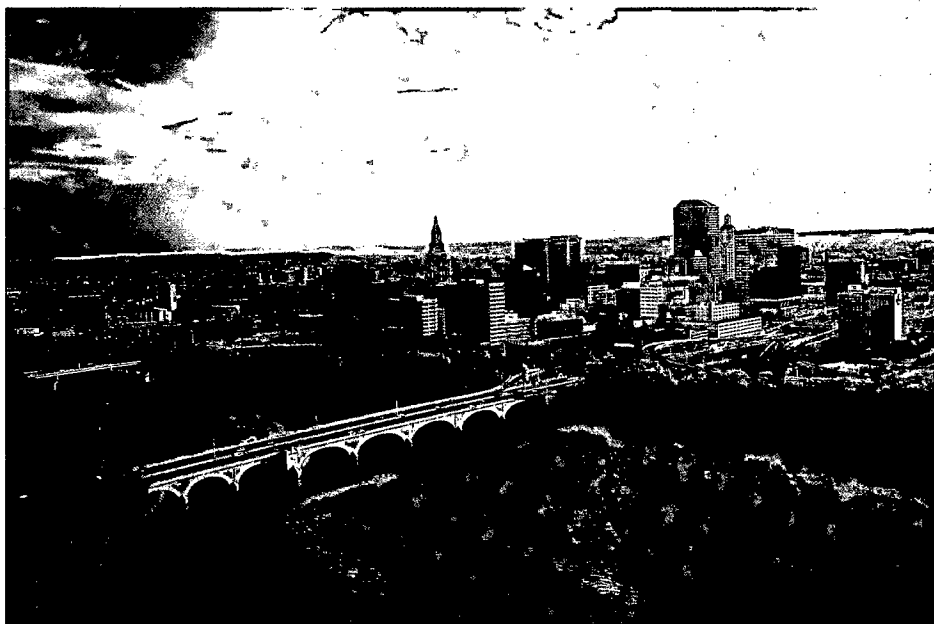


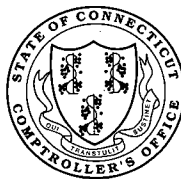
STATE OF CONNECTICUT



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000

Nancy Wyman, State Comptroller



STATE OF CONNECTICUT

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

**For Fiscal Year Ended
June 30, 2000**

***Prepared by the Office of the
State Comptroller***

**NANCY WYMAN
STATE COMPTROLLER**

This publication is available on the Office of the State Comptroller's home page:
<http://www.osc.state.ct.us/2000cafr/>

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

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. She 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. She maintains all official accounting records and is responsible for the employee payrolls for all State agencies, departments, and institutions. Her office administers all Retirement Systems other than Teachers' retirement. Additionally, the Comptroller administers numerous miscellaneous appropriations of the State.

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Introductory Section

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MARK E. OJAKIAN
DEPUTY COMPTROLLER

January 23, 2001

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, 2000.

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 include the notes to the financial statements, and the combining financial statements and general fixed assets schedules.

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 3.4 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 as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Connecticut Lottery Corporation is reported as an enterprise fund of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. These would include the Connecticut Development Authority, Connecticut Housing Finance Authority, Connecticut Resources Recovery Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Health and Educational Facilities Authority, Connecticut Innovations, Incorporated, and Capital City Economic Development Authority.

STATE INITIATIVES

Adriaen's Landing

Due to its disparities in wealth and income, Connecticut has been called "two states." One consists of mostly suburban areas that enjoy a high standard of living; the other is largely urban with high levels of poverty and unemployment. In response, part of Connecticut's economic development policy has focused on large-scale projects to revitalize its largest cities. The most prominent of these is Adriaen's Landing in Hartford. The project – an ambitious public and private effort – is named for Adriaen Block, a 17th century Dutch explorer who is believed to be the first European to visit what is now downtown Hartford in 1614.

After years of planning and several false starts – including the withdrawal of the National Football League's New England Patriots – the Connecticut General Assembly approved a revised Adriaen's Landing plan in May 2000. The legislation calls for the development of a convention center and hotel with parking facilities, as well as retail stores, offices, housing units and an entertainment complex on the 33-acre Hartford riverfront site. A 40,000 seat University of Connecticut football stadium will be constructed across the Connecticut River at Rentschler field in East Hartford on land donated by United Technologies Corporation.

The total cost of the project is expected to be \$771.1 million and includes \$355 million in state general obligation bonds and \$99.5 million in state appropriations; \$74.2 million in revenue bonds and loans through the Capital City Economic Development Authority; and \$242.4 million in private investments. The project's development team consists of the State of Connecticut Office of Policy and Management, the Capital City Economic Development Authority and the Waterford Group.

According to projections, the Adriaen's Landing project is expected to create 1,137 permanent full time jobs, and 3,400 construction jobs. Approximately 30 percent of these jobs will be targeted to residents of Hartford and East Hartford. The Stadium at Rentschler Field is projected to generate jobs for up to 30

permanent employees and 600 game-day employees. Between 250 and 300 stadium construction jobs will also be created.

The Adriaen's Landing master plan projects positive economic benefits for the state. In addition to growth in employment, these include gains in Gross State Product, personal income, disposable income and population. From a fiscal perspective the picture is less encouraging. Given the substantial investment, Connecticut's state government will not realize a positive return on its investment and local municipal governments may only see a negligible return. However, state policy makers believe the resulting infrastructure of Adriaen's Landing is essential to ensuring the long-term economic competitiveness of the Hartford region.

Construction for Adriaen's Landing is scheduled to begin in July 2001 and be completed by September 2003. Construction for the Stadium at Rentschler Field is anticipated to begin in May 2001 and be completed in time for its first scheduled game in August 2003.

Core Financial and Administrative Systems

In February 2000, State Comptroller Nancy Wyman and Governor John Rowland jointly announced an initiative to consolidate the state's various record-keeping systems into an integrated core data system. In doing so, the Comptroller noted that the state would be replacing the current unwieldy methods of data processing with "a simple, integrated system that will deliver services in a more effective and efficient manner." The new system, utilizing so-called ERP (enterprise resource planning) software, will integrate basic human-resource, payroll, and financial work for all state agencies.

The project, named Core-CT, will replace the state's core financial and administrative computer systems including central and agency accounting, accounts payable, payroll, time and attendance, worker's compensation, and personnel systems.

The scope and significance of this endeavor is reflected in the composition of its Project Steering Committee. The Comptroller, who chairs the committee, is joined by the Commissioner of the Department of Administrative Services, the Chief Information Officer from the Department of Information and Technology, and the Secretary of the Office of Policy and Management.

To provide funds for the initial phase of this project, the legislature approved a first year budget (FY 2001) of \$7.5 million from the FY 2000 surplus to cover start-up costs.

The project is intended to unfold in two stages: (1) selection of a consulting firm to define the project's requirements and select appropriate software; and (2) the implementation phase, integrating the state's core administrative and financial computer applications.

The state chose Andersen Consulting (which formally changed its name to Accenture, effective January 2001) as its consultant for the initial stage of the project. Currently, Accenture and state employee staff are meeting in various teams to determine the new system's requirements and to issue a request for proposals which will begin the software selection process. It is anticipated that this phase of the project will be completed with selection of an ERP software package in the late winter or spring of 2001.

The state estimates that the implementation phase will take two to three years to complete.

Use of Surplus Revenue

Each year since 1992, the state's General Fund has posted a year-end surplus on a modified cash, or budgetary basis of accounting. The recurring surpluses can be traced to two factors: 1) the implementation of an income tax in fiscal year 1992 that expanded General Fund revenues by \$1.6 billion, or 27 percent in a single year; and 2) an expanding national economy that helped lift Connecticut out of recession and created the conditions for extraordinary state growth. Over the past nine fiscal years, the excess of

revenues over expenditures has totaled \$1.8 billion. In recognition of rising revenues and growing surpluses, the legislature committed to fill the Budget Reserve Fund to its statutory target of 5 percent of net General Fund appropriations, to provide tax relief, to reduce debt obligations, and to increase spending in nonrecurring program areas.

The state's Budget Reserve Fund had been completely drained by the 1989-92 recession. In 1995, the state legislature reinstated annual contributions to the Budget Reserve Fund, and by the close of the 2000 fiscal year the fund's balance had grown to \$564,037,776. In recent years, the legislature has set aside sufficient surplus dollars to ensure that the Budget Reserve Fund is maintained at its 5 percent statutory amount. A priority had also been placed on tax relief. This resulted in two tax rebate programs funded from surplus dollars, and numerous other tax cuts. The tax rebates occurred in 1998 and 1999 and amounted to over \$200 million. Other accumulated tax rate and base, phased-in reductions were projected to reduce Fiscal Year 2000 revenues by close to one billion dollars. The surpluses have also been used to retire notes and bonds and to avoid financing a portion of local school construction with new debt. Since 1992, close to one billion dollars has been reserved to improve the state's debt position. It should be noted that, due to new authorizations, the state's accumulated bonded debt has continued to grow. Finally, the legislature has reserved a portion of surplus for various one-time spending initiatives. These initiatives have included municipal grant payments, sports stadium construction, year 2000 computer compliance, core financial system upgrades, school rewiring, nonrecurring payroll expenses, and various other grants and projects.

OPERATING RESULTS

- The 1999-2000 fiscal year operating deficit of \$615 million once again highlights the state's continual reliance on debt-financing.
- Long-term obligations increased \$798 million, which will have to be financed by future generations.
- Debt service was 9 percent of governmental operating expenditures, a decrease from 9.8 percent in the prior year. In absolute terms, such expenditures increased almost one percent.
- Net debt per capital rose to \$2,863 more than double that of fiscal 1990.
- Government expenditures showed an increase from 10.1 percent to 10.6 percent of total personal income in the state when compared to the prior fiscal year, however, in absolute terms, expenditures increased 9.4 percent.

GOVERNMENTAL OPERATING RESULTS*

	(millions)				
	FY00	FY99	FY98	FY97	FY96
General Fund Surplus (Deficit)	<u>\$ (77)</u>	<u>\$ 169</u>	<u>\$ 389</u>	<u>\$ 252</u>	<u>\$ 198</u>
Special Revenue Funds:					
Transportation	6	47	(25)	47	14
Grant and Loan Programs	(590)	(457)	(304)	(297)	(301)
Housing Programs	(3)	(26)	(31)	(44)	(36)
Other, net	<u>49</u>	<u>(113)</u>	<u>(22)</u>	<u>(53)</u>	<u>(66)</u>
Total Special Revenue Funds	<u>(538)</u>	<u>(549)</u>	<u>(382)</u>	<u>(347)</u>	<u>(389)</u>
Total Government Operating Surplus (Deficit)	<u>\$ (615)</u>	<u>\$ (380)</u>	<u>\$ 7</u>	<u>\$ (95)</u>	<u>\$ (191)</u>

* Surplus (Deficit) includes transfers and excludes proceeds from the sale of bonds and notes and capital lease obligations.

TOTAL GOVERNMENTAL REVENUES*

	(millions)				
	FY 00	FY 99	FY 98	FY 97	FY 96
Taxes	\$ 8,845	\$ 8,337	\$ 8,130	\$ 7,611	\$ 7,339
Intergovernmental	3,206	2,913	2,854	2,783	2,830
All other	<u>1,386</u>	<u>1,170</u>	<u>1,100</u>	<u>1,019</u>	<u>1,640</u>
Total	<u>\$ 13,437</u>	<u>\$ 12,420</u>	<u>\$ 12,084</u>	<u>\$ 11,413</u>	<u>\$ 11,809</u>
Operating Surplus/Deficit as a Percent					
Total Revenue	4.6%	3.1%	0.1%	0.8%	1.6%
Total Tax Revenue	7.0%	4.6%	0.1%	1.2%	2.6%

In the ten years since 1991, governmental expenditures have increased 60 percent while personal income increased only 53 percent.

GOVERNMENTAL OPERATING EXPENDITURES* AS A PERCENT OF PERSONAL INCOME

				Connecticut
Fiscal Year	Expenditures	Personal Income		Percent
1991	8,930	87,837		10.2%
1992	9,541	92,749		10.3%
1993	10,494	95,588		11.0%
1994	10,934	98,966		11.0%
1995	11,924	104,616		11.4%
1996	12,221	110,904		11.0%
1997	11,751	117,173		10.0%
1998	12,307	123,431		10.0%
1999	13,051	128,983		10.1%
2000	14,282	134,448 (2nd qtr.)		10.6%

* Includes general, special revenue and debt service funds. Operating expenditures also include higher Education expenditures that are treated as an operating transfer out in the general fund.

Uncontrollable and fixed costs continued to consume a large share of the state's spending. Total debt service decreased to 9 percent of governmental expenditures, still almost two times the ratio of fiscal year 1990. Medicaid spending increased dramatically in fiscal year 2000 to approximately \$2.4 billion, however, it still remains at almost one-fifth of total General Fund spending. The net state share of Medicaid, after adjusting for the 50 percent share of federal reimbursements, was \$348 for every man, woman, and child in Connecticut.

Deficit financing for operating purposes continued in fiscal year 2000. Operating deficits of \$593 million were incurred in the Grant and Loan Programs and the Housing Programs special revenue funds in fiscal year 2000. This represents 34 percent of total special revenue funds spending. Debt financing for these and other special revenue programs was \$639 million, which is greater than 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 \$2,863 – over twice what it was in fiscal year 1990.

General Fund

Fiscal year 2000 saw the state end the year with a general fund operating deficit, the first after four years of operating surpluses. This deficit is primarily attributable to increasing Medicaid accruals and the financing of various non-recurring fiscal year 2000 expenditures with surplus funds reserved from prior years.

GENERAL FUND OPERATING SURPLUS (DEFICIT)

	(millions)		
	FY 00	FY 99	FY 98
Surplus (Deficit) in Prior Fiscal Year	\$ 169	\$ 389	\$ 252
Expenditures (Increases) Decreases:			
General Government	32	(245)	(46)
Health and Hospital	(96)	(98)	(59)
Human Services	(295)	66	(45)
Education, Libraries, and Museums	(113)	(73)	(74)
Corrections	(126)	(95)	11
Higher Education	(110)	(71)	(35)
Debt Service	(64)	(109)	(62)
Other, net	(353)	60	(200)
	(1,125)	(565)	(510)
Revenue Increases (Decreases):			
Taxes	484	214	531
Intergovernmental	296	63	61
Other, net	99	68	55
	879	345	647
Surplus (Deficit)	\$ (77)	\$ 169	\$ 389

Revenues increased 7.7 percent in total with tax revenues increasing 6.2 percent and intergovernmental revenues (grants, etc.) increasing 10.9 percent. Expenditures increased 10 percent with all expenditure categories increasing except for general government.

GENERAL FUND REVENUES

	(millions)			
	FY 00	FY 99	Change	FY 98
Taxes	\$ 8,283	\$ 7,799	\$ 484	\$ 7,585
Licenses, Permits and Fees	128	122	6	123
Intergovernmental	3,005	2,709	296	2,646
Casino Gaming Payments	319	288	31	258
Charges for Services	42	34	8	29
Fines, Forfeits, and Rents	40	52	(12)	34
Investment Earnings	53	58	(5)	53
Miscellaneous	128	121	7	117
Subtotal	11,998	11,183	815	10,845
Transfers In:				
Lottery	254	274	(20)	267
Tobacco Settlement	83	-	83	-
Other	1	-	1	-
Total	\$ 12,336	\$ 11,457	\$ 879	\$ 11,112

As shown above, except for taxes and intergovernmental revenues, 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, tax revenues continue to be fairly stagnant, increasing marginally or in many cases even decreasing. Revenue from the personal income tax increased by \$409 million, an increase of approximately 12.1 percent while the sales and use tax increased \$160 million or an increase of 5.5 percent.

GENERAL FUND TAX REVENUES

	(millions)			
	FY 00	FY 99	Change	FY 98
Personal Income	\$ 3,777	\$ 3,368	\$ 409	\$ 3,197
Sales and Use	3,082	2,922	160	2,759
Corporation	413	461	(48)	506
Public Service Corporations	163	168	(5)	170
Inheritance and Estate	200	216	(16)	259
Insurance Companies	187	180	7	183
Cigarettes and Tobacco	121	122	(1)	126
Real Estate Conveyance	114	106	8	93
Alcoholic Beverages	41	40	1	40
Oil Companies	49	22	27	61
Hospital Gross Receipts	68	126	(58)	138
Admissions, Dues, and Cabaret	27	27	-	25
Miscellaneous	41	41	-	28
Total	\$ 8,283	\$ 7,799	\$ 484	\$ 7,585

Except for general government, all functions of government showed increases in expenditures over the prior year. Medicaid expenditures showed a dramatic increase of 16 percent over 1999.

MEDICAID EXPENDITURES

	(millions)			
	2000	1999	1998	1997
	\$ 2,368	\$ 2,037	\$ 2,012	\$ 1,960
				\$ 1,908

GENERAL FUND EXPENDITURES

	(millions)			
	FY 00	FY 99	Change	FY 98
Legislative	\$ 69	\$ 65	\$ 4	\$ 55
General Government	813	845	(32)	600
Regulation and Protection	255	215	40	121
Conservation and Development	99	92	7	81
Health and Hospitals	1,146	1,050	96	952
Transportation	2	-	2	-
Human Services*	3,770	3,475	295	3,541
Education, Libraries, and Museums	2,065	1,952	113	1,879
Corrections	1,153	1,027	126	932
Judicial	399	352	47	311
Federal and Other Grants	713	551	162	682
Debt Service	1,037	892	145	778
Subtotal	11,521	10,516	1,005	9,932
Transfers Out:				
Higher Education	698	588	110	517
Debt Service	-	81	(81)	86
Other	194	103	91	188
	892	772	120	791
Total	\$ 12,413	\$ 11,288	\$ 1,125	\$ 10,723

*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 sparingly and in unusual circumstances.

SPECIAL REVENUE FUND OPERATING RESULTS

	(millions)				
	FY 00	FY 99	FY 98	FY 97	FY 96
Operating Results before Debt Financing					
Transportation	\$ 6	\$ 47	\$ (25)	\$ 47	\$ 14
Grant and Loan Programs	(590)	(457)	(304)	(297)	(301)
Housing Programs	(3)	(26)	(31)	(44)	(36)
Other, net	<u>49</u>	<u>(113)</u>	<u>(22)</u>	<u>(53)</u>	<u>(66)</u>
Subtotal	(538)	(549)	(382)	(347)	(389)
Proceeds from debt financing	<u>639</u>	<u>556</u>	<u>419</u>	<u>429</u>	<u>405</u>
Surplus	<u><u>\$ 101</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 37</u></u>	<u><u>\$ 82</u></u>	<u><u>\$ 16</u></u>

The operating deficits primarily arose in the Grant and Loan Programs Fund and the Housing Programs Fund. The Grant and Loan Fund expended \$605 million in fiscal year 2000 supported by revenues of only \$12 million. Bond proceeds of \$592 million financed the balance. The Housing Programs Fund expended \$6 million in fiscal year 2000 supported by \$4 million of revenues and \$10 million of bond proceeds.

Other major special revenue funds include the Transportation Fund, which is generally self-supporting. Revenues of \$1,026 million in fiscal year 2000 supported expenditures and transfers of \$1,020 million. The fund balance of the Transportation Fund was \$168 million or 16 percent of expenditures and transfers.

The Employment Security Administration Fund expended \$109 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 and transfers of \$82 million were supported by \$39 million of revenues and transfers, along with bond proceeds of \$35 million.

Capital Projects Funds

Capital spending has averaged over \$700 million for the past five years with most of that spending directed toward infrastructure projects. Approximately 66 percent of infrastructure expenditures were financed by federal aid and the balance by state debt. Unlike the deficit financing of certain special revenue funds, the debt used to finance capital construction will provide a tangible benefit to the future generation of taxpayers who will use the asset for which they will pay the debt service. In addition, these infrastructure investments improve the economic climate of the state both immediately and for many years to come.

TREND IN CAPITAL PROJECTS EXPENDITURES

(millions)

Fiscal Year	State Facilities	Infrastructure	Transportation	Total
2000	\$ 180	\$ 559	\$ 7	\$ 746
1999	193	530	4	727
1998	165	479	43	687
1997	178	598	25	801
1996	143	533	14	690

Expendable Trust Funds

The Employment Security Fund saw its fund balance decrease as resources were transferred to the Special Assessment Trust Fund to help retire unemployment compensation debt incurred in the early 1990's.

EMPLOYMENT SECURITY FUND

(millions)

Fiscal Year	Revenues	Expenditures	Surplus	Fund Balance
2000	\$ 426	\$ 462	\$ (36)	\$ 842
1999	545	406	139	878
1998	658	382	276	739
1997	635	411	224	463
1996	590	478	112	239

Pension Trust Funds

Net assets of the pension trust funds increased 10 percent for 2000. The State Employees' Retirement System (SERS), by far the largest pension fund for state employees (the Teachers' Retirement System primarily serves municipal employees), funded status increased to 62.5 percent as of fiscal year 2000 as compared to 53.7 percent as of fiscal year 1996. The Teachers' Retirement System (TRS) funded status increased from 68.1 percent to 70.4 percent, and the Judicial Retirement System (JRS) from 48.2 percent to 67.9 percent respectively.

PENSION FUNDED STATUS

	FY00	FY99	FY98	FY97	FY96
SERS	62.5%	59.1%	58.1%	56.6%	53.7%
TRS	70.4%	70.4%	69.1%	69.1%	68.1%
JRS	67.9%	64.2%	58.4%	52.4%	48.2%

Enterprise Funds

Two major changes to the enterprise funds combined financial statements occurred in fiscal year 1997. The Connecticut Lottery Corporation was created by the legislature as a public instrumentality and political subdivision of the state and was, accordingly, added to the enterprise fund category. Secondly, the John Dempsey Hospital Fund was reclassified out of the higher education funds group after it was determined that the fund was better suited to enterprise fund type accounting. The largest fund, the Connecticut Lottery Corporation, continues to provide substantial support to the General Fund with revenues of \$838 million providing \$254 million to the General Fund after prizes and expenses of \$585 million.

ENTERPRISE FUNDS

(millions)

Fiscal Year	Operations		Net	Nonoperating Net	Net Income (Loss)	Retained Earnings
	Revenue	Expenses				
2000	\$ 1,004	\$ 757	\$ 247	\$ (229)	\$ 18	\$ 206
1999	1,047	769	278	(250)	28	188
1998	963	712	251	(247)	4	166
1997	938	681	257	(244)	13	162

Higher Education

Expenditures grew at a rate of 12.6 percent in fiscal year 2000, with State support keeping pace. Total revenues increased 9.4 percent over fiscal year 1999 with Tuition and Fees and Federal and State Grants showing the biggest increases.

TRENDS IN HIGHER EDUCATION

CURRENT FUNDS

(millions)

	FY 00	FY 99	FY 98	FY 97	FY 96
Revenues:					
Tuition and Fees	\$ 295	\$ 265	\$ 257	\$ 250	\$ 233
Federal and State Grants	175	144	134	108	115
Private Gifts	29	28	24	27	21
Patient Services	106	104	83	50	56
Sales and Services	170	158	143	143	130
Other	37	43	45	40	45
Total	<u>812</u>	<u>742</u>	<u>686</u>	<u>618</u>	<u>600</u>
Expenditures and Transfers:					
Education and General	1,239	1,096	983	932	903
Patient Care	116	114	86	50	48
Auxiliary Enterprises	118	105	94	101	98
Other	13	5	5	4	4
Total	<u>1,486</u>	<u>1,320</u>	<u>1,168</u>	<u>1,087</u>	<u>1,053</u>
Net before State support	(674)	(578)	(482)	(469)	(453)
State support	698	588	517	473	442
Net	<u>\$ 24</u>	<u>\$ 10</u>	<u>\$ 35</u>	<u>\$ 4</u>	<u>\$ (11)</u>

Tuition and fees as a percent
of total expenditures and
transfers

19.9%	20.1%	22.0%	23.0%	22.1%
-------	-------	-------	-------	-------

State support as a percent
of total expenditures and
transfers

47.0%	44.5%	44.3%	43.5%	42.0%
-------	-------	-------	-------	-------

Debt Administration

State general obligation bonds are rated Aa3, AA, and AA by Moody's, Standard and Poor's, and Fitch IBCA, respectively, while transportation-related special tax obligation bonds are currently rated A1, AA-, and AA-, respectively.

The state issued approximately \$1.1 billion of bonds in fiscal year 2000, an increase from the past two fiscal years. 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)								
	FY 00		FY 99		FY 98				
Special Revenue Funds:									
Grant and Loan Programs	\$	592	52.6%	\$	479	47.5%	\$	291	34.7%
Environmental Programs		35	3.1%		58	5.8%		60	7.1%
Housing Programs		10	0.9%		-	-		51	6.1%
Other		-	-		17	1.7%		15	1.8%
		<u>637</u>	<u>56.6%</u>		<u>554</u>	<u>55.0%</u>		<u>417</u>	<u>49.7%</u>
Capital Project/Debt Service Funds:									
State Facilities/UCONN 2000		339	30.1%		223	22.1%		262	31.2%
Infrastructure/Debt Service		<u>150</u>	<u>13.3%</u>		<u>231</u>	<u>22.9%</u>		<u>160</u>	<u>19.1%</u>
		<u>489</u>	<u>43.4%</u>		<u>454</u>	<u>45.0%</u>		<u>422</u>	<u>50.3%</u>
Total Governmental	\$	<u>1,126</u>	<u>100.0%</u>	\$	<u>1,008</u>	<u>100.0%</u>	\$	<u>839</u>	<u>100.0%</u>

Debt service as a percent of government operations, excluding debt service on the Economic Recovery Notes, has continued to decrease to 9 percent from a high of 10 percent.

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

	FY 00		FY 99		FY 98		FY 97		FY 96	
Debt Service (Bonded):										
Principal	\$	743	\$	756	\$	732	\$	598	\$	523
Interest		<u>541</u>		<u>520</u>		<u>500</u>		<u>471</u>		<u>449</u>
		<u>\$ 1,284</u>		<u>\$ 1,276</u>		<u>\$ 1,232</u>		<u>\$ 1,069</u>		<u>\$ 972</u>
Debt Service (Economic Recovery Notes):										
Principal	\$	-	\$	78	\$	79	\$	79	\$	316
Interest		<u>-</u>		<u>3</u>		<u>7</u>		<u>10</u>		<u>17</u>
		<u>\$ -</u>		<u>\$ 81</u>		<u>\$ 86</u>		<u>\$ 89</u>		<u>\$ 333</u>
Governmental Operating Expenditures		<u>\$ 14,282</u>		<u>\$ 13,051</u>		<u>\$ 12,307</u>		<u>\$ 11,751</u>		<u>\$ 12,221</u>

Debt Service as a Percent of Governmental Operating Expenditures:

Bonded	9.0%	9.8%	10.0%	9.1%	8.0%
Including Economic Recovery Notes	9.0%	10.4%	10.7%	9.9%	10.7%

Net state debt increased 4.2 percent to \$9.8 billion from \$9.4 billion in fiscal year 1999. Net State debt has more than doubled since fiscal year 1990.

NET STATE DEBT

	(millions)				
	FY 00	FY 99	FY 98	FY 97	FY 96
Debt Outstanding (June 30):					
General Obligation Bonds	\$ 7,222	\$ 6,902	\$ 6,585	\$ 6,339	\$ 6,000
Transportation Bonds	3,070	3,192	3,134	3,210	3,201
Notes	-	-	78	157	236
	<u>10,292</u>	<u>10,094</u>	<u>9,797</u>	<u>9,706</u>	<u>9,437</u>
Debt Service Available	<u>(540)</u>	<u>(739)</u>	<u>(498)</u>	<u>(477)</u>	<u>(456)</u>
Net Debt, End of Year	<u>\$ 9,752</u>	<u>\$ 9,355</u>	<u>\$ 9,299</u>	<u>\$ 9,229</u>	<u>\$ 8,981</u>
Changes in Net Debt:					
Net Debt, Beginning of Year	\$ 9,355	\$ 9,299	\$ 9,229	\$ 8,981	\$ 8,412
Redemptions-Bonds	(743)	(756)	(732)	(598)	(523)
Redemptions-Notes	-	(78)	(79)	(79)	(316)
Issuances-Bonds	1,126	1,008	839	869	1,128
Issuances-Notes	-	-	-	-	236
Cash Defeasance	(196)	-	-	-	-
Refundings-Issued	-	185	536	161	221
Refundings-Defeased	-	(172)	(522)	(157)	(209)
Accretion and Other	11	110	49	73	68
Debt Service Decrease (Increase)	<u>199</u>	<u>(241)</u>	<u>(21)</u>	<u>(21)</u>	<u>(36)</u>
Net Debt, End of Year	<u>\$ 9,752</u>	<u>\$ 9,355</u>	<u>\$ 9,299</u>	<u>\$ 9,229</u>	<u>\$ 8,981</u>

Debt per capita has more than doubled to \$2,863 from \$1,204 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 which 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 actuarial accrued liability, which represents the value of pension benefits earned by employees but which is not funded currently are also included in long-term obligations. The total of these obligations increased \$798 million in fiscal year 2000.

NET DEBT PER CAPITA*

FY 00	FY 99	FY 98	FY 97	FY 96
\$ 2,863	\$ 2,850	\$ 2,816	\$ 2,777	\$ 2,679

* Exclusive of Economic Recovery Notes.

TRENDS IN SELECTED LONG TERM DEBT

	(millions)				
	FY 00	FY 99	FY 98	FY 97	FY 96
Net Bonded Debt	\$ 9,752	\$ 9,355	\$ 9,299	\$ 9,229	\$ 8,981
Capital Leases	49	52	48	49	54
Compensated Absences	294	275	264	260	262
Workers Compensation	<u>284</u>	<u>280</u>	<u>279</u>	<u>283</u>	<u>268</u>
Subtotal	<u>10,379</u>	<u>9,962</u>	<u>9,890</u>	<u>9,821</u>	<u>9,565</u>
Unfunded Actuarial Accrued Liability	<u>7,623</u>	<u>7,242</u>	<u>6,761</u>	<u>6,597</u>	<u>6,334</u>
Total	<u><u>\$ 18,002</u></u>	<u><u>\$ 17,204</u></u>	<u><u>\$ 16,651</u></u>	<u><u>\$ 16,418</u></u>	<u><u>\$ 15,899</u></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 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 that identifies that activity or program to be carried out, the amounts that may be expended for these purposes, 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 individual appropriation account level by agency as established in authorized bills. The allotment process exercises control over the obligation. The Governor through the Office of Policy and Management allots funds, both for budgeted and non-budgeted funds. The Governor is further allowed to modify the allotments up to three percent of the fund or five percent of the appropriation amount. Modifications beyond those limits, but not in excess of five percent 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 the State's short-term investment fund, a money market investment pool whose investments consist of certificates of deposit, bankers' acceptances, commercial paper, repurchase agreements, federal agency securities, and other investments with various ranges of maturities. The investment income and average yield rate for the fiscal year 1999-2000 for this fund was approximately \$214 million and 6.01 percent, respectively. By comparison, the IBC First Tier Institutions-Only Rated Money Fund Report Index had a 5.58 percent rate of return, during the same time period.

Bank balances at June 30, 2000 were \$139 million of which about seventy-two percent was not insured or protected by collateral.

Risk Management

The state retains risk for certain property and liability claims, including workers' compensation. The State Insurance and Risk Management 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, like the nation, has been moving through a period of extraordinary economic growth. The state owes its prosperity to the creativity, skill and industry of its citizens. The fundamentals of the Connecticut economy are strong. For more than a decade the state has ranked first in the nation in per capita income and employment has been growing steadily since 1993. Defense and insurance continue to be important industries, but bioscience, software development, communications, pharmaceuticals, medical technology and tourism have contributed to a diversification in Connecticut's industrial base and have fueled economic growth. According to a report by the Progressive Policy Institute, Connecticut is uniquely positioned to meet the demands of the "new economy"—an economy based on technology, highly educated workers and global markets.

The state benefits economically from its geography. Connecticut is centrally located with access to the large eastern markets of the United States. Over 30 percent of the nation's effective buying income, retail sales, manufacturing firms and population are within a day's drive. Connecticut has also expanded its role in foreign markets. The state's foreign exports have risen steadily (increasing at an 8 percent annual rate through the 3rd quarter of 2000), consistently outpacing the national growth rate. State businesses trade with more than 170 countries around the world accounting for over \$8 billion in exports. About a quarter of all state exports go to Canada.

Since 1996, Connecticut's economic recovery has been robust and sustained. The state was slow to recover from the 1989-92 recession. Between 1993 and 1995 while the country was gaining economic strength, Connecticut continued to see declines in real family income, increasing poverty, and only marginal gains in employment. The state lost close to 160,000 jobs during the recession, and was one of the last states in the union to regain its pre-recession employment level. By 1996, the period of stagnant growth had ended and Connecticut was fully participating in the national expansion. Since that time, the state's economic performance has rivaled or surpassed that of the national economy. However, in mid-2000 signs of slower national and state growth began taking hold. While few projections anticipate a 2001 recession, forecasts point to a moderating economy. State government, therefore, must adjust to the revenue implications of slower growth, and build appropriate reserves to guard against the need for future tax increases.

Approximately 70 percent of all Connecticut workers are employed in manufacturing, retail and wholesale trade, and the service industry. Since the recovery began at the end of 1992, the state has added 178,300 payroll jobs based on data through October 2000, an average annual growth rate of 1.4 percent. The vast majority of the new jobs (121,100) are in the service industry. Connecticut has seen an employment shift from manufacturing to services over the past decade. The state's unemployment rate was a low 2 percent in October 2000.

Connecticut ranks first in the nation in per capita income with a 1999 figure of \$39,300, compared to \$28,542 nationally. This places the state at 138 percent of the national average, and over the past several years this comparative advantage has been growing. Connecticut ranks fourth in the country in real median household income at 125 percent of the national average. The state's real median household income for 1999 was \$50,798. The components of Connecticut personal income are as follows: 70.5 percent is derived from normal earnings (wage and salary compensation); 18.3 percent comes from dividends, interest and rents; and the remaining 11.2 percent is from federal and other transfer payments.

As the national economy slows, Connecticut is seeing moderating growth in employment and income. In the 3rd quarter of 1999 the state added 6,400 payroll jobs; in the 3rd quarter of 2000 just 2,200 jobs had been gained. State personal income growth hit a low of 0.5 percent in the 2nd quarter of 2000, while the national average for the quarter was 1.7 percent.

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, 1999. 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 eleven consecutive years (fiscal years ended 1989-1999). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

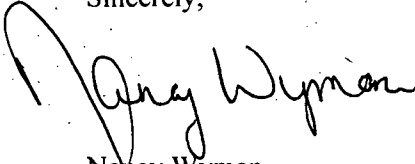
Independent Audit

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 Budget and Financial Analysis Division deserve special acknowledgment.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Wyman". The signature is fluid and cursive, with a large initial "N" and "W".

Nancy Wyman
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, 1999

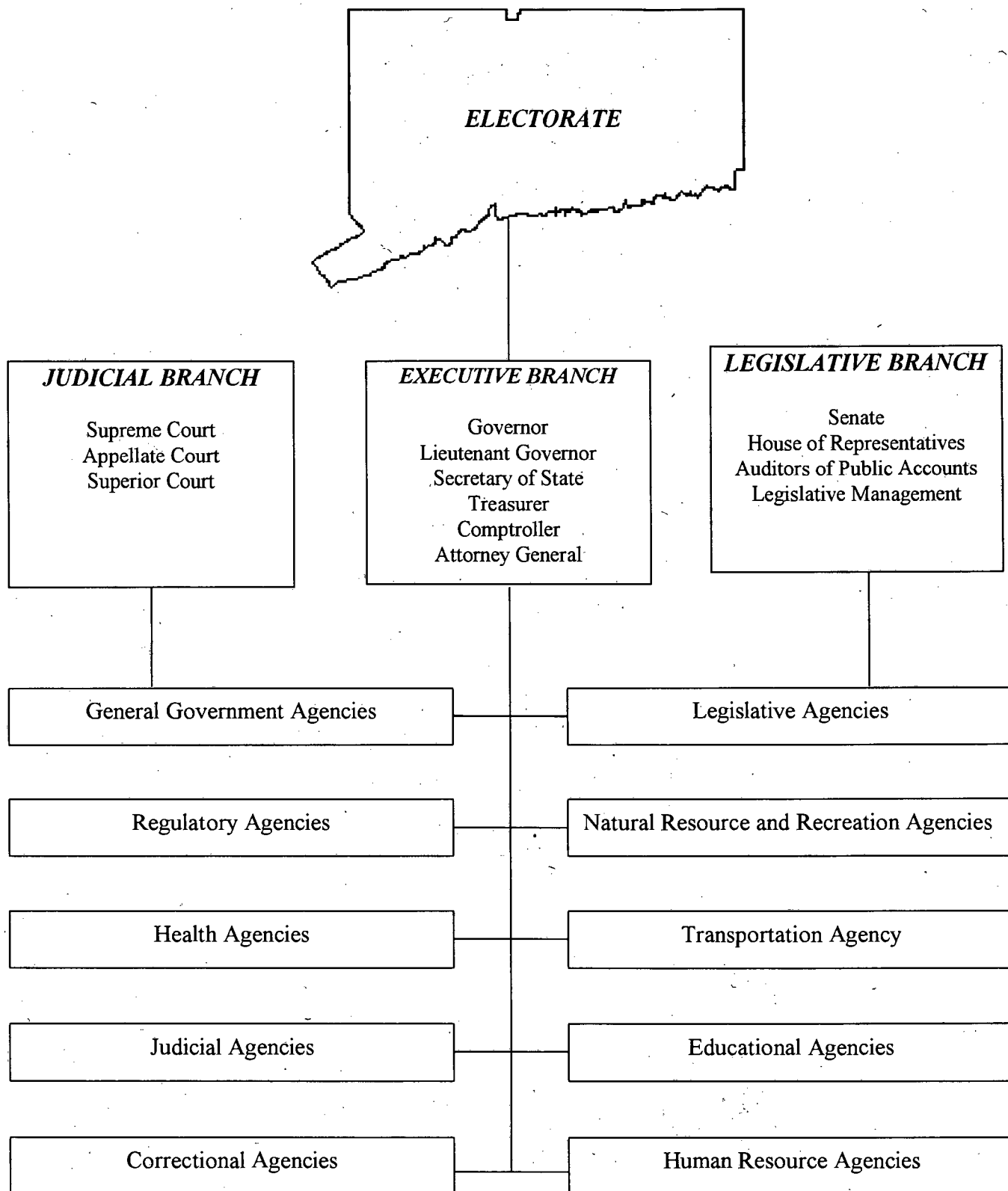
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

Organization Chart



**Selected State Officials
(as of June 30, 2000)**

EXECUTIVE

John G. Rowland
Governor

M. Jodi Rell
Lieutenant Governor

Susan Bysiewicz
Secretary of State

Denise L. Nappier
Treasurer

Nancy Wyman
Comptroller

Richard Blumenthal
Attorney General

JUDICIAL

Francis M. McDonald
Chief Justice

LEGISLATIVE

Kevin B. Sullivan
President Pro Tempore of the State Senate
(36 Senators)

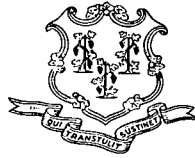
Moirra K. Lyons
Speaker of the House of Representatives
(151 Representatives)

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Financial Section

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

Governor John G. Rowland
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, 2000, 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 20 percent and 70 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, the Connecticut Lottery Corporation, or the John Dempsey Hospital Fund, which represent 86 percent and 99 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 one 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, the Capital City Economic Development Authority and Connecticut Innovations Incorporated, which represent 100 percent of the assets and revenues of the Component Unit Funds; and, we did not audit the financial statements of the Connecticut State University or the University of Connecticut Foundation, which represent 35 percent and 44 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. All of the aforementioned audits were conducted in accordance with generally accepted auditing standards. In addition, the audits of the Connecticut Resources Recovery Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Development Authority, Connecticut Lottery Corporation, Connecticut Innovations Incorporated, and Clean Water Fund, were conducted in accordance with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except that the audits of certain component units of the State, as described above, were not conducted in accordance with *Government 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, and 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, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2001, on our consideration of the State of Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

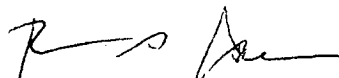
As discussed in Note 22 to the financial statements, the State of Connecticut is a defendant in certain legal proceedings. The ultimate outcome of the litigation cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the State of Connecticut 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. 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.

The data in the statistical section listed in the table of contents was not audited by us and, accordingly, we express no opinion thereon.



Kevin P. Johnston
Auditor of Public Accounts



Robert G. Jaekle
Auditor of Public Accounts

January 23, 2001
State Capitol
Hartford, Connecticut

***General
Purpose
Financial
Statements***

Combined Balance Sheet
All Fund Types, Account Groups, and
Discretely Presented Component Units
June 30, 2000
(Expressed in Thousands)

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
Assets and Other Debits:						
Cash and Cash Equivalents.....	\$ 686,635	\$ 455,998	\$ -	\$ 23,064	\$ 60,574	\$ 19,127
Investments:						
Equity in Combined Investment Funds.....	-	-	-	-	-	-
External Investment Pool.....	-	-	-	-	-	-
Other.....	47,705	22,502	-	-	600,329	-
Securities Lending Collateral.....	-	-	-	-	-	-
Receivables:						
Taxes.....	707,511	43,405	-	-	-	-
Accounts, Net of Allowances.....	236,519	4,944	2	821	50,098	5,849
Tuition.....	-	-	-	-	-	-
Loans, Net of Allowances.....	-	320,402	-	-	82,355	-
Interest.....	-	220	6,185	-	29,311	-
Notes Receivable.....	-	-	-	-	-	-
Federal Grants Receivable.....	82,205	12,016	-	9,084	710	-
Non-Federal Grants Receivable.....	2,323	12,414	-	-	-	-
Deposits with U.S. Treasury.....	-	-	-	-	-	-
Due From Other Funds.....	9,482	137,942	-	10,388	4,429	3,497
Due From Component Units.....	-	-	-	-	-	-
Due From Primary Government.....	-	-	-	-	-	-
Advances To Other Funds.....	4,950	-	-	-	-	-
Receivable From Other Governments.....	518,104	20,248	-	50,333	331	-
Inventories and Prepaid Items.....	37,672	13,784	-	-	4,919	4,269
Restricted Assets.....	-	-	530,064	-	122,313	-
Property, Plant & Equipment.....	-	-	-	-	221,013	45,458
Other Assets.....	-	-	-	-	10,619	1,352
Other Debits:						
Amount Available for Debt Retirement.....	-	-	-	-	-	-
Amount to be Provided for Debt Retirement.....	-	-	-	-	-	-
Total Assets and Other Debits.....	\$ 2,333,106	\$ 1,043,875	\$ 536,251	\$ 93,690	\$ 1,187,001	\$ 79,552
Liabilities, Equity and Other Credits:						
Liabilities:						
Accounts Payable and Accrued Liabilities.....	\$ 925,911	\$ 58,482	\$ -	\$ 103,354	\$ 148,718	\$ 25,241
Due To Other Funds.....	68,318	2,733	6,185	118,891	5,884	266
Due To Primary Government.....	-	-	-	-	-	-
Due To Component Units.....	2	18,802	-	-	-	-
Advances From Other Funds.....	-	-	-	-	-	4,950
Payable To Other Governments.....	53,003	-	-	-	-	-
Deferred Revenue.....	686,189	28,767	5,282	2,313	623	1,314
Escrow Deposits.....	-	-	-	-	-	-
Notes and Loans Payable.....	-	-	-	-	-	-
Securities Lending Obligation.....	-	-	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-	-	-
General Obligation Bonds.....	-	-	-	-	-	-
Transportation Related Bonds.....	-	-	-	-	-	-
Expendable Trust Fund Obligations.....	-	-	-	-	-	-
Revenue Bonds.....	-	-	-	-	228,712	-
Capital Leases.....	-	-	-	-	-	-
Claims and Judgements.....	-	-	-	-	-	-
Compensated Absences.....	-	-	-	-	42	4,763
Net Pension Obligation.....	-	-	-	-	-	-
Workers Compensation Liability.....	-	-	-	-	-	-
Liability for Landfill Closure Costs.....	-	-	-	-	-	-
Amount Held for Institutions.....	-	-	-	-	-	-
Liability for Escheat Property.....	44,768	-	-	-	-	-
Malpractice Liability.....	-	-	-	-	6,389	-
Long-Term Annuities Payable.....	-	-	-	-	486,568	-
Total Liabilities.....	1,778,191	108,784	11,467	224,558	876,936	36,534
Equity and Other Credits:						
Investment in Fixed Assets.....	-	-	-	-	-	-
Contributed Capital.....	-	-	-	-	104,224	1,380
Retained Earnings:						
Reserved.....	-	-	-	-	49,041	-
Unreserved.....	-	-	-	-	156,800	41,638
Fund Balances:						
Reserved.....	1,229,906	408,417	524,784	-	-	-
Unreserved, undesignated.....	(674,991)	526,674	-	(130,868)	-	-
Total Equity and Other Credits.....	554,915	935,091	524,784	(130,868)	310,065	43,018
Total Liabilities, Equity and Other Credits.....	\$ 2,333,106	\$ 1,043,875	\$ 536,251	\$ 93,690	\$ 1,187,001	\$ 79,552

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

Fiduciary Fund Types	Account Groups			Total Primary Government (Memorandum only)	Component Units	Total Reporting Entity (Memorandum only)
	General Fixed Assets	General Long-Term Debt	Higher Education Funds			
\$ 358,764	\$ -	\$ -	\$ 498,749	\$ 2,102,911	\$ 351,952	\$ 2,454,863
21,913,603	-	-	622	21,914,225	-	21,914,225
1,085,851	-	-	-	1,085,851	-	1,085,851
111,209	-	-	228,118	1,009,863	534,503	1,544,366
1,666,080	-	-	-	1,666,080	-	1,666,080
-	-	-	-	750,916	-	750,916
46,427	-	-	101,762	446,422	15,783	462,205
-	-	-	1,229	1,229	-	1,229
545,226	-	-	30,362	978,345	3,085,764	4,064,109
17,472	-	-	-	53,188	43,982	97,170
-	-	-	-	-	792	792
120	-	-	-	104,135	-	104,135
-	-	-	-	14,737	-	14,737
840,790	-	-	-	840,790	-	840,790
11,462	-	-	55,802	233,002	-	233,002
-	-	-	44,915	44,915	-	44,915
-	-	-	-	-	18,804	18,804
-	-	-	-	4,950	-	4,950
7,319	-	-	-	596,335	-	596,335
4,643	-	-	13,019	78,306	1,295	79,601
412,648	-	-	-	1,065,025	860,239	1,925,264
-	3,770,684	-	2,119,460	6,156,615	225,570	6,382,185
562,842	-	-	11,848	586,661	48,490	635,151
-	-	539,525	-	539,525	-	539,525
-	-	13,880,024	-	13,880,024	-	13,880,024
<u>\$ 27,584,456</u>	<u>\$ 3,770,684</u>	<u>\$ 14,419,549</u>	<u>\$ 3,105,886</u>	<u>\$ 54,154,050</u>	<u>\$ 5,187,174</u>	<u>\$ 59,341,224</u>
\$ 35,844	\$ -	\$ -	\$ 126,830	\$ 1,424,380	\$ 76,379	\$ 1,500,759
20,160	-	-	11,028	233,465	-	233,465
-	-	-	-	-	44,915	44,915
-	-	-	-	18,804	-	18,804
-	-	-	-	4,950	-	4,950
-	-	-	-	53,003	-	53,003
23,511	-	-	44,719	792,718	5,866	798,584
-	-	-	-	-	117,018	117,018
-	-	-	6,251	6,251	-	6,251
1,666,080	-	-	-	1,666,080	-	1,666,080
728,513	-	-	6,586	735,099	-	735,099
-	-	7,221,893	-	7,221,893	-	7,221,893
-	-	3,069,525	-	3,069,525	-	3,069,525
-	-	610,065	-	610,065	-	610,065
556,046	-	-	306,069	1,090,827	3,613,065	4,703,892
-	-	49,406	-	49,406	-	49,406
-	-	15,079	-	15,079	-	15,079
-	-	294,091	76,309	375,205	-	375,205
-	-	2,875,890	-	2,875,890	-	2,875,890
-	-	283,600	-	283,600	-	283,600
-	-	-	-	-	24,992	24,992
-	-	-	-	-	371,499	371,499
-	-	-	-	44,768	-	44,768
-	-	-	-	6,389	-	6,389
-	-	-	-	486,568	-	486,568
<u>3,030,154</u>	<u>-</u>	<u>14,419,549</u>	<u>577,792</u>	<u>21,063,965</u>	<u>4,253,734</u>	<u>25,317,699</u>
-	3,770,684	-	1,939,016	5,709,700	-	5,709,700
-	-	-	-	105,604	250,122	355,726
-	-	-	-	49,041	533,956	582,997
-	-	-	-	198,438	149,362	347,800
23,349,697	-	-	380,007	25,892,811	-	25,892,811
1,204,605	-	-	209,071	1,134,491	-	1,134,491
24,554,302	3,770,684	-	2,528,094	33,090,085	933,440	34,023,525
<u>\$ 27,584,456</u>	<u>\$ 3,770,684</u>	<u>\$ 14,419,549</u>	<u>\$ 3,105,886</u>	<u>\$ 54,154,050</u>	<u>\$ 5,187,174</u>	<u>\$ 59,341,224</u>

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

All Governmental Fund Types and Expendable Trust Funds

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes.....	\$ 8,282,510	\$ 562,223	\$ -	\$ -
Licenses, Permits and Fees.....	127,530	328,001	-	-
Tobacco Settlement.....	-	149,960	-	-
Intergovernmental.....	2,284,739	103,388	-	372,301
Charges for Services.....	41,772	35,157	-	-
Fines, Forfeits and Rents.....	39,996	22,358	-	-
Casino Gaming Payments.....	318,986	-	-	-
Restricted Federal and Other Grants/Accounts.....	720,925	97,145	-	-
Health Insurance Contributions.....	-	-	-	-
Investment Earnings and Interest on U.S. Deposits.....	53,450	18,430	33,367	-
Assessments.....	-	-	-	-
Miscellaneous.....	128,011	89,472	-	11,928
Total Revenues.....	11,997,919	1,406,134	33,367	384,229
Expenditures:				
Current:				
Legislative.....	68,590	-	-	-
General Government.....	812,515	178,234	-	-
Regulation and Protection.....	255,354	268,392	-	-
Conservation and Development.....	98,624	256,783	-	-
Health and Hospitals.....	1,146,347	5,962	-	-
Transportation.....	1,607	398,895	-	-
Human Services.....	3,769,993	10,203	-	-
Education, Libraries and Museums.....	2,064,733	379,792	-	-
Health Insurance Payments.....	-	-	-	-
Corrections.....	1,153,099	3,817	-	-
Judicial.....	399,144	8,531	-	-
Restricted Federal and Other Grants/Accounts.....	713,174	99,926	-	-
Capital Projects.....	-	-	-	745,784
Debt Service:				
Principal Retirement.....	547,561	25,445	169,578	-
Interest and Fiscal Charges.....	364,027	8,603	168,118	-
Advance Refunding Escrow.....	125,758	81,923	-	-
Total Expenditures.....	11,520,526	1,726,506	337,696	745,784
Excess (Deficiency) of Revenues Over Expenditures.....	477,393	(320,372)	(304,329)	(361,555)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds and Notes.....	-	637,025	-	358,655
Operating Transfers In.....	338,360	241,145	351,259	-
Operating Transfers Out.....	(892,067)	(458,943)	(46,802)	(112,066)
Capital Lease Obligations.....	3,433	2,231	-	-
Total Other Financing Sources (Uses).....	(550,274)	421,458	304,457	246,589
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	(72,881)	101,086	128	(114,966)
Fund Balances (deficit) - July 1	619,455	901,620	524,656	(15,902)
Equity Transfer In-Return of Contributed Capital.....	4,950	-	-	-
Equity Transfer to Component Units.....	-	(67,618)	-	-
Changes in Reserves for Inventories.....	3,391	3	-	-
Fund Balances (deficit) - June 30.....	\$ 554,915	\$ 935,091	\$ 524,784	\$ (130,868)

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

<u>Fiduciary Fund Type</u>	<u>Total (Memorandum only)</u>
<u>Expendable Trust</u>	
\$ 361,564	\$ 9,206,297
-	455,531
-	149,960
8,467	2,768,895
-	76,929
-	62,354
-	318,986
-	818,070
40,358	40,358
71,999	177,246
230,364	230,364
3,697	233,108
<u>716,449</u>	<u>14,538,098</u>
-	68,590
7,801	998,550
433,877	957,623
-	355,407
-	1,152,309
-	400,502
-	3,780,196
-	2,444,525
37,859	37,859
-	1,156,916
-	407,675
-	813,100
-	745,784
205,870	948,454
33,668	574,416
-	207,681
<u>719,075</u>	<u>15,049,587</u>
<u>(2,626)</u>	<u>(511,489)</u>
20,000	1,015,680
107,000	1,037,764
(91,976)	(1,601,854)
-	5,664
<u>35,024</u>	<u>457,254</u>
32,398	(54,235)
1,098,856	3,128,685
-	4,950
-	(67,618)
-	3,394
<u>\$ 1,131,254</u>	<u>\$ 3,015,176</u>

**Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual - Non-GAAP Budgetary Basis
General Fund and Budgeted Special Revenue Funds**

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Budget</u>	<u>General Fund Actual</u>	<u>Variance</u>
Revenues:			
Budgeted			
Taxes, Net of Refunds.....	\$ 8,292,100	\$ 8,272,948	\$ (19,152)
Operating Transfers In.....	337,800	337,785	(15)
Casino Gaming Payments.....	319,000	318,986	(14)
Licenses, Permits, and Fees.....	122,800	127,544	4,744
Other.....	262,400	257,469	(4,931)
Federal Grants.....	2,078,800	2,078,914	114
Operating Transfers Out.....	(180,000)	(180,000)	-
Total Budgeted	11,232,900	11,213,646	(19,254)
Federal and Other Restricted	1,530,667	937,641	(593,026)
Total Revenues.....	12,763,567	12,151,287	(612,280)
Expenditures:			
Budgeted			
Legislative.....	62,597	54,541	8,056
General Government.....	713,432	564,092	149,340
Regulation and Protection.....	231,829	207,001	24,828
Conservation and Development.....	95,322	78,155	17,167
Health and Hospitals.....	1,034,336	1,005,233	29,103
Transportation.....	2,219	2,218	1
Human Services.....	3,478,427	3,430,561	47,866
Education, Libraries, and Museums.....	2,750,332	2,637,518	112,814
Corrections.....	986,957	957,555	29,402
Judicial.....	313,967	309,319	4,648
Non Functional.....	2,018,886	1,954,711	64,175
Total Budgeted.....	11,688,304	11,200,904	487,400
Federal and Other Restricted	1,530,667	937,641	593,026
Total Expenditures.....	13,218,971	12,138,545	1,080,426
Appropriations Lapsed.....	108,969	-	(108,969)
Excess (Deficiency) of Revenues Over Expenditures.....	(346,435)	12,742	359,177
Other Financing Sources (Uses):			
Prior Year Appropriations Carried Forward.....	668,195	668,195	-
Appropriations Continued to Fiscal Year 2000-2001.....	-	(378,431)	(378,431)
Miscellaneous Adjustments.....	-	(2,071)	(2,071)
Total Other Financing Sources (Uses).....	668,195	287,693	(380,502)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	\$ 321,760	300,435	\$ (21,325)
Budgetary Fund Balances (deficit) - July 1.....		1,383,612	
Changes in Reserves.....		(416,485)	
Budgetary Fund Balances - June 30.....		\$ 1,267,562	

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

<u>Budgeted Special Revenue Funds</u>			<u>(Total Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ 548,000	\$ 547,028	\$ (972)	\$ 8,840,100	\$ 8,819,976	\$ (20,124)
196,800	196,770	(30)	534,600	534,555	(45)
-	-	-	319,000	318,986	(14)
314,100	319,433	5,333	436,900	446,977	10,077
105,845	105,126	(719)	368,245	362,595	(5,650)
3,000	2,974	(26)	2,081,800	2,081,888	88
(2,000)	(2,000)	-	(182,000)	(182,000)	-
1,165,745	1,169,331	3,586	12,398,645	12,382,977	(15,668)
368,981	182,036	(186,945)	1,899,648	1,119,677	(779,971)
1,534,726	1,351,367	(183,359)	14,298,293	13,502,654	(795,639)
-	-	-	62,597	54,541	8,056
2,333	2,284	49	715,765	566,376	149,389
142,582	116,983	25,599	374,411	323,984	50,427
677	638	39	95,999	78,793	17,206
-	-	-	1,034,336	1,005,233	29,103
395,956	330,500	65,456	398,175	332,718	65,457
3,105	2,883	222	3,481,532	3,433,444	48,088
-	-	-	2,750,332	2,637,518	112,814
-	-	-	986,957	957,555	29,402
-	-	-	313,967	309,319	4,648
606,103	571,801	34,302	2,624,989	2,526,512	98,477
1,150,756	1,025,089	125,667	12,839,060	12,225,993	613,067
368,981	182,036	186,945	1,899,648	1,119,677	779,971
1,519,737	1,207,125	312,612	14,738,708	13,345,670	1,393,038
43,909	-	(43,909)	152,878	-	(152,878)
58,898	144,242	85,344	(287,537)	156,984	444,521
57,172	57,172	-	725,367	725,367	-
-	(72,700)	(72,700)	-	(451,131)	(451,131)
-	(1,806)	(1,806)	-	(3,877)	(3,877)
57,172	(17,334)	(74,506)	725,367	270,359	(455,008)
\$ 116,070	126,908	\$ 10,838	\$ 437,830	427,343	\$ (10,487)
	402,700			1,786,312	
	(85,072)			(501,557)	
	\$ 444,536			\$ 1,712,098	

**Combined Statement of Revenues, Expenses, and
Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types, Nonexpendable Trust Funds,
and Discretely Presented Component Units**

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Total Primary Government
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum only)
Operating Revenues:				
Charges for Services.....	\$ 43,502	\$ 106,657	\$ -	\$ 150,159
Interest on Financing Activities.....	2,402	-	10,181	12,583
Investment Earnings.....	-	199	32,699	32,898
Patient Service Revenue.....	114,841	-	-	114,841
Intergovernmental.....	-	-	12,270	12,270
Civic Center Lease Operations.....	-	-	-	-
Lottery Sales.....	837,509	-	-	837,509
Miscellaneous.....	5,485	287	417	6,189
Total Operating Revenues.....	1,003,739	107,143	55,567	1,166,449
Operating Expenses:				
Cost of Sales and Services.....	570,818	43,144	-	613,962
Administrative.....	72,386	44,768	1,133	118,287
Depreciation and Amortization.....	16,040	19,714	-	35,754
Interest on Financing Activities.....	5,704	-	29,607	35,311
Patient Care.....	86,341	-	-	86,341
Other Program Expenses.....	5,381	-	836	6,217
Civic Center Lease Oper. (includes depreciation expense of \$1,677)...	-	-	-	-
Solid Waste Operations.....	-	-	-	-
Total Operating Expenses.....	756,670	107,626	31,576	895,872
Operating Income (Loss).....	247,069	(483)	23,991	270,577
Nonoperating Revenues (Expenses):				
Interest and Investment Income.....	50,048	-	-	50,048
Interest and Fiscal Charges.....	(46,799)	-	-	(46,799)
Other.....	11,351	-	-	11,351
Total Nonoperating Income (Expense).....	14,600	-	-	14,600
Income (Loss) Before Operating Transfers.....	261,669	(483)	23,991	285,177
Operating Transfers:				
Operating Transfers In.....	10,830	-	8,652	19,482
Operating Transfers Out.....	(253,598)	-	(3,629)	(257,227)
Net Income (Loss).....	18,901	(483)	29,014	47,432
Add Items Affecting Contributed Capital:				
Depreciation on Equipment Acquired through				
Capital Grants.....	-	-	-	-
Total Add Back Items.....	-	-	-	-
Retained Earnings/Fund Balances-July 1(as restated).....	187,726	42,121	478,456	708,303
Equity Transfer From Primary Government.....	-	-	-	-
Equity Transfer Out.....	(786)	-	-	(786)
Retained Earnings/Fund Balances - June 30.....	\$ 205,841	\$ 41,638	\$ 507,470	\$ 754,949

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

Proprietary Fund Type Component Units	Total Reporting Entity (Memorandum only)
\$ 160,097	\$ 310,256
217,727	230,310
-	32,898
-	114,841
-	12,270
15,555	15,555
-	837,509
25,020	31,209
<u>418,399</u>	<u>1,584,848</u>
-	613,962
41,492	159,779
21,676	57,430
199,528	234,839
-	86,341
22,394	28,611
18,247	18,247
113,516	113,516
<u>416,853</u>	<u>1,312,725</u>
<u>1,546</u>	<u>272,123</u>
93,984	144,032
(16,872)	(63,671)
(399)	10,952
<u>76,713</u>	<u>91,313</u>
78,259	363,436
-	19,482
-	(257,227)
<u>78,259</u>	<u>125,691</u>
122	122
122	122
539,405	1,247,708
65,532	65,532
-	(786)
<u>\$ 683,318</u>	<u>\$ 1,438,267</u>

Combined Statement of Cash Flows

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

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Total Primary Government
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum only)
Cash Flows From Operating Activities:				
Operating Income (Loss).....	\$ 247,069	\$ (483)	\$ 23,991	\$ 270,577
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Amortization and Depreciation.....	16,040	19,714	-	35,754
Provision for Loan Losses.....	4,698	-	-	4,698
Investment Income.....	-	(199)	(32,699)	(32,898)
Interest Expense.....	5,704	-	29,607	35,311
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables.....	(379)	123	(2,820)	(3,076)
(Increase) Decrease in Due From Other Funds.....	(1,382)	8	-	(1,374)
(Increase) Decrease in Receivable From Other Governments.....	(422)	-	-	(422)
(Increase) Decrease in Inventories and Prepaid Expenses.....	(110)	(653)	-	(763)
Increase (Decrease) in Accounts Payable and Accrued Liabilities.....	12,392	22,616	721	35,729
Increase (Decrease) in Due To Other Funds.....	693	(13,295)	-	(12,602)
Issuance of Loans, Notes & Installment Contracts Receivable.....	-	-	(55,810)	(55,810)
Collection of Loans, Notes & Installment Contracts Receivable.....	2,263	-	-	2,263
Miscellaneous Operating Activities.....	(2,131)	(2,946)	579	(4,498)
Net Cash Provided by (Used in) Operating Activities.....	284,435	24,885	(36,431)	272,889
Cash Flows From Noncapital Financing Activities:				
Contributed Capital.....	-	-	-	-
Proceeds From Sale of Bonds and Notes.....	-	-	-	-
Retirement of Bonds and Notes Payable.....	(36,585)	-	(22,630)	(59,215)
Interest on Bonds and Notes Payable.....	(46,332)	-	(28,262)	(74,594)
Transfers From Other Funds.....	10,830	-	8,652	19,482
Transfers To Other Funds.....	(253,598)	-	(3,629)	(257,227)
Bond Issuance and/or Redemption Costs.....	-	-	-	-
Miscellaneous Noncapital Financing Activities-Deletions.....	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities.....	(325,685)	-	(45,869)	(371,554)
Cash Flows From Capital And Related Financing Activities:				
Purchase of Fixed Assets.....	(27,207)	(25,925)	-	(53,132)
Proceeds From Sale of Bonds and Notes.....	53,800	-	-	53,800
Retirement of Bonds and Notes Payable.....	(3,600)	-	-	(3,600)
Interest on Bonds and Notes Payable.....	(6,161)	-	-	(6,161)
Capital Contributions or Grants.....	1,333	-	-	1,333
Miscellaneous Capital and Related Financing Activities-Additions.....	-	-	-	-
Miscellaneous Capital and Related Financing Activities-Deletions.....	(785)	-	-	(785)
Net Cash Provided by (Used in) Capital and Related Financing Activities.....	17,380	(25,925)	-	(8,545)
Cash Flows From Investing Activities:				
Proceeds From Sales of Investment Securities.....	81,952	-	55,473	137,425
Purchase of Investment Securities.....	(18,847)	-	(2,978)	(21,825)
Interest and Income on Investments.....	10,520	199	31,604	42,323
Miscellaneous Capital and Related Investing Activities-net.....	-	-	-	-
Net Cash Provided by (Used in) Investing Activities.....	73,625	199	84,099	157,923
Increase (Decrease) in Cash.....	49,755	(841)	1,799	50,713
Cash and Cash Equivalents - July 1 (as restated).....	123,291	19,968	6,970	150,229
Cash and Cash Equivalents - June 30.....	\$ 173,046	\$ 19,127	\$ 8,769	\$ 200,942
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Cash and Cash Equivalents - June 30 (Balance Sheet).....	\$ 60,574		\$ 358,764	
Plus-Cash and Cash Equivalents in Restricted Assets.....	112,472		-	
Less-Cash and Cash Equivalents in Other Fiduciary Fund Types.....	-		349,995	
Cash and Cash Equivalents - June 30.....	\$ 173,046		\$ 8,769	

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

Proprietary Fund Type Component Units	Total Reporting Entity (Memorandum only)
\$ 1,546	\$ 272,123
23,353	59,107
18,892	23,590
-	(32,898)
200,652	235,963
1,231	(1,845)
(3,246)	(4,620)
-	(422)
(736)	(1,499)
31,874	67,603
-	(12,602)
(419,245)	(475,055)
458,020	460,283
6,356	1,858
<u>318,697</u>	<u>591,586</u>
7,213	7,213
257,860	257,860
(378,960)	(438,175)
(201,566)	(276,160)
-	19,482
-	(257,227)
(2,856)	(2,856)
(2,882)	(2,882)
<u>(321,191)</u>	<u>(692,745)</u>
(4,975)	(58,107)
371,621	425,421
(23,817)	(27,417)
(16,667)	(22,828)
-	1,333
5,553	5,553
(512,292)	(513,077)
<u>(180,577)</u>	<u>(189,122)</u>
589,767	727,192
(360,617)	(382,442)
85,834	128,157
(16,096)	(16,096)
<u>298,888</u>	<u>456,811</u>
115,817	166,530
337,831	488,060
<u>\$ 453,648</u>	<u>\$ 654,590</u>
\$ 351,952	
101,696	
-	
<u>\$ 453,648</u>	

Statement of Changes in Net Assets

Pension Trust Funds and Investment Trust Fund

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	<u>Pension Trust</u>		
	<u>State Employees</u>	<u>State Teachers</u>	<u>Judicial</u>
Additions:			
Contributions:			
Plan Participants.....	\$ 43,783	\$ 154,326	\$ 1,127
State	342,760	204,445	9,324
Municipalities.....	-	7,921	-
Total Contributions.....	386,543	366,692	10,451
Investment Income.....	1,025,923	1,469,363	19,122
Less: Investment Expenses.....	(50,955)	(72,952)	(949)
Net Investment Income.....	974,968	1,396,411	18,173
Pool's Share Transactions.....	-	-	-
Operating Transfers In.....	-	-	-
Miscellaneous.....	-	-	13
Total Additions.....	1,361,511	1,763,103	28,637
Deductions:			
Administrative.....	295	-	-
Benefit Payments and Refunds.....	596,303	630,886	11,836
Distributions to Pool Participants.....	-	-	-
Other Program Expenses.....	3,263	-	-
Total Deductions.....	599,861	630,886	11,836
Net Increase (Decrease) in Net Assets.....	761,650	1,132,217	16,801
Net assets held in trust for pension benefits and pool participants:			
July 1, 1999.....	7,529,997	10,817,138	124,442
June 30, 2000.....	\$ 8,291,647	\$ 11,949,355	\$ 141,243

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

Pension Trust

<u>Connecticut Municipal Employees</u>	<u>Probate Judges</u>	<u>State's Attorneys'/ Public Defender</u>	<u>External Investment Pool</u>	<u>Total</u>
\$ 12,835	\$ 218	\$ 35	\$ -	\$ 212,324
-	-	-	-	556,529
32,004	-	-	-	39,925
44,839	218	35	-	808,778
170,975	7,979	79	85,182	2,778,623
(8,492)	(396)	(4)	(575)	(134,323)
162,483	7,583	75	84,607	2,644,300
-	-	-	(8,570)	(8,570)
-	979	-	-	979
-	18	-	-	31
207,322	8,798	110	76,037	3,445,518
6	13	-	-	314
49,974	2,016	95	-	1,291,110
-	-	-	84,607	84,607
-	990	-	-	4,253
49,980	3,019	95	84,607	1,380,284
157,342	5,779	15	(8,570)	2,065,234
1,219,658	65,006	953	1,093,150	20,850,344
<u>\$ 1,377,000</u>	<u>\$ 70,785</u>	<u>\$ 968</u>	<u>\$ 1,084,580</u>	<u>\$ 22,915,578</u>

Combined Statement of Changes in Fund Balances

Higher Education Funds

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Current Funds		Endowment and Similar Funds
	Unrestricted	Restricted	
Revenues and Other Additions:			
Current Funds Revenues and Additions.....	\$ 649,333	\$ 172,061	\$ -
Private Gifts and Grants.....	-	-	33
Investment Earnings.....	-	-	438
Interest on Loans Receivable.....	-	-	-
Expended for Plant Facilities.....	-	-	-
Retirement of Indebtedness.....	-	-	-
Sale of Bonds.....	-	-	-
Foundation Revenues.....	-	-	-
Miscellaneous.....	-	-	195
Total Revenues and Other Additions.....	649,333	172,061	666
Expenditures and Other Deductions:			
Education and General.....	1,077,073	162,311	-
Auxiliary Enterprises.....	117,521	51	-
Patient Care.....	115,576	135	-
Indirect Costs Recovered.....	-	18,362	-
Loan Cancellations and Write-offs.....	-	-	-
Interest on Indebtedness.....	-	-	-
Capital Expenditures.....	-	-	-
Disposal of Plant Facilities.....	-	-	-
Depreciation.....	-	-	-
Administrative Costs.....	-	-	-
Retirement of Indebtedness.....	-	-	-
Foundation Expenditures.....	-	-	-
Other.....	4,186	269	362
Total Expenditures and Other Deductions.....	1,314,356	181,128	362
Transfers Among Funds - Additions (Deductions)			
Manadatory:			
Retirement of Indebtedness.....	(9,061)	-	-
Nonmandatory:			
Transfer From Foundation.....	-	10,445	-
Transfer To Foundation.....	(4,110)	-	-
Other.....	(12,327)	990	139
Total Transfers Among Funds	(25,498)	11,435	139
Operating Transfers from the State's Governmental Funds.....	697,742	-	-
Net Increase (Decrease) in Fund Balances.....	7,221	2,368	443
Fund Balances (deficit) - July 1.....	74,912	32,980	8,687
Fund Balances (deficit) - June 30.....	\$ 82,133	\$ 35,348	\$ 9,130

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

<u>Loan Funds</u>	<u>Plant Funds</u>	<u>Affiliated Organization</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 821,394
100	-	-	133
290	6,080	-	6,808
448	-	-	448
-	199,424	-	199,424
-	8,635	-	8,635
-	130,000	-	130,000
-	-	70,786	70,786
146	16,257	-	16,598
<u>984</u>	<u>360,396</u>	<u>70,786</u>	<u>1,254,226</u>
-	-	-	1,239,384
-	-	-	117,572
-	-	-	115,711
-	-	-	18,362
60	-	-	60
-	9,748	-	9,748
-	232,134	-	232,134
-	11,103	-	11,103
-	41,805	-	41,805
235	159	-	394
-	8,635	-	8,635
-	-	16,518	16,518
-	633	-	5,450
<u>295</u>	<u>304,217</u>	<u>16,518</u>	<u>1,816,876</u>
-	9,061	-	-
-	-	(10,445)	-
-	-	4,110	-
595	10,603	-	-
<u>595</u>	<u>19,664</u>	<u>(6,335)</u>	<u>-</u>
-	103,114	-	800,856
1,284	178,957	47,933	238,206
33,014	1,938,836	201,459	2,289,888
<u>\$ 34,298</u>	<u>\$ 2,117,793</u>	<u>\$ 249,392</u>	<u>\$ 2,528,094</u>

Combined Statement of Revenues, Expenditures, and Other Changes Higher Education Funds

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues and Transfers from Foundation:			
Student Tuition and Fees.....	\$ 295,385	\$ -	\$ 295,385
Federal Grants and Contracts.....	32,315	105,235	137,550
State Grants and Contracts.....	10,166	27,499	37,665
Private Gifts and Grants.....	12,124	16,701	28,825
Patient Service.....	105,711	-	105,711
Sales and Services.....	169,679	-	169,679
Investment Earnings.....	13,651	1,494	15,145
Miscellaneous.....	10,302	1,084	11,386
Total Revenues.....	649,333	152,013	801,346
Transfer from Foundation.....	-	10,445	10,445
Total Revenues and Transfer from Foundation.....	649,333	162,458	811,791
Expenditures and Mandatory Transfers:			
Education and General:			
Instruction.....	\$ 457,794	\$ 10,569	\$ 468,363
Research.....	27,001	79,126	106,127
Public Service.....	33,633	10,045	43,678
Academic Support.....	127,434	6,997	134,431
Student Services.....	99,723	2,581	102,304
Institutional Support.....	175,130	1,296	176,426
Scholarship and Fellowships.....	59,380	51,692	111,072
Plant Operations and Maintenance.....	96,978	5	96,983
Total Educational and General Expenditures.....	1,077,073	162,311	1,239,384
Patient Care.....	115,576	135	115,711
Auxiliary Enterprises.....	117,521	51	117,572
Other Self-Supporting Enterprises.....	4,186	-	4,186
Mandatory Transfers:			
Retirement of Indebtedness.....	9,061	-	9,061
Total Expenditures and Mandatory Transfers.....	1,323,417	162,497	1,485,914
Other Transfers - Additions (Deductions):			
Operating Transfers from the State's			
Governmental Funds.....	697,742	-	697,742
Transfer to Foundation.....	(4,110)	-	(4,110)
Other Non-mandatory Transfers.....	(12,327)	990	(11,337)
Excess of Restricted Receipts over Transfers			
to Revenues.....	-	1,686	1,686
Refunded to Grantors.....	-	(269)	(269)
Total Other Transfers and Additions (Deductions).....	681,305	2,407	683,712
Net Increase (Decrease) in Fund Balances.....	\$ 7,221	\$ 2,368	\$ 9,589

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

Statement of Cash Flows

Affiliated Organization

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

Cash Flows From Operating Activities:

Change in Fund Balance..... \$ 47,933

Adjustments to Reconcile Change in Fund Balance to Net Cash

Used in Operating Activities:

Receipts to Establish or Increase Permanent Endowments..... (13,761)
 Net Realized and Unrealized Gains on Investments..... (22,549)
 Gifts of Marketable Securities..... (2,890)
 Funds Held in Trust by Others..... (1,720)
 Loss on Sale of Donated Property and Collections..... 656
 Depreciation and Other..... 264
 Increase in Cash Surrender Value of Life Insurance..... (2)

Changes in Assets and Liabilities:

(Increase) in Pledges and Contributions Receivable, Net..... (7,435)
 (Increase)/Decrease in Other Assets..... (1,020)
 Increase in Accounts Payable and Accrued Expenses..... (2,238)
 Increase in Trusts and Annuities Payable..... 329
Total Adjustments..... (50,366)

Net Cash Used in Operating Activities..... (2,433)

Cash Flows From Investing Activities:

Purchases of Investments..... (146,068)
 Sales of Investments..... 131,277
 Purchases of Property and Equipment..... (2,509)
Net Cash Used in Investing Activities..... (17,300)

Cash Flows From Financing Activities:

Receipts to Establish or Increase Permanent Endowments..... 13,761
 Proceeds from Issuance of Long Term Debt..... 8,000
 Increase in Deferred Bond Issuance Costs..... (240)
Net Cash Used in Financing Activities..... 21,521

Net Decrease in Cash and Cash Equivalents..... 1,788

Cash and Cash Equivalents - July 1..... 13

Cash and Cash Equivalents - June 1..... \$ 1,801

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

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Notes To Financial Statements

June 30, 2000

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), except for the financial statements of the University of Connecticut Foundation, Incorporated (an affiliated organization). Those statements are prepared according to generally accepted accounting principles as prescribed in pronouncements of the Financial Accounting Standards Board.

b. Financial Reporting Entity

As required by generally accepted accounting principles, the accompanying financial statements include (1) all funds, agencies, boards, commissions, and account groups that comprise the State's legal entity, (2) legally separate organizations for which the State is financially accountable (component units), and (3) a legally separate organization for which the nature and significance of its relationship with the State is such that exclusions would cause the State's financial statements to be misleading (affiliated organization). 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.

Component Units

Component units are reported in the combined financial statements either in a separate column (discrete presentation) or in combination with similar funds of the State (blending presentation).

Discretely Presented Component Units

This column includes 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 and the Capital City Economic Development Authority). 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 economic development programs.

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

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for low and moderate income families and persons throughout the State. The Authority's fiscal year is for the period ending on December 31, 1999.

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.

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 Authority 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 and technical assistance.

Capital City Economic Development Authority

The Authority is a public instrumentality and political subdivision of the State. It was established in 1998 to stimulate new investment in Connecticut, to attract and service large conventions, tradeshow, exhibitions, conferences, and local consumer shows, exhibitions and events, to encourage the diversification of the state economy, to strengthen Hartford's role as the region's major business and industry employment center and seat of government, to encourage residential housing development in downtown Hartford, and to construct, operate, maintain and market a convention center project in Hartford.

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.

Blended Component Unit

The Connecticut Lottery Corporation was created in July 1996 as a public instrumentality and political subdivision of the State. The purposes of the Corporation are to manage the State's lottery in an entrepreneurial and business-like manner and to provide continuing and increased revenue to the people of the State through the lottery. The State appoints a voting majority of the Corporation's governing board, and the Corporation provides revenue to the State. In

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the combined financial statements, the Corporation is included in the Enterprise funds group (Primary Government).

Affiliated Organization

The University of Connecticut Foundation, Incorporated is a nongovernmental nonprofit corporation created exclusively to solicit, receive, and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University of Connecticut.

The Foundation is not financially accountable to the University. However, the Foundation is included as a component unit because the nature and significance of its relationship to the University are such that exclusion would cause the University's financial statements to be misleading. The Foundation is reported in a separate column in the higher education funds group (Primary Government).

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 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 which are not required to be accounted in other funds and which are spent for those services normally provided by the State (e.g. health, social assistance, education, correction, etc.).

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 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 funds).

Proprietary Funds

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

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

Fiduciary Funds

Trust and Agency Funds – These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These funds include expendable trust funds, nonexpendable trust funds, pension trust funds, an investment trust fund, 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 and higher education funds.

2. General Long-Term Debt Account Group – This account group includes all long-term obligations that 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, workers' compensation claims, and claims and judgements.

Higher Education Funds

The financial activities of the State's higher education institutions (University of Connecticut, State universities, and community-technical colleges) and an affiliated organization are accounted for in these funds, which are reported, in a separate column in the combined financial statements (Primary Government). The following fund categories and affiliated organization 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. **Endowment Funds** – These funds account for gifts that are restricted as to principal by the donor.
3. **Loan Funds** – These funds are used to account for loans to students and for resources available for such purposes.
4. **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.
5. **Agency Funds** – These funds are funds held by an institution as custodian or fiscal agent for others such as student organizations, individual students, or faculty members.
6. **Affiliated Organization** – This column accounts for the financial activities of the University of Connecticut Foundation, Inc., a component unit of the University of Connecticut.

Component Units

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

d. Basis of Accounting

The accounting and financial reporting treatments 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 period liabilities. Expenditures are recorded when the related fund liability is in-

curred 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, and special fuel taxes. Revenues from restricted grants (federal or other) are recorded when the related expenditure has been incurred. Medicaid revenue is recorded when the related receivable is recorded.

Proprietary Funds, Nonexpendable Trust Funds, Pension Trust Funds, Investment Trust Fund, Component Units, and Affiliated Organization

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.

According to GASB Statement No. 20, these funds (except for the affiliated organization) must comply with all applicable GASB pronouncements and all applicable pronouncements issued by the Financial Accounting Standards Board (FASB) and its predecessors as follows (provided those pronouncements do not conflict with or contradict GASB pronouncements):

Fund Type	FASB Statements Issued on or Prior to 11/30/89	FASB Statements Issued to Date
Proprietary Funds:		
John Dempsey Hospital		X
Others	X	
Nonexpendable Trust Funds	X	
Pension Trust Funds	X	
Investment Trust Funds	X	
Component Units:		
CT Development Authority		X
CT Housing Finance Authority	X	
CT Resources Recovery Authority	X	
CT Higher Education Supplemental		
Loan Authority	X	
CT Health & Educational Facilities		
Authority		X
CT Innovations, Inc.	X	
Capital City, EDA	X	

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 Funds

These funds (excluding the affiliated organization) 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.

STATE OF CONNECTICUT

- Depreciation expense related to plant fund fixed assets is not recorded, except for fixed assets reported by the University of Connecticut.
- 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 every other year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next two fiscal years and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot Fund, the Workers' Compensation Administration Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors, and Marines Fund and the Regional Market Operations Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. 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 purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process maintains expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act.

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3 percent of the fund or 5 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5 percent of the total funds, require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5 percent of the total appropriated fund can be made only with the approval of the General Assembly.

All funds except fiduciary funds use encumbrance accounting. Under this method of accounting, purchase

orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as 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 for certain taxes and Federal and other restricted grant revenues of the General and Transportation funds 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.

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 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 reported with other financing sources and uses in the determination of the budgetary surplus or deficit to more fully demonstrate compliance with authorized spending for the year. For GAAP purposes, continuing appropriations are excluded from operations and reported as reserved fund balance.
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.

g. Assets and Liabilities***Cash and Cash Equivalents (see Note 4)***

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 Short-Term Investment Fund (“STIF”) and the Tax Exempt Proceeds Fund, Inc. (“TEPF”). TEPF is a short-term, tax-exempt money market fund reported under the Investment Company Act of 1940. Investments in STIF and TEPF are reported at the fund’s share price.

Investments (see Note 4)

Equity in Combined Investment Funds is reported at fair value based on the funds’ current share price.

The external investment pool is reported at amortized cost.

Other investments are reported at fair value, except for the following investments which are reported at cost or amortized cost:

- Nonparticipating interest-earning investment contracts.
- Money market investments that mature within one year or less at the date of their acquisition.

Fair value is determined based on quoted market prices except for:

- The fair value of State bonds held by the Clean Water Fund (a nonexpendable trust fund) which is estimated using matrix pricing.
- The fair value of equity and debt securities held by the Connecticut Innovations, Incorporated, a component unit. The fair value of these investments is determined by the Valuation Committee of the Corporation, after giving consideration to pertinent information about the companies comprising these investments, including but not limited to recent sales prices of the issuer’s securities, sales growth, progress toward business goals, and other operating data.

The State invests in derivatives. STIF and the Combined Investment Funds hold these investments.

Inventories

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

Fixed Assets and Depreciation

General fixed assets are reported at historical or estimated historical cost. Donated fixed assets are valued at estimated fair value on the date donated. The cost of interest incurred during construction of infrastructure fixed assets

(highways, bridges, etc.) is not capitalized. No depreciation is provided for general fixed assets. Fixed assets in the enterprise and internal service funds are reported at cost. Interest cost incurred during construction at Bradley International Airport is capitalized as part of the assets. Depreciation of these fixed assets is determined using the straight-line method and is based upon the assets’ estimated useful lives.

Fixed assets in the higher education funds are reported at cost. No depreciation is recorded on these fixed assets, except for the University of Connecticut’s fixed assets. Depreciation of these fixed assets is determined using the straight-line method and is based on the assets’ estimated useful lives.

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

Food Stamps

Food stamps distributed to recipients during the year are recognized as both an expenditure and a revenue in the operating statement.

Securities Lending Transactions (see Note 4)

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

Deferred Revenues

This liability account represents:

- Cash received by the State before the State has a legal claim to it (e.g. grant monies 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 price plus an amount which has accrued over the life of the bond on a semiannual compounding basis. The net value of the bonds is accreted (the discount reduced), based on this semiannual compounding, over the life of the bonds. This deep-discount debt is reported in the general long-term debt account group at its net or accreted value rather than at face value.

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Other Long-term Obligations

The portion of the net pension obligation, workers' compensation claims, capital leases, claims and judgements, and accumulated compensated absences that are expected to be liquidated with available expendable 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 available expendable financial resources is reported in the general long-term debt account group. In the proprietary funds, higher education 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, and managers regardless of date hired can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent to sixty days.

The State recognized a liability to the federal government for excess earnings received from investing special tax obligation bond proceeds (rebutable arbitrage). This liability is reported as a liability for claims and judgements.

h. Fund Equity

Contributed Capital

The amount of permanent 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 funds which is legally reserved for a specific future use, or which is not available for appropriation or expenditure.

i. Revenues, Expenditures, 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.

Interest Rate Swap Agreements

The State has entered into interest rate swap agreements to modify interest rates on outstanding debt. Other than the

net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements (see Note 14).

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 capital contributions to proprietary funds are classified as equity transfers.

j. Pension Trust Funds Transactions

Plan member contributions are recognized in the period in which the contributions are due. State contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income and related expenses of the Combined Investment Funds (including securities lending transactions) are allocated ratably to these funds based on their equity in the Combined Investment Funds.

k. External Investment Pool

Assets and liabilities of the Short-Term Investment Fund are allocated ratably to the External Investment Pool Fund based on its equity in the Short-Term Investment Fund (see Note 4). Pool income is determined based on distributions made to the pool's participants.

l. Use of Estimates

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

m. Total Columns – Memorandum Only

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

Note 2 Budgetary Basis vs. GAAP

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

Financial Statements Fund Types	General	Special Revenue
Excess (deficiency) of revenues and other sources over expenditures and other uses (Budgetary basis)	\$ 300,435	\$ 126,908
Adjustments:		
Increases (decreases) in revenue accruals:		
Government Receivables	59,768	(3,456)
Other Receivables	15,458	(492)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(161,454)	1,300
Salaries and Fringe Benefits Payable	120,796	5,821
Increases (decreases) in continuing appropriations	(289,764)	15,528
Reclass of fund balance adjustments:		
To operating expenditures	<u>(118,120)</u>	<u>(81,809)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis) - budgeted funds	(72,881)	63,800
To record excess (deficiency) of revenues and other sources over expenditures and other uses for nonbudgeted funds	<u>-</u>	<u>37,286</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (72,881)</u>	<u>\$ 101,086</u>

Note 3 Fund Deficits

The following funds have deficit balances at June 30, 2000, none of which constitutes a violation of statutory provisions (amounts in thousands).

Special Revenue	
Consumer Counsel and Public Utility Control	2,221
Capital Projects	
State Facilities	154,132

The Consumer Counsel and Public Utility Control Fund deficit has been addressed by Public Act 93-402, subsequently modified by Public Act 99-1 (June special session), which among other things, requires any GAAP deficits for budgeted funds existing as of June 30, 2003 to be amortized in fifteen equal increments beginning with the annual budget for fiscal year 2004-2005.

The State Facilities deficit will be eliminated in the future by the sale of bonds.

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 to (a) recover deposits if the depository bank fails or (b) 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 (amounts in million)

At June 30, 2000, the reported amount of the State's deposits was \$(76.7) for the Primary Government and \$11.0 for the Component Units. The corresponding bank balance for such deposits was \$139.0 for the Primary Government and \$15.1 for the Component Units. Of the bank balance for the Primary Government \$39.5 was insured by the Federal Deposit Insurance Corporation or held by the State's agent in the State's name (Category 1), and \$99.5 was uninsured and uncollateralized (Category 3). Of the bank balance for the Component Units, \$3.6 was insured by the Federal Deposit Insurance Corporation (Category 1), and \$11.5 was uninsured and uncollateralized (Category 3).

Category 3 deposits include some deposits that are collateralized as required by state statute. Under the statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to 10 percent, 25 percent, 100 percent, or 120 percent of its public deposits. However, the collateral is held in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

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

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

For financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The external portion of STIF (i.e. the portion that belongs to participants which are not part of the State's financial reporting entity) is reported as an investment trust fund in the combined financial statements. The internal portion of STIF (i.e., the portion that belongs to participants that are part of the State's financial reporting entity) is not reported in the combined financial statements. Instead, each fund type's investment in the internal portion of STIF is reported as "cash equivalents" in the combined balance sheet.

The CIFS are open-ended, unitized portfolios in which the

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State pension and other trust funds are eligible to invest. The State pension and other trust funds own the units of the CIFS. The State Treasurer is also authorized to invest monies of the CIFS in common stock, commercial equity real estate, foreign companies stocks and bonds, commercial and residential mortgages, foreign governments' obligations, mortgage-backed securities, and venture capital partnerships. CIFS' investments are reported at fair value and are disclosed in the investments schedules.

For financial reporting purposes, the CIFS are considered to be internal investment pools and are not reported in the combined financial statements. Instead, each fund type's investment in the CIFS is reported as "equity in combined investment funds" in the combined balance sheet.

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

The following investments schedules disclose the reported amount and fair value of the State's investment in total and by investment type as of June 30, 2000. Further, the reported amounts of these investments are classified according to the following 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.

The CIFS account for the purchase and sale of investments using "trade date" accounting – 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). Thus, CIFS' investments schedule was prepared taking into account unsettled sales and purchases of investments. This means that investments under unsettled sales are included in the schedule, because the investments are still subject to custodial credit risk that could result in losses prior to settlement. Conversely, investments under unsettled purchases are excluded from the schedule, because the investments are still in the hands of the dealers.

Investments-Primary Government Short-Term Investment Fund (amounts in thousands)

Investment Type	Reported Amount Category 1	Fair Value
Repurchase Agreements	\$ 464,865	\$ 464,865
Certificates of Deposit-Negotiable	132,228	132,129
Commercial Paper	2,128,380	2,128,380
Corporate Notes	37,083	37,013
Bankers' Acceptances	34,018	34,045
Bank Notes	719,641	720,635
Federal Agency Securities	170,190	169,744
State of Israel Bonds	1,500	1,500
Total Investments	<u>\$ 3,687,905</u>	<u>\$ 3,688,311</u>

Investments-Primary Government Combined Investment Funds (amounts in thousands)

Investment Type	Reported Amount (Fair Value)		Total
	Category 1	Category 3	
Certificates of Deposit-Negotiable	\$ -	\$ 138,830	\$ 138,830
Asset Backed Securities	506,962	-	506,962
U.S. Government and Agency Securities:			
Not on Securities Loan	1,516,797	-	1,516,797
On Securities Loan for Securities or LOC Collateral	-	26,566	26,566
Mortgage Backed Securities	633,563	-	633,563
Corporate Debt	3,061,030	1,261,148	4,322,178
Convertible Securities	292,055	-	292,055
U.S. Corporate Stock:			
Not on Securities Loan	8,488,071	-	8,488,071
On Securities Loan for Securities or LOC Collateral	-	177,355	177,355
International Equity Securities:			
Not on Securities Loan	2,187,925	-	2,187,925
On Securities Loan for Securities or LOC Collateral	-	12,883	12,883
Short-term Investments	-	264,755	264,755
Preferred Stock	135,717	-	135,717
	<u>\$ 16,822,120</u>	<u>\$ 1,881,537</u>	<u>\$ 18,703,657</u>

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

Real Estate Investment Trusts	31,908
Mutual Funds	42,018
Limited Liability Corporations	72,789
Trusts	54,567
Limited Partnerships	2,947,525
Annuities	14,595
Securities Held by Brokers-Dealers under Sec. Loans for Cash Collateral:	
U.S. Government and Agency Securities	607,880
U.S. Corporate Stock	378,132
International Equity Securities	525,142
Domestic Fixed Securities	102,012
International Fixed Securities	9,030
	<u>\$ 23,489,255</u>

The pension trust funds own approximately 100 percent of the investments that are in categories 1 and 3.

Investments-Primary Government

Other

(amounts in thousands)

Investment Type	Reported Amount			Total	Fair Value
	Category 1	Category 2	Category 3		
Collateralized Investment Agreements	\$ 487,990	\$ 55,849	\$ -	\$ 543,839	\$ 543,839
State/Municipal Bonds	226,785	-	-	226,785	226,785
U.S. Government & Agency Securities	195,733	-	-	195,733	195,733
Repurchase Agreements	6,763	45,988	-	52,751	52,751
Common Stock	41,016	6,024	1,654	48,694	48,694
Corporate Bonds	10,752	7,439	-	18,191	18,191
Other	<u>30,127</u>	<u>-</u>	<u>1,016</u>	<u>31,143</u>	<u>31,143</u>
	<u>\$ 999,166</u>	<u>\$ 115,300</u>	<u>\$ 2,670</u>	<u>\$ 1,117,136</u>	<u>\$ 1,117,136</u>

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

Annuity Contracts	543,818	543,818
Mutual Funds	91,229	91,229
Guaranteed Investment Contracts	37,007	37,007
Tax Exempt Proceeds Fund	98,232	98,232
Other	<u>64,788</u>	<u>64,788</u>
Total Investments	<u>\$ 1,952,210</u>	<u>\$ 1,952,210</u>

The Special Assessment fund owns approximately 88 percent of the investments that are in Category No. 2.

Investments-Component Units

(amounts in thousands)

Investment Type	Reported Amount			Total	Fair Value
	Category 1	Category 2	Category 3		
U.S. Government & Agency Securities	\$ 256,739	\$ 10,160	\$ 11,458	\$ 278,357	\$ 278,250
Common Stock	103,620	-	-	103,620	103,620
Repurchase Agreements	124,544	-	-	124,544	124,544
Collateralized Investment Agreements	2,585	-	21,818	24,403	24,403
Mortgage Backed Securities	235,857	-	-	235,857	235,857
Corporate Bonds	42,579	-	-	42,579	42,579
Other	<u>54,191</u>	<u>-</u>	<u>2,984</u>	<u>57,175</u>	<u>57,175</u>
	<u>\$ 820,115</u>	<u>\$ 10,160</u>	<u>\$ 36,260</u>	<u>866,535</u>	<u>866,428</u>

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

Guaranteed Investment Contracts	242,150	242,150
Fidelity Funds	171,382	171,382
Limited Partnerships	15,296	15,296
Other	<u>25,582</u>	<u>25,582</u>
Total Investments	<u>\$ 1,320,945</u>	<u>\$ 1,320,838</u>

Derivatives

GASB Technical Bulletin Number 94-1 defines derivatives as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. According to this definition, the following State's investments or contracts are considered to be derivatives:

- Short-Term Investment Fund - Adjustable-rate federal agency, bank notes, and State of Israel securities whose interest notes vary directly with short-term money market indices and are reset daily, weekly, monthly, quarterly, or semi-annually.
- Combined Investment Funds - Adjustable-rate securities, asset backed securities, indexed Treasury securities, option contracts, mortgage backed securities (including interest-only strips), and foreign exchange contracts.

The State invests in derivatives to enhance investment returns or as in the case of foreign exchange contracts to facilitate trade settlements and to serve as foreign currency hedges.

The Mutual Fixed Income Fund (a Combined Investment Fund) invests in mortgage backed securities (MBSs), asset backed securities (ABSs), and interest-only strips. MBS's and ABS's are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgages or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses

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are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2000, the fund held MBSs of \$569.6 million and ABSs of \$165.2 million.

Interest-only strips (IOs) are a specialized type of mortgage backed securities. The cash flow on these investments is derived from the interest payments on the underlying mortgage loans. Prepayments on underlying loans curtail these interest payments, reducing the value of the IOs and, as such, these instruments are extremely sensitive to changes in interest rates, which encourage or discourage such prepayments. As of June 30, 2000, the IOs had a value of \$ 7.7 million.

From time to time, the International Stock, Mutual Fixed Income, and Private Investment Funds (Combined Investment Funds) utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the funds currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the funds' investments against currency fluctuations. Losses may arise from changes in the value of foreign currencies or failure of the counterparties to perform under the contracts' terms. As of June 30, 2000, the International Stock Fund reported an unrealized loss of \$18.4 million from open forward currency contracts.

Security Lending Transactions

Certain of the Combined Investment Funds are permitted by State statute to lend its securities through a lending

agent to authorized broker-dealers and banks for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

During the year, the funds' lending agent lent securities similar to the types on loan at year-end and received cash (United States and foreign currency), U.S. Government securities, sovereign debt rated A or better, convertible bonds, and irrevocable bank letters of credit as collateral. The funds' lending agent did not have the ability to pledge or sell collateral securities delivered absent borrower default. Borrowers were required to deliver collateral for each loan equal to: (1) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102 percent of the market value of the loaned securities; and (2) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105 percent of the market value of the loaned securities. In the event any borrower fails to return the loaned securities or pay distributions thereon, the funds' lending agent is contractually obligated to purchase replacement securities, or return the cash collateral. At year-end, the funds had no credit exposure to the borrowers, because the amounts the funds owed the borrowers exceeded the amounts the borrowers owed the funds.

All securities loans can be terminated on demand by either the funds or the borrowers. Cash collateral is invested by the funds' lending agent, and the average duration of the investments can not exceed (a) 120 days or (b) the average duration of the loans by more than 45 days. At year-end, the average duration of the collateral investments was 44 days; the average duration of the loans was unknown, although it is assumed to remain at one day.

Note 5 Loans

Loans receivable for the primary government and its component units, as of June 30, 2000, consisted of the following (amounts in thousands):

	Primary Government					Component
	Special Revenue	Enterprise	Trust and Agency	Higher Education	Total	Units
Mortgage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,925,874
Industrial	-	-	-	-	-	136,054
Housing	139,289	84,902	-	-	224,191	-
Clean Water	56,006	-	545,159	-	601,165	-
Student	-	-	-	22,501	22,501	-
Other	125,107	-	67	7,861	133,035	83,382
Less:						
Allowance for Losses	-	2,547	-	-	2,547	59,546
Loans Receivable Net	<u>\$ 320,402</u>	<u>\$ 82,355</u>	<u>\$ 545,226</u>	<u>\$ 30,362</u>	<u>\$ 978,345</u>	<u>\$ 3,085,764</u>

The mortgage loan program consists of home, multi-family, and construction loan mortgages made by the Connecticut Housing Finance Authority. Most home loans are insured by the Federal Housing Administration or guaranteed by the Veterans Administration. In addition, some home and multi-family loans are insured or guaranteed by private insurers. Permanent loans earn interest at rates ranging from 0 percent to 13.5 percent and have initial terms of 10 to 40 years. Construction

loans earn interest at rates ranging from 0 percent to 9.92 percent. 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 percent to 9.92 percent. During the fiscal year, the State transferred to the Authority certain mortgage loans with a carrying amount of \$65.5 million. These loans are reported as an equity transfer in the statement of operations of the Authority.

The Clean Water fund loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20 year period at an annual interest rate of 2 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both.

The industrial loan program consists of loans made by the Connecticut Development Authority to finance the purchase of land, buildings, and equipment by qualified applicants and to finance other economic development programs of the Authority. These loans are collateralized by assets acquired from the proceeds of the related loans and have originating terms of 1 to 25 years and earn interest at rates ranging from 3 percent to 12 percent. As of June 30, 2000, loans in the amount of \$35.9 million (including loans of \$8.4 million 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 \$8.4 million at year-end. Thus, the State is contingently liable in the event of any defaulted loans that could not be paid out of the assets of the insurance fund.

Note 6 Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2000 (amounts in thousands):

	Funds	
	General	Special Revenue
Sales and Use	\$ 421,964	\$ -
Income Taxes	146,297	-
Corporations	69,955	-
Gasoline and Special Fuel	-	43,405
Various Other	87,134	-
Less: Allowance for Uncollectibles	(17,839)	-
Taxes Receivable	<u>\$ 707,511</u>	<u>\$ 43,405</u>

Note 7 Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2000, restricted assets for the primary government and its component units were comprised of the following (amounts in thousands):

	Primary Government				Component Units						
	Enterprise			Trust and Agency	Connecticut			Connecticut	Connecticut	Connecticut	Total
	John		Clean Water Fund	Connecticut Development Authority	Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority	Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority			
	Bradley	Dempsey									
	Debt Int'l	Hospital									
	Service Airport	(9-30-99)									
Cash & Cash											
Equivalents	\$ 524,782	\$ 107,454	\$ 5,018	\$ -	\$ 637,254	\$ 21,951	\$ -	\$ 74,678	\$ -	\$ 5,067	\$ 101,696
Investments	-	6,530	1,135	412,648	420,313	28,921	295,060	508	10,799	414,563	749,851
Interest											
Receivable	5,282	528	-	-	5,810	-	1,608	750	-	784	3,142
Other	-	1,648	-	-	1,648	-	-	-	-	5,550	5,550
Total	\$ 530,064	\$ 116,160	\$ 6,153	\$ 412,648	\$ 1,065,025	\$ 50,872	\$ 296,668	\$ 75,936	\$ 10,799	\$ 425,964	\$ 860,239

Note 8 Property, Plant, and Equipment

(2) Property, plant, and equipment for the primary government and its component units consisted of the following as of June 30, 2000 (amounts in thousands):

	Primary Government				Component Units
	Enterprise	Internal	Higher		
		Service	Education		
Land	\$ 2,840	\$ -	\$ 39,067	\$ 22,123	
Buildings	150,271	-	1,455,223	178,091	
Improvements Other than Buildings	122,590	95	129,275	183	
Machinery & Equipment	54,140	150,979	615,928	193,628	
Construction in Progress	<u>42,279</u>	<u>-</u>	<u>157,166</u>	<u>1,291</u>	
Subtotal	<u>372,120</u>	<u>151,074</u>	<u>2,396,699</u>	<u>395,316</u>	
Less:					
Accumulated Depreciation	<u>151,107</u>	<u>105,616</u>	<u>277,199</u>	<u>169,746</u>	
Total	\$ 221,013	\$ 45,458	\$ 2,119,400	\$ 225,570	

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

	Balance			Balance	
	7/1/99	Additions	Retirements	6/30/00	
Land	\$ 352,511	\$ 29,812	\$ 16,187	\$ 366,136	
Buildings	2,032,985	94,066	2,774	2,124,277	
Improvements					
Other than					
Buildings	236,661	24,307	4,268	256,700	
Machinery & Equipment	1,187,514	101,961	544,839	744,636	
Construction in Progress	211,693	185,615	118,373	278,935	
Total	<u>\$ 4,021,364</u>	<u>\$ 435,761</u>	<u>\$ 686,441</u>	<u>\$ 3,770,684</u>	

The beginning balance of Construction in Progress was reduced to account for certain building projects that were substantially completed and capitalized in 1999.

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The following estimated useful lives are used to compute depreciation: Buildings 10-60 years; Land Improvements 2-50 years; Machinery and Equipment 2-21 years.

Note 9 State Retirement Systems

The State sponsors three major public employee retirement systems: the State Employees' Retirement System (SERS) —consisting of Tier I (contributory), Tier II (noncontributory) and Tier IIA (contributory), the Teachers' Retirement System (TRS), and the Judicial Retirement System (JRS).

The State Comptroller's Retirement Division under the direction of the Connecticut State Employees Retirement Division administers SERS and JRS. The Teachers' Retirement Board administers TRS. None of the above mentioned systems issue stand-alone financial reports.

Plan Descriptions, Funding Policy, and Annual Pension Cost and Net Pension Obligation

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

	SERS 6/30/00	TRS 6/30/98	JRS 6/30/00
Retirees and beneficiaries receiving benefits	32,101	18,615	199
Terminated plan members entitled to but not yet receiving benefits	1,137	5,637	1
Active plan members	54,616	43,452	202
Total	87,854	67,704	402

State Employees' Retirement System

Plan Description

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

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Tier I Plan B and Hazardous Duty members are required to contribute 2 percent and 4 percent respectively, of their salary up to the Social Security Taxable Wage Base plus 5 percent above that level; Tier I Plan C members are required to contribute 5 percent of their annual salary; Tier IIA members are required to contribute 2 percent and hazardous duty members are required to contribute 5 percent. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Teachers Retirement System

Plan Description

TRS is a single-employer defined-benefit pension plan covering any teacher, principal, superintendent or super-

visor engaged in service of public schools in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183nn of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. The State is required to contribute at an actuarially determined rate. For fiscal year 2000, the annual required contribution (ARC) was \$240.5 million; however, the State contributed \$204.4 million to the plan, reflecting a reduction of \$36.1 million by the legislature to the State's TRS appropriation. Administrative costs of the plan are funded by the State.

Judicial Retirement System

Plan Description

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

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Annual Pension Cost, Net Pension Obligation, and Related Information

The State's annual pension cost and net pension obligation to SERS, TRS, and JRS for the current year were as follows (amounts in thousands):

	SERS	TRS	JRS
Annual required contribution	\$ 342,760	\$ 240,524	\$ 9,324
Interest on net pension obligation	155,271	78,040	3
Adjustment to annual required contribution	(92,104)	(49,707)	(1)
Annual pension cost	405,927	268,857	9,326
Contributions made	342,760	204,445	9,324
Increase (decrease) in net pension obligation	63,167	64,412	2
Net pension obligation beginning of year	1,826,719	921,555	35
Net pension obligation end of year	\$ 1,889,886	\$ 985,967	\$ 37

Three-year trend information is as follows (amounts in thousands):

	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
SERS	1998	\$ 630,293	53.1%	\$ 1,752,773
	1999	389,508	81.0%	1,826,719
	2000	405,927	84.4%	1,889,886
TRS	1998	\$ 239,878	74.8%	\$ 857,929
	1999	251,960	74.7%	921,555
	2000	268,857	76.0%	985,967
JRS	1998	\$ 9,310	100%	\$ 34
	1999	9,284	100%	35
	2000	9,326	100%	37

Defined Contribution Plan

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

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5 percent of their annual salaries. The State is required to contribute 8 percent of covered salary. During the year, plan members and the State contributed \$17.9 million and \$27.2 million, respectively.

Note 10 Other Retirement Systems Administered by the State of Connecticut

The State acts solely as the administrator and custodian of the assets of the Connecticut Municipal Employees' Retirement System (CMERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). Although these retirement systems are included as pension trust funds in the State's financial statements, the State makes no contribution and has no financial liability other than a fiduciary responsibility.

Plan Descriptions and Contribution Information

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

	CMERS 6/30/99	CPJERS 12/31/99
Retirees and beneficiaries		
receiving benefits	4,234	198
Terminated plan members entitled		
to but not receiving benefits	96	34
Active plan members	7,811	342
Total	12,141	574
Number of participating employers	159	1

Connecticut Municipal Employees' Retirement System

Plan Description

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

Contributions

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

Connecticut Probate Judges and Employees' Retirement System

Plan Description

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

Contributions

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

Note 11 Postemployment Benefits

In addition to the pension benefits described in Note 9, the State provides a 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 32,101 retirees of the State Employees Retirement System meet those eligibility requirements. When employees retire, the State may pay up to 100 percent of their health care insurance premium cost (including dependent's coverage) based on the plan chosen by the employee. In addition, the State pays 100 percent 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 has 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 re-

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tirement, 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, 2000, \$173.9 million was paid in postretirement benefits.

Note 12 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 (amounts in thousands):

2001	\$	17,365
2002		17,427
2003		17,497
2004		14,514
2005		12,000
Thereafter		5,039
Total	\$	83,842

Contingent revenues for the year ended June 30, 2000, were \$2.2 million.

Note 13 Changes in General Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2000 (amounts in thousands):

	Balance July 1, 1999	Issuances and Other Increases	Retirements and Other Decreases	Increase (Decrease) Accreted Value	Balance June 30, 2000
General Obligation Bonds	\$ 6,902,197	\$ 994,540	\$ 674,716	\$ (128)	\$ 7,221,893
Transportation Related Bonds	3,191,626	150,000	264,207	(7,894)	3,069,525
Expendable Trust Fund Obligations	795,935	20,000	205,870	-	610,065
Net Pension Obligation	2,748,309	684,110	556,529	-	2,875,890
Compensated Absences	274,772	27,508	8,189	-	294,091
Worker's Compensation	280,074	56,894	53,368	-	283,600
Capital Leases	52,050	5,664	8,308	-	49,406
Claims and Judgements	5,250	9,829	-	-	15,079
Total General Long-Term Debt Account Group	\$ 14,250,213	\$ 1,948,545	\$ 1,771,187	\$ (8,022)	\$ 14,419,549

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 \$1,015.7 million. This amount includes discounts on the sale of certain bonds and premium and accrued interest received at the time of sale in the amount of \$.7 million.

Included in retirements of general obligation and transportation related bonds are \$196.3 million of bonds which were defeased by cash of \$207.7 million.

Additionally, \$994.5 million of issuances and other increases for general obligation bonds include \$130.8 million of bonds issued by the University of Connecticut

b. State as Lessee

Obligations under capital leases and operating leases as of June 30, 2000, were \$67.1 million for capital leases and \$51.2 million for noncancelable operating leases in excess of one year. The following is a schedule of annual future minimum payments under these obligations along with the present value of the related net minimum capital lease payments discounted at approximately 6 percent as of June 30, 2000 (amounts in thousands):

	Operating Leases	Capital Leases General Long-term
2001	\$ 20,672	\$ 8,290
2002	14,018	6,657
2003	8,741	6,243
2004	5,757	5,275
2005	1,922	4,207
Thereafter	55	36,477
Total future minimum payments	\$ 51,165	67,149
Less: Imputed interest		17,743
Present value of net minimum lease payments		\$ 49,406

Rental and lease payments for equipment charged to expenditures during the year ended June 30, 2000, totaled \$43.7 million.

and \$18.7 million of bonds issued by CHEFA for which the State of Connecticut will pay the principal and interest.

As of June 30, 2000 a liability of \$6 million for rebatable arbitrage is included in the liability for claims and judgements.

Note 14 Debt

General Obligation Bonds

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

unissued at June 30, 2000, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Capital Improvements	2000-2020	2.95-9.875%	\$ 2,107,419	\$ 493,862
School Construction	2000-2020	3.4-9.75%	1,232,503	63,471
Municipal & Other Grants & Loans	2000-2018	3.25-9%	1,516,672	533,833
Elderly Housing	2002-2011	7-7.75%	19,905	-
Elimination of Water Pollution	2000-2022	4.5-7.525%	343,169	65,781
General Obligation Refunding	2000-2015	2.4-9.75%	1,407,325	-
Miscellaneous	2000-2029	3.5-9.5%	93,790	5,949
			6,720,783	<u>1,162,896</u>
Accretion-Various Capital Appreciation Bonds			501,110	
			<u>\$ 7,221,893</u>	

Future amounts (in thousands) needed to pay principal and interest on general obligation bonds outstanding at June 30, 2000, were as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 594,751	\$ 373,942	\$ 968,693
2002	562,992	343,334	906,326
2003	485,163	320,761	805,924
2004	495,791	310,532	806,323
2005	504,761	301,094	805,855
Thereafter	<u>4,077,325</u>	<u>1,871,100</u>	<u>5,948,425</u>
Total	<u>\$ 6,720,783</u>	<u>\$ 3,520,763</u>	<u>\$ 10,241,546</u>

Transportation Related Bonds

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

Transportation related bonds outstanding and bonds authorized but unissued at June 30, 2000, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Specific Highways	2000-2017	4.25-5.50%	\$ 14,938	\$ 3,902
Infrastructure Improvements	2000-2019	2.65-10.0%	3,022,163	476,572
General Obligation Refunding	2000-2002	5.85-6.05%	26,229	-
Other	2005-2013	4.6-7.525%	613	165
			3,063,943	<u>480,639</u>
Accretion-Various Capital Appreciation Bonds			5,582	
			<u>Total</u>	<u>3,069,525</u>

Future amounts (in thousands) required to pay principal and interest on transportation related bonds outstanding at June 30, 2000, were as follows:

Year Ending June 30,	Principal	Interest	Total
2001	\$ 195,140	\$ 158,939	\$ 354,079
2002	196,280	148,946	345,226
2003	209,090	139,101	348,191
2004	208,535	128,661	337,196
2005	206,149	118,075	324,224
Thereafter	<u>2,048,749</u>	<u>596,213</u>	<u>2,644,962</u>
Total	<u>\$ 3,063,943</u>	<u>\$ 1,289,935</u>	<u>\$ 4,353,878</u>

Demand Bonds

Included in general obligation bonds, there are variable rate demand bonds in the amount of \$100 million. The bonds were issued in May 1997 to fund various State programs (e.g. community conservation development, economic development and manufacturing assistance, regional economic development, etc.) and will mature in the year 2014. Starting in the year 2005, the bonds will be subject to mandatory annual redemption in the principal amount of \$10 million plus accrued interest (these amounts are included in the debt service schedule). Concerning the issuance of the bonds, the State signed various agreements, including a "Remarketing Agreement" with a broker/dealer firm and a "Standby Bond Purchase Agreement" with a foreign bank.

These bonds bear interest at a weekly rate or at a flexible rate for a flexible rate period, which cannot be longer than 270 days. Initially, all bonds bear interest at the weekly rate. After that, the bonds may be converted from time to time to the flexible rate or weekly rate at the option of the State. The State's remarketing agent determines the weekly or flexible rate and applicable flexible rate period.

Bonds bearing interest at the weekly rate are subject to purchase at the option of the holder at a purchase price equal to principal and accrued interest, if any, on a minimum seven days' notice and delivery to the State's agent. In addition, all bonds are subject to mandatory purchase upon (1) conversion from the weekly rate to the flexible rate or vice versa, (2) the end of each flexible rate period, and (3) expiration or substitution of the Standby Bond Purchase Agreement. The State's remarketing agent is responsible for using its best efforts to remarket bonds properly tendered for purchase.

The Standby Bond Purchase Agreement requires the bank to purchase bonds tendered and not remarketed in an amount not to exceed the principal on the bonds plus (for bonds bearing interest at the weekly rate) accrued interest up to 35 days at an annual interest rate not to exceed 15 percent; (1) for bonds held for up to 30 days after the purchase date, the Federal funds rate plus .50 percent; (2) for bonds held for more than 30 days but less than 90 days after the purchase date, the Federal funds rate plus 1.00 percent; and (3) for bonds held for more than 90 days after the purchase date, the higher of (a) the base commercial lending rate announced from time to time by the bank, or (b) the federal funds rate plus .50 percent.

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The State is required under the Standby Bond Purchase Agreement to pay to the bank a quarterly fee of .065 percent per annum of the available commitment as of each payment date. The available commitment is an amount that the bank is committed to purchase under the agreement. Such amount was initially set in the agreement at \$101.4 million and is adjusted from time to time according to provisions in the agreement. If the rating on the bonds were to fall below certain levels, or be withdrawn or suspended, the bank fee could go as high as .135 percent per annum.

The Standby Bond Purchase Agreement expires in the year 2002 and could be extended annually for another year. If certain events of default described in the agreement were to occur, the agreement could be terminated prior to that date.

Expendable Trust Fund Obligations

In July, August, and September 1993, the State issued \$1,020.7 million of special assessment 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 percent to 5.5 percent and shall be payable solely from 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 (in thousands) needed to pay principal and interest on special assessment unemployment compensation bonds were as follows:

Year Ending			
June 30,	Principal	Interest	Total
2001	\$ 150,265	\$ 14,665	\$ 164,930
2002	218,720	8,514	227,234
Total	<u>\$ 368,985</u>	<u>\$ 23,179</u>	<u>\$ 392,164</u>

On November 1996, the State issued \$100 million of second injury special assessment revenue bonds. The bonds were issued to reduce long-term liabilities of the fund by settling claims on a one-time lump sum basis. The bonds bear fixed interest rates ranging from 4.25 percent to 6.00 percent and mature each year at various amounts through the year 2012, starting on January 1 of 1998. Because the bonds will be paid solely from future assessment revenue of the fund, the State has no contingent obligation either directly or indirectly for the payment of such bonds.

Future amounts (in thousands) needed to pay principal and interest on second injury special assessment revenue bonds were as follows:

Year Ending			
June 30,	Principal	Interest	Total
2001	\$ 5,330	\$ 4,540	\$ 9,870
2002	5,595	4,273	9,868
2003	5,875	3,994	9,869
2004	6,195	3,670	9,865
2005	6,505	3,361	9,866
Thereafter	<u>56,580</u>	<u>12,489</u>	<u>69,069</u>
Total	<u>\$ 86,080</u>	<u>\$ 32,327</u>	<u>\$ 118,407</u>

Additionally, the bond indenture allows for the periodic issuance of subordinated Bond Anticipation Notes (BANs) in the form of commercial paper. As of June 30, 2000, the fund had \$155 million in outstanding BANs. The State has entered into a Revolving Credit Agreement that ensures that the BANs can be refinanced on a long-term basis, and in October, the state replaced a portion of the BANs with \$124 million of revenue bonds.

Interest Rate Swap Agreements

The State has entered into interest rate swap agreements for the following outstanding debt:

Type	Face Value (000's)	Interest Rate	Maturity Date
Transportation - STOs	\$ 180,100	variable	2010

Based on these agreements, the State pays a fixed interest rate to the counterparty to the swap, and the counterparty pays the State a variable interest rate that is determined by the Agreement. The State continues to make payments to the bondholders, and only the net differences in interest payments are exchanged with the counterparty. By entering into these agreements, the State has in effect exchanged its variable rate liability for a fixed rate obligation.

The agreements call for the following exchange of interest rates:

Counterparty	Face Value (000's)	Interest Rate Assumed by State	Interest Rate Assumed by Counter party
AIG Corp.	\$ 108,100	5.75%	65% of 1-month LIBOR* rate
Sumitomo Bank	\$ 72,000	5.71%	65% of 1-month LIBOR* rate

*The primary fixed income index reference rates used in the Euro-markets.

Regarding these agreements, the State is exposed to the market risk relating to the relationship between the variable interest rate on the bonds (which is reset weekly) and the rate that it receives under the swap agreements (which is 65 percent of 1-month LIBOR). As of June 30, 2000, the AIG and Sumitomo interest rate swaps had unfavorable positions of \$5.6 million and \$1.4 million, respectively.

The counterparties guarantee both agreements, and the agreement with AIG Corp. has a collateral agreement, which goes into effect if the credit rating of AIG falls below a defined level.

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise funds, nonexpendable trust funds, higher education funds, and component units.

Revenue bonds outstanding at June 30, 2000, were as follows:

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding
Primary Government:			
Enterprise:			
Bradley Airport Operations	2000-2024	6.13-9.125%	\$ 131,770
Rental Housing	2000-2002	5.25-9%	95,797
John Dempsey Hospital (as of 9-30-99)	2001-2009	7.125%	1,145
Nonexpendable:			
Clean Water Fund	2000-2022	3.45-11.0%	549,880
Higher Education:			
Investment in Plant	2001-2029	3.55-8.25%	306,069
Premium on Clean Water Fund bonds sold			<u>6,166</u>
		Total	<u>\$ 1,090,827</u>
Component Units:			
CT Development Authority	2003-2019	4.3-8.75%	\$ 106,111
CT Housing Finance Authority (as of 12-31-99)	2040	2.95-9.8%	3,158,120
CT Resources Recovery Authority	2000-2016	3.3-7.7%	263,760
CT Higher Education Supplemental Loan Authority	2000-2017	4.4-7.5%	107,690
CT Health & Educational Facilities Authority	2000-2004	4.32-14.94%	7,105
Discount on CHFA Bonds sold			<u>(29,721)</u>
		Total	<u>\$ 3,613,065</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 million to finance costs of improvements to the airport. As of June 30, 2000, the following bonds were outstanding:

- Airport revenue refunding bonds in the amount of \$74.8 million. 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 \$3.2 million. 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.

Additionally, Bradley parking garage bonds were issued in the amount of \$53.8 million. These bonds were issued in 2000 and are being used to build a parking garage at the airport.

In 1994, the State of Connecticut began issuing Clean Water Fund revenue bonds. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities for use in connection with the financing or refinancing of wastewater treatment projects.

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 the purchase and installation of machinery, equipment, and pollution control facilities. The Authority finances these projects through its Self-Sustaining Bond Program and Umbrella Program. Under the Umbrella Program, bonds outstanding at June 30, 2000 were \$51.8 million. Assets totaling \$53.7 million 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 of this note. In addition, the Authority had \$54.3 million in general obligation bonds outstanding at year-end. These bonds were issued to finance the lease of an entertainment/sports facility and the purchase of a hockey team.

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated 9/27/72 and an indenture dated 9/25/95. As of December 31, 1999, bonds outstanding under the bond resolution and the indenture were \$3,145.6 million and \$12.5 million, respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's general fund, and (3) all monies and securities of the Authority's general and capital reserve funds. The capital reserve fund is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in the next succeeding calendar year (\$263 million at 12/31/99) on all outstanding bonds. In addition, all assets of the Authority's general and capital reserve funds (\$3,443 million) are restricted until such time as they are determined to be "surplus funds." As of December 31, 1999, the Authority has entered into interest rate swap agreements for \$259 million of its variable rate bonds. These agreements are similar in nature to the interest rate swap agreements section of this note. Dur-

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interest rate swap agreements section of this note. During the year, the Authority refunded some of its outstanding bonds, resulting in future cash flow savings of \$.6 million and an economic gain of \$.4 million.

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 projects and other receipts, accounts and monies pledged in the bond indentures.

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

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. 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 only special obligation bonds, which are discussed in the no-commitment debt section of this note. At year-end, the Authority had \$7.1 million in outstanding general obligation bonds.

Each Authority has established special capital reserve 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, the amount of bonds outstanding at year-end that were secured by the special capital reserve funds was \$236.1 million. For the Connecticut Health and Educational Facilities Authority, the general obligation bonds outstanding at year-end were not secured by the special capital reserve funds.

Future amounts (in thousands) required to pay principal and interest on revenue bonds outstanding at June 30, 2000 were as follows:

Ending June 30,	Enterprise Funds		Primary Government Nonexpendable Trust		Higher Education		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$ 17,730	\$ 13,498	\$ 24,915	\$ 27,812	\$ 11,030	\$ 16,424	\$ 113,150	\$ 204,995
2002	4,956	13,466	31,040	26,330	12,975	15,668	135,610	199,225
2003	85,354	11,002	27,050	24,764	14,157	14,965	136,048	191,891
2004	4,780	8,531	32,425	23,323	15,459	14,230	137,735	184,535
2005	7,065	8,092	37,885	21,549	13,973	13,423	138,691	177,060
Thereafter	108,827	59,140	396,565	143,046	238,475	136,120	2,281,552	1,927,581
	<u>\$ 228,712</u>	<u>\$ 113,729</u>	<u>\$ 549,880</u>	<u>\$ 266,824</u>	<u>\$ 306,069</u>	<u>\$ 210,830</u>	<u>\$ 3,642,786</u>	<u>\$ 2,885,287</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 of this note. 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 are not included in the Authority's financial statements. Total bonds outstanding for the year ended June 30, 2000 were \$1,263.9 million.

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. Letters of credit secures certain of these bonds. 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, neither the Authority nor the State guarantees payment of the debt,

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, 2000 were \$280.4 million. Of this amount, \$74.9 million was secured by a special capital reserve fund.

The Connecticut Health and Educational Facilities Authority has issued special obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has fiduciary responsibility. Total special obligation bonds outstanding at June 30, 2000, were \$3,464.3 million, of which \$259.5 million was secured by the special capital reserve funds.

The State may be contingently liable for those bonds that are secured by the special capital reserve funds as discussed previously in the component units section of this note.

Debt Refundings

As of June 30, 2000, \$1,741.9 million of outstanding general obligation, special tax obligation, and revenue bonds (including prior year's refundings) are considered defeased.

Note 15 Risk Management

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

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

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

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than \$100 thousand.

When purchasing commercial insurance the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries a large number of insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is \$25 million, which is carried in a railroad liability policy.

For the last three fiscal years, the amount of settlements did not materially exceed insurance coverage.

Most State employees and retirees participate in three health plans. For one of these plans, the State was self-insured in prior years. In fiscal year 2000 the State

elected to purchase insurance coverage for this health plan, and liquidated the outstanding health plan liability.

The State records its risk management activities in the General fund, except for activities related to the medical malpractice risk which are recorded in the John Dempsey Hospital fund. At year-end, a liability for unpaid claims is recorded in each fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability is determined based on the ultimate cost of settling the claims, including an amount for claims that have been incurred but not reported and claim adjustment expenses. The liabilities for medical malpractice and for workers' compensation are actuarially determined. The liability for medical malpractice is reported at its present value, using a discount rate of 5 percent. The portion of the General fund liability considered to be long-term is recorded in the General Long-Term Debt account group. Changes in the claims liability accounts during the last two fiscal years were as follows (amounts in thousands):

	Medical Malpractice*	Workers' Compensation	Health Plan
Balance 6-30-98	\$ 8,434	\$ 278,927	\$ 47,410
Incurred claims	1,900	51,358	291,678
Paid claims	(3,314)	(50,211)	(275,215)
Balance 6-30-99	7,020	280,074	63,873
Incurred claims	2,162	56,894	1,345
Paid claims	(2,793)	(53,368)	(65,218)
Balance 6-30-00	\$ 6,389	\$ 283,600	\$ -

*Changes in the liability account are for fiscal years ending on 9-30-98 and 9-30-99.

Note 16 Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2000, were as follows (amounts in thousands):

Fund	Interfund Receivables	Interfund Payables
General	\$ 14,432	\$ 68,320
Special Revenue:		
Transportation	18,985	668
Workers' Compensation	256	125
Banking	-	197
Consumer Counsel & Public Utility Control	-	181
Insurance	101	166
Criminal Injuries	147	-
Mashatucket Pequot & Mohegan	45,009	-
Regional Market	-	7
Soldiers, Sailors, & Marines	-	166
Employment Security	1,136	873
Grant and Loan Programs	23,384	18,841
Environmental Programs	30,298	230
Housing Programs	7,611	11
Other	10,815	70
	137,942	21,535
Debt Service	-	6,185
Capital Projects:		
State Facilities	-	118,110
Infrastructure	8,144	781
Transportation	2,244	-
	10,388	118,891
Enterprise:		
Bradley International Airport	-	995
John Dempsey Hospital (as of 9-30-99)	4,425	4,888
Other	4	1
	4,429	5,884

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Internal Service:		
Correction Industries	95	4,952
Information & Technology	1,685	180
Administrative Services	1,717	84
	<u>3,497</u>	<u>5,216</u>
Expendable Trust:		
Employment Security	451	5,699
Retired Teachers	1,612	-
	<u>2,063</u>	<u>5,699</u>
Nonexpendable Trust:		
Soldiers, Sailors, & Marines	152	-
Other	4	214
	<u>156</u>	<u>214</u>
Pension Trust:		
State Employees	4,754	439
State Teachers	-	5,871
	<u>4,754</u>	<u>6,310</u>
Agency:		
Payroll & Fringe Benefit	4,489	-
Receipts & Pending Distribution	-	7,937
	<u>4,489</u>	<u>7,937</u>
Higher Education & University Hospital:		
Current Unrestricted	49,468	9,139
Current Restricted	14	1,464
Loan	-	314
Plant Funds	51,221	104
Endowment	-	1
Agency Funds	14	6
	<u>100,717</u>	<u>11,028</u>
Component Units:		
CT Development Authority	18,796	-
CT Health & Educational Facilities	-	44,915
CT Innovations, Incorporated	8	-
	<u>18,804</u>	<u>44,915</u>
Totals	<u>\$ 301,671</u>	<u>\$ 302,134</u>

As of June 30, 2000, interfund payables exceeded interfund receivables by \$463 thousand. Additionally, residual equity transfers out exceeded residual equity transfers in by \$786 thousand. Both of these differences were caused by the different reporting period used by John Dempsey Hospital, an enterprise fund.

Note 17 Retatement of Retained Earnings

As of June 30, 2000, the beginning retained earnings for the following funds were restated as follows (amounts in thousands):

Fund	Correction		
	Balance 6/30/99 Previously Reported	of Reported Assets/ Liabilities	Balance 6/30/99 as Restated
Internal Service:			
Information Technology	\$ 19,651	\$ (2,561)	\$ 17,090
Administrative Services	19,559	1,569	21,128
Component Units:			
Capital City Economic Development Authority	-	455	455

For the year 2000, the State added a new component unit to its financial reporting entity, the Capital City Economic Development Authority. This new addition has no significant effect on the operations or financial position of the State.

Note 18 Reserved Retained Earnings, Contributed Capital, and Reserved Fund Balances

Reserved Retained Earnings

Bradley International Airport, an enterprise fund, has \$46.8 million restricted for debt service requirements and other programs of the airport. The Connecticut Lottery Corporation, an enterprise fund, has \$2.3 million restricted for programs of the Corporation. The Connecticut Housing Finance Authority, a component unit, has \$514.7 million restricted for debt service requirements and other programs of the Authority. The Connecticut Resources Recovery Authority, a component unit, has \$19.3 million restricted for specific purposes.

Contributed Capital

The following is a summary of changes in the contributed capital accounts for the year ended June 30, 2000 (amounts in thousands):

	Primary Government		Component Units	
	Bradley International Airport	Correction Industries	Connecticut Resources Recovery Authority	Connecticut Innovations, Incorporated
Balance July 1, 1999	\$ 102,541	\$ 5,230	\$ 1,835	\$ 78,356
Contributions-State	-	-	-	2,086
Contributions-Other	1,333	-	-	5,127
Items added back to retained earnings	-	-	(122)	-
Returned to the State	-	(4,950)	-	-
Balance June 30, 2000	<u>\$ 103,874</u>	<u>\$ 280</u>	<u>\$ 1,713</u>	<u>\$ 85,569</u>

The beginning balance for Correction Industries was adjusted to reflect a return of capital that occurred in 1999.

Reserved Fund Balances

These balances are comprised as follows (amounts in thousands):

Reserved For	Fund Type				
	General	Special Revenue	Debt Service	Trust and Agency	Higher Education
Petty Cash	\$ 1,091	\$ -	\$ -	\$ -	\$ -
Budget Reserve	564,038	-	-	-	-
Advances to Other Funds	4,950	-	-	-	-
Inventories	37,672	13,784	-	-	-
Continuing Appropriations	343,471	72,700	-	-	-
Debt Service	13,210	1,531	524,784	-	-
School Construction Grants	265,474	-	-	-	-
Loans	-	320,402	-	-	-
Employees' Pension Benefits	-	-	-	21,830,998	-
Trust Activities	-	-	-	434,119	-
Restricted	-	-	-	-	380,007
Pool Participants	-	-	-	1,084,580	-
	<u>\$ 1,229,906</u>	<u>\$ 408,417</u>	<u>\$ 524,784</u>	<u>\$ 23,349,697</u>	<u>\$ 380,007</u>

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

Reserved amounts in Higher Education represent amounts restricted for specific educational programs by federal grants, private gifts and endowments, and amounts reserved for student loans and debt service.

Note 19 Segment Information – Enterprise Funds

The State maintains five enterprise funds, which provide financing for State housing programs, airport services, hospital operations, lottery programs, and vocational education. Segment information for the year ended June 30, 2000, is as follows (amounts in thousands):

	John				
	Rental Housing	Bradley Airport Operations	Dempsey Hospital (9-30-99)	CT Lottery Corporation	Other
Operating Revenue	\$ 2,402	\$ 41,307	\$ 120,326	\$ 837,509	\$ 2,195
Depreciation and Amortization Expense	2	8,863	6,223	945	7
Operating Income (Loss)	(3,535)	10,629	(12,875)	252,786	64
Operating Transfers In	10,830	-	-	-	-
Operating Transfers Out	-	-	-	(253,598)	-
Net Non-Operating Revenues (Expenses)	3,829	8,563	548	1,660	-
Net Income (Loss)	11,124	19,192	(12,327)	848	64
Capital Contributions	-	1,333	-	-	-
Property, Plant & Equipment Additions (Deletions)	-	23,589	3,216	381	21
Net Working Capital	166,853	10,493	21,006	478,475	1,004
Total Assets	169,388	298,475	108,245	609,761	1,132
Bond and Other Long-Term Liabilities	95,797	131,770	7,534	486,568	42
Total Equity	71,058	159,613	76,118	2,261	1,015

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Note 20 Condensed Financial Statements – Component Units (amounts in thousands)

	Balance Sheets					Total
	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority	Connecticut Health & Educational Facilities Authority	Other	
Assets:						
Current Assets	\$ 211,796	\$ 3,461,156	\$ 86,938	\$ 16,213	\$ 276,772	\$ 4,052,875
Property, Plant, and Equipment	19,988	2,734	202,501	137	210	225,570
Restricted Assets	50,872	296,668	75,936	425,964	10,799	860,239
Other Assets	<u>4,052</u>	<u>29,662</u>	<u>13,312</u>	<u>-</u>	<u>1,464</u>	<u>48,490</u>
Total Assets	<u>\$ 286,708</u>	<u>\$ 3,790,220</u>	<u>\$ 378,687</u>	<u>\$ 442,314</u>	<u>\$ 289,245</u>	<u>\$ 5,187,174</u>
Liabilities and Equity:						
Liabilities:						
Current Liabilities	\$ 11,397	\$ 28,830	\$ 23,946	\$ 2,610	\$ 15,462	\$ 82,245
Revenue Bonds	106,111	3,128,399	263,760	7,105	107,690	3,613,065
Other Liabilities	<u>-</u>	<u>117,018</u>	<u>24,992</u>	<u>416,414</u>	<u>-</u>	<u>558,424</u>
Total Liabilities	<u>117,508</u>	<u>3,274,247</u>	<u>312,698</u>	<u>426,129</u>	<u>123,152</u>	<u>4,253,734</u>
Equity:						
Contributed Capital	162,840	-	1,713	-	85,569	250,122
Retained Earnings	<u>6,360</u>	<u>515,973</u>	<u>64,276</u>	<u>16,185</u>	<u>80,524</u>	<u>683,318</u>
Total Equity	<u>169,200</u>	<u>515,973</u>	<u>65,989</u>	<u>16,185</u>	<u>166,093</u>	<u>933,440</u>
Total Liabilities and Equity	<u>\$ 286,708</u>	<u>\$ 3,790,220</u>	<u>\$ 378,687</u>	<u>\$ 442,314</u>	<u>\$ 289,245</u>	<u>\$ 5,187,174</u>

Statements of Revenues, Expenses, and Changes in Equity

	Connecticut					Total
	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority	Connecticut Health & Educational Facilities Authority	Other	
Operating Revenues	\$ 27,802	\$ 205,679	\$ 166,141	\$ 3,105	\$ 15,672	\$ 418,399
Operating Expenses:						
Depreciation and Amortization	270	4,876	16,136	52	342	21,676
Other	<u>30,590</u>	<u>212,629</u>	<u>128,593</u>	<u>2,403</u>	<u>20,962</u>	<u>395,177</u>
Operating Income (Loss)	<u>(3,058)</u>	<u>(11,826)</u>	<u>21,412</u>	<u>650</u>	<u>(5,632)</u>	<u>1,546</u>
Nonoperating Revenues (Expenses)	<u>6,292</u>	<u>22,584</u>	<u>(12,784)</u>	<u>757</u>	<u>59,864</u>	<u>76,713</u>
Net Income (Loss) for the Year	3,234	10,758	8,628	1,407	54,232	78,259
Equity-Beginning (as restated)	165,966	439,683	57,361	14,778	104,648	782,436
Equity transfer	-	65,532	-	-	-	65,532
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,213</u>	<u>7,213</u>
Equity-Ending	<u>\$ 169,200</u>	<u>\$ 515,973</u>	<u>\$ 65,989</u>	<u>\$ 16,185</u>	<u>\$ 166,093</u>	<u>\$ 933,440</u>

Note 21 Related Organizations

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

The State appoints a voting majority of the following organizations' governing boards, the Community Economic Development Fund and the Connecticut Student Loan Foundation. The State's accountability for these organizations does not extend beyond making the appointments.

Note 22 Commitments and Contingencies**A. Commitments**

At June 30, 2000, 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 \$1,533.8 million of which \$870.3 million is expected to be reimbursed by federal grants or other payments.
- 2) School construction and alteration grants with various towns for \$2,541.4 million and interest costs of \$294.1 million for a total of \$2,835.5 million. Funding for these projects is expected to come from bond sales.
- 3) Loan commitments, mortgage and grant programs, and loan guarantees total approximately \$502.2 million. Funding for these programs is expected to come from bond sales.

B. Contingent Liabilities

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 government operations. Most of these legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State's financial position.

There are, however, several legal proceedings which, if decided adversely against the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue

sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the State.

Note 23 Subsequent Events

In July \$125 million of special tax obligation bonds were issued, maturing at various dates through 2014 with interest rates from 4.375 percent to 5.625 percent.

In September, \$100 million of second lien special tax obligation bonds were issued, maturing at various dates through 2020 with an interest rate of 6%.

In October, \$124.1 million of special assessment second injury fund revenue bonds were issued, maturing at various dates through 2015 and having interest rates of 4.5 percent to 5.25 percent. These bonds replaced BANs that were outstanding as of June 30, 2000.

In December, \$400 million of general obligation bonds were issued, maturing at various dates through 2016 and having interest rates of 4.2 percent to 5.5 percent. Additionally, \$80 million of taxable general obligation bonds were issued. These bonds mature on various dates through 2004 and bear interest rates of 6.45 percent to 6.5 percent.

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Required
PERS
Supplementary
Information

Required Supplementary Information

Schedules of Funding Progress

(Expressed in Millions)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
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SERS

6/30/95	\$4,209.2	\$7,838.2	\$3,629.0	53.7%	\$2,325.8	156.0%
6/30/96	\$4,604.2	\$8,138.6	\$3,534.4	56.6%	\$2,385.5	148.2%
6/30/97	\$5,131.0	\$8,833.2	\$3,702.2	58.1%	\$2,225.2	166.4%
6/30/98	\$5,669.9	\$9,592.4	\$3,922.5	59.1%	\$2,339.0	167.7%
6/30/99 *	-	-	-	-	-	-
6/30/00	\$7,196.0	\$11,512.1	\$4,316.1	62.5%	\$2,651.9	162.8%

*No actuarial valuation was performed as of June 30, 1999

TRS

6/30/94	\$5,602.1	\$8,222.6	\$2,620.5	68.1%	\$2,030.4	129.1%
6/30/95 *	-	-	-	-	-	-
6/30/96	\$6,648.2	\$9,626.8	\$2,978.6	69.1%	\$2,151.6	138.4%
6/30/97 *	-	-	-	-	-	-
6/30/98	\$7,721.1	\$10,970.1	\$3,249.0	70.4%	\$2,298.9	141.3%
6/30/99 *	-	-	-	-	-	-

*No actuarial valuations were performed as of June 30, 1995, 1997 and 1999

JRS

9/30/95	\$70.5	\$154.7	\$84.2	45.6%	\$19.2	438.5%
9/30/96	\$77.8	\$161.5	\$83.7	48.2%	\$19.5	429.2%
9/30/97	\$87.8	\$167.5	\$79.7	52.4%	\$20.2	394.6%
6/30/98	\$98.1	\$168.1	\$70.0	58.4%	\$21.2	330.2%
6/30/99	\$110.7	\$172.5	\$61.8	64.2%	\$21.9	282.2%
6/30/00	\$123.4	\$181.7	\$58.3	67.9%	\$24.1	241.9%

MERS

6/30/94	\$653.0	\$635.0	\$(18.0)	102.8%	\$226.0	(8.0)%
6/30/95	\$711.0	\$661.0	\$(50.0)	107.6%	\$237.0	(21.1)%
6/30/96	\$782.0	\$692.2	\$(89.8)	113.0%	\$242.8	(37.0)%
6/30/97	\$872.0	\$731.1	\$(140.9)	119.3%	\$246.0	(57.3)%
6/30/98	\$980.4	\$814.1	\$(166.3)	120.4%	\$258.2	(64.4)%
6/30/99	\$1,100.7	\$860.1	\$(240.6)	128.0%	\$269.4	(89.3)%

PJRS

For the Probate Judges Retirement System because the UAAL is zero, the actuarial cost method becomes the "aggregate cost method and a schedule of funding progress is not required.

Required Supplementary Information

Schedules of Employer Contributions

(Expressed in Millions)

Fiscal Year	SERS		TRS		JRS		MERS		PJRS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
1995	\$535.3	54.3%	\$154.0	86.0%	\$9.0	100.0%	\$22.2	100.0%	\$-	-
1996	\$501.1	66.9%	\$164.7	85.0%	\$9.2	100.0%	\$23.2	100.0%	\$0.35	100.0%
1997	\$542.8	64.3%	\$174.0	85.0%	\$9.3	100.0%	\$21.3	100.0%	\$0.32	100.0%
1998	\$567.6	59.0%	\$211.0	85.0%	\$9.3	100.0%	\$18.8	100.0%	\$0.20	100.0%
1999	\$315.6	100.0%	\$221.6	85.0%	\$9.3	100.0%	\$18.1	100.0%	\$0.02	100.0%
2000	\$342.8	100.0%	\$240.5	85.0%	\$9.3	100.0%	\$32.0	100.0%	\$-	-

Note: During 1995 and 2000 the only contributions to the Probate Judges Retirement System were the required member contributions.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	SERS 6/30/00	TRS 6/30/98	JRS 6/30/00	MERS 6/30/99	PJRS 12/31/99
Valuation date	6/30/00	6/30/98	6/30/00	6/30/99	12/31/99
Actuarial cost method	Projected unit credit	Entry age	Projected unit credit	Entry age	Entry Age
Amortization method	Level percent of pay	Level percent of pay	Level percent of pay	Flexible amortization	-
Remaining amortization period	33 Years	15-34 Years	31 Years	15-23 Years	-
Asset valuation method	5 year smoothed market	4 year smoothed market	5 year smoothed market	Adjusted market	Adjusted Market
Actuarial assumptions:					
Investment rate of return	8.5%	8.5%	8.5%	8.5%	8.5%
Projected salary increases	4.25-15.0%	5.0%	5.5%	7.0-7.5%	7.50%
Includes inflation at	5%	5%	5.5%	4.5%	3.5%
Cost-of-living adjustments	2.75-3.75%	3-5%	3.0-5.5%	3.0%	3%

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Combining Financial Statements

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Special Revenue Funds

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

Transportation Fund:

to account for motor vehicle 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 Administration:

to account for assessments collected for the purpose of covering the administrative costs of the Workers' Compensation Commission.

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 and Mohegan Fund:

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

Soldiers, Sailors, and Marines Fund:

to account for interest earned 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.

Grants and Loan Programs:

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

Environmental Programs:

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

Housing Programs:

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

Combining Balance Sheet

Special Revenue Funds

June 30, 2000

(Expressed in Thousands)

	<u>Transportation</u>	<u>Workers' Compensation</u>	<u>Banking</u>	<u>Consumer Counsel and Public Utility Control</u>	<u>Insurance</u>	<u>Criminal Injuries</u>
Assets:						
Cash and Cash Equivalents.....	\$ 102,198	\$ 13,380	\$19,057	\$ 6,231	\$ 9,275	\$ 971
Investments:						
Other.....	-	-	-	-	-	-
Receivables:						
Taxes.....	43,405	-	-	-	-	-
Accounts, Net of Allowances.....	2,446	-	-	395	281	-
Loans, Net of Allowances.....	-	-	-	-	-	-
Interest.....	202	-	-	-	-	-
Federal Grants Receivable.....	12,016	-	-	-	-	-
Non Federal Grants Receivable.....	12,414	-	-	-	-	-
Due From Other Funds.....	18,985	256	-	-	101	147
Receivable From Other Governments.....	1,770	-	-	-	-	-
Inventories and Prepaid Items.....	13,784	-	-	-	-	-
Total Assets.....	\$ 207,220	\$ 13,636	\$19,057	\$ 6,626	\$ 9,657	\$ 1,118
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable and Accrued Liabilities.....	\$ 24,700	\$ 636	\$ 338	\$ 3,432	\$ 447	\$ 303
Due To Other Funds.....	668	125	197	181	166	-
Due To Component Units.....	-	-	-	-	-	-
Deferred Revenue.....	13,630	-	-	5,234	4,215	-
Total Liabilities.....	38,998	761	535	8,847	4,828	303
Fund Balances:						
Reserved for Debt Service.....	1,531	-	-	-	-	-
Reserved for Inventories.....	13,784	-	-	-	-	-
Reserved for Loans.....	-	-	-	-	-	-
Reserved for Continuing Appropriations.....	72,300	-	-	-	400	-
Unreserved, undesignated.....	80,607	12,875	18,522	(2,221)	4,429	815
Total Fund Balances.....	168,222	12,875	18,522	(2,221)	4,829	815
Total Liabilities and Fund Balances.....	\$ 207,220	\$ 13,636	\$19,057	\$ 6,626	\$ 9,657	\$ 1,118

STATE OF CONNECTICUT

Mashantucket
Pequot and
Mohegan
Fund

<u>Regional Market</u>	<u>Soldiers, Sailors & Marines</u>	<u>Employment Security Administration</u>	<u>Grant & Loan Programs</u>	<u>Environmental Programs</u>	<u>Housing Programs</u>	<u>Other</u>	<u>Total</u>
\$ 540	\$ 253	\$ 8,646	\$ 146,903	\$ 48,228	\$ 4,910	\$ 95,406	\$ 455,998
-	-	-	-	22,502	-	-	22,502
-	-	-	-	-	-	-	43,405
-	-	-	356	-	1,175	291	4,944
-	-	-	125,087	56,006	139,289	20	320,402
-	-	-	-	18	-	-	220
-	-	-	-	-	-	-	12,016
-	-	-	-	-	-	-	12,414
-	-	1,136	23,584	30,298	7,611	10,815	137,942
-	-	14,110	1,929	-	2,439	-	20,248
-	-	-	-	-	-	-	13,784
<u>\$ 540</u>	<u>\$ 253</u>	<u>\$ 23,892</u>	<u>\$ 297,859</u>	<u>\$ 157,052</u>	<u>\$ 155,424</u>	<u>\$ 106,532</u>	<u>\$ 1,043,875</u>

\$ -	\$ 23	\$ 48	\$ 2,771	\$ 16,287	\$ 1,561	\$ 915	\$ 7,021	\$ 58,482
-	7	166	873	39	230	11	70	2,733
-	-	-	-	18,802	-	-	-	18,802
-	-	-	276	1,816	-	3,596	-	28,767
-	30	214	3,920	36,944	1,791	4,522	7,091	108,784
-	-	-	-	-	-	-	-	1,531
-	-	-	-	-	-	-	-	13,784
-	-	-	-	125,087	56,006	139,289	20	320,402
-	-	-	-	-	-	-	-	72,700
45,009	510	39	19,972	135,828	99,255	11,613	99,421	526,674
45,009	510	39	19,972	260,915	155,261	150,902	99,441	935,091
<u>\$ 45,009</u>	<u>\$ 540</u>	<u>\$ 253</u>	<u>\$ 23,892</u>	<u>\$ 297,859</u>	<u>\$ 157,052</u>	<u>\$ 155,424</u>	<u>\$ 106,532</u>	<u>\$ 1,043,875</u>

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

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Transportation	Workers' Compensation	Banking	Consumer Counsel Public Utility Control	Insurance	Criminal Injuries
Revenues:						
Taxes.....	\$ 546,950	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Fees.....	262,602	-	16,006	113	308	1,495
Tobacco Settlement.....	-	-	-	-	-	-
Intergovernmental.....	2,974	-	-	-	-	4
Charges for Services.....	33,192	6	-	-	-	-
Fines, Forfeits and Rents.....	20,554	-	469	31	-	-
Restricted Federal and Other Grants/Accounts.....	97,145	-	-	-	-	-
Investment Earnings.....	7,708	952	-	-	290	49
Miscellaneous.....	7,685	22,091	16	17,371	19,248	33
Total Revenues.....	978,810	23,049	16,491	17,515	19,846	1,581
Expenditures:						
Current:						
General Government.....	2,080	-	-	-	-	-
Regulation and Protection.....	63,889	19,291	12,200	16,504	17,573	-
Conservation & Development.....	-	-	-	-	-	-
Health & Hospitals.....	-	-	-	-	-	-
Transportation.....	392,922	-	-	-	-	-
Human Services.....	-	-	-	-	-	-
Education, Libraries, and Museums.....	-	-	-	-	-	-
Corrections.....	-	-	-	-	-	-
Judicial.....	-	-	-	-	-	1,830
Restricted Federal and Other Grants/Accounts.....	99,926	-	-	-	-	-
Debt Service:						
Principal Retirement.....	25,410	-	-	-	-	-
Interest and Fiscal Charges.....	7,839	-	-	-	-	-
Advance Refunding Escrow.....	81,810	-	-	-	-	-
Total Expenditures.....	673,876	19,291	12,200	16,504	17,573	1,830
Excess (Deficiency) of Revenues Over Expenditures.....	304,934	3,758	4,291	1,011	2,273	(249)
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds.....	-	-	-	-	-	-
Operating Transfers In.....	47,183	-	-	-	-	-
Operating Transfers Out.....	(346,394)	-	-	-	-	-
Capital Lease Obligations.....	-	-	-	-	-	-
Total Other Financing Sources (Uses).....	(299,211)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	5,723	3,758	4,291	1,011	2,273	(249)
Fund Balances (deficit) - July 1.....	162,496	9,117	14,231	(3,232)	2,556	1,064
Equity Trans. to Component Units.....	-	-	-	-	-	-
Changes in Reserves for Inventories.....	3	-	-	-	-	-
Fund Balances (deficit) - June 30.....	\$ 168,222	\$ 12,875	\$18,522	\$ (2,221)	\$ 4,829	\$ 815

**Mashantucket
Pequot and
Mohegan
Fund**

Regional Market	Soldiers, Sailors & Marines	Employment Security Administration	Grant & Loan Programs	Environmental Programs	Housing Programs	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 15,273	\$ -	\$ -	\$ 562,223
41	-	1	-	13,965	-	33,470	328,001
-	-	-	-	-	-	149,960	149,960
-	-	100,047	360	3	-	-	103,388
-	-	2	-	1,943	-	14	35,157
822	-	-	-	482	-	-	22,358
-	-	-	-	-	-	-	97,145
27	-	953	3,400	1,845	1,068	2,138	18,430
27	-	651	8,513	3,562	2,702	7,573	89,472
<u>917</u>	<u>-</u>	<u>101,654</u>	<u>12,273</u>	<u>37,073</u>	<u>3,770</u>	<u>193,155</u>	<u>1,406,134</u>
135,000	206	-	34,564	2,396	-	3,988	178,234
-	-	109,116	444	-	-	29,375	268,392
626	-	-	176,998	72,741	5,575	843	256,783
-	-	-	2,626	-	-	3,336	5,962
-	-	-	5,803	-	-	170	398,895
-	2,820	-	6,106	-	257	1,020	10,203
-	-	-	376,936	-	-	2,856	379,792
-	-	-	1,422	-	-	2,395	3,817
-	-	-	-	-	-	6,701	8,531
-	-	-	-	-	-	-	99,926
35	-	-	-	-	-	-	25,445
14	-	-	-	750	-	-	8,603
113	-	-	-	-	-	-	81,923
<u>135,000</u>	<u>788</u>	<u>3,026</u>	<u>109,116</u>	<u>604,899</u>	<u>75,887</u>	<u>5,832</u>	<u>1,726,506</u>
(135,000)	129	(3,026)	(7,462)	(592,626)	(38,814)	(2,062)	(320,372)
-	-	-	592,044	35,000	9,981	-	637,025
180,000	3,217	4,976	3,601	2,168	-	-	241,145
-	(152)	-	(1,000)	(6,500)	(918)	(103,979)	(458,943)
-	-	2,026	-	175	-	30	2,231
<u>180,000</u>	<u>3,065</u>	<u>7,002</u>	<u>594,645</u>	<u>30,843</u>	<u>9,063</u>	<u>(103,949)</u>	<u>421,458</u>
45,000	129	39	(460)	2,019	(7,971)	7,001	101,086
9	381	-	20,432	260,982	163,232	209,433	901,620
-	-	-	-	(2,086)	-	(65,532)	(67,618)
-	-	-	-	-	-	-	3
<u>\$ 45,009</u>	<u>\$ 510</u>	<u>\$ 39</u>	<u>\$ 19,972</u>	<u>\$ 260,915</u>	<u>\$ 155,261</u>	<u>\$ 150,902</u>	<u>\$ 935,091</u>

**Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual - Non-GAAP Budgetary Basis
Budgeted Special Revenue Funds**

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	<u>Transportation</u>			<u>Workers' Compensation</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Budgeted						
Taxes, Net of Refunds.....	\$ 548,000	\$ 547,028	\$ (972)	\$ -	\$ -	\$ -
Operating Transfers In.....	16,800	16,770	(30)	-	-	-
Licenses, Permits, and Fees.....	299,800	302,942	3,142	-	-	-
Other.....	38,400	37,728	(672)	23,100	23,049	(51)
Federal Grants.....	3,000	2,974	(26)	-	-	-
Operating Transfers Out.....	(2,000)	(2,000)	-	-	-	-
Total Budgeted.....	904,000	905,442	1,442	23,100	23,049	(51)
Federal and Other Restricted.....	368,981	182,036	(186,945)	-	-	-
Total Revenues.....	1,272,981	1,087,478	(185,503)	23,100	23,049	(51)
Expenditures:						
Budgeted						
General Government.....	2,081	2,081	-	-	-	-
Regulation and Protection.....	65,336	48,883	16,453	23,086	19,374	3,712
Conservation and Development.....	-	-	-	-	-	-
Transportation.....	395,956	330,500	65,456	-	-	-
Human Services.....	-	-	-	-	-	-
Non Functional.....	470,939	436,639	34,300	-	-	-
Total Budgeted.....	934,312	818,103	116,209	23,086	19,374	3,712
Federal and Other Restricted.....	368,981	182,036	186,945	-	-	-
Total Expenditures.....	1,303,293	1,000,139	303,154	23,086	19,374	3,712
Appropriations Lapsed.....	43,909	-	(43,909)	-	-	-
Excess (Deficiency) of Revenues Over Expenditures.....	13,597	87,339	73,742	14	3,675	3,661
Other Financing Sources (Uses):						
Prior Year Appropriations Carried Forward.....	56,972	56,972	-	-	-	-
Appropriations Continued to Fiscal Year 2000-2001.....	-	(72,300)	(72,300)	-	-	-
Miscellaneous Adjustments.....	-	(1,788)	(1,788)	-	-	-
Total Other Financing Sources (Uses).....	56,972	(17,116)	(74,088)	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	\$ 70,569	70,223	\$ (346)	\$ 14	3,675	\$ 3,661
Budgetary Fund Balances - July 1.....		364,516			9,962	
Changes in Reserves.....		(85,272)			-	
Budgetary Fund Balances - June 30.....		\$ 349,467			\$ 13,637	

<u>Banking</u>			<u>Consumer Counsel & Public Utility Control</u>			<u>Insurance</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
14,300	16,491	2,191	-	-	-	-	-	-
-	-	-	19,700	18,011	(1,689)	18,500	20,550	2,050
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,300</u>	<u>16,491</u>	<u>2,191</u>	<u>19,700</u>	<u>18,011</u>	<u>(1,689)</u>	<u>18,500</u>	<u>20,550</u>	<u>2,050</u>
-	-	-	-	-	-	-	-	-
<u>14,300</u>	<u>16,491</u>	<u>2,191</u>	<u>19,700</u>	<u>18,011</u>	<u>(1,689)</u>	<u>18,500</u>	<u>20,550</u>	<u>2,050</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,234	12,449	1,785	19,594	17,289	2,305	18,432	17,211	1,221
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,234</u>	<u>12,449</u>	<u>1,785</u>	<u>19,594</u>	<u>17,289</u>	<u>2,305</u>	<u>18,432</u>	<u>17,211</u>	<u>1,221</u>
-	-	-	-	-	-	-	-	-
<u>14,234</u>	<u>12,449</u>	<u>1,785</u>	<u>19,594</u>	<u>17,289</u>	<u>2,305</u>	<u>18,432</u>	<u>17,211</u>	<u>1,221</u>
-	-	-	-	-	-	-	-	-
<u>66</u>	<u>4,042</u>	<u>3,976</u>	<u>106</u>	<u>722</u>	<u>616</u>	<u>68</u>	<u>3,339</u>	<u>3,271</u>
-	-	-	-	-	-	-	-	-
200	200	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(400)	(400)
-	-	-	-	-	-	-	134	134
<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>(266)</u>
-	-	-	-	-	-	-	-	-
<u>\$ 266</u>	<u>4,242</u>	<u>\$ 3,976</u>	<u>\$ 106</u>	<u>722</u>	<u>\$ 616</u>	<u>\$ 68</u>	<u>3,073</u>	<u>\$ 3,005</u>
	15,015			5,509			5,903	
	(200)			-			400	
	<u>\$ 19,057</u>			<u>\$ 6,231</u>			<u>\$ 9,376</u>	

Continued on next page

**Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual - Non-GAAP Budgetary Basis
Budgeted Special Revenue Funds (Continued)**

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Criminal Injuries Compensation</u>			<u>Mashantucket Pequot and Mohegan Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Budgeted						
Taxes, Net of Refunds.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In.....	-	-	-	180,000	180,000	-
Licenses, Permits, and Fees.....	-	-	-	-	-	-
Other.....	1,900	1,582	(318)	-	-	-
Federal Grants.....	-	-	-	-	-	-
Operating Transfers Out.....	-	-	-	-	-	-
Total Budgeted.....	1,900	1,582	(318)	180,000	180,000	-
Federal and Other Restricted.....	-	-	-	-	-	-
Total Revenues.....	1,900	1,582	(318)	180,000	180,000	-
Expenditures:						
Budgeted						
General Government.....	-	-	-	-	-	-
Regulation and Protection.....	1,900	1,777	123	-	-	-
Conservation and Development.....	-	-	-	-	-	-
Transportation.....	-	-	-	-	-	-
Human Services.....	-	-	-	-	-	-
Non Functional.....	-	-	-	135,000	135,000	-
Total Budgeted.....	1,900	1,777	123	135,000	135,000	-
Federal and Other Restricted.....	-	-	-	-	-	-
Total Expenditures.....	1,900	1,777	123	135,000	135,000	-
Appropriations Lapsed.....	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures.....	-	(195)	(195)	45,000	45,000	-
Other Financing Sources (Uses):						
Prior Year Appropriations Carried Forward.....	-	-	-	-	-	-
Appropriations Continued to Fiscal Year 2000-2001.....	-	-	-	-	-	-
Miscellaneous Adjustments.....	-	-	-	-	-	-
Total Other Financing Sources (Uses).....	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	\$ -	(195)	\$ (195)	\$ 45,000	45,000	\$ -
Budgetary Fund Balances - July 1.....		1,314			9	
Changes in Reserves.....		-			-	
Budgetary Fund Balances - June 30.....		\$ 1,119			\$ 45,009	

STATE OF CONNECTICUT

<u>Regional Market</u>			<u>Soldiers, Sailors, and Marines</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,000	\$ 547,028	\$ (972)
-	-	-	-	-	-	196,800	196,770	(30)
-	-	-	-	-	-	314,100	319,433	5,333
845	917	72	3,400	3,289	(111)	105,845	105,126	(719)
-	-	-	-	-	-	3,000	2,974	(26)
-	-	-	-	-	-	(2,000)	(2,000)	-
845	917	72	3,400	3,289	(111)	1,165,745	1,169,331	3,586
-	-	-	-	-	-	368,981	182,036	(186,945)
845	917	72	3,400	3,289	(111)	1,534,726	1,351,367	(183,359)
-	-	-	252	203	49	2,333	2,284	49
-	-	-	-	-	-	142,582	116,983	25,599
677	638	39	-	-	-	677	638	39
-	-	-	-	-	-	395,956	330,500	65,456
-	-	-	3,105	2,883	222	3,105	2,883	222
164	162	2	-	-	-	606,103	571,801	34,302
841	800	41	3,357	3,086	271	1,150,756	1,025,089	125,667
-	-	-	-	-	-	368,981	182,036	186,945
841	800	41	3,357	3,086	271	1,519,737	1,207,125	312,612
-	-	-	-	-	-	43,909	-	(43,909)
4	117	113	43	203	160	58,898	144,242	85,344
-	-	-	-	-	-	57,172	57,172	-
-	-	-	-	-	-	-	(72,700)	(72,700)
-	-	-	-	(152)	(152)	-	(1,806)	(1,806)
-	-	-	-	(152)	(152)	57,172	(17,334)	(74,506)
\$ 4	117	\$ 113	\$ 43	51	\$ 8	\$ 116,070	126,908	\$ 10,838
	423			49			402,700	
	-			-			(85,072)	
\$ 540			\$ 100			\$ 444,536		

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Capital Projects Funds

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

Other Transportation:

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

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, 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.

Combining Balance Sheet

Capital Projects Funds

June 30, 2000

(Expressed in Thousands)

	State Facilities	Infrastructure	Transportation	Total
Assets:				
Cash and Cash Equivalents.....	\$ -	\$ 17,057	\$ 6,007	\$ 23,064
Receivables:				
Accounts, Net of Allowances.....	3	818	-	821
Federal Grants Receivable.....	-	9,084	-	9,084
Due From Other Funds.....	-	8,144	2,244	10,388
Receivable From Other Governments.....	3	50,330	-	50,333
Total Assets.....	\$ 6	\$ 85,433	\$ 8,251	\$ 93,690
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 36,023	\$ 67,331	\$ -	\$ 103,354
Due To Other Funds.....	118,110	781	-	118,891
Deferred Revenue.....	5	2,308	-	2,313
Total Liabilities.....	154,138	70,420	-	224,558
Fund Balances:				
Unreserved, undesignated.....	(154,132)	15,013	8,251	(130,868)
Total Fund Balances.....	(154,132)	15,013	8,251	(130,868)
Total Liabilities and Fund Balances.....	\$ 6	\$ 85,433	\$ 8,251	\$ 93,690

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

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	State Facilities	Infrastructure	Transportation	Total
Revenues:				
Intergovernmental.....	\$ 236	\$ 370,921	\$ 1,144	\$ 372,301
Investment Earnings.....	-	-	-	-
Miscellaneous.....	10,806	1,122	-	11,928
Total Revenues.....	11,042	372,043	1,144	384,229
Expenditures:				
Capital Projects.....	179,374	559,408	7,002	745,784
Total Expenditures.....	179,374	559,408	7,002	745,784
Excess (Deficiency) of Revenues Over Expenditures.....	(168,332)	(187,365)	(5,858)	(361,555)
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds.....	207,975	150,680	-	358,655
Operating Transfers Out.....	(103,302)	(8,764)	-	(112,066)
Total Other Financing Sources (Uses).....	104,673	141,916	-	246,589
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses.....	(63,659)	(45,449)	(5,858)	(114,966)
Fund Balances (deficits) - July 1.....	(90,473)	60,462	14,109	(15,902)
Fund Balances (deficit) - June 30	\$ (154,132)	\$ 15,013	\$ 8,251	\$ (130,868)

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Enterprise Funds

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

Rental Housing Fund:

The Rental Housing Fund is used to account for the financing of various housing programs offered by the State from bond proceeds and the retirement of such obligations. Revenue is received from interest earned on program loans and investment income.

Bradley Airport Operations:

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. In 2000, Bradley parking garage bonds were issued in the amount of \$53,800,000. These bonds were issued to build a parking garage at the airport.

John Dempsey Hospital:

Accounts for the assets, liabilities, revenues and expenses of the Hospital including the Dental Clinics and the Thames River Campus. The Governor appoints the Board of Trustees of the University of Connecticut Health Center, including the Hospital. The Hospital's fiscal year is for the period ending September 30, 1999.

The Connecticut Lottery Corporation:

The Connecticut Lottery Corporation, a public instrumentality and political subdivision of the State of Connecticut was created on July 1, 1996 for the purpose of generating revenues for the State of Connecticut's General Fund through the operation of a lottery.

Combining Balance Sheet

Enterprise Funds

June 30, 2000

(Expressed in Thousands)

	Rental Housing	Bradley Airport Operations	John Dempsey Hospital (9-30-99)	Connecticut Lottery Corporation	Other	Total
Assets:						
Cash and Cash Equivalents.....	\$ 21,183	\$ 12,452	\$ 2,145	\$ 23,977	\$ 817	\$ 60,574
Investments:						
Other.....	56,424	-	87	543,818	-	600,329
Receivables:						
Accounts, Net of Allowances.....	-	4,315	34,494	11,163	126	50,098
Loans, Net of Allowances.....	82,355	-	-	-	-	82,355
Interest.....	9,093	-	-	20,218	-	29,311
Federal Grants Receivable.....	-	710	-	-	-	710
Due From Other Funds.....	-	-	4,425	-	4	4,429
Receivable From Other Governments.....	331	-	-	-	-	331
Inventories and Prepaid Items.....	-	108	4,448	231	132	4,919
Restricted Assets.....	-	116,160	6,153	-	-	122,313
Property, Plant & Equipment.....	2	161,094	56,493	3,371	53	221,013
Other Assets.....	-	3,636	-	6,983	-	10,619
Total Assets.....	\$ 169,388	\$ 298,475	\$ 108,245	\$ 609,761	\$ 1,132	\$ 1,187,001
Liabilities and Equity:						
Liabilities:						
Accounts Payable and Accrued Liabilities.....	\$ 2,533	\$ 6,097	\$ 19,705	\$ 120,309	\$ 74	\$ 148,718
Due To Other Funds.....	-	995	4,888	-	1	5,884
Deferred Revenue.....	-	-	-	623	-	623
Malpractice Liability.....	-	-	6,389	-	-	6,389
Revenue Bonds.....	95,797	131,770	1,145	-	-	228,712
Compensated Absences.....	-	-	-	-	42	42
Long Term Annuities Payable.....	-	-	-	486,568	-	486,568
Total Liabilities.....	98,330	138,862	32,127	607,500	117	876,936
Equity:						
Contributed Capital.....	-	103,874	-	-	350	104,224
Retained Earnings:						
Reserved for Lottery Operations.....	-	-	-	2,261	-	2,261
Reserved for Airport Operations.....	-	46,780	-	-	-	46,780
Unreserved.....	71,058	8,959	76,118	-	665	156,800
Total Retained Earnings.....	71,058	55,739	76,118	2,261	665	205,841
Total Equity.....	71,058	159,613	76,118	2,261	1,015	310,065
Total Liabilities and Equity.....	\$ 169,388	\$ 298,475	\$ 108,245	\$ 609,761	\$ 1,132	\$ 1,187,001

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

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Rental Housing	Bradley Airport Operations	John Dempsey Hospital (9-30-99)	Connecticut Lottery Corporation	Other	Total
Operating Revenues:						
Charges for Services.....	\$ -	\$ 41,307	\$ -	\$ -	\$ 2,195	\$ 43,502
Interest on Financing Activities.....	2,402	-	-	-	-	2,402
Patient Service Revenue.....	-	-	114,841	-	-	114,841
Lottery Sales.....	-	-	-	837,509	-	837,509
Miscellaneous.....	-	-	5,485	-	-	5,485
Total Operating Revenues.....	2,402	41,307	120,326	837,509	2,195	1,003,739
Operating Expenses:						
Administrative.....	231	21,815	38,880	9,336	2,124	72,386
Cost of Sales & Services.....	-	-	-	570,818	-	570,818
Depreciation and Amortization.....	2	8,863	6,223	945	7	16,040
Interest on Financing Activities.....	5,704	-	-	-	-	5,704
Patient Care.....	-	-	86,341	-	-	86,341
Other.....	-	-	1,757	3,624	-	5,381
Total Operating Expenses.....	5,937	30,678	133,201	584,723	2,131	756,670
Operating Income (Loss).....	(3,535)	10,629	(12,875)	252,786	64	247,069
Nonoperating Revenues (Expenses):						
Interest and Investment Income.....	3,829	3,560	624	42,035	-	50,048
Interest and Fiscal Charges.....	-	(6,018)	(76)	(40,705)	-	(46,799)
Other.....	-	11,021	-	330	-	11,351
Total Nonoperating Income (Expense).....	3,829	8,563	548	1,660	-	14,600
Income (Loss) Before Operating Transfers	294	19,192	(12,327)	254,446	64	261,669
Operating Transfers:						
Operating Transfers In.....	10,830	-	-	-	-	10,830
Operating Transfers Out.....	-	-	-	(253,598)	-	(253,598)
Net Income (Loss).....	11,124	19,192	(12,327)	848	64	18,901
Retained Earnings - July 1.....	59,934	36,547	89,231	1,413	601	187,726
Equity Transfer Out.....	-	-	(786)	-	-	(786)
Retained Earnings - June 30.....	\$ 71,058	\$ 55,739	\$ 76,118	\$ 2,261	\$ 665	\$ 205,841

Combining Statement of Cash Flows

Enterprise Funds

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	<u>Rental Housing</u>	<u>Bradley Airport Operations</u>	<u>John Dempsey Hospital (9-30-99)</u>
Cash Flows From Operating Activities:			
Operating Income (Loss).....	\$ (3,535)	\$ 10,629	\$ (12,875)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Amortization and Depreciation.....	2	8,863	6,223
Provision for Loan Losses.....	211	-	4,367
Interest Expense.....	5,704	-	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables.....	418	10	(2,234)
(Increase) Decrease in Due From Other Funds.....	-	-	(1,382)
(Increase) Decrease in Receivable From Other Governments.....	(219)	(203)	-
(Increase) Decrease in Inventories and Prepaid Items.....	-	1	(561)
Increase (Decrease) in Accounts Payable & Accrued Liabilities.....	-	309	(2,646)
Increase (Decrease) in Due To Other Funds.....	-	(6)	698
Collection of Loans.....	2,263	-	-
Miscellaneous Operating Activities.....	-	(1,541)	(632)
Net Cash Provided by (Used in) Operating Activities.....	<u>4,844</u>	<u>18,062</u>	<u>(9,042)</u>
Cash Flows From Noncapital Financing Activities:			
Retirement of Bonds and Notes Payable.....	(10,070)	-	-
Interest on Bonds and Notes Payable.....	(5,627)	-	-
Transfers From Other Funds.....	10,830	-	-
Transfers To Other Funds.....	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities.....	<u>(4,867)</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital And Related Financing Activities:			
Purchase of Fixed Assets.....	-	(23,589)	(3,216)
Proceeds From Sale of Bonds and Notes.....	-	53,800	-
Retirement of Bonds Payable.....	-	(3,480)	(120)
Interest on Bonds and Notes Payable.....	-	(6,084)	(77)
Capital Contributions or Grants.....	-	1,333	-
Miscellaneous Capital and Related Financing Activities-Deletions.....	-	-	(785)
Net Cash Provided by (Used in) Capital and Related Financing Activities.....	<u>-</u>	<u>21,980</u>	<u>(4,198)</u>
Cash Flows From Investing Activities:			
Proceeds From Sale of Investment Securities.....	13,500	-	-
Purchase of Investment Securities.....	-	-	(21)
Interest and Income on Investments.....	5,131	3,435	624
Net Cash Provided by (Used in) Investing Activities.....	<u>18,631</u>	<u>3,435</u>	<u>603</u>
Increase (Decrease) in Cash.....	<u>18,608</u>	<u>43,477</u>	<u>(12,637)</u>
Cash and Cash Equivalents, July 1.....	<u>2,575</u>	<u>76,429</u>	<u>19,800</u>
Cash and Cash Equivalents, June 30.....	<u>\$ 21,183</u>	<u>\$ 119,906</u>	<u>\$ 7,163</u>

<u>Connecticut Lottery Corporation</u>	<u>Other</u>	<u>Total</u>
\$ 252,786	\$ 64	\$ 247,069
945	7	16,040
120	-	4,698
-	-	5,704
1,218	209	(379)
-	-	(1,382)
-	-	(422)
455	(5)	(110)
14,743	(14)	12,392
-	1	693
-	-	2,263
22	20	(2,131)
<u>270,289</u>	<u>282</u>	<u>284,435</u>
(26,515)	-	(36,585)
(40,705)	-	(46,332)
-	-	10,830
<u>(253,598)</u>	<u>-</u>	<u>(253,598)</u>
<u>(320,818)</u>	<u>-</u>	<u>(325,685)</u>
(381)	(21)	(27,207)
-	-	53,800
-	-	(3,600)
-	-	(6,161)
-	-	1,333
-	-	(785)
<u>(381)</u>	<u>(21)</u>	<u>17,380</u>
68,452	-	81,952
(18,826)	-	(18,847)
1,330	-	10,520
<u>50,956</u>	<u>-</u>	<u>73,625</u>
46	261	49,755
23,931	556	123,291
<u>\$ 23,977</u>	<u>\$ 817</u>	<u>\$ 173,046</u>

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Internal Service Funds

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

Correction Industries:

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

Administrative Services:

to account for the various services provided by the Department of Administrative Services to other agencies. For example, fleet operations, printing, etc.

Information Technology:

to account for the various services provided by the Department of Information Technology to other agencies. For example, information systems support, telecommunications, etc.

Combining Balance Sheet

Internal Service Funds

June 30, 2000

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Assets:				
Cash and Cash Equivalents.....	\$ 5,444	\$ 13,681	\$ 2	\$ 19,127
Receivables:				
Accounts, Net of Allowances.....	648	3,191	2,010	5,849
Due From Other Funds.....	95	1,685	1,717	3,497
Inventories and Prepaid Items.....	3,009	202	1,058	4,269
Property, Plant & Equipment.....	2,032	4,823	38,603	45,458
Other Assets.....	-	1,290	62	1,352
Total Assets.....	\$ 11,228	\$ 24,872	\$ 43,452	\$ 79,552
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 1,047	\$ 3,413	\$ 20,781	\$ 25,241
Due To Other Funds.....	2	180	84	266
Advances From Other Funds.....	4,950	-	-	4,950
Deferred Revenue.....	-	-	1,314	1,314
Compensated Absences.....	600	3,212	951	4,763
Total Liabilities.....	6,599	6,805	23,130	36,534
Equity:				
Contributed Capital.....	280	1,100	-	1,380
Retained Earnings:				
Unreserved.....	4,349	16,967	20,322	41,638
Total Equity.....	4,629	18,067	20,322	43,018
Total Liabilities and Equity.....	\$ 11,228	\$ 24,872	\$ 43,452	\$ 79,552

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

For The Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Correction Industries</u>	<u>Information & Technology</u>	<u>Administrative Services</u>	<u>Total</u>
Operating Revenues:				
Charges for Services.....	\$ 17,542	\$ 58,542	\$ 30,573	\$ 106,657
Investment Earnings.....	199	-	-	199
Miscellaneous.....	287	-	-	287
Total Operating Revenues.....	18,028	58,542	30,573	107,143
Operating Expenses:				
Cost of Sales and Services.....	13,699	25,922	3,523	43,144
Administrative.....	3,561	29,483	11,724	44,768
Depreciation and Amortization.....	322	3,260	16,132	19,714
Total Operating Expenses.....	17,582	58,665	31,379	107,626
Operating Income (Loss).....	446	(123)	(806)	(483)
Net Income (Loss).....	446	(123)	(806)	(483)
Retained Earnings - July 1 (as restated)	3,903	17,090	21,128	42,121
Retained Earnings - June 30.....	\$ 4,349	\$ 16,967	\$ 20,322	\$ 41,638

Combining Statement of Cash Flows**Internal Service Funds**

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Cash Flows From Operating Activities:				
Operating Income (Loss).....	\$ 446	\$ (123)	\$ (806)	\$ (483)
Adjustments to Reconcile Operating Income to Net				
Cash Provided by (Used in) Operating Activities:				
Investment Income.....	(199)	-	-	(199)
Amortization and Depreciation.....	322	3,260	16,132	19,714
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables.....	(190)	262	51	123
(Increase) Decrease in Due From Other Funds.....	371	76	(439)	8
(Increase) Decrease in Inventories and Prepaid Items.....	(672)	34	(15)	(653)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	328	3,155	19,133	22,616
Increase (Decrease) in Due To Other Funds.....	-	(74)	(13,221)	(13,295)
Miscellaneous Operating Activities.....	(847)	(3,676)	1,577	(2,946)
Net Cash Provided by (Used in) Operating Activities.....	(441)	2,914	22,412	24,885
Cash Flows From Capital And Related Financing Activities:				
Purchase of Fixed Assets.....	(1,060)	(2,455)	(22,410)	(25,925)
Net Cash Provided by (Used in) Capital and Related Financing Activities.....	(1,060)	(2,455)	(22,410)	(25,925)
Cash Flows From Investing Activities:				
Interest on Investments.....	199	-	-	199
Net Cash Provided by (Used in) Investing Activities.....	199	-	-	199
Increase (Decrease) in Cash.....	(1,302)	459	2	(841)
Cash and Cash Equivalents, July 1.....	6,746	13,222	-	19,968
Cash and Cash Equivalents, June 30.....	\$ 5,444	\$ 13,681	\$ 2	\$ 19,127

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, nonexpendable trust, pension trust, investment 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.

Special Assessment:

to account for assessments levied on employers and used to pay principal and interest on unemployment compensation debt.

Retired Teachers' Health Benefits Plan:

to account for resources used to provide health benefits to retired teachers and their beneficiaries. The plan is administered by the Teachers' Retirement Board.

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.

Clean Water:

to account for resources used to provide loans to municipalities to finance waste water treatment projects.

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.

External Investment Pool:

to account for the portion of the Short-Term Investment Fund that belongs to participants that are not part of the State's financial reporting entity.

Agency Funds

Securities Held for Others:

to account for securities that are held by the State Treasurer for insurance companies and individuals under insurance and escheat laws of the State.

Combining Balance Sheet

Fiduciary Funds

June 30, 2000

(Expressed in Thousands)

	<u>Expendable Trust</u>				
	<u>Employment Security</u>	<u>Special Assessment</u>	<u>Retired Teachers' Health Benefits Plan</u>	<u>Second Injury & Compensation Assurance</u>	<u>Other</u>
Assets:					
Cash and Cash Equivalents.....	\$ -	\$ 81,790	\$ 8,931	\$ 56,002	\$ 22,446
Investments:					
Equity in Combined Investment Fund.....	-	-	-	-	18,060
External Investment Pool.....	-	-	-	-	-
Other.....	-	101,837	-	-	1,819
Securities Lending Collateral.....	-	-	-	-	878
Receivables:					
Accounts, Net of Allowances.....	10,321	4,358	-	15,819	-
Loans, Net of Allowances.....	-	-	-	-	-
Interest.....	-	-	-	186	21
Federal Grants Receivable.....	-	-	-	-	-
Deposits with U.S. Treasury.....	840,790	-	-	-	-
Due From Other Funds.....	451	-	1,612	-	-
Receivable From Other Governments.....	2,120	-	-	-	-
Inventories and Prepaid Items.....	-	-	4,215	12	-
Restricted Assets.....	-	-	-	-	-
Other Assets.....	-	-	-	-	-
Total Assets.....	\$ 853,682	\$ 187,985	\$ 14,758	\$ 72,019	\$ 43,224
Liabilities and Equity:					
Liabilities:					
Accounts Payable and Accrued Liabilities.....	\$ -	\$ -	\$ -	\$ 10,309	\$ 17
Due To Other Funds.....	5,699	-	-	-	-
Deferred Revenue.....	5,894	3,312	-	14,305	-
Premiums on Bonds Sold.....	-	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-	-
Revenue Bonds.....	-	-	-	-	-
Securities Lending Obligation.....	-	-	-	-	878
Total Liabilities.....	11,593	3,312	-	24,614	895
Fund Balances:					
Reserved Trust Activities.....	-	-	-	-	-
Reserved For Employees' Pension Benefits.....	-	-	-	-	-
Reserved For Pool Participants.....	-	-	-	-	-
Unreserved, undesignated.....	842,089	184,673	14,758	47,405	42,329
Total Fund Balances.....	842,089	184,673	14,758	47,405	42,329
Total Liabilities and Fund Balances.....	\$ 853,682	\$ 187,985	\$ 14,758	\$ 72,019	\$ 43,224

Nonexpendable Trust

Clean Water Fund	Soldiers, Sailors, & Marines	Other	Pension	External Investment Pool	Agency	Total
\$ 3,656	\$ -	\$ 5,113	\$ 575	\$ -	\$ 180,251	\$ 358,764
-	57,518	26,769	21,811,256	-	-	21,913,603
-	-	-	-	1,085,851	-	1,085,851
-	-	4,884	-	-	2,669	111,209
-	6,033	2,144	1,657,025	-	-	1,666,080
-	-	-	13,543	-	2,386	46,427
545,159	-	-	-	-	67	545,226
10,640	-	13	2,007	4,058	547	17,472
120	-	-	-	-	-	120
-	-	-	-	-	-	840,790
-	152	4	4,754	-	4,489	11,462
-	-	-	5,191	-	8	7,319
-	-	-	-	4	412	4,643
412,648	-	-	-	-	-	412,648
8,586	-	-	-	-	554,256	562,842
\$ 980,809	\$ 63,703	\$ 38,927	\$ 23,494,351	\$ 1,089,913	\$ 745,085	\$ 27,584,456
\$ 11,532	\$ -	\$ -	\$ 18	\$ 5,333	8,635	\$ 35,844
-	-	214	6,310	-	7,937	20,160
-	-	-	-	-	-	23,511
6,166	-	-	-	-	-	6,166
-	-	-	-	-	728,513	728,513
549,880	-	-	-	-	-	549,880
-	6,033	2,144	1,657,025	-	-	1,666,080
567,578	6,033	2,358	1,663,353	5,333	745,085	3,030,154
339,880	57,670	36,569	-	-	-	434,119
-	-	-	21,830,998	-	-	21,830,998
-	-	-	-	1,084,580	-	1,084,580
73,351	-	-	-	-	-	1,204,605
413,231	57,670	36,569	21,830,998	1,084,580	-	24,554,302
\$ 980,809	\$ 63,703	\$ 38,927	\$ 23,494,351	\$ 1,089,913	\$ 745,085	\$ 27,584,456

Combining Statement of Plan Net Assets

Pension Trust Funds (Defined Benefit Pension Plans)

June 30, 2000

(Expressed in Thousands)

	State Employees	State Teachers	Judicial
Assets:			
Cash and Cash Equivalents.....	\$ -	\$ -	\$ -
Receivables:			
Accounts, Net of Allowances.....	1,963	8,431	16
Interest.....	449	1,381	17
Total Receivables.....	2,412	9,812	33
Investments:			
Equity in Combined Investment Fund.....	8,284,938	11,940,223	141,210
Total Investments.....	8,284,938	11,940,223	141,210
Securities Lending Collateral.....	637,252	902,521	9,840
Due From Other Funds.....	4,754	-	-
Receivable From Other Governments.....	-	5,191	-
Total Assets.....	\$ 8,929,356	\$ 12,857,747	\$ 151,083
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 18	\$ -	\$ -
Due To Other Funds.....	439	5,871	-
Securities Lending Obligation.....	637,252	902,521	9,840
Total Liabilities.....	637,709	908,392	9,840
Fund Balance:			
Reserved for Employees' Pension Benefits.....	8,291,647	11,949,355	141,243
Total Fund Balance.....	8,291,647	11,949,355	141,243
Total Liabilities and Fund Balances.....	\$ 8,929,356	\$ 12,857,747	\$ 151,083

<u>Connecticut Municipal Employees</u>	<u>Probate Judges</u>	<u>State's Attorneys'/ Public Defender</u>	<u>Total</u>
\$ 502	\$ 8	\$ 65	\$ 575
3,128	5	-	13,543
148	11	1	2,007
3,276	16	1	15,550
1,373,222	70,761	902	21,811,256
1,373,222	70,761	902	21,811,256
101,565	5,808	39	1,657,025
-	-	-	4,754
-	-	-	5,191
<u>\$ 1,478,565</u>	<u>\$ 76,593</u>	<u>\$ 1,007</u>	<u>\$ 23,494,351</u>
\$ -	\$ -	\$ -	\$ 18
-	-	-	6,310
101,565	5,808	39	1,657,025
101,565	5,808	39	1,663,353
1,377,000	70,785	968	21,830,998
1,377,000	70,785	968	21,830,998
<u>\$ 1,478,565</u>	<u>\$ 76,593</u>	<u>\$ 1,007</u>	<u>\$ 23,494,351</u>

Combining Balance Sheet

Agency Funds

June 30, 2000

(Expressed in Thousands)

	Payroll & Fringe Benefit Clearing	Receipts Pending Distribution	Securities Held for Others
Assets:			
Cash and Cash Equivalents.....	\$ 2,120	\$ 22,343	\$ -
Investments:			
Other.....	-	-	-
Receivables:			
Accounts, Net of Allowances.....	-	159	-
Loans, Net of Allowances.....	-	-	-
Interest.....	-	-	-
Due From Other Funds.....	4,489	-	-
Receivable From Other Governments.....	-	8	-
Inventories and Prepaid Items.....	-	-	-
Other Assets.....	-	-	552,988
Total Assets.....	\$ 6,609	\$ 22,510	\$ 552,988
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ -	\$ 5,962	\$ -
Due to Other Funds.....	-	7,937	-
Agency Deposit Liabilities.....	6,609	8,611	552,988
Total Liabilities.....	\$ 6,609	\$ 22,510	\$ 552,988

State Institutions Activity	Other	Total
\$ 10,123	\$ 145,665	\$ 180,251
-	2,669	2,669
2,227	-	2,386
67	-	67
35	512	547
-	-	4,489
-	-	8
412	-	412
1,268	-	554,256
\$ 14,132	\$ 148,846	\$ 745,085
\$ 2,673	\$ -	\$ 8,635
-	-	7,937
11,459	148,846	728,513
\$ 14,132	\$ 148,846	\$ 745,085

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

For The Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Employment <u>Security</u>	Special <u>Assessment</u>	Retired Teachers' Health <u>Benefits Plan</u>
Revenues:			
Unemployment Taxes.....	\$ 361,564	\$ -	\$ -
Health Insurance Contributions.....	-	-	40,358
Investment Earnings.....	-	10,474	392
Interest on U.S. Deposits.....	55,738	-	-
Assessments.....	-	148,710	-
Intergovernmental.....	8,467	-	-
Miscellaneous.....	179	-	-
Total Revenues.....	425,948	159,184	40,750
Expenditures:			
Current:			
General Government.....	-	-	-
Regulation and Protection.....	373,147	-	-
Health Insurance Payments.....	-	-	37,859
Debt Service:			
Principal Retirement.....	-	175,770	-
Interest and Fiscal Charges.....	-	23,022	-
Total Expenditures.....	373,147	198,792	37,859
Excess (Deficiency) of Revenues			
Over Expenditures.....	52,801	(39,608)	2,891
Other Financing Sources (Uses):			
Proceeds of Bond Anticipation Notes.....	-	-	-
Operating Transfers In.....	-	87,000	-
Operating Transfers Out.....	(89,058)	(2,918)	-
Total Other Financing Sources (Uses).....	(89,058)	84,082	-
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses.....	(36,257)	44,474	2,891
Fund Balances - July 1.....	878,346	140,199	11,867
Fund Balances - June 30.....	\$ 842,089	\$ 184,673	\$ 14,758

Second Injury & Compensation			
<u>Assurance</u>	<u>Other</u>	<u>Total</u>	
\$ -	\$ -	\$ 361,564	
-	-	40,358	
3,137	2,258	16,261	
-	-	55,738	
81,654	-	230,364	
-	-	8,467	
2,155	1,363	3,697	
<u>86,946</u>	<u>3,621</u>	<u>716,449</u>	
7,801	-	7,801	
59,042	1,688	433,877	
-	-	37,859	
30,100	-	205,870	
10,646	-	33,668	
<u>107,589</u>	<u>1,688</u>	<u>719,075</u>	
<u>(20,643)</u>	<u>1,933</u>	<u>(2,626)</u>	
20,000	-	20,000	
-	20,000	107,000	
-	-	(91,976)	
<u>20,000</u>	<u>20,000</u>	<u>35,024</u>	
(643)	21,933	32,398	
48,048	20,396	1,098,856	
<u>\$ 47,405</u>	<u>\$ 42,329</u>	<u>\$ 1,131,254</u>	

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

For The Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Clean Water Fund</u>	<u>Soldiers Sailors & Marines</u>	<u>Other</u>	<u>Total Nonexpendable</u>
Operating Revenues:				
Investment Earnings.....	\$ 25,417	\$ 3,479	\$ 3,803	\$ 32,699
Interest on Financing Activities.....	10,181	-	-	10,181
Intergovernmental.....	12,270	-	-	12,270
Miscellaneous.....	417	-	-	417
Total Operating Revenues.....	48,285	3,479	3,803	55,567
Operating Expenses:				
Administrative.....	1,133	-	-	1,133
Other Program Expenses.....	-	-	836	836
Interest on Financing Activities.....	29,607	-	-	29,607
Total Operating Expenses.....	30,740	-	836	31,576
Operating Income.....	17,545	3,479	2,967	23,991
Operating Transfers:				
Operating Transfers In.....	6,500	152	2,000	8,652
Operating Transfers Out.....	-	(3,217)	(412)	(3,629)
Net Income.....	24,045	414	4,555	29,014
Fund Balances - July 1.....	389,186	57,256	32,014	478,456
Fund Balances - June 30.....	\$ 413,231	\$ 57,670	\$ 36,569	\$ 507,470

Combining Statement of Cash Flows**Nonexpendable Trust Funds**

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Clean Water Fund	Soldiers', Sailors', & Marines'	Other	Total
Cash Flows From Operating Activities:				
Operating Income.....	\$ 17,545	\$ 3,479	\$ 2,967	\$ 23,991
Adjustments to Reconcile Operating Income to Net				
Cash Provided by (Used in) Operating Activities:				
Investment Income.....	(25,417)	(3,479)	(3,803)	(32,699)
Interest Expense.....	29,607	-	-	29,607
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables.....	(2,820)	-	-	(2,820)
Increase (Decrease) in Accounts Payable and Accrued Liabilities.....	685	-	36	721
Miscellaneous Operating Activities.....	579	-	-	579
Issuance of Loans.....	(55,810)	-	-	(55,810)
Net Cash Provided by (Used in) Operating Activities.....	(35,631)	-	(800)	(36,431)
Cash Flows From Noncapital Financing Activities:				
Retirement of Bonds.....	(22,630)	-	-	(22,630)
Interest on Bonds.....	(28,262)	-	-	(28,262)
Transfer From Other Funds.....	6,500	152	2,000	8,652
Transfer To Other Funds.....	-	(3,217)	(412)	(3,629)
Net Cash Provided by (Used in) Noncapital Financing Activities.....	(44,392)	(3,065)	1,588	(45,869)
Cash Flows From Investing Activities:				
Proceeds From Sales of Investment Securities.....	55,473	-	-	55,473
Purchase of Investment Securities.....	-	-	(2,978)	(2,978)
Interest and Income on Investments.....	24,723	3,065	3,816	31,604
Net Cash Provided by (Used in) Investment Activities.....	80,196	3,065	838	84,099
Increase (Decrease) in Cash.....	173	-	1,626	1,799
Cash and Cash Equivalents, July 1.....	3,483	-	3,487	6,970
Cash and Cash Equivalents, June 30.....	\$ 3,656	\$ -	\$ 5,113	\$ 8,769

Combining Statement of Changes in Assets & Liabilities**All Agency Funds**

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
<u>Payroll and Fringe Benefit Clearing</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 1,303	\$ 817	\$ -	\$ 2,120
Due From Other Funds.....	3,656	4,490	3,657	4,489
Total Assets.....	\$ 4,959	\$ 5,307	\$ 3,657	\$ 6,609
LIABILITIES				
Agency Deposit Liability.....	\$ 4,959	\$ 5,307	\$ 3,657	\$ 6,609
Total Liabilities.....	\$ 4,959	\$ 5,307	\$ 3,657	\$ 6,609
<u>Receipts Pending Distribution</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 20,218	\$ 2,125	\$ -	\$ 22,343
Accounts, Net of Allowances.....	103	159	103	159
Receivable From Other Governments.....	29	8	29	8
Total Assets.....	\$ 20,350	\$ 2,292	\$ 132	\$ 22,510
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$ 4,078	\$ 5,962	\$ 4,078	\$ 5,962
Due to Other Funds.....	7,936	1	-	7,937
Agency Deposit Liability.....	8,336	6,370	6,095	8,611
Total Liabilities.....	\$ 20,350	\$ 12,333	\$ 10,173	\$ 22,510
<u>Securities Held for Others</u>				
ASSETS				
Other Assets.....	\$ 611,944	\$ 63,990	\$ 122,946	\$ 552,988
Total Assets.....	\$ 611,944	\$ 63,990	\$ 122,946	\$ 552,988
LIABILITIES				
Agency Deposit Liability.....	\$ 611,944	\$ 63,990	\$ 122,946	\$ 552,988
Total Liabilities.....	\$ 611,944	\$ 63,990	\$ 122,946	\$ 552,988
<u>State Institution Activity</u>				
ASSETS				
Cash and Cash Equivalents.....	\$ 13,277	\$ 2,161	\$ 5,315	\$ 10,123
Accounts, Net of Allowances.....	291	1,936	-	2,227
Loans, Net of Allowances.....	59	8	-	67
Interest.....	20	35	20	35
Inventories and Prepaid Items.....	1,847	-	1,435	412
Other Assets.....	3,623	-	2,355	1,268
Total Assets.....	\$ 19,117	\$ 4,140	\$ 9,125	\$ 14,132
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$ 185	\$ 2,488	\$ -	\$ 2,673
Agency Deposit Liability.....	18,932	2,116	9,589	11,459
Total Liabilities.....	\$ 19,117	\$ 4,604	\$ 9,589	\$ 14,132

continues

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Other				
ASSETS				
Cash and Cash Equivalents.....	\$ 128,071	\$ 40,743	\$ 23,149	\$ 145,665
Investments.....	2,690	-	21	2,669
Interest.....	330	512	330	512
Total Assets.....	\$ 131,091	\$ 41,255	\$ 23,500	\$ 148,846
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$ 3,897	\$ -	\$ 3,897	\$ -
Agency Deposit Liability.....	127,194	45,152	23,500	148,846
Total Liabilities.....	\$ 131,091	\$ 45,152	\$ 27,397	\$ 148,846
Totals - All Agency Funds				
ASSETS				
Cash and Cash Equivalents.....	\$ 162,869	\$ 45,846	\$ 28,464	\$ 180,251
Investments.....	2,690	-	21	2,669
Accounts, Net of Allowances	394	2,095	103	2,386
Loans, Net of Allowances.....	59	8	-	67
Interest.....	350	547	350	547
Due From Other Funds.....	3,656	4,490	3,657	4,489
Receivable From Other Governments.....	29	8	29	8
Inventories and Prepaid Items.....	1,847	-	1,435	412
Other Assets.....	615,567	63,990	125,301	554,256
Total Assets.....	\$ 787,461	\$ 116,984	\$ 159,360	\$ 745,085
LIABILITIES				
Accounts Payable and Accrued Liabilities.....	\$ 8,160	\$ 8,450	\$ 7,975	\$ 8,635
Due To Other Funds.....	7,936	1	-	7,937
Agency Deposit Liability.....	771,365	122,935	165,787	728,513
Total Liabilities.....	\$ 787,461	\$ 131,386	\$ 173,762	\$ 745,085

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General Fixed Assets Account Group

The General Fixed Assets Account Group is maintained to account for land, buildings, improvements, and equipment belonging to governmental funds. Fixed Assets of proprietary and similar trust funds, Higher Education funds, and component units are accounted for within those funds. Infrastructures, including highways, bridges, and rights-of-way are not capitalized.

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

General Fixed Assets Account Group

June 30, 2000

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE**General Fixed Assets:**

Land	\$ 366,136
Buildings	2,124,277
Improvements Other Than Buildings	256,700
Machinery and Equipment	744,636
Construction in Progress	278,935
Total General Fixed Assets	\$ 3,770,684

Investment in General Fixed Assets:

Investment in Property Acquired Prior to June 30, 1988-Source Unidentified	\$ 378,762
General Fund	250,030
Special Revenue Funds	468,400
Capital Project Funds	2,632,952
Other	40,540
Total Investment in General Fixed Assets	\$ 3,770,684

General Fixed Assets Account Group

June 30, 2000

(Expressed in Thousands)

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

Function	Land	Buildings	Improvements	Equipment	Totals
Legislative.....	\$ -	\$ 154,364	\$ -	\$ 13,670	\$ 168,034
General Government.....	19,776	236,428	4,173	57,658	318,035
Regulation and Protection.....	9,652	163,152	10,234	100,649	283,687
Conservation and Development.....	241,617	42,290	32,419	30,232	346,558
Health and Hospitals.....	7,414	177,988	25,727	25,641	236,770
Transportation.....	64,456	295,134	128,927	45,820	534,337
Human Services.....	-	-	-	14,752	14,752
Education, Libraries and Museums.....	1,072	174,836	8,035	345,283	529,226
Corrections.....	10,842	687,780	45,267	51,920	795,809
Judicial.....	11,307	192,305	1,918	59,011	264,541
Total General Fixed Assets					
Allocated to Functions.....	<u>\$ 366,136</u>	<u>\$ 2,124,277</u>	<u>\$ 256,700</u>	<u>\$ 744,636</u>	<u>\$ 3,491,749</u>
Construction in Progress.....					278,935
Total General Fixed Assets.....					<u>\$ 3,770,684</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

Function	General Fixed Assets 7/1/99	Additions	Deletions	General Fixed Assets 6/30/00
Legislative.....	\$ 167,887	\$ 1,122	\$ 975	\$ 168,034
General Government.....	313,722	13,851	9,538	318,035
Regulation and Protection.....	307,604	30,613	54,530	283,687
Conservation and Development.....	286,476	70,416	10,334	346,558
Health and Hospitals.....	211,830	30,042	5,102	236,770
Transportation.....	974,597	17,136	457,396	534,337
Human Services.....	12,381	3,994	1,623	14,752
Education, Libraries and Museums.....	494,024	46,062	10,860	529,226
Corrections.....	794,070	12,903	11,164	795,809
Judicial.....	247,080	24,007	6,546	264,541
Construction in Progress.....	211,693	185,615	118,373	278,935
Total General Fixed Assets.....	<u>\$ 4,021,364</u>	<u>\$ 435,761</u>	<u>\$ 686,441</u>	<u>\$ 3,770,684</u>

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Higher Education Funds

Higher Education Funds are used to account for all transactions relating to public institutions of higher education and an affiliated organization. Higher Education institutions include five universities and twelve community-technical colleges. The following university and college funds and affiliated organization are used:

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.

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.

Affiliated Organization:

accounts for the financial activities of the University of Connecticut Foundation, Inc., a component unit of the University of Connecticut.

Combining Balance Sheet

Higher Education Funds

June 30, 2000

(Expressed in Thousands)

	Current Funds		Endowment and Similar Funds	Loan Funds
	Unrestricted	Restricted		
Assets:				
Cash and Cash Equivalents.....	\$ 196,234	\$ 13,813	\$ 3,020	\$ 4,262
Investments:				
Equity in Combined Investment Funds.....	-	-	622	-
Other.....	7,236	-	5,490	-
Receivables:				
Accounts, Net of Allowances.....	35,748	28,575	4	-
Tuition.....	1,229	-	-	-
Loans, Net of Allowances.....	-	-	-	30,362
Due From Other Funds.....	49,468	14	-	-
Due From Component Units.....	-	-	-	-
Inventories and Prepaid Items.....	6,604	-	-	-
Property, Plant & Equipment.....	-	-	-	-
Other Assets.....	4,235	450	-	2
Total Assets.....	\$ 300,754	\$ 42,852	\$ 9,136	\$ 34,626
Liabilities and Equity:				
Liabilities:				
Accounts Payable and Accrued Liabilities.....	\$ 89,328	\$ 5,182	\$ 5	\$ 14
Due To Other Funds.....	9,139	1,464	1	314
Deferred Revenue.....	43,861	858	-	-
Notes and Loans Payable.....	-	-	-	-
Agency Deposit Liabilities.....	-	-	-	-
Revenue Bonds.....	-	-	-	-
Compensated Absences.....	76,293	-	-	-
Total Liabilities.....	218,621	7,504	6	328
Equity:				
Investment in Fixed Assets.....	-	-	-	-
Fund Balances:				
Reserved:				
Retirement of Debt.....	-	-	-	-
Other.....	-	35,348	9,130	29,025
Unreserved, undesignated:				
Unexpended Plant.....	-	-	-	-
Renewals and Replacements.....	-	-	-	-
Other.....	82,133	-	-	5,273
Total Equity.....	82,133	35,348	9,130	34,298
Total Liabilities and Equity.....	\$ 300,754	\$ 42,852	\$ 9,136	\$ 34,626

<u>Agency Funds</u>	<u>Plant Funds</u>	<u>Affiliated Organization</u>	<u>Total</u>
\$ 8,327	\$ 271,292	\$ 1,801	\$ 498,749
-	-	-	622
-	1,947	213,445	228,118
842	637	35,956	101,762
-	-	-	1,229
-	-	-	30,362
14	6,306	-	55,802
-	44,915	-	44,915
-	6,415	-	13,019
292	2,112,396	6,772	2,119,460
289	1,331	5,541	11,848
<u>\$ 9,764</u>	<u>\$ 2,445,239</u>	<u>\$ 263,515</u>	<u>\$ 3,105,886</u>
\$ 3,156	\$ 23,022	\$ 6,123	\$ 126,830
6	104	-	11,028
-	-	-	44,719
-	6,251	-	6,251
6,586	-	-	6,586
-	298,069	8,000	306,069
16	-	-	76,309
<u>9,764</u>	<u>327,446</u>	<u>14,123</u>	<u>577,792</u>
-	1,939,016	-	1,939,016
-	65,752	-	65,752
-	-	240,752	314,255
-	91,603	-	91,603
-	21,422	-	21,422
-	-	8,640	96,046
-	2,117,793	249,392	2,528,094
<u>\$ 9,764</u>	<u>\$ 2,445,239</u>	<u>\$ 263,515</u>	<u>\$ 3,105,886</u>

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Component Units

The Component Units are organizations which are legally separate from the State of Connecticut and 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 Supplementary 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.

Capital City Economic Development Authority:

the Capital City Economic Development Authority is a public instrumentality of the state. The authority was created in 1998 to use municipal and state financial resources for the purpose of building a variety of Hartford based projects ranging from facilities to accommodate the exhibition, hospitality and tourism industries to downtown residential housing.

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.

Combining Balance Sheet

Component Units

June 30, 2000

(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority
Assets:			
Cash and Cash Equivalents.....	\$ 51,004	\$ 171,973	\$ 57,140
Investments:			
Other.....	14,167	383,365	-
Receivables:			
Accounts, Net of Allowances.....	-	-	13,808
Loans, Net of Allowances.....	125,392	2,879,990	-
Interest.....	1,171	25,828	15,990
Notes Receivable.....	-	-	-
Due From Primary Government.....	18,796	-	-
Inventories and Prepaid Items.....	1,266	-	-
Restricted Assets.....	50,872	296,668	75,936
Property, Plant & Equipment.....	19,988	2,734	202,501
Other Assets.....	4,052	29,662	13,312
Total Assets.....	\$ 286,708	\$ 3,790,220	\$ 378,687
Liabilities and Equity:			
Liabilities:			
Accounts Payable and Accrued Liabilities.....	\$ 8,356	\$ 28,830	\$ 23,946
Due To Primary Government.....	-	-	-
Deferred Revenue.....	3,041	-	-
Escrow Deposits.....	-	117,018	-
Revenue Bonds.....	106,111	3,128,399	263,760
Liability for Landfill Closure Costs.....	-	-	24,992
Amount Held for Institutions.....	-	-	-
Total Liabilities.....	117,508	3,274,247	312,698
Equity:			
Contributed Capital.....	162,840	-	1,713
Retained Earnings:			
Reserved for Housing Financing.....	-	514,693	-
Reserved for Resources Recovery.....	-	-	19,263
Unreserved.....	6,360	1,280	45,013
Total Retained Earnings.....	6,360	515,973	64,276
Total Equity.....	169,200	515,973	65,989
Total Liabilities and Equity.....	\$ 286,708	\$ 3,790,220	\$ 378,687

STATE OF CONNECTICUT

Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Capital City Economic Development Authority	Total
\$ 4,651	\$ 8,570	\$ 56,305	\$ 2,309	\$ 351,952
15,868	6,472	114,631	-	534,503
-	245	833	897	15,783
80,382	-	-	-	3,085,764
888	105	-	-	43,982
-	792	-	-	792
-	-	8	-	18,804
-	29	-	-	1,295
10,799	425,964	-	-	860,239
-	137	176	34	225,570
1,464	-	-	-	48,490
\$ 114,052	\$ 442,314	\$ 171,953	\$ 3,240	\$ 5,187,174
\$ 1,327	\$ 2,610	\$ 8,715	\$ 2,595	\$ 76,379
-	44,915	-	-	44,915
2,825	-	-	-	5,866
-	-	-	-	117,018
107,690	7,105	-	-	3,613,065
-	-	-	-	24,992
-	371,499	-	-	371,499
111,842	426,129	8,715	2,595	4,253,734
-	-	85,569	-	250,122
-	-	-	-	514,693
-	-	-	-	19,263
2,210	16,185	77,669	645	149,362
2,210	16,185	77,669	645	683,318
2,210	16,185	163,238	645	933,440
\$ 114,052	\$ 442,314	\$ 171,953	\$ 3,240	\$ 5,187,174

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

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority
Operating Revenues:			
Charges for Services.....	\$ 1,366	\$ -	\$ 158,731
Interest on Financing Activities.....	9,224	199,808	-
Civic Center Lease Operations.....	15,555	-	-
Miscellaneous.....	1,657	5,871	7,410
Total Operating Revenues.....	27,802	205,679	166,141
Operating Expenses:			
Administrative.....	4,524	20,846	6,548
Depreciation and Amortization.....	270	4,876	16,136
Interest on Financing Activities.....	6,007	186,868	-
Civic Center Lease Oper. (includes depreciation expense of \$1,677).	18,247	-	-
Solid Waste Operations.....	-	-	113,516
Other Program Expenses.....	1,812	4,915	8,529
Total Operating Expenses.....	30,860	217,505	144,729
Operating Income (Loss).....	(3,058)	(11,826)	21,412
Nonoperating Revenues (Expenses):			
Interest and Investment Income.....	6,292	19,955	7,116
Interest and Fiscal Charges.....	-	-	(16,872)
Other.....	-	2,629	(3,028)
Total Nonoperating Income (Expense).....	6,292	22,584	(12,784)
Net Income.....	3,234	10,758	8,628
Add Items Affecting Contributed Capital:			
Depreciation on Equipment Acquired through Capital Grants.....	-	-	122
Total Add Back Items.....	-	-	122
Retained Earnings-July 1 (as restated).....	3,126	439,683	55,526
Equity Transfer from Primary Government.....	-	65,532	-
Retained Earnings-June 30.....	\$ 6,360	\$ 515,973	\$ 64,276

Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Capital City Economic Development Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ 160,097
7,272	366	1,057	-	217,727
-	-	-	-	15,555
612	2,739	2,778	3,953	25,020
<u>7,884</u>	<u>3,105</u>	<u>3,835</u>	<u>3,953</u>	<u>418,399</u>
1,245	1,220	6,539	570	41,492
242	52	92	8	21,676
6,287	366	-	-	199,528
-	-	-	-	18,247
-	-	-	-	113,516
880	817	2,238	3,203	22,394
<u>8,654</u>	<u>2,455</u>	<u>8,869</u>	<u>3,781</u>	<u>416,853</u>
<u>(770)</u>	<u>650</u>	<u>(5,034)</u>	<u>172</u>	<u>1,546</u>
1,887	757	57,959	18	93,984
-	-	-	-	(16,872)
-	-	-	-	(399)
<u>1,887</u>	<u>757</u>	<u>57,959</u>	<u>18</u>	<u>76,713</u>
<u>1,117</u>	<u>1,407</u>	<u>52,925</u>	<u>190</u>	<u>78,259</u>
-	-	-	-	122
-	-	-	-	122
<u>1,093</u>	<u>14,778</u>	<u>24,744</u>	<u>455</u>	<u>539,405</u>
-	-	-	-	65,532
<u>\$ 2,210</u>	<u>\$ 16,185</u>	<u>\$ 77,669</u>	<u>\$ 645</u>	<u>\$ 683,318</u>

Combining Statement of Cash Flows Component Units

For The Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Connecticut Development Authority	Connecticut Housing Finance Authority (12-31-99)	Connecticut Resources Recovery Authority
Cash Flows From Operating Activities:			
Operating Income (Loss).....	\$ (3,058)	\$ (11,826)	\$ 21,412
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Amortization and Depreciation.....	1,947	4,876	16,136
Provision for Loan Losses.....	1,395	10,704	6,189
Interest Expense.....	7,131	186,868	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables.....	931	2,109	(2,046)
(Increase) Decrease in Due From Other Funds.....	(3,552)	-	-
(Increase) Decrease in Inventories and Prepaid Expenses.....	-	-	-
Increase (Decrease) in Accounts Payable & Accrued Liabilities.....	1,542	17,700	5,814
Miscellaneous Operating Activities.....	168	8,178	(1,590)
Issuance of Loans, Notes & Installment Contracts Receivable.....	(16,742)	(386,778)	-
Collection of Loans, Notes & Installment Contracts Receivable.....	52,297	393,785	-
Net Cash Provided by (Used in) Operating Activities.....	42,059	225,616	45,915
Cash Flows From Noncapital Financing Activities:			
Contributed Capital.....	-	-	-
Proceeds From Sale of Bonds and Notes.....	-	240,970	-
Retirement of Bonds and Notes Payable.....	(11,825)	(359,850)	-
Interest on Bonds and Notes Payable.....	(7,166)	(188,173)	-
Bond Issuance and/or Redemption Costs.....	-	(2,856)	-
Miscellaneous Noncapital Financing Activities-Deletions.....	(805)	(1,978)	(99)
Net Cash Provided by (Used in) Noncapital Financing Activities.....	(19,796)	(311,887)	(99)
Cash Flows From Capital And Related Financing Activities:			
Purchase of Fixed Assets.....	(1,207)	(31)	(3,536)
Proceeds From Sale of Bonds and Notes.....	-	-	5,245
Retirement of Bonds and Notes Payable.....	-	-	(22,957)
Interest on Bonds and Notes Payable.....	-	-	(16,278)
Miscellaneous Capital and Related Financing Activities-Additions.....	308	-	443
Miscellaneous Capital and Related Financing Activities-Deletions.....	-	-	(3,220)
Net Cash Provided by (Used in) Capital and Related Financing Activities.....	(899)	(31)	(40,303)
Cash Flows From Investing Activities:			
Proceeds From Sales of Investment Securities.....	2,502	441,190	6,885
Purchase of Investment Securities.....	(2,123)	(309,774)	(500)
Interest and Income on Investments.....	3,835	40,781	7,072
Miscellaneous Capital and Related Investing Activities-net.....	(15,000)	-	-
Net Cash Provided by (Used in) Investing Activities.....	(10,786)	172,197	13,457
Increase (Decrease) in Cash.....	10,578	85,895	18,970
Cash and Cash Equivalents, July 1 (as restated).....	62,377	86,078	112,848
Cash and Cash Equivalents, June 30.....	\$ 72,955	\$ 171,973	\$ 131,818

Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority	Connecticut Innovations, Incorporated	Capital City Economic Development Authority	Total
\$ (770)	\$ 650	\$ (5,034)	\$ 172	\$ 1,546
242	52	92	8	23,353
455	149	-	-	18,892
6,287	366	-	-	200,652
(39)	(54)	-	330	1,231
-	-	306	-	(3,246)
-	65	(801)	-	(736)
363	(1,212)	6,704	963	31,874
(400)	-	-	-	6,356
(15,239)	(486)	-	-	(419,245)
8,458	3,480	-	-	458,020
(643)	3,010	1,267	1,473	318,697
-	-	7,213	-	7,213
16,890	-	-	-	257,860
(7,285)	-	-	-	(378,960)
(6,227)	-	-	-	(201,566)
-	-	-	-	(2,856)
-	-	-	-	(2,882)
3,378	-	7,213	-	(321,191)
-	(27)	(172)	(2)	(4,975)
-	366,376	-	-	371,621
-	(860)	-	-	(23,817)
-	(389)	-	-	(16,667)
-	4,802	-	-	5,553
-	(509,072)	-	-	(512,292)
-	(139,170)	(172)	(2)	(180,577)
8,635	108,906	21,649	-	589,767
(12,717)	-	(35,503)	-	(360,617)
1,795	28,843	3,490	18	85,834
-	3,549	(4,645)	-	(16,096)
(2,287)	141,298	(15,009)	18	298,888
448	5,138	(6,701)	1,489	115,817
4,203	8,499	63,006	820	337,831
\$ 4,651	\$ 13,637	\$ 56,305	\$ 2,309	\$ 453,648

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Statistical Section

General Governmental Expenditures By Function

Last Ten Fiscal Years

(Expressed in Thousands)

FUNCTION (1)	1991	1992	1993	1994
1. Legislative	\$ 41,798	\$ 38,057	\$ 44,040	\$ 45,820
2. General Government	1,020,494	996,980	1,055,645	1,033,897
3. Regulation and Protection	322,473	316,333	348,787	395,662
4. Conservation and Development	191,727	203,926	232,130	227,024
5. Health and Hospitals	907,938	862,534	749,402	757,731
6. Transportation	396,077	337,467	381,135	350,413
7. Human Services	2,130,706	2,278,812	2,639,093	2,916,838
8. Education, Libraries, and Museums (2)	2,144,504	2,216,166	2,113,031	2,258,516
9. Corrections	499,079	509,268	620,821	737,946
10. Judicial	189,774	213,602	207,803	229,108
11. Restricted Federal & Other Grants/Accounts	538,069 (2)	791,892 (2)	1,068,775	1,008,904
12. Debt Service	547,505	776,274	1,033,014	972,368
Total Expenditures	\$ 8,930,144	\$ 9,541,311	\$ 10,493,676	\$ 10,934,227

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

(2) Includes Higher Education Expenditures Treated as Operating Transfers from the State's General Fund.

Revenues by Source

Last Ten Fiscal Years

(Expressed in Thousands)

SOURCE (1)	1991	1992	1993	1994
1. Taxes	\$ 4,639,536	\$ 5,596,447	\$ 6,140,718	\$ 6,436,828
2. Licenses, Permits, and Fees	365,780	372,146	398,979	425,480
3. Tobacco Settlement	-	-	-	-
4. Intergovernmental	1,688,731	2,135,220	2,616,995	2,641,448
5. Charges for Services	61,153	62,364	88,852	176,757
6. Fines, Forfeits, and Rents	21,811	27,151	35,843	33,226
7. Casino Gaming Payments	-	-	-	-
8. Restricted Federal & Other Grants/Accounts	-	-	-	-
9. Investment Earnings	69,715	65,284	75,141	62,218
10. Lottery	731,095	709,423	692,528	552,992
11. Miscellaneous	144,715	172,494	156,391	262,590
Total Revenues	\$ 7,722,536	\$ 9,140,529	\$ 10,205,447	\$ 10,591,539

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

NOTE: Beginning in 1997, the Lottery revenues are no longer reported under Special Revenue Funds, but are included in the Enterprise Funds.

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

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 46,618	\$ 47,422	\$ 51,802	\$ 54,898	\$ 65,272	\$ 68,590
1,109,507	1,182,673	715,844	783,865	1,032,668	990,749
397,131	415,308	414,873	417,537	476,469	523,746
263,748	221,383	264,742	263,327	303,994	355,407
793,447	826,501	895,809	955,659	1,058,582	1,152,309
352,160	358,144	359,716	342,637	383,175	400,502
3,395,130	3,450,082	3,512,640	3,553,865	3,488,482	3,780,196
2,339,278	2,420,982	2,445,732	2,581,568	2,840,361	3,142,268
800,822	846,305	947,932	935,382	1,031,100	1,156,916
241,690	271,571	304,686	320,727	359,925	407,675
922,518	875,430	679,559	779,670	654,243	813,100
1,262,425	1,305,017	1,158,034	1,318,265	1,356,817	1,491,013
<u>\$ 11,924,474</u>	<u>\$ 12,220,818</u>	<u>\$ 11,751,369</u>	<u>\$ 12,307,400</u>	<u>\$ 13,051,088</u>	<u>\$ 14,282,471</u>

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 6,822,277	\$ 7,339,263	\$ 7,611,339	\$ 8,130,258	\$ 8,336,873	\$ 8,844,733
418,660	429,803	447,333	471,996	483,220	455,531
-	-	-	-	-	149,960
2,734,163	2,830,481	2,782,901	2,853,800	2,258,276	2,388,127
201,434	211,829	269,349	312,909	59,102	76,929
37,145	25,359	31,356	35,019	53,695	62,354
-	-	-	-	288,532	318,986
-	-	-	-	654,243	818,070
74,574	73,235	90,689	106,040	95,324	105,247
670,801	706,860	-	-	-	-
228,624	192,358	180,458	173,649	190,851	217,483
<u>\$ 11,187,678</u>	<u>\$ 11,809,188</u>	<u>\$ 11,413,425</u>	<u>\$ 12,083,671</u>	<u>\$ 12,420,116</u>	<u>\$ 13,437,420</u>

Computation of Legal Debt Margin

November 1, 2000

(Expressed in Thousands)

Estimated General Fund Tax Receipts for the Fiscal Year Ending June 30, 2000	\$ 8,104,900
Factor	<u>1.6</u>
Statutory Debt Limit for Debt Incurred	12,967,840
Less: Authorized Bonds, Notes, and Other Obligations subject to certain limitations.	<u>10,985,409</u>
Legal Debt Margin	<u>\$ 1,982,431</u>

SOURCE: State of Connecticut General Obligation Bonds Offering Statement

Dated December 15, 2000

Net General Long-Term Bonded Debt Per Capita

Last Ten Fiscal Years

(Thousands)

GENERAL LONG-TERM DEBT

YEAR	POPULATION	TOTAL DEBT	LESS DEBT SERVICE AVAILABLE	NET	NET DEBT PER CAPITA
1991	3,287	\$ 5,650,182	\$349,206	\$5,300,976	\$1,613
1992	3,272	6,503,455	388,425	6,115,030	1,869
1993	3,270	7,385,997	432,522	6,953,475	2,126
1994	3,265	7,927,705	489,584	7,438,121	2,278
1995	3,262	8,516,066	420,163	8,095,903	2,482
1996	3,264	9,200,672	455,740	8,744,932	2,679
1997	3,267	9,548,618	476,731	9,071,887	2,777
1998	3,274	9,719,236	498,418	9,220,818	2,816
1999	3,282	10,093,823	739,327	9,354,496	2,850
2000	3,406	10,291,418	539,525	9,751,893	2,863

SOURCES: U.S. Census Bureau

Combined Balance Sheet

Ratio of Annual Debt Service General Bonded Debt To Total General Expenditures

Last Ten Fiscal Years
(Expressed in Thousands)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>(1) TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1991	\$248,544	\$298,961	\$547,505	\$8,930,144	6.1%
1992	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	7.2%
1995	560,746	438,172	998,918	11,924,474	8.4%
1996	523,090	448,880	971,970	12,220,818	8.0%
1997	597,819	470,744	1,068,563	11,751,369	9.1%
1998	731,968	500,529	1,232,497	12,307,400	10.0%
1999	755,628	520,304	1,275,932	13,051,088	9.8%
2000	742,584	540,748	1,283,332	14,282,471	9.0%

(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.

Note: Beginning in 1992, principal and interest amounts do not include amounts expended for General Obligation Notes.

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

Revenue Bond Coverage

Rental Housing

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30.	GROSS RECEIPTS USED FOR DEBT SERVICES (1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
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	0.87
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
1995	14,012	61	13,951	1,052	8,310	9,362	1.49
1996	10,225	1,329	8,896	2,305	7,856	10,161	0.88
1997	7,329	33	7,296	2,175	7,814	9,989	0.73
1998	8,204	512	7,692	5,101	7,566	12,667	0.61
1999	13,596	65	13,531	11,396	5,774	17,170	0.79
2000	8,494	20	8,474	10,070	5,627	15,697	0.54

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

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses, and Provision for Loan Losses.

SOURCES: Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Combining Statement of Cash Flows

Bradley International Airport

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30.	GROSS REVENUES (1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
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	1.31
1994	34,355	18,966	15,389	2,295	7,275	9,570	1.61
1995	40,217	18,757	21,460	2,455	7,104	9,559	2.25
1996	38,313	20,575	17,738	2,630	6,919	9,549	1.86
1997	38,794	19,746	19,048	2,820	6,718	9,538	2.00
1998	46,432	19,396	27,036	3,030	6,502	9,532	2.84
1999	48,133	21,242	26,891	3,240	6,268	9,508	2.83
2000	55,888	21,815	34,073	3,480	6,084	9,564	3.56

(1) Includes Operating and Non-Operating Revenues.

(2) Includes Operating Expenses Less Depreciation, & Interest Expenses.

SOURCES: Bradley International Airport Financial Statements

Revenue Bond Coverage

John Dempsey Hospital

Last Four Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED SEPT 30.	GROSS RECEIPTS USED FOR DEBT SERVICES(1)	DIRECT OPERATING EXPENSES(2)	AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1996	\$130,647	\$115,675	\$14,972	\$216	\$51	\$267	56.07
1997	118,958	112,704	6,254	157	97	254	24.62
1998	130,612	119,525	11,087	120	83	203	54.62
1999	120,950	122,611	(1,661)	120	77	197	-

(1) Includes Operating and Non-Operating Revenues

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses, and Provision for Loan Losses.

SOURCE: John Dempsey Hospital Financial Statements

Connecticut Development Authority

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30.	GROSS RECEIPTS USED FOR DEBT SERVICES (1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
1995	55,459	11,365	44,094	41,715	9,221	50,936	0.87
1996	52,459	12,767	39,692	17,665	7,610	25,275	1.57
1997	62,678	14,244	48,434	8,685	7,101	15,786	3.07
1998	52,378	17,553	34,825	8,760	7,991	16,751	2.08
1999	57,570	18,335	39,235	9,880	7,609	17,489	2.24
2000	86,391	20,386	66,005	11,825	7,166	18,991	3.48

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

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses and Provision for Loan Losses.

(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

Revenue Bond Coverage**Connecticut Housing Finance Authority**

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED DEC 31.	GROSS RECEIPTS USED FOR DEBT SERVICES (1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1990	\$382,364	\$40,999	\$341,365	\$260,750	\$202,547	\$463,297	0.74
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	0.65
1993	556,670	42,778	513,892	544,375	192,589	736,964	0.70
1994	483,683	30,910	452,773	622,215	173,843	796,058	0.57
1995	421,706	38,373	383,333	452,210	174,752	626,962	0.61
1996	460,395	33,202	427,193	398,950	179,034	577,984	0.74
1997	441,020	23,383	417,637	201,475	187,070	388,545	1.07
1998	500,661	23,273	477,388	435,655	193,364	629,019	0.76
1999	622,048	15,057	606,991	359,850	188,173	548,023	1.11

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

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses, and Provision for Loan Losses.

SOURCE: Connecticut Housing Finance Authority Financial Statements.

Connecticut Resources Recovery Authority

Last Ten Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30.	GROSS REVENUES (1)	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1991	\$128,491	\$90,228	\$38,263	\$10,989	\$28,778	\$39,767	0.96
1992	128,186	92,291	35,895	12,198	27,650	39,848	0.90
1993	132,569	102,081	30,488	16,029	26,558	42,587	0.72
1994	147,753	97,787	49,966	19,108	26,665	45,773	1.09
1995	160,645	104,917	55,728	28,983	25,937	54,920	1.01
1996	151,468	101,592	49,876	23,473	24,782	48,255	1.03
1997	155,036	112,458	42,578	27,387	20,552	47,939	0.89
1998	154,537	107,328	47,209	24,173	18,968	43,141	1.09
1999	154,480	109,065	45,415	19,943	17,542	37,485	1.21
2000	173,257	128,593	44,664	17,172	16,278	33,450	1.34

(1) Includes Operating Revenues and Investment Income.

(2) Includes Operating Expenses Less Depreciation and Amortization and Write Off of Development Costs.

SOURCE: Connecticut Resources Recovery Authority Financial Statements

Revenue Bond Coverage**Connecticut Higher Education Supplemental Loan Authority**

Last Seven Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30,	GROSS REVENUES(1)	NET REVENUE		DEBT SERVICE REQUIREMENTS			
		DIRECT OPERATING EXPENSES (2)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1994	\$8,778	\$1,083	\$7,695	\$5,630	\$3,858	\$9,488	0.81
1995	10,511	1,509	9,002	2,940	5,097	8,037	1.12
1996	11,525	1,795	9,730	3,970	4,939	8,909	1.09
1997	18,502	1,388	17,114	5,125	5,796	10,921	1.57
1998	15,469	2,040	13,429	5,995	5,670	11,665	1.15
1999	16,752	1,916	14,836	5,956	6,001	11,957	1.24
2000	18,229	1,670	16,559	7,285	6,227	13,512	1.23

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

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses and Provision for Loan Losses.

SOURCE: Connecticut Higher Education Supplemental Loan Authority Financial Statements

Connecticut Health and Educational Facilities Authority

Last Seven Fiscal Years

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30.	GROSS REVENUES(1)	NET REVENUE		DEBT SERVICE REQUIREMENTS			
		DIRECT OPERATING EXPENSES (2)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1994	\$180,915	\$1,854	\$179,061	\$161,640	\$84,867	\$246,507	0.73
1995	148,045	1,716	146,329	36,257	108,203	144,460	1.01
1996	154,981	2,074	152,907	60,869	117,743	178,612	0.86
1997	189,355	1,860	187,495	146,615	132,867	279,482	0.67
1998	205,754	1,882	203,872	84,255	143,028	227,283	0.90
1999	4,583	1,737	2,846	1,455	414	1,869	1.52
2000	7,342	1,888	5,454	860	389	1,249	4.37

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

(2) Includes Operating Expenses Less Depreciation, Amortization, Interest Expenses and Provision for Loan Losses.

SOURCE: Connecticut Health and Educational Facilities Authority Financial Statements

Bank Deposits

Last Ten Fiscal Years
(Expressed in Thousands)

TOTAL AS OF	BANK DEPOSITS
1991	\$44,897,318
1992	38,322,461
1993	55,532,661
1994	54,836,057
1995	53,640,331
1996	39,120,816
1997	38,936,046
1998	33,754,043
1999	33,149,787
2000	34,747,254

NOTE: For the years 1993 -1996, bank deposits for credit unions were not included.

The reduction in deposits in 1996 can be attributed to out of state bank mergers: Deposits with banks not headquartered in Connecticut are no longer included.

SOURCES: Department of Banking

**Seasonally Adjusted Non-Farm Employment &
Earnings Share for Connecticut Industry (1990 &2000)**

INDUSTRY	EMPLOYMENT % 1990	EMPLOYMENT % 2000	EARNINGS % 1990	EARNINGS % 2000
Mining	6%	5%	11%	16%
Construction	3.62%	3.73%	5.65%	5.23%
Manufacturing	20.8%	15.63%	23.58%	18.17%
Transportation & Utilities	4.45%	4.64%	4.87%	5.26%
Retail & Wholesale Trade	22.21%	21.43%	15.77%	14.5%
Finance, Ins. & Real Estate	9.39%	8.37%	10.61%	15.3%
Services	26.36%	31.85%	25.81%	30.06%
Government	13.11%	14.3%	13.58%	11.31%

Note: 2000, employment numbers are as of October 2000 and earnings data is for the 2nd quarter 2000

SOURCES: Bureau of Labor Statistics & Bureau of Economic Analysis

Total Nonfarm Payroll Employment for Connecticut and the United States

(Seasonally Adjusted, in Thousands)

<u>YEAR</u>	<u>EMPLOYMENT CONNECTICUT</u>	<u>EMPLOYMENT UNITED STATES</u>	<u>% CHANGE CONNECTICUT</u>	<u>% CHANGE UNITED STATES</u>
1990	1,591.5	108,965	NA	NA
1991	1,536.1	108,121	-3.5%	-0.8%
1992	1,520.1	109,266	-1%	1.1%
1993	1,533.8	112,034	90%	2.5%
1994	1,553.4	115,918	1.3%	3.5%
1995	1,566.2	118,118	80%	1.9%
1996	1,602.3	120,913	2.3%	2.4%
1997	1,627.9	124,269	1.6%	2.8%
1998	1,655.8	127,286	1.7%	2.4%
1999	1,680.7	130,038	1.5%	2.2%
2000 (OCT)	1,698.4	131,860	1.4%	1.8%

SOURCE: Bureau of Labor Statistics.

Total Labor Force and Unemployment Rate for Connecticut and the United States

(Seasonally Adjusted, in Thousands)

<u>YEAR</u>	<u>LABOR FORCE CONNECTICUT</u>	<u>LABOR FORCE UNITED STATES</u>	<u>UNEMPLOYMENT CONNECTICUT</u>	<u>UNEMPLOYMENT UNITED STATES</u>
1990	1,838.9	126,142	5.7%	6.3%
1991	1,830.7	126,664	7.3%	7.3%
1992	1,795.8	128,554	6.9%	7.4%
1993	1,759.7	129,941	5.8%	6.5%
1994	1,713.5	131,951	5.4%	5.5%
1995	1,708.8	132,511	5.7%	5.6%
1996	1,728.9	135,071	5.7%	5.4%
1997	1,712.9	137,097	4.2%	4.7%
1998	1,691.7	138,545	3.3%	4.4%
1999	1,697.1	140,108	2.8%	4.1%
2000 (OCT)	1,702.9	140,918	2%	3.9%

SOURCE: Bureau of Labor Statistics.

Per Capita Personal Income for Connecticut and the United States

(Thousands)

<u>YEAR</u>	<u>CONNECTICUT</u>	<u>UNITED STATES</u>	<u>% ABOVE THE UNITED STATES</u>
1990	\$26,736	\$19,584	36.5%
1991	26,863	20,089	33.7%
1992	28,635	21,082	35.8%
1993	29,602	21,718	36.3%
1994	30,532	22,581	35.2%
1995	31,947	23,562	35.6%
1996	33,472	24,651	35.8%
1997	35,596	25,874	37.6%
1998	37,452	27,322	37.1%
1999	39,300	28,542	37.7%

SOURCE: Bureau of Economic Analysis

Real Median Household Income for Connecticut and the United States (in 1999 CPI-U adjusted dollars)

<u>YEARS</u>	<u>CONNECTICUT</u>	<u>UNITED STATES</u>	<u>% ABOVE THE UNITED STATES</u>
1990	\$49,547	\$38,168	29.8%
1991	51,563	36,850	39.9%
1992	48,497	36,379	33.3%
1993	45,560	36,019	26.5%
1994	46,199	36,270	27.4%
1995	43,993	37,251	18.1%
1996	44,723	37,686	18.7%
1997	45,657	38,411	18.9%
1998	47,535	39,744	19.6%
1999	50,798	40,816	24.5%

SOURCE: Census Bureau.

Total Personal Income Growth Rates and Dollar Amounts (000) Connecticut and the United States

YEAR	% GROWTH CONNECTICUT	% GROWTH UNITED STATES	AMOUNT (000) CONNECTICUT	AMOUNT (000) UNITED STATES
1990	3.8%	6.6%	\$87,935,181	\$4,885,525,000
1991	5.0%	3.7%	88,344,099	5,065,416,000
1992	6.2%	6.1%	93,778,706	5,376,622,000
1993	3.3%	4.1%	96,866,466	5,598,446,000
1994	3%	5%	99,787,807	5,878,362,000
1995	4.5%	5.3%	104,315,124	6,192,235,000
1996	4.8%	5.6%	109,353,546	6,538,103,000
1997	6.4%	6%	116,347,341	6,928,762,000
1998	5.3%	6.6%	122,563,555	7,383,687,000
1999	5.2%	5.4%	128,982,732	7,783,152,000

Source: Bureau of Economic Analysis

Connecticut Population Statistics (In Thousands)

YEAR	TOTAL POPULATION	POPULATION UNDER AGE 5	POPULATION AGE 65 OR OVER	NET DOMESTIC MIGRATION**
1990	3,287	233	444	N/A
1991	3,287	236	451	(28.1)
1992	3,272	236	455	(41.6)
1993	3,270	235	460	(28.4)
1994	3,265	231	463	(27.5)
1995	3,262	226	467	(26.5)
1996	3,264	220	469	(21.4)
1997	3,267	214	469	(20.4)
1998	3,274	211	469	(16.8)
1999	3,282	218	469	(11.4)

SOURCE: U.S. Census Bureau.

** Net Domestic Migration represents the difference between annual population movement into and out of Connecticut where both the origin and destination are within the United States. Specific Net Domestic Migration data were not collected prior to the 1990 Census.

Top Twenty Non-Government Employers

					TOTAL	
1999	1998				CT EMPLOYEES	
<u>RANK</u>	<u>RANK</u>	<u>NAME</u>	<u>HEADQUARTERS</u>	<u>1999</u>	<u>1998</u>	
1	1	Stop & Shop	Quincy,MA	15,123	14,965	
2	2	Pratt & Whitney	East Hartford,CT	13,000	13,000	
3	4	Foxwoods Resort Casino	near Ledyard,CT	11,436	11,000	
4	3	Aetna,Inc.	Hartford,CT	11,400	11,119	
5	5	The Hartford Financial Services Group Inc.	Hartford,CT	10,856	11,000	
6	6	Yale University	New Haven ,CT	10,368	10,318	
7	7	SNET	New Haven, CT	9,600	9,730	
8	8	Citigroup (formerly Travelers Group, Inc.)	Hartford,CT	8,309	8,167	
9	15	Hartford Hospital	Hartford,CT	7,404	5,982	
10	10	Sikorsky Aircraft	Stratford,CT	7,400	7,400	
11	9	Electric Boat	Groton ,CT	7,275	7,841	
12	13	CIGNA Group	Philadelphia,PA	6,300	6,148	
13	11	Pitney Bowes Inc.	Stamford, CT	6,000	6,000	
	12	Northeast Utilities	Berlin, CT	6,000	6,456	
	14	FleetBoston Financial Corp.	Boston,MA	6,000	6,000	
	20	Pfizer Inc.	Groton ,CT	6,000	4,650	
17	17	Yale-New Haven Hospital	New Haven, CT	5,568	5,723	
18	19	Mohegan Sun Casino	Montville,CT	5,500	5,000	
19	16	General Electric Co.	Fairfield, CT	5,300	5,900	
20	18	Hamilton Sundstrand	Windsor Locks,CT	4,400	5,200	

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
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%	-	-
1995	2,368.1	27.9%	2,589.9	30.6%	724.7	8.6%	-	-
1996	2,460.1	27.0%	2,879.4	31.6%	748.1	8.2%	-	-
1997	2,611.5	27.3%	3,110.9	32.5%	677.9	7.1%	-	-
1998	2,772.1	27.3%	3,596.2	35.5%	663.7	6.5%	-	-
1999	2,932.2	25.8%	3,820.8	33.6%	619.5	5.5%	-	-
2000	3,096.8	25.5%	4,238.2	34.9%	587.8	4.8%	-	-

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, 2000

(Millions)

INDUSTRY	TAX	PERCENT
Construction	\$114.3	23.1%
Manufacturing	169.7	5.8%
Wholesale	151.8	5.2%
Retail:		
Hardware	127.2	4.3%
General Merchandise	136.6	4.7%
Food Products	95.2	3.2%
Auto Products	354.1	12.1%
Apparel	52.4	1.8%
Home Appliances & Furnishings	133.9	4.6%
Eating & Drinking Establishments	175.0	6.0%
Miscellaneous Shopping Stores	312.6	10.7%
Business	616.6	21.0%
All Other Businesses	493.9	16.8%
Total Sales & Use Tax	\$2,933.3	

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

SOURCE: Department of Revenue Services

Miscellaneous Statistics

June 30, 2000

Date of Ratification	January 9, 1788
Form of Government	Legislative - Executive - Judicial
Miles of State Highway	4,101
Land Area	5,009 Square Miles

State Police Protection:

Number of Stations	12
Number of State Police	945

Higher Education (Universities, Colleges and Community Colleges):

Number of Campuses in State	26
Number of Educators	3,386
Number of Students	95,136

Recreation:

Number of State Parks	91
Area of State Parks	31,884 Acres
Area of State Forests	145,529 Acres

Employees:

Full-Time	52,730
Part-Time (Permanent)	2,994

SOURCE: Connecticut State Register and Manual

Office of the State Comptroller Organization

Nancy Wyman
State Comptroller

Mark E. Ojakian
Deputy Comptroller

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Bernard McLoughlin
Director

ACCOUNTS PAYABLE DIVISION

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NOTES



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