

State of **CONNECTICUT**

*Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1991*

WILLIAM E. CURRY JR.
STATE COMPTROLLER

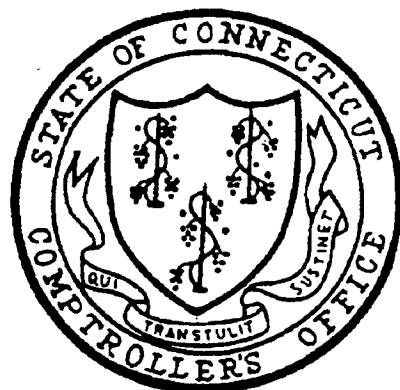
STATE OF CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 1991

Prepared by the Office of the State Comptroller

William E. Curry Jr.
State Comptroller





THIS PAGE LEFT INTENTIONALLY BLANK



Contents

INTRODUCTORY SECTION

State Comptroller Letter of Transmittal.....	3
Certificate of Achievement.....	21
Connecticut State Organization Chart.....	22
Selected State Officials.....	23

FINANCIAL SECTION

Independent Auditors' Report.....	27
-----------------------------------	----

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types and Account Groups.....	30
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.....	32
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Budgeted Special Revenue Funds.....	34
Combined Statement of Revenues, Expenses and Changes in Fund Equity/Fund Balances - All Proprietary Fund Types and Similar Trust Funds.....	36
Combined Statement of Cash Flows - All Proprietary and Nonexpendable Trust Funds.....	37
Combined Statement of Changes in Fund Balances - Higher Education and University Hospital Funds.....	38
Combined Statement of Revenues, Expenditures and Other Changes - Higher Education and University Hospital Funds.....	40
Notes to the Financial Statements	
Summary of Significant Accounting Policies.....	41
Fund Deficits.....	47
Cash Deposits and Investments.....	47
Taxes Receivable.....	49
Loans Receivable.....	49
Notes Receivable.....	49
Restricted Assets.....	49
Property, Plant and Equipment.....	50
Retirement Systems.....	50
Other Retirement Systems Administered by the State.....	54
Deferred Compensation Plan.....	55
Postemployment Benefits.....	55
Capital and Operating Leases.....	56
Changes in General Long-Term Debt.....	56
Debt.....	56
Interfund Receivables and Payables.....	60
Restatements.....	60
Reserved Retained Earnings and Fund Balances.....	61
Segment Information - Enterprise Funds.....	61
Related Party Transactions.....	62
Commitments and Contingencies.....	62
Subsequent Events.....	63
Required PERS Supplementary Information.....	66



Combining Statements and Account Group Schedules

Special Revenue Funds	
Narrative.....	73
Combining Balance Sheet.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	76
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgeted Special Revenue Funds.....	78
Capital Projects Funds	
Narrative.....	81
Combining Balance Sheet.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	83
Enterprise Funds	
Narrative.....	85
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenses and Changes in Fund Equity.....	88
Combining Statement of Cash Flows.....	90
Internal Service Funds	
Narrative.....	93
Combining Balance Sheet.....	94
Combining Statement of Revenues, Expenses and Changes in Fund Equity.....	95
Combining Statement of Cash Flows.....	96
Fiduciary Funds	
Narrative.....	97
Combining Balance Sheet - Fiduciary Funds.....	98
Combining Balance Sheet - Pension Trust Funds.....	100
Combining Balance Sheet - Agency Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds.....	105
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Nonexpendable and Pension Trust Funds.....	106
Combining Statement of Cash Flows - Nonexpendable Trust Funds.....	108
Combining Statement of Changes in Assets & Liabilities - All Agency Funds.....	109
General Fixed Assets Account Group	
Narrative.....	113
Schedule of General Fixed Assets by Source.....	114
Schedule of General Fixed Assets by Function.....	115
Schedule of Changes in General Fixed Assets by Function.....	115
Higher Education and University Hospital Funds	
Narrative.....	117
Combining Balance Sheet.....	118

STATISTICAL SECTION

Schedule of General Governmental Expenditures by Function - for the Last Ten Fiscal Years.....	122
Schedule of Revenues by Source - for the Last Ten Fiscal Years.....	124
Schedule of Computation of Legal Debt Margin.....	126
Schedule of Net General Long-Term Bonded Debt Per Capita - for the Last Ten Fiscal Years.....	126
Schedule of Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures - for the Last Ten Fiscal Years.....	127
Schedule of Revenue Bond Coverage - for the Last Ten Fiscal Years.....	128
Schedule of Annual Estimates of the Resident Population - Connecticut Compared to the United States - for the Last Ten Fiscal Years.....	133
Schedule of Bank Deposits - for the Last Ten Fiscal Years.....	133
Schedule of Resident Employment, Unemployment and Unemployment Rate - for the Last Ten Years.....	134
Schedule of Personal Income and Per Capita Personal Income - Connecticut Compared to the United States - for the Last Ten Calendar Years.....	134



Schedule of Nonagricultural Employment - for the Last Ten Fiscal Years.....	135
Schedule of Twenty Five Largest Employers.....	136
Schedule of Economic Indicators - for the Last Ten Fiscal Years.....	137
Schedule of Demographic Statistics - for the Last Ten Fiscal Years.....	137
Schedule of Major Revenue Sources - General Fund - for the Last Ten Fiscal Years.....	138
Schedule of Sales and Use Tax - Major Industrial Categories.....	138
Schedule of Miscellaneous Statistics.....	139
Office of the State Comptroller Organization Chart.....	140



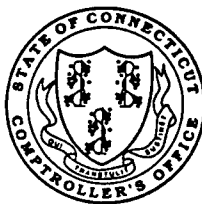
THIS PAGE LEFT INTENTIONALLY BLANK



INTRODUCTORY SECTION



THIS PAGE LEFT INTENTIONALLY BLANK



STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
55 ELM STREET
HARTFORD, CONNECTICUT 06106

WILLIAM E. CURRY JR.
COMPTROLLER

ANTHONY A. WILLIAMS
DEPUTY COMPTROLLER

February 6, 1991

To The Citizens of the State of Connecticut

I am pleased to present this Comprehensive Annual Financial Report of the State of Connecticut for the fiscal year ended June 30, 1991.

This past fiscal year will long be remembered as one of the most difficult in the State's history on a number of scales.

- Connecticut suffered the largest proportional deficit of any state in the country.
- A budget for the succeeding year was not adopted until two months had elapsed after the close of the year.
- Governmental shutdowns, employee furloughs, temporary budgets, and periods without budgets all impaired and disrupted the essential operations of State government.
- The State enacted a new tax code.
- The State's largest city sought protection from its creditors through an attempted declaration of bankruptcy.

The causes are varied and complex. The national recession has reduced tax collections throughout the country. Federal and court imposed mandates are increasing state government costs for medicaid, corrections, and human services. The State has suffered the self-inflicted wound of failing to provide for the inevitable rainy day; in financial good times we consumed rather than saved. Also, we indulged in the debt financing of current services, thus burdening future generations with the costs of programs of which we ourselves are the primary beneficiaries.

The State must face and address these and other problems. The national recession continues with no end clearly in sight. The end of the Cold War brings reductions in defense employment and investment. The fiscal crises of our cities and towns deepen even as our own resources, and thus our capacity to render assistance, dwindle.

On its own, State government cannot heal the national recession or relieve itself of federal or judicial mandates. We can, however, face the ways we have contributed to our own problems and demonstrate the capacity for sacrifice and change necessary to move forward.

First, the State needs to resolve its place in the economy. Government can't grow faster than the economic base that supports it. That, in recent years, is part of the problem. From 1982 through 1988 total State governmental operating expenditures averaged approximately 8.7% of total Connecticut Personal Income. However, in 1989 that rate jumped to 10.0%, then to 10.4% in 1990 and up to 10.5% presently.

**GOVERNMENTAL OPERATING EXPENDITURES AS A PERCENT OF
PERSONAL INCOME**
(millions)

<u>Fiscal Year</u>	<u>Governmental Expenditures</u>	<u>Connecticut Personal Income</u>	<u>Ratio</u>
1982	\$3,831	\$43,799	8.7%
1983	3,981	46,790	8.5
1984	4,473	51,104	8.8
1985	4,904	56,123	8.7
1986	5,159	59,971	8.6
1987	5,882	65,071	9.0
1988	6,372	71,696	8.9
1989	7,779	78,111	10.0
1990	8,534	82,078	10.4
1991	8,930	84,667	10.5

Some of this growth represents an inevitable and appropriate response to social needs and to the collective will of our citizens for progress in areas as diverse as education, environmental regulation, and criminal justice. But not all of this growth can be so explained.

Our indebtedness results from increases in personnel, growth in the quiet spending of tax expenditures and bonding, and massive increases in health expenditures. These have combined with other factors to produce an unacceptable deterioration of the fiscal position of the State and a growth in overall expenditures that at first strained and then exceeded our resources.

Of course, the deterioration of our fiscal position reflects not only the growth in state government spending but also the deterioration of our State's economic base. In the final analysis, there will be no fiscal solution to our fiscal crisis absent determined and effective leadership to revitalize our State's economy. Viewed from any perspective, however, the hard, irrefutable lesson remains that the growth of government cannot exceed that of the resources of its own citizens.

The State needs to adopt a program of multi-year financial planning prepared on a consistent and widely accepted basis. This plan would facilitate management of a work-out of our present financial problems and will help ensure a frank discussion of the future impact of today's decisions.

Second, no avenue or alternative should be left unexplored if it has potential to improve the efficiency, economy and effectiveness of State government operations. We need to apply more market centered tests to programs and develop an entrepreneurial spirit.

Third, permit agency managers to be accountable. For example, the Commissioner of Public Safety has responsibility to protect the lives and property of all the State's citizens but is limited to a direct purchase authority of only \$600. This stifles management. Instead, we should provide agency managers the tools and flexibility to manage. This will instill, not diminish, real accountability.

Consistent with this, this Office will be issuing a series of internal control and accountability directives that will specify the minimal level of controls necessary to protect the State's resources while empowering agency managers to determine the most effective and efficient means to accomplish those internal control objectives. Agency managers will be asked to evaluate annually the adequacy of those controls, asked candidly to identify weaknesses, and identify corrective action measures accordingly. My constitutional concern for proper internal controls will be satisfied when managers can manage and have the incentive to identify the problems and weaknesses in financial control systems. The identification and reporting of problems and weaknesses at the agency level must be rewarded rather than punished for it is at that level and in that atmosphere that the most effective solutions to our problems are likely to be devised.

Fourth, all processes should have a control mechanism to ensure that goals, policies, and objectives are fulfilled. To this end, this Office will be initiating a management or performance audit function to evaluate the economy, efficiency, and effectiveness of State programs. This recognizes the responsibility of our Office to ensure that the State's resources are managed and expended in conformance to the expressed intent of our lawmakers.

Fifth, the State should stop deficit financing of current programs. Debt financing should be used only when there is a demonstrable, tangible benefit to the future generations who will repay the debt plus interest. Debt should finance investments, not operations.

Connecticut cannot afford to continue on in the old ways. Prudent fiscal management and improved efficiency and effectiveness are necessary. The good news is that with strong political leadership and authentic collaboration among key state managers we can achieve in the months and years ahead the improved performance that is now more than ever a necessity.

FINANCIAL STRUCTURE OVERVIEW

INTERNAL CONTROLS

Elected officials, agency commissioners, directors of public benefit corporations and agency managers are responsible for establishing and maintaining an internal control structure to ensure public resources are:

- Used economically, efficiently, and effectively;
- Utilized in accordance with laws and regulations;
- Protected from loss, theft, and misuse; and
- Accounted for in accordance with prescribed standards.

The internal control structure broadly comprehends both finance, operations, and administration and is comprised of a number of elements including:

- Control Environment which reflects the overall attitude, awareness, and actions of elected officials or agency managers concerning the importance of control and its emphasis in state government.
- Accounting System which consists of the methods and records established to identify, assemble, analyze, classify, record, and report transactions and to maintain accountability over State resources.

- Control Procedures which includes those policies and procedures that elected officials and management have established to provide reasonable assurance that specific objectives are being achieved.

Reasonable assurance, not absolute assurance, is the pertinent standard which an internal control structure should satisfy. This recognizes that the cost of the control should not exceed the benefits that are expected to be derived. It requires estimates and judgments by management. In any internal control structure, errors, irregularities, inefficiencies, and ineffectiveness may occur.

Elected officials and management, therefore, are responsible to design and implement an internal control structure which provides reasonable assurance that such occurrences will be detected within a timely period by State employees in the normal course of performing their assigned function and that management initiates appropriate corrective action.

BUDGETARY CONTROLS

The budget is probably the most significant financial document produced by a government. It is an expression of public policy, an expression of financial intent, and it provides a basis for evaluating performance. Connecticut's budgetary control process consists of four elements:

- Initiative - the legislature appropriates funds for a particular purpose.
- Allotment - appropriated funds are allotted by the Governor for use.
- Encumbrance - State agencies request the Comptroller to encumber an allotment.
- Expenditure - State funds are expended by the Treasurer upon a warrant, draft, or order by the Comptroller at the request of the responsible agency.

Budgeted funds include the General Fund, the Transportation Fund, the Soldiers, Sailors and Marines Fund, and the Regional Market Operations Fund. Appropriations for operating and capital purposes are for one year unless a continuing appropriation is granted by the legislature. The budget is enacted on a "modified cash" basis in which revenues are generally recognized when received, except for certain taxes and federal grant revenues, and expenditures are recognized when paid. Budgetary control is maintained at the line item by agency as established and authorized in appropriation bills. No warrant, draft, or order may be issued by the Comptroller or paid by the Treasurer in excess of the available balance of the applicable account unless the General Assembly has passed a deficiency bill for the purpose or unless such appropriation has been increased by the Governor in the limited circumstances of emergency expenditures or allotment modifications as authorized by statute.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This Comprehensive Annual Financial Report is an important element of the State's internal control structure and complements the budget. Whereas the budget articulates policy, financial intent, and a plan of operations, the CAFR reports on the discharge of these goals. Specifically it is intended to:

- Compare financial results with the legally adopted budget.
- Assess financial condition and result of operations.
- Assist in determining compliance with finance-related laws, rules, and regulations and
- Assist in evaluating efficiency and effectiveness.

The CAFR is essential in fulfilling the duty of the State to be publicly accountable to the citizenry for the resources in its charge. It is organized into three parts. An Introductory section presents an overview of the State government and a summary of the economy, financial condition, and operations of the State for the past year. It includes this transmittal letter, the State's organization chart, and a list of selected officials. The Financial section includes the independent auditor's report, the State's general purpose financial statements, and the combining and individual fund and account group financial statements and schedules. The Statistical section contains trends and other economic, demographic, and financial information of the State's financial condition and results of operation.

The information contained in this CAFR was compiled and summarized through the State's accounting system in accordance with the parameters set by the internal control structure. The assertions and representations contained herein are the responsibility of the State's management. It is prepared in accordance with generally accepted accounting principles and includes all necessary presentations and disclosures to present fairly, in all material respects, the financial position of the State as of June 30, 1991, and the results of its operations for the year then ended.

All funds, account groups, and departments of the State are included as are those entities over which the state exercises oversight responsibility. Those entities include:

- Connecticut Development Authority
- Connecticut Housing Finance Authority
- Connecticut Resources Recovery Authority
- Teachers' Retirement System
- Bradley International Airport (Trustee Activities)

For each of these entities the State's oversight responsibility was judged based on the selection of governing authority, financial interdependency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Other entities are excluded from this report because the degree of oversight responsibility was not significant. These entities include certain independent foundations associated with higher education and the Connecticut Alternate Retirement Program.

INDEPENDENT AUDIT

The general purpose financial statements were audited by the Auditors of Public Accounts. The audit was conducted in accordance with generally accepted auditing standards. Their report, which was unqualified, is presented herein.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

This CAFR was also prepared in accordance with the standards of the Government Finance Officers Association of the United States and Canada (GFOA) for the award of a Certificate of Achievement for Excellence in Financial Reporting (Certificate). That award was presented for the CAFRs for the fiscal years ended June 30, 1989 and 1990, and we believe this report will continue to meet those standards. The Certificate of Achievement

is the highest form of recognition for excellence in state and local government reporting. Connecticut was the first New England state to receive the Certificate and is one of only twenty-two states to hold such a distinction.

The Certificate of Achievement for Excellence in Financial Reporting is an award which recognizes the nation's finest examples of financial reporting. The attainment of a Certificate of Achievement represents a significant accomplishment for a government and its management.

The Certificate program was established by the Government Finance Officers Association in 1945. The GFOA believes that governments have a special responsibility to provide the public with a fair presentation of their financial affairs. CAFRs go beyond the requirements of generally accepted accounting principles to provide the many users of government financial statement with a wide variety of information useful in evaluating the financial condition of a government.

To be eligible for a Certificate, a CAFR must include general purpose financial statements presented in conformity with generally accepted accounting principles (GAAP). These reports must be audited in accordance with generally accepted auditing standards, with the auditor taking at least "in relation to" responsibility for combining, individual fund and account group presentations. To earn a Certificate, a CAFR should give a clear and thorough view of the government's finances. Award-winning reports should enhance the reader's understanding of the information required by GAAP for fair presentation of the financial statements, be efficiently organized, and adhere to certain generally accepted terminology and formatting conventions.

FISCAL YEAR 1991 PERFORMANCE

On virtually every measure, Connecticut's performance in fiscal year 1991 was disappointing. The total deficit from governmental operations, excluding the proceeds of bonds (deficit financing), was more than \$1.2 billion, almost 16% of total governmental revenues. Governmental operations include the activity of the General Fund, Special Revenue Funds, and the Debt Service Fund.

GOVERNMENTAL OPERATING RESULTS

(millions)

	<u>FY91</u>	<u>FY90</u>
General Fund Deficit	\$ 885	\$ 437
Special Revenue Funds Deficits:		
Transportation	28	43
Grant and Loan Programs	189	126
Housing Programs	96	98
Other, net	<u>13</u>	<u><1></u>
Total Special Revenue Funds	<u>326</u>	<u>266</u>
Total Governmental Operating Deficits	<u>\$1,211</u>	<u>\$ 703</u>
Total Governmental Revenues		
Taxes	\$4,640	\$4,962
Intergovernmental	1,689	1,479
All Other	<u>1,394</u>	<u>1,393</u>
	<u>\$7,723</u>	<u>\$7,834</u>

Deficit As a Percent of Total Revenue	15.7%	9.0%
Deficit As a Percent of Total Tax Revenue	26.1%	14.2%

Tax revenues declined to virtually the same level as recognized in fiscal year 1989. Expenditure increases on Human Services, in particular Medicaid, continued with little ability of the State to halt the rise. Human Services' expenditures have grown approximately 20% for each of the past 2 years and now represent 24% of total expenditures.

Debt service as a percent of total governmental expenditures increased to 6.1% in fiscal year 1991 from 4.9% in fiscal year 1989 and this too is likely to continue although, unlike the Human Services, the continuation of the increase is within the control of the State.

Deficit financing for the Grant and Loan Programs Special Revenue Fund and the Housing Programs Special Revenue Fund continued in fiscal year 1991, representing almost 27% of total debt issuances. Such debt issues more than doubled to \$430 million. This will increase the debt service demand on State resources. Indeed, debt service as a percent of total expenditures could increase to more than 10%, almost twice the level of fiscal year 1991.

Debt per capita almost tripled since 1987 to \$1,611 for every man, woman and child in the State.

OPERATING RESULTS - FISCAL YEAR 1991

General Fund

Connecticut's financial position deteriorated significantly this past fiscal year. The General Fund deficit was \$885 million, twice the \$437 million deficit in fiscal year 1990. This raised the cumulative General Fund deficit to \$1.3 billion, approximately 20% of annual revenues.

GENERAL FUND OPERATING DEFICIT

	(millions)	
Deficit in Fiscal Year 1989		\$ 212
Expenditure Increases <Decreases>:		
General Government	\$ 132	
Health and Hospitals	42	
Human Services	289	
Education, Libraries and Museums	347	
Corrections	67	
Debt Service	58	
Other, net	<49>	886
Revenue <Increases>:		
Taxes	<397>	
Licenses, Permits and Fees	<36>	
Intergovernmental	<203>	
Other, net	<23>	<659>
Other Changes, net		<2>
Deficit Fiscal Year 1990 (forwarded)		437

Deficit Fiscal Year (forwarded)**437****Expenditure Increases <Decreases>:**

General Government	<134>	
Health and Hospitals	59	
Human Services	342	
Education, Libraries and Museums	<114>	
Corrections	71	
Debt Service	43	
Other, net	<u>7</u>	274

Revenue <Increases> Decreases:

Taxes	331	
Intergovernmental	<168>	
Other, net	<u>13</u>	176
Other Changes, net		<u><2></u>

Deficit in Fiscal Year 1991**\$ 885**

There are two primary causes of this. First is the decline in General Fund tax revenue by \$331 million from the \$4,634 million recognized in fiscal year 1990. Indeed, in fiscal year 1991 the General Fund tax revenue was only slightly more than the \$4,237 million recognized two years ago in fiscal year 1989.

GENERAL FUND REVENUES
(millions)

	<u>FY91</u>	<u>FY90</u>	<u>CHANGE</u>
Taxes	\$4,303	\$4,634	\$<331>
Licenses, Permits and Fees	104	108	<4>
Intergovernmental	1,520	1,352	168
Charges for Services	42	41	1
Fines, Forfeits and Rents	21	34	<13>
Investment Earnings	6	2	4
Miscellaneous	<u>125</u>	<u>126</u>	<u><1></u>
Subtotal	<u>6,121</u>	<u>6,297</u>	<u><176></u>
Transfers In:			
Lottery and OTB	240	246	<6>
Other	<u>9</u>	<u>11</u>	<u><2></u>
	<u>249</u>	<u>257</u>	<u><8></u>
Total	<u>\$6,370</u>	<u>\$6,554</u>	<u>\$<184></u>

Corporation taxes declined \$159 million, 24%; capital gains, dividends and interest taxes declined \$120 million, 20%; and the public service corporation tax decreased \$96 million, 35%.

GENERAL FUND TAX REVENUES

(millions)

	<u>FY91</u>	<u>FY90</u>	<u>CHANGE</u>
Sales and Use	\$2,410	\$2,474	\$ <64>
Corporation	516	675	<159>
Capital Gains, Dividends and Interest	474	594	<120>
Public Service Corporations	182	278	<96>
Inheritance and Estate	267	164	103
Insurance Companies	174	170	4
Cigarettes and Tobacco	114	119	<5>
Real Estate Conveyance	49	60	<11>
Alcoholic Beverages	45	47	<2>
Oil Companies	46	28	18
Admissions, Dues and Cabaret	20	20	--
Miscellaneous	6	5	1
Total	<u>\$4,303</u>	<u>\$4,634</u>	<u>\$<331></u>

The second reason for the fiscal year 1991 deficit is the growth in expenditures due in part to Federal and court imposed mandates. General Fund expenditures for Human Services increased \$342 million, 20% over fiscal year 1990 and by more than \$631 million, 40% over fiscal year 1989. Over \$2.1 billion was expended on Human Services in fiscal year 1991, consuming almost one third of total General Fund resources in the year. Medicaid was the significant factor behind this growth and represented \$1.2 billion, more than one half of total Human Services expenditures. This was caused by a combination of increased utilization and increasing health care costs. The State finances approximately one half of Medicaid costs.

Court mandated expenditures for corrections and an increasing inmate population also contributed to the deficit. Corrections' expenditures increased by \$71 million, 17% over the \$421 million spent in fiscal year 1990. This also matches the rate of growth in this category for fiscal year 1990.

These factors more than offset any savings from reduced expenditures in General Government (\$134 million) and Education, Libraries and Museums (\$114 million). Indeed, there was no growth in other major areas such as Natural Resources and Recreation, Regulation and Protection, and State support for higher education.

GENERAL FUND EXPENDITURES

(millions)

	<u>FY91</u>	<u>FY90</u>	<u>CHANGE</u>
Legislative	\$ 42	\$ 41	\$ 1
General Government	382	516	<134>
Regulation and Protection	212	219	<7>
Natural Resources and Recreation	68	71	<3>
Health and Hospitals	902	843	59
Human Services	2,108	1,766	342
Education, Libraries and Museums	1,676	1,790	<114>
Corrections	492	421	71
Judicial	188	172	16
Federal and Other Grants	478	478	--
Debt Service	311	268	43
Subtotal (forwarded)	<u>6,859</u>	<u>6,585</u>	<u>274</u>

Subtotal (forwarded)	6,859	6,585	274
Transfers Out:			
Higher Education	398	410	<12>
Other	3	1	2
	<u>401</u>	<u>411</u>	<u><10></u>
Total	<u>\$7,260</u>	<u>\$6,996</u>	<u>\$ 264</u>

Special Revenue Funds

The Special Revenue Funds incurred a net operating deficit of \$326 million in fiscal year 1991 up from the \$266 million net deficit incurred in fiscal year 1990. These deficits were financed by the issuance of State debt of \$621 million in fiscal year 1991 and \$304 million in fiscal year 1990. Principal and interest on this debt must be repaid from State taxes and fees.

SPECIAL REVENUE FUND OPERATING RESULTS

(millions)

Fiscal Year 1990 Deficits:	
Transportation	\$ <43>
Grant and Loan Programs	<126>
Housing Programs	<98>
Other, net	1
<Deficits> before Proceeds from Sale of Bonds	<266>
Proceeds from Sale of Bonds	304
Surplus Fiscal Year 1990	<u>\$ 38</u>
Fiscal Year 1991 Deficits:	
Transportation	\$ <28>
Grant and Loan Programs	<189>
Housing Programs	<96>
Other, net	<13>
<Deficits> before Proceeds from Sale of Bonds	<326>
Proceeds from Sale of Bonds	621
Surplus Fiscal Year 1991	<u>\$ 295</u>

The Transportation Fund incurred a deficit of \$28 million in fiscal year 1991 down from a \$43 million deficit in fiscal year 1990. The Transportation Fund fund balance has been reduced almost half to \$94 million as of June 30, 1991, from the \$163 million fund balance as of June 30, 1989.

The Lottery and OTB Special Revenue Fund continued to provide substantial sums to finance government operations. In fiscal year 1991 more than \$239 million was transferred to the General Fund to finance operations, a decrease from \$246 million in fiscal year 1990.

The Grant and Loan Programs Special Revenue Fund incurred a deficit of \$189 million in fiscal year 1991 and \$126 million in fiscal year 1990. These deficits were financed by State debt offerings of \$286 million and \$94 million respectively, which will add to the demand on State resources in future years to pay the principal and interest on the debt. This is tantamount to deficit financing.

Similarly, the Housing Programs Special Revenue Fund added to the State's debt burden. It incurred deficits of approximately \$97 million in the past two fiscal years that were financed by \$144 million and \$116 million of State debt respectively.

The Environmental Programs Special Revenue Fund was substantially self supporting in fiscal years 1991 and 1990. However, additional debt of \$173 million and \$77 million respectively was incurred to provide additional funding for these programs.

Capital Projects Funds

The rate of spending on capital projects increased at an impressive rate. More than \$1.2 billion was expended on capital projects in fiscal year 1991, up 20% from the \$999 million expended in fiscal year 1990 and up 44% from the \$833 million expended in fiscal year 1989. Spending on infrastructure grew to \$882 million in fiscal year 1991, up 18% from \$747 million and 29% from \$683 million expended in fiscal years 1990 and 1989 respectively. This, in part, was a conscious attempt to benefit from lower construction costs due to the recession.

Approximately 40-45% of this spending is financed by Federal aid with the balance generally financed by State debt. Indeed the fund balances of the Capital Projects Funds increased to \$472 million at June 30, 1991, enough to support almost 40% of annual capital spending.

Expendable Trust Funds

Trust funds were not immune from deficits. The Employment Security Fund incurred deficits of \$337 million and \$137 million in each of the past two fiscal years, largely reflecting the condition of the State's economy because expenditures for unemployment assistance increase during economic decline. These deficits were financed by borrowings from the Federal Unemployment Insurance Fund that will be repaid from future unemployment taxes on employers.

EMPLOYMENT SECURITY FUND (millions)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u><Deficit></u>	<u>Fund Balance</u>
1989	\$238	\$231	\$7	\$324
1990	226	363	<137>	187
1991	223	559	<337>	<150>

The Local Property Tax Relief Fund was also substantially exhausted as of June 30, 1991. Its fund balance stood at only \$8 million as of June 30, 1991, down from \$271 million at the beginning of fiscal year 1989. The fund was originally established in 1985, from transfers of General Fund surpluses, as a Nonexpendable Trust Fund whose earnings were earmarked for local infrastructure projects. Subsequent legislative changes converted the fund to an Expendable Trust Fund for local property tax relief whose corpus would be distributed in approximately equal amounts through 1997. Further legislation accelerated the depletion of the fund through a transfer of \$70 million to the General Fund in 1990 to cover deficits and the payment of an additional \$111 million to municipalities in 1991 for aid previously financed by the General Fund. The fund will be terminated in 1992 after payment of the remaining \$8 million balance to municipalities.

LOCAL PROPERTY TAX RELIEF FUND
(millions)

<u>Fiscal</u> <u>Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u><Deficit></u>	<u>Fund</u> <u>Balance</u>
1989	\$25	\$48	\$<23>	\$248
1990	20	42	<22>	156*
1991	5	152	<147>	8

*reflects a \$70 million equity transfer to the General Fund

The financial condition of the Second Injury and Compensation Assurance Fund is also deteriorating. Expenditures exceeded revenues in the past two fiscal years reducing the fund balance from \$18 million at June 30, 1989 to \$10 million at June 30, 1991. Indeed, the fiscal year 1991 operating deficit was \$6 million. At this rate the fund could be exhausted within the next year.

The cause is a poorly financed program. Expenditures have grown from \$38 million in fiscal year 1989 to \$56 million in fiscal year 1991 while revenue grew from \$42 million to only \$50 million in the same period.

Pension Trust Funds

One bright spot in the States financial condition is the improved funded status of the State pension trust funds through June 30, 1991. The State Employees' Retirement System's (SERS) funded status increased steadily from 45.1% as of fiscal year 1988, to 52.1% in fiscal year 1991, the Teachers' Retirement System (TRS) from 45.8% to 58.0% and the Judicial Retirement System (JRS) from 16.0% to 34.2% respectively.

PENSION FUNDED STATUS

	<u>FY91</u>	<u>FY90</u>	<u>FY89</u>	<u>FY88</u>
SERS	52.1%	50.3%	47.6%	45.1%
TRS	58.0	52.8	47.8	45.8
JRS	34.2	26.3	20.4	16.0
Average Nationally		85.1%*		

*Deloitte and Touche

Although this reflects improvement, the funded status of each of these systems is significantly less than the 85.1% average funded status for public employee retirement systems nationally. Moreover, as part of collective bargaining concessions negotiated with state employee unions to balance the fiscal 1991-92 budget, contributions of \$215 million will be foregone out of the \$307 million normal funding requirement. This will reverse the improved funded status of the plans.

Enterprise Funds

The State Enterprise Funds collectively incurred a small net loss from operations of \$3 million in fiscal year 1991. Three of the six large Enterprise Funds had net losses: the Rental Housing Fund, the Connecticut Development Authority, and the Connecticut Resources Recovery Authority.

ENTERPRISE FUNDS (millions)

Fiscal Year	Operations			Non Operating Net	Net Income <Loss>	Retained Earnings
	Revenue	Expenses	Net			
1989	\$502	\$447	\$55	\$<44>	\$11	\$339*
1990	566	506	60	<11>	49	388
1991	541	521	20	<23>	<3>	298**

*Includes equity transfer in of \$28 million

**Includes equity transfer out of \$55 million

The Rental Housing Fund is essentially bankrupt. Assets of \$153 million were exceeded by \$214 million of liabilities at June 30, 1991, as a result of \$61 million of cumulative losses.

The Connecticut Development Authority incurred a loss of \$3 million in fiscal year 1991 having previously reported profits of approximately \$4 million in each of the two prior years. This was due to a \$7 million expense for an increase in loan loss reserves in fiscal year 1991.

The Connecticut Resources Recovery Authority also incurred a loss in fiscal year 1991, albeit only \$2 million.

The Connecticut Housing Finance Authority reported a small profit of \$3 million. However, this was down significantly from the fiscal year 1991 net income of \$30 million and \$26 million in fiscal year 1989. This was largely the result of a \$30 million charge to operations for loan loss reserves.

Higher Education

Current Fund expenditures at Higher Education increase 7.0% to \$689 million in fiscal year 1991 despite a 3.0% reduction in State support. Higher tuition and other charges compensated for the changes.

Debt Administration

State general obligation bonds are rated Aa, AA-, and AA+ by Moody's, Standard and Poor's, and Fitch Investors Service, respectively. The Standard and Poor's rating was reduced from AA since fiscal year 1991, due to the State's continuing budget problems. Transportation related special tax obligation bonds are currently rated A1, AA-, and AA- respectively, unchanged from the prior year.

The State issued \$1.6 billion of bonds in fiscal year 1991 compared to \$1.2 billion in fiscal year 1990. Virtually all of the increase was to finance operations in the Special Revenue Funds. Indeed, bond financing of governmental operations increased from 25% of total issuances in fiscal year 1990 to 39% in fiscal year 1991. This type of financing is deficit financing and burdens future generations with the cost of a program from which they will not benefit.

DEBT ISSUANCES				
(millions)				
	<u>FY91</u>		<u>FY90</u>	
Special Revenue Funds:				
Grant and Loan Programs	\$ 286	17.8%	\$ 94	7.7%
Environmental Programs	173	10.8	77	6.3
Housing Programs	144	9.0	116	9.6
Other	18	1.0	17	1.5
	<u>621</u>	<u>38.6</u>	<u>304</u>	<u>25.1</u>
Capital Projects Funds:				
State Facilities	534	33.2	284	23.4
Infrastructure	446	27.8	621	51.2
Transportation	6	0.4	4	0.3
	<u>986</u>	<u>61.4</u>	<u>909</u>	<u>74.9</u>
Total Governmental	<u>\$1,607</u>	<u>100.0%</u>	<u>\$1,213</u>	<u>100.0%</u>

On a net debt basis (gross debt less Debt Service Fund fund balance), the State's debt increased 75% from June 30, 1989 to June 30, 1991. The net debt at June 30, 1989 was \$3.0 billion compared to \$5.3 billion at June 30, 1991.

NET STATE DEBT	
(millions)	
Bonds Outstanding June 30, 1989:	
General Obligation	\$1,910
Transportation	<u>1,322</u>
	3,232
Debt Service Fund	<u><209></u>
Net Debt June 30, 1989	3,023
Redemptions	<u><231></u>
Issuances	1,218
Accretion and other	30
Debt Service Fund <increase>	<u><82></u>
Net Debt June 30, 1990	3,958
Redemptions	<u><249></u>
Issuances	1,607
Accretions and other	43
Debt Service Fund <increase>	<u><58></u>
Net Debt June 30, 1991	<u>\$5,301</u>

This debt will become an increasing burden on the taxpayers in the future. Debt service as a percent of governmental operating expenditures has already increased significantly from 4.9% in fiscal year 1989 to 6.1% in fiscal year 1991. Unfortunately, at the rate at which debt is being issued, this burden will continue to increase for years to come. The 75% increase in debt over the past two years could increase debt service to up to 10% of total expenditures in the next few years.

**DEBT SERVICE AS A PERCENT OF
GOVERNMENTAL OPERATING EXPENDITURES**
(millions)

	<u>FY91</u>	<u>FY90</u>
Debt Service:		
Principal	\$249	\$231
Interest	<u>299</u>	<u>234</u>
	<u>\$548</u>	<u>\$465</u>
Governmental Operating Expenditures	<u>\$8,930</u>	<u>\$8,534</u>
Debt Service as a Percent of Governmental Operating Expenditures	6.1%	5.4%

Debt per capita has almost tripled to \$1,611 from \$614 in fiscal year 1987.

NET DEBT PER CAPITA

<u>FY91</u>	<u>FY90</u>	<u>FY89</u>	<u>FY88</u>	<u>FY87</u>
\$1,611	\$1,203	\$920	\$683	\$614

Cash and Investments Management

The State Treasurer continually monitors cash flow to maximize the utilization of cash resources. During the year, temporary balances are invested in short-term investment funds, combined investment pools consisting of various certificates of deposit, bankers' 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 \$124 million and 8.09% respectively. By comparison, 90 day Treasury Bills and 90 day certificates of deposit earned 6.72% and 7.22%, respectively during the same time period.

Bank balances at June 30, 1991, were \$795 million of which about two thirds was not insured or protected by collateral held by the State or a third party custodian.

During the year the State issued \$569 million of notes at an average rate of 4.14% maturing between July and August 1991. This was the second year in a row the State had to resort to short term borrowing. The last time previously that this was necessary was 1984.

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. However, the workers' compensation liability has increased significantly over the past years.

WORKERS COMPENSATION LIABILITY (millions)

	<u>FY91</u>	<u>FY90</u>	<u>FY89</u>	<u>FY88</u>
Liability	\$250	\$200	\$204	\$94

ECONOMIC CONDITION AND OUTLOOK

Connecticut is a mature and highly developed state located close to major centers of consumer and industrial activity. It is highly urbanized with a 1990 population density of 656 per square mile compared to 70 per square mile for the U.S. However, this is confined to relatively small areas with three-fourths of the land sparsely settled. Approximately 84% of the population resides within the three largest New England County Metropolitan Areas fairly evenly divided among the three.

The State's population grew 5.6% from 1980 to 3.3 million people in 1990. This is less than the 6.8% growth for New England and 9.5% for the U.S. over the same period.

Income

Connecticut has the highest per capita personal income of all the states and has held that position since the mid nineteen eighties. Per capita personal income was \$25,647 in 1991, 137% of the \$18,766 U.S. per capita personal income.

PER CAPITA PERSONAL INCOME

<u>Calendar</u>	<u>Connecticut</u>		<u>U.S.</u>	
	<u>\$</u>	<u>%Change</u>	<u>\$</u>	<u>%Change</u>
1988	21,912	9.4	16,008	6.8
1989	23,793	8.6	17,182	7.3
1990	24,948	4.9	18,096	5.3
1991	25,647	2.8	18,766	3.7

However, beginning in 1988 the growth in Connecticut's per capita personal income began to slow and fell below the U.S.'s growth rate for the first time since 1978.

Almost 68% of Connecticut personal income is from wages and other labor income compared to 64% for the U.S. and 20% derived from property income (dividends, rents and interest) compared to 18% for the U.S. Substantially less is derived from transfer payments – 6% for Connecticut compared to 10% for the U.S.

Employment

Nonagricultural employment in the State is diverse.

Connecticut manufacturing employment is characterized by processes and products which require skilled labor and a high degree of technology. The State is the largest producer of submarines, aircraft engines and parts, and is a leading producer of helicopters and ball bearings.

COMPOSITION OF NET NONAGRICULTURAL ESTABLISHMENT EMPLOYMENT 1990

	<u>Connecticut</u>	<u>U.S.</u>
Manufacturing	20.9%	17.3%
Trade	22.3	23.7
Services	26.3	25.5
Government	12.9	16.6
Finance	9.2	6.2
Utilities	4.5	5.3
Construction	3.9	5.4
	<u>100.0%</u>	<u>100.0%</u>

Defense-related business plays an important role in the State's economy. On a per capita basis defense contracts are, and have traditionally been, among the highest in the nation. However, this emphasis of defense-related business will probably pose significant problems for the State because of the end of the Cold War and the defense reductions by the Federal government. In the President's budget for Federal fiscal year 1993, significant cuts were proposed for defense. Already, a number of significant defense-related employers in the State have announced reductions.

This bodes ill for the State. Unemployment in Connecticut has already increased to 5.3% in calendar 1991 because of the recession, up steadily from a low of 3.0% in 1988. This may worsen because of the State's concentration of defense manufacturing employment even when the overall economy improves.

UNEMPLOYMENT

<u>Fiscal</u>	<u>Connecticut</u>	<u>U.S.</u>
1988	3.0%	5.8%
1989	3.2	5.3
1990	4.5	5.3
1991	5.3	6.2

Retail Sales

Retail sales growth since the late nineteen eighties has been lackluster compared to dramatic increases in the early eighties. Since 1988 retail sales grew only 2.8%.

RETAIL SALES GROWTH

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
3.3%	<2.0>%	1.5%	2.9%	0.5%	26.2%

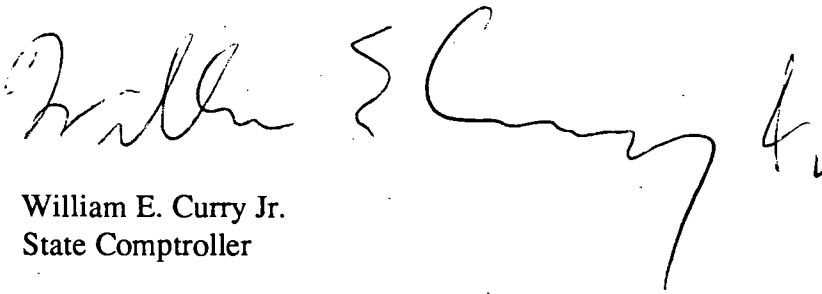
Political Subdivisions

Connecticut's political jurisdictions also face rising fiscal hardship. Unlike many other states, Connecticut has no county governments. All local public services are provided by towns or cities. In fiscal year 1991, Bridgeport, the State's largest city, tried to file for bankruptcy. In addition, Hartford, New Haven, Waterbury, New London, New Britain, and Windham have all been identified as suffering from chronic fiscal stress requiring special assistance from the State.

ACKNOWLEDGMENTS

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 deserve special acknowledgment.

Sincerely,

A handwritten signature in dark ink, appearing to read "William E. Curry Jr.", with a stylized flourish at the end.

William E. Curry Jr.
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to
State of Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.



Gary R. Horsthem

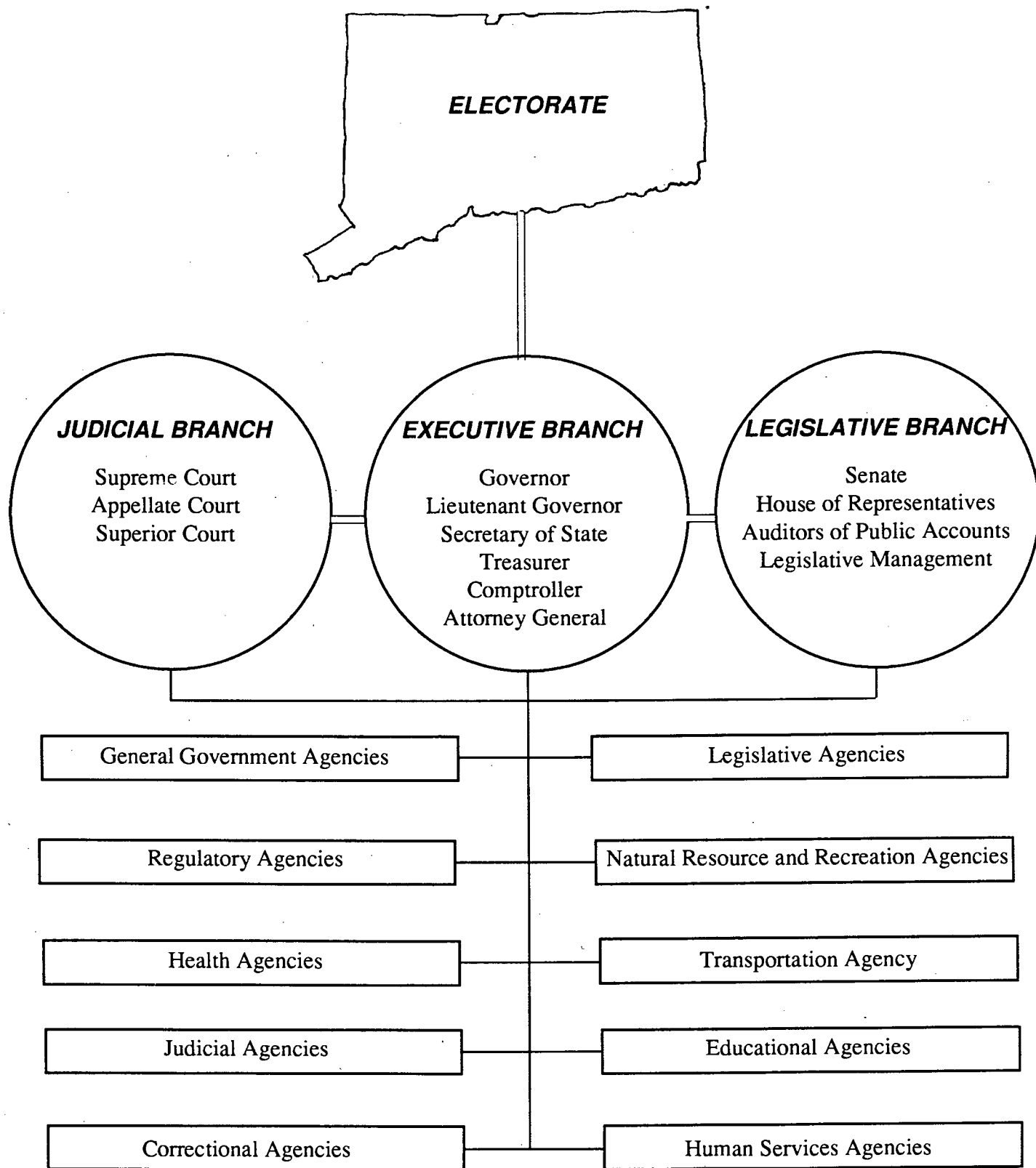
President

Jeffrey L. Esler

Executive Director



Organization Chart





Selected State Officials

As of June 30, 1991

EXECUTIVE

Lowell P. Weicker, Jr.
Governor

Eunice S. Groark
Lieutenant Governor

Pauline R. Kezer
Secretary of State

Francisco L. Borges
Treasurer

William E. Curry Jr.
Comptroller

Richard Blumenthal
Attorney General

JUDICIAL

Ellen A. Peters
Chief Justice

LEGISLATIVE

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

Richard J. Balducci
Speaker of the House of Representatives
(151 Representatives)



THIS PAGE LEFT INTENTIONALLY BLANK



FINANCIAL SECTION



THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

LEO V. DONOHUE

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106

HENRY J. BECKER, JR.

INDEPENDENT AUDITORS' REPORT

Honorable Lowell P. Weicker, Jr.
and
Members of the General Assembly

We have audited the accompanying general purpose financial statements of the State of Connecticut as of June 30, 1991, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Connecticut's financial management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits of the financial records of the State Comptroller and the State Treasurer. We did not audit the financial statements of the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, and the Bradley International Airport, which represent 97 percent and 98 percent, respectively, of the assets and revenues of the Enterprise Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by

management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audits and the reports of other auditors, 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, 1991, and the results of its operations and cash flows of its proprietary and similar trust fund types 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 fund and 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.

AUDITORS OF PUBLIC ACCOUNTS

Lee J. Groves

Therese J. Berkenz

February 5, 1992
Hartford, Connecticut



GENERAL PURPOSE FINANCIAL STATEMENTS



Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1991

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Cash and Cash Equivalents.....	\$ -	\$164,846	\$186,126	\$ -
Investments.....	-	117,856	163,080	-
Receivables:				
Taxes.....	408,909	30,189	-	-
Accounts, Net of Allowances.....	274,126	11,944	-	290
Tuition and Patient Services.....	-	-	-	-
Loans, Net of Allowances.....	-	273,152	-	-
Notes.....	-	-	-	-
Interest.....	1	4,785	-	1,011
Non-Federal Grants Receivable.....	613	-	-	-
Due From Other Funds.....	18,072	241,095	-	528,805
Receivable From Other Governments.....	200,472	9,613	-	74,755
Advances To Other Funds.....	75,420	-	-	-
Inventories and Prepaid Items.....	35,094	9,215	-	-
Restricted Assets.....	-	-	-	-
Property, Plant & Equipment.....	-	-	-	-
Other Assets.....	-	-	-	-
Other Debits:				
Amount Available in Debt Service Fund.....	-	-	-	-
Amount to be Provided For Debt Retirement.....	-	-	-	-
Total Assets and Other Debits.....	\$ 1,012,707	\$862,695	\$349,206	\$604,861
Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 431,517	\$ 50,294	\$ -	\$129,491
Due to Other Funds.....	779,744	3,493	-	3,402
Payable to Other Governments.....	43,281	187	-	-
Advances Due Other Funds.....	-	33	-	-
Deferred Revenue.....	333,785	36,214	-	54
Escrow Deposits.....	-	-	-	-
Notes and Loans Payable.....	569,000	-	-	-
Deferred Compensation Liability.....	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-
General Obligation Bonds.....	-	-	-	-
Transportation Related Bonds.....	-	-	-	-
Revenue Bonds.....	-	-	-	-
Capital Leases.....	-	-	-	-
Compensated Absences.....	-	-	-	-
Unfunded Pension Costs.....	-	-	-	-
Workers Compensation Liability.....	-	-	-	-
Total Liabilities.....	2,157,327	90,221	-	132,947
Equity and Other Credits:				
Investment in Fixed Assets.....	-	-	-	-
Contributed Capital.....	-	-	-	-
Retained Earnings:				
Reserved.....	-	-	-	-
Unreserved.....	-	-	-	-
Fund Balances:				
Reserved.....	129,718	347,599	349,206	-
Unreserved, undesignated.....	(1,274,338)	424,875	-	471,914
Total Equity and Other Credits.....	(1,144,620)	772,474	349,206	471,914
Total Liabilities, Equity and Other Credits.....	\$ 1,012,707	\$862,695	\$349,206	\$604,861

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		
\$ 238,852	\$ 9,863	\$ 729,919	\$ -	\$ -	\$186,403	\$ 1,516,009
440,214	-	8,139,873	-	-	13,974	8,874,997
-	-	-	-	-	-	439,098
19,920	4,183	14,170	-	-	54,806	379,439
-	-	-	-	-	597	597
2,357,479	-	15	-	-	24,842	2,655,488
1,826,720	-	-	-	-	-	1,826,720
30,417	-	12,782	-	-	373	49,369
-	-	-	-	-	-	613
2,683	2,372	14,482	-	-	3,570	811,079
5,297	-	27	-	-	-	290,164
-	-	-	-	-	-	75,420
4,778	6,070	962	-	-	6,547	62,666
491,710	-	-	-	-	-	491,710
381,382	24,326	-	2,708,625	-	1,126,624	4,240,957
37,227	665	567,108	-	-	1,705	606,705
-	-	-	-	349,206	-	349,206
-	-	-	-	9,572,815	-	9,572,815
<u>\$5,836,679</u>	<u>\$47,479</u>	<u>\$9,479,338</u>	<u>\$2,708,625</u>	<u>\$9,922,021</u>	<u>\$1,419,441</u>	<u>\$32,243,052</u>
\$ 99,925	\$ 4,929	\$ 3,728	\$ -	\$ -	\$38,614	\$ 758,498
5,410	552	15,863	-	-	2,615	811,079
1,675	-	156,034	-	-	-	201,177
75,387	-	-	-	-	-	75,420
2,686	1	4,811	-	-	19,716	397,267
57,289	-	-	-	-	-	57,289
6,300	30	-	-	-	10,194	585,524
-	-	194,492	-	-	-	194,492
-	-	859,328	-	-	11,031	870,359
-	-	-	-	3,392,185	-	3,392,185
-	-	-	-	2,257,997	-	2,257,997
5,180,893	-	-	-	-	30,070	5,210,963
-	-	-	-	12,028	766	12,794
75	2,286	-	-	152,171	10,544	165,076
-	-	-	-	3,856,738	-	3,856,738
-	-	-	-	250,902	-	250,902
<u>5,429,640</u>	<u>7,798</u>	<u>1,234,256</u>	<u>-</u>	<u>9,922,021</u>	<u>123,550</u>	<u>19,097,760</u>
-	-	-	2,708,625	-	1,084,529	3,793,154
109,119	13,802	-	-	-	-	122,921
299,356	-	-	-	-	-	299,356
(1,436)	25,879	-	-	-	-	24,443
-	-	8,368,569	-	-	71,400	9,266,492
-	-	(123,487)	-	-	139,962	(361,074)
407,039	39,681	8,245,082	2,708,625	-	1,295,891	13,145,292
<u>\$5,836,679</u>	<u>\$47,479</u>	<u>\$9,479,338</u>	<u>\$2,708,625</u>	<u>\$9,922,021</u>	<u>\$1,419,441</u>	<u>\$32,243,052</u>



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, 1991

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes.....	\$ 4,303,014	\$ 336,522	\$ -	\$ -
Licenses, Permits and Fees.....	104,361	261,419	-	-
Intergovernmental.....	1,519,553	169,178	-	505,612
Charges for Services.....	41,892	19,261	-	-
Fines, Forfeits and Rents.....	20,945	866	-	-
Investment Earnings.....	6,473	56,602	6,640	3,074
Lottery and Off Track Betting.....	-	731,095	-	-
Miscellaneous.....	125,151	19,564	-	-
Total Revenues.....	6,121,389	1,594,507	6,640	508,686
Expenditures:				
Current:				
Legislative.....	41,798	-	-	-
General Government.....	382,237	638,257	-	-
Regulation and Protection.....	212,050	110,423	-	-
Natural Resources and Recreation.....	68,137	123,590	-	-
Health and Hospitals.....	902,229	5,709	-	-
Transportation.....	-	396,077	-	-
Human Services.....	2,107,901	22,805	-	-
Education, Libraries and Museums.....	1,676,278	96,350	-	-
Corrections.....	492,346	6,733	-	-
Judicial.....	188,346	1,428	-	-
Federal and Other Grants.....	477,486	42,659	-	-
Capital Projects.....	-	-	-	1,197,532
Debt Service:				
Principal Retirement.....	169,779	44,000	34,765	-
Interest and Fiscal Charges.....	140,702	41,620	116,639	-
Total Expenditures.....	6,859,289	1,529,651	151,404	1,197,532
Excess (Deficiency) of Revenues Over Expenditures.....	(737,900)	64,856	(144,764)	(688,846)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds.....	-	621,116	-	986,252
Operating Transfers In.....	248,604	13,455	202,349	5,057
Operating Transfers Out.....	(400,833)	(406,648)	-	(103,479)
Capital Lease Obligations.....	5,508	2,170	-	-
Total Other Financing Sources (Uses).....	(146,721)	230,093	202,349	887,830
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	(884,621)	294,949	57,585	198,984
Fund Balances (deficit) - July 1.....	(329,885)	486,445	291,621	272,930
Residual Equity Transferred In.....	64,992	500	-	-
Residual Equity Transferred Out.....	(500)	(10,000)	-	-
Changes in Reserves for Inventories and Prepaids.....	5,394	580	-	-
Fund Balances (deficit) - June 30.....	\$(1,144,620)	\$ 772,474	\$ 349,206	\$ 471,914

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



Fiduciary Fund Type	Total (Memorandum only)
Expendable Trust	
\$ 217,114	\$ 4,856,650
110	365,890
-	2,194,343
-	61,153
-	21,811
15,115	87,904
-	731,095
49,383	194,098
<u>281,722</u>	<u>8,512,944</u>
-	41,798
211,204	1,231,698
569,732	892,205
-	191,727
-	907,938
-	396,077
-	2,130,706
10	1,772,638
-	499,079
-	189,774
-	520,145
-	1,197,532
-	248,544
-	298,961
<u>780,946</u>	<u>10,518,822</u>
<u>(499,224)</u>	<u>(2,005,878)</u>
-	1,607,368
1,044	470,509
(1,305)	(912,265)
-	7,678
<u>(261)</u>	<u>1,173,290</u>
(499,485)	(832,588)
375,998	1,097,109
-	65,492
-	(10,500)
-	5,974
<u>\$(123,487)</u>	<u>\$ 325,487</u>



Combined Statement of Revenues, Expenditures and Changes in Fund Balances

BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS
GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1991
(Expressed in Thousands)

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Budgeted Revenues:			
Taxes, Net of Refunds.....	\$4,319,100	\$4,290,186	\$ (28,914)
Operating Transfers In.....	257,300	257,254	(46)
Licenses, Permits and Fees.....	104,000	104,402	402
Other.....	173,200	173,505	305
Federal Grants.....	992,600	992,582	(18)
Total Budgeted Revenues.....	5,846,200	5,817,929	(28,271)
Expenditures:			
Legislative.....	37,421	33,496	3,925
General Government.....	334,908	312,227	22,681
Regulation and Protection.....	175,466	163,971	11,495
Natural Resources and Recreation.....	56,113	53,673	2,440
Health and Hospitals.....	776,813	762,279	14,534
Transportation.....	-	-	-
Human Services.....	2,054,692	2,032,599	22,093
Education, Libraries and Museums.....	1,901,822	1,879,347	22,475
Corrections.....	420,089	410,777	9,312
Judicial.....	145,555	138,765	6,790
Non Functional.....	862,377	848,088	14,289
Appropriations Lapsed.....	(130,034)	-	(130,034)
Total Expenditures.....	6,635,222	6,635,222	-
Excess (Deficiency) of Revenues			
Over Expenditures.....	(789,022)	(817,293)	(28,271)
Other Financing Sources (Uses):			
Federal and Other Restricted Sources.....	-	551,263	551,263
Federal and Other Restricted Uses.....	-	(551,263)	(551,263)
Transfers Between Funds.....	-	10,000	10,000
Miscellaneous Adjustments.....	-	(1,176)	(1,176)
Total Other Financing Sources (Uses).....	-	8,824	8,824
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses.....	\$ (789,022)	(808,469)	\$ (19,447)
Budgetary Fund Balances - July 1.....		149,906	
Changes in Reserves.....		(6,910)	
Budgetary Fund Balances (deficit) June 30.....		\$ (665,473)	

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)
\$333,500	\$330,910	\$ (2,590)	\$4,652,600	\$4,621,096	\$ (31,504)
-	-	-	257,300	257,254	(46)
222,500	221,627	(873)	326,500	326,029	(471)
34,070	34,140	70	207,270	207,645	375
9,200	9,230	30	1,001,800	1,001,812	12
<u>599,270</u>	<u>595,907</u>	<u>(3,363)</u>	<u>6,445,470</u>	<u>6,413,836</u>	<u>(31,634)</u>
-	-	-	37,421	33,496	3,925
1,241	1,241	-	336,149	313,468	22,681
-	-	-	175,466	163,971	11,495
553	537	16	56,666	54,210	2,456
-	-	-	776,813	762,279	14,534
327,864	318,911	8,953	327,864	318,911	8,953
3,163	2,933	230	2,057,855	2,035,532	22,323
-	-	-	1,901,822	1,879,347	22,475
-	-	-	420,089	410,777	9,312
-	-	-	145,555	138,765	6,790
295,178	289,210	5,968	1,157,555	1,137,298	20,257
<u>(14,921)</u>	<u>-</u>	<u>(14,921)</u>	<u>(144,955)</u>	<u>-</u>	<u>(144,955)</u>
<u>613,078</u>	<u>612,832</u>	<u>246</u>	<u>7,248,300</u>	<u>7,248,054</u>	<u>246</u>
<u>(13,808)</u>	<u>(16,925)</u>	<u>(3,117)</u>	<u>(802,830)</u>	<u>(834,218)</u>	<u>(31,388)</u>
-	44,198	44,198	-	595,461	595,461
-	(44,198)	(44,198)	-	(595,461)	(595,461)
(68)	(251)	(183)	(68)	9,749	9,817
-	239	239	-	(937)	(937)
<u>(68)</u>	<u>(12)</u>	<u>56</u>	<u>(68)</u>	<u>8,812</u>	<u>8,880</u>
<u>\$(13,876)</u>	(16,937)	<u>\$ (3,061)</u>	<u>\$ (802,898)</u>	(825,406)	<u>\$ (22,508)</u>
	207,305			357,211	
	<u>(25,526)</u>			<u>(32,436)</u>	
	<u>\$164,842</u>			<u>\$ (500,631)</u>	



Combined Statement of Revenues, Expenses and Changes in Fund Equity/Fund Balances

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Total
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	(Memorandum only)
Operating Revenues:					
Charges for Services.....	\$140,121	\$78,526	\$ -	\$ -	\$ 218,647
Participants' Contributions.....	-	-	-	178,772	178,772
State Contribution.....	-	-	-	378,581	378,581
Interest on Financing Activities.....	383,124	-	-	-	383,124
Investment Earnings.....	-	-	5,110	505,100	510,210
Realized Gains on Investments.....	299	-	-	-	299
Miscellaneous.....	17,589	-	3,820	60,130	81,539
Total Operating Revenues.....	541,133	78,526	8,930	1,122,583	1,751,172
Operating Expenses:					
Cost of Sales and Services.....	-	42,704	-	-	42,704
Administrative.....	119,067	22,056	-	294	141,417
Depreciation and Amortization.....	23,894	12,558	-	-	36,452
Benefit Payments and Refunds.....	-	-	-	555,843	555,843
Other Program Expenses.....	37,054	-	961	14,671	52,686
Realized Losses on Investments.....	4,887	-	-	-	4,887
Interest on Financing Activities.....	336,207	-	-	-	336,207
Total Operating Expenses.....	521,109	77,318	961	570,808	1,170,196
Operating Income.....	20,024	1,208	7,969	551,775	580,976
Nonoperating Revenues (Expenses):					
Interest and Investment Income.....	13,799	-	-	-	13,799
Other.....	58	-	-	-	58
Interest and Fiscal Charges.....	(36,694)	-	-	-	(36,694)
Total Nonoperating Income (Expense).....	(22,837)	-	-	-	(22,837)
Income (Loss) Before Operating Transfers.....	(2,813)	1,208	7,969	551,775	558,139
Operating Transfers In (Out):					
Operating Transfers In.....	-	-	225	12	237
Operating Transfers Out.....	(683)	-	(3,819)	-	(4,502)
Net Income (Loss).....	(3,496)	1,208	4,375	551,787	553,874
Retained Earnings/Fund Balances - July 1 (as adjusted).....	356,409	24,671	56,467	7,755,940	8,193,487
Residual Equity Transferred Out.....	(54,992)	-	-	-	(54,992)
Retained Earnings/Fund Balances - June 30.....	297,921	25,879	60,842	8,307,727	8,692,369
Contributed Capital - July 1 (as adjusted).....	98,548	13,802	-	-	112,350
Capital Additions.....	10,570	-	-	-	10,570
Contributed Capital - June 30.....	109,118	13,802	-	-	122,920
Fund Equity - June 30.....	\$407,039	\$39,681	\$60,842	\$8,307,727	\$8,815,289

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



Combined Statement of Cash Flows

ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Nonexpendable (Memorandum Trust)	(Memorandum only)
Cash Flows From Operating Activities:				
Operating income.....	\$ 20,024	\$ 1,208	\$ 7,969	\$ 29,201
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Amortization and depreciation.....	23,893	12,558	-	36,451
Investment income.....	(80,282)	-	(5,110)	(85,392)
Interest expense.....	336,207	-	-	336,207
Changes in assets and liabilities:				
(Increase) decrease in receivables.....	4,802	(720)	(13)	4,069
(Increase) decrease in due from other funds.....	(2,580)	931	-	(1,649)
(Increase) decrease in receivable from other governments.....	(1,404)	-	-	(1,404)
(Increase) decrease in inventories and prepaid items.....	964	(328)	-	636
Increase (decrease) in accounts payable and accrued liabilities.....	3,901	147	-	4,048
Increase (decrease) in due to other funds.....	7,053	144	-	7,197
Increase (decrease) in payable to other governments.....	885	-	-	885
Other.....	27,691	(233)	-	27,458
Issuance of loans, notes and installment contracts receivable.....	(501,276)	-	-	(501,276)
Collection of loans, notes and installment contracts receivable.....	317,989	-	-	317,989
Net cash provided by (used in) operating activities.....	157,867	13,707	2,846	174,420
Cash Flows From Noncapital Financing Activities:				
Proceeds from sale of bonds and notes.....	566,720	-	-	566,720
Retirement of bonds and notes payable.....	(441,259)	-	-	(441,259)
Interest on bonds and notes payable.....	(332,350)	-	-	(332,350)
Transfers from (to) other funds.....	(31,110)	-	(3,594)	(34,704)
Other-net.....	2,554	-	-	2,554
Net cash provided by (used in) noncapital financing activities.....	(235,445)	-	(3,594)	(239,039)
Cash Flows From Capital And Related Financing Activities:				
Purchase of fixed assets.....	(32,414)	(7,620)	-	(40,034)
Retirement of bonds and notes payable.....	(10,989)	(38)	-	(11,027)
Interest on bonds and notes payable.....	(38,902)	-	-	(38,902)
Capital contributions received (given).....	10,570	-	-	10,570
Other-net.....	2,657	-	-	2,657
Net cash provided by (used in) capital and related financing activities.....	(69,078)	(7,658)	-	(76,736)
Cash Flows From Investing Activities:				
Proceeds from sales of investment securities.....	457,542	-	-	457,542
Purchases of investment securities.....	(604,717)	-	-	(604,717)
Interest and income on investments.....	100,637	-	5,172	105,809
Decrease (increase) in restricted assets.....	42,363	-	-	42,363
Net cash provided by (used in) investing activities.....	(4,175)	-	5,172	997
Increase (decrease) in cash.....	(150,831)	6,049	4,424	(140,358)
Cash and cash equivalents, July 1.....	515,769	3,814	6,230	525,813
Cash and cash equivalents, June 30.....	\$ 364,938	\$ 9,863	\$10,654	\$ 385,455

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



Combined Statement of Changes in Fund Balances

HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	<u>Current Funds</u>		<u>Hospital</u>	<u>Endowment</u>	<u>Loan</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Funds</u>	<u>and</u> <u>Similar Funds</u>	<u>Funds</u>
Revenues and Other Additions:					
Current and Hospital Funds Revenues.....	\$343,108	\$ 78,102	\$102,616	\$ -	\$ -
Private Gifts, Grants and Contracts.....	-	-	-	303	91
Investment Earnings.....	-	-	-	-	50
Endowment Income.....	-	-	-	494	-
Interest on Loans Receivable.....	-	-	-	-	646
Expended for Plant Facilities.....	-	-	-	-	-
Retirement of Indebtedness.....	-	-	-	-	-
Miscellaneous.....	-	-	-	5	-
Total Revenues and Other Additions.....	343,108	78,102	102,616	802	787
Expenditures and Other Deductions:					
Education and General.....	587,748	100,758	-	-	-
Auxiliary Enterprises.....	73,916	-	-	-	-
Hospital.....	37,922	-	104,972	-	-
Loan Cancellations and Write-offs.....	-	-	-	-	492
Capital Expenditures.....	-	-	-	-	-
Disposal of Plant Facilities.....	-	-	-	-	-
Administrative Costs.....	-	-	-	-	99
Retirement of Indebtedness.....	-	-	-	-	-
Other.....	1,619	995	133	282	-
Total Expenditures and Other Deductions.....	701,205	101,753	105,105	282	591
Transfers Among Funds - Additions (Deductions)					
Mandatory:					
Retirement of Indebtedness.....	(18)	-	-	-	-
Other Interfund Transfers.....	(736)	751	-	-	-
Current Funds.....	-	-	-	(215)	-
Nonmandatory:					
Other.....	(5,818)	471	5,075	-	272
Total Transfers Among Funds.....	(6,572)	1,222	5,075	(215)	272
Operating transfers from the State's governmental funds.....	379,425	18,258	-	-	-
Net Increase (Decrease) in Fund Balances.....	14,756	(4,171)	2,586	305	468
Fund Balances (deficit) - July 1 (as adjusted).....	115,683	30,190	6,957	3,267	26,126
Fund Balances (deficit) - June 30.....	\$130,439	\$ 26,019	\$ 9,543	\$3,572	\$26,594

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



Plant Funds			
Unexpended	Retirement of Indebtedness	Investment in Plant	Total
\$ -	\$ -	\$ -	\$ 523,826
-	-	976	1,370
-	843	-	893
-	-	-	494
-	-	-	646
-	-	108,292	108,292
-	-	3,220	3,220
-	-	586	591
-	843	113,074	639,332
-	-	-	688,506
-	-	-	73,916
-	-	-	142,894
-	-	-	492
48,558	-	-	48,558
-	-	670	670
-	-	-	99
-	4,258	-	4,258
-	-	216	3,245
48,558	4,258	886	962,638
-	-	18	-
200	-	-	215
-	-	-	(215)
-	-	-	-
200	-	18	-
48,338	-	-	446,021
(20)	(3,415)	112,206	122,715
-	18,630	972,323	1,173,176
\$ (20)	\$15,215	\$1,084,529	\$1,295,891



Combined Statement of Revenues, Expenditures and Other Changes

HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Current Funds		Hospital	
	Unrestricted	Restricted	Funds	Total
Revenues:				
Student Tuition and Fees.....	\$144,895	\$ -	\$ -	\$144,895
Federal Grants and Contracts.....	9,589	48,437	-	58,026
Private Gifts and Grants.....	6,544	14,164	-	20,708
Patient Services.....	53,112	-	102,347	155,459
Sales and Services.....	108,292	-	-	108,292
Investment Earnings.....	-	801	-	801
Endowment Income.....	-	1,062	-	1,062
Miscellaneous.....	20,676	14,981	269	35,926
Total Revenues.....	343,108	79,445	102,616	525,169
Expenditures and Mandatory Transfers:				
Educational and General:				
Instruction.....	254,163	14,070	-	268,233
Research.....	12,498	62,119	-	74,617
Public Services.....	16,297	8,516	-	24,813
Academic Support.....	77,454	2,828	-	80,282
Student Services.....	34,066	2,766	-	36,832
Institutional Support.....	111,740	3,793	-	115,533
Independent Operations.....	586	-	-	586
Scholarship and Fellowships.....	19,880	5,258	-	25,138
Plant Operations and Maintenance.....	61,064	1,408	-	62,472
Total Educational and General Expenditures.....	587,748	100,758	-	688,506
Hospital.....	37,922	-	104,972	142,894
Auxiliary Enterprises.....	73,916	-	-	73,916
Other.....	1,619	995	133	2,747
Mandatory Transfers:				
Retirement of Indebtedness.....	18	-	-	18
Other.....	736	(751)	-	(15)
Total Expenditures and Mandatory Transfers	701,959	101,002	105,105	908,066
Other Transfers- Additions (Deductions):				
Operating Transfers from the State's				
Governmental Funds.....	379,425	18,258	-	397,683
Non-mandatory Transfers.....	(5,818)	471	5,075	(272)
Excess of Restricted Receipts over Transfers to Revenues.....	-	(1,343)	-	(1,343)
Total Other Transfers and Additions (Deductions)....	373,607	17,386	5,075	396,068
Net Increase (Decrease) in Fund Balances	\$ 14,756	\$ (4,171)	\$ 2,586	\$ 13,171

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



Notes to the Financial Statements

June 30, 1991

(Amounts in thousands unless otherwise stated)

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (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 American Institute of Certified Public Accountants Industry Audit Guide, Audits of Colleges and Universities.

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. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the State's ability to exercise oversight responsibility. The most significant evidence of this ability is financial interdependency. Other evidence of the ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the State and/or its citizens or is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the State is able to exercise oversight responsibilities.

Based upon these criteria, the following organizations,

in addition to those currently included in the State's budgetary basis 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, 1990.

Other

Teachers' 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.

Bradley International Airport - This airport is classified as an enterprise fund in the financial statements.

The following have been excluded from the reporting entity:

Foundations and Organizations of the State's System of Higher Education

Certain independent foundations and organizations of the State's system of higher education are not included in the State's financial reporting entity. Of these foundations, the largest is the University of Connecticut Foundation, Inc., which is a separately incorporated not-for-profit entity, organized exclusively for the purpose of promoting, encouraging and assisting all forms of education and research at the University of Connecticut. The Foundation solicits and accepts donations and disburses funds derived from these donations in aiding the University. Summarized financial information from the financial statements of the Foundation is shown separately in note 20. The Foundation and other organizations of the State's system of higher education are excluded from the State's reporting entity because the State does not have the ability to exercise influence over their daily operations, approve budgets, or provide funding.



The Connecticut Alternate Retirement Program (CARP)

CARP was established in 1976 and is funded through individually owned annuities issued by the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF). TIAA is an insurance company and CREF is an investment company. CARP is excluded from the State's reporting entity because the State does not have the ability to exercise oversight responsibility. The State's only responsibility with respect to CARP is to make contributions as required by statute.

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.

Because the State of Connecticut has a significant number of legal funds, a functional basis combining presentation was chosen to facilitate the preparation and readability of the Comprehensive Annual Financial Report (CAFR). More detailed information on the legal funds can be found in the Annual Report of the Comptroller - a "modified cash" basis document also produced by the Office of the Comptroller.

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 Fund** - This fund is 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, other governmental units, and other funds. These funds include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds.

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 Debt Account Group** - This account group includes all long-term obligations which are to be financed from governmental funds. These long-term obligations include the following:

Unmatured principal on general obligation and



transportation related bonds.

Other non-current liabilities for capital leases, compensated absences, unfunded pension costs, and workers' compensation claims.

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 American Institute of Certified Public Accountants Industry Audit Guide, Audits of Colleges and Universities. 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 resources which have been or will be used for institutional property acquisition, renewal and replacement, and resources accumulated for the retirement of debt associated with institutional properties.
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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting, which are described as follows:

Governmental Funds and Expendable Trust Funds

These funds are accounted for using a current financial resources measurement focus and a modified accrual

basis of accounting. Under the current financial resources measurement focus only current assets and liabilities are normally included on the balance sheet. Fund balance represents a measure of "available spendable resources". 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. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt which are recorded as expenditures when due. Major revenue sources which are treated as susceptible to accrual include 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 recorded when the related expenditure has been incurred.

Proprietary Funds, Nonexpendable Trust Funds, and Pension Trust Funds

These funds are accounted for using a flow of economic resources measurement focus and an accrual basis of accounting. Under the flow of economic resources measurement focus all assets and liabilities are included on the balance sheet. Fund equity (proprietary funds) is segregated into contributed capital and retained earnings components. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Agency Funds

These funds are accounted for using a modified accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not measure nor report results of operations.

Higher Education and University Hospital Funds

These funds are accounted for using a current financial resources measurement focus and an accrual basis of accounting with the following exceptions:

- All assets and liabilities are included on the balance sheet.
- Depreciation expense related to plant fund assets is not recorded.
- Revenues and expenditures of an academic term covering more than one fiscal year are reported in the fiscal year in which the program is predominately conducted.

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 and the Regional Market Operations 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 as part of the annual appropriation act 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, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5% of the total appropriated fund can be made only with the approval of the General Assembly.

All funds except fiduciary funds use encumbrance accounting. 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. All encumbrances lapse at year-end and generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carry forwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding

year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. 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 reconciles the original budgeted revenue and appropriations to the final adjusted numbers for the General Fund and all budgeted special revenue funds:

	General Fund	Special Revenue Funds
Original budgeted revenues	\$6,500,000	\$631,070
Budgetary increases (decreases)	(653,800)	(31,800)
Revenues, as adjusted	<u>\$5,846,200</u>	<u>\$599,270</u>
Original Appropriation Acts	\$6,429,987	\$622,451
Deficiency Appropriation Act	222,520	141
Change in estimated lapse	(34,360)	(9,597)
Miscellaneous legally authorized adjustments	<u>17,075</u>	<u>83</u>
Appropriations, as adjusted	<u>\$6,635,222</u>	<u>\$613,078</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. For budgetary reporting purposes, continuing appropriations are included with expenditures to determine the budgetary surplus or deficit because they are considered uses of spending authority for the fiscal year. But under the GAAP basis, continuing appropriations are not included as expenditures.

4. For budgetary purposes, certain equity transfers were recognized as operating revenues.

5. Certain special revenue funds are not subject to legal budgets.

The following is a reconciliation 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)	\$(808,469)	\$(16,937)
Adjustments:		
Increases (decreases) in revenue accruals:		
Governmental Receivables	31,046	(970)
Other Receivables	17,821	496
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(43,458)	1,633
Salaries and Fringe Benefits Payable	(10,569)	712
Increase (decrease) in Continuing Appropriations	(6,500)	(9,418)
Reclassification of operating revenues to equity transfers	(64,492)	—
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) - budgeted funds	(884,621)	(24,484)
To record excess of revenues and other sources over expenditures and other uses for nonbudgeted funds	—	319,433
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$(884,621)</u>	<u>\$294,949</u>

g. Assets and Liabilities

Cash and Cash Equivalents

In addition to petty cash and bank accounts, this account includes cash equivalents - short-term, highly liquid investments with original maturities of three months or less when purchased. Short-term investments are carried at cost.

Investments

Investments in the special revenue, debt service, enterprise, and higher education and university hospital funds are carried at cost or amortized cost. Investments in the trust and agency funds, except for the deferred compensation fund (an agency fund), represent investments in the pension and other trust funds (see Note No. 3). Investments in the deferred compensation fund are carried at market.

Inventories

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

Fixed Assets and Depreciation

General fixed assets are recorded at historical or estimated historical cost. Donated fixed assets are valued at estimated fair value on the date donated. Interest costs incurred during construction and 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. Interest costs incurred during construction at Bradley International Airport are capitalized as part of the assets. Depreciation of buildings, land improvements, and machinery and equipment 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 the following:

- Cash received by the State before the State has a legal claim to it (e.g. grant monies received before the incurring of qualifying expenditures).
- Revenues considered measurable but not available during the current period.



In subsequent periods, when the State has a legal claim to the cash received, or when the revenues become available, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

Capital Appreciation Bonds

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

Other Long-term Obligations

The portion of pension obligations, workers' compensation claims, and accumulated compensated absences that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental and expendable trust funds that will pay it. The remaining portion that is not expected to be liquidated with expendable available financial resources is reported in the general long-term debt account group. 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 or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his 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, and the capital gain, dividend and interest tax.

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 cash flow in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

**NOTE 2****FUND DEFICITS**

The following funds have deficit balances at June 30, 1991, in either unreserved fund balances or unreserved retained earnings:

<u>General Fund</u>	\$1,274,338
<u>Special Revenue</u>	
Lottery and OTB	\$808
<u>Enterprise Funds</u>	
Rental Housing	\$61,215
<u>Internal Service Funds</u>	
Correction Industries	\$3,267
<u>Expendable Trust Funds</u>	
Employment Security	\$150,447
<u>Higher Education</u>	
Plant Funds-Unexpended	\$20

The General Fund deficit was caused by continuing budget shortfalls totalling \$965.7 million and GAAP adjustments totalling \$308.6 million. The budgetary shortfall was addressed by the General Assembly with the enactment of legislation authorizing the issuance of notes to finance the accumulated deficit (see Note 22).

The Lottery and OTB deficit will be eliminated in the future by transferring out less available resources to the General Fund.

The Correction Industries deficit was reduced by \$99 from the prior year. Contributed Capital was \$5,730 at June 30, 1991.

The Rental Housing deficit is the result of continuing deficiencies between debt service requirements and revenues, necessitating statutorily authorized advances from the General Fund. These advances are required to be repaid only in the event that future resources of the fund exceed such requirements.

The Employment Security deficit is the result of increased unemployment benefits paid out which have exhausted the Fund's assets and required the State to borrow from the Federal Trust Fund. The deficit will be repaid in future years by increased unemployment taxes on employers and a decline in unemployment benefits paid as the State recovers from the nationwide recession.

The Plant Funds-Unexpended deficit will be eliminated in the future by additional transfers in.

None of the deficits constituted a violation of statutory provisions.

NOTE 3**CASH DEPOSITS AND INVESTMENTS*****Cash deposits***

For purposes of this disclosure, cash deposits include bank deposits, certificates of deposit and restricted cash (see note No. 7). As of June 30, 1991, the carrying amount of the State's total cash deposits was \$605,605 and the corresponding bank balances were \$795,157. Bank deposits were insured in the amount of \$269,962 by the Federal Deposit Insurance Corporation and \$525,195 were uninsured and uncollateralized. With the exception of cash deposits held in out-of-state banks, uninsured and uncollateralized deposits are protected against possible losses by State statute. This statute requires a bank holding public deposits to segregate collateral from its other assets in either the bank's trust department or in such manner as designated by the Banking Commissioner up to a maximum of 3% of the bank's average public deposits for the preceding four reporting periods.

Investments

As of June 30, 1991, the State's investments include the following:

- Short-term investments
- Long-term investments
- Other investments
- Restricted investments

Short-term investments include investments in the following:

- State's short-term pooled investment funds
- Tax exempt proceeds fund (money market fund)
- Repurchase agreements

The State's short-term pooled investment funds are available for use by the State's funds and agencies, public authorities, and municipalities. The State's statutes authorize these pooled investment funds to be invested in United States government and agency obligations, United States Postal Service obligations, certificates of deposits, commercial paper, corporate bonds, savings accounts, bank acceptances, student loans, and repurchase agreements. These pooled investment funds are not displayed on the combined financial statements except for disclosures made in this note. Instead, each fund type's investment in the pooled investment funds is reported as cash equivalents on the combined balance sheet. Investments in the tax exempt proceeds fund and repurchase agreements are also reported as cash equivalents on the combined balance sheet.

Long-term investments include investments in the State's long-term pooled investment funds. These pooled investment funds are available for use by the pension and other trust funds. State statutes authorize



these pooled investment funds to be invested in corporate stock, corporate debt, United States securities, real estate, home mortgages, 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. These pooled investment funds are not displayed on the combined financial statements except for disclosures made in this note. Instead, each fund type's equity in the pooled investment funds is reported as investments on the combined balance sheet.

Other investments include investments not held in the State's long-term pooled investment funds. These investments are held by the special revenue, debt service, enterprise, agency, and the higher education and university hospital funds. These funds are authorized to invest in the State's short-term investment fund, United States securities, repurchase agreements, mutual funds, and other investment instruments. Other investments are reported as investments on the combined balance sheet.

Restricted investments include investments that are

restricted by legal or contractual requirements. These investments are held by certain enterprise funds (e.g. public authorities). These enterprise funds are authorized to invest in the State's short-term investment fund, United States securities, repurchase agreements and other investment instruments. Restricted investments are reported as restricted assets on the combined balance sheet.

Following is a schedule disclosing the carrying amount and market value of the State's investments in total and by investment type as of June 30, 1991. Further, the carrying amount of these investments is categorized by credit risk 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 agent but not in the State's name.

Investment Type	Carrying Amount				Market Value
	Category 1	Category 2	Category 3	Total	
Common Stock	\$2,218,280	\$ —	\$ 300	\$ 2,218,580	\$2,889,337
U.S. Securities	792,815	655,732	34,086	1,482,633	1,515,727
Corporate Debt	1,138,936	—	—	1,138,936	1,128,559
Banker's Acceptances	1,092,609	—	—	1,092,609	1,092,609
Common Stock - Foreign Co's	992,194	—	—	992,194	938,050
Asset Backed Securities	501,217	—	—	501,217	527,865
Foreign Government Securities	364,634	—	—	364,634	349,913
Repurchase Agreements	142,598	148,289	—	290,887	290,887
Corporate Debt - Foreign Co's	72,460	—	—	72,460	69,892
Other	103,741	69,519	58,854	232,114	236,692
	<u>\$7,419,484</u>	<u>\$873,540</u>	<u>\$93,240</u>	<u>8,386,264</u>	<u>9,039,531</u>
Investments not categorized because they are not evidenced by securities that exist in physical or book entry form:					
Real Estate				1,187,128	1,183,146
Commercial Mortgages Trust Funds				225,870	223,594
Deferred Compensation Plan Mutual Investments				194,492	194,492
Limited Partnerships				131,619	127,806
Tax Exempt Proceeds Fund				40,559	40,559
Other				2,472	1,692
Total Investments				<u>\$10,168,404</u>	<u>\$10,810,820</u>
The pension trust funds own approximately 85 percent of the investments that are in category 1 and the enterprise funds (public authorities) own approximately 96 percent of the investments that are in category 2.					

**NOTE 4****TAXES RECEIVABLE**

Taxes receivable consisted of the following as of June 30, 1991:

	Funds	
	General	Special Revenue
Sales and Use	\$340,103	\$ —
Corporation	3,799	—
Cigarette	7,431	—
Alcoholic Beverage	4,653	—
Public Service Corporations	35,310	—
Inheritance and Estate Tax	6,230	—
Petroleum Companies	11,383	—
Gasoline and Special Fuel	—	27,314
Motor Carrier	—	2,875
Taxes Receivable	\$408,909	\$30,189

NOTE 5**LOANS RECEIVABLE**

Loans receivable consisted of the following as of June 30, 1991:

	Funds			
	Special Revenue	Enterprise	Trust and Agency	Higher Education and University Hospital
Mortgage	\$ —	\$2,231,495	\$ —	\$ —
Housing	117,261	102,729	—	—
Student	—	—	—	22,507
Other	155,891	48,955	15	3,901
Less:				
Allowance				
For Losses	—	25,700	—	1,566
Loans Receivable				
Net	\$273,152	\$2,357,479	\$ 15	\$24,842

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 1% to 13.5% and have initial terms of 10 to 40 years. Construction loans earn interest at rates ranging from 7.75% to 9.25%. 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 8.50% to 9%.

NOTE 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, buildings, and equipment. These notes and installment contracts 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 14.53%.

As of June 30, 1991, loans in the amount of \$113,327 (including loans of \$11,794 made by other lending institutions) were insured by an insurance fund created by the Authority and by the faith and credit pledged by the State. This insurance fund had net assets of \$10,881 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.

NOTE 7**RESTRICTED ASSETS**

Restricted assets are defined as resources which are restricted by legal or contractual requirements. As of June 30, 1991, restricted assets in the enterprise funds are comprised of the following:

	Connecticut			Total
	Bradley Int'l Airport	Housing Finance Authority (12-31-90)	Connecticut Resources Recovery Authority	
Cash and Cash Equivalents	\$43,593	\$ —	\$ 82,493	\$ 126,086
Investments	1,448	324,140	31,976	357,564
Interest Receivable	704	4,798	2,558	8,060
TOTAL	\$45,745	\$328,938	\$117,027	\$491,710

**NOTE 8****PROPERTY, PLANT AND EQUIPMENT**

(1) A summary of changes in general fixed assets is as follows:

	Balance 7/1/90	Additions	Retire- ments	Con- struction	Balance 6/30/91
Land	\$ 232,756	\$ 18,405	\$ 9	\$ —	\$ 251,152
Buildings	767,021	179,999	17,759	68,547	997,808
Improvements					
Other Than					
Buildings	97,528	25,574	19,921	—	103,181
Machinery and					
Equipment	576,917	91,963	33,163	—	635,717
Construction in					
Progress	505,426	283,888	—	(68,547)	720,767
Total	<u>\$2,179,648</u>	<u>\$599,829</u>	<u>\$70,852</u>	<u>\$ —</u>	<u>\$2,708,625</u>

(2) Property, plant and equipment for enterprise, internal service, and higher education funds consisted of the following as of June 30, 1991:

	Enterprise	Internal Service	Higher Education and University Hospital
Land	\$ 23,864	\$ —	\$ 21,064
Buildings	170,393	—	618,795
Improvements Other Than			
Buildings	81,417	107	36,918
Machinery and Equipment	152,511	72,926	438,796
Construction in Progress	13,350	—	11,051
Total	441,535	73,033	1,126,624
Less Accumulated Depreciation	60,153	48,707	—
Net Total	<u>\$381,382</u>	<u>\$24,326</u>	<u>\$1,126,624</u>

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Buildings	20-40 years
Land Improvements	5-40 years
Machinery and Equipment	5-20 years

NOTE 9**RETIREMENT SYSTEMS**

The State of Connecticut sponsors five defined benefit public employee retirement systems (PERS) and one defined contribution pension plan. In addition, the State is the administrator and custodian of the assets for the Connecticut Municipal Employees' Retirement System and the Connecticut Probate Judges' and Employees' Retirement System as described in Note 10. The State's responsibility with respect to these systems is purely administrative and custodial in nature and no financial liability lies with the State. Therefore, limited GAAP pension disclosures have been disclosed for these two systems. The defined benefit pension plans are included in the State's financial statements as pension trust funds while the defined contribution pension plan is not included in the financial statements as it is not considered to be part of the State's reporting entity.

Plan Descriptions

■ State Employees' Retirement System (SERS) is the administrator of a single-employer defined benefit PERS established in 1939 and governed by Sections 5-152 to 5-192 of the General Statutes. Substantially all of the State's full time employees who are not eligible for another State sponsored plan are covered by the SERS. Employees are covered under two tiers: a) Tier I covers employees hired prior to January 1, 1984; b) Tier II covers employees hired on or after January 1, 1984, plus employees hired between July 1, 1982 and January 1, 1984, who elected Tier II. The SERS provides retirement benefits as well as death and disability benefits. Tier I participants who retire at or after age 55 with 25 years of credited service or who retire at or after age 60 with 10 years of credited service or who retire at age 70 are entitled to an annual retirement benefit equal to 2% of their final average earnings for each year of credited service, reduced for retirement prior to age 65 with less than 25 years of credited service. Final average earnings represent average annual salary received during three years of highest salary. Participants may choose early retirement at or after age 55 and the completion of 10 years of credited service and receive a reduced retirement benefit. Retirement benefits vest 100% at 10 years of credited service. Tier II participants who retire at or after age 65 with 10 years of credited service or who retire at age 70 with 5 years of credited service or hazardous duty members who retire after 25 years of credited service are entitled to an annual retirement benefit equal to 1 and 1/3% of their final average earnings plus 1/2% of final average earnings in excess of the year's breakpoint, for each year of credited service. Hazardous duty members are entitled to an annual



retirement benefit equal to 2% of their final average earnings, for each year of credited service. Participants may choose early retirement at or after age 55 and the completion of 10 years of credited service and receive a reduced benefit. Retirement benefits vest 100% at 10 years of credited service or at 5 years of credited service if age 70. Tier I participants are required to contribute (depending on plan) either 2% of earnings up to the social security taxable wage base and 5% above that level or 5% of earnings to the SERS. Tier II participants are not required to make contributions to the SERS. The State funds the balance of the liability for benefits with annual contributions determined in accordance with statutes. The payroll for employees covered by the SERF for the year June 30, 1991, was \$1,802.8 million while the State's total payroll was \$2,063.8 million.

Teachers' Retirement System (TRS) is the administrator of a single-employer defined benefit PERS, with the State acting as a nonemployer contributor, established in 1917 and governed by Sections 10-183b to 10-183mm of the General Statutes. Any teacher, principal, superintendent or supervisor engaged in service of public schools in Connecticut is covered by the TRS. Also, professional employees of State schools of higher education if they choose to be covered. The TRS provides retirement benefits as well as death and disability benefits. Participants who retire on or after age 60 with 20 years of credited service in Connecticut or who retire before age 60 with 35 years of credited service (including at least 25 years of service in Connecticut) are entitled to an annual retirement benefit equal to 2% of their average annual salary, for each year of credited service (maximum percent is 75%) plus any additional amounts derived from 6% and voluntary contributions by the teacher. Average annual salary represents average annual salary received during three years of highest salary. Participants may choose early retirement at any age after the completion of 25 years of credited service (including 20 years of service in Connecticut) or at or after age 55 and the completion of 20 years of credited service (including 15 years of service in Connecticut) and receive a reduced retirement benefit. Retirement benefits vest 100% at 10 years of credited service. Participants are required to contribute 6% of their annual salary to the TRS. Contributions are refunded to participants who leave the TRS based on years of credited service as follows: a) 5% contributions plus interest - less than 5 years of credited service and b) 5% contributions with interest and 1% contributions without interest - 5 or more years of credited service. The State funds the balance of the liability for benefits with annual contributions determined

in accordance with statutes. The payroll for employees covered by the TRS for the year ended June 30, 1991, was \$1,663.8 million. The total employer's current-year payroll would represent the total payroll of all 169 towns and cities plus 19 regional school districts in Connecticut and this information is not available.

■ Judicial Retirement System (JRS) is the administrator of a single-employer defined benefit PERS established in 1981 and governed by Sections 51-49 to 51-51 of the General Statutes. Any appointed judge or compensation commissioner in the State is covered by the JRS. The JRS provides retirement benefits as well as death and disability benefits. Participants who retire at or after age 65 with 10 years of credited service or who retire before age 65 with 20 years of credited service are entitled to an annual retirement benefit equal to 66.67% of final compensation. Final compensation is the participant's basic salary plus longevity payments based on years of service. Participants who retire at or after age 65 with less than 10 years of credited service receive a reduced retirement benefit. Mandatory retirement is at age 70. Retirement benefits vest at 10 years of credited service as follows: a) participants hired before 1981 - 50% of the retirement benefit at 10 years increasing to 100% after 15 years; b) participants hired after 1980 - 100% of the retirement benefit multiplied by a ratio of service at termination to service at the earliest retirement age. Participants are required to contribute 5% of their annual compensation to the JRS. If a participant withdraws from the JRS prior to reaching benefit eligibility, contributions without interest are refunded. The State funds the balance of the liability for benefits with annual contributions determined in accordance with statutes. The payroll for employees covered by the JRS for the year ended June 30, 1991, was \$14.4 million, while the State's total payroll was \$2,063.8 million.

The following table summarizes membership by plans:

	SERS 7/1/90	TRS 7/1/90	JRS 10/1/90	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	24,376	16,211	144	40,731
Active plan participants:				
Vested	21,827	26,845	69	48,741
Nonvested	33,099	13,124	107	46,330
Total	54,926	39,969	176	95,071

**Funding Status and Progress**

The amounts 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 and step-rate benefits, estimated to be payable in the future as a result of employees service to date. This measure is the actuarial present value of credited projected benefits and is intended to help users assess the State's 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 measure is independent of the actuarial cost methods used to determine contributions to the PERS.

The pension benefit obligations were computed as part of the actuarial valuations performed as of July 1, 1990 for SERS and TRS, and as of October 1, 1990, for JRS. Significant actuarial assumptions used in the valuation include (a) rates of return on investment of present and future assets of 8.5% per year, (b) projected salary increases of 5.5% per year to 10.2% per year, (c) cost of living increases of 3% per year to 5.5% per year.

The total unfunded pension benefit obligation (PBO) applicable to each retirement system is as follows: (amounts expressed in millions)

	SERS 7/1/90	TRS 7/1/90	JRS 10/1/90	Total
Pension benefit obligation:				
Retirees and beneficiaries				
currently receiving				
benefits and terminated employees				
not yet receiving benefits	\$2,657.4	\$2,360.0	\$67.0	\$5,084.4
Current employees -				
Accumulated employee contributions including allocated investment income	256.8	1,396.7	4.0	1,657.5
Employer-financed				
Vested	2,286.7	3,668.5	26.4	5,981.6
Non-vested	423.8	—	12.6	436.4
Total pension benefit obligation	5,624.7	7,425.2	110.0	13,159.9
Net assets available for benefits, at cost (market value \$8,040.0)	2,932.6	4,308.5	37.6	7,278.7
Unfunded pension benefit obligation	\$2,692.1	\$3,116.7	\$72.4	\$5,881.2

As of October 1, 1990, the rate of investment return for JRS was increased from 7.5% to 8.5% in order to bring this assumption in line with the interest rate used in the valuation for the SERS. The unfunded pension benefit obligation for SERS does not reflect the liability for Retirement Incentive Bonuses. These monthly payments of \$988,221 will be paid for a three year period with a total outlay of about \$35.6 million or \$11.9 million on an annual basis. No other changes in actuarial assumptions or benefit pensions that would significantly effect the valuation of the PBO occurred during 1990.

Contributions Required and Contributions Made

The PERS funding policies have been established by statutes. These statutes require that annual contributions, determined on an actuarial basis, be made into the PERS in order to fund the normal cost and the amortization of the unfunded actuarial accrued liability. They also require employee contributions based on fixed percentages ranging from 2% to 6% applied to an employee's annual compensation. The required annual contributions are determined by using the following actuarial funding methods: a) projected unit credit - used by the SERS and the JRS and b) entry age - used by the TRS. The unfunded actuarial accrued liability is being amortized over a 40 year period by all three PERS.

The actuarial computation of the pension contribution requirements for the SERS for 1991 was \$398 million while the actual contribution was \$263.8 million. The actual contribution was less by \$134.2 million due to a legislative change in the actuarial interest rate assumption from 8.5% to 9.5%, effective January 1, 1990, with the eighteen month period reflected in the fiscal 1991 budget contribution. The actuarial computation of the full pension contribution requirement for the TRS for 1991 was \$338.1 million but state statutes only required the State to contribute 90% or \$304.3 million. However, only \$158.3 million was actually contributed reflecting legislatively mandated reductions of \$146 million as follows: (1) reduction of funding of total actuarial requirement from 90% to 80% for 1990-91; (2) elimination of one quarterly contribution payment; and (3) change in the interest rate assumption for plan assets from 8.5% to 9.5%. For the JRS, the 1991 contribution of \$11.4 million met the required actuarial pension contribution as computed.



Contributions actually made and actuarial contribution requirements applicable to each PERS were as follows:

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>	<u>Total</u>
	(in millions)			
Contributions Made:				
By Employees	\$ 33.8	\$115.0	\$.7	\$149.5
% of Covered Payroll	1.9%	6.9%	4.9%	
By State	\$208.8	\$158.3	\$11.4	\$378.5
% of Covered Payroll	11.6%	9.5%	79.2%	
Federal and Other Re-imbursements	\$ 55.0	—	—	\$ 55.0
% of Covered Payroll	3.1%			
Contributions Required:				
Normal Cost	\$179.5	\$126.7	\$ 4.9	\$311.1
Amortization of Unfunded Liability	\$218.5	\$177.6	\$ 6.5	\$402.6

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the pension benefit obligation.

Trend Information

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.

Analysis of fund progress and ten-year historical trend information is disclosed on pages 66 - 69 of the State's comprehensive annual financial report.

In accordance with GAAP, employers contributing to public employee retirement systems must present three-year historical trend information. This information consists of:

Net assets available for benefits, expressed as percentages of the pension obligation applicable to the entity's employees. Analysis of this percentage over time indicates whether the retirement system is becoming financially stronger or weaker.

Unfunded pension benefit obligation, expressed as percentages of annual covered payroll. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.

Employer contributions expressed as percentages of annual covered payroll.

The following table presents the required three-year trend information:

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the State's employees:			
1991	52.1%	58.0%	34.2%
1990	50.3%	52.8%	26.3%
1989	47.6%	47.8%	20.4%
Unfunded pension benefit obligation as a percentage of annual covered payroll:			
1991	149.3%	187.3%	502.8%
1990	143.2%	217.1%	711.9%
1989	150.6%	261.4%	815.3%
State's contributions to the pension plan as a percentage of annual covered payroll:			
1991	11.6%	9.5%	79.2%
1990	16.4%	20.9%	91.5%
1989	20.5%	20.6%	99.0%

Other

■ The Connecticut Alternate Retirement Program (CARP) is a defined contribution plan for unclassified employees and is governed by Section 5-156 of the General Statutes. Unclassified employees at any of the units of the Connecticut State System of higher education are eligible under state law to participate. The State is the only nonemployee contributor to the pension plan. As of June 30, 1991, the pension plan's current membership consisted of 4,006 employees.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Members' rights in the pension benefits provided under this program vest immediately. An employee that leaves State service is entitled to his or her contributions and the State's contributions. Each employee must contribute 5% of his or her gross earnings to the pension plan. The State is required to contribute an amount equal to 8% of the employees' gross earnings. The covered payroll



for employees covered by CARP was \$167.5 million while the State's total payroll was \$2,063.8 million.

During the year the State's required and actual contributions amounted to \$13.4 million, which was 8% of the current-year CARP covered payroll. Employees' required and actual contributions amounted to \$8.4 million which was 5% of the current-year CARP covered payroll.

No pension provision changes occurred during the year that affected the required contributions to be made by the State or its employees.

CARP held no securities of the State or other related parties during the year or as of the close of the fiscal year.

State's Attorney and Public Defenders' Retirement Systems are single employer defined benefit PERS governed by Sections 51-287 and 51-295 respectively, of the General Statutes. The system covers certain state's attorneys and public defenders who contribute five percent of their salaries toward their retirement. Members of this system have a vested right to receive retirement benefits on a reduced actuarial basis after ten years of service credit. Any state's attorney or public defender who has attained the age of sixty-five and who has ten or more years shall receive a retirement salary annually. Retirement salaries are based on (1) one and one-half percent of their annual salary, for those who have completed ten or more but less than fifteen years of service, (2) three percent of their annual salary for those who have completed fifteen or more but less than twenty years of service, (3) four and one-half percent of their annual salary, for those who have completed twenty or more but less than twenty-five years of service, (4) six percent of their annual salary for those who have completed twenty-five or more years of service.

As of June 30, 1991, the State's Attorney Retirement System's membership stood at seven active and fourteen retired members while the Public Defenders' System had one active and four retired members. Total combined assets of both plans stood at \$433 thousand with \$32 thousand being contributed by active employees.

NOTE 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. Although these retirement systems are included as pension trust funds, the State makes no contribution and has no financial liability other than a fiduciary responsibility.

Connecticut Municipal Employees' Retirement System (CMERS)

The system, a cost-sharing multiple-employer PERS, provides a retirement system for fire and police personnel as well as general government employees (except teachers) for any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities or other special districts, which may elect to participate and is governed by Sections 7-425 to 7-451 of the Connecticut General Statutes. As of July 1, 1990, there were 7,405 active members and 2,768 retired members. Municipalities may designate which departments are to be covered under the CMERS and membership is then mandatory for all regular full time employees of participating departments except for fire and police hired after age 55. The pension plan provides pension

and death and disability benefits. A member may retire after reaching the age of 55 and having 10 years of continuous service, 15 years of active aggregate service, or 25 years of aggregate service. The pension benefit for members not covered by Social Security is 2% of the employees average final compensation times years of service while for members covered by Social Security it is 1 and 1/6% of the average of compensation not in excess of the Social Security taxable wage base for the ten highest paid years of service plus 2% of that portion of average final compensation in excess of that used previously, times years of service. Average final compensation is the average of the three highest paid years of service. The current-year covered payroll for all participants amounts to \$186.3 million while the total payroll is unknown.

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 ranging from 6.74% to 17.66% of a participant's payroll.

Municipal contributions are redetermined based on actuarial studies to be made annually in order to maintain the fund on a sound actuarial basis. Total contributions made during 1991 amounted to \$28.9 million of which \$22.0 million was made by the



The amounts shown as "pension benefit obligations" are standardized measurements 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 systems.

Total unfunded pension benefit obligations of the CMERS as of July 1, 1990, is as follows: (amounts expressed in millions)

Total pension benefit obligation	\$469.6
Net assets available for benefits, at cost	411.9
Unfunded pension benefit obligation	<u>\$ 57.7</u>

Connecticut Probate Judges and Employees' Retirement System

This system provides retirement benefits to Probate Court Judges and employees. As of January 1, 1991, there were 304 active and 148 retired or terminated members in the system.

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. Total contributions made by the members amounted to \$260 thousand. No contribution was made by the Probate Courts due to the fully funded position of the system.

As of the latest actuarial valuation, December 31, 1990, the system is fully funded. The actuarial method used is the Frozen Initial Liability Modification of the Entry Age Normal Cost Method and it is expected that the system will continue to remain fully funded.

NOTE 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 does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 12 POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 9, the State provides postretirement health care and life insurance benefits, in accordance with State statutes, Sections 5-157(d) and 5-259(a), to all employees who retire from the State on or after attaining age 55 with at least 10 years of credited service. Currently 23,779 retirees meet those eligibility requirements. When employees retire, the State pays 100% of their health care insurance premium cost (including dependent's coverage). In addition, the State pays 100% of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at time of retirement as follows: a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than \$7,500; b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest \$100. The State finances the cost of postretirement health care and life insurance benefits on a pay-as-you-go basis through an appropriation in the General Fund. During the year ended June 30, 1991, \$58,944 was paid in postretirement benefits.

**NOTE 13****CAPITAL AND OPERATING LEASES****a. State as Lessee**

Obligations under capital leases and operating leases as of June 30, 1991, were \$13,922 for capital leases and \$10,472 for noncancelable operating leases in excess of one year. The following is a schedule of annual future minimum payments under these obligations along with the present value of the related net minimum capital lease payments discounted at 8% as of June 30, 1991:

	Operating Leases	Capital Leases		
		Higher Educ.	General Long-term	Total Capital
1992	\$ 4,022	\$356	\$ 7,476	\$ 7,832
1993	3,407	244	4,281	4,525
1994	1,916	213	1,133	1,346
1995	664	30	100	130
1996	189	14	75	89
Thereafter	274	—	—	—
Total future minimum payments	<u>\$10,472</u>	857	13,065	13,922
Less: Imputed interest		<u>91</u>	<u>1,037</u>	<u>1,128</u>
Present value of net minimum lease payments		<u>\$766</u>	<u>\$12,028</u>	<u>\$12,794</u>

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 1991, totaled \$34,231.

b. State as Lessor

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

1992	\$ 17,630
1993	18,435
1994	19,160
1995	18,172
1996	15,739
Thereafter	<u>29,600</u>
Total	<u>\$118,736</u>

Contingent revenues for the year ended June 30, 1991, were \$1,965.

NOTE 14**CHANGES IN GENERAL LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended June 30, 1991:

	Balance July 1, 1990	Issuances and Other Increases	Retirements and Other Decreases	Increase in Accreted Value of Capital Appreciation Bonds	Balance June 30, 1991
General Obliga- tion Bonds	\$2,368,037	\$ 1,152,380	\$169,824	\$41,592	\$3,392,185
Transportation Related Bonds	1,881,402	453,994	78,720	1,321	2,257,997
Unfunded Pen- sion Costs	3,331,380	958,939	433,581	—	3,856,738
Compensated Absences	140,553	21,950	10,332	—	152,171
Worker's Compensation	200,082	111,598	60,778	—	250,902
Capital Leases	<u>8,516</u>	<u>7,678</u>	<u>4,166</u>	<u>—</u>	<u>12,028</u>
Total General Long-Term Debt					
Account Group	<u>\$7,929,970</u>	<u>\$2,706,539</u>	<u>\$757,401</u>	<u>\$42,913</u>	<u>\$9,922,021</u>

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types reflects the gross proceeds from sale of bonds in the amount of \$1,607.4 million. This amount includes discounts on the sale of certain bonds and accrued interest received at the time of sale. Net bond proceeds reflected in this note were \$1.0 million less than the gross bond proceeds for the 1991 fiscal year.

NOTE 15**DEBT****a. Short-Term Debt**

Up to \$739.4 million of general obligation temporary notes may be issued by the State with these notes having the full faith and credit of the state pledged for payment of principal and interest. As of June 30, 1991, \$569.0 million of notes payable were outstanding to Security Pacific National Trust Company at an average interest rate of 4.14% and maturing between July 1991 and August 1991. Additionally, revolving lines of credit



have been secured from Dai-Ichi Kangyo Bank, Limited and The Industrial Bank of Japan, Limited in the amounts of \$550.0 million and \$203.9 million respectively. Of these amounts \$539.4 million and \$200.0 million may be advanced with respect to the payment of the above notes and \$10.6 million and \$3.9 million may be advanced with respect to the payment of up to 60 days interest on the notes. As of June 30, 1991, no amount was outstanding on the lines of credit.

Connecticut Resources Recovery Authority has issued short-term notes payable to provide funds for operations until long-term bonds are issued to finance each of the resources recovery facilities. As of June 30, 1991, a notes payable of \$6.3 million has been issued which matures in June 1992 with interest at 4.98% not due until maturity. The Authority has also established a letter of credit with Connecticut National Bank in the amount of \$6.6 million with respect to the short-term borrowing. As of June 30, 1991, no amount was outstanding on the letter of credit.

b. Long-Term Debt

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 faith and credit of the State.

General obligation bonds 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 Outstanding</u>	<u>Authorized But Unissued</u>
Capital Improvements	1992-2011	4.5-12.7%	\$1,659,884	\$320,040
School Construction	1991-2008	4.25-11%	196,157	19,628
Municipal Redevelopment	1991-2010	4.25-11.2%	862,911	122,327
Elderly Housing	1991-2011	4.25-7.26%	66,929	161
Elimination of Water Pollution	1991-2011	4.25-9.20%	242,209	162,817
General Obligation Refunding	2002	4.2-7.35%	150,245	—
Miscellaneous	1992-2008	5.8-12.7%	140,362	12,255
			<u>3,318,697</u>	<u>\$637,228</u>
Accretion-Various Capital Appreciation Bonds			73,488	
			<u>Total</u>	<u>\$3,392,185</u>

Future amounts needed to pay principal and interest on general obligation bonds outstanding at June 30, 1991, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1992	\$ 223,295	\$ 187,914	\$ 411,209
1993	218,440	170,466	388,906
1994	227,387	158,481	385,868
1995	232,585	169,869	402,454
1996	260,748	155,709	416,457
Thereafter	2,156,242	1,567,243	3,723,485
	<u>\$3,318,697</u>	<u>\$2,409,682</u>	<u>\$5,728,379</u>

Transportation Related Bonds

Transportation related bonds include special tax obligation bonds and general obligation bonds that are paid out of revenues pledged or earned in the Transportation Fund. The revenue pledged or earned in the Transportation Fund to pay special tax obligation bonds is transferred to the debt service fund for retirement of principal and interest.

Transportation related bonds outstanding and bonds authorized but unissued at June 30 were as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>	<u>Authorized But Unissued</u>
Public Transportation	1991-99	4.5-12%	\$ 34,900	\$ 10,386
Interstate and Defense Highways	1993-2004	4.5-9.1%	51,000	5,935
Specific Highways	1991-2003	4-12.7%	147,815	19,900
Infrastructure Improvements	2002-2011	4.2-9.75%	1,978,616	689,845
Miscellaneous	1991-2008	6.5-12.7%	42,538	3,674
			<u>2,254,869</u>	<u>\$729,740</u>
Accretion-Various Capital Appreciation Bonds			3,128	
			<u>Total</u>	<u>\$2,257,997</u>



Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30 were as follows:

Year Ending June 30,	Principal	Interest	Total
1992	\$ 89,275	\$ 154,522	\$ 243,797
1993	104,025	148,047	252,072
1994	97,964	143,170	241,134
1995	103,565	135,337	238,902
1996	106,280	128,394	234,674
Thereafter	1,753,760	910,193	2,663,953
	<u>\$2,254,869</u>	<u>\$1,619,663</u>	<u>\$3,874,532</u>

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 as discussed in this section. Revenue bonds outstanding at June 30 were as follows:

Fund Type	Maturity Dates	Interest Rates	Amounts Outstanding
Enterprise:			
Bradley International Airport	1992-2012	9-10.75%	\$ 100,610
Conn. Development Authority	1992-2010	3.75-14%	1,861,728
Conn. Housing Finance Authority (as of 12-31-90)	1992-2024	5.1-13%	2,682,800
Conn. Resources Recovery Authority	1992-2016	5.5-9%	430,800
Rental Housing	1992-2011	5.25-12.70%	131,380
Discount on CHFA bonds sold			(26,425)
Higher Education & University Hospitals:			
State Universities	1992-2012	4.25-10.75%	30,070
Total			<u>\$5,210,963</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 to finance costs of improvements to the airport, of this amount \$1,285 has become current and \$3,245 has been repaid. 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, 1991, were \$1,693,173. These bonds are paid solely from the payments received from participating companies (or from proceeds of sale of the specific projects in the event of default) and do not constitute a debt or liability of the Authority or the State. Under the umbrella program, bonds outstanding at June 30, 1991, were \$168,555. At year end, assets totaling \$176,083 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. In accordance to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest: (1) The proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's general fund, and (3) all monies and securities of the Authority's general and capital reserve funds. In addition, other terms of the bond resolution state that:

- All assets of the Authority's general and capital reserve funds (\$2,908,461) are restricted until such time as they are determined to be "surplus funds". The bond resolution describes "surplus funds" as being the excess of pledged receipts over funds required for the payment of operating expenses, principal and interest and requirements of the capital reserve fund during the most recent twelve month period.
- The capital reserve fund is required to be maintained at an amount equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the following year (\$312,197) on all the outstanding



bonds of the Authority. 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 Resources Recovery Authority's revenue bonds are issued to finance the design, development and construction of resources 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 addition, bonds in the amount of \$407,064 are secured by special capital reserve funds. Each fund is equal to the highest annual amount of debt service remaining on the issue. The State 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 required to pay principal and interest on revenue bonds outstanding at June 30, 1991, were as follows:

Year Ending June 30,	Enterprise Funds		Higher Education and University Hospital Funds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1992	\$ 177,190	\$ 389,655	\$ 1,720	\$ 2,226	\$ 178,910	\$ 391,881
1993	210,156	376,135	1,490	2,171	211,646	378,306
1994	210,919	360,575	3,240	2,109	214,159	362,684
1995	234,433	344,126	6,240	1,632	240,673	345,758
1996	220,532	326,661	1,245	1,332	221,777	327,993
Thereafter	4,154,088	2,920,285	16,135	9,310	4,170,223	2,929,595
	<u>\$5,207,318</u>	<u>\$4,717,437</u>	<u>\$30,070</u>	<u>\$18,780</u>	<u>\$5,237,388</u>	<u>\$4,736,217</u>

No Commitment Debt

The Connecticut Resources Recovery Authority has issued several bonds pursuant to indenture agreements with a trustee to fund the construction of waste processing facilities by an independent contractor/operator. These bonds are payable from a pledge of revenues of the facility operators derived under lease agreements between the Authority and the operators, from municipal service agreements, and prior to operations, from certain funds established under the indentures. In addition, these bonds are secured by letters of credit between the facility operators and various credit institutions. Therefore, payment of the debt is not guaranteed by the Authority or the State in the event of default except for the State's contingent liability discussed in this section. The Authority does not record the assets and liabilities related to the bond issues in its financial statements. The amount of these bond issues outstanding at June 30 was as follows:

<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
1998-2015	5.5-8.9%	\$381,206

Bonds in the amount of \$173,971 are secured by special capital reserve funds. Each fund is equal to the highest annual amount of debt service remaining on the issue. The State may be contingently liable to restore any deficiency that may exist in these funds in any one year in the event that the facility operators are unable to do so. As of year end, there were no deficiencies in these funds.

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, 1991, \$132.8 million of bonds outstanding are considered defeased.

Note Payable

An installment note for \$12.3 million to acquire a telecommunication system was established between the University of Connecticut and Connecticut Bank and Trust Co. in 1988 with an interest rate of 7.55% and final maturity in April 1999. Future amounts required



to pay principal and interest on the note outstanding were as follows:

Year Ending June 30,	Principal	Interest	Total
1992	\$ 924	\$ 786	\$ 1,710
1993	992	718	1,710
1994	1,066	644	1,710
1995	1,145	565	1,710
1996	1,230	480	1,710
Thereafter	4,837	865	5,702
	<u>\$10,194</u>	<u>\$4,058</u>	<u>\$14,252</u>

NOTE 16**INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 1991, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 18,072	\$ 779,744
Special Revenue:		
Transportation	96,799	441
Regional Market	—	6
Soldiers, Sailors & Marines	366	213
Employment Security	143	1,932
Lottery and OTB	—	3
Grant and Loan Programs	117,102	409
Environmental Programs	24,153	93
Housing Programs	—	214
Other	2,532	182
	<u>241,095</u>	<u>3,493</u>
Capital Projects:		
State Facilities	254,820	2,075
Infrastructure	227,956	1,296
Transportation	46,029	31
	<u>528,805</u>	<u>3,402</u>
Enterprise:		
Rental Housing	2,199	2,918
Bradley	261	2,484
Ct. Development Authority	159	—
Other	64	8
	<u>2,683</u>	<u>5,410</u>
Internal Service:		
Correction Industries	191	228
Administrative Services	2,181	324
	<u>2,372</u>	<u>552</u>

Expendable Trust:

Employment Security	627	1,481
Other	1,338	26
	<u>1,965</u>	<u>1,507</u>

Nonexpendable Trust:

Soldiers, Sailors & Marines	187	366
-----------------------------	-----	-----

Pension Trust:

State Employees	4,726	—
Probate Judges	5	5
	<u>4,731</u>	<u>5</u>

Agency:

Payroll & Fringe Benefit	1,613	—
Receipts Pending Distribution	—	13,882
Other	5,986	103
	<u>7,599</u>	<u>13,985</u>

Higher Education & University Hospital:

Current Unrestricted	3,349	1,480
Current Restricted	167	352
Hospital Funds	—	151
Endowment Funds	—	7
Loan Funds	—	512
Agency Funds	—	7
Plant Funds	54	106
	<u>3,570</u>	<u>2,615</u>
Totals	<u>\$811,079</u>	<u>\$811,079</u>

NOTE 17**RESTATEMENTS**

During the fiscal year ended June 30, 1991, additional information pertaining to Fund Equity for the previous year became available. This information has necessitated certain changes to be made to these balances for the fiscal year ended June 30, 1990, to better conform with the governmental model.

The following schedule details the restatements made to Fund Equity as of June 30, 1990, to give retroactive effect to these changes:

	Balance 6/30/90	Effects of Changes in Prior Year Reported Assets and Liabilities	Balance 6/30/90
	<u>Previously Reported</u>	<u>Restated</u>	
Enterprise	\$ 458,988	\$ (4,031)	\$ 454,957
Nonexpendable	56,820	(353)	56,467
Pension Trust	7,743,581	12,359	7,755,940
General Fixed Assets	1,968,194	211,454	2,179,648
Higher Education	1,169,154	4,022	1,173,176
Total Adjustments		<u>\$ 223,451</u>	

**NOTE 18****RESERVED RETAINED EARNINGS AND FUND BALANCES**Reserved Retained Earnings

The following enterprise funds have reserved amounts in Retained Earnings. The Connecticut Housing Finance Authority has \$291,456 restricted for debt ser-

vice requirements and other programs of the Authority. Bradley International Airport has \$7,900 restricted by the bond indenture for various purposes.

Reserved Fund Balances

These balances are comprised as follows:

Reserved For	Fund Type				
	General	Special Revenue	Debt Service	Trust and Agency	Higher Education
Petty Cash	\$ 1,034	\$ —	\$ —	\$ —	\$ —
Long-Term Advances	75,420	—	—	—	—
Inventory and Prepaids	35,094	9,215	—	—	—
Continuing Appropriations	18,170	65,232	—	—	—
Debt Service	—	—	349,206	—	—
Loans	—	273,152	—	—	—
Pension Obligations	—	—	—	8,307,727	—
Trust Activities	—	—	—	60,842	—
Higher Education	—	—	—	—	71,400
	<u>\$129,718</u>	<u>\$347,599</u>	<u>\$349,206</u>	<u>\$8,368,569</u>	<u>\$71,400</u>

Reserved for continuing appropriations represents amounts of unexpended appropriations legally carried forward and available for encumbrances and expenditures in the succeeding year.

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

NOTE 19**SEGMENT INFORMATION - ENTERPRISE FUNDS**

The State maintains six enterprise funds which provide financing for State housing programs, airport services, low-interest loans for the State's business community, low and moderate income housing, solid waste man-

agement, and vocational education.

Segment information for the year ended June 30, 1991, is as follows:

	RENTAL HOUSING	BRADLEY INTERNAT'L AIRPORT	CONNECTICUT DEVELOPMENT AUTHORITY	CONNECTICUT HOUSING FINANCE AUTHORITY (12-31-90)	CONNECTICUT RESOURCES RECOVERY AUTHORITY	OTHER
Operating Revenue	\$ 11,991	\$29,276	\$ 128,405	\$ 250,684	\$ 119,006	\$1,771
Depreciation and Amortization Expense	5	5,472	380	4,181	13,842	14
Operating Income (Loss)	(2,608)	7,492	(3,087)	2,957	14,936	334
Operating Transfers Out	(683)	—	—	—	—	—
Net Non-operating Revenues (Expenses)	—	(5,999)	—	—	(16,838)	—
Net Income (Loss)	(3,291)	1,493	(3,087)	2,957	(1,902)	334
Current Capital Contributions	—	76,123	31,296	—	1,350	350
Property, Plant & Equipment: Additions (Deletions)	1	12,927	(33)	—	1,817	(3)
Net Working Capital	5,648	4,782	41,190	60,385	5,089	605
Total Assets	152,541	193,420	1,933,581	3,076,483	480,002	652
Bond and Other Long-Term Liabilities Payable from Operating Revenues	131,380	100,610	1,861,728	2,656,375	430,800	—
Total Equity	(61,215)	84,725	63,545	296,010	23,380	594

**NOTE 20****RELATED PARTY TRANSACTIONS**

The University of Connecticut receives financial support from the University of Connecticut Foundation, Inc., whose financial operations are not recorded in the University of Connecticut's financial statements. A summary of assets, liabilities, revenues and expenditures for the Foundation as of June 30, 1991, is reported below (in thousands):

Assets	<u>\$36,426</u>	Liabilities	<u>\$4,119</u>
Revenues	<u>\$7,042</u>	Expenditures	<u>\$6,916</u>

Of the Foundation's expenditures, \$2,043 represents direct transfers to the University, while \$69 of its liabilities were for amounts payable to the University.

NOTE 21**COMMITMENTS AND CONTINGENCIES****A. Commitments**

At June 30, 1991, the State had the following outstanding commitments:

- 1) Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately \$1,226 million of which \$742 million is expected to be reimbursed by Federal grants.
- 2) School buildings construction and alteration grant contracts with various towns totaling approximately \$576 million. Funding for these projects is expected to come from bond sales.
- 3) Loan, mortgage and grant programs totaling approximately \$279 million. Funding for these programs is expected to come from bond sales.

B. Contingent Liabilities

The Division of Special Revenue, the agency responsible for the Lottery Fund, has entered into agreements with insurance companies under which the Lottery Fund purchases annuities under group contracts which provide payments corresponding to the State's obligation to prize winners. Notwithstanding these annuity contracts, the State of Connecticut is contingently liable for the prize payments due lottery winners. At June 30, 1991, amounts due lottery winners totaled \$713.9 million.

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 Author-

ity bonds in the event that the Authority has insufficient funds to do so. At year end, the Authority had \$35 million in bonds outstanding.

The State has enacted legislation to assist the City of Bridgeport in issuing bonds to fund the city's cumulative June 30, 1988 General Fund deficit. The State is contingently liable for amounts needed annually to maintain a capital reserve fund in an amount equal to the required minimum capital reserve of such fund. The maximum principal amount authorized to be secured by the capital reserve fund is \$35 million which amount has been issued and is outstanding.

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

The State receives significant federal financial assistance. Entitlement to federal grant monies is generally dependent upon the State's compliance with the terms and conditions of the grant agreements and applicable federal regulations. Substantially all federal grant programs are subject to financial and compliance audits by the grantor agencies. Any disallowances that result from these audits become a liability of the fund which receives the grant. As of June 30, 1991, the State estimates that nonmaterial liabilities, if any, may result from such audits.

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.

**NOTE 22****SUBSEQUENT EVENTS**

In August, major legislation was passed which significantly changed the method in which the State raises revenue. A 4.5% broad based income tax was enacted and the separate tax on capital gains, interest and dividends was repealed. In addition, the sales tax rate was decreased from 8% to 6% and the 20% corporation tax surcharge was phased out over a two year period.

Subsequent to year end, the State of Connecticut had five bond issues totaling \$601.3 million and four note issues totaling \$1,485.0 million.

In July, \$200 million of general obligation temporary notes were issued bearing an interest rate of 5% and having a maturity date of September 30, 1991. On September 30, 1991 these notes were retired.

In August, \$319.3 million of general obligation bond anticipation notes were issued bearing an interest rate of 5.25% and having a maturity date of April 15, 1992.

In September, \$640.7 million of general obligation economic recovery notes were issued to partially fund the accumulated deficit through June 30, 1991 in the General Fund. These notes mature on various dates through 1996 and bear interest rates from 5.25% to 6.8%.

Also in September, \$266 million of special tax obligation bonds for transportation infrastructure programs were issued consisting of \$219.3 million of serial bonds maturing on various dates through 2012 and bearing interest rates of 5% to 10%, and \$46.7 million in 6.25% term bonds maturing in 2009.

In October, \$325 million of general obligation economic recovery notes were issued to fund the remain-

ing accumulated deficit in the General Fund. These notes bear a variable rate of interest and may be redeemed through 1996.

In November, the State issued \$143.0 million of general obligation bonds consisting of \$70.4 million capital appreciation bonds (college saving plan) and \$72.6 million of current interest bonds. The capital appreciation bonds earn interest which will be compounded semi-annually and will be payable at maturity with maturity dates ranging from 1996 to 2011 at interest rates ranging from 5.4% to 6.6%. The current interest bonds mature on various dates through the year 2004 and have interest rates of 5.15% to 9.75%. The total redemption amount for the capital appreciation bonds is approximately \$137.4 million.

In December, \$54.4 million of taxable general obligation serial bonds were issued, maturing at various dates through 2002 and having interest rates of 6.3% to 10%.

Also in December, the State entered into a lease purchase agreement with a developer under which the developer has agreed to construct a six-story courthouse in Middletown and to lease to the State the facility. In turn, the State has agreed to make lease payments to a trustee which will be used to pay principal and interest due on \$37.3 million of certificates of participation issued by the developer through the trustee.

In January, \$105 million of Clean Water Fund revenue bonds were issued consisting of \$69.7 million of serial bonds maturing on various dates through 2006 and bearing interest rates of 4.875% to 11%, and \$35.3 million in 6.125% term bonds maturing in 2012. In conjunction with this, \$32.9 million of general obligation serial bonds were issued, maturing at various dates through 2012 and having an interest rate of 6.03%.



THIS PAGE LEFT INTENTIONALLY BLANK



REQUIRED PERS SUPPLEMENTARY INFORMATION



Required Supplementary Information
Analysis of Fund Progress
(In Millions)

	(1)	(2)	(3)	(4)	(5)	(6)
Fiscal Year	Net Assets available for benefits*	Pension benefit obligation	% funded (1)/(2)	Unfunded Pension benefit obligation (2)-(1)	Annual covered payroll	Unfunded pension benefit obligation as a percentage of covered payroll (4)/(5)
<u>State Employees' Retirement System</u>						
1988	\$1,844.6	\$4,089.3	45.1%	\$2,244.7	\$1,429.1	157.1%
1989	\$2,166.5	\$4,550.7	47.6%	\$2,384.2	\$1,583.0	150.6%
1990	\$2,552.1	\$5,071.6	50.3%	\$2,519.5	\$1,759.6	143.2%
1991	\$2,932.6	\$5,624.7	52.1%	\$2,692.1	\$1,802.8	149.3%
<u>Teachers' Retirement System</u>						
1988	\$2,880.3	\$6,293.7	45.8%	\$3,413.4	\$1,193.5	286.0%
1989	\$3,275.2	\$6,856.7	47.8%	\$3,581.5	\$1,370.0	261.4%
1990	\$3,744.8	\$7,090.2	52.8%	\$3,345.4	\$1,540.8	217.1%
1991	\$4,308.5	\$7,425.2	58.0%	\$3,116.7	\$1,663.8	187.3%
<u>Judicial Retirement System</u>						
1988	\$15.3	\$95.4	16.0%	\$80.1	\$9.7	825.8%
1989	\$21.9	\$107.5	20.4%	\$85.6	\$10.5	815.2%
1990	\$30.0	\$114.0	26.3%	\$84.0	\$11.8	711.9%
1991	\$37.6	\$110.0	34.2%	\$72.4	\$14.4	502.8%

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. Prior to 1988, statements were not prepared on a GAAP basis, therefore, required supplementary information is only presented since then.

* Net assets are presented at cost



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

Fiscal Year	Employee Contributions	Revenues by Source		Investment Income	Other	Total
		State Contributions				
		Dollar Amount	% of annual covered payroll			
1982	\$25,699	\$123,867	15.9%	\$45,665	\$33,445	\$228,676
1983	\$27,111	\$136,759	15.7%	\$55,237	\$40,178	\$259,285
1984	\$28,957	\$158,751	16.2%	\$66,925	\$37,146	\$291,779
1985	\$30,100	\$196,202	18.7%	\$76,455	\$38,586	\$341,343
1986	\$30,493	\$234,192	19.7%	\$89,773	\$39,496	\$393,954
1987	\$27,783	\$275,816	21.2%	\$102,819	\$42,954	\$449,372
1988	\$28,025	\$272,298	19.1%	\$144,635	\$50,593	\$495,551
1989	\$28,710	\$324,315	20.5%	\$180,842	\$48,950	\$582,817
1990	\$29,198	\$288,368	16.4%	\$260,649	\$53,642	\$631,857
1991	\$33,810	\$208,817	11.6%	\$179,690	\$59,749	\$482,066

Fiscal Year	Benefits	Expenses by Type			Total
		Administrative expenses	Refunds	Other	
1982	\$99,362	\$25	\$4,349	\$20	\$103,756
1983	\$107,190	\$19	\$16,217	-	\$123,426
1984	\$114,841	\$215	\$11,435	-	\$126,491
1985	\$126,749	\$117	\$13,617	-	\$140,483
1986	\$140,168	\$111	\$5,799	\$74	\$146,152
1987	\$154,860	\$120	\$2,803	-	\$157,783
1988	\$171,668	\$165	\$2,680	\$589	\$175,102
1989	\$192,552	\$1,875	\$2,216	\$540	\$197,183
1990	\$248,425	\$533	\$1,847	\$676	\$251,481
1991	\$272,133	\$195	\$1,847	-	\$274,175

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1982 through 1989. In 1990 and 1991 the actuarially determined contribution requirements were \$354.4 million and \$398 million respectively while the actual contributions were \$341.4 million and \$263.8 million respectively.



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

Fiscal Year	Employee Contributions	Revenues by Source		Investment Income	Other	Total
		State Contributions				
		Dollar Amount	% of annual covered payroll			
1982	\$49,134	\$76,203	10.4%	\$109,644	—	\$234,981
1983	\$53,066	\$97,108	12.6%	\$108,775	—	\$258,949
1984	\$56,658	\$120,519	14.6%	\$136,649	—	\$313,826
1985	\$61,125	\$146,379	16.5%	\$152,322	—	\$359,826
1986	\$67,052	\$175,765	18.0%	\$167,173	—	\$409,990
1987	\$75,517	\$204,724	19.2%	\$187,468	—	\$467,709
1988	\$89,607	\$242,512	20.3%	\$237,187	—	\$569,306
1989	\$100,075	\$282,917	20.6%	\$269,767	—	\$652,759
1990	\$106,922	\$321,639	20.9%	\$351,212	\$1,381	\$781,154
1991	\$115,008	\$158,351	9.5%	\$292,279	\$176	\$565,814

Fiscal Year	Expenses by Type			
	Benefits	Refunds	Other	Total
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
1989	\$183,724	\$5,846	—	\$189,570
1990	\$210,699	\$6,783	—	\$217,482
1991	\$243,886	\$6,783	\$13,232	\$263,901

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1982 through 1988. In 1989, 1990 and 1991 the actuarially determined contribution requirements were \$302.9 million, \$348.6 million and \$304.3 million respectively, while the actual contributions made were \$282.9 million, \$321.6 million and \$158.3 million respectively.



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

Fiscal Year	Employee Contributions	Revenues by Source		Investment Income	Other	Total
		State Contributions				
		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	60.1%	\$41	-	\$4,631
1985	\$388	\$5,966	76.0%	\$222	-	\$6,576
1986	\$451	\$7,317	88.7%	\$415	-	\$8,183
1987	\$490	\$8,605	97.8%	\$599	-	\$9,694
1988	\$561	\$9,919	102.1%	\$1,058	-	\$11,538
1989	\$607	\$10,430	99.0%	\$1,698	-	\$12,735
1990	\$688	\$10,833	91.5%	\$3,014	-	\$14,535
1991	\$738	\$11,413	79.3%	\$2,615	\$196	\$14,962

Fiscal Year	Benefits	Expenses by Type		
		Administrative & other		
		expenses	Refunds	Total
1982	\$2,001	-	-	\$2,001
1983	\$3,064	\$17	-	\$3,081
1984	\$3,478	\$12	\$13	\$3,503
1985	\$3,761	\$12	(\$13)	\$3,760
1986	\$4,188	\$9	-	\$4,197
1987	\$4,550	\$2	\$9	\$4,561
1988	\$4,931	\$10	-	\$4,941
1989	\$5,383	\$184	\$17	\$5,584
1990	\$5,876	\$3	\$17	\$5,896
1991	\$6,313	\$7	\$22	\$6,342

Contributions were made in accordance with actuarially determined contribution requirements.



THIS PAGE LEFT INTENTIONALLY BLANK



COMBINING FINANCIAL STATEMENTS



THIS PAGE LEFT INTENTIONALLY BLANK



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.

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 market.

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.

Lottery and Off Track Betting:

to account for lottery and off track betting 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 and Loan Programs:

to account for monies collected for the purpose of giving various grants to local governments, organizations and individuals.

Environmental Programs:

to account for monies collected for the purpose of providing funds for various environmental programs throughout the state.

Housing Programs:

to account for monies collected for the purpose of providing funds for various housing programs throughout the state.



Combining Balance Sheet

SPECIAL REVENUE FUNDS

June 30, 1991

(Expressed in Thousands)

	Transportation	Regional Market	Soldiers, Sailors & Marines	Employment Security Administration
Assets:				
Cash and Cash Equivalents.....	\$ -	\$213	\$ -	\$ -
Investments.....	-	-	-	-
Receivables:				
Taxes.....	30,189	-	-	-
Accounts, Net of Allowances.....	837	-	-	-
Loans, Net of Allowances.....	-	-	-	-
Interest.....	3,022	1	2	7
Due From Other Funds.....	96,799	-	366	143
Receivable From Other Governments.....	4,097	-	-	4,564
Inventories and Prepaid Items.....	9,215	-	-	-
Total Assets.....	<u>\$144,159</u>	<u>\$214</u>	<u>\$368</u>	<u>\$ 4,714</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 15,929	\$ 18	\$ 55	\$ 2,359
Due to Other Funds.....	441	6	213	1,932
Payable to Other Governments.....	-	-	-	-
Advances Due Other Funds.....	-	-	-	-
Deferred Revenue.....	33,959	-	-	-
Total Liabilities.....	<u>50,329</u>	<u>24</u>	<u>268</u>	<u>4,291</u>
Fund Balances:				
Reserved for Inventory.....	9,215	-	-	-
Reserved for Loans.....	-	-	-	-
Reserved for Continuing Appropriations.....	65,232	-	-	-
Unreserved, undesignated.....	19,383	190	100	423
Total Fund Balances.....	<u>93,830</u>	<u>190</u>	<u>100</u>	<u>423</u>
Total Liabilities and Fund Balances.....	<u>\$144,159</u>	<u>\$214</u>	<u>\$368</u>	<u>\$ 4,714</u>



Lottery & OTB	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$18,044	\$ -	\$ 49,041	\$ 60,850	\$36,698	\$164,846
-	-	117,856	-	-	117,856
-	-	-	-	-	30,189
5,639	-	4,243	486	739	11,944
-	30,454	125,431	117,261	6	273,152
-	63	990	594	106	4,785
-	117,102	24,153	-	2,532	241,095
-	330	-	576	46	9,613
-	-	-	-	-	9,215
<u>\$23,683</u>	<u>\$147,949</u>	<u>\$321,714</u>	<u>\$179,767</u>	<u>\$40,127</u>	<u>\$862,695</u>
\$23,470	\$ 2,212	\$ 3,259	\$ 643	\$ 2,349	\$ 50,294
3	409	93	214	182	3,493
187	-	-	-	-	187
-	-	-	33	-	33
831	-	2	691	731	36,214
<u>24,491</u>	<u>2,621</u>	<u>3,354</u>	<u>1,581</u>	<u>3,262</u>	<u>90,221</u>
-	-	-	-	-	9,215
-	30,454	125,431	117,261	6	273,152
-	-	-	-	-	65,232
(808)	114,874	192,929	60,925	36,859	424,875
(808)	145,328	318,360	178,186	36,865	772,474
<u>\$23,683</u>	<u>\$147,949</u>	<u>\$321,714</u>	<u>\$179,767</u>	<u>\$40,127</u>	<u>\$862,695</u>



Combining Statement of Revenues, Expenditures and Changes in Fund Balances

SPECIAL REVENUE FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Transportation	Regional Market	Soldiers, Sailors & Marines	Employment Security Administration
Revenues:				
Taxes.....	\$ 330,910	\$ -	\$ -	\$ -
Licenses, Permits and Fees.....	222,281	7	-	3
Intergovernmental.....	51,888	-	-	77,490
Charges for Services.....	17,630	-	-	37
Fines, Forfeits and Rents.....	-	628	-	-
Investment Earnings.....	31,258	17	4	79
Lottery and Off Track Betting.....	-	-	-	-
Miscellaneous.....	175	-	-	45
Total Revenues.....	654,142	652	4	77,654
Expenditures:				
Current:				
General Government.....	1,262	-	200	-
Regulation and Protection.....	-	-	-	78,891
Natural Resources and Recreation.....	-	539	-	-
Health and Hospitals.....	-	-	-	-
Transportation.....	392,914	-	-	-
Human Services.....	-	-	2,935	-
Education, Libraries and Museums.....	-	-	-	-
Corrections.....	-	-	-	-
Judicial.....	-	-	-	-
Federal and Other Grants.....	42,659	-	-	-
Debt Service:				
Principal Retirement.....	43,955	45	-	-
Interest and Fiscal Charges.....	40,981	95	-	-
Total Expenditures.....	521,771	679	3,135	78,891
Excess (Deficiency) of Revenues Over Expenditures.....	132,371	(27)	(3,131)	(1,237)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds.....	-	-	-	-
Operating Transfers In.....	-	-	3,131	1,150
Operating Transfers Out.....	(162,206)	-	-	(44)
Capital Lease Obligations.....	2,170	-	-	-
Total Other Financing Sources (Uses).....	(160,036)	-	3,131	1,106
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	(27,665)	(27)	-	(131)
Fund Balances - July 1.....	120,915	217	100	554
Residual Equity Transferred In.....	-	-	-	-
Residual Equity Transferred Out.....	-	-	-	-
Changes in Reserves for Inventories.....	580	-	-	-
Fund Balances (deficit) - June 30.....	\$ 93,830	\$190	\$ 100	\$ 423



Lottery & OTB	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$ -	\$ -	\$ 5,583	\$ -	\$ 29	\$ 336,522
-	-	6,512	-	32,616	261,419
-	-	39,800	-	-	169,178
-	-	1,229	-	365	19,261
-	-	-	-	238	866
-	14,292	6,045	3,117	1,790	56,602
731,095	-	-	-	-	731,095
697	-	8,998	571	9,078	19,564
<u>731,792</u>	<u>14,292</u>	<u>68,167</u>	<u>3,688</u>	<u>44,116</u>	<u>1,594,507</u>
498,877	30,793	2,311	101,455	3,359	638,257
-	-	-	-	31,532	110,423
-	51,910	63,403	-	7,738	123,590
-	5,509	-	-	200	5,709
-	2,329	-	-	834	396,077
-	18,688	750	432	-	22,805
-	87,055	3,852	-	5,443	96,350
-	6,733	-	-	-	6,733
-	-	-	-	1,428	1,428
-	-	-	-	-	42,659
-	-	-	-	-	44,000
-	-	544	-	-	41,620
<u>498,877</u>	<u>203,017</u>	<u>70,860</u>	<u>101,887</u>	<u>50,534</u>	<u>1,529,651</u>
<u>232,915</u>	<u>(188,725)</u>	<u>(2,693)</u>	<u>(98,199)</u>	<u>(6,418)</u>	<u>64,856</u>
-	286,048	173,325	143,676	18,067	621,116
-	2,113	2,987	4,149	(75)	13,455
(239,500)	(1,993)	(501)	(2,255)	(149)	(406,648)
-	-	-	-	-	2,170
<u>(239,500)</u>	<u>286,168</u>	<u>175,811</u>	<u>145,570</u>	<u>17,843</u>	<u>230,093</u>
(6,585)	97,443	173,118	47,371	11,425	294,949
5,777	47,885	150,742	130,815	29,440	486,445
-	-	500	-	-	500
-	-	(6,000)	-	(4,000)	(10,000)
-	-	-	-	-	580
<u>\$ (808)</u>	<u>\$ 145,328</u>	<u>\$318,360</u>	<u>\$178,186</u>	<u>\$36,865</u>	<u>\$ 772,474</u>



Combining Schedule 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, 1991

(Expressed in Thousands)

	Transportation		Variance
	Budget	Actual	Favorable (Unfavorable)
Budgeted Revenues:			
Taxes, Net of Refunds.....	\$333,500	\$330,910	\$ (2,590)
Licenses, Permits and Fees.....	222,500	221,627	(873)
Other.....	30,000	30,134	134
Federal Grants.....	9,200	9,230	30
Total Budgeted Revenues.....	<u>595,200</u>	<u>591,901</u>	<u>(3,299)</u>
Expenditures:			
General Government.....	1,072	1,072	-
Natural Resources and Recreation.....	-	-	-
Transportation.....	327,864	318,911	8,953
Human Services.....	-	-	-
Non Functional.....	295,039	289,071	5,968
Appropriations Lapsed.....	(14,921)	-	(14,921)
Total Expenditures.....	<u>609,054</u>	<u>609,054</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over Expenditures.....	<u>(13,854)</u>	<u>(17,153)</u>	<u>(3,299)</u>
Other Financing Sources (Uses):			
Federal and Other Restricted Sources.....	-	44,198	44,198
Federal and Other Restricted Uses.....	-	(44,198)	(44,198)
Transfers Between Funds.....	-	-	-
Miscellaneous Adjustments.....	-	239	239
Total Other Financing Sources (Uses).....	<u>-</u>	<u>239</u>	<u>239</u>
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses.....	<u><u>\$(13,854)</u></u>	<u>(16,914)</u>	<u><u>\$ (3,060)</u></u>
Budgetary Fund Balances - July 1.....		206,968	
Changes in Reserves.....		<u>(25,526)</u>	
Budgetary Fund Balances - June 30.....		<u><u>\$164,528</u></u>	



Regional Market			Soldiers, Sailors and Marines			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$333,500	\$330,910	\$ (2,590)
-	-	-	-	-	-	222,500	221,627	(873)
670	653	(17)	3,400	3,353	(47)	34,070	34,140	70
-	-	-	-	-	-	9,200	9,230	30
<u>670</u>	<u>653</u>	<u>(17)</u>	<u>3,400</u>	<u>3,353</u>	<u>(47)</u>	<u>599,270</u>	<u>595,907</u>	<u>(3,363)</u>
-	-	-	169	169	-	1,241	1,241	-
553	537	16	-	-	-	553	537	16
-	-	-	-	-	-	327,864	318,911	8,953
-	-	-	3,163	2,933	230	3,163	2,933	230
139	139	-	-	-	-	295,178	289,210	5,968
-	-	-	-	-	-	(14,921)	-	(14,921)
<u>692</u>	<u>676</u>	<u>16</u>	<u>3,332</u>	<u>3,102</u>	<u>230</u>	<u>613,078</u>	<u>612,832</u>	<u>246</u>
(22)	(23)	(1)	68	251	183	(13,808)	(16,925)	(3,117)
-	-	-	-	-	-	-	44,198	44,198
-	-	-	-	-	-	-	(44,198)	(44,198)
-	-	-	(68)	(251)	(183)	(68)	(251)	(183)
-	-	-	-	-	-	-	239	239
<u>-</u>	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>(251)</u>	<u>(183)</u>	<u>(68)</u>	<u>(12)</u>	<u>56</u>
<u>\$(22)</u>	(23)	<u>\$ (1)</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$(13,876)</u>	(16,937)	<u>\$ (3,061)</u>
	237			100			207,305	
	-			-			(25,526)	
	<u>\$214</u>			<u>\$ 100</u>			<u>\$164,842</u>	



THIS PAGE LEFT INTENTIONALLY BLANK



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 as follows:

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.



Combining Balance Sheet

CAPITAL PROJECTS FUNDS

June 30, 1991

(Expressed in Thousands)

	State Facilities	Infra- Structure	Transportation	Total
Assets:				
Receivables:				
Accounts, Net of Allowances.....	\$ 67	\$ 44	\$ 179	\$ 290
Interest.....	281	730	-	1,011
Due From Other Funds.....	254,820	227,956	46,029	528,805
Receivable From Other Governments.....	254	73,874	627	74,755
Total Assets.....	<u>\$255,422</u>	<u>\$302,604</u>	<u>\$46,835</u>	<u>\$604,861</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities...	\$ 40,035	\$ 87,386	\$ 2,070	\$129,491
Due to Other Funds.....	2,075	1,296	31	3,402
Deferred Revenue.....	27	27	-	54
Total Liabilities.....	<u>42,137</u>	<u>88,709</u>	<u>2,101</u>	<u>132,947</u>
Fund Balances:				
Unreserved, undesignated.....	213,285	213,895	44,734	471,914
Total Fund Balances.....	<u>213,285</u>	<u>213,895</u>	<u>44,734</u>	<u>471,914</u>
Total Liabilities and Fund Balances.....	<u>\$255,422</u>	<u>\$302,604</u>	<u>\$46,835</u>	<u>\$604,861</u>



Combining Statement of Revenues, Expenditures and Changes in Fund Balances

CAPITAL PROJECTS FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	State Facilities	Infra- Structure	Transportation	Total
Revenues:				
Intergovernmental.....	\$ 2,036	\$ 503,576	\$ -	\$ 505,612
Investment Earnings.....	3,064	-	10	3,074
Total Revenues.....	5,100	503,576	10	508,686
Expenditures:				
Capital Projects.....	299,413	882,424	15,695	1,197,532
Total Expenditures.....	299,413	882,424	15,695	1,197,532
Excess (Deficiency) of Revenues Over Expenditures.....	(294,313)	(378,848)	(15,685)	(688,846)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds.....	534,078	446,402	5,772	986,252
Operating Transfers In.....	3,104	-	1,953	5,057
Operating Transfers Out.....	(63,310)	(40,144)	(25)	(103,479)
Total Other Financing Sources (Uses).....	473,872	406,258	7,700	887,830
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	179,559	27,410	(7,985)	198,984
Fund Balances - July 1.....	33,726	186,485	52,719	272,930
Fund Balances - June 30.....	\$ 213,285	\$ 213,895	\$ 44,734	\$ 471,914



THIS PAGE LEFT INTENTIONALLY BLANK



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 as follows:

Rental Housing Fund:

The Rental Housing Fund is used 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.



Combining Balance Sheet

ENTERPRISE FUNDS

June 30, 1991

(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Connecticut Development Authority
Assets:			
Cash and Cash Equivalents.....	\$ 4,055	\$ 9,123	\$ 67,056
Investments.....	37,199	-	34,386
Receivables:			
Accounts, Net of Allowances.....	1,085	2,736	-
Loans, Net of Allowances.....	102,729	-	-
Notes.....	-	-	1,826,720
Interest.....	1,852	-	2,017
Due From Other Funds.....	2,199	261	159
Receivable From Other Governments.....	3,385	1,912	-
Inventories and Prepaid Items.....	-	120	3,226
Restricted Assets.....	-	45,745	-
Property, Plant & Equipment.....	37	126,842	17
Other Assets.....	-	6,681	-
Total Assets.....	<u>\$152,541</u>	<u>\$193,420</u>	<u>\$1,933,581</u>
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 4,010	\$ 5,601	\$ 7,964
Due to Other Funds.....	2,918	2,484	-
Payable to Other Governments.....	-	-	-
Advances Due Other Funds.....	75,387	-	-
Deferred Revenue.....	-	-	344
Escrow Deposits.....	-	-	-
Notes and Loans Payable.....	-	-	-
Revenue Bonds.....	131,380	100,610	1,861,728
Compensated Absences.....	61	-	-
Total Liabilities.....	<u>213,756</u>	<u>108,695</u>	<u>1,870,036</u>
Equity:			
Contributed Capital.....	-	76,123	31,296
Retained Earnings:			
Reserved.....	-	7,900	-
Unreserved.....	(61,215)	702	32,249
Total Retained Earnings.....	<u>(61,215)</u>	<u>8,602</u>	<u>32,249</u>
Total Equity.....	<u>(61,215)</u>	<u>84,725</u>	<u>63,545</u>
Total Liabilities and Equity.....	<u>\$152,541</u>	<u>\$193,420</u>	<u>\$1,933,581</u>



Connecticut Housing Finance Authority (12-31-90)	Connecticut Resources Recovery Authority	Other	Total
\$ 138,289	\$ 19,927	\$402	\$ 238,852
368,629	-	-	440,214
-	15,992	107	19,920
2,205,795	48,955	-	2,357,479
-	-	-	1,826,720
25,613	935	-	30,417
-	-	64	2,683
-	-	-	5,297
-	1,372	60	4,778
328,938	117,027	-	491,710
-	254,467	19	381,382
9,219	21,327	-	37,227
<u>\$3,076,483</u>	<u>\$480,002</u>	<u>\$652</u>	<u>\$5,836,679</u>
\$ 66,809	\$ 15,521	\$ 20	\$ 99,925
-	-	8	5,410
-	1,675	-	1,675
-	-	-	75,387
-	2,326	16	2,686
57,289	-	-	57,289
-	6,300	-	6,300
2,656,375	430,800	-	5,180,893
-	-	14	75
<u>2,780,473</u>	<u>456,622</u>	<u>58</u>	<u>5,429,640</u>
-	1,350	350	109,119
291,456	-	-	299,356
4,554	22,030	244	(1,436)
<u>296,010</u>	<u>22,030</u>	<u>244</u>	<u>297,920</u>
<u>296,010</u>	<u>23,380</u>	<u>594</u>	<u>407,039</u>
<u>\$3,076,483</u>	<u>\$480,002</u>	<u>\$652</u>	<u>\$5,836,679</u>



Combining Statement of Revenues, Expenses and Changes in Fund Equity

ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Connecticut Development Authority
Operating Revenues:			
Charges for Services.....	\$ 937	\$ 29,276	\$ 1,086
Interest on Financing Activities.....	8,619	-	127,299
Realized Gains on Investments.....	-	-	-
Miscellaneous.....	2,435	-	20
Total Operating Revenues.....	11,991	29,276	128,405
Operating Expenses:			
Administrative.....	3,234	16,312	2,138
Depreciation and Amortization.....	5	5,472	380
Other Program Expenses.....	-	-	6,674
Realized Losses on Investments.....	-	-	-
Interest on Financing Activities.....	11,360	-	122,300
Total Operating Expenses.....	14,599	21,784	131,492
Operating Income (Loss).....	(2,608)	7,492	(3,087)
Nonoperating Revenues (Expenses):			
Interest and Investment Income.....	-	4,313	-
Other.....	-	(7)	-
Interest and Fiscal Charges.....	-	(10,305)	-
Total Nonoperating Income (Expense).....	-	(5,999)	-
Income (Loss) Before Operating Transfers.....	(2,608)	1,493	(3,087)
Operating Transfers In (Out):			
Operating Transfers Out.....	(683)	-	-
Net Income (Loss).....	(3,291)	1,493	(3,087)
Retained Earnings - July 1 (as adjusted).....	(57,924)	7,110	35,336
Residual Equity Transferred Out.....	-	-	-
Retained Earnings - June 30.....	(61,215)	8,603	32,249
Contributed Capital - July 1 (as adjusted).....	-	66,002	31,296
Capital Additions.....	-	10,120	-
Contributed Capital - June 30.....	-	76,122	31,296
Fund Equity (deficit) - June 30.....	\$(61,215)	\$ 84,725	\$ 63,545



Connecticut Housing Finance Authority (12-31-90)	Connecticut Resources Recovery Authority	Other	Total
\$ -	\$107,051	\$1,771	\$ 140,121
247,206	-	-	383,124
299	-	-	299
3,179	11,955	-	17,589
<u>250,684</u>	<u>119,006</u>	<u>1,771</u>	<u>541,133</u>
5,732	90,228	1,423	119,067
4,181	13,842	14	23,894
30,380	-	-	37,054
4,887	-	-	4,887
<u>202,547</u>	<u>-</u>	<u>-</u>	<u>336,207</u>
<u>247,727</u>	<u>104,070</u>	<u>1,437</u>	<u>521,109</u>
<u>2,957</u>	<u>14,936</u>	<u>334</u>	<u>20,024</u>
-	9,486	-	13,799
-	65	-	58
-	(26,389)	-	(36,694)
-	(16,838)	-	(22,837)
<u>2,957</u>	<u>(1,902)</u>	<u>334</u>	<u>(2,813)</u>
-	-	-	(683)
2,957	(1,902)	334	(3,496)
348,045	23,932	(90)	356,409
(54,992)	-	-	(54,992)
<u>296,010</u>	<u>22,030</u>	<u>244</u>	<u>297,921</u>
-	900	350	98,548
-	450	-	10,570
-	1,350	350	109,118
<u>\$296,010</u>	<u>\$ 23,380</u>	<u>\$ 594</u>	<u>\$ 407,039</u>



Combining Statement of Cash Flows

ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Connecticut Development Authority
Cash Flows From Operating Activities:			
Operating income (loss).....	\$ (2,608)	\$ 7,492	\$ (3,087)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation.....	5	5,472	379
Investment income.....	(4,161)	-	(9,183)
Interest expense.....	11,360	-	122,300
Changes in assets and liabilities:			
(Increase) decrease in receivables.....	(1,158)	(69)	603
(Increase) decrease in due from other funds.....	(2,199)	(46)	(2)
(Increase) decrease in receivable from other governments.....	(195)	(1,209)	-
(Increase) decrease in inventories and prepaid items.....	-	20	11
Increase (decrease) in accounts payable and accrued liabilities.....	(98)	332	(340)
Increase (decrease) in due to other funds.....	2,092	1,790	-
Increase (decrease) in payable to other governments.....	-	-	-
Other.....	-	-	6,288
Issuance of loans, notes & installment contracts receivable.....	(4,409)	-	(185,905)
Collection of loans, notes & installment contracts receivable.....	6,122	-	180,187
Net cash provided by (used in) operating activities.....	4,751	13,782	111,251
Cash Flows From Noncapital Financing Activities:			
Proceeds from sale of bonds and notes.....	4,900	-	173,940
Retirement of bonds and notes payable.....	(1,550)	(1,175)	(177,784)
Interest on bonds and notes payable.....	(11,474)	(352)	(122,369)
Transfers from (to) other funds.....	(683)	-	-
Other-net.....	(1,057)	(210)	-
Net cash provided by (used in) noncapital financing activities.....	(9,864)	(1,737)	(126,213)
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets.....	(7)	(17,231)	-
Retirement of bonds and notes payable.....	-	-	-
Interest on bonds and notes payable.....	-	(10,124)	-
Capital contributions received (given).....	-	10,120	-
Other-net.....	-	-	-
Net cash provided by (used in) capital and related financing activities.....	(7)	(17,235)	-
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities.....	-	-	986
Purchases of investment securities.....	(152)	-	(1,090)
Interest and income on investments.....	4,136	4,179	8,956
Decrease (increase) in restricted assets.....	-	260	-
Net cash provided by (used in) investing activities.....	3,984	4,439	8,852
Increase (decrease) in cash.....	(1,136)	(751)	(6,110)
Cash and cash equivalents, July 1.....	5,191	53,467	73,166
Cash and cash equivalents, June 30.....	\$ 4,055	\$ 52,716	\$ 67,056



Connecticut Housing Finance Authority (12-31-90)	Connecticut Resources Recovery Authority	Other	Total
\$ 2,957	\$ 14,936	\$334	\$ 20,024
4,181	13,842	14	23,893
(66,938)	-	-	(80,282)
202,547	-	-	336,207
252	5,269	(95)	4,802
-	(269)	(64)	(2,580)
-	-	-	(1,404)
-	916	17	964
4,941	(889)	(45)	3,901
-	3,164	7	7,053
-	885	-	885
21,633	(230)	-	27,691
(310,962)	-	-	(501,276)
131,680	-	-	317,989
(9,709)	37,624	168	157,867
387,880	-	-	566,720
(260,750)	-	-	(441,259)
(198,155)	-	-	(332,350)
(28,011)	(2,416)	-	(31,110)
3,796	25	-	2,554
(95,240)	(2,391)	-	(235,445)
-	(15,164)	(12)	(32,414)
-	(10,989)	-	(10,989)
-	(28,778)	-	(38,902)
-	450	-	10,570
-	2,657	-	2,657
-	(51,824)	(12)	(69,078)
456,556	-	-	457,542
(601,689)	(1,786)	-	(604,717)
72,108	11,258	-	100,637
-	42,103	-	42,363
(73,025)	51,575	-	(4,175)
(177,974)	34,984	156	(150,831)
316,263	67,436	246	515,769
<u>\$ 138,289</u>	<u>\$102,420</u>	<u>\$402</u>	<u>\$ 364,938</u>



THIS PAGE LEFT INTENTIONALLY BLANK



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:

Correction Industries:

to account for the revenues 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.



Combining Balance Sheet

INTERNAL SERVICE FUNDS

June 30, 1991

(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Assets:			
Cash and Cash Equivalents.....	\$ -	\$9,863	\$ 9,863
Receivables:			
Accounts, Net of Allowances.....	181	4,002	4,183
Due From Other Funds.....	191	2,181	2,372
Inventories and Prepaid Items.....	2,040	4,030	6,070
Property, Plant & Equipment.....	885	23,441	24,326
Other Assets.....	-	665	665
Total Assets.....	\$ 3,297	\$44,182	\$47,479
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 387	\$ 4,542	\$ 4,929
Due to Other Funds.....	228	324	552
Deferred Revenue.....	1	-	1
Notes and Loans Payable.....	-	30	30
Compensated Absences.....	218	2,068	2,286
Total Liabilities.....	834	6,964	7,798
Equity:			
Contributed Capital.....	5,730	8,072	13,802
Retained Earnings:			
Unreserved.....	(3,267)	29,146	25,879
Total Equity.....	2,463	37,218	39,681
Total Liabilities and Equity.....	\$ 3,297	\$44,182	\$47,479



Combining Statement of Revenues, Expenses and Changes in Fund Equity

INTERNAL SERVICE FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Operating Revenues:			
Charges for Services.....	\$ 4,895	\$73,631	\$78,526
Total Operating Revenues.....	<u>4,895</u>	<u>73,631</u>	<u>78,526</u>
Operating Expenses:			
Cost of Sales and Services.....	3,820	38,884	42,704
Administrative.....	746	21,310	22,056
Depreciation and Amortization.....	230	12,328	12,558
Total Operating Expenses.....	<u>4,796</u>	<u>72,522</u>	<u>77,318</u>
Operating Income	<u>99</u>	<u>1,109</u>	<u>1,208</u>
Net Income	<u>99</u>	<u>1,109</u>	<u>1,208</u>
Retained Earnings - July 1.....	<u>(3,366)</u>	<u>28,037</u>	<u>24,671</u>
Retained Earnings - June 30.....	<u>(3,267)</u>	<u>29,146</u>	<u>25,879</u>
Contributed Capital - July 1.....	<u>5,730</u>	<u>8,072</u>	<u>13,802</u>
Contributed Capital - June 30.....	<u>5,730</u>	<u>8,072</u>	<u>13,802</u>
Fund Equity - June 30.....	<u><u>\$ 2,463</u></u>	<u><u>\$37,218</u></u>	<u><u>\$39,681</u></u>



Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Cash Flows From Operating Activities:			
Operating income.....	\$ 99	\$ 1,109	\$ 1,208
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation.....	230	12,328	12,558
Changes in assets and liabilities:			
(Increase) decrease in receivables.....	(108)	(612)	(720)
(Increase) decrease in due from other funds.....	150	781	931
(Increase) decrease in inventories and prepaid items.....	106	(434)	(328)
Increase (decrease) in accounts payable and accrued liabilities.....	(258)	405	147
Increase (decrease) in due to other funds.....	224	(80)	144
Other.....	(528)	295	(233)
Net cash provided by (used in) operating activities.....	<u>(85)</u>	<u>13,792</u>	<u>13,707</u>
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets.....	(146)	(7,474)	(7,620)
Retirement of notes payable.....	-	(38)	(38)
Net cash provided by (used in) capital and related financing activities.....	<u>(146)</u>	<u>(7,512)</u>	<u>(7,658)</u>
Increase (decrease) in cash.....	(231)	6,280	6,049
Cash and cash equivalents, July 1.....	231	3,583	3,814
Cash and cash equivalents, June 30.....	<u>\$ -</u>	<u>\$ 9,863</u>	<u>\$ 9,863</u>



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 as follows:

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 notes 9 and 10 for a description of the Pension Funds.

Agency Funds

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 Short Term Investment Fund (STIF) 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.



Combining Balance Sheet

FIDUCIARY FUNDS

June 30, 1991

(Expressed in Thousands)

	Expendable Trust			
	Employment Security	Local Property Tax Relief	Second Injury & Compensation Assurance	Other
Assets:				
Cash and Cash Equivalents.....	\$ -	\$8,327	\$ 9,224	\$7,220
Investments.....	-	-	-	-
Receivables:				
Accounts, Net of Allowances.....	8,988	-	543	42
Loans, Net of Allowances.....	-	-	-	-
Interest.....	-	-	62	19
Due From Other Funds.....	627	-	-	1,338
Receivable From Other Governments.....	-	-	-	-
Inventories and Prepaid Items.....	-	-	380	-
Other Assets.....	-	-	-	-
Total Assets.....	\$ 9,615	\$8,327	\$10,209	\$8,619
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ -	\$ -	\$ -	\$ 169
Due to Other Funds.....	1,481	-	-	26
Payable to Other Governments.....	153,770	-	-	-
Deferred Revenue.....	4,811	-	-	-
Deferred Compensation Liability.....	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-
Total Liabilities.....	160,062	-	-	195
Fund Balances:				
Reserved for Trust Activities.....	-	-	-	-
Reserved for Pension Obligations.....	-	-	-	-
Unreserved, undesignated.....	(150,447)	8,327	10,209	8,424
Total Fund Balances.....	(150,447)	8,327	10,209	8,424
Total Liabilities and Fund Balances.....	\$ 9,615	\$8,327	\$10,209	\$8,619



Nonexpendable Trust

School	Soldiers Sailors & Marines	Other	Pension	Agency	Total
\$ 698	\$ 1,808	\$8,148	\$ 394,933	\$ 299,561	\$ 729,919
2,953	46,154	1,207	7,895,067	194,492	8,139,873
-	-	-	3,981	616	14,170
-	-	-	-	15	15
3	9	41	11,282	1,366	12,782
-	187	-	4,731	7,599	14,482
-	-	-	-	27	27
-	-	-	-	582	962
-	-	-	-	567,108	567,108
<u>\$3,654</u>	<u>\$48,158</u>	<u>\$9,396</u>	<u>\$8,309,994</u>	<u>\$1,071,366</u>	<u>\$9,479,338</u>
\$ -	\$ -	\$ -	\$ 21	\$ 3,538	\$ 3,728
-	366	-	5	13,985	15,863
-	-	-	2,241	23	156,034
-	-	-	-	-	4,811
-	-	-	-	194,492	194,492
-	-	-	-	859,328	859,328
-	366	-	2,267	1,071,366	1,234,256
3,654	47,792	9,396	-	-	60,842
-	-	-	8,307,727	-	8,307,727
-	-	-	-	-	(123,487)
<u>3,654</u>	<u>47,792</u>	<u>9,396</u>	<u>8,307,727</u>	<u>-</u>	<u>8,245,082</u>
<u>\$3,654</u>	<u>\$48,158</u>	<u>\$9,396</u>	<u>\$8,309,994</u>	<u>\$1,071,366</u>	<u>\$9,479,338</u>



Combining Balance Sheet

PENSION TRUST FUNDS

June 30, 1991

(Expressed in Thousands)

	State Employees	State Teachers	Judicial
Assets:			
Cash and Cash Equivalents.....	\$ 147,443	\$ 222,574	\$ 5,034
Investments.....	2,978,603	4,401,669	41,107
Receivables:			
Accounts, Net of Allowances.....	738	-	-
Interest.....	8,668	1,078	136
Due From Other Funds.....	4,726	-	-
Total Assets.....	<u>\$3,140,178</u>	<u>\$4,625,321</u>	<u>\$46,277</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 21	\$ -	\$ -
Due to Other Funds.....	-	-	-
Payable to Other Governments.....	-	2,241	-
Total Liabilities.....	<u>21</u>	<u>2,241</u>	<u>-</u>
Fund Balances:			
Reserved for Pension Obligations.....	3,140,157	4,623,080	46,277
Total Fund Balances.....	<u>3,140,157</u>	<u>4,623,080</u>	<u>46,277</u>
Total Liabilities and Fund Balances.....	<u>\$3,140,178</u>	<u>\$4,625,321</u>	<u>\$46,277</u>



**Connecticut
Municipal
Employees**

Probate Judges

Other

Total

\$ 19,027	\$ 664	\$191	\$ 394,933
445,612	27,835	241	7,895,067
3,239	4	-	3,981
1,315	84	1	11,282
-	5	-	4,731
<u>\$469,193</u>	<u>\$28,592</u>	<u>\$433</u>	<u>\$8,309,994</u>

\$ -	\$ -	\$ -	\$ 21
-	5	-	5
-	-	-	2,241
-	5	-	2,267

469,193	28,587	433	8,307,727
469,193	28,587	433	8,307,727
<u>\$469,193</u>	<u>\$28,592</u>	<u>\$433</u>	<u>\$8,309,994</u>



Combining Balance Sheet

AGENCY FUNDS

June 30, 1991

(Expressed in Thousands)

	Payroll & Fringe Benefit Clearing	Receipts Pending Distribution	Investment Pool Non-State Portion
Assets:			
Cash and Cash Equivalents.....	\$1,426	\$20,732	\$239,444
Investments.....	-	-	-
Receivables:			
Accounts, Net of Allowances.....	-	121	-
Loans, Net of Allowances.....	-	-	-
Interest.....	-	-	1,273
Due From Other Funds.....	1,613	-	-
Receivable From Other Governments.....	-	27	-
Inventories and Prepaid Items.....	-	-	-
Other Assets.....	-	-	-
Total Assets.....	<u>\$3,039</u>	<u>\$20,880</u>	<u>\$240,717</u>
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ -	\$ 1,877	\$ -
Due to Other Funds.....	-	13,882	-
Payable to Other Governments.....	-	23	-
Deferred Compensation Liability.....	-	-	-
Agency Deposit Liabilities.....	3,039	5,098	240,717
Total Liabilities.....	<u>\$3,039</u>	<u>\$20,880</u>	<u>\$240,717</u>



Insurance Companies' Securities	State Institution Activity	Deferred Compensation	Other	Total
\$ -	\$14,151	\$ -	\$23,808	\$ 299,561
-	-	194,492	-	194,492
-	344	-	151	616
-	15	-	-	15
-	17	-	76	1,366
-	-	-	5,986	7,599
-	-	-	-	27
-	582	-	-	582
566,776	332	-	-	567,108
<u>\$566,776</u>	<u>\$15,441</u>	<u>\$194,492</u>	<u>\$30,021</u>	<u>\$1,071,366</u>
\$ -	\$ 996	\$ -	\$ 665	\$ 3,538
-	-	-	103	13,985
-	-	-	-	23
-	-	194,492	-	194,492
566,776	14,445	-	29,253	859,328
<u>\$566,776</u>	<u>\$15,441</u>	<u>\$194,492</u>	<u>\$30,021</u>	<u>\$1,071,366</u>



THIS PAGE LEFT INTENTIONALLY BLANK



Combining Statement of Revenues, Expenditures and Changes in Fund Balances

EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Employment Security	Local Property Tax Relief	Second Injury & Compensation Assurance	Other	Total
Revenues:					
Unemployment Taxes.....	\$ 217,114	\$ -	\$ -	\$ -	\$ 217,114
Licenses, Permits and Fees.....	-	-	-	110	110
Investment Earnings.....	5,389	5,041	977	3,708	15,115
Miscellaneous.....	-	-	48,758	625	49,383
Total Revenues.....	222,503	5,041	49,735	4,443	281,722
Expenditures:					
Current:					
General Government.....	-	152,510	55,584	3,110	211,204
Regulation and Protection.....	558,589	-	-	11,143	569,732
Education, Libraries and Museums.....	-	-	-	10	10
Total Expenditures.....	558,589	152,510	55,584	14,263	780,946
Excess (Deficiency) of Revenues					
Over Expenditures.....	(336,086)	(147,469)	(5,849)	(9,820)	(499,224)
Other Financing Sources (Uses):					
Operating Transfers In.....	44	-	-	1,000	1,044
Operating Transfers Out.....	(1,289)	-	-	(16)	(1,305)
Total Other Financing Sources (Uses).....	(1,245)	-	-	984	(261)
Excess (Deficiency) of Revenues and Other					
Sources Over Expenditures and Other Uses.....	(337,331)	(147,469)	(5,849)	(8,836)	(499,485)
Fund Balances - July 1.....	186,884	155,796	16,058	17,260	375,998
Fund Balances (deficit) - June 30.....	<u>\$(150,447)</u>	<u>\$ 8,327</u>	<u>\$10,209</u>	<u>\$ 8,424</u>	<u>\$(123,487)</u>



Combining Statement of Revenues, Expenses and Changes in Fund Balances

NONEXPENDABLE AND PENSION TRUST FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	Nonexpendable Trust			Total Nonexpendable
	School	Soldiers Sailors & Marines	Other	
Operating Revenues:				
Participants' Contributions.....	\$ -	\$ -	\$ -	\$ -
State Contribution.....	-	-	-	-
Investment Earnings.....	920	3,694	496	5,110
Miscellaneous.....	-	-	3,820	3,820
Total Operating Revenues.....	920	3,694	4,316	8,930
Operating Expenses:				
Administrative.....	-	-	-	-
Benefit Payments and Refunds.....	-	-	-	-
Other Program Expenses.....	-	642	319	961
Total Operating Expenses.....	-	642	319	961
Operating Income.....	920	3,052	3,997	7,969
Operating Transfers In (Out):				
Operating Transfers In.....	-	225	-	225
Operating Transfers Out.....	(434)	(3,355)	(30)	(3,819)
Net Income (Loss).....	486	(78)	3,967	4,375
Fund Balances - July 1 (as adjusted).....	3,168	47,870	5,429	56,467
Fund Balances - June 30.....	\$3,654	\$47,792	\$9,396	\$60,842



Pension Trust

State Employees	State Teachers	Judicial	Connecticut Municipal Employees	Probate Judges	Other	Total Pension
\$ 33,810	\$ 115,008	\$ 738	\$ 28,924	\$ 260	\$ 32	\$ 178,772
208,817	158,351	11,413	-	-	-	378,581
179,690	292,279	2,615	28,703	1,773	40	505,100
59,749	176	196	-	9	-	60,130
482,066	565,814	14,962	57,627	2,042	72	1,122,583
195	-	7	-	92	-	294
273,980	250,669	6,335	23,826	983	50	555,843
-	13,232	-	1,439	-	-	14,671
274,175	263,901	6,342	25,265	1,075	50	570,808
207,891	301,913	8,620	32,362	967	22	551,775
-	-	-	-	12	-	12
-	-	-	-	-	-	-
207,891	301,913	8,620	32,362	979	22	551,787
2,932,266	4,321,167	37,657	436,831	27,608	411	7,755,940
\$3,140,157	\$4,623,080	\$46,277	\$469,193	\$28,587	\$433	\$8,307,727



Combining Statement of Cash Flows

NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1991

(Expressed in Thousands)

	School	Soldiers, Sailors & Marines	Other	Total
Cash Flows From Operating Activities:				
Operating income.....	\$ 920	\$ 3,052	\$3,997	\$ 7,969
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Investment income.....	(920)	(3,694)	(496)	(5,110)
Changes in assets and liabilities:				
(Increase) decrease in receivables.....	1	(2)	(12)	(13)
Net cash provided by (used in) operating activities.....	<u>1</u>	<u>(644)</u>	<u>3,489</u>	<u>2,846</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from (to) other funds.....	(434)	(3,130)	(30)	(3,594)
Net cash provided by (used in) noncapital financing activities.....	<u>(434)</u>	<u>(3,130)</u>	<u>(30)</u>	<u>(3,594)</u>
Cash Flows From Investing Activities:				
Interest and income on investments.....	290	4,378	504	5,172
Net cash provided by (used in) investing activities.....	<u>290</u>	<u>4,378</u>	<u>504</u>	<u>5,172</u>
Increase (decrease) in cash.....	<u>(143)</u>	<u>604</u>	<u>3,963</u>	<u>4,424</u>
Cash and cash equivalents, July 1.....	<u>841</u>	<u>1,204</u>	<u>4,185</u>	<u>6,230</u>
Cash and cash equivalents, June 30.....	<u>\$ 698</u>	<u>\$ 1,808</u>	<u>\$8,148</u>	<u>\$10,654</u>



Combining Statement of Changes in Assets & Liabilities

ALL AGENCY FUNDS

June 30, 1991

(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deletions	Balance June 30, 1991
<u>Payroll and Fringe Benefit Clearing</u>				
ASSETS				
Cash and Cash Equivalents.....	\$1,433	\$ -	\$ 7	\$1,426
Taxes.....	1	-	1	-
Due From Other Funds.....	1,876	-	263	1,613
Total Assets.....	<u>\$3,310</u>	<u>\$ -</u>	<u>\$ 271</u>	<u>\$3,039</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities...	\$2,284	\$ -	\$2,284	\$ -
Agency Deposit Liability.....	1,026	2,013	-	3,039
Total Liabilities.....	<u>\$3,310</u>	<u>\$2,013</u>	<u>\$2,284</u>	<u>\$3,039</u>

Receipts Pending Distribution

ASSETS				
Cash and Cash Equivalents.....	\$22,669	\$ -	\$1,937	\$20,732
Accounts, Net of Allowances.....	83	97	59	121
Receivable From Other Governments.....	1	27	1	27
Total Assets.....	<u>\$22,753</u>	<u>\$124</u>	<u>\$1,997</u>	<u>\$20,880</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities...	\$ 1,879	\$ 93	\$ 95	\$ 1,877
Due to Other Funds.....	15,360	-	1,478	13,882
Payable to Other Governments.....	24	27	28	23
Agency Deposit Liability.....	5,490	31	423	5,098
Total Liabilities.....	<u>\$22,753</u>	<u>\$151</u>	<u>\$2,024</u>	<u>\$20,880</u>

Investment Pool Non-State Portion

ASSETS				
Cash and Cash Equivalents.....	\$161,331	\$90,196	\$12,083	\$239,444
Interest.....	1,003	1,273	1,003	1,273
Total Assets.....	<u>\$162,334</u>	<u>\$91,469</u>	<u>\$13,086</u>	<u>\$240,717</u>
LIABILITIES				
Agency Deposit Liability.....	\$162,334	\$91,469	\$13,086	\$240,717
Total Liabilities.....	<u>\$162,334</u>	<u>\$91,469</u>	<u>\$13,086</u>	<u>\$240,717</u>

Continued on next page



Combining Statement of Changes in Assets & Liabilities

ALL AGENCY FUNDS (Continued)

June 30, 1991

(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deletions	Balance June 30, 1991
<u>Insurance Companies' Securities</u>				
ASSETS				
Other Assets.....	\$539,179	\$27,597	\$-	\$566,776
Total Assets.....	<u>\$539,179</u>	<u>\$27,597</u>	<u>\$-</u>	<u>\$566,776</u>
LIABILITIES				
Agency Deposit Liability.....	\$539,179	\$27,597	\$-	\$566,776
Total Liabilities.....	<u>\$539,179</u>	<u>\$27,597</u>	<u>\$-</u>	<u>\$566,776</u>
<u>State Institution Activity</u>				
ASSETS				
Cash and Cash Equivalents.....	\$17,601	\$6,738	\$10,188	\$14,151
Investments.....	2	-	2	-
Accounts, Net of Allowances	2,889	-	2,545	344
Loans, Net of Allowances.....	10	5	-	15
Interest.....	7	14	4	17
Inventories and Prepaid Items.....	391	191	-	582
Other Assets.....	349	-	17	332
Total Assets.....	<u>\$21,249</u>	<u>\$6,948</u>	<u>\$12,756</u>	<u>\$15,441</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities....	\$ 1,024	\$ 51	\$ 79	\$ 996
Agency Deposit Liability.....	20,225	5,715	11,495	14,445
Total Liabilities.....	<u>\$21,249</u>	<u>\$5,766</u>	<u>\$11,574</u>	<u>\$15,441</u>
<u>Deferred Compensation</u>				
ASSETS				
Investments.....	\$167,978	\$26,514	\$-	\$194,492
Total Assets.....	<u>\$167,978</u>	<u>\$26,514</u>	<u>\$-</u>	<u>\$194,492</u>
LIABILITIES				
Deferred Compensation.....	\$167,978	\$26,514	\$-	\$194,492
Total Liabilities.....	<u>\$167,978</u>	<u>\$26,514</u>	<u>\$-</u>	<u>\$194,492</u>

Continued on next page



Combining Statement of Changes in Assets & Liabilities

ALL AGENCY FUNDS (Continued)

June 30, 1991

(Expressed in Thousands)

	Balance July 1, 1990	Additions	Deletions	Balance June 30, 1991
Other				
ASSETS				
Cash and Cash Equivalents.....	\$36,398	\$2,719	\$15,309	\$23,808
Accounts, Net of Allowances.....	331	151	331	151
Interest.....	118	76	118	76
Due From Other Funds.....	9,782	5,986	9,782	5,986
Total Assets.....	<u>\$46,629</u>	<u>\$8,932</u>	<u>\$25,540</u>	<u>\$30,021</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$ 1,127	\$ 18	\$ 480	\$ 665
Due to Other Funds.....	106	-	3	103
Agency Deposit Liability.....	45,396	8,203	24,346	29,253
Total Liabilities.....	<u>\$46,629</u>	<u>\$8,221</u>	<u>\$24,829</u>	<u>\$30,021</u>

TOTALS-ALL AGENCY FUNDS

ASSETS				
Cash and Cash Equivalents.....	\$239,432	\$ 99,653	\$39,524	\$ 299,561
Investments.....	167,980	26,514	2	194,492
Taxes.....	1	-	1	-
Accounts, Net of Allowances	3,303	248	2,935	616
Loans, Net of Allowances.....	10	5	-	15
Interest.....	1,128	1,363	1,125	1,366
Due From Other Funds.....	11,658	5,986	10,045	7,599
Receivable From Other Governments.....	1	27	1	27
Inventories and Prepaid Items.....	391	191	-	582
Other Assets.....	539,528	27,597	17	567,108
Total Assets.....	<u>\$963,432</u>	<u>\$161,584</u>	<u>\$53,650</u>	<u>\$1,071,366</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$6,314	\$162	\$2,938	\$3,538
Due to Other Funds.....	15,466	-	1,481	13,985
Payable to Other Governments.....	24	27	28	23
Deferred Compensation.....	167,978	26,514	-	194,492
Agency Deposit Liability.....	773,650	135,028	49,350	859,328
Total Liabilities.....	<u>\$963,432</u>	<u>\$161,731</u>	<u>\$53,797</u>	<u>\$1,071,366</u>



THIS PAGE LEFT INTENTIONALLY BLANK

**GENERAL FIXED ASSETS ACCOUNT GROUP**

The General Fixed Assets Account Group is maintained to account for 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.



General Fixed Assets Account Group

June 30, 1991

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

	1991
General Fixed Assets:	
Land	\$ 251,152
Buildings	997,808
Improvements Other Than Buildings	103,181
Machinery and Equipment	635,717
Construction in Progress	720,767
Total General Fixed Assets	<u>\$2,708,625</u>
 Investment in General Fixed Assets:	
Investment in Property Acquired Prior to June 30, 1988-Source Unidentified	\$1,363,036
General Fund	67,668
Special Revenue Funds	118,137
Capital Project Funds	1,156,333
Other	3,451
Total Investment in General Fixed Assets	<u>\$2,708,625</u>



General Fixed Assets Account Group

June 30, 1991

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

Function	Land	Buildings	Improvements	Equipment	Totals
Legislative.....	\$ -	\$154,364	\$ -	\$ 15,752	\$ 170,116
General Government.....	8,609	24,726	2,885	35,576	71,796
Regulation and Protection.....	3,572	52,017	2,272	56,760	114,621
Natural Resources and Recreation.....	182,001	12,085	9,644	22,907	226,637
Health and Hospitals.....	9,874	147,331	13,787	28,077	199,069
Transportation.....	31,209	144,473	40,643	250,196	466,521
Human Services.....	-	-	-	11,375	11,375
Education, Libraries and Museums.....	3,117	184,062	21,963	154,840	363,982
Corrections.....	7,699	197,735	11,953	19,252	236,639
Judicial.....	5,071	81,015	34	40,982	127,102
Total General Fixed Assets					
Allocated to Functions.....	\$251,152	\$997,808	\$103,181	\$635,717	\$1,987,858
Construction in Progress.....					720,767
Total General Fixed Assets.....					\$2,708,625

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

Function	General Fixed Assets 7/1/90	Additions	Deletions	General Fixed Assets 6/30/91
Legislative.....	\$ 66,063	\$104,111	\$ 58	\$ 170,116
General Government.....	63,138	10,611	1,953	71,796
Regulation and Protection.....	102,961	12,550	890	114,621
Natural Resources and Recreation.....	202,964	24,885	1,212	226,637
Health and Hospitals.....	195,073	18,644	14,648	199,069
Transportation.....	429,697	50,651	13,827	466,521
Human Services.....	10,285	1,191	101	11,375
Education, Libraries and Museums.....	338,278	53,351	27,647	363,982
Corrections.....	165,679	80,416	9,456	236,639
Judicial.....	100,084	28,078	1,060	127,102
Construction in Progress.....	505,426	283,888	68,547	720,767
Total General Fixed Assets.....	\$2,179,648	\$668,376	\$139,399	\$2,708,625



THIS PAGE LEFT INTENTIONALLY BLANK



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. College and University Funds used are described as follows:

Current Unrestricted Fund:

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

Current Restricted Fund:

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

Hospital Funds:

accounts for revenues and expenditures relating to the operation of the John Dempsey Hospital and the Dental Clinics.

Loan Funds:

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

Endowment Funds:

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

Agency Funds:

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.

**Combining Balance Sheet****HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS**

June 30, 1991

(Expressed in Thousands)

	<u>Current Funds</u>		<u>Hospital</u>	<u>Endowment</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Funds</u>	<u>and</u> <u>Similar Funds</u>
Assets:				
Cash and Cash Equivalents.....	\$141,716	\$15,639	\$ 3,193	\$ 172
Investments.....	6,742	-	1,800	3,395
Receivables:				
Accounts, Net of Allowances.....	17,854	13,355	23,282	12
Tuition and Patient Services.....	597	-	-	-
Loans, Net of Allowances.....	-	-	-	-
Interest.....	100	41	-	-
Due From Other Funds.....	3,349	167	-	-
Inventories and Prepaid Items.....	5,112	-	1,392	-
Property, Plant & Equipment.....	-	-	-	-
Other Assets.....	1,704	1	-	-
Total Assets.....	\$177,174	\$29,203	\$29,667	\$3,579
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 18,276	\$ 2,583	\$16,941	\$ -
Due to Other Funds.....	1,480	352	151	7
Deferred Revenue.....	19,716	-	-	-
Notes and Loans Payable.....	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-
Revenue Bonds.....	-	-	-	-
Capital Leases.....	-	-	-	-
Compensated Absences.....	7,263	249	3,032	-
Total Liabilities.....	46,735	3,184	20,124	7
Equity:				
Investment in Fixed Assets.....	-	-	-	-
Fund Balances:				
Reserved.....	-	26,019	-	3,572
Unreserved, undesignated.....	130,439	-	9,543	-
Total Equity.....	130,439	26,019	9,543	3,572
Total Liabilities and Equity	\$177,174	\$29,203	\$29,667	\$3,579



Loan Funds	Agency Funds	Plant Funds			Total
		Unexpended	Retirement of Indebtedness	Investment in Plant	
\$ 1,595	\$ 8,841	\$ -	\$15,247	\$ -	\$ 186,403
475	1,562	-	-	-	13,974
-	303	-	-	-	54,806
-	-	-	-	-	597
24,842	-	-	-	-	24,842
194	38	-	-	-	373
-	-	54	-	-	3,570
-	43	-	-	-	6,547
-	1,065	-	-	1,125,559	1,126,624
-	-	-	-	-	1,705
<u>\$27,106</u>	<u>\$11,852</u>	<u>\$ 54</u>	<u>\$15,247</u>	<u>\$1,125,559</u>	<u>\$1,419,441</u>
\$ -	\$ 814	\$ -	\$ -	\$ -	\$ 38,614
512	7	74	32	-	2,615
-	-	-	-	-	19,716
-	-	-	-	10,194	10,194
-	11,031	-	-	-	11,031
-	-	-	-	30,070	30,070
-	-	-	-	766	766
-	-	-	-	-	10,544
<u>512</u>	<u>11,852</u>	<u>74</u>	<u>32</u>	<u>41,030</u>	<u>123,550</u>
-	-	-	-	1,084,529	1,084,529
26,594	-	-	15,215	-	71,400
-	-	(20)	-	-	139,962
<u>26,594</u>	<u>-</u>	<u>(20)</u>	<u>15,215</u>	<u>1,084,529</u>	<u>1,295,891</u>
<u>\$27,106</u>	<u>\$11,852</u>	<u>\$ 54</u>	<u>\$15,247</u>	<u>\$1,125,559</u>	<u>\$1,419,441</u>



THIS PAGE LEFT INTENTIONALLY BLANK



STATISTICAL SECTION



General Governmental Expenditures By Function

Last Ten Fiscal Years
(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30

SOURCE (1)	(3)				
	1982	1983	1984	1985	1986
1. Legislative	\$ 12,379	\$ 14,906	\$ 15,877	\$ 18,597	\$ 19,421
2. General Government	219,927	235,546	308,869	374,451	395,949
3. Regulation and Protection	317,773	357,987	405,517	443,837	204,889
4. Natural Resources and Protection	27,273	36,633	37,218	40,930	47,715
5. Health and Hospitals	244,218	276,908	309,353	349,410	405,211
6. Transportation	191,843	187,567	220,320	281,638	331,419
7. Human Services	719,065	802,178	896,572	903,564	981,946
8. Education, Libraries and Museums	832,606	940,431	1,050,529	1,180,376	1,307,526
9. Corrections	112,931	132,516	147,921	163,602	187,130
10. Judicial	59,804	68,183	79,425	87,340	87,873
11. Nonfunctional	267,042	296,306	327,975	386,790	455,359
12. Federal and Other Grants	317,015	324,130	347,338	343,386	363,027
13. Debt Service	508,932	307,779	325,641	330,511	371,987
Total Expenditures	\$3,830,808	\$3,981,070	\$4,472,555	\$4,904,432	\$5,159,452

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Represents First Year Prepared on GAAP Basis.

(3) Data Presented on a (Legal) Budgetary Basis as it was Impractical to Restate this Data to Generally Accepted Accounting Principle (GAAP) Basis.

(4) Includes Higher Education Expenditures Treated as Operating Transfers Out on Operating Statements.

(5) Beginning in 1989, Nonfunctional Expenditures were Reclassified to the Proper Function of Government.

SOURCES: Annual Report of the State Comptroller 1982-1986

Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1991



(2) 1987	1988	(5) 1989	1990	1991
\$ 22,912	\$ 27,419	\$ 38,453	\$ 40,748	\$ 41,798
442,150	466,452	1,056,167	1,143,948	1,020,494
236,409	251,099	312,359	313,466	322,473
89,409	83,282	133,746	163,589	191,727
511,863	587,700	802,655	845,026	907,938
304,110	322,876	421,240	432,350	396,077
1,177,226	1,262,257	1,488,276	1,780,134	2,130,706
1,414,218 (4)	1,635,888 (4)	2,061,221 (4)	2,220,106 (4)	2,144,504 (4)
219,901	250,366	358,188	423,239	499,079
102,709	110,184	160,821	173,594	189,774
562,541	613,773	-	-	-
463,386 (4)	420,533 (4)	561,107 (4)	533,033 (4)	538,069 (4)
335,095	340,518	384,730	464,586	547,505
<u>\$5,881,929</u>	<u>\$6,372,347</u>	<u>\$7,778,963</u>	<u>\$8,533,819</u>	<u>\$8,930,144</u>



Revenues By Source

Last Ten Fiscal Years
(Expressed in Thousands)

SOURCE (1)	FOR THE YEAR ENDED JUNE 30				
	1982	1983	(3) 1984	1985	1986
1. Taxes	\$2,380,728	\$2,628,544	\$3,190,306	\$3,573,702	\$3,594,448
2. Licenses, Permits and Fees	225,867	175,157	202,354	262,673	310,427
3. Intergovernmental	442,834	377,012	409,947	441,481	485,651
4. Charges for Services	190,150	216,925	269,513	363,328	430,252
5. Fines, Forfeits and Rents	25,058	17,721	12,435	12,304	11,943
6. Investment Earnings	46,275	16,822	15,975	20,757	20,340
7. Lottery and Off Track Betting	-	-	-	-	-
8. Miscellaneous	400,029	640,910	639,583	650,750	658,783
Total Revenues	\$3,710,941	\$4,073,091	\$4,740,113	\$5,324,995	\$5,511,844

(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 Basis.

NOTE: Beginning in 1989 Lottery and Off Track Betting revenues have been split from Charges for Services and are reported at gross proceeds.

SOURCES: Annual Report of the State Comptroller 1982-1986
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1991



(2)				
1987	1988	1989	1990	1991
\$4,024,113	\$4,079,663	\$4,565,136	\$4,961,739	\$4,639,536
289,912	320,441	330,802	380,011	365,780
1,080,103	1,159,223	1,331,263	1,479,412	1,688,731
375,863	382,915	65,051	59,863	61,153
20,881	12,866	25,177	44,178	21,811
38,763	38,824	44,727	45,579	69,715
-	-	697,672	718,473	731,095
108,709	125,591	115,543	145,004	144,715
<u>\$5,938,344</u>	<u>\$6,119,523</u>	<u>\$7,175,371</u>	<u>\$7,834,259</u>	<u>\$7,722,536</u>



Computation of Legal Debt Margin

June 30, 1991

(Expressed in Thousands)

General Fund Tax Receipts from Previous Year	\$ 4,736,729
Factor	4.5
Constitutional Debt Limit for Debt Incurred	21,315,281
Less: Deductions Allowed by Law	3,571,641
Legal Debt Margin	\$17,743,640

SOURCE: State of Connecticut General Obligation Bonds Offering Statement
Dated May 3, 1991.

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 DEBT			
		TOTAL DEBT	LESS DEBT SERVICE FUND	NET	NET DEBT PER CAPITA
1982	3,139	\$1,797,365	\$40,988	\$1,756,377	\$560
1983	3,163	1,919,120	36,189	1,882,931	595
1984	3,180	1,930,750	29,203	1,901,547	598
1985	3,201	2,033,260	45,063	1,988,197	621
1986	3,224	2,001,495	40,882	1,960,613	608
1987	3,248	2,049,465	56,055	1,993,410	614
1988	3,272	2,394,513	159,802	2,234,711	683
1989	3,283	3,232,491	209,175	3,023,316	920
1990	3,290	4,249,439	291,621	3,957,818	1,203
1991	3,290 (est.)	5,650,182	349,206	5,300,976	1,611

SOURCES: Economic Report of the Governor 1992-1993
Combined Balance Sheet



Ratio of Annual Debt Service

GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	(1) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
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%
1989	201,203	183,527	384,730	7,778,963	4.9%
1990	230,876	233,710	464,586	8,533,819	5.4%
1991	248,544	298,961	547,505	8,930,144	6.1%

(1) Includes General, Special Revenue and Debt Service Funds. Also Included are Higher Education Expenditures Treated as Operating Transfers Out on Operating Statements.

(2) 1987-First Year Prepared on a GAAP Basis.

SOURCES: Annual Report of the State Comptroller 1982-1986

Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1991



Revenue Bond Coverage

Last Ten Fiscal Years
(Expressed in Thousands)

RENTAL HOUSING

FOR THE YEAR ENDED JUNE 30,	GROSS RECEIPTS USED	DIRECT	NET REVENUE AVAILABLE	DEBT SERVICE REQUIREMENTS			
	FOR DEBT SERVICES(1)	OPERATING EXPENSES(2)	FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1989	13,206	3,210	9,996	1,550	7,480	9,030	1.11
1990	16,106	4,205	11,901	1,550	8,694	10,244	1.16
1991	18,113	3,234	14,879	1,550	11,360	12,910	1.15

(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 of the Treasurer

Combining Statement of Revenues, Expenses & Changes in Retained Earnings

Combining Statement of Cash Flows



Revenue Bond Coverage

Last Nine 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			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1983	\$11,026	\$ 3,282	\$ 7,744	\$ -	\$ 6,366	\$ 6,366	1.22
1984	18,744	6,389	12,355	-	10,075	10,075	1.23
1985	19,075	6,518	12,557	-	9,138	9,138	1.37
1986	18,963	8,332	10,631	-	7,333	7,333	1.45
1987	22,074	12,100	9,974	-	9,242	9,242	1.08
1988	25,619	13,487	12,132	-	10,283	10,283	1.18
1989	32,049	14,395	17,654	995	10,093	11,088	1.59
1990	37,000	15,711	21,289	1075	10,250	11,325	1.88
1991	33,589	16,312	17,277	1175	10,305	11,480	1.50

(1) Includes Operating and Non-Operating Revenues.

(2) Includes Operating Expenses Less Depreciation and Interest Expenses.

NOTE: A separate fund for Bradley International Airport (Bradley) was established in 1983. Prior to 1983, Bradley was included as part of the Transportation Fund and no separate financial statements were issued.

SOURCE: Bradley International Airport Financial Statements



Revenue Bond Coverage

Last Ten Fiscal Years
(Expressed in Thousands)

CONNECTICUT DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED JUNE 30,	GROSS RECEIPTS		AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
	USED FOR DEBT SERVICES(1)	DIRECT OPERATING EXPENSES(2)		PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1989	341,359	2,494	338,865	192,285	139,536	331,821	1.02
1990	236,158	2,880	233,278	83,363	144,287	227,650	1.02
1991	308,592	8,812	299,780	177,784	122,300	300,084	1.00

(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



Revenue Bond Coverage

Last Ten Fiscal Years
(Expressed in Thousands)

CONNECTICUT HOUSING FINANCE AUTHORITY

FOR THE YEAR ENDED DEC. 31,	GROSS RECEIPTS USED	DIRECT	AVAILABLE	DEBT SERVICE REQUIREMENTS			
	FOR DEBT SERVICES(1)	OPERATING EXPENSES(2)	FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1988	367,793	15,444	352,349	140,915	175,957	316,872	1.11
1989	362,041	23,911	338,130	105,335	190,882	296,217	1.14
1990	382,364	40,999	341,365	260,750	202,547	463,297	.74

(1) Includes Operating and Non-Operating Revenues and Principal Collected on Loans.

(2) Includes Operating Expenses Less Depreciation, Amortization and Interest Expenses.

SOURCE: Connecticut Housing Finance Authority Financial Statements



Revenue Bond Coverage

Last Three Fiscal Years
(Expressed in Thousands)

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUE(1)	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1989	\$ 97,385	\$71,264	\$26,121	\$ -	\$28,441	\$28,441	.92
1990	133,435	92,959	40,476	6,531	27,700	34,231	1.18
1991	128,492	90,228	38,264	10,989	26,389	37,378	1.02

(1) Includes Operating Revenues and Investment Income.

(2) Includes Operating Expenses Less Depreciation and Amortization.

NOTE: Prior to 1989, Connecticut Resources Recovery Authority was considered a development stage enterprise as many of its facilities were still being constructed.

SOURCE: Connecticut Resources Recovery Authority Financial Statements



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	%
1982	231,669	3,139	1.4%
1983	233,806	3,163	1.4%
1984	235,847	3,180	1.3%
1985	237,950	3,201	1.3%
1986	240,162	3,224	1.3%
1987	242,321	3,248	1.3%
1988	244,534	3,272	1.3%
1989	246,820	3,283	1.3%
1990	249,466	3,290	1.3%
1991	N/A	N/A	N/A

SOURCE: Economic Report of the Governor 1992-1993

Bank Deposits

Last Ten Fiscal Years

(Expressed in Thousands)

TOTAL AS OF JUNE 30,	BANK DEPOSITS
1982	\$31,299,586
1983	36,612,750
1984	38,943,193
1985	45,132,675
1986	51,732,175
1987	57,414,311
1988	64,533,081
1989	67,747,035
1990	69,505,683
1991	N/A

SOURCES: 1981-1987 Branch Directory and Summary of Deposits, Decision Research Sciences, Inc.
1988-1991 Commissioner's Annual Report



Resident Employment, Unemployment and Unemployment Rate

For the Last Ten Years

YEAR	(Thousands)			UNEMPLOYMENT RATE
	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	
1982	1,609.5	1,504.1	105.4	6.6%
1983	1,599.3	1,487.6	111.7	7.0%
1984	1,635.7	1,556.9	78.8	4.8%
1985	1,694.1	1,612.4	81.6	4.8%
1986	1,727.2	1,653.0	74.2	4.3%
1987	1,749.5	1,687.3	62.3	3.6%
1988	1,745.1	1,693.2	52.0	3.0%
1989	1,749.7	1,693.3	56.4	3.2%
1990	1,774.3	1,693.8	80.5	4.5%
1991	1,780.1	1,685.7	94.4	5.3%

SOURCE: Economic Report of the Governor 1992-1993

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
	(Billions of Dollars)			(Dollars)			
	UNITED STATES	CONNECTICUT	%	UNITED STATES	CONNECTICUT	%	CT RANK
1982	\$2,607.1	\$43.80	1.7%	\$11,254	\$13,953	124.0%	3
1983	2,744.6	46.79	1.7%	11,739	14,793	126.0%	3
1984	2,974.4	51.10	1.7%	12,611	16,070	127.4%	3
1985	3,224.2	56.12	1.7%	13,550	17,533	129.4%	3
1986	3,424.4	59.97	1.8%	14,259	18,601	130.5%	1
1987	3,632.5	65.07	1.8%	14,990	20,034	133.6%	1
1988	3,914.6	71.70	1.8%	16,008	21,912	136.9%	1
1989	4,240.9	78.11	1.8%	17,182	23,793	138.5%	1
1990	4,514.3	82.08	1.8%	18,096	24,948	137.9%	1
1991	4,729.8	84.67	1.8%	18,766	25,647	136.7%	1

SOURCE: Economic Report of the Governor 1992-1993



Nonagricultural Employment

Last Ten Fiscal Years

FOR THE YEAR ENDED JUNE 30,	(THOUSANDS)	
	MANUFACTURING	NONMANUFACTURING
1982	432.18	1,004.81
1983	406.35	1,022.83
1984	409.36	1,074.21
1985	415.41	1,131.59
1986	400.27	1,178.48
1987	389.45	1,236.80
1988	380.63	1,281.92
1989	366.51	1,312.85
1990	351.79	1,305.06
1991	333.88	1,291.32

June 30, 1991 Ten Largest Nonagricultural Industries

INDUSTRY	AVERAGE # OF EMPLOYEES (THOUSANDS)
Services	436.06
Wholesale and Retail Trade	361.61
Manufacture of Durable Goods	248.98
Government	211.00
Insurance	81.57
Finance and Real Estate	68.16
Manufacture of Nondurable Goods	67.12
Construction	59.06
Transportation	41.80
Communications	18.59

SOURCE: Economic Report of the Governor 1992-1993



Top Twenty-five Employers

June 30, 1991

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

SOURCE: Department of Economic Development



Economic Indicators

Last Ten Fiscal Years

FOR THE YEAR ENDED JUNE 30,	RETAIL SALES (MILLIONS)	DEFENSE CONTRACT AWARDS (MILLIONS)	DISPOSABLE INCOME (BILLIONS)	TOTAL EMPLOYMENT (THOUSANDS)	NUMBER OF HOUSING STARTS (THOUSANDS)
1982	\$15,534	\$5,897	\$36.47	1,504.1	7.93
1983	18,925	5,126	39.43	1,487.6	14.23
1984	19,765	5,459	43.78	1,556.9	15.69
1985	21,909	5,543	47.56	1,612.4	20.29
1986	27,656	5,441	49.68	1,653.0	27.35
1987	27,790	5,031	54.09	1,687.3	27.56
1988	28,586	4,911	60.10	1,693.2	23.04
1989	29,021	6,082	65.94	1,693.3	14.86
1990	28,429	4,241	69.40	1,693.8	9.97
1991	29,362	N/A	71.59	1,685.7	7.55

SOURCES: Economic Report of the Governor 1992-1993

Demographics

Last Ten Fiscal Years

FOR THE YEAR ENDED JUNE 30,	POPULATION (THOUSANDS)	PER CAPITA INCOME	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
1982	3,139	\$13,953	508,309	6.5%
1983	3,163	14,793	489,187	7.0%
1984	3,180	16,070	474,475	4.8%
1985	3,201	17,533	465,031	4.8%
1986	3,224	18,601	465,896	4.3%
1987	3,248	20,034	461,724	3.6%
1988	3,272	21,912	460,564	3.0%
1989	3,283	23,793	460,190	3.2%
1990	3,290	24,948	464,563	4.5%
1991	N/A	25,647	473,015	5.3%

SOURCES: Economic Report of the Governor 1992-1993
State of Connecticut Register and Manual



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
1982	\$1,015.0	37.1%	\$330.7	12.1%	\$137.8	5.0%
1983	1,123.1	38.0%	345.5	11.7%	183.7	6.2%
1984	1,362.9	38.6%	416.1	11.8%	289.5	8.2%
1985	1,542.0	39.0%	521.3	13.2%	302.4	7.6%
1986	1,652.6	38.3%	654.8	15.2%	317.3	7.3%
1987	1,840.6	38.8%	681.9	14.4%	467.8	9.9%
1988	2,000.4	41.2%	661.3	13.6%	386.3	7.9%
1989	2,097.5	38.1%	870.0	15.8%	508.7	9.2%
1990	2,479.0	40.6%	794.1	13.0%	624.7	10.2%
1991	2,417.8	41.6%	669.0	11.5%	520.5	8.9%

NOTE: Gross Revenues Including Statutory Accruals.

SOURCE: Annual Report of the State Comptroller (Schedule B-2)

Sales and Use Tax - Major Industrial Categories

June 30, 1991

(Millions)

INDUSTRY	TAX	%
Manufacturing	\$166.4	7.4%
Wholesale	126.5	5.7%
Retail:		
Hardware	82.6	3.7%
General Merchandise	124.1	5.6%
Food Products	132.0	5.9%
Auto Products	235.7	10.5%
Apparel	34.3	1.5%
Home Appliances & Furnishings	106.4	4.8%
Eating & Drinking Establishments	152.9	6.9%
Miscellaneous Shopping Stores	240.2	10.8%
Business	406.7	18.3%
All Other Businesses	418.7	18.9%
Total Sales & Use Tax	\$2,226.5	

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



Miscellaneous Statistics

June 30, 1991

Date of Ratification	January 9, 1788
Form of Government	Legislative - Executive - Judicial
Miles of State Highway	4,035
Land Area	5,009 Square Miles
State Police Protection:	
Number of Stations	12
Number of State Police	810
Higher Education (Universities, Colleges and Community Colleges):	
Number of Campuses in State	22
Number of Educators	3,558
Number of Students	108,708
Recreation:	
Number of State Parks	91
Area of State Parks	30,043 Acres
Area of State Forests	139,377 Acres
Employees:	
Full-Time	52,600
Part-Time(Permanent)	2,807

SOURCE: Connecticut State Register and Manual
Office of Policy and Management



Office of the State Comptroller Organization

As of June 30, 1991

William E. Curry Jr.
State Comptroller

Anthony A. Williams
Deputy Comptroller

Bernard McLoughlin
Chief Administrative Officer

Mark Schillinger
*Assistant
Chief Administrative Officer*

Fred Gibson
Director, Central Payroll

Jeffrey Holyst
Chief Fiscal Officer

Margonis Janaus
Director, Accounting Systems

Robert Kallin
Director, FMIS

Carl Kask
Director, Computer Services

Walter Olender
Director, Special Services

Rene Osterlund
*Director
Staff Services and Personnel*

A. Douglas Vallee
*Director
Central Accounts Payable*

Steven Weinberger
Director, Retirement Division

Central Accounting Division
Raymond Girard - *Chief Accountant*
Robert Krueger - *Assistant Chief*
Hazel Brown

Financial Reporting
Gerardo Villa
Nancy Fuda
Doris Przygocki
Janet Richardson

Accounting Operations
Raymond Evarts
Diane Nolan
Elizabeth Roy
Patrick Collins
Karen Hurst
Karen Jones
Beverly Hegstrom
Judith Tollin
Debra Morris



This publication's text is printed on recycled stock.