deficit fund/net position balances at June 30, 2021, none of which constitutes a violation of statutory provisions (amounts in thousands).

<u>Capital Projects</u>		
Transportation	\$	718
<u>Special Revenue</u>		
Regional Market	\$	340

The Transportation deficit will be eliminated in the future by the sale of bonds. Bonds have not been issued in this fund since fiscal year 2008.

The Regional Market fund deficit was because of additional expenditures this fiscal year and lower revenue collections. This deficit should be eliminated in the future.

## Note 3

### Cash Deposits and Investments

According to GASB Statement No. 40, “*Deposit and Investment Risk Disclosures*”, the State is required to make certain disclosures about deposit and investment risks that have the potential to result in losses. Thus, the following deposit and investment risks are discussed in this note:

**Interest Rate Risk** - the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Concentration of Credit Risk** - the risk of loss attributed to the magnitude of an investment in a single issuer.

**Custodial Credit Risk (deposits)** - the risk that, in the event of a bank failure, the State’s deposits may not be recovered.

**Foreign Currency Risk** - the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

#### ***Primary Government***

The State Treasurer is the chief fiscal officer of State government and is responsible for the prudent management and investment of monies of State funds and agencies as well as monies of pension and other trust funds. The State Treasurer with the advice of the Investment Advisory Council, whose members include outside investment professionals and pension beneficiaries, establishes investment policies and guidelines. Currently, the State Treasurer manages one Short-Term Investment Fund and twelve Combined Investment Funds.

#### ***Short-Term Investment Fund (STIF)***

STIF is a money market investment pool in which the State, municipal entities, and political subdivisions of the State are eligible to invest. The State Treasurer is authorized to invest monies of STIF in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers’ acceptances, repurchase agreements, and asset-backed securities. STIF’s investments are reported at amortized cost (which approximates fair value) in the fund’s statement of net position.

For financial reporting purposes, STIF is a mixed investment pool – a pool having external and internal portions. The external portion of STIF (i.e. the portion that belongs to participants which are not part of the State’s financial reporting entity) is reported as an investment trust fund (External Investment Pool fund) in the fiduciary fund financial statements. The internal portion of STIF (i.e., the portion that belongs to participants that are part of the State’s financial reporting entity) is not reported in the accompanying financial statements. Instead, investments in the internal portion of STIF by participant funds are reported as cash equivalents in the government-wide and fund financial statements.

For disclosure purposes, certificates of deposit held by STIF are reported in this note as bank deposits, not as investments.

As of June 30, 2021, STIF had the following investments and maturities (amounts in thousands):

Investment Type	Short-Term Investment Fund		
	Amortized Cost	Investment Maturities (in years)	
		Less Than 1	1-5
Treasury Securities	\$ 2,155,045	\$ 2,155,045	\$ -
Federal Agency Securities	949,124	489,132	459,992
Bank Commercial Paper	853,123	853,123	-
Repurchase Agreements	902,377	902,377	-
Total Investments	<u>\$ 4,859,669</u>	<u>\$ 4,399,677</u>	<u>\$ 459,992</u>

### Interest Rate Risk

STIF's policy for managing interest rate risk is to limit investment to a very short weighted average maturity, not to exceed 90 days, and to comply with Standard and Poor's requirement that the weighted average maturity not to exceed 60 days. As of June 30, 2021, the weighted average maturity of STIF was 31 days. Additionally, STIF is allowed by policy to invest in floating-rate securities. However, investment in these securities having maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the fund's weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprice frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2021, the amount of STIF's investments in variable-rate securities was \$969.1 million.

### Credit Risk

STIF's policy for managing credit risk is to purchase short-term, high-quality fixed income securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

As of June 30, 2021, STIF's investments were rated by Standard and Poor's as follows (amounts in thousands):

Investment Type	Amortized Cost	Quality Ratings		
		AAAm	AA+/A-1+	A/A-1
Treasury Securities	\$ 2,155,045	\$ -	\$ 2,155,045	\$ -
Federal Agency Securities	949,124	-	949,124	-
Corporate & Bank Commercial Paper	853,123	-	774,796	78,327
Repurchase Agreements	902,377	-	-	902,377
Total Investments	<u>\$ 4,859,669</u>	<u>\$ -</u>	<u>\$ 3,878,965</u>	<u>\$ 980,704</u>

### Concentration of Credit Risk

STIF reduces its exposure to this risk by ensuring that at least 60 percent of fund assets will be invested in securities rated "A-1+" or equivalent. In addition, exposure to any single non-governmental issuer will not exceed 5 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5 percent of fund assets and exposure to money market mutual funds in total will not exceed 15 percent. As of June 30, 2021, STIF's investments in any one issuer that represents more than 5 percent of total investments were as follows (amounts in thousands):

Investment Issuer	Amortized Cost
Federal Farm Credit Bank	\$ 778,518
ScotiaBank and Treasury Repo with Scotia	\$ 650,000
Bank of America REPO	\$ 602,377

**Custodial Credit Risk-Bank Deposits-Nonnegotiable Certificate of Deposits** (amounts in thousands):

STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of assets. Further, the certificates of deposit must be issued from commercial banks whose short-term debt is rated at least "A-1" by Standard and Poor's and "F-1" by Fitch and whose long-term debt is rated at least "A-" or backed by a letter of credit issued by a Federal Home Loan bank. As of June 30, 2021, \$3,794,987 of the bank balance of STIF's deposits of \$4,074,987 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,794,987
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	-
<b>Total</b>	<b>\$ 3,794,987</b>

**Combined Investment Funds (CIFS)**

The CIFS are open-ended, unitized portfolios in which the State pension trust and permanent funds are eligible to invest. The State pension trust and permanent funds own the units of the CIFS. The State Treasurer is also authorized to invest monies of the CIFS in a broad range of fixed income and equity securities, as well as real estate properties, mortgages and private equity. CIFS' investments are reported at fair value in each fund's statement of net position.

For financial reporting purposes, the CIFS are external investment pools and are not reported in the accompanying financial statements. Instead, investments in the CIFS by participant funds are reported as equity in the CIFS in the government-wide and fund financial statements.

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Fiduciary</b>
	<b>Activities</b>	<b>Activities</b>	<b>Funds</b>
Equity in the CIFS	\$ 138,878	\$ 697	\$ 44,405,341
Other Investments	190	85,492	1,754,745
<b>Total Investments-Current</b>	<b>\$ 139,068</b>	<b>\$ 86,189</b>	<b>\$ 46,160,086</b>

The CIFS measure and record their investments using fair value measurement guidelines. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1: Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and Level 3: Unobservable inputs.

As of June 30, 2021, the CIFS had the following investments (amounts in thousands):

<b>Investments by Fair Value Level</b>	<b>Fair Value Measurements</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash Equivalents	\$ 850,308	\$ 487,109	\$ 363,199	\$ -
Asset Backed Securities	176,736	-	176,736	-
Government Securities	5,722,908	3,708,394	2,014,514	-
Government Agency Securities	1,553,274	-	1,553,274	-
Mortgage Backed Securities	547,084	-	547,084	-
Corporate Debt	4,916,630	-	4,798,493	118,137
Convertible Securities	160,126	-	160,126	-
Common Stock	19,642,020	19,641,676	-	344
Preferred Stock	161,479	147,465	14,014	-
Real Estate Investment Trust	748,733	592,861	155,872	-
Mutual Fund	565,046	565,046	-	-
Limited Partnerships	241,401	241,401	-	-
<b>Total</b>	<b>\$ 35,285,745</b>	<b>\$ 25,383,952</b>	<b>\$ 9,783,312</b>	<b>\$ 118,481</b>
<b>Investments Measured by Net Asset Value (NAV)</b>		<b>Unfunded</b>	<b>Redemption</b>	<b>Redemption</b>
		<b>Commitments</b>	<b>Frequency</b>	<b>Notice Period</b>
Limited Liability Corporation	72	\$ -	Illiquid	N/A
Limited Partnerships	9,714,299	5,483,831	Illiquid	N/A
<b>Total</b>	<b>9,714,371</b>	<b>\$ 5,483,831</b>		
<b>Total Investments in Securities at Fair Value</b>	<b>\$ 45,000,116</b>			

Investments are stated at fair value for each of the CIF as described below. For the Alternative Investment, Real Assets, Private Credit and Private Investment Funds substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are carried at the general partner's June 30, 2021 fair value, or net asset value ("NAV") equivalent. The CIF's assets are fair valued quarterly by the General Partner and at such other times as determined by the General Partner and are based on Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures". The fair value the General Partner assigned to these investments is based upon available information and does not represent necessarily the amount that ultimately might be realized upon sale or maturity. Because of the inherent uncertainty of the fair valuation process, this estimated fair value presented by the General Partner may differ significantly from the fair value that would have been used had a ready market for the security existed, and the difference could be material. The General Partner is responsible for coordination and oversight of all investment valuations.

### Interest Rate Risk

CIFS' investment managers are given full discretion to manage their portion of CIFS' assets within their respective guidelines and constraints. The guidelines and constraints always require each manager to maintain a diversified portfolio. In addition, each core manager is required to maintain a target duration that is like its respective benchmark which is typically the Barclays Aggregate-an intermediate duration index.

Following is a schedule which provides information about the interest rate risks associated with the CIFS' investments. The investments include short-term cash equivalents including certificates of deposit and collateral, long-term investments and restricted assets by maturity in years (amounts in thousands):

Combined Investment Funds					
Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$ 850,308	\$ 850,308	\$ -	\$ -	\$ -
Asset Backed Securities	176,736	608	44,608	49,841	81,679
Government Securities	5,722,908	492,042	2,306,911	1,359,767	1,564,188
Government Agency Securities	1,553,274	7	40,197	61,387	1,451,683
Mortgage Backed Securities	547,084	-	21,729	27,230	498,125
Corporate Debt	4,916,630	370,203	1,991,665	1,724,131	830,631
Convertible Debt	160,126	672	134,090	22,095	3,269
	<u>\$ 13,927,066</u>	<u>\$ 1,713,840</u>	<u>\$ 4,539,200</u>	<u>\$ 3,244,451</u>	<u>\$ 4,429,575</u>

### Credit Risk

The CIFS minimize exposure to this risk in accordance with a comprehensive investment policy statement, as developed by the Office of the Treasurer and the State's Investment Advisory Council, which provides policy guidelines for the CIFS and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. As of June 30, 2021, CIFS' debt investments were rated by Moody's as follows (amounts in thousands):

Combined Investment Funds									
	Fair Value	Cash Equivalents	Asset Backed Securities	Government Securities	Government	Mortgage	Corporate Debt	Convertible Debt	
					Agency Securities	Backed Securities			
Aaa	\$ 5,611,390	\$ 487,110	\$ 90,035	\$ 3,740,049	\$ 1,015,588	\$ 232,789	\$ 45,819	\$ -	
Aa	382,562	-	5,946	191,416	-	23,789	161,411	-	
A	806,403	-	1,858	154,830	-	3,240	643,193	3,282	
Baa	1,501,552	-	3,467	375,657	-	1,892	1,112,811	7,725	
Ba	1,260,563	-	2,368	330,963	-	117	924,489	2,626	
B	1,236,025	-	3,052	229,136	-	-	998,211	5,626	
Caa	555,234	-	1,295	57,092	-	974	492,400	3,473	
Ca	15,034	-	567	859	-	765	12,815	28	
C	6,732	-	-	5,978	-	-	754	-	
Prime 1	256,914	51,248	-	-	-	-	205,666	-	
Prime 2	17,507	3,050	-	-	-	-	14,457	-	
U.S. Government fixed income securities (not rated)	578,762	-	-	41,076	537,686	-	-	-	
Non US Government fixed income securities (not rated)	595,851	-	-	595,851	-	-	-	-	
Not Rated	1,127,537	308,901	68,149	-	-	283,518	329,603	137,366	
	<u>\$ 13,952,066</u>	<u>\$ 850,309</u>	<u>\$ 176,737</u>	<u>\$ 5,722,907</u>	<u>\$ 1,553,274</u>	<u>\$ 547,084</u>	<u>\$ 4,941,629</u>	<u>\$ 160,126</u>	

**Foreign Currency Risk**

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50 percent for the developed market portion of the International Stock Fund (a Combined Investment Fund). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the marketplace. While managers within the fixed income portion of the portfolio can invest in non-U.S. denominated securities, managers are required to limit that investment to a portion of their respective portfolios.

As of June 30, 2021, CIFS' foreign deposits and investments were as follows (amounts in thousands):

Combined Investment Funds										
Foreign Currency	Total	Fixed Income Securities						Equities		Real Estate Investment Trust Fund
		Cash	Cash Equivalent Collateral	Government Securities	Corporate Debt	Asset Backed	Mortgage Backed	Common Stock	Preferred Stock	
Argentine Peso	\$ 928	\$ 205	\$ -	\$ 723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Australian Dollar	316,253	1,336	-	2,965	5,867	-	552	291,256	-	14,277
Brazilian Real	444,978	4,161	-	116,580	6,008	27	-	247,590	70,612	-
Canadian Dollar	52,011	1,126	-	-	-	-	495	50,390	-	-
Chilean Peso	17,164	-	40	17,426	-	(302)	-	-	-	-
Chinese Yuan Renminbi	61	-	484	-	-	(423)	-	-	-	-
Colombian Peso	67,507	2,232	(48)	57,363	7,644	316	-	-	-	-
Czech Koruna	43,577	117	8	37,451	-	(9)	-	6,010	-	-
Danish Krone	162,453	129	-	-	-	-	-	162,324	-	-
Dominican Rep Peso	7,461	-	-	7,461	-	-	-	-	-	-
Egyptian Pound	37,177	(53)	-	17,303	18,467	-	-	1,460	-	-
Euro Currency	2,156,024	8,775	1	77,363	28,455	1,187	18,992	1,986,294	24,623	10,334
Hong Kong Dollar	1,074,719	2,609	-	-	525	-	2,530	1,065,565	-	3,490
Hungarian Forint	64,612	200	(1)	24,017	-	-	-	40,396	-	-
Indonesian Rupiah	143,170	872	-	54,845	43,268	-	-	44,185	-	-
Israeli Shekel	50,410	145	-	9,859	-	-	-	40,406	-	-
Japanese Yen	1,078,099	8,630	-	-	-	-	3,170	1,045,784	-	20,515
Kazakhstan Tenge	11,061	-	-	-	11,061	-	-	-	-	-
Kenyan Shilling	1,722	-	-	-	1,722	-	-	-	-	-
Georgian Lari	1,474	-	-	1,474	-	-	-	-	-	-
Malaysian Ringgit	69,412	522	-	64,124	-	17	-	4,749	-	-
Mexican Peso	163,771	1,517	1,414	111,110	4,092	(286)	-	45,924	-	-
New Zealand Dollar	11,985	493	-	-	-	-	-	11,047	-	445
Norwegian Krone	27,433	214	-	-	-	-	-	27,219	-	-
Peruvian Nouveau Sol	28,934	368	-	24,519	4,047	-	-	-	-	-
Philippine Peso	1,123	-	-	1,123	-	-	-	-	-	-
Polish Zloty	60,747	52	143	13,954	-	(102)	-	46,700	-	-
Pound Sterling	1,127,720	3,984	-	(86)	296	-	2,160	1,111,386	-	9,980
Romanian Leu	18,084	281	-	17,803	-	-	-	-	-	-
Russian Ruble	199,968	838	-	92,633	-	-	-	106,497	-	-
Singapore Dollar	42,942	376	46	2,486	-	(47)	411	33,057	-	6,613
South African Rand	290,814	1,843	(3,959)	104,420	175	(93)	-	188,428	-	-
South Korean Won	762,271	1	-	-	-	-	-	718,732	43,538	-
Swedish Krona	211,075	369	-	-	-	-	-	210,706	-	-
Swiss Franc	675,428	2,043	-	-	3,716	-	2,138	667,531	-	-
Thailand Baht	66,492	9	-	30,079	-	-	-	36,404	-	-
Turkish Lira	28,331	122	-	6,892	-	-	-	21,317	-	-
Uganda Shilling	1,447	-	-	1,447	-	-	-	-	-	-
Ukraine Hryvna	25,793	-	-	19,497	6,296	-	-	-	-	-
Uruguayan Peso	32,037	-	-	32,037	-	-	-	-	-	-
Uzbekistan Sum	3,483	-	-	3,483	-	-	-	-	-	-
	<u>\$ 9,580,151</u>	<u>\$ 43,516</u>	<u>\$ (1,872)</u>	<u>\$ 950,351</u>	<u>\$ 141,639</u>	<u>\$ 285</u>	<u>\$ 30,448</u>	<u>\$ 8,211,357</u>	<u>\$ 138,773</u>	<u>\$ 65,654</u>

**Derivatives**

As of June 30, 2021, the CIFS held the following derivative investments (amounts in thousands):

	2021		2020	
	Fair Value		Fair Value	
Adjustable Rate Securities	\$	631,503	\$	574,590
Asset Backed Securities		177,628		161,029
Mortgage Backed Securities		392,400		336,877
Collateralized Mortgage Obligations		154,685		157,295
Forward Mortgage Backed Securities (TBA's)		536,957		471,954
Interest Only		14,358		10,366
Total	\$	1,907,531	\$	1,712,111

The Core Fixed Income Fund held futures with a negative notional cost of \$285,985,939. The Emerging Market Debt Fund held futures with a negative notional cost of \$53,190,890. Also, the Developed Market International Stock held futures with a notional cost of \$23,741,115. In addition the Real Assets Fund held futures with a notional cost of \$843,597.

The CIFS invest in derivative investments for trading purposes and to enhance investment returns. The credit exposure resulting from these investments is limited to their fair value at year end.

The CIFS also invest in foreign currency contracts. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFS' investments against currency fluctuations. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms. As of June 30, 2021, the fair value of contracts to buy and contracts to sell was \$1,050.6 billion and \$1,050.7 billion, respectively.

**Custodial Credit Risk-Bank Deposits**

The CIFS minimize this risk by maintaining certain restrictions set forth in the Investment Policy Statement. The CIFS use a Liquidity Account which is a cash management pool investing in highly liquid money market securities. As of June 30, 2021, the CIFS had deposits with a bank balance of \$71.9 million which was uninsured and uncollateralized.

Complete financial information about the STIF and the CIFS can be obtained from financial statements issued by the Office of the State Treasurer.

**Other Investments**

The University of Connecticut measures and records its investments using fair value measurement guidelines. These guidelines have a three tiered fair value hierarchy, as follows: Level 1; Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and Level 3: Unobservable inputs. As of June 30, 2021, UConn had the following recurring fair value measurements. (amounts in thousands):

Fair Value Measurements				
<u>Investments by Fair Value Level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 1,046	\$ 1,046	\$ -	\$ -
Fixed Income Securities	2,027	2,027	-	-
Equity Securities	14,704	14,476	228	-
Total	\$ 17,777	\$ 17,549	\$ 228	\$ -
<b>Investments Measured by Net Asset Value (NAV)</b>		<b>Unfunded</b>	<b>Redemption</b>	<b>Redemption</b>
		<b>Commitments</b>	<b>Frequency</b>	<b>Notice Period</b>
Private Capital Partnerships	\$ 463	\$ 112	N/A	N/A
Private Real Estate Partnerships	13	35	N/A	N/A
Natural Resource Partnerships	245	36	N/A	N/A
Long/Short Equities	1	-	N/A	N/A
Relative Value	1,224	-	N/A	N/A
Other	699	-	N/A	N/A
Total	2,645	\$ 183		
Total Investments in Securities at Fair Value	\$ 20,422			

As of June 30, 2021, the State had other investments and maturities as follows (amounts in thousands):

Investment Type	Other Investments			
	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	6-10
State Bonds	\$ 3,395	\$ -	\$ 3,395	\$ -
U.S. Government and Agency Securities	107,655	104,280	2,251	1,124
Guaranteed Investment Contracts	68,881	9,333	31,914	27,634
Money Market Funds	14,857	14,857	-	-
Total Debt Investments	194,788	\$ 128,470	\$ 37,560	\$ 28,758
Endowment Pool	19,495			
Corporate Stock	228			
Other Investments	699			
Total Investments	\$ 215,210			

### Credit Risk

As of June 30, 2021, other debt investments were rated by Standard and Poor's as follows (amounts in thousands):

Investment Type	Other Investments				
	Fair Value	Quality Ratings			
		AA	A	BBB	Unrated
State Bonds	\$ 3,395	\$ 1,416	\$ 1,979	\$ -	\$ -
U.S. Government and Agency Securities	3,375	3,375	-	-	-
Guaranteed Investment Contracts	68,881	14,565	34,012	9,333	10,971
Money Market Funds	14,857	-	-	-	14,857
Total	\$ 90,508	\$ 19,356	\$ 35,991	\$ 9,333	\$ 25,828

Connecticut State Universities had \$104 million as U.S. Government Securities, these securities have no credit risk therefore, these securities are not included in the above table.

### Custodial Credit Risk-Bank Deposits (amounts in thousands):

The State maintains its deposits at qualified financial institutions located in the state to reduce its exposure to this risk. These institutions are required to maintain, segregated from its other assets, eligible collateral in an amount equal to 10 percent, 25 percent, 100 percent, or 120 percent of its public deposits. The collateral is held in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. As of June 30, 2021, \$192,113 of the bank balance of the Primary Government of \$215,713 was exposed to custodial credit risk as follows

Uninsured and uncollateralized	\$ 143,484
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	50,629
Total	\$ 194,113

### Component Units

The Connecticut Housing Finance Authority (CHFA) and the Connecticut Lottery Corporation (CLC) reported the following investments and maturities as of December 31, 2020 and June 30, 2021, respectively (amounts in thousands):

Investment Type	Major Component Units				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Collateralized Mortgage Obligations	\$ 447	\$ -	\$ 108	\$ -	\$ 339
GNMA & FNMA Program Assets	2,479,752	-	-	5,811	2,473,941
Money Market	4,897	4,897	-	-	-
Municipal Bonds	69,464	410	1,655	2,177	65,222
STIF	985,724	985,724	-	-	-
MBS's	267	-	23	244	-
Structured Securities	226	-	-	226	-
U.S. Government Agency Securities	931	-	-	-	931
Total Debt Investments	3,541,708	\$ 991,031	\$ 1,786	\$ 8,458	\$ 2,540,433
Annuity Contracts	126,369				
Total Investments	\$ 3,668,077				

The CHFA and the CLC own 96.6 percent and 3.4 percent of the above investments, respectively. GNMA Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by the Government National Mortgage Association. Annuity contracts are the only investment held by the CLC, which are not subject to investment risks discussed next.

### ***Interest Rate Risk***

#### ***CHFA***

Exposure to declines in fair value is substantially limited to GNMA Program Assets. The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flows requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

### ***Credit Risk***

#### ***CHFA***

The Authority's investments are limited by State statutes to United States Government obligations, including its agencies or instrumentalities, investments guaranteed by the state, investments in the state's STIF, and other obligations which are legal investments for savings banks in the state. The Fidelity Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities are fully collateralized by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association, and Collateralized Mortgage Obligations are fully collateralized by the United States Department of Housing and Urban Development mortgage pools.

CHFA's investments were rated as of December 31, 2020 as follows (amounts in thousands):

Investment Type	Component Units				
	Fair Value	AAA	Quality Ratings		
			CCC	D	Unrated
Collateralized Mortgage Obligations	\$ 447	\$ -	\$ -	\$ -	\$ 447
GNMA & FNMA Program Assets	2,479,752	2,479,752	-	-	-
Money Market	4,897	-	-	-	4,897
Municipal Bonds	69,464	-	-	-	69,464
STIF	985,724	985,724	-	-	-
MBS's	267	267	-	-	-
Structured Securities	226	-	226	-	-
U.S. Government Agency Securities	931	931	-	-	-
Total	<u>\$ 3,541,708</u>	<u>\$ 3,466,674</u>	<u>\$ 226</u>	<u>\$ -</u>	<u>\$ 74,808</u>

### ***Concentration of Credit Risk***

#### ***CHFA***

The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2020, the Authority had no investments in any one issuer that represents 5 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA and FNMA Program Assets), and investments in the State's STIF.

### ***Security Lending Transactions***

Certain of the CIFS are permitted by State statute to engage in security lending transactions to provide incremental returns to the funds. The CIFS' Agent is authorized to lend available securities to authorized broker-dealers and banks subject to a formal loan agreement.

During the year, the Agent lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The Agent did not have the ability to pledge or sell collateral securities received absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102 percent of the fair value of the domestic loaned securities or 105 percent of the fair value of foreign loaned securities.

According to the Agreement, the Agent has an obligation to indemnify the funds in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures during the fiscal year that resulted in a declaration or notice of default of the borrower. During the fiscal year, the funds and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. At year end, the funds had no credit risk exposure to borrowers because the fair value of the collateral held and the fair value of securities on loan were \$4,329.8 million and \$4,251.2 million, respectively.

Under normal circumstances, the average duration of collateral investments is managed so that it will not exceed 60 days. At year end, the average duration of the collateral investments was 7.38 days and an average weighted maturity of 44.21 days.

## Note 4

### Receivables-Current

As of June 30, 2021, current receivables consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Taxes	\$ 2,878,460	\$ -	\$ -
Accounts	1,466,187	485,122	61,943
Loans-Current Portion	-	274,060	2,614
Other Governments	1,022,878	21,630	14,815
Interest	45	6,238	1,323
Other	3	-	-
Total Receivables	5,367,573	787,050	80,695
Allowance for Uncollectibles	(1,025,064)	(109,174)	(5,125)
Receivables, Net	\$ 4,342,509	\$ 677,876	\$ 75,570

## Note 5

### Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2021 (amounts in thousands):

	Governmental Activities		
	General Fund	Transportation Fund	Total
Sales and Use	\$ 988,338	\$ -	\$ 988,338
Income Taxes Corporations	938,711	-	938,711
Gasoline and Special Fuel	181,168	-	181,168
Various Other	-	223,975	223,975
Total Taxes Receivable	546,268	-	546,268
Allowance for Uncollectibles	2,654,485	223,975	2,878,460
Taxes Receivable, Net	(341,194)	(128)	(341,322)
	\$ 2,313,291	\$ 223,847	\$ 2,537,138

## Note 6

### Receivables-Noncurrent

Noncurrent receivables for the primary government and its component units, as of June 30, 2021, consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Accounts	\$ -	\$ 4,253	\$ 56,620
Loans	1,155,212	993,791	130,494
Total Receivables	1,155,212	998,044	187,114
Allowance for Uncollectibles	(40,465)	-	(20,632)
Receivables, Net	\$ 1,114,747	\$ 998,044	\$ 166,482

The Grants and Loans fund (governmental activities) makes loans through the Department of Economic and Community Development to provide financial support to businesses, municipalities, nonprofits, economic development agencies and other partners for a wide range of activities that create and retain jobs; strengthen the competitiveness of the workforce; promote tourism, the arts and historic preservation; and help investigate and redevelop brownfields. The department's investments are helping build stronger neighborhoods and communities and improving the quality of life for state residents. These loans are payable over a ten-year period with rates ranging from 2 percent to 4 percent.

Clean Water fund (business-type activities) loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20-year period at an annual interest rate of 2 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both. At year end, the noncurrent portion of loans receivable was \$849.2 million.

The Connecticut Higher Education Supplemental Loan Authority (a component unit) makes loans to individuals from the proceeds of bonds issued by the Authority. The loans bear interest rates ranging from 4.85 percent to 6.99 percent. At year end, the noncurrent portion of loans receivable was \$101.3 million.

## Note 7

### Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2021, restricted assets were comprised of the following (amounts in thousands):

	Cash & Cash Equivalents	Investments	Loans, Net of Allowances	Other	Total Restricted Assets
<b>Governmental Activities:</b>					
Debt Service	\$ 1,103,038	\$ -	\$ -	\$ -	\$ 1,103,038
Total Governmental Activities	\$ 1,103,038	\$ -	\$ -	\$ -	\$ 1,103,038
<b>Business-Type Activities:</b>					
UConn/Health Center	\$ 133,262	\$ -	\$ -	\$ -	\$ 133,262
Clean Water	167,617	63,506	-	-	231,123
Other Proprietary	28,007	4,167	-	-	32,174
Total Business-Type Activities	\$ 328,886	\$ 67,673	\$ -	\$ -	\$ 396,559
<b>Component Units:</b>					
CHFA	\$ 587	\$ 3,541,708	\$ 2,758,677	\$ 56,086	\$ 6,357,058
CAA	149,437	6,739	-	2,629	158,804
Other Component Units	128,858	384,293	260,715	7,937	781,803
Total Component Units	\$ 278,882	\$ 3,932,739	\$ 3,019,392	\$ 66,652	\$ 7,297,665

## Note 8

### Current Liabilities

#### Accounts Payable and Accrued Liabilities

As of June 30, 2021, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Interest</u>	<u>Other</u>	<u>Total Payables &amp; Accrued Liabilities</u>
<b>Governmental Activities:</b>					
General	\$ 188,167	\$ 264,563	\$ -	\$ -	\$ 452,730
Transportation	17,670	16,645	-	-	34,315
Restricted Accounts	264,313	18,469	-	-	282,782
Grants and Loans	41,953	109	-	5,504	47,566
Other Governmental	78,580	9,329	-	-	87,909
Internal Service	1,328	1,126	-	-	2,454
Reconciling amount from fund financial statements to government-wide financial statements	-	-	301,688	1,619,419	1,921,107
Total-Governmental Activities	<u>\$ 592,011</u>	<u>\$ 310,241</u>	<u>\$ 301,688</u>	<u>\$ 1,624,923</u>	<u>\$ 2,828,863</u>
<b>Business-Type Activities:</b>					
UConn/Health Center	\$ 83,772	\$ 106,449	\$ -	\$ 33,312	\$ 223,533
Board of Regents	19,472	124,437	1,795	117	145,821
Other Proprietary	6,495	-	12,778	766	20,039
Total-Business-Type Activities	<u>\$ 109,739</u>	<u>\$ 230,886</u>	<u>\$ 14,573</u>	<u>\$ 34,195</u>	<u>\$ 389,393</u>
<b>Component Units:</b>					
CHFA	\$ -	\$ -	\$ 16,611	\$ 6,191	\$ 22,802
Connecticut Lottery Corporation	7,595	-	995	-	8,590
Connecticut Airport Authority	22,584	6,651	3,881	6,160	39,276
Other Component Units	9,910	47	848	73,540	84,345
Total-Component Units	<u>\$ 40,089</u>	<u>\$ 6,698</u>	<u>\$ 22,335</u>	<u>\$ 85,891</u>	<u>\$ 155,013</u>

**Note 9****Capital Assets**

Capital asset activity for the year was as follows (amounts in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 1,899,278	\$ 47,225	\$ 996	\$ 1,945,507
Construction in Progress	5,417,311	1,149,221	442,513	6,124,019
Total Capital Assets not being Depreciated	7,316,589	1,196,446	443,509	8,069,526
Capital Assets being Depreciated:				
Buildings	4,982,966	155,166	238,593	4,899,539
Improvements Other than Buildings	480,121	2,554	579	482,096
Equipment	2,670,501	96,271	94,855	2,671,917
Infrastructure	17,959,473	252,935	-	18,212,408
Total Other Capital Assets at Historical Cost	26,093,061	506,926	334,027	26,265,960
Less: Accumulated Depreciation For:				
Buildings	2,070,180	122,485	238,593	1,954,072
Improvements Other than Buildings	414,365	24,352	579	438,138
Equipment	2,626,996	93,369	94,855	2,625,510
Infrastructure	11,886,111	478,241	-	12,364,352
Total Accumulated Depreciation	16,997,652	718,447	334,027	17,382,072
Other Capital Assets, Net	9,095,409	(211,521)	-	8,883,888
Governmental Activities, Capital Assets, Net	<u>\$ 16,411,998</u>	<u>\$ 984,925</u>	<u>\$ 443,509</u>	<u>\$ 16,953,414</u>

\* Depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
Legislative	\$ 4,693
General Government	26,724
Regulation and Protection	20,844
Conservation and Development	9,142
Health and Hospitals	8,864
Transportation	567,204
Human Services	1,065
Education, Libraries and Museums	28,720
Corrections	30,857
Judicial	15,021
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	5,313
<b>Total Depreciation Expense</b>	<u>\$ 718,447</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 78,795	\$ 24	\$ -	\$ 78,819
Construction in Progress	403,825	189,357	293,157	300,025
Total Capital Assets not being Depreciated	482,620	189,381	293,157	378,844
Capital Assets being Depreciated:				
Buildings	6,749,851	325,208	48,814	7,026,245
Improvements Other Than Buildings	639,408	64,706	359	703,755
Equipment	1,094,187	45,296	34,607	1,104,876
Total Other Capital Assets at Historical Cost	8,483,446	435,210	83,780	8,834,876
Less: Accumulated Depreciation For:				
Buildings	2,796,183	207,328	23,237	2,980,274
Improvements Other Than Buildings	276,755	21,176	321	297,610
Equipment	736,161	67,418	34,062	769,517
Total Accumulated Depreciation	3,809,099	295,922	57,620	4,047,401
Other Capital Assets, Net	4,674,347	139,288	26,160	4,787,475
Business-Type Activities, Capital Assets, Net	<u>\$ 5,156,967</u>	<u>\$ 328,669</u>	<u>\$ 319,317</u>	<u>\$ 5,166,319</u>

**Component Units and Fiduciary Component Unit**

Capital assets of the component units and the fiduciary component unit consisted of the following as of June 30, 2021 (amounts in thousands):

Land	\$ 60,300
Buildings	992,776
Improvements other than Buildings	382,278
Machinery and Equipment	433,501
Construction in Progress	191,886
Total Capital Assets	2,060,741
Accumulated Depreciation	1,145,372
Capital Assets, Net	\$ 915,369

## Note 10

### State Retirement Systems

The State sponsors three major public employee retirement systems: The State Employees' Retirement System (SERS)-consisting of Tier I, Tier II, Tier IIA, Tier III, and Tier IV, the Teachers' Retirement System (TRS), and the Judicial Retirement System (JRS). The three plans in this note do not issue separate financial statements, nor are they reported as a part of other entities. The financial statements and other required information are presented in Note 12 and in the Required Supplementary Information (RSI) section of these financial statements.

The State Comptroller's Retirement Division under the direction of the Connecticut State Employees' Retirement Commission administers SERS and JRS. The sixteen members are: The State Treasurer or a designee who serves as a non-voting ex-officio member, six trustees representing employees are appointed by the bargaining agents in accordance with the provisions of applicable collective bargaining agreements, one "neutral" Chairman, two actuarial trustees and six management trustees appointed by the Governor. The Teachers' Retirement Board administers TRS. The fourteen members of the Teachers' Retirement Board include: The State Treasurer, the Secretary of the Office of Policy and Management, the Commissioner of Education, or their designees, who serve as ex-officio voting members. Six members are elected by teacher membership and five public members are appointed by the Governor.

#### *Special Funding Situation*

The employer contributions for the Teachers' Retirement System (TRS) are funded by the State on behalf of the participating municipal employers. Therefore, these employers are in a special funding situation and the State is treated as a non-employer contributing entity as defined by GASB 68. As a result, the State reports a liability, deferred outflows of resources and deferred inflows of resources, and expenses. Additionally, the autonomous Component Units that benefit from the services provided by employees of the State are considered, as defined by GASB 68, to be non-employer contributing entities. As such they report a liability, deferred outflows of resources and deferred inflows of resources, and expenses because of being statutorily required to contribute to SERS.

#### *a. Plan Descriptions and Funding Policy*

Membership of each plan consisted of the following at the date of the latest actuarial evaluation:

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>
Inactive Members or their Beneficiaries receiving benefits	52,498	38,540	304
Inactive Members Entitled to but not yet Receiving Benefits	2,437	10,366	6
Active Members	47,662	50,951	180

#### *State Employees' Retirement System*

##### *Plan Description*

SERS is a single-employer defined-benefit pension plan covering substantially all the State full-time employees who are not eligible for another State sponsored retirement plan. Plan benefits, cost-of-living allowances, contribution requirements of plan members and the State, and other plan provisions are described in Sections 5-152 to 5-192 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

**Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Tier I Plan B regular and Hazardous Duty members are required to contribute 4.0 percent and 6.0 percent of their earnings, respectively, up to the Social Security Taxable Wage Base plus 7.0 percent above that level; Tier I Plan C members are required to contribute 7.0 percent of their earnings; Tier II Plan regular and Hazardous Duty members are required to contribute 2 percent and 6.0 percent of their earnings, respectively; Tier IIA and Tier III Plans regular and Hazardous Duty members are required to contribute 4.0 percent and 7.0 percent of their earnings, respectively; Tier IV Hybrid Plan regular and Hazardous Duty members are required to contribute 5.0 percent and 8.0 percent of their earnings, respectively. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011 but requires employee contributions 3 percent higher than the contribution required from the applicable Tier II/IIA/III plans. Employees in Tier IV Hybrid Plan will be required to contribute 1.0 percent to the Defined Contributions (DC) portion of the Hybrid Plan and may elect additional contribution of up to 3.0 percent of earnings to the DC portion. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

**Teachers' Retirement System****Plan Description**

TRS is a cost-sharing multiple-employer defined-benefit pension plan covering any teacher, principal, superintendent, or supervisor engaged in service of public schools in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

**Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 7 percent of their annual salary. The State's contribution requirement is determined in accordance with Section 10-183z. Administrative costs of the plan are funded by the State.

**Judicial Retirement System****Plan Description**

JRS is a single-employer defined-benefit pension plan covering any appointed judge or compensation commissioner in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 51-49 to 51-51 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

**Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 5 percent of their annual salary. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

**b. Investments**

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2020.

Asset Class	SERS		TRB		JRS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.6%	20.0%	5.6%	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%	11.0%	6.0%	11.0%	6.0%
Emerging Markets Intl. Stock Fund	9.0%	7.9%	9.0%	7.9%	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%	16.0%	2.1%	16.0%	2.1%
Inflation Linked Bonds	5.0%	1.1%	5.0%	1.1%	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%	5.0%	2.7%	5.0%	2.7%
High Yield Bonds	6.0%	4.0%	6.0%	4.0%	6.0%	4.0%
Real Estate Fund	10.0%	4.5%	10.0%	4.5%	10.0%	4.5%
Private Equity	10.0%	7.3%	10.0%	7.3%	10.0%	7.3%
Alternative Investments	7.0%	2.9%	7.0%	2.9%	7.0%	2.9%
Liquidity Fund	1.0%	0.4%	1.0%	0.4%	1.0%	0.4%

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Rate of Return:** For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 24.36 percent, 24.28 percent, and 24.37 percent for SERS, TRS, and JRS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

### Net Pension Liability

The components of the net pension liability as of the measurement June 30, 2020 were as follows (amounts in millions):

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>
Total Pension Liability	\$ 36,971	\$ 37,128	\$ 490
Fiduciary Net Position	<u>13,249</u>	<u>18,282</u>	<u>240</u>
Net Pension Liability	<u>\$ 23,722</u>	<u>\$ 18,846</u>	<u>\$ 250</u>
Ratio of Fiduciary Net Position to Total Pension Liability	35.84%	49.24%	48.92%

### Deferred Retirement Option Program (DROP)

Section 10-183v of the General Statute authorizes that a TRS member teacher receiving retirement benefits from the system may be reemployed for up to one full school year by a local board of education, the State Board of Education or by a constituent unit of the state system of higher education in a position (1) designated by the Commissioner of Education as a subject shortage area, or (2) at a school located in a school district identified as a priority school district. Such reemployment may be extended for an additional school year, by written request for approval to the Teachers' Retirement Board.

As of June 30, 2021, the balance held for the DROP was not available from the Teachers' Retirement Board.

### Discount Rate

The discount rate used to measure the total pension liability was 6.9, 6.9, and 6.9 percent for SERS, TRS, and JRS respectively. The projection of cash flows used to determine the SERS, TRS, and JRS discount rates assumed employee contributions will be made at the current contribution rate and that contributions from the State will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for current plan members were projected through the year 2139.

Based on those assumptions, SERS, TRS, and JRS pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the State, calculated using the discount rates of 6.9, 6.9 and 6.9 percent for SERS, TRS, and JRS, as well as what the State's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in millions):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SERS Net Pension Liability	\$ 27,866	\$ 21,454	\$ 19,768
TRS Net Pension Liability	\$ 23,571	\$ 18,846	\$ 14,923
JRS Net Pension Liability	\$ 300	\$ 250	\$ 207
Component Units	\$ 317	\$ 268	\$ 225

### c. GASB Statement 68 Employer Reporting Employer Contributions

The following table presents the primary government's and component units' contributions recognized by the pension plans at the reporting date June 30, 2021 (amounts in thousands):

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>	<u>Total</u>
Primary Government	\$ 1,016,171	\$ 2,153,477	\$ 31,894	\$ 3,201,542
Component Units	18,551	-	-	18,551
Fiduciary Component Unit	449	-	-	449
Total Employer Contributions	<u>\$ 1,035,171</u>	<u>\$ 2,153,477</u>	<u>\$ 31,894</u>	<u>\$ 3,220,542</u>

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

As of the measurement date June 30, 2020, the primary government and component units reported net pension liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary <u>Government</u>	Component <u>Units</u>	Fiduciary <u>Component Unit</u>
Proportionate Share of the Net Pension Liability			
State Employees' Retirement System	\$ 23,454,732	\$ 266,596	\$ 320
Net Pension Liability			
Teachers' Retirement System	18,846,090	-	-
Judicial Retirement System	250,318	-	-
Total Net Pension Liability	<u>\$ 42,551,140</u>	<u>\$ 266,596</u>	<u>\$ 320</u>

The primary government's and component units' proportions of the collective net pension liability for the State Employees' Retirement System as of the measurement date June 30, 2020 as follows:

	Primary <u>Government</u>	Component <u>Units</u>
State Employees' Retirement System		
Proportion-June 30, 2020	98.87%	1.13%

For the measurement June 30, 2020, the primary government and component units' recognized pension expense for the following pension plans administered by the State as follows (amounts in thousands):

	Primary <u>Government</u>	Component <u>Units</u>	Fiduciary <u>Component Unit</u>
Pension Expense			
State Employees' Retirement System	\$ 3,170,686	\$ 36,040	\$ 43
Teachers' Retirement System	2,699,613	-	-
Judicial Retirement System	28,519	-	-
	<u>\$ 5,898,818</u>	<u>\$ 36,040</u>	<u>\$ 43</u>

***Deferred Outflows and Inflows of Resources***

As of the reporting date June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary <u>Government</u>		Component Units		Fiduciary <u>Component Unit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>State Employees' Retirement System</b>						
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ 395,339	\$ -	\$ 4,494	\$ -	\$ 5	\$ -
Difference Between Expected and Actual Experience	1,265,894	-	14,389	-	17	-
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	-	-	16,183	28,551	-	-
Change in Assumptions	624,755	-	7,101	-	9	-
Employer Contributions Subsequent to Measurement Date	1,016,171	-	18,551	-	449	-
Total	<u>\$ 3,302,159</u>	<u>\$ -</u>	<u>\$ 60,718</u>	<u>\$ 28,551</u>	<u>\$ 480</u>	<u>\$ -</u>
<b>Teachers' Retirement System</b>						
Differences Between Expected and Actual Experience	\$ -	\$ 565,948				
Change in Assumptions	4,117,548	-				
Net Difference Between Projected and Actual Earnings on Plan Investments	774,432	-				
Employer Contributions Subsequent to Measurement Date	2,153,477	-				
Total	<u>\$ 7,045,457</u>	<u>\$ 565,948</u>				
<b>Judicial Retirement System</b>						
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ 8,021	\$ -				
Differences Between Expected and Actual Experience	12,920	3,132				
Change in Assumptions	-	-				
Employer Contributions Subsequent to Measurement Date	31,894	-				
Total	<u>\$ 52,835</u>	<u>\$ 3,132</u>				

State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability reported in the following fiscal year. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension Expense as follows (amounts in thousands):

<u>State Employees' Retirement System</u>		<u>Primary</u>	<u>Component</u>
<u>Year</u>		<u>Government</u>	<u>Units</u>
1		\$ 1,049,809	\$ 7,879
2		479,389	4,187
3		461,413	3,455
4		286,671	278
5		21,075	(2,152)
		<u>\$ 2,298,357</u>	<u>\$ 13,647</u>

<u>Teachers' Retirement System</u>		<u>Primary</u>
<u>Year</u>		<u>Government</u>
1		\$ 1,003,265
2		1,147,742
3		903,336
4		866,336
5		359,576
6		45,777
		<u>\$ 4,326,032</u>

<u>Judges' Retirement System</u>		<u>Primary</u>
<u>Year</u>		<u>Government</u>
1		\$ 3,543
2		8,974
3		3,138
4		2,154
5		-
		<u>\$ 17,809</u>

#### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>
Valuation Date	6/30/2020	6/30/2020	6/30/2020
Inflation	2.50%	2.50%	2.50%
Salary Increases	3.5%-19.50%	3%-6.50%	4.50%
Investment Rate of Return	6.90%	6.90%	6.90%

The actuarial assumptions used in the June 30, 2020 SERS and JRS reported mortality rates based on the RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100 percent for males and 95 percent for females for periods after service retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table at 65 percent for males and 85 percent for females is used for periods after disability.

The actuarial assumptions used in the June 30, 2020 TRS actuarial report were based on the Pub T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The Pub T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The Pub T-2010 Contingent Survivor Table used for projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub T-2010 Employee Table projected generationally with MP-2019 was used for active members.

**Changes in Net Pension Liability**

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2020 (amounts in thousands):

<b>Total Pension Liability</b>	<b>SERS</b>	<b>TRS</b>	<b>JRS</b>
Service Cost	\$ 388,671	\$ 616,370	\$ 9,813
Interest	2,416,577	2,379,886	31,815
Benefit Changes	-	-	-
Difference between expected and actual experience	208,138	(306,400)	2,474
Changes of assumptions	-	1,022,137	-
Benefit payments	(2,120,811)	(2,150,168)	(30,200)
Refunds of Contributions	(9,377)	-	-
<b>Net change in total pension liability</b>	<b>883,198</b>	<b>1,561,825</b>	<b>13,902</b>
<b>Total pension liability - beginning (a)</b>	<b>36,087,938</b>	<b>35,566,175</b>	<b>476,189</b>
<b>Total pension liability - ending (c)</b>	<b>\$ 36,971,136</b>	<b>\$ 37,128,000</b>	<b>\$ 490,091</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,616,312	\$ 1,209,573	\$ 27,011
Contributions - member	192,716	318,217	1,575
Net investment income	295,737	410,311	5,461
Benefit payments	(2,120,811)	(2,150,168)	(30,200)
Administrative Expense	(782)	-	-
Refunds of Contributions	(9,377)	-	-
Other	-	522	-
<b>Net change in plan fiduciary net position</b>	<b>(26,205)</b>	<b>(211,545)</b>	<b>3,847</b>
<b>Plan net position - beginning (b)</b>	<b>13,275,693</b>	<b>18,493,455</b>	<b>235,926</b>
<b>Plan net position - ending (d)</b>	<b>\$ 13,249,488</b>	<b>\$ 18,281,910</b>	<b>\$ 239,773</b>
<b>Net pension liability - beginning (a)-(b)</b>	<b>\$ 22,812,245</b>	<b>\$ 17,072,720</b>	<b>\$ 240,263</b>
<b>Net pension liability - ending (c)-(d)</b>	<b>\$ 23,721,648</b>	<b>\$ 18,846,090</b>	<b>\$ 250,318</b>

**d. Defined Contribution Plan**

The State also sponsors the Connecticut Alternate Retirement Program (CARP), a defined contribution plan. CARP is administered by the State Comptroller's Retirement Office under the direction of the Connecticut State Employees' Retirement Division. Plan provisions, including contribution requirements of plan members and the State, are described in Section 5-156 of the General Statutes.

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5 percent of their annual salaries. The State is required to contribute 8 percent of covered salary. During the year, plan members and the State contributed \$30.1 million and \$39.6 million, respectively.

**Note 11****Other Retirement Systems Administered by the State of Connecticut**

The State acts solely as the administrator and custodian of the assets of the Connecticut Municipal Employees' Retirement System (MERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). The State makes no contribution to and has only a fiduciary responsibility for these funds. None of the above-mentioned systems issue stand-alone financial reports. However, financial statements for MERS and CPJERS are presented in Note No. 12.

**a. Plan Descriptions and Funding Policy**

Membership of each plan consisted of the following to date of the latest actuarial information:

	<b>MERS</b>	<b>CPJERS</b>
Retirees and beneficiaries receiving benefits	7,933	377
Terminated plan members entitled to but not receiving benefits	1,358	70
Active plan members	9,459	331
Total	18,750	778
Number of participating employers	189	1

**Connecticut Municipal Employees' Retirement System****Plan Description**

MERS is a cost-sharing multiple-employer defined benefit pension plan that covers fire, police, and other personnel (except teachers) of participating municipalities in the State. Pension plan assets are pooled, and the plan assets can be used to pay the pensions of the retirees of any participating employer. Plan benefits, cost-of-living adjustments, contribution requirements of plan members and participating municipalities, and other plan provisions are described in Chapters 7-425 to 7-451 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

**Funding Policy**

Plan members are required to contribute 2.25 percent to 5.0 percent of their annual salary. Participating municipalities are required to contribute at an actuarial determined rate. The participating municipalities fund administrative costs of the plan.

**b. Investments**

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits.

<b>Asset Class</b>	<b>MERS</b>	
	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. Equities	20.0%	5.3%
Developed Non-U.S. Equities	11.0%	5.1%
Emerging Markets (Non-U.S.)	9.0%	7.4%
Real Estate	10.0%	4.7%
Private Equity	10.0%	7.3%
Alternative Investment	7.0%	3.2%
Fixed Income (Core)	16.0%	1.6%
High Yield Bonds	6.0%	3.4%
Emerging Market Bond	5.0%	2.9%
Inflation Linked Bonds	5.0%	1.3%
Cash	1.0%	0.9%

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**c. GASB Statement 68 Employer Reporting****Net Pension Liability of Participating Employers**

The components of the net pension liability for MERS as June 30, 2020 were as follows (amounts in millions):

	<b>MERS</b>
Total Pension Liability	\$ 3,862
Fiduciary Net Position	2,749
Net Pension Liability	\$ 1,113
Ratio of Fiduciary Net Position to Total Pension Liability	71.18%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0 percent for MERS. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of MERS, calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate (amounts in millions):

	<b>1% Decrease in Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase in Rate</b>
Net Pension Liability	\$ 1,586	\$ 1,113	\$ 717

**Deferred outflows and deferred inflows of resources**

The cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Municipal Employees Retirement System</b>		
Difference Between Expected and Actual Experience	\$ 24,222	\$ 58,892
Changes in actuarial assumptions	174,611	-
Net Difference Between Projected and Actual Investment Earnings on Plan Investments	115,817	-
Employer Contributions Subsequent to Measurement Date	115,452	-
	<u>\$ 430,102</u>	<u>\$ 58,892</u>

Amounts recognized in subsequent fiscal years:

<b>Year</b>	<b>MERS</b>
1	\$ 103,948
2	122,478
3	15,702
4	13,630

**Changes in Net Pension Liability**

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2020 (amounts in thousands):

<b>Total Pension Liability MERS</b>	
Service Cost	\$ 87,509
Interest on the total pension liability	258,006
Difference between expected and actuary experience	(74,680)
Changes of assumptions	-
Benefit payments	(188,550)
Refunds of contributions	(1,516)
<b>Net change in total pension</b>	<b>80,769</b>
<b>Total pension liability - beginning</b>	<b>3,780,832</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 3,861,601</u></b>
<b>Plan net position</b>	
Contributions - employer	99,816
Initial Liability Payments and Transfers	-
Contributions - member	27,416
Net investment income	63,300
Benefit payments	(188,550)
Refunds of contributions	(1,516)
Other	(155)
<b>Net change in plan net position</b>	<b>311</b>
<b>Plan net position - beginning</b>	<b><u>\$ 2,748,242</u></b>
<b>Plan net position - ending (b)</b>	<b><u>\$ 2,748,553</u></b>
<b>Net pension liability - ending (a) - (b)</b>	<b><u>\$ 1,113,048</u></b>

**Actuarial Assumptions**

The total pension liability was determined by the most recent actuarial information available, using the following actuarial assumptions, applied to all periods included in the measurement date:

Inflation	2.50%
Salary increase	3.5-10.0%, including inflation
Long-Term investment rate of return	7.00%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

**d. Connecticut Probate Judges and Employees' Retirement System****Plan Description**

CPJERS is an agent multi-employer defined benefit pension plan that covers judges and employees of probate courts. Plan benefits, cost-of-living adjustments, required contributions of plan members and the probate court system, and other plan provisions are described in Chapters 45a-34 to 45a-56 of General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Pension plan assets are pooled for investment purposes, but separate accounts are maintained for each individual court so that each court's share of the pooled assets is legally available to pay the benefits of only its employees. The plan is administered by the State Employee's Retirement Commission.

**Funding**

Plan members are required to contribute 1.0 percent to 3.75 percent of their annual salary. The probate court system is required to contribute at an actuarial determined rate. Administrative costs of the plan are funded by the probate court system.

**Pension Liability**

Information concerning the CPJERS total pension liability and significant assumptions used to measure the plans total pension liability, such as inflation, salary changes, discount rates and mortality are available by contacting the State Comptroller's Retirement Division.

## Note 12

### Pension Trust Funds Financial Statements

The financial statements of the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. State contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income and related expenses of the Combined Investment Funds are allocated ratably to the pension trust funds based on each fund's equity in the Combined Investment Funds. As of June 30, 2021, the Fiduciary Fund financial statements were as follows (amounts in thousands):

Statement of Fiduciary Net Position (thousands)							
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
<b>Assets</b>							
Current:							
Cash and Cash Equivalents	\$ 5,473	\$ 3,961	\$ 3,729	\$ 3,046	\$ 274	\$ 448	\$ 16,931
Receivables:							
Accounts, Net of Allowances	14,368	12,564	7	22,629	4	-	49,572
From Other Governments	-	60	-	-	-	-	60
From Other Funds	714,673	903,644	-	2	-	-	1,618,319
Interest	276	436	5	52	3	-	772
Investments	16,345,927	22,200,626	298,259	3,328,688	140,860	2,699	42,317,059
Securities Lending Collateral	937,867	1,275,824	17,003	190,375	7,775	153	2,428,997
Noncurrent:							
Due From Employers	-	-	-	13,386	-	-	13,386
Total Assets	\$ 18,018,584	\$ 24,397,115	\$ 319,003	\$ 3,558,178	\$ 148,916	\$ 3,300	\$ 46,445,096
<b>Liabilities</b>							
Accounts Payable and Accrued Liabilities	\$ 77	\$ 2,300	\$ 5	\$ -	\$ 11	\$ -	\$ 2,393
Securities Lending Obligation	937,867	1,275,824	17,003	190,375	7,775	153	2,428,997
Due to Other Funds	-	1,903	-	-	-	-	1,903
Total Liabilities	\$ 937,944	\$ 1,280,027	\$ 17,008	\$ 190,375	\$ 7,786	\$ 153	\$ 2,433,293
<b>Net Position</b>							
Held in Trust For Employee							
Pension Benefits	\$ 17,080,640	\$ 23,117,088	\$ 301,995	\$ 3,367,803	\$ 141,130	\$ 3,147	\$ 44,011,803
Total Net Position	\$ 17,080,640	\$ 23,117,088	\$ 301,995	\$ 3,367,803	\$ 141,130	\$ 3,147	\$ 44,011,803
Statement of Changes in Fiduciary Net Position (thousands)							
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
<b>Additions</b>							
Contributions:							
Plan Members	\$ 194,775	\$ 323,306	\$ 1,570	\$ 32,662	\$ 233	\$ 27	\$ 552,573
State	2,568,591	2,153,477	31,894	-	-	-	4,753,962
Municipalities	-	-	-	115,452	-	-	115,452
Total Contributions	2,763,366	2,476,783	33,464	148,114	233	27	5,421,987
Investment Income	3,509,985	4,815,062	63,667	715,388	29,334	570	9,134,006
Less: Investment Expenses	(208,767)	(286,395)	(3,787)	(42,550)	(1,745)	(34)	(543,278)
Net Investment Income	3,301,218	4,528,667	59,880	672,838	27,589	536	8,590,728
Other	-	791	-	4,534	8,457	-	13,782
Total Additions	6,064,584	7,006,241	93,344	825,486	36,279	563	14,026,497
<b>Deductions</b>							
Administrative Expense	568	-	-	-	-	-	568
Benefit Payments and Refunds	2,227,462	2,171,063	31,116	201,992	5,884	-	4,637,517
Other	5,402	-	6	4,244	-	24	9,676
Total Deductions	2,233,432	2,171,063	31,122	206,236	5,884	24	4,647,761
Changes in Net Assets	3,831,152	4,835,178	62,222	619,250	30,395	539	9,378,736
<b>Net Position Held in Trust For Employee Pension Benefits:</b>							
Beginning of Year	13,249,488	18,281,910	239,773	2,748,553	110,735	2,608	34,633,067
End of Year	\$ 17,080,640	\$ 23,117,088	\$ 301,995	\$ 3,367,803	\$ 141,130	\$ 3,147	\$ 44,011,803

**Note 13****Other Postemployment Benefits (OPEB)**

The State sponsors two defined benefit OPEB plans: The State Employee OPEB Plan (SEOPEBP) and the Retired Teacher Healthcare Plan (RTHP).

The State Comptroller's Healthcare Policy and Benefits Division under the direction of the Connecticut State Employees Retirement Commission administers the State Employee OPEB Plan. The membership of the commission is composed of the State Treasurer or designee, who is a nonvoting ex-officio member; fifteen trustees, including six trustees representing state employees; six trustees representing state management; two trustees who are professional actuaries and one neutral trustee who serves as chairman. Also, the State Comptroller, ex officio, serves as the nonvoting secretary. The Governor makes all appointments except the employee trustees who are selected by employee bargaining agents. Management and employee trustees make the appointments of the chairman and the actuarial trustee positions. The Teachers' Retirement Board administers the Retired Teachers' Healthcare Plan. None of these plans issue stand alone statements, however, financial statements for these plans are presented in Note No. 14.

**a. Plan Descriptions and Funding Policy**

Membership of each plan consisted of the following to date of the latest actuarial information:

	<u>SEOPEBP</u>	<u>RTHP</u>
Inactive Members or their		
Beneficiaries receiving benefits	77,141	27,431
Inactive Members Entitled to but		
not yet Receiving Benefits	649	10,687
Active Members	48,015	50,951

**State Employee OPEB Plan****Plan Description**

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of the State who are receiving benefits from any State-sponsored retirement system, except the Teachers' Retirement System and the Municipal Employees' Retirement System. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits required contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes.

**Funding Policy**

The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employees' unions, upon approval by the State legislature. The cost of providing plan benefits is financed approximately 100 percent by the State on a pay-as-you-go basis through an annual appropriation in the General fund. Administrative costs of the plan are financed by the State.

**Retired Teacher Healthcare Plan****Plan Description**

RTHP is a single employer defined benefit OPEB plan that covers retired teachers and administrators of public schools in the State who are receiving benefits from the Teachers' Retirement System. The plan provides healthcare insurance benefits to eligible retirees and their spouses. Plan benefits required contributions of plan participants and the State, and other plan provisions are described in Section 10-183t of the General Statutes.

**Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature. The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one third of plan costs through a contribution of 1.25 percent of their annual salaries, retired teachers pay for one third of plan costs through monthly premiums, and the State pays for one third of plan costs through an annual appropriation in the General Fund. Administrative costs of the plan are financed by the State.

**b. Investments**

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the State Employee OPEB Plan. Plan assets are managed primarily

through assets allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2020, the measurement date.

<u>Asset Class</u>	<u>SEOPEBP</u>		<u>RTHP</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Expected 10 year Geometric Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%	0.00%	0.00%
Developed Market International Stock Fund	11.0%	6.0%	0.00%	0.00%
Emerging Markets International Stock Fund	9.0%	7.9%	0.00%	0.00%
Core Fixed Income	16.0%	2.1%	0.00%	0.00%
Inflation Linked Bonds	5.0%	1.1%	0.00%	0.00%
Emerging Market Debt Fund	5.0%	2.7%	0.00%	0.00%
High Yield Bonds	6.0%	4.0%	0.00%	0.00%
Real Estate Fund	10.0%	4.5%	0.00%	0.00%
Private Equity	10.0%	7.3%	0.00%	0.00%
Alternative Investment	7.0%	2.9%	0.00%	0.00%
Liquidity Fund	1.0%	0.4%	0.00%	0.00%
U. S. Treasuries (Cash Equivalents)	0.0%	0.0%	100.00%	-0.42%

The long-term expected rate of return on RTHP OPEB plan assets was determined by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The assumption is not expected to change absent a significant change in asset allocation, a change in inflation assumption, or a fundamental change in the market that alters expected returns in future years.

#### ***Net OPEB Liability***

The components of the net OPEB liability as of June 30, 2020, the measurement date, were as follows (amounts in thousands):

	<u>Total Primary Government</u>	
	<u>SEOPEBP</u>	<u>RTHP</u>
Total OPEB Liability	\$ 25,078,100	\$ 2,882,836
Fiduciary Net Position	1,537,194	71,941
Net OPEB Liability	<u>\$ 23,540,906</u>	<u>\$ 2,810,895</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	6.13%	2.50%

#### ***Actuarial Assumptions***

The total OPEB liability was determined by the most recent actuarial information available, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SEOPEBP</u>	<u>RTHP</u>
Payroll growth rate	3.50%	0.50%
Salary increase	3.25% to 4.5% varying by years of service & retirement system, including inflation	3.0%-6.5%
Discount Rate	2.38%	2.21%
Investment rate of return	6.90%	3.00%, net of OPEB plan investment expense including price inflation
Healthcare cost trend rates	6.0% for drug cost graded to 4.5% over 6 years 6.0% for medical graded to 4.5% over 6 years 3.0% for dental 4.5% for Part B 3.0% for administrative expense	5.125%, decreasing to ultimate rate of 4.5% by 2023

Mortality rates for healthy State Employees OPEB Plan were based on the RP-2014 White Collar Mortality Table projected to 2020 by Scale BB at 100% for males and 95% for females. Mortality rates for disabled State Employees OPEB Plan were based on the RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females.

Mortality rates for the State Teachers Retirement System were based on the Pub-T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above) projected generationally with MP-2019 for the period after service retirement. The Pub-T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The Pub-T-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub-T-2010 Employee Table projected generationally with MP-2019 was used for active members.

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability for SEOPEBP and RTHP respectively, was 2.38 and 2.21 percent. The projection of cash flows used to determine the discount was performed in accordance with GASB 74.

#### ***Sensitivity of the net OPEB liability to changes in the discount rate***

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (amounts in thousands):

	<b><u>SEOPEBP</u></b>		
	<b>1% Decrease in Discount Rate <u>1.38%</u></b>	<b>Current Discount Rate <u>2.38%</u></b>	<b>1% Increase in Discount Rate <u>3.38%</u></b>
<b>SEOPEBP:</b>			
Primary Government Net OPEB Liability	\$ 27,323,993	\$ 23,228,957	\$ 19,937,035
Component Units Net OPEB Liability	366,504	311,576	267,419
Fiduciary Component Unit Net OPEB Liability	439	373	320
	<b><u>RTHP</u></b>		
	<b>1% Decrease in Discount Rate <u>1.21%</u></b>	<b>Current Discount Rate <u>2.21%</u></b>	<b>1% Increase in Discount Rate <u>3.21%</u></b>
RTHP Net OPEB Liability	\$ 3,431,738	\$ 2,810,895	\$ 2,327,450

#### ***Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates***

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate (amounts in thousands):

	<b><u>SEOPEBP</u></b>		
	<b>1% Decrease in Health Care Cost Trend Rates</b>	<b>Current Health Care Cost Trend Rate</b>	<b>1% Increase in Health Care Cost Trend Rates</b>
<b>SEOPEBP:</b>			
Primary Government Net OPEB Liability	\$ 19,473,453	\$ 23,228,957	\$ 28,058,473
Component Units Net OPEB Liability	261,203	311,576	376,355
Fiduciary Component Unit Net OPEB Liability	313	373	\$ 451
	<b><u>RTHP</u></b>		
	<b>1% Decrease in Trend Rates <u>3.50%</u></b>	<b>Current Trend Rate <u>4.50%</u></b>	<b>1% Increase in Trend Rates <u>5.50%</u></b>
RTHP Net OPEB Liability	\$ 2,296,392	\$ 2,810,895	\$ 3,521,815

*c. GASB Statement 75 Employer Reporting  
Employer Contributions*

The following table presents the primary government's and component units' contributions recognized by the OPEB plans at the reporting date June 30, 2021 (amounts in thousands):

	SEOPEBP	RTHP	Total
Primary Government	\$ 858,605	\$ 29,411	\$ 888,016
Component Units	9,236	-	9,236
Fiduciary Component Unit	229	-	229
Total Employer Contributions	<u>\$ 868,070</u>	<u>\$ 29,411</u>	<u>\$ 897,481</u>

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post Employees Benefits*

As of the measurement date June 30, 2020, the primary government and component units reported net OPEB liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units	Fiduciary Component Unit
Proportionate Share of the Net OPEB Liability			
State Employees' OPEB Plan	\$ 23,228,958	\$ 311,576	\$ 373
Net OPEB Liability			
Retired Teachers' Health Plan	2,810,895	-	-
Total Net OPEB Liability	<u>\$ 26,039,853</u>	<u>\$ 311,576</u>	<u>\$ 373</u>

The primary government's and component units' proportions of the collective net OPEB liability for the State Employees' OPEB Plan as of the measurement date June 30, 2020 as follows (amounts in thousands):

	Primary Government	Component Units
State Employees' OPEB Plan		
Proportion-June 30, 2020	98.67%	1.33%

For the measurement date June 30, 2020, the primary government and component units' recognized OPEB expense (income) for the following OPEB plan administered by the State as follows (amounts in thousands):

	Primary Government	Component Units	Fiduciary Component Unit
OPEB Expense (Income)			
State Employees' OPEB Plan	\$ 2,296,617	\$ 26,648	\$ 95
Retired Teachers' Health Plan	129,842	-	-
	<u>\$ 2,426,459</u>	<u>\$ 26,648</u>	<u>\$ 95</u>

**Deferred Outflows and Inflows of Resources**

As of the reporting date June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to the OPEB plans from the following sources:

	Primary		Component Units		Fiduciary	
	Government		Component Units		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>State Employees' OPEB Plan</b>						
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	\$ 45,804	\$ -	\$ 614	\$ -	\$ 1	\$ -
Net Difference Between Expected and Actual Experience in the Total OPEB Liability	-	-	-	-	-	-
Change in Assumptions	3,855,772	451,088	53,757	6,051	62	7
Change in Proportion	43,106	24,436	25,929	44,500	245	-
Employer Contributions Subsequent to Measurement Date	858,605	-	9,236	-	229	-
Total	<u>\$ 4,803,287</u>	<u>\$ 1,011,705</u>	<u>\$ 89,536</u>	<u>\$ 58,056</u>	<u>\$ 537</u>	<u>\$ 16</u>
<b>Retired Teachers' Health Plan</b>						
Difference Between Expected and Actual Experience	\$ 184,854	\$ 503,816				
Change in Assumptions	675,428	306,546				
Differences between projected and actual earnings on plan investments	1,667	-				
Employer Contributions Subsequent to Measurement Date	29,411	-				
Total	<u>\$ 891,360</u>	<u>\$ 810,362</u>				

The amount reported as deferred outflows of resources related to OPEB resulting from the State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability reported in the following fiscal year. The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows (amounts in thousands):

<u>State Employees' OPEB Plan</u>	Primary	Component	Fiduciary
<u>Year</u>	<u>Government</u>	<u>Units</u>	<u>Component Unit</u>
1	\$ 698,339	\$ 5,699	\$ 69
2	757,155	6,455	70
3	869,385	9,344	72
4	521,056	1,250	66
5	87,042	(502)	14
	<u>\$ 2,932,977</u>	<u>\$ 22,246</u>	<u>\$ 291</u>
<b>Retired Teachers' Health Plan</b>			
<u>Year</u>	<u>Primary Government</u>		
1	\$ (5,985)		
2	(6,289)		
3	(6,445)		
4	(6,047)		
5	39,352		
Thereafter	37,001		
	<u>\$ 51,587</u>		

**Changes in Net OPEB Liability**

The following schedule presents changes in the State's OPEB liability and fiduciary net position for each plan for the measurement date June 30, 2020 (amounts in thousands):

<b>Total OPEB Liability</b>	<b>SEOPEBP</b>	<b>RTHP</b>
Service Cost	\$ 901,280	\$ 93,324
Interest	735,707	97,264
Difference between expected and actual experience	(711,743)	(586,004)
Changes of assumptions	4,817,956	626,595
Benefit payments	(623,104)	(67,383)
<b>Net change in total OPEB liability</b>	<b>5,120,096</b>	<b>163,796</b>
<b>Total OPEB liability - beginning</b>	<b>19,958,005</b>	<b>2,719,040</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 25,078,101</b>	<b>\$ 2,882,836</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 867,222	\$ 29,173
Contributions - member	159,377	53,221
Net investment income	33,373	849
Benefit payments	(623,104)	(67,383)
Administrative expense	-	(372)
Other	(95,682)	-
<b>Net change in plan fiduciary net position</b>	<b>341,186</b>	<b>15,488</b>
<b>Plan fiduciary net position - beginning</b>	<b>\$ 1,196,008</b>	<b>\$ 56,453</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,537,194</b>	<b>\$ 71,941</b>
<b>Net OPEB liability - ending (a)-(b)</b>	<b>\$ 23,540,907</b>	<b>\$ 2,810,895</b>

**d. Other OPEB Plan**

The State acts solely as the administrator and custodian of the assets of the Policemen and Firemen Survivors' Benefit Fund (PFSBF). The State makes no contribution to and has only a fiduciary responsibility for this fund. The fund does not issue stand-alone financial statements. However, financial statements for this fund are presented in Note No. 14.

**Plan Description**

PFSBF is a cost-sharing multiple-employer defined benefit OPEB plan that covers policemen and firemen of participating municipalities in the State. As of the most recent actuarial report there were 7 municipalities participating in the plan with a total membership of 668 active members. The plan provides survivor benefits upon the death of an active or retired member of the fund to his spouse and dependent children. Plan benefits, contribution requirements of plan members and participant municipalities, and other plan provisions are described in Sections 7-323a to 7-323i of the General Statutes.

**Contributions**

Plan members are required to contribute one percent of their annual salary. Participating municipalities are required to contribute at an actuarially determined rate. Administrative costs of the plan are financed by participating municipalities.

## Note 14

### OPEB Trust Funds Financial Statements

The financial statements of the OPEB trust funds are prepared using the accrual basis of accounting. Plan member and municipality contributions are recognized in the period in which they are due. State contributions are recognized in the period they are appropriated. Benefits are recognized when due and payable in accordance with the terms of each plan. Investment income and related investment expense of the Combined Investment Funds are allocated ratably to the PFSBF trust fund based on the fund's equity in the Combined Investment Funds.

<b>Statement of Fiduciary Net Position (thousands)</b>				
	<b>State Employees' OPEB Plan</b>	<b>Retired Teachers' Healthcare Plan</b>	<b>Policemen, Firemen, and Survivors' Benefits</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 198,503	\$ 118,366	\$ 170	\$ 317,039
Receivables:				
From Other Funds	26	1,905	-	1,931
Interest	-	-	1	1
Investments	2,050,349	-	47,611	2,097,960
Securities Lending Collateral	117,096	-	2,718	119,814
Total Assets	<u>\$ 2,365,974</u>	<u>\$ 120,271</u>	<u>\$ 50,500</u>	<u>\$ 2,536,745</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 49,333	\$ 14,356	\$ -	\$ 63,689
Securities Lending Obligation	117,096	-	2,718	119,814
Total Liabilities	<u>\$ 166,429</u>	<u>\$ 14,356</u>	<u>\$ 2,718</u>	<u>\$ 183,503</u>
<b>Net Position</b>				
Held in Trust For Employee				
Pension and Other Benefits	\$ 2,199,545	\$ 105,915	\$ 47,782	\$ 2,353,242
<b>Total Net Position</b>	<u>\$ 2,199,545</u>	<u>\$ 105,915</u>	<u>\$ 47,782</u>	<u>\$ 2,353,242</u>

<b>Statement of Changes in Fiduciary Net Position (thousands)</b>				
	<b>State Employees' OPEB Plan</b>	<b>Retired Teachers' Healthcare Plan</b>	<b>Policemen, Firemen, and Survivors' Benefit</b>	<b>Total</b>
<b>Additions</b>				
Contributions:				
Plan Members	\$ 147,037	\$ 106,833	\$ 687	\$ 254,557
State	868,070	29,411	-	897,481
Municipalities	-	-	974	974
Total Contributions	<u>1,015,107</u>	<u>136,244</u>	<u>1,661</u>	<u>1,153,012</u>
Investment Income	394,328	82,254	10,102	486,684
Less: Investment Expenses	(4,556)	-	(601)	(5,157)
Net Investment Income	<u>389,772</u>	<u>82,254</u>	<u>9,501</u>	<u>481,527</u>
Total Additions	<u>1,404,879</u>	<u>218,498</u>	<u>11,162</u>	<u>1,634,539</u>
<b>Deductions</b>				
Administrative Expense	-	30,717	-	30,717
Benefit Payments and Refunds	637,221	153,716	1,323	792,260
Other	105,307	91	-	105,398
Total Deductions	<u>742,528</u>	<u>184,524</u>	<u>1,323</u>	<u>928,375</u>
Changes in Net Assets	662,351	33,974	9,839	706,164
<b>Net Position Held in Trust For</b>				
<b>    Other Postemployment Benefits:</b>				
Beginning of Year	1,537,194	71,941	37,943	1,647,078
End of Year	<u>\$ 2,199,545</u>	<u>\$ 105,915</u>	<u>\$ 47,782</u>	<u>\$ 2,353,242</u>

## Note 15

### Capital and Operating Leases

#### *State as Lessor*

The State leases building space, land, and equipment to private individuals. The minimum future lease revenues for the next five years and thereafter are as follows (amounts in thousands):

2022	\$	30,701
2023		18,351
2024		15,496
2025		15,287
2026		14,757
Thereafter		70,948
Total	\$	165,540

Contingent revenues for the year ended June 30, 2021, were \$764 thousand. The contingent revenue amount represents rental revenue which was paid in addition to the minimum lease revenues.

#### *State as Lessee*

Obligations under capital and operating leases as of June 30, 2021, were as follows (amounts in thousands):

	Noncancelable Operating Leases	Capital Leases
2022	\$ 34,362	\$ 7,211
2023	14,585	6,329
2024	34,779	4,966
2025	24,569	3,705
2026	15,598	2,028
2027-2031	12,816	6,101
2032-2036	4,067	-
2037-2041	3,042	-
Total minimum lease payments	<u>\$ 143,818</u>	30,340
Less: Amount representing interest costs		<u>13,829</u>
Present value of minimum lease payments		<u>\$ 16,511</u>

Minimum capital lease payments were discounted using interest rates ranging from .309 percent to 6.27 percent.

Rental payments on noncancelable operating leases charged to expenses during the year ended June 30, 2021, were \$34.4 million.

## Note 16

### Long-Term Liabilities

The following is a summary of changes in long-term debt of the primary government for the year ended June 30, 2021 (amounts in thousands):

Governmental Activities	Beginning			Ending Balance	Amounts due within one year
	Balance	Additions	Reductions		
<b>Bonds:</b>					
General Obligation	\$ 18,480,218	\$ 1,891,605	\$ 1,808,993	\$ 18,562,830	\$ 1,628,409
Direct Borrowings and Direct Placements	329,080	-	60,655	268,425	5,790
Transportation	6,424,705	886,695	352,135	6,959,265	378,845
	25,234,003	2,778,300	2,221,783	25,790,520	2,013,044
Plus (Less) Premiums	2,140,036	443,601	229,241	2,354,396	229,241
<b>Total Bonds</b>	<b>27,374,039</b>	<b>3,221,901</b>	<b>2,451,024</b>	<b>28,144,916</b>	<b>2,242,285</b>
<b>Other L/T Liabilities:<sup>1</sup></b>					
Net Pension Liability (Note 10)	39,840,819	7,078,938	4,368,297	42,551,460	-
Net OPEB Liability (Note 10)	23,023,169	4,860,566	1,843,509	26,040,226	-
Compensated Absences	531,881	80,722	34,762	577,841	33,470
Workers' Compensation	797,164	119,940	104,459	812,645	101,015
Capital Leases	15,132	5,645	4,266	16,511	7,211
Claims and Judgments	39,425	6,868	2,285	44,008	9,188
Landfill Post Closure Care	32,103	-	2,516	29,587	2,516
Contracts Payable & Other	705	-	-	705	-
Non-exchange Financial Guarantees	487,655	-	34,470	453,185	34,410
<b>Total Other Liabilities</b>	<b>64,768,053</b>	<b>12,152,679</b>	<b>6,394,564</b>	<b>70,526,168</b>	<b>187,810</b>
<b>Governmental Activities Long-Term Liabilities</b>					
	<b>\$ 92,142,092</b>	<b>\$ 15,374,580</b>	<b>\$ 8,845,588</b>	<b>\$ 98,671,084</b>	<b>\$ 2,430,095</b>
<sup>1</sup> In prior years, the General and Transportation funds have been used to liquidate other liabilities.					
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 1,588,254	\$ 99,751	\$ 239,030	\$ 1,448,975	\$ 78,055
Plus/(Less) Premiums and Discounts	204,122	568	28,051	176,639	1,784
<b>Total Revenue Bonds</b>	<b>1,792,376</b>	<b>100,319</b>	<b>267,081</b>	<b>1,625,614</b>	<b>79,839</b>
Compensated Absences	196,440	56,066	39,310	213,196	51,450
Other	304,731	43,689	25,600	322,820	23,585
<b>Total Other Liabilities</b>	<b>501,171</b>	<b>99,755</b>	<b>64,910</b>	<b>536,016</b>	<b>75,035</b>
<b>Business-Type Long-Term Liabilities</b>	<b>\$ 2,293,547</b>	<b>\$ 200,074</b>	<b>\$ 331,991</b>	<b>\$ 2,161,630</b>	<b>\$ 154,874</b>
<b>Primary Government Long-Term Liabilities</b>	<b>\$ 94,435,639</b>	<b>\$ 15,574,654</b>	<b>\$ 9,177,579</b>	<b>\$ 100,832,714</b>	<b>\$ 2,584,969</b>

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately \$31.8 million. This liability represents the State's share of the cost of cleaning up certain polluted sites in the state under federal and state superfund regulations. The liability was estimated using the cash flow technique and could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort. In addition, there are other polluted sites in the state that require remedial action by the State that will result in additional cleanup costs. The State did not recognize a liability for these costs at year end because it could not be reasonably estimated.

As of June 30, 2021, long-term debt of component units consisted of the following (amounts in thousands):

<b>Long-Term Debt</b>	<b>Balance June 30, 2021</b>	<b>Amounts due within year</b>
Bonds Payable (includes premiums/discounts)	\$ 5,601,191	\$ 480,414
Escrow Deposits	192,371	37,603
Annuities Payable	126,851	4,901
Rate Swap Liability	189,755	-
Net Pension Liability	266,596	-
Net Post Employment Liability	312,575	-
Other	347,018	297,270
Total	<u>\$ 7,036,357</u>	<u>\$ 820,188</u>

Not all component units report net pension liabilities and OPEB liabilities; therefore, the notes show a higher liability for the net pension liability of \$8,461 and a higher net OPEB liability of \$10,889 than the financial statements.

#### Landfill Closure and Postclosure Care

Public Act 13-247 and section 99 of Public Act 13-184 required the Materials Innovation and Recycling Authority to transfer all legally required reserves and obligations resulting from the closure of the authority's landfills located in Hartford, Ellington, Waterbury, Wallingford and Shelton to the State Department of Energy and Environmental Protection (DEEP). During the year ended June 30, 2014, the legal transfer of \$35.8 million in post closure care obligations and the concurrent transfer of \$31.0 million of Authority reserve funds to the State resulting from the closure of landfills was addressed by a memorandum of understanding ("MOU") between the Authority and DEEP.

By the end of the year ended June 30, 2015, all work associated with the closure of the five landfills was completed. Going forward DEEP is required to reimburse the authority for all postclosure care obligations as the five landfills are now certified as closed. All landfill expense reimbursements paid by DEEP totaled \$2,515,7 in FY 2021.

GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost* applies to closure and postclosure care costs that are paid near or after the date a landfill stops accepting waste. The State recognizes landfill expenditures and related General Fund liabilities using the modified accrual basis of accounting. DEEP estimates the State's landfill liability for closure and postclosure costs based on landfill capacity. Increases or decreases in such estimates are reported as additions or reductions in this line item of the State's long-term liabilities. The liability for these estimated costs is reduced when the costs are actually paid. Actual costs may be higher than estimated due to inflation or changes in permitted capacity, technology or regulation. As of June 30, 2013, all five of the landfills had no capacity available since 100 percent of their capacity had been used.

## Note 17

### Long-Term Notes and Bonded Debt

#### a. Primary Government – Governmental Activities

##### *General Obligation Bonds*

General Obligation bonds are those bonds that are paid out of the revenues of the General Fund and are supported by the full faith and credit of the State. General Obligation bonds outstanding and bonds authorized but unissued as June 30, 2021, were as follows (amounts in thousands):

Purpose of Bonds	Final Dates	Original Rates	Outstanding	Authorized
				But Unissued
Capital Improvements	2021-2041	.45-5.632%	\$ 3,948,418	\$ 656,937
School Construction	2021-2041	2.00-5.632%	4,765,970	3,003
Municipal & Other				
Grants & Loans	2021-2037	.31-5.632%	2,852,325	984,283
Housing Assistance	2021-2035	1.89-5.350%	704,309	167,951
Elimination of Water				
Pollution	2021-2038	3.00-5.09%	500,760	34
General Obligation				
Refunding	2021-2038	1.50-5.00%	2,973,688	-
GAAP Conversion	2021-2027	4.00-5.00%	344,875	-
Pension Obligation	2022-2032	5.69-6.27%	2,197,477	-
Miscellaneous	2021-2034	3.50-5.10%	62,900	72,085
			18,350,722	\$ 1,884,293
Accretion-Various Capital Appreciation Bonds			212,108	
		Total	\$ 18,562,830	

Future amounts needed to pay principal and interest on as General Obligation bonds outstanding as June 30, 2021, were as follows (amounts in thousands):

Year Ending	June 30,		
	Principal	Interest	Total
2022	\$ 1,628,409	\$ 852,423	\$ 2,480,833
2023	1,651,486	795,817	2,447,303
2024	1,549,119	753,669	2,302,788
2025	1,492,012	690,327	2,182,340
2026	1,468,575	540,391	2,008,966
2027-2031	6,384,660	1,740,698	8,125,358
2032-2036	3,271,900	516,073	3,787,973
2037-2041	904,560	75,959	980,519
Total	\$ 18,350,722	\$ 5,965,358	\$ 24,316,080

##### *Direct Borrowing and Direct Placements*

On June 28, 2017, the State issued direct placement debt raising cash from a non-public offering based on a contractual agreement. The State entered into the agreement to take advantage of various favorable terms and at a substantially lower cost than if the State used a traditional public offering. Direct placement debt outstanding as of June 30, 2021 is as follows:

Type of debt	Final	Original	Amount Outstanding
	Maturity Dates	Interest Rates	
Direct Placements	2041	2.45%	\$ 268,425

Future amounts required to pay principal and interest on direct borrowings and direct placements outstanding as June 30, 2021 were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 5,790	\$ 9,704	\$ 15,494
2023	15,790	9,494	25,284
2024	15,790	8,935	24,725
2025	15,790	8,341	24,131
2026	15,790	7,782	23,572
2027-2031	118,155	26,487	144,642
2032-2036	72,240	8,992	81,232
2037-2041	9,080	328	9,408
Total	\$ 268,425	\$ 80,063	\$ 348,488

### *GO Demand Bonds*

The State enters into standby bond purchase and remarketing agreements with brokerage firms and/or banks upon the issuance of demand bonds. The State issued demand bonds as General Obligation Tax Exempt 2016 Series C bonds maturing in 2034.

Under the Standby Bond Purchase Agreement, the Bank would purchase the put bonds and hold them until they were remarketed. The Bank Bonds would bear a base rate for a period up to 270 days and base rate plus 1.0 percent thereafter. The State is required to pay the standby bond purchase provider a quarterly fee of .37 percent of the principal and interest commitment.

The State's remarketing agent is responsible for using its best efforts to remarket bonds properly tendered for purchase by bondholders. The State is required to pay the remarketing agent a quarterly fee of .06 percent per annum on the amount of outstanding demand bond principal.

Term out funding would commence on the 271<sup>st</sup> day following the bank purchase date. The outstanding bank bonds would be amortized on a quarterly basis for a three-year period as shown below. The interest on the bonds would be calculated at a rate determined per the Standby Bond Purchase Agreement (base rate plus 1 percent). For example, at the end of fiscal year 2021, the calculated rate was 6.0 percent, based on the terms of the agreement. The standby bond purchase agreement expires on June 13, 2022. The agreement could be terminated at an earlier date if certain termination events described in the agreement were to occur. As of June 30, 2021, the amount of demand bonds outstanding was \$241,465,000. The table below shows the debt service requirements should the bond holders exercise their option in the full amount of the outstanding demand bonds.

Fiscal Year	Beginning Banked Bonds		Interest		Total Debt Service	Ending Bank Bonds Outstanding
	Outstanding	Principal				
First	\$ 241,465,000	\$ 80,488,333	\$ 12,676,913	\$ 93,165,246	\$ 160,976,667	
Second	160,976,667	80,488,333	7,847,613	88,335,946	80,488,334	
Third	89,335,000	80,488,333	3,018,313	83,506,646	8,846,667	

### *Transportation Related Bonds*

Transportation Related bonds include special tax obligation bonds that are paid out of revenues pledged or earned in the Transportation Fund. The revenue pledged or earned in the Transportation Fund to pay special tax obligation bonds is transferred to the Debt Service Fund for retirement of principal and interest.

Transportation Related bonds outstanding and bonds authorized but unissued as June 30, 2021, were as follows (amounts in thousands):

Purpose of Bonds	Final	Original	Amount Outstanding	Authorized
	Maturity Dates	Interest Rates		But Unissued
Infrastructure				
Improvements	2021-2041	3.00-5.740%	\$ 6,496,955	\$ 3,652,960
STO Refunding	2021-2029	3.00-5.00%	462,310	-
			6,959,265	\$ 3,652,960
Accretion-Variou Capital Appreciation Bonds			-	
		Total	\$ 6,959,265	

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30, 2021, were as follows (amounts in thousands):

Year Ending				
June 30,	Principal	Interest	Total	
2022	\$ 378,845	\$ 333,099	\$ 711,944	
2023	401,270	316,103	717,373	
2024	414,125	297,446	711,571	
2025	424,585	276,673	701,258	
2026	418,715	254,826	673,541	
2027-2031	2,172,720	947,108	3,119,828	
2032-2036	1,859,145	434,310	2,293,455	
2037-2041	889,860	90,740	980,600	
	<u>\$ 6,959,265</u>	<u>\$ 2,950,305</u>	<u>\$ 9,909,570</u>	

#### b. Primary Government – Business–Type Activities

##### Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the Enterprise funds and Component Units.

Enterprise funds' revenue bonds outstanding as June 30, 2021, were as follows (amounts in thousands):

Funds	Dates	Rates	(000's)
UConn	2022-2051	1.5-5.25%	\$ 200,915
Board of Regents	2022-2041	2.0-5.25%	319,810
Clean Water	2022-2039	1.0-5.0%	793,492
Drinking Water	2022-2039	1.0-5.0%	134,758
Total Revenue Bonds			1,448,975
Plus/(Less) premiums and discounts:			
UConn			25,094
Board of Regents			14,792
Clean Water			114,248
Drinking Water			22,505
Revenue Bonds, net			<u>\$ 1,625,614</u>

The University of Connecticut has issued student fee revenue bonds to finance the costs of buildings, improvements, and renovations to certain revenue-generating capital projects. Revenues used for payments on the bonds are derived from various fees charged to students.

The Connecticut State University System has issued revenue bonds that finance the costs of auxiliary enterprise buildings, improvements, and renovations to certain student housing related facilities. Revenues used for payments on the bonds are derived from various fees charged to students.

In 1994, the State of Connecticut began issuing Clean Water Fund revenue bonds. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities for use in connection with the financing or refinancing of wastewater treatment projects. Details on these agreements are disclosed under the separately issued audited financial statements of the fund.

Future amounts needed to pay principal and interest on revenue bonds outstanding as June 30, 2021, were as follows (amounts in thousands):

Year Ending				
June 30,	Principal	Interest	Total	
2022	\$ 78,055	\$ 63,927	\$ 141,982	
2023	85,965	60,236	146,201	
2024	93,130	56,550	149,680	
2025	318,894	146,783	465,677	
2026	265,480	82,302	347,782	
2076-2031	322,556	90,707	413,263	
2032-2036	165,625	41,397	207,022	
2037-2041	65,615	19,736	85,351	
2042-2046	36,285	9,436	45,721	
2047-2051	17,370	924	18,294	
Total	<u>\$ 1,448,975</u>	<u>\$ 571,998</u>	<u>\$ 2,020,973</u>	

**c. Component Units**

Component Units' revenue bonds outstanding as June 30, 2021, were as follows (amounts in thousands):

<b>Component Unit</b>	<b>Final Maturity Date</b>	<b>Interest Rates</b>	<b>Amount Outstanding (000's)</b>
CT Housing Finance Authority	2020-2060	0.0-6.274%	\$ 4,851,339
CT Student Loan Foundation	2046	0.01-1.655%	121,825
CT Higher Education Supplemental Loan Authority	2025-2037	1.65-5.25%	166,740
CT Airport Authority	2022-2050	2.8-5%	237,880
CT Regional Development Authority	2022-2034	1.00-5.0%	66,895
UConn Foundation	2022-2025	1.00-2.92%	7,275
CT Green Bank	2022-2038	.95-7.04%	87,848
Total Revenue Bonds			5,539,802
Plus/(Less) premiums and discounts:			
CHFA			48,368
CSLF			(201)
CHESLA			8,707
CAA			3,083
UConn Foundation			(71)
CRDA			1,503
Revenue Bonds, net			\$ 5,601,191

Revenue bonds issued by the Component Units do not constitute a liability or debt of the State. The State is only contingently liable for those bonds as discussed below.

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated September 27, 1972; a special needs indenture dated September 25, 1995, and other bond resolutions dated October 2009. As of December 31, 2020, bonds outstanding under the bond resolution, the indenture, and other bond resolutions were \$4,749.6 million, \$60.6 million, and \$89.5 million, respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's General fund, and (3) all monies and securities of the Authority's General and Capital Reserve funds. The resolution and indenture Capital Reserve funds are required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in any succeeding calendar year on all outstanding bonds. The required reserves are \$378.2 million per the resolution and \$5.2 million per the indenture as of December 31, 2020. As of December 31, 2020, the Authority has entered into interest rate swap agreements for \$930.7 million of its outstanding variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority.

Materials Innovation and Recycling Authority's revenue bonds are 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 bond indentures.

Connecticut Higher Education Supplemental Loan Authority's revenue bonds are issued to provide loans to students, their parents, and institutions of higher education to assist in the financing of the cost of higher education. These loans are issued through the Authority's Bond fund. According to the bond resolutions, the Authority internally accounts for each bond issue in separate funds, and additionally, the Bond fund includes individual funds and accounts as defined by each bond resolution.

**Capital Reserves**

Each Authority has established special capital reserve funds that secure all the outstanding bonds of the Authority at year-end. These funds are usually maintained at an amount equal to next year's bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year if the Authority is unable to do so.

The Capital Region Development Authority revenue bonds are issued to provide sufficient funds for carrying out its purposes. The bonds are not debt of the State of Connecticut. However, the Authority and the State have entered a contract for financial assistance, pursuant to which the State will be obligated to pay principal and interest on the bonds in an amount not to exceed \$9.0 million in any calendar year. The bonds are secured by energy fees from the central utility plant and by parking fees.

Future amounts needed to pay principal and interest on Component Unit revenue bonds outstanding as June 30, 2021, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2022	\$ 262,949	\$ 169,799	\$ 432,748
2023	214,852	162,825	377,677
2024	218,644	157,359	376,003
2025	215,883	150,808	366,691
2026	213,045	144,213	357,258
2027-2031	1,111,622	618,477	1,730,099
2032-2036	1,021,603	438,684	1,460,287
2037-2041	795,807	287,311	1,083,118
2042-2046	862,570	201,613	1,064,183
2047-2051	508,620	51,360	559,980
2052-2056	73,667	14,037	87,704
2057-2061	40,540	2,209	42,749
	\$ 5,539,802	\$ 2,398,695	\$ 7,938,497

#### ***No-commitment debt***

Under the Self-Sustaining Bond program, acquired from its combination with the Connecticut Development Authority, Connecticut Innovations, Inc., issues revenue bonds to finance such projects as described previously in the Component Unit section of this note. These bonds are paid solely from payments received from participating companies (or from proceeds of the sale of the specific projects in the event of default) and do not constitute a debt or liability of the Authority or the State. Thus, the balances are not included in the Authority's financial statements. Total bonds outstanding for the year ended June 30, 2021 were \$297.5 million.

The Connecticut Health and Educational Facilities Authority has issued Special Obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has a fiduciary responsibility. Total Special Obligation bonds outstanding as of June 30, 2021, were \$8,303.0 million, of which \$319.8 million was secured by special capital reserve funds.

#### ***d. Debt Refundings***

During the fiscal year the State issued General Obligation UConn 2000 and Special Tax Obligation bonds of \$300 million at an average coupon interest rate of 4.38 percent to refund \$328.8 million of General Obligation UConn 2000 and Special Tax Obligation bonds. The State reduced its fund level debt service payments by \$38.1 million over the next 10 years.

Once the refunding bond proceeds were delivered, the State entered into escrow agreements with escrow holders, to provide for the redemption of the refunded bonds. The refunding proceeds were deposited in an escrow holder's account of the State's Short-Term Investment Fund until needed for redemption of the refunded bonds. Thus, the refunded bonds were removed from the State's financial statements as they are considered defeased.

#### ***e. Nonexchange Financial Guarantee***

In March 2018, the State entered a Contract for Financial Assistance with the City of Hartford, according to Section 376 of Public Act 17-2 of the June Special Session guaranteeing \$540,080,000 of outstanding general obligation bonds of the City of Hartford, with maturity dates ranging from July 1, 2028 through July 15, 2035, and semiannual interest payments. The contract assistance is limited to an amount equal to (1) the annual debt service on the outstanding amount of (A) refunding bonds to be issued by the City of Hartford pursuant to section 7-370c of the general statutes, or (B) any other bonds or notes issued by the City of Hartford, provided such refunding bonds or other bonds or notes are for payment, funding, refunding, redemption, replacement or substitutions of bonds, notes or other obligations previously issued by the City of Hartford, and (2) cost of issuance on any such refunding bonds and any other expenses that result directly from the refunding of debt. The Act also establishes that the City of Hartford must be under the supervision of the Municipal Accountability Review Board of the State and that the City may not issue any new debt without the board's approval. The State Representatives, defined by the contract as the Secretary of the Office of Policy and Management and the State Treasurer, may agree to provide credit support to the City of Hartford, including, but not limited to, assuming all or part of any bonds, notes, or other obligations of the City or issuance of new State obligations in replacement of such bonds, notes, or other obligations, provided such credit support does not exceed the amount of contract assistance that could otherwise be provided by the State to the City.

In April 2018, because of the possibility that the City of Hartford would declare bankruptcy, the State of Connecticut began making contract assistance payments for the City of Hartford's then outstanding \$540 million general obligation debt. During fiscal year 2021, the State of Connecticut has paid \$34,470,000 in principal and \$21,844,629 in interest on the guarantee.

The liability recognized for nonexchange financial guarantees by the State of Connecticut at June 30, 2021 is as follows (amounts in thousands):

Beginning of Year	Increases	Decreases	End of Year
\$ 487,655	\$ -	\$ 34,470	\$ 453,185

## Note 18 Risk Management

The risk financing and insurance program of the State is managed by the State Insurance and Risk Management Board. The Board is responsible mainly for determining the method by which the State shall insure itself against losses by the purchase of insurance to obtain the broadest coverage at the most reasonable cost, determining whether deductible provisions should be included in the insurance contract, and whenever appropriate determining whether the State shall act as self-insurer. The schedule lists the risks of loss to which the State is exposed and the ways in which the State finances those risks.

Risk of Loss	Risk Financed by	
	Purchase of Commercial Insurance	Self- Insurance
Liability (Torts):		
-General (State buildings, parks, or grounds)		X
-Other	X	
Theft of, damage to, or destruction of assets	X	
Business interruptions	X	
Errors or omissions:		
-Professional liability	X	
-Medical malpractice (John Dempsey Hospital)		X
Injuries to employees		X
Natural disasters	X	

For the general liability risk, the State is self-insured because it has sovereign immunity. This means that the State cannot be sued for liability without its permission. For other liability risks, the State purchases commercial insurance only if the State can be held liable under a statute (e.g., per Statute the State can be held liable for injuries suffered by a person on a defective State highway), or if it is required by a contract.

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than \$100 thousand. When purchasing commercial insurance, the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries many insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is \$25 million, which is carried in a railroad liability policy.

The State records its risk management activities related to the medical malpractice risk in the University of Connecticut and Health Center fund, an Enterprise fund. At year-end, liabilities for unpaid claims are recorded in the statement of net position (government-wide and proprietary fund statements) when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The liabilities are determined based on the ultimate cost of settling the claims, including an amount for claims that have been incurred but not reported and claim adjustment expenses. The liabilities are actuarially determined and the unpaid liability for medical malpractice is reported at its present value, using a discount rate of 5 percent. In the General Fund, the liability for unpaid claims is only recorded if the liability is due for payment at year-end. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the claim's liabilities during the last two fiscal years were as follows (amounts in thousands):

	<u>Activities</u> <u>Workers'</u> <u>Compensation</u>	<u>Activities</u> <u>Medical</u> <u>Malpractice</u>
Balance 6-30-19	\$ 771,753	\$ 12,158
Incurred claims	126,426	-
Paid claims	<u>(101,015)</u>	<u>(2,803)</u>
Balance 6-30-20	797,164	9,355
Incurred claims	119,940	37,289
Paid claims	<u>(104,459)</u>	<u>(4,974)</u>
Balance 6-30-21	<u>\$ 812,645</u>	<u>\$ 41,670</u>

## Note 19 Interfund Receivables and Payables

Interfund receivable and payable balances as June 30, 2021, were as follows (amounts in thousands):

	<u>General</u>	<u>Transportation</u>	<u>Accounts</u>	<u>Governmental</u>	<u>UConn</u>	<u>Regents</u>	<u>Security</u>	<u>Services</u>	<u>Fiduciary</u>	<u>Units</u>	<u>Total</u>
<u>Balance due from fund(s)</u>											
General	\$ -	\$ -	\$ 227	\$ 86	\$ 32,452	\$ 42,905	\$ 1,277	\$ 4,315	\$ 1,619,420	\$ 52	\$ 1,700,734
Debt Service	-	25	-	-	-	-	-	-	-	-	25
Restricted Grants & Accounts	5,173	-	-	-	-	-	-	-	-	7,158	12,331
Grant & Loan Programs	34	-	-	-	-	-	-	-	-	-	34
Other Governmental	2,979	-	-	9,316	4,962	51,954	-	-	-	-	69,211
UConn	35,340	-	-	-	-	-	-	-	-	-	35,340
Board of Regents	344	-	-	-	-	-	-	-	-	-	344
Employment Security	-	-	-	2,219	-	-	-	-	-	-	2,219
Internal Services	12,297	-	-	-	-	-	-	-	-	-	12,297
Fiduciary	-	-	-	-	-	-	-	-	1,903	-	1,903
Component Units	52,937	-	2,638	641	-	-	-	-	-	-	56,216
Total	<u>\$ 109,104</u>	<u>\$ 25</u>	<u>\$ 2,865</u>	<u>\$ 12,262</u>	<u>\$ 37,414</u>	<u>\$ 94,859</u>	<u>\$ 1,277</u>	<u>\$ 4,315</u>	<u>\$ 1,621,323</u>	<u>\$ 7,210</u>	<u>\$ 1,890,654</u>

Interfund receivables and payables arose because of interfund loans and other interfund balances outstanding at year end.

## Note 20 Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2021, consisted of the following (amounts in thousands):

	<u>Amount transferred to fund(s)</u>									
	<u>General</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>Restricted Grants &amp; Accounts</u>	<u>Other Governmental</u>	<u>UConn</u>	<u>Board of Regents</u>	<u>Clean Water &amp; Drinking Water</u>	<u>Component Units</u>	<u>Total</u>
<u>Amount transferred from fund(s)</u>										
General	\$ 1,241,460	\$ -	\$ -	\$ -	\$ 61,567	\$ 728,102	\$ 633,780	\$ -	\$ 496	\$ 2,665,405
Debt Service	-	13	1,172	358	-	-	-	-	-	1,543
Transportation	-	664,389	-	-	5,500	-	-	-	-	669,889
Restricted Grants & Accounts	8	-	-	-	-	-	-	-	-	8
Grants and Loans	-	-	-	91,158	-	-	-	-	-	91,158
Other Governmental	130,589	61,868	-	51,872	-	200,486	92,990	489	-	538,294
Employment Security	-	-	-	-	6,384	-	-	-	-	6,384
Total	<u>\$ 1,372,057</u>	<u>\$ 726,270</u>	<u>\$ 1,172</u>	<u>\$ 143,388</u>	<u>\$ 73,451</u>	<u>\$ 928,588</u>	<u>\$ 726,770</u>	<u>\$ 489</u>	<u>\$ 496</u>	<u>\$ 3,972,681</u>

Transfers were made to (1) move revenues from the fund that budget or statute requires to collect them to the fund that budget or statute requires to expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

**Note 21****Restatement of Net Position, Fund Balance Classifications, and Restricted Net Position****Restatement of Net Position**

In fiscal year 2021, Nonmajor Enterprise funds beginning net position has been restated by \$(17.9) million and Component Units beginning net position has been restated by \$17.9 million. This is the result of an operating agreement between Bradley Parking Garage and Connecticut Airport Authority. Prior to Fiscal Year 2021 Bradley Parking Garage was reported and audited separately from the Connecticut Airport Authority. As a result of this operating agreement Bradley Parking Garage merged with the Connecticut Airport Authority, which required a change in reporting.

During the year the Connecticut Innovations, Incorporated restated the prior year amount for deferred outflows relating to OPEB, this resulted in a restatement to the beginning net position to the Nonmajor Component Units by \$22 thousand. Also, the beginning net position of the Nonmajor Component Units was restated by \$65.0 million because of the State including the Connecticut Port Authority as a Nonmajor Component Unit.

During the year ended June 30, 2021 the State adopted new accounting guidance by implementing the provisions of GASB 84 *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of financial statements by reclassifying Paid Family Medical Leave Authority from a Nonmajor Permanent fund to a Fiduciary Component Unit as a result the beginning net position of Nonmajor Permanent funds has been restated by \$(4.5) million. Also, the statement required including accruals and ending net position to custodial funds which was not previously required. As a result of this change Fiduciary funds beginning net position has been restated by \$173.6 million.

**Fund Balance – Restricted and Assigned**

As of June 30, 2021, restricted and assigned fund balances of nonmajor governmental funds were comprised as follows (amounts in thousands):

	<b>Restricted Purposes</b>	<b>Assigned Purposes</b>
Capital Projects	\$ 952,805	\$ -
Environmental Programs	114,287	-
Housing Programs	586,369	-
Employment Security Administration	37,949	-
Banking	13,754	-
Other	462,926	24,255
Total	<u>\$ 2,168,090</u>	<u>\$ 24,255</u>

**Restricted Net Position**

As of June 30, 2021, the government-wide statement of net position reported \$8,469.8 million of restricted net position, of which \$384.7 million was restricted by enabling legislation.

**Note 22****Tax Abatements**

For financial purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefit the government or its citizens.

***Film, Television, and Digital Media Tax Program***

This program assists film, television, and digital media companies with direct financial assistance programs. Including but not limited to loans, grants, and job expansion tax credits structured to incentivize relocation to Connecticut and the growth and development of current Connecticut-based companies.

Beginning after January 1, 2010, (a) an eligible production company that incurs production expenses of not less than \$100 thousand, but not more than \$500 thousand, will be eligible for a credit against the tax imposed equal to ten percent of such production expenses,

(b) a production company incurring expenses of more than \$500 thousand, but not more than \$1 million, will be eligible for a credit against the tax imposed equal to fifteen percent of production expenses, and (c) a production company incurring expenses of more than \$1 million will be eligible for a credit against the tax imposed (chapter 207, section 12-217jj) equal to thirty percent of production expenses.

No eligible company incurring an amount of production expenses that qualifies for a tax credit shall be eligible unless on or after January 1, 2010, the company conducts (1) not less than fifty percent of principal filming days within the state, or (2) expends not less than fifty percent of postproduction costs within the state, or (3) expends not less than \$1 million of postproduction costs within the state.

An eligible production company shall apply to the Department of Economic and Community Development (DECD) for a tax credit voucher on an annual basis, but not later than ninety days after the first production expenses are incurred in the production of a qualified production and will provide with the application information that DECD may require to determine if the company is eligible to claim a credit.

#### ***Urban and Industrial Sites Reinvestment Tax Program***

This tax program is designed to encourage development and redevelopment activities in eligible communities and to encourage private investment in contaminated properties.

In accordance with Chapter 578 section 32-9t of the General Statutes taxpayers who make investments in eligible urban reinvestment projects or eligible industrial site investment projects may be allowed a tax credit against the tax imposed under chapter 207 and 212a or section 38a-743 in the General Statutes, an amount equal to the following percentage of approved investments made by or on behalf of a taxpayer with respect to the following income years of the taxpayer: (a) the income year in which the investment in the project was made and the next two succeeding income years, zero percent; (b) in the third full income year succeeding the year in which the investment was made and the three succeeding years, ten percent; (c) in the seventh full income year succeeding the year in which the investment in the eligible project was made and the next two succeeding years, twenty percent. The sum of all tax credits shall not exceed \$100 million to a single eligible urban reinvestment project or a single eligible industrial site investment project approved by the commissioner at DECD. The sum of all tax credits under the provisions of this section should not exceed \$950 million.

Tax credits allowed may be claimed by a taxpayer who has made an investment (1) directly only if the investment has a total asset value, either alone or combined with other investors in an eligible project, of not less than \$5 million or, in the case of an investment in an eligible project for the preservation of a historic facility and redevelopment of the facility for combined uses which includes at least four housing units, the total asset value should not be less than \$2 million; (2) an investment managed through a fund manager only if such fund: (a) has a total asset value of not less than \$60 million for the income year for which the initial credit is taken; and (b) has not less than three investors who are not related persons with respect to each other or to any person in which any investment is made other than through the fund at the date the investment is made; or (3) through a community development entity or a contractually bound community development entity. A tax credit made through a fund, should only be available for investments in funds that are not open to additional investments beyond the amount set forth at the formation of the fund.

#### ***Insurance Reinvestment Fund Program***

The purpose of the Insurance Reinvestment Fund Program is to capitalize on the base of local insurance expertise and help people laid off after the massive restructuring of the insurance industry. The program was also intended to encourage small insurance startups and specialty insurance businesses in Connecticut companies engaged in the insurance business or providing services to insurance companies.

In accordance with Chapter 698 section 38a-88 a tax credit is allowed against the tax imposed under chapter 207, 208, or 229 or section 38a-343 an amount equal to the following percentage of the moneys the taxpayer invested through a fund manager in an insurance business with respect to the following income years of the taxpayer: (a) in the initial income year in which the investment in the insurance business was made and two succeeding income years, zero percent; (b) with respect to the third full income year in which the investment in the insurance business was made and the next three succeeding income years, ten percent; (c) in the seventh full income year succeeding the year in which the investment in the insurance business was made and the next two succeeding income years, twenty percent. The sum of all tax credits shall not exceed \$15 million with respect to investment made by a fund or funds in any single insurance business, and with respect to all investments made by a fund shall not exceed the total amount originally invested in the fund. A fund manager may apply to the Commissioner of DECD for a credit that is greater than the limitations established by law.

The tax credit allowed may be claimed by a taxpayer who has invested in an insurance business through a fund (a) which has total assets of not less than \$30 million for the income year for which the initial credit is taken; (b) has not less than three investors who are not related persons with respect to each other or to any insurance business in which any investment is made other than through the fund at the date the investment is made; and (c) which invests only in insurance businesses that are not related persons to each other.

The credit allowed may only be claimed with respect to an insurance business which (a) occupies the new facility for which an eligibility certificate has been issued by the Commissioner of DECD, or the certificate has been issued as its home office, and (b) employs not less than twenty-five percent of its total work force in new jobs.

The maximum allowed credit shall be \$350 million in total and \$40 million per year.

***The Connecticut Neighborhood Assistance Act Credit Program (Conn. Gen. Stat. §§12-631 through 12-638)***

The Neighborhood Assistance Act tax credit may be earned by businesses that make cash investments of at least \$250 to certain community programs. The cash investments must be made in a community program that is proposed and conducted by a tax exempt or municipal agency and must be approved both by the municipality in which the program is conducted and the Department of Revenue Services.

This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

A tax credit equal to one hundred percent of the cash invested is available to businesses that invest in energy conservation projects and comprehensive college access loan forgiveness programs. A tax credit equal to sixty percent of the cash invested is available to businesses that invest in programs that provide: community-based alcoholism prevention or treatment programs; neighborhood assistance; job training; education; community services; crime prevention; construction or rehabilitation of dwelling units for families of low and moderate income in the state; funding for open space acquisitions; investment in child day care facilities; child care services; and any other program which serves persons at least seventy five percent of whom are at an income level not exceeding one hundred fifty percent of the poverty level for the preceding year.

Under the Connecticut Neighborhood Assistance Act there are several statutory limits which must be observed, including the following: (1) the total tax credits under the Neighborhood Assistance Act tax credit program are limited to \$150,000 annually for each business. The tax credit for investments in child day care facilities may not exceed \$50,000 per income year for each business; (2) the minimum contribution on which a tax credit can be granted is \$250; (3) any organization conducting a program or programs eligible to receive contributions under the Neighborhood Assistance Act tax credit program is limited to receiving a total of \$150,000 of funding for any program or programs for any fiscal year; (4) the cap on the total amount of credits that may be allowed annually is \$5 million. If the proposals submitted to the Department of Revenue Services claim credits in excess of the cap, such credits will be prorated among the approved organizations; (5) no business shall receive both the Neighborhood Assistance tax credit and the Housing Program Contribution tax credit for the same cash contribution; (6) no business can claim the tax credit for investments in child care facilities in an income year that the business claims the Human Capital Investment tax credit; (7) carryforward and carryback limitations, no carryforward is allowed any tax credit that is not taken in the income year in which the investment was made may be carried back to the two immediately preceding income years.

***Research and Development Expenditures***

This credit is based on the incremental increase in expenditures for research and experiments conducted in Connecticut. "Research and development expenses" refers to research or experimental expenditures deductible under Section 174 of the Internal Revenue Code of 1986, as of May 28, 1993, determined without regard to Section 280C(c) elections made by a taxpayer to amortize such expenses on its federal income tax return that were otherwise deductible, and basic research payments as defined under Section 41 of the Internal Revenue Code to the extent not deducted under said Section 174, provided: such expenditures and payments are paid or incurred for such research and experimentation and basic research conducted in the State of Connecticut; and such expenditures and payments are not funded, within the meaning of Section 41(d)(4)(H) of the Internal Revenue Code, by any grant, contract, or otherwise by a person or governmental entity other than the taxpayer unless such other person is included in a combined return with the person paying or incurring such expenses.

In accordance with Sec. 12-217n a tax credit may be applied against the Corporation Business Tax for research and development expenses conducted in Connecticut. A small business qualifies for the credit if it has gross income for the previous income year that does not exceed \$100 million, and has not, in the determination of the Commissioner of Economic and Community Development, met the gross income test through transactions with a related person. The amount of the credit increases ratably from one percent of the annual research and development expenses paid or incurred, where these expenses equal \$50 million or less, to six percent when expense exceed \$200 million.

Qualified small business may exchange unused amounts of this credit with the state for a cash payment of sixty-five percent of the value of the credit or carry forward the full value until fully taken. Credits are limited to \$1.5 million in any one income year.

***Historic Structures Rehabilitation (Conn. Gen. Stat. §10-416a)***

Beginning, July 1, 2014, no applications have been accepted for this program, no credits will be reserved under this program. Projects that previously would have been eligible for a credit under this program may be eligible for a credit under the Historic Rehabilitation Tax Credit program.

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a certified historic structure for residential use or to a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher.

The tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of the tax credit reserved upon certification of the rehabilitation plan or 25% of the actual qualified rehabilitation expenditures not exceeding \$2.7 million. The amount of the tax credit that may be claimed will be entered on the tax credit voucher issued by the Department of Economic and Community Development.

The tax credit may be carried forward for five years following the year in which the rehabilitated structure was placed in service. No carryback is allowed.

***Historic Preservation (Conn. Gen. Stat. §10-416b)***

Beginning, July 1, 2014, no applications have been accepted for this program, no credits will be reserved under this program. Projects that previously would have been eligible for a credit under this program may be eligible for a credit under the Historic Rehabilitation Tax Credit program.

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a qualified historic structure for nonresidential use or mixed residential and nonresidential use or a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher.

This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of twenty-five percent of the projected certified rehabilitation expenditures or twenty-five percent of the actual certified rehabilitation expenditures. If the project creates affordable housing units and the owner provides the Department of Economic and Community Development and the Department of Housing information to show that the owner is compliant with the affordable housing certificate, then the tax credit is equal to the lesser of thirty percent of the projected certified rehabilitation expenditures of thirty percent of the actual qualified rehabilitation expenditures.

The maximum tax credit allowed for any project shall not exceed \$5 million for any fiscal three-year period.

***Historic Rehabilitation (Conn. Gen. Stat. §10-416c)***

A tax credit administered by the Connecticut Department of Economic and Community Development is available for the qualified rehabilitation expenditures associated with the certified rehabilitation of a certified historic structure. No credit may be claimed until the Department of Economic and Community Development issues a tax credit voucher.

This tax credit can be used to offset the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

The tax credit is equal to twenty-five percent of the total qualified rehabilitation expenditures. The tax credit increases to thirty percent of the total qualified rehabilitation expenditures if the project includes a component with at least twenty percent of the rental units or ten percent of for-sale units qualify as affordable housing under Conn. Gen. Stat. §8-39a. The tax credit allowed for any project shall not exceed \$4.5 million.

The tax credit may be carried forward for five succeeding income years following the year in which the substantially rehabilitated structure was placed in service. No carryback is allowed.

***Enterprise Zone Property Tax Reimbursement Program***

The enterprise zone program offers various tax incentives and other benefits to businesses that start up or improve real property in areas designated as enterprise zones. This designation is one of several geographic designations the state uses to target economic development assistance (e.g., distressed municipalities).

In 1981, Connecticut became the first state to establish an enterprise zone program when the legislature authorized the DECD commissioner to designate six zones based on statutory criteria (PA 81-445). Over the past several decades, the legislature has made many changes to the program, including expanding the number of zones, changing the eligibility criteria for zone designation, and adding to the types of businesses eligible for benefits under the program.

In most instances, the legislature authorized the DECD commissioner to approve a specified number of zones according to broad eligibility criteria. For example, the initial two designation rounds authorized a total of 10 zones—four in municipalities with a population of 80,000 or more and six in municipalities with a population of fewer than 80,000. The proposed zones also had to meet specific poverty criteria (e.g., 25 percent of the proposed zone’s population had to be below the federal poverty level or unemployed). However, the legislature has shifted from this practice, authorizing additional zones based on narrower designation criteria. For example, in 1993 it authorized two additional enterprise zones in municipalities with a population of 80,000 or less that are affected by plant or military base closings (PA 93-331). In 2014, it required the commissioner to approve two additional zones based on population criteria tailored for two specific towns (Thomaston and Wallingford) (PA 14-217). It has also authorized the DECD commissioner to designate zones, under narrow criteria, in addition to those authorized in statute.

There are eighteen enterprise zones currently designated, and one (Wallingford) which has been authorized by the legislature but not yet designated by DECD. The designated enterprise zones are in the following towns: Bridgeport, Bristol, East Hartford, Groton, Hamden, Hartford, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich, Southington, Stamford, Thomaston, Waterbury, and Windham.

The zones’ benefits are generally available to businesses that start up in the zone or that improve property or relocate there. The benefits include: (1) a five-year, state-reimbursed, 80 percent property tax exemption for improving or acquiring manufacturing facilities (see below) and acquiring machinery and equipment. The state generally reimburses the municipality for half the forgone property tax revenue (CGS 12-81 (59)); (2) a 10-year, 25 percent corporate business tax credit attributed to facility improvements. The credit increases to 50 percent for certain businesses that meet resident employment criteria (CGS 12-217e); (3) a seven-year property tax exemption (100 percent in first two years, 50 percent in third, and a decrease to 10 percent in each of the remaining four years), with no state reimbursement, for commercial and residential real property improvements that do not qualify for the 5-year, 80 percent exemption (other than improvements to manufacturing facilities, as defined below) (CGS 32-71); (4) a 10-year corporate business tax credit (100 percent for first three years, 50 percent for next seven years) for starting a new business in an enterprise zone (business must employ a certain number of residents to qualify) (CGS 12-217v).

Many enterprise zone benefits are available only to manufacturing facilities, but the statutory definition of this term includes certain facilities used for non-manufacturing purposes (CGS 32-9p(d)). For the purpose of the enterprise zone program, manufacturing facilities refers to any plant, building, or other real property improvement that is located in an enterprise zone and used as follows: (1) for manufacturing, processing, or assembling raw materials, parts, or manufactured products; (2) for manufacturing-related research and development; (3) for servicing industrial machinery and equipment; (4) by a business that the commissioner determines (a) will materially contribute to the economy, or (b) is part of a group of industries linked by customer, supplier, or other relationships (CGS 32-222); or (5) by a business engaged in any of a number of specified industries, including fishing, hunting, and trapping; other types of manufacturing ; transportation and warehousing; certain financial and insurance services; certain educational services; child day care services; computer hardware, software, or networking; and telecommunications or communications.

The law designates municipalities that contain enterprise zones as “targeted investment communities” (TICs), and businesses located in these municipalities, but outside the enterprise zone, are eligible for certain benefits, including: (1) a five-year, state-reimbursed property tax exemption for improving manufacturing facilities. The exemption varies depending on the value of improvements, up to a maximum of 80 percent for improvements valued over \$90 million (CGS 12-81(60)); (2) a 10-year corporate business tax credit attributed to improving manufacturing facilities in TICs. The credit varies from 15 percent to 50 percent depending on the number of new employees (CGS 12-217e).

Information relevant to the disclosure of these programs is as follows:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
<b>The Film, Television, and Digital Media Tax Program</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	42,954,192
<i>Insurance Companies (as of 6/30/2021)</i>	55,368,016
<i>Public Service Tax (as of 6/30/2021)</i>	9,039,145
<b>The Urban and Industrial Sites Reinvestment Tax Program</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	3,656,132
<i>Insurance Companies (as of 6/30/2021)</i>	3,894,731
<i>Public Service Tax (as of 6/30/2021)</i>	18,794,550
<b>The Insurance Reinvestment Fund Program</b>	
<i>Insurance Companies (as of 6/30/2021)</i>	35,305,114
<b>The Connecticut Neighborhood Assistance Act Credit Program</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	1,456,756
<i>Insurance Companies (as of 6/30/2021)</i>	1,114,348
<i>Public Service Tax (as of 6/30/2021)</i>	194,722
<b>Historic Structures Rehabilitation</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	1,900,312
<i>Public Service Tax (as of 6/30/2021)</i>	1,132,523
<b>Historic Preservation</b>	
<i>Public Service Tax (as of 6/30/2021)</i>	4,436,402
<b>Historic Rehabilitation</b>	
<i>Public Service Tax (as of 6/30/2021)</i>	20,713,408
<b>Research and Development Expenditures</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	6,786,206
<b>Manufacturing Facility Credit</b>	
<i>Corporate Income Tax (as of 6/30/2021)</i>	735,267
<b>Enterprise Zone Property Tax Reimbursement Program</b>	
<i>Property Tax (6/30/2021)</i>	-

In addition, the State has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here.

## Note 23 Asset Retirement Obligations

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The State assesses asset retirement obligations on an annual basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

During the year, the Department of Veterans Affairs reported that when their power plant is retired there will be a cost associated with the mitigation of hazardous materials. The State cannot estimate the cost associated with the removal of the hazardous materials, therefore, has not recorded an asset retirement obligation for this matter.

## Note 24 Related Organizations

The Community Economic Development Fund and Connecticut Health Insurance Exchange are legally separate organizations that are related to the State because the State appoints a voting majority of the organizations governing board. However, the State's accountability for these organizations does not extend beyond making the appointments.

## Note 25

### New Accounting Pronouncements

The State implemented the following statements issued by the Governmental Accounting Standards Board (“GASB”). During the fiscal year 2021, the State adopted the following new accounting standards issued by GASB.

GASB Statement 84, *Fiduciary Activities*.

**GASB Statement 84** – This Statement establishes standards of accounting and financial reporting for fiduciary activities. The implementation of this statement has resulted in changing the reporting of Agency funds as Custodial funds. The implementation also, has resulted in changing the presentation of the financial statements by replacing the Combining Statement of Changes in Assets and Liabilities-Agency Funds with the Combining Statement of Changes Fiduciary Net Position-Custodial Funds. Beginning net position has been restated to reflect this change see Note 21 for details.

GASB Statement 98, *The Annual Comprehensive Financial Report*.

**GASB Statement 98** – This Statement addresses references in authoritative literature to the term comprehensive annual financial report. The implementation establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

## Note 26

### Commitments and Contingencies

#### a. Commitments

##### *Primary Government*

Commitments are defined as “existing arrangements to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities.”

As of June 30, 2021, the State had contractual commitments as follows (amounts in millions):

Infrastructure & Other Transportation Programs	\$1,014
Construction Programs	176
School Construction and Alteration Grant Program	2,559
Clean and Drinking Water Loan Programs	537
Various Programs and Services	3,011

All commitments are expected to be funded by federal grants, bond proceeds, and other resources.

##### *Component Units*

As of December 31, 2020, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately \$172.1 million.

#### b. Contingent Liabilities

The State entered into a contractual agreement with H.N.S. Management Company, Inc. and ATE Management and Service Company, Inc. to manage and operate the bus transportation system for the State. The State shall pay all expenses of the system including all past, present, and future pension plan liabilities of the personnel employed by the system and any other fees as agreed upon. When the agreement is terminated the State shall assume or plan for the assumption of all the existing obligations of the management companies including but not limited to all past, present, and future pension plan liabilities and obligations.

As of June 30, 2021, the State reported an escheat liability of \$433.8 million in the General Fund. This liability represents an estimate of the amount of escheat property likely to be refunded to claimants in the future. However, there is a reasonable possibility that the State could be liable for an additional amount of escheat refunds of \$223.9 in the future.

Grant amounts received or receivable by the State from federal agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the federal government cannot be determined at this time, although the State expects such amounts, if any, to be immaterial.

**c. Litigation**

The State, its units and employees are parties to numerous legal proceedings, many of which normally occur in government operations. Most of these legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State's financial position.

There are, however, several legal proceedings which, if decided adversely against the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures nor revenue sources of the State.

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**Note 27**  
**COVID-19 Pandemic**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization and, on March 13, 2020 was declared a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce, and financial markets globally, and is widely expected to affect economic growth worldwide.

COVID-19 has materially affected state, national, and global activity; increased public health emergency response costs; and materially impacted the financial condition of the State. Many states and municipalities undertook measures that had negative effects on global and local economies. In addition, businesses and people altered behaviors in manners that negatively affected the economy. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19 concerns, but in response to Federal relief initiatives generally recovered all of their initial losses.

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut because of the COVID-19 outbreak. Pursuant to Governor Lamont's declaration of a state of emergency and numerous Executive Orders, State agencies have been directed to use all resources necessary to respond to the outbreak. Gradual improvement has been made over the last year and the State is beginning to see lower hospitalization rates and a steady increase in vaccinations. On May 19, 2021, most COVID-19 related restrictions on businesses were lifted. The State has a dedicated website providing up-to-date information concerning the State's actions in response to COVID-19: [ct.gov/coronavirus](http://ct.gov/coronavirus).

On March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provides more than \$2 trillion of relief to industries and entities throughout the country, including state and local governments. On April 24, 2020, the United States Congress enacted legislation that provided an additional \$484 billion to replenish a small business lending program, support hospitals and expand COVID-19 testing. The State received \$1.382 billion to cover statewide costs associated with the response to the outbreak of COVID-19. In addition, on March 28, 2020, the President approved Governor Lamont's request for a disaster declaration for the State. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19.

On March 11, 2021, the United States Congress enacted the American Rescue Plan Act of 2021 (ARP Act) that provides additional relief to individuals, grants to businesses, and support to state and local governments. The State of Connecticut received approximately \$2.8 billion to respond to the impacts of the COVID-19 pandemic. On April 26, 2021, Governor Lamont presented his proposal on the usage of the ARP Act funds for the State. Sections 306 and 207 of Public Act No. 21-2 of the June Special Session outline the legislature's approved allocation of the ARPA funds awarded to the State. All allocations are subject to the United States Treasury's regulations and guidance regarding allowable uses.

The extent to which COVID-19 impacts the State's operations and its financial condition will depend on future developments, which are uncertain and cannot be fully predicted with confidence at this time, including the duration of the outbreak, new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others.

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## Note 28

### Subsequent Events

In preparing the financial statements, the State has evaluated events and transactions for potential recognition or disclosure in its financial statement footnotes. The effect of this evaluation led the State to report the following events which took place after the date of the State's fiscal year end through to the date these financial statements were issued. The subsequent information regarding the Connecticut Housing Finance Authority includes events which took place after their fiscal year end of December 31, 2020.

In September and December of 2021, the State made transfers in the amount of \$1,142.4 billion and \$475.9 million from the Budget Reserve Fund (BRF) and the General Fund, respectively to the State Employee Retirement Fund (SERF) and the Teacher's Retirement Fund. This transfer was the result of the Budget Reserve Fund exceeding the statutory cap of 15 percent of General Fund appropriations. According to CGS Section 4-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the state, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement System (TRS). The State Treasurer determined this year to transfer \$238.8 million to SERF and \$903.6 million to TRS. The \$475.9 million transfer from the General Fund represented the General Fund surplus in fiscal year 2021, normally this amount is transferred to the Budget Reserve Fund, but because the BRF reached the 15 percent cap the transfer was made to SERF to reduce the pension liability.

In July 2021, the State issued \$221.3 million of General Obligation bonds Series D. The bonds were issued for various projects of the State. The bonds mature in 2031 and bear interest rate 5 percent.

In December 2021, the State issued \$800 million of General Obligation bonds 2022 Series A and 2022 Series B Social Bonds. The bonds were issued for various projects of the State. The bonds mature in 2042 and bear interest rates ranging from 2 to 5 percent.

In October 2021, the State issued \$144.2 million Special Tax Obligation Infrastructure Purposes 2021 Series C Refunding bonds. The bonds were issued for various transportation infrastructure projects. The bonds mature in 2032 and bear interest rate of 5 percent.

In November 2021, the State issued \$500 million Special Tax Obligation Bonds Infrastructure Purposes, 2021 Series D. The bonds were issued for various transportation infrastructure projects throughout the state. The bonds mature in 2041 and bear interest rates ranging from 1.75 to 5 percent.

In July 2021, the Connecticut Health and Educational Facilities Authority issued \$50.1 million Revenue Bonds, Trinity College Issue, Series S. The proceeds of the Series 2021 Bonds will be used, with other available moneys, for (i) paying costs of the Series S Project, (ii) paying capitalized interest on the Series S Bonds, (iii) refunding \$30,000,000 of the outstanding principal amount of the Authority's Revenue Bonds, Trinity College Issue, Series Q, and (iv) paying certain costs of issuance of the Series S Bonds.

Also, in July of 2021, Connecticut Health and Educational Facilities Authority issued \$90.9 million Revenue Bonds, Wesleyan University Issue, Series I (Tax-Exempt) (Green Bonds) and Series 2021 (Federally Taxable) (Green Bonds). The proceeds of the Series I Bonds will be used to finance the construction, renovations, equipping and furnishing of the Public Affairs Center located on Wesleyan's main campus to provide classroom, faculty, library, and other meeting space. Proceeds will be used to finance the construction of a new science center to be located on the main campus to provide research and teaching laboratories, classrooms, and faculty and administrative offices.

In August 2021, Connecticut Health and Educational Facilities Authority issued \$25.1 million Revenue Bonds, Greenwich Academy Issue, Series G. The proceeds of the Series G bonds along with other available moneys, will be used for (i) the financing and refinancing of costs of construction of the Project as defined in the offering statement, and (ii) costs incidental to the issuance of the Series G Bonds.

In August 2021, Connecticut Health and Educational Facilities Authority issued \$206.4 million in forward delivery Revenue Bonds, Stamford Hospital Issue, Series M. The Series M Bonds will be special obligation of the Authority secured under the provisions of the Trust Indenture dated as of April 1, 2022 by and between the Authority of the Bond Trustee, payable solely from the Revenues of the Authority paid to the Bond Trustee for the account of the Authority by The Stamford Hospital in accordance with the Loan Agreement dated as of April 1, 2022.

In September 2021, Connecticut Health and Educational Facilities Authority issued \$169.7 million Revenue Bonds, Hartford Healthcare Issue, Series 2021 A. The proceeds of the Bonds will be used to (i) finance the acquisition, construction, improvement, and equipping of capital projects at Hartford Hospital's main campus in Harford, MidState in Meriden, HOCC in New Britain, Backus Hospital in Norwich, St. Vincent's Hospital in Bridgeport, Windham Hospital in Willimantic, Charlotte Hungerford Hospital in Torrington and certain other health care facilities owned or operated by Members of the Obligated Group and (ii) pay certain costs associated with the issuance of the Bonds.

In November 2021, Connecticut Health and Educational Facilities Authority issued \$14.9 million of Revenue Bonds, the Jerome Home Issue, Series E. The proceeds of the Bonds will be loaned to the Institution pursuant to the Loan Agreement and together with other available funds, will be used for refunding the Authority's Variable Rate Demand Revenue Bonds, the Jerome Home Issue, Series D; financing or refinancing the improvement of real property located on the Jerome Home campus, including: (i) the acquisition, construction, equipping and furnishing of a new 19,000 square-foot, two-story addition to the Home's existing facility to include 20 memory care apartments and a state-of-the-art rehabilitation gymnasium for outpatient, lymphedema and speech therapy; (ii) acquisition, construction, equipping, and furnishing of a new courtyard, including landscaping, plantings, and furniture; (iii) acquisition and construction of a new parking lot and internal roadways, including paving, site work, and landscaping; (iv) other capital expenditures for improvements and/or equipment of the Institution's campus; (v) funding a debt service reserve fund with respect to the Bonds; and (vi) paying costs of issuance.

On January 19, 2022, Connecticut Health and Educational Facilities Authority issued \$60.8 million of Revenue Bonds, Connecticut College Issue, Series M. The proceeds from the sale of the bonds will be used (a) to refund on a current basis all of the Authority's Revenue Bonds, Connecticut College Issue, Series J and Series K, (b) to finance a portion of the costs of various capital projects of Connecticut College, (c) pay capitalized interest on a portion of the Series M bonds, and pay certain Cost of Issuance incurred in connection with the issuance of the Series M Bonds.

The Connecticut Housing Finance Authority (CHFA), whose financial statements are published as of December 31st of the calendar year prior to State's fiscal year-end, had numerous financial events between January 1 and the publication of this report including the following.

On February 24, 2021, the Authority issued \$263.4 million 2021 Series A fixed rate bonds under the Bond Resolution. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities.

On March 16, 2021, March 30, 2021 and April 9, 2021, the Authority redeemed \$9.8 million, \$161.9 million, and \$885 thousand, respectively of various series of outstanding bonds held under the Bond resolution.

In April 2021, the Authority issued \$54.1 million State-Supported Special Obligation Bonds. Of these bonds \$7.5 million are Series 27 (Non-AMT) (Social Bonds), \$16.5 million are Series 28 (Non-AMT) (Social Bonds), \$29.3 million are Series 29 (Federally Taxable (Social Bonds), and \$865 thousand are Series 30 (Federally Taxable) NRO.

In April 2021, the Authority issued \$197.6 million of Housing Mortgage Finance Program Bonds 2021 Series B. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities.

In May 2021, the Authority remarketed \$128.0 million Housing Mortgage Finance Program Bonds, Various Series.

In September 2021, the Authority issued \$161.4 million of Housing Mortgage Finance Program Bonds 2021 Series D. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities. Also, in September 2021, the Authority signed a continuing covenant agreement with Bank of America to issue and sell \$217.6 million of Housing Mortgage Finance Program Bonds, 2021 Series C bonds.

In October 2021, the Authority issued \$146.5 million of Housing Mortgage Finance Program Bonds 2021 Series E. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities.

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*REQUIRED  
SUPPLEMENTARY  
INFORMATION*

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## REQUIRED SUPPLEMENTARY INFORMATION BUDGET

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*Required supplementary information for budget provides information on budget versus actual revenues, expenditures and changes in fund balance and related note disclosure for statutory reporting.*

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The following schedules are included in the Required Supplementary Information for Budget:  
Schedule of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual  
(Budgetary Basis—Non-GAAP):  
General Fund and Transportation Fund

Notes to Required Supplementary Information: Statutory Reporting

**State of Connecticut**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP)  
GENERAL AND TRANSPORTATION FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	General Fund			Variance with Final Budget positive (negative)
	Budget		Actual	
	Original	Final		
<b>Revenues</b>				
Budgeted:				
Taxes, Net of Refunds	\$ 17,388,700	\$ 18,437,300	\$ 18,651,418	\$ 214,118
Indian Gaming Payments	225,400	228,800	228,883	83
Licenses, Permits, and Fees	384,300	328,800	329,568	768
Other	803,100	881,100	876,999	(4,101)
Federal Grants	1,571,500	1,496,300	1,496,315	15
Refunds of Payments	(67,700)	(37,700)	(37,661)	39
Operating Transfers In	114,500	114,500	114,500	-
Operating Transfers Out	-	-	-	-
Transfer to BRF - Volatility Adjustment	(301,500)	(1,220,100)	(1,241,460)	(21,360)
Transfer to/from the Resources of the General Fund	134,200	99,100	112,856	13,756
Total Revenues	<u>20,252,500</u>	<u>20,328,100</u>	<u>20,531,418</u>	<u>203,318</u>
<b>Expenditures</b>				
Budgeted:				
Legislative	83,351	83,352	69,727	13,625
General Government	708,634	709,567	646,356	63,211
Regulation and Protection	304,075	316,551	284,104	32,447
Conservation and Development	190,131	204,389	189,475	14,914
Health and Hospitals	1,290,341	1,291,306	1,243,573	47,733
Transportation	-	-	-	-
Human Services	4,708,653	4,653,636	4,257,971	395,665
Education, Libraries, and Museums	5,327,498	5,378,560	5,303,846	74,714
Corrections	1,480,659	1,482,486	1,412,659	69,827
Judicial	618,351	618,786	580,979	37,807
Non Functional	5,823,105	5,831,081	5,447,514	383,567
Total Expenditures	<u>20,534,798</u>	<u>20,569,714</u>	<u>19,436,204</u>	<u>1,133,510</u>
Appropriations Lapsed	<u>309,400</u>	<u>374,445</u>	<u>-</u>	<u>(374,445)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,102</u>	<u>132,831</u>	<u>1,095,214</u>	<u>(1,304,637)</u>
<b>Other Financing Sources (Uses)</b>				
Prior Year Appropriations Carried Forward	139,105	139,105	139,105	-
Appropriations Continued to Fiscal Year 2021	-	-	(758,445)	(758,445)
Miscellaneous Adjustment	-	(10)	(10)	-
Total Other Financing Sources (Uses)	<u>139,105</u>	<u>139,095</u>	<u>(619,350)</u>	<u>(758,445)</u>
Net Change in Fund Balance	<u>\$ 166,207</u>	<u>\$ 271,926</u>	<u>475,864</u>	<u>\$ (2,063,082)</u>
Budgetary Fund Balances - July 1			518,435	
Changes in Reserves			<u>436,219</u>	
Budgetary Fund Balances - June 30			<u>\$ 1,430,518</u>	

*The information about budgetary reporting is an integral part of this schedule.*

**State of Connecticut**

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**Transportation Fund**

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<b>Budget</b>		<b>Variance with Final Budget positive (negative)</b>	
<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(negative)</b>
\$ 1,360,500	\$ 1,269,100	\$ 1,292,530	\$ 23,430
-	-	-	-
452,500	451,000	452,167	1,167
36,700	1,900	1,922	22
11,800	12,000	11,957	(43)
(5,200)	(5,400)	(5,359)	41
30,000	30,000	30,000	-
(5,500)	(5,500)	(5,500)	-
-	-	-	-
-	-	-	-
<u>1,880,800</u>	<u>1,753,100</u>	<u>1,777,717</u>	<u>24,617</u>
-	-	-	-
8,934	10,034	9,905	129
77,906	77,991	67,745	10,246
2,865	2,865	2,865	-
-	-	-	-
747,336	747,661	709,711	37,950
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,042,796</u>	<u>1,042,386</u>	<u>908,285</u>	<u>134,101</u>
1,879,837	1,880,937	1,698,511	182,426
31,700	148,813	-	(148,813)
-	-	-	-
<u>32,663</u>	<u>20,976</u>	<u>79,206</u>	<u>58,230</u>
31,804	31,804	31,804	-
-	-	(38,307)	(38,307)
-	-	-	-
<u>31,804</u>	<u>31,804</u>	<u>(6,503)</u>	<u>(38,307)</u>
<u>\$ 64,467</u>	<u>\$ 52,780</u>	72,703	<u>\$ 19,923</u>
		230,234	
		<u>(23,496)</u>	
		<u>\$ 279,441</u>	

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### STATUTORY REPORTING

#### A. Budgeting Process

By statute, the Governor must submit the State budget to the General Assembly in February of every other year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next two fiscal years and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot Fund, the Workers' Compensation Administration Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors, and Marines Fund, and the Regional Market Operations Fund, and the Tourism Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process maintains expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act.

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3 percent of the fund or 5 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5 percent of the total funds require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5 percent of the total appropriated fund can be made only with the approval of the General Assembly.

All funds, except fiduciary funds, use encumbrance accounting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carryforwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. Carryforward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "statutory" basis of accounting that utilizes the accounting standards that were applied in the budget act and related legislation. Commencing in Fiscal Year 2014, appropriations were made to legislatively budgeted funds to account for expense accruals. Beginning in Fiscal Year 2016, based on changes enacted in the biennial budget (Public Act 15-244) the GAAP expense accrual appropriations were consolidated into a single appropriation at the fund-level for the General Fund, Transportation Fund and all other budgeted special revenue funds. The actual expense accruals were posted using the same methodology described above for the governmental fund financial statements. Revenues were recognized when received except in the General Fund and Transportation Fund. In those two funds certain taxes and Indian gaming payments are recognized within a statutory accrual period as approved by the State Comptroller. The state's three major tax categories (the personal income tax, the sales and use tax, and the corporation tax), among other taxes, are subject to statutory accrual. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the Required Supplemental Information section of this report.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### B. Reconciliation of Budget/GAAP Reporting Differences

The *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis – Non-GAAP) – General Fund and Transportation Fund*, presents comparisons of the legally adopted budget (which is more fully described in section A, above) with actual data on a budgetary basis. Accounting principles applied to develop data on a budgetary basis differ significantly from those principles used to present financial statements in conformity with generally accepted accounting principles (GAAP). The following describes the major differences between statutory financial data and GAAP financial data.

- Revenues are recorded when received in cash except for certain year-end accruals (statutory basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).
- Certain expenditures are not subject to accrual for budgeting purposes and are recorded when paid in cash (statutory basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).
- For statutory reporting purposes, continuing appropriations are reported with other financing sources and uses in the determination of the budgetary surplus or deficit to more fully demonstrate compliance with authorized spending for the year. For GAAP purposes, continuing appropriations are excluded from operations and reported as committed fund balance.

The following table presents a reconciliation of differences between the statutory change in fund balance and the GAAP change in fund balance at June 30, 2021. Amounts are expressed in thousands.

	General Fund	Transportation Fund
Net change in fund balances (statutory basis)	\$ 475,864	\$ 72,703
Volatility Deposit Budget Reserve Fund	1,241,460	-
Increase (Decrease) Statutory Surplus Reserve	(144,400)	-
Transfer to SERS (FY 2020 BRF excess & Surplus)	(61,622)	-
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	1,038,437	(38,676)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(2,196,379)	9,752
Salaries and Fringe Benefits Payable	17,690	1,360
Increase (Decrease) in Continuing Appropriations	619,340	6,504
Fund Reclassification-Bus Operations	-	617
Net change in fund balances (GAAP basis)	<u>\$ 990,390</u>	<u>\$ 52,260</u>

### C. Budget Reserve Fund (“Rainy Day Fund”)

In accordance with Section 4-30a of the Connecticut State Statutes, the State maintains a Budget Reserve (“Rainy Day”) Fund. Per section 4-30a after the accounts for the General Fund have been closed for each fiscal year and the Comptroller has determined the amount of unappropriated surplus, and after any required transfers have been made, the surplus shall be transferred by the State Treasurer to the Budget Reserve Fund. Moneys shall be expended only when in any fiscal year the Comptroller has determined the amount of a deficit applicable with respect to the immediately preceding fiscal year, to the extent necessary.

Historically, resources from the Rainy Day Fund have only been expended during recessionary periods to cover overall budget shortfalls after other budgetary measures have been exhausted.

In fiscal year 2021, for the fourth consecutive year, significant progress was made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2021, the cap was just over \$3.4 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$1.2 billion was made to the Budget Reserve Fund.

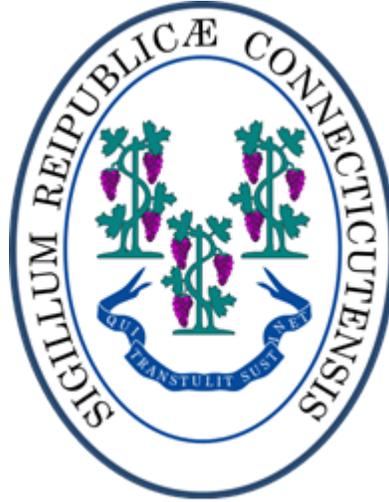
Prior to the close of fiscal year 2021, the balance in the Budget Reserve Fund was just over \$3.03 billion. Adding the \$1.24 billion volatility transfer brought the Budget Reserve Fund total to \$4.25 billion, or 20.5 percent of net General Fund appropriations for FY

## State of Connecticut

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2022. As a result, the Budget Reserve Fund was \$1.14 billion above the statutory 15 percent cap. According to CGS Section 40-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the state, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement System (TRS). In late September, the State Treasurer elected to transfer \$903.6 million to TRS to reduce unfunded pension liability, with the remaining balance of \$238.8 million going to SERF. During fiscal year 2021 the General Fund surplus of \$480.9 million will be transferred to SERF to reduce unfunded service liability.

When the excess \$1.14 billion is transferred from the Budget Reserve Fund to SERF and TRS this would bring the Budget Reserve Fund to just over \$3.1 billion or approximately 15 percent of net General Fund appropriations for fiscal year 2021. Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic.



## REQUIRED SUPPLEMENTARY INFORMATION PENSION PLANS

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*Required supplementary information for pension plans provides information on the sources of changes in net pension liabilities, information about the components of net pension liabilities, employer contributions, and investment returns.*

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The Required Supplementary Information for Pension Plans includes the following schedules:

- Schedule of Changes in the Net Pension Liability and Plan Net Position
- Schedule of Employer Contributions
- Schedule of Investment Returns

**State of Connecticut**

**REQUIRED SUPPLEMENTAL INFORMATION  
PENSION PLANS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND PLAN NET POSITION**

Last Seven Fiscal Years\*

(Expressed in Thousands)

**SERS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>							
Service Cost	\$ 388,671	\$ 391,941	\$ 429,321	\$ 480,350	\$ 322,114	\$ 310,472	\$ 287,473
Interest	2,416,577	2,290,633	2,212,890	2,255,533	2,105,947	2,052,651	1,998,736
Benefit Changes	-	-	-	(1,444,220)	-	-	-
Difference between expected and actual experience	208,138	1,224,344	482,904	-	772,762	-	-
Changes of assumptions	-	-	-	-	4,959,705	-	-
Benefit payments	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)	(1,563,029)
Refunds of contributions	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)	(3,935)
Net change in total pension liability	883,198	1,873,775	1,161,471	(564,024)	6,424,249	705,534	719,245
Total pension liability - beginning	36,087,938	34,214,163	33,052,692	33,616,716	27,192,467	26,486,933	25,767,688
<b>Total pension liability - ending (a)</b>	<b>\$ 36,971,136</b>	<b>\$ 36,087,938</b>	<b>\$ 34,214,163</b>	<b>\$ 33,052,692</b>	<b>\$ 33,616,716</b>	<b>\$ 27,192,467</b>	<b>\$ 26,486,933</b>
<b>Plan net position</b>							
Contributions - employer	\$ 1,616,312	\$ 1,578,323	\$ 1,443,053	\$ 1,542,298	\$ 1,501,805	\$ 1,371,651	\$ 1,268,890
Contributions - member	192,716	489,099	193,942	132,557	135,029	187,339	144,807
Net investment income	295,737	710,861	875,944	1,509,862	(100)	294,412	1,443,391
Benefit payments	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)	(1,563,029)
Administrative expense	(782)	(693)	(391)	(674)	(651)	-	-
Refunds of contributions	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)	(3,935)
Other	-	3,704	(3,139)	(371)	85,608	-	-
Net change in plan net position	(26,205)	748,151	545,765	1,327,985	(14,588)	195,813	1,290,124
Plan net position - beginning	13,275,693	12,527,542	11,981,777	10,653,792	10,668,380	10,472,567	9,182,443
<b>Plan net position - ending (b)</b>	<b>\$ 13,249,488</b>	<b>\$ 13,275,693</b>	<b>\$ 12,527,542</b>	<b>\$ 11,981,777</b>	<b>\$ 10,653,792</b>	<b>\$ 10,668,380</b>	<b>\$ 10,472,567</b>
Ratio of plan net position to total pension liability	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 23,721,648</b>	<b>\$ 22,812,245</b>	<b>\$ 21,686,621</b>	<b>\$ 21,070,915</b>	<b>\$ 22,962,924</b>	<b>\$ 16,524,087</b>	<b>\$ 16,014,366</b>
Covered-employee payroll	\$ 3,672,443	\$ 3,686,365	\$ 3,428,068	\$ 3,850,978	\$ 3,720,751	\$ 3,618,361	\$ 3,487,577
Net pension liability as a percentage of covered-employee payroll	645.94%	618.83%	632.62%	547.16%	617.16%	456.67%	459.18%

**TRS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>							
Service Cost	\$ 616,370	\$ 463,997	\$ 465,207	\$ 450,563	\$ 419,616	\$ 404,449	\$ 347,198
Interest	2,379,886	2,406,206	2,371,168	2,308,693	2,228,958	2,162,174	2,090,483
Benefit Changes	-	(224,281)	28,036	-	-	-	-
Difference between expected and actual experience	(306,400)	-	(396,067)	-	(375,805)	-	-
Changes of assumptions	1,022,137	3,875,996	-	-	2,213,190	-	-
Benefit payments	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)	(1,737,144)
Refunds of contributions	-	-	-	-	-	(50,329)	-
Net change in total pension liability	1,561,825	4,455,277	474,252	796,723	2,747,828	742,886	700,537
Total pension liability - beginning	35,566,175	31,110,898	30,636,646	29,839,923	27,092,095	26,349,209	25,648,672
<b>Total pension liability - ending (a)</b>	<b>\$ 37,128,000</b>	<b>\$ 35,566,175</b>	<b>\$ 31,110,898</b>	<b>\$ 30,636,646</b>	<b>\$ 29,839,923</b>	<b>\$ 27,092,095</b>	<b>\$ 26,349,209</b>
<b>Plan net position</b>							
Contributions - employer	\$ 1,209,573	\$ 1,292,672	\$ 1,272,277	\$ 1,012,162	\$ 975,578	\$ 984,110	\$ 948,540
Contributions - member	318,217	309,333	312,150	288,251	293,493	228,100	261,213
Net investment income	410,311	1,012,089	1,224,931	2,199,895	(18,473)	452,942	2,277,550
Benefit payments	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)	(1,737,144)
Refunds of contributions	-	-	-	-	-	(50,329)	-
Other	522	(837)	(2,753)	1,679	(37,648)	57,749	(5,307)
Net change in plan net position	(211,545)	546,616	812,513	1,539,454	(525,181)	(100,836)	1,744,852
Plan net position - beginning	18,493,455	17,946,839	17,134,326	15,594,872	16,120,053	16,220,889	14,462,903
<b>Plan net position - ending (b)</b>	<b>\$ 18,281,910</b>	<b>\$ 18,493,455</b>	<b>\$ 17,946,839</b>	<b>\$ 17,134,326</b>	<b>\$ 15,594,872</b>	<b>\$ 16,120,053</b>	<b>\$ 16,207,755</b>
Ratio of plan net position to total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 18,846,090</b>	<b>\$ 17,072,720</b>	<b>\$ 13,164,059</b>	<b>\$ 13,502,320</b>	<b>\$ 14,245,051</b>	<b>\$ 10,972,042</b>	<b>\$ 10,141,454</b>
Covered-employee payroll	\$ 4,352,967	\$ 4,389,654	\$ 4,321,593	\$ 4,279,755	\$ 4,125,066	\$ 4,078,367	\$ 3,831,624
Net pension liability as a percentage of covered-employee payroll	432.95%	388.93%	304.61%	315.49%	345.33%	269.03%	264.68%

**State of Connecticut**

**REQUIRED SUPPLEMENTAL INFORMATION  
PENSION PLANS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND PLAN NET POSITION**

Last Seven Fiscal Years\*

(Expressed in Thousands)

<b>JRS</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 9,813	\$ 10,834	\$ 11,352	\$ 10,159	\$ 8,508	\$ 8,142	\$ 7,539
Interest	31,815	29,559	29,954	29,062	28,251	27,240	26,301
Difference between expected and actual experience	2,474	22,095	(18,528)	-	(9,380)	-	-
Changes of assumptions	-	-	-	-	64,604	-	-
Benefit payments	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)	(21,668)
Net change in total pension liability	<u>13,902</u>	<u>33,102</u>	<u>(4,838)</u>	<u>14,322</u>	<u>68,989</u>	<u>12,841</u>	<u>12,172</u>
Total pension liability - beginning	476,189	443,087	447,925	433,603	364,614	351,773	339,601
<b>Total pension liability - ending (a)</b>	<b><u>\$ 490,091</u></b>	<b><u>\$ 476,189</u></b>	<b><u>\$ 443,087</u></b>	<b><u>\$ 447,925</u></b>	<b><u>\$ 433,603</u></b>	<b><u>\$ 364,614</u></b>	<b><u>\$ 351,773</u></b>
<b>Plan net position</b>							
Contributions - employer	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731	\$ 16,298
Contributions - member	1,575	1,694	1,663	1,689	1,831	1,791	1,641
Net investment income	5,461	13,383	13,178	24,452	1,440	4,781	23,156
Benefit payments	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)	(21,668)
Other	-	-	-	(39)	1,680	-	-
Net change in plan net position	3,847	13,118	12,683	20,367	216	1,762	19,427
Plan net position - beginning	235,926	222,808	210,125	189,758	189,542	187,780	168,353
<b>Plan net position - ending (b)</b>	<b><u>\$ 239,773</u></b>	<b><u>\$ 235,926</u></b>	<b><u>\$ 222,808</u></b>	<b><u>\$ 210,125</u></b>	<b><u>\$ 189,758</u></b>	<b><u>\$ 189,542</u></b>	<b><u>\$ 187,780</u></b>
Ratio of plan net position to total pension liability	48.92%	49.54%	50.29%	46.91%	43.76%	51.98%	53.38%
<b>Net pension liability - ending (a) -(b)</b>	<b><u>\$ 250,318</u></b>	<b><u>\$ 240,263</u></b>	<b><u>\$ 220,279</u></b>	<b><u>\$ 237,800</u></b>	<b><u>\$ 243,845</u></b>	<b><u>\$ 175,072</u></b>	<b><u>\$ 163,993</u></b>
Covered-employee payroll	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972	\$ 33,386
Net pension liability as a percentage of covered-employee payroll	794.79%	693.54%	629.91%	652.10%	698.76%	500.61%	491.20%

\* Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).

**State of Connecticut**

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Ten Fiscal Years

*(Expressed in Thousands)*

<b><u>SERS</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Actuarially determined				
employer contribution	\$ 1,616,302	\$ 1,574,537	\$ 1,443,110	\$ 1,569,142
Actual employer contributions	<u>1,616,312</u>	<u>1,578,323</u>	<u>1,443,053</u>	<u>1,542,298</u>
Annual contributions deficiency excess	<u>\$ (10)</u>	<u>\$ (3,786)</u>	<u>\$ 57</u>	<u>\$ 26,844</u>
Covered Payroll	\$ 3,672,443	\$ 3,686,365	\$ 3,428,068	\$ 3,850,978
Actual contributions as a percentage of covered-employee payroll	44.01%	42.82%	42.10%	40.05%
 <b><u>TRS</u></b>				
Actuarially determined				
employer contribution	\$ 1,208,819	\$ 1,292,314	\$ 1,272,277	\$ 1,012,162
Actual employer contributions	<u>1,208,819</u>	<u>1,292,314</u>	<u>1,272,277</u>	<u>1,012,162</u>
Annual contributions deficiency excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,352,967	\$ 4,389,654	\$ 4,321,593	\$ 4,279,755
Actual contributions as a percentage of covered-employee payroll	27.77%	29.44%	29.44%	23.65%
 <b><u>JRS</u></b>				
Actuarially determined				
employer contribution	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164
Actual employer contributions	<u>27,011</u>	<u>27,427</u>	<u>25,458</u>	<u>19,164</u>
Annual contributions deficiency excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467
Actual contributions as a percentage of covered-employee payroll	85.76%	79.17%	72.80%	52.55%

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2020.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, closed
	5 year phase into level dollar
Remaining Amortization Period	SERS 25.1 years
	TRS 30 years
	JRS 13 years
Asset Valuation Method	SERS & JRS 5 year smoothed market
	TRS 4 year smoothed market value
Investment Rate of Return	SERS & JRS 6.90%
	TRS 6.9%
Salary Increases	3.25%-19.50% percent, including inflation
Cost-of-Living Adjustments	2.0%-7.5%
Inflation	2.5%-2.75%
Social Security Wage Base	SERS 3.5%

## State of Connecticut

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,514,467	\$ 1,379,189	\$ 1,268,935	\$ 1,059,652	\$ 926,372	\$ 944,077
<u>1,501,805</u>	<u>1,371,651</u>	<u>1,268,890</u>	<u>1,058,113</u>	<u>926,343</u>	<u>825,801</u>
<u>\$ 12,662</u>	<u>\$ 7,538</u>	<u>\$ 45</u>	<u>\$ 1,539</u>	<u>\$ 29</u>	<u>\$ 118,276</u>
\$ 3,720,751	\$ 3,618,361	\$ 3,487,577	\$ 3,480,483	\$ 3,354,682	\$ 3,210,666
40.36%	37.91%	36.38%	30.40%	27.61%	25.72%
\$ 975,578	\$ 984,110	\$ 948,540	\$ 787,536	\$ 757,246	\$ 581,593
<u>975,578</u>	<u>984,110</u>	<u>948,540</u>	<u>787,536</u>	<u>757,246</u>	<u>581,593</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,125,066	\$ 4,078,367	\$ 3,930,957	\$ 4,101,750	\$ 3,943,990	\$ 3,823,754
23.65%	24.13%	24.13%	19.20%	19.20%	15.21%
\$ 18,259	\$ 17,731	\$ 16,298	\$ 16,006	\$ 15,095	\$ 16,208
<u>18,259</u>	<u>17,731</u>	<u>16,298</u>	<u>16,006</u>	<u>15,095</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,208</u>
\$ 34,897	\$ 34,972	\$ 33,386	\$ 31,748	\$ 30,308	\$ 33,102
52.32%	50.70%	48.82%	50.42%	49.81%	0.00%

**State of Connecticut**

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**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLANS  
SCHEDULE OF INVESTMENT RETURNS**

Last Eight Fiscal Years\*

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**Annual money-weighted rates of return**

<b><u>net of investment expense</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
State Employees' Retirement Fund	24.36%	1.86%	5.88%	7.30%	14.32%	0.23%	2.83%	15.62%
Teachers' Retirement Fund	24.28%	1.85%	5.85%	7.04%	14.37%	0.17%	2.82%	15.67%
State Judges' Retirement Fund	24.37%	2.10%	6.12%	6.24%	13.04%	1.11%	2.57%	13.66%

\* Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is compiled, the State will present information for the years for which the information is available.



## **REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFITS**

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*Required supplementary information for other postemployment benefits provides information on funding progress and employer contributions.*

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The following schedules are included in the Required Supplementary Information for Other Postemployment Benefits:

- Schedule of Changes in Net OPEB Liability and Plan Net Position
- Schedule of Employer Contributions
- Schedule of Investment Returns

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**State of Connecticut**

**REQUIRED SUPPLEMENTAL INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND PLAN NET POSITION**

Last Four Fiscal Year

*(Expressed in Thousands)*

**SEOPEBP**

<b>Total OPEB Liability</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost	\$ 969,674	\$ 848,198	\$ 901,698	\$ 960,992
Interest	806,906	737,298	680,154	511,133
Differences between expected and actual experience	(179,538)	(645,590)	-	-
Changes of assumptions	2,225,764	3,417,609	(724,140)	(510,781)
Benefit payments	<u>(623,104)</u>	<u>(593,403)</u>	<u>(648,347)</u>	<u>(639,467)</u>
Net change in total OPEB liability	3,199,702	3,764,112	209,365	321,877
Total OPEB liability - beginning	<u>21,878,399</u>	<u>18,114,287</u>	<u>17,904,922</u>	<u>17,583,045</u>
<b>Total OPEB liability - ending (a)</b>	<b><u>\$ 25,078,101</u></b>	<b><u>\$ 21,878,399</u></b>	<b><u>\$ 18,114,287</u></b>	<b><u>\$ 17,904,922</u></b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 867,222	\$ 752,941	\$ 801,893	\$ 667,401
Contributions - member	159,377	116,539	116,814	120,783
Net investment income	33,373	68,847	37,001	53,194
Benefit payments	(623,104)	(593,403)	(648,347)	(639,467)
Other	<u>(95,682)</u>	<u>1,194</u>	<u>186</u>	<u>(187)</u>
Net change in plan fiduciary net position	341,186	346,118	307,547	201,724
Plan fiduciary net position - beginning	<u>1,196,008</u>	<u>849,889</u>	<u>542,342</u>	<u>340,618</u>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 1,537,194</u></b>	<b><u>\$ 1,196,007</u></b>	<b><u>\$ 849,889</u></b>	<b><u>\$ 542,342</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability	6.13%	5.47%	4.69%	3.03%
<b>Net OPEB liability - ending (a) -(b)</b>	<b><u>\$ 23,540,907</u></b>	<b><u>\$ 20,682,392</u></b>	<b><u>\$ 17,264,398</u></b>	<b><u>\$ 17,362,580</u></b>
Covered-employee payroll	\$ 3,745,802	\$ 3,619,133	\$ 3,875,035	\$ 3,743,995
Net OPEB liability as a percentage of covered-employee payroll	628.46%	571.47%	445.53%	463.74%

**RTHP**

<b>Total OPEB Liability</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost	\$ 93,324	\$ 87,313	\$ 132,392	\$ 148,220
Interest	97,264	105,702	133,597	111,129
Benefit Changes	-	(339,076)	(1,044,628)	-
Difference between expected and actual experience	(586,004)	66,502	217,853	-
Changes of assumptions	626,595	182,438	(196,049)	(370,549)
Benefit payments	<u>(67,383)</u>	<u>(55,154)</u>	<u>(110,622)</u>	<u>(84,071)</u>
Net change in total OPEB liability	163,796	47,725	(867,457)	(195,271)
Total OPEB liability - beginning	<u>2,719,040</u>	<u>2,671,315</u>	<u>3,538,772</u>	<u>3,734,043</u>
<b>Total OPEB liability - ending (a)</b>	<b><u>\$ 2,882,836</u></b>	<b><u>\$ 2,719,040</u></b>	<b><u>\$ 2,671,315</u></b>	<b><u>\$ 3,538,772</u></b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 29,173	\$ 35,320	\$ 35,299	\$ 19,922
Contributions - member	53,221	51,944	51,484	50,436
Net investment income	849	1,090	411	369
Benefit payments	(67,383)	(55,154)	(110,622)	(84,071)
Administrative expense	(372)	(383)	(264)	(150)
Other	<u>-</u>	<u>(16,100)</u>	<u>-</u>	<u>42</u>
Net change in plan fiduciary net position	15,488	16,717	(23,692)	(13,452)
Plan fiduciary net position - beginning	<u>56,453</u>	<u>39,736</u>	<u>63,428</u>	<u>76,880</u>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 71,941</u></b>	<b><u>\$ 56,453</u></b>	<b><u>\$ 39,736</u></b>	<b><u>\$ 63,428</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%
<b>Net OPEB liability - ending (a) -(b)</b>	<b><u>\$ 2,810,895</u></b>	<b><u>\$ 2,662,587</u></b>	<b><u>\$ 2,631,579</u></b>	<b><u>\$ 3,475,344</u></b>
Covered-employee payroll	\$ 4,438,394	\$ 4,389,554	\$ 4,075,939	\$ 4,279,755
Net OPEB liability as a percentage of covered-employee payroll	63.33%	60.66%	64.56%	81.20%

\* Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is compiled, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).

**State of Connecticut**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Ten Fiscal Years

(Expressed in Thousands)

<b><u>SEOPEBP</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Actuarially determined employer contribution	\$ 1,287,059	\$ 1,203,406	\$ 1,157,121	\$ 1,043,143	\$ 1,443,716
Actual employer contributions	<u>867,222</u>	<u>752,941</u>	<u>801,893</u>	<u>667,401</u>	<u>608,593</u>
Annual contributions deficiency excess	<u>\$ 419,837</u>	<u>\$ 450,465</u>	<u>\$ 355,228</u>	<u>\$ 375,742</u>	<u>\$ 835,123</u>
Covered Payroll	\$ 3,619,133	\$ 3,619,133	\$ 3,875,035	\$ 3,743,995	\$ 3,895,100
Actual contributions as a percentage of covered-employee payroll	23.96%	20.80%	20.69%	17.83%	15.62%
<b><u>RTHP</u></b>					
Actuarially determined employer contribution	\$ 173,273	\$ 167,819	\$ 172,223	\$ 166,802	\$ 130,331
Actual employer contributions	<u>29,173</u>	<u>35,320</u>	<u>35,299</u>	<u>19,922</u>	<u>19,960</u>
Annual contributions deficiency excess	<u>\$ 144,100</u>	<u>\$ 132,499</u>	<u>\$ 136,924</u>	<u>\$ 146,880</u>	<u>\$ 110,371</u>
Covered Payroll	\$ 4,438,394	\$ 4,389,654	\$ 4,075,939	\$ 4,279,755	\$ 3,949,900
Actual contributions as a percentage of covered-employee payroll	0.66%	0.80%	0.87%	0.47%	0.51%

**Note:**

June 30, 2011 was the first year an actuarial valuation for State Employees Other Postemployment Benefit Plan was performed.

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	SEOPEBP- Entry Age Normal RTHP-Entry Age
Amortization Method	SEOPEBP- Level percent of growing payroll, closed, 30 years RTHP-Level Percent of Payroll over an open period
Remaining Amortization Period	SEOPEBP- 18 years RTHP-30 years
Asset Valuation Method	Market Value
Investment Rate of Return	SEOPEBP-6.9% RTHP-3.0%
Salary Increases	SEOPEBP-3.5%-19.50% RTHP-3.25%-6.5%
Inflation	RTHP-2.5%
Claims Trend Assumption	3.0%-6.00%

## State of Connecticut

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<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,513,336	\$ 1,525,371	\$ 1,271,279	\$ 1,354,738	\$ 1,276,099
<u>546,284</u>	<u>514,696</u>	<u>542,615</u>	<u>541,262</u>	<u>544,767</u>
<u>\$ 967,052</u>	<u>\$ 1,010,675</u>	<u>\$ 728,664</u>	<u>\$ 813,476</u>	<u>\$ 731,332</u>
\$ 3,539,800	\$ 3,539,728	\$ 3,539,728	\$ 3,902,248	\$ 3,902,248
15.43%	14.54%	15.33%	13.87%	13.96%
\$ 125,620	\$ 187,227	\$ 180,460	\$ 184,145	\$ 177,063
<u>25,145</u>	<u>25,955</u>	<u>27,040</u>	<u>49,486</u>	<u>5,312</u>
<u>\$ 100,475</u>	<u>\$ 161,272</u>	<u>\$ 153,420</u>	<u>\$ 134,659</u>	<u>\$ 171,751</u>
\$ 3,831,600	\$ 3,831,600	\$ 3,652,500	\$ 3,652,500	\$ 3,646,000
0.66%	0.68%	0.74%	1.35%	0.15%

**State of Connecticut**

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**REQUIRED SUPPLEMENTARY INFORMATION  
OPEB PLAN  
SCHEDULE OF INVESTMENT RETURNS**

Last Eight Fiscal Years\*

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**Annual money-weighted rates of return**

<u>net of investment expense</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
OPEB Fund	24.61%	2.13%	6.62%	5.85%	11.83%	2.44%	3.44%	11.80%

\* Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of this measurement date (one year before the most recent fiscal year end).



*COMBINING FUND  
STATEMENTS  
AND  
SCHEDULES*

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*NONMAJOR  
GOVERNMENTAL  
FUNDS*

**State of Connecticut**

**BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 667,863	\$ 1,081,077	\$ 3,888	\$ 1,752,828
Investments	190	-	138,878	139,068
Securities Lending Collateral	-	-	17,232	17,232
Receivables:				
Accounts, Net of Allowances	66,059	-	-	66,059
Loans, Net of Allowances	565,469	-	-	565,469
From Other Governments	22,141	-	-	22,141
Due From Component Units	641	-	-	641
From Other Funds	8,216	3,404	1	11,621
Other Receivables	-	-	3	3
Total Assets	<u>\$ 1,330,579</u>	<u>\$ 1,084,481</u>	<u>\$ 160,002</u>	<u>\$ 2,575,062</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 13,727	\$ 74,148	\$ 33	\$ 87,908
Due to Other Funds	10,733	58,246	232	69,211
Unearned Revenue	12,983	-	-	12,983
Securities Lending Obligation	-	-	17,232	17,232
Total Liabilities	<u>37,443</u>	<u>132,394</u>	<u>17,497</u>	<u>187,334</u>
<b>Deferred Inflows of Resources</b>				
Receivables to be Collected in Future Periods	<u>57,219</u>	<u>-</u>	<u>-</u>	<u>57,219</u>
<b>Fund Balances</b>				
Nonspendable:				
Permanent Fund Principal	-	-	138,879	138,879
Restricted	1,211,662	952,805	3,623	2,168,090
Assigned	24,255	-	-	24,255
Unassigned	<u>-</u>	<u>(718)</u>	<u>3</u>	<u>(715)</u>
Total Fund Balances	<u>1,235,917</u>	<u>952,087</u>	<u>142,505</u>	<u>2,330,509</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,330,579</u>	<u>\$ 1,084,481</u>	<u>\$ 160,002</u>	<u>\$ 2,575,062</u>

**State of Connecticut**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total</b>
<b>Revenues</b>				
Licenses, Permits, and Fees	\$ 145,223	\$ -	\$ 486	\$ 145,709
Tobacco Settlement	133,121	-	-	133,121
Federal Grants and Aid	120,822	-	-	120,822
Charges for Services	403	-	-	403
Fines, Forfeits, and Rents	35	-	-	35
Investment Earnings	1,007	87	18,139	19,233
Interest on Loans	71	-	-	71
Miscellaneous	138,486	227	3	138,716
Total Revenues	<u>539,168</u>	<u>314</u>	<u>18,628</u>	<u>558,110</u>
<b>Expenditures</b>				
Current:				
General Government	73,590	-	2,173	75,763
Regulation and Protection	201,759	-	-	201,759
Conservation and Development	165,231	-	802	166,033
Health and Hospitals	81,600	-	13	81,613
Human Services	2,425	-	-	2,425
Education, Libraries, and Museums	1,698	-	33	1,731
Corrections	1,735	-	-	1,735
Judicial	55,214	-	-	55,214
Capital Projects	-	988,692	-	988,692
Debt Service:				
Interest and Fiscal Charges	565	5,495	-	6,060
Total Expenditures	<u>583,817</u>	<u>994,187</u>	<u>3,021</u>	<u>1,581,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,649)</u>	<u>(993,873)</u>	<u>15,607</u>	<u>(1,022,915)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	149,499	1,309,967	-	1,459,466
Premium on Bonds Issued	16,245	298,564	-	314,809
Transfers In	73,421	-	30	73,451
Transfers Out	(146,301)	(391,537)	(456)	(538,294)
Total Other Financing Sources (Uses)	<u>92,864</u>	<u>1,216,994</u>	<u>(426)</u>	<u>1,309,432</u>
Net Change in Fund Balances	48,215	223,121	15,181	286,517
Fund Balances - Beginning (restated)	1,187,702	728,966	127,324	2,043,992
Fund Balances - Ending	<u>\$ 1,235,917</u>	<u>\$ 952,087</u>	<u>\$ 142,505</u>	<u>\$ 2,330,509</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

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*The special revenue funds are used to account for and report the collection of money that is restricted or committed for specified purposes.*

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The following are included in the nonmajor special revenue funds:

- Workers' Compensation Administration
- Banking
- Consumer Counsel and Public Utility Control
- Insurance
- Criminal Injuries Compensation
- Regional Market
- Mashantucket Pequot and Mohegan
- Soldiers', Sailors', and Marines
- Employment Security Administration
- Environmental Programs
- Housing Programs
- Tourism

**State of Connecticut**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<u>Workers'</u> <u>Compensation</u>	<u>Banking</u>	<u>Consumer Counsel and Public Utility Control</u>	<u>Insurance</u>	<u>Criminal Injuries</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 16,953	\$ 14,935	\$ 9,509	\$ 10,349	\$ 4,222
Investments	-	-	-	-	-
Receivables:					
Accounts, Net of Allowances	-	-	105	30,901	-
Loans, Net of Allowances	-	-	-	-	-
From Other Governments	-	-	-	-	-
Due From Component Units	-	-	-	-	-
From Other Funds	6	-	-	61	-
Total Assets	<u>\$ 16,959</u>	<u>\$ 14,935</u>	<u>\$ 9,614</u>	<u>\$ 41,311</u>	<u>\$ 4,222</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 646	\$ 915	\$ 983	\$ 1,627	\$ 224
Unearned Revenue	-	-	5,892	7,091	-
Due to Other Funds	169	266	276	365	-
Total Liabilities	<u>815</u>	<u>1,181</u>	<u>7,151</u>	<u>9,083</u>	<u>224</u>
<b>Deferred Inflows of Resources</b>					
Receivables to be Collected in Future Periods	-	-	105	26,327	-
<b>Fund Balances</b>					
Restricted (Deficit)	16,144	13,754	2,358	5,901	3,998
Assigned	-	-	-	-	-
Total Fund Balances (Deficit)	<u>16,144</u>	<u>13,754</u>	<u>2,358</u>	<u>5,901</u>	<u>3,998</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 16,959</u>	<u>\$ 14,935</u>	<u>\$ 9,614</u>	<u>\$ 41,311</u>	<u>\$ 4,222</u>

**State of Connecticut**

Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers', Sailors', & Marines'	Employment Security Administration	Environmental Programs	Housing Programs	Other	Tourism	Total
\$ 78	\$ -	\$ -	\$ 20,870	\$ 97,910	\$ 39,662	\$ 453,375	\$ -	\$ 667,863
-	-	-	-	190	-	-	-	190
-	-	-	-	13	24,229	8,459	2,352	66,059
-	-	-	-	18,021	547,448	-	-	565,469
-	-	-	22,141	-	-	-	-	22,141
-	-	-	-	-	641	-	-	641
-	-	7,841	292	-	-	16	-	8,216
<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 7,841</u>	<u>\$ 43,303</u>	<u>\$ 116,134</u>	<u>\$ 611,980</u>	<u>\$ 461,850</u>	<u>\$ 2,352</u>	<u>\$ 1,330,579</u>
\$ -	\$ -	\$ -	\$ 3,739	\$ 1,763	\$ 1,380	\$ 2,450	\$ -	\$ 13,727
-	-	-	-	-	-	-	-	12,983
-	340	7,841	814	76	3	166	417	10,733
<u>-</u>	<u>340</u>	<u>7,841</u>	<u>4,553</u>	<u>1,839</u>	<u>1,383</u>	<u>2,616</u>	<u>417</u>	<u>37,443</u>
-	-	-	801	8	24,228	5,750	-	57,219
78	(340)	-	37,949	114,287	586,369	429,229	1,935	1,211,662
-	-	-	-	-	-	24,255	-	24,255
<u>78</u>	<u>(340)</u>	<u>-</u>	<u>37,949</u>	<u>114,287</u>	<u>586,369</u>	<u>453,484</u>	<u>1,935</u>	<u>1,235,917</u>
<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 7,841</u>	<u>\$ 43,303</u>	<u>\$ 116,134</u>	<u>\$ 611,980</u>	<u>\$ 461,850</u>	<u>\$ 2,352</u>	<u>\$ 1,330,579</u>

**State of Connecticut**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**

For the Fiscal Year Ended June 30, 2021

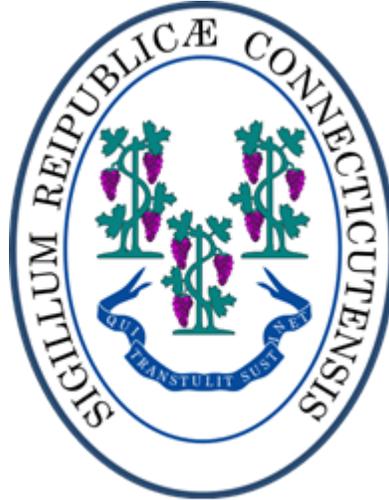
*(Expressed in Thousands)*

	<u>Workers' Compensation</u>	<u>Banking</u>	<u>Consumer Counsel Public Utility Control</u>	<u>Insurance</u>	<u>Criminal Injuries</u>
<b>Revenues</b>					
Licenses, Permits, and Fees	\$ -	\$ 38,399	\$ 19	\$ 95,034	\$ 394
Tobacco Settlement	-	-	-	-	-
Federal Grants and Aid	-	-	-	-	-
Charges for Services	10	-	-	-	-
Fines, Forfeits, and Rents	-	-	-	-	24
Investment Earnings	35	-	-	285	4
Interest on Loans	-	-	-	-	-
Miscellaneous	23,289	122	25,928	13,427	996
Total Revenues	<u>23,334</u>	<u>38,521</u>	<u>25,947</u>	<u>108,746</u>	<u>1,418</u>
<b>Expenditures</b>					
Current:					
General Government	598	-	-	481	-
Regulation and Protection	21,224	24,281	2,236	33,199	-
Conservation and Development	-	670	24,267	108	-
Health and Hospitals	-	-	-	76,072	-
Human Services	1,519	-	-	50	-
Education, Libraries, and Museums	-	-	-	-	-
Corrections	-	-	-	-	-
Judicial	-	1,908	-	-	1,948
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>23,341</u>	<u>26,859</u>	<u>26,503</u>	<u>109,910</u>	<u>1,948</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7)</u>	<u>11,662</u>	<u>(556)</u>	<u>(1,164)</u>	<u>(530)</u>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	-
Transfers In	14	27	94	102	-
Transfers Out	-	(5,200)	-	-	-
Total Other Financing Sources (Uses)	<u>14</u>	<u>(5,173)</u>	<u>94</u>	<u>102</u>	<u>-</u>
Net Change in Fund Balances	7	6,489	(462)	(1,062)	(530)
Fund Balances (Deficit) - Beginning	16,137	7,265	2,820	6,963	4,528
Fund Balances (Deficit) - Ending	<u>\$ 16,144</u>	<u>\$ 13,754</u>	<u>\$ 2,358</u>	<u>\$ 5,901</u>	<u>\$ 3,998</u>

**State of Connecticut**

<b>Mashantucket Pequot and Mohegan Fund</b>	<b>Regional Market</b>	<b>Employment Security Administration</b>	<b>Environmental Programs</b>	<b>Housing Programs</b>	<b>Other</b>	<b>Tourism</b>	<b>Total</b>
\$ -	\$ -	\$ 3,125	\$ 4,200	\$ -	\$ 4,052	\$ -	\$ 145,223
-	-	-	-	-	133,121	-	133,121
-	-	120,822	-	-	-	-	120,822
-	-	-	-	-	393	-	403
-	-	-	-	-	11	-	35
-	-	12	99	-	572	-	1,007
-	-	-	4	-	67	-	71
-	-	149	45	319	66,168	8,043	138,486
-	-	124,108	4,348	319	204,384	8,043	539,168
51,473	-	-	4,775	10,689	5,574	-	73,590
-	-	109,781	-	-	11,038	-	201,759
-	-	-	68,419	57,826	890	13,051	165,231
-	-	-	2,921	19	2,588	-	81,600
-	-	-	-	-	856	-	2,425
-	-	-	-	-	1,698	-	1,698
-	-	-	-	-	1,735	-	1,735
-	-	-	-	-	51,358	-	55,214
-	-	-	280	246	39	-	565
51,473	-	109,781	76,395	68,780	75,776	13,051	583,817
(51,473)	-	14,327	(72,047)	(68,461)	128,608	(5,008)	(44,649)
-	-	-	71,145	68,354	10,000	-	149,499
-	-	-	9,334	5,599	1,312	-	16,245
51,500	-	6,384	-	-	5,500	9,800	73,421
-	-	-	(9,543)	(5,353)	(126,205)	-	(146,301)
51,500	-	6,384	70,936	68,600	(109,393)	9,800	92,864
27	-	20,711	(1,111)	139	19,215	4,792	48,215
51	(340)	17,238	115,398	586,230	434,269	(2,857)	1,187,702
\$ 78	\$ (340)	\$ 37,949	\$ 114,287	\$ 586,369	\$ 453,484	\$ 1,935	\$ 1,235,917

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## NONMAJOR CAPITAL PROJECTS FUNDS

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*The Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. They are financed principally by debt proceeds.*

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The following are included in the nonmajor capital projects funds:

- State Facilities
- Infrastructure
- Other Transportation

**State of Connecticut**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<b>State</b>			
	<u><b>Facilities</b></u>	<u><b>Infrastructure</b></u>	<u><b>Transportation</b></u>	<u><b>Total</b></u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 286,878	\$ 794,199	\$ -	\$ 1,081,077
Receivables:				
Due From Other Funds	<u>3,404</u>	<u>-</u>	<u>-</u>	<u>3,404</u>
Total Assets	<u>\$ 290,282</u>	<u>\$ 794,199</u>	<u>\$ -</u>	<u>\$ 1,084,481</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 25,368	\$ 48,780	\$ -	\$ 74,148
Due To Other Funds	<u>56,989</u>	<u>539</u>	<u>718</u>	<u>58,246</u>
Total Liabilities	<u>82,357</u>	<u>49,319</u>	<u>718</u>	<u>132,394</u>
<b>Fund Balances</b>				
Restricted	207,925	744,880	-	952,805
Unassigned	<u>-</u>	<u>-</u>	<u>(718)</u>	<u>(718)</u>
Total Fund Balances (Deficit)	<u>207,925</u>	<u>744,880</u>	<u>(718)</u>	<u>952,087</u>
Total Liabilities and Fund Balances	<u>\$ 290,282</u>	<u>\$ 794,199</u>	<u>\$ -</u>	<u>\$ 1,084,481</u>

**State of Connecticut**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<u>State</u>			
	<u>Facilities</u>	<u>Infrastructure</u>	<u>Transportation</u>	<u>Total</u>
<b>Revenues</b>				
Investment Earnings	\$ 87	\$ -	\$ -	\$ 87
Miscellaneous	227	-	-	227
Total Revenues	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
<b>Expenditures</b>				
Capital Projects	194,273	794,419	-	988,692
Debt Service:				
Interest and Fiscal Charges	1,818	3,677	-	5,495
Total Expenditures	<u>196,091</u>	<u>798,096</u>	<u>-</u>	<u>994,187</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(195,777)</u>	<u>(798,096)</u>	<u>-</u>	<u>(993,873)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	434,967	875,000	-	1,309,967
Premium on Bonds Issued	76,810	221,754	-	298,564
Transfer Out	<u>(328,892)</u>	<u>(62,645)</u>	<u>-</u>	<u>(391,537)</u>
Total Other Financing Sources	<u>182,885</u>	<u>1,034,109</u>	<u>-</u>	<u>1,216,994</u>
Net Change in Fund Balances	(12,892)	236,013	-	223,121
Fund Balances (Deficit) - Beginning	<u>220,817</u>	<u>508,867</u>	<u>(718)</u>	<u>728,966</u>
Fund Balances (Deficit) - Ending	<u>\$ 207,925</u>	<u>\$ 744,880</u>	<u>\$ (718)</u>	<u>\$ 952,087</u>

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## NONMAJOR PERMANENT FUNDS

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*Permanent funds are used to account for and report the principal and interest earned on investments for the benefit of its citizenry.*

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The following are included in the nonmajor permanent funds:

Soldiers', Sailors', and Marines'  
Connecticut Arts Endowment  
Other

**State of Connecticut**

**COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<b>Soldiers', Sailors', &amp; Marines'</b>	<b>Connecticut Arts Endowment</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,888	\$ 3,888
Investments	90,958	24,592	23,328	138,878
Securities Lending Collateral	12,291	1,760	3,181	17,232
Due From Other Funds	-	-	1	1
Other Receivables	2	1	-	3
Total Assets	<u>\$ 103,251</u>	<u>\$ 26,353</u>	<u>\$ 30,398</u>	<u>\$ 160,002</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 33	\$ 33
Due To Other Funds	-	-	232	232
Securities Lending Obligation	12,291	1,760	3,181	17,232
Total Liabilities	<u>12,291</u>	<u>1,760</u>	<u>3,446</u>	<u>17,497</u>
<b>Fund Balances</b>				
Nonspendable:				
Permanent Fund Principal	90,958	24,592	23,329	138,879
Restricted	-	-	3,623	3,623
Unassigned	2	1	-	3
Total Fund Balances	<u>90,960</u>	<u>24,593</u>	<u>26,952</u>	<u>142,505</u>
Total Liabilities and Fund Balances	<u>\$ 103,251</u>	<u>\$ 26,353</u>	<u>\$ 30,398</u>	<u>\$ 160,002</u>

**State of Connecticut**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<u>Soldiers', Sailors', &amp; Marines'</u>	<u>Connecticut Arts Endowment</u>	<u>Other</u>	<u>Total</u>
<b>Revenues</b>				
Licenses, Permits & Fees	\$ -	\$ -	\$ 486	\$ 486
Investment Earnings	10,044	5,521	2,574	18,139
Miscellaneous	-	-	3	3
Total Revenues	<u>10,044</u>	<u>5,521</u>	<u>3,063</u>	<u>18,628</u>
<b>Expenditures</b>				
General Government	1,820	45	308	2,173
Conservation and Development	-	802	-	802
Health and Hospital	-	-	13	13
Education, Libraries, and Museums	-	-	33	33
Total Expenditures	<u>1,820</u>	<u>847</u>	<u>354</u>	<u>3,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,224</u>	<u>4,674</u>	<u>2,709</u>	<u>15,607</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	30	30
Transfers Out	-	-	(456)	(456)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(426)</u>	<u>(426)</u>
Net Change in Fund Balances	8,224	4,674	2,283	15,181
Fund Balances - Beginning (as restated)	<u>82,736</u>	<u>19,919</u>	<u>24,669</u>	<u>127,324</u>
Fund Balances - Ending	<u>\$ 90,960</u>	<u>\$ 24,593</u>	<u>\$ 26,952</u>	<u>\$ 142,505</u>

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## NONMAJOR ENTERPRISE FUNDS

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*Enterprise funds are used to account and report activities for which a fee is charged in exchange for goods or services.*

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The following are included in the nonmajor enterprise funds:

Second Injury and Compensation Insurance  
Drinking Water

**State of Connecticut**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

June 30, 2021

(Expressed in Thousands)

	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 48,369	\$ 4,254	\$ 52,623
Accounts Receivable, Net of Allowances	5,194	-	5,194
Loans, Net of Allowances	-	59,722	59,722
Interest Receivable	-	1,833	1,833
From Other Governments	-	400	400
Total Current Assets	53,563	66,209	119,772
Noncurrent Assets:			
Cash and Cash Equivalents	-	121,849	121,849
Receivables:			
Loans, Net of Allowances	-	140,803	140,803
Restricted Assets	-	32,174	32,174
Total Noncurrent Assets	-	294,826	294,826
Total Assets	\$ 53,563	\$ 361,035	\$ 414,598
<b>Deferred Outflows of Resources</b>			
Unamortized Losses on Bond Refundings	\$ -	\$ 121	\$ 121
Total Deferred Outflows of Resources	\$ -	\$ 121	\$ 121
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 6,910	\$ 1,972	\$ 8,882
Current Portion of Long-Term Debt	570	6,965	7,535
Total Current Liabilities	7,480	8,937	16,417
Noncurrent Liabilities:			
Noncurrent Portion of Long-Term Liabilities	927	150,298	151,225
Total Noncurrent Liabilities	927	150,298	151,225
Total Liabilities	\$ 8,407	\$ 159,235	\$ 167,642
<b>Net Position (Deficit)</b>			
Restricted for:			
Drinking Water Projects	\$ -	\$ 177,529	\$ 177,529
Unrestricted (Deficit)	45,156	24,392	69,548
Total Net Position (Deficit)	\$ 45,156	\$ 201,921	\$ 247,077

**State of Connecticut**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Total</b>
<b>Operating Revenues</b>			
Assessments	\$ 27,636	\$ -	\$ 27,636
Interest on Loans	-	4,168	4,168
Miscellaneous	736	-	736
Total Operating Revenues	28,372	4,168	32,540
<b>Operating Expenses</b>			
Salaries, Wages, and Administrative	7,621	3,059	10,680
Claims Paid	22,978	-	22,978
Other	-	2,731	2,731
Total Operating Expenses	30,599	5,790	36,389
Operating Income	(2,227)	(1,622)	(3,849)
<b>Nonoperating Revenues (Expenses)</b>			
Interest and Investment Income	48	416	464
Interest and Fiscal Charges	-	(6,738)	(6,738)
Other	-	2,141	2,141
Total Nonoperating Income (Expense)	48	(4,181)	(4,133)
Income (Loss) Before Grants and Transfers	(2,179)	(5,803)	(7,982)
Federal Capitalization Grants	-	10,285	10,285
Transfers In	-	192	192
Change in Net Position	(2,179)	4,674	2,495
Total Net Position (Deficit) - Beginning (as restated)	47,335	197,247	244,582
Total Net Position (Deficit) - Ending	\$ 45,156	\$ 201,921	\$ 247,077

**State of Connecticut**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 27,229	\$ 28,218	\$ 55,447
Payments to Suppliers	-	(2,731)	(2,731)
Payments to Employees	(7,575)	(2,483)	(10,058)
Other Receipts (Payments)	(21,951)	(24,161)	(46,112)
Net Cash Provided by (Used in) Operating Activities	<u>(2,297)</u>	<u>(1,157)</u>	<u>(3,454)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Federal Capitalization Grants	-	10,115	10,115
Net Cash Flows from Capital and Related Financing Activities	<u>-</u>	<u>10,115</u>	<u>10,115</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>			
Repayment of bonds payable	-	(11,701)	(11,701)
Interest paid on bonds payable	-	(6,916)	(6,916)
Transfers In	-	192	192
Net Cash Flows from Noncapital and Related Financing Activities	<u>-</u>	<u>(18,425)</u>	<u>(18,425)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	48	435	483
Other Receipts (Payments)	-	8,160	8,160
Net Cash Flows from Investing Activities	<u>48</u>	<u>8,595</u>	<u>8,643</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,249)	(872)	(3,121)
Cash and Cash Equivalents - Beginning of Year	50,618	5,126	55,744
Cash and Cash Equivalents - End of Year	<u>\$ 48,369</u>	<u>\$ 4,254</u>	<u>\$ 52,623</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
Operating Income (Loss)	\$ (2,227)	\$ (1,622)	\$ (3,849)
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables, Net	(1,144)	(675)	(1,819)
(Increase) Decrease in Inventories and Other Assets	6	1,140	1,146
Increase (Decrease) in Accounts Payables & Accrued Liabilities	1,068	-	1,068
Total Adjustments	<u>(70)</u>	<u>465</u>	<u>395</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (2,297)</u>	<u>\$ (1,157)</u>	<u>\$ (3,454)</u>



## NONMAJOR INTERNAL SERVICE FUNDS

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*The internal service funds are used to account for and report the operations of state agencies whose exclusive or nearly exclusive purpose is to provide goods or services to other state agencies on a cost-reimbursement basis.*

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The following are included in the nonmajor internal service funds:

Correction Industries  
Administrative Services  
Information Technology

**State of Connecticut**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<u>Correction Industries</u>	<u>Information &amp; Technology</u>	<u>Administrative Services</u>	<u>Total</u>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,042	\$ 3,482	\$ -	\$ 13,524
Receivables, Net of Allowances	4	100	56	160
Due From Other Funds	368	2,339	1,608	4,315
Inventories	5,701	-	85	5,786
Other Current Assets	25	-	237	262
Total Current Assets	<u>16,140</u>	<u>5,921</u>	<u>1,986</u>	<u>24,047</u>
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	<u>1,324</u>	<u>-</u>	<u>45,081</u>	<u>46,405</u>
Total Noncurrent Assets	<u>1,324</u>	<u>-</u>	<u>45,081</u>	<u>46,405</u>
Total Assets	<u>\$ 17,464</u>	<u>\$ 5,921</u>	<u>\$ 47,067</u>	<u>\$ 70,452</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,418	\$ 509	\$ 527	\$ 2,454
Due To Other Funds	-	-	12,297	12,297
Compensated Absences-Current Portion	53	19	23	95
Total Current Liabilities	<u>1,471</u>	<u>528</u>	<u>12,847</u>	<u>14,846</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Debt	-	705	-	705
Compensated Absences	731	306	407	1,444
Total Noncurrent Liabilities	<u>731</u>	<u>1,011</u>	<u>407</u>	<u>2,149</u>
Total Liabilities	<u>\$ 2,202</u>	<u>\$ 1,539</u>	<u>\$ 13,254</u>	<u>\$ 16,995</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 1,324	\$ -	\$ 45,081	\$ 46,405
Unrestricted (Deficit)	13,938	4,382	(11,268)	7,052
Total Net Position	<u>\$ 15,262</u>	<u>\$ 4,382</u>	<u>\$ 33,813</u>	<u>\$ 53,457</u>

**State of Connecticut**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION  
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<u>Correction Industries</u>	<u>Information &amp; Technology</u>	<u>Administrative Services</u>	<u>Total</u>
<b>Operating Revenues</b>				
Charges for Sales and Services	\$ 20,686	\$ 4,585	\$ 20,805	\$ 46,076
Miscellaneous	504	-	-	504
Total Operating Revenues	<u>21,190</u>	<u>4,585</u>	<u>20,805</u>	<u>46,580</u>
<b>Operating Expenses</b>				
Salaries, Wages, and Administrative	20,172	4,663	7,218	32,053
Depreciation and Amortization	361	-	15,344	15,705
Total Operating Expenses	<u>20,533</u>	<u>4,663</u>	<u>22,562</u>	<u>47,758</u>
Operating Income	<u>657</u>	<u>(78)</u>	<u>(1,757)</u>	<u>(1,178)</u>
<b>Nonoperating Revenue (Expenses)</b>				
Investment Income	900	-	-	900
Other Nonoperating Revenue (Expense)	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>(45)</u>
Total Nonoperating Revenue (Expense)	<u>855</u>	<u>-</u>	<u>-</u>	<u>855</u>
Change in Net Position	1,512	(78)	(1,757)	(323)
Total Net Position - Beginning	<u>13,750</u>	<u>4,460</u>	<u>35,570</u>	<u>53,780</u>
Total Net Position - Ending	<u>\$ 15,262</u>	<u>\$ 4,382</u>	<u>\$ 33,813</u>	<u>\$ 53,457</u>

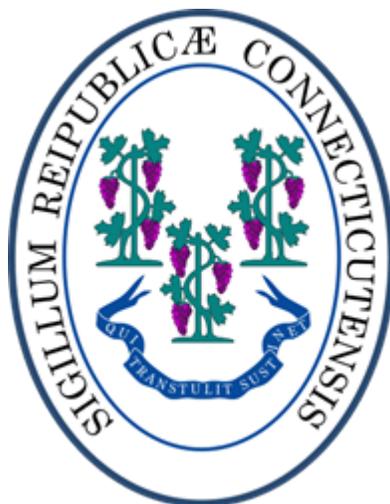
**State of Connecticut**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<u>Correction Industries</u>	<u>Information Technology</u>	<u>Administrative Services</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 21,338	\$ 4,569	\$ 20,923	\$ 46,830
Payments to Suppliers	(16,599)	(928)	1,694	(15,833)
Payments to Employees	(3,348)	(3,558)	(4,637)	(11,543)
Other Receipts (Payments)	23	-	(47)	(24)
Net Cash Provided by (Used in) Operating Activities	<u>1,414</u>	<u>83</u>	<u>17,933</u>	<u>19,430</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Additions to Property, Plant, and Equipment	<u>(637)</u>	<u>-</u>	<u>(17,933)</u>	<u>(18,570)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(637)</u>	<u>-</u>	<u>(17,933)</u>	<u>(18,570)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Other Receipts (Payments)	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>(45)</u>
Net Cash Flows from Noncapital Financing Activities	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>(45)</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	<u>900</u>	<u>-</u>	<u>-</u>	<u>900</u>
Net Cash Flows from Investing Activities	<u>900</u>	<u>-</u>	<u>-</u>	<u>900</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,632	83	-	1,715
Cash and Cash Equivalents - Beginning of Year	8,410	3,399	-	11,809
Cash and Cash Equivalents - End of Year	<u>\$ 10,042</u>	<u>\$ 3,482</u>	<u>\$ -</u>	<u>\$ 13,524</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income	\$ 657	\$ (78)	\$ (1,757)	\$ (1,178)
Adjustments Not Affecting Cash:				
Depreciation	361	-	15,344	15,705
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables, Net	6	(19)	(28)	(41)
(Increase) Decrease in Due From Other Funds	646	3	145	794
(Increase) Decrease in Inventories and Other Assets	(481)	-	(46)	(527)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	225	177	4,275	4,677
Total Adjustments	<u>757</u>	<u>161</u>	<u>19,690</u>	<u>20,608</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 1,414</u>	<u>\$ 83</u>	<u>\$ 17,933</u>	<u>\$ 19,430</u>



## PENSION AND (OTHER EMPLOYEE BENEFIT) TRUST FUNDS

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*The pension and other employee benefit trust funds are used to account for and report the money that has been contributed by both the employer and the employee for pension benefits. A trustee administers the funds and invests the money, collects the earnings and interest and distributes the benefits.*

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The following are included in the pension and (other employee benefit) trust funds:

- State Employees
- State Teachers
- Judicial
- Connecticut Municipal Employees
- Probate Judges
- State Employee OPEB Plan
- Retired Teacher Healthcare Plan
- Policemen, Firemen, and Survivors' Benefits

**State of Connecticut**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

June 30, 2021

(Expressed in Thousands)

	<b>Pension Trust</b>			
	<b>State Employees'</b>	<b>State Teachers'</b>	<b>Judicial</b>	<b>Connecticut Municipal Employees'</b>
<b>Assets</b>				
Current:				
Cash and Cash Equivalents	\$ 5,473	\$ 3,961	\$ 3,729	\$ 3,046
Receivables:				
Accounts, Net of Allowances	14,368	12,564	7	22,629
From Other Governments	-	60	-	-
From Other Funds	714,673	903,644	-	2
Interest	276	436	5	52
Investments	16,345,927	22,200,626	298,259	3,328,688
Securities Lending Collateral	937,867	1,275,824	17,003	190,375
Noncurrent:				
Due From Employers	-	-	-	13,386
Total Assets	<u>\$ 18,018,584</u>	<u>\$ 24,397,115</u>	<u>\$ 319,003</u>	<u>\$ 3,558,178</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 77	\$ 2,300	\$ 5	\$ -
Securities Lending Obligation	937,867	1,275,824	17,003	190,375
Due to Other Funds	-	1,903	-	-
Total Liabilities	<u>\$ 937,944</u>	<u>\$ 1,280,027</u>	<u>\$ 17,008</u>	<u>\$ 190,375</u>
<b>Net Position</b>				
Held in Trust For Employee				
Pension and Other Benefits	<u>\$ 17,080,640</u>	<u>\$ 23,117,088</u>	<u>\$ 301,995</u>	<u>\$ 3,367,803</u>
Total Net Position	<u>\$ 17,080,640</u>	<u>\$ 23,117,088</u>	<u>\$ 301,995</u>	<u>\$ 3,367,803</u>

**State of Connecticut**

<u>Pension Trust</u>		<u>Other Employee Benefits</u>				
<u>Probate Judges</u>	<u>Other</u>	<u>Retired Teacher Healthcare Plan</u>	<u>Policemen, Firemen, and Survivors' Benefits</u>	<u>State Employee OPEB Plan</u>		<u>Total</u>
\$ 274	\$ 448	\$ 118,366	\$ 170	\$ 198,503		\$ 333,970
4	-	-	-	-		49,572
-	-	-	-	-		60
-	-	1,905	-	26		1,620,250
3	-	-	1	-		773
140,860	2,699	-	47,611	2,050,349		44,415,019
7,775	153	-	2,718	117,096		2,548,811
-	-	-	-	-		13,386
<u>\$ 148,916</u>	<u>\$ 3,300</u>	<u>\$ 120,271</u>	<u>\$ 50,500</u>	<u>\$ 2,365,974</u>		<u>\$ 48,981,841</u>
\$ 11	\$ -	\$ 14,356	\$ -	\$ 49,333		\$ 66,082
7,775	153	-	2,718	117,096		2,548,811
-	-	-	-	-		1,903
<u>\$ 7,786</u>	<u>\$ 153</u>	<u>\$ 14,356</u>	<u>\$ 2,718</u>	<u>\$ 166,429</u>		<u>\$ 2,616,796</u>
<u>\$ 141,130</u>	<u>\$ 3,147</u>	<u>\$ 105,915</u>	<u>\$ 47,782</u>	<u>\$ 2,199,545</u>		<u>\$ 46,365,045</u>
<u>\$ 141,130</u>	<u>\$ 3,147</u>	<u>\$ 105,915</u>	<u>\$ 47,782</u>	<u>\$ 2,199,545</u>		<u>\$ 46,365,045</u>

**State of Connecticut**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<b>Pension Trust</b>			
	<b>State Employees'</b>	<b>State Teachers'</b>	<b>Judicial</b>	<b>Connecticut Municipal Employees'</b>
<b>Additions</b>				
Contributions:				
Plan Members	\$ 194,775	\$ 323,306	\$ 1,570	\$ 32,662
State	2,568,591	2,153,477	31,894	-
Municipalities	-	-	-	115,452
Total Contributions	<u>2,763,366</u>	<u>2,476,783</u>	<u>33,464</u>	<u>148,114</u>
Investment Income	3,509,985	4,815,062	63,667	715,388
Less: Investment Expenses	<u>(208,767)</u>	<u>(286,395)</u>	<u>(3,787)</u>	<u>(42,550)</u>
Net Investment Income	<u>3,301,218</u>	<u>4,528,667</u>	<u>59,880</u>	<u>672,838</u>
Other	-	791	-	4,534
Total Additions	<u>6,064,584</u>	<u>7,006,241</u>	<u>93,344</u>	<u>825,486</u>
<b>Deductions</b>				
Administrative Expense	568	-	-	-
Benefit Payments and Refunds	2,227,462	2,171,063	31,116	201,992
Other	<u>5,402</u>	<u>-</u>	<u>6</u>	<u>4,244</u>
Total Deductions	<u>2,233,432</u>	<u>2,171,063</u>	<u>31,122</u>	<u>206,236</u>
Changes in Net Position	3,831,152	4,835,178	62,222	619,250
<b>Net Position Held in Trust For Pension and Other Employee Benefits</b>				
Beginning of Year	<u>13,249,488</u>	<u>18,281,910</u>	<u>239,773</u>	<u>2,748,553</u>
End of Year	<u>\$ 17,080,640</u>	<u>\$ 23,117,088</u>	<u>\$ 301,995</u>	<u>\$ 3,367,803</u>

**State of Connecticut**

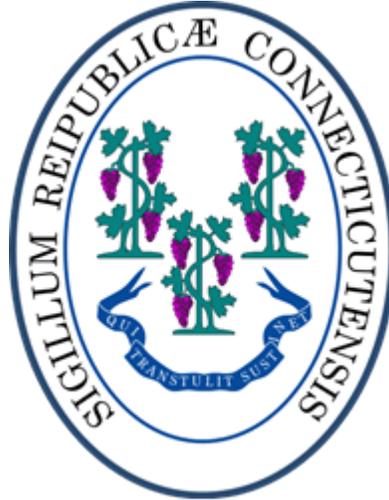
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<u>Pension Trust</u>		<u>Other Employee Benefits</u>			
<u>Probate Judges'</u>	<u>Other</u>	<u>Retired Teachers' Healthcare Plan</u>	<u>Policemen, Firemen, and Survivors' Benefits</u>	<u>State Employees' OPEB Plan</u>	<u>Total</u>
\$ 233	\$ 27	\$ 106,833	\$ 687	\$ 147,037	\$ 807,130
-	-	29,411	-	868,070	5,651,443
-	-	-	974	-	116,426
<u>233</u>	<u>27</u>	<u>136,244</u>	<u>1,661</u>	<u>1,015,107</u>	<u>6,574,999</u>
29,334	570	82,254	10,102	394,328	9,620,690
(1,745)	(34)	-	(601)	(4,556)	(548,435)
<u>27,589</u>	<u>536</u>	<u>82,254</u>	<u>9,501</u>	<u>389,772</u>	<u>9,072,255</u>
8,457	-	-	-	-	13,782
<u>36,279</u>	<u>563</u>	<u>218,498</u>	<u>11,162</u>	<u>1,404,879</u>	<u>15,661,036</u>
-	-	30,717	-	-	31,285
5,884	-	153,716	1,323	637,221	5,429,777
-	24	91	-	105,307	115,074
<u>5,884</u>	<u>24</u>	<u>184,524</u>	<u>1,323</u>	<u>742,528</u>	<u>5,576,136</u>
30,395	539	33,974	9,839	662,351	10,084,900
<u>110,735</u>	<u>2,608</u>	<u>71,941</u>	<u>37,943</u>	<u>1,537,194</u>	<u>36,280,145</u>
<u>\$ 141,130</u>	<u>\$ 3,147</u>	<u>\$ 105,915</u>	<u>\$ 47,782</u>	<u>\$ 2,199,545</u>	<u>\$ 46,365,045</u>

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## CUSTODIAL FUNDS

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*Agency funds account for and report resources held by the State as an agent for individuals and private organizations for which the state has custodial responsibility for the flow of assets.*

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The following are included in the agency funds:

- Fringe Benefit Clearing
- Receipts Pending Distribution
- Insurance Companies' Securities
- State Institution Activity

**State of Connecticut**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**

June 30, 2021

*(Expressed in Thousands)*

	<b>Fringe Benefit Clearing</b>	<b>Receipts Pending Distribution</b>	<b>Insurance Companies' Securities</b>	<b>State Institution Activity</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 1,184	\$ 230,817	\$ -	\$ 21,900	\$ 64,754	\$ 318,655
Receivables:						
Accounts, Net of Allowances	-	2,744	-	6	-	2,750
Interest	-	-	-	-	1	1
Other Assets	-	-	326,275	15	13,510	339,800
Total Assets	<u>\$ 1,184</u>	<u>\$ 233,561</u>	<u>\$ 326,275</u>	<u>\$ 21,921</u>	<u>\$ 78,265</u>	<u>\$ 661,206</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	\$ -	\$ 88,265	\$ -	\$ 66	\$ 772	\$ 89,103
Total Liabilities	<u>\$ -</u>	<u>\$ 88,265</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 772</u>	<u>\$ 89,103</u>
<b>Net Position</b>						
Restricted for:						
Individuals, Organizations, and Other Governments	\$ 1,184	\$ 145,296	\$ 326,275	\$ 21,855	\$ 77,493	\$ 572,103
Total Net Position	<u>\$ 1,184</u>	<u>\$ 145,296</u>	<u>\$ 326,275</u>	<u>\$ 21,855</u>	<u>\$ 77,493</u>	<u>\$ 572,103</u>

**State of Connecticut**

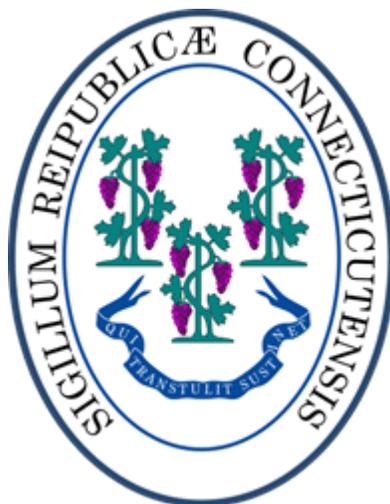
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

	<b>Fringe Benefit Clearing</b>	<b>Receipts Pending Distribution</b>	<b>Insurance Companies' Securities</b>	<b>State Institution Activity</b>	<b>Other</b>	<b>Total</b>
<b>Additions</b>						
Insurance Securities	\$ -	\$ -	\$ 326,275	\$ -	\$ -	\$ 326,275
Other	-	2,748	-	18,080	68,200	89,028
Total Additions	<u>-</u>	<u>2,748</u>	<u>326,275</u>	<u>18,080</u>	<u>68,200</u>	<u>415,303</u>
<b>Deductions</b>						
Administrative Expense	-	16,825	-	-	-	16,825
Total Deductions	<u>-</u>	<u>16,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,825</u>
Change in Net Position Held In Trust For:						
Individuals, Organizations, and Other Governments	-	(14,077)	326,275	18,080	68,200	398,478
<b>Net Position Held in Trust For</b>						
<b>Pension and Other Employee Benefits</b>						
Net Position - Beginning (restated)	<u>1,184</u>	<u>159,373</u>	<u>-</u>	<u>3,775</u>	<u>9,293</u>	<u>173,625</u>
Net Position - Ending	<u>\$ 1,184</u>	<u>\$ 145,296</u>	<u>\$ 326,275</u>	<u>\$ 21,855</u>	<u>\$ 77,493</u>	<u>\$ 572,103</u>

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## NONMAJOR COMPONENT UNITS

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*The component units listed below are legally separate organizations for which the State is financially accountable.*

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The following are included in the nonmajor component units:

- Connecticut Higher Education Supplemental Loan Authority
- Connecticut Health and Educational Facilities Authority
- Connecticut Student Loan Foundation
- Materials, Innovations, and Recycling Authority
- Connecticut Innovations, Incorporated
- UConn Foundation
- Capital Region Development Authority
- Connecticut Green Bank
- Connecticut Port Authority

**State of Connecticut**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR COMPONENT UNITS**

June 30, 2021

*(Expressed in Thousands)*

	<b>Connecticut Higher Education Supplemental Loan Authority</b>	<b>Connecticut Health and Educational Facilities Authority</b>	<b>Connecticut Student Loan Foundation</b>	<b>Materials, Innovations, and Recycling Authority</b>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 7,001	\$ 416	\$ 816	\$ 33,199
Investments	-	8,586	-	-
Receivables:				
Accounts, Net of Allowances	-	769	-	7,595
Loans, Net of Allowances	74	49	-	-
Interest Receivable	3	-	-	-
Due From Primary Government	-	-	-	-
Restricted Assets	74,030	296,552	18,710	1,103
Inventories	-	-	-	5,572
Other Current Assets	34	137	4	2,729
Total Current Assets	<u>81,142</u>	<u>306,509</u>	<u>19,530</u>	<u>50,198</u>
Noncurrent Assets:				
Investments	-	-	-	-
Accounts, Net of Allowances	-	-	-	-
Loans, Net of Allowances	405	51	-	-
Restricted Assets	128,602	6,642	127,452	-
Capital Assets, Net of Accumulated Depreciation	3	277	-	31,863
Other Noncurrent Assets	-	-	-	-
Total Noncurrent Assets	<u>129,010</u>	<u>6,970</u>	<u>127,452</u>	<u>31,863</u>
Total Assets	<u>\$ 210,152</u>	<u>\$ 313,479</u>	<u>\$ 146,982</u>	<u>\$ 82,061</u>
<b>Deferred Outflows of Resources</b>				
Related to Pensions & Other Postemployment	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable & Accrued Liabilities	\$ 1,158	\$ 424	\$ 1,155	\$ 11,281
Current Portion of Long-Term Obligations	14,040	-	-	-
Due To Primary Government	-	-	-	-
Unearned Revenue	-	-	-	-
Amounts Held for Institutions	-	296,531	-	-
Other Liabilities	-	-	-	-
Total Current Liabilities	<u>15,198</u>	<u>296,955</u>	<u>1,155</u>	<u>11,281</u>
Noncurrent Liabilities:				
Pension Liability & OPEB Liability	-	-	-	-
Noncurrent Portion of Long-Term Obligations	161,407	2,161	121,624	-
Total Noncurrent Liabilities	<u>161,407</u>	<u>2,161</u>	<u>121,624</u>	<u>-</u>
Total Liabilities	<u>\$ 176,605</u>	<u>\$ 299,116</u>	<u>\$ 122,779</u>	<u>\$ 11,281</u>
<b>Deferred Inflows of Resources</b>				
Related to Pensions & Other Postemployment	\$ -	\$ -	\$ -	\$ -
Other Deferred Inflows	1,048	25	-	-
Total Deferred Inflows of Resources	<u>\$ 1,048</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 3	\$ 277	\$ -	\$ 31,863
Restricted:				
Expendable Endowments	-	-	-	-
Nonexpendable Endowments	-	-	-	-
Other Purposes	26,574	4,388	3,418	51
Unrestricted	5,922	9,673	20,785	38,866
Total Net Position	<u>\$ 32,499</u>	<u>\$ 14,338</u>	<u>\$ 24,203</u>	<u>\$ 70,780</u>

**State of Connecticut**

Connecticut Innovations, Incorporated	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank	Connecticut Port Authority	Total
\$ 59,627	\$ 10,129	\$ 9,358	\$ 44,136	\$ 1,456	\$ 166,138
2,685	686,871	5,086	-	-	703,228
1	11,119	733	5,937	5	26,159
2,318	-	173	-	-	2,614
494	-	-	-	-	497
801	-	-	-	52	853
-	-	20,372	-	67,189	477,956
-	-	-	-	-	5,572
148	-	1,564	18,185	489	23,290
<u>66,074</u>	<u>708,119</u>	<u>37,286</u>	<u>68,258</u>	<u>69,191</u>	<u>1,406,307</u>
172,694	-	-	-	-	172,694
-	56,620	-	-	-	56,620
15,429	-	93,732	245	-	109,862
14,047	-	6,479	20,625	-	303,847
2,170	3,923	265,580	77,148	20,198	401,162
66	1,119	1,518	91,361	-	94,064
<u>204,406</u>	<u>61,662</u>	<u>367,309</u>	<u>189,379</u>	<u>20,198</u>	<u>1,138,249</u>
<u>\$ 270,480</u>	<u>\$ 769,781</u>	<u>\$ 404,595</u>	<u>\$ 257,637</u>	<u>\$ 89,389</u>	<u>\$ 2,544,556</u>
\$ 16,781	\$ -	\$ -	\$ 9,789	\$ -	\$ 26,570
-	-	-	2,488	-	2,488
<u>\$ 16,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,277</u>	<u>\$ -</u>	<u>\$ 29,058</u>
\$ 8,168	\$ 10,073	\$ 28,432	\$ 15,086	\$ 8,568	\$ 84,345
-	3,166	4,679	4,665	-	26,550
641	-	52,937	-	-	53,578
-	-	418	-	3,233	3,651
-	-	-	-	-	296,531
-	-	-	-	40	40
<u>8,809</u>	<u>13,239</u>	<u>86,466</u>	<u>19,751</u>	<u>11,841</u>	<u>464,695</u>
61,856	-	-	43,957	-	105,813
117	25,793	69,259	104,741	-	485,102
61,973	25,793	69,259	148,698	-	590,915
<u>\$ 70,782</u>	<u>\$ 39,032</u>	<u>\$ 155,725</u>	<u>\$ 168,449</u>	<u>\$ 11,841</u>	<u>\$ 1,055,610</u>
\$ 8,716	\$ -	\$ -	\$ 12,299	\$ -	\$ 21,015
-	-	-	-	-	1,073
<u>\$ 8,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,299</u>	<u>\$ -</u>	<u>\$ 22,088</u>
\$ 2,170	\$ -	\$ 138,704	\$ 5,403	\$ 20,198	\$ 198,618
-	22,496	-	-	-	22,496
-	708,253	-	62,273	-	770,526
13,223	-	106,683	16,881	55,418	226,636
192,370	-	3,483	4,609	1,932	277,640
<u>\$ 207,763</u>	<u>\$ 730,749</u>	<u>\$ 248,870</u>	<u>\$ 89,166</u>	<u>\$ 77,548</u>	<u>\$ 1,495,916</u>

**State of Connecticut**

**COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2021

*(Expressed in Thousands)*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Connecticut Higher Education Supplemental Loan Authority	\$ 9,672	\$ 8,763	\$ -	\$ -
Connecticut Health and Educational Facilities Authority	6,859	7,628	-	-
Connecticut Student Loan Foundation	4,026	5,149	-	-
Materials, Innovations, and Recycling Authority	88,529	71,765	-	-
Connecticut Innovations, Incorporated	27,954	15,045	-	-
UConn Foundation	56,317	71,222	-	-
Capital Region Development Authority	33,920	20,625	12,197	10,862
Connecticut Green Bank	43,189	55,503	13	-
Connecticut Port Authority	2,007	13,938	-	-
Total Nonmajor Component Units	<u>\$ 272,473</u>	<u>\$ 269,638</u>	<u>\$ 12,210</u>	<u>\$ 10,862</u>

General Revenues:

Investment Income

Transfer In

Total General Revenues

Change in Net Position

Total Net Position - Beginning (as restated)

Total Net Position - Ending

**State of Connecticut**

**Net (Expense) Revenue and  
Changes in Net Position**

Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Student Loan Foundation	Materials, Innovations, and Recycling Authority	Connecticut Innovations, Incorporated	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank	Connecticut Port Authority	<b>Totals</b>
\$ (909)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (909)
-	769	-	-	-	-	-	-	-	769
-	-	1,123	-	-	-	-	-	-	1,123
-	-	-	(16,764)	-	-	-	-	-	(16,764)
-	-	-	-	(12,909)	-	-	-	-	(12,909)
-	-	-	-	-	14,905	-	-	-	14,905
-	-	-	-	-	-	9,764	-	-	9,764
-	-	-	-	-	-	-	12,327	-	12,327
-	-	-	-	-	-	-	-	11,931	11,931
<u>\$ (909)</u>	<u>\$ 769</u>	<u>\$ 1,123</u>	<u>\$ (16,764)</u>	<u>\$ (12,909)</u>	<u>\$ 14,905</u>	<u>\$ 9,764</u>	<u>\$ 12,327</u>	<u>\$ 11,931</u>	<u>\$ 20,237</u>
69	28	3	25	55,662	139,345	2,309	97	74	197,612
-	-	-	-	-	-	-	-	496	496
<u>69</u>	<u>28</u>	<u>3</u>	<u>25</u>	<u>55,662</u>	<u>139,345</u>	<u>2,309</u>	<u>97</u>	<u>570</u>	<u>198,108</u>
(840)	797	1,126	(16,739)	42,753	154,250	12,073	12,424	12,501	218,345
<u>33,339</u>	<u>13,541</u>	<u>23,077</u>	<u>87,519</u>	<u>165,010</u>	<u>576,499</u>	<u>236,797</u>	<u>76,742</u>	<u>65,047</u>	<u>1,277,571</u>
<u>\$ 32,499</u>	<u>\$ 14,338</u>	<u>\$ 24,203</u>	<u>\$ 70,780</u>	<u>\$ 207,763</u>	<u>\$ 730,749</u>	<u>\$ 248,870</u>	<u>\$ 89,166</u>	<u>\$ 77,548</u>	<u>\$1,495,916</u>

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# State of Connecticut

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## Index to Statistical Section

This part of the State of Connecticut’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

### FINANCIAL TRENDS INFORMATION

These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

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### DEBT CAPACITY INFORMATION

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### OPERATING INFORMATION

These schedules contain information about the State’s operations and a resource to help the reader understand how the State’s financial information relates to the activities it performs.

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Capital Assets by Function	216

**Sources:** Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**State of Connecticut**

**NET POSITION BY COMPONENT**

Fiscal Years 2012 through 2021

*(Expressed in Thousands)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental Activities:</b>				
Net Invested in Capital Assets	\$ 6,192,401	\$ 6,195,235	\$ 4,508,124	\$ 4,321,358
Restricted	7,384,744	5,245,213	3,690,050	3,026,254
Unrestricted	<u>(68,893,667)</u>	<u>(65,947,359)</u>	<u>(61,669,809)</u>	<u>(61,949,017)</u>
Total Governmental Activities Net Position	<u>\$ (55,316,522)</u>	<u>\$ (54,506,911)</u>	<u>\$ (53,471,635)</u>	<u>\$ (54,601,405)</u>
<b>Business-Type Activities:</b>				
Net Invested in Capital Assets	\$ 4,193,263	\$ 4,301,811	\$ 4,261,844	\$ 4,287,451
Restricted	1,085,061	953,206	1,087,127	1,098,547
Unrestricted	<u>717,518</u>	<u>1,530,392</u>	<u>1,906,729</u>	<u>1,651,057</u>
Total Business-Type Activities Net Position	<u>\$ 5,995,842</u>	<u>\$ 6,785,409</u>	<u>\$ 7,255,700</u>	<u>\$ 7,037,055</u>
<b>Primary Government:</b>				
Net Invested in Capital Assets	\$ 10,385,664	\$ 10,497,046	\$ 8,769,968	\$ 8,608,809
Restricted	8,469,805	6,198,419	4,777,177	4,124,801
Unrestricted	<u>(68,176,149)</u>	<u>(64,416,967)</u>	<u>(59,763,080)</u>	<u>(60,297,960)</u>
Total Primary Government Net Position	<u>\$ (49,320,680)</u>	<u>\$ (47,721,502)</u>	<u>\$ (46,215,935)</u>	<u>\$ (47,564,350)</u>

**Notes:** The governmental activities have a deficit in unrestricted Net Position mainly because the State recognized in the Statement of Net Position the following long-term obligations:

1. General obligation bonds which were issued to finance various grant programs of the State, such as school construction and municipal aid.
2. Other long-term obligations which the State has partially funded or not funded. For example, net pension liabilities, net OPEB liabilities, and compensated absences obligations, etc.
3. In fiscal year 2014, Bradley International Airport, a major Enterprise fund, was reclassified as a major component unit. Business-type activities for the fiscal years prior to 2014 have been restated to reflect this change.
4. In fiscal year 2015, the State implemented GASB statement No. 68 requiring the reporting of the actuarially determined liability to the pension plan members net of the fiduciary net position of the plans.

## State of Connecticut

2017	2016	2015	2014	2013	2012
\$ 4,568,371	\$ 4,530,912	\$ 4,957,690	\$ 5,776,818	\$ 5,824,691	\$ 5,305,440
2,887,909	1,977,196	1,884,897	1,795,757	2,282,900	1,647,790
<u>(52,826,131)</u>	<u>(50,635,847)</u>	<u>(47,667,704)</u>	<u>(24,943,380)</u>	<u>(23,199,567)</u>	<u>(21,984,094)</u>
<u>\$ (45,369,851)</u>	<u>\$ (44,127,739)</u>	<u>\$ (40,825,117)</u>	<u>\$ (17,370,805)</u>	<u>\$ (15,091,976)</u>	<u>\$ (15,030,864)</u>
\$ 4,126,277	\$ 3,794,464	\$ 3,448,779	\$ 3,169,151	\$ 3,029,092	\$ 2,810,724
1,017,929	1,089,692	1,154,457	1,065,211	898,180	995,806
<u>1,564,985</u>	<u>1,384,932</u>	<u>895,770</u>	<u>546,492</u>	<u>391,597</u>	<u>360,131</u>
<u>\$ 6,709,191</u>	<u>\$ 6,269,088</u>	<u>\$ 5,499,006</u>	<u>\$ 4,780,854</u>	<u>\$ 4,318,869</u>	<u>\$ 4,166,661</u>
\$ 8,694,648	\$ 8,325,376	\$ 8,406,469	\$ 8,945,969	\$ 8,853,783	\$ 8,116,164
3,905,838	3,066,888	3,039,354	2,860,968	3,181,080	2,643,596
<u>(51,261,146)</u>	<u>(49,250,915)</u>	<u>(46,771,934)</u>	<u>(24,396,888)</u>	<u>(22,807,970)</u>	<u>(21,623,963)</u>
<u>\$ (38,660,660)</u>	<u>\$ (37,858,651)</u>	<u>\$ (35,326,111)</u>	<u>\$ (12,589,951)</u>	<u>\$ (10,773,107)</u>	<u>\$ (10,864,203)</u>

**State of Connecticut**

**CHANGES IN NET POSITION**

Fiscal Years 2012 through 2021

(Expressed in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Expenses</b>				
Governmental Activities:				
Legislative	\$ 139,468	\$ 131,224	\$ 106,749	\$ 71,859
General Government	5,653,974	2,790,722	2,780,984	1,518,254
Regulation and Protection	1,207,579	986,106	841,025	541,574
Conservation and Development	1,478,657	1,189,914	1,177,440	635,923
Health and Hospital	3,502,081	3,082,633	2,629,522	1,611,855
Transportation	2,530,536	2,282,401	2,119,877	1,283,529
Human Services	11,914,912	10,834,398	9,735,805	5,950,282
Education, Libraries, and Museums	6,189,985	5,491,866	5,050,799	3,188,852
Corrections	2,739,688	2,523,584	2,114,693	1,335,350
Judicial	1,208,207	1,134,815	973,088	605,361
Interest and Fiscal Charges	968,304	943,366	978,034	888,410
Total Governmental Activities Expenses	<u>37,533,391</u>	<u>31,391,029</u>	<u>28,508,016</u>	<u>17,631,249</u>
Business-Type Activities:				
University of Connecticut and Health Center	2,765,468	2,651,491	2,485,461	2,402,077
Board of Regents	1,431,493	1,425,439	1,397,779	1,365,312
Employment Security	5,201,294	1,667,837	619,685	696,456
Clean Water	41,606	53,790	42,635	44,267
Other	43,127	49,578	65,075	57,810
Total Business-Type Activities Expenses	<u>9,482,988</u>	<u>5,848,135</u>	<u>4,610,635</u>	<u>4,565,922</u>
Total Primary Government Expenses	<u>\$ 47,016,379</u>	<u>\$ 37,239,164</u>	<u>\$ 33,118,651</u>	<u>\$ 22,197,171</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services, Fees, Fines, and Forfeitures	\$ 3,105,817	\$ 3,163,453	\$ 3,189,819	\$ 2,641,840
Operating Grants and Contributions	12,660,102	9,578,513	7,882,770	7,562,834
Capital Grants and Contributions	986,644	781,968	695,772	650,615
Total Governmental Activities Program Revenues	<u>16,752,563</u>	<u>13,523,934</u>	<u>11,768,361</u>	<u>10,855,289</u>
Business-Type Activities:				
Charges for Services, Fees, Fines, and Forfeitures	2,929,241	3,427,808	2,991,126	2,947,238
Operating Grants and Contributions	4,116,183	565,614	364,687	350,209
Capital Grants and Contributions	11,640	2,276	3,907	5,099
Total Business-Type Activities Program Revenues	<u>7,057,064</u>	<u>3,995,698</u>	<u>3,359,720</u>	<u>3,302,546</u>
Total Primary Government Program Revenues	<u>\$ 23,809,627</u>	<u>\$ 17,519,632</u>	<u>\$ 15,128,081</u>	<u>\$ 14,157,835</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (20,780,828)	\$ (17,867,095)	\$ (16,739,655)	\$ (6,775,960)
Business-Type Activities	(2,425,924)	(1,852,437)	(1,250,915)	(1,263,376)
Total Primary Government Net Expense	<u>\$ (23,206,752)</u>	<u>\$ (19,719,532)</u>	<u>\$ (17,990,570)</u>	<u>\$ (8,039,336)</u>

**State of Connecticut**

2017	2016	2015	2014	2013	2012
\$ 128,659	\$ 139,916	\$ 107,629	\$ 122,679	\$ 106,349	\$ 113,982
2,281,216	2,544,489	1,712,498	2,060,294	2,036,173	1,987,920
976,521	968,289	1,028,126	905,310	868,187	853,458
1,220,870	1,103,531	921,859	997,092	665,365	692,719
2,713,513	2,772,452	2,172,348	2,623,687	2,540,349	2,475,759
1,593,860	2,237,773	1,761,500	1,985,288	1,572,755	1,845,656
9,470,826	9,115,540	6,736,623	8,272,895	7,471,625	7,223,118
5,185,450	5,315,342	4,396,212	4,638,713	4,490,144	4,495,905
2,211,201	2,307,516	1,820,490	2,142,788	1,976,657	2,061,176
1,073,970	1,135,055	873,879	1,004,610	893,860	910,362
877,822	829,246	796,727	922,110	779,515	816,508
<u>27,733,908</u>	<u>28,469,149</u>	<u>22,327,891</u>	<u>25,675,466</u>	<u>23,400,979</u>	<u>23,476,563</u>
2,310,348	2,255,211	2,154,599	2,050,529	1,872,131	1,801,687
1,360,029	1,362,522	1,319,274	1,231,024	1,154,913	1,129,586
725,609	686,494	750,573	1,059,631	1,514,674	1,823,464
36,234	38,369	35,125	39,841	50,194	53,330
66,328	65,757	69,099	72,674	58,989	58,152
<u>4,498,548</u>	<u>4,408,353</u>	<u>4,328,670</u>	<u>4,453,699</u>	<u>4,650,901</u>	<u>4,866,219</u>
<u>\$ 32,232,456</u>	<u>\$ 32,877,502</u>	<u>\$ 26,656,561</u>	<u>\$ 30,129,165</u>	<u>\$ 28,051,880</u>	<u>\$ 28,342,782</u>
\$ 3,037,950	\$ 1,997,571	\$ 1,902,257	\$ 1,726,200	\$ 1,575,556	\$ 1,952,042
7,367,882	7,179,312	7,095,874	6,496,625	5,992,403	5,770,935
863,002	778,909	717,358	610,274	767,793	716,056
<u>11,268,834</u>	<u>9,955,792</u>	<u>9,715,489</u>	<u>8,833,099</u>	<u>8,335,752</u>	<u>8,439,033</u>
2,886,663	2,819,354	2,599,678	2,546,840	2,484,561	2,471,871
367,287	594,260	676,418	780,137	1,172,820	1,412,355
1,388	6,026	32,807	27,807	51,614	12,328
<u>3,255,338</u>	<u>3,419,640</u>	<u>3,308,903</u>	<u>3,354,784</u>	<u>3,708,995</u>	<u>3,896,554</u>
<u>\$ 14,524,172</u>	<u>\$ 13,375,432</u>	<u>\$ 13,024,392</u>	<u>\$ 12,187,883</u>	<u>\$ 12,044,747</u>	<u>\$ 12,335,587</u>
\$ (16,465,074)	\$ (18,513,357)	\$ (12,612,402)	\$ (16,842,367)	\$ (15,065,227)	\$ (15,037,530)
(1,243,210)	(988,713)	(1,019,767)	(1,098,915)	(941,906)	(969,665)
<u>\$ (17,708,284)</u>	<u>\$ (19,502,070)</u>	<u>\$ (13,632,169)</u>	<u>\$ (17,941,282)</u>	<u>\$ (16,007,133)</u>	<u>\$ (16,007,195)</u>

**Note:** In fiscal year 2014, Bradley International Airport, a major Enterprise fund, was reclassified as a major component unit. Business-type activities for the fiscal years prior to 2104, disclosed in this and the next page, have been restated to reflect this change.

*continued*

**State of Connecticut**

**CHANGES IN NET POSITION (Continued)**

Fiscal Years 2012 through 2021

(Expressed in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Personal Income	\$ 9,147,622	\$ 7,933,135	\$ 8,377,644	\$ 9,729,298	\$ 8,065,612
Corporate Income	2,925,675	2,161,686	957,031	791,301	968,438
Sales and Use	4,779,902	4,237,564	4,332,195	4,219,398	4,226,788
Other	2,612,691	1,973,608	3,550,946	2,352,951	1,882,498
Restricted for Transportation Purposes:					
Motor Fuel	698,146	709,425	827,816	1,135,660	907,641
Other	588,312	443,637	425,828	80,163	90,199
Casino Gaming Payments	228,883	164,141	255,239	272,957	269,906
Tobacco Settlement	133,121	118,761	124,508	116,850	123,360
Lottery Tickets	407,353	337,599	360,996	336,239	326,415
Unrestricted Investment Earnings	35,316	99,915	127,543	48,663	29,061
Special Items:					
Statutory Payment from Component Units				-	-
Other				-	-
Transfers-Internal Activities	(1,649,959)	(1,347,652)	(1,470,321)	(1,562,226)	(1,666,956)
Total Governmental Activities	<u>19,907,062</u>	<u>16,831,819</u>	<u>17,869,425</u>	<u>17,521,254</u>	<u>15,222,962</u>
Business-Type Activities					
Unrestricted Investment Earnings	5,754	34,696	44,318	29,014	16,357
Special Items:					
Other				-	-
Debt Reduction Transfer				-	-
Transfers-Internal Activities	1,649,463	1,347,652	1,470,321	1,562,226	1,666,956
Total Business-Type Activities	<u>1,655,217</u>	<u>1,382,348</u>	<u>1,514,639</u>	<u>1,591,240</u>	<u>1,683,313</u>
Total Primary Government	<u>\$ 21,562,279</u>	<u>\$ 18,214,167</u>	<u>\$ 19,384,064</u>	<u>\$ 19,112,494</u>	<u>\$ 16,906,275</u>
<b>Changes in Net Position</b>					
Governmental Activities	\$ (873,766)	\$ (1,035,276)	\$ 1,129,770	\$ 10,745,294	\$ (1,242,112)
Business-Type Activities	(770,707)	(470,089)	263,724	327,864	440,103
Total Primary Government	<u>\$ (1,644,473)</u>	<u>\$ (1,505,365)</u>	<u>\$ 1,393,494</u>	<u>\$ 11,073,158</u>	<u>\$ (802,009)</u>
<b>Other Changes in Net Position</b>					
Governmental Activities:					
Prior-Year Adjustments	\$ -	\$ -	\$ -	\$ (19,976,848)	\$ -
Total Governmental Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,976,848)</u>	<u>-</u>
Business-Type Activities:					
Prior-Year Adjustments	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,976,848)</u>	<u>\$ -</u>

**State of Connecticut**

	2016	2015	2014	2013	2012
\$	9,091,156	\$ 8,186,946	\$ 7,752,553	\$ 7,743,804	\$ 7,360,165
	778,917	687,347	627,100	558,287	601,509
	4,224,989	4,167,054	4,116,012	3,953,768	3,880,607
	1,231,783	1,735,788	1,796,678	2,327,754	1,953,170
	877,371	846,062	882,107	693,444	713,477
	69,752	83,868	82,216	79,000	76,618
	265,907	267,986	279,873	296,396	344,645
	120,448	118,988	197,138	123,745	123,799
	335,387	319,700	319,500	312,100	310,000
	16,535	22,091	27,313	3,942	15,955
	-	-	31,000	-	-
	-	-	-	-	-
	<u>(1,746,295)</u>	<u>(1,726,281)</u>	<u>(1,547,952)</u>	<u>(1,088,125)</u>	<u>(1,227,570)</u>
	<u>15,265,950</u>	<u>14,709,549</u>	<u>14,563,538</u>	<u>15,004,115</u>	<u>14,152,375</u>
	12,500	11,638	12,948	16,742	18,141
	-	-	-	-	-
	-	-	-	-	-
	<u>1,746,295</u>	<u>1,726,281</u>	<u>1,547,952</u>	<u>1,088,125</u>	<u>1,227,570</u>
	<u>1,758,795</u>	<u>1,737,919</u>	<u>1,560,900</u>	<u>1,104,867</u>	<u>1,245,711</u>
\$	<u>17,024,745</u>	<u>16,447,468</u>	<u>16,124,438</u>	<u>16,108,982</u>	<u>15,398,086</u>
\$	<u>(3,247,407)</u>	<u>2,097,147</u>	<u>(2,278,829)</u>	<u>(61,112)</u>	<u>(885,155)</u>
	<u>770,082</u>	<u>718,152</u>	<u>461,985</u>	<u>162,961</u>	<u>276,046</u>
\$	<u>(2,477,325)</u>	<u>2,815,299</u>	<u>(1,816,844)</u>	<u>101,849</u>	<u>(609,109)</u>
\$	<u>(55,368,000)</u>	<u>(25,551,459)</u>	<u>-</u>	<u>-</u>	<u>(95,999)</u>
	<u>(55,368,000)</u>	<u>(25,551,459)</u>	<u>-</u>	<u>-</u>	<u>(95,999)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(55,368,000)</u>	<u>(25,551,459)</u>	<u>-</u>	<u>-</u>	<u>(95,999)</u>

**Notes:** In fiscal year 2012 the sales tax increased from 6% to 6.35%. Starting in fiscal year 2013, due to the change in fund classification reported on the previous page, lottery ticket sales were reported as general revenue, rather than as "transfer-internal activities" under the governmental activities section reported above. Transfers-internal activities for fiscal years prior to 2013 have been restated to reflect this change. Other changes in Net Position are direct adjustments to the beginning balance of Net Position (See Note 21).

**State of Connecticut**

**FUND BALANCES, GOVERNMENTAL FUNDS**

Fiscal Years 2012 through 2021

*(Expressed in Thousands)*

	2021	2020	2019	2018	2017
<b>General Fund</b>					
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 3,947,596	\$ 3,365,030	\$ 2,892,430	\$ 1,392,115	\$ 326,716
Unreserved/Unassigned	(660,749)	(1,072,246)	(771,444)	(241,072)	(821,134)
<b>Total General Fund</b>	<b>\$ 3,286,847</b>	<b>\$ 2,292,784</b>	<b>\$ 2,120,986</b>	<b>\$ 1,151,043</b>	<b>\$ (494,418)</b>
<b>All Other Governmental Funds</b>					
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 8,204,764	\$ 6,023,741	\$ 4,382,543	\$ 3,690,199	\$ 2,871,951
Unreserved/Unassigned					
Transportation Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	(9)	-
Capital Projects Funds	(718)	(718)	(718)	(718)	(718)
Permanent Funds	3	1	3	2	(7,836)
<b>Total All Other Governmental Funds</b>	<b>\$ 8,204,049</b>	<b>\$ 6,023,024</b>	<b>\$ 4,381,828</b>	<b>\$ 3,689,474</b>	<b>\$ 2,863,397</b>

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

Fiscal Years 2012 through 2021

*(Expressed in Thousands)*

	2021	2020	2019	2018	2017
<b>Revenues</b>					
Taxes	\$ 20,143,021	\$ 17,521,135	\$ 18,382,036	\$ 18,249,121	\$ 16,079,037
Assessments	1,997	-	-	-	-
Licenses, Permits, and Fees	887,583	763,434	781,002	747,129	697,210
Tobacco Settlement	133,121	118,761	124,508	116,850	123,360
Federal & State Grants and Aid	13,646,746	10,360,481	8,578,543	8,214,067	8,230,884
Lottery Tickets	407,353	337,599	360,996	336,239	326,415
Charges for Services	63,219	83,421	95,072	99,795	104,620
Fines, Forfeits, and Rents	113,886	99,148	167,443	124,776	208,948
Casino Gaming Payments	228,883	164,141	255,239	272,957	269,906
Investment Earnings	35,245	93,951	127,529	48,663	29,061
Interest on Loans	71	5,964	-	-	-
Miscellaneous	2,147,308	2,136,046	2,050,751	1,720,864	1,956,915
<b>Total Revenues</b>	<b>37,808,433</b>	<b>31,684,081</b>	<b>30,923,119</b>	<b>29,930,461</b>	<b>28,026,356</b>
<b>Expenditures</b>					
Legislative	119,554	117,076	105,300	107,257	118,345
General Government	4,959,124	2,526,875	2,714,220	2,337,022	2,112,926
Regulation and Protection	1,048,896	886,502	825,305	817,417	900,509
Conservation and Development	1,295,361	1,077,267	1,149,354	974,122	1,129,857
Health and Hospital	3,076,972	2,798,231	2,563,398	2,483,960	2,618,119
Transportation	1,933,422	1,763,114	1,555,584	1,582,562	1,573,774
Human Services	10,488,537	9,849,084	9,481,636	9,191,401	8,781,882
Education, Libraries, and Museums	5,432,381	4,978,421	4,927,828	4,894,536	4,802,130
Corrections	2,390,756	2,282,261	2,067,546	2,042,182	2,044,824
Judicial	1,053,352	1,024,440	952,070	922,390	992,433
Capital Projects	988,692	952,934	955,637	879,431	998,917
Debt Service:					
Principal	1,870,416	1,889,636	1,383,952	1,882,457	1,737,396
Interest	1,176,218	1,161,426	1,524,947	1,066,183	1,009,785
<b>Total Expenditures</b>	<b>35,833,681</b>	<b>31,307,267</b>	<b>30,206,777</b>	<b>29,180,920</b>	<b>28,820,897</b>
Revenue Over (Under) Expenditure	1,974,752	376,814	716,342	749,541	(794,541)
<b>Other Financing Sources (Uses) and Special Items</b>					
Bonds Issued	2,432,955	2,450,000	2,174,786	2,576,076	3,111,200
Premiums on Bonds Issued	443,605	383,481	305,873	243,026	427,324
Transfers In	2,316,338	1,647,391	2,401,745	2,422,870	1,430,325
Transfers Out	(3,966,297)	(2,995,816)	(3,888,167)	(3,980,096)	(3,095,031)
Refunding Bonds Issued	300,045	434,494	800,985	368,668	761,545
Payment to Refunded Bond Escrow	(333,044)	(492,675)	(861,512)	(402,721)	(821,708)
Capital Lease Obligations	5,646	5,632	6,639	3,774	4,174
Special Items:					
Payment from Component Units	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Other Financing Sources (Uses) and Special Items</b>	<b>1,199,248</b>	<b>1,432,507</b>	<b>943,349</b>	<b>1,231,597</b>	<b>1,817,829</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,174,000</b>	<b>\$ 1,809,321</b>	<b>\$ 1,659,691</b>	<b>\$ 1,981,138</b>	<b>\$ 1,023,288</b>

**Debt Service as a Percentage of Noncapital Expenditures** 8.81% 10.15% 10.03% 10.57% 10.22%

NOTE: Starting in fiscal year 2013, lottery ticket sales were reported as revenues, rather than as transfers from the Connecticut Lottery Corporation fund.

This fund is no longer being reported as an enterprise fund, it is being reported as a component unit instead. Transfers were restated to reflect this for fiscal years prior to 2013.

## State of Connecticut

2016	2015	2014	2013	2012
\$ 384,683	\$ 603,309	\$ 686,017	\$ 628,429	\$ 233,632
<u>(998,872)</u>	<u>(793,158)</u>	<u>(727,209)</u>	<u>(1,217,051)</u>	<u>(1,146,053)</u>
<u>\$ (614,189)</u>	<u>\$ (189,849)</u>	<u>\$ (41,192)</u>	<u>\$ (588,622)</u>	<u>\$ (912,421)</u>
\$ 2,466,765	\$ 2,307,993	\$ 2,146,103	\$ 2,592,926	\$ 2,608,751
-	-	-	-	-
-	29	-	-	(9)
(718)	(718)	(718)	(718)	(718)
<u>(7,959)</u>	<u>(8,042)</u>	<u>(7,070)</u>	<u>(5,812)</u>	<u>(4,714)</u>
<u>\$ 2,458,088</u>	<u>\$ 2,299,262</u>	<u>\$ 2,138,315</u>	<u>\$ 2,586,396</u>	<u>\$ 2,603,310</u>

2016	2015	2014	2013	2012
\$ 16,164,452	\$ 15,714,900	\$ 15,222,023	\$ 15,395,003	\$ 14,712,566
-	-	-	-	-
733,939	680,820	692,028	617,132	657,446
120,448	118,988	197,138	123,745	123,799
7,957,998	7,813,232	7,106,897	6,760,196	6,490,516
335,387	319,700	319,500	312,100	310,000
109,130	100,465	107,970	103,622	107,327
35,491	20,821	97,815	74,552	452,358
265,907	267,986	279,873	296,396	344,645
24,484	17,857	26,121	3,042	14,386
-	-	-	-	-
<u>1,068,575</u>	<u>1,108,994</u>	<u>853,389</u>	<u>804,558</u>	<u>704,405</u>
<u>26,815,811</u>	<u>26,163,763</u>	<u>24,902,754</u>	<u>24,490,346</u>	<u>23,917,448</u>
124,797	120,879	116,344	109,635	103,512
2,307,262	1,943,795	1,952,284	1,996,036	1,876,249
869,166	1,165,741	858,450	883,063	784,002
1,003,171	1,054,591	945,552	668,303	662,823
2,535,805	2,499,833	2,488,749	2,472,142	2,374,693
1,680,900	1,643,229	1,482,632	1,508,262	1,534,797
8,345,715	7,762,916	7,835,677	7,213,996	6,967,044
4,845,487	5,041,968	4,509,914	4,226,319	4,185,168
2,086,630	2,069,663	2,030,842	1,958,289	1,939,091
1,030,324	998,193	956,164	893,276	858,339
1,202,184	934,452	955,785	757,001	547,212
1,636,512	1,421,518	1,323,303	1,515,283	1,473,894
954,549	904,935	893,737	888,243	947,102
<u>28,622,502</u>	<u>27,561,713</u>	<u>26,349,433</u>	<u>25,089,848</u>	<u>24,253,926</u>
(1,806,691)	(1,397,950)	(1,446,679)	(599,502)	(336,478)
2,961,510	2,820,167	2,761,025	1,802,290	1,554,801
442,332	386,856	390,556	216,795	313,715
1,009,021	1,023,698	1,058,913	953,198	933,231
(2,755,316)	(2,749,979)	(2,606,865)	(2,041,323)	(2,175,501)
721,635	709,210	1,280,710	194,890	1,219,815
(841,226)	(780,530)	(1,378,119)	(224,910)	(1,388,158)
3,034	3,036	8,828	3,556	6,084
-	-	31,000	-	-
-	-	-	-	-
<u>1,540,990</u>	<u>1,412,458</u>	<u>1,546,048</u>	<u>904,496</u>	<u>463,987</u>
<u>\$ (265,701)</u>	<u>\$ 14,508</u>	<u>\$ 99,369</u>	<u>\$ 304,994</u>	<u>\$ 127,509</u>
9.61%	8.89%	8.94%	10.40%	10.39%

**State of Connecticut**

**PERSONAL INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL**

Calendar Years 2009 and 2019

*(Expressed in Thousands)*

<u>Income Level</u>	Calendar Year 2009			
	Number	Percentage	Personal	Percentage
	<u>of Filers</u>	<u>of Total</u>	<u>Income Tax</u> <u>Liability</u>	<u>of Total</u>
\$50,000 and under	806,699	54.2%	\$ 331,603,879	5.7%
\$50,001 - \$100,000	381,396	25.6%	1,115,293,454	19.1%
\$100,001 - \$200,000	217,119	14.6%	1,386,232,882	23.7%
\$200,001 - \$500,000	62,700	4.2%	880,016,698	15.1%
\$500,001 - \$2,000,000	16,887	1.1%	750,355,759	12.8%
\$2,000,000 and up	2,897	0.2%	1,378,170,739	23.6%
Total	1,487,698	100.0%	\$ 5,841,673,411	100.0%

**Note:** Due to confidentiality issues, the names of the ten largest tax payers are not available.

The categories presented are intended to provide alternative information regarding the sources of the State's tax revenue. Calendar Year 2019 is the most recent year for which the data is available.

**Source:** Department of Revenue Services reporting for fiscal year ending June 30, 2021.

**State of Connecticut**

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**Calendar Year 2019**

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<b>Number</b>	<b>Percentage</b>	<b>Personal</b>	
<b>of Filers</b>	<b>of Total</b>	<b>Income Tax</b>	<b>Percentage</b>
<b>of Filers</b>	<b>of Total</b>	<b>Liability</b>	<b>of Total</b>
964,109	49.7%	\$ 357,546,526	3.6%
442,932	22.8%	1,280,125,727	12.8%
323,197	16.7%	2,072,814,182	20.7%
147,237	7.6%	1,977,649,031	19.7%
49,192	2.5%	1,869,739,991	18.6%
<u>13,626</u>	<u>0.7%</u>	<u>2,472,524,111</u>	<u>24.7%</u>
<u>1,940,293</u>	<u>100.0%</u>	<u>\$ 10,030,399,568</u>	<u>100.0%</u>

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**State of Connecticut**

**PERSONAL INCOME BY MAJOR COMPONENT**

Calendar Years 2012 through 2021

(Expressed in Thousands)

Description	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Income by place of residence (seasonally adjusted)</b>			
Personal income	294,142,000	286,780,000	\$ 284,033,700
Average Effective Rate for Personal Income (note 1)	2.96%	2.78%	3.08%
Derivation of personal income:			
Earnings by place of work	189,711,954	177,246,000	182,436,100
Less: Contributions for government social insurance (note 2):			
Employee and self-employed contributions for government social insurance	10,669,856	9,899,000	9,949,500
Employer contributions for government social insurance	9,142,224	8,422,000	8,316,900
Plus: Adjustment for residence (note 3)	20,334,322	18,475,000	18,508,200
<b>Equals: Net earnings by place of residence</b>	<u>190,234,196</u>	<u>177,401,000</u>	<u>182,678,000</u>
Plus: Dividends, interest, and rent (note 4 & 7)	57,603,256	59,574,000	63,566,700
Plus: Personal current transfer receipts	46,304,500	49,805,000	37,789,000
Components of earnings by place of work:			
Wages and salaries	131,295,479	120,550,000	121,097,300
Supplements to wages and salaries:			
Employer contributions for employee pension and insurance funds (note 5 & 8)	28,048,410	26,312,000	27,639,700
Employer contributions for government social insurance	9,142,224	8,422,000	8,316,900
Proprietors' income (note 6 & 9):			
Farm proprietors' income	70,586	185,000	2,070
Nonfarm proprietors' income	30,297,479	30,200,000	3,367,840

**Notes:**

1/ Nonfarm personal income is total personal income less farm income.

2/ Farm income is farm earnings less farm employer contributions for government social insurance.

3/ Mid quarter population estimates by state are derived by BEA based on unpublished Census Bureau estimates of beginning of month population. Quarterly estimates for 2011-2018 reflect unpublished monthly population estimates available as of February 2018.

4/ Per capita personal income is total personal income divided by total midyear population.

5/ Employer contributions for government social insurance are included in earnings by industry and earnings by place of work, but they excluded from net earnings by place of.

6/ The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers and US residents employed by international organizations and foreign embassies.

7/ Rental income of persons includes the capital consumption adjustment.

8/ Includes actual employer contributions and actuarially imputed employer contributions to reflect benefits accrued by defined benefit pension plan participants through service to employers in the current period.

9/ Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

Note-- All dollar estimates are in current dollars (not adjusted for inflation).

(NA) Data not available for this year.

Last updated: September 25, 2018-- new estimates for 2018:Q2; revised estimates for 1998:Q1-2018:Q1.

(NA) Data not available for this year.

**Sources:** U. S. Bureau of Economic Analysis and Department of Revenue Services

**State of Connecticut**

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<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 265,637,000	\$ 256,225,149	\$ 252,249,206	\$ 246,709,339	\$ 239,829,273	\$ 230,614,799	\$ 233,710,888
3.69%	3.06%	3.23%	3.33%	3.27%	3.24%	3.14%
172,127,000	169,971,596	168,342,395	164,941,621	160,754,656	155,343,894	156,192,927
9,412,000	8,965,858	8,829,408	8,665,734	8,440,527	8,122,502	6,120,443
8,139,000	7,868,874	7,788,722	7,707,569	7,504,621	7,331,676	7,213,262
16,622,000	15,103,892	14,818,234	14,271,664	13,158,832	12,662,206	13,518,623
171,198,000	168,240,756	166,542,499	162,839,982	157,968,340	152,551,922	156,377,845
59,736,000	54,525,505	52,952,710	52,179,464	51,244,356	48,198,709	47,804,030
34,702,000	33,458,888	32,753,997	31,689,893	30,616,577	29,864,168	29,529,013
117,067,000	114,685,688	114,057,180	112,326,830	109,039,641	105,486,854	104,278,374
26,024,000	17,338,397	17,392,404	17,036,521	16,701,290	16,521,067	16,454,330
8,139,000	7,868,874	7,788,722	7,707,569	7,504,621	7,331,676	7,213,262
(23,000)	(17,080)	(8,148)	(9,627)	(12,648)	15,905	(2,111)
29,059,000	30,095,717	29,112,237	27,880,328	27,521,752	25,988,392	28,249,072

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**State of Connecticut**

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**PERSONAL INCOME TAX RATES**

Calendar Years 2011 through 2021

*(Expressed in Thousands)*

**For taxable years commencing on or after January 1, 2015:** <sup>[1]</sup>

5.00%	<b>\$10,000 - \$50,000</b>	<b>\$20,000 - \$100,000</b>	<b>\$16,000 - \$80,000</b>	3.17%
5.50%	<b>\$50,000 - \$100,000</b>	<b>\$100,000 - \$200,000</b>	<b>\$80,000 - \$160,000</b>	3.17%
6.00%	<b>\$100,000 - \$200,000</b>	<b>\$200,000 - \$400,000</b>	<b>\$160,000 - \$320,000</b>	3.17%
6.50%	<b>\$200,000 - \$250,000</b>	<b>\$400,000 - \$500,000</b>	<b>\$320,000 - \$400,000</b>	3.17%
6.90%	<b>\$250,000 - \$500,000</b>	<b>\$500,000 - \$1,000,000</b>	<b>\$400,000 - \$800,000</b>	3.17%
6.99%	<b>greater than \$500,000</b>	<b>greater than \$1,000,000</b>	<b>greater than \$800,000</b>	3.17%

**For taxable years commencing prior to January 1, 2015:**

6.70%	<b>greater than \$250,000</b>	<b>greater than \$500,000</b>	<b>greater than \$400,000</b>	2.60%
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**Notes:**

[1] Taxable income equal to or less than amounts listed this year is taxed at a rate of 3% except as follows.

The amount to which the 3% rate applies is reduced by \$1,000 for each \$5,000, or fraction thereof, by which AGI exceeds \$56,500 for singles and by \$1,000 for each \$2,500 for filing separately, by \$1,600 for each \$4,000 for head of household and by \$2,000 for each \$5,000 or fraction thereof, by which AGI exceeds \$56,500, \$50,250 \$78,500 and \$100,500 for single, filing separately, head of household, and filing jointly

The average effective rate equals the fiscal year's net tax collections divided by prior-year total personal income based on 'statistics provided' by the U. S. Bureau of Economic Analysis.

**Source:** Department of Revenue Services - Annual Report.

**State of Connecticut**

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**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

*(Expressed in Thousands)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Estimated General Fund Tax Receipts	\$ 17,406,700	\$ 17,033,400	\$ 15,862,300	\$ 15,862,300
Statutory Multiplier	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>
Statutory Debt Limit for Debt Incurred	27,850,720	27,253,440	25,379,680	25,379,680
Less: Authorized Bonds, Notes, and Other Obligations Subject to Certain Limitations	<u>22,530,745</u>	<u>21,797,324</u>	<u>21,934,383</u>	<u>22,661,976</u>
Legal Debt Margin	<u>\$ 5,319,975</u>	<u>\$ 5,456,116</u>	<u>\$ 3,445,297</u>	<u>\$ 2,717,704</u>
Legal Debt Margin as a percentage of the debt limit	<u>19.10%</u>	<u>20.02%</u>	<u>13.58%</u>	<u>10.71%</u>
Date Calculation was made	2/1/21	5/1/20	2/1/19	7/1/18

**Source:** State of Connecticut General Obligation Bonds Offering Statement

**State of Connecticut**

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 15,519,900	\$ 15,519,900	\$ 15,711,565	\$ 14,334,000	\$ 14,334,000	\$ 14,019,100
<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>
24,831,840	24,831,840	25,138,504	22,934,400	22,934,400	22,430,560
21,206,270	21,886,034	21,520,230	18,456,323	18,970,659	15,180,510
<u>\$ 3,625,570</u>	<u>\$ 2,945,806</u>	<u>\$ 3,618,274</u>	<u>\$ 4,478,077</u>	<u>\$ 3,963,741</u>	<u>\$ 7,250,050</u>
<u>14.60%</u>	<u>11.86%</u>	<u>14.39%</u>	<u>19.53%</u>	<u>17.28%</u>	<u>32.32%</u>
2/15/17	7/1/16	7/1/15	12/15/13	7/1/13	2/1/12

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## State of Connecticut

### RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

*(Expressed in Thousands)*

	2021	2020	2019	2018
<b>Governmental Activities</b>				
General Obligation Bonds	\$ 18,562,830	\$ 18,480,218	\$ 18,368,713	\$ 18,763,228
Transportation Obligation Bonds	6,959,265	6,424,705	5,957,640	5,540,495
Direct Borrowings and Direct Placements	268,425	329,080	374,080	-
Long-Term Notes	-	-	-	-
Capital Leases	16,511	15,132	27,997	27,576
<b>Total Governmental Activities</b>	<u>25,807,031</u>	<u>25,249,135</u>	<u>24,728,430</u>	<u>24,331,299</u>
<b>Business-Type Activities</b>				
Revenue Bonds	1,625,614	1,792,376	1,455,935	1,494,355
<b>Total Business-Type Activities</b>	<u>1,625,614</u>	<u>1,792,376</u>	<u>1,455,935</u>	<u>1,494,355</u>
<b>Total Primary Government</b>	<u>\$ 27,432,645</u>	<u>\$ 27,041,511</u>	<u>\$ 26,184,365</u>	<u>\$ 25,825,654</u>
<b>Debt as a Percentage of Personal Income</b>	9.33%	9.43%	9.22%	9.72%
<b>Amount of Debt Per Capita</b>	\$ 7,721	\$ 7,602	\$7,339	\$7,228

**Notes:** Details regarding the State's debt can be found in Note 17 of the financial statements.

### RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

*(Expressed in Thousands)*

	2021	2020	2019	2018
General Obligation Bonds	\$ 18,562,830	\$ 18,480,218	\$ 18,368,713	\$ 18,763,228
Transportation Obligation Bonds	6,959,265	6,424,705	5,957,640	5,540,495
Direct Borrowings and Direct Placements	268,425	329,080	374,080	-
Debt Service Fund Balance	-	(1,024,577)	(991,788)	(901,920)
<b>Net General Obligation Bonded Debt</b>	<u>\$ 25,790,520</u>	<u>\$ 24,209,426</u>	<u>\$ 23,708,645</u>	<u>\$ 23,401,803</u>
<b>Net General Obligation Debt as a Percentage of Personal Income</b>	8.77%	8.44%	8.35%	8.81%
<b>Amount of Net GO Debt Per Capita</b>	\$7,259	\$6,806	\$6,645	\$6,550

**Notes:** Details regarding the State's debt can be found in Note 17 of the financial statements.

## State of Connecticut

2017	2016	2015	2014	2013	2012
\$ 18,398,554	\$ 17,394,622	\$ 16,402,537	\$ 15,281,579	\$ 14,228,228	\$ 13,964,576
5,041,840	4,519,690	4,089,540	3,771,260	3,461,875	3,287,340
-	-	-	-	-	-
177,120	352,585	520,275	580,775	573,365	747,935
30,900	32,342	35,368	37,820	38,218	42,759
23,648,414	22,299,239	21,047,720	19,671,434	18,301,686	18,042,610
1,442,805	1,246,681	1,356,779	1,212,681	1,376,698	1,439,345
1,442,805	1,246,681	1,356,779	1,212,681	1,376,698	1,439,345
\$ 25,091,219	\$ 23,545,920	\$ 22,404,499	\$ 20,884,115	\$ 19,678,384	\$ 19,481,955
9.79%	9.33%	9.08%	8.71%	8.42%	8.34%
\$7,020	\$6,579	\$6,244	\$5,809	\$5,474	\$5,419

2017	2016	2015	2014	2013	2012
\$ 18,398,554	\$ 17,394,622	\$ 16,402,537	\$ 15,281,579	\$ 14,228,228	\$ 13,964,576
5,041,840	4,519,690	4,089,540	3,771,260	3,461,875	3,287,340
-	-	-	-	-	-
(827,125)	(738,240)	(668,426)	(659,543)	(660,113)	(703,376)
\$ 22,613,269	\$ 21,176,072	\$ 19,823,651	\$ 18,393,296	\$ 17,029,990	\$ 16,548,540
8.83%	8.39%	8.04%	7.67%	7.29%	7.08%
\$6,327	\$5,917	\$5,525	\$5,116	\$4,737	\$4,603

**State of Connecticut**

**PLEGED-REVENUE COVERAGE**

Last Ten Fiscal Years

(Expressed in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>University of Connecticut and Health Center</b>				
Gross Revenues	\$ 2,808,885	\$ 2,481,709	\$ 2,551,167	\$ 2,595,639
Operating Expenses	<u>2,568,279</u>	<u>2,451,375</u>	<u>2,284,170</u>	<u>2,231,347</u>
Net Available Revenues	<u>\$ 240,606</u>	<u>\$ 30,334</u>	<u>\$ 266,997</u>	<u>\$ 364,292</u>
Debt Service:				
Principal	\$ 108,465	\$ 75,682	\$ 112,471	\$ 101,963
Interest	<u>68,533</u>	<u>136,527</u>	<u>69,543</u>	<u>63,197</u>
Total	<u>\$ 176,998</u>	<u>\$ 212,209</u>	<u>\$ 182,014</u>	<u>\$ 165,160</u>
Coverage	1.36	0.14	1.47	2.21
<b>Board of Regents</b>				
Gross Revenues	\$ 1,482,910	\$ 1,372,586	\$ 1,394,279	\$ 1,361,263
Operating Expenses	<u>1,319,951</u>	<u>1,316,422</u>	<u>1,290,482</u>	<u>1,256,357</u>
Net Available Revenues	<u>\$ 162,959</u>	<u>\$ 56,164</u>	<u>\$ 103,797</u>	<u>\$ 104,906</u>
Debt Service:				
Principal	\$ 18,345	\$ 19,520	\$ 18,940	\$ 20,055
Interest	<u>11,372</u>	<u>14,213</u>	<u>11,456</u>	<u>13,943</u>
Total	<u>\$ 29,717</u>	<u>\$ 33,733</u>	<u>\$ 30,396</u>	<u>\$ 33,998</u>
Coverage	5.48	1.66	3.41	3.09
<b>Clean Water</b>				
Gross Revenues	\$ 53,390	\$ 76,503	\$ 68,286	\$ 69,928
Operating Expenses	<u>801</u>	<u>1,028</u>	<u>1,017</u>	<u>1,242</u>
Net Available Revenues	<u>\$ 52,589</u>	<u>\$ 75,475</u>	<u>\$ 67,269</u>	<u>\$ 68,686</u>
Debt Service:				
Principal	\$ 90,284	\$ 58,363	\$ 53,831	\$ 53,891
Interest	<u>41,579</u>	<u>39,726</u>	<u>37,497</u>	<u>38,327</u>
Total	<u>\$ 131,863</u>	<u>\$ 98,089</u>	<u>\$ 91,328</u>	<u>\$ 92,218</u>
Coverage	0.40	0.77	0.74	0.74
<b>Bradley Parking Garage</b>				
Gross Revenues	\$ -	\$ 34,633	\$ 32,462	\$ 30,207
Operating Expenses	<u>-</u>	<u>8,664</u>	<u>24,320</u>	<u>23,767</u>
Net Available Revenues	<u>\$ -</u>	<u>\$ 25,969</u>	<u>\$ 8,142</u>	<u>\$ 6,440</u>
Debt Service:				
Principal	\$ -	\$ 2,267	\$ 2,935	\$ 2,750
Interest	<u>-</u>	<u>4,273</u>	<u>1,267</u>	<u>2,925</u>
Total	<u>\$ -</u>	<u>\$ 6,540</u>	<u>\$ 4,202</u>	<u>\$ 5,675</u>
Coverage	0.00	3.97	1.94	1.13
<b>Drinking Water</b>				
Gross Revenues	\$ 17,010	\$ 14,423	\$ 18,616	\$ 17,907
Operating Expenses	<u>12,528</u>	<u>11,577</u>	<u>10,075</u>	<u>9,761</u>
Net Available Revenues	<u>\$ 4,482</u>	<u>\$ 2,846</u>	<u>\$ 8,541</u>	<u>\$ 8,146</u>
Debt Service:				
Principal	\$ 11,701	\$ 7,587	\$ 7,119	\$ 6,779
Interest	<u>6,916</u>	<u>6,174</u>	<u>5,128</u>	<u>5,103</u>
Total	<u>\$ 18,617</u>	<u>\$ 13,761</u>	<u>\$ 12,247</u>	<u>\$ 11,882</u>
Coverage	0.24	0.21	0.70	0.69

**Notes:** Gross revenues include nonoperating revenue. Operating expenses include nonoperating expenses and exclude depreciation and interest expenses. Revenues for Higher Education funds include transfers in. Revenues for Clean Water and Drinking Water bonds include federal grants.

**State of Connecticut**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,629,793	\$ 2,465,794	\$ 2,463,391	\$ 2,236,397	\$ 1,814,856	\$ 1,975,204
<u>2,153,495</u>	<u>2,134,537</u>	<u>2,015,393</u>	<u>1,915,644</u>	<u>1,738,237</u>	<u>1,669,601</u>
<u>\$ 476,298</u>	<u>\$ 331,257</u>	<u>\$ 447,998</u>	<u>\$ 320,753</u>	<u>\$ 76,619</u>	<u>\$ 305,603</u>
\$ 90,618	\$ 105,525	\$ 17,764	\$ 17,810	\$ 61,905	\$ 90,400
<u>50,552</u>	<u>68,696</u>	<u>55,306</u>	<u>50,069</u>	<u>52,254</u>	<u>49,723</u>
<u>\$ 141,170</u>	<u>\$ 174,221</u>	<u>\$ 73,070</u>	<u>\$ 67,879</u>	<u>\$ 114,159</u>	<u>\$ 140,123</u>
3.37	1.90	6.13	4.73	0.67	2.18
\$ 1,364,895	\$ 1,473,844	\$ 835,169	\$ 815,596	\$ 722,893	\$ 687,772
<u>1,222,393</u>	<u>1,368,422</u>	<u>709,352</u>	<u>651,797</u>	<u>603,660</u>	<u>589,972</u>
<u>\$ 142,502</u>	<u>\$ 105,422</u>	<u>\$ 125,817</u>	<u>\$ 163,799</u>	<u>\$ 119,233</u>	<u>\$ 97,800</u>
\$ 7,493	\$ 20,247	\$ 42,791	\$ 18,052	\$ 16,211	\$ 69,526
<u>13,467</u>	<u>12,158</u>	<u>14,064</u>	<u>11,654</u>	<u>10,300</u>	<u>11,572</u>
<u>\$ 20,960</u>	<u>\$ 32,405</u>	<u>\$ 56,855</u>	<u>\$ 29,706</u>	<u>\$ 26,511</u>	<u>\$ 81,098</u>
6.80	3.25	2.21	5.51	4.50	1.21
\$ 52,818	\$ 46,135	\$ 49,684	\$ 56,751	\$ 77,527	\$ 60,032
<u>579</u>	<u>925</u>	<u>1,291</u>	<u>3,093</u>	<u>10,971</u>	<u>11,078</u>
<u>\$ 52,239</u>	<u>\$ 45,210</u>	<u>\$ 48,393</u>	<u>\$ 53,658</u>	<u>\$ 66,556</u>	<u>\$ 48,954</u>
\$ 61,232	\$ 73,802	\$ 70,351	\$ 70,603	\$ 70,578	\$ 70,687
<u>32,628</u>	<u>33,811</u>	<u>29,717</u>	<u>32,582</u>	<u>33,057</u>	<u>35,226</u>
<u>\$ 93,860</u>	<u>\$ 107,613</u>	<u>\$ 100,068</u>	<u>\$ 103,185</u>	<u>\$ 103,635</u>	<u>\$ 105,913</u>
0.56	0.42	0.48	0.52	0.64	0.46
\$ 27,289	\$ 26,702	\$ 25,578	\$ 24,640	\$ 23,029	\$ 21,723
<u>22,866</u>	<u>19,778</u>	<u>9,254</u>	<u>8,828</u>	<u>9,140</u>	<u>8,287</u>
<u>\$ 4,423</u>	<u>\$ 6,924</u>	<u>\$ 16,324</u>	<u>\$ 15,812</u>	<u>\$ 13,889</u>	<u>\$ 13,436</u>
\$ 2,580	\$ 2,415	\$ 2,265	\$ 2,120	\$ 1,990	\$ 1,865
<u>2,729</u>	<u>2,442</u>	<u>3,112</u>	<u>2,987</u>	<u>3,218</u>	<u>3,172</u>
<u>\$ 5,309</u>	<u>\$ 4,857</u>	<u>\$ 5,377</u>	<u>\$ 5,107</u>	<u>\$ 5,208</u>	<u>\$ 5,037</u>
0.83	1.43	3.04	3.10	2.67	2.67
\$ 16,298	\$ 11,882	\$ 16,134	\$ 29,427	\$ 12,786	\$ 9,706
<u>9,074</u>	<u>8,257</u>	<u>7,180</u>	<u>8,207</u>	<u>5,601</u>	<u>5,032</u>
<u>\$ 7,224</u>	<u>\$ 3,625</u>	<u>\$ 8,954</u>	<u>\$ 21,220</u>	<u>\$ 7,185</u>	<u>\$ 4,674</u>
\$ 6,653	\$ 7,343	\$ 5,544	\$ 5,727	\$ 4,952	\$ 4,643
<u>3,392</u>	<u>3,199</u>	<u>1,490</u>	<u>1,706</u>	<u>2,163</u>	<u>2,391</u>
<u>\$ 10,045</u>	<u>\$ 10,542</u>	<u>\$ 7,034</u>	<u>\$ 7,433</u>	<u>\$ 7,115</u>	<u>\$ 7,034</u>
0.72	0.34	1.27	2.85	1.01	0.66

**State of Connecticut**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
POPULATION AND PER CAPITA PERSONAL INCOME**

Last Ten Calendar Years

*(Expressed in Thousands)*

Year	Population			
	United States	% Growth From Previous Year	Connecticut	% Growth From Previous Year
2021	332,915	1.04%	3,553	-0.11%
2020	329,484	0.13%	3,557	-0.31%
2019	329,065	0.60%	3,568	-0.14%
2018	327,096	0.62%	3,573	-0.03%
2017	325,085	0.64%	3,574	-0.14%
2016	323,016	0.67%	3,579	-0.25%
2015	320,878	0.63%	3,588	-0.19%
2014	318,857	0.78%	3,595	0.00%
2013	316,395	0.71%	3,595	0.00%
2012	314,168	0.83%	3,595	0.20%

Sources: U.S. Bureau of Economic Analysis

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
EMPLOYMENT INFORMATION**

Last Ten Fiscal Years

*(Expressed in Thousands)*

Year	United States Labor Force			
	Civilian Labor force	Employed	Unemployed	Unemployment Rate
2021	162,052	155,975	6,319	3.9%
2020	160,867	149,806	11,061	6.9%
2019	164,404	158,593	5,811	3.5%
2018	161,776	155,542	6,234	3.9%
2017	160,494	153,513	6,981	4.3%
2016	160,135	151,990	8,144	5.1%
2015	157,037	148,739	8,299	5.3%
2014	155,700	146,247	9,453	6.1%
2013	155,835	144,058	11,777	7.6%
2012	155,063	142,974	12,088	7.8%

Sources: U.S. Department of Labor

## State of Connecticut

Personal Income		Per Capita Personal Income		% Above the United States
United States	Connecticut	United States	Connecticut	
\$20,782,827,000	\$294,142,000	\$63,214	\$78,833	24.7%
\$20,386,811,000	\$290,641,000	\$61,875	\$81,606	31.9%
\$18,596,160,000	\$286,780,000	\$56,512	\$74,030	31.0%
\$17,567,300,000	\$265,637,000	\$53,707	\$74,030	37.8%
\$16,384,700,000	\$264,054,000	\$50,401	\$73,882	46.6%
\$15,943,900,000	\$252,249,000	\$49,359	\$70,480	42.8%
\$15,356,000,000	\$252,249,206	\$47,856	\$70,304	46.9%
\$14,792,000,000	\$246,709,339	\$46,391	\$60,906	31.3%
\$14,138,400,000	\$230,614,799	\$44,686	\$64,149	43.6%
\$13,355,900,000	\$230,614,799	\$42,512	\$64,149	50.9%

Connecticut Labor Force			
Civilian Labor Force	Employed	Unemployed	Unemployment Rate
1,819	1,709	110	6.0%
1,852	1,739	114	6.1%
1,917	1,848	70	3.6%
1,897	1,813	84	4.4%
1,933	1,836	97	5.0%
1,892	1,796	96	5.1%
1,918	1,809	109	5.7%
1,879	1,753	126	6.7%
1,851	1,702	149	8.0%
1,898	1,728	170	9.0%

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**State of Connecticut**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
TOP TEN NON-GOVERNMENTAL EMPLOYERS**

Current Year and Ten Years Ago

<b>NAME</b>	<b>2021</b>			<b>2012</b>		
	<b>Employees in CT</b>	<b>Percentage of Total CT Employment</b>	<b>Rank</b>	<b>Employees in CT</b>	<b>Percentage of Total CT Employment</b>	<b>Rank</b>
Hartford HealthCare	33,000	1.9%	1	16,621	1.0%	2
Yale New Haven Health Sys	20,474	1.2%	2	8,953	0.5%	7
United Technologies Corp. UTC	19,000	1.1%	3	27,000	1.6%	1
Yale University	15,404	0.9%	4	14,980	0.9%	3
General Dynamics/Electric Boat	12,000	0.7%	5	8,346	0.5%	9
Sikorsky Air/Lockheed Martin Co.	8,200	0.5%	6			
Wal-Mart Stores Inc.	8,345	0.5%	7	9,204	0.5%	6
Mohegan Sun Casino	7,400	0.4%	8	8,200	0.5%	10
The Travelers Cos Inc.	7,000	0.4%	9			
The Hartford	6,600	0.4%	10	10,300	0.6%	5
<b>Total</b>	<b>137,423</b>	<b>8.0%</b>		<b>103,604</b>	<b>6.1%</b>	

**Sources:** Businesses websites

**State of Connecticut**

**STATE EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Function	2021	2020	2019	2018
Primary Government				
Legislative	766	681	656	661
General Government	3,274	3,070	2,929	2,964
Regulation and Protection	3,936	3,822	3,496	3,578
Conservation and Development	1,421	1,396	1,172	1,173
Health and Hospital	6,374	6,584	3,668	3,568
Transportation	3,181	3,256	2,995	3,051
Human Services	2,054	2,089	4,008	3,961
Education, Libraries, and Museums	18,627	24,309	15,911	16,104
Corrections	8,743	9,094	8,599	8,069
Judicial	4,886	4,066	4,106	4,018
Total Number of Employees - Primary Government	<u>53,262</u>	<u>58,367</u>	<u>47,540</u>	<u>47,147</u>

Note: Beginning in Fiscal Year 2020 the number of employees includes job classes such as contractors, intermittent, durational, seasonal, trainee, temporary, and part-time employment. The total for the primary government includes the employees of the University of Connecticut, the University of Connecticut Health Center, and the Board of Regents.

## State of Connecticut

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
679	715	722	685	705	716
3,135	3,289	3,360	3,324	3,107	3,453
3,867	4,074	4,126	4,064	3,945	3,999
1,222	1,269	1,309	1,303	1,324	1,393
3,673	3,814	3,792	3,822	3,857	3,862
3,169	3,179	3,092	3,027	2,986	3,018
4,156	4,690	4,898	4,841	4,618	5,017
17,664	19,392	21,263	20,937	21,203	21,692
8,223	8,750	8,721	8,588	8,628	9,151
<u>4,185</u>	<u>4,548</u>	<u>4,639</u>	<u>4,597</u>	<u>4,605</u>	<u>4,744</u>
<u><u>49,973</u></u>	<u><u>53,720</u></u>	<u><u>55,922</u></u>	<u><u>55,188</u></u>	<u><u>54,978</u></u>	<u><u>57,045</u></u>

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## State of Connecticut

### OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Legislative</u></b>				
<b>Office of Legislative Management</b>				
Number of Public and Special Acts	14	226	220	267
Number of Amendments Drafted	67	3,527	2,280	2,560
<b><u>General Government</u></b>				
<b>Office of the State Treasurer</b>				
% of Payments made Electronically	88.6%	86.6%	84.3%	83.6%
Number of Unclaimed Property Claims Paid	6,851	11,120	18,472	16,670
<b><u>Department of Revenue Services</u></b>				
% of Income Tax Returns Filed Electronically	91.0%	91.0%	89.0%	88.0%
Revenue Collected per \$1 of Agency Expense	\$338	\$338	\$341	\$281
<b><u>Department of Construction Services</u></b>				
Number of Construction Contracts Awarded	149	170	191	243
State Floor Space Owned and Leased	7,279,754	7,023,976	9,311,710	8,751,757
<b><u>Regulation and Protection</u></b>				
<b>Department of Emergency Services &amp; Public Protection</b>				
Number of Background Checks - Firearms	65,940	65,940	56,782	57,769
Number of Fingerprint Checks for CT/Pd's	89,719	89,719	83,645	82,261
<b><u>Department of Motor Vehicles</u></b>				
Number of Registered Motor Vehicles	3,010,728	3,010,728	3,004,859	3,015,047
Number of Licensed Drivers	2,608,061	2,608,061	2,605,612	2,586,994
<b><u>Department of Labor</u></b>				
Number of Initial Unemployment Claims	507,033	134,317	138,156	143,186
Persons Using Employment Service (1)	11,938	29,135	40,841	20,147
<b><u>Conservation and Development</u></b>				
<b>Department of Energy &amp; Environmental Protection</b>				
Nitrogen Discharged into Long Island Sound (2)	7,362	7,362	7,362	7,362
Attained Goal of Open Space (3)	82.0%	82.0%	81.5%	81.0%
<b><u>Department of Agriculture</u></b>				
Connecticut farmers participating in farmers market	312	n/a	n/a	n/a
<b><u>Health and Hospitals</u></b>				
<b>Department of Public Health</b>				
Number of Tuberculosis Cases Served (includes active and latent cases)	690	690	756	1,067
Number of Licenses Applications - New	18,532	18,532	20,445	17,696
Number of Licenses Applications - Renewal	173,780	173,780	191,724	160,546

## State of Connecticut

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
244 2,587	277 3,043	258 2,190	311 2,756	221 2,458	273 3,043
81.9% 15,758	81.3% 17,888	75.0% 20,897	69.6% 17,852	74.6% 18,381	63.4% 17,933
87.0% \$264	85.0% \$264	84.0% \$255	82.0% \$256	81.0% \$270	78.0% \$250
231 9,311,535	26 8,999,852	13 9,282,711	n/a n/a	26 7,895,255	22 7,129,801
54,944 86,588	49,547 88,354	61,107 100,145	47,745 98,216	38,304 110,452	33,064 138,044
3,671,652 2,613,244	3,030,510 2,566,673	3,026,823 2,542,588	2,272,537 2,534,090	2,973,691 3,029,328	2,974,801 2,986,267
148,336 47,711	153,040 161,637	245,632 191,372	265,700 218,879	275,782 218,879	335,166 228,203
7,562 81.0%	7,400 81.0%	7,340 84.0%	7,500 81.0%	7,500 81.0%	7,670 79.0%
n/a	n/a	n/a	n/a	n/a	n/a
1,065	1,133	1,236	1,515	1,988	2,103
18,811 161,595	18,015 155,251	17,716 153,328	17,116 153,997	13,976 150,663	14,510 149,370

**State of Connecticut**

**OPERATING INDICATORS BY FUNCTION (Continued)**

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Department of Developmental Services</u></b>				
Number of Qualified Providers	273	270	n/a	n/a
Number of Persons Served in Various Programs	17,178	17,126	n/a	n/a
<b><u>Human Services</u></b>				
<b><u>Department of Social Services</u></b>				
Number of Medicaid Eligible Clients	838,565	844,373	819,602	800,509
Temp Family Assistance Average Caseload	9,787	10,998	12,797	14,172
<b><u>Education</u></b>				
<b><u>Department of Higher Education</u></b>				
Number of Degrees Conferred - Statewide	46,336	47,602	46,592	47,221
Enrollment - Statewide	187,840	194,792	189,889	198,704
<b><u>Transportation</u></b>				
<b><u>Department of Transportation</u></b>				
Active Construction Projects	600	635	662	589
Miles of Road Resurfaced	330.50	325	302	316
Estimated Billions of Person trips on Roadways	4.880	4.841	4.903	4.800
<b><u>Corrections</u></b>				
<b><u>Department of Corrections</u></b>				
Incarcerated Population	10,194	13,039	13,366	14,389
Direct Daily Inmate Expenditures	131.15	\$128	\$109	\$103
<b><u>Judicial</u></b>				
<b><u>Judicial Branch</u></b>				
Number of Superior Court Cases Filed	232,811	364,312	378,047	381,068
Average Number of Supervised Probationers	37,327	39,180	39,263	41,050

(1) The department of Labor assists individuals in job search, resume preparation, etc.

(2) Average annual number of tons

(3) % of accomplished State goal to acquire 320,957 acres of open space

n/a = statistic not available at time of publication

## State of Connecticut

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
735,008	737,490	656,252	610,527	581,174	556,558
15,602	17,538	18,256	18,506	19,223	20,517
32,499	n/a	n/a	n/a	n/a	40,218
170,597	n/a	n/a	n/a	n/a	200,637
302	279	268	117	102	188
341	445	355	326	340	258
4.903	4.882	4.214	4.185	4.157	4.353
19,271	16,023	16,551	16,674	16,591	17,631
\$73	\$105	\$100	\$95	\$95	\$95
535,158	432,803	443,135	443,135	468,981	513,511
54,315	43,510	48,779	48,779	50,699	53,345

**State of Connecticut**

**CAPITAL ASSETS BY FUNCTION**

Last Ten Fiscal Years

(Expressed in Thousands)

		2021	2020	2019	2018
<b>Legislative</b>	<b>Total \$</b>	<b>176,974</b>	<b>\$ 176,639</b>	<b>\$ 176,726</b>	<b>\$ 175,639</b>
Buildings		157,242	157,136	158,920	158,920
Improvements Other than Buildings		1,783	1,783	-	-
Equipment		17,949	17,720	17,806	16,719
<b>General Government</b>	<b>Total \$</b>	<b>1,405,263</b>	<b>\$ 1,391,482</b>	<b>\$ 1,369,779</b>	<b>\$ 1,224,216</b>
Land		191,825	192,311	195,224	195,144
Construction in Progress		227,281	224,002	334,541	191,777
Buildings		526,344	532,528	383,993	386,980
Improvements Other than Buildings		58,474	58,544	58,537	58,540
Equipment		401,339	384,097	397,484	391,775
<b>Regulation and Protection</b>	<b>Total \$</b>	<b>689,678</b>	<b>\$ 706,945</b>	<b>\$ 697,432</b>	<b>\$ 657,696</b>
Land		9,021	9,021	9,021	9,021
Buildings		369,681	366,955	366,898	348,866
Improvements Other than Buildings		30,327	29,329	29,198	27,838
Equipment		280,649	301,640	292,315	271,971
<b>Conservation and Development</b>	<b>Total \$</b>	<b>722,894</b>	<b>\$ 712,577</b>	<b>\$ 704,745</b>	<b>\$ 687,810</b>
Land		455,897	447,829	436,849	420,982
Buildings		118,849	118,299	121,729	121,707
Improvements Other than Buildings		74,866	74,299	75,022	74,992
Equipment		73,282	72,150	71,145	70,129
<b>Health and Hospital</b>	<b>Total \$</b>	<b>319,087</b>	<b>\$ 323,918</b>	<b>\$ 315,223</b>	<b>\$ 314,710</b>
Land		6,610	6,610	6,547	6,547
Buildings		236,431	241,782	236,425	236,997
Improvements Other than Buildings		19,735	19,696	19,543	19,383
Equipment		56,311	55,830	52,708	51,783
<b>Transportation</b>	<b>Total \$</b>	<b>28,233,802</b>	<b>\$ 27,312,093</b>	<b>\$ 26,275,853</b>	<b>\$ 25,395,835</b>
Land		1,237,670	1,204,266	1,175,704	1,166,958
Construction in Progress		5,896,738	5,193,311	5,256,651	4,861,493
Buildings		1,233,145	1,306,441	1,243,715	1,120,371
Improvements Other than Buildings		240,697	240,697	240,753	236,717
Equipment		1,413,144	1,407,904	1,392,644	1,402,688
Infrastructure		18,212,408	17,959,474	16,966,386	16,607,608
<b>Human Services</b>	<b>Total \$</b>	<b>30,042</b>	<b>\$ 31,174</b>	<b>\$ 18,122</b>	<b>\$ 16,568</b>
Improvements Other than Buildings		919	920	919	945
Equipment		29,123	30,254	17,203	15,623
<b>Education, Libraries, and Museums</b>	<b>Total \$</b>	<b>1,113,070</b>	<b>\$ 1,114,373</b>	<b>\$ 1,113,821</b>	<b>\$ 1,111,229</b>
Land		1,027	1,027	1,027	1,027
Buildings		1,018,220	1,018,220	1,018,220	1,018,220
Improvements Other than Buildings		220	220	220	220
Equipment		93,603	94,906	94,354	91,762
<b>Corrections</b>	<b>Total \$</b>	<b>1,043,898</b>	<b>\$ 1,054,824</b>	<b>\$ 1,053,410</b>	<b>\$ 1,050,917</b>
Land		9,822	10,322	10,322	10,322
Buildings		763,891	776,122	776,122	775,896
Improvements Other than Buildings		49,840	49,401	49,401	49,426
Equipment		220,345	218,979	217,565	215,273
<b>Judicial</b>	<b>Total \$</b>	<b>600,778</b>	<b>\$ 585,625</b>	<b>\$ 585,608</b>	<b>\$ 579,264</b>
Land		33,634	27,889	27,889	23,194
Buildings		475,675	465,420	465,420	465,369
Improvements Other than Buildings		5,296	5,296	5,296	5,269
Equipment		86,173	87,020	87,003	85,432
<b>Total Capital Assets at Historical Cost</b>	<b>\$</b>	<b>34,335,486</b>	<b>\$ 33,409,650</b>	<b>\$ 32,310,719</b>	<b>\$ 31,213,884</b>
<b>Total Accumulated Depreciation</b>	<b>\$</b>	<b>(17,382,072)</b>	<b>\$ (16,997,652)</b>	<b>\$ (16,402,528)</b>	<b>\$ (15,781,276)</b>
<b>Governmental Activities, Capital Assets, Net</b>	<b>\$</b>	<b>16,953,414</b>	<b>\$ 16,411,998</b>	<b>\$ 15,908,191</b>	<b>\$ 15,432,608</b>

**State of Connecticut**

2017	2016	2015	2014	2013	2012
\$ 175,443	\$ 175,558	\$ 171,286	\$ 171,283	\$ 170,552	\$ 170,329
158,920	159,076	157,087	157,087	156,805	156,805
-	-	-	-	-	-
16,523	16,482	14,199	14,196	13,747	13,524
<b>\$ 1,197,084</b>	<b>\$ 1,201,502</b>	<b>\$ 1,263,226</b>	<b>\$ 1,254,165</b>	<b>\$ 1,259,818</b>	<b>\$ 1,017,372</b>
195,019	193,582	192,744	190,216	189,192	193,063
159,258	150,531	188,534	233,319	308,902	144,159
392,715	392,608	392,392	391,840	321,232	297,896
57,845	54,701	54,016	53,937	53,638	54,741
392,247	410,080	435,540	384,853	386,854	327,513
<b>\$ 644,256</b>	<b>\$ 621,075</b>	<b>\$ 582,024</b>	<b>\$ 557,330</b>	<b>\$ 481,959</b>	<b>\$ 452,633</b>
9,192	9,227	9,227	8,775	8,775	8,775
349,689	326,690	326,624	320,719	256,762	236,968
26,850	27,977	27,496	24,430	19,846	19,846
258,525	257,181	218,677	203,406	196,576	187,044
<b>\$ 680,764</b>	<b>\$ 668,268</b>	<b>\$ 652,381</b>	<b>\$ 630,730</b>	<b>\$ 614,615</b>	<b>\$ 603,652</b>
414,666	402,633	389,414	381,167	374,267	366,999
121,711	121,493	121,393	108,731	107,640	107,146
75,717	75,717	74,992	75,717	72,907	70,753
68,670	68,425	66,582	65,115	59,801	58,754
<b>\$ 314,133</b>	<b>\$ 315,655</b>	<b>\$ 365,287</b>	<b>\$ 358,066</b>	<b>\$ 357,353</b>	<b>\$ 298,566</b>
6,645	6,697	6,707	6,752	6,561	6,767
235,373	239,172	289,390	284,411	283,644	227,431
19,558	19,530	19,013	18,800	18,778	16,987
52,557	50,256	50,177	48,103	48,370	47,381
<b>\$ 24,322,303</b>	<b>\$ 22,745,027</b>	<b>\$ 21,579,682</b>	<b>\$ 20,444,797</b>	<b>\$ 19,395,070</b>	<b>\$ 18,343,934</b>
1,131,384	1,106,967	1,083,450	1,072,625	1,060,109	1,036,517
4,829,184	4,393,784	3,476,307	3,231,739	2,690,602	2,441,123
1,105,084	917,872	1,025,616	746,765	576,030	560,152
236,741	233,234	228,346	211,743	260,263	254,243
1,421,982	1,419,842	1,458,601	1,357,277	1,155,032	1,028,099
15,597,928	14,673,328	14,307,362	13,824,648	13,653,034	13,023,800
<b>\$ 18,320</b>	<b>\$ 17,038</b>	<b>\$ 17,285</b>	<b>\$ 16,841</b>	<b>\$ 16,843</b>	<b>\$ 13,926</b>
691	672	667	667	667	667
17,629	16,366	16,618	16,174	16,176	13,259
<b>\$ 1,108,499</b>	<b>\$ 1,082,196</b>	<b>\$ 1,052,735</b>	<b>\$ 1,064,712</b>	<b>\$ 977,529</b>	<b>\$ 779,508</b>
1,027	1,027	1,027	1,027	1,027	1,027
1,015,642	990,879	864,538	890,490	802,713	608,276
220	220	209	209	8,217	8,217
91,610	90,070	186,961	172,986	165,572	161,988
<b>\$ 1,052,226</b>	<b>\$ 1,039,570</b>	<b>\$ 1,031,119</b>	<b>\$ 1,012,802</b>	<b>\$ 1,007,522</b>	<b>\$ 1,010,491</b>
10,322	10,322	10,322	10,322	10,305	10,305
775,880	775,294	768,283	762,754	759,122	756,975
49,401	48,991	52,625	52,162	51,515	51,481
216,623	204,963	199,889	187,564	186,580	191,730
<b>\$ 576,661</b>	<b>\$ 505,586</b>	<b>\$ 462,125</b>	<b>\$ 462,672</b>	<b>\$ 456,279</b>	<b>\$ 450,962</b>
20,076	17,181	15,601	15,648	15,648	15,648
465,349	398,216	351,219	351,922	351,922	351,922
5,688	5,663	5,663	5,369	4,675	3,242
85,548	84,526	89,642	89,733	84,034	80,150
<b>\$ 30,089,689</b>	<b>\$ 28,371,475</b>	<b>\$ 27,177,150</b>	<b>\$ 25,973,398</b>	<b>\$ 24,737,540</b>	<b>\$ 23,141,373</b>
<b>\$ (15,205,258)</b>	<b>\$ (14,665,574)</b>	<b>\$ (14,145,909)</b>	<b>\$ (13,433,773)</b>	<b>\$ (12,750,730)</b>	<b>\$ (12,175,489)</b>
<b>\$ 14,884,431</b>	<b>\$ 13,705,901</b>	<b>\$ 13,031,241</b>	<b>\$ 12,539,625</b>	<b>\$ 11,986,810</b>	<b>\$ 10,965,884</b>

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