

State of **CONNECTICUT**

*Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1993*

WILLIAM E. CURRY JR.
STATE COMPTROLLER

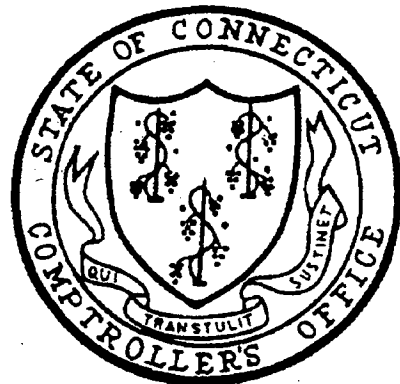
STATE OF CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 1993

Prepared by the Office of the State Comptroller

William E. Curry Jr.
State Comptroller





Office of the State Comptroller

The State Comptroller is one of the six state officers elected to hold office for a term of four years. The office of the State Comptroller was established in 1786 by an act of the General Assembly. The Constitutional Amendment of 1836 provided that the Comptroller be elected by the people in a manner similar to that of other State Officers. Since 1838 this method has been in effect.

The Comptroller prescribes the mode of keeping and rendering all public accounts. He is required to adjust and settle all public accounts and demands, excepting grants and orders of the General Assembly. The Comptroller also renders a monthly accounting of the State's financial condition.

In addition, the Comptroller approves and records all obligations against the State. He maintains all official accounting records and is responsible for the employee payrolls for all State agencies, departments, and institutions. His office administers all Retirement Systems other than Teachers' retirement. Additionally, the Comptroller administers numerous miscellaneous appropriations of the State.



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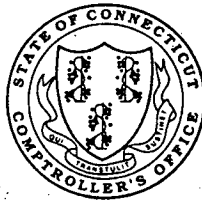


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Introductory Section



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STATE OF CONNECTICUT

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

WILLIAM E. CURRY JR.
COMPTROLLER

EDWARD J. FORAND JR.
DEPUTY COMPTROLLER

January 26, 1994

To the Citizens of the State of Connecticut:

I am pleased to present this Comprehensive Annual Financial Report (CAFR) of the State of Connecticut for the fiscal year ended June 30, 1993.

This report was prepared in its entirety by this office and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation of the financial statements, supporting schedules, and statistical tables in it.

The CAFR is designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board (GASB) as well as the reporting requirements prescribed by the Government Finance Officers Association and the American Institute of Certified Public Accountants. We believe that this report presents fairly the financial position of the State and the results of its operations as measured by the financial activity of its various funds. The report is consistent with full disclosure so that the reader may gain maximum understanding of the State's financial affairs. The report is presented in three sections:

The Introductory Section contains this transmittal letter, a list of the State's principal elected, appointed and administrative officials, an organizational chart of the state government, and a table of contents.

The Financial Section contains the Auditors of Public Account's opinion, the general purpose financial statements which includes the notes to the financial statements, and the combining and individual fund and account group financial statements.

The Statistical Section contains comprehensive statistical data and selected financial and demographic information on a multi-year basis.

THE REPORTING ENTITY

Connecticut, a state of approximately 3.3 million people in an area of 5,009 square miles, has a developed infrastructure, technologically advanced industrial base and a strong insurance and financial services industry. The State of Connecticut ratified the Constitution of the United States on January 9, 1788. It has a legislative - executive - judicial form of government with a bicameral legislature (36 Senators, 151 Representatives). The

Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, and Attorney General are independently elected for four-year terms. Senators and Representatives are elected for two-year terms.

The State provides a broad range of services including public safety, state highways and other transportation services, state parks, social services, higher education, health services, economic development, and regulatory responsibilities.

This report includes all the funds and account groups of the State plus related public authorities, the Teachers' Retirement System and Bradley International Airport. It excludes the Foundations and Organizations of the State's System of Higher Education, which are independent not-for-profit entities, organized exclusively for the purpose of promoting, encouraging and assisting all forms of education and research at the University of Connecticut, and the Connecticut Alternate Retirement Program for which the State has no oversight responsibility.

CONVERSION TO GAAP BASIS BUDGETING

The State's disappointing fiscal performance in recent years has not always been apparent as the budgetary method of accounting (a "modified cash" system) masked the true extent of liabilities incurred. As of June 30, 1993, the net cumulative General Fund deficit between the GAAP basis and the budget basis had risen to \$503 million.

As a result of our efforts to promote the discipline that GAAP accounting and reporting brings to the State's fiscal management, the Legislature enacted PA93-402, "An Act Concerning the Use of Generally Accepted Accounting Principles". This act requires that, effective with fiscal year 1995-96, the State's budget be converted to a GAAP basis, replacing the modified cash basis currently used. The act provides for the amortization of any net additional liabilities in appropriated funds resulting from GAAP accruals as of July 1, 1995, over a fifteen-year period beginning with fiscal year 1996-97.

A joint task force lead by this office and the Office of Policy and Management, and including representatives from a number of state agencies, is preparing a plan for transition to GAAP accounting for submission to the legislature in February, 1994.

OTHER INITIATIVES

In addition to the conversion to GAAP basis budgeting, this office has made significant progress on several other initiatives to improve financial management. This office has:

- Reached formal agreement, through a Memorandum of Understanding, with the Office of Policy and Management and the Department of Administrative Services on a plan to integrate the State's existing financial systems and coordinate development of future systems.
- Moved to a post-audit environment for vendor payments as the first stage of a project to streamline the disbursement process and move to an efficient, controlled, paperless system.
- Established a performance and compliance audit unit to monitor and review state agency management practices and efficiency.
- Issued Directive Number 1, relating to internal controls in state agencies. This directive assigns responsibility to each agency head for implementing and maintaining the agency's system of internal controls.

OPERATING RESULTS

During the fiscal year 1992-93, the deterioration of the State's financial condition slowed substantially, but we have not yet reached the point of turnaround.

Although the deficit is shrinking in both absolute terms and as a percent of tax revenue, the State incurred deficits in governmental operations of \$260 million -- the sixth year in a row of operating deficits.

Long-term obligations increased \$433 million, which will have to be financed by future generations.

Debt service, excluding the debt service on the State's Economic Recovery Notes, stabilized at 7.3% of governmental operating expenditures, almost the same as last year. In absolute terms, such expenditures increased by 10%.

Net debt per capita, also exclusive of the Economic Recovery Notes, rose to \$2,122, more than double that of fiscal 1989.

Government expenditures continued to rise to 11.5% from 11.0% of total personal income in the State when compared to the prior fiscal year.

GOVERNMENTAL OPERATING RESULTS*

(millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
General Fund Surplus <Deficit>	\$ 93	\$ <77>	\$ <890>	\$ <442>	\$ <220>
Special Revenue Funds:					
Transportation	<36>	3	<30>	<43>	<18>
Grant and Loan Programs	<283>	<232>	<189>	<126>	<97>
Housing Programs	<39>	<37>	<96>	<98>	<48>
Other, net	5	<20>	<13>	1	<206>
Total	<u><353></u>	<u><286></u>	<u><328></u>	<u><266></u>	<u><369></u>
Total Governmental Operating Deficits	<u>\$ <260></u>	<u>\$ <363></u>	<u>\$ <1,218></u>	<u>\$ <708></u>	<u>\$ <589></u>

*Surplus <Deficit> includes transfers and excludes proceeds from debt financing.

TOTAL GOVERNMENTAL REVENUE

(millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
Taxes	\$ 6,141	\$ 5,596	\$ 4,640	\$ 4,962	\$ 4,565
Intergovernmental	2,617	2,135	1,689	1,479	1,331
All Other	1,447	1,410	1,394	1,393	1,279
Total	<u>\$10,205</u>	<u>\$ 9,141</u>	<u>\$ 7,723</u>	<u>\$ 7,834</u>	<u>\$ 7,175</u>

Deficits as a Percent:

Total Revenue	2.5%	4.0%	15.8%	9.0%	8.2%
Total Tax Revenue	4.2%	6.5%	26.3%	14.3%	12.9%

Governmental operating expenditures have been increasing at a greater rate than personal income for more than the last ten years. During fiscal year 1993, governmental expenditures increased by 10% while personal income increased 4.7%. In the ten years since 1984, governmental expenditures increased 135% while personal income increased only 78%.

**GOVERNMENTAL OPERATING EXPENDITURES
AS A PERCENT OF PERSONAL INCOME**
(1984-1986 Expenditures Reported on a Non-GAAP Basis)
(millions)

<u>Fiscal Year</u>	<u>Governmental Expenditures</u>	<u>Connecticut Personal Income</u>	<u>Ratio</u>
1984	\$ 4,473	\$51,104	8.8%
1985	4,904	56,123	8.7
1986	5,159	60,350	8.5
1987	5,882	65,630	9.0
1988	6,372	71,890	8.9
1989	7,779	78,260	9.9
1990	8,534	81,870	10.4
1991	8,930	85,030	10.5
1992	9,541	87,080	11.0
1993	10,494	91,160	11.5

Uncontrollable and fixed costs continued to consume increasing shares of the State's spending. Although debt service, exclusive of the Economic Recovery Notes, stabilized at 7.3% of total governmental expenditures, one reason it has done so is that total governmental expenditures have risen at a 10% rate. Total debt service, including the Economic Recovery Notes, increased to 9.8% of governmental expenditures, two times the ratio of fiscal year 1989. Medicaid also continued its rise. It increased 15.1% in fiscal year 1993 to over \$1.5 billion or almost one-fifth of total General Fund spending. The net State share of Medicaid, after adjusting for the 50% share of federal reimbursements, was \$232 for every man, woman, and child in Connecticut.

Deficit financing for operating purposes continued in fiscal year 1993. Deficits of \$322 million were incurred in the Grant and Loan Programs and the Housing Programs special revenue funds in fiscal year 1993. This represents 20% of total special revenue funds spending. Debt financing for these and other special revenue programs was \$427 million, which is two thirds of our spending on legitimate capital needs for State facilities and infrastructure.

As a result, debt per capita, exclusive of the Economic Recovery Notes, increased to \$2,122 — more than twice what it was in fiscal year 1989. The remaining Economic Recovery Notes constitute an additional \$221 of debt per capita.

General Fund

Fiscal year 1993 saw the state end the year with a general fund operating surplus for the first time in several years. This was the result primarily of strong revenue growth, particularly taxes.

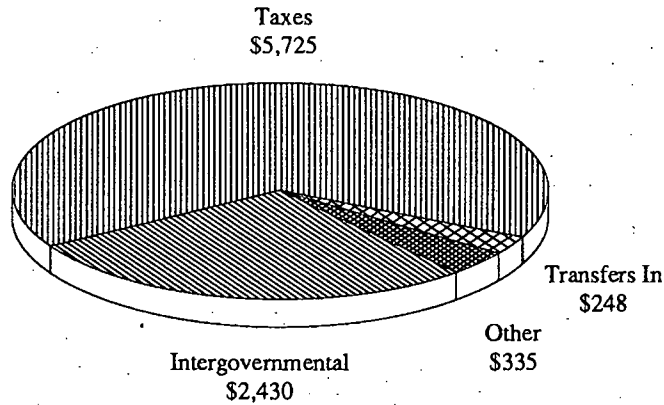
GENERAL FUND OPERATING DEFICIT (millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>
Deficit in Prior Fiscal Year	<u>\$ <77></u>	<u>\$ <890></u>	<u>\$ <442></u>
Expenditure <Increases> Decreases:			
General Government	<66>	<52>	134
Health and Hospital	102	53	<59>
Human Services	<363>	<152>	<342>
Education, Libraries, Museums	<20>	51	114
Corrections	<116>	<9>	<71>
Higher Education	162	<105>	12
Debt Service	<35>	<102>	<43>
Other, net	<u><503>*</u>	<u><230></u>	<u><9></u>
	<u><839></u>	<u><546></u>	<u><264></u>
Revenue Increases <Decreases>:			
Taxes	507	915	<331>
Intergovernmental	480	430	168
Other, net	<u>22</u>	<u>14</u>	<u><21></u>
	<u>1,009</u>	<u>1,359</u>	<u><184></u>
Surplus <Deficit>	<u>\$ 93</u>	<u>\$ <77></u>	<u>\$ <890></u>

*Primarily expenditures under grant programs.

Tax revenues increased almost 10% and intergovernmental revenues (grants, etc.) increased almost 25%. The increases in the intergovernmental revenues are largely offset by the increase in the related expenditures in the programs funded by those intergovernmental revenues. All expenditure categories increased significantly except for Health and Hospital, and Higher Education. As noted above, the increase in spending under federal grant program is offset by the related intergovernmental revenues.

GENERAL FUND REVENUES
(millions)



	<u>FY 93</u>	<u>FY 92</u>	<u>Change</u>	<u>FY 91</u>
Taxes	\$5,725	\$5,218	\$ 507	\$4,303
Licenses, Permits and Fees	110	104	6	104
Intergovernmental	2,430	1,950	480	1,520
Charges for Services	68	43	25	42
Fines, Forfeits and Rents	35	26	9	21
Investment Earnings	22	3	19	6
Miscellaneous	100	118	<18>	125
Subtotal	<u>8,490</u>	<u>7,462</u>	<u>1,028</u>	<u>6,121</u>
Transfers In:				
Lottery and OTB	238	236	2	240
Other	10	31	<21>	9
	<u>248</u>	<u>267</u>	<u><19></u>	<u>249</u>
Total	<u>\$8,738</u>	<u>\$7,729</u>	<u>\$1,009</u>	<u>\$6,370</u>

As noted above, except for intergovernmental revenues and taxes, the net increase of other sources of revenues is relatively minor. A further analysis of the tax revenues shows that with the exception of the personal income tax and the corporation tax, the tax revenues have been fairly stagnant, increasing marginally or even decreasing. Revenue from the Corporation Tax increased by \$74 million, an increase of approximately 14%. The personal income tax revenues increased by \$403 million, or an increase of approximately 23%, primarily because fiscal year 1993 was the first full year of the personal income tax on wages.

GENERAL FUND TAX REVENUES
(millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>Change</u>	<u>FY 91</u>
Personal Income	\$2,161	\$1,758	\$403	\$ -
Capital Gains, Dividends and Interest	-	-	-	474
Sales and Use Corporation	2,043	2,078	<35>	2,410
Public Service Corporations	613	539	74	516
Inheritance and Estate	184	180	4	182
Insurance Companies	219	185	34	267
Cigarettes and Tobacco	157	164	<7>	174
Real Estate Conveyance	118	121	<3>	114
Alcoholic Beverages	54	51	3	49
Oil Companies	43	43	-	45
Medical Services Provider	68	73	<5>	46
Admissions, Dues and Cabaret	22	-	22	-
Miscellaneous	20	20	-	20
Total	<u>23</u>	<u>6</u>	<u>17</u>	<u>6</u>
	<u>\$5,725</u>	<u>\$5,218</u>	<u>\$507</u>	<u>\$4,303</u>

The largest increases in general fund expenditures, other than Federal and Other Grant programs which are offset by related revenues, were Human Services and Corrections, both of which are being driven by outside factors such as mandated Medicaid expenditures and rising prison populations.

MEDICAID EXPENDITURES
(millions)

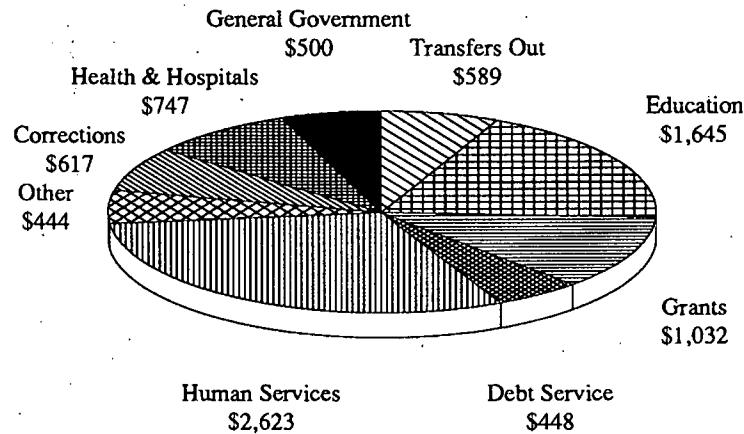
<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
\$1,521	\$1,322	\$1,232	\$994	\$841

As previously discussed, Corrections and Judicial expenditures have continued to expand in step with crime and the increasing correction facility population.

TOTAL CORRECTION FACILITY POPULATION

<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
11,838	10,573	10,101	8,777	7,516

GENERAL FUND EXPENDITURES (millions)



	FY 93	FY 92	Change	FY 91
Legislative	\$ 44	\$ 38	\$ 6	\$ 42
General Government	500	434	66	382
Regulation and Protection	143	125	18	212
Natural Resources and Recreation	53	57	<4>	68
Health and Hospitals	747	849	<102>	902
Human Services*	2,623	2,260	363	2,108
Education, Libraries and Museums	1,645	1,625	20	1,676
Corrections	617	501	116	492
Judicial	204	212	<8>	188
Federal and Other Grants	1,032	702	330	478
Debt Service	448	413	35	311
Subtotal	8,056	7,216	840	6,859
Transfers Out:				
Higher Education	341	503	<162>	398
Debt Service	247	86	161	-
Other	1	1	-	3
	589	590	<1>	401
Total	\$8,645	\$7,806	\$ 839	\$ 7,260

*Includes Medicaid expenditures.

Special Revenue Funds

Special Revenue funds continue to be heavily debt-financed, suggesting that we are burdening future generations of taxpayers with the cost of current programs. Grant and Loan programs and Housing programs have shown operating deficits for the last five years. To the extent that loan programs result in receivables that can be counted on to mature in time to service the related debt, a case may be made that the economic benefits accrue to current and future taxpayers. Financing grants with debt, however, should be undertaken only sparingly and in unusual circumstances.

SPECIAL REVENUE FUND OPERATING RESULTS
(millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
Fiscal year deficits:					
Transportation	\$ <36>	\$ 3	\$ <30>	\$ <43>	\$ <18>
Grant and Loan Programs	<283>	<232>	<189>	<126>	<97>
Housing Programs	<39>	<37>	<96>	<98>	<48>
Other, net	<u>5</u>	<u><20></u>	<u><13></u>	<u>1</u>	<u><206></u>
Deficits before proceeds from debt financing	<353>	<286>	<328>	<266>	<369>
Proceeds from debt financing	<u>427</u>	<u>536</u>	<u>623</u>	<u>304</u>	<u>391</u>
Surplus	<u>\$ 74</u>	<u>\$ 250</u>	<u>\$ 295</u>	<u>\$ 38</u>	<u>\$ 22</u>

The deficits primarily arose in the Grant and Loan Programs Fund and the Housing Programs Fund. The Grant and Loan Fund expended \$304 million in fiscal year 1993 supported by revenues of only \$14 million. Bond proceeds of \$313 million and certain other transfers financed the balance. The Housing Programs Fund expended \$41 million in fiscal year 1993 supported by revenues of only \$2 million. Like the Grant and Loan Programs Fund, the balance was financed primarily by \$45 million of bond proceeds and certain other transfers.

Other major special revenue funds include the Transportation Fund, which is generally self-supporting. Expenditures and transfers of \$766 million were supported by revenues of \$730 million and certain other transfers in fiscal year 1993. The fund balance of the Transportation Fund was \$61 million or almost 8% of expenditures and transfers.

The Lottery and OTB Fund continued to provide substantial support to the General Fund. Revenues and fund balance resources of \$704 million provided \$238 million to the General Fund after prizes and expenses of \$466 million.

The Employment Security Administration Fund expended \$102 million on administration of the unemployment compensation program, supported by a like amount of federal financial assistance.

The Environmental Programs Fund is also generally self-supporting. Expenditures of \$75 million were supported by \$85 million of revenues and \$6 million of operating transfers, along with bond proceeds of \$69 million.

Capital Projects Funds

Capital spending continued at almost a \$1 billion annual rate for the fourth year. Most of that spending was on infrastructure projects. Approximately 60% of infrastructure expenditures were financed by federal aid and the balance by State debt. Unlike the deficit financing of certain Special Revenue Funds, the debt used to finance capital construction will provide a tangible benefit to the future generation of taxpayers who will use the asset for which they will pay the debt service. In addition, these infrastructure investments improve the economic climate of the State both immediately and for many years to come.

TREND IN CAPITAL PROJECTS EXPENDITURES
(millions)

<u>Fiscal Year</u>	<u>State Facilities</u>	<u>Infrastructure</u>	<u>Transportation</u>	<u>Total</u>
1993	\$247	\$612	\$ 3	\$ 862
1992	228	702	8	938
1991	299	882	16	1,197
1990	222	747	30	999
1989	102	683	47	832

Expendable Trust Funds

Of the expendable trust funds, the Second Injury and Compensation Assurance Fund reported a small excess of revenues over expenditures and retains a healthy fund balance. The Employment Security Fund, reflecting the State's troubled economy, continues to report a significant operating deficit.

The Employment Security Fund continued to run a deficit largely reflecting the ongoing condition of the State's economy because expenditures for unemployment assistance increase during economic decline. At the end of the fiscal year the State had cumulative borrowing of \$712.4 million from the Federal Unemployment Insurance Fund. In July, August, and September the State issued over \$1 billion in special obligation revenue bonds to repay the Federal Government. This debt and the associated reduced interest costs will be repaid by increased unemployment taxes on employers through the year 2001.

EMPLOYMENT SECURITY FUND
(millions)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u><Deficit></u>	<u>Fund Balance</u>
1993	\$711	\$928	\$<217>	\$<730>
1992	517	879	<362>	<512>
1991	223	559	<336>	<150>
1990	226	363	<137>	187
1989	238	231	7	324

Pension Trust Funds

Although it may appear to be a bright spot in the State's financial condition, the improved funded status of the State pension trust funds through June 30, 1993 may be illusory. The State Employees' Retirement System (SERS), by far the largest pension fund for state employees (the Teachers' Retirement System primarily serves municipal employees), had increased its funded status steadily from 47.6% as of fiscal year 1989 to 52.3% as of fiscal year 1992, but that improvement did not continue into fiscal year 1993 when the increase stalled and slipped back to 51.4%. The Teachers' Retirement System (TRS) funded status increased from 47.8% to 69.8%, and the Judicial Retirement System (JRS) from 21.1% to 36.6%, respectively.

PENSION FUNDED STATUS

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
SERS	51.4%	52.3%	52.1%	50.3%	47.6%
TRS	69.8	62.4	58.0	52.8	47.8
JRS	36.6	37.0	34.2	24.8	21.1
Average nationally 85%*					

*Deloitte & Touche

Although this still reflects marginal improvement over five years ago for the major pension fund and greater improvement for the two other funds, the current position is not cause for comfort. Rather, all funds are significantly below the average national funded level for public employment retirement systems of approximately 85% and the discontinuance of funding progress on the largest fund covering state employees is cause for concern.

Enterprise Funds

The State Enterprise Funds collectively incurred a small net loss from operations of \$11 million in fiscal year 1993. Three of the six large Enterprise Funds had net losses: Bradley International Airport, the Connecticut Development Authority, and the Connecticut Resources Recovery Authority.

ENTERPRISE FUNDS (millions)

<u>Fiscal Year</u>	<u>Operations</u>			<u>Non- Operating Net</u>	<u>Net Income <Loss></u>	<u>Retained Earnings</u>
	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>			
1993	\$440	\$420	\$20	\$<31>	\$<11>	\$278
1992	431	411	20	<30>	<10>	288
1991	541	521	20	<23>	<3>	298*
1990	566	506	60	<11>	49	388
1989	502	447	55	<44>	11	339**

*Includes equity transfer out of \$55 million

**Includes equity transfer in of \$28 million

The Bradley International Airport incurred a loss of \$9 million in fiscal year 1993 compared to a loss of \$2 million in fiscal year 1992. The majority of the difference, however, was caused by an extraordinary item, a loss on refunding of debt.

The Connecticut Development Authority incurred a loss of \$1 million in fiscal year 1993, down from a \$3 million loss in 1992.

The Connecticut Resources Recovery Authority incurred a loss of \$14 million in fiscal year 1993 compared to a loss of \$6 million in fiscal year 1992.

The Connecticut Housing Finance Authority reported a small profit of \$9 million compared to \$5 million in fiscal year 1992. However, these results are down significantly from the fiscal year 1990 net income of \$30 million and \$26 million in fiscal year 1989. This was largely the result of charges to operations for loan loss reserves.

Higher Education

The state support of higher education was reduced significantly in fiscal year 1993. This was accomplished by increasing tuition and fees, both in total and as a percent of expenditures and transfers, and by increasing the amount of federal grants and private gift support. On the expenditure side, a 7.2% growth was seen in fiscal year 1993.

TRENDS IN HIGHER EDUCATION CURRENT AND HOSPITAL FUNDS FINANCES (millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
Revenues:					
Tuition and Fees	\$ 205	\$ 188	\$ 145	\$ 139	\$ 123
Federal Grants	93	61	58	53	55
Private Gifts	34	14	21	14	14
Patient Services	176	184	155	132	110
Sales and Service	119	111	108	92	83
Other	40	28	38	21	24
Total	<u>667</u>	<u>586</u>	<u>525</u>	<u>451</u>	<u>409</u>
Expenditures and Transfers:					
Education and General	759	708	689	644	635
Hospital	157	146	143	122	109
Auxiliary Enterprises	94	79	74	65	61
Other	13	20	4	5	6
Total	<u>1,023</u>	<u>953</u>	<u>910</u>	<u>836</u>	<u>811</u>
Net before State support	<356>	<367>	<385>	<385>	<402>
State support	<u>341</u>	<u>382*</u>	<u>398</u>	<u>410</u>	<u>413</u>
Net	<u>\$ <15></u>	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 25</u>	<u>\$ 11</u>
 Tuition and fees as a percent of total expenditures and transfers	 20.0%	 19.7%	 15.9%	 16.6%	 15.2%
 State support as a percent of total expenditures and transfers	 33.3%	 40.1%	 43.7%	 49.0%	 50.9%

*Excluding one-time fringe benefit funding.

Debt Administration

State general obligation bonds are rated Aa, AA-, and AA+ by Moody's, Standard and Poor's, and Fitch Investors Service, respectively. Transportation-related special tax obligation bonds are currently rated A1, AA-, and AA-, respectively, unchanged from the prior year.

The State issued \$1 billion of bonds in fiscal year 1993 compared to \$2.0 billion in fiscal year 1992. This is a significant reduction from last year, and to the extent this bonding is for infrastructure or other assets benefiting

future taxpayers, the debt is fully justifiable. The continued increase in the debt burden, however, particularly that portion that is used to finance current programs, bodes ill for the future. It means that future generations will pay for the sins of the past. And it means that the State will have reduced flexibility in future budgets, which will now be burdened by higher fixed costs for debt service.

DEBT ISSUANCES

(millions)

	<u>FY 93</u>		<u>FY 92</u>		<u>FY 91</u>	
Special Revenue Funds:						
Grant and Loan Programs	\$ 313	29.9%	\$ 299	27.8%	\$ 286	17.8%
Environmental Programs	69	6.6	185	17.2	173	10.8
Housing Programs	45	4.3	42	3.9	144	9.0
Other	-	-	10	1.0	18	1.0
	<u>427</u>	<u>40.8</u>	<u>536</u>	<u>49.9</u>	<u>621</u>	<u>38.6</u>
Capital Projects Funds:						
State Facilities	344	32.9	255	23.7	534	33.2
Infrastructure	275	26.3	264	24.6	446	27.8
Transportation	-	-	19	1.8	6	0.4
	<u>619</u>	<u>59.2</u>	<u>538</u>	<u>50.1</u>	<u>986</u>	<u>61.4</u>
Subtotal	1,046	<u>100.0%</u>	1,074	<u>100.0%</u>	1,607	<u>100.0%</u>
General Fund (Economic Recovery Notes)	<u>25</u>		<u>966</u>		-	
Total Governmental	<u>\$1,071</u>		<u>\$2,040</u>		<u>\$1,607</u>	

Indeed, debt service as a percent of government operations, excluding debt service on the Economic Recovery Notes, has already increased to 7.3% up from 4.9% only four years ago.

DEBT SERVICE AS A PERCENT OF GOVERNMENTAL OPERATING EXPENDITURES

(millions)

	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
Debt Service (Bonded):					
Principal	\$ 362	\$ 313	\$ 249	\$ 231	\$ 201
Interest	<u>399</u>	<u>378</u>	<u>299</u>	<u>234</u>	<u>184</u>
	<u>\$ 761</u>	<u>\$ 691</u>	<u>\$ 548</u>	<u>\$ 465</u>	<u>\$ 385</u>
Debt Service (Economic Recovery Notes):					
Principal	\$ 235	\$ 50	\$ -	\$ -	\$ -
Interest	<u>37</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 272</u>	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Governmental Operating Expenditures	<u>\$10,494</u>	<u>\$9,541</u>	<u>\$8,930</u>	<u>\$8,534</u>	<u>\$7,779</u>
Debt Service as a Percent of Governmental Operating Expenditures:					
Bonded	7.3%	7.2%	6.1%	5.4%	4.9%
Including Economic Recovery Notes	9.8%	8.1%	6.1%	5.4%	4.9%

Net State debt increased 9% to almost \$7.7 billion from \$7 billion in fiscal year 1992. Net State debt has more than doubled since fiscal year 1989.

NET STATE DEBT (millions)					
	<u>FY93</u>	<u>FY92</u>	<u>FY91</u>	<u>FY90</u>	<u>FY89</u>
Debt Outstanding (June 30):					
General Obligation Bonds	\$4,794	\$4,014	\$3,392	\$2,368	\$1,910
Transportation Bonds	2,592	2,489	2,258	1,881	1,322
Notes	706	916	-	-	-
	<u>8,092</u>	<u>7,419</u>	<u>5,650</u>	<u>4,249</u>	<u>3,232</u>
Debt Service Fund	<u><433></u>	<u><388></u>	<u><349></u>	<u><291></u>	<u><209></u>
Net Debt, End of Year	<u>\$7,659</u>	<u>\$7,031</u>	<u>\$5,301</u>	<u>\$3,958</u>	<u>\$3,023</u>
Changes in Net Debt:					
Net Debt, Beginning of Year	\$ 7,031	\$5,301	\$3,958	\$3,023	\$2,234
Redemptions - Bonds	<362>	<313>	<249>	<231>	<201>
Redemptions - Notes	<235>	<50>	-	-	-
Issuances - Bonds	1,046	1,074	1,607	1,218	1,035
Issuances - Notes	25	966	-	-	-
Refundings - Issued	1,313	500	-	-	-
Refundings - Defeased	<1,175>	<464>	-	-	-
Accretion and Other	60	56	43	30	4
Debt Service Fund <Increase>	<u><44></u>	<u><39></u>	<u><58></u>	<u><82></u>	<u><49></u>
Net Debt, End of Year	<u>\$ 7,659</u>	<u>\$7,031</u>	<u>\$5,301</u>	<u>\$3,958</u>	<u>\$3,023</u>

Debt per capita has more than doubled to \$2,122 from \$920 in fiscal year 1989. Bonded debt is the primary focus of most analyses but it is only half the amount of incurred long term obligations that will need to be paid by future generations of taxpayers. Long-term obligations include capital leases; compensated absences that were earned by employees in past periods but which will be paid by future generations; workers' compensation claims, which arose from past events but will be settled in future periods, and the unfunded pension benefit obligation, which represents the value of pension benefits earned by employees but which is not funded currently. The total of these obligations increased over \$400 million in fiscal year 1993. This does represent a slowed growth from prior years which is due primarily to improvements in the Teachers' Retirement System caused by elimination of certain cost of living guarantees and increased participant contributions.

NET DEBT PER CAPITA*

<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 89</u>
\$2,122	\$1,865	\$1,612	\$1,203	\$920

*Exclusive of Economic Recovery Notes.

TRENDS IN LONG TERM DEBT
(millions)

	<u>FY93</u>	<u>FY92</u>	<u>FY91</u>	<u>FY90</u>	<u>FY89</u>
Net Bonded Debt	\$ 7,659	\$ 7,031	\$ 5,301	\$ 3,958	\$3,023
Capital Leases	50	50	12	9	9
Compensated Absences	175	174	152	141	136
Workers Compensation	304	298	251	200	204
Subtotal	<u>8,188</u>	<u>7,553</u>	<u>5,716</u>	<u>4,308</u>	<u>3,372</u>
Actuarial Unfunded Pension					
Benefit Obligation	<u>5,411</u>	<u>5,613</u>	<u>5,881</u>	<u>5,956</u>	<u>6,047</u>
Total	<u>\$13,599</u>	<u>\$13,166</u>	<u>\$11,597</u>	<u>\$10,264</u>	<u>\$9,419</u>

Internal Controls

Elected officials, agency commissioners, directors of public benefit corporations and agency managers are responsible for establishing internal control structures. Good internal controls are essential to achieving the proper conduct of government business with full accountability. This means that:

- resource use is consistent with laws, regulations and policies;
- resources are safeguarded against waste, loss and misuse; and
- reliable data are obtained, maintained and fairly disclosed in reports.

Good internal controls also facilitate the achievement of management objectives.

In achieving these goals, good internal controls must strike a balance, providing reasonable, not absolute assurance. This recognizes that costs should not exceed benefits, nor should controls negatively impact operations.

Good internal control is comprised of the following elements:

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. (i.e. What is the tone at the top?)

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.

This office has been making consistent efforts to improve the overall internal control in state government and simultaneously to give managers authority commensurate with their responsibilities.

Budgetary Controls

The key control mechanism of government finance is the budget. The Government Accounting Standards Board (GASB) has concluded that, "The budgetary process, including comparison of the approved budget with actual experience, is...a major aspect of accountability." The budget is more than just an aspect of accountability, however, it is also:

- An expression of public policy by identifying the activity or program that is to be carried out, the amount that may be expended to carry out the activity or program, and the time period in which these are to occur.
- A financial plan, or expression of financial intent. For example, what are the expected sources of financing for these programs - who bears the burden of paying for them?
- A form of control usually having the force of law.

Budget control is maintained at the level of line items by agency as established in authorized bills. Control over the obligation is exercised by the allotment process. Funds, both for budgeted and non-budgeted funds, are allotted by the Governor through the Office of Policy and Management. The Governor is further allowed to modify the allotments up to 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, which is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same party, and three house members, not more than two of the same political party.

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 fiscal year 1992-93 for these funds were \$105 million and 4.06%, respectively. By comparison, 90-day Treasury Bills and 90-day certificates of deposit earned 3.08% and 3.31%, respectively, during the same time period.

Bank balances at June 30, 1993, were \$112 million of which about three-fourths was not insured or protected by collateral held by the State or a third-party custodian.

Risk Management

The State retains risk for 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 risk retention to provide optimal coverage at minimal cost.

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. In fact, Connecticut's population growth has not only stopped, but the State has lost population in each of the last two years.

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 \$27,137 in 1993, 135% of the \$20,114 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>
1993	27,137	2.8	20,114	4.1
1992	26,404	2.2	19,331	2.6
1991	25,836	3.8	18,840	4.0
1990	24,884	4.4	18,109	5.4
1989	23,839	8.5	17,179	6.8
1988	21,971	8.7	16,090	5.8

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 in 1992.

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 processing and products that 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>

However, Connecticut's job loss in the recent economic downturn has been more severe than for the nation overall. Indeed, Connecticut has lost 172,200 jobs since 1989 in all sectors except health services and government.

ALL INDUSTRY SECTORS BUT GOVERNMENT AND HEALTH SERVICES HAVE LOST JOBS SINCE 1989

Connecticut Nonagricultural Employment			
	<u>July 1993</u>	<u>Jan. 1989</u>	<u>Change 1989-1993</u>
Trade	326,600	378,200	<51,600>
Manufacturing:			
Durable	209,100	275,900	<66,800>
Nondurable	82,600	91,900	<9,300>
Construction	48,000	72,500	<24,500>
Services (excludes health)	282,100	284,900	<2,800>
Government	210,600	207,300	3,300
Finance, Insurance, Real Estate	140,000	151,200	<11,200>
Transportation, Communications	66,200	72,200	<6,000>
Health Services	143,000	126,000	17,000
 Total	 <u>1,508,200</u>	 <u>1,660,100</u>	 <u><151,900></u>

Source: Connecticut Labor Department

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. Already, a number of significant defense-related employers in the State have announced reductions.

A Defense Department study projects a 4% annual rate of decline in defense expenditures for Connecticut through the 1990s. On a constant dollar basis that projection anticipates defense spending in the State to decline 25% by 1997.

ESTIMATED DEFENSE-RELATED EXPENDITURES IN CONNECTICUT (millions of 1990 dollars) (by calendar year)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>Average Annual % Growth</u>
Defense	\$12,682	\$11,700	\$10,850	\$10,290	\$10,031	\$9,914	\$9,851	<4.08>

Source: U.S. Department of Defense, "Projected Defense Purchase, Details by Industry and State," Calendar Years 1991 through 1997.

Unemployment in Connecticut has already increased to 7.1% in calendar 1993 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 and restructuring in the insurance industry even when the overall economy improves.

UNEMPLOYMENT

<u>Fiscal</u>	<u>Connecticut</u>	<u>U.S.</u>
1993	7.1%	7.2%
1992	7.2	7.1
1991	5.8	6.2
1990	4.5	5.3
1989	3.2	5.3
1988	3.0	5.8

Retail Sales

Retail sales growth since the late nineteen eighties has been lackluster compared to dramatic increases in the early eighties. Since 1989 retail sales grew only 1.3%.

RETAIL SALES GROWTH

<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
1.0%	<2.5>%	3.3%	<2.0>%	1.5%

Certificate of Achievement

In recognition of the continued high quality of our reports, the State has again been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the fiscal year ended June 30, 1992. We believe that this report also adheres to the Certificate Program requirements and we will submit it for eligibility review.

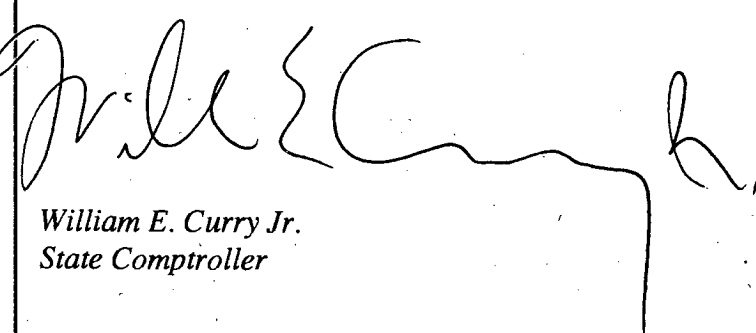
Independent Audit

The Auditors of Public Accounts, who report to the legislature and are independent of the Executive Branch, have audited the accompanying financial statements in accordance with generally accepted auditing standards and their opinion has been included in this report.

ACKNOWLEDGMENTS

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

Sincerely,



William E. Curry Jr.
State Comptroller



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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, 1992

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



Arnold L. Hahn

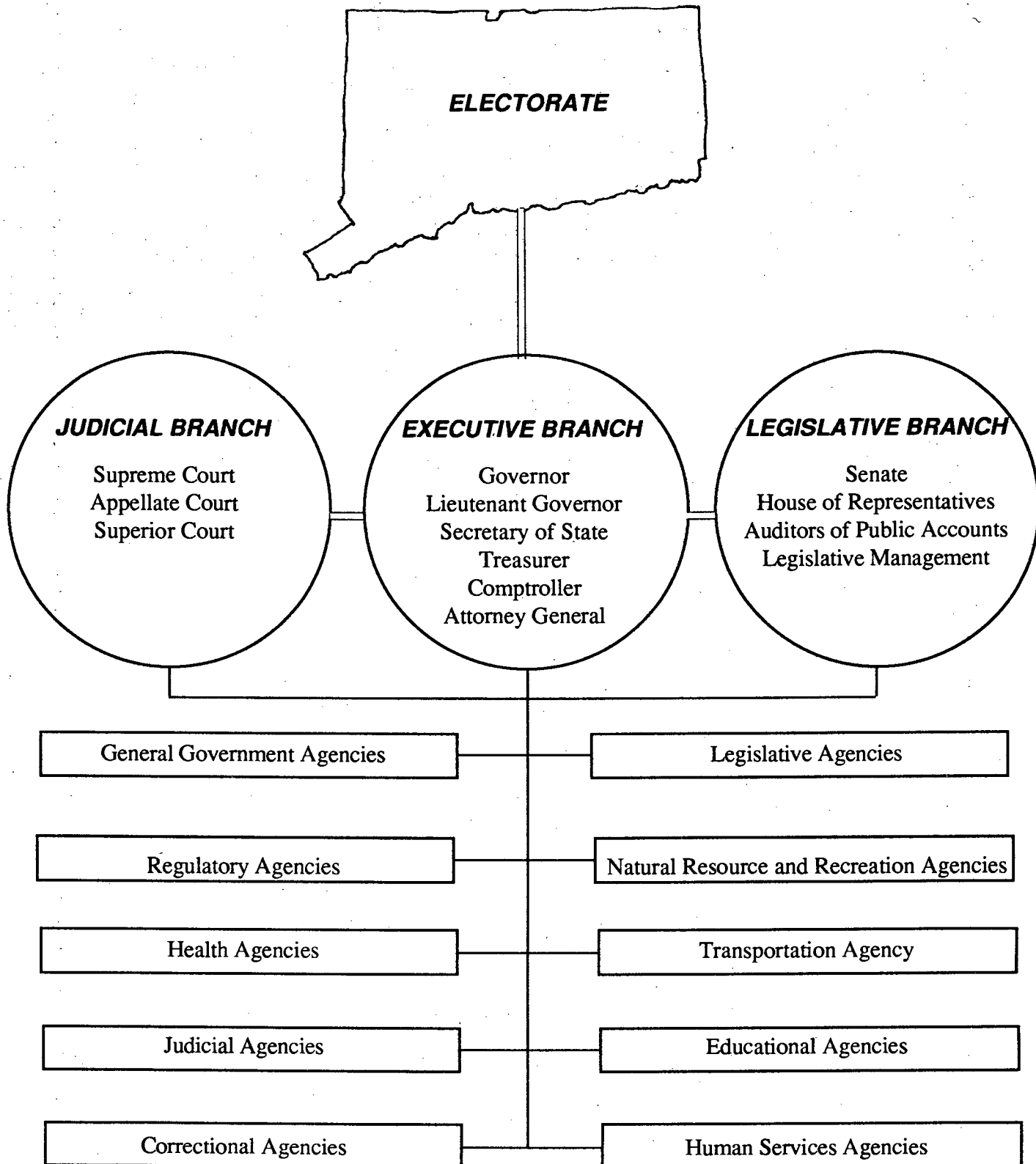
President

Jeffrey L. Esser

Executive Director



Organization Chart





Selected State Officials

As of June 30, 1993

EXECUTIVE

Lowell P. Weicker, Jr.
Governor

Eunice S. Groark
Lieutenant Governor

Pauline R. Kezer
Secretary of State

Joseph M. Suggs
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)

Thomas D. Ritter
Speaker of the House of Representatives
(151 Representatives)



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Financial Section



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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the State of Connecticut as of and for the year ended June 30, 1993, as listed in the table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Special Transportation Fund accounts within the Transportation Fund and the Clean Water-Federal Account within the Environmental Programs Fund, which represent 45 percent and 43 percent, respectively, of the assets and revenues of the Special Revenue Funds; we did not audit the financial statements of the Transportation Special Tax Obligations Fund, which represent 99 percent and 15 percent, respectively, of the assets and revenues of the Debt Service Funds; 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 93 percent, respectively, of the assets and revenues of the Enterprise Funds; and, we did not audit that portion of the financial statements of the University Health Center Hospital and Current Unrestricted Funds involving patient receivables and revenues arising from clinical operations, which represent two percent and 23 percent, respectively, of the assets and revenues of the Higher Education and University Hospital 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 aforementioned funds and accounts, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the 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 audit and the reports of other auditors provide a reasonable basis for our opinion.

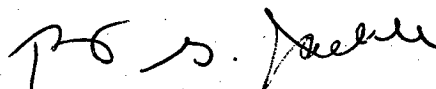
In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Connecticut as of June 30, 1993, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 21 to the financial statements, the State of Connecticut is a defendant in certain legal proceedings. The ultimate outcome of the litigation cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements.

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 presented in all material respects in relation to the general purpose financial statements taken as a whole.



Kevin P. Johnston
Auditor of Public Accounts



Robert G. Jaekle
Auditor of Public Accounts

January 20, 1994
State Capitol
Hartford, Connecticut

*General
Purpose
Financial
Statements*



Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1993

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Cash and Cash Equivalents	\$ -	\$ 374,285	\$161,267	\$182,280
Investments	-	245,702	271,295	-
Receivables:				
Taxes	378,685	36,422	-	-
Accounts, Net of Allowances	351,819	16,837	-	5,069
Loans, Net of Allowances	-	468,359	-	-
Interest	882	7,949	3,248	345
Non-Federal Grants Receivable	4,104	-	-	-
Due From Other Funds	16,911	10,970	-	198,560
Receivable From Other Governments	244,425	17,853	-	65,261
Advances To Other Funds	81,761	-	-	-
Inventories and Prepaid Items	44,921	8,540	-	-
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	\$1,123,508	\$1,186,917	\$435,810	\$451,515
Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 552,954	\$ 55,403	\$ 70	\$119,729
Due to Other Funds	199,938	4,800	3,218	2,708
Payable to Other Governments	60,796	494	-	-
Advances Due Other Funds	-	33	-	-
Deferred Revenue	413,062	30,181	-	1,035
Escrow Deposits	-	-	-	-
Notes and Loans Payable	-	-	-	-
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	1,226,750	90,911	3,288	123,472
Equity and Other Credits:				
Investment in Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balances:				
Reserved	400,342	532,685	432,522	-
Unreserved, undesignated	(503,584)	563,321	-	328,043
Total Equity and Other Credits	(103,242)	1,096,006	432,522	328,043
Total Liabilities, Equity and Other Credits	\$1,123,508	\$1,186,917	\$435,810	\$451,515

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



Proprietary Fund Types		Fiduciary Fund Types Trust and Agency	Account Groups		Higher Education & University Hospital	Total (Memorandum only)
Enterprise	Internal Service		General Fixed Assets	General Long-Term Debt		
\$ 412,034	\$18,800	\$ 900,938	\$ -	\$ -	\$ 248,173	\$ 2,297,777
356,655	-	9,673,969	-	-	4,158	10,551,779
-	-	-	-	-	-	415,107
14,988	6,336	60,194	-	-	59,995	515,238
2,541,920	-	36	-	-	25,453	3,035,768
44,595	-	12,867	-	-	373	70,259
-	-	-	-	-	-	4,104
628	4,600	11,740	-	-	3,999	247,408
5,249	-	273	-	-	-	333,061
-	-	-	-	-	-	81,761
2,240	4,895	477	-	-	10,040	71,113
475,174	-	-	-	-	-	475,174
405,678	18,407	-	2,963,035	-	1,366,787	4,753,907
57,722	1,128	627,152	-	-	125	686,127
-	-	-	-	432,522	-	432,522
-	-	-	-	12,817,122	-	12,817,122
<u>\$4,316,883</u>	<u>\$54,166</u>	<u>\$11,287,646</u>	<u>\$2,963,035</u>	<u>\$13,249,644</u>	<u>\$1,719,103</u>	<u>\$36,788,227</u>
\$ 72,409	\$ 7,321	\$ 3,720	\$ -	\$ -	\$ 56,648	\$ 868,254
2,388	418	27,187	-	-	6,751	247,408
4,069	-	718,381	-	-	-	783,740
81,728	-	-	-	-	-	81,761
1,425	726	10,427	-	-	27,031	483,887
65,708	-	-	-	-	-	65,708
5,600	-	-	-	705,610	8,129	719,339
-	-	251,566	-	-	-	251,566
-	-	1,127,295	-	-	8,278	1,135,573
-	-	-	-	4,793,648	-	4,793,648
-	-	-	-	2,592,348	-	2,592,348
3,608,341	-	-	-	-	71,950	3,680,291
-	-	-	-	49,848	1,474	51,322
76	2,532	-	-	175,171	12,874	190,653
-	-	-	-	4,629,155	-	4,629,155
-	-	-	-	303,864	-	303,864
<u>3,841,744</u>	<u>10,997</u>	<u>2,138,576</u>	<u>-</u>	<u>13,249,644</u>	<u>193,135</u>	<u>20,878,517</u>
-	-	-	2,963,035	-	1,283,369	4,246,404
197,579	7,930	-	-	-	-	205,509
338,555	-	-	-	-	-	338,555
(60,995)	35,239	-	-	-	-	(25,756)
-	-	9,835,628	-	-	109,563	11,310,740
-	-	(686,558)	-	-	133,036	(165,742)
475,139	43,169	9,149,070	2,963,035	-	1,525,968	15,909,710
<u>\$4,316,883</u>	<u>\$54,166</u>	<u>\$11,287,646</u>	<u>\$2,963,035</u>	<u>\$13,249,644</u>	<u>\$1,719,103</u>	<u>\$36,788,227</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, 1993

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 5,725,022	\$ 415,696	\$ -	\$ -
Licenses, Permits and Fees	110,462	288,517	-	-
Intergovernmental	2,430,185	186,810	-	332,582
Charges for Services	68,087	20,765	-	-
Fines, Forfeits and Rents	34,634	1,209	-	-
Investment Earnings	22,181	29,559	23,401	-
Lottery and Off Track Betting	-	692,528	-	-
Assessments	-	-	-	-
Miscellaneous	99,539	56,852	-	471
Total Revenues	8,490,110	1,691,936	23,401	333,053
Expenditures:				
Current:				
Legislative	44,040	-	-	-
General Government	500,134	555,511	-	-
Regulation and Protection	142,581	206,206	-	-
Natural Resources and Recreation	53,179	178,951	-	-
Health and Hospitals	747,137	2,265	-	-
Transportation	-	381,135	-	-
Human Services	2,623,171	15,922	-	-
Education, Libraries and Museums	1,644,909	127,242	-	-
Corrections	616,884	3,937	-	-
Judicial	204,003	3,800	-	-
Federal and Other Grants	1,032,417	36,358	-	-
Capital Projects	-	-	-	862,545
Debt Service:				
Principal Retirement	265,031	29,455	302,970	-
Interest and Fiscal Charges	182,749	60,850	191,959	-
Total Expenditures	8,056,235	1,601,632	494,929	862,545
Excess (Deficiency) of Revenues Over Expenditures	433,875	90,304	(471,528)	(529,492)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds and Notes	-	427,075	25,000	615,128
Operating Transfers In	247,559	47,268	508,414	797
Operating Transfers Out	(588,417)	(491,128)	(18,983)	(137,644)
Capital Lease Obligations	6,226	84	-	36
Proceeds of Refunding Bonds	-	-	1,305,514	-
Payment to Refunded Bond Escrow Agent	-	-	(1,304,320)	-
Total Other Financing Sources (Uses)	(334,632)	(16,701)	515,625	478,317
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	99,243	73,603	44,097	(51,175)
Fund Balances (deficit) - July 1	(209,097)	1,021,927	388,425	379,218
Residual Equity Transferred In	-	414	-	-
Changes in Reserves for Inventories and Prepaids	6,612	62	-	-
Fund Balances (deficit) - June 30	\$ (103,242)	\$1,096,006	\$ 432,522	\$ 328,043

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



<u>Fiduciary Fund Type</u> <u>Expendable</u> <u>Trust</u>	<u>Total</u> <u>(Memorandum</u> <u>only)</u>
\$ 309,791	\$ 6,450,509
71	399,050
401,681	3,351,258
-	88,852
-	35,843
649	75,790
-	692,528
131,318	131,318
43	156,905
<u>843,553</u>	<u>11,382,053</u>
-	44,040
4,629	1,060,274
1,050,544	1,399,331
-	232,130
-	749,402
-	381,135
-	2,639,093
196	1,772,347
-	620,821
-	207,803
-	1,068,775
-	862,545
-	597,456
-	435,558
<u>1,055,369</u>	<u>12,070,710</u>
<u>(211,816)</u>	<u>(688,657)</u>
-	1,067,203
-	804,038
(1,672)	(1,237,844)
-	6,346
-	1,305,514
-	<u>(1,304,320)</u>
<u>(1,672)</u>	<u>640,937</u>
(213,488)	(47,720)
(473,070)	1,107,403
-	414
-	6,674
<u>\$ (686,558)</u>	<u>\$ 1,066,771</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, 1993
(Expressed in Thousands)

		<u>General Fund</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	
Budgeted Revenues:			
Taxes, Net of Refunds	\$5,546,600	\$ 5,581,146	\$ 34,546
Operating Transfers In	249,200	249,212	12
Licenses, Permits and Fees	111,000	110,571	(429)
Other	251,473	252,572	1,099
Federal Grants	1,367,300	1,367,354	54
Equity Transfers In	8,700	8,765	65
Equity Transfers Out	(610)	(610)	-
Total Budgeted Revenues	7,533,663	7,569,010	35,347
Expenditures:			
Legislative	36,487	34,320	2,167
General Government	380,440	360,486	19,954
Regulation and Protection	114,830	105,663	9,167
Natural Resources and Recreation	41,441	40,257	1,184
Health and Hospitals	651,754	633,205	18,549
Transportation	-	-	-
Human Services	2,608,250	2,602,615	5,635
Education, Libraries and Museums	1,819,900	1,807,971	11,929
Corrections	512,848	501,206	11,642
Judicial	149,658	149,514	144
Non Functional	1,420,450	1,221,185	199,265
Appropriations Lapsed	(279,636)	-	(279,636)
Total Expenditures	7,456,422	7,456,422	-
Excess (Deficiency) of Revenues			
Over Expenditures	77,241	112,588	35,347
Other Financing Sources (Uses):			
Federal and Other Restricted Sources	-	1,041,173	1,041,173
Federal and Other Restricted Uses	-	(1,041,173)	(1,041,173)
Transfers Between Funds	-	-	-
Miscellaneous Adjustments	-	903	903
Total Other Financing Sources (Uses)	-	903	903
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses	\$ 77,241	113,491	\$ 36,250
Budgetary Fund Balances (deficit) - July 1		457,985	
Changes in Reserves		58,204	
Budgetary Fund Balances June 30		\$ 629,680	

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

**Budgeted Special Revenue Funds**

Budget	Actual	Variance Favorable (Unfavorable)
\$ 394,700	\$ 393,946	\$ (754)
-	-	-
262,900	254,708	(8,192)
73,710	69,682	(4,028)
8,200	8,286	86
610	610	-
-	-	-
<u>740,120</u>	<u>727,232</u>	<u>(12,888)</u>
-	-	-
1,346	1,279	67
91,027	80,788	10,239
625	570	55
-	-	-
286,293	279,208	7,085
3,402	3,098	304
-	-	-
-	-	-
-	-	-
387,445	366,823	20,622
(28,944)	-	(28,944)
<u>741,194</u>	<u>731,766</u>	<u>9,428</u>
(1,074)	(4,534)	(3,460)
-	50,359	50,359
-	(50,359)	(50,359)
-	(6,277)	(6,277)
-	547	547
-	(5,730)	(5,730)
<u>\$ (1,074)</u>	<u>(10,264)</u>	<u>\$ (9,190)</u>
	170,450	
	1,048	
	<u>\$161,234</u>	

Total (Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,941,300	\$ 5,975,092	\$ 33,792
249,200	249,212	12
373,900	365,279	(8,621)
325,183	322,254	(2,929)
1,375,500	1,375,640	140
9,310	9,375	65
(610)	(610)	-
<u>8,273,783</u>	<u>8,296,242</u>	<u>22,459</u>
36,487	34,320	2,167
381,786	361,765	20,021
205,857	186,451	19,406
42,066	40,827	1,239
651,754	633,205	18,549
286,293	279,208	7,085
2,611,652	2,605,713	5,939
1,819,900	1,807,971	11,929
512,848	501,206	11,642
149,658	149,514	144
1,807,895	1,588,008	219,887
(308,580)	-	(308,580)
<u>8,197,616</u>	<u>8,188,188</u>	<u>9,428</u>
76,167	108,054	31,887
-	1,091,532	1,091,532
-	(1,091,532)	(1,091,532)
-	(6,277)	(6,277)
-	1,450	1,450
-	(4,827)	(4,827)
<u>\$ 76,167</u>	<u>103,227</u>	<u>\$ 27,060</u>
	628,435	
	59,252	
	<u>\$ 790,914</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, 1993

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Total (Memorandum only)
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	
Operating Revenues:					
Charges for Services	\$146,268	\$63,438	\$ -	\$ -	\$ 209,706
Participants' Contributions	-	-	-	214,982	214,982
State Contribution	-	-	-	370,195	370,195
Interest on Financing Activities	273,621	-	-	-	273,621
Investment Earnings	-	-	7,727	804,252	811,979
Miscellaneous	19,816	-	25	45,459	65,300
Total Operating Revenues	439,705	63,438	7,752	1,434,888	1,945,783
Operating Expenses:					
Cost of Sales and Services	-	40,830	-	-	40,830
Administrative	145,528	16,596	-	175	162,299
Depreciation and Amortization	32,923	8,089	-	-	41,012
Benefit Payments and Refunds	-	-	-	735,403	735,403
Other Program Expenses	16,860	-	641	25,936	43,437
Interest on Financing Activities	225,061	-	-	-	225,061
Total Operating Expenses	420,372	65,515	641	761,514	1,248,042
Operating Income (Loss)	19,333	(2,077)	7,111	673,374	697,741
Nonoperating Revenues (Expenses):					
Interest and Investment Income	20,108	-	-	-	20,108
Interest and Fiscal Charges	(34,691)	-	-	-	(34,691)
Other	(8,405)	-	-	-	(8,405)
Total Nonoperating Income (Expense)	(22,988)	-	-	-	(22,988)
Income (Loss) Before Operating Transfers and Extra-ordinary Item	(3,655)	(2,077)	7,111	673,374	674,753
Operating Transfers In (Out):					
Operating Transfers In	-	-	849	-	849
Operating Transfers Out	(420)	-	(3,624)	-	(4,044)
Extraordinary Item - Loss on Debt Refunding	(6,928)	-	-	-	(6,928)
Net Income (Loss)	(11,003)	(2,077)	4,336	673,374	664,630
Retained Earnings/Fund Balances - July 1(as restated) ..	288,563	37,316	64,539	9,093,793	9,484,211
Residual Equity Transferred Out	-	-	(414)	-	(414)
Retained Earnings/Fund Balances - June 30	277,560	35,239	68,461	9,767,167	10,148,427
Contributed Capital - July 1	137,812	7,880	-	-	145,692
Capital Additions	59,767	50	-	-	59,817
Contributed Capital - June 30	197,579	7,930	-	-	205,509
Fund Equity - June 30	\$475,139	\$43,169	\$68,461	\$9,767,167	\$10,353,936



Combined Statement of Cash Flows

ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum only)
	Enterprise	Internal Service	Nonexpendable Trust	
Cash Flows From Operating Activities:				
Operating income (loss)	\$ 19,333	\$ (2,077)	\$ 7,111	\$ 24,367
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Amortization and depreciation	32,923	8,089	-	41,012
Provision for loan losses	15,872	-	-	15,872
Investment income	(70,381)	-	(7,727)	(78,108)
Interest expense	225,061	-	-	225,061
Changes in assets and liabilities:				
(Increase) decrease in receivables	(934)	(141)	6	(1,069)
(Increase) decrease in due from other funds	(1,051)	(1,053)	-	(2,104)
(Increase) decrease in receivable from other governments	(2,186)	-	-	(2,186)
(Increase) decrease in inventories and prepaid items	1	658	-	659
Increase (decrease) in accounts payable and accrued liabilities	2,513	2,432	-	4,945
Increase (decrease) in due to other funds	(150)	(252)	-	(402)
Increase (decrease) in payable to other governments	693	-	-	693
Miscellaneous operating activities	(671)	456	-	(215)
Issuance of loans, notes and installment contracts receivable	(189,547)	-	-	(189,547)
Collection of loans, notes and installment contracts receivable	218,649	-	-	218,649
Net cash provided by (used in) operating activities	250,125	8,112	(610)	257,627
Cash Flows From Noncapital Financing Activities:				
Contributed capital	46,885	-	-	46,885
Proceeds from sale of bonds and notes	617,525	-	-	617,525
Retirement of bonds and notes payable	(656,840)	-	-	(656,840)
Interest on bonds and notes payable	(228,315)	-	-	(228,315)
Transfers from other funds	-	-	849	849
Transfers to other funds	(420)	-	(3,624)	(4,044)
Bond issuance and/or redemption costs	(15,573)	-	-	(15,573)
Net cash provided by (used in) noncapital financing activities	(236,738)	-	(2,775)	(239,513)
Cash Flows From Capital And Related Financing Activities:				
Purchase of fixed assets	(29,719)	(9,722)	-	(39,441)
Proceeds from sale of bonds and notes	12,142	-	-	12,142
Retirement of bonds and notes payable	(16,029)	(11)	-	(16,040)
Interest on bonds and notes payable	(35,075)	-	-	(35,075)
Capital contributions or grants	9,308	-	-	9,308
Net cash provided by (used in) capital and related financing activities	(59,373)	(9,733)	-	(69,106)
Cash Flows From Investing Activities:				
Proceeds from sales of investment securities	878,858	-	-	878,858
Purchases of investment securities	(726,845)	-	-	(726,845)
Interest and income on investments	66,208	-	3,530	69,738
Collection on loan receivable	5,642	-	-	5,642
Net cash provided by (used in) investing activities	223,863	-	3,530	227,393
Increase (decrease) in cash	177,877	(1,621)	145	176,401
Cash and cash equivalents - July 1	354,091	20,421	10,990	385,502
Cash and cash equivalents - June 30	\$ 531,968	\$18,800	\$11,135	\$ 561,903
Reconciliation of cash and cash equivalents to balance sheet:				
Cash and cash equivalents - June 30 (balance sheet)	\$ 412,034		\$ 900,938	
Plus - cash and cash equivalents in restricted assets	119,934		-	
Less - cash and cash equivalents in other fiduciary fund types	-		(889,803)	
Cash and cash equivalents - June 30	\$ 531,968		\$ 11,135	

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, 1993

(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>Funds</u>
				<u>Similar Funds</u>	
Revenues and Other Additions:					
Current and Hospital Funds Revenues	\$425,360	\$129,415	\$115,764	\$ -	\$ -
Private Gifts, Grants and Contracts	-	-	-	154	93
Investment Earnings	-	-	-	162	113
Interest on Loans Receivable	-	-	-	-	666
Expended for Plant Facilities	-	-	-	-	-
Retirement of Indebtedness	-	-	-	-	-
Miscellaneous	-	-	-	26	-
Total Revenues and Other Additions	425,360	129,415	115,764	342	872
Expenditures and Other Deductions:					
Education and General	634,616	124,957	-	-	-
Auxiliary Enterprises	93,562	105	-	-	-
Hospital	35,904	-	120,894	-	-
Loan Cancellations and Write-offs	-	-	-	-	67
Interest on Indebtedness	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Disposal of Plant Facilities	-	-	-	-	-
Administrative Costs	-	-	-	-	140
Retirement of Indebtedness	-	-	-	-	-
Other	86	817	-	-	293
Total Expenditures and Other Deductions	764,168	125,879	120,894	-	500
Transfers Among Funds - Additions (Deductions)					
Mandatory:					
Retirement of Indebtedness	(10,783)	(1,037)	-	-	-
Loan Fund	(291)	-	-	-	291
Subsidy	(3,566)	-	3,566	-	-
Other	(1,225)	1,225	-	-	-
Nonmandatory:					
Other	309	(2,939)	(2,325)	(200)	-
Total Transfers Among Funds	(15,556)	(2,751)	1,241	(200)	291
Operating transfers from the State's governmental funds	340,880	-	-	-	-
Net Increase (Decrease) in Fund Balances	(13,484)	785	(3,889)	142	663
Fund Balances (deficit) - July 1	137,950	34,386	14,978	3,880	27,566
Fund Balances (deficit) - June 30	\$124,466	\$ 35,171	\$ 11,089	\$4,022	\$28,229



<u>Unexpended</u>	<u>Plant Funds Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 670,539
-	-	-	247
-	1,386	-	1,661
-	-	-	666
-	-	115,014	115,014
-	-	3,839	3,839
-	1,014	4,530	5,570
-	2,400	123,383	797,536
-	-	-	759,573
-	-	-	93,667
-	-	-	156,798
-	-	-	67
-	4,778	-	4,778
98,795	-	-	98,795
-	-	6,670	6,670
-	-	-	140
-	3,839	-	3,839
-	32	14,361	15,589
98,795	8,649	21,031	1,139,916
-	11,820	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	5,155	-	-
-	16,975	-	-
96,121	-	-	437,001
(2,674)	10,726	102,352	94,621
155	31,415	1,181,017	1,431,347
\$ (2,519)	\$42,141	\$1,283,369	\$1,525,968



Combined Statement of Revenues, Expenditures and Other Changes

HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	Current Funds		Hospital Funds	Total
	Unrestricted	Restricted		
Revenues:				
Student Tuition and Fees	\$204,842	\$ -	\$ -	\$ 204,842
Federal Grants and Contracts	9,454	83,288	-	92,742
Private Gifts and Grants	5,165	28,539	-	33,704
Patient Services	60,536	-	115,764	176,300
Sales and Services	116,182	2,336	-	118,518
Investment Earnings	5,396	871	-	6,267
Miscellaneous	23,785	10,657	-	34,442
Total Revenues	425,360	125,691	115,764	666,815
Expenditures and Mandatory Transfers:				
Educational and General:				
Instruction	278,163	22,483	-	300,646
Research	20,393	71,446	-	91,839
Public Services	26,839	7,955	-	34,794
Academic Support	81,950	3,984	-	85,934
Student Services	37,224	3,945	-	41,169
Institutional Support	105,939	7,981	-	113,920
Independent Operations	634	-	-	634
Scholarship and Fellowships	25,590	5,259	-	30,849
Plant Operations and Maintenance	57,884	1,904	-	59,788
Total Educational and General Expenditures	634,616	124,957	-	759,573
Hospital	35,904	-	120,894	156,798
Auxiliary Enterprises	93,562	105	-	93,667
Other	86	817	-	903
Mandatory Transfers:				
Retirement of Indebtedness	10,783	1,037	-	11,820
Subsidy	3,566	-	(3,566)	-
Other	1,516	(1,225)	-	291
Total Expenditures and Mandatory Transfers	780,033	125,691	117,328	1,023,052
Other Transfers- Additions (Deductions):				
Operating Transfers from the State's				
Governmental Funds	340,880	-	-	340,880
Non-mandatory Transfers	309	(2,939)	(2,325)	(4,955)
Excess of Restricted Receipts over Transfers to Revenues	-	3,724	-	3,724
Total Other Transfers and Additions (Deductions)	341,189	785	(2,325)	339,649
Net Increase (Decrease) in Fund Balances	\$ (13,484)	\$ 785	\$ (3,889)	\$ (16,588)

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



Notes to the Financial Statements

June 30, 1993

(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, 1992.

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 and notes.

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 and notes.

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 re-

sources 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, personal income taxes, public service corporation taxes, petroleum company taxes, and gasoline and special fuel 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 predominantly 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 Workers' Compensation Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors and Marines Fund and the Regional Market Operations Fund. 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, personal income, corporation, 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. During the 1993 fiscal year, the original adopted budget was adjusted by several supplementary appropriations authorized by the General Assembly and the Finance Advisory Committee.

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 (budgetary 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, a transfer from reserved fund balance was treated as an equity transfer.



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

Because of the above differences, a reconciliation between the budgetary and GAAP basis is presented in Note 2.

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. Cash equivalents include investments in the State's short-term pooled investment fund (see Note 4), the tax exempt proceeds fund (a money market fund) and repurchase agreements. Cash equivalents 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, excluding the agency funds, represent investments in the State's long-term pooled investment funds (see Note 4). Investments in the agency funds are carried at market (deferred compensation fund).

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 semiannually, 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 unfunded pension costs, 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 and Interfund Transactions

Taxes

Certain tax revenues that accrue to the State are considered "available" if the payer incurs the obligation to the State before year-end and payment is received within sixty days after year-end (see Note 6).

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 or 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

BUDGETARY BASIS VS. GAAP

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)	\$113,491	\$(10,264)
Adjustments:		
Increases (decreases) in revenue accruals:		
Governmental Receivables	35,033	(14,131)
Other Receivables	6,271	(1,841)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(46,733)	730
Salaries and Fringe Benefits Payable	(19,103)	(3,806)
Increase (decrease) in Continuing Appropriations	120,465	(9,573)
Reclassification of equity adjustment to other financing uses	(110,181)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) - budgeted funds	99,243	(38,885)
To record excess of revenues and other sources over expenditures and other uses for nonbudgeted funds	-	112,488
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 99,243</u>	<u>\$73,603</u>

Note 3

FUND DEFICITS

The following funds have deficit balances at June 30, 1993, in either unreserved fund balances or unreserved retained earnings, none of which constitutes a violation of statutory provisions.



<u>General Fund</u>	\$503,584
<u>Special Revenue</u>	
Transportation	\$3,400
Consumer Counsel & Public Utility Control	\$1,989
Insurance	\$2,446
Criminal Injuries	\$126
Lottery & OTB	\$278
<u>Enterprise Funds</u>	
Rental Housing	\$60,854
Bradley International Airport	\$20,699
Connecticut Resources Recovery Authority (CRRA)	\$8,818
<u>Internal Service Funds</u>	
Correction Industries	\$2,733
<u>Expendable Trust Funds</u>	
Employment Security	\$729,502
<u>Higher Education</u>	
Plant Funds - Unexpended	\$2,519

The General Fund, Transportation Fund, Consumer Counsel & Public Utility Control Fund, Insurance Fund, and Criminal Injuries Fund deficits have been addressed by Public Act 93-402 which, among other things, requires any GAAP deficits for budgeted funds existing as of June 30, 1995 to be amortized in fifteen equal increments beginning with the annual budget for fiscal year 1996-97. The Lottery & OTB Fund deficit was caused by various GAAP adjustments and no action has been addressed at this time to eliminate the deficit.

The Correction Industries deficit decreased by \$674 from the prior year. Contributed Capital was \$5,730 at June 30, 1993.

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. While the unreserved retained earnings of both Bradley International Airport and CRRA have a deficit balance, the total fund equity of each fund is still positive.

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. In July, August, and September the State issued special obligation revenue bonds to eliminate this deficit. Increased employer assessments will be used to retire the debt.

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

Note 4

CASH DEPOSITS AND INVESTMENTS

In this note, the State's deposits and investments are classified in categories of "custodial credit risk". This is the risk that the State will not be able (a) to recover

deposits if the depository bank fails or (b) to recover the value of investments or collateral securities that are in the custody of an outside party if the party that sold the investments to or bought them for the State, or that pledged collateral or repurchase agreement securities to the State fails. Classification in category 1 means that the exposure of deposits or investments to potential custodial credit risk is low. The level of potential custodial credit risk is higher for those deposits or investments classified in category 2, and highest for those in category 3.

Cash deposits

As of June 30, 1993 the carrying amount of the State's cash deposits was \$(66,239) and the corresponding bank balance was \$111,768. Further, the bank balance of deposits is classified in three categories of custodial credit risk as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Insured deposits	\$23,202	\$ -	\$ -
Uninsured deposits:			
Collateralized	-	-	7,520
Uncollateralized	-	-	81,046
Total deposits	<u>\$23,202</u>	<u>\$ -</u>	<u>\$88,566</u>

Collateralized deposits are deposits protected by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal at least to a certain percentage (that is, 10, 25, 100, or 120) of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio - a measure of the bank's financial condition. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

According to State statutes, the State Treasurer is responsible for investing monies of State funds and agencies as well as monies of pension and other trust funds. All investments made by the State Treasurer adhere to strict guidelines on prudence, corporate governance, social responsibility and affirmative action. Investment guidelines are established by the State Treasurer with the advise of the Investment Advisory Council. Over the years, the State Treasurer has created one short-term pooled investment fund and eleven long-term pooled investment funds (including two international investment funds).

The short-term pooled investment fund is available for investment to State funds and agencies, municipalities and public authorities. The State Treasurer is authorized to invest monies of the short-term pooled investment fund in United States government and agency



obligations, United States postal service obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements and student loans. The short-term pooled investment fund is not displayed in the combined financial statements except for disclosures made in the investments schedule. Instead, each fund type's investment in this fund is reported as cash equivalents in the combined balance sheet.

The long-term pooled investment funds are available for investment to the pension and other trust funds. The State Treasurer is also authorized to invest monies of the long-term pooled investment funds in common stock, commercial equity real estate, foreign companies stocks and bonds, commercial and residential mortgages, guaranteed investment contracts, foreign governments obligations, asset-backed securities and venture capital partnerships. There is a restriction that not more than 50% of the investments held by the pension and other trust funds can consist of common stock. The long-term pooled investments funds are not displayed in the combined financial statements except for disclosures made in the investments schedule. Instead, each fund type's equity in these funds is reported as investments in the combined balance sheet.

The pooled investment funds account for the purchase

and sale of investments using "trade date" accounting. This means that investments are increased or decreased on the date the purchase or sales order is made although the investments are not received or delivered until a later date (settlement date). As of year end, investments under unsettled purchases are disclosed as State investments but are not categorized under categories of custodial credit risk because the investments are still in the hands of the dealers. Investments held by the State under unsettled sales are not disclosed as State investments. However, these investments are disclosed separately because they are still subject to custodial credit risk that could result in losses prior to settlement.

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, 1993. Further, the carrying amount of these investments is classified in three categories of custodial credit risk. 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			Total	Market Value
	Category 1	Category 2	Category 3		
Common Stock	\$2,486,429	\$ -	\$ -	\$ 2,486,429	\$ 3,370,098
U.S. Government & Agency Securities	1,059,293	554,505	33,602	1,647,400	1,701,694
Corporate Debt	2,426,118	-	-	2,426,118	2,451,917
Banker's Acceptances	150,888	-	-	150,888	150,888
International Common Stock	1,534,128	-	-	1,534,128	1,693,611
Mortgage Backed Securities	505,699	-	-	505,699	554,475
International Government Securities	549,567	-	-	549,567	576,819
Repurchase Agreements	228,340	339,545	-	567,885	567,885
International Corporate Debt	21,261	-	-	21,261	20,415
Certificates of Deposit - Negotiables	379,998	-	-	379,998	379,998
Collateralized Investment Agreements	124,530	-	-	124,530	124,530
State Obligations	68,293	-	-	68,293	68,293
Other	16,849	1,578	-	18,427	14,261
	<u>\$9,551,393</u>	<u>\$895,628</u>	<u>\$33,602</u>	<u>10,480,623</u>	<u>11,674,884</u>
Investments not categorized because they are not evidenced by securities that exist in physical or book entry form:					
Real Estate (Trusts, Limited Partnerships and Annuities)				1,277,427	953,598
Commercial Mortgages Trust Funds				357,655	356,361
Deferred Compensation Plan Mutual Investments				251,566	251,566
Limited Partnerships				148,774	148,264
Tax Exempt Proceeds Fund				34,651	34,651
Guaranteed Investment Contracts				249,386	249,439
Short-term Investments with International Subcustodians				102,939	102,008
Investments held by broker-dealers under unsettled purchases (various securities)				<u>163,838</u>	<u>160,384</u>
Total Investments				<u>\$13,066,859</u>	<u>\$13,931,155</u>
The pension trust funds own approximately 78 percent of the investments that are in category 1 and the enterprise funds (public authorities) own 100 percent of the investments that are in category 2 and 3.					



As of year end, the State held securities costing \$401,830 (market value \$413,516) under unsettled sales. These securities would have been classified under Category 1 of custodial credit risk if they were included in the investments schedule.

Note 5

LOANS RECEIVABLE

Loans receivable consisted of the following as of June 30, 1993:

	<u>Funds</u>		Higher Education and University Hospital
	<u>Special Revenue</u>	<u>Enterprise</u>	
Mortgage	\$ -	\$2,274,905	\$ -
Industrial	-	183,150	-
Housing	153,729	99,704	-
Student	-	-	26,763
Other	314,630	38,430	209
Less:			
Allowance For Losses	-	54,269	1,519
Loans Receivable Net	<u>\$468,359</u>	<u>\$2,541,920</u>	<u>\$25,453</u>

The mortgage loan program consists of home, multifamily and construction loan mortgages made by the Connecticut Housing Finance Authority. Most loans are insured by the Federal Housing Administration or by private mortgage insurance companies. In addition, home mortgage loans are guaranteed up to certain amounts by the Veterans Administration. Permanent loans earn interest at rates ranging from 0% to 13.5% and have initial terms of 10 to 40 years. Construction loans earn interest at rates ranging from 0% to 10.5%. 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 0% to 10.5%.

The industrial loan program consists of loans made by the Connecticut Development Authority to participant companies within the State to finance the purchase of land, buildings, and equipment. These loans and installment contracts receivable are collateralized by assets acquired from the proceeds of the related loans. These receivables have original terms of 1 to 25 years and earn interest at rates ranging from 4% to 14.53%. As of

June 30, 1993, loans in the amount of \$90,643 (including loans of \$5,682 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 \$9,506 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 6

TAXES RECEIVABLE

Taxes receivable consisted of the following as of June 30, 1993:

	<u>Funds</u>	
	<u>General</u>	<u>Special Revenue</u>
Sales and Use	\$271,352	\$ -
Income Taxes	34,961	-
Public Service Corporations	39,125	-
Petroleum Companies	17,999	-
Gasoline and Special Fuel	-	36,422
Various Other	15,248	-
Taxes Receivable	<u>\$378,685</u>	<u>\$36,422</u>

Note 7

RESTRICTED ASSETS

Restricted assets are defined as resources which are restricted by legal or contractual requirements. As of June 30, 1993, restricted assets in the enterprise funds are comprised of the following:

	Bradley Int'l Airport	Connecticut Housing Finance Authority (12-31-92)	Connecticut Resources Recovery Authority	Total
Cash and Cash Equivalents	\$37,618	\$ -	\$ 82,316	\$119,934
Investments	426	323,942	25,209	349,577
Interest Receivable	464	4,176	1,023	5,663
Total	<u>\$38,508</u>	<u>\$328,118</u>	<u>\$108,548</u>	<u>\$475,174</u>

**Note 8****PROPERTY, PLANT AND EQUIPMENT**

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

	Balance 7/1/92	Additions	Retire- ments	Con- struction	Balance 6/30/93
Land	\$ 256,485	\$ 27,972	\$ 74	\$ -	\$ 284,383
Buildings	1,063,960	71,395	13,117	104,807	1,227,045
Improvements					
Other Than					
Buildings	129,242	12,797	16,294	-	125,745
Machinery and					
Equipment	656,081	166,956	29,907	-	793,130
Construction in					
Progress	280,037	357,502	-	(104,807)	532,732
Total	<u>\$2,385,805</u>	<u>\$636,622</u>	<u>\$59,392</u>	<u>\$ -</u>	<u>\$2,963,035</u>

(2) Property, plant and equipment for enterprise, internal service, and higher education funds consisted of the following as of June 30, 1993:

	Enterprise	Internal Service	Higher Education and University Hospital
Land	\$ 24,363	\$ -	\$ 27,724
Buildings	217,904	-	720,563
Improvements Other Than			
Buildings	100,090	107	47,717
Machinery and Equipment	163,849	77,386	542,291
Construction in Progress	2,713	-	28,492
Total	508,919	77,493	1,366,787
Less Accumulated Depreciation	103,241	59,086	-
Net Total	<u>\$405,678</u>	<u>\$18,407</u>	<u>\$1,366,787</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 62 with 10 years of credited service or who retire at age 60 with 25 years of service or at age 70 with 5 years of credited service or hazardous duty members who retire after 20 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 and 1/2% of their final average earnings up to 20 years of service plus 2% of final average earnings times years of service in excess of 20 years, 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 ended June 30, 1993, was \$1,931.4 million while the State's total payroll was \$2,163.3 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 with the last 5 years in Connecticut) and receive a reduced retirement benefit. Retirement benefits vest 100% at 10 years of credited service. Participants are required to contribute 7% 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, 1993, was \$1,841.9 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, 1993, was \$16.2 million, while the State's total payroll was \$2,163.3 million.

The following table summarizes membership by plans:

	SERS 7/1/92	TRS 7/1/92	JRS 10/1/92	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	27,265	18,382	160	45,807
Active plan participants:				
Vested	21,090	25,634	74	46,798
Nonvested	30,043	12,626	105	42,774
Total	51,133	38,260	179	89,572



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, 1992 for SERS and TRS, and as of October 1, 1992, 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 7/1/92	TRS* 7/1/92	JRS 10/1/92	Total
Pension benefit obligation:				
Retirees and beneficiaries				
currently receiving				
benefits and terminated employees				
not yet receiving benefits	\$3,622.8	\$3,459.0	\$80.4	\$7,162.2
Current employees -				
Accumulated employee contributions including allocated investment income	270.2	1,561.3	4.9	1,836.4
Employer-financed				
Vested	2,253.7	1,876.4	32.8	4,162.9
Non-vested	522.0	—	12.5	534.5
Total pension benefit obligation	6,668.7	6,896.7	130.6	13,696.0
Net assets available for benefits, at cost	3,425.8	4,811.4	47.8	8,285.0
Unfunded pension benefit obligation	\$3,242.9	\$2,085.3	\$82.8	\$5,411.0
Net assets available for benefits, at market	\$3,606.0	\$5,059.7	\$55.2	\$8,720.9

*The cost and market value of assets reflects the adjustment of \$246.1 million for the excess earnings account.

The unfunded pension benefit obligation for SERS reflects 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. Public Act 92-205 significantly changed certain provisions of TRS. Teachers who retire on or after September 1, 1992 will no longer be guaranteed a cost of living adjustment of between 3% and 5%. Cost of living adjustments for such teachers will be paid from an excess earnings account and will depend on the rate of investment return for the TRS and on the balance available in the account. Secondly, effective July 1, 1992, the rate of teacher's contributions increased from 6% to 7% of annual salary. These provisions had the effect of reducing the unfunded actuarial accrued liability by almost \$1.4 billion dollars. No other changes in actuarial assumptions or benefit pensions that would significantly effect the valuation of the PBO occurred during 1992.

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 7% 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 1993 was \$447.8 million while the actual contribution was \$293.4 million. Two collective bargaining agreements negotiated between the State and the State Employees Bargaining Agent Coalition included several provisions with funding implications: (1) underfunding- the negotiated contributions for FY 1991-1992 and for FY 1992-1993 together represent a shortfall of \$332.2 million to SERS; (2) delay of funding- the costs associated with the two recent retirement incentive programs will be delayed until FY 1994-1995, when the cost will be amortized over a 40 year period; (3) extension of funding- the unfunded actuarial liability will be amortized over 39 years. This added 10 years to amortization for this valuation; and (4) reduction of funding- the negotiated past service cost that will be paid for FY 1993-1994 is \$121.3 million. This is significantly less than the actuarially determined amount of \$291.4 mil-



lion. The actuarial computation of the full pension contribution requirement for the TRS for 1993 was \$299.6 million; however, only \$111.6 million was actually contributed reflecting reductions of \$188 million as follows: (1) a change in the funding schedule from 100% to 80%; (2) an increase in the teacher contribution from 6% to 7% of salary; and (3) transfer of the cost of living payment liability for future retirees to a newly created excess earnings account.

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	\$ 32.9	\$149.5	\$.9	\$183.3
% of Covered Payroll	1.7%	8.1%	5.5%	
By State	\$250.8	\$111.6	\$7.8	\$370.2
% of Covered Payroll	13.0%	6.1%	48.1%	
Federal and Other Reimbursements	\$ 42.6	-	-	\$ 42.6
% of Covered Payroll	2.2%			
Contributions Required:				
Normal Cost	\$191.0	\$127.4	\$ 4.5	\$322.9
% of Covered Payroll	9.9%	6.9%	27.8%	
Amortization of				
Unfunded Liability	\$256.8	\$172.2	\$ 3.3	\$432.3
% of Covered Payroll	13.3%	9.3%	20.4%	

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 68 - 71 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 (contributions were made in accordance with actuarial requirements only for the JRS during the years 1993 and 1991).

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			
1993	51.4%	69.8%	36.6%
1992	52.4%	62.4%	37.0%
1991	52.1%	58.0%	34.2%
Unfunded pension benefit obligation as a percentage of annual covered payroll			
1993	167.9%	113.2%	511.1%
1992	144.7%	155.4%	496.1%
1991	149.3%	187.3%	502.8%
State's contributions to the pension plan as a percentage of annual covered payroll			
1993	13.0%	6.1%	48.1%
1992	10.0%	7.4%	46.0%
1991	11.6%	9.5%	79.2%

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, 1993, the pension plan's current membership consisted of 4,080 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 \$185.4 million while the State's total payroll was \$2,163.3 million.

During the year the State's required and actual contributions amounted to \$14.8 million, which was 8% of the current-year CARP covered payroll. Employees' required and actual contributions amounted to \$9.3 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 5% of their salaries toward their retirement. Members of this system have a vested right to receive retirement benefits on a reduced actuarial basis after 10 years of service credit. Any state's attorney or public defender who has attained the age of 65 and who has 10 or more years shall receive a retirement salary annually. Retirement salaries are based on (1) 1 and 1/2% of their annual salary, for those who have completed 10 or more but less than 15 years of service, (2) 3% of their annual salary for those who have completed 15 or more but less than 20 years of service, (3) 4 and 1/2% of their annual salary, for those who have completed 20 or more but less than 25 years of service, (4) 6% of their annual salary for those who have completed 25 or more years of service.

As of June 30, 1993, the State's Attorney Retirement System's membership stood at six active members, with twelve retirees and five widow(ers) receiving benefits, while the Public Defenders' System had five retirees receiving benefits. Total combined assets of both plans stood at \$407 thousand with \$24 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 June 30, 1993, there were 7,417 active members and 3,439 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, 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 employee's 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 \$208.6 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% of salary and contribution assessments on participating municipalities ranging from 7.15% to 16.44% of a participant's payroll.

Municipal contributions are redetermined based on annual actuarial studies in order to maintain the fund on a sound actuarial basis. Total contributions made during 1993 amounted to \$31.4 million of which \$24.1 million was made by the municipalities and \$7.3 million by the employees.



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, 1992, is as follows: (amounts expressed in millions)

Total pension benefit obligation	\$526.3
Net assets available for benefits, at cost	475.0
Unfunded pension benefit obligation	<u>\$ 51.3</u>

Connecticut Probate Judges and Employees' Retirement System

This system provides retirement benefits to Probate Court Judges and employees. As of January 1, 1993, there were 351 active and 168 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 \$271 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, 1992, 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 24,932 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, 1993, \$78,505 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, 1993, were \$81,991 for capital leases and \$7,415 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 approximately 6% as of June 30, 1993:

	Operating Leases	Capital Leases		
		Higher Educ.	General Long-term	Total Capital
1994	\$3,807	\$832	\$ 9,603	\$10,435
1995	1,886	538	7,782	8,320
1996	884	177	4,733	4,910
1997	381	60	3,291	3,351
1998	254	12	3,267	3,279
Thereafter	203	-	51,696	51,696
Total future minimum payments	<u>\$7,415</u>	1,619	80,372	81,991
Less: Imputed interest		<u>145</u>	<u>30,524</u>	<u>30,669</u>
Present value of net minimum lease payments		<u>\$1,474</u>	<u>\$49,848</u>	<u>\$51,322</u>

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 1993, totaled \$31,996.

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:

1994	\$ 19,282
1995	19,471
1996	19,845
1997	18,943
1998	19,301
Thereafter	<u>57,134</u>
Total	<u>\$153,976</u>

Contingent revenues for the year ended June 30, 1993, were \$1,498.

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, 1993:

	Balance July 1, 1992	Issuances and Other Increases	Retirements and Other Decreases	Increase in Accreted Value of Capital Appreciation Bonds	Balance June 30, 1993
General Obligation Notes	\$ 915,710	\$ 25,000	\$ 235,100	\$ -	\$ 705,610
General Obligation Bonds	4,093,741	1,523,396	882,427	58,938	4,793,648
Transportation Related Bonds	2,409,714	835,900	654,785	1,519	2,592,348
Unfunded Pension Costs	4,281,906	757,508	410,259	-	4,629,155
Compensated Absences	174,407	21,689	20,925	-	175,171
Worker's Compensation	298,099	71,219	65,454	-	303,864
Capital Leases	50,023	6,346	6,521	-	49,848
Total General Long-Term Debt					
Account Group	<u>\$12,223,600</u>	<u>\$3,241,058</u>	<u>\$2,275,471</u>	<u>\$60,457</u>	<u>\$13,249,644</u>

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types reflects the net proceeds from the sale of bonds and notes in the amount of \$2,372.7 million. This amount includes discounts on the sale of certain bonds and accrued interest received at the time of sale. Bond and note proceeds reflected in this note were \$11.6 million more than the net proceeds for the 1993 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, 1993, no notes were outstanding. 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, 1993, 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, 1993, a note payable of \$5.6 million was issued which matures in June 1994 with an interest rate of 2.85% which is not due until maturity.

b. Long-Term Debt

Economic Recovery Notes

In September and October 1991, \$965.7 million of General Obligation Economic Recovery Notes were issued to fund the accumulated budgetary deficit.

Economic recovery notes outstanding at June 30 were \$705.6 million, these notes mature on various dates through 1996 and bear interest rates from 5.25% to 6.8%.

Future amounts needed to pay principal and interest on economic recovery notes outstanding at June 30, 1993, were as follows:

Year Ending June 30,	Principal	Interest	Total
1994	\$150,000	\$ 36,307	\$ 186,307
1995	239,900	27,510	267,410
1996	315,710	12,982	328,692
	<u>\$705,610</u>	<u>\$76,799</u>	<u>\$782,409</u>

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	1993-2012	4.3-9.875%	\$1,464,951	\$ 271,763
School Construction	1993-2012	4.5-9.75%	398,165	-
Municipal Redevelopment	1993-2011	3.25-10.3%	1,085,664	396,023
Elderly Housing	1995-2011	5.3-7.26%	48,603	151
Elimination of Water Pollution	1994-2012	4.5-8.25%	187,566	174,305
General Obligation Refunding	1997-2010	2.4-7.35%	1,122,120	-
Miscellaneous	1997-2008	4.625-8.95%	299,750	1,003,749
			<u>4,606,819</u>	<u>\$1,845,991</u>
Accretion-Various Capital Appreciation Bonds			186,829	-
			<u>Total</u>	<u>\$4,793,648</u>

Future amounts needed to pay principal and interest on general obligation bonds outstanding at June 30, 1993, were as follows:

Year Ending June 30,	Principal	Interest	Total
1994	\$ 320,017	\$ 226,275	\$ 546,292
1995	332,633	234,634	567,267
1996	367,024	215,604	582,628
1997	355,632	199,733	555,365
1998	347,565	186,789	534,354
Thereafter	2,883,948	1,801,279	4,685,227
	<u>\$4,606,819</u>	<u>\$2,864,314</u>	<u>\$7,471,133</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	1994-1999	5-8.25%	\$ 23,468	\$ 668
Interstate and Defense Highways	1993-1995	4.5-8.25%	6,585	-
Specific Highways	1997	4.9-5.25%	4,275	19,900
Infrastructure Improvements	1996-2012	2.65-9.75%	2,475,006	861,445
General Obligation Refunding	2004	5.15-9.75%	47,100	-
Other Transportation	1993-2008	5.25-8.8%	29,851	506
			<u>2,586,285</u>	<u>\$882,519</u>
Accretion-Various Capital Appreciation Bonds			6,063	-
			<u>Total</u>	<u>\$2,592,348</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
1994	\$ 89,629	\$ 159,453	\$ 249,082
1995	107,685	152,257	259,942
1996	114,370	145,353	259,723
1997	116,883	138,234	255,117
1998	126,655	130,694	257,349
Thereafter	2,031,063	856,616	2,887,679
	<u>\$2,586,285</u>	<u>\$1,582,607</u>	<u>\$4,168,892</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	1993-2012	7-9.125%	\$ 97,920
Conn. Development Authority	1993-2008	2.6-9.8%	105,940
Conn. Housing Finance Authority (as of 12-31-92)	1997-2023	4-13%	2,860,980
Conn. Resources Recovery Authority	1994-2016	3.2-9.0%	438,929
Rental Housing	2000-2002	5.25-9.15%	129,025
Discount on CHFA bonds sold			(24,453)
Higher Education & University Hospitals:			
State Universities	1993-2012	4.3-8.5%	71,950
	Total		<u>\$3,680,291</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. As of June 30, 1993, the following bonds were outstanding:

- Airport revenue refunding bonds in the amount of \$94,065. These bonds were issued in October, 1992 (see Debt Refundings section), and 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 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.

- Airport subordinated refunding bonds in the amount of \$3,855. These bonds were issued in 1988 to help pay for certain expenses (e.g. issuance costs, redemption premium) incurred in the issuance of the 1992 refunding bonds.

Connecticut Development Authority's revenue bonds are issued to finance such projects as the acquisition of land or the construction of buildings, and purchase and installation of machinery, equipment, and pollution control facilities. The Authority finances these projects through its Self-Sustaining Bond Program and Umbrella Program. Under the Umbrella Program, bonds outstanding at June 30, 1993, were \$105,940. At year end, assets totaling \$110,402 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. Bonds issued under the Self-Sustaining Bond Program are discussed in the no-commitment debt section.

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 (\$3,065,021) 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 (\$316,063) 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 and landfills 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 \$401,979 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, 1993, were as follows:

Year Ending June 30,	Enterprise Funds		Higher Education and University Hospital Funds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1994	\$ 136,704	\$ 256,497	\$ 6,350	\$ 4,261	\$ 143,054	\$ 260,758
1995	150,514	248,475	9,663	3,867	160,177	252,342
1996	154,540	237,606	4,666	3,334	159,206	240,940
1997	154,923	226,650	4,259	3,064	159,182	229,714
1998	186,500	216,058	4,082	2,823	190,582	218,881
Thereafter	2,849,613	1,833,231	42,930	17,957	2,892,543	1,851,188
	<u>\$3,632,794</u>	<u>\$3,018,517</u>	<u>\$71,950</u>	<u>\$35,306</u>	<u>\$3,704,744</u>	<u>\$3,053,823</u>

No-commitment Debt

Under the Self-Sustaining Bond Program, the Connecticut Development Authority issues revenue bonds to finance such projects as described in the revenue bonds section. These bonds are paid solely from 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. Thus, the balances and activity of the Self-Sustaining Bond Program are not included in the Authority's financial statements. Total bonds outstanding at June 30, 1993 were \$1,685.2 million bearing rates ranging from 3.75% to 14%.

The Connecticut Resources Recovery Authority has issued several bonds to fund the construction of waste processing facilities by independent contractors/operators. These bonds are payable from a pledge of revenues derived primarily under lease or loan agreements between the Authority and the operators. Certain of these bonds are secured by letters of credit. The Authority does not become involved in the construction activities or the repayment of the debt (other than the portion allocable to Authority purposes). In the event of default, payment of the debt is not guaranteed by the Authority or the State except for the State's contingent liability discussed below. Thus, the assets and liabilities related to these bond issues are not included in the Authority's financial statements. Total bonds outstanding at June 30, 1993 were \$375.4 million bearing interest rates ranging from 6% to 10.4%. Of this amount, \$150.0 million was secured by a special capital reserve fund. The State may be contingently liable for any deficiencies in the fund as explained previously in

the revenue bond section. There were no deficiencies in the fund at year end.

Debt Refundings

During the year, the State sold \$1,323.9 million in general and special tax obligations with an average rate of 4.9% to advance refund \$1,184.8 million in outstanding general and special tax obligations (including \$9.9 million reported as a liability in the Higher Education and University Hospital fund) with an average rate of 6.8%. The proceeds of the refunding bonds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

As a result of these advance refundings, the State reduced its total debt service payments over the next seventeen years by \$68.2 million and obtained an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$51.4 million.

As of June 30, 1993, \$1,419.9 million of outstanding general obligation and special tax obligation bonds (including prior year's refundings) are considered defeased.

On October 1, 1992 Bradley International Airport redeemed \$94.1 million in revenue bonds issued in 1982 with interest rates ranging from 9% to 10.75% by



issuing \$94.1 million in refunding bonds with interest rates ranging from 7.00% to 7.65%. The refunding resulted in a charge to operations of \$6.9 million which is reported as an extraordinary item in the financial statements.

On August 15, 1992 the Connecticut Development Authority redeemed \$90.6 million in revenue bonds with interest rates ranging from 4.5% to 13.5% by issuing \$49.6 million in refunding bonds with interest rates ranging from 2.6% to 7.6%. The remaining funds needed to complete the refunding came from the liquidation of investments. The Authority paid \$1.6 million in expenses related to the refunding of the bonds (e.g. redemption premiums, trustee fees, etc.).

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	Principal	Interest	Total
June 30,			
1994	\$1,117	\$ 593	\$ 1,710
1995	1,203	507	1,710
1996	1,295	415	1,710
1997	1,395	315	1,710
1998	1,502	208	1,710
Thereafter	1,617	93	1,710
	<u>\$8,129</u>	<u>\$2,131</u>	<u>\$10,260</u>

Note 16

INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 1993, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 98,672	\$ 199,938
Special Revenue:		
Transportation	7,549	717
Workers' Compensation	-	128
Banking	-	143
Consumer Council & Public		
Utility Control	-	143
Insurance	-	99
Criminal Injuries	-	3
Regional Market	-	10
Soldiers, Sailors & Marines	398	294
Employment Security	491	1,029
Lottery and OTB	-	3
Grant and Loan Programs	-	224
Environmental Programs	-	455
Housing Programs	-	180
Other	2,532	1,405
	<u>10,970</u>	<u>4,833</u>

Debt Service	-	3,218
Capital Projects:		
State Facilities	183,594	1,865
Infrastructure	14,966	839
Transportation	-	4
	<u>198,560</u>	<u>2,708</u>
Enterprise:		
Rental Housing	-	82,148
Bradley	243	1,954
Ct. Development Authority	288	-
Other	97	14
	<u>628</u>	<u>84,116</u>
Internal Service:		
Correction Industries	394	2
Administrative Services	4,206	416
	<u>4,600</u>	<u>418</u>
Expendable Trust:		
Employment Security	688	15,457
Nonexpendable Trust:		
Soldiers, Sailors & Marines	281	398
Pension Trust:		
State Employees	3,296	-
Agency:		
Payroll & Fringe Benefit	1,830	-
Receipts Pending Distribution	-	11,332
Other	5,645	-
	<u>7,475</u>	<u>11,332</u>
Higher Education & University Hospital:		
Current Unrestricted	2,969	4,379
Current Restricted	6	1,133
Hospital Funds	735	1,203
Loan Funds	289	-
Agency Funds	-	32
Unexpended	-	4
	<u>3,999</u>	<u>6,751</u>
Totals	<u>\$329,169</u>	<u>\$329,169</u>

Interfund receivables and payables include both due from and to other funds and advances.

Note 17

RESTATEMENTS

During the fiscal year ended June 30, 1993, the beginning fund balances for Rental Housing and Teachers' Retirement were adjusted to reflect prior year audit adjustments as shown in the following schedule:

	Balance 6/30/92 Previously Reported	Prior Year Audit Adjustments	Balance 6/30/92 Adjusted
Rental Housing	\$ 65,398	\$ (489)	\$ 64,909
State Teachers' Retirement System	5,057,545	6,497	5,064,042
Total Adjustments		<u>\$ 6,008</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 \$309,338 restricted for debt ser-

vice requirements and other programs of the Authority. Bradley International Airport has \$18,037 restricted by the bond indenture for various purposes. Connecticut Resources Recovery Authority has \$11,180 restricted for specific 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	\$ 945	\$ -	\$ -	\$ -	\$ -
Long-Term Advances	81,761	-	-	-	-
Inventories	44,921	8,540	-	-	-
Continuing Appropriations	159,224	55,786	-	-	-
Debt Service	113,491	-	432,522	-	-
Loans	-	468,359	-	-	-
Pension Obligations	-	-	-	9,767,167	-
Trust Activities	-	-	-	68,461	-
Higher Education	-	-	-	-	110,026
	<u>\$400,342</u>	<u>\$532,685</u>	<u>\$432,522</u>	<u>\$9,835,628</u>	<u>\$110,026</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 management, and vocational education. Segment information for the year ended June 30, 1993, is as follows:

	Rental Housing	Bradley International Airport	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-92)	Connecticut Resources Recovery Authority	Other
Operating Revenue	\$ 13,872	\$ 28,446	\$ 23,236	\$ 242,401	\$ 129,044	\$2,706
Depreciation and Amortization Expense	7	6,855	1,966	6,060	18,030	5
Operating Income	4,475	3,732	604	1,462	8,933	127
Operating Transfers Out	(420)	-	-	-	-	-
Net Non-operating Revenues (Expenses)	-	(6,133)	(1,571)	7,206	(22,490)	-
Net Income (Loss)	4,055	(9,329)	(967)	8,668	(13,557)	127
Contributed Capital	-	92,896	101,581	-	2,752	350
Property, Plant & Equipment:						
Additions	-	12,680	381	-	16,597	61
Net Working Capital	7,710	6,828	37,599	263,748	14,412	1,198
Total Assets	153,958	194,944	245,897	3,246,988	473,614	1,482
Bond and Other Long-Term Liabilities Payable from						
Operating Revenues	129,025	97,920	105,940	2,836,527	438,929	-
Total Equity	(60,854)	90,234	130,025	309,338	5,114	1,282



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, 1993, is reported below:

Assets	<u>\$51,743</u>	Liabilities	<u>\$1,918</u>
Revenues	<u>\$7,783</u>	Expenditures	<u>\$6,036</u>

Of the Foundation's expenditures, \$2,040 represents direct transfers to the University, while \$262 of its liabilities were for amounts payable to the University.

Note 21

COMMITMENTS AND CONTINGENCIES

A. Commitments

At June 30, 1993, the State had the following outstanding commitments:

- 1) Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately \$1,156 million of which \$866 million is expected to be reimbursed by Federal grants.
- 2) School buildings construction and alteration grant contracts with various towns totaling approximately \$1,120 million. Funding for these projects is expected to come from bond sales.
- 3) Loan, mortgage and grant programs, and guarantees totaling approximately \$256 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, 1993, amounts due lottery winners totaled \$859.5 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 Authority bonds in the event that the Authority has insufficient funds to do so. At year end, the Authority had \$60 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 and the amount outstanding is \$21 million.

The Legislature has also enacted legislation to assist the City of West Haven by authorizing the State to guarantee debt issued by the City in an amount up to \$35 million. At year end, the debt outstanding guaranteed by the State was \$31 million.

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.

C. Litigation

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

There are however, several legal proceedings which, if decided adversely 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 July, \$175 million of general obligation bonds were issued, maturing at various dates through 2012 and having interest rates of 4.5% to 5.1%. Additionally, in July, August, and September, the State issued \$1,020.7 million of Special Assessment Unemployment Compensation Advance Fund revenue bonds. The issuance of these special obligation revenue bonds was for the purpose of repaying loans made by the United States to Connecticut for payment of unemployment compensation benefits and assisting the State in meeting a portion of its unemployment compensation benefit obligations until increased employer assessments are levied. These bonds mature on various dates through 2001 and bear interest rates from 3.1% to 4.6%.

In September, \$429.8 million of special tax obligation bonds for transportation infrastructure programs were issued. These consisted of \$254.8 million issued to advance refund other bonds with these bonds maturing on various dates through 2006 and bearing interest rates from 3.2% to 4.6%, \$148.8 million of serial bonds maturing on various dates through 2011 and bearing interest rates of 4.4% to 5%, and \$26.2 million in 5% term bonds maturing through 2013.

In September, the Connecticut Development Authority entered into an agreement with the City of Hartford and

the ownership of the Hartford Whalers Hockey Club (the "Whalers") to assume responsibility for the operation of the Hartford Civic Center under a long-term lease. The agreement requires, among other things, the funding of a \$30.0 million payment to the Whalers in exchange for a covenant not to relocate and the Authority expects to issue general obligation bonds for this purpose.

In October, \$259.1 million of general obligation bonds were issued to advance refund other bonds. These bonds mature on various dates through 2012 and bear interest rates from 3.10% to 6%.

In October and November, the State issued \$121.1 million of general obligation bonds consisting of \$56.1 million capital appreciation bonds (college saving plan) and \$65 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 1998 to 2012 at interest rates ranging from 3.9% to 5.25%. The current interest bonds mature on various dates through the year 2010 and have interest rates of 4.4% to 5%. The total redemption amount for the capital appreciation bonds is approximately \$96.4 million.

In January 1994, \$71 million of taxable general obligation bonds were issued, maturing at various dates through 2004 and having interest rates of 3.7% to 7%.



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***Required
PERS
Supplementary
Information***



**Required Supplementary Information
Analysis of Fund Progress
(In Millions)**

	(1)	(2)	(3)	(4)	(5)	(6)
	Net Assets	Pension	%	Unfunded	Annual	Unfunded Pension
Fiscal Year	Available for Benefits*	Benefit Obligation	Funded (1)/(2)	Pension Benefit Obligation (2)-(1)	Covered Payroll	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	\$5,071.5	50.3%	\$2,519.4	\$1,759.5	143.2%
1991	\$2,932.6	\$5,624.7	52.1%	\$2,692.1	\$1,802.8	149.3%
1992	\$3,140.2	\$6,009.7(1)	52.3%(1)	\$2,869.5(1)	\$1,983.6(1)	144.7%(1)
1993	\$3,425.8	\$6,668.7	51.4%	\$3,242.9	\$1,931.4	167.9%
<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%
1992	\$4,623.1	\$7,408.4	62.4%	\$2,785.3	\$1,792.5	155.4%
1993	\$4,811.4	\$6,896.7	69.8%	\$2,085.3	\$1,841.9	113.2%
<u>Judicial Retirement System</u>						
1988	\$15.3	\$93.5	16.4%	\$78.2	\$9.7	806.2%
1989	\$21.9	\$103.6	21.1%	\$81.7	\$10.5	778.1%
1990	\$30.0	\$120.8	24.8%	\$90.8	\$12.8	709.4%
1991	\$37.6	\$110.0	34.2%	\$72.4	\$14.4	502.8%
1992	\$44.5	\$120.4	37.0%	\$75.9	\$15.3	496.1%
1993	\$47.8	\$130.6	36.6%	\$82.8	\$16.2	511.1%

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

(1) Amount/percentage changed to reflect corrections made by actuary.



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

Fiscal Year	Employee Contributions	Revenues by Source				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
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
1992	\$33,170	\$195,322	10.0%	\$312,675	\$51,448	\$592,615
1993	\$32,917	\$250,763	13.0%	\$297,771	\$42,616	\$624,067

Fiscal Year	Expenses by Type				
	Benefits	Administrative	Refunds	Other	Total
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
1992	\$303,925	\$133	\$2,947	-	\$307,005
1993	\$351,859	\$166	\$2,190	-	\$354,215

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1984 through 1989. In 1990, 1991, 1992, and 1993 the actuarially determined contribution requirements were \$354.4 million, \$398 million, \$431.2 million, and \$447.8 million respectively, while the actual contributions were \$341.4 million, \$263.8 million, \$246.7 million, and \$293.4 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				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
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
1992	\$124,926	\$133,037	7.4%	\$469,155	\$2,567	\$729,685
1993	\$149,468	\$111,600	6.1%	\$450,572	\$2,763	\$714,403

Fiscal Year	Expenses by Type			Total
	Benefits	Refunds	Other	
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
1992	\$278,077	\$8,340	\$8,803	\$295,220
1993	\$333,642	\$11,351	\$25,836	\$370,829

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1984 through 1988. In 1989, 1990, 1991, 1992, and 1993 the actuarially determined contribution requirements were \$302.9 million, \$348.6 million, \$304.3 million, \$325 million, and \$299.6 million respectively, while the actual contributions made were \$282.9 million, \$321.6 million, \$158.3 million, \$133.0 million, and \$111.6 million respectively.



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

Fiscal Year	Employee Contributions	Revenues by Source				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
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	79.2%	\$2,615	\$196	\$14,962
1992	\$773	\$7,045	46.0%	\$4,230	-	\$12,048
1993	\$896	\$7,832	48.1%	\$4,671	-	\$13,399

Fiscal Year	Benefits	<u>Expenses by Type</u>		Total
		<u>Administrative & Other</u>	<u>Refunds</u>	
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
1992	\$6,950	\$4	\$2	\$6,956
1993	\$7,670	\$9	\$22	\$7,701

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1984-1991 and 1993. In 1992, the actuarially determined contribution requirement was \$10.6 million, while the actual contribution was \$7 million.



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Combining Financial Statements



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SPECIAL REVENUE FUNDS

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

Transportation Fund:

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

Workers' Compensation:

to account for the payment of workers' compensation claims.

Banking:

to account for monies collected from various banking institutions throughout the state.

Consumer Counsel and Public Utility Control:

to account for monies collected from various public utility companies.

Insurance:

to account for monies collected from authorized insurers within the state.

Criminal Injuries Compensation:

to account for monies collected from the criminal injuries board.

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, 1993

(Expressed in Thousands)

	Transportation	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries
Assets:						
Cash and Cash Equivalents	\$ 41,411	\$11,207	\$5,245	\$ 1,111	\$ 1,041	\$ 108
Investments	-	-	-	-	-	-
Receivables:						
Taxes	36,422	-	-	-	-	-
Accounts, Net of Allowances	1,036	-	-	-	-	-
Loans, Net of Allowances	-	-	-	-	-	-
Interest	13	-	-	-	-	-
Due From Other Funds	7,549	-	-	-	-	-
Receivable From Other Governments	8,370	-	-	-	-	-
Inventories and Prepaid Items	8,540	-	-	-	-	-
Total Assets	\$103,341	\$11,207	\$5,245	\$ 1,111	\$ 1,041	\$ 108
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable and Accrued Liabilities ..	\$ 20,615	\$ 510	\$ 383	\$ 2,086	\$ 233	\$ 231
Due to Other Funds	717	128	143	143	99	3
Advance Due to Other Funds	-	-	-	-	-	-
Payable to Other Governments	-	-	-	-	-	-
Deferred Revenue	21,083	-	-	871	3,155	-
Total Liabilities	42,415	638	526	3,100	3,487	234
Fund Balances:						
Reserved for Inventories	8,540	-	-	-	-	-
Reserved for Loans	-	-	-	-	-	-
Reserved for Continuing Appropriations	55,786	-	-	-	-	-
Unreserved, undesignated	(3,400)	10,569	4,719	(1,989)	(2,446)	(126)
Total Fund Balances	60,926	10,569	4,719	(1,989)	(2,446)	(126)
Total Liabilities and Fund Balances	\$103,341	\$11,207	\$5,245	\$ 1,111	\$ 1,041	\$ 108



Regional Market	Soldiers, Sailors & Marines	Employment Security Administration	Lottery & OTB	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$190	\$ 57	\$ 1,285	\$10,825	\$181,742	\$ 70,061	\$ 35,352	\$14,650	\$ 374,285
-	-	-	-	-	245,702	-	-	245,702
-	-	-	-	-	-	-	-	36,422
-	-	-	3,487	203	10,616	1,048	447	16,837
-	-	-	-	65,034	249,591	153,729	5	468,359
-	-	4	-	202	6,264	1,433	33	7,949
-	398	491	-	-	-	-	2,532	10,970
-	-	8,948	-	144	161	196	34	17,853
-	-	-	-	-	-	-	-	8,540
<u>\$190</u>	<u>\$455</u>	<u>\$10,728</u>	<u>\$14,312</u>	<u>\$247,325</u>	<u>\$582,395</u>	<u>\$191,758</u>	<u>\$17,701</u>	<u>\$1,186,917</u>
\$ 26	\$ 61	\$ 3,311	\$13,739	\$ 5,489	\$ 4,025	\$ 1,314	\$ 3,380	\$ 55,403
10	294	1,029	3	224	455	147	1,405	4,800
-	-	-	-	-	-	33	-	33
-	-	-	-	-	-	-	494	494
-	-	-	848	-	3,209	568	447	30,181
<u>36</u>	<u>355</u>	<u>4,340</u>	<u>14,590</u>	<u>5,713</u>	<u>7,689</u>	<u>2,062</u>	<u>5,726</u>	<u>90,911</u>
-	-	-	-	-	-	-	-	8,540
-	-	-	-	65,034	249,591	153,729	5	468,359
-	-	-	-	-	-	-	-	55,786
154	100	6,388	(278)	176,578	325,115	35,967	11,970	563,321
154	100	6,388	(278)	241,612	574,706	189,696	11,975	1,096,006
<u>\$190</u>	<u>\$455</u>	<u>\$10,728</u>	<u>\$14,312</u>	<u>\$247,325</u>	<u>\$582,395</u>	<u>\$191,758</u>	<u>\$17,701</u>	<u>\$1,186,917</u>



Combining Statement of Revenues, Expenditures and Changes in Fund Balances

SPECIAL REVENUE FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	Transportation	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries
Revenues:						
Taxes	\$ 394,446	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Fees	242,901	-	11,586	9	195	1,827
Intergovernmental	44,644	-	-	-	-	-
Charges for Services	18,387	-	2	-	-	-
Fines, Forfeits and Rents	-	-	159	3	-	-
Investment Earnings	9,605	-	-	-	-	-
Lottery and Off Track Betting	-	-	-	-	-	-
Miscellaneous	123	21,817	5	9,002	1,728	-
Total Revenues	710,106	21,817	11,752	9,014	1,923	1,827
Expenditures:						
Current:						
General Government	954	-	-	-	-	-
Regulation and Protection	38,511	19,218	9,796	8,699	5,824	-
Natural Resources and Recreation	-	-	-	-	-	-
Health and Hospitals	-	-	-	-	-	-
Transportation	378,489	-	-	-	-	-
Human Services	-	-	-	-	-	-
Education, Libraries and Museums	-	-	-	-	-	-
Corrections	-	-	-	-	-	-
Judicial	-	-	-	-	-	1,966
Federal and Other Grants	36,358	-	-	-	-	-
Debt Service:						
Principal Retirement	29,230	-	-	-	-	-
Interest and Fiscal Charges	45,438	-	-	-	-	-
Total Expenditures	528,980	19,218	9,796	8,699	5,824	1,966
Excess (Deficiency) of Revenues Over Expenditures .	181,126	2,599	1,956	315	(3,901)	(139)
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds	-	-	-	-	-	-
Operating Transfers In	20,129	-	-	-	-	13
Operating Transfers Out	(237,458)	(6,000)	-	-	-	-
Capital Lease Obligations	47	-	-	-	-	-
Total Other Financing Sources (Uses)	(217,282)	(6,000)	-	-	-	13
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(36,156)	(3,401)	1,956	315	(3,901)	(126)
Fund Balances - July 1	97,020	13,970	2,763	(2,304)	1,455	-
Residual Equity Transferred In	-	-	-	-	-	-
Changes in Reserves for Inventories	62	-	-	-	-	-
Fund Balances (deficit) - June 30	\$ 60,926	\$10,569	\$ 4,719	\$(1,989)	\$(2,446)	\$ (126)



Regional Market	Soldiers, Sailors & Marines	Employment Security Administration	Lottery & OTB	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,219	\$ -	\$ 31	\$ 415,696
21	-	3	-	-	9,156	-	22,819	288,517
-	-	105,244	-	-	36,922	-	-	186,810
-	-	2	-	-	1,989	-	385	20,765
713	-	-	-	-	-	-	334	1,209
8	3	41	-	1,664	16,138	1,653	447	29,559
-	-	-	692,528	-	-	-	-	692,528
1	-	82	2,822	12,670	-	4	8,598	56,852
743	3	105,372	695,350	14,334	85,424	1,657	32,614	1,691,936
-	164	-	465,932	22,019	17,075	41,071	8,296	555,511
-	-	102,310	-	1,373	-	-	20,475	206,206
581	-	-	-	136,264	42,034	-	72	178,951
-	-	-	-	2,154	-	-	111	2,265
-	-	-	-	2,500	-	-	146	381,135
-	3,114	-	-	12,646	-	162	-	15,922
-	-	-	-	123,649	-	-	3,593	127,242
-	-	-	-	3,877	-	-	60	3,937
-	-	-	-	-	-	-	1,834	3,800
-	-	-	-	-	-	-	-	36,358
225	-	-	-	-	-	-	-	29,455
-	-	-	-	-	15,412	-	-	60,850
806	3,278	102,310	465,932	304,482	74,521	41,233	34,587	1,601,632
(63)	(3,275)	3,062	229,418	(290,148)	10,903	(39,576)	(1,973)	90,304
-	-	-	-	313,174	68,660	45,241	-	427,075
-	3,624	1,666	-	9,254	7,099	5,483	-	47,268
-	(349)	-	(237,900)	(2,159)	(1,512)	(4,449)	(1,301)	(491,128)
-	-	-	-	-	34	-	3	84
-	3,275	1,666	(237,900)	320,269	74,281	46,275	(1,298)	(16,701)
(63)	-	4,728	(8,482)	30,121	85,184	6,699	(3,271)	73,603
217	100	1,660	8,204	211,491	489,108	182,997	15,246	1,021,927
-	-	-	-	-	414	-	-	414
-	-	-	-	-	-	-	-	62
\$154	\$ 100	\$ 6,388	\$ (278)	\$ 241,612	\$574,706	\$189,696	\$11,975	\$1,096,006



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, 1993

(Expressed in Thousands)

	<u>Transportation</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Budgeted Revenues:			
Taxes, Net of Refunds	\$394,700	\$393,946	\$ (754)
Licenses, Permits and Fees	250,500	242,956	(7,544)
Other	30,600	29,854	(746)
Federal Grants	8,200	8,286	86
Equity Transfers In	610	610	-
Total Budgeted Revenues	<u>684,610</u>	<u>675,652</u>	<u>(8,958)</u>
Expenditures:			
General Government	1,107	1,107	-
Regulation and Protection	37,219	35,971	1,248
Natural Resources and Recreation	-	-	-
Transportation	286,293	279,208	7,085
Human Services	-	-	-
Non Functional	387,209	366,598	20,611
Appropriations Lapsed	(28,944)	-	(28,944)
Total Expenditures	<u>682,884</u>	<u>682,884</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,726</u>	<u>(7,232)</u>	<u>(8,958)</u>
Other Financing Sources (Uses):			
Federal and Other Restricted Sources	-	50,359	50,359
Federal and Other Restricted Uses	-	(50,359)	(50,359)
Transfers Between Funds	-	-	-
Miscellaneous Adjustments	-	547	547
Total Other Financing Sources (Uses)	<u>-</u>	<u>547</u>	<u>547</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 1,726</u>	<u>(6,685)</u>	<u>\$ (8,411)</u>
Budgetary Fund Balances - July 1		147,872	
Changes in Reserves		1,048	
Budgetary Fund Balances - June 30		<u>\$142,235</u>	



<u>Workers' Compensation</u>			<u>Banking</u>			<u>Consumer Counsel & Public Utility Control</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,280	21,817	537	12,400	11,752	(648)	10,700	8,530	(2,170)
-	-	-	-	-	-	-	-	-
21,280	21,817	537	12,400	11,752	(648)	10,700	8,530	(2,170)
-	-	-	-	-	-	-	-	-
21,477	19,139	2,338	12,399	9,695	2,704	10,779	8,536	2,243
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
21,477	19,139	2,338	12,399	9,695	2,704	10,779	8,536	2,243
(197)	2,678	2,875	1	2,057	2,056	(79)	(6)	73
-	-	-	-	-	-	-	-	-
-	(6,000)	(6,000)	-	-	-	-	-	-
-	(6,000)	(6,000)	-	-	-	-	-	-
\$ (197)	(3,322)	<u><u>\$(3,125)</u></u>	\$ 1	2,057	<u><u>\$2,056</u></u>	\$ (79)	(6)	<u><u>\$ 73</u></u>
14,529	-	-	-	3,187	-	-	1,116	-
<u><u>\$11,207</u></u>	-	-	<u><u>\$ 5,244</u></u>	-	-	<u><u>\$1,110</u></u>	-	-

Continued on next page



Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS

BUDGETED SPECIAL REVENUE FUNDS (Continued)

For the Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>Insurance</u>			<u>Criminal Injuries Compensation</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Budgeted Revenues:						
Taxes, Net of Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Fees	-	-	-	-	-	-
Other	6,760	3,350	(3,410)	-	1,827	1,827
Federal Grants	-	-	-	-	-	-
Equity Transfers In	-	-	-	-	-	-
Total Budgeted Revenues	<u>6,760</u>	<u>3,350</u>	<u>(3,410)</u>	<u>-</u>	<u>1,827</u>	<u>1,827</u>
Expenditures:						
General Government	-	-	-	-	-	-
Regulation and Protection	7,153	5,715	1,438	2,000	1,732	268
Natural Resources and Recreation	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Non Functional	-	-	-	-	-	-
Appropriations Lapsed	-	-	-	-	-	-
Total Expenditures	<u>7,153</u>	<u>5,715</u>	<u>1,438</u>	<u>2,000</u>	<u>1,732</u>	<u>268</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>(393)</u>	<u>(2,365)</u>	<u>(1,972)</u>	<u>(2,000)</u>	<u>95</u>	<u>2,095</u>
Other Financing Sources (Uses):						
Federal and Other Restricted Sources	-	-	-	-	-	-
Federal and Other Restricted Uses	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	13	13
Miscellaneous Adjustments	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
Excess (Deficiency) of Revenues and Other						
Sources Over Expenditures and Other Uses	<u>\$ (393)</u>	<u>(2,365)</u>	<u>\$(1,972)</u>	<u>\$(2,000)</u>	<u>108</u>	<u>\$2,108</u>
Budgetary Fund Balances - July 1		3,406			-	
Changes in Reserves		-			-	
Budgetary Fund Balances - June 30		<u>\$ 1,041</u>			<u>\$ 108</u>	



<u>Regional Market</u>			<u>Soldiers, Sailors and Marines</u>			<u>Total</u>		<u>Variance Favorable (Unfavorable)</u>
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$394,700	\$393,946	\$ (754)
-	-	-	-	-	-	262,900	254,708	(8,192)
820	744	(76)	3,550	3,560	10	73,710	69,682	(4,028)
-	-	-	-	-	-	8,200	8,286	86
-	-	-	-	-	-	610	610	-
<u>820</u>	<u>744</u>	<u>(76)</u>	<u>3,550</u>	<u>3,560</u>	<u>10</u>	<u>740,120</u>	<u>727,232</u>	<u>(12,888)</u>
-	-	-	239	172	67	1,346	1,279	67
-	-	-	-	-	-	91,027	80,788	10,239
625	570	55	-	-	-	625	570	55
-	-	-	-	-	-	286,293	279,208	7,085
-	-	-	3,402	3,098	304	3,402	3,098	304
236	225	11	-	-	-	387,445	366,823	20,622
-	-	-	-	-	-	(28,944)	-	(28,944)
<u>861</u>	<u>795</u>	<u>66</u>	<u>3,641</u>	<u>3,270</u>	<u>371</u>	<u>741,194</u>	<u>731,766</u>	<u>9,428</u>
(41)	(51)	(10)	(91)	290	381	(1,074)	(4,534)	(3,460)
-	-	-	-	-	-	-	50,359	50,359
-	-	-	-	-	-	-	(50,359)	(50,359)
-	-	-	-	(290)	(290)	-	(6,277)	(6,277)
-	-	-	-	-	-	-	547	547
-	-	-	-	(290)	(290)	-	(5,730)	(5,730)
<u>\$ (41)</u>	<u>(51)</u>	<u>\$(10)</u>	<u>\$ (91)</u>	-	<u>\$ 91</u>	<u>\$ (1,074)</u>	<u>(10,264)</u>	<u>\$ (9,190)</u>
	240			100			170,450	
	-			-			1,048	
<u>\$189</u>			<u>\$ 100</u>			<u>\$161,234</u>		



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CAPITAL PROJECTS FUNDS

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

way 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, 1993

(Expressed in Thousands)

	<u>State Facilities</u>	<u>Infra- Structure</u>	<u>Transportation</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents	\$ 24,559	\$ 98,443	\$59,278	\$182,280
Receivables:				
Accounts, Net of Allowances	4,563	63	443	5,069
Interest	345	-	-	345
Due From Other Funds	183,594	14,966	-	198,560
Receivable From Other Governments	3	65,072	186	65,261
Total Assets	<u>\$213,064</u>	<u>\$178,544</u>	<u>\$59,907</u>	<u>\$451,515</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities ...	\$ 35,535	\$ 83,790	\$ 404	\$119,729
Due to Other Funds	1,865	839	4	2,708
Deferred Revenue	1,007	-	28	1,035
Total Liabilities	<u>38,407</u>	<u>84,629</u>	<u>436</u>	<u>123,472</u>
Fund Balances:				
Unreserved, undesignated	174,657	93,915	59,471	328,043
Total Fund Balances	<u>174,657</u>	<u>93,915</u>	<u>59,471</u>	<u>328,043</u>
Total Liabilities and Fund Balances ..	<u>\$213,064</u>	<u>\$178,544</u>	<u>\$59,907</u>	<u>\$451,515</u>



Combining Statement of Revenues, Expenditures and Changes in Fund Balances

CAPITAL PROJECTS FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	State Facilities	Infra- Structure	Transportation	Total
Revenues:				
Intergovernmental	\$ 3,882	\$ 328,487	\$ 213	\$ 332,582
Miscellaneous	-	471	-	471
Total Revenues	<u>3,882</u>	<u>328,958</u>	<u>213</u>	<u>333,053</u>
Expenditures:				
Capital Projects	247,391	612,046	3,108	862,545
Total Expenditures	<u>247,391</u>	<u>612,046</u>	<u>3,108</u>	<u>862,545</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(243,509)</u>	<u>(283,088)</u>	<u>(2,895)</u>	<u>(529,492)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	344,042	270,936	150	615,128
Operating Transfers In	206	591	-	797
Operating Transfers Out	(113,011)	(24,042)	(591)	(137,644)
Capital Lease Obligation	36	-	-	36
Total Other Financing Sources (Uses)	<u>231,273</u>	<u>247,485</u>	<u>(441)</u>	<u>478,317</u>
Excess (Deficiency) of Revenues and Other				
Sources Over Expenditures and Other Uses .	<u>(12,236)</u>	<u>(35,603)</u>	<u>(3,336)</u>	<u>(51,175)</u>
Fund Balances - July 1	<u>186,893</u>	<u>129,518</u>	<u>62,807</u>	<u>379,218</u>
Fund Balances - June 30	<u>\$ 174,657</u>	<u>\$ 93,915</u>	<u>\$59,471</u>	<u>\$ 328,043</u>



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ENTERPRISE FUNDS

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

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 were refunded in 1992 with the issuance of \$94,065,000 in refunding bonds. The refunding 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, 1993

(Expressed in Thousands)

	<u>Rental Housing</u>	<u>Bradley International Airport</u>	<u>Connecticut Development Authority</u>
Assets:			
Cash and Cash Equivalents	\$ 4,364	\$ 8,748	\$ 45,297
Investments	42,461	-	18,891
Receivables:			
Accounts, Net of Allowances	455	2,683	-
Loans, Net of Allowances	99,704	-	175,706
Interest	3,723	-	1,946
Due From Other Funds	-	243	288
Receivable From Other Governments	3,221	1,944	-
Inventories and Prepaid Items	-	107	2,050
Restricted Assets	-	38,508	-
Property, Plant & Equipment	30	140,505	297
Other Assets	-	2,206	1,422
Total Assets	<u>\$153,958</u>	<u>\$194,944</u>	<u>\$245,897</u>
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 3,633	\$ 4,836	\$ 9,551
Due to Other Funds	420	1,954	-
Payable to Other Governments	-	-	-
Advances Due Other Funds	81,728	-	-
Deferred Revenue	-	-	-
Escrow Deposits	-	-	381
Notes and Loans Payable	-	-	-
Revenue Bonds	129,025	97,920	105,940
Compensated Absences	6	-	-
Total Liabilities	<u>214,812</u>	<u>104,710</u>	<u>115,872</u>
Equity:			
Contributed Capital	-	92,896	101,581
Retained Earnings:			
Reserved	-	18,037	-
Unreserved	(60,854)	(20,699)	28,444
Total Retained Earnings	<u>(60,854)</u>	<u>(2,662)</u>	<u>28,444</u>
Total Equity	<u>(60,854)</u>	<u>90,234</u>	<u>130,025</u>
Total Liabilities and Equity	<u>\$153,958</u>	<u>\$194,944</u>	<u>\$245,897</u>



Connecticut Housing Finance Authority (12-31-92)	Connecticut Resources Recovery Authority	Other	Total
\$ 339,691	\$ 13,016	\$ 918	\$ 412,034
295,303	-	-	356,655
-	11,621	229	14,988
2,228,080	38,430	-	2,541,920
25,180	13,746	-	44,595
-	-	97	628
-	-	84	5,249
-	-	83	2,240
328,118	108,548	-	475,174
-	264,775	71	405,678
30,616	23,478	-	57,722
<u>\$3,246,988</u>	<u>\$473,614</u>	<u>\$1,482</u>	<u>\$4,316,883</u>
\$ 35,796	\$ 18,501	\$ 92	\$ 72,409
-	-	14	2,388
-	4,069	-	4,069
-	-	-	81,728
-	1,401	24	1,425
65,327	-	-	65,708
-	5,600	-	5,600
2,836,527	438,929	-	3,608,341
-	-	70	76
<u>2,937,650</u>	<u>468,500</u>	<u>200</u>	<u>3,841,744</u>
-	2,752	350	197,579
309,338	11,180	-	338,555
-	(8,818)	932	(60,995)
<u>309,338</u>	<u>2,362</u>	<u>932</u>	<u>277,560</u>
<u>309,338</u>	<u>5,114</u>	<u>1,282</u>	<u>475,139</u>
<u>\$3,246,988</u>	<u>\$473,614</u>	<u>\$1,482</u>	<u>\$4,316,883</u>



Combining Statement of Revenues, Expenses and Changes in Fund Equity

ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>Rental Housing</u>	<u>Bradley International Airport</u>	<u>Connecticut Development Authority</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 28,446	\$ 2,160
Interest on Financing Activities	11,447	-	21,030
Miscellaneous	2,425	-	46
Total Operating Revenues	<u>13,872</u>	<u>28,446</u>	<u>23,236</u>
Operating Expenses:			
Administrative	1,585	17,859	3,346
Depreciation and Amortization	7	6,855	1,966
Other Program Expenses	-	-	6,332
Interest on Financing Activities	7,805	-	10,988
Total Operating Expenses	<u>9,397</u>	<u>24,714</u>	<u>22,632</u>
Operating Income	<u>4,475</u>	<u>3,732</u>	<u>604</u>
Nonoperating Revenues (Expenses):			
Interest and Investment Income	-	1,953	-
Interest and Fiscal Charges	-	(8,157)	-
Other	-	71	(1,571)
Total Nonoperating Income (Expense)	<u>-</u>	<u>(6,133)</u>	<u>(1,571)</u>
Income (Loss) Before Operating Transfers and Extra-ordinary Item	<u>4,475</u>	<u>(2,401)</u>	<u>(967)</u>
Operating Transfers In (Out):			
Operating Transfers Out	(420)	-	-
Extraordinary Item - Loss on Debt Refunding	-	(6,928)	-
Net Income (Loss)	<u>4,055</u>	<u>(9,329)</u>	<u>(967)</u>
Retained Earnings - July 1 (as restated)	<u>(64,909)</u>	<u>6,667</u>	<u>29,411</u>
Retained Earnings - June 30	<u>(60,854)</u>	<u>(2,662)</u>	<u>28,444</u>
Contributed Capital - July 1	<u>-</u>	<u>81,416</u>	<u>54,696</u>
Capital Additions	<u>-</u>	<u>11,480</u>	<u>46,885</u>
Contributed Capital - June 30	<u>-</u>	<u>92,896</u>	<u>101,581</u>
Fund Equity (deficit) - June 30	<u><u>\$(60,854)</u></u>	<u><u>\$ 90,234</u></u>	<u><u>\$130,025</u></u>



Connecticut Housing Finance Authority (12-31-92)	Connecticut Resources Recovery Authority	Other	Total
\$ -	\$112,956	\$2,706	\$146,268
241,144	-	-	273,621
1,257	16,088	-	19,816
<u>242,401</u>	<u>129,044</u>	<u>2,706</u>	<u>439,705</u>
18,083	102,081	2,574	145,528
6,060	18,030	5	32,923
10,528	-	-	16,860
206,268	-	-	225,061
<u>240,939</u>	<u>120,111</u>	<u>2,579</u>	<u>420,372</u>
1,462	8,933	127	19,333
14,630	3,525	-	20,108
-	(26,534)	-	(34,691)
(7,424)	519	-	(8,405)
<u>7,206</u>	<u>(22,490)</u>	<u>-</u>	<u>(22,988)</u>
8,668	(13,557)	127	(3,655)
-	-	-	(420)
-	-	-	(6,928)
8,668	(13,557)	127	(11,003)
300,670	15,919	805	288,563
309,338	2,362	932	277,560
-	1,350	350	137,812
-	1,402	-	59,767
-	2,752	350	197,579
<u>\$309,338</u>	<u>\$ 5,114</u>	<u>\$1,282</u>	<u>\$475,139</u>



Combining Statement of Cash Flows

ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>Rental Housing</u>	<u>Bradley International Airport</u>	<u>Connecticut Development Authority</u>
Cash Flows From Operating Activities:			
Operating income	\$ 4,475	\$ 3,732	\$ 604
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation	7	6,855	1,966
Provision for loan losses	-	-	4,869
Investment income	(11,447)	-	(9,188)
Interest expense	7,805	-	10,988
Changes in assets and liabilities:			
(Increase) decrease in receivables	804	(364)	(531)
(Increase) decrease in due from other funds	447	44	(129)
(Increase) decrease in receivable from other governments	(2,102)	-	-
(Increase) decrease in inventories and prepaid items	-	(2)	-
Increase (decrease) in accounts payable and accrued liabilities	68	(24)	892
Increase (decrease) in due to other funds	(867)	(584)	-
Increase (decrease) in payable to other governments	-	-	-
Miscellaneous operating activities	2,538	281	(1,070)
Issuance of loans, notes & installment contracts receivable	(765)	-	(49,586)
Collection of loans, notes & installment contracts receivable	3,291	-	16,108
Net cash provided by (used in) operating activities	<u>4,254</u>	<u>9,938</u>	<u>(25,077)</u>
Cash Flows From Noncapital Financing Activities			
Contributed Capital	-	-	46,885
Proceeds from sale of bonds and notes	-	94,065	49,590
Retirement of bonds and notes payable	(1,000)	(95,470)	(104,865)
Interest on bonds and notes payable	(8,581)	(352)	(12,056)
Transfers to other funds	(420)	-	-
Bond issuance and/or redemption costs	-	(2,822)	(1,570)
Net cash provided by (used in) noncapital financing activities	<u>(10,001)</u>	<u>(4,579)</u>	<u>(22,016)</u>
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets	-	(12,680)	(381)
Proceeds from sale of bonds and notes	-	-	-
Retirement of bonds and notes payable	-	-	-
Interest on bonds and notes payable	-	(8,517)	-
Capital contributions or grants	-	7,826	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(13,371)</u>	<u>(381)</u>
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities	-	-	17,481
Purchases of investment securities	-	-	(2,411)
Interest and income on investments	4,590	1,722	8,690
Collection on loan receivable	-	-	-
Net cash provided by (used in) investing activities	<u>4,590</u>	<u>1,722</u>	<u>23,760</u>
Increase (decrease) in cash	<u>(1,157)</u>	<u>(6,290)</u>	<u>(23,714)</u>
Cash and cash equivalents, July 1	<u>5,521</u>	<u>52,656</u>	<u>69,011</u>
Cash and cash equivalents, June 30	<u>\$ 4,364</u>	<u>\$ 46,366</u>	<u>\$ 45,297</u>



Connecticut Housing Finance Authority (12-31-92)	Connecticut Resources Recovery Authority	Other	Total
\$ 1,462	\$ 8,933	\$ 127	\$ 19,333
6,060	18,030	5	32,923
10,528	475	-	15,872
(49,746)	-	-	(70,381)
206,268	-	-	225,061
243	(1,178)	92	(934)
-	(1,342)	(71)	(1,051)
-	-	(84)	(2,186)
-	-	3	1
4,015	(2,471)	33	2,513
-	1,290	11	(150)
-	693	-	693
237	(2,657)	-	(671)
(139,196)	-	-	(189,547)
199,250	-	-	218,649
<u>239,121</u>	<u>21,773</u>	<u>116</u>	<u>250,125</u>
-	-	-	46,885
473,870	-	-	617,525
(455,505)	-	-	(656,840)
(207,326)	-	-	(228,315)
-	-	-	(420)
(11,181)	-	-	(15,573)
<u>(200,142)</u>	<u>-</u>	<u>-</u>	<u>(236,738)</u>
-	(16,597)	(61)	(29,719)
-	12,142	-	12,142
-	(16,029)	-	(16,029)
-	(26,558)	-	(35,075)
-	1,482	-	9,308
-	(45,560)	(61)	(59,373)
793,201	68,176	-	878,858
(687,367)	(37,067)	-	(726,845)
47,778	3,428	-	66,208
-	5,642	-	5,642
<u>153,612</u>	<u>40,179</u>	<u>-</u>	<u>223,863</u>
192,591	16,392	55	177,877
147,100	78,940	863	354,091
<u>\$ 339,691</u>	<u>\$ 95,332</u>	<u>\$ 918</u>	<u>\$ 531,968</u>



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INTERNAL SERVICE FUNDS

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

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, 1993

(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Assets:			
Cash and Cash Equivalents	\$ 466	\$18,334	\$18,800
Receivables:			
Accounts, Net of Allowances	175	6,161	6,336
Due From Other Funds	394	4,206	4,600
Inventories and Prepaid Items	1,731	3,164	4,895
Property, Plant & Equipment	662	17,745	18,407
Other Assets	-	1,128	1,128
Total Assets	\$3,428	\$50,738	\$54,166
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 247	\$ 7,074	\$ 7,321
Due to Other Funds	2	416	418
Deferred Revenue	-	726	726
Compensated Absences	182	2,350	2,532
Total Liabilities	431	10,566	10,997
Equity:			
Contributed Capital	5,730	2,200	7,930
Retained Earnings:			
Unreserved	(2,733)	37,972	35,239
Total Equity	2,997	40,172	43,169
Total Liabilities and Equity	\$3,428	\$50,738	\$54,166



Combining Statement of Revenues, Expenses and Changes in Fund Equity

INTERNAL SERVICE FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Operating Revenues:			
Charges for Services	\$ 5,570	\$57,868	\$63,438
Total Operating Revenues	<u>5,570</u>	<u>57,868</u>	<u>63,438</u>
Operating Expenses:			
Cost of Sales and Services	4,233	36,597	40,830
Administrative	419	16,177	16,596
Depreciation and Amortization	244	7,845	8,089
Total Operating Expenses	<u>4,896</u>	<u>60,619</u>	<u>65,515</u>
Operating Income (Loss)	<u>674</u>	<u>(2,751)</u>	<u>(2,077)</u>
Net Income (Loss)	<u>674</u>	<u>(2,751)</u>	<u>(2,077)</u>
Retained Earnings - July 1	<u>(3,407)</u>	<u>40,723</u>	<u>37,316</u>
Retained Earnings - June 30	<u>(2,733)</u>	<u>37,972</u>	<u>35,239</u>
Contributed Capital - July 1	<u>5,730</u>	<u>2,150</u>	<u>7,880</u>
Capital Additions	<u>-</u>	<u>50</u>	<u>50</u>
Contributed Capital - June 30	<u>5,730</u>	<u>2,200</u>	<u>7,930</u>
Fund Equity - June 30	<u><u>\$ 2,997</u></u>	<u><u>\$40,172</u></u>	<u><u>\$43,169</u></u>



Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>Correction Industries</u>	<u>Administrative Services</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 674	\$(2,751)	\$(2,077)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation	244	7,845	8,089
Changes in assets and liabilities:			
(Increase) decrease in receivables	(59)	(82)	(141)
(Increase) decrease in due from other funds	(189)	(864)	(1,053)
(Increase) decrease in inventories and prepaid items	621	37	658
Increase (decrease) in accounts payable and accrued liabilities	(261)	2,693	2,432
Increase (decrease) in due to other funds	(391)	139	(252)
Miscellaneous operating activities	(21)	477	456
Net cash provided by (used in) operating activities	<u>618</u>	<u>7,494</u>	<u>8,112</u>
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets	(152)	(9,570)	(9,722)
Retirement of notes payable	-	(11)	(11)
Net cash provided by (used in) capital and related financing activities	<u>(152)</u>	<u>(9,581)</u>	<u>(9,733)</u>
Increase (decrease) in cash	466	(2,087)	(1,621)
Cash and cash equivalents, July 1	-	20,421	20,421
Cash and cash equivalents, June 30	<u>\$ 466</u>	<u>\$18,334</u>	<u>\$18,800</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.

Second Injury and Compensation Assurance:

an extension of the Worker's Compensation Act, the fund is currently used to pay claimants whose injuries are made more severe because of a pre-existing condition, and in cases where an injured worker receiving worker's compensation subsequently undergoes an incapacitating relapse.

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

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.

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.

Deferred Compensation:

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



Combining Balance Sheet

FIDUCIARY FUNDS

June 30, 1993

(Expressed in Thousands)

		Expendable Trust			
		Local	Second Injury		
	Employment	Property	& Compensation		
	Security	Tax Relief	Assurance		Other
Assets:					
Cash and Cash Equivalents	\$ -	\$204	\$ 6,088		\$5,662
Investments	-	-	-		-
Receivables:					
Accounts, Net of Allowances	11,491	-	33,241		-
Loans, Net of Allowances	-	-	-		-
Interest	-	1	32		10
Due From Other Funds	688	-	-		-
Receivable From Other Governments	266	-	-		-
Inventories and Prepaid Items	-	-	-		-
Other Assets	-	-	-		-
Total Assets	\$ 12,445	\$205	\$39,361		\$5,672
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -		\$ -
Due to Other Funds	15,457	-	-		-
Payable to Other Governments	718,357	-	-		-
Deferred Revenue	8,133	-	2,294		-
Deferred Compensation Liability	-	-	-		-
Agency Deposit Liabilities	-	-	-		-
Total Liabilities	741,947	-	2,294		-
Fund Balances:					
Reserved for Trust Activities	-	-	-		-
Reserved for Pension Obligations	-	-	-		-
Unreserved, undesignated	(729,502)	205	37,067		5,672
Total Fund Balances	(729,502)	205	37,067		5,672
Total Liabilities and Fund Balances	\$ 12,445	\$205	\$39,361		\$5,672



<u>School</u>	<u>Nonexpendable Trust</u>		<u>Pension</u>	<u>Agency</u>	<u>Total</u>
	<u>Soldiers Sailors & Marines</u>	<u>Other</u>			
\$ 674	\$ 1,206	\$ 9,255	\$ 373,286	\$ 504,563	\$ 900,938
3,582	52,316	1,518	9,364,987	251,566	9,673,969
-	-	-	14,231	1,231	60,194
-	-	-	-	36	36
3	-	24	11,387	1,410	12,867
-	281	-	3,296	7,475	11,740
-	-	-	-	7	273
-	-	-	-	477	477
-	-	-	-	627,152	627,152
<u>\$4,259</u>	<u>\$53,803</u>	<u>\$10,797</u>	<u>\$9,767,187</u>	<u>\$1,393,917</u>	<u>\$11,287,646</u>
\$ -	\$ -	\$ -	\$ 20	\$ 3,700	\$ 3,720
-	398	-	-	11,332	27,187
-	-	-	-	24	718,381
-	-	-	-	-	10,427
-	-	-	-	251,566	251,566
-	-	-	-	1,127,295	1,127,295
-	398	-	20	1,393,917	2,138,576
4,259	53,405	10,797	-	-	68,461
-	-	-	9,767,167	-	9,767,167
-	-	-	-	-	(686,558)
<u>4,259</u>	<u>53,405</u>	<u>10,797</u>	<u>9,767,167</u>	<u>-</u>	<u>9,149,070</u>
<u>\$4,259</u>	<u>\$53,803</u>	<u>\$10,797</u>	<u>\$9,767,187</u>	<u>\$1,393,917</u>	<u>\$11,287,646</u>



Combining Balance Sheet

PENSION TRUST FUNDS

June 30, 1993

(Expressed in Thousands)

	<u>State Employees</u>	<u>State Teachers</u>	<u>Judicial</u>
Assets:			
Cash and Cash Equivalents	\$ 144,347	\$ 203,497	\$ 2,023
Investments	3,538,083	5,193,194	54,909
Receivables:			
Accounts, Net of Allowances	865	10,214	-
Interest	9,048	711	135
Due From Other Funds	3,296	-	-
Total Assets	<u>\$3,695,639</u>	<u>\$5,407,616</u>	<u>\$57,067</u>
 Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 20	\$ -	\$ -
Total Liabilities	<u>20</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for Pension Obligations	3,695,619	5,407,616	57,067
Total Fund Balances	<u>3,695,619</u>	<u>5,407,616</u>	<u>57,067</u>
Total Liabilities and Fund Balances	<u>\$3,695,639</u>	<u>\$5,407,616</u>	<u>\$57,067</u>



<u>Connecticut Municipal Employees</u>	<u>Probate Judges</u>	<u>Other</u>	<u>Total</u>
\$ 22,048	\$ 1,237	\$134	\$ 373,286
546,939	31,590	272	9,364,987
3,138	14	-	14,231
1,404	88	1	11,387
-	-	-	3,296
<u>\$573,529</u>	<u>\$32,929</u>	<u>\$407</u>	<u>\$9,767,187</u>
\$ -	\$ -	\$ -	\$ 20
-	-	-	20
573,529	32,929	407	9,767,167
573,529	32,929	407	9,767,167
<u>\$573,529</u>	<u>\$32,929</u>	<u>\$407</u>	<u>\$9,767,187</u>



Combining Balance Sheet

AGENCY FUNDS

June 30, 1993

(Expressed in Thousands)

	<u>Payroll & Fringe Benefit Clearing</u>	<u>Receipts Pending Distribution</u>	<u>Investment Pool Non-State Portion</u>
Assets:			
Cash and Cash Equivalents	\$1,631	\$17,275	\$422,825
Investments	-	-	-
Receivables:			
Accounts, Net of Allowances	-	278	-
Loans, Net of Allowances	-	-	-
Interest	-	-	1,292
Due From Other Funds	1,830	-	-
Receivable From Other Governments	-	7	-
Inventories and Prepaid Items	-	-	-
Other Assets	-	-	-
Total Assets	<u>\$3,461</u>	<u>\$17,560</u>	<u>\$424,117</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,575	\$ -
Due to Other Funds	-	11,332	-
Payable to Other Governments	-	24	-
Deferred Compensation Liability	-	-	-
Agency Deposit Liabilities	3,461	3,629	424,117
Total Liabilities	<u>\$3,461</u>	<u>\$17,560</u>	<u>\$424,117</u>



<u>Insurance Companies' Securities</u>	<u>State Institution Activity</u>	<u>Deferred Compensation</u>	<u>Other</u>	<u>Total</u>
\$ -	\$17,976	\$ -	\$44,856	\$ 504,563
-	-	251,566	-	251,566
-	703	-	250	1,231
-	36	-	-	36
-	21	-	97	1,410
-	-	-	5,645	7,475
-	-	-	-	7
-	477	-	-	477
<u>626,552</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>627,152</u>
<u><u>\$626,552</u></u>	<u><u>\$19,813</u></u>	<u><u>\$251,566</u></u>	<u><u>\$50,848</u></u>	<u><u>\$1,393,917</u></u>
\$ -	\$ 571	\$ -	\$ 554	\$ 3,700
-	-	-	-	11,332
-	-	-	-	24
-	-	251,566	-	251,566
<u>626,552</u>	<u>19,242</u>	<u>-</u>	<u>50,294</u>	<u>1,127,295</u>
<u><u>\$626,552</u></u>	<u><u>\$19,813</u></u>	<u><u>\$251,566</u></u>	<u><u>\$50,848</u></u>	<u><u>\$1,393,917</u></u>



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances

EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	Employment Security	Local Property Tax Relief	Second Injury & Compensation Assurance	Other	Total
Revenues:					
Unemployment Taxes	\$ 309,791	\$ -	\$ -	\$ -	\$ 309,791
Licenses, Permits and Fees	-	-	-	71	71
Intergovernmental	401,681	-	-	-	401,681
Investment Earnings	-	23	626	-	649
Assessments	-	-	131,318	-	131,318
Miscellaneous	-	-	-	43	43
Total Revenues	711,472	23	131,944	114	843,553
Expenditures:					
Current:					
General Government	-	-	4,621	8	4,629
Regulation and Protection	926,509	-	123,218	817	1,050,544
Education, Libraries and Museums	-	-	-	196	196
Total Expenditures	926,509	-	127,839	1,021	1,055,369
Excess (Deficiency) of Revenues Over Expenditures	(215,037)	23	4,105	(907)	(211,816)
Other Financing Sources (Uses):					
Operating Transfers Out	(1,666)	-	-	(6)	(1,672)
Total Other Financing Sources (Uses) ..	(1,666)	-	-	(6)	(1,672)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses .	(216,703)	23	4,105	(913)	(213,488)
Fund Balances (deficit) - July 1	(512,799)	182	32,962	6,585	(473,070)
Fund Balances (deficit) - June 30	<u>\$(729,502)</u>	<u>\$205</u>	<u>\$ 37,067</u>	<u>\$5,672</u>	<u>\$ (686,558)</u>



Combining Statement of Revenues, Expenses and Changes in Fund Balances

NONEXPENDABLE AND PENSION TRUST FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>Nonexpendable Trust</u>			<u>Total Nonexpendable</u>
	<u>School</u>	<u>Soldiers Sailors & Marines</u>	<u>Other</u>	
Operating Revenues:				
Participants' Contributions	\$ -	\$ -	\$ -	\$ -
State Contribution	-	-	-	-
Investment Earnings	670	6,422	635	7,727
Miscellaneous	12	-	13	25
Total Operating Revenues	<u>682</u>	<u>6,422</u>	<u>648</u>	<u>7,752</u>
Operating Expenses:				
Administrative	-	-	-	-
Benefit Payments and Refunds	-	-	-	-
Other Program Expenses	233	-	408	641
Total Operating Expenses	<u>233</u>	<u>-</u>	<u>408</u>	<u>641</u>
Operating Income (Loss)	<u>449</u>	<u>6,422</u>	<u>240</u>	<u>7,111</u>
Operating Transfers In (Out):				
Operating Transfers In	-	349	500	849
Operating Transfers Out	-	(3,624)	-	(3,624)
Net Income (Loss)	<u>449</u>	<u>3,147</u>	<u>740</u>	<u>4,336</u>
Fund Balances - July 1 (as restated)	<u>3,810</u>	<u>50,258</u>	<u>10,471</u>	<u>64,539</u>
Residual Equity Transferred Out	-	-	(414)	(414)
Fund Balances - June 30	<u><u>\$4,259</u></u>	<u><u>\$53,405</u></u>	<u><u>\$10,797</u></u>	<u><u>\$68,461</u></u>



<u>Pension Trust</u>						
<u>State Employees</u>	<u>State Teachers</u>	<u>Judicial</u>	<u>Connecticut Municipal Employees</u>	<u>Probate Judges</u>	<u>Other</u>	<u>Total Pension</u>
\$ 32,917	\$ 149,468	\$ 896	\$ 31,411	\$ 265	\$ 25	\$ 214,982
250,763	111,600	7,832	-	-	-	370,195
297,771	450,572	4,671	48,156	3,045	37	804,252
42,616	2,763	-	65	15	-	45,459
<u>624,067</u>	<u>714,403</u>	<u>13,399</u>	<u>79,632</u>	<u>3,325</u>	<u>62</u>	<u>1,434,888</u>
166	-	9	-	-	-	175
354,049	344,993	7,692	27,475	1,122	72	735,403
-	25,836	-	-	100	-	25,936
<u>354,215</u>	<u>370,829</u>	<u>7,701</u>	<u>27,475</u>	<u>1,222</u>	<u>72</u>	<u>761,514</u>
<u>269,852</u>	<u>343,574</u>	<u>5,698</u>	<u>52,157</u>	<u>2,103</u>	<u>(10)</u>	<u>673,374</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>269,852</u>	<u>343,574</u>	<u>5,698</u>	<u>52,157</u>	<u>2,103</u>	<u>(10)</u>	<u>673,374</u>
3,425,767	5,064,042	51,369	521,372	30,826	417	9,093,793
-	-	-	-	-	-	-
<u><u>\$3,695,619</u></u>	<u><u>\$5,407,616</u></u>	<u><u>\$57,067</u></u>	<u><u>\$573,529</u></u>	<u><u>\$32,929</u></u>	<u><u>\$407</u></u>	<u><u>\$9,767,167</u></u>



Combining Statement of Cash Flows

NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1993

(Expressed in Thousands)

	<u>School</u>	<u>Soldiers, Sailors & Marines</u>	<u>Other</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Operating income	\$ 449	\$ 6,422	\$ 240	\$ 7,111
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Investment income	(670)	(6,422)	(635)	(7,727)
Changes in assets and liabilities:				
(Increase) decrease in receivable	-	-	6	6
Net cash provided by (used in) operating activities ..	<u>(221)</u>	<u>-</u>	<u>(389)</u>	<u>(610)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	-	349	500	849
Transfers to other funds	-	(3,624)	-	(3,624)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(3,275)</u>	<u>500</u>	<u>(2,775)</u>
Cash Flows From Investing Activities:				
Interest and income on investments	210	3,313	7	3,530
Net cash provided by (used in) investing activities ...	<u>210</u>	<u>3,313</u>	<u>7</u>	<u>3,530</u>
Increase (decrease) in cash	<u>(11)</u>	<u>38</u>	<u>118</u>	<u>145</u>
Cash and cash equivalents, July 1	<u>685</u>	<u>1,168</u>	<u>9,137</u>	<u>10,990</u>
Cash and cash equivalents, June 30	<u>\$ 674</u>	<u>\$ 1,206</u>	<u>\$9,255</u>	<u>\$11,135</u>



Combining Statement of Changes in Assets & Liabilities

ALL AGENCY FUNDS

June 30, 1993

(Expressed in Thousands)

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
<u>Payroll and Fringe Benefit Clearing</u>				
ASSETS				
Cash and Cash Equivalents	\$1,453	\$ 178	\$ -	\$1,631
Due From Other Funds	1,644	1,830	1,644	1,830
Total Assets	<u>\$3,097</u>	<u>\$2,008</u>	<u>\$1,644</u>	<u>\$3,461</u>
LIABILITIES				
Agency Deposit Liability	<u>\$3,097</u>	<u>\$2,251</u>	<u>\$1,887</u>	<u>\$3,461</u>
Total Liabilities	<u>\$3,097</u>	<u>\$2,251</u>	<u>\$1,887</u>	<u>\$3,461</u>

Receipts Pending Distribution

ASSETS				
Cash and Cash Equivalents	\$18,165	\$ -	\$ 890	\$17,275
Accounts, Net of Allowances	88	254	64	278
Receivable From Other Governments	8	7	8	7
Total Assets	<u>\$18,261</u>	<u>\$261</u>	<u>\$ 962</u>	<u>\$17,560</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,521	\$ 54	\$ -	\$ 2,575
Due to Other Funds	11,196	207	71	11,332
Payable to Other Governments	24	-	-	24
Agency Deposit Liability	4,520	154	1,045	3,629
Total Liabilities	<u>\$18,261</u>	<u>\$415</u>	<u>\$1,116</u>	<u>\$17,560</u>

Investment Pool Non-State Portion

ASSETS				
Cash and Cash Equivalents	\$404,832	\$17,993	\$ -	\$422,825
Investments	29,287	-	29,287	-
Interest	1,437	1,292	1,437	1,292
Total Assets	<u>\$435,556</u>	<u>\$19,285</u>	<u>\$30,724</u>	<u>\$424,117</u>
LIABILITIES				
Obligation Under Reverse Repurchase				
Agreements	\$ 29,798	\$ -	\$29,798	\$ -
Agency Deposit Liability	405,758	18,359	-	424,117
Total Liabilities	<u>\$435,556</u>	<u>\$18,359</u>	<u>\$29,798</u>	<u>\$424,117</u>

Continued on next page

**Combining Statement of Changes in Assets & Liabilities**

ALL AGENCY FUNDS (Continued)

June 30, 1993

(Expressed in Thousands)

	<u>Balance July 1, 1992</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1993</u>
<u>Insurance Companies' Securities</u>				
ASSETS				
Other Assets	\$599,387	\$27,165	\$-	\$626,552
Total Assets	<u>\$599,387</u>	<u>\$27,165</u>	<u>\$-</u>	<u>\$626,552</u>
LIABILITIES				
Agency Deposit Liability	\$599,387	\$27,165	\$-	\$626,552
Total Liabilities	<u>\$599,387</u>	<u>\$27,165</u>	<u>\$-</u>	<u>\$626,552</u>
<u>State Institution Activity</u>				
ASSETS				
Cash and Cash Equivalents	\$14,250	\$5,003	\$1,277	\$17,976
Investments	47	-	47	-
Accounts, Net of Allowances	412	291	-	703
Loans, Net of Allowances	16	20	-	36
Interest	13	21	13	21
Inventories and Prepaid Items	711	-	234	477
Other Assets	596	4	-	600
Total Assets	<u>\$16,045</u>	<u>\$5,339</u>	<u>\$1,571</u>	<u>\$19,813</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,117	\$ -	\$ 546	\$ 571
Agency Deposit Liability	14,928	5,483	1,169	19,242
Total Liabilities	<u>\$16,045</u>	<u>\$5,483</u>	<u>\$1,715</u>	<u>\$19,813</u>
<u>Deferred Compensation</u>				
ASSETS				
Investments	\$221,464	\$30,102	\$-	\$251,566
Total Assets	<u>\$221,464</u>	<u>\$30,102</u>	<u>\$-</u>	<u>\$251,566</u>
LIABILITIES				
Deferred Compensation	\$221,464	\$30,102	\$-	\$251,566
Total Liabilities	<u>\$221,464</u>	<u>\$30,102</u>	<u>\$-</u>	<u>\$251,566</u>

Continued on next page



Combining Statement of Changes in Assets & Liabilities

ALL AGENCY FUNDS (Continued)

June 30, 1993

(Expressed in Thousands)

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
Other				
ASSETS				
Cash and Cash Equivalents	\$14,192	\$32,016	\$1,352	\$44,856
Accounts, Net of Allowances	213	250	213	250
Interest	65	97	65	97
Due From Other Funds	5,659	5,645	5,659	5,645
Total Assets	<u>\$20,129</u>	<u>\$38,008</u>	<u>\$7,289</u>	<u>\$50,848</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 151	\$ 403	\$ -	\$ 554
Agency Deposit Liability	19,978	37,612	7,296	50,294
Total Liabilities	<u>\$20,129</u>	<u>\$38,015</u>	<u>\$7,296</u>	<u>\$50,848</u>

TOTALS-ALL AGENCY FUNDS

ASSETS				
Cash and Cash Equivalents	\$ 452,892	\$ 55,190	\$ 3,519	\$ 504,563
Investments	250,798	30,102	29,334	251,566
Accounts, Net of Allowances	713	795	277	1,231
Loans, Net of Allowances	16	20	-	36
Interest	1,515	1,410	1,515	1,410
Due From Other Funds	7,303	7,475	7,303	7,475
Receivable From Other Governments	8	7	8	7
Inventories and Prepaid Items	711	-	234	477
Other Assets	599,983	27,169	-	627,152
Total Assets	<u>\$1,313,939</u>	<u>\$122,168</u>	<u>\$42,190</u>	<u>\$1,393,917</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 3,789	\$ 457	\$ 546	\$ 3,700
Due to Other Funds	11,196	207	71	11,332
Payable to Other Governments	24	-	-	24
Obligation Under Reverse Repurchase				
Agreements	29,798	-	29,798	-
Deferred Compensation	221,464	30,102	-	251,566
Agency Deposit Liability	1,047,668	91,024	11,397	1,127,295
Total Liabilities	<u>\$1,313,939</u>	<u>\$121,790</u>	<u>\$41,812</u>	<u>\$1,393,917</u>



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**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, 1993

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

	<u>1993</u>
General Fixed Assets:	
Land	\$ 284,383
Buildings	1,227,045
Improvements Other Than Buildings	125,745
Machinery and Equipment	793,130
Construction in Progress	532,732
Total General Fixed Assets	<u><u>\$2,963,035</u></u>
 Investment in General Fixed Assets:	
Investment in Property Acquired Prior to June 30, 1988-Source Unidentified	\$1,291,112
General Fund	109,672
Special Revenue Funds	183,658
Capital Project Funds	1,375,142
Other	3,451
Total Investment in General Fixed Assets	<u><u>\$2,963,035</u></u>



General Fixed Assets Account Group

June 30, 1993

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Totals</u>
Legislative	\$ -	\$ 154,364	\$ -	\$ 16,283	\$ 170,647
General Government	8,308	20,453	3,614	46,675	79,050
Regulation and Protection	7,039	65,371	5,312	82,114	159,836
Natural Resources and Recreation	185,074	14,937	12,061	25,256	237,328
Health and Hospitals	10,156	162,822	13,987	31,658	218,623
Transportation	55,457	198,658	45,458	341,975	641,548
Human Services	-	-	-	8,388	8,388
Education, Libraries and Museums	3,117	198,668	23,754	162,850	388,389
Corrections	10,161	328,577	20,872	27,419	387,029
Judicial	5,071	83,195	687	50,512	139,465
Total General Fixed Assets					
Allocated to Functions	<u>\$284,383</u>	<u>\$1,227,045</u>	<u>\$125,745</u>	<u>\$793,130</u>	<u>\$2,430,303</u>
Construction in Progress					<u>532,732</u>
Total General Fixed Assets					<u>\$2,963,035</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

<u>Function</u>	<u>General Fixed Assets 7/1/92</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets 6/30/93</u>
Legislative	\$ 170,063	\$ 592	\$ 8	\$ 170,647
General Government	75,147	5,374	1,471	79,050
Regulation and Protection	123,935	38,352	2,451	159,836
Natural Resources and Recreation	236,533	1,128	333	237,328
Health and Hospitals	213,330	13,271	7,978	218,623
Transportation	485,322	169,478	13,252	641,548
Human Services	8,300	132	44	8,388
Education, Libraries and Museums	370,570	31,378	13,559	388,389
Corrections	290,409	116,408	19,788	387,029
Judicial	132,159	7,814	508	139,465
Construction in Progress	280,037	357,502	104,807	532,732
Total General Fixed Assets	<u>\$2,385,805</u>	<u>\$741,429</u>	<u>\$164,199</u>	<u>\$2,963,035</u>



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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 community-technical colleges. These include five universities and twelve community-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, 1993

(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	\$154,899	\$23,933	\$16,074	\$1,551
Investments	341	-	1,362	2,455
Receivables:				
Accounts, Net of Allowances	19,266	16,793	23,769	16
Loans, Net of Allowances	-	-	-	-
Interest	36	31	-	-
Due From Other Funds	2,969	6	735	-
Inventories and Prepaid Items	8,210	-	1,830	-
Property, Plant & Equipment	-	-	874	-
Other Assets	105	-	-	-
Total Assets	\$185,826	\$40,763	\$44,644	\$4,022
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 22,989	\$ 4,146	\$26,752	\$ -
Due to Other Funds	4,379	1,133	1,203	-
Deferred Revenue	25,203	-	1,828	-
Notes and Loans Payable	-	-	-	-
Agency Deposit Liabilities	-	-	-	-
Revenue Bonds	-	-	-	-
Capital Leases	-	-	-	-
Compensated Absences	8,789	313	3,772	-
Total Liabilities	61,360	5,592	33,555	-
Equity:				
Investment in Fixed Assests	-	-	-	-
Fund Balances:				
Reserved	-	35,171	-	4,022
Unreserved, undesignated	124,466	-	11,089	-
Total Equity	124,466	35,171	11,089	4,022
Total Liabilities and Equity	\$185,826	\$40,763	\$44,644	\$4,022



<u>Loan Funds</u>	<u>Agency Funds</u>	<u>Unexpended</u>	<u>Plant Funds Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Total</u>
\$ 2,494	\$7,168	\$ -	\$42,054	\$ -	\$ 248,173
-	-	-	-	-	4,158
-	151	-	-	-	59,995
25,244	209	-	-	-	25,453
204	15	-	87	-	373
289	-	-	-	-	3,999
-	-	-	-	-	10,040
-	991	-	-	1,364,922	1,366,787
-	20	-	-	-	125
<u>\$28,231</u>	<u>\$8,554</u>	<u>\$ -</u>	<u>\$42,141</u>	<u>\$1,364,922</u>	<u>\$1,719,103</u>
\$ 2	\$ 244	\$ 2,515	\$ -	\$ -	\$ 56,648
-	32	4	-	-	6,751
-	-	-	-	-	27,031
-	-	-	-	8,129	8,129
-	8,278	-	-	-	8,278
-	-	-	-	71,950	71,950
-	-	-	-	1,474	1,474
-	-	-	-	-	12,874
<u>2</u>	<u>8,554</u>	<u>2,519</u>	<u>-</u>	<u>81,553</u>	<u>193,135</u>
-	-	-	-	1,283,369	1,283,369
28,229	-	-	42,141	-	109,563
-	-	(2,519)	-	-	133,036
<u>28,229</u>	<u>-</u>	<u>(2,519)</u>	<u>42,141</u>	<u>1,283,369</u>	<u>1,525,968</u>
<u>\$28,231</u>	<u>\$8,554</u>	<u>\$ -</u>	<u>\$42,141</u>	<u>\$1,364,922</u>	<u>\$1,719,103</u>



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Statistical Section



General Governmental Expenditures By Function

Last Ten Fiscal Years
(Expressed in Thousands)

<u>SOURCE (1)</u>	<u>FOR THE YEAR ENDED JUNE 30</u>				
	<u>1984</u>	<u>(3) 1985</u>	<u>1986</u>	<u>(2) 1987</u>	<u>1988</u>
1. Legislative	\$ 15,877	\$ 18,597	\$ 19,421	\$ 22,912	\$ 27,419
2. General Government	308,869	374,451	395,949	442,150	466,452
3. Regulation and Protection	405,517	443,837	204,889	236,409	251,099
4. Natural Resources and Protection	37,218	40,930	47,715	89,409	83,282
5. Health and Hospitals	309,353	349,410	405,211	511,863	587,700
6. Transportation	220,320	281,638	331,419	304,110	322,876
7. Human Services	896,572	903,564	981,946	1,177,226	1,262,257
8. Education, Libraries and Museums	1,050,529	1,180,376	1,307,526	1,414,218 (4)	1,635,888 (4)
9. Corrections	147,921	163,602	187,130	219,901	250,366
10. Judicial	79,425	87,340	87,873	102,709	110,184
11. Nonfunctional	327,975	386,790	455,359	562,541	613,773
12. Federal and Other Grants	347,338	343,386	363,027	463,386 (4)	420,533 (4)
13. Debt Service	325,641	330,511	371,987	335,095	340,518
Total Expenditures	<u>\$4,472,555</u>	<u>\$4,904,432</u>	<u>\$5,159,452</u>	<u>\$5,881,929</u>	<u>\$6,372,347</u>

(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 from the State's General Fund.

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

SOURCES: Annual Report of the State Comptroller 1984-1986

Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1993



(5) <u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
\$ 38,453	\$ 40,748	\$ 41,798	\$ 38,057	\$ 44,040
1,056,167	1,143,948	1,020,494	996,980	1,055,645
312,359	313,466	322,473	316,333	348,787
133,746	163,589	191,727	203,926	232,130
802,655	845,026	907,938	862,534	749,402
421,240	432,350	396,077	337,467	381,135
1,488,276	1,780,134	2,130,706	2,278,812	2,639,093
2,061,221 (4)	2,220,106 (4)	2,144,504 (4)	2,216,166 (4)	2,113,031 (4)
358,188	423,239	499,079	509,268	620,821
160,821	173,594	189,774	213,602	207,803
-	-	-	-	-
561,107 (4)	533,033 (4)	538,069 (4)	791,892 (4)	1,068,775
384,730	464,586	547,505	776,274	1,033,014
<u>\$7,778,963</u>	<u>\$8,533,819</u>	<u>\$8,930,144</u>	<u>\$9,541,311</u>	<u>\$10,493,676</u>



Revenues By Source

Last Ten Fiscal Years
(Expressed in Thousands)

<u>SOURCE (1)</u>	<u>FOR THE YEAR ENDED JUNE 30</u>				
	<u>1984</u>	<u>(3)</u> <u>1985</u>	<u>1986</u>	<u>(2)</u> <u>1987</u>	<u>1988</u>
1. Taxes	\$3,190,306	\$3,573,702	\$3,594,448	\$4,024,113	\$4,079,663
2. Licenses, Permits and Fees	202,354	262,673	310,427	289,912	320,441
3. Intergovernmental	409,947	441,481	485,651	1,080,103	1,159,223
4. Charges for Services	269,513	363,328	430,252	375,863	382,915
5. Fines, Forfeits and Rents	12,435	12,304	11,943	20,881	12,866
6. Investment Earnings	15,975	20,757	20,340	38,763	38,824
7. Lottery and Off Track Betting	-	-	-	-	-
8. Miscellaneous	639,583	650,750	658,783	108,709	125,591
Total Revenues	\$4,740,113	\$5,324,995	\$5,511,844	\$5,938,344	\$6,119,523

(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 1984-1986

Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1993



<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
\$4,565,136	\$4,961,739	\$4,639,536	\$5,596,447	\$ 6,140,718
330,802	380,011	365,780	372,146	398,979
1,331,263	1,479,412	1,688,731	2,135,220	2,616,995
65,051	59,863	61,153	62,364	88,852
25,177	44,178	21,811	27,151	35,843
44,727	45,579	69,715	65,284	75,141
697,672	718,473	731,095	709,423	692,528
115,543	145,004	144,715	172,494	156,391
<u>\$7,175,371</u>	<u>\$7,834,259</u>	<u>\$7,722,536</u>	<u>\$9,140,529</u>	<u>\$10,205,447</u>



Computation of Legal Debt Margin

July 1, 1993

(Expressed in Thousands)

Estimated General Fund Tax Receipts for the Fiscal Year Ending June 30, 1994	\$5,604,400
Factor	1.6
Statutory Debt Limit for Debt Incurred	8,967,040
Less: Authorized Bonds, Notes, and Other Obligations subject to certain limitations.	7,965,819
Legal Debt Margin	\$1,001,221

SOURCE: State of Connecticut General Obligation Bonds Offering Statement
Dated October 27, 1993.

Net General Long-Term Bonded Debt Per Capita

Last Ten Fiscal Years

FOR THE YEAR ENDED JUNE 30,	POPULATION(1)	GENERAL LONG-TERM DEBT			NET DEBT PER CAPITA
		TOTAL DEBT(1)	LESS DEBT SERVICE FUND(1)	NET(1)	
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	3,289	5,650,182	349,206	5,300,976	1,612
1992	3,279	6,503,455	388,425	6,115,030	1,865
1993	3,277	7,385,997	432,522	6,953,475	2,122

SOURCES: Economic Report of the Governor 1994-1995
Combined Balance Sheet

(1) Amount in thousands



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
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%
1992(3)	312,571	378,214	690,785	9,541,311	7.2%
1993	362,356	398,550	760,906	10,493,676	7.3%

(1) Includes General, Special Revenue and Debt Service Funds, also included are Higher Education Expenditures Treated as Operating Transfers from the State's General Fund.

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

(3) Beginning in 1992, principal and interest amounts do not include amounts expended for General Obligation Notes.

SOURCES: Annual Report of the State Comptroller 1984-1986

Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1993



Revenue Bond Coverage

Last Ten Fiscal Years
(Expressed in Thousands)

RENTAL HOUSING

FOR THE YEAR ENDED JUNE 30,	GROSS RECEIPTS USED	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
	FOR DEBT SERVICES(1)			PRINCIPAL	INTEREST	TOTAL	COVERAGE
1984	\$ 8,539	\$1,508	\$ 7,031	\$7,150	\$ 7,651	\$14,801	.48
1985	8,414	1,491	6,923	3,750	7,221	10,971	.63
1986	9,790	1,979	7,811	2,450	6,970	9,420	.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	.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
1992	10,071	1,267	8,804	1,550	8,562	10,112	.87
1993	17,163	1,585	15,578	1,000	7,805	8,805	1.77

(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 1984-1986
Annual Report of the Treasurer 1984-1986
Combining Statement of Revenues, Expenses & Changes in Fund Equity
Combining Statement of Cash Flows



Revenue Bond Coverage

Last Ten Fiscal Years
(Expressed in Thousands)

BRADLEY INTERNATIONAL AIRPORT

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUE(1)	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
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	1,075	10,250	11,325	1.88
1991	33,589	16,312	17,277	1,175	10,305	11,480	1.50
1992	31,307	16,675	14,632	1,285	10,384	11,669	1.25
1993	30,399	17,859	12,540	1,405	8,157	9,562	1.32

(1) Includes Operating and Non-Operating Revenues.

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

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 USED		AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
	FOR DEBT SERVICES(1)	DIRECT OPERATING EXPENSES(2)		PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1992(3)	32,205	8,068	24,137	7,340	15,651	22,991	1.05
1993	39,344	9,678	29,666	14,300	10,988	25,288	1.18

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

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

(3) Beginning in 1992, the Authority no longer includes the assets and liabilities of its Self-Sustaining Bond Program in its financial statements. See Note 18b.

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
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
1991	385,139	34,819	350,320	103,405	207,415	310,820	1.13
1992	456,281	28,611	427,670	455,505	206,268	661,773	.65

(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 Five Fiscal Years
(Expressed in Thousands)

CONNECTICUT RESOURCES RECOVERY AUTHORITY

<u>FOR THE YEAR ENDED JUNE 30,</u>	<u>GROSS REVENUE(1)</u>	<u>DIRECT OPERATING EXPENSES(2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>DEBT SERVICE REQUIREMENTS</u>			
				<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>
1989	\$ 97,303	\$68,681	\$28,622	\$ 3,164	\$27,766	\$30,930	.93
1990	133,435	93,086	40,349	6,531	27,700	34,231	1.18
1991	128,491	90,228	38,263	10,989	28,778	39,767	.96
1992	128,186	92,291	35,895	12,198	27,650	39,848	.90
1993	132,569	102,081	30,488	16,029	26,534	42,563	.72

(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)

<u>FOR THE YEAR ENDED JUNE 30,</u>	<u>UNITED STATES</u>	<u>CONNECTICUT</u>	<u>%</u>
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	249,391	3,287	1.3%
1991	252,137	3,290	1.3%
1992	255,078	3,279	1.3%
1993	257,908	3,277	1.3%

SOURCE: Economic Report of the Governor 1994-1995

Bank Deposits

Last Ten Fiscal Years

(Expressed in Thousands)

<u>TOTAL AS OF</u>	<u>BANK DEPOSITS</u>
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	44,897,318
1992	38,322,461
1993	29,634,303

NOTES: Beginning in 1991 totals are as of 6/30, before 1991 totals were as of 12/31.
In 1993, bank deposits for credit unions were not included.

SOURCES: 1984-1987 Branch Directory and Summary of Deposits, Decision Research Sciences, Inc.
1988-1993 Commissioner's Annual Report



Resident Employment, Unemployment and Unemployment Rate

For the Last Ten Years

YEAR	(Thousands)			UNEMPLOYMENT RATE
	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	
1984	1,635.7	1,556.9	78.8	4.8%
1985	1,694.1	1,612.4	81.7	4.8%
1986	1,727.2	1,653.0	74.2	4.3%
1987	1,749.5	1,687.3	62.2	3.6%
1988	1,743.0	1,690.8	52.2	3.0%
1989	1,748.5	1,692.8	55.7	3.2%
1990	1,776.3	1,696.7	79.6	4.5%
1991	1,791.2	1,687.3	103.9	5.8%
1992	1,796.1	1,666.8	129.3	7.2%
1993	1,774.3	1,648.7	125.6	7.1%

SOURCE: Economic Report of the Governor 1994-1995

Total Personal Income and Per Capita Personal Income

CONNECTICUT COMPARED TO THE UNITED STATES
Last Ten Calendar Years

CALENDAR YEAR	TOTAL PERSONAL INCOME (Billions of Dollars)			PER CAPITA PERSONAL INCOME (Dollars)			PER CAPITA PERSONAL INCOME CT RANK
	UNITED STATES	CONNECTICUT	%	UNITED STATES	CONNECTICUT	%	
1984	\$3,007.3	\$51.62	1.7%	\$12,751	\$16,070	126.0%	3
1985	3,276.4	56.76	1.7%	13,769	17,533	127.3%	3
1986	3,487.5	60.69	1.7%	14,521	18,718	128.9%	1
1987	3,683.8	65.68	1.8%	15,202	20,206	132.9%	1
1988	3,934.6	71.89	1.8%	16,090	21,971	136.6%	1
1989	4,240.2	78.20	1.8%	17,179	23,839	138.8%	1
1990	4,523.2	81.72	1.8%	18,109	24,884	137.4%	1
1991	4,769.6	84.43	1.8%	18,840	25,836	137.1%	1
1992	4,974.5	86.01	1.7%	19,331	26,404	136.6%	1
1993	5,274.0	91.16	1.7%	20,114	27,137	134.9%	1

SOURCE: Economic Report of the Governor 1994-1995



Nonagricultural Employment

Last Ten Fiscal Years

FOR THE YEAR ENDED JUNE 30,	(THOUSANDS)	
	MANUFACTURING	NONMANUFACTURING
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	366.44	1,312.79
1990	351.81	1,305.17
1991	332.27	1,262.55
1992	313.63	1,222.25
1993	298.39	1,210.04

June 30, 1993 Ten Largest Nonagricultural Industries

INDUSTRY	AVERAGE # OF EMPLOYEES (THOUSANDS)
Services	420.57
Wholesale and Retail Trade	328.57
Manufacture of Durable Goods	218.62
Government	205.95
Insurance	78.40
Finance and Real Estate	62.00
Manufacture of Nondurable Goods	63.91
Construction	47.83
Transportation	37.22
Communications	16.45

SOURCE: Economic Report of the Governor 1994-1995



Top Twenty-Five Private Sector Employers

June 30, 1992

COMPANY	PRINCIPAL CONNECTICUT LOCATION
1. Pratt & Whitney Aircraft	Statewide
2. Aetna Life Insurance Co.	Hartford
3. General Dynamics Corp.	Groton
4. The Travelers Insurance Co.	Hartford
5. Yale University	New Haven
6. Stop & Shop	Statewide
7. SNET	New Haven
8. Sikorsky Aircraft	Bridgeport
9. Hamilton Standard	Hartford
10. Hartford Fire Insurance Co.	Hartford
11. Conn General Life Insurance Co.	Hartford
12. First National Supermarkets	Hartford
13. Pitney-Bowes, Inc.	Stamford
14. Yale-New Haven Hospital	New Haven
15. Shawmut Bank	Hartford
16. Hartford Hospital	Hartford
17. Caldor, Inc.	Statewide
18. IBM	Hartford
19. J.C. Penney Co.	Hartford
20. UPS	Hartford
21. Fleet Bank	Hartford
22. Textron Lycoming	Danbury/Torrington
23. Sears Roebuck	Statewide
24. Filene's	Hartford
25. ABB	Hartford

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)
1984	\$19,765	\$5,459	\$44.52	1,556.9	16.20
1985	21,909	5,543	48.46	1,612.4	20.93
1986	27,656	5,441	50.70	1,653.0	28.27
1987	27,790	5,031	55.03	1,687.3	28.74
1988	28,586	4,911	60.73	1,690.8	24.21
1989	29,021	6,082	66.52	1,692.8	15.91
1990	28,429	4,241	69.38	1,696.7	10.70
1991	29,362	4,979	72.09	1,687.3	7.71
1992	28,631	3,099	73.24	1,666.8	9.43
1993	28,850	N/A	76.81	1,648.7	9.65

SOURCES: Economic Report of the Governor 1994-1995

Demographics

Last Ten Years

FOR THE YEAR ENDED JUNE 30,	POPULATION (THOUSANDS)	PER CAPITA INCOME	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
1984	3,180	\$16,070	474,475	4.8%
1985	3,201	17,533	465,031	4.8%
1986	3,224	18,718	465,896	4.3%
1987	3,248	20,206	461,724	3.6%
1988	3,272	21,971	460,564	3.0%
1989	3,283	23,839	460,190	3.2%
1990	3,287	24,884	464,563	4.5%
1991	3,290	25,836	473,015	5.8%
1992	3,279	26,404	482,314	7.2%
1993	3,277	27,137	N/A	7.1%

SOURCES: Economic Report of the Governor 1994-1995
State of Connecticut Register and Manual



Major Revenue Sources - General Fund

Last Ten Fiscal Years
(Millions)

FISCAL YEAR	SALES & USE TAX	% OF TOTAL REVENUE	PERSONAL INCOME TAX	% OF TOTAL REVENUE	CORPORATION TAX	% OF TOTAL REVENUE	CAPITAL GAINS TAX	% OF TOTAL REVENUE
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%
1992	2,080.2	28.2%	1,976.6	26.7%	641.4	8.7%	-	-
1993	2,056.2	27.2%	2,392.0	31.6%	715.2	9.4%	-	-

NOTES: Effective in 1992, the Capital Gains Tax became an integral part of the newly implemented Personal Income Tax. Gross Revenues Including Statutory Accruals.

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

Sales and Use Tax - Major Industrial Categories

June 30, 1993
(Millions)

INDUSTRY	TAX	%
Manufacturing	\$ 130.4	6.9%
Wholesale	94.3	5.0%
Retail:		
Hardware	62.1	3.3%
General Merchandise	111.0	5.9%
Food Products	97.9	5.2%
Auto Products	218.1	11.5%
Apparel	32.5	1.7%
Home Appliances & Furnishings	93.7	4.9%
Eating & Drinking Establishments	124.3	6.6%
Miscellaneous Shopping Stores	197.6	10.4%
Business	348.4	18.4%
All Other Businesses	385.2	20.2%
Total Sales & Use Tax	\$1,895.5	

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, 1993

Date of Ratification	January 9, 1788
Form of Government	Legislative - Executive - Judicial
Miles of State Highway	4,059
Land Area	5,009 Square Miles

State Police Protection:

Number of Stations	12
Number of State Police	965

Higher Education (Universities, Colleges and Community Colleges):

Number of Campuses in State	22
Number of Educators	3,510
Number of Students	106,374

Recreation:

Number of State Parks	91
Area of State Parks	30,043 Acres
Area of State Forests	139,377 Acres

Employees:

Full-Time	50,930
Part-Time(Permanent)	2,652

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



OFFICE OF THE STATE COMPTROLLER ORGANIZATION

As of June 30, 1993

William E. Curry Jr.
State Comptroller

Edward J. Forand Jr.
Deputy Comptroller

MANAGEMENT SERVICES BUREAU

Bernard McLoughlin
Chief Administrative Officer

EMPLOYEE SERVICES BUREAU

Steven Weinberger
Bureau Chief

FINANCIAL INFORMATION SYSTEMS BUREAU

Carl Kask
Bureau Chief

FINANCIAL MANAGEMENT SERVICES BUREAU

Raymond Girard
Bureau Chief

Central Payroll Division

Fred Gibson
Director

Central Accounts Payable Division

A. Douglas Vallee
Director

Central Accounting Division

Robert Krueger - *Assistant Chief*
Hazel Brown

Financial Reporting

Gerardo Villa
Nancy Fuda
Doris Przygocki
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Diane Nolan
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