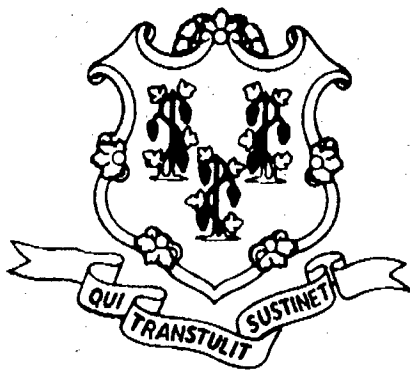


**STATE OF
CONNECTICUT**



1994

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

**Fiscal Year Ended
June 30, 1994**

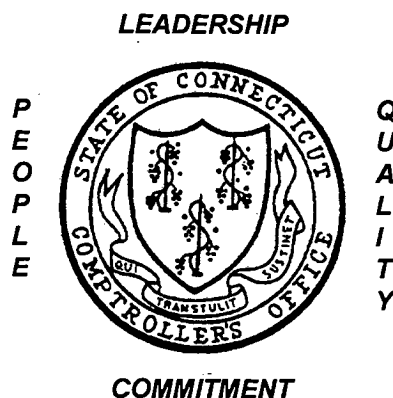
**William E. Curry Jr.
State Comptroller**

State of Connecticut

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 1994**

*Prepared by the Office of the
State Comptroller*



**WILLIAM E. CURRY JR.
STATE COMPTROLLER**

This publication will be made available, upon request, in large print, Braille or audio cassette pursuant to the requestor's requirements.

STATE OF CONNECTICUT

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.

STATE OF CONNECTICUT

Contents

INTRODUCTORY SECTION

State Comptroller Letter of Transmittal	3
Certificate of Achievement	22
Connecticut State Organization Chart	23
Selected State Officials	24

FINANCIAL SECTION

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

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units	30
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	32
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Budgeted Special Revenue Funds	34
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units	36
Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units	38
Combined Statement of Changes in Fund Balances - Higher Education and University Hospital Funds	40
Combined Statement of Revenues, Expenditures, and Other Changes - Higher Education and University Hospital Funds	42
Notes to the Financial Statements	
Summary of Significant Accounting Policies	43
Budgetary Basis vs. GAAP	50
Fund Deficits	50
Cash Deposits and Investments	50
Taxes Receivable	53
Loans Receivable	54
Restricted Assets	55
Property, Plant, and Equipment	55
Retirement Systems	56
Other Retirement Systems Administered by the State	60
Deferred Compensation Plan	62
Postemployment Benefits	62
Capital and Operating Leases	62
Changes in General Long-Term Debt	63
Debt	63
Interfund Receivables and Payables	68
Restatements	69
Reserved Retained Earnings, Reserved Fund Balances, and Contributed Capital	69
Segment Information - Enterprise Funds	70
Condensed Financial Statements - Component Units	71

STATE OF CONNECTICUT

Contents

Related Organizations	72
Commitments and Contingencies	72
Subsequent Events	73
Required PERS Supplementary Information	75
Combining Statements and Account Group Schedules	
Special Revenue Funds	
Narrative	83
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Non-GAAP Budgetary Basis - Budgeted Special Revenue Funds	88
Capital Projects Funds	
Narrative	93
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	95
Enterprise Funds	
Narrative	97
Combining Balance Sheet	98
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	99
Combining Statement of Cash Flows	100
Internal Service Funds	
Narrative	101
Combining Balance Sheet	102
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	103
Combining Statement of Cash Flows	104
Fiduciary Funds	
Narrative	105
Combining Balance Sheet - Fiduciary Funds	106
Combining Balance Sheet - Pension Trust Funds	108
Combining Balance Sheet - Agency Funds	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Expendable Trust Funds	113
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Nonexpendable and Pension Trust Funds	114
Combining Statement of Cash Flows - Nonexpendable Trust Funds	116
Combining Statement of Changes in Assets & Liabilities - All Agency Funds	117
General Fixed Assets Account Group	
Narrative	121
Schedule of General Fixed Assets by Source	122
Schedule of General Fixed Assets by Function	123
Schedule of Changes in General Fixed Assets by Function	123
Higher Education and University Hospital Funds	
Narrative	125
Combining Balance Sheet	126
Component Units	
Narrative	129

STATE OF CONNECTICUT

Contents

Combining Balance Sheet	130
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	132
Combining Statement of Cash Flow - Component Units	134

STATISTICAL SECTION

Schedule of General Governmental Expenditures by Function - for the Last Ten Fiscal Years	138
Schedule of Revenues by Source - for the Last Ten Fiscal Years	140
Schedule of Computation of Legal Debt Margin	142
Schedule of Net General Long-Term Bonded Debt Per Capita - for the Last Ten Fiscal Years	142
Schedule of Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures - for the Last Ten Fiscal Years	143
Schedule of Revenue Bond Coverage - for the Last Ten Fiscal Years	144
Schedule of Annual Estimates of the Resident Population - Connecticut Compared to the United States - for the Last Ten Fiscal Years	151
Schedule of Bank Deposits - for the Last Ten Fiscal Years	151
Schedule of Resident Employment, Unemployment, and Unemployment Rate - for the Last Ten Years	152
Schedule of Personal Income and Per Capita Personal Income - Connecticut Compared to the United States - for the Last Ten Fiscal Years	152
Schedule of Nonagricultural Employment - for the Last Ten Fiscal Years	153
Schedule of Ten Largest Nonagricultural Industries	153
Schedule of Top Twenty Private Sector Employers	154
Schedule of Economic Indicators - for the Last Ten Fiscal Years	155
Schedule of Demographic Statistics - for the Last Ten Years	155
Schedule of Major Revenue Sources - General Fund - for the Last Ten Fiscal Years	156
Schedule of Sales and Use Tax - Major Industrial Categories	156
Schedule of Miscellaneous Statistics	157
Office of the State Comptroller Organization Chart	158

THIS PAGE LEFT INTENTIONALLY BLANK

Introductory Section

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK



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

December 30, 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, 1994.

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 Accounts' report, 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, 1994, the net cumulative General Fund deficit between the GAAP basis and the budget basis stood at \$466 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, prepared a plan for transition to GAAP accounting which was submitted to the legislature on February 1, 1994.

OTHER INITIATIVES

During the past year, this office has made significant progress on several initiatives to improve financial management. This office has:

- Developed a Business Plan for the Office of the State Comptroller to guide the agency's activities through the biennium ending June 30, 1997. In conjunction with our successful implementation of Total Quality Management we believe we have institutionalized modern management practices to better serve our customers and stakeholders in the coming years.
- In our continuing efforts to decentralize and promote efficiency and timeliness in the State's vendor payment systems the three largest constituent units of public Higher Education - The University of Connecticut, The University of Connecticut Health Center, and The Connecticut State University - have all been allowed to convert to an autonomous direct payment system for vendors.
- For other State agencies, we have developed and have begun implementation of a paperless vendor payment system which allows agencies to electronically transmit and authorize vendor payments to

be made by the Comptroller. This will eliminate duplicate data entry and the paperwork requirements which had previously been required.

- Avoided the need to purchase or develop a new statewide payroll and time and attendance system through an unprecedented joint project with the Department of Administrative Services which will result in transfer of the current payroll system to their data center and the development of an interface with a full-function time and attendance system which had been developed by that department.

OPERATING RESULTS

During the fiscal year 1993-94, the deterioration of the State's financial condition slowed substantially, but we have not yet reached the point of turnaround.

- Although the deficit had been shrinking in both absolute terms and as a percent of tax revenue, 1994 showed an increase with the State incurring a deficit in governmental operations of \$365 million -- the seventh year in a row of operating deficits.
- Long-term obligations increased \$730 million, which will have to be financed by future generations.
- Debt service, excluding the debt service on the State's Economic Recovery Notes, was 7.3% of governmental operating expenditures, the same as last year. In absolute terms, such expenditures increased by 4.2%.
- Net debt per capita, also exclusive of the Economic Recovery Notes, rose to \$2,271, almost double that of fiscal 1990.
- Government expenditures remained at 11.6% of total personal income in the State when compared to the prior fiscal year.

GOVERNMENTAL OPERATING RESULTS* (millions)

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
General Fund Surplus <Deficit>	\$ 51	\$ 93	\$ <77>	\$ <890>	\$ <442>
Special Revenue Funds:					
Transportation	<10>	<36>	3	<30>	<43>
Grant and Loan Programs	<306>	<283>	<232>	<189>	<126>
Housing Programs	<54>	<39>	<37>	<96>	<98>
Other, net	<46>	5	<20>	<13>	1
Total	<u><416></u>	<u><353></u>	<u><286></u>	<u><328></u>	<u><266></u>
Total Governmental Operating Deficits	<u>\$ <365></u>	<u>\$ <260></u>	<u>\$ <363></u>	<u>\$ <1,218></u>	<u>\$ <708></u>

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

TOTAL GOVERNMENTAL REVENUE
(millions)

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
Taxes	\$ 6,437	\$ 6,141	\$5,596	\$4,640	\$4,962
Intergovernmental	2,641	2,617	2,135	1,689	1,479
All Other	1,514	1,447	1,410	1,394	1,393
Total	<u>\$10,592</u>	<u>\$10,205</u>	<u>\$9,141</u>	<u>\$7,723</u>	<u>\$7,834</u>

Deficits as a Percent:

Total Revenue	3.4%	2.5%	4.0%	15.8%	9.0%
Total Tax Revenue	5.7%	4.2%	6.5%	26.3%	14.3%

Fiscal year 1994 saw the growth in governmental expenditures slow to 4.2%, the same as personal income. In the ten years since 1985, governmental expenditures have increased 123% while personal income increased only 67%.

GOVERNMENTAL OPERATING EXPENDITURES
AS A PERCENT OF PERSONAL INCOME
(1985-1986 Expenditures Reported on a Non-GAAP Basis)
(millions)

<u>Fiscal Year</u>	<u>Governmental Expenditures</u>	<u>Connecticut Personal Income</u>	<u>Ratio</u>
1985	\$ 4,904	\$56,648	8.7%
1986	5,159	60,797	8.5
1987	5,882	65,991	8.9
1988	6,372	72,369	8.8
1989	7,779	78,718	9.9
1990	8,534	82,025	10.4
1991	8,930	84,561	10.6
1992	9,541	86,384	11.0
1993	10,494	90,033	11.6
1994	10,934	94,441	11.6

Uncontrollable and fixed costs continued to consume increasing shares of the State's spending. Debt service, exclusive of the Economic Recovery Notes, remained at 7.3% of total governmental expenditures. Total debt service, including the Economic Recovery Notes, decreased to 8.9% of governmental expenditures, still almost two times the ratio of fiscal year 1990. Medicaid also continued its rise. It increased 7.6% in fiscal year 1994 to over \$1.6 billion or over one-sixth of total General Fund spending. The net State share of Medicaid, after adjusting for the 50% share of federal reimbursements, was \$250 for every man, woman, and child in Connecticut.

Deficit financing for operating purposes continued in fiscal year 1994. Deficits of \$360 million were incurred in the Grant and Loan Programs and the Housing Programs special revenue funds in fiscal year 1994. This

represents 22% of total special revenue funds spending. Debt financing for these and other special revenue programs was \$472 million, which is four-fifths 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 \$2,271 — almost twice what it was in fiscal year 1990. The remaining Economic Recovery Notes constitute an additional \$170 of debt per capita.

General Fund

Fiscal year 1994 saw the state end the year with a general fund operating surplus for the second consecutive year, although reduced from the prior year as expenditures grew slightly more than revenues.

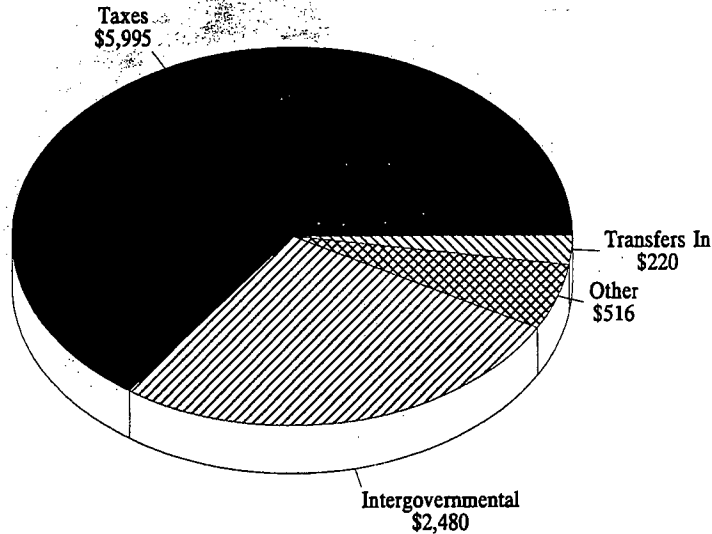
GENERAL FUND OPERATING SURPLUS <DEFICIT> (millions)

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>
Surplus <Deficit> in Prior Fiscal Year	\$ <u>93</u>	\$ <u><77></u>	\$ <u><890></u>
Expenditure <Increases> Decreases:			
General Government	5	<66>	<52>
Health and Hospital	<6>	102	53
Human Services	<276>	<363>	<152>
Education, Libraries, and Museums	<102>	<20>	51
Corrections	<110>	<116>	<9>
Higher Education	<23>	162	<105>
Debt Service	<54>	<35>	<102>
Other, net	51	<503>*	<230>
	<u><515></u>	<u><839></u>	<u><546></u>
Revenue Increases <Decreases>:			
Taxes	270	507	915
Intergovernmental	50	480	430
Other, net	153	22	14
	<u>473</u>	<u>1,009</u>	<u>1,359</u>
Surplus <Deficit>	\$ <u><u>51</u></u>	\$ <u><u>93</u></u>	\$ <u><u><77></u></u>

*Primarily expenditures under grant programs.

Tax revenues increased almost 5% while intergovernmental revenues (grants, etc.) increased 2%. 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 except for general government and other.

GENERAL FUND REVENUES
(millions)



	<u>FY 94</u>	<u>FY 93</u>	<u>Change</u>	<u>FY 92</u>
Taxes	\$5,995	\$5,725	\$270	\$5,218
Licenses, Permits, and Fees	118	110	8	104
Intergovernmental	2,480	2,430	50	1,950
Charges for Services	154	68	86	43
Fines, Forfeits, and Rents	31	35	<4>	26
Investment Earnings	25	22	3	3
Miscellaneous	188	100	88	118
Subtotal	<u>8,991</u>	<u>8,490</u>	<u>501</u>	<u>7,462</u>
Transfers In:				
Lottery and OTB	218	238	<20>	236
Other	<u>2</u>	<u>10</u>	<u><8></u>	<u>31</u>
	<u>220</u>	<u>248</u>	<u><28></u>	<u>267</u>
Total	<u>\$9,211</u>	<u>\$8,738</u>	<u>\$473</u>	<u>\$7,729</u>

As shown above, except for 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 sales and use tax, the tax revenues have been fairly stagnant, increasing marginally or even decreasing. Revenue from the Sales and Use Tax increased by \$124 million, an increase of approximately 6%. The personal income tax revenues increased by \$109 million, or an increase of approximately 5%.

GENERAL FUND TAX REVENUES
(millions)

	<u>FY 94</u>	<u>FY 93</u>	<u>Change</u>	<u>FY 92</u>
Personal Income	\$2,270	\$2,161	\$109	\$1,758
Sales and Use	2,167	2,043	124	2,078
Corporation	609	613	<4>	539
Public Service Corporations	187	184	3	180
Inheritance and Estate	197	219	<22>	185
Insurance Companies	169	157	12	164
Cigarettes and Tobacco	120	118	2	121
Real Estate Conveyance	61	54	7	51
Alcoholic Beverages	42	43	<1>	43
Oil Companies	75	68	7	73
Hospital Gross Receipts	54	-	54	-
Admissions, Dues, and Cabaret	20	20	-	20
Miscellaneous	24	45	<21>	6
Total	<u>\$5,995</u>	<u>\$5,725</u>	<u>\$270</u>	<u>\$5,218</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)

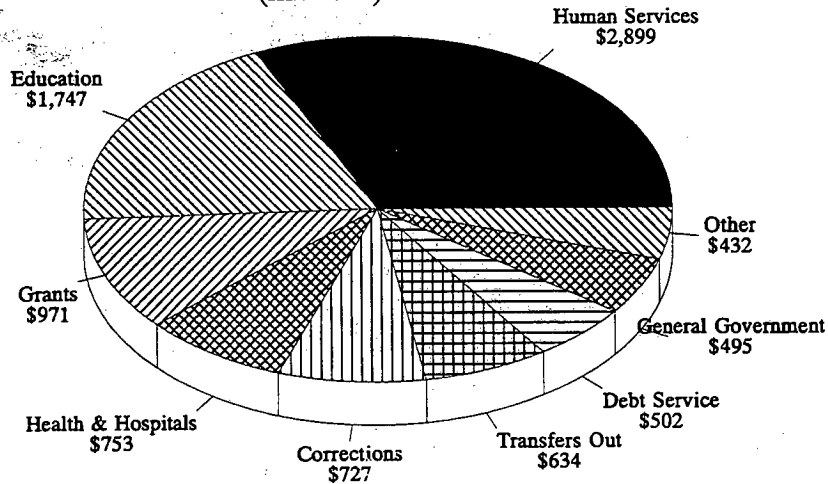
<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
\$1,637	\$1,521	\$1,322	\$1,232	\$994

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>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
14,045	11,838	10,573	10,101	8,777

GENERAL FUND EXPENDITURES (millions)



	FY 94	FY 93	Change	FY 92
Legislative	\$ 46	\$ 44	\$ 2	\$ 38
General Government	495	500	<5>	434
Regulation and Protection	105	143	<38>	125
Natural Resources and Recreation	57	53	4	57
Health and Hospitals	753	747	6	849
Human Services*	2,899	2,623	276	2,260
Education, Libraries, and Museums	1,747	1,645	102	1,625
Corrections	727	617	110	501
Judicial	224	204	20	212
Federal and Other Grants	971	1,032	<61>	702
Debt Service	502	448	54	413
Subtotal	8,526	8,056	470	7,216
Transfers Out:				
Higher Education	364	341	23	503
Debt Service	180	247	<67>	86
Other	90	1	89	1
	634	589	45	590
Total	\$9,160	\$8,645	\$515	\$7,806

*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 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
Fiscal year deficits:					
Transportation	\$ <10>	\$ <36>	\$ 3	\$ <30>	\$ <43>
Grant and Loan Programs	<306>	<283>	<232>	<189>	<126>
Housing Programs	<54>	<39>	<37>	<96>	<98>
Other, net	<46>	5	<20>	<13>	1
Deficits before proceeds from debt financing	<416>	<353>	<286>	<328>	<266>
Proceeds from debt financing	<u>480</u>	<u>427</u>	<u>536</u>	<u>623</u>	<u>304</u>
Surplus	<u>\$ 64</u>	<u>\$ 74</u>	<u>\$ 250</u>	<u>\$ 295</u>	<u>\$ 38</u>

The deficits primarily arose in the Grant and Loan Programs Fund and the Housing Programs Fund. The Grant and Loan Fund expended \$318 million in fiscal year 1994 supported by revenues of only \$8 million. Bond proceeds of \$312 million and certain other transfers financed the balance. The Housing Programs Fund expended \$49 million in fiscal year 1994. Like the Grant and Loan Programs Fund, the balance was financed by \$105 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 \$787 million were supported by revenues of \$783 million and certain other transfers in fiscal year 1994. The fund balance of the Transportation Fund was \$60 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 \$553 million provided \$218 million to the General Fund after prizes and expenses of \$341 million.

The Employment Security Administration Fund expended \$119 million on administration of the unemployment compensation program, supported by a like amount of federal financial assistance.

The Environmental Programs Fund also required debt financing. Expenditures of \$71 million were supported by \$30 million of revenues and \$2 million of operating transfers, along with bond proceeds of \$50 million.

Capital Projects Funds

Capital spending continued at almost a \$1 billion annual rate for the fifth 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

Fiscal Year	State Facilities	(millions)		Transportation	Total
		Infrastructure			
1994	\$170	\$699		\$ 1	\$ 870
1993	247	612		3	862
1992	228	702		8	938
1991	299	882		16	1,197
1990	222	747		30	999

Expendable Trust Funds

The Employment Security Fund showed a small surplus thanks to the issuance of \$1,020.7 million of special obligation bonds, which enabled the State to repay the Federal Government for money borrowed to pay unemployment compensation claims. These bonds will be repaid by special assessments on employers through the year 2001 and have lower interest rates than what would have been charged by the Federal Government.

EMPLOYMENT SECURITY FUND (millions)

Fiscal Year	Revenues	Expenditures	Surplus <Deficit>	Fund Balance
1994	\$1,400	\$619	\$ 781	\$ 52
1993	711	928	<217>	<730>
1992	517	879	<362>	<512>
1991	223	559	<336>	<150>
1990	226	363	<137>	187

The financial condition of the Second Injury and Compensation Assurance Fund has deteriorated to the point where the fund balance now has a deficit. An actuarial analysis done in September of the Fund's unfunded liability determined that, as of June 30, 1994, the undiscounted, unfunded liability for future payments of claims as of that date was \$6.2 billion. The Fund is financed solely by assessments against insurance companies writing workers' compensation or employers' liability insurance and by assessments against self-insured employers.

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, 1994 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 50.3% as of fiscal year 1990 to 52.3% as of fiscal year 1992, but that improvement did not continue into fiscal year 1993 and 1994 when the increase stalled and slipped back to 51.4%. The Teachers' Retirement System (TRS) funded status increased from 52.8% to 70.7%, and the Judicial Retirement System (JRS) from 24.8% to 36.5%, respectively.

PENSION FUNDED STATUS

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
SERS	51.4%	51.4%	52.3%	52.1%	50.3%
TRS	70.7	69.8	62.4	58.0	52.8
JRS	36.5	36.6	37.0	34.2	24.8
Average nationally	85%*				

*Deloitte & Touche LLP

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 GASB statement number 14 "The Financial Reporting Entity" was implemented in 1994 significantly impacting the make-up of the Enterprise Funds. Three authorities are no longer included as Enterprise Funds but are now presented as discrete component units.

The remaining State Enterprise Funds collectively incurred a small net gain from operations of \$2 million in fiscal year 1994 with the Bradley International Airport incurring a gain of \$1 million in fiscal year 1994 compared to a loss of \$9 million in fiscal year 1993.

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>			
1994	\$46	\$42	\$4	\$ <2>	\$ 2	\$ <61>
1993	45	37	8	<13>	<5>	<63>
1992	38	34	4	<9>	<5>	<58>
1991	43	38	5	<11>	<6>	<53>
1990	43	34	9	<4>	5	<47>

*Enterprise Funds restated without component units (1993-1990)

Higher Education

The state support of higher education was increased in fiscal year 1994 and tuition and fees, both in total and as a percent of expenditures and transfers showed small growth. On the expenditure side, a 3.7% growth was seen in fiscal year 1994.

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

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
Revenues:					
Tuition and Fees	\$ 215	\$ 205	\$ 188	\$ 145	\$ 139
Federal Grants	96	93	61	58	53
Private Gifts	29	34	14	21	14
Patient Services	173	176	184	155	132
Sales and Service	143	119	111	108	92
Other	39	40	28	38	21
Total	<u>695</u>	<u>667</u>	<u>586</u>	<u>525</u>	<u>451</u>
Expenditures and Transfers:					
Education and General	777	759	708	689	644
Hospital	165	157	146	143	122
Auxiliary Enterprises	104	94	79	74	65
Other	15	13	20	4	5
Total	<u>1,061</u>	<u>1,023</u>	<u>953</u>	<u>910</u>	<u>836</u>
Net before State support	<366>	<356>	<367>	<385>	<385>
State support	364	341	382*	398	410
Net	<u>\$ <2></u>	<u>\$ <15></u>	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 25</u>
 Tuition and fees as a percent of total expenditures and transfers	20.3%	20.0%	19.7%	15.9%	16.6%
 State support as a percent of total expenditures and transfers	34.3%	33.3%	40.1%	43.7%	49.0%

*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 1994, equal to fiscal year 1993. 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 94</u>		<u>FY 93</u>		<u>FY 92</u>	
Special Revenue Funds:						
Grant and Loan Programs	\$ 312	29.3%	\$ 313	29.9%	\$ 299	27.8%
Environmental Programs	50	4.7	69	6.6	185	17.2
Housing Programs	105	9.9	45	4.3	42	3.9
Other	5	.5	-	-	10	1.0
	<u>472</u>	<u>44.4</u>	<u>427</u>	<u>40.8</u>	<u>536</u>	<u>49.9</u>
Capital Projects Funds:						
State Facilities	267	25.1	344	32.9	255	23.7
Infrastructure	324	30.5	275	26.3	264	24.6
Transportation	-	-	-	-	19	1.8
	<u>591</u>	<u>55.6</u>	<u>619</u>	<u>59.2</u>	<u>538</u>	<u>50.1</u>
Subtotal	1,063	<u>100.0%</u>	1,046	<u>100.0%</u>	1,074	<u>100.0%</u>
General Fund (Economic Recovery Notes)	-		25		966	
Total Governmental	<u>\$1,063</u>		<u>\$1,071</u>		<u>\$2,040</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 5.4% only five years ago.

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

	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
Debt Service (Bonded):					
Principal	\$ 405	\$ 362	\$ 313	\$ 249	\$ 231
Interest	388	399	378	299	234
	<u>\$ 793</u>	<u>\$ 761</u>	<u>\$ 691</u>	<u>\$ 548</u>	<u>\$ 465</u>
Debt Service (Economic Recovery Notes):					
Principal	\$ 150	\$ 235	\$ 50	\$ -	\$ -
Interest	30	37	35	-	-
	<u>\$ 180</u>	<u>\$ 272</u>	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ -</u>
Governmental Operating Expenditures	<u>\$10,934</u>	<u>\$10,494</u>	<u>\$9,541</u>	<u>\$8,930</u>	<u>\$8,534</u>
Debt Service as a Percent of Governmental Operating Expenditures:					
Bonded	7.3%	7.3%	7.2%	6.1%	5.4%
Including Economic Recovery Notes	8.9%	9.8%	8.1%	6.1%	5.4%

Net State debt increased 4% to almost \$8 billion from \$7.7 billion in fiscal year 1993. Net State debt has more than doubled since fiscal year 1990.

NET STATE DEBT
(millions)

	<u>FY94</u>	<u>FY93</u>	<u>FY92</u>	<u>FY91</u>	<u>FY90</u>
Debt Outstanding (June 30):					
General Obligation Bonds	\$5,063	\$ 4,794	\$4,014	\$3,392	\$2,368
Transportation Bonds	2,865	2,592	2,489	2,258	1,881
Notes	556	706	916	-	-
	<u>8,484</u>	<u>8,092</u>	<u>7,419</u>	<u>5,650</u>	<u>4,249</u>
Debt Service Fund	<u><490></u>	<u><433></u>	<u><388></u>	<u><349></u>	<u><291></u>
Net Debt, End of Year	<u>\$7,994</u>	<u>\$ 7,659</u>	<u>\$7,031</u>	<u>\$5,301</u>	<u>\$3,958</u>
Changes in Net Debt:					
Net Debt, Beginning of Year	\$7,659	\$ 7,031	\$5,301	\$3,958	\$3,023
Redemptions - Bonds	<405>	<362>	<313>	<249>	<231>
Redemptions - Notes	<150>	<235>	<50>	-	-
Issuances - Bonds	1,063	1,046	1,074	1,607	1,218
Issuances - Notes	-	25	966	-	-
Refundings - Issued	506	1,313	500	-	-
Refundings - Defeased	<438>	<1,175>	<464>	-	-
Accretion and Other	<184>	60	56	43	30
Debt Service Fund <Increase>	<u><57></u>	<u><44></u>	<u><39></u>	<u><58></u>	<u><82></u>
Net Debt, End of Year	<u>\$7,994</u>	<u>\$ 7,659</u>	<u>\$7,031</u>	<u>\$5,301</u>	<u>\$3,958</u>

Debt per capita has almost doubled to \$2,271 from \$1,203 in fiscal year 1990. 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 also 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 \$700 million in fiscal year 1994. 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 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>	<u>FY 90</u>
\$2,271	\$2,122	\$1,865	\$1,612	\$1,203

*Exclusive of Economic Recovery Notes.

TRENDS IN LONG TERM DEBT
(millions)

	<u>FY94</u>	<u>FY93</u>	<u>FY92</u>	<u>FY91</u>	<u>FY90</u>
Net Bonded Debt	\$7,994	\$ 7,659	\$ 7,031	\$ 5,301	\$ 3,958
Capital Leases	55	50	50	12	9
Compensated Absences	267	175	174	152	141
Workers Compensation	295	304	298	251	200
Subtotal	<u>8,611</u>	<u>8,188</u>	<u>7,553</u>	<u>5,716</u>	<u>4,308</u>
Actuarial Unfunded Pension					
Benefit Obligation	5,718	5,411	5,613	5,881	5,956
Total	<u>\$14,329</u>	<u>\$13,599</u>	<u>\$13,166</u>	<u>\$11,597</u>	<u>\$10,264</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 1993-94 for these funds were approximately \$73 million and 3.67%, respectively. By comparison, 90-day Treasury Bills and 90-day Certificates of Deposit earned 3.39% and 3.60%, respectively, during the same time period.

Bank balances at June 30, 1994, were \$66 million of which about four-fifths was not insured or protected by collateral.

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 three years.

Income

Connecticut has slipped to second highest per capita personal income of all the states after having held the number one position since the mid nineteen eighties. Per capita personal income was \$27,828 in 1994, 131.3% of the \$21,188 U.S. per capita personal income.

PER CAPITA PERSONAL INCOME

Calendar	Connecticut		U.S.	
	\$	% Change	\$	% Change
1994	27,828	.6	21,188	3.6
1993	27,657	5.0	20,456	4.7
1992	26,345	2.5	19,541	3.2
1991	25,703	3.0	18,937	4.1
1990	24,954	4.1	18,187	5.9

Approximately 60% of Connecticut personal income is from wages and other labor income compared to 57% for the U.S. and 17.2% derived from property income (dividends, rents and interest) compared to 15.7% for the U.S.. Substantially less is derived from transfer payments — 8.4% for Connecticut compared to 12.2% 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 1993

	Connecticut	U.S.
Manufacturing	19.2%	16.2%
Trade	21.5	23.5
Services	29.0	27.4
Government	13.5	17.1
Finance	9.1	6.0
Utilities	4.5	5.2
Construction	3.2	4.6
	<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 131,300 jobs since 1989 in all sectors except health services.

ALL INDUSTRY SECTORS EXCEPT SERVICES HAVE LOST JOBS SINCE 1989

Connecticut Nonagricultural Employment

	<u>July 1994</u>	<u>Jan. 1989</u>	<u>Change 1989-1994</u>
Trade	326,500	378,200	<51,700>
Manufacturing:			
Durable	198,700	275,900	<77,200>
Nondurable	81,700	91,900	<10,200>
Construction	52,300	72,500	<20,200>
Services (excludes health)	316,200	284,900	31,300
Government	199,900	207,300	<7,400>
Finance, Insurance, Real Estate	137,700	151,200	<13,500>
Transportation, Communications	67,500	72,200	<4,700>
Health Services	148,300	126,000	22,300
 Total	 <u>1,528,800</u>	 <u>1,660,100</u>	 <u><131,300></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 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 implemented reductions.

Unemployment in Connecticut decreased to 5.7% in fiscal 1994 as Connecticut heads out of the recession. Continued improvement may be jeopardized 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>
1994	5.7%	6.5%
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 1990 retail sales grew only 3.3%.

RETAIL SALES GROWTH

<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
3.5%	1.0%	<2.5>%	3.3%	<2.0>%

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 1993. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Connecticut has received a Certificate of Achievement for the last five consecutive years (fiscal years ended 1989-1993.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

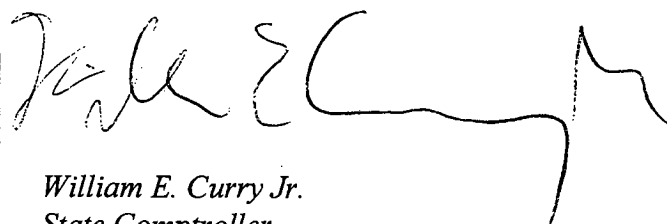
Independent Audit

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

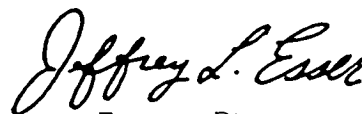
State of Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1993

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.



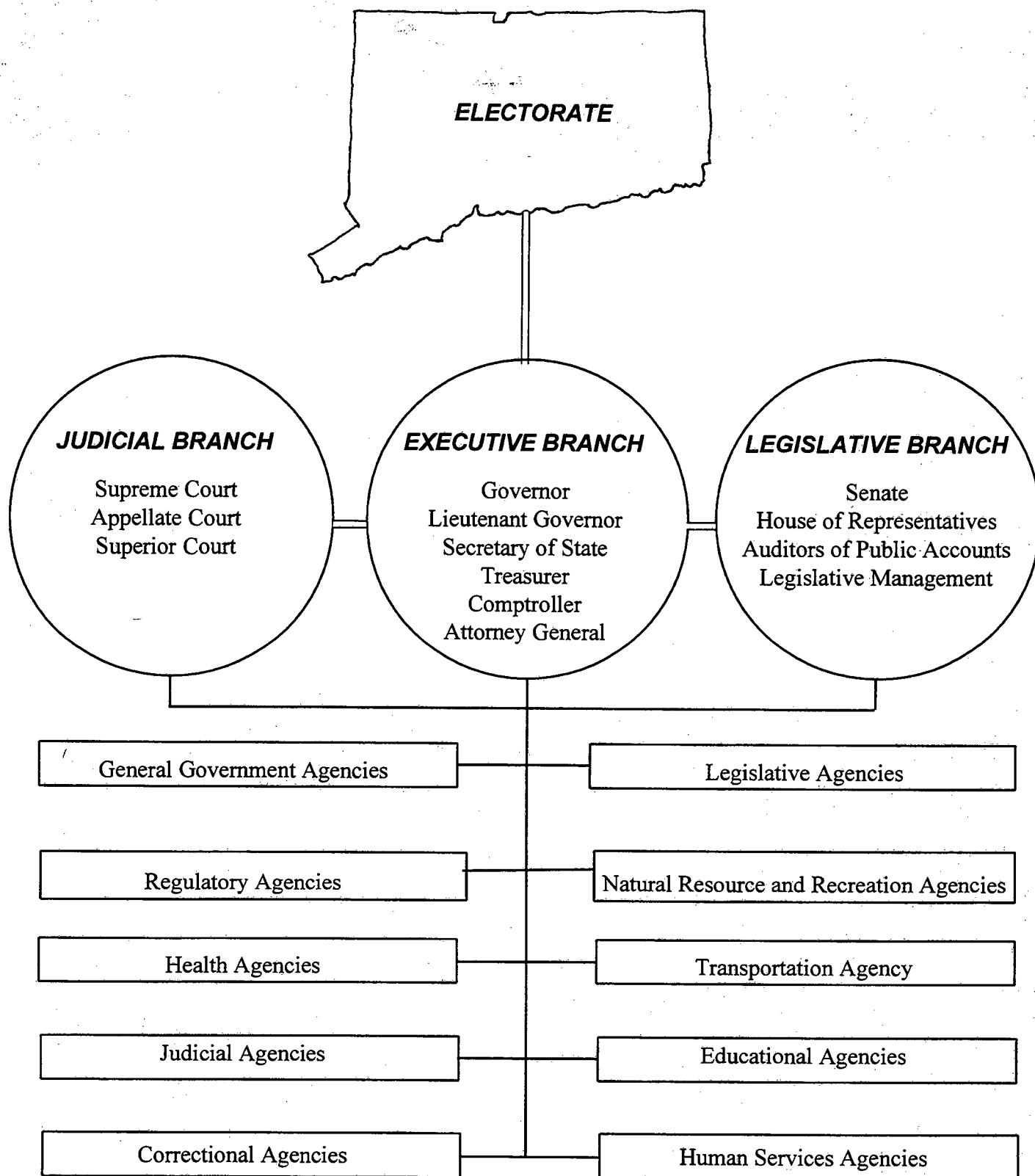
President



Executive Director

STATE OF CONNECTICUT

Organization Chart



STATE OF CONNECTICUT

Selected State Officials

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)

Financial Section

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

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, 1994, 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, which represent 10 percent and 47 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 100 percent of the assets and revenues of the Debt Service Funds; we did not audit the financial statements of the Bradley International Airport, which represent 55 percent and 61 percent, respectively, of the assets and revenues of the Enterprise Funds; we did not audit the financial statements of the Clean Water Fund, which represent four percent and two percent, respectively, of the assets and revenues of the Trust and Agency Funds; we did not audit the financial statements of the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, the Connecticut Development Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, and Connecticut Innovations Incorporated, which represent 100 percent of the assets and revenues of the Component Unit 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 28 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, 1994, 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.

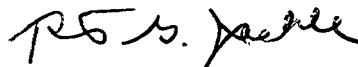
As discussed in Note 1 to the financial statements, the reporting entity of the State of Connecticut was changed in order to comply with new reporting requirements contained in Governmental Accounting Standards Board Statement 14. This statement, entitled "The Financial Reporting Entity," was effective for fiscal years beginning after December 15, 1992. As a result of these revised reporting requirements, the financial statements of Connecticut Innovations Incorporated, the Connecticut Health and Educational Facilities Authority, and the Connecticut Higher Education Supplemental Loan Authority are being included in the State's general purpose financial statements for the first time.

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. Jackle
Auditor of Public Accounts

December 29, 1994
State Capitol
Hartford, Connecticut

***General
Purpose
Financial
Section***

STATE OF CONNECTICUT

Combined Balance Sheet

All Fund Types, Account Groups, and Discretely Presented Component Units

June 30, 1994

(Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets and Other Debits:						
Cash and Cash Equivalents	\$ -	\$360,032	\$ 70,732	\$121,300	\$ 17,124	\$ 3,961
Investments	-	30,336	417,905	-	42,505	-
Receivables:						
Taxes	453,294	39,843	-	-	-	-
Accounts, Net of Allowances	314,533	20,106	-	5,072	3,322	3,189
Tuition	-	-	-	-	-	-
Loans, Net of Allowances	-	287,398	-	-	100,481	-
Interest	1,235	6,870	6,913	-	4,408	-
Non-Federal Grants Receivable	874	495	-	-	-	-
Due From Other Funds	18,885	15,358	-	264,682	320	3,876
Advances to Other Funds	88,108	-	-	-	-	-
Receivable From Other Governments	291,480	19,931	-	72,556	7,825	-
Inventories and Prepaid Items	54,781	11,924	-	-	284	5,711
Restricted Assets	-	-	-	-	41,952	-
Property, Plant, and Equipment	-	-	-	-	136,632	30,605
Other Assets	-	-	-	-	2,341	1,581
Other Debits:						
Amount Available in Debt Service Fund	-	-	-	-	-	-
Amount to be Provided For Debt Retirement	-	-	-	-	-	-
Total Assets and Other Debits	\$1,223,190	\$792,293	\$495,550	\$463,610	\$357,194	\$48,923
Liabilities, Equity, and Other Credits:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 530,825	\$ 53,247	\$ -	\$117,283	\$ 8,652	\$ 5,541
Due to Other Funds	317,494	8,709	5,966	2,042	2,569	436
Payable to Other Governments	24,806	681	-	-	-	-
Advances Due Other Funds	-	33	-	-	88,075	-
Deferred Revenue	389,595	29,752	-	5	52	462
Obligation Under Reverse Repurchase Agreements	-	-	-	-	-	-
Escrow Deposits	-	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-	-
Deferred Compensation Liability	-	-	-	-	-	-
Agency Deposit Liabilities	-	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-	-
Transportation Related Bonds	-	-	-	-	-	-
Special Assessment Unemploy. Comp. Bonds	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	222,612	-
Capital Leases	-	-	-	-	-	-
Compensated Absences	-	-	-	-	72	3,380
Unfunded Pension Costs	-	-	-	-	-	-
Workers Compensation Liability	-	-	-	-	-	-
Liability for Landfill Closing Costs	-	-	-	-	-	-
Amount Held for Institutions	-	-	-	-	-	-
Total Liabilities	1,262,720	92,422	5,966	119,330	322,032	9,819
Equity and Other Credits:						
Investment in Fixed Assets	-	-	-	-	-	-
Contributed Capital	-	-	-	-	96,336	7,930
Retained Earnings:						
Reserved	-	-	-	-	14,744	-
Unreserved	-	-	-	-	(75,918)	31,174
Fund Balances:						
Reserved	426,246	343,813	489,584	-	-	-
Unreserved, undesignated	(465,776)	356,058	-	344,280	-	-
Total Equity and Other Credits	(39,530)	699,871	489,584	344,280	35,162	39,104
Total Liabilities, Equity, and Other Credits ..	\$1,223,190	\$792,293	\$495,550	\$463,610	\$357,194	\$48,923

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

Fiduciary Fund Types Trust and Agency	Account Groups		Higher Education & University Hospital	Total Primary Government (Memorandum only)	Component Units	Total Reporting Entity (Memorandum only)
	General Fixed Assets	General Long-Term Debt				
\$ 1,001,941	\$ -	\$ -	\$ 239,298	\$ 1,814,388	\$ 156,604	\$ 1,970,992
10,739,170	-	-	4,044	11,233,960	816,169	12,050,129
-	-	-	-	493,137	-	493,137
28,220	-	-	64,540	438,982	13,732	452,714
-	-	-	1,098	1,098	-	1,098
261,532	-	-	26,529	675,940	2,326,593	3,002,533
18,969	-	-	410	38,805	44,096	82,901
-	-	-	-	1,369	-	1,369
15,744	-	-	44,096	362,961	4,164	367,125
-	-	-	-	88,108	-	88,108
50,275	-	-	-	442,067	-	442,067
834	-	-	9,057	82,591	8,058	90,649
270,687	-	-	-	312,639	2,425,564	2,738,203
-	3,250,285	-	1,461,623	4,879,145	267,563	5,146,708
586,617	-	-	109	590,648	108,970	699,618
-	-	489,584	-	489,584	-	489,584
-	-	14,523,307	-	14,523,307	-	14,523,307
<u>\$12,973,989</u>	<u>\$3,250,285</u>	<u>\$15,012,891</u>	<u>\$1,850,804</u>	<u>\$36,468,729</u>	<u>\$6,171,513</u>	<u>\$42,640,242</u>
\$ 20,965	\$ -	\$ -	\$ 92,781	\$ 829,294	\$ 123,160	\$ 952,454
20,054	-	-	6,675	363,945	3,180	367,125
24	-	-	-	25,511	3,309	28,820
-	-	-	-	88,108	-	88,108
11,307	-	-	24,172	455,345	7,283	462,628
136,990	-	-	-	136,990	-	136,990
-	-	-	-	-	71,975	71,975
-	-	555,610	7,012	562,622	33,854	596,476
283,801	-	-	-	283,801	-	283,801
1,161,335	-	-	7,848	1,169,183	-	1,169,183
-	-	5,062,539	-	5,062,539	-	5,062,539
-	-	2,865,166	-	2,865,166	-	2,865,166
-	-	1,020,700	-	1,020,700	-	1,020,700
329,072	-	-	77,060	628,744	5,057,980	5,686,724
-	-	55,226	394	55,620	-	55,620
-	-	267,052	14,481	284,985	-	284,985
-	-	4,891,799	-	4,891,799	-	4,891,799
-	-	294,799	-	294,799	-	294,799
-	-	-	-	-	10,812	10,812
-	-	-	-	-	322,648	322,648
<u>1,963,548</u>	<u>-</u>	<u>15,012,891</u>	<u>230,423</u>	<u>19,019,151</u>	<u>5,634,201</u>	<u>24,653,352</u>
-	3,250,285	-	1,376,298	4,626,583	-	4,626,583
-	-	-	-	104,266	194,209	298,475
-	-	-	-	14,744	337,621	352,365
-	-	-	-	(44,744)	5,482	(39,262)
10,813,957	-	-	111,962	12,185,562	-	12,185,562
196,484	-	-	132,121	563,167	-	563,167
11,010,441	3,250,285	-	1,620,381	17,449,578	537,312	17,986,890
<u>\$12,973,989</u>	<u>\$3,250,285</u>	<u>\$15,012,891</u>	<u>\$1,850,804</u>	<u>\$36,468,729</u>	<u>\$6,171,513</u>	<u>\$42,640,242</u>

STATE OF CONNECTICUT

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

All Governmental Fund Types and Expendable Trust Funds

For The Fiscal Year Ended June 30, 1994

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$5,994,582	\$ 442,246	\$ -	\$ -
Licenses, Permits, and Fees	117,745	307,735	-	-
Intergovernmental	2,480,244	161,204	-	413,036
Charges for Services	154,421	22,336	-	-
Fines, Forfeits, and Rents	31,300	1,926	-	-
Investment Earnings	24,778	8,913	28,527	-
Lottery and Off Track Betting	-	552,992	-	-
Assessments	-	-	-	-
Miscellaneous	187,974	74,616	-	648
Total Revenues	8,991,044	1,571,968	28,527	413,684
Expenditures:				
Current:				
Legislative	45,820	-	-	-
General Government	494,826	539,071	-	-
Regulation and Protection	105,112	290,550	-	-
Natural Resources and Recreation	56,700	170,324	-	-
Health and Hospitals	752,949	4,782	-	-
Transportation	-	350,413	-	-
Human Services	2,899,093	17,745	-	-
Education, Libraries, and Museums	1,747,435	147,283	-	-
Corrections	727,272	10,674	-	-
Judicial	224,333	4,775	-	-
Federal and Other Grants	971,150	37,754	-	-
Capital Projects	-	-	-	870,334
Debt Service:				
Principal Retirement	289,497	34,530	230,894	-
Interest and Fiscal Charges	212,738	18,328	186,381	-
Total Expenditures	8,526,925	1,626,229	417,275	870,334
Excess (Deficiency) of Revenues Over Expenditures	464,119	(54,261)	(388,748)	(456,650)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds and Notes	-	472,152	-	588,599
Operating Transfers In	220,364	125,588	463,261	1,044
Operating Transfers Out	(633,701)	(487,113)	(20,933)	(116,923)
Capital Lease Obligations	3,069	7,592	-	167
Proceeds of Refunding Bonds	-	-	502,771	-
Payment to Refunded Bond Escrow Agents	-	-	(499,289)	-
Total Other Financing Sources (Uses)	(410,268)	118,219	445,810	472,887
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	53,851	63,958	57,062	16,237
Fund Balances (deficit) - July 1 (as restated)	(103,241)	632,527	432,522	328,043
Changes in Reserves for Inventories and Prepaids	9,860	3,386	-	-
Fund Balances (deficit) - June 30	\$ (39,530)	\$ 699,871	\$ 489,584	\$ 344,280

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>
\$ 436,768	\$ 6,873,596
101	425,581
170,485	3,224,969
-	176,757
-	33,226
7,642	69,860
-	552,992
64,800	64,800
10,957	274,195
<u>690,753</u>	<u>11,695,976</u>
-	45,820
6,406	1,040,303
821,813	1,217,475
-	227,024
-	757,731
-	350,413
-	2,916,838
37	1,894,755
-	737,946
-	229,108
-	1,008,904
-	870,334
-	554,921
32,284	449,731
<u>860,540</u>	<u>12,301,303</u>
<u>(169,787)</u>	<u>(605,327)</u>
1,016,883	2,077,634
783,178	1,593,435
(782,670)	(2,041,340)
-	10,828
-	502,771
-	(499,289)
<u>1,017,391</u>	<u>1,644,039</u>
847,604	1,038,712
(686,558)	603,293
-	13,246
<u>\$ 161,046</u>	<u>\$ 1,655,251</u>

STATE OF CONNECTICUT

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, 1994
(Expressed in Thousands)

	<u>General Fund</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Budgeted Revenues:			
Taxes, Net of Refunds	\$5,801,600	\$5,820,043	\$ 18,443
Operating Transfers In	225,300	225,396	96
Indian Gaming Payments	113,000	113,000	-
Licenses, Permits, and Fees	115,700	117,676	1,976
Other	226,000	230,443	4,443
Federal Grants	1,464,500	1,465,143	643
Equity Transfers In	30,600	30,599	(1)
Equity Transfers Out	(88,100)	(88,124)	(24)
Total Budgeted Revenues	7,888,600	7,914,176	25,576
Expenditures:			
Legislative	36,693	35,649	1,044
General Government	368,971	347,767	21,204
Regulation and Protection	88,823	87,230	1,593
Natural Resources and Recreation	45,332	43,602	1,730
Health and Hospitals	662,405	647,967	14,438
Transportation	-	-	-
Human Services	2,903,583	2,884,072	19,511
Education, Libraries, and Museums	1,933,775	1,929,101	4,674
Corrections	601,442	584,533	16,909
Judicial	169,044	168,816	228
Non Functional	1,421,543	1,279,392	142,151
Appropriations Lapsed	(223,482)	-	(223,482)
Total Expenditures	8,008,129	8,008,129	-
Excess (Deficiency) of Revenues			
Over Expenditures	(119,529)	(93,953)	25,576
Other Financing Sources (Uses):			
Federal and Other Restricted Sources	-	993,519	993,519
Federal and Other Restricted Uses	-	(993,519)	(993,519)
Resources from Reserves	113,491	113,491	-
Transfers Between Funds	-	-	-
Miscellaneous Adjustments	-	117	117
Total Other Financing Sources (Uses)	113,491	113,608	117
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses	\$ (6,038)	19,655	\$ 25,693
Budgetary Fund Balances (deficit) - July 1		629,680	
Changes in Reserves		5,777	
Budgetary Fund Balances June 30		\$ 655,112	

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

Budgeted Special Revenue Funds			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$433,200	\$430,858	\$ (2,342)	\$6,234,800	\$6,250,901	\$ 16,101
-	-	-	225,300	225,396	96
-	-	-	113,000	113,000	-
258,120	267,991	9,871	373,820	385,667	11,847
76,449	77,520	1,071	302,449	307,963	5,514
7,000	7,063	63	1,471,500	1,472,206	706
90,024	90,073	49	120,624	120,672	48
-	-	-	(88,100)	(88,124)	(24)
<u>864,793</u>	<u>873,505</u>	<u>8,712</u>	<u>8,753,393</u>	<u>8,787,681</u>	<u>34,288</u>
-	-	-	36,693	35,649	1,044
1,699	1,608	91	370,670	349,375	21,295
141,679	128,868	12,811	230,502	216,098	14,404
677	658	19	46,009	44,260	1,749
-	-	-	662,405	647,967	14,438
290,923	276,129	14,794	290,923	276,129	14,794
3,302	3,063	239	2,906,885	2,887,135	19,750
-	-	-	1,933,775	1,929,101	4,674
-	-	-	601,442	584,533	16,909
-	-	-	169,044	168,816	228
468,957	444,005	24,952	1,890,500	1,723,397	167,103
(41,813)	-	(41,813)	(265,295)	-	(265,295)
<u>865,424</u>	<u>854,331</u>	<u>11,093</u>	<u>8,873,553</u>	<u>8,862,460</u>	<u>11,093</u>
(631)	19,174	19,805	(120,160)	(74,779)	45,381
-	38,265	38,265	-	1,031,784	1,031,784
-	(38,265)	(38,265)	-	(1,031,784)	(1,031,784)
-	-	-	113,491	113,491	-
-	(553)	(553)	-	(553)	(553)
-	584	584	-	701	701
<u>-</u>	<u>31</u>	<u>31</u>	<u>113,491</u>	<u>113,639</u>	<u>148</u>
<u>\$ (631)</u>	19,205	<u>\$ 19,836</u>	<u>\$ (6,669)</u>	38,860	<u>\$ 45,529</u>
	161,235			790,915	
	5,178			10,955	
	<u>\$185,618</u>			<u>\$ 840,730</u>	

STATE OF CONNECTICUT

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

All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust
Operating Revenues:				
Charges for Services	\$30,519	\$73,794	\$ -	\$ -
Participants' Contributions	-	-	-	218,824
State Contribution	-	-	-	383,105
Interest on Financing Activities	12,806	-	-	-
Investment Earnings	-	-	24,419	938,748
Intergovernmental	-	-	21,307	61,761
Civic Center Lease Operations	-	-	-	-
Miscellaneous	2,443	-	15	27
Total Operating Revenues	45,768	73,794	45,741	1,602,465
Operating Expenses:				
Cost of Sales and Services	-	46,083	-	-
Administrative	21,770	22,480	1,222	210
Depreciation and Amortization	7,207	9,296	-	-
Benefit Payments and Refunds	-	-	-	770,558
Other Program Expenses	-	-	525	28,766
Interest on Financing Activities	12,991	-	16,595	-
Civic Center Lease Operations	-	-	-	-
Total Operating Expenses	41,968	77,859	18,342	799,534
Operating Income (Loss)	3,800	(4,065)	27,399	802,931
Nonoperating Revenues (Expenses):				
Operating Grants	-	-	-	-
Interest and Investment Income	6,300	-	-	-
Interest and Fiscal Charges	(7,275)	-	-	-
Other	69	-	-	-
Total Nonoperating Income (Expense)	(906)	-	-	-
Income (Loss) Before Operating Transfers	2,894	(4,065)	27,399	802,931
Operating Transfers In (Out):				
Operating Transfers In	-	-	7,388	-
Operating Transfers Out	(1,143)	-	(3,747)	-
Net Income (Loss)	1,751	(4,065)	31,040	802,931
Add Items Affecting Contributed Capital:				
Development Costs Applied to Contractor Contribution ...	-	-	-	-
Depreciation on Equipment Acquired through Capital Grants	-	-	-	-
Total Add Back Items	-	-	-	-
Retained Earnings/Fund Balances - July 1(as restated) ...	(62,925)	35,239	248,257	9,767,167
Retained Earnings/Fund Balances - June 30	\$ (61,174)	\$31,174	\$279,297	\$10,570,098

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

Total Primary Government (Memorandum only)	Proprietary Fund Type Component Units	Total Reporting Entity (Memorandum only)
\$ 104,313	\$125,995	\$ 230,308
218,824	-	218,824
383,105	-	383,105
12,806	331,945	344,751
963,167	-	963,167
83,068	-	83,068
-	5,978	5,978
2,485	38,076	40,561
<u>1,767,768</u>	<u>501,994</u>	<u>2,269,762</u>
46,083	-	46,083
45,682	128,472	174,154
16,503	23,524	40,027
770,558	-	770,558
29,291	29,281	58,572
29,586	287,738	317,324
-	7,531	7,531
<u>937,703</u>	<u>476,546</u>	<u>1,414,249</u>
<u>830,065</u>	<u>25,448</u>	<u>855,513</u>
-	-	-
6,300	32,110	38,410
(7,275)	(26,415)	(33,690)
69	(8,307)	(8,238)
<u>(906)</u>	<u>(2,612)</u>	<u>(3,518)</u>
829,159	22,836	851,995
7,388	-	7,388
(4,890)	-	(4,890)
<u>831,657</u>	<u>22,836</u>	<u>854,493</u>
-	555	555
-	139	139
-	694	694
<u>9,987,738</u>	<u>319,573</u>	<u>10,307,311</u>
<u>\$10,819,395</u>	<u>\$343,103</u>	<u>\$11,162,498</u>

STATE OF CONNECTICUT

Combined Statement of Cash Flows

All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 3,800	\$ (4,065)	\$ 27,399
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation	7,207	9,296	-
Provision for loan losses	-	-	-
Investment income	(12,806)	-	(24,419)
Interest expense	12,991	-	16,595
Changes in assets and liabilities:			
(Increase) decrease in receivables	46	3,147	(1,167)
(Increase) decrease in due from other funds	21	724	-
(Increase) decrease in receivable from other governments	(2,577)	-	-
(Increase) decrease in inventories and prepaid expenses	(95)	(816)	-
Increase (decrease) in accounts payable and accrued liabilities	(221)	(1,780)	-
Increase (decrease) in due to other funds	195	18	-
Increase (decrease) in payable to other governments	-	-	-
Miscellaneous operating activities	10,114	(131)	895
Issuance of loans, notes, and installment contracts receivable	(158)	-	(43,523)
Collection of loans, notes, and installment contracts receivable	935	-	-
Net cash provided by (used in) operating activities	19,452	6,393	(24,220)
Cash Flows From Noncapital Financing Activities:			
Contributed capital	-	-	-
Proceeds from sale of bonds and notes	-	-	75,000
Retirement of bonds and notes payable	(4,333)	-	(4,755)
Interest on bonds and notes payable	(8,725)	-	(16,823)
Transfers from other funds	-	-	7,388
Transfers to other funds	(1,143)	-	(3,747)
Bond issuance and/or redemption costs	-	-	-
Miscellaneous noncapital financing activities	(497)	-	-
Net cash provided by (used in) noncapital financing activities	(14,698)	-	57,063
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets	(2,872)	(21,232)	-
Proceeds from sale of bonds and notes	-	-	-
Retirement of bonds and notes payable	-	-	-
Interest on bonds and notes payable	(6,969)	-	-
Capital contributions or grants	3,090	-	-
Miscellaneous capital and related financing activities	-	-	-
Net cash provided by (used in) capital and related financing activities	(6,751)	(21,232)	-
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities	-	-	-
Purchases of investment securities	-	-	(54,293)
Interest and income on investments	7,889	-	17,911
Reduction in loan receivable	-	-	-
Net cash provided by (used in) investing activities	7,889	-	(36,382)
Increase (decrease) in cash	5,892	(14,839)	(3,539)
Cash and cash equivalents - July 1	51,648	18,800	14,591
Cash and cash equivalents - June 30	\$ 57,540	\$ 3,961	\$11,052
Reconciliation of cash and cash equivalents to balance sheet:			
Cash and cash equivalents - June 30 (balance sheet)	\$17,124		\$1,001,941
Plus - cash and cash equivalents in restricted assets	40,416		-
Less - cash and cash equivalents in other fiduciary fund types	-		990,889
Cash and cash equivalents - June 30	\$57,540		\$ 11,052

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

Total Primary Government (Memorandum only)	Proprietary Fund Type Component Units	Total Reporting Entity (Memorandum only)
\$ 27,134	\$ 25,448	\$ 52,582
16,503	23,525	40,028
-	22,506	22,506
(37,225)	(54,816)	(92,041)
29,586	202,871	232,457
2,026	(2,691)	(665)
745	(364)	381
(2,577)	-	(2,577)
(911)	(4,818)	(5,729)
(2,001)	6,330	4,329
213	(332)	(119)
-	721	721
10,878	(50,920)	(40,042)
(43,681)	(365,699)	(409,380)
935	421,778	422,713
<u>1,625</u>	<u>223,539</u>	<u>225,164</u>
-	37,514	37,514
75,000	603,805	678,805
(9,088)	(580,611)	(589,699)
(25,548)	(205,604)	(231,152)
7,388	-	7,388
(4,890)	-	(4,890)
-	(10,617)	(10,617)
(497)	6,207	5,710
<u>42,365</u>	<u>(149,306)</u>	<u>(106,941)</u>
(24,104)	(17,510)	(41,614)
-	473,032	473,032
-	(223,255)	(223,255)
(6,969)	(106,623)	(113,592)
3,090	-	3,090
-	(29,342)	(29,342)
<u>(27,983)</u>	<u>96,302</u>	<u>68,319</u>
-	1,814,577	1,814,577
(54,293)	(2,312,212)	(2,366,505)
25,800	73,343	99,143
-	6,520	6,520
<u>(28,493)</u>	<u>(417,772)</u>	<u>(446,265)</u>
(12,486)	(247,237)	(259,723)
85,039	552,539	637,578
<u>\$ 72,553</u>	<u>\$ 305,302</u>	<u>\$ 377,855</u>
	\$156,604	
	148,698	
	-	
	<u>\$305,302</u>	

STATE OF CONNECTICUT

Combined Statement of Changes in Fund Balances

Higher Education and University Hospital Funds

For The Fiscal Year Ended June 30, 1994
(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	\$437,944	\$132,359	\$126,095	\$ -	\$ -
Private Gifts, Grants, and Contracts	-	-	-	131	496
Investment Earnings	-	-	-	186	111
Interest on Loans Receivable	-	-	-	-	696
Expended for Plant Facilities	-	-	-	-	-
Retirement of Indebtedness	-	-	-	-	-
Miscellaneous	-	-	-	-	92
Total Revenues and Other Additions	437,944	132,359	126,095	317	1,395
Expenditures and Other Deductions:					
Education and General	653,881	123,286	-	-	-
Auxiliary Enterprises	103,828	55	-	-	-
Hospital	38,747	6,125	119,580	-	-
Indirect Costs Recovered	-	4,620	-	-	-
Loan Cancellations and Write-offs	-	-	-	-	143
Interest on Indebtedness	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Disposal of Plant Facilities	-	-	-	-	-
Administrative Costs	-	-	-	-	139
Retirement of Indebtedness	-	-	-	-	-
Other	-	105	-	192	34
Total Expenditures and Other Deductions	796,456	134,191	119,580	192	316
Transfers Among Funds - Additions (Deductions)					
Mandatory:					
Retirement of Indebtedness	(13,720)	(1,117)	-	-	-
Loan Fund	(284)	-	-	-	284
Nonmandatory:					
Subsidy	(1,091)	(2,325)	3,416	-	-
Other	(1,148)	1,447	(910)	(114)	-
Total Transfers Among Funds	(16,243)	(1,995)	2,506	(114)	284
Operating transfers from the State's governmental funds	363,798	-	-	-	-
Net Increase (Decrease) in Fund Balances	(10,957)	(3,827)	9,021	11	1,363
Fund Balances (deficit) - July 1 (as restated)	124,465	34,812	10,893	4,023	28,229
Fund Balances (deficit) - June 30	\$113,508	\$ 30,985	\$ 19,914	\$4,034	\$29,592

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

Plant Funds			
Unexpended	Retirement of Indebtedness	Investment in Plant	Total
\$ -	\$ -	\$ -	\$ 696,398
-	-	-	627
-	1,630	-	1,927
-	-	-	696
-	-	95,253	95,253
-	-	6,523	6,523
1,403	-	766	2,261
<u>1,403</u>	<u>1,630</u>	<u>102,542</u>	<u>803,685</u>
-	-	-	777,167
-	-	-	103,883
-	-	-	164,452
-	-	-	4,620
-	-	-	143
-	4,734	-	4,734
81,609	-	-	81,609
-	-	321	321
-	-	-	139
-	6,523	-	6,523
-	-	10,202	10,533
<u>81,609</u>	<u>11,257</u>	<u>10,523</u>	<u>1,154,124</u>
-	14,837	-	-
-	-	-	-
-	-	-	-
(185)	-	910	-
<u>(185)</u>	<u>14,837</u>	<u>910</u>	<u>-</u>
81,609	-	-	445,407
1,218	5,210	92,929	94,968
(2,519)	42,141	1,283,369	1,525,413
<u>\$ (1,301)</u>	<u>\$47,351</u>	<u>\$1,376,298</u>	<u>\$1,620,381</u>

STATE OF CONNECTICUT

Combined Statement of Revenues, Expenditures, and Other Changes

Higher Education and University Hospital Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Current Funds		Hospital Funds	Total
	Unrestricted	Restricted		
Revenues:				
Student Tuition and Fees	\$215,381	\$ -	\$ -	\$ 215,381
Federal Grants and Contracts	9,093	86,911	-	96,004
Private Gifts and Grants	4,161	24,470	-	28,631
Patient Services	48,953	-	124,148	173,101
Sales and Services	142,832	92	-	142,924
Investment Earnings	5,028	711	-	5,739
Endowment Income	-	1	-	1
Miscellaneous	12,496	18,503	1,947	32,946
Total Revenues	437,944	130,688	126,095	694,727
Expenditures and Mandatory Transfers:				
Educational and General:				
Instruction	285,078	24,316	-	309,394
Research	23,537	65,454	-	88,991
Public Services	27,800	8,455	-	36,255
Academic Support	84,273	4,299	-	88,572
Student Services	30,553	5,285	-	35,838
Institutional Support	111,629	6,083	-	117,712
Scholarship and Fellowships	28,300	7,632	-	35,932
Plant Operations and Maintenance	62,711	1,762	-	64,473
Total Educational and General Expenditures	653,881	123,286	-	777,167
Hospital	38,747	6,125	119,580	164,452
Auxiliary Enterprises	103,828	55	-	103,883
Other	-	105	-	105
Mandatory Transfers:				
Retirement of Indebtedness	13,720	1,117	-	14,837
Loan Fund	284	-	-	284
Total Expenditures and Mandatory Transfers	810,460	130,688	119,580	1,060,728
Other Transfers- Additions (Deductions):				
Operating Transfers from the State's				
Governmental Funds	363,798	-	-	363,798
Subsidy	(1,091)	(2,325)	3,416	-
Other Non-mandatory Transfers	(1,148)	1,447	(910)	(611)
Excess of Restricted Receipts over Transfers to Revenues	-	(2,949)	-	(2,949)
Total Other Transfers and Additions (Deductions)	361,559	(3,827)	2,506	360,238
Net Increase (Decrease) in Fund Balances	\$ (10,957)	\$ (3,827)	\$ 9,021	\$ (5,763)

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

STATE OF CONNECTICUT

Notes to the Financial Statements

June 30, 1994

(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

The State of Connecticut has implemented GASB Statement 14 entitled "The Financial Reporting Entity" which has established new standards for defining and reporting on the financial entity. This has resulted in the addition or reclassification of certain entities (see note 17) and their inclusion in the financial reporting entity by discrete presentation. The State, as required by generally accepted accounting principles, has included in its financial reporting entity all funds, agencies, boards, commissions, and account groups that make up its legal entity. The State also included legally separate organizations that are financially accountable to the State (component units). Financial accountability exists if (1) the State appoints a voting majority of the organization's governing board and (2) the State is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. Thus, the accompanying financial statements present the State of Connecticut (the primary government) and its component units.

Component Units

Component units are reported in the combined financial statements in a separate column (discrete presenta-

tion). In this column, the State has included legally separate organizations for which the State appoints a voting majority of the organization's governing board and is contingently liable for the organization's debt or provides significant funding for the organization's programs (applies only to the Connecticut Innovations, Incorporated). The financial data of the following organizations is included in this column.

Connecticut Development Authority

The Authority is a public instrumentality and political subdivision of the State. It was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond, Umbrella and Insurance Programs as well as other funds.

Connecticut Housing Finance Authority

The Authority is a public instrumentality and political subdivision of the State. It was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate families and persons throughout the State. The Authority's fiscal year is for the period ending on December 31, 1993.

Connecticut Resources Recovery Authority

The Authority is a public instrumentality and political subdivision of the State. It is responsible for implementing the State Solid Waste Management Plan by determining the location of and constructing solid waste management projects, owning, operating, and maintaining waste management projects, or making provisions for operation and maintenance by contracting with private industry.

Connecticut Higher Education Supplemental Loan Authority

The Authority is a public instrumentality and political subdivision of the State. It was created to assist students, their parents and institutions of higher education to finance the cost of higher education through its Bond funds.

STATE OF CONNECTICUT

Notes to the Financial Statements

Connecticut Health and Educational Facilities

Authority

The Authority is a public instrumentality and political subdivision of the State. The purpose of the Authority is to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

Connecticut Innovations, Incorporated

The Corporation is a public instrumentality and political subdivision of the State. It was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations, and inventions or markets in Connecticut by providing financial technical assistance.

Condensed financial information for the major component units is disclosed in Note 20. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

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. In the financial statements, individual funds are classified in four fund categories and component units. The four fund categories are: 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.

In the financial statements, the account groups are the general fixed asset account group and the general long-term debt account group.

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, account groups, and component units 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).

STATE OF CONNECTICUT

Notes to the Financial Statements

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, which 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 that will be expended in the near future for operating purposes. Included in the current fund category are unrestricted funds that the governing boards retain full control of, in achieving the institutions' purposes and restricted funds that 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 that are restricted as to principal by the donor.

4. Loan Funds - These funds are used to account for loans to students and for resources available for such purposes.

5. Plant Funds - These funds account for resources that 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.

Component Units

The component units include proprietary type organizations that are legally separate from the State but are considered part of the reporting entity.

STATE OF CONNECTICUT

Notes to the Financial Statements

d. Basis of Accounting

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

Governmental Funds and Expendable Trust Funds

These funds are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are normally included on the balance sheet. Fund balance represents a measure of "available spendable resources". Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual (i.e. both measurable and available). The word "available" means that the revenue is collectible within the current period or soon enough thereafter to pay current period liabilities. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt which are recorded as expenditures when due. Major revenue sources that 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, Pension Trust Funds, and Component Units

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 and component units) is segregated into contributed capital and retained earnings components. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Agency Funds

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

Higher Education and University Hospital Funds

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

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

e. Budgeting Process

By statute, the Governor must submit the state budget to the General Assembly in February of each year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next fiscal year and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot 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 because 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

STATE OF CONNECTICUT

Notes to the Financial Statements

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 1994 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. 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.

STATE OF CONNECTICUT

Notes to the Financial Statements

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 funds, debt service fund, enterprise funds, higher education and university hospital funds, and component units are carried at cost or amortized cost. Investments in the trust and agency funds, excluding a nonexpendable trust fund and agency funds, represent investments in the State's long-term pooled investment funds (see Note 4). Investments in the nonexpendable trust fund (Clean Water fund) are carried at cost or amortized cost. Investments in the agency funds (Deferred Compensation fund) are carried at market.

Inventories

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

Fixed Assets and Depreciation

General fixed assets are recorded at historical or estimated historical cost. Donated fixed assets are valued at estimated fair value on the date donated. Interest costs incurred during construction and infrastructure fixed assets (highways, bridges, etc.) are not capitalized. No depreciation is provided for general fixed assets.

Fixed assets in the enterprise and internal service funds are carried at cost. Interest costs incurred during

construction at Bradley International Airport are capitalized as part of the assets. Depreciation of the fixed assets is determined using the straight-line method and is based upon the assets' estimated useful lives.

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

Fixed assets of the component units are carried at cost. Depreciation of the fixed assets is determined using the straight-line method and is based upon the assets' estimated useful lives.

Deferred Revenues

This liability account represents the following:

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

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

Capital Appreciation Bonds

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

STATE OF CONNECTICUT

Notes to the Financial Statements

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 funds, non-expendable and pension trust funds, higher education and university hospital funds, and component units 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 funds, internal service funds, and component units which is contributed by governments and others.

Reserved Retained Earnings

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

Reserved Fund Balances

The portion of fund balances in the governmental, fiduciary, and 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.

STATE OF CONNECTICUT

Notes to the Financial Statements

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)	\$ 19,655	\$19,205
Adjustments:		
Increases (decreases) in revenue accruals:		
Governmental Receivables	42,862	735
Other Receivables	4,857	1,514
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	9,596	757
Salaries and Fringe Benefits Payable	(13,074)	(1,155)
Increase (decrease) in Continuing Appropriations	(10,045)	(9,426)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) - budgeted funds	53,851	11,630
To record excess of revenues and other sources over expenditures and other uses for nonbudgeted funds	-	52,328
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 53,851</u>	<u>\$63,958</u>

Note 3

FUND DEFICITS

The following funds have deficit balances at June 30, 1994, in either unreserved fund balances or unreserved retained earnings, none of which constitutes a violation of statutory provisions.

<u>General Fund</u>	\$465,776
<u>Special Revenue</u>	
Consumer Counsel & Public Utility Control	\$1,818
Lottery & OTB	\$6,144

Enterprise Funds

Rental Housing	\$59,826
Bradley International Airport	\$16,830

Internal Service Funds

Correction Industries	\$1,876
-----------------------	---------

Expendable Trust Funds

Second Injury & Compensation Assurance	\$7,775
--	---------

Higher Education

Plant Funds - Unexpended	\$1,301
--------------------------	---------

Component Units

Connecticut Resources Recovery Authority (CRRRA)	\$14,101
CT Higher Education Supplemental Loan Authority	\$286
Connecticut Innovations, Incorporated (CII)	\$15,171

The General Fund and Consumer Counsel & Public Utility Control 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.

No action at this time has been addressed to eliminate the deficit balance in the Second Injury and Compensation Assurance Fund.

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 Correction Industries, Bradley, CRRRA, and CII have a deficit balance, the total fund equity of each fund is still positive. 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

STATE OF CONNECTICUT

Notes to the Financial Statements

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 counterparty to the investment or deposit transaction 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

At June 30, 1994, the carrying amount of the State's deposits was \$(145,682) for the Primary Government and \$150,819 for the Component Units. The corresponding bank balance for such deposits was \$65,796 for the Primary Government and \$118,134 for the Component Units. Of the bank balance for the Primary Government, \$7,079 was insured by the Federal Deposit Insurance Corporation (Category 1), \$6,673 was collateralized (Category 3), and \$52,044 was uninsured and uncollateralized (Category 3). Of the bank balance for the Component Units, \$7,622 was insured by the Federal Deposit Insurance Corporation (Category 1), \$6,602 was collateralized (Category 3), and \$103,910 was uninsured and uncollateralized (Category 3).

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 advice 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 nonexpendable 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, 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 nonexpendable 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.

Certain State agencies and component units are also authorized to invest in investment contracts and state and municipal bonds.

STATE OF CONNECTICUT

Notes to the Financial Statements

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.

The following schedules disclose the carrying amount and market value of the State's investments in total and by investment type as of June 30, 1994. 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.

INVESTMENTS - PRIMARY GOVERNMENT

Investment Type	Carrying Amount		Total	Market Value
	Category 1	Category 2		
Common Stock	\$ 3,148,329	\$286,723	\$ 3,435,052	\$ 3,792,816
U.S. Government & Agency Securities	1,234,961	-	1,234,961	1,225,763
Corporate Debt	1,875,443	-	1,875,443	1,847,471
Banker's Acceptances	501,374	-	501,374	501,374
Commercial Paper	84,449	-	84,449	84,449
International Common Stock	1,626,731	-	1,626,731	1,988,710
Mortgage Backed Securities	632,498	-	632,498	610,303
International Government Securities	563,357	-	563,357	594,944
Repurchase Agreements	194,253	-	194,253	194,253
International Corporate Debt	28,667	-	28,667	32,980
Certificates of Deposit - Negotiables	202,436	-	202,436	202,436
Collateralized Investment Agreements	146,186	-	146,186	146,262
State and Municipal Obligations	205,813	-	205,813	199,866
Other	950	-	950	958
	<u>\$10,445,447</u>	<u>\$286,723</u>	<u>10,732,170</u>	<u>11,422,585</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)	1,305,210	989,426
Commercial Mortgages Trust Funds	195,107	173,705
Deferred Compensation Plan Mutual Investments	283,801	283,801
Limited Partnerships	218,506	222,018
Tax Exempt Proceeds Fund	42,762	42,762
Guaranteed Investment Contracts	231,062	231,062
Short-term Investments with International Subcustodians	56,835	58,793
Investments held by broker-dealers under unsettled purchases (various securities)	293,513	290,383
Investments held by broker-dealers under reverse repurchase agreements (U.S. securities)	136,700	136,700
Total Investments	<u>\$13,495,666</u>	<u>\$13,851,235</u>

The pension trust funds own approximately 79 percent and 100 percent of the investments that are in category 1 and 2, respectively.

STATE OF CONNECTICUT

Notes to the Financial Statements

As of year end, the State held securities costing \$159,803 (market value \$160,116) under unsettled sales. These securities would have been classified under Category 1 of custodial credit risk if they were included in the investments schedule.

INVESTMENTS - COMPONENT UNITS

Investment Type	Category 1	Category 2	Category 3	Total	Market Value
U.S. Government & Agency Securities	\$ 7,696	\$1,054,232	\$25,827	\$1,087,755	\$1,091,114
Common Stock	-	-	2,650	2,650	2,650
Repurchase Agreements	-	40,695	-	40,695	40,695
Collateralized Investment Agreements	-	-	5,722	5,722	5,722
Other	18,255	2,017	245	20,517	20,542
	<u>\$25,951</u>	<u>\$1,096,944</u>	<u>\$34,444</u>	<u>1,157,339</u>	<u>1,160,723</u>

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

Guaranteed Investment Contracts	190,786	190,786
Fidelity Funds	30,922	30,922
Limited Partnerships	4,982	4,982
Other	47	47

Investments not categorized by component unit

Total Investments

111,071	111,071
<u>\$1,495,147</u>	<u>\$1,498,531</u>

CI, Inc. owns approximately 71% of the investments that are in Category 1. CHFA owns 100% of the investments that are in Category 2. CDA and CRRRA own approximately 52% and 30% of the investments that are in Category 3, respectively. CHEFA did not categorize a portion of its investments according to credit risk in its audited financial statements.

Reverse Repurchase Agreements

The State is authorized by statute to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. Normally the market value of the securities given to dealers under these agreements exceeds the amount of the obligation assumed by the State, providing the dealers a margin against a decline in market value of the securities. Thus, the State could suffer an economic loss if the dealers default on their obligations to resell these securities to the State or provide securities or cash of equal value. At year end, there was no credit exposure to the State in connection with these agreements.

Generally accepted accounting principles require the separate display of assets and liabilities arising from reverse repurchase agreements. For the State, the obligation under reverse repurchase agreements and underlying securities are included in the short-term pooled investment fund, which is not included in the combined financial statements. It would then be appropriate to allocate such obligation and underlying securities to the various funds with equity in the

investment fund. However, because participants in the investment fund are entitled only to amounts deposited in the fund plus accrued interest, they are not considered as having equity in the fund. Thus, the obligation under reverse repurchase agreements and underlying securities included in the investment fund at year end are reported in an agency fund in the combined balance sheet.

Note 5

TAXES RECEIVABLE

Taxes receivable consisted of the following as of June 30, 1994:

	General	Special Revenue
Sales and Use	\$290,401	\$ -
Income Taxes	41,439	-
Public Service Corporations	37,709	-
Hospital Gross Receipts	54,179	-
Gasoline and Special Fuel	-	39,843
Various Other	29,566	-
	<u>\$453,294</u>	<u>\$39,843</u>
Taxes Receivable		

STATE OF CONNECTICUT

Notes to the Financial Statements

Note 6

LOANS RECEIVABLE

Loans Receivable for the primary government and its component units, as of June 30, 1994, consisted of the following:

	<u>Primary Government</u>					
	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>Higher Education and University Hospital</u>	<u>Total</u>	<u>Component Units</u>
Mortgage	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,130,102
Industrial	-	-	-	-	-	182,242
Housing	171,186	100,481	-	-	271,667	-
Student	-	-	-	22,986	22,986	-
Other	116,212	-	261,532	5,129	382,873	88,383
Less:						
Allowance For Losses	-	-	-	1,586	1,586	74,134
Loans Receivable Net	<u>\$287,398</u>	<u>\$100,481</u>	<u>\$261,532</u>	<u>\$26,529</u>	<u>\$675,940</u>	<u>\$2,326,593</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 5% to 10.86%. As of June 30, 1994, loans in the amount of \$81,298 (including loans of \$5,449 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 \$9,472 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.

STATE OF CONNECTICUT

Notes to the Financial Statements

Note 7

RESTRICTED ASSETS

Restricted assets are defined as resources which are restricted by legal or contractual requirements. As of June 30, 1994, restricted assets for the primary government and its component units are comprised of the following:

	Primary Government			Component Units				
	Enterprise Bradley Int'l Airport	Trust and Agency Clean Water Fund	Total	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority	Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Total
Cash and Cash Equivalents	\$40,416	\$ 1,563	\$ 41,979	\$ -	\$ 77,814	\$ -	\$ 70,884	\$ 148,698
Investments	425	269,124	269,549	296,018	25,497	4,445	332,191	658,151
Interest Receivable	205	-	205	3,853	767	-	1,518	6,138
Other	906	-	906	-	-	-	1,612,577	1,612,577
Total	<u>\$41,952</u>	<u>\$270,687</u>	<u>\$312,639</u>	<u>\$299,871</u>	<u>\$104,078</u>	<u>\$4,445</u>	<u>\$2,017,170</u>	<u>\$2,425,564</u>

Note 8

PROPERTY, PLANT, AND EQUIPMENT

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

	Balance 7/1/93	Additions	Retire- ments	Con- struction	Balance 6/30/94
Land	\$ 284,383	\$ 24,819	\$10,117	\$ -	\$ 299,085
Buildings	1,227,045	18,380	21,958	243,192	1,466,659
Improvements Other Than Buildings	125,745	48,861	3,344	-	171,262
Machinery and Equipment	793,130	87,080	36,961	-	843,249
Construction in Progress	532,732	180,490	-	(243,192)	470,030
Total	<u>\$2,963,035</u>	<u>\$359,630</u>	<u>\$72,380</u>	<u>\$ -</u>	<u>\$3,250,285</u>

following as of June 30, 1994:

	Primary Government				Component Units
	Enterprise	Internal Service	Higher Education and University Hospital	Total	
Land	\$ 2,657	\$ -	\$ 30,952	\$ 33,609	\$ 21,706
Buildings	70,034	-	794,642	864,676	159,819
Improvements Other Than Buildings	102,029	107	52,722	154,858	83
Machinery and Equipment	6,531	92,000	558,529	657,060	161,361
Construction in Progress	706	-	24,778	25,484	4,009
Subtotal	181,957	92,107	1,461,623	1,735,687	346,978
Less:					
Accumulated Depreciation	45,325	61,502	-	106,827	79,415
Total	<u>\$136,632</u>	<u>\$30,605</u>	<u>\$1,461,623</u>	<u>\$1,628,860</u>	<u>\$267,563</u>

(2) Property, plant, and equipment for the primary government and its component units consisted of the

In proprietary and component units funds, the following estimated useful lives are used to compute depreciation: Buildings 10-40 years; Land Improvements 20-50 years; Machinery and Equipment 2-21 years.

STATE OF CONNECTICUT

Notes to the Financial Statements

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 SERS for the year ended June 30, 1994, was \$2,144.8 million while the State's total payroll was \$2,368.8 million.

■ Teachers' Retirement System (TRS) is the administrator of a single-employer defined benefit PERS, with the State acting as a nonemployer contributor, established in 1917 and governed by Sections 10-183b to 10-183mm of the General Statutes. Any teacher, principal, superintendent or supervisor engaged in service of public schools in Connecticut is covered by the TRS, as are professional employees of State schools of higher education if they choose to be covered. The TRS provides retire-

STATE OF CONNECTICUT

Notes to the Financial Statements

ment 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) with less than 5 years of credited service, 5% contributions with interest and b) with 5 or more years of credited service, 5% contributions with interest and 1% contributions without interest. 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, 1994, was \$1,952.4 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, 1994, was \$18.1 million, while the State's total payroll was \$2,368.8 million.

The following table summarizes membership by plans:

	SERS 7/1/93	TRS 7/1/93	JRS 10/1/93	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	27,059	18,382	166	45,607
Active plan participants:				
Vested	24,211	25,634	77	49,922
Nonvested	29,326	12,626	114	42,066
Total	53,537	38,260	191	91,988

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

STATE OF CONNECTICUT

Notes to the Financial Statements

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, 1993 for SERS and TRS, and as of October 1, 1993, 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 8.0% 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 7/1/93	TRS* 7/1/93	JRS 10/1/93	Total
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$3,908.7	\$3,463.3	\$ 86.8	\$7,458.8
Current employees - Accumulated employee contributions including allocated investment income	307.7	1,561.3	5.5	1,874.5
Employer-financed Vested	2,566.5	2,253.6	35.5	4,855.6
Non-vested	406.9	-	13.5	420.4
Total pension benefit obligation	7,189.8	7,278.2	141.3	14,609.3
Net assets available for benefits, at cost	3,695.6	5,144.5	51.6	8,891.7
Unfunded pension benefit obligation	\$3,494.2	\$2,133.7	\$ 89.7	\$5,717.6
Net assets available for benefits, at market	\$3,995.0	\$5,582.7	\$ 62.4	\$9,640.1

*The cost and market value of assets reflects the adjustment of \$263.1 million for the excess earnings account.

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 and 1993.

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 and JRS for 1994 was the same as the actual contribution. The actuarial computation of the full pension contribution requirement for the TRS for 1994 was \$145.8 million; however, only \$124.3 million was actually contributed reflecting a reduction of \$21.5 million by the legislature to the State's appropriation.

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

STATE OF CONNECTICUT

Notes to the Financial Statements

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>	<u>Total</u>
	(in millions)			
Contributions Made:				
By Employees	\$ 35.8	\$150.9	\$ 1.0	\$187.7
% of Covered Payroll	1.7%	7.7%	5.5%	
By State	\$248.4	\$124.3	\$8.3	\$381.0
% of Covered Payroll	11.6%	6.4%	45.9%	
Federal and Other Re- imbursements	\$ 61.8	-	-	\$ 61.8
% of Covered Payroll	2.9%			
Contributions Required:				
Normal Cost	\$188.9	\$41.7	\$ 4.7	\$235.3
% of Covered Payroll	8.8%	2.1%	26.0%	
Amortization of Unfunded Liability	\$121.3	\$104.1	\$ 3.6	\$229.0
% of Covered Payroll	5.7%	5.3%	19.9%	

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 76-79 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 1994 and for the SERS in 1994).

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				
	1994	51.4%	70.7%	36.5%
	1993	51.4%	69.8%	36.6%
	1992	52.3%	62.4%	37.0%
Unfunded pension benefit obligation as a percentage of annual covered payroll				
	1994	162.8%	109.3%	495.6%
	1993	167.9%	113.2%	511.1%
	1992	144.7%	155.4%	496.1%
State's contributions to the pension plan as a percentage of annual covered payroll				
	1994	11.6%	6.4%	45.9%
	1993	13.0%	6.1%	48.1%
	1992	10.0%	7.4%	46.0%

Other

- The Connecticut Alternate Retirement Program (CARP) is a defined contribution plan for unclassified employees and is governed by Section 5-156 of the General Statutes. Unclassified employees at any of the units of the Connecticut State System of higher education are eligible under state law to participate. The State is the only nonemployee contributor to the pension plan. As of June 30, 1994, the pension plan's current membership consisted of 4,149 employees.

A defined contribution pension plan provides pension benefits in return for services rendered, pro-

STATE OF CONNECTICUT

Notes to the Financial Statements

vides 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 \$199.4 million while the State's total payroll was \$2,368.8 million.

During the year the State's required and actual contributions amounted to \$16.0 million, which was 8% of the current-year CARP covered payroll. Employees' required and actual contributions amounted to \$9.9 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, 1994, 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 four retirees and one widow(er) receiving benefits. Total combined assets of both plans stood at \$445 thousand with \$27 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

STATE OF CONNECTICUT

Notes to the Financial Statements

and is governed by Sections 7-425 to 7-451 of the Connecticut General Statutes. As of July 1, 1993, there were 7,273 active members and 3,534 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 \$214.6 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 7.0% to 10.75% 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 1994 amounted to \$30.9 million of which \$23.1 million was made by the municipalities and \$7.8 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, 1993, is as follows: (amounts expressed in millions)

Total pension benefit obligation	\$573.1
Net assets available for benefits, at cost (market value \$624.5)	<u>508.6</u>
Unfunded pension benefit obligation	<u>\$ 64.5</u>

Historical trend information is presented on pages 76 and 80 in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

Connecticut Probate Judges and Employees' Retirement System

This system provides retirement benefits to Probate Court Judges and employees. As of June 30, 1994, there were 327 active members with 143 retirees and twelve widows(ers) receiving benefits.

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 \$291 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, 1993, 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.

STATE OF CONNECTICUT

Notes to the Financial Statements

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 5-257(d) and 5-259(a), to all employees who retire from the State. Currently 25,492 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, 1994, \$81.1 million was paid in postretirement benefits.

Note 13

CAPITAL AND OPERATING LEASES

a. 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:

1995	\$ 16,866
1996	17,082
1997	16,138
1998	16,196
1999	16,302
Thereafter	49,740
Total	<u>\$132,324</u>

Contingent revenues for the year ended June 30, 1994, were \$1,306.

b. State as Lessee

Obligations under capital leases and operating leases as of June 30, 1994, were \$84,353 for capital leases and \$7,936 for noncancelable operating leases in excess of one year. The following is a schedule of annual future

STATE OF CONNECTICUT

Notes to the Financial Statements

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, 1994:

	Operating Leases	Capital Leases Higher Educ.	General Long-term	Total Capital
1995	\$2,650	\$347	\$13,474	\$13,821
1996	2,266	44	8,197	8,241
1997	1,480	21	5,912	5,933
1998	772	5	4,292	4,297
1999	583	-	3,521	3,521
Thereafter	185	-	48,540	48,540
Total future mini- mum payments	<u>\$7,936</u>	<u>417</u>	<u>83,936</u>	<u>84,353</u>
Less: Imputed interest		<u>23</u>	<u>28,710</u>	<u>28,733</u>
Present value of net minimum lease payments		<u>\$394</u>	<u>\$55,226</u>	<u>\$55,620</u>

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 1994, totaled \$33,462.

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, 1994:

	Balance July 1, 1993	Issuances and Other Increases	Retirements and Other Decreases	Increase (Decrease) Accreted Value of Capital Appreciation Bonds	Balance June 30, 1994
General Obliga- tion Notes	\$ 705,610	\$ -	\$ 150,000	\$ -	\$ 555,610
General Obliga- tion Bonds	4,538,648	989,149	535,752	70,494	5,062,539
Transportation Related Bonds	2,592,348	579,790	306,784	(188)	2,865,166
Unemployment Compensation Bonds	-	1,020,700	-	-	1,020,700
Unfunded Pen- sion Costs	4,629,155	705,368	442,724	-	4,891,799
Compensated Absences	175,171	118,315	26,434	-	267,052
Worker's Compensation	303,864	55,680	64,745	-	294,799
Capital Leases	49,848	10,826	5,448	-	55,226
Total General Long-Term Debt Account Group	<u>\$12,994,644</u>	<u>\$3,479,828</u>	<u>\$1,531,887</u>	<u>\$70,306</u>	<u>\$15,012,891</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 \$2,580.4 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 \$9.2 million more than the net proceeds for the 1994 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, 1994, 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, 1994, no amount was outstanding on the lines of credit.

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 \$555.6 million, these notes mature on various dates through 1996 and bear interest rates from 5.25% to 6.8%.

Described on the following page are the future amounts needed to pay principal and interest on economic recovery notes outstanding at June 30, 1994.

STATE OF CONNECTICUT

Notes to the Financial Statements

Year Ending June 30,	Principal	Interest	Total
1995	\$239,900	\$ 27,510	\$267,410
1996	315,710	12,982	328,692
	<u>\$555,610</u>	<u>\$40,492</u>	<u>\$596,102</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:

Purpose of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding	Authorized But Unissued
Capital Improvements	1994-2013	4.218-9.875%	\$1,412,017	\$257,938
School Construction	1997-2012	4.2-9.75%	486,012	4,900
Municipal Redevelopment	1994-2011	3.25-10.25%	1,306,785	415,880
Elderly Housing	1995-2011	5.3-7.26%	43,838	151
Elimination of Water Pollution	1996-2012	4.4-8.25%	215,453	7,723
General Obligation Refunding	1997-2012	2.4-7.35%	1,317,050	-
Miscellaneous	1997-2008	4.625-8.95%	24,062	2,185
			<u>4,805,217</u>	<u>\$688,777</u>
Accretion-Various Capital Appreciation Bonds			257,322	
			<u>\$5,062,539</u>	

Future amounts needed to pay principal and interest on general obligation bonds outstanding at June 30, 1994, were as follows:

Year Ending June 30,	Principal	Interest	Total
1995	\$ 360,424	\$ 246,310	\$ 606,734
1996	394,410	226,449	620,859
1997	382,495	209,786	592,281
1998	374,114	195,805	569,919
1999	357,762	193,894	551,656
Thereafter	2,936,012	1,757,424	4,693,436
	<u>\$4,805,217</u>	<u>\$2,829,668</u>	<u>\$7,634,885</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 retire-

ment of principal and interest.

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

Purpose of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding	Authorized But Unissued
Public Transportation	1996-1999	5-8.25%	\$ 19,718	\$ 668
Interstate and Defense Highways	1995	8.25%	3,335	-
Specific Highways	1997	4.9-5.25%	3,220	19,900
Infrastructure Improvements	1996-2014	2.65-10%	2,756,727	708,712
General Obligation Refunding	1994-2004	5.15-9.75%	46,570	-
Other Transportation	1995-2008	4.218-9.25%	29,721	486
			<u>2,859,291</u>	<u>\$729,766</u>
Accretion-Various Capital Appreciation Bonds			5,875	
			<u>Total</u>	<u>\$2,865,166</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
1995	\$ 112,530	\$ 164,549	\$ 277,079
1996	129,700	156,670	286,370
1997	132,773	148,896	281,669
1998	143,145	140,668	283,813
1999	157,489	131,754	289,243
Thereafter	2,183,654	834,348	3,018,002
	<u>\$2,859,291</u>	<u>\$1,576,885</u>	<u>\$4,436,176</u>

Special Assessment Unemployment Compensation Advance Fund

In July, August, and September of 1994, 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% and shall be payable solely from the Unemploy-

STATE OF CONNECTICUT

Notes to the Financial Statements

ment Compensation Advance Fund and revenues and requisitional funds specifically pledged for their payment.

The State has no contingent obligation either directly or indirectly with the payment of these bonds.

Future amounts needed to pay principal and interest on special assessment unemployment compensation bonds were as follows:

Year Ending June 30	Principal	Interest	Total
1995	\$ 30,000	\$ 38,978	\$ 68,978
1996	50,000	38,206	88,206
1997	75,000	36,306	111,306
1998	95,000	33,251	128,251
1999	115,000	29,281	144,281
Thereafter	655,700	53,681	709,381
	<u>\$1,020,700</u>	<u>\$229,703</u>	<u>\$1,250,403</u>

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise funds, higher education and university hospital funds, and component units. Revenue bonds outstanding at June 30 were as follows:

Fund Type	Maturity Dates	Interest Rates	Amounts Outstanding
Primary Government:			
Enterprise:			
Bradley International Airport	2012	7-9.125%	\$ 95,625
Rental Housing	2000-2002	5.25-9.15%	126,987
Nonexpendable:			
Clean Water Fund	2009-2013	4.05-11%	325,245
Higher Education & University Hospitals:			
Investment in Plant	1994-2012	4.3-8.5%	77,060
Premium on Clean Water Fund bonds sold			3,827
	Total		<u>628,744</u>
Component Units:			
Conn. Development Authority	2002-2008	2.6-9.8%	126,610
Conn. Housing Finance Authority (as of 12-31-93)	2027	2-11%	2,840,480
Conn. Resources Recovery Authority	1995-2016	4.2-8.8%	419,822
Conn. Higher Education Supplemental Loan Authority	1995-2013	4.4-7.5%	56,010
Conn. Health & Educational Facilities Authority	1994-2024	4.32-14.94%	1,638,062
Discount on CHFA bonds sold			(23,004)
	Total		<u>\$5,057,980</u>

Revenue bonds issued by the component units 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.

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

Primary Government:

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, 1994, the following bonds were outstanding:

- Airport revenue refunding bonds in the amount of \$91,845. These bonds were issued in October, 1992, to redeem the 1982 revenue bonds, 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 \$3,780. These bonds were issued in 1989 to help pay for certain expenses (e.g. issuance costs, redemption premium) incurred in the issuance of the 1992 refunding bonds.

The State of Connecticut issued Clean Water Fund revenue bonds in the amount of \$325,245. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities, for use in connection with the financing or refinancing of waste water treatment projects.

Component Units

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

STATE OF CONNECTICUT

Notes to the Financial Statements

through its Self-Sustaining Bond Program and Umbrella Program. Under the Umbrella Program, bonds outstanding at June 30, 1994, were \$96,050. At year end, assets totaling \$101,298 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. Bonds issued under the Self-Sustaining Bond Program are discussed in the no-commitment debt section. In addition, the Authority has issued \$30,560 general obligation bonds in connection with the Authority's lease of the Hartford Civic Center in November, 1983.

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. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest: (1) The proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's general fund, and (3) all monies and securities of the Authority's general and capital reserve funds. In addition, all assets of the Authority's general and capital reserve funds (\$3,067,638) 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.

Connecticut Resources Recovery Authority's revenue bonds are issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the Authority and other receipts, accounts and monies pledged in the bond indentures.

Connecticut Higher Education Supplemental Loan Authority's revenue bonds are issued to provide loans

to assist in the financing of higher education. According to the bond resolutions, the Authority reports the bonds in either the Institution Bond Fund or the Individual Bond Fund, depending on whether the loans are made directly to individuals or indirectly through the intermediary of an educational institution. At year end, there were no outstanding bonds in the Institution Bond Fund.

Connecticut Health and Educational Facilities Authority's revenue bonds are issued to assist certain health care institutions, institutions of higher education and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions. The Authority generally holds title to, or has first mortgages on, the buildings and related facilities financed by the bonds. The terms of the lease, mortgage and loan payments receivable from the institutions correspond to the amortization requirements of related bonds payable. On final payment of a bond issue, the title to or security interest in the building and related facilities reverts to the institution. Prior to July 1, 1979, the Authority issued general obligation bonds for which the Authority is ultimately responsible for the payment of principal and interest when due. After July 1, 1979, the Authority has issued special obligation bonds for which the principal and interest is payable solely from the revenues of the institutions. At year end, the Authority had \$41,210 and \$1,596,852 in outstanding general obligation and special obligation bonds, respectively.

Each Authority has established special capital revenue funds, which secure all the outstanding bonds of the Authority at year end (except as discussed below). These funds are usually maintained at an amount equal to next year's bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year in the event that the Authority is unable to do so. For the Connecticut Resources Recovery Authority and the Connecticut Health and Educational Facilities Authority, bonds outstanding at year end in the amount of \$383,637 and \$48,220, respectively, were secured by the special capital reserve funds.

STATE OF CONNECTICUT

Notes to the Financial Statements

Future amounts required to pay principal and interest on revenue bonds outstanding at June 30, 1994, were as follows:

Year Ending June 30,	<u>Primary Government</u>				Higher Education and University <u>Hospital Funds</u>		<u>Component Units</u>	
	<u>Enterprise Funds</u>	<u>Nonexpendable Trust</u>			<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1995	\$ 3,507	\$12,738	\$ 9,655	\$ 20,078	\$10,621	\$ 4,122	\$ 156,357	\$ 303,125
1996	3,935	15,003	12,490	19,347	5,377	3,759	166,406	297,892
1997	4,995	14,654	15,395	18,265	4,972	3,452	183,477	287,529
1998	8,130	14,295	15,730	17,295	4,798	3,176	211,370	277,057
1999	14,960	13,628	16,075	16,375	4,852	2,904	188,694	266,840
Thereafter	187,085	68,629	255,900	121,155	46,440	15,585	4,174,680	2,751,319
	<u>\$222,612</u>	<u>\$138,947</u>	<u>\$325,245</u>	<u>\$212,515</u>	<u>\$77,060</u>	<u>\$32,998</u>	<u>\$5,080,984</u>	<u>\$4,183,762</u>

No-commitment Debt

Under the Self-Sustaining Bond Program, the Connecticut Development Authority issues revenue bonds to finance such projects as described previously in the component units 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, 1994 were \$1,639.5 million bearing rates ranging from 1.9% 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, 1994 were \$366.1 million bearing interest rates ranging from 6% to 10.4%. Of this amount, \$147.3 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 component units section. There were no deficiencies in the fund at year end.

Debt Refundings

During the year, the State sold \$513.9 million in general and special tax obligations with an average rate of 4.5% to advance refund \$444.8 million in outstanding general and special tax obligations (including \$7.2 million reported as a liability in the Higher Education and University Hospital fund) with an average rate of 6.7%. The proceeds of the refunding bonds were used to purchase U.S. government securities, which 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 sixteen years by \$23.7 million and obtained an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$19.5 million.

STATE OF CONNECTICUT

Notes to the Financial Statements

As of June 30, 1994, \$1,721.2 million of outstanding general obligation and special tax obligation bonds (including prior year's refundings) are considered defeased.

Note Payable

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

Year Ending June 30,	Principal	Interest	Total
1995	\$1,203	\$ 507	\$1,710
1996	1,295	415	1,710
1997	1,395	315	1,710
1998	1,502	208	1,710
1999	1,617	93	1,710
	<u>\$7,012</u>	<u>\$1,538</u>	<u>\$8,550</u>

Note 16

INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 1994, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 106,993	\$ 317,494
Special Revenue:		
Transportation	10,239	934
Workers' Compensation	-	153
Banking	-	162
Consumer Counsel & Public		
Utility Control	-	156
Insurance	-	137
Criminal Injuries	1	-
Regional Market	-	10
Soldiers, Sailors, & Marines	296	520
Employment Security	280	3,960
Grant and Loan Programs	10	949
Environmental Programs	-	1,467
Housing Programs	-	167
Other	4,532	127
	<u>15,358</u>	<u>8,742</u>

Debt Service		5,966
Capital Projects:		
State Facilities	219,216	1,123
Infrastructure	45,466	917
Transportation	-	2
	<u>264,682</u>	<u>2,042</u>
Enterprise:		
Rental Housing	-	88,807
Bradley	289	1,836
Other	31	1
	<u>320</u>	<u>90,644</u>
Internal Service:		
Correction Industries	170	3
Administrative Services	3,706	433
	<u>3,876</u>	<u>436</u>
Expendable Trust:		
Employment Security	3,858	7,228
Nonexpendable Trust:		
Clean Water	1,041	-
Soldiers, Sailors, & Marines	507	296
	<u>1,548</u>	<u>296</u>
Pension Trust:		
State Employees	3,157	-
Agency:		
Payroll & Fringe Benefit	2,014	-
Receipts Pending Distribution	-	12,530
Other	5,167	-
	<u>7,181</u>	<u>12,530</u>
Higher Education & University Hospital:		
Current Unrestricted	43,159	4,777
Current Restricted	100	570
Hospital Funds	668	1,314
Endowment	-	1
Loan Funds	167	-
Agency Funds	-	9
Unexpended	2	4
	<u>44,096</u>	<u>6,675</u>
Component Units:		
Ct. Development Authority	984	-
Ct. Resources Recovery	3,180	3,180
	<u>4,164</u>	<u>3,180</u>
Totals	<u>\$455,233</u>	<u>\$455,233</u>

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

STATE OF CONNECTICUT

Notes to the Financial Statements

Note 17

RESTATEMENTS

During the fiscal year ended June 30, 1994, the beginning fund balances/retained earnings for the following funds were restated as follows:

	Balance 6-30-93 Previously Reported	New GASB Pronouncements	Fund Reclassification	Correction of Reported Assets/ Liabilities	Balance 6/30/93 As Restated
Special Revenue:					
Grant and Loan Programs	\$241,612	\$ (25,346)	\$ -	\$ -	\$216,266
Environmental Programs	574,706	-	(438,133)	-	136,573
Enterprise:					
Bradley International Airport	(2,662)	(341)	-	-	(3,003)
Ct. Development Authority	28,444	(28,444)	-	-	-
Ct. Housing Finance Authority	309,338	(309,338)	-	-	-
Ct. Resources Recovery Authority	2,362	(2,362)	-	-	-
Nonexpendable Trust:					
Clean Water	-	-	179,796	-	179,796
Higher Education and University Hospital:					
Current Restricted	35,171	-	-	\$(359)	34,812
Hospital	11,089	-	-	(196)	10,893
Component Units:					
Ct. Development Authority	-	28,444	-	-	28,444
Ct. Housing Finance Authority	-	309,338	-	-	309,338
Ct. Resources Recovery Authority	-	(8,699)	-	-	(8,699)
Ct. Higher Education Supplemental Loan Authority	-	(674)	-	-	(674)
Ct. Health & Educational Facilities Authority	-	7,863	-	-	7,863
Ct. Innovations, Incorporated	-	(16,699)	-	-	(16,699)

The Clean Water Fund was reclassified as a nonexpendable trust fund in order to conform with classification used in audited financial statements.

The Connecticut Development Authority, the Connecticut Housing Finance Authority, the Connecticut Resources Recovery Authority, and Connecticut Innovations, Incorporated were reclassified as component units due to the implementation of GASB Statement No. 14, "The Financial Reporting Entity". Also, the Connecticut Higher Education Supplemental Loan Authority and the Connecticut Health and Educational Facilities Authority were added to the reporting entity. The effect of this implementation was to increase the equity of the reporting entity by \$8,480 at year end.

The Connecticut Resources Recovery Authority also implemented GASB Statement No. 18, "Accounting

for Municipal Solid Waste Landfill Closure and Postclosure Care Cost". The effect of this implementation was to reduce the Authority's beginning retained earnings by \$11,061.

Note 18

RESERVED RETAINED EARNINGS, RESERVED FUND BALANCES, AND CONTRIBUTED CAPITAL

Reserved Retained Earnings

Bradley International Airport, an enterprise fund, has \$14,744 restricted for debt service requirements and other programs of the airport. The Connecticut Housing Finance Authority, a component unit, has \$323,255 restricted for debt service requirements and other programs of the Authority. The Connecticut Resources Recovery Authority, a component unit, has \$14,366 restricted for specific purposes.

STATE OF CONNECTICUT

Notes to the Financial Statements

Reserved Fund Balances

These balances are comprised as follows:

Reserved For	General	Special Revenue	Fund Type Debt Service	Trust and Agency	Higher Education
Petty Cash	\$ 1,032	\$ -	\$ -	\$ -	\$ -
Long-Term Advances	88,108	-	-	-	-
Inventories	54,781	11,924	-	-	-
Continuing Appropriations	262,670	44,491	-	-	-
Debt Service	19,655	-	489,584	-	-
Loans	-	287,398	-	-	-
Pension Obligations	-	-	-	10,570,098	-
Trust Activities	-	-	-	243,859	-
Restricted	-	-	-	-	107,928
Endowment	-	-	-	-	4,034
	<u>\$426,246</u>	<u>\$343,813</u>	<u>\$489,584</u>	<u>\$10,813,957</u>	<u>\$111,962</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 restricted and endowment represents amounts restricted for specific educational programs by federal grants and private gifts, and amounts reserved for student loans and debt service.

Contributed Capital

The following is a summary of changes in the contributed capital accounts for the year ended June 30, 1994:

	Primary Government	Component Units		
		Connecticut Development Authority	Connecticut Resources Recovery Authority	Connecticut Innovations, Incorporated
Balance July 1, 1993	\$92,896	\$101,581	\$2,752	\$53,056
Contributions	3,090	30,759	-	6,755
Items added back to retained earnings	-	-	(694)	-
Balance June 30, 1994	<u>\$95,986</u>	<u>\$132,340</u>	<u>\$2,058</u>	<u>\$59,811</u>

Note 19

SEGMENT INFORMATION - ENTERPRISE FUNDS

The State maintains three enterprise funds which provide financing for State housing programs, airport services, and vocational education. Segment information for the year ended June 30, 1994, is as follows:

	Rental Housing	Bradley International Airport	Other
Operating Revenue	\$ 15,167	\$ 27,986	\$2,615
Depreciation and Amortization Expense	5	7,197	5
Operating Income (Loss)	2,171	1,823	(194)
Operating Transfers Out	(1,143)	-	-
Net Non-operating Revenues (Expenses)	-	(906)	-
Net Income (Loss)	1,028	917	(194)
Contributed Capital	-	95,986	350
Property, Plant & Equipment: Additions	-	2,865	7
Net Working Capital	12,272	8,590	908
Total Assets	159,604	196,395	1,195
Bond and Other Long-Term Liabilities Payable from Operating Revenues	126,987	95,625	-
Total Equity	(59,826)	93,900	1,088

STATE OF CONNECTICUT

Notes to the Financial Statements

Note 20

CONDENSED FINANCIAL STATEMENTS - COMPONENT UNITS

Balance Sheets

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority	Connecticut Health & Educational Facilities Authority	Other	Total
Assets:						
Current assets	\$ 98,805	\$ 845,351	\$ 46,797	\$ 8,697	\$ 43,173	\$1,042,823
Property, plant, and equipment	2,236	2,810	262,072	200	245	267,563
Restricted assets	-	299,871	104,078	2,017,170	4,445	2,425,564
Other Assets	227,142	2,099,588	52,396	-	56,437	2,435,563
Total Assets	\$328,183	\$3,247,620	\$465,343	\$2,026,067	\$104,300	\$6,171,513
Liabilities and Equity:						
Liabilities:						
Current liabilities	\$ 15,492	\$ 105,702	\$ 27,186	\$ 56,591	\$ 3,936	\$ 208,907
Revenue bonds	126,610	2,817,476	419,822	1,638,062	56,010	5,057,980
Other liabilities	28,654	-	16,012	322,648	-	367,314
Total Liabilities	170,756	2,923,178	463,020	2,017,301	59,946	5,634,201
Equity:						
Contributed capital	132,340	-	2,058	-	59,811	194,209
Retained earnings	25,087	324,442	265	8,766	(15,457)	343,103
Total Equity	157,427	324,442	2,323	8,766	44,354	537,312
Total Liabilities and Equity	\$328,183	\$3,247,620	\$465,343	\$2,026,067	\$104,300	\$6,171,513

Statements of Revenues, Expenditures, and Changes in Equity

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority	Connecticut Health & Educational Facilities Authority	Other	Total
Operating Revenues	\$ 21,586	\$240,146	\$144,270	\$87,241	\$ 8,751	\$501,994
Operating Expenses:						
Depreciation and amortization	543	6,786	15,965	26	204	23,524
Other	23,008	235,367	98,342	86,721	9,584	453,022
Operating Income (Loss)	(1,965)	(2,007)	29,963	494	(1,037)	25,448
Nonoperating Revenues (Expenses)	(1,392)	17,111	(21,693)	409	2,953	(2,612)
Net Income (Loss) for the Year	(3,357)	15,104	8,270	903	1,916	22,836
Equity - beginning	130,025	309,338	(5,947)	7,863	35,683	476,962
Capital contributions	30,759	-	-	-	6,755	37,514
Equity - ending	\$157,427	\$324,442	\$ 2,323	\$ 8,766	\$44,354	\$537,312

STATE OF CONNECTICUT

Notes to the Financial Statements

Note 21

RELATED ORGANIZATIONS

Related organizations are legally separate organizations which are not financially accountable to the State. However, these organizations are still related to the State as discussed next.

The State is responsible for appointing the members of the governing boards of the following organizations: Connecticut Housing Authority, University of Connecticut Educational Properties, Inc., and the Connecticut Student Loan Foundation. However, the State's accountability for these organizations does not extend beyond making the appointments. During the fiscal year, the Connecticut Housing Authority received \$6 million in financial assistance from the State for housing rehabilitation and as of June 30, 1994, the Connecticut Student Loan Foundation owed the State \$84.8 million under a revolving loan agreement.

The University of Connecticut Foundation, Inc., a not-for-profit entity, was created 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. During the fiscal year, the Foundation gave \$2.2 million in aid to the University.

Note 22

COMMITMENTS AND CONTINGENCIES

A. Commitments

At June 30, 1994, the State, including its component units, had the following outstanding commitments:

- 1) Infrastructure (highways, roads, etc.) and other construction contracts and miscellaneous contracts with various vendors totaling approximately \$1,229 million of which \$895 million is expected to be reimbursed by Federal grants.

- 2) School construction and alteration grants with various towns for \$753 million and interest costs of \$348 million for a total of \$1,101 million. Funding for these projects is expected to come from bond sales.
- 3) Loan commitments, mortgage and grant programs, and loan guarantees totaling approximately \$413 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, 1994, amounts due lottery winners totaled \$871.5 million.

The State enacted laws in the 1980's which earmarked interest earned in certain bonds to be exempt from State corporation taxes. As a result, the State has now begun to receive applications for corporate tax refunds based on a provision of the Federal tax law which allows interest earned on United States Treasury bonds and notes to be excluded in an income computation under a State corporation tax if interest earnings from certain State and local bonds are also excluded in the income computation. Approximately \$72 million in applications have been received through December with the final amount to be potentially much higher. The commissioner of the Department of Revenue Services, who has up to 180 days to rule on any pending claims, has not made a ruling and State officials are currently in the process of analyzing all the legal issues involved.

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.

STATE OF CONNECTICUT

Notes to the Financial Statements

The maximum principal amount authorized to be secured by the capital reserve fund is \$35 million and the amount outstanding is \$27 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 \$28 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.

D. Loss Contingencies

In late 1994, a review by outside investment managers retained by the State Treasurer has indicated that certain real estate and commercial mortgage investments owned by the various pension trust funds may have

suffered a permanent impairment of value of approximately \$177 million. At this time, the Office of the Treasurer is reviewing the findings in order to ascertain their validity and will not make a final determination until early in 1995.

Note 23

SUBSEQUENT EVENTS

In August, \$185 million of general obligation bonds were issued, maturing at various dates through 2012 and having interest rates of 5.25% to 6%.

In September, \$200 million of special tax obligation bonds for transportation infrastructure programs were issued. These consisted of \$200 million of serial bonds maturing on various dates through 2014 and bearing interest rates of 5.5% to 6.25%.

In October and November, the State issued \$135.1 million of general obligation bonds consisting of \$70.1 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 1999 to 2013 at interest rates ranging from 5% to 6.3%. The current interest bonds mature on various dates through the year 2011 and have interest rates of 5.4% to 6.3%. The total redemption amount for the capital appreciation bonds is approximately \$129.4 million.

In December, \$74.3 million of taxable general obligation bonds were issued, maturing at various dates through 2004 and having interest rates of 8.2% to 9.5%.

In November, the courts struck down a Connecticut law designed to spread the cost of hospital care for patients without insurance by compensating hospitals that bear a disproportionate share of caring for the poor and to generate federal Medicaid program reimbursements based on those payments. The State will appeal the court's decision but an adverse final judgement could cause the loss of approximately \$150 million in payments from the federal government.

THIS PAGE LEFT INTENTIONALLY BLANK

***Required
PERS
Supplementary
Information***

STATE OF CONNECTICUT

Required Supplementary Information

Analysis of Fund Progress

(Expressed in Millions)

	(1)	(2)	(3)	(4)	(5)	(6)
Fiscal Year	Net Assets Available for Benefits*	Pension Benefit Obligation	% Funded (1)/(2)	Unfunded Pension Benefit Obligation (2)-(1)	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
State Employees' Retirement System						
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%
1994	\$3,695.6	\$7,189.8	51.4%	\$3,494.2	\$2,144.8	162.9%
Teachers' Retirement System						
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%
1994	\$5,144.5	\$7,278.2	70.7%	\$2,133.7	\$1,952.4	109.3%
Judicial Retirement System						
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%
1994	\$51.6	\$141.3	36.5%	\$89.7	\$18.1	495.6%
Municipal Employee's Retirement System						
1988	\$279.0	\$346.0	80.6%	\$67.0	\$144.0	46.5%
1989	\$348.0	\$388.0	89.7%	\$40.0	\$160.0	25.0%
1990	\$378.0	\$438.0	86.3%	\$60.0	\$185.0	32.4%
1991	\$411.9	\$469.6	87.7%	\$57.7	\$186.3	31.0%
1992	\$441.0	\$533.0	82.7%	\$92.0	\$195.0	47.2%
1993	\$475.0	\$526.3	90.3%	\$51.3	\$203.0	25.3%
1994	\$508.6	\$573.1	88.7%	\$64.5	\$214.6	30.1%

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 OF CONNECTICUT

State Employees' Retirement System Required Supplementary Information Revenues by Source and Expenses by Type

(Expressed in Millions)

Fiscal Year	Employee Contributions	Revenues by Source				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
1985	\$30.1	\$196.2	18.7%	\$76.5	\$38.6	\$341.4
1986	\$30.5	\$234.2	19.7%	\$89.8	\$39.5	\$394.0
1987	\$27.8	\$275.8	21.2%	\$102.8	\$43.0	\$449.4
1988	\$28.0	\$272.3	19.1%	\$144.6	\$50.6	\$495.5
1989	\$28.7	\$324.3	20.5%	\$180.8	\$49.0	\$582.8
1990	\$29.2	\$288.4	16.4%	\$260.6	\$53.6	\$631.8
1991	\$33.8	\$208.8	11.6%	\$179.7	\$60.0	\$482.3
1992	\$33.2	\$195.3	10.0%	\$312.7	\$51.4	\$592.6
1993	\$32.9	\$250.8	13.0%	\$297.8	\$42.6	\$624.1
1994	\$35.8	\$248.4	11.6%	\$356.3	\$61.8	\$702.3

Fiscal Year	Expenses by Type				
	Benefits	Administrative	Refunds	Other	Total
1985	\$126.7	\$1	\$13.7	-	\$140.5
1986	\$140.2	\$1	\$5.8	\$1	\$146.2
1987	\$154.9	\$1	\$2.8	-	\$157.8
1988	\$171.7	\$2	\$2.7	\$6	\$175.2
1989	\$192.6	\$1.9	\$2.2	\$6	\$197.3
1990	\$248.4	\$5	\$1.8	\$7	\$251.4
1991	\$272.1	\$2	\$1.8	-	\$274.1
1992	\$303.9	\$1	\$3.0	-	\$307.0
1993	\$351.9	\$2	\$2.2	-	\$354.3
1994	\$367.6	\$2	\$2.3	-	\$370.1

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1985 through 1989 and 1994. From 1990 through 1993 the actuarially determined contribution requirements were \$354.4 million, \$398 million, \$431.2 million, and \$447.8 million, while the actual contributions were \$341.4 million, \$263.8 million, \$246.7 million, and \$293.4 million, respectively.

STATE OF CONNECTICUT

State Teachers' Retirement System

Required Supplementary Information

Revenues by Source and Expenses by Type

(Expressed in Millions)

Fiscal Year	Employee Contributions	Revenues by Source				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
1985	\$61.1	\$146.4	16.5%	\$152.3	-	\$359.8
1986	\$67.0	\$175.8	18.0%	\$167.2	-	\$410.0
1987	\$75.5	\$204.7	19.2%	\$187.5	-	\$467.7
1988	\$89.6	\$242.5	20.3%	\$237.2	-	\$569.3
1989	\$100.1	\$282.9	20.6%	\$269.8	-	\$652.8
1990	\$106.9	\$321.6	20.9%	\$351.2	\$1.4	\$781.1
1991	\$115.0	\$158.4	9.5%	\$292.3	\$2.6	\$565.9
1992	\$124.9	\$133.0	7.4%	\$469.2	\$2.8	\$729.7
1993	\$149.5	\$111.6	6.1%	\$450.6	\$2.1	\$714.5
1994	\$150.9	\$124.3	6.4%	\$518.6		\$795.9

Fiscal Year	Expenses by Type			
	Benefits	Refunds	Other	Total
1985	\$127.8	\$11.5	-	\$139.3
1986	\$141.0	\$10.6	-	\$151.6
1987	\$154.8	\$6.5	-	\$161.3
1988	\$168.9	\$5.6	-	\$174.5
1989	\$183.7	\$5.8	-	\$189.5
1990	\$210.7	\$6.8	-	\$217.5
1991	\$243.9	\$6.8	\$13.2	\$263.9
1992	\$278.1	\$8.3	\$8.8	\$295.2
1993	\$333.6	\$11.4	\$25.8	\$370.8
1994	\$354.2	\$6.4	\$28.0	\$388.6

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1985 through 1988. From 1989 through 1994 the actuarially determined contribution requirements were \$302.9 million, \$348.6 million, \$304.3 million, \$325 million, \$299.6 million, and \$145.8 million respectively, while the actual contributions made were \$282.9 million, \$321.6 million, \$158.3 million, \$133.0 million, \$111.6 million, and \$124.3 million respectively.

STATE OF CONNECTICUT

Judicial Retirement System

Required Supplementary Information

Revenues by Source and Expenses by Type

(Expressed in Millions)

Fiscal Year	Employee Contributions	Revenues by Source				Total
		State Contributions		Investment Income	Other	
		Dollar Amount	% of Annual Covered Payroll			
1985	\$4	\$6.0	76.0%	\$2	-	\$6.6
1986	\$5	\$7.3	88.7%	\$4	-	\$8.2
1987	\$5	\$8.6	97.8%	\$6	-	\$9.7
1988	\$6	\$9.9	102.1%	\$1.1	-	\$11.6
1989	\$6	\$10.4	99.0%	\$1.7	-	\$12.7
1990	\$7	\$10.8	91.5%	\$3.0	-	\$14.5
1991	\$7	\$11.4	79.2%	\$2.6	\$2	\$14.9
1992	\$8	\$7.0	46.0%	\$4.2	-	\$12.0
1993	\$9	\$7.8	48.1%	\$4.7	-	\$13.4
1994	\$1.0	\$8.3	45.9%	\$5.4	-	\$14.7

Fiscal Year	Benefits	Expenses by Type	
		Administrative & Other	Total
1985	\$3.8	\$-	\$3.8
1986	\$4.2	\$-	\$4.2
1987	\$4.6	\$-	\$4.6
1988	\$4.9	\$-	\$4.9
1989	\$5.4	\$2	\$5.6
1990	\$5.9	\$-	\$5.9
1991	\$6.3	\$-	\$6.3
1992	\$7.0	\$-	\$7.0
1993	\$7.7	\$-	\$7.7
1994	\$8.2	\$-	\$8.2

Contributions were made in accordance with actuarially determined contribution requirements for fiscal years 1985-1994, except 1992. In 1992, the actuarially determined contribution requirement was \$10.6 million, while the actual contribution was \$7 million.

STATE OF CONNECTICUT

Municipal Employees' Retirement System Required Supplementary Information Revenues by Source and Expenses by Type

(Expressed in Millions)

Revenues by Source

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>% of Annual Covered Payroll</u>	<u>Investment Income</u>	<u>Total</u>
1985	\$3.9	\$10.0	N/A	\$18.0	\$31.9
1986	\$4.5	\$11.5	N/A	\$20.0	\$36.0
1987	\$7.3	\$13.3	N/A	\$22.1	\$42.7
1988	\$6.1	\$16.4	11.4%	\$60.6	\$83.1
1989	\$7.6	\$19.5	12.2%	\$20.2	\$47.3
1990	\$6.6	\$18.7	10.1%	\$24.7	\$50.0
1991	\$6.9	\$22.0	11.8%	\$26.3	\$55.2
1992	\$7.0	\$22.4	11.5%	\$29.9	\$59.3
1993	\$7.3	\$24.1	11.9%	\$29.6	\$61.0
1994	\$7.8	\$23.1	10.8%	\$27.4	\$58.3

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Total</u>
1985	\$8.6	\$0.5	\$9.1
1986	\$9.5	\$0.7	\$10.2
1987	\$11.6	\$0.7	\$12.3
1988	\$13.0	\$0.8	\$13.8
1989	\$15.0	\$1.1	\$16.1
1990	\$17.4	\$1.2	\$18.6
1991	\$21.1	\$2.4	\$23.5
1992	\$24.2	\$1.0	\$25.2
1993	\$26.5	\$0.8	\$27.3
1994	\$29.2	\$0.9	\$30.1

Contributions were made in accordance with actuarially determined contribution requirements.

SOURCE: Municipal Employees' Retirement System Actuarial Report as of June 30, 1994

Combining Financial Statements

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

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.

Mashantucket Pequot Fund:

to account for casino gambling monies collected from the Mashantucket Pequot Tribe in Ledyard to be used for the purpose of distribution to towns.

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.

STATE OF CONNECTICUT

Combining Balance Sheet Special Revenue Funds

June 30, 1994

(Expressed in Thousands)

	Transportation	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries	Mashantucket Pequot Fund
Assets:							
Cash and Cash Equivalents	\$ 30,425	\$18,047	\$7,917	\$ 627	\$2,440	\$168	\$9
Investments	-	-	-	-	-	-	-
Receivables:							
Taxes	39,843	-	-	-	-	-	-
Accounts, Net of Allowances	2,794	-	-	-	-	-	-
Loans, Net of Allowances	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Non Federal Grants Receivable	495	-	-	-	-	-	-
Due From Other Funds	10,239	-	-	-	-	1	-
Receivable From Other Governments	8,678	-	-	-	-	-	-
Inventories and Prepaids	11,924	-	-	-	-	-	-
Total Assets	\$104,398	\$18,047	\$7,917	\$ 627	\$2,440	\$169	\$9
Liabilities and Fund Balances:							
Liabilities:							
Accounts Payable and Accrued Liabilities ...	\$ 21,318	\$ 838	\$ 431	\$ 1,221	\$ 353	\$ 1	\$-
Due to Other Funds	934	153	162	156	137	-	-
Advances Due Other Funds	-	-	-	-	-	-	-
Payable to Other Governments	-	-	-	-	-	-	-
Deferred Revenue	22,033	-	-	1,068	1,189	-	-
Total Liabilities	44,285	991	593	2,445	1,679	1	-
Fund Balances:							
Reserved for Inventories	11,924	-	-	-	-	-	-
Reserved for Loans	-	-	-	-	-	-	-
Reserved for Continuing Appropriations	44,491	-	-	-	-	-	-
Unreserved, undesignated	3,698	17,056	7,324	(1,818)	761	168	9
Total Fund Balances	60,113	17,056	7,324	(1,818)	761	168	9
Total Liabilities and Fund Balances	\$104,398	\$18,047	\$7,917	\$ 627	\$2,440	\$169	\$9

Regional Market	Soldiers, Sailors, & Marines	Employment Security Administration	Lottery & OTB	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$133	\$361	\$ -	\$ 5,221	\$150,212	\$ 65,730	\$ 68,581	\$ 10,161	\$360,032
-	-	-	-	-	30,336	-	-	30,336
-	-	-	-	-	-	-	-	39,843
-	-	-	4,279	-	11,662	650	721	20,106
-	-	-	-	75,292	40,908	171,186	12	287,398
-	1	7	1	341	6,342	141	37	6,870
-	-	-	-	-	-	-	-	495
-	296	280	-	10	-	-	4,532	15,358
-	-	9,856	-	420	161	717	99	19,931
-	-	-	-	-	-	-	-	11,924
<u>\$133</u>	<u>658</u>	<u>\$10,143</u>	<u>\$9,501</u>	<u>\$226,275</u>	<u>\$ 155,139</u>	<u>\$241,275</u>	<u>\$15,562</u>	<u>\$792,293</u>
\$ 27	\$ 38	\$3,508	\$ 14,676	\$ 3,558	\$ 2,473	\$ 584	\$ 4,221	\$ 53,247
10	520	3,960	-	949	1,467	134	127	8,709
-	-	-	-	-	-	33	-	33
-	-	-	-	-	-	-	681	681
-	-	-	969	-	3,358	374	761	29,752
<u>37</u>	<u>558</u>	<u>7,468</u>	<u>15,645</u>	<u>4,507</u>	<u>7,298</u>	<u>1,125</u>	<u>5,790</u>	<u>92,422</u>
-	-	-	-	-	-	-	-	11,924
-	-	-	-	75,292	40,908	171,186	12	287,398
-	-	-	-	-	-	-	-	44,491
96	100	2,675	(6,144)	146,476	106,933	68,964	9,760	356,058
96	100	2,675	(6,144)	221,768	147,841	240,150	9,772	699,871
<u>\$133</u>	<u>\$658</u>	<u>\$10,143</u>	<u>\$ 9,501</u>	<u>\$226,275</u>	<u>\$ 155,139</u>	<u>\$241,275</u>	<u>\$ 15,562</u>	<u>\$792,293</u>

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Special Revenue Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Transportation	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries	Mashantucket Pequot Fund
Revenues:							
Taxes	\$ 430,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Fees	255,227	-	13,128	9	252	1,458	-
Intergovernmental	44,817	-	-	-	-	-	-
Charges for Services	19,727	-	7	-	-	-	-
Fines, Forfeits, and Rents	-	-	759	14	-	-	-
Investment Earnings	4,900	-	-	-	-	-	-
Lottery and Off Track Betting	-	-	-	-	-	-	-
Miscellaneous	142	25,272	4	12,701	10,775	109	-
Total Revenues	755,672	25,272	13,898	12,724	11,027	1,567	-
Expenditures:							
Current:							
General Government	1,749	-	-	-	-	-	88,115
Regulation and Protection	96,415	18,828	11,293	12,553	7,820	-	-
Natural Resources and Recreation	-	-	-	-	-	-	-
Health and Hospitals	-	-	-	-	-	-	-
Transportation	348,371	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education, Libraries, and Museums	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	1,281	-
Federal and Other Grants	37,754	-	-	-	-	-	-
Debt Service:							
Principal Retirement	34,440	-	-	-	-	-	-
Interest and Fiscal Charges	17,675	-	-	-	-	-	-
Total Expenditures	536,404	18,828	11,293	12,553	7,820	1,281	88,115
Excess (Deficiency) of Revenues Over Expenditures ...	219,268	6,444	2,605	171	3,207	286	(88,115)
Other Financing Sources (Uses):							
Proceeds from Sale of Bonds	-	-	-	-	-	-	-
Operating Transfers In	21,515	-	-	-	-	8	88,124
Operating Transfers Out	(251,264)	-	-	-	-	-	-
Capital Lease Obligations	6,282	43	-	-	-	-	-
Total Other Financing Sources (Uses)	(223,467)	43	-	-	-	8	88,124
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(4,199)	6,487	2,605	171	3,207	294	9
Fund Balances (deficit) - July 1 (as restated)	60,926	10,569	4,719	(1,989)	(2,446)	(126)	-
Changes in Reserves for Inventories	3,386	-	-	-	-	-	-
Fund Balances (deficit) - June 30	\$ 60,113	\$17,056	\$ 7,324	\$ (1,818)	\$ 761	\$ 168	\$ 9

<u>Regional Market</u>	<u>Soldiers, Sailors, & Marines</u>	<u>Employment Security Administration</u>	<u>Lottery & OTB</u>	<u>Grant & Loan Programs</u>	<u>Environmental Programs</u>	<u>Housing Programs</u>	<u>Other</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,636	\$ -	\$ 3,751	\$ 442,246
34	-	2	-	-	13,769	-	23,856	307,735
-	-	115,574	-	369	444	-	-	161,204
-	-	9	-	-	2,090	-	503	22,336
775	-	-	-	-	103	-	275	1,926
5	3	48	-	2,301	1,255	17	384	8,913
-	-	-	552,992	-	-	-	-	552,992
-	-	57	-	5,778	4,764	-	15,014	74,616
814	3	115,690	552,992	8,448	30,061	17	43,783	1,571,968
-	104	-	340,706	48,407	2,398	48,813	8,779	539,071
-	-	118,783	-	1,969	-	-	22,889	290,550
659	-	-	-	104,416	61,432	-	3,817	170,324
-	-	-	-	2,980	-	-	1,802	4,782
-	-	-	-	2,005	-	-	37	350,413
-	3,064	-	-	14,152	-	489	40	17,745
-	-	-	-	141,743	-	-	5,540	147,283
-	-	-	-	2,080	16	-	8,578	10,674
-	-	-	-	-	-	-	3,494	4,775
-	-	-	-	-	-	-	-	37,754
90	-	-	-	-	-	-	-	34,530
123	-	-	-	-	530	-	-	18,328
872	3,168	118,783	340,706	317,752	64,376	49,302	54,976	1,626,229
(58)	(3,165)	(3,093)	212,286	(309,304)	(34,315)	(49,285)	(11,193)	(54,261)
-	-	-	-	311,647	49,696	104,809	6,000	472,152
-	3,747	2,267	-	4,866	2,248	813	2,000	125,588
-	(582)	(2,887)	(218,152)	(1,707)	(6,638)	(5,883)	-	(487,113)
-	-	-	-	-	277	-	990	7,592
-	3,165	(620)	(218,152)	314,806	45,583	99,739	8,990	118,219
(58)	-	(3,713)	(5,866)	5,502	11,268	50,454	(2,203)	63,958
154	100	6,388	(278)	216,266	136,573	189,696	11,975	632,527
-	-	-	-	-	-	-	-	3,386
\$ 96	\$ 100	\$ 2,675	\$ (6,144)	\$221,768	\$147,841	\$240,150	\$ 9,772	\$ 699,871

STATE OF CONNECTICUT

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, 1994
(Expressed in Thousands)

	<u>Transportation</u>			<u>Workers' 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	\$433,200	\$430,858	\$ (2,342)	\$ -	\$ -	\$ -
Licenses, Permits, and Fees	245,500	254,093	8,593	-	-	-
Other	24,000	25,839	1,839	26,200	25,271	(929)
Federal Grants	7,000	7,063	63	-	-	-
Equity Transfers In	1,900	1,949	49	-	-	-
Total Budgeted Revenues	711,600	719,802	8,202	26,200	25,271	(929)
Expenditures:						
General Government	1,481	1,481	-	-	-	-
Regulation and Protection	80,418	78,336	2,082	26,175	18,432	7,743
Natural Resources and Recreation	-	-	-	-	-	-
Transportation	290,923	276,129	14,794	-	-	-
Human Services	-	-	-	-	-	-
Non Functional	380,613	355,676	24,937	-	-	-
Appropriations Lapsed	(41,813)	-	(41,813)	-	-	-
Total Expenditures	711,622	711,622	-	26,175	18,432	7,743
Excess (Deficiency) of Revenues Over Expenditures	(22)	8,180	8,202	25	6,839	6,814
Other Financing Sources (Uses):						
Federal and Other Restricted Sources	-	38,265	38,265	-	-	-
Federal and Other Restricted Uses	-	(38,265)	(38,265)	-	-	-
Transfers Between Funds	-	-	-	-	-	-
Miscellaneous Adjustments	-	584	584	-	-	-
Total Other Financing Sources (Uses)	-	584	584	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (22)	8,764	\$ 8,786	\$ 25	6,839	\$6,814
Budgetary Fund Balances - July 1		142,235			11,208	
Changes in Reserves		5,178			-	
Budgetary Fund Balances - June 30		\$156,177			\$18,047	

<u>Banking</u>			<u>Consumer Counsel & Public Utility Control</u>			<u>Insurance</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,620	13,898	1,278	12,700	11,216	(1,484)	7,630	9,061	1,431
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>12,620</u>	<u>13,898</u>	<u>1,278</u>	<u>12,700</u>	<u>11,216</u>	<u>(1,484)</u>	<u>7,630</u>	<u>9,061</u>	<u>1,431</u>
-	-	-	-	-	-	-	-	-
12,566	11,225	1,341	12,618	11,698	920	8,134	7,662	472
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>12,566</u>	<u>11,225</u>	<u>1,341</u>	<u>12,618</u>	<u>11,698</u>	<u>920</u>	<u>8,134</u>	<u>7,662</u>	<u>472</u>
-	-	-	-	-	-	-	-	-
<u>54</u>	<u>2,673</u>	<u>2,619</u>	<u>82</u>	<u>(482)</u>	<u>(564)</u>	<u>(504)</u>	<u>1,399</u>	<u>1,903</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 54</u>	2,673	<u>\$2,619</u>	<u>\$ 82</u>	(482)	<u>\$ (564)</u>	<u>\$ (504)</u>	1,399	<u>\$1,903</u>
	5,244			1,110			1,041	
	-			-			-	
	<u>\$ 7,917</u>			<u>\$ 628</u>			<u>\$2,440</u>	

Continued on next page

STATE OF CONNECTICUT

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, 1994
(Expressed in Thousands)

	Criminal Injuries Compensation			Mashantucket Pequot Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Budgeted Revenues:						
Taxes, Net of Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Fees	-	-	-	-	-	-
Other	1,500	1,568	68	-	-	-
Federal Grants	-	-	-	-	-	-
Equity Transfers In	-	-	-	88,124	88,124	-
Total Budgeted Revenues	<u>1,500</u>	<u>1,568</u>	<u>68</u>	<u>88,124</u>	<u>88,124</u>	<u>-</u>
Expenditures:						
General Government	-	-	-	-	-	-
Regulation and Protection	1,768	1,515	253	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Non Functional	-	-	-	88,124	88,115	9
Appropriations Lapsed	-	-	-	-	-	-
Total Expenditures	<u>1,768</u>	<u>1,515</u>	<u>253</u>	<u>88,124</u>	<u>88,115</u>	<u>9</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(268)</u>	<u>53</u>	<u>321</u>	<u>-</u>	<u>9</u>	<u>9</u>
Other Financing Sources (Uses):						
Federal and Other Restricted Sources	-	-	-	-	-	-
Federal and Other Restricted Uses	-	-	-	-	-	-
Transfers Between Funds	-	7	7	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (268)</u>	<u>60</u>	<u>\$328</u>	<u>\$ -</u>	<u>9</u>	<u>\$9</u>
Budgetary Fund Balances - July 1		108			-	
Changes in Reserves		-			-	
Budgetary Fund Balances - June 30		<u>\$ 168</u>			<u>\$ 9</u>	

Regional Market			Soldiers, Sailors, and Marines			Total		Variance Favorable (Unfavorable)
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$433,200	\$430,858	\$ (2,342)
-	-	-	-	-	-	258,120	267,991	9,871
899	815	(84)	3,520	3,750	230	76,449	77,520	1,071
-	-	-	-	-	-	7,000	7,063	63
-	-	-	-	-	-	90,024	90,073	49
<u>899</u>	<u>815</u>	<u>(84)</u>	<u>3,520</u>	<u>3,750</u>	<u>230</u>	<u>864,793</u>	<u>873,505</u>	<u>8,712</u>
-	-	-	218	127	91	1,699	1,608	91
-	-	-	-	-	-	141,679	128,868	12,811
677	658	19	-	-	-	677	658	19
-	-	-	-	-	-	290,923	276,129	14,794
-	-	-	3,302	3,063	239	3,302	3,063	239
220	214	6	-	-	-	468,957	444,005	24,952
-	-	-	-	-	-	(41,813)	-	(41,813)
<u>897</u>	<u>872</u>	<u>25</u>	<u>3,520</u>	<u>3,190</u>	<u>330</u>	<u>865,424</u>	<u>854,331</u>	<u>11,093</u>
<u>2</u>	<u>(57)</u>	<u>(59)</u>	<u>-</u>	<u>560</u>	<u>560</u>	<u>(631)</u>	<u>19,174</u>	<u>19,805</u>
-	-	-	-	-	-	-	38,265	38,265
-	-	-	-	-	-	-	(38,265)	(38,265)
-	-	-	-	(560)	(560)	-	(553)	(553)
-	-	-	-	-	-	-	584	584
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>(560)</u>	<u>-</u>	<u>31</u>	<u>31</u>
<u>\$ 2</u>	<u>(57)</u>	<u>\$ (59)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (631)</u>	<u>19,205</u>	<u>\$ 19,836</u>
	189			100			161,235	
	-			-			5,178	
	<u>\$132</u>			<u>\$ 100</u>			<u>\$185,618</u>	

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

Capital Projects Funds

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

State Facilities:

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

Infrastructure:

to account for the proceeds of bond issues and related capital project grants to finance the state's transportation infrastructure program over a ten-year period. This program encompasses the planning, acquisition, removal, construction, equipping, reconstruction, repair, rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, State highways and bridges, projects on the interstate

highway system, alternate highway projects in the interstate substitution program (the "interstate trade-in program"), waterway facilities, mass transportation and transit facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages and administrative facilities of the Department, payment of the State's share of the costs of the local bridge program and payment of State contributions to the local bridge revolving fund.

Other Transportation:

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

STATE OF CONNECTICUT

Combining Balance Sheet

Capital Projects Funds

June 30, 1994

(Expressed in Thousands)

	<u>State Facilities</u>	<u>Infra- Structure</u>	<u>Transportation</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents	\$ -	\$62,850	\$58,450	\$121,300
Receivables:				
Accounts, Net of Allowances	4,075	558	439	5,072
Due From Other Funds	219,216	45,466	-	264,682
Receivable From Other Governments	151	72,056	349	72,556
Total Assets	<u>\$223,442</u>	<u>\$180,930</u>	<u>\$59,238</u>	<u>\$463,610</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities ..	\$ 25,421	\$ 91,656	\$ 206	\$117,283
Due to Other Funds	1,123	917	2	2,042
Deferred Revenue	-	5	-	5
Total Liabilities	<u>26,544</u>	<u>92,578</u>	<u>208</u>	<u>119,330</u>
Fund Balances:				
Unreserved, undesignated	196,898	88,352	59,030	344,280
Total Fund Balances	<u>196,898</u>	<u>88,352</u>	<u>59,030</u>	<u>344,280</u>
Total Liabilities and Fund Balances ..	<u>\$223,442</u>	<u>\$180,930</u>	<u>\$59,238</u>	<u>\$463,610</u>

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Capital Projects Funds

For The Fiscal Year Ended June 30, 1994

(Expressed in Thousands)

	<u>State Facilities</u>	<u>Infra- Structure</u>	<u>Transportation</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ 9,280	\$ 403,135	\$ 621	\$ 413,036
Miscellaneous	-	328	320	648
Total Revenues	<u>9,280</u>	<u>403,463</u>	<u>941</u>	<u>413,684</u>
Expenditures:				
Capital Projects	170,345	698,587	1,402	870,334
Total Expenditures	<u>170,345</u>	<u>698,587</u>	<u>1,402</u>	<u>870,334</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(161,065)</u>	<u>(295,124)</u>	<u>(461)</u>	<u>(456,650)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	266,784	321,795	20	588,599
Operating Transfers In	1,044	-	-	1,044
Operating Transfers Out	(84,689)	(32,234)	-	(116,923)
Capital Lease Obligation	167	-	-	167
Total Other Financing Sources (Uses)	<u>183,306</u>	<u>289,561</u>	<u>20</u>	<u>472,887</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses .	<u>22,241</u>	<u>(5,563)</u>	<u>(441)</u>	<u>16,237</u>
Fund Balances - July 1	<u>174,657</u>	<u>93,915</u>	<u>59,471</u>	<u>328,043</u>
Fund Balances - June 30	<u><u>\$ 196,898</u></u>	<u><u>\$ 88,352</u></u>	<u><u>\$59,030</u></u>	<u><u>\$ 344,280</u></u>

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

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.

STATE OF CONNECTICUT

Combining Balance Sheet

Enterprise Funds

June 30, 1994

(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Other	Total
Assets:				
Cash and Cash Equivalents	\$ 8,196	\$ 8,463	\$ 465	\$ 17,124
Investments	42,505	-	-	42,505
Receivables:				
Accounts, Net of Allowances	425	2,448	449	3,322
Loans, Net of Allowances	100,481	-	-	100,481
Interest	4,408	-	-	4,408
Due From Other Funds	-	289	31	320
Receivable From Other Governments	3,565	4,260	-	7,825
Inventories and Prepaid Items	-	107	177	284
Restricted Assets	-	41,952	-	41,952
Property, Plant, and Equipment	24	136,535	73	136,632
Other Assets	-	2,341	-	2,341
Total Assets	\$159,604	\$196,395	\$1,195	\$357,194
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 3,590	\$ 5,034	\$ 28	\$ 8,652
Due to Other Funds	732	1,836	1	2,569
Advances Due Other Funds	88,075	-	-	88,075
Deferred Revenue	44	-	8	52
Revenue Bonds	126,987	95,625	-	222,612
Compensated Absences	2	-	70	72
Total Liabilities	219,430	102,495	107	322,032
Equity:				
Contributed Capital	-	95,986	350	96,336
Retained Earnings:				
Reserved for Airport Operations	-	14,744	-	14,744
Unreserved	(59,826)	(16,830)	738	(75,918)
Total Retained Earnings	(59,826)	(2,086)	738	(61,174)
Total Equity	(59,826)	93,900	1,088	35,162
Total Liabilities and Equity	\$159,604	\$196,395	\$1,195	\$357,194

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings Enterprise Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Other	Total
Operating Revenues:				
Charges for Services	\$ 154	\$27,986	\$2,379	\$30,519
Interest on Financing Activities	12,806	-	-	12,806
Miscellaneous	2,207	-	236	2,443
Total Operating Revenues	15,167	27,986	2,615	45,768
Operating Expenses:				
Administrative	-	18,966	2,804	21,770
Depreciation and Amortization	5	7,197	5	7,207
Interest on Financing Activities	12,991	-	-	12,991
Total Operating Expenses	12,996	26,163	2,809	41,968
Operating Income (Loss)	2,171	1,823	(194)	3,800
Nonoperating Revenues (Expenses):				
Interest and Investment Income	-	6,300	-	6,300
Interest and Fiscal Charges	-	(7,275)	-	(7,275)
Other	-	69	-	69
Total Nonoperating Income (Expense)	-	(906)	-	(906)
Income (Loss) Before Operating Transfers	2,171	917	(194)	2,894
Operating Transfers In (Out):				
Operating Transfers Out	(1,143)	-	-	(1,143)
Net Income (Loss)	1,028	917	(194)	1,751
Retained Earnings (deficit) - July 1 (as restated)	(60,854)	(3,003)	932	(62,925)
Retained Earnings (deficit) - June 30	\$(59,826)	\$(2,086)	\$738	\$(61,174)

STATE OF CONNECTICUT

Combining Statement of Cash Flows Enterprise Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Rental Housing	Bradley International Airport	Other	Total
Cash Flows From Operating Activities:				
Operating income	\$ 2,171	\$ 1,823	\$(194)	\$ 3,800
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Amortization and depreciation	5	7,197	5	7,207
Investment income	(12,806)	-	-	(12,806)
Interest expense	12,991	-	-	12,991
Changes in assets and liabilities:				
(Increase) decrease in receivables	30	236	(220)	46
(Increase) decrease in due from other funds	-	(45)	66	21
(Increase) decrease in receivable from other governments	(344)	(2,317)	84	(2,577)
(Increase) decrease in inventories and prepaid items	-	(1)	(94)	(95)
Increase (decrease) in accounts payable and accrued liabilities	(43)	(114)	(64)	(221)
Increase (decrease) in due to other funds	312	(104)	(13)	195
Miscellaneous operating activities	6,347	3,783	(16)	10,114
Issuance of loans, notes & installment contracts receivable	(158)	-	-	(158)
Collection of loans, notes & installment contracts receivable	935	-	-	935
Net cash provided by (used in) operating activities	9,440	10,458	(446)	19,452
Cash Flows From Noncapital Financing Activities				
Retirement of bonds and notes payable	(2,038)	(2,295)	-	(4,333)
Interest on bonds and notes payable	(8,377)	(348)	-	(8,725)
Transfers to other funds	(1,143)	-	-	(1,143)
Miscellaneous noncapital financing activities	-	(497)	-	(497)
Net cash provided by (used in) noncapital financing activities ...	(11,558)	(3,140)	-	(14,698)
Cash Flows From Capital And Related Financing Activities:				
Purchase of fixed assets	-	(2,865)	(7)	(2,872)
Interest on bonds and notes payable	-	(6,969)	-	(6,969)
Capital contributions or grants	-	3,090	-	3,090
Net cash provided by (used in) capital and related financing activities	-	(6,744)	(7)	(6,751)
Cash Flows From Investing Activities:				
Interest and income on investments	5,950	1,939	-	7,889
Net cash provided by (used in) investing activities	5,950	1,939	-	7,889
Increase (decrease) in cash	3,832	2,513	(453)	5,892
Cash and cash equivalents, July 1	4,364	46,366	918	51,648
Cash and cash equivalents, June 30	\$ 8,196	\$48,879	\$ 465	\$ 57,540

STATE OF CONNECTICUT

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.

STATE OF CONNECTICUT

Combining Balance Sheet

Internal Service Funds

June 30, 1994

(Expressed in Thousands)

	<u>Correction Industries</u>	<u>Administrative Services</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$1,406	\$ 2,555	\$ 3,961
Receivables:			
Accounts, Net of Allowances	368	2,821	3,189
Due From Other Funds	170	3,706	3,876
Inventories and Prepaid Items	1,881	3,830	5,711
Property, Plant, and Equipment	655	29,950	30,605
Other Assets	-	1,581	1,581
Total Assets	<u>\$4,480</u>	<u>\$44,443</u>	<u>\$48,923</u>
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 413	\$ 5,128	\$ 5,541
Due to Other Funds	3	433	436
Deferred Revenue	-	462	462
Compensated Absences	210	3,170	3,380
Total Liabilities	<u>626</u>	<u>9,193</u>	<u>9,819</u>
Equity:			
Contributed Capital	5,730	2,200	7,930
Retained Earnings:			
Unreserved	(1,876)	33,050	31,174
Total Equity	<u>3,854</u>	<u>35,250</u>	<u>39,104</u>
Total Liabilities and Equity	<u>\$4,480</u>	<u>\$44,443</u>	<u>\$48,923</u>

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Internal Service Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Correction Industries	Administrative Services	Total
Operating Revenues:			
Charges for Services	\$ 5,515	\$68,279	\$73,794
Total Operating Revenues	<u>5,515</u>	<u>68,279</u>	<u>73,794</u>
Operating Expenses:			
Cost of Sales and Services	3,715	42,368	46,083
Administrative	887	21,593	22,480
Depreciation and Amortization	56	9,240	9,296
Total Operating Expenses	<u>4,658</u>	<u>73,201</u>	<u>77,859</u>
Operating Income (Loss)	<u>857</u>	<u>(4,922)</u>	<u>(4,065)</u>
Net Income (Loss)	<u>857</u>	<u>(4,922)</u>	<u>(4,065)</u>
Retained Earnings - July 1	<u>(2,733)</u>	<u>37,972</u>	<u>35,239</u>
Retained Earnings - June 30	<u><u>\$(1,876)</u></u>	<u><u>\$33,050</u></u>	<u><u>\$31,174</u></u>

STATE OF CONNECTICUT

Combining Statement of Cash Flows

Internal Service Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	<u>Correction Industries</u>	<u>Administrative Services</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 857	\$ (4,922)	\$ (4,065)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Amortization and depreciation	56	9,240	9,296
Changes in assets and liabilities:			
(Increase) decrease in receivables	(193)	3,340	3,147
(Increase) decrease in due from other funds	224	500	724
(Increase) decrease in inventories and prepaid items	(150)	(666)	(816)
Increase (decrease) in accounts payable and accrued liabilities	166	(1,946)	(1,780)
Increase (decrease) in due to other funds	1	17	18
Miscellaneous operating activities	(28)	(103)	(131)
Net cash provided by (used in) operating activities	<u>933</u>	<u>5,460</u>	<u>6,393</u>
 Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets	<u>7</u>	<u>(21,239)</u>	<u>(21,232)</u>
Net cash provided by (used in) capital and related financing activities	<u>7</u>	<u>(21,239)</u>	<u>(21,232)</u>
Increase (decrease) in cash	940	(15,779)	(14,839)
Cash and cash equivalents, July 1	466	18,334	18,800
Cash and cash equivalents, June 30	<u>\$1,406</u>	<u>\$ 2,555</u>	<u>\$ 3,961</u>

STATE OF CONNECTICUT

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 fund's investments consist primarily of short-term investments.

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.

STATE OF CONNECTICUT

Combining Balance Sheet

Fiduciary Funds

June 30, 1994

(Expressed in Thousands)

		Expendable Trust			
	Employment Security	Special Assessment	Local Property Tax Relief	Second Injury & Compensation Assurance	Other
Assets:					
Cash and Cash Equivalents	\$ -	\$ 620	\$194	\$ 2,543	\$6,792
Investments	-	109,488	-	-	-
Receivables:					
Accounts, Net of Allowances	13,519	-	-	478	-
Loans Receivable	-	-	-	-	-
Interest	-	2	-	30	14
Due From Other Funds	3,858	-	-	-	-
Receivable From Other Governments	50,104	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
Restricted Assets	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	\$67,481	\$110,110	\$194	\$ 3,051	\$6,806
Liabilities, and Fund Balances:					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 8,061	\$ -
Due to Other Funds	7,228	-	-	-	-
Payable to Other Governments	-	-	-	-	-
Deferred Revenue	8,542	-	-	2,765	-
Obligation Under Reverse Repurchase Agreements	-	-	-	-	-
Deferred Compensation Liability	-	-	-	-	-
Agency Deposit Liabilities	-	-	-	-	-
Revenue Bonds	-	-	-	-	-
Total Liabilities	15,770	-	-	10,826	-
Fund Balances:					
Reserved for Trust Activities	-	-	-	-	-
Reserved for Pension Obligations	-	-	-	-	-
Unreserved, undesignated	51,711	110,110	194	(7,775)	6,806
Total Fund Balances	51,711	110,110	194	(7,775)	6,806
Total Liabilities and Fund Balances	\$67,481	\$110,110	\$194	\$ 3,051	\$6,806

Clean Water Fund	Nonexpendable Trust		Pension	Agency	Total
	Soldiers, Sailors, & Marines	Other			
\$ 4,491	\$ 1,457	\$ 5,104	\$ 398,172	\$ 582,568	\$ 1,001,941
-	52,104	12,275	10,144,802	420,501	10,739,170
-	-	-	13,302	921	28,220
261,484	-	-	-	48	261,532
6,160	-	22	10,674	2,067	18,969
1,041	507	-	3,157	7,181	15,744
162	-	-	-	9	50,275
-	-	-	-	834	834
270,687	-	-	-	-	270,687
-	-	-	-	586,617	586,617
<u>\$544,025</u>	<u>\$54,068</u>	<u>\$17,401</u>	<u>\$10,570,107</u>	<u>\$1,600,746</u>	<u>\$12,973,989</u>
\$ 6,829	\$ -	\$ -	\$ 9	\$ 6,066	\$ 20,965
-	296	-	-	12,530	20,054
-	-	-	-	24	24
-	-	-	-	-	11,307
-	-	-	-	136,990	136,990
-	-	-	-	283,801	283,801
-	-	-	-	1,161,335	1,161,335
329,072	-	-	-	-	329,072
<u>335,901</u>	<u>296</u>	<u>-</u>	<u>9</u>	<u>1,600,746</u>	<u>1,963,548</u>
172,686	53,772	17,401	-	-	243,859
-	-	-	10,570,098	-	10,570,098
35,438	-	-	-	-	196,484
<u>208,124</u>	<u>53,772</u>	<u>17,401</u>	<u>10,570,098</u>	<u>-</u>	<u>11,010,441</u>
<u>\$544,025</u>	<u>\$54,068</u>	<u>\$17,401</u>	<u>\$10,570,107</u>	<u>\$1,600,746</u>	<u>\$12,973,989</u>

STATE OF CONNECTICUT

Combining Balance Sheet

Pension Trust Funds

June 30, 1994
(Expressed in Thousands)

	State Employees	State Teachers	Judicial
Assets:			
Cash and Cash Equivalents	\$ 136,261	\$ 232,258	\$ 3,475
Investments	3,878,971	5,572,037	59,862
Receivables:			
Accounts, Net of Allowances	1,031	9,786	-
Interest	8,337	829	125
Due From Other Funds	3,157	-	-
Total Assets	\$4,027,757	\$5,814,910	\$63,462
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 9	\$ -	\$ -
Total Liabilities	9	-	-
Fund Balances:			
Reserved for Pension Obligations	4,027,748	5,814,910	63,462
Total Fund Balances	4,027,748	5,814,910	63,462
Total Liabilities and Fund Balances	\$4,027,757	\$5,814,910	\$63,462

**Connecticut
Municipal
Employees**

Probate Judges

Other

Total

\$ 25,694	\$ 330	\$154	\$ 398,172
598,864	34,779	289	10,144,802
2,485	-	-	13,302
1,293	88	2	10,674
-	-	-	3,157
<u>\$628,336</u>	<u>\$35,197</u>	<u>\$445</u>	<u>\$10,570,107</u>

\$ -	\$ -	\$ -	\$ 9
-	-	-	9
628,336	35,197	445	10,570,098
<u>628,336</u>	<u>35,197</u>	<u>445</u>	<u>10,570,098</u>
<u>\$628,336</u>	<u>\$35,197</u>	<u>\$445</u>	<u>\$10,570,107</u>

STATE OF CONNECTICUT

Combining Balance Sheet

Agency Funds

June 30, 1994

(Expressed in Thousands)

	Payroll & Fringe Benefit Clearing	Receipts Pending Distribution	Investment Pool Non-State Portion
Assets:			
Cash and Cash Equivalents	\$1,840	\$21,568	\$475,123
Investments	-	-	136,700
Receivables:			
Accounts, Net of Allowances	-	240	-
Loans Receivable	-	-	-
Interest	-	-	1,848
Due From Other Funds	2,014	-	-
Receivable From Other Governments	-	9	-
Inventories and Prepaid Items	-	-	-
Other Assets	-	-	-
Total Assets	<u>\$3,854</u>	<u>\$21,817</u>	<u>\$613,671</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ 4,301	\$ -
Due to Other Funds	-	12,530	-
Payable to Other Governments	-	24	-
Obligation Under Reverse Repurchase Agreements	-	-	136,990
Deferred Compensation Liability	-	-	-
Agency Deposit Liabilities	3,854	4,962	476,681
Total Liabilities	<u>\$3,854</u>	<u>\$21,817</u>	<u>\$613,671</u>

<u>Insurance Companies' Securities</u>	<u>State Institution Activity</u>	<u>Deferred Compensation</u>	<u>Other</u>	<u>Total</u>
\$ -	\$15,018	\$ -	\$69,019	\$ 582,568
-	-	283,801	-	420,501
-	276	-	405	921
-	48	-	-	48
-	22	-	197	2,067
-	-	-	5,167	7,181
-	-	-	-	9
-	834	-	-	834
584,902	1,715	-	-	586,617
<u>\$584,902</u>	<u>\$17,913</u>	<u>\$283,801</u>	<u>\$74,788</u>	<u>\$1,600,746</u>
\$ -	\$ 869	\$ -	\$ 896	\$ 6,066
-	-	-	-	12,530
-	-	-	-	24
-	-	-	-	136,990
-	-	283,801	-	283,801
584,902	17,044	-	73,892	1,161,335
<u>\$584,902</u>	<u>\$17,913</u>	<u>\$283,801</u>	<u>\$74,788</u>	<u>\$1,600,746</u>

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Expendable Trust Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Employment Security	Special Assessment	Local Property Tax Relief	Second Injury & Compensation Assurance	Other	Total
Revenues:						
Unemployment Taxes	\$ 436,768	\$ -	\$ -	\$ -	\$ -	\$ 436,768
Licenses, Permits, and Fees	-	-	-	-	101	101
Intergovernmental	170,485	-	-	-	-	170,485
Investment Earnings	721	4,511	2	473	1,935	7,642
Assessments	-	-	-	64,800	-	64,800
Miscellaneous	8,961	-	-	1,885	111	10,957
Total Revenues	616,935	4,511	2	67,158	2,147	690,753
Expenditures:						
Current:						
General Government	-	-	-	6,382	24	6,406
Regulation and Protection	616,633	98,709	-	105,618	853	821,813
Education, Libraries, and Museums	-	-	-	-	37	37
Debt Service:						
Interest and Fiscal Charges	-	32,284	-	-	-	32,284
Total Expenditures	616,633	130,993	-	112,000	914	860,540
Excess (Deficiency) of Revenues						
Over Expenditures	302	(126,482)	2	(44,842)	1,233	(169,787)
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds	-	1,016,883	-	-	-	1,016,883
Operating Transfers In	783,178	-	-	-	-	783,178
Operating Transfers Out	(2,267)	(780,291)	(13)	-	(99)	(782,670)
Total Other Financing Sources (Uses) ..	780,911	236,592	(13)	-	(99)	1,017,391
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses...	781,213	110,110	(11)	(44,842)	1,134	847,604
Fund Balances (deficit) - July 1	(729,502)	-	205	37,067	5,672	(686,558)
Fund Balances (deficit) - June 30	\$ 51,711	\$ 110,110	\$194	\$ (7,775)	\$6,806	\$ 161,046

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenses, and Changes in Fund Balances Nonexpendable and Pension Trust Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	<u>Nonexpendable Trust</u>			
	<u>Clean Water Fund</u>	<u>Soldiers, Sailors, & Marines</u>	<u>Other</u>	<u>Total Nonexpendable</u>
Operating Revenues:				
Participants' Contributions	\$ -	\$ -	\$ -	\$ -
State Contribution	-	-	-	-
Investment Earnings	18,782	3,532	2,105	24,419
Intergovernmental	21,307	-	-	21,307
Miscellaneous	-	-	15	15
Total Operating Revenues	<u>40,089</u>	<u>3,532</u>	<u>2,120</u>	<u>45,741</u>
Operating Expenses:				
Administrative	1,222	-	-	1,222
Benefit Payments and Refunds	-	-	-	-
Other Program Expenses	-	-	525	525
Interest	16,595	-	-	16,595
Total Operating Expenses	<u>17,817</u>	<u>-</u>	<u>525</u>	<u>18,342</u>
Operating Income (Loss)	<u>22,272</u>	<u>3,532</u>	<u>1,595</u>	<u>27,399</u>
Operating Transfers In (Out):				
Operating Transfers In	6,056	582	750	7,388
Operating Transfers Out	-	(3,747)	-	(3,747)
Net Income (Loss)	<u>28,328</u>	<u>367</u>	<u>2,345</u>	<u>31,040</u>
Fund Balances - July 1 (as restated)	<u>179,796</u>	<u>53,405</u>	<u>15,056</u>	<u>248,257</u>
Fund Balances - June 30	<u>\$208,124</u>	<u>\$53,772</u>	<u>\$17,401</u>	<u>\$279,297</u>

Pension Trust

State Employees	State Teachers	Judicial	Connecticut Municipal Employees	Probate Judges	Other	Total Pension
\$ 35,754	\$ 150,859	\$ 952	\$ 30,939	\$ 292	\$ 28	\$ 218,824
248,445	126,396	8,264	-	-	-	383,105
356,291	518,626	5,391	55,187	3,215	38	938,748
61,761	-	-	-	-	-	61,761
27	-	-	-	-	-	27
<u>702,278</u>	<u>795,881</u>	<u>14,607</u>	<u>86,126</u>	<u>3,507</u>	<u>66</u>	<u>1,602,465</u>
204	-	6	-	-	-	210
369,945	360,596	8,206	30,665	1,118	28	770,558
-	27,991	-	654	121	-	28,766
-	-	-	-	-	-	-
<u>370,149</u>	<u>388,587</u>	<u>8,212</u>	<u>31,319</u>	<u>1,239</u>	<u>28</u>	<u>799,534</u>
<u>332,129</u>	<u>407,294</u>	<u>6,395</u>	<u>54,807</u>	<u>2,268</u>	<u>38</u>	<u>802,931</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>332,129</u>	<u>407,294</u>	<u>6,395</u>	<u>54,807</u>	<u>2,268</u>	<u>38</u>	<u>802,931</u>
3,695,619	5,407,616	57,067	573,529	32,929	407	9,767,167
<u>\$4,027,748</u>	<u>\$5,814,910</u>	<u>\$63,462</u>	<u>\$628,336</u>	<u>\$35,197</u>	<u>\$445</u>	<u>\$10,570,098</u>

STATE OF CONNECTICUT

Combining Statement of Cash Flows

Nonexpendable Trust Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	<u>Clean Water Fund</u>	<u>Soldiers, Sailors, & Marines</u>	<u>Other</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Operating income	\$ 22,272	\$ 3,532	\$ 1,595	\$ 27,399
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Investment income	(18,782)	(3,532)	(2,105)	(24,419)
Interest expense	16,595	-	-	16,595
Changes in assets and liabilities:				
(Increase) decrease in receivable	(1,167)	-	-	(1,167)
Miscellaneous operating activities	895	-	-	895
Issuance of loans	(43,523)	-	-	(43,523)
Net cash provided by (used in) operating activities ..	<u>(23,710)</u>	<u>-</u>	<u>(510)</u>	<u>(24,220)</u>
Cash Flows From Noncapital Financing Activities:				
Proceeds from sale of bonds	75,000	-	-	75,000
Retirement of bonds	(4,755)	-	-	(4,755)
Interest on bonds	(16,823)	-	-	(16,823)
Transfers from other funds	6,056	582	750	7,388
Transfers to other funds	-	(3,747)	-	(3,747)
Net cash provided by (used in) noncapital financing activities	<u>59,478</u>	<u>(3,165)</u>	<u>750</u>	<u>57,063</u>
Cash Flows From Investing Activities:				
Purchase of investment securities	(54,293)	-	-	(54,293)
Interest and income on investments	18,886	3,416	(4,391)	17,911
Net cash provided by (used in) investment activities	<u>(35,407)</u>	<u>3,416</u>	<u>(4,391)</u>	<u>(36,382)</u>
Increase (decrease) in cash	<u>361</u>	<u>251</u>	<u>(4,151)</u>	<u>(3,539)</u>
Cash and cash equivalents, July 1	<u>4,130</u>	<u>1,206</u>	<u>9,255</u>	<u>14,591</u>
Cash and cash equivalents, June 30	<u>\$ 4,491</u>	<u>\$ 1,457</u>	<u>\$ 5,104</u>	<u>\$ 11,052</u>

STATE OF CONNECTICUT

Combining Statement of Changes in Assets & Liabilities All Agency Funds

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Balance July 1, 1993	Additions	Deletions	Balance June 30, 1994
<u>Payroll and Fringe Benefit Clearing</u>				
ASSETS				
Cash and Cash Equivalents	\$1,631	\$ 209	\$ -	\$1,840
Due From Other Funds	1,830	2,014	1,830	2,014
Total Assets	<u>\$3,461</u>	<u>\$2,223</u>	<u>\$1,830</u>	<u>\$3,854</u>
LIABILITIES				
Agency Deposit Liability	<u>\$3,461</u>	<u>\$2,223</u>	<u>\$1,830</u>	<u>\$3,854</u>
Total Liabilities	<u>\$3,461</u>	<u>\$2,223</u>	<u>\$1,830</u>	<u>\$3,854</u>
<u>Receipts Pending Distribution</u>				
ASSETS				
Cash and Cash Equivalents	\$17,275	\$4,293	\$ -	\$21,568
Accounts, Net of Allowances	278	216	254	240
Receivable From Other Governments	7	9	7	9
Total Assets	<u>\$17,560</u>	<u>\$4,518</u>	<u>\$ 261</u>	<u>\$21,817</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,575	\$1,726	\$ -	\$4,301
Due to Other Funds	11,332	1,741	543	12,530
Payable to Other Governments	24	-	-	24
Agency Deposit Liability	3,629	3,736	2,403	4,962
Total Liabilities	<u>\$17,560</u>	<u>\$7,203</u>	<u>\$2,946</u>	<u>\$21,817</u>
<u>Investment Pool Non-State Portion</u>				
ASSETS				
Cash and Cash Equivalents	\$422,825	\$ 68,701	\$16,403	\$475,123
Investments	-	136,700	-	136,700
Interest	1,292	1,848	1,292	1,848
Total Assets	<u>\$424,117</u>	<u>\$207,249</u>	<u>\$17,695</u>	<u>\$613,671</u>
LIABILITIES				
Obligation Under Reverse Repurchase				
Agreements	\$ -	\$136,990	\$ -	\$136,990
Agency Deposit Liability	424,117	91,025	38,461	476,681
Total Liabilities	<u>\$424,117</u>	<u>\$228,015</u>	<u>\$38,461</u>	<u>\$613,671</u>

STATE OF CONNECTICUT

Combining Statement of Changes in Assets & Liabilities All Agency Funds (Continued)

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	<u>Balance July 1, 1993</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1994</u>
<u>Insurance Companies' Securities</u>				
ASSETS				
Other Assets	\$626,552	\$-	\$41,650	\$584,902
Total Assets	<u>\$626,552</u>	<u>\$-</u>	<u>\$41,650</u>	<u>\$584,902</u>
LIABILITIES				
Agency Deposit Liability	\$626,552	\$-	\$41,650	\$584,902
Total Liabilities	<u>\$626,552</u>	<u>\$-</u>	<u>\$41,650</u>	<u>\$584,902</u>
<u>State Institution Activity</u>				
ASSETS				
Cash and Cash Equivalents	\$17,976	\$ 698	\$3,656	\$15,018
Accounts, Net of Allowances	703	-	427	276
Loans, Net of Allowances	36	48	36	48
Interest	21	22	21	22
Inventories and Prepaid Items	477	834	477	834
Other Assets	600	1,115	-	1,715
Total Assets	<u>\$19,813</u>	<u>\$2,717</u>	<u>\$4,617</u>	<u>\$17,913</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 571	\$ 298	\$ -	\$ 869
Agency Deposit Liability	19,242	718	2,916	17,044
Total Liabilities	<u>\$19,813</u>	<u>\$1,016</u>	<u>\$2,916</u>	<u>\$17,913</u>
<u>Deferred Compensation</u>				
ASSETS				
Investments	\$251,566	\$32,235	\$-	\$283,801
Total Assets	<u>\$251,566</u>	<u>\$32,235</u>	<u>\$-</u>	<u>\$283,801</u>
LIABILITIES				
Deferred Compensation	\$251,566	\$32,235	\$-	\$283,801
Total Liabilities	<u>\$251,566</u>	<u>\$32,235</u>	<u>\$-</u>	<u>\$283,801</u>

STATE OF CONNECTICUT

Combining Statement of Changes in Assets & Liabilities All Agency Funds (Continued)

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	<u>Balance</u> <u>July 1, 1993</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1994</u>
Other				
ASSETS				
Cash and Cash Equivalents	\$44,856	\$29,419	\$ 5,256	\$69,019
Accounts, Net of Allowances	250	405	250	405
Interest	97	203	103	197
Due From Other Funds	5,645	5,167	5,645	5,167
Total Assets	<u>\$50,848</u>	<u>\$35,194</u>	<u>\$ 11,254</u>	<u>\$74,788</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 554	\$ 342	\$ -	\$ 896
Agency Deposit Liability	50,294	44,369	20,771	73,892
Total Liabilities	<u>\$50,848</u>	<u>\$44,711</u>	<u>\$20,771</u>	<u>\$74,788</u>

TOTALS-ALL AGENCY FUNDS

ASSETS				
Cash and Cash Equivalents	\$ 504,563	\$103,320	\$ 25,315	\$ 582,568
Investments	251,566	168,935	-	420,501
Accounts, Net of Allowances	1,231	621	931	921
Loans, Net of Allowances	36	48	36	48
Interest	1,410	2,073	1,416	2,067
Due From Other Funds	7,475	7,181	7,475	7,181
Receivable From Other Governments	7	9	7	9
Inventories and Prepaid Items	477	834	477	834
Other Assets	627,152	1,115	41,650	586,617
Total Assets	<u>\$1,393,917</u>	<u>\$284,136</u>	<u>\$ 77,307</u>	<u>\$1,600,746</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 3,700	\$ 2,366	\$ -	\$ 6,066
Due to Other Funds	11,332	1,741	543	12,530
Payable to Other Governments	24	-	-	24
Obligation Under Reverse Repurchase				
Agreements	-	136,990	-	136,990
Deferred Compensation	251,566	32,235	-	283,801
Agency Deposit Liability	1,127,295	142,071	108,031	1,161,335
Total Liabilities	<u>\$1,393,917</u>	<u>\$315,403</u>	<u>\$108,574</u>	<u>\$1,600,746</u>

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

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.

STATE OF CONNECTICUT

General Fixed Assets Account Group

June 30, 1994

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

General Fixed Assets:

Land	\$ 299,085
Buildings	1,466,659
Improvements Other Than Buildings	171,262
Machinery and Equipment	843,249
Construction in Progress	470,030
Total General Fixed Assets	<u><u>\$3,250,285</u></u>

Investment in General Fixed Assets:

Investment in Property Acquired Prior to June 30, 1988-Source Unidentified	\$1,291,112
General Fund	123,380
Special Revenue Funds	222,869
Capital Project Funds	1,602,739
Other	10,185
Total Investment in General Fixed Assets	<u><u>\$3,250,285</u></u>

STATE OF CONNECTICUT

General Fixed Assets Account Group

June 30, 1994

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

Function	Land	Buildings	Improvements	Equipment	Totals
Legislative	\$ -	\$ 154,364	\$ -	\$ 16,155	\$ 170,519
General Government	1,496	23,093	3,090	48,458	76,137
Regulation and Protection	7,002	69,057	7,385	80,257	163,701
Natural Resources and Recreation	202,889	16,142	13,259	29,475	261,765
Health and Hospitals	11,068	240,557	17,284	33,660	302,569
Transportation	57,444	208,880	68,946	370,792	706,062
Human Services	-	-	-	11,229	11,229
Education, Libraries, and Museums	3,117	201,980	23,679	168,284	397,060
Corrections	10,873	464,428	36,707	33,035	545,043
Judicial	5,196	88,158	912	51,904	146,170
Total General Fixed Assets					
Allocated to Functions	<u>\$299,085</u>	<u>\$1,466,659</u>	<u>\$171,262</u>	<u>\$843,249</u>	<u>\$2,780,255</u>
Construction in Progress					470,030
Total General Fixed Assets					<u><u>\$3,250,285</u></u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

Function	General Fixed Assets 7/1/93	Additions	Deletions	General Fixed Assets 6/30/94
Legislative	\$ 170,647	\$ 816	\$ 944	\$ 170,519
General Government	79,050	6,883	9,796	76,137
Regulation and Protection	159,836	13,458	9,593	163,701
Natural Resources and Recreation	237,328	25,373	936	261,765
Health and Hospitals	218,623	89,942	5,996	302,569
Transportation	641,548	85,115	20,601	706,062
Human Services	8,388	2,898	57	11,229
Education, Libraries, and Museums	388,389	12,946	4,275	397,060
Corrections	387,029	175,373	17,359	545,043
Judicial	139,465	9,528	2,823	146,170
Construction in Progress	532,732	180,490	243,192	470,030
Total General Fixed Assets	<u><u>\$2,963,035</u></u>	<u><u>\$602,822</u></u>	<u><u>\$315,572</u></u>	<u><u>\$3,250,285</u></u>

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

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.

STATE OF CONNECTICUT

Combining Balance Sheet

Higher Education and University Hospital Funds

June 30, 1994

(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	\$142,944	\$19,023	\$18,927	\$1,517
Investments	350	-	1,178	2,516
Receivables:				
Accounts, Net of Allowances	20,881	16,679	26,800	2
Tuition	1,098	-	-	-
Loans, Net of Allowances	-	-	-	-
Interest	37	35	6	-
Due From Other Funds	43,159	100	668	-
Inventories and Prepaid Items	7,021	-	2,036	-
Property, Plant, and Equipment	-	-	-	-
Other Assets	89	-	-	-
Total Assets	<u>\$215,579</u>	<u>\$35,837</u>	<u>\$49,615</u>	<u>\$4,035</u>
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 64,673	\$ 2,828	\$23,809	\$ -
Due to Other Funds	4,777	570	1,314	1
Deferred Revenue	23,892	-	280	-
Notes and Loans Payable	-	-	-	-
Agency Deposit Liabilities	-	-	-	-
Revenue Bonds	-	-	-	-
Capital Leases	-	-	-	-
Compensated Absences	8,729	1,454	4,298	-
Total Liabilities	<u>102,071</u>	<u>4,852</u>	<u>29,701</u>	<u>1</u>
Equity:				
Investment in Fixed Assests	-	-	-	-
Fund Balances:				
Reserved for Restricted	-	30,985	-	-
Reserved for Endowment	-	-	-	4,034
Unreserved, undesignated	113,508	-	19,914	-
Total Equity	<u>113,508</u>	<u>30,985</u>	<u>19,914</u>	<u>4,034</u>
Total Liabilities and Equity	<u>\$215,579</u>	<u>\$35,837</u>	<u>\$49,615</u>	<u>\$4,035</u>

Loan Funds	Agency Funds	Plant Funds			Total
		Unexpended	Retirement of Indebtedness	Investment in Plant	
\$ 2,750	\$ 6,898	\$ -	\$47,239	\$ -	\$ 239,298
-	-	-	-	-	4,044
-	178	-	-	-	64,540
-	-	-	-	-	1,098
26,469	60	-	-	-	26,529
206	14	-	112	-	410
167	-	2	-	-	44,096
-	-	-	-	-	9,057
-	859	-	-	1,460,764	1,461,623
-	20	-	-	-	109
<u>\$29,592</u>	<u>\$8,029</u>	<u>\$ 2</u>	<u>\$47,351</u>	<u>\$1,460,764</u>	<u>\$1,850,804</u>

\$ -	\$ 172	\$ 1,299	\$ -	\$ -	\$ 92,781
-	9	4	-	-	6,675
-	-	-	-	-	24,172
-	-	-	-	7,012	7,012
-	7,848	-	-	-	7,848
-	-	-	-	77,060	77,060
-	-	-	-	394	394
-	-	-	-	-	14,481
-	8,029	1,303	-	84,466	230,423
-	-	-	-	1,376,298	1,376,298
29,592	-	-	47,351	-	107,928
-	-	-	-	-	4,034
-	-	(1,301)	-	-	132,121
29,592	-	(1,301)	47,351	1,376,298	1,620,381
<u>\$29,592</u>	<u>\$8,029</u>	<u>\$ 2</u>	<u>\$47,351</u>	<u>\$1,460,764</u>	<u>\$1,850,804</u>

THIS PAGE LEFT INTENTIONALLY BLANK

STATE OF CONNECTICUT

Component Units

The Component Units are organizations which are legally separate from the State of Connecticut for which the State is financially accountable. The Component Units of the State of Connecticut are described as follows:

Connecticut Development Authority:

the Connecticut Development Authority is a public instrumentality and political subdivision of the State. 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 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. 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.

Connecticut Higher Education Supplemental Loan Authority:

the Connecticut Higher Education Supplemental Loan Authority is a public instrumentality and political subdivision of the State. The Authority was created to assist students, their parents and institutions of higher education to finance the cost of higher education through its bond funds.

Connecticut Health and Educational Facilities Authority:

the Connecticut Health and Educational Facilities Authority is a public instrumentality and political subdivision of the State. The Authority was created to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

Connecticut Innovations, Incorporated:

Connecticut Innovations is a public instrumentality and political subdivision of the State. It was established to stimulate and promote technological innovation and application of technology within Connecticut by providing financial technical assistance.

STATE OF CONNECTICUT

Combining Balance Sheet

Component Units

June 30, 1994

(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority	Connecticut Higher Education Supplemental Loan Authority
Assets:				
Cash and Cash Equivalents	\$ 68,378	\$ 53,940	\$ 16,805	\$ 4,115
Investments	17,931	764,897	-	1,772
Receivables:				
Accounts, Net of Allowances	-	-	13,251	-
Loans, Net of Allowances	175,762	2,063,357	31,910	46,803
Interest	3,570	26,514	13,561	413
Due From Other Funds	984	-	3,180	-
Inventories and Prepaid Items	7,942	-	-	-
Restricted Assets	-	299,871	104,078	4,445
Property, Plant, and Equipment	2,236	2,810	262,072	-
Other Assets	51,380	36,231	20,486	873
Total Assets	\$328,183	\$3,247,620	\$465,343	\$58,421
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 10,451	\$ 33,945	\$ 20,697	\$ 1,057
Due to Other Funds	-	-	3,180	-
Payable to Other Governments	-	-	3,309	-
Deferred Revenue	4,823	-	-	1,640
Escrow Deposits	218	71,757	-	-
Notes and Loans Payable	28,654	-	5,200	-
Revenue Bonds	126,610	2,817,476	419,822	56,010
Liability for Landfill Closure Costs	-	-	10,812	-
Amount Held for Institutions	-	-	-	-
Total Liabilities	170,756	2,923,178	463,020	58,707
Equity:				
Contributed Capital	132,340	-	2,058	-
Retained Earnings:				
Reserved for Housing Financing	-	323,255	-	-
Reserved for Resources Recovery	-	-	14,366	-
Unreserved	25,087	1,187	(14,101)	(286)
Total Retained Earnings	25,087	324,442	265	(286)
Total Equity	157,427	324,442	2,323	(286)
Total Liabilities and Equity	\$328,183	\$3,247,620	\$465,343	\$58,421

<u>Connecticut Health & Educational Facilities Authority</u>	<u>Connecticut Innovations, Incorporated</u>	<u>Total</u>
\$ 148	\$ 13,218	\$ 156,604
8,332	23,237	816,169
95	386	13,732
-	8,761	2,326,593
38	-	44,096
-	-	4,164
84	32	8,058
2,017,170	-	2,425,564
200	245	267,563
-	-	108,970
<u>\$2,026,067</u>	<u>\$ 45,879</u>	<u>\$6,171,513</u>

\$ 56,591	\$ 419	\$ 123,160
-	-	3,180
-	-	3,309
-	820	7,283
-	-	71,975
-	-	33,854
1,638,062	-	5,057,980
-	-	10,812
322,648	-	322,648
<u>2,017,301</u>	<u>1,239</u>	<u>5,634,201</u>
-	59,811	194,209
-	-	323,255
-	-	14,366
8,766	(15,171)	5,482
<u>8,766</u>	<u>(15,171)</u>	<u>343,103</u>
8,766	44,640	537,312
<u>\$2,026,067</u>	<u>\$ 45,879</u>	<u>\$6,171,513</u>

STATE OF CONNECTICUT

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings Component Units

For The Fiscal Year Ended June 30, 1994

(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority	Connecticut Higher Education Supplemental Loan Authority
Operating Revenues:				
Charges for Services	\$ 3,704	\$ -	\$122,055	\$ -
Interest on Financing Activities	11,607	229,957	-	4,611
Civic Center Lease Operations	5,978	-	-	-
Miscellaneous	297	10,189	22,215	407
Total Operating Revenues	21,586	240,146	144,270	5,018
Operating Expenses:				
Administrative	4,324	22,846	97,374	866
Depreciation and Amortization	543	6,786	15,965	139
Other Program Expenses	4,729	19,932	968	217
Interest on Financing Activities	6,424	192,589	-	3,858
Civic Center Lease Operations	7,531	-	-	-
Total Operating Expenses	23,551	242,153	114,307	5,080
Operating Income (Loss)	(1,965)	(2,007)	29,963	(62)
Nonoperating Revenues (Expenses):				
Interest and Investment Income	3,687	22,432	3,483	693
Interest and Fiscal Charges	-	-	(26,415)	-
Other	(5,079)	(5,321)	1,239	(243)
Total Nonoperating Income (Expense)	(1,392)	17,111	(21,693)	450
Net Income (Loss)	(3,357)	15,104	8,270	388
Add Items Affecting Contributed Capital:				
Development Costs Applied to Contractor Contribution	-	-	555	-
Depreciation on Equipment Acquired through Capital Grants ...	-	-	139	-
Total Add Back Items	-	-	694	-
Retained Earnings - July 1 (as restated)	28,444	309,338	(8,699)	(674)
Retained Earnings - June 30	\$25,087	\$324,442	\$ 265	\$ (286)

Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Total
\$ -	\$ 236	\$125,995
84,867	903	331,945
-	-	5,978
2,374	2,594	38,076
<u>87,241</u>	<u>3,733</u>	<u>501,994</u>
1,042	2,020	128,472
26	65	23,524
812	2,623	29,281
84,867	-	287,738
-	-	7,531
<u>86,747</u>	<u>4,708</u>	<u>476,546</u>
<u>494</u>	<u>(975)</u>	<u>25,448</u>
252	1,563	32,110
-	-	(26,415)
157	940	(8,307)
<u>409</u>	<u>2,503</u>	<u>(2,612)</u>
903	1,528	22,836
-	-	555
-	-	139
-	-	694
7,863	(16,699)	319,573
<u>\$ 8,766</u>	<u>\$(15,171)</u>	<u>\$343,103</u>

STATE OF CONNECTICUT

Combining Statement of Cash Flows Component Units

For The Fiscal Year Ended June 30, 1994
(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-93)	Connecticut Resources Recovery Authority
Cash Flows From Operating Activities:			
Operating income (loss)	\$ (1,965)	\$ (2,007)	\$ 29,963
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Amortization and depreciation	543	6,786	15,966
Provision for loan losses	2,531	19,932	-
Investment income	-	(54,517)	-
Interest expense	6,424	192,589	-
Changes in assets and liabilities:			
(Increase) decrease in receivables	(2,017)	1,094	(1,649)
(Increase) decrease in due from other funds	(696)	-	-
(Increase) decrease in inventories and prepaid expenses	(4,742)	-	-
Increase (decrease) in accounts payable and accrued liabilities	2,864	572	2,045
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in payable to other governments	-	-	721
Miscellaneous operating activities	(51,479)	(2,291)	(278)
Issuance of loans, notes, and installment contracts receivable	(34,187)	(152,625)	-
Collection of loans, notes, and installment contracts receivable	29,475	294,092	-
Net cash provided by (used in) operating activities	(53,249)	303,625	46,768
Cash Flows From Noncapital Financing Activities			
Contributed Capital	30,759	-	-
Proceeds from sale of bonds and notes	79,930	523,875	-
Retirement of bonds and notes payable	(30,606)	(544,375)	-
Interest on bonds and notes payable	(6,539)	(195,012)	-
Bond issuance and/or redemption costs	-	(10,617)	-
Miscellaneous noncapital financing activities	-	6,430	(223)
Net cash provided by (used in) noncapital financing activities	73,544	(219,699)	(223)
Cash Flows From Capital And Related Financing Activities:			
Purchase of fixed assets	(2,166)	(2,851)	(12,260)
Proceeds from sale of bonds and notes	-	-	42,507
Retirement of bonds and notes payable	-	-	(61,615)
Interest on bonds and notes payable	-	-	(26,665)
Miscellaneous capital and related financing activities	-	-	755
Net cash provided by (used in) capital and related financing activities	(2,166)	(2,851)	(57,278)
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities	34,555	1,125,274	23
Purchases of investment securities	(33,589)	(1,544,511)	(310)
Interest and income on investments	3,986	52,411	3,788
Reduction in loan receivable	-	-	6,520
Net cash provided by (used in) investing activities	4,952	(366,826)	10,021
Increase (decrease) in cash	23,081	(285,751)	(712)
Cash and cash equivalents, July 1	45,297	339,691	95,331
Cash and cash equivalents, June 30	\$ 68,378	\$ 53,940	\$ 94,619

Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Total
\$ (62)	\$ 494	\$ (975)	\$ 25,448
139	26	65	23,525
43	-	-	22,506
-	-	(299)	(54,816)
3,858	-	-	202,871
(27)	23	(115)	(2,691)
332	-	-	(364)
-	(76)	-	(4,818)
530	85	234	6,330
(332)	-	-	(332)
-	-	-	721
(76)	2,284	920	(50,920)
(8,262)	(166,900)	(3,725)	(365,699)
3,067	93,265	1,879	421,778
<u>(790)</u>	<u>(70,799)</u>	<u>(2,016)</u>	<u>223,539</u>
-	-	6,755	37,514
-	-	-	603,805
(5,630)	-	-	(580,611)
(4,053)	-	-	(205,604)
-	-	-	(10,617)
-	-	-	6,207
<u>(9,683)</u>	<u>-</u>	<u>6,755</u>	<u>(149,306)</u>
-	(127)	(106)	(17,510)
-	430,525	-	473,032
-	(161,640)	-	(223,255)
-	(79,958)	-	(106,623)
-	(30,097)	-	(29,342)
-	158,703	(106)	96,302
295	652,622	1,808	1,814,577
-	(729,814)	(3,988)	(2,312,212)
773	11,678	707	73,343
-	-	-	6,520
<u>1,068</u>	<u>(65,514)</u>	<u>(1,473)</u>	<u>(417,772)</u>
<u>(9,405)</u>	<u>22,390</u>	<u>3,160</u>	<u>(247,237)</u>
<u>13,520</u>	<u>48,642</u>	<u>10,058</u>	<u>552,539</u>
<u>\$ 4,115</u>	<u>\$ 71,032</u>	<u>\$13,218</u>	<u>\$ 305,302</u>

STATE OF CONNECTICUT

THIS PAGE LEFT INTENTIONALLY BLANK

Statistical Section

STATE OF CONNECTICUT

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>(3)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Legislative	\$ 18,597	\$ 19,421	\$ 22,912	\$ 27,419
2. General Government	374,451	395,949	442,150	466,452
3. Regulation and Protection	443,837	204,889	236,409	251,099
4. Natural Resources and Protection	40,930	47,715	89,409	83,282
5. Health and Hospitals	349,410	405,211	511,863	587,700
6. Transportation	281,638	331,419	304,110	322,876
7. Human Services	903,564	981,946	1,177,226	1,262,257
8. Education, Libraries, and Museums	1,180,376	1,307,526	1,414,218(4)	1,635,888(4)
9. Corrections	163,602	187,130	219,901	250,366
10. Judicial	87,340	87,873	102,709	110,184
11. Nonfunctional	386,790	455,359	562,541	613,773
12. Federal and Other Grants	343,386	363,027	463,386(4)	420,533(4)
13. Debt Service	330,511	371,987	335,095	340,518
Total Expenditures	<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 1985 and 1986

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances 1987-1994

<u>(5)</u> <u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
\$ 38,453	\$ 40,748	\$ 41,798	\$ 38,057	\$ 44,040	\$ 45,820
1,056,167	1,143,948	1,020,494	996,980	1,055,645	1,033,897
312,359	313,466	322,473	316,333	348,787	395,662
133,746	163,589	191,727	203,926	232,130	227,024
802,655	845,026	907,938	862,534	749,402	757,731
421,240	432,350	396,077	337,467	381,135	350,413
1,488,276	1,780,134	2,130,706	2,278,812	2,639,093	2,916,838
2,061,221(4)	2,220,106(4)	2,144,504(4)	2,216,166(4)	2,113,031(4)	2,258,516(4)
358,188	423,239	499,079	509,268	620,821	737,946
160,821	173,594	189,774	213,602	207,803	229,108
-	-	-	-	-	-
561,107(4)	533,033(4)	538,069(4)	791,892(4)	1,068,775	1,008,904
384,730	464,586	547,505	776,274	1,033,014	972,368
<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>	<u>\$10,934,227</u>

STATE OF CONNECTICUT

Revenues By Source

Last Ten Fiscal Years
(Expressed in Thousands)

<u>SOURCE (1)</u>	<u>FOR THE YEAR ENDED JUNE 30</u>				
	<u>(3)</u> <u>1985</u>	<u>1986</u>	<u>(2)</u> <u>1987</u>	<u>1988</u>	<u>1989</u>
1. Taxes	\$3,573,702	\$3,594,448	\$4,024,113	\$4,079,663	\$4,565,136
2. Licenses, Permits, and Fees	262,673	310,427	289,912	320,441	330,802
3. Intergovernmental	441,481	485,651	1,080,103	1,159,223	1,331,263
4. Charges for Services	363,328	430,252	375,863	382,915	65,051
5. Fines, Forfeits, and Rents	12,304	11,943	20,881	12,866	25,177
6. Investment Earnings	20,757	20,340	38,763	38,824	44,727
7. Lottery and Off Track Betting	-	-	-	-	697,672
8. Miscellaneous	650,750	658,783	108,709	125,591	115,543
Total Revenues	\$5,324,995	\$5,511,844	\$5,938,344	\$6,119,523	\$7,175,371

(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 1985 and 1986

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances 1987-1994

<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
\$4,961,739	\$4,639,536	\$5,596,447	\$ 6,140,718	\$ 6,436,828
380,011	365,780	372,146	398,979	425,480
1,479,412	1,688,731	2,135,220	2,616,995	2,641,448
59,863	61,153	62,364	88,852	176,757
44,178	21,811	27,151	35,843	33,226
45,579	69,715	65,284	75,141	62,218
718,473	731,095	709,423	692,528	552,992
145,004	144,715	172,494	156,391	262,590
<u>\$7,834,259</u>	<u>\$7,722,536</u>	<u>\$9,140,529</u>	<u>\$10,205,447</u>	<u>\$10,591,539</u>

STATE OF CONNECTICUT

Computation of Legal Debt Margin

July 1, 1994
(Expressed in Thousands)

Estimated General Fund Tax Receipts for the Fiscal Year Ending June 30, 1995	\$ 6,356,200
Factor	1.6
Statutory Debt Limit for Debt Incurred	10,169,920
Less: Authorized Bonds, Notes, and Other Obligations subject to certain limitations.	8,489,304
Legal Debt Margin	\$ 1,680,616

SOURCE: State of Connecticut General Obligation Bonds Offering Statement
Dated October 21, 1994.

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)	
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	3,289	3,232,491	209,175	3,023,316	919
1990	3,287	4,249,439	291,621	3,957,818	1,204
1991	3,290	5,650,182	349,206	5,300,976	1,611
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
1994	3,275	7,927,705	489,584	7,438,121	2,271

SOURCES: Economic Report of the Governor 1995-1996
Combined Balance Sheet

(1) Amount in thousands

STATE OF CONNECTICUT

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
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%
1994	404,921	387,722	792,643	10,934,227	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 1985 and 1986
Combined Statement of Revenues, Expenditures and Changes in Fund Balances 1987-1994

STATE OF CONNECTICUT

Revenue Bond Coverage

Rental Housing

Last Ten Fiscal Years
(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS RECEIPTS USED	DIRECT	NET REVENUE AVAILABLE	DEBT SERVICE REQUIREMENTS			
	FOR DEBT SERVICES(1)	OPERATING EXPENSES(2)	FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1994	16,102	-	16,102	2,038	12,991	15,029	1.07

(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 1985 and 1986
Annual Report of the Treasurer 1985 and 1986
Combining Statement of Revenues, Expenses, & Changes in Fund Equity
Combining Statement of Cash Flows

STATE OF CONNECTICUT

Revenue Bond Coverage

Bradley International Airport

Last Ten Fiscal Years
(Expressed in Thousands)

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
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
1994	34,355	18,966	15,389	2,295	7,275	9,570	1.61

(1) Includes Operating and Non-Operating Revenues.

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

SOURCE: Bradley International Airport Financial Statements

STATE OF CONNECTICUT

Revenue Bond Coverage

Connecticut Development Authority

Last Ten Fiscal Years
(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS RECEIPTS		AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
	USED FOR DEBT SERVICES(1)	DIRECT OPERATING EXPENSES(2)		PRINCIPAL	INTEREST	TOTAL	COVERAGE
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	1.17
1994	54,748	16,584	38,164	30,606	6,424	37,030	1.03

(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 15b.

SOURCE: Connecticut Development Authority Financial Statements

STATE OF CONNECTICUT

Revenue Bond Coverage

Connecticut Housing Finance Authority

Last Ten Fiscal Years
(Expressed in Thousands)

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
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
1993	556,670	42,778	513,892	544,375	192,589	736,964	.70

(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

STATE OF CONNECTICUT

Revenue Bond Coverage

Connecticut Resources Recovery Authority

Last Six Fiscal Years
(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUE(1)	DIRECT OPERATING EXPENSES(2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1989	\$ 97,303	\$ 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
1994	147,753	98,342	49,411	17,790	26,415	44,205	1.12

(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

STATE OF CONNECTICUT

Revenue Bond Coverage

Connecticut Higher Education Supplemental Loan Authority

For The Last Fiscal Year
(Expressed in Thousands)

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
1994	\$8,778	\$1,083	\$7,695	\$5,630	\$3,858	\$9,488	.81

(1) Includes Operating and Non-Operating Revenues and Principal Collections.

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

SOURCE: Combining Statement of Revenues, Expenses, & Changes in Fund Equity
Combining Statement of Cash Flows

STATE OF CONNECTICUT

Revenue Bond Coverage

Connecticut Health and Educational Facilities Authority

For The Last Fiscal Year
(Expressed in Thousands)

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
1994	\$180,915	\$1,854	\$179,061	\$161,640	\$84,867	\$246,507	.73

(1) Includes Operating and Non-Operating Revenues and Principal Collections.

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

SOURCE: Combining Statement of Revenues, Expenses & Changes in Fund Equity
Combining Statement of Cash Flows

STATE OF CONNECTICUT

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>
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	3,289	1.3%
1990	249,399	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%
1994	260,341	3,275	1.3%

SOURCE: Economic Report of the Governor 1995-1996
1994 U.S. Census Bureau Reported by the Hartford Courant

Bank Deposits

Last Ten Fiscal Years
(Expressed in Thousands)

<u>TOTAL AS OF</u>	<u>BANK DEPOSITS</u>
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	55,532,661
1994	54,836,057

NOTES: Beginning in 1991 totals are as of 6/30, before 1991 totals were as of 12/31.
In 1993 and 1994, bank deposits for credit unions were not included.

SOURCES: 1985-1987 Branch Directory and Summary of Deposits, Decision Research Sciences, Inc.
1988-1994 Department of Banking

STATE OF CONNECTICUT

Resident Employment, Unemployment, and Unemployment Rate

For the Last Ten Years

(Thousands)

YEAR	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	UNEMPLOYMENT RATE
1985	1,694.1	1,612.4	81.6	4.8%
1986	1,727.2	1,653.0	74.2	4.3%
1987	1,749.5	1,687.3	62.3	3.6%
1988	1,743.0	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	1,790.6	1,687.9	102.7	5.7%
1992	1,799.7	1,666.3	133.5	7.4%
1993	1,775.5	1,645.9	129.7	7.3%
1994	1,784.4	1,683.6	100.8	5.7%

SOURCE: Economic Report of the Governor 1995-1996

Total Personal Income and Per Capita Personal Income Connecticut Compared to the United States

Last Ten Fiscal Years

FISCAL YEAR	TOTAL PERSONAL INCOME (Billions of Dollars)			PER CAPITA PERSONAL INCOME (Dollars)			PER CAPITA PERSONAL INCOME
	UNITED STATES	CONNECTICUT	%	UNITED STATES	CONNECTICUT	%	CT RANK
1985	\$3,276.4	\$56.65	1.7%	\$13,771	\$17,697	128.5%	3
1986	3,487.5	60.80	1.7%	14,523	18,858	129.8%	1
1987	3,683.8	65.99	1.8%	15,204	20,324	133.7%	1
1988	3,934.6	72.37	1.8%	16,092	22,118	137.4%	1
1989	4,240.2	78.72	1.9%	17,179	23,978	139.6%	1
1990	4,523.2	82.03	1.8%	18,187	24,954	137.2%	1
1991	4,774.7	84.56	1.8%	18,937	25,703	135.7%	1
1992	4,984.4	86.38	1.7%	19,541	26,345	134.8%	1
1993	5,275.8	90.63	1.7%	20,456	27,657	135.2%	1
1994	5,524.1	94.44	1.7%	21,188	28,828	136.1%	2

SOURCE: Economic Report of the Governor 1995-1996

STATE OF CONNECTICUT

Nonagricultural Employment

Last Ten Fiscal Years

<u>FOR THE YEAR ENDED JUNE 30,</u>	<u>(THOUSANDS)</u>	
	<u>MANUFACTURING</u>	<u>NONMANUFACTURING</u>
1985	415.38	1,131.64
1986	400.31	1,178.57
1987	389.50	1,236.80
1988	380.54	1,281.95
1989	366.51	1,312.79
1990	351.83	1,305.37
1991	332.02	1,261.75
1992	313.66	1,221.73
1993	299.59	1,228.33
1994	288.27	1,240.22

Ten Largest Nonagricultural Industries

June 30, 1994

<u>INDUSTRY</u>	<u>AVERAGE # OF EMPLOYEES (THOUSANDS)</u>
Services	450.29
Wholesale and Retail Trade	326.71
Manufacture of Durable Goods	209.94
Government	208.17
Insurance	74.32
Finance and Real Estate	63.83
Manufacture of Nondurable Goods	62.54
Construction	47.71
Transportation	39.47
Communications	16.30

SOURCE: Economic Report of the Governor 1995-1996

STATE OF CONNECTICUT

Top Twenty Private Sector Employers

June 30, 1994

<u>COMPANY</u>	<u>PRINCIPAL CONNECTICUT LOCATION</u>
1. Aetna Life Insurance Co.	Hartford
2. Pratt & Whitney Aircraft	East Hartford
3. Electric Boat	Groton
4. Stop & Shop	Statewide
5. Sikorsky Aircraft	Stratford
6. SNET	New Haven
7. Yale University	New Haven
8. Foxwoods Resort Casino	Ledyard
9. Travelers Corp.	Hartford
10. ITT Hartford Insurance Group	Hartford
11. Northeast Utilities	Berlin
12. Cigna Corp.	Statewide
13. Pitney-Bowes, Inc.	Stamford
14. Yale-New Haven Hospital	New Haven
15. Hartford Hospital	Hartford
16. Shawmut National Corp.	Hartford
17. Hamilton Standard	Windsor Locks
18. First National Supermarkets	Windsor Locks
19. Caldor Corp.	Norwalk
20. J.C. Penney Co.	Statewide

SOURCE: Hartford Courant

STATE OF CONNECTICUT

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)
1985	\$21,909	\$5,543	\$48.51	1,612.4	20.96
1986	27,656	5,441	50.78	1,653.0	28.26
1987	27,790	5,031	55.11	1,687.3	28.68
1988	28,586	4,911	60.77	1,690.8	24.07
1989	29,021	6,082	66.46	1,692.8	15.78
1990	28,429	4,241	69.42	1,696.7	10.58
1991	29,362	4,979	72.24	1,687.9	7.61
1992	28,631	3,099	73.15	1,666.3	8.75
1993	28,850	2,895	76.23	1,645.9	8.31
1994	29,861	N/A	79.09	1,683.6	8.42

SOURCES: Economic Report of the Governor 1995-1996

Demographics

Last Ten Years

FOR THE YEAR ENDED JUNE 30,	POPULATION (THOUSANDS)	PER CAPITA INCOME	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
1985	3,201	\$17,697	465,031	4.8%
1986	3,224	18,858	465,896	4.3%
1987	3,248	20,324	461,724	3.6%
1988	3,272	22,118	460,564	3.0%
1989	3,289	23,978	460,190	3.2%
1990	3,287	24,954	464,563	4.5%
1991	3,290	25,703	473,015	5.7%
1992	3,279	26,345	482,314	7.4%
1993	3,277	27,657	489,669	7.3%
1994	3,275	28,858	N/A	5.7%

SOURCES: Economic Report of the Governor 1995-1996
State of Connecticut Register and Manual

STATE OF CONNECTICUT

Major Revenue Sources - General Fund

Last Ten Fiscal Years

(Millions)

FISCAL YEAR	SALES & USE TAX	% OF TOTAL REVENUE	PERSONAL INCOME TAX	% OF TOTAL REVENUE	CORPORATION TAX	% OF TOTAL REVENUE	CAPITAL GAINS TAX	% OF TOTAL REVENUE
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%	-	-
1994	2,181.4	27.6%	2,517.7	31.8%	703.5	8.9%	-	-

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, 1994

(Millions)

INDUSTRY	TAX	%
Manufacturing	\$ 131.5	6.5%
Wholesale	100.5	5.0%
Retail:		
Hardware	64.6	3.2%
General Merchandise	118.8	5.9%
Food Products	82.6	4.1%
Auto Products	241.8	12.0%
Apparel	32.4	1.6%
Home Appliances & Furnishings	110.1	5.5%
Eating & Drinking Establishments	129.0	6.4%
Miscellaneous Shopping Stores	210.0	10.5%
Business	389.9	19.4%
All Other Businesses	400.0	19.9%
Total Sales & Use Tax	\$2,011.2	

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

SOURCE: Department of Revenue Services

STATE OF CONNECTICUT

Miscellaneous Statistics

June 30, 1994

Date of Ratification	January 9, 1788
Form of Government	Legislative - Executive - Judicial
Miles of State Highway	4,069
Land Area	5,009 Square Miles

State Police Protection:

Number of Stations	12
Number of State Police	976

Higher Education (Universities, Colleges and Community Colleges):

Number of Campuses in State	26
Number of Educators	3,308
Number of Students	106,672

Recreation:

Number of State Parks	92
Area of State Parks	30,679 Acres
Area of State Forests	143,067 Acres

Employees:

Full-Time	47,714
Part-Time(Permanent)	7,824

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

STATE OF CONNECTICUT

Office of the State Comptroller Organization

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
Janet Richardson
Julie Fanelli

Accounting Operations
Burton Gold
Diane Nolan
Elizabeth Roy
Patrick Collins
Karen Hurst
Karen Jones
Judith Tollin
Debra Morris



This publication's text is printed on recycled stock.

