

*State of*  
**CONNECTICUT**

*Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 1988*

J. EDWARD CALDWELL  
STATE COMPTROLLER



**S T A T E   O F   C O N N E C T I C U T**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the year ended June 30, 1988

Prepared By

THE OFFICE OF THE COMPTROLLER

J. EDWARD CALDWELL

State Comptroller

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## **INTRODUCTORY SECTION**

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## State of Connecticut

J. EDWARD CALDWELL  
*Comptroller*

OFFICE OF THE COMPTROLLER

ADDRESS ALL COMMUNICATIONS TO  
STATE COMPTROLLER  
30 TRINITY STREET  
HARTFORD, CONNECTICUT 06106

LAWRENCE J. CACCIOLA  
*Deputy Comptroller*

February 14, 1989

The Honorable William A. O'Neill, Governor  
Members of the General Assembly  
Citizens of the State of Connecticut

As Comptroller of the State of Connecticut, I am pleased to transmit the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1988. This is the first comprehensive report for Connecticut prepared in conformance with generally accepted accounting principles (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). As such, it represents an important milestone in the State's continuing efforts to improve its financial systems and management.

This report was prepared by the Office of the Comptroller. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the State. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial and demographic information have been included.

This report includes an introductory section containing this transmittal letter, a State organizational chart, and a list of selected officials; a financial section containing the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report thereon; and a statistical section containing selected financial and demographic information.

## STATE OF CONNECTICUT

Connecticut is the most southern of the New England States, located on the northeast coast and bordered by Long Island Sound, New York, Massachusetts and Rhode Island. Connecticut is highly urbanized with an estimated population of 3,235,000 in 1988 and encompassing 5,009 square miles of land area.

In recent years Connecticut's location, a highly educated and skilled population, and its diverse economy have consistently resulted in its having among the highest per capita incomes and lowest unemployment rates in the nation. In fiscal 1988 its estimated per capita income of \$22,064 ranked first among the states while its average unemployment rate was 3.1% compared with an average of 5.8% for the United States.

Based on current projections it is anticipated that Connecticut's economy will continue to experience modest growth with per capita income remaining the highest in the nation and an unemployment rate remaining below the national average.

## STATE GOVERNMENT

Under the State Constitution, Connecticut is formally organized into the Legislative, Executive, and Judicial Departments. The Governor is the chief executive of the State and is generally responsible for administration of the government exclusive of other constitutionally elected officials. The other elected officials are the Lieutenant Governor, Treasurer, Secretary of the State, Comptroller, and Attorney General.

All elective officials of the Executive Department hold office for four year terms. These officials were last elected at the general election in November 1986, and assumed office in January 1987. The Governor and Lieutenant Governor are elected as a unit.

The legislative power of the State is vested in the General Assembly, composed of the Senate and House of Representatives. Members of the General Assembly serve two year terms with election in November of even numbered years to assume office in January next succeeding their election. The General Assembly meets in annual sessions to enact, amend, or repeal laws and to adopt appropriation bills. The Judicial Department is composed of three principal courts: The Superior Court, the Appellate Court, and the Supreme Court. At June 30, 1988 the State had approximately 50,000 permanent full-time employees.

#### REPORTING ENTITY

This report includes all material funds, account groups and organizations over which the State exercises oversight responsibility as determined by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service and special financial relationships. Based on these criteria, the following organizations are incorporated for financial reporting purposes:

- o Connecticut Development Authority
- o Connecticut Housing Finance Authority
- o Connecticut Resources Recovery Authority
- o Municipal Employees Retirement Fund
- o Probate Judges and Employees Retirement Fund
- o Teachers Retirement System
- o Bradley International Airport (Trustee Activities)

#### BUDGETARY AND INTERNAL ACCOUNTING CONTROLS

The State maintains budgetary controls to ensure compliance with annual appropriation acts passed by the General Assembly. Enacted appropriations are subject to allotment by the Governor and encumbrance by the Comptroller upon the request of the responsible State agency. State funds are expended by the Treasurer only upon a warrant, draft, or order of the Comptroller, who is charged with ensuring that such expenditures are within the available balance in a legally authorized appropriation or allotment.

The State's system of internal controls over the accounting system have been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

#### GENERAL AND TRANSPORTATION FUNDS - BUDGETARY BASIS VS MODIFIED ACCRUAL (GAAP) BASIS

The General and Transportation Funds are the major budgeted funds of the State and, as such, are an important focus in determining the financial condition of the State. As discussed in the accompanying Notes to the Financial Statements, the budget is formulated and controlled using a modified cash basis of accounting while the enclosed statements under generally accepted accounting principles utilize a modified accrual basis of accounting for governmental funds.

Under the budgetary basis the General Fund had an operating deficit for the year of \$115.6 million. Under the modified accrual basis, including accruals and other adjustments required by GAAP, the General Fund deficit was \$137.2 million. The Transportation Fund had a budgetary basis deficit of \$41.4 million for the year and a GAAP operating surplus of \$30.9 million. The adjustments from budget to GAAP are summarized as follows (dollars in millions).

	<u>General Fund</u>	<u>Transportation Fund</u>
Budgetary Basis Operating Deficit	\$ (115.6)	\$ (41.4)
Increase in Accrued Revenues	5.8	6.4
(Increase) in Accrued Expenditures	(24.6)	(10.7)
Increase (Decrease) in Reserve for Continuing Appropriations	(2.8)	65.8
Merrit Parkway Fund Operating Surplus	<u>-</u>	<u>10.8</u>
GAAP Basis Operating Surplus (Deficit)	<u>\$ (137.2)</u> =====	<u>\$ 30.9</u> =====

#### GENERAL AND TRANSPORTATION FUND CONDITION - BUDGETARY BASIS

On a budgetary basis the General Fund ended the year with an operating deficit of \$115.6 million, primarily due to unanticipated expenditure requirements and revenue shortfalls in the Corporation and Sales and Use Taxes. This deficit was eliminated by a transfer from the Budget Reserve Fund which is a separate fund for statutory accounting purposes established under Section 4-30a of the General Statutes of Connecticut. Resources in the Budget Reserve Fund arose from transfers from prior years General Fund surpluses subject to a ceiling equal to five percent of the net General Fund appropriations for the fiscal year in progress. Special Act 87-42, as amended, temporarily raised this ceiling to six and one-half percent for the fiscal year ended June 30, 1987, resulting in a balance in the fund of \$319.6 million as of July 1, 1987. Funding of the 1988 deficit resulted in a remaining balance in the Budget Reserve Fund of \$204 million as of June 30, 1988. Pursuant to Special Act 88-20, \$73.7 million was subsequently transferred to the General Fund from the Budget Reserve Fund to be used as revenue to finance fiscal year 1989 expenditures, leaving a balance of \$130.3 million as of July 1, 1988.

Under the budgetary basis, the Transportation Fund ended the year with a cumulative unappropriated surplus of \$50.1 million, a reduction of \$41.4 million from the June 30, 1987, surplus of \$91.5 million. This was a planned reduction and includes \$50 million deposited in an escrow fund to be used for future debt retirement.

#### GENERAL AND TRANSPORTATION FUND CONDITION - GAAP BASIS

On a GAAP basis the General Fund on June 30, 1988 had an accumulated unreserved fund balance of \$54.2 million including resources in the Budget Reserve Fund while the Transportation Fund had an accumulated unreserved fund balance of \$39.6 million including resources in the Merrit Parkway Fund.

Revenues and other financing sources of the General Fund totaled \$5.3 billion and for the Transportation Fund \$635.7 million. The revenues from various sources are shown in the following schedule for 1988 (amounts in thousands):

	<u>General Fund</u>	<u>Percent of Total</u>	<u>Transportation Fund</u>	<u>Percent of Total</u>
<u>Revenues and Other Financing Sources:</u>				
Sales and Use Tax	\$2,000,380	37.8%	\$ -	- %
Corporation Tax	661,296	12.5	-	-
Capital Gains, Dividends and Interest Tax	386,260	7.3	-	-
Motor Fuel Taxes	-	-	302,275	47.5
Other Taxes	725,780	13.7	-	-
Licenses, Permits, Fees	69,138	1.3	217,765	34.3
Intergovernmental	1,004,411	19.0	50,196	7.9
Other Revenue	183,415	3.4	29,926	4.7
Operating Transfers In	262,187	5.0	35,515	5.6
	-----	-----	-----	-----
Total Revenue and Other Financing Sources	<u>\$5,292,867</u>	<u>100.0%</u>	<u>\$635,677</u>	<u>100.0%</u>

Expenditures and other financing uses of the General Fund totaled \$5.4 billion and for the Transportation Fund \$604.8 million as shown in the following schedule for 1988 (amounts in thousands):

	<u>General Fund</u>	<u>Percent of Total</u>	<u>Transportation Fund</u>	<u>Percent of Total</u>
<u>Expenditures and Other Financing Uses</u>				
Expenditures:				
Current:				
Legislative	\$ 27,419	0.5%	\$ -	- %
General Government	293,804	5.4	-	-
Regulation & Protection	158,622	2.9	-	-
Natural Resources and Recreation	51,604	1.0	-	-
Health and Hospitals	585,655	10.8	-	-
Transportation	-	-	322,651	53.4
Welfare	1,255,265	23.0	-	-
Education, Libraries and Museums	1,168,735	21.5	-	-
Corrections	249,284	4.6	-	-
Judicial	108,189	2.0	-	-
Nonfunctional	613,773	11.3	-	-
Federal and Other Grants	352,732	6.5	39,589	6.5
Debt Service:				
Principal Retirement	117,360	2.2	53,135	8.8
Interest & Fiscal Charges	84,512	1.6	41,589	6.9
Operating Transfers Out				
Higher Education	351,998	6.5	-	-
Debt Service Funds	-	-	147,821	24.4
Other	11,119	0.2	-	-
	-----	-----	-----	-----
Totals	\$5,430,071	100.0%	\$604,785	100.0%
	=====	=====	=====	=====

#### CAPITAL PROJECTS FUNDS

Expenditures for 1988 in the capital projects funds totaled \$110 million for general State facilities (excluding enterprise funds and higher education) and \$467 million for highway and other infrastructure projects. These expenditures are financed through the sale of bonds and through Federal and other grants.



## HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUND TYPE

Connecticut operates a comprehensive system of higher education, including the University of Connecticut, the Connecticut State University system, and statewide systems of community and technical colleges. Higher education activities are reported as a discrete entity using generally accepted accounting principles for colleges and universities. Direct General Fund support, including Federal and other grants for higher education for 1988 was \$352 million, classified as an operating transfer from the General Fund for financial reporting purposes.

## EXPENDABLE TRUST FUNDS

The major expendable trust funds are the Employment Security Fund, which accounts for unemployment taxes on employers in the State and the payment of unemployment compensation benefits; and the Local Property Tax Relief Trust Fund, established to provide unrestricted annual grants to municipalities. Expenditures for 1988 were \$170 million and \$57 million, respectively.

## PROPRIETARY FUNDS

Operating revenues for the State's enterprise funds totaled \$502 million for 1988, with \$449 million in operating expenses. Included in the enterprise funds are the Connecticut Development, Housing Finance, and Resource Recovery Authorities; Bradley Airport Operations, and various loan programs.

The State's internal service funds provide motor pool vehicles, supplies, equipment, data processing and other services to agencies and other governmental units. These funds had a combined net income of \$1.7 million and revenues of \$70.7 million for 1988.

## DEBT ADMINISTRATION

The State currently enjoys AA1 and AA+ ratings for General Obligation Bonds from Moody's Investor Service and Standard and Poors Corporation respectively. Transportation related Special Tax Obligation Bonds are currently rated A1 and AA respectively. These ratings are unchanged from the prior year.

During the year, the State issued \$200,000,000 in General Obligation Bonds and \$324,998,187 in Special Tax Obligation Bonds for transportation infrastructure purposes.

As of June 30, 1988, the aggregate bonds of the State outstanding, excluding debt of authorities or others for which the State is contingently liable, totaled \$2.604 billion as follows (in thousands):

Redeemable from General and Transportation Fund Revenues	\$ 1,712,970
Transportation - Special Tax Obligation Bonds	681,543
Bonds Redeemable from Other Sources	<u>209,445</u>
Total Bonds Outstanding	\$ 2,603,958 =====

The State has no constitutional limit on its power to incur indebtedness other than it may borrow only for public purposes. A statutory debt limit exists equal to 4 1/2 times the General Fund tax receipts of the previous year, excluding Transportation Special Tax obligation bonds, bonds redeemable from other revenue sources, and certain other exclusions and additions. The debt limit so computed was \$17.5 billion as of June 30, 1988.

Bonds outstanding for authorities included in the reporting entity, but for which the State is only contingently or morally liable, were as follows (in thousands):

Connecticut Development Authority	\$1,837,508
Connecticut Housing Finance Authority	2,188,135
Connecticut Resources Recovery Authority	448,924
	-----
Total	\$4,474,567 =====

#### MAJOR RETIREMENT SYSTEMS FUNDED BY THE STATE

The State Employees Retirement Fund is the largest system maintained by the State with approximately 57,000 active and 20,000 retired members at June 30, 1988. The State's funding program calls for payment for the normal cost plus full 40 years amortization of the unfunded past service liability with full funding of such liability scheduled for the year 2026. The General Fund contribution for 1988 was \$272 million with \$324 million budgeted for 1989. Benefit payments and refunds of contributions for 1988 were \$175 million.

The Teachers Retirement Fund provides benefits for teachers and certain other employees in the public school systems of the State. There were approximately 40,000 active and former employees with accrued and accruing benefits and 12,000 retired members as of June 30, 1988. Contributions to the maintenance of the fund are not made by municipalities but are made by employees and General Fund contributions. The State's current funding program calls for payment of the normal cost plus full forty year amortization of the unfunded past service liability in the amount of 75% of such cost in fiscal 1988 and increasing by 5% in each succeeding year through commencement of full amortization in fiscal 1993. Full funding of the liability is scheduled for the year 2033. General Fund contributions totaled \$242 million for 1988 with \$303 million budgeted for 1989. Benefit payments and refunds of contributions for 1988 were \$175 million.

Pension systems are explained more fully in Note 9 of the Notes to the Financial Statements.

#### CASH MANAGEMENT

The State Treasurer continually monitors cash flow in order to maximize the utilization of cash resources. During the year, temporary surpluses are invested in short-term investment funds, combined investment pools consisting of various U.S. government obligations, certificates of deposit, banker's acceptances, commercial paper, repurchase agreements and student loans with various ranges of maturities. The aggregate investment income and average yield rate for the year for these funds were \$119 million and 7.51 percent, respectively. There have been no temporary borrowings for cash flow requirements since fiscal year 1984 and there are currently no plans for short-term borrowing in the 1989 fiscal year.

#### RISK MANAGEMENT

The State is self-insured against certain property and liability claims, including workers' compensation claims. The State Insurance Purchasing Board serves as the focal point of risk management and insurance matters, maintaining a balance of commercially placed coverage and self-insurance to provide optimal coverage at minimal cost.


## INDEPENDENT AUDIT

The State's Auditors of Public Accounts have performed an independent audit of the GAAP and budgetary basis financial statements contained in this report in accordance with generally accepted auditing standards. Their report is contained in the Financial Section which follows.

## ACKNOWLEDGEMENTS

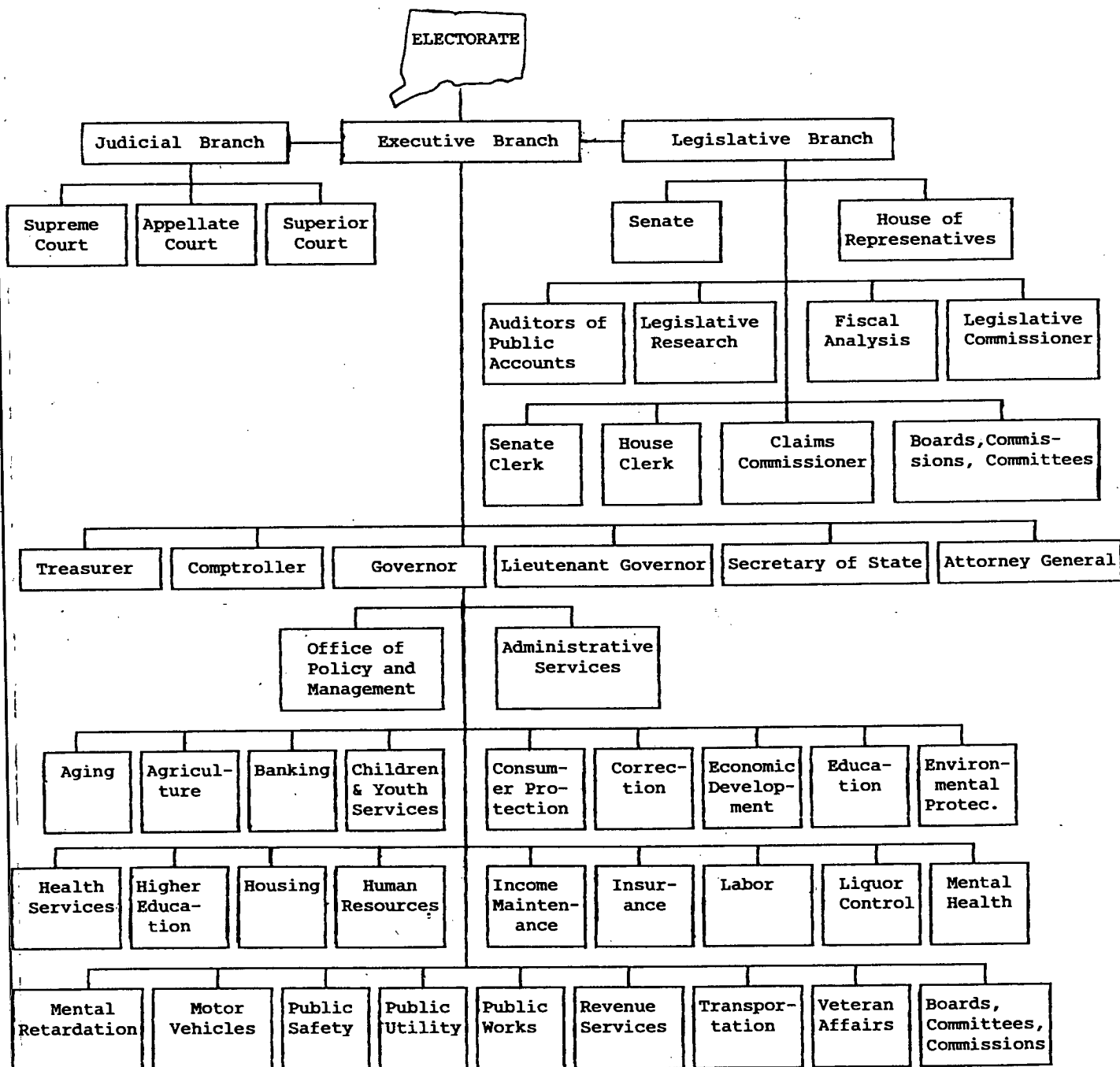
I wish to express my appreciation to the many individuals in all agencies whose cooperation and assistance have made this report possible. In addition, the efforts of the GAAP Reporting Unit and others in our Central Accounting Division over the last few months and years deserve special acknowledgement.

Sincerely,

  
J. Edward Caldwell  
State Comptroller

JEC:RJG:hb

# STATE OF CONNECTICUT ORGANIZATION CHART



**State of Connecticut  
Selected State Officials  
as of June 30, 1988**

**Executive**

**William A. O'Neill  
Governor**

**Joseph J. Fauliso  
Lieutenant Governor**

**Julia H. Tashjan  
Secretary of State**

**Francisco L. Borges  
Treasurer**

**J. Edward Caldwell  
Comptroller**

**Joseph I. Lieberman  
Attorney General**

**Judicial**

**Ellen A. Peters  
Chief Justice**

**Legislative**

**John B. Larson  
President Pro Tempore of the State Senate  
(36 Senators)**

**Irving J. Stolberg  
Speaker of the House of Representatives  
(151 Representatives)**

**FINANCIAL SECTION**

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## AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106

LEO V. DONOHUE

HENRY J. BECKER, JR.

Honorable William A. O'Neill, Governor  
and  
Members of the General Assembly

We have audited the general purpose financial statements of the State of Connecticut as of and for the year ended June 30, 1988. These financial statements are the responsibility of the State of Connecticut's financial management. Our responsibility is to express an opinion on these financial statements based on our audits of the financial records of the State Comptroller and the State Treasurer. We did not examine the financial statements of the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, and the Bradley International Airport, which statements reflect total assets constituting 96 percent of the related combined totals of the Enterprise Funds. Those statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, and the Bradley International Airport, is based solely upon the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform each audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

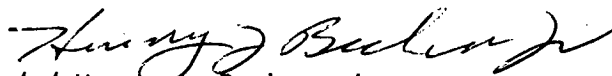
The general purpose financial statements referred to above do not include financial activities of the University of Connecticut Foundation, which in our opinion should be included to conform with generally accepted accounting principles. Based on the latest audited information for the fiscal year ended June 30, 1987, the omitted component unit had assets, revenues and a net increase in fund balances totalling \$23,911,000, \$9,750,000 and \$4,074,000, respectively.



In our opinion, based on our audits and the reports of other auditors, and except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Connecticut as of June 30, 1988, and the results of its operations and the changes in financial position of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Connecticut. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The information in the Introductory and Statistical Sections, identified in the table of contents, was not audited by us, and accordingly, we express no opinion on it.

AUDITORS OF PUBLIC ACCOUNTS

  
/s/ Henry J. Becker, Jr.

  
/s/ Leo V. Donohue

February 14, 1989  
Hartford, Connecticut

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**GENERAL PURPOSE FINANCIAL STATEMENTS**

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STATE OF CONNECTICUT  
Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1988  
(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
Cash and Short-Term Investments.....	\$ 46,570	\$348,274	\$ --	\$ --
Investments.....	--	--	--	--
Receivables, Net:				
Taxes.....	320,636	31,126	--	--
Accounts.....	20,689	6,944	--	--
Tuition.....	--	--	--	--
Loans.....	--	43,565	--	--
Notes.....	--	--	--	--
Interest.....	504	3,038	--	601
Non-Federal Grants.....	26	--	--	--
Due From Other Funds.....	13,785	5,743	--	20,529
Due From Other Governments.....	103,395	12,627	--	20,127
Advances To Other Funds.....	70,991	--	--	--
Inventories.....	21,447	7,788	--	--
Prepaid Items.....	5,279	--	--	--
Restricted Assets.....	--	--	159,802	--
Property, Plant & Equipment.....	--	--	--	--
Other Assets.....	--	--	--	--
Amount Available in Debt Service Fund.....	--	--	--	--
Amount to be Provided For Debt Retirement.....	--	--	--	--
<b>Total Assets and Other Debits.....</b>	<b>\$603,322</b>	<b>\$459,105</b>	<b>\$159,802</b>	<b>\$41,257</b>
<b>Liabilities, Equity and Other Credits:</b>				
<b>Liabilities:</b>				
Deficiency in Cash and Short-Term Investments.....	\$ --	\$ --	\$ --	\$ 30,575
Accounts Payable and Accrued Liabilities.....	247,550	55,313	--	97,341
Due to Other Funds.....	10,215	25,499	--	5,890
Due to Other Governments.....	14,296	--	--	73
Advances Due Other Funds.....	--	--	--	--
Deferred Revenue.....	78,082	14,715	--	433
Escrow Deposits.....	--	--	--	--
Current Maturities of Long-Term Debt.....	--	--	--	--
Notes and Loans Payable.....	--	--	--	--
Deferred Compensation Liability.....	--	--	--	--
Agency Deposit Liabilities.....	--	--	--	--
General Obligation Bonds.....	--	--	--	--
Special Obligation Bonds.....	--	--	--	--
Revenue Bonds.....	--	--	--	--
Capital Leases.....	--	--	--	--
Compensated Absences.....	--	--	--	--
Unfunded Accrued Retirement Costs.....	--	--	--	--
Workers Compensation Liability.....	--	--	--	--
<b>Total Liabilities.....</b>	<b>350,143</b>	<b>95,527</b>	<b>--</b>	<b>134,312</b>
<b>Equity and Other Credits:</b>				
Investment in General Fixed Assets.....	--	--	--	--
Contributed Capital.....	--	--	--	--
Retained Earnings:				
Reserved.....	--	--	--	--
Unreserved.....	--	--	--	--
Fund Balances:				
Reserved.....	199,028	182,462	159,802	--
Unreserved, undesignated.....	54,151	181,116	--	(93,055)
<b>Total Equity and Other Credits.....</b>	<b>253,179</b>	<b>363,578</b>	<b>159,802</b>	<b>(93,055)</b>
<b>Total Liabilities, Equity and Other Credits..</b>	<b>\$603,322</b>	<b>\$459,105</b>	<b>\$159,802</b>	<b>\$ 41,257</b>

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Higher Education & University Hospital	Total (Memorandum only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		
\$ 65,153	\$ --	\$ 615,351	\$ --	\$ --	\$ 154,136	\$ 1,229,484
588,798	--	5,725,945	--	--	10,897	6,325,640
--	--	--	--	--	--	351,762
40,399	2	7,113	--	--	35,970	111,117
--	--	--	--	--	210	210
1,827,161	2	1,647	--	--	20,228	1,892,603
1,742,331	--	--	--	--	6	1,742,337
32,604	--	52,618	--	--	650	90,015
--	--	--	--	--	--	26
476	9,010	6,150	--	--	1,521	57,214
11,775	70	812	--	--	--	148,806
--	--	--	--	--	--	70,991
46	5,548	392	--	--	3,524	38,745
9,822	--	--	--	--	7,386	22,487
460,209	--	436,888	--	--	--	1,056,899
385,092	32,170	--	1,619,834	--	872,209	2,909,305
126,570	806	329,836	--	--	5	457,217
--	--	--	--	159,802	--	159,802
--	--	--	--	5,280,479	--	5,280,479
\$5,290,436	\$47,608	\$7,176,752	\$1,619,834	\$5,440,281	\$1,106,742	\$21,945,139
\$ --	\$ 861	\$ --	\$ --	\$ --	\$ --	\$ 31,436
72,470	11,974	5,525	--	--	29,917	520,090
348	3,715	9,248	--	--	2,299	57,214
45	--	147	--	--	--	14,561
70,991	--	--	--	--	--	70,991
111	202	21	--	--	16,737	110,301
36,526	--	--	--	--	--	36,526
995	--	--	--	--	--	995
14,413	105	--	--	--	--	14,518
--	--	119,157	--	--	--	119,157
--	--	902,536	--	--	5,668	908,204
--	--	--	--	1,315,515	--	1,315,515
--	--	--	--	1,078,998	--	1,078,998
4,670,822	--	--	--	--	12,195	4,683,017
--	--	--	--	2,396	5,071	7,467
592	2,153	--	--	129,510	7,588	139,843
--	--	--	--	2,819,547	--	2,819,547
--	--	--	--	94,315	--	94,315
4,867,313	19,010	1,036,634	--	5,440,281	79,475	12,022,695
--	--	--	1,619,834	--	853,970	2,473,804
79,570	8,780	--	--	--	--	88,350
268,183	797	--	--	--	--	268,980
75,370	19,021	--	--	--	--	94,391
--	--	5,835,420	--	--	75,435	6,452,147
--	--	304,698	--	--	97,862	544,772
423,123	28,598	6,140,118	1,619,834	--	1,027,267	9,922,444
\$5,290,436	\$47,608	\$7,176,752	\$1,619,834	\$5,440,281	\$1,106,742	\$21,945,139

STATE OF CONNECTICUT  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes.....	\$3,773,716	\$ 305,947	\$ --	\$ --
Licences, Permits and Fees.....	69,138	251,303	--	--
Intergovernmental.....	1,004,411	154,812	--	230,622
Charges for Services.....	45,748	337,167	--	--
Fines, Forfeits and Rents.....	11,915	951	--	--
Investment Earnings.....	5,790	33,034	--	3,704
Miscellaneous.....	119,962	5,629	--	1,454
Total Revenues.....	5,030,680	1,088,843	--	235,780
Expenditures:				
Current:				
Legislative.....	27,419	--	--	--
General Government.....	293,804	172,648	--	--
Regulation and Protection.....	158,622	92,477	--	--
Natural Resources and Recreation.....	51,604	31,678	--	--
Health and Hospitals.....	585,655	2,045	--	--
Transportation.....	--	322,876	--	--
Human Services.....	1,255,265	6,992	--	--
Education, Libraries and Museums.....	1,168,735	141,397	--	--
Corrections.....	249,284	1,082	--	--
Judicial.....	108,189	1,995	--	--
Nonfunctional.....	613,773	--	--	--
Federal and Other Grants.....	352,732	41,558	--	--
Capital Projects.....	--	--	--	577,380
Debt Service:				
Principal Retirement.....	117,360	53,135	9,455	--
Interest and Fiscal Charges.....	84,512	41,589	34,467	--
Total Expenditures.....	5,066,954	909,472	43,922	577,380
Excess (Deficiency) of Revenues Over Expenditures.....	(36,274)	179,371	(43,922)	(341,600)
Other Financing Sources (Uses):				
Proceeds of General Obligation Bonds.....	--	31,231	--	491,647
Operating Transfers In.....	262,187	50,541	147,885	--
Operating Transfers Out.....	(363,117)	(378,690)	--	(76,011)
Total Other Financing Sources (Uses).....	(100,930)	(296,918)	147,885	415,636
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	(137,204)	(117,547)	103,963	74,036
Fund Balances (deficit) - Beginning of Year (as adjusted)	583,709	287,474	55,839	(167,091)
Residual Equity Transfers In (Out).....	(195,000)	193,000	--	--
Changes in Reserves.....	1,674	651	--	--
Fund Balances (deficit) - End of Year.....	\$ 253,179	\$ 363,578	\$159,802	\$ (93,055)

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types		Total (Memorandum only)
Expendable Trust		
\$223,687		\$4,303,350
66		320,507
--		1,389,845
--		382,915
--		12,866
51,409		93,937
39,779		166,824
314,941		6,670,244
--		27,419
58,299		524,751
206,836		457,935
--		83,282
--		587,700
--		322,876
--		1,262,257
43		1,310,175
--		250,366
--		110,184
476		614,249
--		394,290
--		577,380
--		179,950
--		160,568
265,654		6,863,382
49,287		(193,138)
--		522,878
261		460,874
(1,285)		(819,103)
(1,024)		164,649
48,263		(28,489)
573,746		1,333,677
--		(2,000)
--		2,325
\$622,009		\$1,305,513

STATE OF CONNECTICUT  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Non-GAAP Budgetary Basis  
General and Budgeted Special Revenue Funds  
For the Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes, Including Interest, Net of Refunds.....	\$3,789,100	\$3,768,831	\$( 20,269)
Other Revenues:			
Motor Vehicle Receipts.....	--	--	--
Licences, Permits and Fees.....	67,400	69,879	2,479
Intergovernmental.....	588,500	588,503	3
Charges for Services.....	44,800	44,755	(45)
Fines, Forfeits and Rents.....	11,900	11,916	16
Investment Earnings.....	4,000	2,919	(1,081)
Miscellaneous.....	373,500	373,492	(8)
Total Revenues.....	4,879,200	4,860,295	(18,905)
Expenditures:			
Legislative.....	27,099	26,693	406
General Government.....	317,044	292,645	24,399
Regulation and Protection.....	162,959	156,649	6,310
Natural Resources and Recreation.....	54,434	51,530	2,904
Health and Hospitals.....	588,552	577,771	10,781
Transportation.....	--	--	--
Human Services.....	1,217,726	1,207,380	10,346
Education, Libraries and Museums.....	1,495,536	1,493,259	2,277
Corrections.....	250,609	246,701	3,908
Judicial.....	106,185	106,102	83
Non Functional.....	817,011	805,181	11,830
Estimated Lapses.....	(75,022)	--	(75,022)
Total Expenditures.....	4,962,133	4,963,911	(1,778)
Excess (Deficiency) of Revenues Over Expenditures.....	(82,933)	(103,616)	(20,683)
Other Financing Sources (Uses):			
Federal and Other Restricted Sources.....	--	429,390	429,390
Federal and Other Restricted Uses.....	--	(430,579)	(430,579)
Net Restricted Sources (Uses).....	--	(1,189)	(1,189)
Reserve for Debt Service.....	--	--	--
Transfers to Other Funds.....	(10,000)	(10,000)	--
Appropriated Surplus.....	--	--	--
Miscellaneous Adjustments.....	--	(790)	(790)
Total Other Financing Sources (Uses).....	(10,000)	(11,979)	(1,979)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	\$( 92,933)	(115,595)	\$( 22,662)
Budgetary Fund Balances - Beginning of Year.....		653,845	
Changes in Reserves.....		(158,589)	
Budgetary Fund Balances - End of Year.....		\$ 379,661	

The accompanying notes are an integral part of the financial statements.



Budgeted Special Revenue Funds			(Total Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$298,300	\$302,276	\$ 3,976	\$4,087,400	\$4,071,107	\$( 16,293)
148,800	149,209	409	148,800	149,209	409
67,900	68,558	658	135,300	138,437	3,137
10,300	10,344	44	598,800	598,847	47
--	--	--	44,800	44,755	(45)
451	486	35	12,351	12,402	51
28,350	24,322	(4,028)	32,350	27,241	(5,109)
71,652	71,652	--	445,152	445,144	(8)
625,753	626,847	1,094	5,504,953	5,487,142	(17,811)
--	--	--	27,099	26,693	406
--	--	--	317,044	292,645	24,399
--	--	--	162,959	156,649	6,310
451	451	--	54,885	51,981	2,904
175	155	20	588,727	577,926	10,801
611,783	570,091	41,692	611,783	570,091	41,692
3,235	2,601	634	1,220,961	1,209,981	10,980
132,619	132,608	11	1,628,155	1,625,867	2,288
--	--	--	250,609	246,701	3,908
--	--	--	106,185	106,102	83
--	--	--	817,011	805,181	11,830
(41,692)	--	(41,692)	(116,714)	--	(116,714)
706,571	705,906	665	5,668,704	5,669,817	(1,113)
(80,818)	(79,059)	1,759	(163,751)	(182,675)	(18,924)
--	37,720	37,720	--	467,110	467,110
--	(37,872)	(37,872)	--	(468,451)	(468,451)
--	(152)	(152)	--	(1,341)	(1,341)
(14,756)	(14,756)	--	(14,756)	(14,756)	--
--	(158)	(158)	(10,000)	(10,158)	(158)
(71,652)	(71,652)	--	(71,652)	(71,652)	--
--	(360)	(360)	--	(1,150)	(1,150)
(86,408)	(87,078)	(670)	(96,408)	(99,057)	(2,649)
\$(167,226)	(166,137)	\$ 1,089	\$( 260,159)	(281,732)	\$( 21,573)
	400,773			1,054,618	
	376,272			217,683	
	\$610,908			\$ 990,569	

STATE OF CONNECTICUT  
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances  
All Proprietary Fund Types and Similar Trust Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Total (Memorandum only)
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust	
Operating Revenues:					
Charges for Services.....	\$ 70,940	\$70,659	\$ --	\$ --	\$ 141,599
Participants' Contributions.....	--	--	118,230	--	118,230
State Contribution.....	--	--	524,729	--	524,729
Interest on Financing Activities.....	375,413	--	--	--	375,413
Investment Income.....	--	--	383,125	3,704	386,829
OTB Proceeds.....	39,834	--	--	--	39,834
Miscellaneous.....	16,177	--	50,598	500	67,275
Total Operating Revenues.....	502,364	70,659	1,076,682	4,204	1,653,909
Operating Expenses:					
Cost of Sales and Services.....	267	25,986	--	--	26,253
Personal Services.....	18,876	13,395	--	--	32,271
Contractual Services.....	67,270	11,701	--	--	78,971
Materials and Supplies.....	970	1,198	--	--	2,168
Heat, Light and Power.....	1,228	662	--	--	1,890
Depreciation and Amortization.....	10,757	4,093	--	--	14,850
Benefit Payments and Refunds.....	--	--	353,975	--	353,975
Interest on Financing Activities.....	322,777	--	--	--	322,777
Other Program Expenses.....	26,675	11,915	599	40	39,229
Total Operating Expenses.....	448,820	68,950	354,574	40	872,384
Operating Income (Loss).....	53,544	1,709	722,108	4,164	781,525
Nonoperating Revenues (Expenses):					
Interest and Investment Income.....	3,533	--	--	--	3,533
Other.....	3	--	--	--	3
Interest and Fiscal Charges.....	(10,229)	--	--	--	(10,229)
Total Nonoperating Income (Expense).....	(6,693)	--	--	--	(6,693)
Income Before Operating Transfers.....	46,851	1,709	722,108	4,164	774,832
Operating Transfers In (Out):					
Operating Transfers In.....	48	--	--	177	225
Operating Transfers Out.....	(26,255)	--	--	(3,160)	(29,415)
Net Income.....	20,644	1,709	722,108	1,181	745,642
Retained Earnings/Fund Balances -					
Beginning of Year (as adjusted).....	322,909	18,109	4,741,842	50,978	5,133,838
Residual Equity Transfers In (Out).....	--	--	--	2,000	2,000
Retained Earnings/Fund Balances - End of Year...	\$343,553	\$19,818	\$5,463,950	\$54,159	\$5,881,480

The accompanying notes are an integral part of the financial statements.

STATE OF CONNECTICUT  
Combined Statement of Changes in Financial Position  
All Proprietary and Similar Trust Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust	
Cash provided from (used for) operations:					
Net Income.....	\$ 20,644	\$ 1,709	\$ 722,108	\$1,181	745,642
Adjustments to reconcile net income to net cash provided from (used for) operations:					
Depreciation and amortization.....	10,757	4,093	--	--	14,850
Net (gain) loss on long-term investments.....	3,105	--	(87,502)	(244)	(84,641)
Decrease (increase) in prepaid expenses.....	25	--	--	--	25
Increase (decrease) in accrued expenses.....	1,287	--	--	--	1,287
Decrease (increase) in deferred charges.....	(139)	--	--	--	(139)
(Increase) decrease in receivables.....	(30,560)	11	10,909	(11)	(19,651)
(Increase) decrease in due from other funds.....	(8,272)	(4,004)	(665)	(81)	(13,022)
(Increase) decrease in due from other government	(1,876)	20	--	--	(1,856)
Increase (decrease) in accounts payable and accrued liabilities.....	22,809	8,036	7	--	30,852
Increase (decrease) in due to other funds.....	5,219	3,369	--	(92)	8,496
Increase (decrease) in due to other governments.	(1,387)	--	--	--	(1,387)
Increase (decrease) in retained earnings due to prior period adjustment.....	(961)	--	1,480	(27)	492
Other.....	320	(2,269)	--	--	(1,949)
Total cash provided from (used for) operations.....	20,971	10,965	646,337	726	678,999
Cash provided from (used for) investment activities:					
Principal collections on loans, notes and installment contracts receivable.....	361,219	--	--	--	361,219
Proceeds from sale of long-term investments.....	90,457	--	43,874	--	134,331
Purchase of long-term investments.....	(278,168)	--	(641,787)	--	(919,955)
Additions to fixed assets.....	(68,882)	(16,372)	--	--	(85,254)
Issuance of notes and installment contracts receivable.....	(153,808)	--	--	--	(153,808)
Other.....	6,844	--	--	--	6,844
Net cash provided from (used for) investment activities.....	(42,338)	(16,372)	(597,913)	--	(656,623)
Cash provided from (used for) financing activities:					
Issuance of revenue bonds.....	331,635	--	--	--	331,635
Increase (decrease) in contributed capital.....	1,901	--	--	--	1,901
Increase (decrease) of long-term obligations....	(502,780)	640	--	--	(502,140)
Decrease in restricted assets.....	173,788	--	--	--	173,788
Residual Equity transfer from General Fund.....	--	--	--	2,000	2,000
Net cash provided from (used for) financing activities.....	4,544	640	--	2,000	7,184
Increase (decrease) in cash.....	(16,823)	(4,767)	48,424	2,726	29,560
Cash and short-term investments, July 1, 1987.....	81,976	3,906	289,570	6,139	381,591
Cash and short-term investments, June 30, 1988.....	\$ 65,153	\$ (861)	\$ 337,994	\$8,865	\$ 411,151

The accompanying notes are an integral part of the financial statements.

STATE OF CONNECTICUT  
Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Higher Education and University Hospital Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Current Funds		Hospital	Endowment and Similar Funds	Loan
	Unrestricted	Restricted	Funds		Funds
<b>Revenues and Other Additions:</b>					
Student Tuition and Fees.....	\$107,108	\$ --	\$ --	\$ --	\$ --
Patient Service Revenue.....	29,306	--	65,314	--	--
Federal Grants and Contracts.....	12,568	35,682	--	--	--
Private Gifts, Grants and Contracts.....	1,037	12,568	--	24	115
Sales and Services.....	75,728	--	--	--	--
Investment Earnings.....	2,335	282	1	21	21
Endowment Income.....	--	431	--	--	--
Interest on Loans Receivable.....	--	--	--	--	547
Expended for Plant Facilities.....	--	--	--	--	--
Retirement of Indebtedness.....	--	--	--	--	--
Realized Gains on Investments.....	--	--	--	106	--
Miscellaneous.....	10,831	2,623	268	3	128
<b>Total Revenues and Other Additions</b>	<b>238,913</b>	<b>51,586</b>	<b>65,583</b>	<b>154</b>	<b>811</b>
<b>Expenditures and Other Deductions:</b>					
<b>Education and General:</b>					
Instruction.....	202,255	13,107	--	--	--
Research.....	8,785	46,338	--	--	--
Public Service.....	7,635	4,000	--	--	--
Academic Support.....	66,864	1,692	--	--	--
Student Services.....	29,175	2,584	--	--	--
Institutional Support.....	86,101	3,699	--	--	--
Independent Operations.....	692	--	--	--	--
Scholarships and Fellowships.....	10,405	4,298	--	--	--
Plant Operations and Maintenance.....	48,634	1,088	--	--	--
Auxiliary Enterprises.....	54,329	--	--	--	--
Hospital.....	24,551	--	71,885	--	--
Loan Cancellations and Write-offs.....	--	--	--	--	483
Interest on Indebtedness.....	--	--	--	--	--
Capital Expenditures.....	--	--	--	--	--
Disposal of Plant Facilities.....	--	--	--	--	--
Administrative Costs.....	--	--	--	--	285
Retirement of Indebtedness.....	--	--	--	--	--
Reimbursement for Federal Funds.....	--	--	--	--	10
Other.....	4,452	1,170	166	--	677
<b>Total Expenditures and Other Deductions.....</b>	<b>543,878</b>	<b>77,976</b>	<b>72,051</b>	<b>--</b>	<b>1,455</b>
<b>Transfers Among Funds - Additions (Deductions)</b>					
<b>Mandatory:</b>					
Retirement of Indebtedness.....	(4,531)	--	--	--	--
Work Study Matching Grant.....	(229)	229	--	--	--
Other Interfund Transfers.....	(1,257)	1,237	--	20	--
<b>Nonmandatory:</b>					
Other.....	(1,228)	5,844	(4,924)	--	308
<b>Total Transfers Among Funds.....</b>	<b>(7,245)</b>	<b>7,310</b>	<b>(4,924)</b>	<b>20</b>	<b>308</b>
Operating transfers from other State funds.....	319,629	25,867	6,147	--	375
<b>Net Increase (Decrease) in fund balances....</b>	<b>7,419</b>	<b>6,787</b>	<b>(5,245)</b>	<b>174</b>	<b>39</b>
Fund Balances (deficit), Beginning of year (as adjusted).....	86,398	15,357	9,290	2,487	25,103
<b>Fund Balances (deficit), End of year.....</b>	<b>\$ 93,817</b>	<b>\$22,144</b>	<b>\$ 4,045</b>	<b>\$2,661</b>	<b>\$25,142</b>

The accompanying notes are an integral part of the financial statements.

Plant Funds			
Unexpended	Retirement of Indebtedness	Investment in Plant	Total
\$ --	\$ --	\$ --	\$107,108
--	--	--	94,620
--	--	--	48,250
--	--	--	13,744
--	--	--	75,728
--	1,649	--	4,309
--	--	--	431
--	--	--	547
--	--	76,110	76,110
--	--	2,125	2,125
--	--	--	106
--	10	1,604	15,467
--	1,659	79,839	438,545
--	--	--	215,362
--	--	--	55,123
--	--	--	11,635
--	--	--	68,556
--	--	--	31,759
--	--	--	89,800
--	--	--	692
--	--	--	14,703
--	--	--	49,722
--	--	--	54,329
--	--	--	96,436
--	--	--	483
--	938	2	940
35,304	--	--	35,304
--	--	3,017	3,017
--	--	--	285
--	2,125	--	2,125
--	--	--	10
--	--	164	6,629
35,304	3,063	3,183	736,910
--	4,521	10	--
--	--	--	--
--	--	--	--
--	4,521	10	--
35,304	97	--	387,419
--	3,214	76,666	89,054
--	22,274	777,304	938,213
\$ --	\$25,488	\$853,970	\$1,027,267

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STATE OF CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1988

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 (GASB). The financial statements of the higher education and university hospital funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of Colleges and Universities Business Officers (NACUBO).

B. Financial Reporting Entity

In conformance with generally accepted accounting principles, the accompanying financial statements of the State of Connecticut include all funds, account groups, departments and agencies of the State as well as authorities, commissions and other organizations over which the State exercises oversight responsibility. The ability of the State to exercise oversight responsibility over these organizations has been determined after applying the following criteria: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service and special financing relationships.

Based upon these criteria, the following organizations, in addition to those currently included in the State's legal financial report, have been included for financial reporting purposes:

Public Authorities

Connecticut Development Authority, Connecticut Housing Finance Authority and Connecticut Resources Recovery Authority - These authorities are classified as enterprise funds in the financial statements. The Connecticut Housing Finance Authority's financial statement reporting period is for the fiscal year ending December 31, 1987.

### Retirement Systems

- 1) Connecticut Municipal Employee's Retirement System - This retirement system is classified as an agency fund in the financial statements. See Note 10 for a detailed description of this system.
- 2) Connecticut Probate Judges' and Employees' Retirement System - This retirement system is classified as an agency fund in the financial statements. See Note 10 for a detailed description of this system.
- 3) Teacher's Retirement System - This retirement system is classified as a pension trust fund in the financial statements. See Note 9 for a detailed description of this system.

### Other

Bradley International Airport (Trustee Activities) - The trustee activities of the airport are classified as an enterprise fund in the financial statements.

### **C. Fund Accounting**

The financial activities of the State are accounted for in individual funds and account groups.

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial reporting purposes, individual funds are classified into four fund categories: governmental funds, proprietary funds, fiduciary funds and higher education and university hospital funds.

Account groups are accounting entities used to account for the State's general fixed assets and long-term debt. These account groups are not funds because they do not reflect available financial resources and related liabilities.



Following is a description of the fund categories and account groups used in the accompanying financial statements:

#### Governmental Funds

1. General Fund - The General Fund is the general operating fund of the State. It is used to account for all financial resources obtained and spent for those services normally provided by the State (e.g. health, social assistance, education, etc.), which are not accounted for in other funds.
2. Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, major capital projects and higher education and university hospital sources) that are legally restricted to expenditures for specified purposes. For example, motor fuel taxes levied to fund Department of Transportation costs.
3. Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term bonds.
4. Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds and higher education and university hospital funds).

#### Proprietary Funds

1. Enterprise Funds - These funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

2. Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governments, on a cost-reimbursement basis.

#### Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations or other funds. These funds include expendable trust, non-expendable trust, pension trust and agency funds. Non-expendable trust and pension trust funds are accounted for in the same manner as proprietary funds since capital maintenance is critical. Expendable trust funds are accounted in the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

#### Account Groups

1. General Fixed Asset Account Group - This account group includes all the fixed assets (excluding infrastructure) that are not accounted for in the proprietary funds and higher education and university hospital funds.
2. General Long-Term Obligation Account Group - This account group includes the unmatured portion of the long-term general obligation debt which is to be financed from governmental funds. Also included in this group are long-term liabilities resulting from lease-purchase claims, unfunded pension obligations, workers' compensation and accumulated unpaid vacation and sick pay.

#### Higher Education and University Hospital Funds

The financial activities of the State's higher education institutions and the university hospital are accounted for in these funds. The financial statements of these funds are presented in accordance with generally accepted accounting principles for colleges and universities as prescribed by the National Association of Colleges and University Business Officers (NACUBO). These

funds are presented in a separate column within the combined financial statements. The following fund categories are included:

1. Current Funds - These funds are used to account for resources which will be expended in the near future for operating purposes. Included in the current fund category are unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with external restrictions.
2. Hospital Funds - These funds account for the revenues and expenditures relating to the operations of the University hospital and dental clinics.
3. Endowment Funds - These funds account for gifts which are restricted as to principal by the donor.
4. Loan Funds - These funds are used to account for loans to students, faculty or staff and for resources available for such purposes.
5. Plant Funds - These funds account for (1) resources to be used for institutional property acquisition, renewal and replacement, (2) resources accumulated for the retirement of debt associated with institutional properties and (3) resources invested in institutional projects.
6. Agency Funds - These funds account for funds held by an institution as custodian or fiscal agent for others such as student organizations, individual students or faculty members.

#### **D. Basis of Accounting/Measurement Focus**

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The modified accrual basis of accounting and a current financial resources measurement focus is applicable in the governmental fund types and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual (i.e. both measurable and available). The word "available"

means that the revenue is collectible within the current period or soon enough thereafter to pay current period liabilities. Major revenue sources which are treated as susceptible to accrual, under this definition, are taxes including sales and use taxes, public service corporation taxes, motor fuel taxes, cigarette taxes, oil company taxes and alcoholic beverage taxes. Revenues from federal grants are recognized when the related expenditure has been incurred.

Expenditures under the modified accrual basis of accounting are recognized when the related fund liability is incurred. Exceptions to this rule are: (1) principal and interest on general long-term debt which is recognized when due, (2) obligations of an employee's vested annual leave and sick leave are recorded as expenditures when paid and (3) inventories which may be considered expenditures when purchased.

The accrual basis of accounting with a flow of economic resources measurement focus is utilized in the proprietary funds, non-expendable trust funds, pension trust funds and the higher education and university hospital funds. Under this accounting basis, revenues are recognized when earned and expenses are recognized when incurred. An exception to this rule occurs in the higher education and university hospital funds as depreciation expense related to plant fund assets is not recorded.

#### **E. Budgeting Process**

By statute, the Governor must submit the State budget to the General Assembly in February of each year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next fiscal year and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Soldiers, Sailors and Marines Fund, the Regional Market Operations Fund and the Education Excellence Trust 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 level of line item appropriations by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. A separate document is necessary since the level of legal control is more detailed than reflected in the CAFR. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purposes 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.

Expenditure control over special revenue, enterprise and internal service funds that are not budgeted is maintained by the allotment process. 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% of the fund or 5% of the appropriation amount. Modifications beyond those limits, but not in excess of 5% 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; and two senate members, not of the same political party, and three house members, not more than two of the same political party, of the joint standing committee of the general assembly. Additional reductions of appropriations of more than 5% of the total appropriated fund can be made only with the approval of the General Assembly.

Governmental funds use encumbrance accounting to account for fund expenditures. Using 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. Generally, all appropriations and encumbrances lapse at year-end except for certain continuing appropriations. 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. Carried-forward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "modified cash" basis of accounting under which revenues are recognized when received except, in the General and Transportation Funds, for certain taxes and Federal and other restricted grant revenues which are recognized when earned. Tax revenues recognized when earned include the following: sales and use, public service corporations, petroleum companies, cigarettes, alcoholic beverages, gasoline, special motor fuel, and motor carrier road. Under the modified cash basis, expenditures are recognized when paid. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the financial statements for all governmental funds for which a budget is legally adopted.

The following schedule (in thousands) reconciles the original budgeted revenue and appropriations to the final adjusted numbers for the General Fund and all budgeted Special Revenue Funds:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Original budgeted revenues	\$4,947,300	\$610,553
Budgetary increases (decreases)	(68,100)	15,200
Revenues, as adjusted	<u>\$4,879,200</u>	<u>\$625,753</u>
Original Appropriation	\$4,917,214	\$726,722
Deficiency approp. bill	38,768	3,460
Change in estimated lapses	4,238	(38,192)
Miscellaneous legally authorized adjustments	1,913	14,581
Appropriations, as adjusted	<u>\$4,962,133</u>	<u>\$706,571</u>

#### **F. Budgetary vs GAAP Basis of Accounting**

The major differences between the budgetary (legal) and the GAAP (generally accepted accounting principles) basis of accounting are as follows:

1. Revenues are recorded when received in cash except for certain year-end tax accruals (budgetary basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis) (see note 1D).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis) (see note 1D).

3. The Budget Reserve fund, a special revenue fund under the budgetary basis, is reclassified as part of the General fund under the GAAP basis.
4. Certain Special revenue funds are not subject to legal budgets.

The following is a reconciliation (in thousands) of the excess (deficiency) of revenues and other sources over expenditures and other uses as accounted between the budgetary and GAAP basis of accounting:

<u>Financial Statements Fund Types</u>	<u>General</u>	<u>Special Revenue</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Budgetary basis)	\$(115,595)	\$(166,137)
Adjustments:		
To adjust for revenue accruals:		
Accounts Receivable	2,710	(1,356)
Federal and Other Grants Receivable	(3,331)	5,873
Other Receivables	6,450	1,676
To adjust for expenditure accruals:		
Accounts Payable	4,769	7,640
Salaries and Fringe Benefits Payable	23,686	1,468
Other Liabilities	(3,779)	1,750
To adjust for the increase(decrease):		
Continuing Appropriations	<u>(2,762)</u>	<u>65,771</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)-budgetary classifications	(137,204)	(105,031)
Other adjustments:		
To record excess (deficiency) of revenues and other sources over expenditures and other uses for nonbudgeted funds	<u>-0-</u>	<u>(12,516)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$(137,204)</u>	<u>\$(117,547)</u>

## **G. Assets and Liabilities**

### **Cash and Short-Term Investments**

In addition to petty cash and bank accounts, this account includes cash invested in the State Treasurer's Short-Term Investment Funds. These funds are pooled investment funds with investments in these funds carried at cost which approximates market.

### **Investments**

Investments in the debt service, enterprise and the higher education and university hospital funds are carried at cost or amortized cost. Investments in the trust and agency funds represent cash invested in the State Treasurer's Long-Term Investment Funds. These funds are pooled investment funds. Investments in these funds are carried at cost plus or minus any undistributed earnings or losses that may exist in the pooled investment funds at year end.

### **Inventories**

Inventories are valued at the lower of cost or market. 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 reserve to indicate that they are unavailable for appropriation.

### **Fixed Assets and Depreciation**

General fixed assets are recorded at historical or estimated cost. Donated fixed assets are valued at estimated fair value on the date donated. Except for Bradley International Airport which capitalizes interest, all other interest costs incurred during construction are not capitalized as part of the asset. Also, certain infrastructure fixed assets (highways, bridges, etc.) are not capitalized. No depreciation is provided for general fixed assets.

Fixed assets in the enterprise and internal service funds are carried at cost. Depreciation is determined using the straight-line method and is based upon the asset's estimated useful life.



Fixed assets in the higher education and university hospital funds are carried at cost. No depreciation is recorded in these funds.

#### Deferred Revenues

This liability account represents cash received by the State before the State has a legal claim to it (e.g. grant monies which are received before the incurrence of the qualifying expenditures). In subsequent years, when the State has a legal claim to this cash, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

#### Compensated Absences

The liability for accumulated vacation and sick leave is recorded in the general long-term debt account group for the governmental and expendable trust funds. In the proprietary, pension and non-expendable trust, and higher education and university hospital funds, such obligations are recorded as fund liabilities.

Vacation and sick policy is as follows. Employees hired on or before June 30, 1977 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, 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, for an amount equal to one-fourth of his accrued sick leave up to a maximum payment equivalent to sixty days.

### **H. Fund Equity**

#### Contributed Capital

The amount of permanent fund capital in the enterprise and internal service funds which is contributed from general government and other governmental entities.

#### Reserved Retained Earnings

The portion of retained earnings in the enterprise funds which is legally restricted for specific future use.

## Reserved Fund Balances

The portion of fund balances in the governmental, fiduciary, higher education and university hospital fund types which is legally reserved for a specific future use or which is not available for appropriation or expenditure.

## **I. Revenues, Expenditures and Expenses**

### Taxes

Certain major tax revenues are not susceptible to accrual and are recognized as revenue when the cash is collected. These revenues include corporate income taxes, the capital gain, dividend and interest taxes and the inheritance and estate taxes.

### Licenses, Permits and Fees

These items are not susceptible to accrual and are recognized as revenues when the cash is collected.

### Interfund Transactions

Interfund transactions are recorded as follows:

- (1) Transfers which are from funds that are receiving revenues to funds in which the resources are to be expended are classified as operating transfers.
- (2) Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the State are treated similarly by the funds of the State.
- (3) Reimbursements from one fund to another are treated as expenditures or expenses of the reimbursing fund and as a reduction of the expenditures or expenses of the reimbursed fund.
- (4) Non-recurring or non-routine transfers of equity between funds and contributions to the capital of proprietary funds are classified as equity transfers.

## J. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position, the results of operations or changes in financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

## 2. FUND DEFICITS

The following funds have deficit balances (in thousands) at June 30, 1988 in either retained earnings or fund balances:

<u>Special Revenue</u>	
Employment Security Administration	\$3,574
Housing Rehabilitation Programs	\$44,175
 <u>Capital Projects</u>	
State Facilities	\$140,715
 <u>Enterprise</u>	
Housing Loan Programs	\$26,711
Bradley International Airport	\$2,195
 <u>Internal Service</u>	
Correction Industries	\$3,885

## 3. CASH AND SHORT-TERM INVESTMENTS, AND INVESTMENTS (In Thousands)

### Cash deposits

As of June 30, 1988 the carrying amount of the State's cash deposits was \$(38,792) and the corresponding bank balances were \$101,992. Bank deposits were insured in the amount of \$5,741 by federal depository insurance, and \$96,251 were uninsured and "partially" collateralized by a statewide collateral pool. This collateral pool, administered by the State, requires banks holding public deposits to set aside certain amount of collateral to protect such deposits from possible losses in excess of deposit insurance. However, the maximum amount of collateral required to be set aside by these banks is limited to 3 percent of their average public deposits. Since this amount of collateral is considered to be inadequate to protect the State's deposits in the event of a loss, the State's uninsured deposits are considered to be only "partially" collateralized.

#### Short-term investments, and investments

Short-term investments represent cash invested by various State funds, agencies and municipalities in the State Treasurer's short-term investment funds. These funds are pooled investment funds which are authorized by statute to invest in United States government and agency obligations, United States postal service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bank acceptances, student loans and repurchase agreements.

Investments represent cash invested by the pension and other trust funds in the State Treasurer's long-term investment funds as well as investments held by the enterprise and the higher education and university hospital funds. The long-term investment funds are pooled investment funds which are authorized by statute to invest in corporate stocks, corporate bonds, real estate, home mortgages, guaranteed investment contracts, repurchase agreements and other investment instruments. There is a restriction that not more than fifty percent of book value of the pension and other trust fund investments can consist of common stock. The enterprise and the higher education and university hospital funds are authorized to invest in certain investments that are similar to those held by the State Treasurer's pooled investment funds.

Following is a schedule disclosing the carrying amount and market value of the State's investments as of June 30, 1988. Further, the carrying amount of these investments is categorized by credit risks to indicate the level of risk assumed by the State in holding these investments. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agency but not in the State's name. The term "counterparty" as used in this paragraph refers to a broker-dealer or financial institution from or through whom the State purchased the securities.

Investment Type	Carrying Amount				Market Value
	Category 1	Category 2	Category 3	Total	
Certificates of deposit	\$980,924	\$---	\$---	\$980,924	\$980,876
Common and preferred stock	2,295,311	---	707	2,296,018	2,468,112
Corporate Debt	1,453,891	---	724	1,454,615	1,477,241
Repurchase Agreements	197,653	301,045	1,175	499,873	499,873
U.S. Securities	1,068,751	222,988	---	1,291,739	1,293,920
Real Estate	825,019	---	---	825,019	875,877
Mortgages	34,601	---	190,833	225,434	225,211
Other	53,232	4,036	39,620	96,888	99,799
	\$6,909,382	\$528,069	\$233,059	7,670,510	7,920,909

Investments not categorized because they are not evidenced by securities that exist in physical or book entry form:

Limited Partnership	18,000	16,446
Total Investments	\$7,688,510	\$7,937,355

The pension trust funds own approximately 74 percent of the investments that are in category 1 and the enterprise funds own 100 percent of the investments that are in category 2.

Included in the above schedule were investments held by the State Treasurer's pooled investment funds. These pooled investment funds are not reported in the financial statements. Instead, participant funds' investments in the pooled investment funds are reported in the financial statements either as short-term investments or as investments. However, the carrying amount of the investments reported in the financial statements is different than the carrying amount of the investments disclosed in this note because there were other assets and liabilities in the pooled investment funds at year end.

The following is a reconciliation between the carrying amount of investments as disclosed in this note and the carrying amount of investments as reported in the financial statements as of June 30, 1988:

Investments as disclosed in this note	\$7,688,510
Plus: Other assets reported in the pooled investment funds	150,062
Less: Other liabilities reported in the pooled investment funds	154,698
Short-term investments included with:	
Cash	1,236,840
Restricted assets	121,394
Investment as reported in the financial statements	\$6,325,640

#### 4. TAXES RECEIVABLE

Taxes receivable (in thousands) consisted of the following as of June 30, 1988:

	Funds	
	General	Special Revenue
Sales and Use	\$273,960	\$ ---
Cigarette	5,417	---
Alcoholic Beverage	4,057	---
Utility Companies	30,159	---
Gasoline and Special Fuel		
Petroleum	6,510	28,849
Bingo	533	---
Motor Carrier	---	2,277
Taxes Receivable, Net	<u>\$320,636</u>	<u>\$31,126</u>

#### 5. LOANS RECEIVABLE

Loans receivable (in thousands) consisted of the following as of June 30, 1988:

	Funds				
	Special Revenue	Enterprise	Internal Service	Trust and Agency	Higher Education and University Hospital
Mortgage	\$ ---	\$1,675,642	\$-	\$ ---	\$ ---
Housing	---	139,986	-	---	---
Student	---	---	-	---	21,314
Other	<u>43,565</u>	<u>16,331</u>	<u>2</u>	<u>1,647</u>	<u>56</u>
Less:					
Allowance For					
Losses	<u>---</u>	<u>4,798</u>	<u>-</u>	<u>---</u>	<u>1,142</u>
Loans Receivable					
Net	<u>\$43,565</u>	<u>\$1,827,161</u>	<u>\$2</u>	<u>\$1,647</u>	<u>\$20,228</u>

The mortgage loan program consists of home, multifamily and construction loan mortgages made by the Connecticut Housing Finance Authority. Most loans are insured by the Federal Housing Administration or by private mortgage insurance companies. In addition, home mortgage loans are guaranteed up to certain amounts by the Veterans Administration. Permanent loans earn interest at rates

ranging from 4% to 13.5% and have initial terms of 10 to 40 years. Construction loans earn interest at rates ranging from 8.75% to 12%. Upon completion of each development, the related permanent mortgage loan, which will generally be provided by the Authority, will be payable over 30 to 40 years at annual interest rates ranging from 7.5% to 12.5%.

#### 6. NOTES RECEIVABLE

Notes receivable consist of loans made by the Connecticut Development Authority to participant companies within the State to finance the purchase of land, building and equipment. These notes receivable are collateralized by assets acquired from the proceeds of the related loans. These receivables have original terms of 7 to 25 years and earn interest at rates ranging from 3.75% to 14.80%.

As of June 30, 1988 loans in the amount of \$128,275,883 (including loans of \$11,716,211 made by other lending institutions) were insured by an insurance fund created by the Authority and by the faith and credit of the State. This insurance fund had assets of \$12,618,901 at year end. Thus, the State is contingently liable in the event of any defaulted loans that could not be paid out of the assets of the insurance fund.

#### 7. RESTRICTED ASSETS

Restricted assets are defined as resources which are restricted by legal or contractual requirements. As of June 30, 1988, restricted assets (in thousands) are comprised of the following:

	Funds			
	Debt Service	Enterprise	Trust and Agency	Total
Cash & Short-Term Invest.	\$ 67,438	\$ 71,501	\$ ---	\$ 138,939
Deposits in U S Treasury	---	---	317,730	317,730
Investments:				
U S Securities	92,364	369,073	---	461,437
Repurchase Agreements	---	9,103	---	9,103
Corporate Debt	---	647	---	647
Interest Receivable	---	9,885	---	9,885
Deferred Compensation Plan Assets	---	---	119,158	119,158
TOTAL	<u>\$159,802</u>	<u>\$460,209</u>	<u>\$436,888</u>	<u>\$1,056,899</u>

Investments are carried at cost except for investments of the Connecticut Housing Finance Authority (an enterprise fund) which are carried at the lowest of face value, cost or market. These investments are classified by credit risks in the following categories (see note 2 for a description of these categories): category 1 \$22,660, category 2 \$285,299 and category 3 \$163,228. The market value of these investments was \$481,123.

## 8. PROPERTY, PLANT AND EQUIPMENT

- (1) Property, plant and equipment (in thousands) consisted of the following as of June 30, 1988.

	Funds		
	Enterprise	Internal Service	Higher Education and University Hosp.
Land	\$ 18,333	\$ ---	\$ 20,753
Building	61,387	---	486,522
Improvement Other Than Buildings	48,650	107	36,659
Machinery and Equipment	8,311	62,380	304,514
Construction in Progress	262,520	---	23,761
Total	399,201	62,487	872,209
Less Accumulated Depreciation	14,109	30,317	---
Net Total	<u>\$385,092</u>	<u>\$32,170</u>	<u>\$872,209</u>

- (2) A summary (in thousands) of changes in general fixed assets is as follows:

	Balance 7/1/87	Additions	Deletions	Balance 6/30/88
Land	\$ 195,884	\$ 2,113	\$ 4,390	\$ 193,607
Building	620,523	27,891	49,976	598,438
Improvement Other Than Buildings	26,192	54,548	1,270	79,470
Machinery and Equipment	432,620	83,363	11,260	504,723
Construction in Progress	221,764	79,877	58,045	243,596
Total	<u>\$1,496,983</u>	<u>\$247,792</u>	<u>\$124,941</u>	<u>\$1,619,834</u>



## 9. RETIREMENT SYSTEMS - PENSION TRUST FUNDS

### I. State Employees Retirement

#### A. Plan Description

Substantially all full-time employees of the State of Connecticut are covered by the State Employees' Retirement System (SERS), which is a single-employer pension employees retirement system (PERS). It is the responsibility of the State PERS to function as an investment and administrative agent for the State of Connecticut with respect to the pension plan.

As of June 30, 1987, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	20,064
	=====

#### Active plan participants:

Vested	20,712
Nonvested	32,272
Total	52,984
	=====

Employees' belonging to the SERS are covered under one of two tiers. Tier I has a contributory plan and Tier II a noncontributory plan depending upon the point in time at which an employee joined the retirement system. Members of the SERS who joined the retirement system prior to July 1, 1984 are enrolled in Tier I. All benefits vest for these members after 10 years of service and both plans provide for death and disability benefits.

Tier I plan employees who retire on or after age 65 with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of the average annual earnings which are based on the three highest-paid years of service over \$4,800 plus 1% of \$4,800 for each year of credited service. Employees with 25 years of credited service may retire at or after age 55 and receive an annual benefit equal to 2% of the average annual earnings for each year of credited service. Employees who joined this plan subsequent to July 1, 1984 are enrolled in Tier II a noncontributory plan. Members vest after 10 years of service or at age 70 and 5 years of service. Employees who retire on or after age 65 with 10 years of service are entitled to one and one third percent of the average annual earnings which are based on the three highest-paid years of service plus one-half percent of the average annual earnings

in excess of the salary breakpoint in the year of retirement, for each year of credited service. Employees with 10 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

Employees with 25 years of hazardous duty service may retire at any age and are entitled to 2% of their average annual earnings for each year of credited service.

Certain employees covered under the contributory plan, (i.e. state police assigned to hazardous duty), are required by State Statute Section 5-161 to contribute 5% of their salary to the PERS. Other participants are required by the same statute to contribute 2% of their earnings up to the social security taxable wage base plus 5% above that level.

The Connecticut State Employees Retirement System was created by the State of Connecticut to provide defined benefit pensions to its employees. The system is described in Chapter 66, State Employees Retirement Act, in Sections 5-152 to 5-192 of the General Statutes.

#### B. Funding Status and Progress

The amount shown as pension benefit obligation is a standardized measurement established by GASB-5 that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits. The measure is independent of the actuarial funding method used to determine contributions to the System as discussed below.

The pension benefit obligation was determined as part of an actuarial valuation at July 1, 1987. Significant actuarial assumptions used include (a) a discount rate on the investment of present and future pension payments of 7.5 percent per year compounded annually, (b) projected salary increases based upon the age of the participant of 4.7 percent to 6.3 percent per year compounded annually, (c) salary increases as a result of social security wage base of 3.5 percent per year compounded annually, and (d) additional salary increases of 3 percent to 4.5 percent per year compounded annually as a result of the cost-of-living.

The standardized measure of the unfunded pension benefit obligation as of July 1, 1987 is as follows:

(in millions)

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$1,687.0
Current employees -	
Accumulated employee contributions including allocated investment income	239.2
Employer - financed vested	1,884.3
Employer - financed non-vested	278.8
Total pension benefit obligation	4,089.3
Net assets available for benefits, at cost (market value \$2,006.9)	1,844.6
Unfunded pension benefit obligation	\$2,244.7
	=====

Changes in actuarial assumptions made effective July 1, 1987 decreased the pension benefit obligation by \$195,659,787.

#### C. Contribution Required and Contributions Made

Periodic employer contribution to the PERS are determined on an actuarial basis using the Projected Unit Cost Method. The Projected Benefit is determined by calculating the future benefits for present active members that will become payable as the result of death, disability, retirement or termination, including the effect of future salary increases. The Accrued Benefit is the Projected Benefit reduced in the proportion that service to date bears to anticipated service at retirement. The Projected Benefit obligation is the present value of Accrued Benefits. The unfunded actuarial accrued liability is funded over a 40-year period.

Total contributions to the pension plan in fiscal year 1988 amounted to \$349.6 million of which \$272.3 million was made by the State of Connecticut, \$28.0 million by its employees and \$50.6 million from Federal and other reimbursements. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of July 1, 1987. The pension contributions represent funding for normal cost (\$120.8 million) and the amortization of the unfunded actuarial accrued liability (\$200.8 million). Contributions made by the State of Connecticut and its employees represent 17.2% and 1.8%, respectively, of the covered payroll of \$1,583.0 million for the year.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

D. Trend Information

Historical trend information for the State of Connecticut PERS is presented below.

	<u>Fiscal Year</u>		
	<u>1988*</u>	<u>1987</u>	<u>1986</u>
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees	45.1%	N/A	N/A
Unfunded pension benefit obligation as a percentage of the State's annual covered payroll	141.8%	N/A	N/A
State's contributions to the pension plan as a percentage of annual covered payroll	17.2%	N/A	N/A

\* First period for which pension benefit obligations have been calculated in accordance with GASB Statement No. 5.

Ten-year historical trend information is disclosed on pages 120 - 123 of the State's comprehensive annual financial report.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

II. Teachers' Retirement

A. Plan Description

The State of Connecticut Teachers' Retirement System is treated as a single-employer PERS with the State acting as a nonemployer contributor and is included as a pension trust fund in the State's reporting entity. The purpose of the System is to provide retirement allowances and other benefits including death and disability benefits, to members.

Membership in the Teachers' Retirement System is compulsory for all public school teachers whose positions require them to hold a teacher's certificate issued by the State Board of Education. Teachers employed by the State Board of Education, the Commission for Higher Education and any

state-supported institution which requires the teachers to hold a teaching certificate, have the option of electing membership in either the Teachers' Retirement System, the State Employee's Retirement System or an alternate retirement program.

As of June 30, 1987, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	14,426
	=====
Active plan participants	
Vested	26,034
NonVested	12,980
Total	39,014
	=====

During the fiscal year ended June 30, 1988 the covered teachers' payroll was \$1,370.0 million.

After completion of ten years of service, a member's rights to the defined benefit is vested and early retirement benefits may be elected. Members are eligible for full monthly retirement benefits (a) after 35 years of service if before age 60; (b) age 60 if after 20 years of service and before 35 years of service; (c) 20 years of service if after age 60 and before age 70; or (d) age 70 if after 10 years of service and before 20 years of service. Also if an employee is active and currently eligible to retire on the valuation date under one of the age and service combinations cited above, the teacher is assumed to retire the following June 30th.

The system is described in Section 10-183 of the General Statutes.

#### B. Funding Status and Progress

The amount shown as pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the System.

The pension benefit obligation was determined as part of an actuarial valuation at June 30, 1987, the most recent actuarial report. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually, (b) projected salary increases ranging from 8% for the first 15 years of service; annual increases of 5 1/2% thereafter, (c) salary increases of 5 percent per year compounded annually as a result of cost-of-living increases, and (d) no postretirement benefit increases.

The standardized measure of the unfunded pension benefit obligation as of June 30, 1987 is as follows:

	(in millions)
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$1,821.7
Current employees -	
Accumulated employee contributions including allocated investment income	1,021.7
Employer - financed vested and non-vested	3,450.3
Total pension benefit obligation	6,293.7
Net assets available for benefits, at cost (market value \$3,188.2)	2,880.3
Unfunded pension benefit obligation	\$3,413.4
	=====

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during 1987.

#### C. Contribution Required and Contributions Made

The State contribution requirements for the fiscal year ending June 30, 1988 was determined in accordance with Public Act 79-436 (as amended) and was based on the expected unfunded actuarial accrued liability as of June 30, 1987, and an estimate of the July 1, 1987 normal cost. This estimate was based on the July 1, 1987 normal cost and an estimate of future salary increases.

To develop the expected unfunded actuarial accrued liability as of June 30, 1988, the actual unfunded actuarial accrued liability as of June 30, 1987 was added to the normal cost as of July 1, 1987 and this sum was adjusted for one year's interest of the

valuation rate of 8% per year. This result was then reduced by the State's contributions adjusted with interest. The expected unfunded actuarial accrued liability was then amortized in accordance with Public Act 79-436 (as amended) which requires that changes after 1980 be funded separately by contributions of normal cost plus 30-year amortization of unfunded accrued liability.

Total contributions to the pension plan in fiscal year 1988 amounted to \$332.1 million of which \$242.5 million and \$89.6 million were made by the State of Connecticut and the members of the Teacher's Retirement System, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of June 30, 1987. The pension contributions represent funding for normal cost (\$132.3 million) and the amortization of unfunded actuarial accrued liability (\$109.3 million). Contributions made by the State of Connecticut and the members of the Teacher's Retirement System represents 17.7% and 6.5%, respectively, of the covered payroll for the year.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

#### D. Trend Information

Historical trend information for the State of Connecticut is presented below:

	<u>Fiscal Year</u>		
	<u>1988</u>	<u>1987</u>	<u>1986</u>
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the members of the retirement system	45.8%	N/A	N/A
Unfunded pension benefit obligation as a percentage of the State's annual covered payroll*	249.2%	N/A	N/A
State's contributions to the pension plan as a percentage of annual covered payroll	17.7%	N/A	N/A

\* Showing the unfunded pension benefit obligation as a percentage of the State's annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.

Ten-year historical trend information is disclosed on pages 120 - 123 of the State's comprehensive annual financial report.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

### III. Judicial Retirement

#### A. Plan Description

The State of Connecticut Judicial Retirement System is a single-employer PERS included as a pension trust fund in the employer reporting entity. The purpose of the System is to provide retirement allowances and other benefits including death and disability benefits to members. Any appointed judge or compensation commissioner of the State of Connecticut is covered by the Judicial Retirement System.

As of October 1, 1987, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	133
	===
Active plan participants	
Vested	57
NonVested	95
Total	152
	===

Annual covered payroll as of June 30, 1988 was \$11.2 million. After 10 years of service, a member's rights to the defined benefit is vested. A member may retire at 65 or 20 years of service, mandatory retirement is at age 70.

Upon retirement, member's will receive a monthly benefit of 66 2/3% of final compensation reduced for less than 10 years of service by a ratio of service to actual retirement divided by service to age 70, or 10 years, whichever is less. For members hired prior to 1981, benefits are increased in line with current compensation of an active member in the same position. For members hired after 1980, benefits are increased in line with a cost of living index not to exceed 3% per year.

The system is described in Section 51-50 to 51-51 of the General Statutes.



## B. Funding Status and Progress

Presented below is the total pension benefit obligation of the State of Connecticut Judicial Retirement System PERS. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5 that with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to assess the Judicial Retirement System PERS funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS.

The pension benefit obligation was determined as part of an actuarial valuation at October 1, 1987, the most recent actuarial report. Significant actuarial assumptions used include (a) a rate of return of 7 1/2 percent per year compounded annually, (b) projected salary increase of 5 1/2 percent per year compounded annually, (c) a cost of living adjustment of 5 1/2% per annum for members hired prior to January 1, 1981, and 3 percent per annum for members hired after January 1, 1981, and (d) no postretirement benefit increases.

The standardized measure of the unfunded pension benefit obligation as of October 1, 1987 is as follows:

	(in millions)
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$60.4
Current employees -	
Accumulated employee contributions including allocated investment income	2.1
Employer - financed vested	19.0
Employer - financed non-vested	13.9
Total pension benefit obligation	95.4
Net assets available for benefits, at cost (market value \$17.6)	15.3
Unfunded pension benefit obligation	\$80.1
	=====

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during 1987.

C. Contribution Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the Projected Unit Cost Method. The unfunded actuarial accrued liability developed as of October 1, 1987 is amortized over the 39 years remaining of the original 40 year period.

Total contributions to the pension plan in fiscal year 1988 amounted to \$10.5 million, of which \$9.9 million and \$.6 million were made by the State of Connecticut and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of October 1, 1987. The pension contributions represent funding for normal cost (\$3.8 million) and the amortization of the unfunded actuarial accrued liability (\$6.1 million). Contributions made by the State of Connecticut and its employees represent 88.4% and 5% respectively of covered payroll for the year.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

The computation of the pension contribution requirements for 1987 was based on the same actuarial assumptions, benefit provisions, actuarial funding method, and other significant factors used to determine pension contribution requirements in previous years.

**D. Trend Information**

Historical trend information for the State of Connecticut PERS is presented below:

	<u>Fiscal Year</u>		
	<u>1988</u>	<u>1987</u>	<u>1986</u>
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees	16.0%	N/A	N/A
Unfunded pension benefit obligation as a percentage of the State's annual covered payroll*	715.2%	N/A	N/A
State's contributions to the pension plan as a percentage of annual covered payroll	88.4%	N/A	N/A

\* Showing the unfunded pension benefit obligation as a percentage of the State's annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.

Ten-year historical trend information is disclosed on pages 120 - 123 of the State's comprehensive annual financial report.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

**10. OTHER RETIREMENT SYSTEMS ADMINISTERED BY THE STATE**

The State acts solely as the administrator and custodian of the assets of the following retirement systems. Because of the absence of any State financial liability, these systems have been classified as agency funds for financial reporting purposes.

Connecticut Municipal Employees' Retirement System

This system provides retirement benefits to employees (except teachers) of 45 municipalities and 35 housing authorities.

The entire cost is borne by the participating municipalities and their employees through employee contributions of 2.25 to 5.0 percent of salary and contribution assessments on participating municipalities.

Municipal contributions are redetermined based on actuarial studies to be made at least once every five years in order to maintain the fund on a sound actuarial basis.

As of the latest actuarial valuation, July 1, 1987, the net present value of the unfunded actuarial accrued liability was \$8,061,206 computed using the unit credit actuarial cost method.

#### Connecticut Probate Judges and Employees' Retirement System

This system provides retirement benefits to Probate Court Judges and employees.

The entire cost is borne by the Probate Courts and their employees through employee contributions of 2.25 to 5.0 percent of earnings and assessments on the various Probate Courts of the State which assessments are to be actuarially determined.

As of the latest actuarial valuation, January 1, 1986, the net present value of the unfunded actuarial accrued liability was \$1,139,107 using the Frozen Initial Liability Modification of the Entry Age Normal Cost Method. Subsequent scheduled amortization payments have eliminated the liability as of June 30, 1987.

#### **11. DEFERRED COMPENSATION PLAN**

The State of Connecticut offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees in a permanent position, including elected and appointed officials and members of the General Assembly, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination of employment, disability, unforeseeable emergency or death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. At this time,

the State believes that it is unlikely that it will use the assets of the plan to satisfy the claims of general creditors in the future.

Based on Article V of the State of Connecticut Deferred Compensation Plan, the State has no liability for losses under any employee selected plan. The State, though, does have the duty of due care that would be required of an ordinary prudent investor.

## 12. POST-RETIREMENT BENEFITS

In addition to providing pension benefits, the State also provides certain health care and life insurance benefits for retired employees. Substantially all of the State's employees may be eligible for those benefits if they reach normal retirement age while working for the State. When employees retire, the State pays 80% of their health insurance cost and the employees pay the balance (as of January 1, 1989 the State will pay 100% of their health insurance cost). A portion of the employees' life insurance will be continued at no cost to the employee. During the year ended June 30, 1988, \$18,690,340 was paid in post-retirement benefits through an appropriation in the General Fund.

## 13. CAPITAL AND OPERATING LEASES

Obligations under capital leases and operating leases as of June 30, 1988 were \$8,314,534 for capital leases (these obligations bearing an estimated annual interest rate of 8%) and \$7,673,115 for noncancelable operating leases in excess of one year. The following is a schedule (in thousands) of annual future minimum payments under these obligations along with the present value of the related net minimum capital lease payments as of June 30, 1988:

	Operating Leases	Capital Leases		
		Higher Educ.	General Long-term	Total Capital
1989	\$3,122	\$2,203	\$1,483	\$3,686
1990	2,665	1,595	728	2,323
1991	1,057	1,491	355	1,846
1992	482	404	29	433
1993	191	12	6	18
Thereafter	156	6	3	9
Total future min- imum payments	<u>\$7,673</u>	<u>5,711</u>	<u>2,604</u>	<u>8,315</u>
Less amount rep- resenting in- terest		<u>640</u>	<u>208</u>	<u>848</u>
Present value of net minimum lease payments		<u>\$5,071</u>	<u>\$2,396</u>	<u>\$7,467</u>

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 1988 totaled \$30,445,439.

#### 14. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary (in thousands) of changes in long-term debt for the year ended June 30, 1988:

	Balance July 1, 1987	Issuances and Other Increases	Retirements and Other Decreases	Balance June 30, 1988
General Obligation Bonds	\$1,251,065	\$ 181,810	\$117,360	\$1,315,515
Special Obligation Bonds	798,400	343,188	62,590	1,078,998
Accrued Actuarial Retirement Costs	2,454,351	880,006	514,810	2,819,547
Compensated Absences	110,954	18,556	---	129,510
Worker's Compensation	78,385	53,098	37,168	94,315
Capital Leases	<u>4,494</u>	<u>---</u>	<u>2,098</u>	<u>2,396</u>
Total General Long-Term Debt Account Group	<u>\$4,697,649</u>	<u>\$1,476,658</u>	<u>\$734,026</u>	<u>\$5,440,281</u>

#### 15. BONDED DEBT

##### A. General Obligation Bonds

General obligation bonds are those bonds that are paid out of the revenues of the General fund and that are supported by the full credit and faith of the State.

General obligation bonds (in thousands) outstanding and bonds authorized but unissued at June 30 were as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Out-standing</u>	<u>Bonds Auth. But Unissued</u>
Capital Improve-ments	1988-2006	4-12.7%	\$ 749,550	\$409,272
Teacher Retirement	1989-90	4.5-5%	6,850	---
School Construction	1990-2000	4.25-12%	148,640	2,125
Municipal Re-development	1992-2000	4.25-11%	45,935	116,235
Rental Housing	1989-97	4.25-10%	40,820	29,209
Elimination of Water Pollution	1988-2002	4-9.20%	155,600	30,351
General Obligation Refunding	2002	4.2-7.35%	157,320	---
Miscellaneous	2002-2007	7-12.7%	10,800	240,232
Total			<u>\$1,315,515</u>	<u>\$827,424</u>

Future amounts (in thousands) needed to pay principal and interest on general obligation bonds outstanding at June 30, 1988 were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1989	\$ 122,610	\$ 91,230	\$ 213,840
1990	127,680	82,715	210,395
1991	124,760	73,966	198,726
1992	112,595	65,076	177,671
1993	100,645	57,503	158,148
Thereafter	727,225	282,403	1,009,628
	<u>\$1,315,515</u>	<u>\$652,893</u>	<u>\$1,968,408</u>

#### B. Special Obligation Bonds

Special obligation bonds are those bonds that are paid out of revenues pledged or earned in the Transportation fund.

Special obligation bonds (in thousands) outstanding and bonds authorized but unissued at June 30 were as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Out-standing</u>	<u>Bonds Auth. But Unissued</u>
Public Transportation	1988-96	4.5-12%	\$ 48,490	\$ 21,036
Interstate and Defense Highways	1988-2004	4.5-9.8%	76,750	5,935
Specific Highways	1989-2003	4-12.7%	233,115	19,900
Infrastructure Improvements	2002-2008	4.2-9.75%	681,543	532,083
Miscellaneous	1988-98	8.75-12.7%	39,100	22,887
Total			<u>\$1,078,998</u>	<u>\$601,841</u>

Future amounts (in thousands) required to pay principal and interest on special obligation bonds outstanding at June 30 were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1989	\$ 78,545	\$ 76,339	\$ 154,884
1990	69,370	71,476	140,846
1991	63,435	67,108	130,543
1992	61,740	63,004	124,744
1993	62,755	58,801	121,556
Thereafter	743,153	410,370	1,153,523
	<u>\$1,078,998</u>	<u>\$747,098</u>	<u>\$1,826,096</u>

#### C. Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise and higher education and university hospital funds. Revenue bonds of the enterprise funds issued by the Connecticut Housing Finance Authority, Connecticut Development Authority and Connecticut Resources Recovery Authority do not constitute a liability or debt of the State and the State is only contingently liable for these bonds.



Revenue bonds (in thousands) outstanding at June 30  
were as follows:

<u>Fund Type</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amounts Outstanding</u>
<b>Enterprise:</b>			
Bradley International Airport	1988-2012	9-10.75%	\$ 100,000
Conn. Development Authority	1989-2018	3.75-14%	1,837,508
Conn. Housing Finance Authority (as of 12-31-87)	1988-2023	3.1-13%	2,188,135
Conn. Resources Recovery Auth.	1989-2009	5.75-9%	448,924
Flood Relief Housing	1988	3.375%	50
Rental Housing	1988-2002	5.25-12.70%	97,200
<b>Higher Educ. &amp; Univ. Hosp.:</b>			
University of Conn.	1988-91	3.375-5.25%	1,570
State Universities	1989-94	4.75-8.50%	10,625
Total			<u>\$4,684,012</u>

The following is a description of revenue bonds with  
restrictive covenants:

Bradley International Airport's revenue bonds were issued in 1982 in the amount of \$100,000,000 to finance costs of improvements to the airport, of this amount \$995,000 has become current. These bonds are secured by and payable solely from the gross operating revenues generated from the operations of the airport and other receipts, funds or monies pledged in the bond indenture. In accordance with this indenture, certain assets of this fund have been restricted for the payment of bond principal and interest, construction projects and other uses.

Connecticut Development Authority's revenue bonds are issued to finance such projects as the acquisition of land, buildings and equipment and machinery by participating companies within the State. The Authority finances these projects through its self-sustaining bond program and umbrella program. Under the self-sustaining bond program, bonds outstanding at June 30, 1988 were \$1,648,801,424. These bonds are paid solely from the payments received from participating companies on outstanding notes and installment contracts receivable and do not constitute a debt or liability of the State. Under the umbrella program, bonds outstanding at June 30, 1988 were \$188,706,421. At year end, assets totaling \$195,358,694 are pledged

under the terms of the bond resolution for the payment of principal and interest on these bonds until such time as it is determined that there are surplus funds as defined in the bond resolution. In addition, a special capital reserve fund equal to next year's bond debt service requirements has been established. The State may be contingently liable to restore any deficiency that may exist in this fund in any one year in the event that the Authority is unable to do so. As of year end, there was no deficiency in this fund.

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. These bonds are paid solely from mortgage repayments and other receipts, funds or monies pledged in the bond resolution. In accordance with this resolution:

- a) Fund assets totaling \$2,363,598,000 at year-end (12-31-87) are restricted for the payment of operating expenses, bond principal and interest and requirements of the capital reserve fund until such time as they are determined to be surplus funds as described in the bond resolution.
- b) A capital reserve fund equal to next year's bond debt service requirements has been established. The State may be contingently liable to restore any deficiencies that may exist in this fund in any one year in the event that the Authority is unable to do so. As of year end, there was no deficiency in this fund.

Connecticut Resource Recovery Authority's revenue bonds are issued to finance the design, development and construction of resource recovery facilities throughout the State. These bonds are paid solely from the revenues generated from the operations of the Authority and other receipts, accounts and monies pledged in the bond indentures. In accordance to these indentures, certain capital reserve funds equal to next year's bond debt service requirements have been established. The State may be contingently liable to restore any deficiencies that may exist in these funds in any one year in the event that the Authority is unable to do so. As of year end, there were no deficiencies in these funds.

Future amounts (in thousands) required to pay principal and interest on revenue bonds outstanding at June 30, 1988 were as follows:

Year Endg 6/30/	Enterprise Funds		Higher Educ. & University Hosp. Funds		Total	
	Prin.	Int.	Prin.	Int.	Prin.	Int.
1989	\$ 169,921	334,122	\$ 1,725	814	\$ 171,646	334,936
1990	179,212	350,468	1,620	730	180,832	351,198
1991	182,765	359,980	1,120	674	183,885	360,654
1992	184,942	304,512	480	622	185,422	305,134
1993	201,062	312,076	250	604	201,312	312,680
There- after	3,753,915	3,349,707	7,000	1,453	3,760,915	3,351,160
	<u>\$4,671,817</u>	<u>5,010,865</u>	<u>\$12,195</u>	<u>4,897</u>	<u>\$4,684,012</u>	<u>5,015,762</u>

#### D. Defeased Bonds

In prior years, the State defeased certain general obligation bonds by placing surplus cash and the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the State's General Long-term Debt Account Group. On June 30, 1988 \$182.8 million of bonds outstanding are considered defeased.

# 16. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances (in thousands)  
at June 30, 1988 were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 13,785	\$ 10,215
Special Revenue:		
Transportation	3,328	760
Education Excellence	---	11
Regional Markets	---	10
Soldiers, Sailors & Marines	182	124
Employment Security	130	898
Grants to Local Government	---	18,742
Housing & Rehabilitation	2,103	4,442
Other	---	512
	<u>5,743</u>	<u>25,499</u>
Capital Projects:		
State Facilities	20,376	3,286
Infrastructure	---	700
Transportation	153	1,904
	<u>20,529</u>	<u>5,890</u>
Enterprise:		
Housing Program	97	136
Bradley	95	196
Ct. Development Authority	284	---
Other	---	16
	<u>476</u>	<u>348</u>
Internal Services:		
Collect System	---	5
Correction Industries	446	5
Administrative Service	8,564	3,705
	<u>9,010</u>	<u>3,715</u>
Non-Expendable Trust:		
Soldiers, Sailors & Marines	106	182
Expendable Trust:		
Employment Security	199	134
Escheat	617	---
Other	---	26
	<u>816</u>	<u>160</u>
Pension Trust:		
State Employees Retirement	3,867	---
Agency:		
Payroll & Fringe Benefit	1,361	---
Receipts Pending Distribution	---	8,766
Other	---	140
	<u>1,361</u>	<u>8,906</u>
Higher Educ. & Univ. Hospital:		
Current Unrestricted	1,455	1,919
Current Restricted	66	214
Hospital Funds	---	166
	<u>1,521</u>	<u>2,299</u>
Totals	<u>\$ 57,214</u>	<u>\$ 57,214</u>

## 17. ADJUSTMENTS TO FUND EQUITY

During the fiscal year ended June 30, 1988, additional information pertaining to Fund Equity for the previous year became available. This information has necessitated certain changes to be made to Fund Equity for the fiscal year ended June 30, 1987 to better conform with the governmental model.

The following schedule details the restatements made to Fund Equity as of June 30, 1987, to give retroactive effect to these changes:

Restatement of Beginning Fund Equity  
6-30-88  
(Thousands)

	Fund Equity June 30, 1987 Previously Reported	Fund Structure Reclassification	Effect of Changes in Unrecorded Liabilities	Change in Prior Year Reported Assets	Other	Fund Equity June 30, 1987 Restated
Special Revenue	\$299,764	---	(12,290)	---	---	\$287,474
Debt Service	\$56,052	---	---	---	(213)	\$55,839
Capital Projects	(\$146,850)	(20,241)	---	---	---	(\$167,091)
Enterprise	\$323,784	---	(967)	---	92	\$322,909
Expendable Trust	\$271,365	302,381	---	---	---	\$573,746
Non-expendable Trust	\$353,546	(302,526)	---	(42)	---	\$50,978
Pension Trust	\$4,740,361	---	---	1,473	8	\$4,741,842
Higher Education	\$910,227	20,386	---	7,616	(16)	\$938,213

# 18. RESERVED RETAINED EARNINGS AND FUND BALANCES

## Reserved Retained Earnings (in thousands)

The following enterprise funds have reserved amounts in Retained Earnings. The Connecticut Housing Finance Authority has \$253,561 restricted for debt service requirements and other programs of the Authority. Bradley International Airport has \$14,622 restricted by the bond indenture for various purposes.

## Reserved Fund Balances(in thousands)

These balances are comprised as follows:

Reserved For	Fund Type				
	General	Special Revenue	Debt Service	Trust and Agency	Higher Educ
Petty Cash	\$ 1,015	\$ --	\$ --	\$ --	\$ --
Long-Term Advances	70,991	--	--	--	--
Inventory and Prepaids	26,727	7,788	--	--	--
Continuing Appropriations	37,269	131,109	--	--	--
Debt Service	63,026	--	159,802	--	--
Loans	--	43,565	--	--	--
Benefit Payments	--	--	--	317,311	--
Pension Obligations	--	--	--	5,463,950	--
Trust Activities	--	--	--	54,159	--
Higher Education	--	--	--	--	75,435
	<u>\$199,028</u>	<u>\$182,462</u>	<u>\$159,802</u>	<u>\$5,835,420</u>	<u>\$75,435</u>

Reserved for continuing appropriations represents amounts of unexpended appropriations legally carried forward for future year's expenditures.

Reserved for benefit payments represents amounts reserved for the payment of unemployment compensation benefits.

Reserved for higher education represents amounts restricted for specific educational programs by federal and state grants, by endowment gifts, student loans, and debt service.

## 19. SEGMENT INFORMATION - ENTERPRISE FUNDS

Segment information (in thousands) for the year ended June 30, 1988 is as follows:

	FUND								
	OFF TRACK BETTING	HOUSING LOAN PROGRAM	BRADLEY INTERNAT'L AIRPORT	STATE BUS SYSTEM	REVOLVING LOAN PROGRAM	CONNECTICUT DEVELOPMENT AUTHORITY	CONNECTICUT HOUSING FINANCE AUTHORITY (12-31-87)	CONNECTICUT RESOURCE RECOVERY AUTHORITY	OTHER
Operating Revenue.....	39,841	16,695	21,609	17,973	2,570	141,618	223,052	36,952	2,054
Depreciation and Amortization Expense.....	---	6	4,073	---	---	424	6,125	126	3
Operating Income (Loss).....	18,918	(3,285)	4,048	668	(1,135)	1,900	23,537	8,956	(63)
Operating Transfers:									
In.....	---	48	---	---	---	---	---	---	---
Out.....	(18,800)	(7,455)	---	---	---	---	---	---	---
Net Non-operating Revenues (Expenses).....	---	---	(6,349)	---	---	---	---	(344)	---
Net Income (Loss).....	118	(10,692)	(2,301)	668	(1,135)	1,900	23,537	8,612	(63)
Current Capital:									
Contributions.....	---	---	1,895	---	---	---	---	6	---
Property, Plant & Equipment:									
Additions.....	---	37	4,284	---	---	4	---	64,526	31
Net Working Capital.....	661	141,841	8,504	2,474	35,623	1,863,568	2,162,784	77,679	835
Total Assets.....	3,135	170,070	162,679	3,469	35,623	1,867,609	2,543,633	530,958	972
Bond and Other									
Long-Term Liabilities:									
Payable Operating Revenues..	---	168,614	99,005	---	---	1,837,508	2,188,135	448,924	219
Total Equity.....	661	(26,711)	57,672	2,474	35,623	26,778	291,504	34,478	644

## 20. COMMITMENTS AND CONTINGENCIES

### A. Commitments

At June 30, 1988 the State had the following outstanding commitments:

- 1) Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately \$794 million of which \$548 million is expected to be reimbursed by Federal grants.
- 2) School buildings construction and alteration grant contracts with various towns totaling approximately \$228 million. Funding for these projects is expected to come from bond sales.
- 3) Loan and mortgage programs totaling approximately \$349 million. Funding for these programs is expected to come from bond sales.

### B. Contingent Liability

The State is contingently liable to the Connecticut Higher Education Supplemental Loan Authority for any deficiency that may exist in the debt service reserve account for one year's principal and interest on Authority bonds in the event that the Authority has insufficient funds to do so. At year end, the Authority had \$27,885,000 in bonds outstanding.

### C. Litigation

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

In addition, the State and its units are involved in certain other legal proceedings which, if decided adversely to 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 or revenue sources of the State.



D. State as Lessor

The State leases building space, land and equipment to private individuals. The maximum future lease revenues (in thousands) are as follows:

1989	\$ 8,429
1990	10,021
1991	10,663
1992	11,351
1993	12,047
Thereafter	10,280
Total	<u>\$62,791</u>
	=====

Contingent revenues for the year ending June 30, 1988 were \$1,112,119.

21. **SUBSEQUENT EVENTS**

Subsequent to year end, the State of Connecticut had four bond issues totaling \$617,725,195. The first issue, dated August 1, 1988, was general obligation bonds in the amount of \$182,106,537. This issue was made up of \$164,670,000 current interest bonds having interest rates ranging from 6.5% to 7.0% and maturing on various dates to August 1, 2003 and \$17,436,537 of capital appreciation bonds maturing from the years 2004 to 2008 with a total redemption amount of \$62,305,000.

The second issue, dated September 15, 1988, was special tax obligation bonds for transportation infrastructure programs in the amount of \$150,000,000. These special obligation bonds have interest rates ranging from 5.6% to 7.5% with bonds maturing on various dates to October 1, 2006.

The third issue was taxable general obligation bonds in the amount of \$185,590,000. This issue of serial bonds, dated November 1, 1988, has interest rates ranging from 8.75% to 10.25% and the bonds mature on various dates to August 1, 2008.

The final issue in December 1988 was general obligation capital appreciation bonds (college savings plan) in the amount of \$100,028,658. These bonds earn interest which will be compounded semiannually and will be payable only at maturity with the maturity dates ranging from December 1, 1993, to December 1, 2008. The total redemption amount of the bonds is \$262,535,000.

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**COMBINING FINANCIAL STATEMENTS**

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## SPECIAL REVENUE FUNDS

Special Revenue funds account for the proceeds of specific revenue sources (other than expendable trusts, major capital projects and higher education and university hospital sources) that are legally restricted for specified purposes. Significant Special Revenue Funds include the following:

Transportation Fund - to account for motor vehicle related taxes, receipts and transportation related federal revenues collected for the purposes of payment of debt service requirements and budgeted appropriations made to the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance and improvement of transportation in the state.

Education Excellence Fund - to account for monies set aside, pursuant to appropriations by the general assembly, to foster the professional development and excellence of the teachers of the state.

Regional Market Fund - to account for rents and other monies collected for the purpose of providing for the payment of expenses relating to the operation and maintenance of the regional markets.

Soldiers, Sailors and Marines Fund - to account for interest earned or accumulated interest for the purpose of furnishing food, wearing apparel, medical or surgical care, or funeral expenses of soldiers, sailors and marines who served in any branch of military service.

Employment Security Administration - to account for monies collected from various sources for the purpose of defraying the cost of the administration of unemployment compensation.

State Lottery - to account for lottery proceeds collected for the purposes of paying prizes and certain compensation to agents or claim centers. Balances in excess of the needs of the fund are transferred to the General Fund from time to time as determined by the executive director.

Grants to Local Governments and Others - to account for monies collected for the purpose of giving various grants to local governments, organizations and individuals.

Housing and Rehabilitation Programs - to account for monies collected for the purpose of providing funds for various housing programs throughout the state.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 1988  
(Expressed in Thousands)

	Transportation	Education Excellence	Regional Markets
<b>Assets:</b>			
Cash and Short-Term Investments.....	\$166,246	\$188,961	\$259
Receivables, Net:			
Taxes.....	31,126	--	--
Accounts.....	253	--	--
Loans.....	--	--	--
Interest.....	2,620	86	1
Due From Other Funds.....	3,328	--	--
Due From Other Governments.....	11,978	441	--
Inventories.....	7,788	--	--
<b>Total Assets.....</b>	<b>\$223,339</b>	<b>\$189,488</b>	<b>\$260</b>
<b>Liabilities and Equity:</b>			
<b>Liabilities:</b>			
Deficiency in Cash and Short-term Investments....	\$ --	\$ --	\$ --
Accounts Payable and Accrued Liabilities.....	30,594	111	24
Due to Other Funds.....	760	11	10
Deferred Revenue.....	13,498	--	--
<b>Total Liabilities.....</b>	<b>44,852</b>	<b>122</b>	<b>34</b>
<b>Equity:</b>			
<b>Fund Balances:</b>			
Reserved.....	138,897	--	--
Unreserved, undesignated.....	39,590	189,366	226
<b>Total Equity.....</b>	<b>178,487</b>	<b>189,366</b>	<b>226</b>
<b>Total Liabilities and Equity.....</b>	<b>\$223,339</b>	<b>\$189,488</b>	<b>\$260</b>

Soldiers Sailors & Marines	Employment Security Administration	Lottery	Grants & Loans To Others	Housing & Rehabilitation Programs	Other	Total
\$ 75	\$ 342	\$18,501	\$14,117	\$ --	\$33,560	\$422,061
--	--	--	--	--	--	31,126
--	--	6,691	--	--	--	6,944
--	--	--	6,657	32,130	4,778	43,565
1	9	--	128	3	190	3,038
182	130	--	--	2,103	--	5,743
--	--	--	203	5	--	12,627
--	--	--	--	--	--	7,788
\$258	\$481	\$25,192	\$21,105	\$34,241	\$38,528	\$532,892
\$ --	\$ --	\$ --	\$ --	\$ 73,787	\$ --	\$ 73,787
34	3,157	17,141	1,343	187	2,722	55,313
124	898	--	18,742	4,442	512	25,499
--	--	1,217	--	--	--	14,715
158	4,055	18,358	20,085	78,416	3,234	169,314
--	--	--	6,657	32,130	4,778	182,462
100	(3,574)	6,834	(5,637)	(76,305)	30,516	181,116
100	(3,574)	6,834	1,020	(44,175)	35,294	363,578
\$258	\$ 481	\$25,192	\$21,105	\$ 34,241	\$38,528	\$532,892

STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Transportation	Education Excellence	Regional Markets
Revenues:			
Taxes.....	\$302,275	\$ --	\$ --
Licences, Permits and Fees.....	217,765	--	47
Intergovernmental.....	50,196	--	--
Charges for Services.....	11,027	--	--
Fines, Forfeits and Rents.....	465	--	418
Investment Earnings.....	18,556	7,079	10
Miscellaneous.....	(122)	483	10
Total Revenues.....	600,162	7,562	485
Expenditures:			
Current:			
General Government.....	--	--	--
Regulation and Protection.....	--	--	--
Natural Resources and Recreation.....	--	--	450
Health and Hospitals.....	--	--	--
Transportation.....	322,651	--	--
Human Services.....	--	--	--
Education, Libraries and Museums.....	--	132,716	--
Corrections.....	--	--	--
Judicial.....	--	--	--
Federal and Other Grants.....	39,589	--	--
Debt Service:			
Principal Retirement.....	53,135	--	--
Interest and Fiscal Charges.....	41,589	--	--
Total Expenditures.....	456,964	132,716	450
Excess (Deficiency) of Revenues Over Expenditures.....	143,198	(125,154)	35
Other Financing Sources (Uses):			
Proceeds of General Obligation Bonds.....	--	--	--
Operating Transfers In.....	35,515	--	--
Operating Transfers Out.....	(147,821)	--	--
Total Other Financing Sources (Uses).....	(112,306)	--	--
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	30,892	(125,154)	35
Fund Balances (deficit) - Beginning of Year (as adjusted)	146,944	121,520	191
Residual Equity Transfers In (Out).....	--	193,000	--
Changes in Reserves.....	651	--	--
Fund Balances (deficit) - End of Year.....	\$178,487	\$ 189,366	\$226



Soldiers Sailors & Marines	Employment Security Administration	Lottery	Grants & Loans To Others	Housing & Rehabilitation Programs	Other	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,672	\$ 305,947
--	4	--	--	--	33,487	251,303
--	61,421	--	611	38,732	3,852	154,812
--	10	325,707	--	--	423	337,167
--	--	--	--	--	68	951
7	84	--	3,877	1,469	1,952	33,034
--	337	--	(190)	2,596	2,515	5,629
7	61,856	325,707	4,298	42,797	45,969	1,088,843
--	--	98,647	12,505	54,099	7,397	172,648
--	65,930	--	--	--	26,547	92,477
--	--	--	19,466	--	11,762	31,678
169	--	--	1,876	--	--	2,045
--	--	--	225	--	--	322,876
2,568	--	--	4,109	315	--	6,992
--	--	--	8,216	--	465	141,397
--	--	--	1,082	--	--	1,082
--	--	--	--	--	1,995	1,995
--	--	--	632	1,337	--	41,558
--	--	--	--	--	--	53,135
--	--	--	--	--	--	41,589
2,737	65,930	98,647	48,111	55,751	48,166	909,472
(2,730)	(4,074)	227,060	(43,813)	(12,954)	(2,197)	179,371
--	--	--	14,963	--	16,268	31,231
2,906	2,120	--	10,000	--	--	50,541
(176)	(22)	(225,000)	(1,681)	(3,288)	(702)	(378,690)
2,730	2,098	(225,000)	23,282	(3,288)	15,566	(296,918)
0	(1,976)	2,060	(20,531)	(16,242)	13,369	(117,547)
100	(1,598)	4,774	21,551	(27,933)	21,925	287,474
--	--	--	--	--	--	193,000
--	--	--	--	--	--	651
\$ 100	\$(3,574)	\$ 6,834	\$ 1,020	\$(44,175)	\$35,294	\$ 363,578

STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Non-GAAP Budgetary Basis  
Budgeted Special Revenue Funds  
For the Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Transportation			Education Excellence		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes, Including Interest,						
Net of Refunds.....	\$298,300	\$302,276	\$ 3,976	\$ --	\$ --	\$ --
Other Revenues:						
Motor Vehicle Receipts.....	148,800	149,209	409	--	--	--
Licences, Permits and Fees.....	67,900	68,558	658	--	--	--
Intergovernmental.....	10,300	10,344	44	--	--	--
Fines, Forfeits and Rents.....	--	--	--	--	--	--
Investment Earnings.....	11,900	13,586	1,686	13,000	7,822	(5,178)
Miscellaneous.....	71,652	71,652	--	--	--	--
Total Revenues.....	608,852	615,625	6,773	13,000	7,822	(5,178)
<b>Expenditures:</b>						
Natural Resources and Recreation.....	--	--	--	--	--	--
Health and Hospitals.....	--	--	--	--	--	--
Transportation.....	611,783	570,091	41,692	--	--	--
Human Services.....	--	--	--	--	--	--
Education, Libraries and Museums.....	--	--	--	132,619	132,608	11
Estimated Lapses.....	(41,692)	--	(41,692)	--	--	--
Total Expenditures.....	570,091	570,091	--	132,619	132,608	11
Excess (Deficiency) of Revenues Over Expenditures.....	38,761	45,534	6,773	(119,619)	(124,786)	(5,167)
<b>Other Financing Sources (Uses):</b>						
Federal and Other Restricted Sources.....	--	37,720	37,720	--	--	--
Federal and Other Restricted Uses.....	--	(37,872)	(37,872)	--	--	--
Net Restricted Sources (Uses).....	--	(152)	(152)	--	--	--
Reserve for Debt Service.....	(14,756)	(14,756)	--	--	--	--
Transfers to Other Funds.....	--	--	--	--	--	--
Appropriated Surplus.....	(71,652)	(71,652)	--	--	--	--
Miscellaneous Adjustments.....	--	(360)	(360)	--	--	--
Total Other Financing Sources (Uses).....	(86,408)	(86,920)	(512)	--	--	--
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses....	\$( 47,647)	(41,386)	\$ 6,261	\$(119,619)	(124,786)	\$(5,167)
Budgetary Fund Balances - Beginning of Year..		279,702			120,748	
Changes in Reserves.....		183,272			193,000	
Budgetary Fund Balances - End of Year.....		\$421,588			\$188,962	

Regional Markets			Soldiers, Sailors and Marines			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$298,300	\$302,276	\$3,976
--	--	--	--	--	--	148,800	149,209	409
--	--	--	--	--	--	67,900	68,558	658
--	--	--	--	--	--	10,300	10,344	44
451	486	35	--	--	--	451	486	35
--	--	--	3,450	2,914	(536)	28,350	24,322	(4,028)
--	--	--	--	--	--	71,652	71,652	--
451	486	35	3,450	2,914	(536)	625,753	626,847	1,094
451	451	--	--	--	--	451	451	--
--	--	--	175	155	20	175	155	20
--	--	--	--	--	--	611,783	570,091	41,692
--	--	--	3,235	2,601	634	3,235	2,601	634
--	--	--	--	--	--	132,619	132,608	11
--	--	--	--	--	--	(41,692)	--	(41,692)
451	451	--	3,410	2,756	654	706,571	705,906	665
--	35	35	40	158	118	(80,818)	(79,059)	1,759
--	--	--	--	--	--	--	37,720	37,720
--	--	--	--	--	--	--	(37,872)	(37,872)
--	--	--	--	--	--	--	(152)	(152)
--	--	--	--	--	--	(14,756)	(14,756)	--
--	--	--	--	(158)	(158)	--	(158)	(158)
--	--	--	--	--	--	(71,652)	(71,652)	--
--	--	--	--	--	--	--	(360)	(360)
--	--	--	--	(158)	(158)	(86,408)	(87,078)	(670)
\$ --	35	\$35	\$ 40	--	\$ ( 40)	(\$167,226)	(166,137)	\$1,089
=====	223	=====	=====	100	=====	=====	400,773	=====
--	--	--	--	--	--	--	376,272	--
--	\$258	--	--	\$ 100	--	--	\$610,908	--
=====	=====	=====	=====	=====	=====	=====	=====	=====

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## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds, trust funds and higher education and university hospital funds). Significant Capital Projects Funds are described below.

State Facilities - to account for proceeds of bond issues and other sources and the subsequent expenditures for the construction of various state buildings and structures.

Infrastructure - to account for the proceeds of bond issues and related capital project grants to finance the state's transportation infrastructure program over a ten-year period. This program encompasses the planning, acquisition, removal, construction, equipping, reconstruction, repair, rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, State highways and bridges, projects on the interstate highway system, alternate highway projects in the interstate substitution program (the "interstate trade-in program"), waterway facilities, mass transportation and transit facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages and administrative facilities of the Department, payment of the State's share of the costs of the local bridge program and payment of State contributions to the local bridge revolving fund.

Other Transportation - to account for the proceeds of bond issues and related grants to be used for other transportation related capital projects.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Capital Projects Funds  
June 30, 1988  
(Expressed in Thousands)

	State Facilities	Infra- Structure	Other Transportation	Total
<b>Assets:</b>				
Cash and Short-Term Investments.....	\$ --	\$57,398	\$48,563	\$105,961
Receivables, Net:				
Interest.....	212	289	100	601
Due From Other Funds.....	20,376	--	153	20,529
Due From Other Governments.....	362	17,322	2,443	20,127
<b>Total Assets.....</b>	<b>\$20,950</b>	<b>\$75,009</b>	<b>\$51,259</b>	<b>\$147,218</b>
<b>Liabilities and Equity:</b>				
<b>Liabilities:</b>				
Deficiency in Cash and Short-Term Investments.....	\$136,536	\$ --	\$ --	\$136,536
Accounts Payable and Accrued Liabilities.....	21,555	60,304	15,482	97,341
Due to Other Funds.....	3,286	700	1,904	5,890
Due to Other Governments.....	73	--	--	73
Deferred Revenue.....	19	363	51	433
<b>Total Liabilities.....</b>	<b>161,469</b>	<b>61,367</b>	<b>17,437</b>	<b>240,273</b>
<b>Equity:</b>				
<b>Fund Balances:</b>				
Unreserved, undesignated.....	(140,519)	13,642	33,822	(93,055)
<b>Total Equity.....</b>	<b>(140,519)</b>	<b>13,642</b>	<b>33,822</b>	<b>(93,055)</b>
<b>Total Liabilities and Equity.....</b>	<b>\$20,950</b>	<b>\$75,009</b>	<b>\$51,259</b>	<b>\$147,218</b>

STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	State Facilities	Infra- Structure	Other Transportation	Total
Revenues:				
Intergovernmental.....	\$ 2,370	\$ 171,441	\$56,811	\$ 230,622
Investment Earnings.....	2,359	275	1,070	3,704
Miscellaneous.....	62	--	1,392	1,454
Total Revenues.....	4,791	171,716	59,273	235,780
Expenditures:				
Capital Projects.....	110,421	405,536	61,423	577,380
Total Expenditures.....	110,421	405,536	61,423	577,380
Excess (Deficiency) of Revenues Over Expenditures.....	(105,630)	(233,820)	(2,150)	(341,600)
Other Financing Sources (Uses):				
Proceeds of General Obligation Bonds.....	151,347	322,033	18,267	491,647
Operating Transfers Out.....	(39,436)	(35,515)	(1,060)	(76,011)
Total Other Financing Sources (Uses).....	111,911	286,518	17,207	415,636
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	6,281	52,698	15,057	74,036
Fund Balances (deficit) - Beginning of Year (as adjusted)	(146,800)	(39,056)	18,765	(167,091)
Fund Balances (deficit) - End of Year.....	\$(140,519)	\$ 13,642	\$33,822	\$ (93,055)

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## ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Significant Enterprise Funds of the State of Connecticut are described below.

Housing Loan Programs - to account for the financing of various housing programs offered by the State from bond proceeds and the retirement of such obligations. Revenue is received from interest earned on program loans, investment income and proceeds from various bond issuances.

Bradley International Airport - The airport is owned by the State of Connecticut and is operated by the Bureau of Aeronautics of the State of Connecticut, Department of Transportation. In 1982, the State issued the Airport, 1982 series, Revenue Bonds in the aggregate principal amount of \$100,000,000. The Bonds are secured by and payable solely from the gross operating revenues generated by the State from the operations of the Airport and other receipts, funds or monies pledged in the Indenture.

Connecticut Development Authority - The Connecticut Development Authority is a public instrumentality and political subdivision of the State of Connecticut. The Authority was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond Program, its Umbrella Program and its Insurance Program.

Connecticut Housing Finance Authority - The Connecticut Housing Finance Authority is a public instrumentality and political subdivision of the State of Connecticut 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 throughout the State.

Connecticut Resources Recovery Authority - The Connecticut Resources Recovery Authority is a public instrumentality and political subdivision of the State of Connecticut. The Authority is responsible for implementing the State's solid waste management plan, which includes design, construction and operation of resources recovery facilities and the marketing of recovered products.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Enterprise Funds  
June 30, 1988  
(Expressed in Thousands)

	Off Track Betting	Housing Loan Program	Bradley International Airport	State Bus System
<b>Assets:</b>				
Cash and Short-Term Investments.....	\$2,608	\$ --	\$ 5,818	\$3,469
Investments.....	--	27,381	--	--
Receivables, Net:				
Accounts.....	527	--	1,866	--
Loans.....	--	139,986	--	--
Notes.....	--	--	--	--
Interest.....	--	39	--	--
Due From Other Funds.....	--	97	95	--
Due From Other Governments.....	--	2,505	1,226	--
Inventories.....	--	--	--	--
Prepaid Items.....	--	--	5,501	--
Restricted Assets.....	--	--	43,303	--
Property, Plant & Equipment.....	--	62	104,870	--
Other Assets.....	--	--	--	--
<b>Total Assets.....</b>	<b>\$3,135</b>	<b>\$170,070</b>	<b>\$162,679</b>	<b>\$3,469</b>
<b>Liabilities and Equity:</b>				
<b>Liabilities:</b>				
Deficiency in Cash and Short-Term Investments.....	\$ --	\$ 27,712	\$ --	\$ --
Accounts Payable and Accrued Liabilities.....	2,462	319	4,811	995
Due to Other Funds.....	--	136	196	--
Due to Other Governments.....	12	--	--	--
Advances Due Other Funds.....	--	70,991	--	--
Deferred Revenue.....	--	--	--	--
Escrow Deposits.....	--	--	--	--
Current Maturities of Long-Term Debt.....	--	--	995	--
Notes and Loans Payable.....	--	--	--	--
Revenue Bonds.....	--	97,250	99,005	--
Compensated Absences.....	--	373	--	--
<b>Total Liabilities.....</b>	<b>2,474</b>	<b>196,781</b>	<b>105,007</b>	<b>995</b>
<b>Equity:</b>				
Contributed Capital.....	--	--	59,867	--
Retained Earnings:				
Reserved.....	--	--	14,622	--
Unreserved.....	661	(26,711)	(16,817)	2,474
<b>Total Retained Earnings.....</b>	<b>661</b>	<b>(26,711)</b>	<b>(2,195)</b>	<b>2,474</b>
<b>Total Equity.....</b>	<b>661</b>	<b>(26,711)</b>	<b>57,672</b>	<b>2,474</b>
<b>Total Liabilities and Equity.....</b>	<b>\$3,135</b>	<b>\$170,070</b>	<b>\$162,679</b>	<b>\$3,469</b>

Revolving Loan Program	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-87)	Connecticut Resource Recovery Authority	Other	Total
\$11,196	\$ 56,843	\$ 242	\$ 11,801	\$888	\$ 92,865
--	33,348	528,069	--	--	588,798
--	27,304	--	10,692	10	40,399
16,331	--	1,670,844	--	--	1,827,161
--	1,742,331	--	--	--	1,742,331
52	2,469	27,623	2,421	--	32,604
--	284	--	--	--	476
8,044	--	--	--	--	11,775
--	--	--	--	46	46
--	4,312	--	9	--	9,822
--	--	291,210	125,696	--	460,209
--	105	--	280,027	28	385,092
--	613	25,645	100,312	--	126,570
\$35,623	\$1,867,609	\$2,543,633	\$530,958	\$972	\$5,318,148
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 27,712
--	3,022	27,718	33,050	93	72,470
--	--	--	--	16	348
--	--	--	33	--	45
--	--	--	--	--	70,991
--	38	--	73	--	111
--	250	36,276	--	--	36,526
--	--	--	--	--	995
--	13	--	14,400	--	14,413
--	1,837,508	2,188,135	448,924	--	4,670,822
--	--	--	--	219	592
--	1,840,831	2,252,129	496,480	328	4,895,025
--	--	--	19,353	350	79,570
--	--	253,561	--	--	268,183
35,623	26,778	37,943	15,125	294	75,370
35,623	26,778	291,504	15,125	294	343,553
35,623	26,778	291,504	34,478	644	423,123
\$35,623	\$1,867,609	\$2,543,633	\$530,958	\$972	\$5,318,148

STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
Enterprise Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Off Track Betting	Housing Loan Program	Bradley International Airport	State Bus System
Operating Revenues:				
Charges for Services.....	\$ --	--	\$ 21,609	\$17,973
Interest on Financing Activities.....	--	11,067	--	--
OTB Proceeds.....	39,834	--	--	--
Miscellaneous.....	7	5,628	--	--
Total Operating Revenues.....	39,841	16,695	21,609	17,973
Operating Expenses:				
Cost of Sales and Services.....	--	--	--	--
Personal Services.....	--	3,724	6,851	--
Contractual Services.....	18,895	603	4,884	17,305
Materials and Supplies.....	--	86	553	--
Heat, Light and Power.....	--	43	1,150	--
Depreciation and Amortization.....	--	6	4,073	--
Interest on Financing Activities.....	--	6,603	--	--
Other Program Expenses.....	2,028	8,915	50	--
Total Operating Expenses.....	20,923	19,980	17,561	17,305
Operating Income (Loss).....	18,918	(3,285)	4,048	668
Nonoperating Revenues (Expenses):				
Interest and Investment Income.....	--	--	3,877	--
Other.....	--	--	3	--
Interest and Fiscal Charges.....	--	--	(10,229)	--
Total Nonoperating Income (Expense).....	--	--	(6,349)	--
Income Before Operating Transfers.....	18,918	(3,285)	(2,301)	668
Operating Transfers In (Out):				
Operating Transfers In.....	--	48	--	--
Operating Transfers Out.....	(18,800)	(7,455)	--	--
Net Income.....	118	(10,692)	(2,301)	668
Retained Earnings - Beginning of Year (as adjusted).	543	(16,019)	106	1,806
Retained Earnings - End of Year.....	\$ 661	\$(26,711)	\$ (2,195)	\$ 2,474

Revolving Loan Program	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-87)	Connecticut Resource Recovery Authority	Other	Total
\$ 534	\$ 661	\$ --	\$28,109	\$2,054	\$ 70,940
1,515	140,474	222,357	--	--	375,413
--	--	--	--	--	39,834
521	483	695	8,843	--	16,177
2,570	141,618	223,052	36,952	2,054	502,364
--	--	--	--	267	267
--	1,548	4,283	1,495	975	18,876
10	361	--	24,998	214	67,270
--	--	--	65	266	970
--	34	--	--	1	1,228
--	424	6,125	126	3	10,757
--	137,171	179,003	--	--	322,777
3,695	180	10,104	1,312	391	26,675
3,705	139,718	199,515	27,996	2,117	448,820
(1,135)	1,900	23,537	8,956	(63)	53,544
--	--	--	(344)	--	3,533
--	--	--	--	--	3
--	--	--	--	--	(10,229)
--	--	--	(344)	--	(6,693)
(1,135)	1,900	23,537	8,612	(63)	46,851
--	--	--	--	--	48
--	--	--	--	--	(26,255)
(1,135)	1,900	23,537	8,612	(63)	20,644
36,758	24,878	267,967	6,513	357	322,909
\$35,623	\$ 26,778	\$291,504	\$15,125	\$ 294	\$343,553

STATE OF CONNECTICUT  
Combining Statement of Changes in Financial Position  
Enterprise Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Off Track Betting	Housing Loan Program	Bradley International Airport	State Bus System
Cash provided from (used for) operations:				
Net Income.....	\$ 118	\$(10,692)	\$(2,301)	\$ 668
Adjustments to reconcile net income to net cash provided from (used for) operations:				
Depreciation and amortization.....	--	6	4,073	--
Net (gain) loss on long-term investments.....	--	--	--	--
Decrease (increase) in prepaid expenses.....	--	--	25	--
Increase (decrease) in accrued expenses.....	--	--	--	--
Decrease (increase) in deferred charges.....	--	--	(139)	--
(Increase) decrease in receivables.....	(527)	(4,699)	(98)	--
(Increase) decrease in due from other funds....	--	(97)	(23)	--
(Increase) decrease in due from other government	--	109	37	--
Increase (decrease) in accounts payable and accrued liabilities.....	1,599	(295)	360	995
Increase (decrease) in due to other funds.....	--	(1,068)	(300)	--
Increase (decrease) in due to other governments	11	--	--	--
Increase (decrease) in retained earnings due to prior period adjustment.....	(809)	--	--	--
Other.....	--	--	30	--
Total cash provided from (used for) operations.....	392	(16,736)	1,664	1,663
Cash provided from (used for) investment activities:				
Principal collections on loans, notes and installment contracts receivable.....	--	--	--	--
Proceeds from sale of long-term investments.....	--	7	--	--
Purchase of long-term investments.....	--	--	--	--
Additions to fixed assets.....	--	(37)	(4,284)	--
Issuance of notes and installment contracts receivable.....	--	--	--	--
Other.....	--	--	--	--
Net cash provided from (used for) investment activities.....	--	(30)	(4,284)	--
Cash provided from (used for) financing activities:				
Issuance of revenue bonds.....	--	--	--	--
Increase (decrease) in contributed capital.....	--	--	1,895	--
Increase (decrease) of long-term obligations....	--	(2,024)	--	--
Decrease in restricted assets.....	--	--	661	--
Net cash provided from (used for) financing activities.....	--	(2,024)	2,556	--
Increase (decrease) in cash.....	392	(18,790)	(64)	1,663
Cash and short-term investments, July 1, 1987.....	2,216	(8,922)	5,882	1,806
Cash and short-term investments, June 30, 1988.....	\$2,608	\$(27,712)	\$ 5,818	\$3,469

Revolving Loan Program	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-87)	Connecticut Resource Recovery Authority	Other	Total
\$ (1,135)	\$ 1,900	\$ 23,537	\$ 8,612	\$ (63)	\$ 20,644
--	424	6,125	126	3	10,757
--	--	3,105	--	--	3,105
--	4	--	(4)	--	25
--	17	--	1,270	--	1,287
--	--	--	--	--	(139)
(8,981)	393	(6,967)	(9,680)	(1)	(30,560)
--	(185)	--	(7,967)	--	(8,272)
(2,022)	--	--	--	--	(1,876)
--	(56)	(893)	21,077	22	22,809
(1,391)	--	--	7,967	11	5,219
--	--	--	(1,398)	--	(1,387)
--	--	--	--	(152)	(961)
--	5	239	35	11	320
(13,529)	2,502	25,146	20,038	(169)	20,971
--	132,741	228,478	--	--	361,219
--	400	90,050	--	--	90,457
--	(1,847)	(276,321)	--	--	(278,168)
--	(4)	--	(64,526)	(31)	(68,882)
--	(153,808)	--	--	--	(153,808)
--	--	7,490	(646)	--	6,844
--	(22,518)	49,697	(65,172)	(31)	(42,338)
--	153,325	167,000	11,310	--	331,635
--	--	--	6	--	1,901
--	(125,347)	(241,835)	(133,793)	219	(502,780)
--	--	--	173,127	--	173,788
--	27,978	(74,835)	50,650	219	4,544
(13,529)	7,962	8	5,516	19	(16,823)
24,725	48,881	234	6,285	869	81,976
\$ 11,196	\$ 56,843	\$ 242	\$ 11,801	\$ 888	\$ 65,153

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governments, on a cost-reimbursement basis. The following operations are included in these funds:

Collect System - to account for revenues from town and state contributions to be used for the purchase of equipment for towns and the operation of a telecommunications system between the State Police and local police departments.

Correction Industries - to account for the revenue and expenses associated with the sale of goods resulting from the industrial activities of the inmates at correctional institutions.

Administrative Services - to account for the various activities of the Department of Administrative Services including the purchasing of supplies and data processing equipment for the State, the operations of the motor pool, the operations of data processing services and certain other activities. Revenues consist of user charges to agencies.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Internal Service Funds  
June 30, 1988  
(Expressed in Thousands)

	Collect System	Correction Industries	Administrative Service	Other	Total
<hr/>					
Assets:					
Cash and Short-Term Investments.....	\$1,211	\$ --	\$ --	\$29	\$ 1,240
Receivables, Net:					
Accounts.....	--	2	--	--	2
Loans.....	--	--	--	2	2
Due From Other Funds.....	--	446	8,564	--	9,010
Due From Other Governments.....	31	39	--	--	70
Inventories.....	--	1,517	4,031	--	5,548
Property, Plant & Equipment.....	--	879	31,291	--	32,170
Other Assets.....	--	--	806	--	806
Total Assets.....	\$1,242	\$2,883	\$44,692	\$31	\$48,848
<hr/>					
Liabilities and Equity:					
Liabilities:					
Deficiency in Cash and Short-term Investments.....	\$ --	\$ 48	\$ 2,053	\$--	\$ 2,101
Accounts Payable and Accrued Liabilities.....	--	536	11,438	--	11,974
Due to Other Funds.....	5	5	3,705	--	3,715
Deferred Revenue.....	--	202	--	--	202
Notes and Loans Payable.....	--	--	105	--	105
Compensated Absences.....	--	247	1,906	--	2,153
Total Liabilities.....	5	1,038	19,207	--	20,250
<hr/>					
Equity:					
Contributed Capital.....	--	5,730	3,050	--	8,780
Retained Earnings:					
Reserved.....	797	--	--	--	797
Unreserved.....	440	(3,885)	22,435	31	19,021
Total Retained Earnings.....	1,237	(3,885)	22,435	31	19,818
Total Equity.....	1,237	1,845	25,485	31	28,598
Total Liabilities and Equity.....	\$1,242	\$ 2,883	\$44,692	\$31	\$48,848
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STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
Internal Service Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Collect System	Correction Industries	Administrative Service	Other	Total
Operating Revenues:					
Charges for Services.....	\$ 387	\$ 4,552	\$65,720	\$ --	\$70,659
Total Operating Revenues.....	387	4,552	65,720	--	70,659
Operating Expenses:					
Cost of Sales and Services.....	--	3,741	22,245	--	25,986
Personal Services.....	--	686	12,709	--	13,395
Contractual Services.....	229	138	11,334	--	11,701
Materials and Supplies.....	--	33	1,165	--	1,198
Heat, Light and Power.....	--	27	635	--	662
Depreciation and Amortization.....	--	47	4,046	--	4,093
Other Program Expenses.....	--	188	11,727	--	11,915
Total Operating Expenses.....	229	4,860	63,861	--	68,950
Net Income.....	158	(308)	1,859	--	1,709
Retained Earnings - Beginning of Year.....	1,079	(3,577)	20,576	31	18,109
Retained Earnings - End of Year.....	\$1,237	\$(3,885)	\$22,435	\$31	\$19,818

STATE OF CONNECTICUT  
Combining Statement of Changes in Financial Position  
Internal Service Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Collect System	Correction Industries	Administrative Services	Other	Total
<hr/>					
Cash provided from (used for) operations:					
Net Income.....	\$ 158	\$(308)	\$ 1,859	\$ --	\$ 1,709
Adjustments to reconcile net income to net cash provided from (used for) operations:					
Depreciation and amortization.....	--	47	4,046	--	4,093
(Increase) decrease in receivables.....	--	10	--	1	11
(Increase) decrease in due from other funds...	--	(79)	(3,925)	--	(4,004)
(Increase) decrease in due from other government accrued liabilities.....	9	11	--	--	20
Increase (decrease) in accounts payable and accrued liabilities.....	--	68	7,968	--	8,036
Increase (decrease) in due to other funds.....	5	2	3,362	--	3,369
Other.....	--	(243)	(2,026)	--	(2,269)
<hr/>					
Total cash provided from (used for) operations.....	172	(492)	11,284	1	10,965
<hr/>					
Cash provided from (used for) investment activities:					
Additions to fixed assets.....	--	(276)	(16,096)	--	(16,372)
<hr/>					
Net cash provided from (used for) investment activities.....	--	(276)	(16,096)	--	(16,372)
<hr/>					
Cash provided from (used for) financing activities:					
Increase (decrease) in long-term obligations.....	--	56	584	--	640
<hr/>					
Net cash provided from (used for) financing activities.....	--	56	584	--	640
<hr/>					
Increase (decrease) in cash.....	172	(712)	(4,228)	1	(4,767)
Cash and short-term investments, July 1, 1987.....	1,039	664	2,175	28	3,906
<hr/>					
Cash and short-term investments, June 30, 1988.....	\$1,211	\$ (48)	\$ (2,053)	\$29	\$ (861)
<hr/>					

## FIDUCIARY FUNDS

Trust and Agency Funds are maintained to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations or other funds. These Fiduciary Funds include expendable trust, non-expendable trust, pension trust and agency funds. Significant Trust and Agency Funds of the State are described below:

### Trust Funds

Employment Security - to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Local Property Tax Relief - to account for the principal and interest which is earned on loans or other investments of the trust fund assets. The principal and interest shall be used to make annual grants to municipalities for various purposes.

Soldiers, Sailors and Marines - to account for the principal and interest earned on investments of this fund. Interest earned has been earmarked by the General Assembly for the benefit of resident veterans to provide such things as food, wearing apparel, medical or surgical aid, care and relief or funeral benefits.

Pension - See note 14 for a description of the Pension Funds.

### Agency Funds

Connecticut Municipal Retirement Fund - to account for the assets of the fund being held by the State which will be used for the payment of retirement benefits to municipal and governmental employees.

Deferred Compensation - to account for the investments accumulated in the State's IRC Section 457 deferred compensation plan.

Insurance Companies Securities - to account for securities that are deposited with the Treasurer to be held for policyholders of insurance companies as a prerequisite to such companies transacting business in the State.

Investment Pool/Non-State Portion - to account for the portion of STIF (Short Term Investment Fund) that is made up of non-state monies. STIF is made up of excess cash balances which can be added or withdrawn on a daily basis. The investments are primarily short term paper and the Secondary Market for Student Loans.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Fiduciary Funds  
June 30, 1988  
(Expressed in Thousands)

	Nonexpendable Trust		
	School	Soldiers Sailors & Marines	Other
<b>Assets:</b>			
Cash and Short-Term Investments.....	\$ 337	\$ 3,832	\$4,696
Investments.....	3,123	40,860	1,098
Receivables, Net:			
Accounts.....	--	--	--
Loans.....	--	--	--
Interest.....	12	244	33
Due From Other Funds.....	--	106	--
Due From Other Governments.....	--	--	--
Inventories.....	--	--	--
Restricted Assets.....	--	--	--
Other Assets.....	--	--	--
<b>Total Assets.....</b>	<b>\$3,472</b>	<b>\$45,042</b>	<b>\$5,827</b>
<b>Liabilities and Equity:</b>			
<b>Liabilities:</b>			
Deficiency on Cash and Short-term Investments.....	\$ --	\$ --	\$ --
Accounts Payable and Accrued Liabilities.....	--	--	--
Due to Other Funds.....	--	182	--
Due to Other Governments.....	--	--	--
Deferred Revenue.....	--	--	--
Deferred Compensation Liability.....	--	--	--
Agency Deposit Liabilities.....	--	--	--
<b>Total Liabilities.....</b>	<b>--</b>	<b>182</b>	<b>--</b>
<b>Equity:</b>			
<b>Fund Balances:</b>			
Reserved.....	3,472	44,860	5,827
Unreserved, undesignated.....	--	--	--
<b>Total Equity.....</b>	<b>3,472</b>	<b>44,860</b>	<b>5,827</b>
<b>Total Liabilities and Equity.....</b>	<b>\$3,472</b>	<b>\$45,042</b>	<b>\$5,827</b>

## Expendable Trust

## Pension Trust

Employment Security	Local Property Tax Relief	Escheat	Other	State Employees	State Teachers	Other Retirement	Agency	Total
\$ --	\$ 16,614	\$ --	\$32,830	\$ 144,236	\$ 189,498	\$ 4,260	\$ 222,086	\$ 618,389
--	249,976	--	--	2,003,585	3,055,601	17,922	353,780	5,725,945
1,711	--	--	--	285	--	7	5,110	7,113
--	1,638	--	--	--	--	--	9	1,647
--	3,192	--	118	14,538	30,079	89	4,313	52,618
199	--	617	--	3,867	--	--	1,361	6,150
811	--	--	--	--	--	--	1	812
--	--	--	--	--	--	--	392	392
317,731	--	--	--	--	--	--	119,157	436,888
--	--	--	--	--	--	--	329,836	329,836
\$320,452	\$271,420	\$617	\$32,948	\$2,166,511	\$3,275,178	\$22,278	\$1,036,045	\$7,179,790
\$ 2,999	\$ --	\$ 39	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,038
--	--	27	195	17	--	--	5,286	5,525
134	--	--	26	--	--	--	8,906	9,248
8	--	--	--	--	--	--	139	147
--	--	--	--	--	--	--	21	21
--	--	--	--	--	--	--	119,157	119,157
--	--	--	--	--	--	--	902,536	902,536
3,141	--	66	221	17	--	--	1,036,045	1,039,672
317,311	--	--	--	2,166,494	3,275,178	22,278	--	5,835,420
--	271,420	551	32,727	--	--	--	--	304,698
317,311	271,420	551	32,727	2,166,494	3,275,178	22,278	--	6,140,118
\$320,452	\$271,420	\$617	\$32,948	\$2,166,511	\$3,275,178	\$22,278	\$1,036,045	\$7,179,790

STATE OF CONNECTICUT  
Combining Balance Sheet  
Agency Funds  
June 30, 1988  
(Expressed in Thousands)

	Connecticut Municipal Retirement Fund	Probate Judges Retirement System	Payroll & Fringe Benefit Clearing	Receipts Pending Distribution
<hr/>				
Assets:				
Cash and Short-Term Investments.....	\$ 13,222	\$ 1,399	\$2,505	\$31,013
Investments.....	331,490	21,972	--	--
Receivables, Net:				
Accounts.....	2,339	13	1	133
Loans.....	--	--	--	--
Interest.....	3,213	200	--	--
Due From Other Funds.....	--	--	1,361	--
Due From Other Governments.....	--	--	--	1
Inventories.....	--	--	--	--
Restricted Assets.....	--	--	--	--
Other Assets.....	--	--	--	--
<hr/>				
Total Assets.....	\$350,264	\$23,584	\$3,867	\$31,147
<hr/>				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 59	\$ 12	\$2,719	\$ 1,367
Due to Other Funds.....	--	--	--	8,766
Due to Other Governments.....	--	--	--	139
Deferred Revenue.....	--	--	--	--
Deferred Compensation Liability.....	--	--	--	--
Agency Deposit Liabilities.....	350,205	23,572	1,148	20,875
<hr/>				
Total Liabilities.....	\$350,264	\$23,584	\$3,867	\$31,147
<hr/>				



Investment Pool Non-State Portion	Insurance Company's Securities	State Institution Activity	Deferred Compensation	Other	Total
\$128,126	\$ --	\$24,671	\$ --	\$21,150	\$ 222,086
--	--	318	--	--	353,780
--	--	2,135	--	489	5,110
--	--	9	--	--	9
832	--	1	--	67	4,313
--	--	--	--	--	1,361
--	--	--	--	--	1
--	--	392	--	--	392
--	--	--	119,157	--	119,157
--	329,509	327	--	--	329,836
\$128,958	\$329,509	\$27,853	\$119,157	\$21,706	\$1,036,045
\$ --	\$ --	\$ 85	\$ --	\$ 1,044	\$ 5,286
--	--	--	--	140	8,906
--	--	--	--	--	139
--	--	21	--	--	21
--	--	--	119,157	--	119,157
128,958	329,509	27,747	--	20,522	902,536
\$128,958	\$329,509	\$27,853	\$119,157	\$21,706	\$1,036,045

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STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Expendable Trust Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Employment Security	Local Property Tax Relief	Escheat	Other	Total
<b>Revenues:</b>					
Unemployment Taxes.....	\$223,687	\$ --	\$ --	\$ --	\$223,687
Licences, Permits and Fees.....	--	--	--	66	66
Investment Earnings.....	22,852	26,369	764	1,424	51,409
Miscellaneous.....	--	--	--	39,779	39,779
<b>Total Revenues.....</b>	<b>246,539</b>	<b>26,369</b>	<b>764</b>	<b>41,269</b>	<b>314,941</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government.....	--	57,330	969	--	58,299
Regulation and Protection.....	170,367	--	--	36,469	206,836
Education, Libraries and Museums.....	--	--	--	43	43
Nonfunctional.....	--	--	--	476	476
<b>Total Expenditures.....</b>	<b>170,367</b>	<b>57,330</b>	<b>969</b>	<b>36,988</b>	<b>265,654</b>
<b>Excess (Deficiency) of Revenues Over Expenditures.....</b>	<b>76,172</b>	<b>(30,961)</b>	<b>(205)</b>	<b>4,281</b>	<b>49,287</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In.....	22	--	239	--	261
Operating Transfers Out.....	(1,285)	--	--	--	(1,285)
<b>Total Other Financing Sources (Uses).....</b>	<b>(1,263)</b>	<b>--</b>	<b>239</b>	<b>--</b>	<b>(1,024)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....</b>	<b>74,909</b>	<b>(30,961)</b>	<b>34</b>	<b>4,281</b>	<b>48,263</b>
<b>Fund Balances (deficit) -</b>					
Beginning of Year (as adjusted).....	242,402	302,381	517	28,446	573,746
<b>Fund Balances (deficit) - End of Year.....</b>	<b>\$317,311</b>	<b>\$271,420</b>	<b>\$ 551</b>	<b>\$32,727</b>	<b>\$622,009</b>

STATE OF CONNECTICUT  
Combining Statement of Revenues, Expenses and Changes in Fund Balances  
Nonexpendable and Pension Trust Funds  
For The Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Nonexpendable Trust			
	School	Soldiers Sailors & Marines	Other	Total Nonexpendable
Operating Revenues:				
Participants' Contributions.....	\$ --	\$ --	\$ --	\$ --
State Contribution.....	--	--	--	--
Investment Income.....	308	3,046	350	3,704
Miscellaneous.....	--	--	500	500
Total Operating Revenues.....	308	3,046	850	4,204
Operating Expenses:				
Benefit Payments and Refunds.....	--	--	--	--
Other Program Expenses.....	--	--	40	40
Total Operating Expenses.....	--	--	40	40
Operating Income (Loss).....	308	3,046	810	4,164
Operating Transfers In (Out):				
Operating Transfers In.....	--	177	--	177
Operating Transfers Out.....	(253)	(2,907)	--	(3,160)
Net Income.....	55	316	810	1,181
Fund Balances (deficit) - Beginning of Year (as adjusted)	3,417	44,544	3,017	50,978
Residual Equity Transfers In (Out).....	--	--	2,000	2,000
Fund Balances (deficit) - End of Year.....	\$3,472	\$44,860	\$5,827	\$54,159

Pension Trust

State Employees	State Teachers	Other Retirement	Total Pension
\$ 28,025	\$ 89,607	\$ 598	\$ 118,230
272,298	242,512	9,919	524,729
144,635	237,187	1,303	383,125
50,593	--	5	50,598
495,551	569,306	11,825	1,076,682
174,513	174,458	5,004	353,975
589	--	10	599
175,102	174,458	5,014	354,574
320,449	394,848	6,811	722,108
--	--	--	--
--	--	--	--
320,449	394,848	6,811	722,108
1,846,045	2,880,330	15,467	4,741,842
--	--	--	--
\$2,166,494	\$3,275,178	\$22,278	\$5,463,950

STATE OF CONNECTICUT  
Combining Statement of Changes in Financial Position  
Nonexpendable Trust and Pension Trust Funds  
For the Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Nonexpendable Trusts			
	School	Soldiers Sailors & Marines	Other	Total Nonexpendable
Cash provided from (used for) operations:				
Net Income.....	\$ 55	\$ 316	\$810	\$1,181
Adjustments to reconcile net income to net cash provided from (used for) operations:				
Net (gain) loss on long-term investments.....	(57)	(148)	(39)	(244)
(Increase) decrease in receivables.....	--	9	(20)	(11)
(Increase) decrease in due from other funds.....	--	(81)	--	(81)
Increase (decrease) in accounts payable and accrued liabilities.....	--	--	--	--
Increase (decrease) in due to other funds.....	--	(92)	--	(92)
Increase (decrease) in retained earnings due to prior period adjustment.....	--	--	(27)	(27)
Total cash provided from (used for) operations.....	(2)	4	724	726
Cash provided from (used for) investment activities:				
Proceeds from sale of long-term investments.....	--	--	--	--
Purchase of long-term investments.....	--	--	--	--
Net cash provided from (used for) investment activities.....	--	--	--	--
Cash provided from (used for) financing activities:				
Residual Equity transfer from General Fund.....	--	--	2,000	2,000
Net cash provided from (used for) financing activities.....	--	--	2,000	2,000
Increase (decrease) in cash.....	(2)	4	2,724	2,726
Cash and short-term investments, July 1, 1987.....	339	3,828	1,972	6,139
Cash and short-term investments, June 30, 1988.....	\$337	\$3,832	\$4,696	\$8,865

Pension Trusts

State Employees	State Teachers	Other Retirement	Total Pension
\$ 320,449	\$ 394,848	\$ 6,811	\$ 722,108
(31,123)	(56,078)	(301)	(87,502)
2,521	8,415	(27)	10,909
(665)	--	--	(665)
7	--	--	7
--	--	--	--
1,472	--	8	1,480
292,661	347,185	6,491	646,337
15,426	28,351	97	43,874
(293,196)	(343,607)	(4,984)	(641,787)
(277,770)	(315,256)	(4,887)	(597,913)
--	--	--	--
--	--	--	--
14,891	31,929	1,604	48,424
129,345	157,569	2,656	289,570
\$ 144,236	\$ 189,498	\$ 4,260	\$337,994

STATE OF CONNECTICUT  
Combining Statement of Changes in Assets  
Agency Funds  
For the Fiscal Year Ended June 30, 1988  
(Expressed in Thousands)

	Balance 7/1/87	Additions	Deletions	Balance 6/30/88
<hr/>				
Connecticut Municipal Retirement Fund				
Total Assets.....	\$310,653	\$ 325,465	\$ 285,854	\$ 350,264
Connecticut Probate Judges Retirement System				
Total Assets.....	21,488	21,361	19,265	23,584
Payroll and Fringe Benefit Clearing				
Total Assets.....	3,422	146,895	146,450	3,867
Receipts Pending Distribution				
Total Assets.....	15,776	127,736	112,365	31,147
Investment Pool / Non-state Portion				
Total Assets.....	--	128,958	--	128,958
Insurance Companies' Securities				
Total Assets.....	--	329,509	--	329,509
State Institution Activity				
Total Assets.....	24,106	19,051	15,304	27,853
Deferred Compensation				
Total Assets.....	98,934	20,223	--	119,157
Other Agency Funds				
Total Assets.....	413,404	45,856	437,554	21,706
Total Agency Assets.....	\$887,783	\$1,165,054	\$1,016,792	\$1,036,045
	<hr/>			



### GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for the land, buildings, improvements, and equipment which are accounted for in the governmental type funds. Fixed Assets of the proprietary fund types and similar trusts and the Higher Education Funds are accounted for within those funds. Infrastructures, including highways, bridges and rights-of-way are not capitalized.

The General Fixed Assets Account Group is stated at historical cost or estimated historical cost, with no provision made for depreciation.

STATE OF CONNECTICUT  
OFFICE OF THE COMPTROLLER  
GENERAL FIXED ASSETS ACCOUNT GROUP  
FOR THE FISCAL YEAR ENDED JUNE 30, 1988  
(EXPRESSED IN THOUSANDS)

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FUNCTION AND ACTIVITY	BEGIN BAL.	ADDITIONS	DELETIONS	GENERAL FIXED
				ASSETS 6/30/88
LEGISLATIVE.....	\$ 1,105	\$ 8,251	\$ 36	\$ 9,320
GENERAL GOVERNMENT.....	30,283	26,898	7,466	49,715
REGULATION & PROTECTION.....	80,608	8,156	1,504	87,260
NATURAL RESOURCES & RECREATION.....	188,152	5,586	1,613	192,125
HEALTH & HOSPITALS.....	189,629	9,570	6,858	192,341
TRANSPORTATION.....	294,121	56,070	38,395	311,796
HUMAN SERVICES.....	4,039	2,920	466	6,493
EDUCATION, LIBRARIES & MUSEUMS.....	278,744	28,214	1,573	305,385
CORRECTIONS.....	123,465	13,614	8,051	129,028
JUDICIAL.....	85,073	8,636	934	92,775
CONSTRUCTION IN PROGRESS.....	221,764	79,877	58,045	243,596
TOTAL GENERAL FIXED ASSETS.....	\$1,496,983	\$247,792	\$124,941	\$1,619,834

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS	EQUIPMENT	TOTALS
LEGISLATIVE.....	\$ --	\$ --	\$ --	\$ 9,320	\$ 9,320
GENERAL GOVERNMENT.....	2,163	31,879	5	15,668	49,715
REGULATION & PROTECTION.....	2,031	38,980	2,111	44,138	87,260
NATURAL RESOURCES & RECREATION.....	153,328	8,962	7,770	22,065	192,125
HEALTH & HOSPITALS.....	9,277	137,558	8,575	36,931	192,341
TRANSPORTATION.....	11,775	77,763	37,442	184,816	311,796
HUMAN SERVICES.....	--	--	--	6,493	6,493
EDUCATION, LIBRARIES & MUSEUMS.....	3,117	125,270	15,976	161,022	305,385
CORRECTIONS.....	7,587	100,501	7,591	13,349	129,028
JUDICIAL.....	4,329	77,525	--	10,921	92,775
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS.....	\$193,607	\$598,438	\$79,470	\$504,723	\$1,376,238
CONSTRUCTION IN PROGRESS.....					243,596
TOTAL GENERAL FIXED ASSETS.....					\$1,619,834

## HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS

Higher Education and University Hospital Funds are used to account for all transactions relating to public institutions of higher education including a teaching hospital and the State's technical colleges. These include five universities, twelve community colleges and five technical colleges.

Significant College and University Funds are described below.

### Current Funds:

Unrestricted Fund - accounts for currently expendable resources which may be either designated or not designated by the colleges and universities for specific purposes.

Restricted Fund - accounts for resources restricted by the donor or external agency for a specific use or program.

Hospital Funds - accounts for revenue and expenditures relating to the operation of the John Dempsey Hospital and the Dental Clinics.

Loan Fund - accounts for loans made to assist students in the financing of their education.

Endowment Fund - accounts for resources which are restricted by the gift instruments requiring that the principal be invested and only the income be expended.

Agency Fund - accounts for amounts held in custody for students, university-related organizations, and others.

Plant Funds - accounts for activities relating to institutional properties. These activities include funds used for the acquisition, renewal and replacement of institutional properties, funds set aside for debt service requirements of institutional properties and funds invested in institutional properties.

STATE OF CONNECTICUT  
Combining Balance Sheet  
Higher Education and University Hospital Funds  
June 30, 1988  
(Expressed in Thousands)

	Current Funds		Hospital Funds
	Unrestricted	Restricted	
Assets:			
Cash and Short-Term Investments.....	\$103,835	\$16,096	\$ 4,461
Investments.....	1,975	4,605	--
Receivables, Net:			
Accounts.....	13,140	1,045	18,254
Tuition.....	210	--	--
Loans.....	--	--	--
Notes.....	--	--	--
Interest.....	154	30	1
Due From Other Funds.....	1,455	66	--
Inventories.....	2,757	--	764
Prepaid Items.....	5,960	947	478
Property, Plant & Equipment.....	--	--	--
Other Assets.....	--	--	--
Total Assets.....	\$129,486	\$22,789	\$23,958
Liabilities, Equity and Other Credits:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 11,169	\$ 431	\$18,061
Due to Other Funds.....	1,919	214	166
Deferred Revenue.....	16,679	--	--
Agency Deposit Liabilities.....	--	--	--
Revenue Bonds.....	--	--	--
Capital Leases.....	--	--	--
Compensated Absences.....	5,902	--	1,686
Total Liabilities.....	35,669	645	19,913
Equity and Other Credits:			
Investment in General Fixed Assets.....	--	--	--
Fund Balances:			
Reserved.....	--	22,144	--
Unreserved, undesignated.....	93,817	--	4,045
Total Equity and Other Credits.....	93,817	22,144	4,045
Total Liabilities, Equity and Other Credits..	\$129,486	\$22,789	\$23,958

Endowment and Similar Funds	Loan Funds	Agency Funds	Plant Funds		Total
			Retirement of Indebtedness	Investment in Plant	
\$ 183	\$ 781	\$3,436	\$25,344	\$ --	\$ 154,136
2,477	481	1,359	--	--	10,897
1	3,401	129	--	--	35,970
--	--	--	--	--	210
--	20,172	56	--	--	20,228
--	--	6	--	--	6
--	307	14	144	--	650
--	--	--	--	--	1,521
--	--	3	--	--	3,524
--	--	1	--	--	7,386
--	--	973	--	871,236	872,209
--	--	5	--	--	5
\$2,661	\$25,142	\$5,982	\$25,488	\$871,236	\$1,106,742
\$ --	\$ --	\$ 256	\$ --	\$ --	\$ 29,917
--	--	--	--	--	2,299
--	--	58	--	--	16,737
--	--	5,668	--	--	5,668
--	--	--	--	12,195	12,195
--	--	--	--	5,071	5,071
--	--	--	--	--	7,588
--	--	5,982	--	17,266	79,475
--	--	--	--	853,970	853,970
2,661	25,142	--	25,488	--	75,435
--	--	--	--	--	97,862
2,661	25,142	--	25,488	853,970	1,027,267
\$2,661	\$25,142	\$5,982	\$25,488	\$871,236	\$1,106,742

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**REQUIRED PERS SUPPLEMENTARY INFORMATION**

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State of Connecticut  
Required Supplementary Information  
Analysis of Fund Progress  
(In Millions)

Fiscal Year	(1) Net Assets available for benefits*	(2) Pension benefit obligation	(3) Percentage funded  (1)/(2)	(4) Unfunded Pension benefit obligation (2)-(1)	(5) Annual covered payroll	(6) Unfunded pension benefit obligation as a percentage of covered payroll (4)/(5)
-----						
State Employees Retirement System						
1988**	\$1,844.6	\$4,089.3	45.1%	\$2,244.7	\$1,583.0	141.8%
-----						
Teachers' Retirement System						
1988**	\$2,880.3	\$6,293.7	45.8%	\$3,413.4	\$1,370.0	249.2%
-----						
Judicial Retirement System						
1988**	\$15.3	\$95.4	16.0%	\$80.1	\$11.2	715.2%

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the State of Connecticut PERS funding status on a going-concern basis. Analysis of this percentage, over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

\* Net assets are presented at cost

\*\* First period for which pension benefit obligations have been calculated in accordance with GASB Statement No. 5



State of Connecticut  
State Employees Retirement System  
Required Supplementary Information  
Revenues by Source and Expenses by Type  
(In Thousands)

Revenues by Source  
-----

Fiscal Year	State Contributions -----					Total
	Employee Contributions	Dollar Amount	% of annual covered payroll	Investment Income	Other	
1979	\$21,542	\$81,802	13.2%	\$15,577	\$14,049	\$132,970
1980	\$23,013	\$102,400	14.7%	\$23,004	\$16,667	\$165,084
1981	\$25,238	\$117,281	15.1%	\$30,574	\$25,961	\$199,054
1982	\$25,699	\$123,867	14.2%	\$45,665	\$33,445	\$228,676
1983	\$27,111	\$136,759	14.0%	\$55,237	\$40,178	\$259,285
1984	\$28,957	\$158,751	15.2%	\$66,925	\$37,146	\$291,779
1985	\$30,100	\$196,202	16.5%	\$76,455	\$38,586	\$341,343
1986	\$30,493	\$234,192	18.0%	\$89,773	\$39,496	\$393,954
1987	\$27,783	\$275,816	20.1%	\$102,819	\$42,954	\$449,372
1988	\$28,025	\$272,298	17.2%	\$144,635	\$50,593	\$495,551

Expenses by Type  
-----

Fiscal Year	Benefits	Administrative expenses	Refunds	Other	Total
1979	\$70,111	\$17	\$3,234	\$35	\$73,397
1980	\$80,598	\$21	\$3,998	\$0	\$84,617
1981	\$90,776	\$7	\$4,662	\$43	\$95,488
1982	\$99,362	\$25	\$4,349	\$20	\$103,756
1983	\$107,190	\$19	\$16,217	\$0	\$123,426
1984	\$114,841	\$215	\$11,435	\$0	\$126,491
1985	\$126,749	\$117	\$13,617	\$0	\$140,483
1986	\$140,168	\$111	\$5,799	\$74	\$146,152
1987	\$154,860	\$120	\$2,803	\$0	\$157,783
1988	\$171,668	\$165	\$2,680	\$589	\$175,102

Contributions were made in accordance with actuarially determined contribution requirements.

State of Connecticut  
State Teachers' Retirement System  
Required Supplementary Information  
Revenues by Source and Expenses by Type  
(In Thousands)

Revenues by Source  
-----

Fiscal Year	State Contributions -----				Total
	Employee Contributions	Dollar Amount	% of annual covered payroll	Investment Income	
1979	\$41,756	\$65,849	8.4%	\$60,717	\$168,322
1980	\$43,987	\$68,585	9.9%	\$77,500	\$190,072
1981	\$46,015	\$64,394	8.8%	\$87,996	\$198,405
1982	\$49,134	\$76,203	9.9%	\$109,644	\$234,981
1983	\$53,066	\$97,108	11.8%	\$108,775	\$258,949
1984	\$56,658	\$120,519	13.6%	\$136,649	\$313,826
1985	\$61,125	\$146,379	15.0%	\$152,322	\$359,826
1986	\$67,052	\$175,765	16.5%	\$167,173	\$409,990
1987	\$75,517	\$204,724	17.2%	\$187,468	\$467,709
1988	\$89,607	\$242,512	17.7%	\$237,187	\$569,306

Expenses by Type  
-----

Fiscal Year	Benefits	Refunds	Total
1979	\$68,974	\$8,643	\$77,617
1980	\$79,009	\$8,755	\$87,764
1981	\$84,841	\$13,034	\$97,875
1982	\$94,321	\$14,146	\$108,467
1983	\$106,025	\$10,824	\$116,849
1984	\$117,644	\$9,730	\$127,374
1985	\$127,787	\$11,466	\$139,253
1986	\$140,955	\$10,610	\$151,565
1987	\$154,840	\$6,515	\$161,355
1988	\$168,867	\$5,591	\$174,458

Contributions were made in accordance with actuarially determined contribution requirements.

State of Connecticut  
Judicial Retirement System  
Required Supplementary Information  
Revenues by Source and Expenses by Type  
(In Thousands)

Revenues by Source  
-----

Fiscal Year	Employee Contributions	State Contributions			Investment Income	Total
		Dollar Amount	% of annual covered payroll			
1982	\$200	\$1,859	46.4%		\$21	\$2,080
1983	\$301	\$3,234	53.8%		\$23	\$3,558
1984	\$370	\$4,220	57.0%		\$41	\$4,631
1985	\$388	\$5,966	77.0%		\$222	\$6,576
1986	\$451	\$7,317	81.1%		\$415	\$8,183
1987	\$490	\$8,605	87.9%		\$599	\$9,694
1988	\$561	\$9,919	88.4%		\$1,058	\$11,538

Expenses by Type  
-----

Fiscal Year	Benefits	Administrative expenses	Refunds	Total
1982	\$2,001	\$-0-	\$-0-	\$2,001
1983	\$3,064	\$17	\$-0-	\$3,081
1984	\$3,478	\$12	\$13	\$3,503
1985	\$3,761	\$12	\$(13)	\$3,760
1986	\$4,188	\$9	\$-0-	\$4,197
1987	\$4,550	\$2	\$9	\$4,561
1988	\$4,931	\$10	\$-0-	\$4,941

Contributions were made in accordance with actuarially determined contribution requirements.

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**STATISTICAL SECTION**

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STATE OF CONNECTICUT  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

SOURCE (1)	FOR THE YEAR ENDED JUNE 30				
	1979	1980	1981	1982	(3) 1983
1. LEGISLATIVE	\$ 8,927	\$ 9,230	\$ 11,681	\$ 12,379	\$ 14,906
2. GENERAL GOVERNMENT	153,970	169,723	182,776	219,927	235,546
3. REGULATION AND PROTECTION	68,044	71,979	76,098	317,773	357,987
4. NATURAL RESOURCES AND PROTECTION	28,444	22,731	23,360	27,273	36,633
5. HEALTH AND HOSPITALS	163,275	189,247	223,600	244,218	276,908
6. TRANSPORTATION	151,763	170,290	178,598	191,843	187,567
7. HUMAN SERVICES	538,734	600,602	665,451	719,065	802,178
8. EDUCATION, LIBRARIES AND MUSEUMS	597,703	668,635	756,052	832,606	940,431
9. CORRECTIONS	83,237	93,596	103,670	112,931	132,516
10. JUDICIAL	45,591	50,082	55,944	59,804	68,183
11. NON-FUNCTIONAL	240,331	248,762	272,448	267,042	296,306
12. FEDERAL AND OTHER GRANTS	246,444	303,613	312,330	317,015	324,130
13. DEBT SERVICE	313,831	265,635	324,254	508,932	307,779
TOTAL EXPENDITURES	\$2,640,294	\$2,864,125	\$3,186,262	\$3,830,908	\$3,981,070

- (1) INCLUDES GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS.  
(2) REPRESENTS FIRST YEAR PREPARED ON GAAP BASIS.  
(3) DATA PRESENTED ON A LEGAL (BUDGET) BASIS AS IT WAS IMPRACTICAL TO RESTATE THIS DATA TO A GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES) BASIS.  
(4) INCLUDES HIGHER EDUCATION EXPENDITURES TREATED AS OPERATING TRANSFERS OUT ON OPERATING STATEMENTS.

SOURCES: Annual Report of the State Comptroller 1979-1986  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1988

1984	1985	1986	(2) 1987	1988
\$ 15,877	\$ 18,597	\$ 19,421	\$ 22,912	\$ 27,419
308,869	374,451	395,949	442,150	466,452
405,517	443,837	204,889	236,409	251,099
37,218	40,930	47,715	89,409	83,282
309,353	349,410	405,211	511,863	587,700
220,320	281,638	331,419	304,110	322,876
896,572	903,564	981,946	1,177,226	1,262,257
1,050,529	1,180,376	1,307,526	(4) 1,414,218	(4) 1,635,888
147,921	163,602	187,130	219,901	250,366
79,425	87,340	87,873	102,709	110,184
327,975	386,790	455,359	562,541	613,773
347,338	343,386	363,027	(4) 463,386	(4) 420,533
325,641	330,511	371,987	335,095	340,518
\$4,472,555	\$4,904,432	\$5,159,452	\$5,881,929	\$6,372,347

STATE OF CONNECTICUT  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)  
=====

SOURCE (1)	FOR THE YEAR ENDED JUNE 30				
	1979	1980	1981	1982	(3) 1983
1. TAXES	\$1,593,592	\$1,712,067	\$1,944,852	\$2,380,728	\$2,628,544
2. LICENSES, PERMITS, AND FEES	179,935	178,108	208,259	225,867	175,157
3. INTERGOVERNMENTAL	351,229	378,831	376,206	442,834	377,012
4. CHARGES FOR SERVICES	50,083	57,362	62,707	67,709	66,166
5. FINES, FORFEITS AND RENTS	5,897	6,386	6,769	25,058	17,721
6. INVESTMENT EARNINGS	32,556	33,350	32,076	46,275	16,822
7. LICENSED GAMBLING REVENUES	87,968	97,898	114,811	122,441	150,759
8. MISCELLANEOUS	302,938	397,027	361,447	400,029	640,910
TOTAL REVENUES	\$2,604,198	\$2,861,029	\$3,107,127	\$3,710,941	\$4,073,091

- (1) INCLUDES GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS.  
(2) REPRESENTS FIRST YEAR PREPARED ON A GAAP BASIS.  
(3) DATA PRESENTED ON A LEGAL (BUDGET) BASIS AS IT WAS IMPRACTICAL TO RESTATE THIS DATA TO A GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES) BASIS.  
NOTE: Beginning in 1987 Licensed Gambling Revenues are recorded in Charges for Services.

SOURCES: Annual Report of the State Comptroller 1979-1986  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance 1987



1984	1985	1986	(2) 1987	1988
\$3,190,306	\$3,573,702	\$3,594,448	\$4,024,113	\$4,079,663
202,354	262,673	310,427	289,912	320,441
409,947	441,481	485,651	1,080,103	1,159,223
72,703	99,216	103,202	375,863	382,915
12,435	12,304	11,943	20,881	12,866
15,975	20,757	20,340	38,763	38,824
196,810	264,112	327,050	--	--
639,583	650,750	658,783	108,709	125,591
\$4,740,113	\$5,324,995	\$5,511,844	\$5,938,344	\$6,119,523

STATE OF CONNECTICUT  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 1988  
(EXPRESSED IN THOUSANDS)

GENERAL FUND TAX RECEIPTS FROM PREVIOUS YEAR	\$	3,898,023
FACTOR		4.5
STATUTORY DEBT LIMIT FOR DEBT INCURRED		17,541,104
DEBT SUBJECT TO STATUTORY LIMIT		1,944,922
LEGAL DEBT MARGIN	\$	15,596,182

SOURCE: State of Connecticut Taxable General Obligation Bonds report - Dated Nov. 3, 1988

STATE OF CONNECTICUT  
NET GENERAL LONG-TERM BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

FOR THE YEAR ENDED JUNE 30	POPULATION	GENERAL LONG-TERM BONDED DEBT			
		TOTAL DEBT	LESS DEBT SERVICE FUND	NET	NET DEBT PER CAPITA
1979	3100	\$1,889,208	\$41,936	\$1,847,272	596
1980	3112	1,888,535	38,657	1,849,878	594
1981	3123	2,047,450	39,234	2,008,216	643
1982	3127	1,797,365	40,988	1,756,377	562
1983	3140	1,919,120	36,189	1,882,931	600
1984	3155	1,930,750	29,203	1,901,547	603
1985	3170	2,033,260	45,063	1,988,197	627
1986	3189	2,001,495	40,882	1,960,613	615
1987	3212	2,049,465	56,055	1,993,410	621
1988	3235	2,394,513	159,802	2,234,711	691

SOURCES: Annual Report of the State Comptroller  
State of Connecticut Register and Manual

STATE OF CONNECTICUT  
 RATIO OF ANNUAL DEBT SERVICE FOR GENERAL  
 BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (EXPRESSED IN THOUSANDS)

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FOR THE YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	(1) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
1979	\$166,988	\$146,843	\$313,831	\$2,640,294	11.9%
1980	177,295	88,340	265,635	2,864,125	9.3%
1981	184,634	139,620	324,254	3,186,262	10.2%
1982	357,667	151,265	508,932	3,830,908	13.3%
1983	188,865	118,914	307,779	3,981,070	7.7%
1984	192,992	132,649	325,641	4,472,555	7.3%
1985	204,731	125,780	330,511	4,904,432	6.7%
1986	218,290	153,697	371,987	5,159,452	7.2%
1987(2)	180,685	154,410	335,095	5,881,929	5.7%
1988	179,950	160,568	340,518	6,372,347	5.3%

---

(1) INCLUDES GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS.  
 INCLUDED ALSO ARE HIGHER EDUCATION EXPENDITURES TREATED  
 AS OPERATING TRANSFERS OUT ON OPERATING STATEMENTS.

(2) 1987-FIRST YEAR PREPARED ON A GAAP BASIS.

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SOURCES: Annual Report of the State Comptroller 1979-1986  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1988

STATE OF CONNECTICUT  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)  
=====

BRADLEY INTERNATIONAL AIRPORT  
-----

FOR THE YEAR ENDED JUNE 30	GROSS REVENUE(1)	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1983	\$11,026	\$3,282	\$7,744	0	\$6,366	\$6,366	1.22
1984	18,744	6,389	12,355	0	10,075	10,075	1.23
1985	19,075	6,518	12,557	0	9,138	9,138	1.37
1986	18,963	8,332	10,631	0	7,333	7,333	1.45
1987	22,074	12,100	9,974	0	9,242	9,242	1.08
1988	25,619	13,487	12,132	0	10,283	10,283	1.18

(1) INCLUDES OPERATING AND NON-OPERATING REVENUES.

(2) INCLUDES OPERATING EXPENSES LESS DEPRECIATION, AMORTIZATION AND INTEREST EXPENSES.

NOTE: Bradley International Airport had their own Fund Established in 1983.  
Before this time they were part of the Transportation Fund and did not issue  
their own Financial Statements.

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SOURCE: Bradley International Airport Financial Statements

STATE OF CONNECTICUT  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

CONNECTICUT DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED JUNE 30	GROSS RECEIPTS USED FOR DEBT SERVICE(1)	DIRECT OPERATING EXPENSES(2)	AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1979	\$20,303	\$420	\$19,883	\$5,261	\$12,394	\$17,655	1.13
1980	40,202	573	39,629	15,800	20,317	36,117	1.10
1981	56,498	745	55,753	17,322	32,304	49,626	1.12
1982	93,892	1,109	92,783	38,563	47,239	85,802	1.08
1983	132,725	1,349	131,376	59,440	67,823	127,263	1.03
1984	134,614	1,505	133,109	47,078	79,889	126,967	1.05
1985	225,335	1,897	223,438	82,864	131,677	214,541	1.04
1986	279,002	1,830	277,172	126,178	141,057	267,235	1.04
1987	253,375	1,901	251,474	103,157	135,561	238,718	1.05
1988	272,954	2,034	270,920	122,331	137,169	259,500	1.04

- (1) INCLUDES OPERATING AND NON-OPERATING REVENUES AND PRINCIPAL COLLECTED ON LOANS.  
(2) INCLUDES OPERATING EXPENSES LESS DEPRECIATION, AMORTIZATION AND INTEREST EXPENSES.

SOURCE: Connecticut Development Authority Financial Statements

STATE OF CONNECTICUT  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)  
=====

RENTAL HOUSING  
-----

FOR THE YEAR ENDED JUNE 30	GROSS RECEIPTS USED FOR DEBT SERVICE(1)	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1979	\$4,231	\$429	\$3,802	\$700	\$4,598	\$5,298	0.72
1980	3,032	715	2,317	700	4,552	5,252	0.44
1981	5,172	875	4,297	700	4,505	5,205	0.83
1982	4,496	1,044	3,452	700	4,918	5,618	0.61
1983	6,436	1,283	5,153	1,250	7,068	8,318	0.62
1984	8,539	1,508	7,031	7,150	7,651	14,801	0.48
1985	8,414	1,491	6,923	3,750	7,221	10,971	0.63
1986	9,790	1,979	7,811	2,450	6,970	9,420	0.83
1987	11,379	2,257	9,122	2,450	6,293	8,743	1.04
1988	7,985	2,483	5,502	5,950	6,090	12,040	0.46

(1) INCLUDES OPERATING AND NON-OPERATING REVENUES AND PRINCIPAL COLLECTIONS.

(2) INCLUDES OPERATING EXPENSES LESS DEPRECIATION, AMORTIZATION AND INTEREST EXPENSES.

SOURCES: Annual Report of the State Comptroller  
Annual Report to the Treasurer

STATE OF CONNECTICUT  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

CONNECTICUT HOUSING FINANCE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31	GROSS RECEIPTS USED FOR DEBT SERVICE(1)	DIRECT OPERATING EXPENSES(2)	AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1978	\$73,520	\$3,065	\$70,455	\$6,400	\$37,057	\$43,457	1.62
1979	111,524	3,775	107,749	12,875	54,779	67,654	1.59
1980	123,872	5,283	118,589	21,575	72,968	94,543	1.25
1981	147,760	6,039	141,721	30,630	84,726	115,356	1.23
1982	183,065	6,814	176,251	39,920	116,561	156,481	1.13
1983	232,315	7,999	224,316	47,715	137,929	185,644	1.21
1984	280,359	8,858	271,501	59,030	155,980	215,010	1.26
1985	354,257	9,980	344,277	66,350	175,298	241,648	1.42
1986	482,135	11,719	470,416	222,425	190,105	412,530	1.14
1987	451,530	11,282	440,248	241,835	179,003	420,838	1.05

(1) INCLUDES OPERATING AND NON-OPERATING REVENUES AND MORTGAGE PRINCIPAL PAYMENTS.

(2) INCLUDES OPERATING EXPENSES LESS DEPRECIATION, AMORTIZATION AND INTEREST EXPENSES.

SOURCE: Connecticut Housing Finance Authority Financial Statements

STATE OF CONNECTICUT  
ANNUAL ESTIMATES OF THE RESIDENT POPULATION  
CONNECTICUT COMPARED TO THE UNITED STATES  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

FOR THE YEAR ENDED JUNE 30	UNITED STATES	CONNECTICUT	%
1979	224,569	3,100	1.4%
1980	227,255	3,112	1.4%
1981	229,637	3,123	1.4%
1982	231,996	3,127	1.3%
1983	234,284	3,140	1.3%
1984	236,495	3,155	1.3%
1985	238,740	3,170	1.3%
1986	241,078	3,189	1.3%
1987	243,308	3,212	1.3%
1988	245,529	3,235	1.3%

SOURCE: Economic Report of the Governor 1989-1990

STATE OF CONNECTICUT  
BANK DEPOSITS  
LAST TEN FISCAL YEARS  
(EXPRESSED IN THOUSANDS)

TOTAL AS OF	BANK DEPOSITS (000's)
12/31/79	10,800,273
6/30/80	10,115,000
6/30/81	10,895,000
6/30/82	11,165,000
6/30/83	13,586,000
6/30/84	13,772,000
6/30/85	18,012,982
6/30/86	22,165,948
6/30/87	25,039,322
6/30/88	27,868,453

SOURCE: 1978-1979 Annual Report of the Banking Commissioner and internal records of  
the Connecticut Department of Banking  
1980-1987 Branch Directory and Summary of Deposits, Decision Research  
Sciences, Inc.  
1988 Commissioner's Annual Report



STATE OF CONNECTICUT  
RESIDENT EMPLOYMENT, UNEMPLOYMENT, AND UNEMPLOYMENT RATE  
FOR THE LAST TEN CALENDAR YEARS

CALENDAR YEAR	LABOR FORCE	(Thousands)		UNEMPLOYMENT RATE
		EMPLOYMENT	UNEMPLOYMENT	
1979	1545.3	1468.8	76.5	5.0%
1980	1589.6	1504.3	85.2	5.4%
1981	1593.5	1495.4	98.1	6.2%
1982	1596.6	1492.8	103.8	6.5%
1983	1603.6	1493.6	109.9	6.9%
1984	1640.7	1557.8	82.9	5.1%
1985	1695.1	1614.6	80.5	4.7%
1986	1719.8	1645.4	74.4	4.3%
1987	1750.8	1689.2	61.6	3.5%
1988	1738.6	1685.3	53.3	3.1%

SOURCE: Economic Report of the Governor

STATE OF CONNECTICUT  
TOTAL PERSONAL INCOME AND PER CAPITA PERSONAL INCOME  
CONNECTICUT COMPARED TO THE UNITED STATES  
LAST TEN CALENDAR YEARS

CALENDAR YEAR	TOTAL PERSONAL INCOME		PER CAPITA PERSONAL INCOME				PER CAPITA PERSONAL INCOME
	(Millions of Dollars)		(Dollars)				CONNECTICUT'S
	UNITED STATES	CONNECTICUT	%	UNITED STATES	CONNECTICUT	%	RANK
1979	1,924,500	31,300	1.6%	8,570	10,098	117.8%	N/A
1980	2,141,500	35,430	1.7%	9,423	11,386	120.8%	N/A
1981	2,394,000	39,940	1.7%	10,425	12,790	122.7%	N/A
1982	2,607,100	43,800	1.7%	11,238	14,007	124.6%	3
1983	2,744,600	46,790	1.7%	11,715	14,901	127.2%	3
1984	2,974,400	51,100	1.7%	12,577	16,198	128.8%	3
1985	3,224,200	56,090	1.7%	13,505	17,694	131.0%	3
1986	3,427,200	59,990	1.8%	14,216	18,813	132.3%	1
1987	3,639,600	65,080	1.8%	14,959	20,261	135.4%	1
1988	3,920,400	71,378	1.8%	15,967	22,064	138.2%	1

SOURCE: Economic Report of the Governor 1989-1990

STATE OF CONNECTICUT  
 NONAGRICULTURAL EMPLOYMENT  
 LAST TEN FISCAL YEARS  
 =====

FOR THE YEAR ENDED JUNE 30	(THOUSANDS)	
	MANUFACTURING	NONMANUFACTURING
1979	429.8	947.8
1980	442.3	976.9
1981	438.0	993.9
1982	432.1	1004.8
1983	406.3	1022.8
1984	409.4	1074.2
1985	415.4	1131.7
1986	400.3	1178.6
1987	393.4	1235.4
1988	380.5	1276.7

JUNE 30, 1988	TWELVE LARGEST NONAGRICULTURAL INDUSTRIES
INDUSTRY	AVERAGE # OF EMPLOYEES (THOUSANDS)
Services	377.28
Wholesale and Retail Trade	375.63
Manufacture of Durable Goods	286.05
State and Local Government	179.15
Manufacture of Nondurable Goods	94.42
Insurance	80.28
Construction	80.02
Finance and Real Estate	71.03
Transportation	40.46
Federal Government	25.29
Communications	19.50
Utilities	13.13

Source: Economic Report of the Governor 1989-1990

STATE OF CONNECTICUT  
TOP 25 EMPLOYERS  
=====

COMPANY	PRINCIPAL CONNECTICUT LOCATION
1 State of Connecticut	Statewide
2 United Technologies Corp.	Statewide
3 Federal Government	Statewide
4 General Dynamics Corp.	Groton
5 Aetna Life & Casualty	Hartford
6 American Telephone & Telegraph	Statewide
7 Travelers Insurance Co.	Hartford
8 Stop & Shop Co.	Statewide
9 Yale University	New Haven
10 Northeast Utilities	Statewide
11 General Electric	Bridgeport
12 ITT Corp.	Statewide
13 CIGNA	Bloomfield
14 Associated Drygoods	Statewide
15 First National Supermarkets	Statewide
16 Pitney Bowes	Statewide
17 Combustion Engineering	Windsor
18 Connecticut Bank & Trust	Hartford
19 AVCO Corp.	Stratford
20 Perkin Elmer Corp.	Norwalk
21 Yale-New Haven Hospital	New Haven
22 Hartford Hospital	Hartford
23 Stone & Webster Engineering	Waterford
24 Sears Roebuck & Co.	Statewide
25 Union Carbide	Danbury

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Source: Department of Economic Development

STATE OF CONNECTICUT  
ECONOMIC INDICATORS  
LAST TEN FISCAL YEARS  
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FOR THE YEAR ENDED JUNE 30	RETAIL SALES (THOUSANDS)	DEFENSE CONTRACT AWARDS (THOUSANDS)	DISPOSABLE INCOME (THOUSANDS)	TOTAL EMPLOYMENT (THOUSANDS)	NUMBER OF HOUSING STARTS
1979	\$11,408,044	\$3,777,393	\$26,600,000	1,545	14,830
1980	12,611,711	3,867,188	29,930,000	1,590	11,700
1981	14,104,957	4,492,205	33,540,000	1,594	9,740
1982	15,533,996	5,896,865	36,520,000	1,597	7,790
1983	18,924,988	5,126,170	39,370,000	1,604	14,110
1984	19,765,151	5,459,344	43,790,000	1,641	15,600
1985	21,908,988	5,543,448	47,450,000	1,695	20,110
1986	27,656,454	5,441,063	50,410,000	1,720	29,900
1987	27,790,357	5,030,505	54,510,000	1,751	27,050
1988	(1)28,258,000	N/A	59,890,000	1,739	22,520

(1) ESTIMATE

SOURCES: Economic Report of the Governor 1989-1990  
Sales and Marketing Management Report

STATE OF CONNECTICUT  
DEMOGRAPHICS  
LAST TEN FISCAL YEARS  
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FOR THE YEAR ENDED JUNE 30	POPULATION (THOUSANDS)	PER CAPITA INCOME	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
1979	3,100	\$10,098	573,167	5.0%
1980	3,112	11,386	548,028	5.4%
1981	3,123	12,790	530,338	6.2%
1982	3,127	14,007	508,309	6.5%
1983	3,140	14,901	489,187	6.9%
1984	3,155	16,198	474,475	5.1%
1985	3,170	17,694	465,031	4.7%
1986	3,189	18,813	465,896	4.3%
1987	3,212	20,261	461,724	3.5%
1988	3,235	22,064	460,564	3.1%

SOURCES: Economic Report of the Governor 1989-1990  
Condition of Education Report -Town and School District Profiles  
State of Connecticut Register and Manual

STATE OF CONNECTICUT  
MAJOR REVENUE SOURCES  
GENERAL FUND  
LAST TEN FISCAL YEARS  
(Millions)

FISCAL YEAR	SALES & USE TAX	% OF TOTAL REVENUE	CORPORATION TAX	% OF TOTAL REVENUE	CAPITAL GAINS TAX	% OF TOTAL REVENUE
1979	\$ 742.8	38.0	\$231.1	11.8	\$ 83.5	4.3
1980	808.9	37.8	246.1	11.5	101.0	4.7
1981	932.7	38.9	248.7	10.4	117.8	4.9
1982	1015.0	37.1	330.7	12.1	137.8	5.0
1983	1123.1	38.0	345.5	11.7	183.7	6.2
1984	1362.9	38.6	416.1	11.8	289.5	8.2
1985	1542.0	39.0	521.3	13.2	302.4	7.6
1986	1652.6	37.7	654.8	15.0	317.3	7.2
1987	1840.6	38.1	681.9	14.1	467.8	9.7
1988	2000.4	37.8	661.3	12.5	386.3	7.3

Source: Revenue, Budget and Economic Data (Fiscal Years 1969-1988)

STATE OF CONNECTICUT  
SALES AND USE TAX  
MAJOR INDUSTRIAL CATEGORIES  
JUNE 30, 1988  
(Millions)

INDUSTRY	TAX	%
MANUFACTURING	\$ 167.8	9.0
WHOLESALE	179.4	9.7
RETAIL:		
HARDWARE	121.1	6.5
GENERAL MERCHANDISE	112.5	6.1
FOOD PRODUCTS	69.7	3.7
AUTO PRODUCTS	311.3	16.7
APPAREL	29.5	1.6
HOME APPLIANCES & FURNISHINGS	93.3	5.0
EATING & DRINKING ESTABLISHMENTS	124.8	6.7
MISCELLANEOUS SHOPPING STORES	196.5	10.6
BUSINESS	291.0	15.7
ALL OTHER BUSINESSES	161.8	8.7
TOTAL SALES & USE TAX	\$ 1858.7	

Note: The figures shown are based on returns filed on a timely basis and do not include audits or late returns.

Source: Department of Revenue Services

STATE OF CONNECTICUT  
MISCELLANEOUS STATISTICS  
JUNE 30, 1988  
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DATE OF RATIFICATION  
FORM OF GOVERNMENT  
MILES OF STATE HIGHWAY  
LAND AREA

JANUARY 9, 1788  
LEGISLATIVE - EXECUTIVE - JUDICIAL  
4,044  
5,009 SQUARE MILES

STATE POLICE PROTECTION:  
NUMBER OF STATIONS  
NUMBER OF STATE POLICE

12  
1,097

HIGHER EDUCATION (UNIVERSITIES, COLLEGES, AND COMMUNITY COLLEGES):  
NUMBER OF CAMPUSES IN STATE  
NUMBER OF EDUCATORS  
NUMBER OF STUDENTS

22  
3,061  
101,848

RECREATION:  
NUMBER OF STATE PARKS  
AREA OF STATE PARKS  
AREA OF STATE FORESTS

91  
29,856 ACRES  
138,682 ACRES

EMPLOYEES:  
FULL-TIME  
PART-TIME

49,277  
6,389

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SOURCE: Connecticut State Manual

**STATE OF CONNECTICUT**

**Office of the State Comptroller Organization**

**J. Edward Caldwell**  
State Comptroller

**Lawrence Cacciola**  
Deputy Comptroller

**Bernard McLoughlin**  
Chief Administrative Officer

**Mark Schillinger**  
Assistant  
Chief Administrative Officer

**Robert Dixon**  
Director, Telecommunications

**Casmier Dzielinski**  
Director, Central Payroll

**Jeffrey Holyst**  
Chief Fiscal Officer

**Margonis Janaus**  
Director, Accounting Systems

**Robert Kallin**  
Director, FMIS

**Carl Kask**  
Director, Computer Services

**JoAnn Mogensen**  
Director, Retirement Division

**Walter Olender**  
Director, Special Services

**Rene Osterlund**  
Director  
Staff Services and Personnel

**Douglas Vallee**  
Director  
Central Accounts Payable

**Central Accounting Division**

**Raymond Girard** - Chief Accountant  
**David Leader** - Assistant Chief  
**Hazel Brown**

**Financial Reporting**

**Robert Krueger**  
**Gerardo Villa**  
**Nancy Fuda**  
**Elizabeth Roy**  
**Doris Przygocki**  
**Janet Richardson**

**Accounting Operations**

**John Coughlin**  
**Mavis Lenentine**  
**Diane Nolan**  
**Patrick Collins**  
**Margaret Conley**  
**Leila Gorsky**  
**Karen Hurst**  
**Karen Jones**  
**Beverly Hegstrom**  
**Joan Pellerin**  
**Josephine Secola**  
**Judith Tollin**  
**Debra Morris**

## NOTES

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