



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2023

CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
COMPTROLLER SEAN SCANLON  
MARCH 2024

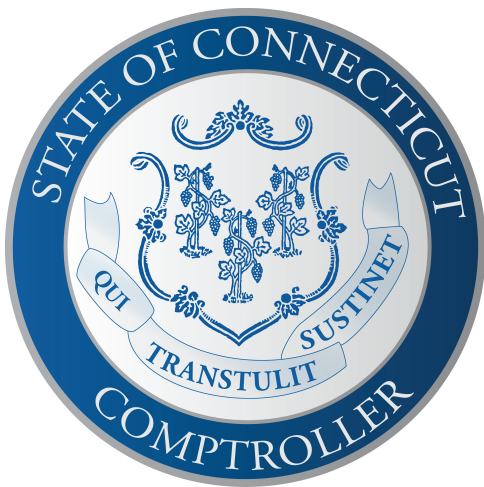


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# Connecticut

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2023



**Ned Lamont**

GOVERNOR

**Sean Scanlon**

STATE COMPTROLLER

Prepared by Budget and Financial Analysis Division  
Office of the State Comptroller

<https://www.osc.ct.gov/reports/annualreport2023.pdf>

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The Comptroller's Office would like to thank the accounting personnel throughout the State. Their efforts to contribute accurate and timely financial data for their agencies, universities, community colleges, and institutions made this report possible.

# Table of Contents

## INTRODUCTORY SECTION

Letter of Transmittal .....	3
State of Connecticut Organization Chart .....	12
Selected State Officials .....	13

## FINANCIAL SECTION

Independent Auditor's Report .....	14
Management's Discussion and Analysis (MDA) .....	20

### Basic Financial Statements

Government-wide Financial Statements .....	
Statement of Net Position .....	41
Statement of Activities .....	42

### Governmental Fund Financial Statements

Balance Sheet – Governmental Funds .....	45
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	47
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	48
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	49

### Proprietary Fund Financial Statements

Statement of Net Position – Proprietary Funds .....	51
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	52
Statement of Cash Flows – Proprietary Funds .....	53

### Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position – Fiduciary Funds .....	55
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	56

### Component Units Financial Statements

Statement of Net Position – Component Units .....	57
Statement of Activities – Component Units .....	58

<b>Notes to the Financial Statements .....</b>	<b>61</b>
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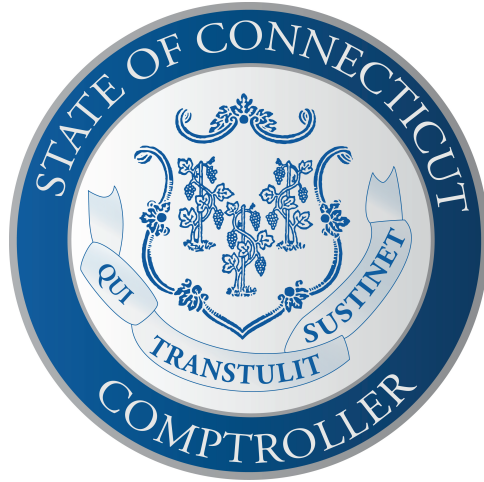
**Required Supplementary Information**

Budgetary Comparison Schedules	
General and Transportation Funds .....	142
Notes to Required Supplementary Information	
Budgeting Process .....	144
Reconciliation of Budget/GAAP Reporting Differences .....	145
Budget Reserve Fund ("Rainy Day Fund") .....	145
Pension Plan Information	
Schedule of Changes in Net Pension Liability and Related Ratios .....	148
Schedule of Employer Contributions .....	152
Schedule of Investment Returns .....	154
Other Postemployment Benefits Information	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	157
Schedule of Employer Contributions .....	160
Schedule of Investment Returns .....	162
<b>Supplementary Information</b>	
Combining Fund Statements and Schedules – Nonmajor Funds Nonmajor Governmental Funds – Nonmajor Funds	
Balance Sheet .....	166
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	167
Special Revenue Funds – Nonmajor Funds	
Narrative .....	169
Combining Balance Sheet .....	170
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	172
Capital Projects Funds Nonmajor Funds	
Narrative .....	175
Combining Balance Sheet .....	176
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	177
Permanent Funds – Nonmajor Funds	
Narrative .....	179
Combining Balance Sheet .....	180
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	181

**State of Connecticut**

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Enterprise Funds – Nonmajor Funds	
Narrative.....	183
Combining Statement of Net Position.....	184
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	185
Combining Statement of Cash Flows.....	186
Internal Service Funds – Nonmajor Funds	
Narrative.....	187
Combining Statement of Net Position.....	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	189
Combining Statement of Cash Flows.....	190
Pension and Other Employee Benefit Trust Funds - Nonmajor Funds	
Narrative.....	191
Combining Statement of Fiduciary Net Position.....	192
Combining Statement of Changes in Fiduciary Net Position.....	194
Custodial Funds - Nonmajor Funds	
Narrative.....	197
Combining Statement of Fiduciary Net Position.....	198
Combining Statement of Changes in Fiduciary Net Postion.....	199
Component Units - Nonmajor Funds	
Narrative.....	201
Combining Statement of Net Position.....	202
Combining Statement of Activities.....	204
<b>Statistical Section</b> .....	<b>207</b>



# *INTRODUCTORY SECTION*



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SEAN SCANLON  
STATE COMPTROLLER



TARA DOWNES  
DEPUTY COMPTROLLER



STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
165 Capitol Ave.  
Hartford, CT 06106

March 27, 2024

To the Citizens, Constitutional Executive Officers, and Member of the Legislative General Assembly of the State of Connecticut:

It is a privilege to present the State of Connecticut Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. This report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

While much of this report is written in a formal and technical manner, my office has presented the information in a comprehensible way to help readers understand the state's overall economic and fiscal position.

This report devotes significant attention to the state's General Fund as it is the largest single governmental fund and is most referenced by the media and the public as a key indicator of the State of Connecticut's finances. About three-quarters of all governmental financial transactions relating to providing state services and the collection of revenues to pay for those services occur within the General Fund.

The General Fund budget is formulated, implemented, and modified during the fiscal year using the statutory or budgetary form of accounting that incorporated certain revenue and expenditure accruals, which are not consistent in every instance with the GAAP method of reporting used in this publication. For Fiscal year 2023 General Fund results on the GAAP basis of accounting, please refer to the Governmental Fund Financial Statements section of this report beginning on page 48. The differences between the statutory basis of accounting and the GAAP presentation in the Annual Comprehensive Financial Report are discussed in more detail beginning on page 128 of this report. This discussion includes a reconciliation of differences between the statutory change in fund balance and the GAAP change in fund balance as of June 30, 2023.

The General Fund ended Fiscal Year 2023 with a surplus of \$555.3 million. In a typical year the surplus would be transferred to the Budget Reserve Fund (BRF), but the balance in the BRF has reached the statutory limit of 15 percent of current year net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes (CGS) was applied as described below. The Special Transportation Fund (STF) had an operating surplus of \$281.4 million, which left a positive fund balance of \$679.1 million at the close of Fiscal Year 2023.

In FY 2023, for the sixth consecutive year, significant progress was made toward building the balance in the BRF. This was primarily due to the revenue volatility cap, first implemented in FY 2018. This statutory provision requires revenues above a certain threshold to be transferred to the BRF.

Prior to the close of FY 2023, the balance of the BRF was just over \$3.3 billion. Adding the \$1.3 billion volatility transfer brought the BRF total to just over \$4.6 billion, or 21 percent of net General Fund appropriations for FY 2023. As a result, the BRF balance exceeded the 15 percent statutory cap and, in accordance with CGS Section 4-30a (c)(1)(A), no further transfers will be made to the BRF. Instead, the State Treasurer must transfer the remaining General Fund surplus, as he determines to be in the state's best interest, as follows:

1. First to reduce the State Employees' Retirement Fund's (SERF) unfunded liability by up to 5 percent;
2. Second to reduce the Teachers' Retirement Fund's (TRS) unfunded liability by up to 5 percent; and
3. Third to make additional payments towards the SERF.

In September the State Treasurer elected to transfer \$1.05 billion to SERF to reduce unfunded pension liability, with the remaining \$272.8 million going to TRS. The General Fund surplus of \$555.3 million was transferred to TRS in December to reduce the unfunded pension liability.

Achieving and surpassing the 15% threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic. According to the plan's actuaries, through these actions Connecticut will save taxpayers \$11.5 billion over the coming decades.

A complete discussion of Fiscal Year 2023 budget and fiscal trends are contained in the Management Discussion and Analysis (MD&A) section of this report.

## Major Legislative Initiatives

A number of significant legislative initiatives were enacted during the 2023 legislative session of the Connecticut General Assembly. The following summaries were adapted from the Office of Legislative Research's "Major Public Acts 2023 Legislative Session."

**Fiscal Controls:** *Public Act No. 23-1 "An Act Concerning Funding for School Lunches and a Center for Sustainable Aviation, Special Education Funding, Certain Bottle Deposits, Certain State Positions and the Posting of State Job Openings and Bond Covenant Restrictions and the Budget Reserve Fund."*

This act made a number of changes to the state's fiscal "caps" and bond lock laws that are designed to limit state spending or borrowing and increase deposits to the Budget Reserve Fund. Principally, these changes (1) increase the BRF's maximum balance from 15 percent to 18 percent of net General Fund appropriations and specify how surplus funds must be diverted when the BRF's balance is between 15 percent and 18 percent; (2) freezes the cap on General Fund and Special Transportation Fund appropriations at 98.75 percent of estimated revenues, beginning in FY 24; (3) aligns the state's bonding allocation, issuance, and allotment caps by setting them at \$2.4 billion per fiscal year, beginning in FY 24; and (4) enacts a new "bond lock" law that requires the state to comply with these and other fiscal controls (e.g., the volatility cap), except under limited circumstances, through FY 33 unless the General Assembly adopts a resolution by June 30, 2028, not to continue it beyond FY 28.

**Notable From the State Budget Adjustment Bill:** *Public Act No. 23-204 “An Act Concerning the State Budget for the Biennium Ending June 30, 2025, and Making Appropriations Therefor, and Provisions related to Revenue and Other Items Implementing the State Budget.”*

**Redemption of Outstanding GAAP Bonds (Sections 29 and 30):** The legislature appropriated \$211.7 million from the General Fund in FY 23 for debt service payments and reserves this amount to redeem the outstanding GAAP bonds issued in 2013. This act also requires any unspent balance of the appropriation to be carried forward to FY 24 for the same purpose.

**Higher Education Constituent Unit Employee Retirement Costs: (Sections 89 and 445):** Beginning in FY 24, the budget act requires (1) the Comptroller to pay the retirement-related fringe benefit costs for all employees of the constituent units of the state higher education system, rather than only for General Fund supported employees and (2) constituent units to fund their employee health and life insurance, unemployment compensation, and employers’ social security tax. Under prior law, the Comptroller paid the fringe benefit costs using the resourced appropriated for the State Comptroller-Fringe Benefits for constituent unit employees paid out of the General Fund, while the constituent units paid these costs for employees compensated from other sources.

**Budget Reserve Fund Surplus (Section 114):** The budget act prescribes, through FY 24, the order in which the State Treasurer must transfer excess Budget Reserve Funds to reduce the state’s unfunded pension liability. Existing law caps the BRF balance at 15 percent of net General Fund appropriations for the current fiscal year, through FY 24. (Starting in FY 25, PA 23-1 increased the maximum balance to 18 percent.) Once the BRF reaches its maximum balance, the law requires the state treasurer to transfer any remaining General Fund surplus, as determined to be in the state’s best interest, for reducing either the State Employees’ Retirement Fund’s or Teachers’ Retirement Fund’s unfunded liability by up to five percent. Any amount that remains after this transfer may be used to make additional payments to either retirement system, as the Treasurer determines is in the state’s best interest, or to pay off other forms of state debt. The act requires the Treasurer, from June 12, 2023, through the end of FY 24, to determine that it is in the state’s best interest to appropriate the excess funds as follows: (1) first to reduce the State Employees’ Retirement Funds’ unfunded liability by up to five percent; (2) second to reduce the Teachers’ Retirement Fund’s unfunded liability by up to five percent; and (3) third to make additional payments toward the State Employees’ Retirement System’s unfunded liability.

**State Tax Changes (various sections):** The FY 24 budget adjustment act makes a number of tax and revenues changes, including (1) extending eligibility for pension and annuity and IRA income tax exemptions to taxpayers meeting certain requirements; (2) Increases the state Earned Income Tax Credit from 30.5 percent to 40 percent of the federal credit; and (3) decreases the bottom two marginal income tax rates from (a) 3 percent to 2 percent and (b) 5 percent to 4.5 percent.

**Artificial Intelligence:** *Public Act No. 23-16 “An Act Concerning Artificial Intelligence, Automated Decision-Making and Personal Data Privacy.”*

This act requires the executive and judicial branches to (1) annually do an inventory of all their systems that employ artificial intelligence (AI); (2) make policies and procedures on developing, procuring, using, and assessing systems that use AI; and (3) publicly post the inventory, policies, and procedures online. Beginning February 1, 2024, the act prohibits the executive and judicial branches from implementing any system that uses AI unless they have done an impact assessment to make sure the system will not result in any unlawful discrimination or disparate impact against specified people or groups of people based on actual or perceived characteristics. It also establishes a 21-member working group to make recommendations to the General Law Committee on certain AI issues. Among other things, the working group must engage stakeholders and experts on how to develop best practices for the ethical and equitable use of AI in state government. Separately, the act prohibits state contracting agencies from entering a contract unless it has a provision requiring the business to comply with the consumer data privacy law.

Independent Auditor Opinions

As a Connecticut Constitutional Officer, the State Comptroller is responsible for setting state-wide accounting practices. Ultimate responsibility for the accuracy, completeness, and fairness of data presented in this Annual Comprehensive Financial Report, including all disclosures, rests with the State of Connecticut and my office. Connecticut statutes require an annual audit of the state’s basic financial statements. These include statements prepared on the budgetary basis of accounting as well as statements prepared using full GAAP standards. The state is also required to undergo an annual “single audit” for reporting to the federal government. To meet all these requirements, the State Auditors of Public Accounts have examined our office’s financial statements and the appropriate supporting documentation.

Profile of the Government and its Safeguards

The Nutmeg State

Connecticut became the fifth state of the United States on January 9, 1788. Its borders encompass 5,009 square miles. Within its boundaries, Connecticut has forested hills, urban skylines, shoreline beaches, and historic village greens. Connecticut is a thriving center of business as well as a vacation location. It is both a New England State, and suburban to New York City. The population of Connecticut was 3,617,176 according to the July 1, 2023, estimate of the U.S. Census Bureau. Five large cities, Bridgeport, Stamford, New Haven, Hartford (the State Capitol since 1875), and Waterbury, have populations of more than 100,000 residents.

State Government

Separation-of-Powers provisions of the State Constitution established the three branches of state government: executive, legislative, and judicial.

The executive branch, which is responsible for enforcing state laws, consists of six state executive officers: Governor, Lieutenant Governor, Treasurer, Comptroller, Secretary of State and Attorney General. All are elected to four-year terms.

Connecticut's General Assembly, or legislative branch, is responsible for creating new laws and consists of a Senate and a House of Representatives. There are currently 36 State Senators and 151 State Representatives. Members of the General Assembly are elected to two-year terms. Connecticut also elects two U.S. Senators and five U.S. Representatives to Congress.

The judicial branch is responsible for interpreting and upholding our laws as consistent with the State Constitution and legal precedence and consists of three levels: The Supreme Court, the Appellate Court and, at the lowest level, the Superior Court, which is further divided by state law into Civil, Criminal, Housing and Family Divisions. Judges of the Supreme Court, the Appellate Court and the Superior Court are nominated by the Governor from a list of candidates submitted by the Judicial Selection Commission and are confirmed by the General Assembly. They serve eight-year terms and are eligible for reappointment.

#### The Reporting Entity

The State of Connecticut financial reporting entity includes all the funds of the primary government and of its component units. The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the state's legal entity. Component units are legally separate entities for which the primary government is financially accountable. Note 1 of this report contains detailed information on the reporting entity.

#### Budgetary Controls

The Connecticut General Assembly prepares and passes a two-year budget that contains estimates of revenues and expenditures for the ensuing two fiscal years. This biennial budget is the result of negotiations between the Governor and the Legislature. Adjustments, in the form of budget revisions, executive orders, and financial legislation agreed to by the Governor and the Legislature, are made to the annual appropriations throughout the fiscal year. Budgetary controls are maintained at the individual appropriation account level by agency and fund established in authorized appropriation bills. The objective of these controls is to ensure compliance with state laws embodied in the appropriations. The State Comptroller is statutorily responsible for control structures to safeguard revenues due the primary government, to determine the amount equitably due with respect to claims made and to ensure such expenditures are compliant with an appropriation contained in the budget for such purpose.

Budgeted appropriations are the expenditure authorizations that allow state agencies to purchase or create liabilities for goods and services. 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, which includes limits on the power of the Governor to modify appropriations, preserves expenditure controls over special revenue, enterprise, and internal service funds and capital projects that are not budgeted as part of the annual appropriation act as revised.

#### The Spending Cap



In November 1992, electors approved an amendment to the State Constitution providing that the amount of budgeted expenditures authorized for any fiscal year shall not exceed the estimated amount of revenue for such fiscal year. This amendment thus provided a framework for placing a cap on budgeted appropriations.

The spending cap limits growth in general budget expenditures to the average five-year increase in personal income or the increase in inflation, whichever is greater. Public Act 17-2, June Special Session clarified certain definitions included in the spending cap language. For example, increase in personal income is defined as the compound annual growth rate of personal income in the state over the preceding five calendar years. Increase in inflation is defined as the increase in the Consumer Price Index for urban consumers, all items less food and energy, during the preceding calendar year.

Certain types of expenditures are excluded from the spending cap. These include debt service, deposits to the BRF, and expenditures from federal funds. In addition, federally mandated or court ordered expenditures and expenditures for federal programs for which the state receives matching funds are excluded for the first fiscal year in which they are authorized. Afterwards, they must be considered general budget expenditures for purposes of determining the following year's limit. Finally, payment of unfunded liability for the Teachers' Retirement Fund is exempt from the spending cap through FY 2026. The spending cap can be lifted if the Governor declares the existence of extraordinary circumstances and the General Assembly by three-fifths vote approves appropriations above the cap.

### Economic Condition and Outlook

FY 2023 continued the rapid recovery from the COVID-19 recession and was characterized by record high inflation, a tight labor market, and a hot housing market.

In the beginning of the fiscal year, Connecticut's unemployment rate stood at 4.0 percent, 0.4 percent above the national average. According to the State Department of Labor, nonfarm payroll employment totaled 1,666,900 while 79,800 residents remained unemployed. By the end of the fiscal year, Connecticut's unemployment rate dropped to 3.7 percent with 70,200 people remaining unemployed. Over the course of the fiscal year the state added 20,300 nonfarm jobs and by June the state recovered 96.4 percent of the 292,400 jobs lost in March and April of 2020. Seven industry sectors experienced annual growth, while two declined. Education and health services had the greatest net change in employment followed by leisure and hospitality and government.

While labor market conditions improved drastically from March and April of 2020, Connecticut's labor force participation declined significantly post pandemic. Many left the labor market due to early retirement, fear of the virus, and childcare issues. People slowly returned to the labor market but there are still many job openings that need to be filled in the state. In June of 2023, there were 90,000 jobs open. Part of the problem is slowed population growth which is not a problem unique to Connecticut. To address these issues, the state is ramping up training, apprenticeship, and workforce development programs to better align residents with job opportunities.

Inflation began to fall in FY 2023 from highs last seen during the 1980s. The Consumer Price Index fell to 3.0 percent in June 2023 and has remained relatively steady into FY 2024. Prices continued to grow with high groceries, electricity, and rent hurting households across the country. Price growth was due to increased demand coupled with supply-chain issues, scarcity of materials, and labor shortages. The Federal Reserve raised interest rates a couple of times in FY 2023 bringing rates to 5.5 percent. This shift in monetary policy is expected to cool demand and bring down inflation over time.

FY 2023 saw the continued boom of the housing market both nationally and in Connecticut due to work-from-home requirements, increased household balance sheets, and an exodus from cities to suburbs. A trend emerged of low inventory and high prices reducing overall sales. Over the fiscal year in Connecticut, sales of all property types decreased 26.9 percent, according to Berkshire Hathaway Home Services while the median sales price increased 8.1 percent. Average days on the market decreased from 39 days to 37 days. At the same time, the average sales price of properties sold in Connecticut was higher than the list price. While this was good news for existing homeowners, rapidly increasing prices excluded many first-time homebuyers from the market.

As we begin this new calendar year, Connecticut is experiencing positive trends in many key areas. The state's population remains understandably concerned about inflation and the possibility of a recession, but the resilience of Connecticut's people and the strength of its economy has been shown time and time again. Connecticut's budgetary stability is in no small part the result of important fiscal safeguards, which must be continued.

A more complete discussion of Fiscal Year 2023 economic condition and outlook is contained in the MD&A section of this report.

#### Acknowledgments

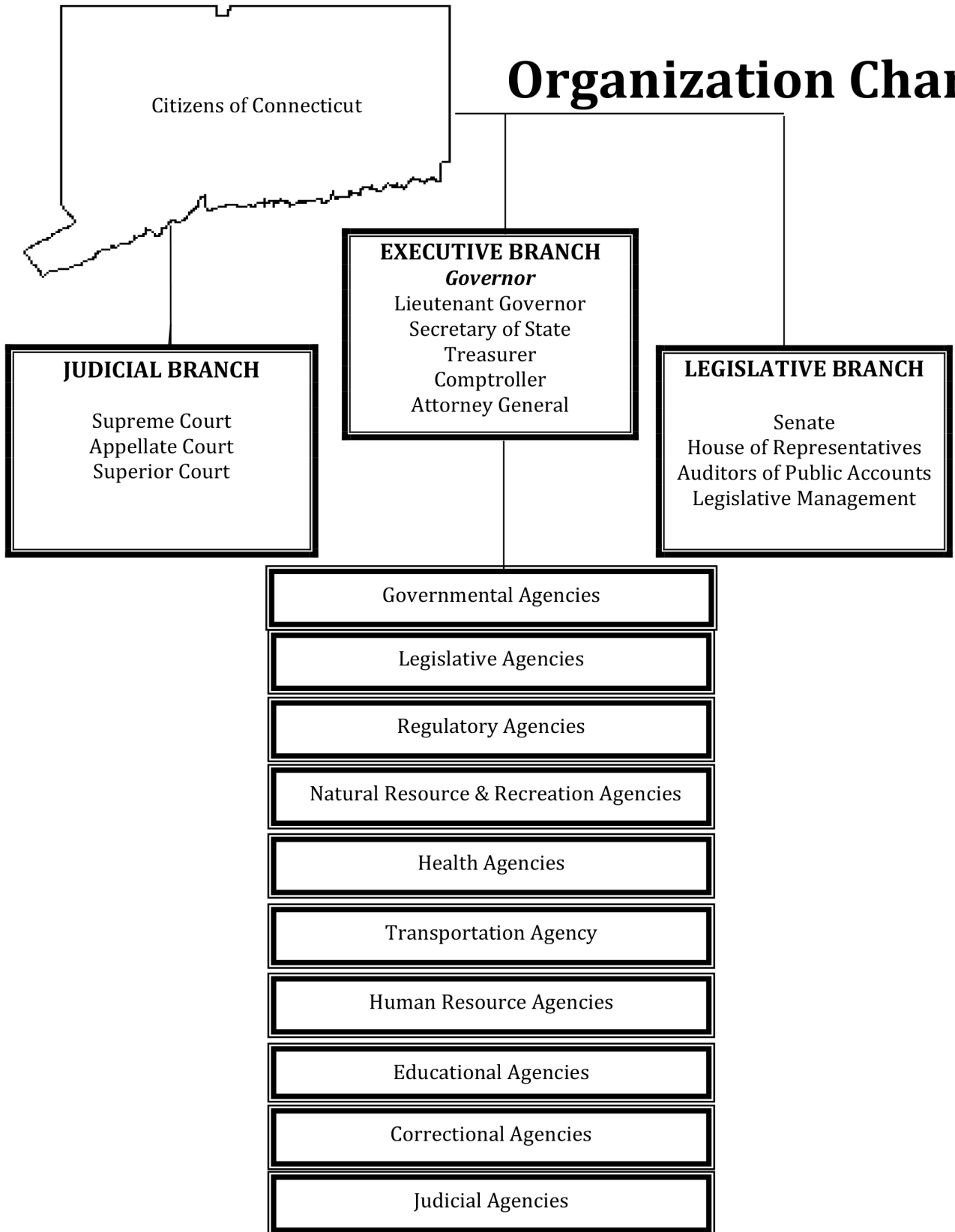
I want to thank my staff, the State Auditors, and the agency personnel who contributed to producing this report. I also want to thank its readers who bring meaning to the work that we do.

Sincerely,



Sean Scanlon  
Connecticut State Comptroller

# Organization Chart





**CONSTITUTIONAL OFFICERS**  
**EXECUTIVE**

*As of March 27, 2024*

Ned M. Lamont Jr.  
*Governor*

Susan Bysiewicz  
*Lieutenant Governor*

Stephanie Thomas  
*Secretary of State*

Erick Russell  
*Treasurer*

Sean Scanlon  
*Comptroller*

William Tong  
*Attorney General*

**LEGISLATIVE**

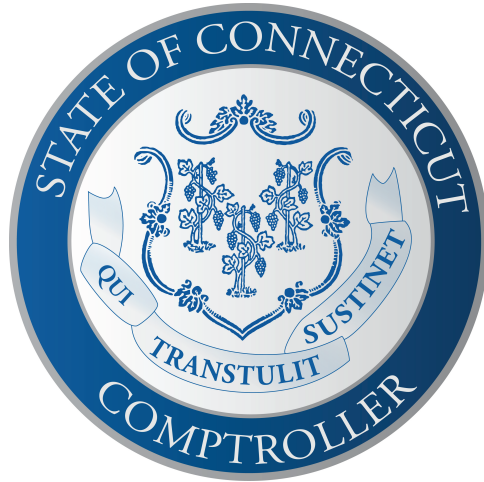
Martin M. Looney  
*Democratic President Pro Tempore of the Senate*

Matt Ritter  
*Speaker of the House of Representatives*

**JUDICIAL**

Richard A. Robinson  
*Chief Justice, Supreme Court*





# ***FINANCIAL SECTION***

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# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL  
210 CAPITOL AVENUE  
HARTFORD, CONNECTICUT 06106-1559

JOHN C. GERAGOSIAN

CRAIG A. MINER

### INDEPENDENT AUDITORS' REPORT

The Honorable Ned Lamont, Governor  
Members of the General Assembly

#### Report on the Audit of the Financial Statements

##### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of Connecticut's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entities and funds:

Opinion Unit	Fund/Entity	Percentage of Opinion Unit's Total	
		Assets	Revenues/ Additions
Governmental Activities	Special Transportation Fund, Transportation Special Tax Obligations Fund, and Transportation Restricted Grants Fund	6%	8%

Opinion Unit	Fund/Entity	Percentage of Opinion Unit's Total	
		Assets	Revenues/ Additions
Business-Type Activities	John Dempsey Hospital, UConn Medical Group and Finance Corp within the University of Connecticut and Health Center, Connecticut State University System, Connecticut Community College System, Clean Water Fund Federal Account, and Drinking Water Fund Federal Account	56%	35%
Aggregate Discretely Presented Component Units	Connecticut Housing Finance Authority, Connecticut Lottery Corporation, Connecticut Airport Authority, Materials, Innovations & Recycling Authority, Connecticut Health and Educational Facilities Authority, Connecticut Innovation Incorporated, Capital Region Development Authority, UConn Foundation, Connecticut Green Bank, and Connecticut Port Authority	100%	100%
Transportation Fund	Special Transportation Fund	100%	99%
Debt Service Fund	Transportation Special Tax Obligations Fund	100%	100%
Restricted Grants and Accounts Fund	Transportation Restricted Grants Fund	4%	9%
Aggregate Remaining Fund Information	Connecticut Paid Family Medical Leave Insurance Authority	1%	3%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as they relate to the amounts included for the aforementioned entities and funds, is based solely on the reports of the other auditors.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the University of Connecticut, the UConn Health, the Connecticut State University System, the Connecticut Community Colleges, and the University of Connecticut Foundation were audited in accordance with GAAS but not in accordance *Government Auditing Standards*.

### Emphasis of Matter

As discussed in Note 21 to the financial statements, the 2022 financial statements have been restated for the implementation of Governmental Accounting Standards Board (GASB) Statement Number 96, *Subscription-Based Information Technology Arrangements* and to correct errors. Our opinions are not modified with respect to this matter.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension plan, and other postemployment benefits schedules and information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Connecticut's internal control over financial reporting and compliance.



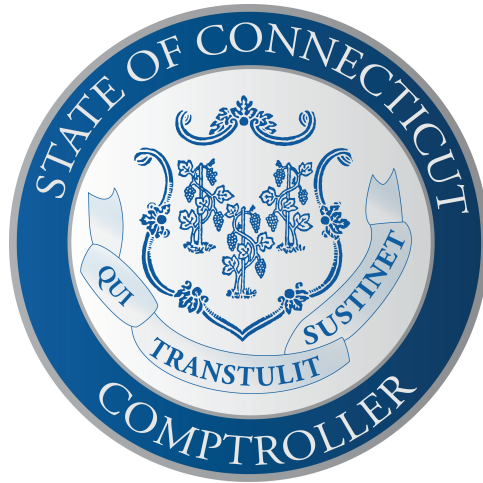
John C. Geragosian  
State Auditor



Craig A. Miner  
State Auditor

March 27, 2024  
State Capitol  
Hartford, Connecticut

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# *MANAGEMENT'S DISCUSSION AND ANALYSIS*

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

The following is a discussion and analysis of the State's financial performance and condition providing an overview of the State's activities for the fiscal year ended June 30, 2023. The information provided here should be read in conjunction with the letter of transmittal in the front of this report and with the State's financial statements, which follow this section.

## HIGHLIGHTS

### Government-wide Financial Statements

The State's total net position deficit decreased by \$3.8 billion (or 8.3 percent) as a result of this year's operations. Net position deficit of governmental activities decreased by \$3.4 billion (or 6.6 percent) and net position of business-type activities increased by \$330.2 million (or 4.9 percent). At year-end, net position deficit of governmental activities and business-type activities totaled a negative \$(48.6) billion and \$7.0 billion, respectively.

Component units reported net position of \$3.0 billion, a decrease of \$(121.9) million or 3.9 percent from the previous year. Most of the net position is attributable to the Connecticut Housing Finance Authority, a major component unit.

### Fund Financial Statements

The governmental funds reported combined ending fund balance of \$11.4 billion, a decrease of \$(553.1) million in comparison with the prior year. Of this total fund balance, \$257.7 million represents nonspendable fund balance, \$7.4 billion represents restricted fund balance, \$4.3 billion represents committed fund balance, and \$49.9 million represents assigned fund balance. A negative \$(644.6) million unassigned fund balance offsets these amounts. This deficit belongs primarily to the General Fund which decreased by \$108.3 million during the fiscal year.

The State's stabilization account, the General Fund Budget Reserve Fund (Rainy Day Fund) ended the fiscal year with a balance of \$3.3 billion unchanged from the prior year's balance of \$3.3 billion. The primary reason for the balance in the current fiscal year, as in the prior fiscal year, was significant progress has been made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2023, the cap was just over \$3.3 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$1.32 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2023, the balance in the Budget Reserve Fund was just over \$3.30 billion. Adding the \$1.32 billion volatility transfer brought the Budget Reserve Fund total to \$4.6 billion, or 21 percent of net General Fund appropriations for FY 2024. As a result, the Budget Reserve Fund was \$1.3 billion above the statutory 15 percent cap. According to CGS Section 40-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the State, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement System (TRS). In late September, the State Treasurer elected to transfer \$1.05 billion to SERF to reduce unfunded pension liability, with the remaining balance of \$272.8 million going to TRS. This brought the Budget Reserve Fund to just over \$3.3 billion or approximately 15 percent of net General Fund appropriations for fiscal year 2023. Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut.

In December 2023, the General Fund surplus of \$555.3 million was transferred to TRS to reduce unfunded service liability.



Tax revenues in the governmental funds decreased \$(1.4) billion or 6.0 percent. General fund tax revenues decreased \$(1.4) billion or 6.6 percent, with collections in one of the the five largest tax categories ending the year below its budgeted targets. Personal income tax collections finished below the budgeted plan, \$483.7 million or 4.1 percent. The sales and use tax came in \$167.2 million or 3.5 percent above target.

The Enterprise funds reported net position of \$7.0 billion at year-end, an increase of \$330.2 million during the year, substantially all of which was invested in capital assets or restricted for specific purposes.

**Long-Term Debt**

Total long-term debt was \$87.0 billion for governmental activities at year-end, of which \$27.9 billion was bonded debt.

Total long-term debt was \$2.0 billion for business-type activities at year-end, of which \$1.3 billion was bonded debt.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to the State’s basic financial statements. The State’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information to provide additional support to the basic financial statements.

**Government-wide Financial Statements – Reporting the State as a Whole**

The Statement of Net Position and the Statement of Activities beginning on page 41 together comprise the government- wide financial statements. These financial statements are designed to provide readers with a broad overview of the State’s finances, in a manner similar to a private-sector business. All revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State’s net position and changes in net position. Over time, increases and decreases in net position measure whether the State’s overall financial condition is getting better or worse. Non-financial factors such as the State’s economic outlook, changes in its demographics, and the condition of capital assets and infrastructure should also be considered when evaluating the State’s overall condition.

The statement of net position presents information on all of the State’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them reported as net position. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted.

The statement of activities presents information showing how the State’s net position changed during fiscal year 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

- **Governmental Activities** – The State’s basic services fall under this activity including legislative, general government, regulation and protection, conservation and development, health and hospital, transportation, human services, education, corrections, and judicial. Taxes and intergovernmental revenues are major funding sources for these programs.
- **Business-type Activities** – The State operates certain activities much like private-sector companies by charging fees to cover all or most of the costs of providing goods and services. The major business-type activities of the State include the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Community Colleges), Employment Security Fund, and Clean Water Fund.

- **Discretely Presented Component Units** – A number of entities are legally separate from the State, yet the State remains financially accountable for them. The major component units of the State are Connecticut Housing Finance Authority, Connecticut Lottery Corporation, and Connecticut Airport Authority.

**Fund Financial Statements – Report the State’s Most Significant Funds**

The fund financial statements beginning on page 45 provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds** – Most of the State’s basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the State’s financial position helps determine whether the State has sufficient resources to cover expenditures for its basic services in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the State’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The State reports five individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Debt Service Fund, Transportation Fund, Restricted Grants and Accounts Fund, and Grants and Loan Programs Fund, all of which are considered major funds. Data from the other nineteen governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements immediately following the required supplementary information.

- **Proprietary Funds** – Proprietary funds include enterprise funds and internal service funds and account for activities that operate more like private-sector businesses and use the full accrual basis of accounting. Enterprise funds charge fees for services provided to outside customers. Enterprise funds are reported as business-type activities on the government-wide financial statements. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the State’s various functions. The State uses Internal Service funds to account for correction industries, information technology, and administrative services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The State reports four individual enterprise funds. Information is presented separately in the proprietary fund statements for the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Connecticut Community Colleges), Employment Security, and Clean Water all of which are considered major funds. Data from the other enterprise funds is combined into a single, aggregated presentation. Individual fund data for all nonmajor proprietary funds is provided in the combining statements immediately following the required supplementary information.

- **Fiduciary Funds** – Fiduciary funds account for resources held by the State in a trustee or agency capacity for others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the State’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

- **Component Units** – The government-wide financial statements report information for all component units into a single, aggregated presentation. Information is provided separately in the component unit fund statements for the Connecticut Housing Finance Authority, Connecticut Lottery, and Connecticut Airport Authority. Data from the other component units is combined into a single, aggregated presentation. Individual fund data for all other nonmajor component units is provided in the combining statements immediately following the required supplementary information.

#### **Reconciliation between Government-wide and Fund Statements**

The financial statements include schedules on pages 47 and 50 which reconcile and explain the differences between the amounts reported for governmental activities on the government-wide statements (full accrual basis of accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual basis of accounting, short-term focus). The following are some of the major differences between the two statements.

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlay spending results in capital assets on the government-wide statements but is expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Net Pension Liability and Net OPEB Liability are included on the government-wide statements but are not reported on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred inflows of resource on the governmental fund statements.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

#### **Required Supplementary Information (RSI)**

Following the basic financial statements are budgetary comparison schedules for major funds with legally adopted budgets. In addition, within the RSI there is a reconciliation schedule for Budgetary vs. GAAP basis of accounting. The RSI also includes information regarding employer contributions for pension and other post employment benefits, change in employers' net pension liability and OPEB liability, and investment return for the State's pension and OPEB plans.

#### **Supplementary Information**

The combining financial statements for the State's nonmajor governmental, nonmajor enterprise, nonmajor fiduciary funds, and nonmajor discretely presented component units.

#### **Statistical Section**

This section provides up to ten years of financial, economic, and demographic information.

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**FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE**
**Net Position**

The combined net position deficit of the State decreased \$3.8 billion or 8.3 percent. In comparison, last year the combined net position deficit decreased \$0.7 billion or (10.3) percent. The net position deficit of the State's governmental activities decreased \$3.4 billion (6.6 percent) to \$48.6 billion during the current fiscal year.

**State Of Connecticut's Net Position**  
(Expressed in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>						
Current and Other Assets	\$ 16,194	\$ 18,711	\$ 1,814	\$ 2,294	\$ 18,008	\$ 21,005
Noncurrent Assets	\$ 19,951	19,655	\$ 7,419	7,451	\$ 27,370	27,105
<b>Total Assets</b>	<u>\$ 36,145</u>	<u>38,366</u>	<u>\$ 9,233</u>	<u>9,745</u>	<u>\$ 45,378</u>	<u>48,110</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 16,500</u>	<u>14,443</u>	<u>\$ 8</u>	<u>9</u>	<u>\$ 16,508</u>	<u>14,451</u>
<b>LIABILITIES</b>						
Current Liabilities	\$ 7,311	9,891	\$ 812	842	\$ 8,123	10,733
Long-term Liabilities	\$ 84,463	84,546	\$ 1,841	2,192	\$ 86,304	86,738
<b>Total Liabilities</b>	<u>\$ 91,774</u>	<u>94,437</u>	<u>\$ 2,653</u>	<u>3,034</u>	<u>\$ 94,427</u>	<u>97,471</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 9,458</u>	<u>10,394</u>	<u>\$ 9</u>	<u>16</u>	<u>\$ 9,467</u>	<u>10,410</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	\$ 7,192	6,506	\$ 3,200	3,198	\$ 10,392	9,704
Restricted	\$ 6,731	7,370	\$ 2,196	2,235	\$ 8,927	9,605
Unrestricted	\$ (62,509)	(65,899)	\$ 1,638	1,269	\$ (60,871)	(64,630)
<b>Total Net Position (Deficit)</b>	<u>\$ (48,586)</u>	<u>\$ (52,023)</u>	<u>\$ 7,034</u>	<u>\$ 6,702</u>	<u>\$ (41,552)</u>	<u>\$ (45,321)</u>

Total investment in capital assets net of related debt was \$7.2 billion (buildings, roads, bridges, etc.); and \$6.7 billion was restricted for specific purposes, resulting in an unrestricted net position deficit of \$62.5 billion for governmental activities. This deficit is the result of having long-term obligations that are greater than currently available resources. The State has recorded the following outstanding long-term obligations which contributed to the deficit: a) general obligation bonds outstanding of \$17.6 billion to finance various municipal grant programs (e.g., school construction) and issued to finance a contribution to a pension trust fund; and b) other long-term obligations in the amount of \$59.2 billion, which are partially funded or not funded by the State (e.g., net pension and OPEB liabilities and compensated absences).

Net position of the State's business-type activities increased \$330.2 million (4.9 percent) to \$7.0 billion during the current fiscal year. Of this amount, \$3.2 billion was invested in capital assets and \$2.2 billion was restricted for specific purposes, resulting in unrestricted net position of \$1.6 billion. These resources are not available to make up for the net position deficit of the State's governmental activities. The State can only use these net positions to finance the ongoing operations of its Enterprise funds (such as the University of Connecticut and Health Center and others).

State of Connecticut

Changes in net position for the years ended June 30, 2023 and 2022 were as follows:

**State of Connecticut's Changes in Net Position**  
(Expressed in Millions)

	Governmental Activities		Business-Type Activities		Total		% change 23-22
	2023	2022	2023	2022	2023	2022	
<b>REVENUES</b>							
Program Revenues							
Charges for Services	\$ 3,700	\$ 3,993	\$ 3,411	\$ 3,376	\$ 7,111	\$ 7,369	(7.4)%
Operating Grants and Contributions	\$ 11,763	11,851	\$ 703	1,380	\$ 12,466	13,231	(4.8)%
Capital Grants and Contributions	\$ 998	916	\$ 16	2	\$ 1,014	918	10.5 %
General Revenues							
Taxes	\$ 22,035	23,686	\$ -	-	\$ 22,035	23,686	(6.9)%
Casino Gaming Payments	\$ 279	248	\$ -	-	\$ 279	248	12.5 %
Lottery Tickets	\$ 392	389	\$ -	-	\$ 392	389	0.8 %
Other	\$ 566	147	\$ 71	8	\$ 637	155	287.7 %
<b>Total Revenues</b>	<b>\$ 39,733</b>	<b>41,230</b>	<b>\$ 4,201</b>	<b>4,766</b>	<b>\$ 43,934</b>	<b>45,996</b>	<b>(4.9)%</b>
<b>EXPENSES</b>							
Legislative	\$ 120	128	\$ -	-	\$ 120	128	7.0 %
General Government	\$ 5,795	5,454	\$ -	-	\$ 5,795	5,454	(78.4)%
Regulation and Protection	\$ 1,082	1,384	\$ -	-	\$ 1,082	1,384	(10.6)%
Conservation and Development	\$ 1,057	1,635	\$ -	-	\$ 1,057	1,635	(26.3)%
Health and Hospital	\$ 2,835	2,896	\$ -	-	\$ 2,835	2,896	11.6 %
Transportation	\$ 2,520	2,330	\$ -	-	\$ 2,520	2,330	19.0 %
Human Services	\$ 10,671	10,827	\$ -	-	\$ 10,671	10,827	12.3 %
Education, Libraries, and Museums	\$ 5,924	5,668	\$ -	-	\$ 5,924	5,668	19.1 %
Corrections	\$ 2,021	2,108	\$ -	-	\$ 2,021	2,108	9.7 %
Judicial	\$ 989	1,079	\$ -	-	\$ 989	1,079	4.6 %
Interest and Fiscal Charges	\$ 1,408	1,007	\$ -	-	\$ 1,408	1,007	39.8 %
University of Connecticut & Health Center	\$ -	-	\$ 3,171	3,038	\$ 3,171	3,038	4.4 %
Board of Regents	\$ -	-	\$ 1,499	1,597	\$ 1,499	1,597	(6.3)%
Employment Security	\$ -	-	\$ 634	1,343	\$ 634	1,343	(52.8)%
Clean Water	\$ -	-	\$ 36	45	\$ 36	45	(20.0)%
Other	\$ -	-	\$ 42	39	\$ 42	39	7.7 %
<b>Total Expenses</b>	<b>\$ 34,422</b>	<b>34,516</b>	<b>\$ 5,382</b>	<b>6,062</b>	<b>\$ 39,804</b>	<b>40,578</b>	<b>(4.1)%</b>
Excess (Deficiency) Before Transfers	\$ 5,311	6,714	\$ (1,181)	(1,296)	\$ 4,130	5,418	
Transfers Out Fiduciary Funds	\$ -	(1,639)	\$ -	-	\$ -	(1,639)	
Transfers-Internal Activities	\$ (1,607)	(2,005)	\$ 1,607	2,005	\$ -	-	
<b>Change in Net Position</b>	<b>\$ 3,704</b>	<b>3,070</b>	<b>\$ 426</b>	<b>709</b>	<b>\$ 4,130</b>	<b>3,779</b>	
<i>Net Position (Deficit) - Beginning (as restated)</i>	<u>\$ (52,291)</u>	<u>(55,093)</u>	<u>\$ 6,608</u>	<u>5,994</u>	<u>\$ (45,683)</u>	<u>(49,099)</u>	
<b>Net Position (Deficit) - Ending</b>	<b><u>\$ (48,587)</u></b>	<b><u>(52,023)</u></b>	<b><u>\$ 7,034</u></b>	<b><u>\$ 6,703</u></b>	<b><u>\$ (41,553)</u></b>	<b><u>(45,320)</u></b>	<b>(8.1)%</b>

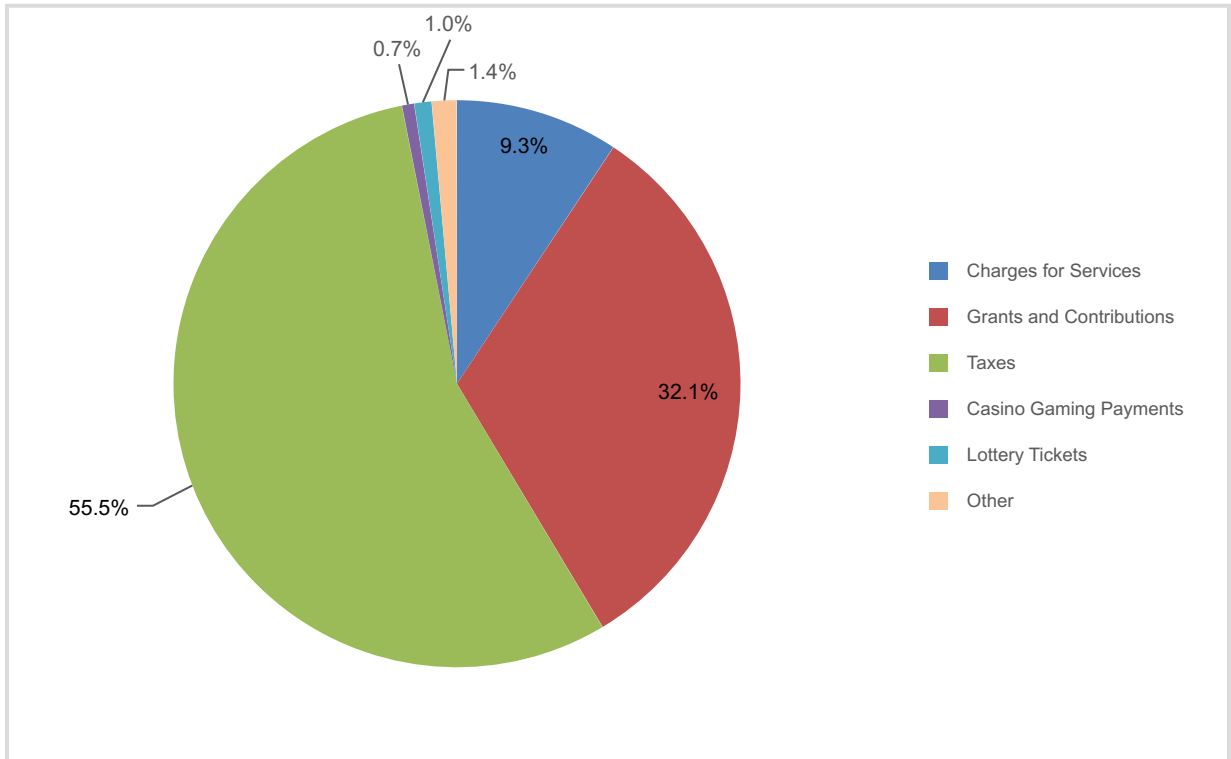
**Changes in Net Position**

This year the State's governmental activities received 55.5 percent of its revenues from taxes and 32.1 percent of its revenues from grants and contributions. In the prior year, taxes accounted for 57.4 percent and grants and contributions were 31.0 percent of total revenues. Charges for services such as licenses, permits, and fees, rents and fines, and other miscellaneous collections comprised 12.4 percent of total revenue in fiscal year 2023, compared to 11.59% in fiscal year 2022.

**Governmental Activities**

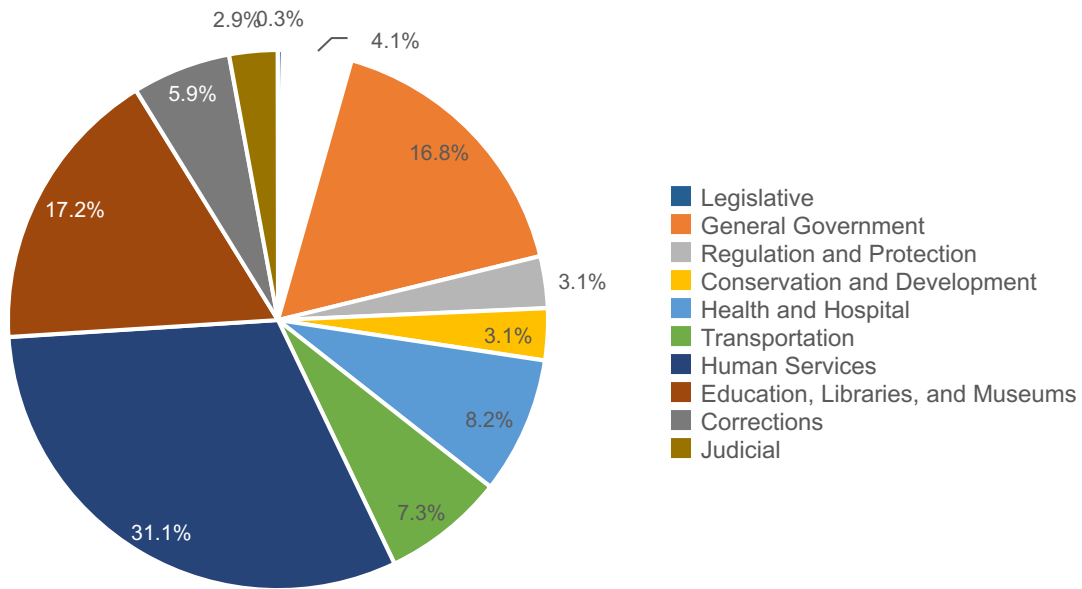
The following graph is a representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues decreased by \$(1.5) billion, or (3.6) percent. This decrease is primarily due to a decrease of \$(1.5) billion in taxes.

**Revenue by Source – Governmental Funds  
Fiscal Year 2023**



The following graph is a representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses decreased by \$4.3 billion, or 12.6 percent.

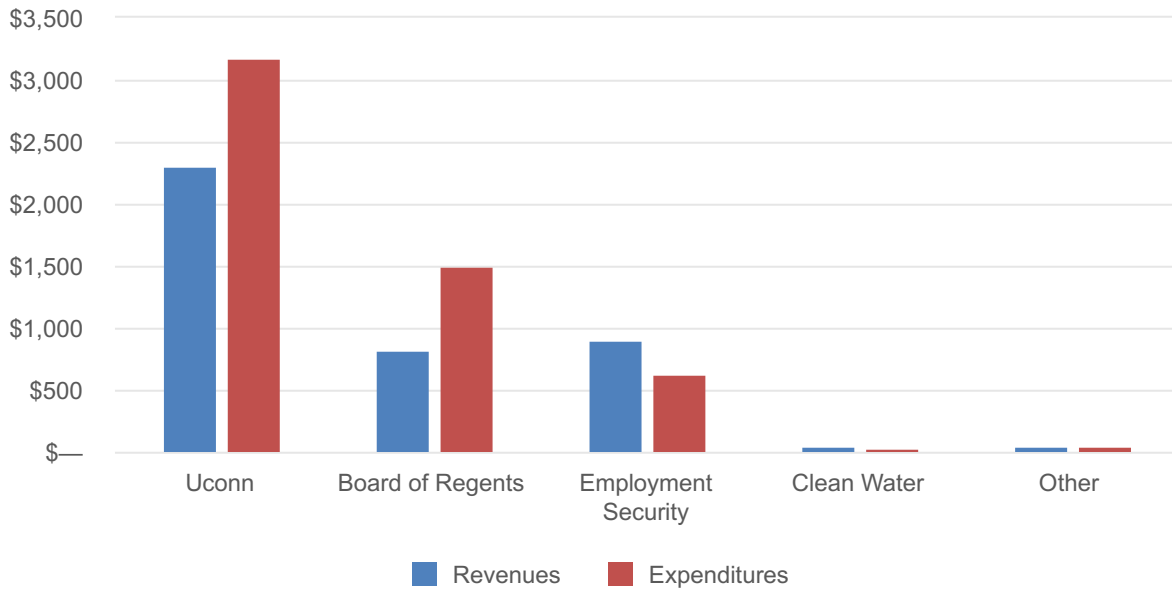
**Expenses by Type – Governmental Funds  
Fiscal Year 2023**



**Business-Type Activities**

Net position of business-type activities increased by \$426.9 million during the fiscal year. The following chart highlights the changes in net position for the major enterprise funds.

**Business-Type Activities  
Program Revenues and Expenses  
For the Fiscal Year June 30, 2023  
(Dollars in Millions)**



During the year, total revenues of business-type activities decreased 13.8 percent or \$0.7 billion, while total expenses decreased 11.2 percent or \$0.7 billion. In comparison, last year total revenues decreased (32.6) percent, while total expenses decreased (36.1) percent. The decrease in total expenses of \$0.7 billion was due mainly to a decrease in Employment Security expenses of \$0.7 billion or 52.8 percent. Although total expenses exceeded total revenues by \$1.2 billion, this deficiency was reduced by transfers of \$1.6 billion, resulting in an increase in net position of \$426.9 million. The decrease in Employment Security was the result of fewer unemployment expenses related to the COVID-19 pandemic.

## **FINANCIAL ANALYSIS OF THE STATE’S GOVERNMENTAL FUNDS**

As of the end of the fiscal year, the State’s governmental funds had fund balances of \$11.4 billion, a decrease of \$(553.1) million over the prior year ending fund balances. Of the total governmental fund balances, \$7.4 billion represents fund balance that is considered restricted for specific purposes by external constrains or enabling legislation; \$257.7 million represents fund balance that is non-spendable and \$4.1 billion represents fund balance that is committed or assigned for specific purposes. A negative \$(644.6) million unassigned fund balance offsets these amounts.

### **General Fund**

The General Fund is the chief operating fund of the State. At the end of the fiscal year, the General Fund had a fund balance of \$3.7 billion, an increase of \$243.4 million in comparison with the prior year. Of this total fund balance, \$4.3 billion represents non-spendable fund balance, committed or assigned for specific purposes, leaving a deficit of \$643.9 million in unassigned fund balance.

Specific changes to the General Fund balance included the following:

- Nonspendable fund balance increased by \$4.6 million or 4.9 percent.
- Committed fund balance decreased by \$140.8 million or (3.4) percent. The primary reason for the increase as in the prior fiscal year, significant progress was made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund.
- Assigned fund balance increased by \$(208.2) million.
- Unassigned fund balance decreased by \$108.3 million.

At the end of fiscal year 2023, General Fund revenues were (4.1) percent, or \$(1.1) billion, lower than fiscal year 2022 revenues. This change in revenue results from decreases of \$0.5 billion primarily attributable to taxes (\$(1.4) billion), licenses, permits, and fees (\$(43.7) million), casino gaming payments (\$30.3 million), and federal grants (137.5 million), and other revenue (\$94.0 million). These decreases were offset by increases of \$1,535.4 million primarily attributable to, lottery tickets (\$2.4 million), and fines, forfeits, and rents (\$94.0 million), and other revenues (\$1.3 million).

At the end of fiscal year 2023, General Fund expenditures were 3.8 percent, or \$0.9 billion, higher than fiscal year 2022. This was primarily attributable to decreases in general government (\$(0.5) billion), human services (\$371 million), and health and hospitals (\$37.5 million).

### **Debt Service Fund**

At the end of fiscal year 2023, the Debt Service Fund had a fund balance of \$1.3 billion, all of which was restricted, an increase of \$118.2 million in comparison with the prior year.

### **Transportation Fund**

The State’s Transportation Fund had a fund balance of \$814.5 million at the end of fiscal 2023. Of this amount, \$34.7 million was in nonspendable form and \$779.8 million was restricted or committed for specific purposes. Fund balance increased by \$202.5 million during the current fiscal year.



At the end of fiscal year 2023, Transportation Fund revenues increased by \$28.9 million, or 1.4 percent, and expenditures increased by \$71.8 million, or 7.2 percent. The increase in revenue was primarily due to an increase in taxes.

#### **Restricted Grants and Accounts Fund**

At the end of fiscal year 2023, the Restricted Grants and Accounts Fund had a fund balance of \$2.5 billion, all of which was restricted for specific purposes, a decrease of \$883.1 million in comparison with the prior year.

Total revenues were 3.7 percent, or \$(437.1) million, lower than in fiscal year 2022. Overall, total expenditures were 1.5 percent, or \$0.2 billion, higher than fiscal year 2022.

#### **Grant and Loan Programs**

As of June 30, 2023, the Grant and Loan Programs Fund had a fund balance of \$907.3 million, all of which was restricted for specific purposes, an increase of \$33.7 million in comparison with the prior year.

### **FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS**

Proprietary funds report activities of the State that are similar to for-profit business. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Accordingly, a discussion of the financial activities of the Proprietary funds is provided in that section.

### **FINANCIAL ANALYSIS OF THE STATE'S FIDUCIARY FUNDS**

The State maintains Fiduciary funds for the assets of Pension and Other Employee Benefit Trust funds, a Fiduciary Component Unit, an Investment Trust fund, a Private-Purpose Trust fund, and Custodial Funds. The net positions of the State's Fiduciary funds totaled \$55.9 billion, an increase of \$6,301.9 million when compared to the prior year ending net position.

#### **Budget Highlights - General and Special Transportation Funds**

The State budget is formulated during odd-numbered years; the General Assembly generates a two-year (biennial) budget. The process begins with the Executive Branch when the governor asks the commissioner of each state agency to prepare draft budgets for the following biennium. Over several months the governor's budget office, the Office of Policy and Management (OPM), compiles this information, makes changes as it sees fit, and then works to match the agencies' spending projections with revenue estimates for the same period.

The results referred to as the 'governor's budget,' is delivered to the General Assembly in a formal address by the governor in early February. The annual budget address often includes policy initiatives, spending proposals, and vehicles through which additional revenue may be generated. In the address, the governor identifies his priorities for the biennium.

Thereafter, the legislature goes through a similar process to determine spending priorities and corresponding revenue requirements. Later in the session, the Appropriations and Finance Committees approve a budget, which is often different from the governor's proposal. Negotiations with the governor's office reconcile the two versions and determine the final budget language and the state's fiscal path for the following two years. Lastly, the budget must be voted on and passed by both the House and Senate and signed into law by the governor.

The General Fund ended Fiscal Year 2023 with a surplus of \$555,275,000 on the statutory basis of accounting. In a typical year, once the audit is completed, the surplus would be transferred to the Budget Reserve Fund (BRF). However, the balance in the BRF has reached the statutory limit of 15 percent of current year net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes (CGS) will apply as described below.

In FY 2023, for the sixth consecutive year, significant progress was made toward building the balance of the BRF. This was primarily due to the revenue volatility cap, first implemented in FY 2018. This statutory provision requires revenues above a certain threshold to be transferred to the BRF. For FY 2023, the cap was just over \$3.6 billion for estimated and final income tax payments and revenue from the Pass-through Entity Tax. At year-end, a volatility transfer of \$1.32 billion was made to the BRF.

Prior to the close of FY 2023, the balance of the BRF was just over \$3.3 billion. Adding the \$1.32 billion volatility transfer brought the BRF total to \$4.6 billion, or 21 percent of net General Fund appropriations for FY 2023. As a result, the BRF exceeded the 15 percent statutory cap and, in accordance with CGS Section 4-30a (c)(1)(A), no further transfers will be made to BRF. Instead, the State Treasurer transfers any remaining General Fund surplus, as he determines to be in the state's best interest, as follows:

1. first to reduce the State Employees Retirement Fund's (SERF) unfunded liability by up to 5%,
2. next to reduce the Teachers' Retirement Fund's (TRF) unfunded liability by up to 5%, and
3. third to make additional payments towards the SERF.

In September the State Treasurer elected to transfer \$1.05 billion to SERF to reduce unfunded pension liability, with the remaining \$272.8 million going to TRS. The General Fund surplus of \$555.3 million has also been transferred to TRS to reduce unfunded pension liability.

Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic, as well as any other adversities that may occur.

The FY 2023 budget plan as initially formulated included a built-in General Fund surplus of \$299.0 million. Surplus estimates improved from the original budget plan due to a combination of stronger than expected revenue growth and lower than anticipated spending. In April, surplus projections that had grown to approximately \$1.58 billion were reduced due to H.B. 6941 of the 2023 regular session. Certain provisions affected FY 2023 including: 1) eliminating the use of Federal American Rescue Plan funds for General Fund revenue replacement, 2) increasing debt service expenditures in order to effectuate the cancellation of the GAAP financing bonds, and 3) reducing projected lapses as a result of carryforwards identified in the act.

In FY 2023 General Fund expenditures totaled \$22,198,900,000 on the statutory basis of accounting. This represented an increase of \$1.5 billion, or 7.5 percent above FY 2022 spending levels. Several appropriations saw large spending increases that accounted for much of the growth in FY 2023. The largest were contributions to state pension plans. The employer contribution to the Teacher's Retirement Fund grew by \$134.4 million over FY 2022. The General Fund employer contribution to the State Employee Retirement Fund (SERF) increased by \$92.6 million FY 2022, primarily due to an increase in payments toward unfunded pension liability.

On the statutory basis of accounting, realized revenues totaled \$22,822,894,000, which represented an increase of \$137.8 million or 0.6 percent below the FY 2023 budget plan. Collections in four out of the five largest tax categories ended the year above their budget targets. The strongest performer was the Corporations tax, which ended the year \$222.4 million or 17.2 percent ahead of the budget. Personal income tax - withholding finished the year \$132.8 million or 16.2 percent ahead of the budget plan. A strong stock market, continued job growth, and increased wages contributed to increased collections. Due in part to increased consumer demand and high inflation, the Sales and Use Tax came in \$167.2 million or 3.5 percent above the budget plan.

On a statutory basis of accounting, Special Transportation Fund (STF) spending totaled \$1.9 billion in FY 2023, increasing by \$138.6 million or 8.0 percent compared with the prior fiscal year. The largest category of growth was debt service, which grew by \$67 million or 9.0 percent above FY 2022 levels. This was primarily due to new bond issues in recent years to support greater investments in Connecticut's transportation infrastructure. Growth in the STF's program-related expenditures was largely due to the expiration of temporary Federal pandemic assistance. This included increases of \$49 million in pay-as-you-go transportation projects, \$19.2 million in Bus Operations, and \$16.6 million in Rail Operations. Salaries in the STF (all line items) grew by \$14.3 million or a nominal 5.8% in FY 2023. However, once the impact of the 27th payroll is factored in, actual growth was essentially flat compared with FY 2022.

Overall spending growth in the STF was mitigated by the net change in GAAP-based budget accruals, which reduced spending by \$35.8 million in FY 2023. These accounting adjustments are designed to assign expenditures to the fiscal year in which they were incurred despite being paid out in a different year.

The Transportation Fund had revenue of \$2,069,404,000 on the statutory basis of accounting, which was \$22.5 million or 1.1 percent above the budget plan for FY 2023. Motor Fuels Tax receipts came in \$82.4 million below target, which was largely the result of the gas tax holiday extension enacted through Public Act No. 22-1 during the November Special Session. This act extended the suspension of the 25 cent-per-gallon excise tax on gasoline by one month, followed by a five-month phase-in to restore the tax to its previous level. Compared with FY 2022 realized revenue, Motor Fuels decreased by \$127.8 million or 32.8%. Positive performance by the STF Sales and Use Tax (+\$43.5 million) versus the budget plan helped offset these losses. In addition, largely due to interest rate increases, STF investment income grew significantly in FY 2023, coming in \$68.5 million above its budget target.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$23.1 billion (net of accumulated depreciation). This investment in capital assets includes land, art & historical collections, buildings, improvements other than buildings, equipment, right-to-use assets, infrastructure, and construction in progress. The net increase in the State's investment in capital assets for the fiscal year was \$23,140 million.

Major capital asset events for governmental activities during the fiscal year include additions to land, art & historical collections, right-to use assets, infrastructure, and construction in progress of \$15,172 million and depreciation expense of \$713.6 million.

The following table is a two-year comparison of the investment in capital assets presented for both governmental and business-type activities:

State of Connecticut's Capital Assets  
(Net of Depreciation, in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government		% change 23-22
	2023	2022	2023	2022	2023	2022	
Land	\$ 1,987	1,970	79	80	2,066	2,050	0.8 %
Art & Historical Collections	225	225	68	57	293	282	3.9 %
Buildings	1,501	2,843	4,160	4,041	5,661	6,884	(17.8)%
Improvements Other Than Buildings	180	25	425	393	605	418	44.7 %
Equipment	782	44	189	260	971	304	219.4 %
Intangible Assets	26	–	44	–	70	–	100.0 %
Right-to-use Assets	95	63	257	187	352	250	40.8 %
Infrastructure	6,019	6,116	–	–	6,019	6,116	(1.6)%
Construction in Progress	6,846	6,148	257	384	7,103	6,532	8.7 %
<b>Total</b>	<b>\$ 17,661</b>	<b>17,434</b>	<b>5,479</b>	<b>5,402</b>	<b>23,140</b>	<b>22,836</b>	<b>1.0 %</b>

Additional information on the State's capital assets can be found in Note 9 of this report.

### Long-Term Debt - Bonded Debt

At the end of the current fiscal year, the State had total debt outstanding of \$29.8 billion. Pursuant to various public and special acts, the State has authorized the issuance of the following types of debt: general obligation debt (payable from the General Fund), special tax obligation debt (payable from the Debt Service Fund), and revenue debt (payable from specific revenues of the Enterprise funds).

State of Connecticut

The following table is a two-year comparison of bonded debt presented for both governmental and business-type activities:

**State of Connecticut's Bonded Debt (in millions)**

**General Obligation and Revenue Bonds**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
General Obligation Bonds	\$ 17,622	\$ 18,364	\$ –	\$ –	\$ 17,622	\$ 18,364
Direct Borrowings & Direct Placement	247	263	–	–	247	263
Transportation Related Bonds	7,451	7,054	–	–	7,451	7,054
Revenue Bonds	–	–	1,183	1,371	1,183	1,371
Premiums and Deferred Amounts	2,534	2,553	130	161	2,664	2,714
Total	<u>\$ 27,854</u>	<u>\$ 28,234</u>	<u>\$ 1,313</u>	<u>\$ 1,532</u>	<u>\$ 29,167</u>	<u>\$ 29,766</u>

The State's total bonded debt decreased by \$598 million (2.01%) during the current fiscal year. This decrease resulted mainly from a decrease in General Obligation bonds of \$199 million.

Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated General Fund tax receipts of the State for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation. As of February 2023 the State had a debt incurring margin of \$8.1 billion.

**Other Long-Term Debt**

**State of Connecticut Other Long - Term Debt (in Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net Pension Liability	\$ 40,357	\$ 36,133	\$ –	\$ –	\$ 40,357	\$ 36,133
Net OPEB Liability	16,902	20,916	–	–	16,902	20,916
Compensated Absences	561	523	196	199	757	722
Workers Compensation	817	813	–	–	817	813
Nonexchange Financial Guarantee	371	419	–	–	371	419
Lease Liability	65	58	181	179	246	238
Subscriptions	31	–	60	37	91	37
Federal Loan	–	–	4	175	4	175
Other	63	63	287	282	350	345
Total	<u>\$ 59,167</u>	<u>\$ 58,926</u>	<u>\$ 728</u>	<u>\$ 872</u>	<u>\$ 59,895</u>	<u>\$ 59,798</u>

The State's other long-term obligations increased by \$43.0 million (0.1 percent) during the fiscal year. This decrease was due mainly to a decrease in the Net Pension Liability and Net OPEB Liability (Governmental activities) of \$210.0 million or 0.2 percent. Additional information on the State's long-term debt can be found in Notes 16 and 17 of this report.

## ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Connecticut's budget results are ultimately dependent upon the performance of the national and state economies. FY 2023 continued the rapid recovery from the COVID-19 recession and was characterized by record high inflation, a tight labor market, and a hot housing market. Robust job growth, wage growth and corporate profits contributed to strong tax collections for the state that continued into FY 2024. Important fiscal safeguards allowed the state to maximize the Budget Reserve Fund and make historic payments to reduce unfunded liability.

In the beginning of the fiscal year, Connecticut's unemployment rate stood at 4.0 percent, 0.4 percent above the national average. According to the State Department of Labor, nonfarm payroll employment totaled 1,666,900 while 79,800 residents remained unemployed. By the end of the fiscal year, Connecticut's unemployment rate dropped to 3.7 percent with 70,200 people remaining unemployed. Over the course of the fiscal year the state added 20,300 nonfarm jobs and by June the state recovered 96.4 percent of the 292,400 jobs lost in March and April of 2020. Seven industry sectors experienced annual growth, while two declined. Education and health services had the greatest net change in employment followed by leisure and hospitality and government.

While labor market conditions improved drastically from March and April of 2020, Connecticut's labor force participation declined significantly post pandemic. Many left the labor market due to early retirement, fear of the virus, and childcare issues. People slowly returned to the labor market but there are still many job openings that need to be filled in the state. In June of 2023, there were 90,000 jobs open. Part of the problem is slowed population growth which is not a problem unique to Connecticut. In order to address these issues, the state is ramping up training, apprenticeship, and workforce development programs to better align residents with job opportunities.

On a national level, over the course of FY 2023, the U.S. added 3.8 million jobs and the unemployment rate remained unchanged at 3.6 percent. According to the U.S. Department of Labor, the total number of unemployed persons remained flat at 6.0 million. Job growth over this period was very strong with the U.S. recovering 100 percent of the 22 million jobs lost in March and April of 2020. All industry sectors grew over FY 2023, and notable job gains occurred in education and health services, leisure and hospitality, and government.

Inflation began to fall in FY 2023 from highs last seen during the 1980s. The Consumer Price Index fell to 3.0 percent in June 2023 and has remained relatively steady into FY 2024. Prices continued to grow with high groceries, electricity, and rent hurting households across the country. Price growth was due to increased demand coupled with supply-chain issues, scarcity of materials, and labor shortages. The Federal Reserve raised interest rates several times throughout FY 2023 bringing rates to 5.5 percent. This shift in monetary policy is expected to cool demand and bring down inflation over time.

The first half of the fiscal year saw continued stock market declines as news of the Russian invasion of Ukraine, high inflation, negative GDP, and shifting monetary policy rattled investors. As economic indicators began to improve during the second half of the fiscal year, such as higher earnings, increased consumer confidence, GDP growth, and inflation dropping, the stock market rallied.

FY 2023 saw the continued boom of the housing market both nationally and in Connecticut due to work-from-home requirements, increased household balance sheets, and an exodus from cities to suburbs. A trend emerged of low inventory and high prices reducing overall sales. Over the fiscal year in Connecticut, sales of all property types decreased 26.9 percent, according to Berkshire Hathaway Home Services while the median sales price increased 8.1 percent. Average days on the market decreased from 39 days to 37 days. At the same time, the average sales price of properties sold in Connecticut was higher than the list price. While this was good news for existing homeowners, rapidly increasing prices excluded many first-time homebuyers from the market.

According to the Bureau of Economic Analysis (BEA), the third and fourth quarters of 2022 saw growth in U.S. Gross Domestic Product (GDP), which continued through the first and second quarters of 2023. Discussions of whether the U.S. was in a recession occurred, however a strong labor market held economists back from labeling an official recession. Connecticut was behind the national GDP trends, growing 2.5 percent in the third quarter of 2022, 0.1 percent in the fourth quarter of 2022, by 0.3 percent in the first quarter of 2023, and 0.8 percent in the second quarter of 2023.

Connecticut has traditionally ranked among the wealthiest states in the nation. BEA reported that in 2022, Connecticut had a per capita personal income (PCPI) of \$82,938. This PCPI ranked second in the United States and was 126.8% of the national average of \$65,423. The United States 2022 PCPI reflected an increase of 2.0% from 2021, while Connecticut's increase was 2.8%.

Connecticut's high level of income and quality of life can be attributed to the educational achievement of its residents, as well as the innovation and productivity of its workforce. According to the U.S. Census Bureau, 41.9% of Connecticut's population age 25 and over has a bachelor's degree or higher, compared to 35.6% nationally, and 91.4% of Connecticut residents are a High School graduate or higher. Connecticut ranked eighth in college readiness and third for pre-k education according to U.S. News and World Report.

Connecticut also achieves high rankings on other quality of life measures:

- Connecticut ranked sixth in business environment by U.S. News and World Report.
- Connecticut ranked fifth best state for healthcare access, quality, and public health by U.S. News and World Report.
- Connecticut ranked ninth for public safety by U.S. News and World Report.
- Connecticut ranked eighth for lowest crime and incarceration according to U.S. News and World Report.
- Connecticut ranked seventh best state for gender equality according to U.S. News and World Report.
- Connecticut is home to 46 top colleges and universities.

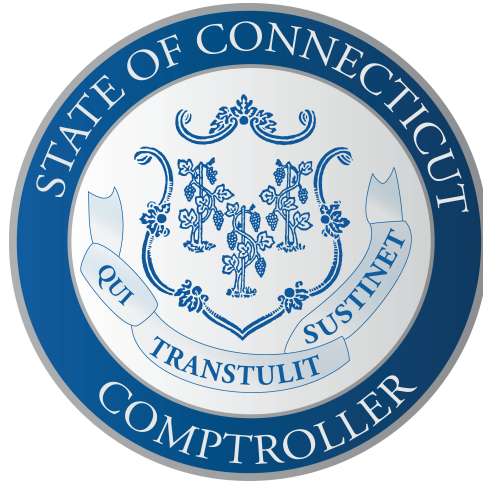
Connecticut also continues to be a leader in the field of high-tech manufacturing, producing submarines, helicopters, jet engines and parts, electronics, computer equipment and electronic machinery. Much of Connecticut's manufacturing is for the military and the outlook for Connecticut's defense industry remains strong. According to the state's Office of Military Affairs (OMA), Connecticut ranked seventh overall in total defense spending, and third in defense spending as a percentage of state gross domestic product (GDP). OMA's Annual Report for Fiscal Year 2021-2022 notes that Connecticut was ranked sixth among all states in total defense spending at \$23.6 billion. The largest was a \$8.7 billion contract to Electric Boat for Virginia-class submarines.

Halfway through FY 2024, Connecticut is starting to experience the national economic slowdown induced by the Federal Reserve to bring down inflation but remains resilient. As of December 2023, the state has recovered almost 100% of the 292,400 jobs lost in March and April 2020 due to the COVID-19 lockdown, and the unemployment rate is hovering around 3.5%.

The most recent consensus revenue forecast for FY 2024 on January 16 showed continued improvement in personal income tax withholding, with some decline in sales and use tax due to the slowing economy and weaker than anticipated collections. Current forecasts show the General Fund is on track to end FY 2024 with a surplus of \$167.9 million. This positive fiscal position is a tribute to smart long-term planning, the resilience of Connecticut's people, and the strength of its economy. However, Connecticut continues to face challenges as fixed costs and debt service related to state pension and retirement healthcare systems represent a growing share of the state budget. It remains critical to exercise fiscal restraint, execute responsible long-term planning, and support economic growth to maintain future budget stability.

## **CONTACTING THE STATE'S OFFICES OF FINANCIAL MANAGEMENT**

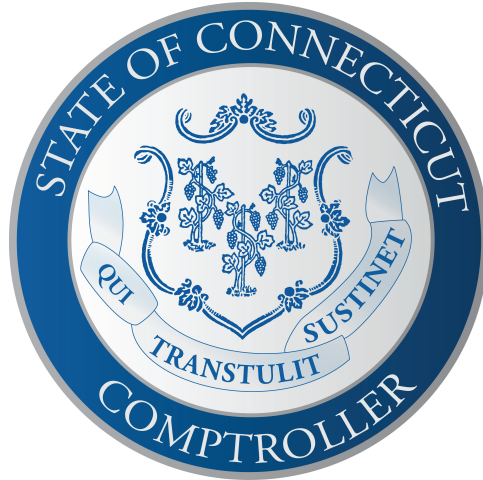
This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report, please contact the State Comptroller's Office at (860) 702-3352.



# ***BASIC FINANCIAL STATEMENTS***

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***GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS***

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**State of Connecticut**

**STATEMENT OF NET POSITION**

June 30, 2023

(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,628,852	1,100,021	11,728,873	439,973
Deposits with U.S. Treasury	-	117,790	117,790	-
Investments	123,696	51,178	174,874	674,581
Receivables, (Net of Allowances)	5,465,503	287,921	5,753,424	72,137
Due from Primary Government	-	-	-	38,772
Inventories	67,767	20,648	88,415	17,441
Restricted Assets	-	49,938	49,938	2,305,002
Internal Balances	(111,904)	140,047	28,143	7,049
Other Current Assets	20,275	46,914	67,189	17,441
Total Current Assets	<u>16,194,189</u>	<u>1,814,457</u>	<u>18,008,646</u>	<u>3,572,396</u>
Noncurrent Assets:				
Cash and Cash Equivalents	-	694,037	694,037	-
Due From Component Units	68,664	-	68,664	-
Investments	-	50,369	50,369	243,638
Receivables, (Net of Allowances)	969,378	982,820	1,952,198	406,370
Restricted Assets	1,252,541	183,775	1,436,316	4,813,924
Right-to-use Assets	94,864	5,064	99,928	-
Capital Assets, (Net of Accumulated Depreciation)	17,565,779	5,478,874	23,044,653	1,212,237
Other Noncurrent Assets	5	23,641	23,646	132,409
Total Noncurrent Assets	<u>19,951,231</u>	<u>7,418,580</u>	<u>27,369,811</u>	<u>6,808,578</u>
Total Assets	<u>\$ 36,145,420</u>	<u>\$ 9,233,037</u>	<u>\$ 45,378,457</u>	<u>\$ 10,380,974</u>
<b>Deferred Outflows of Resources</b>				
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ -	\$ -	\$ -	\$ -
Unamortized Losses on Bond Refundings	(62,371)	3,175	(59,196)	61,879
Related to Pensions & OPEB	16,562,854	-	16,562,854	121,661
Other Deferred Outflows	-	4,331	4,331	2,027
Total Deferred Outflows of Resources	<u>\$ 16,500,483</u>	<u>\$ 7,506</u>	<u>\$ 16,507,989</u>	<u>\$ 185,567</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,883,714	\$ 404,747	\$ 3,288,461	\$ 380,511
Due to Component Units	36,522	-	36,522	-
Due to Primary Government	-	28,144	28,144	68,304
Due to Other Governments	385,473	1,179	386,652	-
Due to Trustee	-	-	-	-
Current Portion Leases	14,764	11,577	26,341	966
Current Portion of Long-Term Obligations	2,543,380	188,872	2,732,252	526,741
Amount Held for Institutions	-	-	-	490,679
Unearned Revenue	13,131	74,496	87,627	30,460
Medicaid Liability	794,854	-	794,854	-
Liability for Escheated Property	542,225	-	542,225	-
Other Current Liabilities	96,907	103,188	200,095	34,387
Total Current Liabilities	<u>7,310,970</u>	<u>812,203</u>	<u>8,123,173</u>	<u>1,532,048</u>
Noncurrent Liabilities:				
Non-Current Portion of Leases	50,154	169,344	219,498	5,996
Non-Current Portion of Long-Term Obligations	84,413,009	1,671,841	86,084,850	5,508,840
Total Noncurrent Liabilities	<u>84,463,163</u>	<u>1,841,185</u>	<u>86,304,348</u>	<u>5,514,836</u>
Total Liabilities	<u>\$ 91,774,133</u>	<u>\$ 2,653,388</u>	<u>\$ 94,427,521</u>	<u>\$ 7,046,884</u>
<b>Deferred Inflows of Resources</b>				
Related to Pensions & OPEB	\$ 9,117,150	\$ -	\$ 9,117,150	\$ 186,559
Leases	-	-	-	180,324
Other Deferred Inflows	341,001	9,255	350,256	172,008
Total Deferred Inflows of Resources	<u>\$ 9,458,151</u>	<u>\$ 9,255</u>	<u>\$ 9,467,406</u>	<u>\$ 538,891</u>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 7,192,174	\$ 3,199,669	\$ 10,391,843	\$ 805,454
Restricted For:				
Transportation	625,702	-	625,702	-
Debt Service	1,263,505	1,087,353	2,350,858	11,602
Federal Grants and Other Accounts	2,483,718	-	2,483,718	-
Capital Projects	609,668	57,272	666,940	129,605
Grant and Loan Programs	918,864	-	918,864	-
Clean Water and Drinking Water Projects	-	862,445	862,445	-
Bond Indenture Requirements	-	-	-	705,871
Loans	-	2,127	2,127	-
Permanent Investments or Endowments:				
Expendable	-	-	-	12,339
Nonexpendable	127,739	16,780	144,519	796,895
Other Purposes	701,650	169,793	871,443	229,565
Unrestricted (Deficit)	(62,509,401)	1,638,139	(60,871,262)	289,352
Total Net Position (Deficit)	<u>\$ (48,586,381)</u>	<u>\$ 7,033,578</u>	<u>\$ (41,552,803)</u>	<u>\$ 2,980,683</u>

**The accompanying Notes to the Financial Statements are an integral part of this statement.**

**State of Connecticut**

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services, Fees, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
Legislative	\$ 120,084	\$ 2,647	\$ -	\$ -
General Government	5,794,855	1,014,576	62,743	-
Regulation and Protection	1,081,581	755,931	433,016	-
Conservation and Development	1,056,658	343,687	240,935	-
Health and Hospitals	2,835,163	1,207,350	323,154	-
Transportation	2,520,451	55,891	-	998,310
Human Services	10,670,963	125,820	9,062,875	-
Education, Libraries, and Museums	5,923,693	29,776	1,422,510	-
Corrections	2,021,466	47,641	194,333	-
Judicial	988,979	116,295	23,026	-
Interest and Fiscal Charges	1,407,520	-	-	-
<b>Total Governmental Activities</b>	<b>34,421,413</b>	<b>3,699,614</b>	<b>11,762,592</b>	<b>998,310</b>
Business-Type Activities:				
University of Connecticut & Health Center	3,171,206	1,974,812	327,783	3,608
Board of Regents	1,499,228	729,741	94,937	-
Employment Security	634,088	629,485	279,818	-
Clean Water	35,678	42,313	-	4,046
Other	41,611	34,861	-	8,113
<b>Total Business-Type Activities</b>	<b>5,381,811</b>	<b>3,411,212</b>	<b>702,538</b>	<b>15,767</b>
<b>Total Primary Government</b>	<b>\$ 39,803,224</b>	<b>\$ 7,110,826</b>	<b>\$ 12,465,130</b>	<b>\$ 1,014,077</b>
<b>Component Units</b>				
Connecticut Housing Finance Authority (12/31/22)	\$ 179,000	\$ 128,297	\$ -	\$ -
Connecticut Lottery Corporation	1,696,062	1,703,210	-	-
Connecticut Airport Authority	124,519	145,927	-	12,888
Other Component Units	258,589	280,341	9,628	63,916
<b>Total Component Units</b>	<b>\$ 2,258,170</b>	<b>\$ 2,257,775</b>	<b>\$ 9,628</b>	<b>\$ 76,804</b>
General Revenues:				
Taxes:				
Personal Income				
Corporate Income				
Sales and Use				
Other				
Restricted for Transportation Purposes:				
Motor Fuel				
Other				
Casino Gaming Payments				
Tobacco Settlement				
Lottery Tickets				
Sports Wagering				
Unrestricted Investment Earnings				
Transfers-Internal Activities				
Total General Revenues, Contributions, and Transfers				
Change in Net Position				
Net Position (Deficit)- Beginning (as restated see Note 21)				
Net Position (Deficit)- Ending				

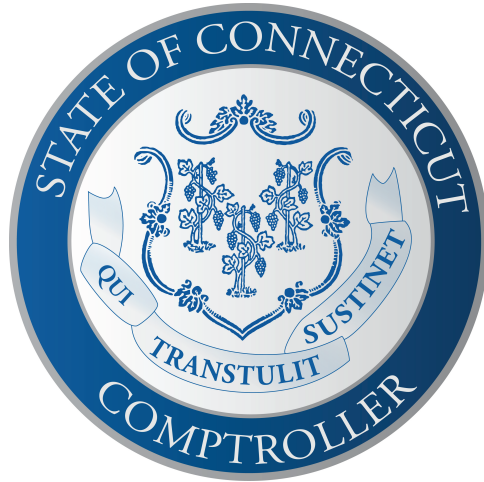
**The accompanying Notes to the Financial Statements are an integral part of this statement.**

**State of Connecticut**

**Primary Government**

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (117,437)	\$ -	\$ (117,437)	\$ -
(4,717,536)	-	(4,717,536)	-
107,366	-	107,366	-
(472,036)	-	(472,036)	-
(1,304,659)	-	(1,304,659)	-
(1,466,250)	-	(1,466,250)	-
(1,482,268)	-	(1,482,268)	-
(4,471,407)	-	(4,471,407)	-
(1,779,492)	-	(1,779,492)	-
(849,658)	-	(849,658)	-
(1,407,520)	-	(1,407,520)	-
(17,960,897)	-	(17,960,897)	-
-	(865,003)	(865,003)	-
-	(674,550)	(674,550)	-
-	275,215	275,215	-
-	10,681	10,681	-
-	1,363	1,363	-
-	(1,252,294)	(1,252,294)	-
(17,960,897)	(1,252,294)	(19,213,191)	-
-	-	-	(50,703)
-	-	-	7,148
-	-	-	34,296
-	-	-	95,296
-	-	-	86,037
10,259,744		10,259,744	-
3,644,751		3,644,751	-
4,458,282		4,458,282	-
2,061,464		2,061,464	-
635,889		635,889	-
975,106		975,106	-
278,974		278,974	-
124,678		124,678	-
392,037		392,037	-
3,079		3,079	-
438,259	72,642	510,901	(208,324)
(1,606,761)	1,606,527	(234)	-
21,665,502	1,679,169	23,344,671	(208,324)
3,704,605	426,875	4,131,480	(121,887)
(52,290,986)	6,606,702	(45,678,896)	3,102,569
\$ (48,586,381)	7,033,577	(41,547,416)	2,980,682

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# *FUND FINANCIAL STATEMENTS*

State of Connecticut

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2023

(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Cash Equivalents	\$ 5,267,316	\$ 12,308	\$ 497,589	\$ 2,497,109	\$ 680,392	\$ 1,659,486	\$ 10,614,200
Investments	-	-	-	-	-	123,696	123,696
Securities Lending Collateral	-	-	-	-	-	19,968	19,968
Receivables:							
Taxes, Net of Allowances	3,084,050	-	293,595	-	-	-	3,377,645
Accounts, Net of Allowances	518,824	-	87,080	363,978	11,294	45,102	1,026,278
Loans, Net of Allowances	3,413	-	-	104,391	239,088	622,486	969,378
From Other Governments	348,406	-	-	677,272	-	18,582	1,044,260
Interest	-	8,323	8,678	-	-	-	17,001
Due from Other Funds	60,109	-	3,391	-	-	14,487	77,987
Due from Component Units	63,605	-	-	172	-	4,887	68,664
Inventories	26,304	-	34,720	-	-	-	61,024
Restricted Assets	-	1,252,541	-	-	-	-	1,252,541
Total Assets	<u>\$ 9,372,027</u>	<u>\$ 1,273,172</u>	<u>\$ 925,053</u>	<u>\$ 3,642,922</u>	<u>\$ 930,774</u>	<u>\$ 2,508,694</u>	<u>\$ 18,652,642</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable and Accrued Liabilities	\$ 205,639	\$ -	\$ 28,145	\$ 372,882	\$ 12,329	\$ 90,578	\$ 709,573
Due to Other Funds	1,917,718	9,667	-	3,359	20	114,403	2,045,167
Due to Component Units	30,198	-	-	6,324	-	-	36,522
Due to Other Governments	379,079	-	-	6,394	-	-	385,473
Unearned Revenue	5,644	-	-	-	-	7,487	13,131
Medicaid Liability	312,906	-	-	481,948	-	-	794,854
Liability For Escheated Property	542,225	-	-	-	-	-	542,225
Securities Lending Obligation	-	-	-	-	-	19,968	19,968
Other Liabilities	52,003	-	-	24,936	-	-	76,939
Total Liabilities	<u>3,445,412</u>	<u>9,667</u>	<u>28,145</u>	<u>895,843</u>	<u>12,349</u>	<u>232,436</u>	<u>4,623,852</u>
<b>Deferred Inflows of Resources</b>							
Receivables to be Collected in Future Periods	<u>2,252,711</u>	<u>-</u>	<u>82,414</u>	<u>285,312</u>	<u>11,153</u>	<u>44,174</u>	<u>2,675,764</u>
<b>Fund Balances</b>							
Nonspendable:							
Inventories/Long-Term Receivables	99,238	-	34,720	-	-	-	133,958
Permanent Fund Principal	-	-	-	-	-	123,696	123,696
Restricted For:							
Debt Service	-	1,263,505	-	-	-	-	1,263,505
Transportation Programs	-	-	702,830	-	-	-	702,830
Federal Grant and State Programs	-	-	-	2,461,358	-	-	2,461,358
Grants and Loans	-	-	-	-	906,522	-	906,522
GAAP Bonds	211,700	-	-	-	-	-	211,700
Other	-	-	-	-	-	2,060,168	2,060,168
Committed For:							
Continuing Appropriations	691,048	-	76,943	-	-	-	767,991
Budget Reserve Fund	3,315,837	-	-	-	-	-	3,315,837
Assigned To:							
Grants and Loans	-	-	-	-	749	-	749
Other	-	-	-	-	-	49,160	49,160
Unassigned (Deficit)	(643,919)	-	-	-	-	(718)	(644,637)
Total Fund Balances	<u>3,673,904</u>	<u>1,263,505</u>	<u>814,493</u>	<u>2,461,358</u>	<u>907,271</u>	<u>2,232,306</u>	<u>11,352,837</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 9,372,027</u>	<u>\$ 1,273,172</u>	<u>\$ 925,052</u>	<u>\$ 3,642,513</u>	<u>\$ 930,773</u>	<u>\$ 2,508,916</u>	<u>\$ 18,652,453</u>

**The accompanying Notes to the Financial Statements are an integral part of this statement.**



**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

June 30, 2023

*(Expressed in Thousands)*

Total Fund Balance - Governmental Funds \$ 11,353,024

Amounts reported for governmental activities in the Statement of Net Position are different because:

**Capital assets** used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 9). These consist of:

Right-to-use assets	139,003	
Cost of capital assets, (excluding internal service funds)	36,298,229	
Less: Accumulated depreciation (excluding internal service funds)	(18,786,403)	
Less: Accumulated depreciation right-to-use assets	(44,139)	
Net capital assets		17,606,690

**Some assets** such as receivables, are not available soon enough to pay for current period's expenditures and thus, are offset by unavailable revenue in the governmental funds. 2,334,763

**Deferred losses on refundings** are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds. (62,371)

**Deferred outflows for pensions and OPEB** are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13). 16,562,857

**Long-term debt instruments** such as bonds and notes payable, are not due and payable in the current period and, therefore, the outstanding balances are not reported in the funds (see Note 16). Also, unamortized debt premiums and interest payable are reported in the Statement of Net Position but are not reported in the funds. These balances consist of:

General obligation bonds payable	(17,622,398)	
Transportation bonds payable	(7,450,865)	
Direct Borrowings & Direct Placements	(246,845)	
Unamortized premiums	(2,533,691)	
Accrued interest payable	(298,350)	
Net long-term debt		(28,152,149)

**Other liabilities** not due and payable in the current period and, therefore, not reported in the funds (see Note 16).

Net pension liability	(40,357,048)	
Net OPEB liability	(16,901,787)	
Obligations for worker's compensation	(816,521)	
Leases	(64,918)	
Subscriptions	(30,825)	
Compensated absences (excluding internal service funds)	(560,173)	
Claims and judgments payable	(38,665)	
Landfill postclosure care	(24,718)	
Nonexchange Financial guarantee	(371,220)	
Total other liabilities		(59,165,875)

**Deferred inflows** for pensions and OPEB are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13).

Pension and OPEB related (9,117,150)

**Internal service funds** are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 53,774

Total Net Position - Governmental Activities \$ (48,586,437)

***The accompanying Notes to the Financial Statements are an integral part of this statement.***

State of Connecticut

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 20,116,656	\$ —	\$ 1,621,366	\$ —	\$ —	\$ —	\$ 21,738,022
Licenses, Permits, and Fees	326,838	—	323,089	10,079	—	144,703	804,709
Tobacco Settlement	—	—	—	—	—	124,678	124,678
Federal Grants and Aid	3,395,278	—	10,259	9,273,905	—	59,352	12,738,794
State Grants and Aid	—	—	—	21,781	—	—	21,781
Assessments	2,623	—	—	—	—	—	2,623
Lottery Tickets	392,037	—	—	—	—	—	392,037
Charges for Services	17,879	—	20,503	(2,792)	—	1,089	36,679
Fines, Forfeits, and Rents	147,461	4	20,713	—	—	295	168,473
Casino Gaming Payments	278,974	—	—	—	—	—	278,974
Investment Earnings	206,218	27,489	46,869	104,844	6,731	46,107	438,258
Interest on Loans	—	—	—	—	—	—	—
Sports Wagering	—	—	—	—	—	3,079	3,079
Miscellaneous	256,014	—	10,602	1,982,631	38,166	153,330	2,440,743
Total Revenues	<u>25,139,978</u>	<u>27,493</u>	<u>2,053,401</u>	<u>11,390,448</u>	<u>44,897</u>	<u>532,633</u>	<u>39,188,850</u>
<b>Expenditures</b>							
Current:							
Legislative	135,774	—	—	2,294	—	—	138,068
General Government	3,643,344	—	31,121	919,838	411,736	139,468	5,145,507
Regulation and Protection	558,236	—	92,725	440,786	11,990	163,067	1,266,804
Conservation and Development	319,144	—	4,035	560,565	252,701	75,088	1,211,533
Health and Hospitals	1,929,003	—	—	1,234,988	10,960	66,920	3,241,871
Transportation	—	—	939,958	1,081,665	32,352	—	2,053,975
Human Services	6,398,580	—	—	5,775,315	—	2,099	12,175,994
Education, Libraries, and Museums	4,965,278	—	—	1,793,086	4,166	3,309	6,765,839
Corrections	2,211,298	—	—	118,622	5,048	1,572	2,336,540
Judicial	1,035,115	—	—	51,503	—	56,104	1,142,722
Capital Projects	—	—	—	—	—	1,076,904	1,076,904
Debt Service:							
Principal Retirement	1,779,761	412,415	—	—	—	—	2,192,176
Interest and Fiscal Charges	778,950	333,560	409	148,572	2,635	5,153	1,269,279
Total Expenditures	<u>23,754,483</u>	<u>745,975</u>	<u>1,068,248</u>	<u>12,127,234</u>	<u>731,588</u>	<u>1,589,684</u>	<u>40,017,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,385,495</u>	<u>(718,482)</u>	<u>985,153</u>	<u>(736,786)</u>	<u>(686,691)</u>	<u>(1,057,051)</u>	<u>(828,362)</u>
<b>Other Financing Sources (Uses)</b>							
Bonds Issued (Retired)	—	—	—	—	717,731	1,264,783	1,982,514
Premiums on Bonds Issued	—	23,167	—	—	55,034	109,994	188,195
Transfers In	1,885,056	870,404	29,326	175,696	—	79,713	3,040,195
Transfers Out	(3,031,783)	(29,326)	(815,818)	(322,054)	(52,399)	(395,577)	(4,646,957)
Refunding Bonds Issued	—	313,490	—	—	—	—	313,490
Payment to Refunded Bond Escrow Agent	—	(341,035)	—	—	—	—	(341,035)
Total Other Financing Sources (Uses)	<u>(1,146,727)</u>	<u>836,700</u>	<u>(786,492)</u>	<u>(146,358)</u>	<u>720,366</u>	<u>1,058,913</u>	<u>536,402</u>
Net Change in Fund Balances	<u>238,768</u>	<u>118,218</u>	<u>198,661</u>	<u>(883,144)</u>	<u>33,675</u>	<u>1,862</u>	<u>(291,960)</u>
Fund Balances - Beginning (restated)	3,430,539	1,145,286	612,026	3,344,502	873,596	2,230,219	11,636,168
Change in Reserve for Inventories	4,597	—	3,809	—	—	—	8,406
Fund Balances - Ending	<u>\$ 3,673,904</u>	<u>\$ 1,263,504</u>	<u>\$ 814,496</u>	<u>\$ 2,461,358</u>	<u>\$ 907,271</u>	<u>\$ 2,232,081</u>	<u>\$ 11,352,614</u>

**The accompanying Notes to the Financial Statements are an integral part of this statement.**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2023

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*(Expressed in Thousands)*

**Net change in fund balances - total governmental funds** \$ (291,550)

**Amounts reported for governmental activities in the Statement of Activities are different because:**

**Long-term debt proceeds** provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities

In the current period, these amounts consist of

Debt issued or incurred:

Bonds issued	(1,982,514)
Refunding bonds issued	(313,490)
Premium on bonds issued	(188,195)
Accretion on Capital Appreciation Bonds	56,280

Principal repayment:

Principal Retirement	2,192,176
Payments to refunded bond escrow agent	341,035
Lease payments	18,055

Net debt adjustments 123,347

**Some capital assets** acquired this year were financed with leases. The amount financed by leases is reported in the governmental funds as a source of financing, but lease obligations are reported as long-term liabilities on the Statement of Activities (24,790)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

**Capital outlays** are reported as expenditures in the governmental funds. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts and other reductions were as follows:

Capital outlays (including construction-in-progress)	1,203,139	
Depreciation expense (excluding internal service funds)	(708,384)	
Net capital outlay adjustments		494,755

**Inventories** are reported as expenditures in the governmental funds when purchased. However, in the Statement of Activities the cost of these assets is recognized when those assets are consumed. This is the amount by which purchases exceeded consumption of inventories.

8,406

**Some expenses** reported in the Statement of Activities do not require the use of current financial resources and therefore are not recognized in the funds. In the current period, the net adjustments consist of:

Increase in accrued interest	10,793	
Amortization of bond premium	256,207	
Amortization of loss on debt refunding's	(88,391)	
Decrease in Net OPEB Liability & Net pension liability	(199,821)	
Increase in net deferred inflows related to OPEB & pensions	2,259,748	
Decrease in net deferred outflows related to OPEB & pensions	2,146,698	
Decrease in compensated absences	(38,870)	
Increase in workers compensation	(3,172)	
Decrease in claims and judgments	(3,659)	
Decrease in landfill post closure cost	3,050	
Decrease in non-exchange financial guarantees	47,555	
Net expense accruals		4,390,138

**Some revenues** in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment.

543,482

**Internal service funds** are used by management to charge the costs of certain activities, to individual funds. The net revenues (expenses) of internal service funds are included with governmental activities in the Statement of Activities.

(917)

Transfers to Pension Fund and Others		(1,538,268)
Change in net position - governmental activities		\$ 3,704,605

**The accompanying Notes to the Financial Statements are an integral part of this statement.**

State of Connecticut

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2023

(Expressed in Thousands)

	Business-Type Activities						Governmental Activities
	Enterprise Funds						
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Total	
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 547,089	\$ 489,935	\$ 1,793	\$ 5,258	\$ 55,946	\$ 1,100,021	\$ 14,651
Deposits with U.S. Treasury	-	-	117,790	-	-	117,790	-
Investments	1,913	49,265	-	-	-	51,178	-
<b>Receivables:</b>							
Accounts, Net of Allowances	231,838	73,516	144,394	-	5,930	455,678	318
Loans, Net of Allowances	1,438	-	-	231,074	27,159	259,671	-
Leases	2,716	1,612	-	-	-	4,328	-
Interest	-	-	-	6,719	198	6,917	-
From Other Governments	-	4,589	10,064	-	2,352	17,005	-
Due from Other Funds	40,686	97,386	1,975	-	-	140,047	5,572
Inventories	20,648	-	-	-	-	20,648	6,743
Restricted Assets	49,938	-	-	-	-	49,938	-
Other Current Assets	38,640	8,274	-	-	-	46,914	307
<b>Total Current Assets</b>	<b>934,906</b>	<b>724,577</b>	<b>276,016</b>	<b>243,051</b>	<b>91,585</b>	<b>2,270,135</b>	<b>27,591</b>
<b>Noncurrent Assets:</b>							
Cash and Cash Equivalents	-	182,201	-	408,755	103,081	694,037	-
Investments	19,554	30,815	-	-	-	50,369	-
<b>Receivables:</b>							
Loans, Net of Allowances	2,172	2,226	-	795,880	182,542	982,820	-
Leases	5,064	-	-	-	-	5,064	-
Restricted Assets	634	-	-	137,323	45,818	183,775	-
Capital Assets, Net of Accumulated Depreciation	3,508,599	1,970,275	-	-	-	5,478,874	53,948
Other Noncurrent Assets	23,597	44	-	-	-	23,641	4
<b>Total Noncurrent Assets</b>	<b>3,559,620</b>	<b>2,185,561</b>	<b>-</b>	<b>1,341,958</b>	<b>331,441</b>	<b>7,418,580</b>	<b>53,952</b>
<b>Total Assets</b>	<b>\$ 4,494,526</b>	<b>\$ 2,910,138</b>	<b>\$ 276,016</b>	<b>\$ 1,585,009</b>	<b>\$ 423,026</b>	<b>\$ 9,688,715</b>	<b>\$ 81,543</b>
<b>Deferred Outflows of Resources</b>							
Unamortized Losses on Bond Refundings	\$ -	\$ -	\$ -	\$ 3,094	\$ 81	\$ 3,175	\$ -
Other Deferred Outflows	121	4,210	-	-	-	4,331	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 121</b>	<b>\$ 4,210</b>	<b>\$ -</b>	<b>\$ 3,094</b>	<b>\$ 81</b>	<b>\$ 7,506</b>	<b>\$ -</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Accounts Payable and Accrued Liabilities	\$ 247,310	\$ 141,663	\$ -	\$ 7,926	\$ 7,849	\$ 404,748	922
Due to Other Funds	23,500	292	4,352	-	-	28,144	25,156
Due to Other Governments	848	-	331	-	-	1,179	-
Current Portion of Long-Term Obligations	88,294	48,205	-	43,875	8,498	188,872	59
Lease Payable	9,427	2,150	-	-	-	11,577	-
Unearned Revenue	-	74,496	-	-	-	74,496	-
Other Current Liabilities	89,402	13,788	-	-	-	103,190	-
<b>Total Current Liabilities</b>	<b>458,782</b>	<b>280,594</b>	<b>4,683</b>	<b>51,801</b>	<b>16,347</b>	<b>812,207</b>	<b>26,137</b>
<b>Noncurrent Liabilities:</b>							
Noncurrent Portion of Long-Term Obligations	486,957	413,765	-	638,133	132,986	1,671,841	1,632
Leases Payable	160,770	8,574	-	-	-	169,344	-
<b>Total Noncurrent Liabilities</b>	<b>647,727</b>	<b>422,339</b>	<b>-</b>	<b>638,133</b>	<b>132,986</b>	<b>1,841,185</b>	<b>1,632</b>
<b>Total Liabilities</b>	<b>\$ 1,106,509</b>	<b>\$ 702,933</b>	<b>\$ 4,683</b>	<b>\$ 689,934</b>	<b>\$ 149,333</b>	<b>\$ 2,653,392</b>	<b>\$ 27,769</b>
<b>Deferred Inflows of Resources</b>							
Other Deferred Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows-Leases	7,666	1,589	-	-	-	9,255	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 7,666</b>	<b>\$ 1,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,255</b>	<b>\$ -</b>
<b>Net Position (Deficit)</b>							
Net Investment in Capital Assets	\$ 1,546,677	\$ 1,652,992	\$ -	\$ -	\$ -	\$ 3,199,669	\$ 53,958
<b>Restricted For:</b>							
Debt Service	1,087,353	-	-	-	-	1,087,353	-
Clean and Drinking Water Projects	-	-	-	665,116	197,329	862,445	-
Capital Projects	57,272	-	-	-	-	57,272	-
Nonexpendable Purposes	16,219	561	-	-	-	16,780	-
Loans	2,127	-	-	-	-	2,127	-
Other Purposes	30,837	138,956	-	-	-	169,793	-
Unrestricted (Deficit)	639,988	417,319	271,332	233,055	76,445	1,638,140	(186)
<b>Total Net Position</b>	<b>\$ 3,380,473</b>	<b>\$ 2,209,828</b>	<b>\$ 271,332</b>	<b>\$ 898,171</b>	<b>\$ 273,774</b>	<b>\$ 7,033,579</b>	<b>\$ 53,772</b>

**The accompanying Notes to the Financial Statements are an integral part of this statement.**

State of Connecticut

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	Business-Type Activities						Governmental Activities
	Enterprise Funds						
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Total	
<b>Operating Revenues</b>							
Charges for Sales and Services (Net of allowances & discounts \$334,949)	\$ 1,541,506	413,020	-	-	-	1,954,526	54,797
Assessments	-	-	587,045	-	28,231	615,276	-
Federal Grants, Contracts, and Other Aid	256,622	39,659	265,800	-	-	562,081	-
State Grants, Contracts, and Other Aid	24,646	44,499	14,018	-	-	83,163	-
Private Gifts and Grants	46,515	10,779	-	-	-	57,294	-
Interest on Loans	-	-	-	20,772	4,566	25,338	-
Lease Revenue	2,614	-	-	-	-	2,614	-
Other	190,769	10,097	42,440	-	556	243,862	123
Total Operating Revenues	<u>2,062,672</u>	<u>518,054</u>	<u>909,303</u>	<u>20,772</u>	<u>33,353</u>	<u>3,544,154</u>	<u>54,920</u>
<b>Operating Expenses</b>							
Salaries, Wages, and Administrative	2,537,024	1,353,115	-	788	12,405	3,903,332	39,042
Unemployment Compensation	-	-	626,152	-	-	626,152	-
Claims Paid	-	-	-	-	19,601	19,601	-
Depreciation and Amortization	225,990	109,084	-	-	-	335,074	17,289
Other	397,606	26,373	-	1,245	3,594	428,818	-
Total Operating Expenses	<u>3,160,620</u>	<u>1,488,572</u>	<u>626,152</u>	<u>2,033</u>	<u>35,600</u>	<u>5,312,977</u>	<u>56,331</u>
Operating Income (Loss)	<u>(1,097,948)</u>	<u>(970,518)</u>	<u>283,151</u>	<u>18,739</u>	<u>(2,247)</u>	<u>(1,768,823)</u>	<u>(1,411)</u>
<b>Nonoperating Revenue (Expenses)</b>							
Interest and Investment Income	24,401	19,244	-	21,847	7,150	72,642	(174)
Interest and Fiscal Charges	(10,586)	(10,656)	(7,936)	(33,645)	(6,011)	(68,834)	-
Other - Net	239,923	306,624	-	21,541	1,508	569,596	-
Total Nonoperating Revenues (Expenses)	<u>253,738</u>	<u>315,212</u>	<u>(7,936)</u>	<u>9,743</u>	<u>2,647</u>	<u>573,404</u>	<u>(174)</u>
Income (Loss) Before Capital Contributions, Grants, and Transfers	<u>(844,210)</u>	<u>(655,306)</u>	<u>275,215</u>	<u>28,482</u>	<u>400</u>	<u>(1,195,419)</u>	<u>(1,585)</u>
Capital Contributions	3,608	-	-	-	-	3,608	-
Federal Capitalization Grants	-	-	-	4,046	8,113	12,159	-
Transfers In	815,833	784,288	-	17,000	51	1,617,172	-
Transfers Out	-	-	(10,645)	-	-	(10,645)	-
Change in Net Position	<u>(24,769)</u>	<u>128,982</u>	<u>264,570</u>	<u>49,528</u>	<u>8,564</u>	<u>426,875</u>	<u>(1,585)</u>
Total Net Position (Deficit) - Beginning (as restated)	<u>3,405,242</u>	<u>2,080,845</u>	<u>6,762</u>	<u>848,643</u>	<u>265,210</u>	<u>6,606,702</u>	<u>55,357</u>
Total Net Position (Deficit) - Ending	<u>\$ 3,380,473</u>	<u>\$ 2,209,828</u>	<u>\$ 271,332</u>	<u>\$ 898,171</u>	<u>\$ 273,774</u>	<u>\$ 7,033,577</u>	<u>\$ 53,772</u>

State of Connecticut

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	Business-Type Activities					Governmental Activities	
	Enterprise Funds						Internal Service Funds
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other		
<b>Cash Flows from Operating Activities</b>							
Receipts from Customers	\$ 1,714,400	\$ 415,598	\$ 618,710	\$ 88,206	\$ 49,732	\$ 2,886,646	\$ 54,302
Payments to Suppliers	(1,110,613)	(334,524)	-	(1,245)	(3,594)	(1,449,976)	(11,346)
Payments to Employees	(1,668,227)	(1,122,064)	-	(545)	(11,723)	(2,802,559)	(13,320)
Other Receipts (Payments)	307,253	126,155	(333,957)	(69,000)	(34,054)	(3,603)	670
Net Cash Provided by (Used in) Operating Activities	(757,187)	(914,835)	284,753	17,416	361	(1,369,492)	30,306
<b>Cash Flows from Noncapital Financing Activities</b>							
Retirement of Bonds and Annuities Payable	(37,588)	-	-	(148,297)	(6,958)	(192,843)	-
Interest on Bonds and Annuities Payable	(20,863)	-	-	(35,050)	(6,085)	(61,998)	-
Transfers In	621,429	769,583	-	17,460	51	1,408,523	-
Transfers Out	-	-	(10,645)	-	-	(10,645)	-
Other Receipts (Payments)	228,928	293,435	-	-	-	522,363	(174)
Net Cash Flows from Noncapital Financing Activities	791,906	1,063,019	(10,645)	(165,887)	(12,992)	1,665,400	(174)
<b>Cash Flows from Capital and Related Financing Activities</b>							
Additions to Property, Plant, and Equipment	(437,749)	(70,628)	(313,157)	-	21	(821,513)	(27,338)
Proceeds from Capital Debt	255	36,204	7,936	-	-	44,395	-
Principal Paid on Capital Debt	(130,488)	(47,383)	-	-	-	(177,871)	-
Interest Paid on Capital Debt	(84,278)	(11,115)	-	-	-	(95,393)	-
Transfer In	158,731	60,371	-	-	-	219,102	-
Federal Capitalization Grants	-	-	-	4,045	6,048	10,093	-
Lease Revenue	2,611	-	-	-	-	2,611	-
Payments on leases, net	(8,667)	-	-	-	-	(8,667)	-
Transfer from State	(1,375)	-	-	-	-	(1,375)	-
Other Receipts (Payments)	3,749	(323)	32,905	-	-	36,331	-
Net Cash Flows from Capital and Related Financing Activities	(497,211)	(32,874)	(272,316)	4,045	6,069	(792,287)	(27,338)
<b>Cash Flows from Investing Activities</b>							
Proceeds from Sales and Maturities of Investments	-	49,990	-	-	-	49,990	-
Purchase of Investment Securities	(23)	(32,689)	-	-	-	(32,712)	-
Interest on Investments	24,737	25,178	-	22,364	7,169	79,448	-
(Increase) Decrease in Restricted Assets	-	-	-	108,425	-	108,425	-
Other Receipts (Payments)	145,289	-	-	17,529	1,038	163,856	-
Net Cash Flows from Investing Activities	170,003	42,479	-	148,318	8,207	369,007	-
Net Increase (Decrease) in Cash and Cash Equivalents	(292,489)	157,788	1,793	3,892	1,645	(127,372)	2,794
Cash and Cash Equivalents - Beginning of Year	839,578	514,312	-	1,367	54,301	1,409,558	12,108
Cash and Cash Equivalents - End of Year	\$ 547,089	\$ 672,100	\$ 1,793	\$ 5,259	\$ 55,946	\$ 1,282,186	\$ 14,902

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	Business-Type Activities					Governmental Activities	
	Enterprise Funds						
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>							
Operating Income (Loss)	\$ (1,097,948)	\$ (970,880)	\$ 283,151	\$ 18,740	\$ (2,246)	\$ (1,769,183)	\$ (744)
Adjustments not Affecting Cash:							
Depreciation and Amortization	225,990	109,084	–	–	–	335,074	17,290
Other	226,645	–	–	–	–	226,645	–
Change in Assets and Liabilities:							
(Increase) Decrease in Receivables, Net	(20,229)	(6,245)	(2,480)	(1,324)	2,617	(27,661)	(145)
(Increase) Decrease in Due from Other Funds	54,547	(50)	4	–	–	54,501	(358)
(Increase) Decrease in Inventories and Other Assets	(33,102)	(351)	–	–	(9)	(33,462)	553
Increase (Decrease) in Accounts Payables & Accrued Liabilities	(64,165)	(46,394)	(35)	–	(1)	(110,595)	13,710
Increase (Decrease) in Due to Other Funds	(48,925)	–	4,113	–	–	(44,812)	–
Increase (Decrease) Deferred Inflows Leases	–	–	–	–	–	–	–
Total Adjustments	340,761	56,044	1,602	(1,324)	2,607	399,690	31,050
Net Cash Provided by (Used In) Operating Activities	\$ (757,187)	\$ (914,836)	\$ 284,753	\$ 17,416	\$ 361	\$ (1,369,493)	\$ 30,306
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</b>							
Cash and Cash Equivalents - Current	\$ 547,089	\$ 489,935					
Cash and Cash Equivalents - Noncurrent	–	182,201					
Cash and Cash Equivalents - Noncurrent Restricted		–					
Cash and Cash Equivalents - Current Restricted		–					
	\$ 547,089	\$ 672,136					
<b>Noncash Investing, Capital, and Financing Activities:</b>							
Proceeds from refunding bonds	\$ 54,795						
Amortization of premiums, discounts, and net loss on debt refunding's	23,147						
Acquisition of software license under long term purchase contract	–						
Acquisition of right-to-use assets under lease contracts	3,231						
Acquisition of equipment under install purchase agreement	–	9,526					
Capital assets acquired through gifts	916						
Unrealized gain (loss) on investment	–						
Loss on disposal of capital assets	(3,263)						
Change in Fair Value Investments	1,290						
In kind Coronavirus relief donation	–						
Change in endowment	–						

The accompanying Notes to the Financial Statements are an integral part of this statement.



**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2023

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private- Purpose Trust Fund Escheat Securities	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds	Total
<b>Assets</b>						
Current:						
Cash and Cash Equivalents	\$ 459,260	\$ –	\$ –	\$ 509,101	\$ 257,587	\$ 1,225,948
Receivables:						
Accounts, Net of Allowances	47,900	–	–	114,696	4,031	166,627
From Other Governments	36	–	–	–	–	36
From Other Funds	1,876,694	–	–	123	–	1,876,817
Interest	1,317	14,143	–	–	439	15,899
Inventories	–	–	–	–	668	668
Investments (See Note 3)	49,341,157	3,093,212	–	–	–	52,434,369
Securities Lending Collateral	3,934,065	–	–	–	–	3,934,065
Other Assets	–	48	–	142	329,088	329,278
Noncurrent:						
Due From Employers	10,960	–	–	–	–	10,960
Capital Assets, Net of Accumulated Depreciation	–	–	–	5,053	–	5,053
Other Assets	–	–	8,290	–	–	8,290
Total Assets	<u>\$ 55,671,389</u>	<u>\$ 3,107,403</u>	<u>\$ 8,290</u>	<u>\$ 629,115</u>	<u>\$ 591,813</u>	<u>\$ 60,008,010</u>
<b>Deferred Outflows of Resources</b>						
Related to Pensions & Other Postemployment Benefits	\$ –	\$ –	\$ –	\$ 20,831	\$ –	\$ 20,831
Total Deferred Outflows of Resources	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 20,831</u>	<u>\$ –</u>	<u>\$ 20,831</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	\$ 33,641	\$ 12,674	\$ –	\$ 64,011	\$ 1	\$ 110,327
Securities Lending Obligation	3,934,066	–	–	–	–	3,934,066
Compensated Absences	–	–	–	582	–	582
Due to Other Funds	2,083	–	–	–	–	2,083
Other Current Liabilities	–	–	–	651	–	651
Total Current Liabilities	<u>3,969,790</u>	<u>12,674</u>	<u>–</u>	<u>65,244</u>	<u>1</u>	<u>4,047,709</u>
Noncurrent Liabilities:						
Pension & OPEB Liability	–	–	–	19,102	–	19,102
Noncurrent Portion of Long-Term Obligations	–	–	–	14,856	–	14,856
Total Noncurrent Liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>33,958</u>	<u>–</u>	<u>33,958</u>
Total Liabilities	<u>\$ 3,969,790</u>	<u>\$ 12,674</u>	<u>\$ –</u>	<u>\$ 99,202</u>	<u>\$ 1</u>	<u>\$ 4,081,667</u>
<b>Other Deferred Inflows</b>						
Related to Pensions & Other Postemployment Benefits	\$ –	\$ –	\$ –	\$ 4,472	\$ –	\$ 4,472
Total Deferred Inflows of Resources	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 4,472</u>	<u>\$ –</u>	<u>\$ 4,472</u>
<b>Net Position</b>						
Restricted for:						
Pension Benefits	\$ 48,770,436	\$ –	\$ –	\$ –	\$ –	\$ 48,770,436
Other Postemployment Benefits	2,931,163	–	–	–	–	2,931,163
Pool Participants	–	3,094,730	–	–	–	3,094,730
Individuals, Organizations, and Other Governments	–	–	8,290	547,247	591,812	1,147,349
Total Net Position	<u>\$ 51,701,599</u>	<u>\$ 3,094,730</u>	<u>\$ 8,290</u>	<u>\$ 547,247</u>	<u>\$ 591,812</u>	<u>\$ 55,943,678</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private-Purpose Trust Fund Escheat Securities	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds	Total
<b>Additions</b>						
Contributions:						
Plan Members	\$ 861,691	\$ -	\$ -	\$ -	\$ -	\$ 861,691
State	6,572,495	-	-	-	-	6,572,495
Municipalities	151,168	-	-	-	-	151,168
Participant Contributions	-	-	-	442,942	-	442,942
Total Contributions	7,585,354	-	-	442,942	-	8,028,296
Investment Income	4,505,044	135,746	-	17,382	175	4,658,347
Less: Investment Expense	(311,643)	(274)	-	-	-	(311,917)
Net Investment Income	4,193,401	135,472	-	17,382	175	4,346,430
Insurance Securities	-	-	-	-	318,096	318,096
Escheat Securities Received	-	-	39,498	-	-	39,498
Pool's Share Transactions	-	617,071	-	-	-	617,071
Transfer In	-	-	-	-	-	-
Other	3,533	-	-	-	(80,930)	(77,397)
Total Additions	11,782,288	752,543	39,498	460,324	237,341	13,271,994
<b>Deductions</b>						
Administrative Expense	51,179	-	-	349,038	13,241	413,458
Benefit Payments and Refunds	5,927,479	-	-	-	-	5,927,479
Escheat Securities Returned or Sold	-	-	38,518	-	-	38,518
Distributions to Pool Participants	-	135,472	-	-	-	135,472
Depreciation & Amortization	-	-	-	3,667	-	3,667
Other	131,612	-	1,736	309	317,843	451,500
Total Deductions	6,110,270	135,472	40,254	353,014	331,084	6,970,094
Change in Net Position Held In Trust For:						
Pension and Other Employee Benefits	5,672,018	-	-	-	-	5,672,018
Individuals, Organizations, and Other Governments	-	617,071	(756)	107,310	(93,743)	629,882
Net Position - Beginning	46,029,581	2,477,659	9,046	439,937	685,555	49,641,778
Net Position - Ending	\$ 51,701,599	\$ 3,094,730	\$ 8,290	\$ 547,247	\$ 591,812	\$ 55,943,678

*The accompanying Notes to the Financial Statements are an integral part of this statement.*

State of Connecticut

**STATEMENT OF NET POSITION  
COMPONENT UNITS**

June 30, 2023

(Expressed in Thousands)

Assets	Connecticut Housing Finance Authority (12-31-22)	Connecticut Lottery Corporation	Connecticut Airport Authority	Other Component Units	Total
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ —	\$ 39,028	\$ 157,081	\$ 243,864	\$ 439,973
Investments	—	3,381	—	671,200	674,581
<b>Receivables:</b>					
Accounts, Net of Allowances	—	15,366	9,519	40,283	65,168
Loans, Net of Allowances	—	—	—	5,522	5,522
Interest Receivable	—	894	—	2,142	3,036
Due From Other Governments	—	—	7,049	—	7,049
Due From Primary Government	—	—	5,963	32,809	38,772
Restricted Assets	1,667,270	—	11,602	626,130	2,305,002
Leases Receivable	—	—	5,687	3,762	9,449
Inventories	—	—	—	6,403	6,403
Other Current Assets	—	1,962	890	14,589	17,441
<b>Total Current Assets</b>	<b>1,667,270</b>	<b>60,631</b>	<b>197,791</b>	<b>1,646,704</b>	<b>3,572,396</b>
<b>Noncurrent Assets:</b>					
Investments	—	115,710	—	127,928	243,638
Accounts, Net of Allowances	—	—	—	91,611	91,611
Loans, Net of Allowances	—	—	—	144,428	144,428
Leases Receivable	—	—	119,767	50,564	170,331
Restricted Assets	4,386,008	—	146,598	281,318	4,813,924
Capital Assets, Net of Accumulated Depreciation	344	7,022	550,579	654,292	1,212,237
Other Noncurrent Assets	4,261	5,206	—	122,942	132,409
<b>Total Noncurrent Assets</b>	<b>4,390,613</b>	<b>127,938</b>	<b>816,944</b>	<b>1,473,083</b>	<b>6,808,578</b>
<b>Total Assets</b>	<b>\$ 6,057,883</b>	<b>\$ 188,569</b>	<b>\$ 1,014,735</b>	<b>\$ 3,119,787</b>	<b>\$ 10,380,974</b>
<b>Deferred Outflows of Resources</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ —	\$ —	\$ —	\$ —	\$ —
Unamortized Losses on Bond Refundings	61,847	—	32	—	61,879
Related to Pensions & Other Postemployment Benefits	28,322	30,112	33,723	29,504	121,661
Other	—	—	—	2,027	2,027
<b>Total Deferred Outflows of Resources</b>	<b>\$ 90,169</b>	<b>\$ 30,112</b>	<b>\$ 33,755</b>	<b>\$ 31,531</b>	<b>\$ 185,567</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Accrued Liabilities	\$ 205,610	\$ 12,823	\$ 37,796	\$ 124,282	\$ 380,511
Current Portion of Long-Term Obligations	494,682	4,356	8,820	18,883	526,741
Due To Primary Government	—	—	172	68,132	68,304
Unearned Revenue	—	—	—	30,460	30,460
Leases Payable	—	—	—	966	966
Amount Held for Institutions	—	—	—	490,679	490,679
Other Liabilities	—	29,319	4,976	92	34,387
<b>Total Current Liabilities</b>	<b>700,292</b>	<b>46,498</b>	<b>51,764</b>	<b>733,494</b>	<b>1,532,048</b>
<b>Noncurrent Liabilities:</b>					
Pension & OPEB Liability	101,384	88,464	111,180	80,430	381,458
Lease Liability	—	—	—	5,996	5,996
Noncurrent Portion of Long-Term Obligations	4,409,891	115,710	217,237	384,544	5,127,382
<b>Total Noncurrent Liabilities</b>	<b>4,511,275</b>	<b>204,174</b>	<b>328,417</b>	<b>470,970</b>	<b>5,514,836</b>
<b>Total Liabilities</b>	<b>\$ 5,211,567</b>	<b>\$ 250,672</b>	<b>\$ 380,181</b>	<b>\$ 1,204,464</b>	<b>\$ 7,046,884</b>
<b>Other Deferred Inflows</b>					
Related to Pensions & Other Postemployment Benefits	\$ 54,676	\$ 38,635	\$ 57,071	\$ 36,177	\$ 186,559
Other Deferred Inflows	171,493	—	—	515	172,008
Deferred Inflows Leases	—	—	121,374	58,950	180,324
<b>Total Deferred Inflows of Resources</b>	<b>\$ 226,169</b>	<b>\$ 38,635</b>	<b>\$ 178,445</b>	<b>\$ 95,642</b>	<b>\$ 538,891</b>
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 4,605	\$ 7,022	\$ 341,376	\$ 452,451	\$ 805,454
<b>Restricted:</b>					
Debt Service	—	—	11,602	—	11,602
Bond Indentures	705,711	—	160	—	705,871
Expendable Endowments	—	—	—	12,339	12,339
Nonexpendable Endowments	—	—	—	796,895	796,895
Capital Projects	—	—	129,605	—	129,605
Other Purposes	—	1,332	—	228,233	229,565
Unrestricted (Deficit)	—	(78,981)	7,121	361,212	289,352
<b>Total Net Position (Deficit)</b>	<b>\$ 710,316</b>	<b>\$ (70,627)</b>	<b>\$ 489,864</b>	<b>\$ 1,851,130</b>	<b>\$ 2,980,683</b>

**The accompanying Notes to the Financial Statements are an integral part of this statement.**

**STATEMENT OF ACTIVITIES**

**COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2023

*(Expressed in Thousands)*

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Connecticut Housing Finance Authority (12/31/21)	\$ 179,000	\$ 128,297	\$ —	\$ —
Connecticut Lottery Corporation	1,696,062	1,703,210	—	—
Connecticut Airport Authority	124,519	145,927	—	12,888
Other Component Units	258,589	280,341	9,628	63,916
Total Component Units	\$ 2,258,170	\$ 2,257,775	\$ 9,628	\$ 76,804

General Revenues:

Investment Income

Transfer In

Total General Revenues

Change in Net Position

Net Position (Deficit)-Beginning (as restated)

Net Position (Deficit)-Ending

***The accompanying Notes to the Financial Statements are an integral part of this statement.***

**State of Connecticut**

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**Net (Expense) Revenue and Changes in Net Position**

<b>Connecticut Housing Finance Authority (12-31-22)</b>	<b>Connecticut Lottery Corporation</b>	<b>Connecticut Airport Authority</b>	<b>Other Component Units</b>	<b>Totals</b>
\$ (50,703)	\$ -	\$ -	\$ -	\$ (50,703)
-	7,148	-	-	7,148
-	-	34,296	-	34,296
-	-	-	95,296	95,296
<u>(50,703)</u>	<u>7,148</u>	<u>34,296</u>	<u>95,296</u>	<u>86,037</u>
(251,241)	5,864	7,865	29,188	(208,324)
-	-	-	400	400
<u>(251,241)</u>	<u>5,864</u>	<u>7,865</u>	<u>29,588</u>	<u>(207,924)</u>
(301,944)	13,012	42,161	124,884	(121,887)
1,012,260	(83,638)	447,702	1,726,245	3,102,569
<u>\$ 710,316</u>	<u>\$ (70,626)</u>	<u>\$ 489,863</u>	<u>\$ 1,851,129</u>	<u>\$ 2,980,682</u>

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## INDEX

	Page
<b>Note 1-Summary of Significant Accounting Policies</b> .....	63
a. Basis of Presentation .....	63
b. Reporting Entity .....	63
c. Government-wide and Fund Financial Statements .....	65
d. Measurement Focus and Basis of Accounting .....	67
e. Assets and Liabilities .....	67
f. Derivative Instruments .....	70
g. Deferred Inflows of Resources .....	70
h. Interfund Activities .....	70
i. Endowments .....	71
j. Supplemental Nutrition Assistance Program .....	71
k. External Investment Pool .....	71
l. Upcoming Accounting Pronouncements .....	71
m. Use of Estimates .....	72
<b>Note 2-Nonmajor Fund Deficits</b> .....	73
<b>Note 3-Cash Deposits and Investments</b> .....	73
<b>Note 4-Receivables-Current</b> .....	84
<b>Note 5-Taxes Receivable</b> .....	84
<b>Note 6-Receivables-Noncurrent</b> .....	85
<b>Note 7-Restricted Assets</b> .....	86
<b>Note 8-Current Liabilities</b> .....	87
<b>Note 9-Capital Assets</b> .....	88
<b>Note 10-State Retirement Systems</b> .....	90
a. Plan Descriptions and Funding Policy .....	83
b. Investments .....	92
c. GASB Statement 68 Employer Reporting .....	93
d. Defined Contribution Plan .....	97
<b>Note 11-Other Retirement Systems Administered by the State of Connecticut</b> .....	98
a. Plan Descriptions and Funding Policy .....	98
b. Investments .....	98
c. GASB Statement 68 Employer Reporting .....	99
d. Connecticut Probate Judges and Employees' Retirement System .....	101

	Page
<b>Note 12-Pension Trust Funds Financial Statements</b> .....	102
<b>Note 13-Other Postemployment Benefits (OPEB)</b> .....	103
a. Plan Descriptions and Funding Policy .....	103
b. Investments .....	104
c. GASB Statement 75 Employer Reporting .....	97
d. Other OPEB Plan .....	109
<b>Note 14-OPEB Trust Funds Financial Statements</b> .....	109
<b>Note 15-Leases, Subscription Based Information Technology Agreements and Private-Public Partnerships</b> .....	111
<b>Note 16-Long-Term Liabilities</b> .....	115
<b>Note 17-Long-Term Notes and Bonded Debt</b> .....	117
a. Primary Government-Governmental Activities .....	117
b. Primary Government-Business-Type Activities .....	119
c. Component Units .....	121
d. Debt Refundings .....	123
e. Nonexchange Financial Guarantee .....	123
<b>Note 18-Risk Management</b> .....	124
<b>Note 19-Interfund Receivables and Payables</b> .....	125
<b>Note 20-Interfund Transfers</b> .....	126
<b>Note 21-Restatement of Net Position, Fund Balance Classifications, and Restricted Net Position</b> .....	126
<b>Note 22-Tax Abatements</b> .....	127
<b>Note 23-Asset Retirement Obligations</b> .....	132
<b>Note 24-Commitments and Contingencies</b> .....	133
a. Commitments .....	
b. Contingent Liabilities .....	
c. Litigation .....	
<b>Note 25-Covid-19 Pandemic</b> .....	135
<b>Note 26 -Opioid Settlement</b> .....	136
<b>Note 27-Subsequent Events</b> .....	136



## 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 in the United States of America (U.S. GAAP) and as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB), except for the financial statements of the University of Connecticut Foundation, Incorporated (a component unit). Those statements are prepared according to generally accepted accounting principles as prescribed in pronouncements of the Financial Accounting Standards Board.

#### b. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the State's legal entity. Component units are legally separate organizations for which the State is financially accountable. Financial accountability exists if (1) the State appoints a voting majority of the organization's governing board, and (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.

Component units are reported in separate columns and rows in the government-wide financial statements (discrete presentation) to emphasize that they are legally separate from the primary government. Financial statements for the major component units are included in the accompanying financial statements after the fund financial statements. Audited financial statements issued separately by each component unit can be obtained from their respective administrative offices.

The following organizations (Connecticut Housing Finance Authority, Materials Innovation and Recycling Authority, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Student Loan Foundation, and Capital Region Development Authority) are reported as component units because the State appoints a voting majority of the organization's governing board and is contingently liable for the portion of the organization's bonded debt that is secured by a special capital reserve fund, or other contractual agreement.

The State appoints a voting majority of the organization's governing board and can access the resources for the following organizations (Connecticut Innovations, Incorporated, and Connecticut Green Bank) therefore, these organizations are reported as component units.

The Connecticut Lottery Corporation is reported as a component unit because the State appoints a voting majority of the corporation's governing board and receives a significant amount of revenues from the operations of the lottery.

The Connecticut Airport Authority and the Connecticut Port Authority are reported as component units because the nature and significance of their relationship with the State are such that it would be misleading to exclude the authorities from the State's reporting entity.

The State's major and nonmajor component units are:

#### ***Connecticut Housing Finance Authority (CHFA)***

CHFA was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority's fiscal year is for the period ended on December 31, 2022.

**Connecticut Airport Authority (CAA)**

CAA was established to develop, improve, and operate Bradley International Airport and the state's five general aviation airports (Danielson, Groton-New London, Hartford-Brainard, Waterbury-Oxford, and Windham airports).

**Materials Innovation and Recycling Authority (MIRA)**

MIRA is responsible for the planning, design, construction, financing, management, ownership, operations and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan.

**Connecticut Higher Education Supplemental Loan Authority (CHESLA)**

CHESLA was created to assist students, their parents, and institutions of higher education to finance the cost of higher education through its bond funds. CHESLA is a subsidiary of CHEFA.

**Connecticut Health and Educational Facilities Authority (CHEFA)**

CHEFA was created to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

**Connecticut Student Loan Foundation (CSLF)**

CSLF was established as a Connecticut state chartered nonprofit corporation established pursuant to State of Connecticut Statute Chapter 187a for the purpose of improving educational opportunity. CSLF is empowered to achieve this by originating and acquiring student loans and providing appropriate service incident to the administration of programs, which are established to improve educational opportunities. CSLF no longer originates or acquires student loans. CSLF is a subsidiary of CHEFA.

**Capital Region Development Authority (CRDA)**

CRDA markets major sports, convention, and exhibition venues in the region.

**Connecticut Innovations, Incorporated (CI)**

CI 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.

**Connecticut Green Bank (CGB)**

CGB uses public and private funds to finance and support clean energy investment in residential, municipal, small business and larger commercial projects and stimulate demand for clean energy and the deployment of clean energy sources within the state.

**Connecticut Lottery Corporation (CLC)**

CLC was created in 1996 for the purpose of generating revenues for the State through the operation of a lottery.

**Connecticut Port Authority (CPA)**

CPA was established to grow Connecticut's maritime economy and create jobs by strategically investing in the state's three deep water ports and small harbors.

In addition, the State includes the following non-governmental nonprofit corporation as a component unit:

**University of Connecticut Foundation, Incorporated**

The Foundation was 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 and Health Center, a major Enterprise fund. The Foundation is reported as a component unit because the nature and significance of its relationship with the State are such that it would be misleading to exclude the Foundation from the State's reporting entity.

**c. Related Organizations**

The Community Economic Development Fund, Connecticut Health Insurance Exchange, and Connecticut Foundation Solutions Indemnity Company, Inc. are legally separate organizations that are related to the State because the State appoints a voting majority of the organizations governing board. However, the State's accountability for these organizations does not extend beyond making the appointments.

**d. Government-wide and Fund Financial Statements*****Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities report information on all the nonfiduciary activities of the primary government and its component units. These statements distinguish between the governmental and business-type activities of the primary government by using separate columns and rows. Governmental activities are generally financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the reporting entity's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three components:

1. Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds issued to buy, construct, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the purchase, construction, or improvement of those assets or related debt should be included in this component of net position.
2. Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
3. Unrestricted – This component of net position is the remaining balance of net position, after the determination of the other two components of net position.

When both restricted and unrestricted resources are available for use, the State generally uses restricted resources first, then unrestricted resources as needed. There may be occasions when restricted funds may only be spent in proportion to unrestricted funds spent.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated to the various functions or segments. Program revenues include a) fees, fines, and charges paid by the recipients of goods or services offered by the functions or segments and b) grants and contributions that are restricted to meeting the operational or capital needs of a function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues. Even though Internal Service funds are part of the proprietary reporting, for government-wide reporting they are included within the governmental activities because these services are rendered primarily for the benefit of activities within the governmental funds.

***Fund Financial Statements***

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

In the governmental fund financial statements, fund balance (difference between assets and liabilities) is classified as nonspendable, restricted, and unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints on the resources are externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints by formal action of the Legislature, such as appropriation or legislation. Assigned fund balance is constrained by the Legislature's intent to be used for specific uses but is neither restricted nor committed.

The State reports the following major governmental funds:

**General Fund** - This is the State's primary operating fund. 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, etc.).

**Debt Service** - This fund is used to account for the resources that are restricted for payment of principal and interest on special tax obligation bonds of the Transportation fund.

**Transportation** - This fund is used to account for motor fuel taxes, vehicle registration and driver license fees, and other revenues that are restricted for the payment of budgeted appropriations of the Transportation and Motor Vehicles Departments.

**Restricted Grants and Accounts** - This fund is used to account for resources which are restricted by Federal and other providers to be spent for specific purposes.

**Grant and Loan Programs** - This fund is used to account for resources that are restricted by state legislation for the purpose of providing grants and/or loans to municipalities and organizations located in the State.

The State reports the following major enterprise funds:

**University of Connecticut & Health Center** - This fund is used to account for the operations of the University of Connecticut, a comprehensive institution of higher education, which includes the University of Connecticut Health Center and John Dempsey Hospital.

**Board of Regents** - This fund is used to account for the operations of the State University System & the State Community Colleges which consists of four universities: Central, Eastern, Southern, and Western and twelve regional community colleges.

Colleges and universities do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges and universities are legally part of the state their financial operations are reported in the state's financial statements using the fund structure prescribed by GASB.

**Employment Security** - This fund is used to account for unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

**Clean Water** - This fund is used to account for resources used to provide grants and loans to municipalities to finance wastewater treatment facilities.

In addition, the State reports the following fund types:

**Internal Service Funds** - These funds account for goods and services provided to other agencies of the State on a cost-reimbursement basis. These goods and services include prisoner-built office furnishings, information services support, telecommunications, printing, and other services.

**Pension Trust Funds** - These funds account for resources held in the custody of the state for the members and beneficiaries of the State's pension plans. These plans are discussed more fully in Notes 10, 11, and 12.

**Other Postemployment Benefit (OPEB) Trust Funds** - These funds account for resources held in trust for the members and beneficiaries of the state's other postemployment benefit plans which are described in Notes 13 and 14.

**Investment Trust Fund** - This fund accounts for the external portion of the State's Short-Term Investment Fund, an investment pool managed by the State Treasurer.

**Private-Purpose Trust Fund** - This fund accounts for escheat securities held in trust for individuals by the State Treasurer.

**Fiduciary Component Unit (Connecticut Paid Family Medical Leave Authority-PFMLA)** – PFMLA was established pursuant to Public Act No 19-25. The main objective of the Authority is to establish and administer a paid leave program to eligible employees funded by the employees under the Connecticut Paid Family and Medical Leave Insurance Act.

The Family and Medical Leave Insurance Trust Fund is a non-lapsing fund held by the State Treasurer to hold all contributions and other amounts intended for the Trust. The amounts in the Trust shall not constitute property of the State and the trust is not a department, institution, or agency of the State. The State has no obligation to pay obligations of the Trust and all amounts to be paid from the Trust are limited to amounts in the Trust. In accordance with paragraph 8 of GASB 84 Fiduciary Activities, PFMLA has been classified as a Fiduciary Component Unit.

**Custodial Funds** - These funds account for deposits, investments, and other assets held by the State as an agent for inmates and patients of State institutions, insurance companies, municipalities, and private organizations.

**e. Measurement Focus and Basis of Accounting**

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Taxes and casino gaming payments are recognized as revenues in the period when the underlying exchange transaction has occurred. Grants and similar items are recognized as revenues in the period when all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the State's enterprise and internal service funds are charges to customers for sales and services, assessments, and intergovernmental revenues. Operating expenses for enterprise and internal service funds include salaries, wages, and administrative expenses, unemployment compensation, claims paid, and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers taxes and other revenues to be available if the revenues are collected within 60 days after year-end. Exceptions to this policy are federal grant revenues, which are available if collection is expected within 12 months after year-end, and licenses and fees which are recognized as revenues when the cash is collected. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general-long term debt and acquisitions under leases are reported as other financing sources.

**f. Assets and Liabilities**

**Cash and Cash Equivalents (see Note 3)**

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 consist of investments in the Short-Term Investment Fund which are reported at the fund's share price.

In the Statement of Cash Flows, certain Enterprise funds exclude from cash and cash equivalents investments in STIF reported as noncurrent or restricted assets.

**Investments (see Note 3)**

Investments include Equity in Combined Investment Funds and other investments. Equity in Combined Investment Funds is reported at fair value based on the funds' current share price. 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.

- Investments of the External Investment Pool fund (an Investment Trust fund).

The fair value of other investments is determined based on quoted market prices except for:

- The fair value of State bonds held by the Clean Water and Drinking Water funds (Enterprise funds) which is estimated using a comparison of other State bonds.
- The fair value of securities not publicly traded held by the Connecticut Innovations, Incorporated, a component unit. The fair value of these investments is determined by an independent valuation committee of the Corporation, after considering pertinent information about the companies comprising the 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. These investments are held by the Combined Investment Funds and are reported at fair value in each fund's statement of net position.

### ***Inventories***

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

### ***Capital Assets and Depreciation***

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, railways, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the State as assets with an initial individual cost of more than \$5,000 and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated fair value at the date of donation or in the case of gifts at acquisition value.

Works of art and historical treasures are not capitalized if meeting all three of the following criteria: (1) held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (2) protected, kept unencumbered, cared for, and preserved; and (3) subject to organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. The state's non-capitalized collections include historical documents, rare books and manuscripts, guns, and paintings. Assets that do not meet all three criteria, or that were capitalized as of June 30, 1999, are capitalized at historical or acquisition cost and included in the government-wide financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Cumulative costs incurred on major capital assets under construction but not yet placed in service are capitalized and reported as construction in progress. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend the useful life of an asset are not capitalized.

The State routinely engages in lease agreements to meet operational needs. The State's lease contracts generally relate to buildings and associated facilities, such as parking, and various machinery and equipment. In addition, the State has entered into various subscription-based information technology arrangements to support its services. Intangible right-to-use (RTU) assets associated with these leases/subscriptions are defined by the State as leased assets whose future lease/subscription payments through the lease/subscription term are \$300,000 or greater. Component units of the State have established their own thresholds for defining lease and subscription assets whose future lease/subscription payments through the lease/subscription term.

For short-term leases/subscriptions with a maximum possible term of 12 months or less at commencement, the State recognizes period revenue or expenditures based on the provisions of the contract. For all other subscriptions and contracts where the State is the lessee, the State recognizes a lease/subscription liability and an RTU asset based on the present value of future payments over the contracted term of the lease/subscription. RTU assets are amortized over the shorter of the lease/subscription term, or the useful life of the underlying asset using the effective interest rate, and the liability is reduced by the principal portion of the lease/subscription payments made.

On a more limited bases, the State serves as a lessor providing leases of buildings. The financial statements recognize the lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contracted lease term, and the deferred inflow of resources is amortized evenly over the life of the lease.

The State uses an estimated incremental borrowing rate as the discount rate for leases/subscriptions unless the rate charged is known. The incremental borrowing rate is based on the interest rate it would pay to borrow during the lease/subscription term. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease/subscription, the present value is remeasured, and corresponding adjustments made. Many lease contracts include increases to rent payments related to the consumer price index (CPI) or similar indexes, and the available index increase is included in the present value at the commencement of the lease or upon remeasurement. Payments based on future performance are not included in the measurement of the lease liability or lease receivable but are recognized as revenue or expenditures in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements Other than Buildings	10-20 years
Machinery and Equipment	5-30 years
Software	2-6 years
Infrastructure	20-28 years

### ***Securities Lending Transactions (see Note 3)***

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

### ***Escheat Property***

Escheat property is private property that has reverted to the State because it has been abandoned or has not been claimed by the rightful owners for a certain amount of time. State law requires that all escheat property receipts be recorded as revenue in the General Fund. Escheat revenue is reduced, and a fund liability is reported to the extent that it is probable that escheat property will be refunded to claimants in the future. This liability is estimated based on the State's historical relationship between escheat property receipts and amounts paid as refunds, considering current conditions and trends.

### ***Unearned Revenues***

In the government-wide and fund financial statements, this liability represents resources that have been received, but not yet earned.

### ***Long-term Obligations***

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are reported as an expense in the year they are incurred. Other significant long-term obligations include the net pension liability, OPEB obligation, compensated absences, workers' compensation claims, and federal loans. In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

**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 government-wide statement of net position at its net or accreted value rather than at face value.

**Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Vacation and sick policy are 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.

**g. Derivative Instruments**

The State's derivative instruments consist of interest rate swap agreements, all of which have been determined by the State to be effective cash flow hedges. Accumulated decreases in the fair value of some of the swaps are reported as deferred outflows of resources in the Statement of Net Position.

**h. Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources are defined as the consumption of net assets in one period that are applicable to future periods and will not be recognized as an outflow of resources (expenditure) until then. These amounts are reported in the Statement of Net Position and fund financial statements in a separate section, after total assets.

Deferred inflows of resources are defined as the acquisition of net assets in one period that are applicable to a future period and will not be recognized as an inflow of resources (revenue) until that time. These amounts are reported in the Statement of Net Position and fund financial statements in a separate section, after total liabilities.

**i. Interfund Activities**

The effect of interfund activities has been eliminated from the government-wide statements, the exceptions to this general rule are interfund activities between the general fund and fiduciary funds. In the fund financial statements, interfund activities are reported as follows:

**Interfund receivables/payables** - The current portion of interfund loans outstanding at the end of the fiscal year is reported as due from/to other funds; the noncurrent portion as advances to/from other funds. All other outstanding balances between funds are reported as due from/to other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Interfund services provided and used** - Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. In the statement of activities, transactions between the primary government and its discretely presented component units are reported as revenues and expenses, unless they represent repayments of loans or similar activities.



**Interfund transfers** - Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

**Interfund reimbursements** - Repayments from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. Reimbursements are not reported in the financial statements.

**j. Endowments**

The University of Connecticut and Health Center designate the University of Connecticut Foundation (a component unit of the State) as the manager of the University's and Health Center's endowment funds. The Foundation makes spending distributions to the University and Health Center for each participating endowment. The allocation is spent by the University and Health Center in accordance with the respective purposes of the endowments, the policies and procedures of the University and Health Center, and State statutes, and in accordance with the Foundation's endowment spending policy.

Additional information regarding endowments is presented in the UConn Foundation financial report.

**k. Supplemental Nutrition Assistance Program (SNAP)**

Nutrition assistance distributed to recipients during the year is recognized as an expenditure and a revenue in the governmental fund financial statements.

**l. External Investment Pool**

Assets and liabilities of the Short-Term Investment Fund are allocated ratably to the External Investment Pool Fund based on its investment in the Short-Term Investment Fund (see Note 3). Pool income is determined based on distributions made to the pool's participants.

**m. Recently Adopted and Upcoming Accounting Pronouncements**

**Recently Adopted Accounting Pronouncements**

The following GASB accounting pronouncements were adopted during fiscal year 2023: Paragraphs 11 through 32 of GASB Statement No. 99, *Omnibus 2022*; GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*. Additional information on the impact of the implementation of GASB 94 and 96 is included below. The adoption of the other pronouncements did not have a material impact on the financial Statements.

In March 2020, the Governmental Accounting Standards Board issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard requires Public-Private and Public-Public Partnerships (PPPs) that meet the definition of a lease to apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement (SCA). The statement also provides accounting and financial reporting requirements for all other PPPs and Availability Payment Arrangements (APAs).

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard requires the recognition of subscription assets and liabilities that were previously accounted for as inflows of resources and outflows of resources recognized based on the payment provisions of the related agreement. Under this standard, the end user is required to recognize a subscription liability and an intangible right-to-use asset. The State adopted the requirements of the guidance effective July 1, 2022. The impact of the application of this Statement is further explained in Note 21.

**Upcoming Accounting Pronouncements**

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements in paragraphs 4 and 10 of this Statement, which relate to accounting and financial reporting for financial guarantees, are effective

for fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for fiscal years beginning after June 15, 2023. The State is currently evaluating the impact this standard will have on its financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model by amending certain previously required disclosures. This Statement is effective for fiscal years beginning after December 15, 2023. The State is currently evaluating the impact this standard will have on its financial statements.

**n. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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## Note 2

### Nonmajor Fund Deficits

The following funds have deficit fund/net position balances at June 30, 2023, none of which constitutes a violation of statutory provisions (amounts in thousands).

<b>Capital Projects</b>	
Transportation	\$ 718
<b>Special Revenue</b>	
Regional Market	\$ 340

The Transportation deficit will be eliminated in the future by the sale of bonds. Bonds have not been issued in this fund since fiscal year 2008.

The Regional Market fund deficit was carried forward from prior years and should be eliminated in the future.

## Note 3

### Cash Deposits and Investments

According to GASB Statement No. 40, “*Deposit and Investment Risk Disclosures*”, the State is required to make certain disclosures about deposit and investment risks that have the potential to result in losses. Thus, the following deposit and investment risks are discussed in this note:

**Interest Rate Risk** - the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Concentration of Credit Risk** - the risk of loss attributed to the magnitude of an investment in a single issuer.

**Custodial Credit Risk (deposits)** - the risk that, in the event of a bank failure, the State’s deposits may not be recovered.

**Foreign Currency Risk** - the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

#### **Primary Government**

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 and twelve Combined Investment Funds.

#### **Short-Term Investment Fund (STIF)**

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, and asset-backed securities. STIF’s investments are reported at amortized cost (which approximates fair value) in the fund’s statement of net position.

For financial reporting purposes, STIF is 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 (External Investment Pool fund) in the fiduciary fund 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 accompanying financial statements. Instead, investments in the internal portion of STIF by participant funds are reported as cash equivalents in the government-wide and fund financial statements.

For disclosure purposes, certificates of deposit held by STIF are reported in this note as bank deposits, not as investments.

As of June 30, 2023, STIF had the following investments and maturities (amounts in thousands):

<b>Short-Term Investment Fund</b>			
<b>Investment Type</b>	<b>Amortized Cost</b>	<b>Investment Maturities (in years)</b>	
		<b>Less Than 1</b>	<b>1-5</b>
Treasury Securities	\$ 944,073	\$ 944,073	\$ –
Federal Agency Securities	4,859,549	4,859,549	–
Bank Commercial Paper	2,208,249	2,208,249	–
Repurchase Agreements	4,650,000	4,650,000	–
Money Market Funds	113,750	113,750	–
Total Investments	<u>\$ 12,775,621</u>	<u>\$ 12,775,621</u>	<u>\$ –</u>

### **Interest Rate Risk**

STIF's policy for managing interest rate risk is to limit investment to a very short weighted average maturity, not to exceed 90 days, and to comply with Standard and Poor's requirement that the weighted average maturity not to exceed 60 days. As of June 30, 2023, the weighted average maturity of STIF was 41 days. Additionally, STIF is allowed by policy to invest in floating-rate securities. However, investment in these securities having maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the fund's weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprice frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2023, the amount of STIF's investments in variable-rate securities was \$5.0 billion.

### **Credit Risk**

STIF's policy for managing credit risk is to purchase short-term, high-quality fixed income securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

As of June 30, 2023, STIF's investments were rated by Standard and Poor's as follows (amounts in thousands):

<b>Credit Quality Ratings</b>	<b>Amortized Cost</b>	<b>Percentage of Amortized</b>
A-1+	\$ 2,808,249	22.0 %
A-1	4,050,000	31.7 %
A-2	—	— %
AAAm	113,750	0.9 %
U.S. Government Agency Securities	4,859,549	38.0 %
United States Treasury Securities	944,073	7.4 %
Total	<u>\$ 12,775,621</u>	<u>100.0 %</u>

**Concentration of Credit Risk**

STIF reduces its exposure to this risk by ensuring that at least 60 percent of fund assets will be invested in securities rated “A-1+” or equivalent. In addition, exposure to any single non-governmental issuer will not exceed 5 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5 percent of fund assets and exposure to money market mutual funds in total will not exceed 15 percent. As of June 30, 2023, STIF’s investments in any one issuer that represents more than 5 percent of total investments were as follows (amounts in thousands):

Investment Issuer	Amortized Cost
Federal Home Loan Bank	\$ 3,019,138
Federal Farm Credit Bank	\$ 1,525,433

**Custodial Credit Risk-Bank Deposits-Nonnegotiable Certificate of Deposits** (amounts in thousands):

STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of assets. Further, the certificates of deposit must be issued from commercial banks whose short-term debt is rated at least “A-1” by Standard and Poor’s and “F-1” by Fitch and whose long-term debt is rated at least “A-” or backed by a letter of credit issued by a Federal Home Loan bank. As of June 30, 2023, \$6,273,806 of the bank balance of STIF’s deposits of \$5,708,476 was exposed to custodial credit risk as follows (amounts in thousands):

Uninsured and uncollateralized	\$ 5,708,476
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	–
Total	\$ 5,708,476

**Combined Investment Funds (CIFS)**

The CIFS are open-ended, unitized portfolios in which the State pension trust and permanent funds are eligible to invest. The State pension trust and permanent funds own the units of the CIFS. The State Treasurer is also authorized to invest monies of the CIFS in a broad range of fixed income and equity securities, as well as real estate properties, mortgages and private equity. CIFS’ investments are reported at fair value in each fund’s statement of net position.

For financial reporting purposes, the CIFS are external investment pools and are not reported in the accompanying financial statements. Instead, investments in the CIFS by participant funds are reported as equity in the CIFS in the government-wide and fund financial statements (amounts in thousands).

	Primary Government		
	Governmental Activities	Business-Type Activities	Fiduciary Funds
Equity in the CIFS	\$ 123,696	\$ 538	\$ 49,341,156
Other Investments	–	49,265	3,093,212
Total Investments-Current	\$ 123,696	\$ 49,803	\$ 52,434,368

The CIFS measure and record their investments using fair value measurement guidelines. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1: Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and Level 3: Unobservable inputs.

As of June 30, 2023, the CIFS had the following investments (amounts in thousands):

<b>Fair Value Measurements</b>				
<b>Investments by Fair Value Level</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash Equivalents	\$ 1,660,467	\$ –	\$ 1,660,467	\$ –
Asset Backed Securities	277,075	–	277,075	–
Government Securities	3,917,591	–	3,917,591	–
Government Agency Securities	1,669,520	–	1,669,520	–
Mortgage Backed Securities	303,248	–	303,248	–
Corporate Debt	4,120,631	–	4,106,644	13,987
Convertible Securities	169,131	2,905	166,226	–
Derivatives	3,226	–	3,226	–
Common Stock	22,794,366	22,757,379	36,676	311
Preferred Stock	64,946	64,488	458	–
Real Estate Investment Trust	643,890	642,552	1,338	–
Mutual Fund	208,584	208,584	–	–
Total	<u>\$ 35,832,675</u>	<u>\$ 23,675,908</u>	<u>\$ 12,142,469</u>	<u>\$ 14,298</u>
<b>Investments Measured by Net Asset Value (NAV)</b>		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Business Development Corporation	\$ 118,808	\$ 233,089	Illiquid	N/A
Limited Partnerships	<u>\$ 14,104,954</u>	<u>\$ 9,332,520</u>	Illiquid	N/A
Total	<u>14,223,762</u>	<u>\$ 9,565,609</u>		
Total Investments in Securities at Fair Value	<u>\$ 50,056,437</u>			

Investments are stated at fair value for each of the CIF as described below. For the Alternative Investment, Real Assets, Private Credit and Private Investment Funds substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are carried at the general partner's June 30, 2023 fair value, or net asset value ("NAV") equivalent. The CIF's assets are fair valued quarterly by the General Partner and at such other times as determined by the General Partner and are based on Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures." The fair value the General Partner assigned to these investments is based upon available information and does not represent necessarily the amount that ultimately might be realized upon sale or maturity. Because of the inherent uncertainty of the fair valuation process, this estimated fair value presented by the General Partner may differ significantly from the fair value that would have been used had a ready market for the security existed, and the difference could be material. The General Partner is responsible for coordination and oversight of all investment valuations.

### **Interest Rate Risk**

CIFS' investment managers are given full discretion to manage their portion of CIFS' assets within their respective guidelines and constraints. The guidelines and constraints always require each manager to maintain a diversified portfolio. In addition, each core manager is required to maintain a target duration that is like its respective benchmark which is typically the Barclays Aggregate-an intermediate duration index.

Following is a schedule which provides information about the interest rate risks associated with the CIFS' investments. The investments include short-term cash equivalents including certificates of deposit and collateral, long-term investments and restricted assets by maturity in years (amounts in thousands):

Combined Investment Funds					
Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than	1-5	6-10	More Than
		1			10
Cash Equivalents	\$ 1,660,467	\$ 1,660,467	\$ –	\$ –	\$ –
Asset Backed Securities	277,075	396	71,709	72,586	132,384
Government Securities	3,917,591	281,190	2,431,088	726,860	478,453
Government Agency Securities	1,669,520	–	3,773	10,687	1,655,060
Mortgage Backed Securities	303,247	–	14,020	13,261	275,966
Corporate Debt	4,120,631	68,080	2,222,296	1,181,161	649,094
Convertible Debt	169,132	6,814	150,089	11,583	646
	<u>\$12,117,663</u>	<u>\$ 2,016,947</u>	<u>\$ 4,892,975</u>	<u>\$ 2,016,138</u>	<u>\$ 3,191,603</u>

### Credit Risk

The CIFS minimize exposure to this risk in accordance with a comprehensive investment policy statement, as developed by the Office of the Treasurer and the State's Investment Advisory Council, which provides policy guidelines for the CIFS and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. As of June 30, 2023, CIFS' debt investments were rated by Moody's as follows (amounts in thousands):

Combined Investment Funds								
	Fair Value	Cash Equivalents	Asset Backed Securities	Government Securities	Government Agency Securities	Mortgage Backed Securities	Corporate Debt	Convertible Debt
Aaa	\$ 5,160,871	\$ –	\$ 121,587	\$ 3,100,458	\$ 1,648,733	\$ 232,158	\$ 57,935	\$ –
Aa	226,990	–	39,221	107,856	–	15,063	64,850	–
A	713,397	–	20,222	52,790	–	1,386	636,743	2,256
Baa	1,171,270	–	37,203	132,282	–	6,712	992,234	2,839
Ba	963,627	–	7,736	107,369	–	266	844,456	3,800
B	1,113,140	–	1,007	43,416	–	–	1,067,234	1,483
Caa	393,445	–	3,531	20,307	–	654	365,924	3,029
Ca	19,570	–	3,232	9,445	–	460	6,428	5
C	5,523	–	753	4,431	–	–	339	–
Not Rated	2,349,829	1,660,840	42,583	339,236	20,787	46,549	84,115	155,719
	<u>\$ 12,117,662</u>	<u>\$ 1,660,840</u>	<u>\$ 277,075</u>	<u>\$ 3,917,590</u>	<u>\$ 1,669,520</u>	<u>\$ 303,248</u>	<u>\$ 4,120,258</u>	<u>\$ 169,131</u>

### Foreign Currency Risk

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50 percent for the developed market portion of the International Stock Fund (a Combined Investment Fund). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the marketplace. While managers within the fixed income portion of the portfolio can invest in non-U.S. denominated securities, managers are required to limit that investment to a portion of their respective portfolios.

As of June 30, 2023, CIFS' foreign deposits and investments were as follows (amounts in thousands):

Combined Investment Funds										
Foreign Currency	Total	Cash	Cash Equivalent Collateral	Fixed Income Securities				Equities		Real Estate Investment Trust Fund
				Government Securities	Corporate Debt	Asset Backed	Convertible Bonds	Common Stock	Preferred Stock	
Argentine Peso	\$ 488	\$ 404	\$ –	\$ 84	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Australian Dollar	307,559	780	–	–	–	–	–	294,418	–	12,361
Brazilian Real	289,095	(31)	–	29,035	3,414	(605)	–	211,948	45,334	–
Canadian Dollar	61,866	716	–	–	–	–	–	61,150	–	–
Chilean Peso	9,571	7	–	9,065	–	499	–	–	–	–
Colombian Peso	16,194	310	–	14,497	1,502	(115)	–	–	–	–
Czech Koruna	21,434	230	–	15,274	–	44	–	5,886	–	–
Danish Krone	188,214	281	–	–	–	–	–	187,933	–	–
Dominican Peso	10,603	–	–	10,603	–	–	–	–	–	–
Egyptian Pound	–	–	–	–	–	–	–	–	–	–
Euro Currency	2,097,707	3,192	–	16,995	2,848	1,483	24,408	2,025,900	15,628	7,253
Hong Kong Dollar	618,826	1,018	–	–	–	–	2,823	612,179	–	2,806
Hungarian Forint	29,508	1,034	–	7,519	–	(785)	–	21,740	–	–
Indian Rupiah	72	–	–	–	–	72	–	–	–	–
Indonesian Rupee	112,589	423	–	27,242	16,201	–	–	68,723	–	–
Japanese Yen	988,982	9,505	–	–	–	–	4,597	960,456	–	14,424
Kazakhstan Tenge	1,242	–	–	–	1,242	–	–	–	–	–
Malaysian Ringgit	30,374	556	–	27,972	–	8	–	1,838	–	–
Mexican Peso	87,405	1,122	–	39,428	3,390	269	–	43,196	–	–
New Israeli Sheqel	23,661	133	–	–	–	–	–	23,335	–	193
New Zealand Dollar	7,913	65	–	–	–	–	–	7,501	–	347
Norwegian Krone	35,999	293	–	–	–	–	–	35,706	–	–
Phillippine Peso	5,934	5	–	799	498	–	–	4,632	–	–
Peruvian Sol	19,224	31	–	15,699	3,494	–	–	–	–	–
Polish Zloty	74,872	365	–	16,326	–	(178)	–	58,359	–	–
Pound Sterling	1,053,699	2,279	–	–	–	(2)	451	1,042,401	–	8,570
Romanian Leu	12,112	–	–	12,112	–	–	–	–	–	–
Russian Ruble	1,227	1,227	–	–	–	–	–	–	–	–
Singapore Dollar	74,454	308	–	–	–	–	–	67,517	–	6,629
Saudi Riyal	7,660	–	–	–	–	–	–	7,660	–	–
South African Rand	129,091	2,993	(4,062)	32,348	5,012	42	–	92,758	–	–
South Korean Won	357,141	597	–	–	–	(59)	–	356,603	–	–
Swedish Krona	126,926	332	–	–	–	–	–	126,594	–	–
Swiss Franc	534,289	803	–	–	–	–	397	533,089	–	–
Thailand Baht	76,685	179	–	16,610	–	(45)	–	59,941	–	–
Turkish Lira	10,321	11	–	–	–	–	–	10,310	–	–
Ukrainian Hryvnia	8,917	1,632	–	7,285	–	–	–	–	–	–
Uruguayan Peso	5,166	58	–	5,108	–	–	–	–	–	–
Uzbekistan Sum	656	–	–	656	–	–	–	–	–	–
Yuan Renminbi	5,547	5,151	–	–	–	396	–	–	–	–
Yuan Renminbi Offshore	(5,143)	(5,143)	–	–	–	–	–	–	–	–
Zambian Kwacha	508	–	–	508	–	–	–	–	–	–
	<u>\$7,438,588</u>	<u>\$ 30,866</u>	<u>\$ (4,062)</u>	<u>\$ 305,165</u>	<u>\$ 37,601</u>	<u>\$ 1,024</u>	<u>\$ 32,676</u>	<u>\$6,921,773</u>	<u>\$ 60,962</u>	<u>\$ 52,583</u>



**Derivatives**

As of June 30, 2023, the CIFS held the following derivative investments (amounts in thousands):

	<b>2023</b>	<b>2022</b>
	<b>Fair Value</b>	<b>Fair Value</b>
Adjustable Rate Securities	\$ 1,546,406	\$ 1,085,158
Asset Backed Securities	277,075	286,282
Mortgage Backed Securities	284,450	463,959
Forward Mortgage Backed Securities (TBA's)	666,577	433,856
Interest Only	18,798	11,131
Total	<u>\$ 2,793,306</u>	<u>\$ 2,280,386</u>

The Core Fixed Income Fund held futures with a positive notional cost of \$370,480,123. The Emerging Market Debt Fund held futures with a notional cost of \$11,065,710. Also, the Developed Market International Stock held futures with a notional cost of \$34,674,344. Futures with a notional cost of \$61,419,816 were held for the Emerging Markets International Stock Fund. In addition, the Real Assets Fund held futures with a notional cost of \$899,506.

The CIFS invest in derivative investments for trading purposes and to enhance investment returns. The credit exposure resulting from these investments is limited to their fair value at year end.

The CIFS also invest in foreign currency contracts. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFS' investments against currency fluctuations. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms. As of June 30, 2023, the fair value of contracts to buy and contracts to sell was \$678.1 million and \$675.2 million, respectively.

**Custodial Credit Risk-Bank Deposits**

The CIFS minimize this risk by maintaining certain restrictions set forth in the Investment Policy Statement. The CIFS use a Liquidity Account which is a cash management pool investing in highly liquid money market securities. As of June 30, 2023, the CIFS had deposits with a bank balance of \$65.4 million which was uninsured and uncollateralized.

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

**Other Investments**

The University of Connecticut measures and records its investments using fair value measurement guidelines. These guidelines have a three tiered fair value hierarchy, as follows: Level 1; Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and Level 3: Unobservable inputs. As of June 30, 2023, UConn had the following recurring fair value measurements. (amounts in thousands):

**Fair Value Measurements**

<b>Investments by Fair Value Level</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash Equivalents	\$ 1,156	\$ 1,156	\$ –	\$ –
Fixed Income Securities	1,954	1,954	–	–
Equity Securities	13,954	13,954	–	–
Total	<u>\$ 17,064</u>	<u>\$ 17,064</u>	<u>\$ –</u>	<u>\$ –</u>

**Investments Measured by Net Asset Value (NAV)**

		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Private Capital Partnerships	\$ 299	\$ 110	N/A	N/A
Private Real Estate Partnerships	7	35	N/A	N/A
Natural Resource Partnerships	253	5	N/A	N/A
Long/Short Equities	1	–	N/A	N/A
Relative Value	1,125	–	N/A	N/A
Other	805	–	N/A	N/A
Total	<u>2,490</u>	<u>\$ 150</u>		
Total Investments in Securities at Fair Value	<u>\$ 19,554</u>			

As of June 30, 2023, the State had other investments and maturities as follows (amounts in thousands):

<b>Other Investments</b>				
<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>		
		<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>
State Bonds	\$ -	\$ -	\$ -	\$ -
U.S. Government and Agency Securities	762,281	102,197	307,625	352,459
Guaranteed Investment Contracts	28,479	9,202	19,277	-
Money Market Funds	43,550	43,550	-	-
Total Debt Investments	834,310	<u>\$ 154,949</u>	<u>\$ 326,902</u>	<u>\$ 352,459</u>
Endowment Pool	18,749			
Corporate Stock	228			
Other Investments	12,424			
Total Investments	<u>\$ 865,711</u>			

### **Credit Risk**

As of June 30, 2023, other debt investments were rated by Standard and Poor's as follows (amounts in thousands):

<b>Other Investments</b>					
<b>Investment Type</b>	<b>Fair Value</b>	<b>Quality Ratings</b>			
		<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Unrated</b>
State Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government and Agency Securities	691,402	691,402	-	-	-
Guaranteed Investment Contracts	28,478	9,202	16,421	-	2,855
Money Market Funds	43,550	-	-	-	43,550
Total	<u>\$ 763,430</u>	<u>\$ 700,604</u>	<u>\$ 16,421</u>	<u>\$ -</u>	<u>\$ 46,405</u>

Connecticut State Universities had \$70.9 million as U.S. Government Securities, these securities have no credit risk therefore, these securities are not included in the above table.

### **Custodial Credit Risk-Bank Deposits** (amounts in thousands):

The State maintains its deposits at qualified financial institutions located in the State to reduce its exposure to this risk. These institutions are required to 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. 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. As of June 30, 2023, of the \$333,509 bank balance of the Primary Government was exposed to custodial credit risk as follows (amounts in thousands)

Uninsured and uncollateralized	\$ 83,868
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	249,641
Total	<u>\$ 333,509</u>

**Component Units**

The Connecticut Housing Finance Authority (CHFA) and the Connecticut Lottery Corporation (CLC) reported the following investments and maturities as of December 31, 2022 and June 30, 2023, respectively (amounts in thousands):

<b>Major Component Units</b>					
<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>
Collateralized Mortgage Obligations	475	—	33	—	442
GNMA & FNMA Program Assets	1,903,813	—	778	19,298	1,883,737
Money Market	6,708	6,708	—	—	—
Municipal Bonds	29,936	321	1,847	2,430	25,338
STIF	1,307,444	1,307,444	—	—	—
MBS's	90	2	1	87	—
Structured Securities	372	—	372	—	—
U.S. Government Agency Securities	716	—	—	—	716
FHLB Discount Notes	19,976	19,976	—	—	—
US Treasury Bills	168,401	129,445	38,956	—	—
Total Debt Investments	3,437,931	<u>\$ 1,463,896</u>	<u>\$ 41,987</u>	<u>\$ 21,815</u>	<u>\$ 1,910,233</u>
Annuity Contracts	119,091	—	—	—	—
Total Investments	<u>3,557,022</u>	—	—	—	—

The CHFA and the CLC own 96.7 percent and 3.3 percent of the above investments, respectively. GNMA Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by the Government National Mortgage Association. Annuity contracts are the only investment held by the CLC, which are not subject to the investment risks discussed next.

**Interest Rate Risk****CHFA**

Exposure to declines in fair value is substantially limited to GNMA, FNMA, and FHLMC Program Assets, and US Treasury bills. The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flows requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

**Credit Risk****CHFA**

The Authority's investments are limited by State statutes to United States Government obligations, including its agencies or instrumentalities, investments guaranteed by the State, investments in the State's STIF, and other obligations which are legal investments for savings banks in the State. The Fidelity Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities are fully collateralized by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association, and Collateralized Mortgage Obligations are fully collateralized by the United States Department of Housing and Urban Development mortgage pools.

CHFA's investments were rated as of December 31, 2022 as follows (amounts in thousands):

Investment Type	Component Units					
	Fair Value	Quality Ratings				
		AAA	AA	CCC	D	Unrated
Collateralized Mortgage Obligations	\$ 475	\$ 442	\$ -	\$ -	\$ -	\$ 33
GNMA & FNMA Program Assets	1,903,813	1,903,813	-	-	-	-
Money Market	6,708	5,638	-	-	-	1,070
Municipal Bonds	29,936	-	4,465	-	-	25,471
STIF	1,307,444	1,307,444	-	-	-	-
MBS's	90	90	-	-	-	-
Structured Securities	372	-	-	372	-	-
U.S. Government Agency Securities	716	716	-	-	-	-
FHLB Discount Notes	19,976	19,976	-	-	-	-
US Treasury Bills	168,401	168,401	-	-	-	-
Total	<u>\$ 3,437,931</u>	<u>\$ 3,406,520</u>	<u>\$ 4,465</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 26,574</u>

### Concentration of Credit Risk

#### CHFA

The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2022, the Authority had no investments in any one issuer that represents 5 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA, and FHLMC Program Assets), and investments in the State's STIF.

### Security Lending Transactions

Certain of the CIFS are permitted by State statute to engage in security lending transactions to provide incremental returns to the funds. The CIFS' Agent is authorized to lend available securities to authorized broker-dealers and banks subject to a formal loan agreement.

During the year, the Agent lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The Agent did not have the ability to pledge or sell collateral securities received absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102 percent of the fair value of the domestic loaned securities or 105 percent of the fair value of foreign loaned securities.

According to the Agreement, the Agent has an obligation to indemnify the funds in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures during the fiscal year that resulted in a declaration or notice of default of the borrower. During the fiscal year, the funds and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. At year end, the funds had no credit risk exposure to borrowers because the fair value of the collateral held and the fair value of securities on loan were \$3,954.3 million and \$3,866.9 million, respectively.

Under normal circumstances, the average duration of collateral investments is managed so that it will not exceed 60 days. At year end, the average duration of the collateral investments was 3.19 days with an average weighted maturity of 48.72 days.

## Note 4

### Receivables-Current

As of June 30, 2023, current receivables consisted of the following (amounts in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
Taxes	\$ 3,634,955	\$ –	\$ –
Accounts	1,596,933	586,568	79,333
Loans-Current Portion	–	259,671	5,522
Leases-Current Portion	–	4,328	9,449
Other Governments	1,044,747	17,005	9,299
Interest	17,000	6,918	3,036
Other	2	–	–
Total Receivables	6,293,637	874,490	106,639
Allowance for Uncollectibles	(887,013)	(130,890)	(14,166)
Receivables, Net	\$ 5,406,624	\$ 743,600	\$ 92,473

## Note 5

### Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2023 (amounts in thousands):

	Governmental Activities		Total
	General Fund	Transportation Fund	
Sales and Use	\$ 970,706	\$ –	\$ 970,706
Income Taxes	1,684,650	–	1,684,650
Corporations	161,500	–	161,500
Gasoline and Special Fuel	–	293,617	293,617
Various Other	501,504	–	501,504
Total Taxes Receivable	3,318,360	293,617	3,611,977
Allowance for Uncollectibles	(257,288)	(23)	(257,311)
Taxes Receivable, Net	\$ 3,061,072	\$ 293,594	\$ 3,354,666

## Note 6

### Receivables-Noncurrent

Noncurrent receivables for the primary government and its component units, as of June 30, 2023, consisted of the following (amounts in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
Accounts	\$ —	\$ —	\$ 91,611
Loans	1,026,956	983,421	151,978
Leases	—	5,064	170,331
Total Receivables	1,026,956	988,485	413,920
Allowance for Uncollectibles	(57,577)	(599)	(7,551)
Receivables, Net	\$ 969,379	\$ 987,886	\$ 406,369

The Grants and Loans Fund (governmental activities) makes loans through the Department of Economic and Community Development to provide financial support to businesses, municipalities, nonprofits, economic development agencies and other partners for a wide range of activities that create and retain jobs; strengthen the competitiveness of the workforce; promote tourism, the arts and historic preservation; and help investigate and redevelop brownfields. The department's investments are helping build stronger neighborhoods and communities and improving the quality of life for state residents. These loans are payable over a ten-year period with rates ranging from 2.0 percent to 4.0 percent.

Clean Water fund (business-type activities) 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. At year end, the noncurrent portion of loans receivable was \$795.8 million.

The Connecticut Higher Education Supplemental Loan Authority and Connecticut Student Loan Foundation (component units) make loans to individuals from the proceeds of bonds issued by the Authority. The loans bear interest rates ranging from 2.3 percent to 5.0 percent. At year end, the noncurrent portion of loans receivable was \$188.5 million.

## Note 7

### Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2023, restricted assets were comprised of the following (amounts in thousands):

	Cash & Cash Equivalents	Investments	Loans, Net of Allowances	Other	Total Restricted Assets
<b>Governmental Activities:</b>					
Debt Service	\$ 1,252,541	\$ –	\$ –	\$ –	\$ 1,252,541
Total Governmental Activities	\$ 1,252,541	\$ –	\$ –	\$ –	\$ 1,252,541
<b>Business-Type Activities:</b>					
UConn/Health Center	\$ 50,572	\$ –	\$ –	\$ –	\$ 50,572
Clean Water	105,828	31,495	–	–	137,323
Other Proprietary	45,162	656	–	–	45,818
Total Business-Type Activities	\$ 201,562	\$ 32,151	\$ –	\$ –	\$ 233,713
<b>Component Units:</b>					
CHFA	\$ 1,051	\$ 3,437,931	\$ 2,506,042	\$ 108,254	\$ 6,053,278
CAA	144,106	11,602	–	2,491	158,199
Other Component Units	121,250	576,221	202,736	7,243	907,450
Total Component Units	\$ 266,407	\$ 4,025,754	\$ 2,708,778	\$ 117,988	\$ 7,118,927



## Note 8

### Current Liabilities

#### Accounts Payable and Accrued Liabilities

As of June 30, 2023, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

	Vendors	Salaries and Benefits	Interest	Leases	Other	Total Payables & Accrued Liabilities
<b>Governmental Activities:</b>						
General	\$ 57,994	\$ 147,645	\$ –	\$ –	\$ –	\$ 205,639
Transportation	21,600	10,501	–	–	–	32,101
Restricted Accounts	361,266	11,615	–	–	–	372,881
Grants and Loans	9,979	65	–	–	2,284	12,328
Other Governmental	85,028	4,032	–	–	–	89,060
Internal Service	497	376	–	–	(3)	870
Reconciling amount from fund financial statements to government-wide financial statements	–	–	298,350	14,764	1,874,611	2,187,725
Total-Governmental Activities	<u>\$ 536,364</u>	<u>\$ 174,234</u>	<u>\$ 298,350</u>	<u>\$ 14,764</u>	<u>\$ 1,876,892</u>	<u>\$ 2,900,604</u>
<b>Business-Type Activities:</b>						
UConn/Health Center	\$ 110,909	\$ 81,043	\$ –	\$ 20,829	\$ 55,358	\$ 268,139
Board of Regents	46,892	93,286	1,485	11,367	–	153,030
Other Proprietary	5,671	–	9,715	–	387	15,773
Total-Business-Type Activities	<u>\$ 163,472</u>	<u>\$ 174,329</u>	<u>\$ 11,200</u>	<u>\$ 32,196</u>	<u>\$ 55,745</u>	<u>\$ 436,942</u>
<b>Component Units:</b>						
CHFA	\$ 7,384	\$ –	\$ 17,801	\$ –	\$ 180,425	\$ 205,610
Connecticut Lottery Corporation	11,929	–	894	–	–	12,823
Connecticut Airport Authority	10,591	5,713	3,702	–	17,790	37,796
Other Component Units	9,180	–	937	966	91,219	102,302
Total-Component Units	<u>\$ 39,084</u>	<u>\$ 5,713</u>	<u>\$ 23,334</u>	<u>\$ 966</u>	<u>\$ 289,434</u>	<u>\$ 358,531</u>

## Note 9

### Capital Assets

Capital asset activity for the year was as follows (amounts in thousands):

	Restated Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,970,373	\$ 16,576	\$ 149	\$ 1,986,800
Construction in Progress	6,147,823	1,253,776	555,705	6,845,894
Art & Historical Collections	224,797	182	189	224,790
Total capital assets not being depreciated	8,342,993	1,270,534	556,043	9,057,484
Other capital assets:				
Buildings	4,918,075	27,683	94,370	4,851,388
Improvements other than buildings	485,830	1,811	74,269	413,372
Equipment	2,432,966	54,258	45,243	2,441,981
Software	374,441	3,114	7,869	369,686
Right-to-use assets	114,164	24,839	-	139,003
Infrastructure	18,957,809	382,128	-	19,339,937
Total other capital assets at historical cost	27,283,285	493,833	221,751	27,555,367
Less accumulated depreciation for:				
Buildings	3,378,757	65,585	94,370	3,349,972
Improvements other than buildings	291,703	15,666	74,269	233,099
Equipment	1,590,889	114,713	45,243	1,660,359
Software	347,065	4,806	7,869	344,002
Right-to-use assets	10,624	33,515	-	44,139
Infrastructure	12,841,357	479,286	-	13,320,643
Total accumulated depreciation	18,460,395	713,571	221,751	18,952,214
Other capital assets, net	8,822,890	(219,738)	-	8,603,153
Governmental activities capital assets, net	<u>\$ 17,165,883</u>	<u>\$ 1,050,796</u>	<u>\$ 556,043</u>	<u>\$ 17,660,637</u>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
Legislative	\$ 957
General Government	36,380
Regulation & Protection	28,049
Conservation & Development	4,057
Health & Hospitals	7,822
Transportation	576,535
Human Services	9,763
Education, Libraries & Museums	6,004
Corrections	26,289
Judicial	12,528
Capital assets held by the government's internal service funds are charged to various functions based on the usage of the assets	5,187
TOTAL	<u>\$ 713,571</u>

## Note 9 Capital Assets (Continued)

	Restated Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 80,236	\$ —	\$ 1,701	\$ 78,535
Construction in Progress	383,576	124,476	251,371	256,681
Art & Historical Collections	67,275	961	14	68,222
Total Capital Assets not being Depreciated	531,087	125,437	253,086	403,438
Capital Assets being Depreciated:				
Buildings	7,244,976	158,525	(158,488)	7,561,989
Improvements Other Than Buildings	683,050	21,769	(38,636)	743,455
Equipment	881,723	45,431	25,846	901,308
Intangible Assets	129,762	5,057	4,586	130,233
Right-to-use Assets	261,150	85,118	10,720	335,548
Infrastructure	—	—	—	—
Total Other Capital Assets at Historical Cost	9,200,661	315,900	(155,972)	9,672,533
Less: Accumulated Depreciation For:				
Buildings	3,194,322	213,074	5,434	3,401,962
Improvements Other Than Buildings	299,064	20,421	1,196	318,289
Equipment	691,448	45,257	24,491	712,214
Intangible Assets	78,578	11,260	3,367	86,471
Right-to-use Assets	42,032	45,027	8,894	78,165
Infrastructure	—	—	—	—
Total Accumulated Depreciation	4,305,444	335,039	43,382	4,597,101
Other Capital Assets, Net	4,895,217	(19,139)	(199,354)	5,075,432
Business-Type Activities, Capital Assets, Net	\$ 5,426,304	\$ 106,298	\$ 53,732	\$ 5,478,870

### Component Units and Fiduciary Component Unit

Capital assets of the component units and the fiduciary component unit consisted of the following as of June 30, 2023 (amounts in thousands):

Land	\$ 60,902
Buildings	1,028,504
Improvements other than Buildings	663,512
Machinery and Equipment	645,055
Intangible Assets / Software	6,780
Right-to-use Assets	13,052
Construction in Progress	52,401
Total Capital Assets	2,470,206
Accumulated Depreciation	1,246,491
Capital Assets, Net	\$ 1,223,715

## Note 10

### State Retirement Systems

The State sponsors three major public employee retirement systems: The State Employees' Retirement System (SERS)-consisting of Tier I, Tier II, Tier IIA, Tier III, and Tier IV, the Teachers' Retirement System (TRS), and the Judicial Retirement System (JRS). The three plans in this note do not issue separate financial statements, nor are they reported as a part of other entities. The financial statements and other required information are presented in Note 12 and in the Required Supplementary Information (RSI) section of these financial statements.

The State Comptroller's Retirement Division under the direction of the Connecticut State Employees' Retirement Commission administers SERS and JRS. The sixteen members are: The State Treasurer or a designee who serves as a non-voting ex-officio member, six trustees representing employees are appointed by the bargaining agents in accordance with the provisions of applicable collective bargaining agreements, one "neutral" Chairman, two actuarial trustees and six management trustees appointed by the Governor. The Teachers' Retirement Board administers TRS. The fourteen members of the Teachers' Retirement Board include: The State Treasurer, the Secretary of the Office of Policy and Management, the Commissioner of Education, or their designees, who serve as ex-officio voting members. Six members are elected by teacher membership and five public members are appointed by the Governor.

#### **Special Funding Situation**

The employer contributions for the Teachers' Retirement System (TRS) are funded by the State on behalf of the participating municipal employers. Therefore, these employers are in a special funding situation and the State is treated as a non-employer contributing entity as defined by GASB 68. As a result, the State reports a liability, deferred outflows of resources and deferred inflows of resources, and expenses. Additionally, the autonomous Component Units that benefit from the services provided by employees of the State are considered, as defined by GASB 68, to be non-employer contributing entities. As such they report a liability, deferred outflows of resources and deferred inflows of resources, and expenses because of being statutorily required to contribute to SERS.

#### **a. Plan Descriptions and Funding Policy**

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

	SERS	TRS	JRS
Inactive Members or their Beneficiaries receiving benefits	57,327	39,843	318
Inactive Members Entitled to but not yet Receiving Benefits	3,417	10,708	5
Active Members	47,269	53,436	203

#### **State Employees' Retirement System**

##### **Plan Description**

SERS is a single-employer defined-benefit pension plan covering substantially all the State full-time employees who are not eligible for another State sponsored retirement plan. Plan benefits, cost-of-living allowances, 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 allowances 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 subject to the contractual rights established by collective bargaining. Tier I Plan B regular and Hazardous Duty members are required to contribute 4.0 percent and 6.0 percent of their earnings, respectively, up to the Social Security Taxable Wage Base plus 7.0 percent above that level; Tier I Plan C members are required to contribute 7.0 percent of their earnings; Tier II Plan regular and Hazardous Duty members are required to contribute 2 percent and 6.0 percent of their earnings, respectively; Tier IIA and Tier III Plans regular and Hazardous Duty members are required to contribute 4.0 percent and 7.0 percent of their earnings, respectively; Tier IV Hybrid Plan regular and Hazardous Duty members are required to contribute 5.0 percent and 8.0 percent of their earnings, respectively. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011 but requires employee contributions 3 percent higher than the contribution required from the applicable Tier II/IIA/III plans. Employees in Tier IV Hybrid Plan will be required to contribute 1.0 percent to the Defined Contributions (DC) portion of the Hybrid Plan and may elect additional contribution of up to 3.0 percent of earnings to the DC portion. 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 cost-sharing multiple-employer defined-benefit pension plan covering any teacher, principal, superintendent, or supervisor 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 10-183ss of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances 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 7 percent of their annual salary. The State's contribution requirement is determined in accordance with Section 10-183z. 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 allowances 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 hired before January 1, 2018 are required to contribute five percent of their annual salary, and those hired after that date are required to contribute six percent. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

**b. Investments**

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2022.

Asset Class	SERS		TRS		JRS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %	20.0 %	5.4 %	20.0 %	5.4 %
Developed Market Intl. Stock Fund	11.0 %	6.4 %	11.0 %	6.4 %	11.0 %	6.4 %
Emerging Markets Intl. Stock Fund	9.0 %	8.6 %	9.0 %	8.6 %	9.0 %	8.6 %
Core Fixed Income Fund	13.0 %	0.8 %	13.0 %	0.8 %	13.0 %	0.8 %
Emerging Market Debt Fund	5.0 %	3.8 %	5.0 %	3.8 %	5.0 %	3.8 %
High Yield Bonds	3.0 %	3.4 %	3.0 %	3.4 %	3.0 %	3.4 %
Real Estate Fund	19.0 %	5.2 %	19.0 %	5.2 %	19.0 %	5.2 %
Private Equity	10.0 %	9.4 %	10.0 %	9.4 %	10.0 %	9.4 %
Private Credit	5.0 %	6.5 %	5.0 %	6.5 %	5.0 %	6.5 %
Alternative Investments	3.0 %	3.1 %	3.0 %	3.1 %	3.0 %	3.1 %
Liquidity Fund	2.0 %	(0.4)%	2.0 %	(0.4)%	2.0 %	(0.4)%

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Rate of Return:** For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 9.02 percent, 8.35 percent, and 8.07 percent for SERS, TRS, and JRS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

**Net Pension Liability**

The components of net pension liability as of the measurement date June 30, 2022 were as follows (amounts in thousands):

	SERS	TRS	JRS
Total Pension Liability	\$40,656,964	\$39,860,280	\$ 490,710
Fiduciary Net Position	18,603,725	21,549,721	301,995
Net Pension Liability	\$22,053,239	\$18,310,559	\$ 188,715
Ratio of Fiduciary Net Position to Total Pension Liability	45.76 %	54.06 %	61.54 %

**Discount Rate**

The discount rate used to measure the total pension liability was 6.9, 6.9, and 6.9 percent for SERS, TRS, and JRS respectively. The projection of cash flows used to determine the SERS, TRS, and JRS discount rates assumed employee contributions will be made at the current contribution rate and that contributions from the State will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for current plan members were projected through the year 2139.

Based on those assumptions, SERS, TRS, and JRS pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the State, calculated using the discount rates of 6.9, 6.9 and 6.9 percent for SERS, TRS, and JRS, as well as what the State's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in millions):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SERS Net Pension Liability	\$ 26,911	\$ 22,053	\$ 18,005
TRS Net Pension Liability	23,372	18,311	14,108
JRS Net Pension Liability	238	189	146
Component Units	250	205	167

**c. GASB Statement 68 Employer Reporting  
Employer Contributions**

The following table presents the primary government's and component units' contributions recognized by the pension plans at the reporting date June 30, 2023 (amounts in thousands):

	SERS	TRS	JRS	Total
Primary Government	\$ 3,234,456	\$ 2,406,101	\$ 32,533	\$ 5,673,090
Component Units	27,418	-	-	27,418
Total Employer Contributions	<u>\$ 3,261,874</u>	<u>\$ 2,406,101</u>	<u>\$ 32,533</u>	<u>\$ 5,700,508</u>

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of the measurement date June 30, 2022, the primary government and component units reported net pension liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Proportionate Share of the Net Pension Liability		
State Employees' Retirement System	\$ 21,857,775	\$ 195,464
Net Pension Liability		
Teachers' Retirement System	18,310,559	-
Judicial Retirement System	188,715	-
Total Net Pension Liability	<u>\$ 40,357,049</u>	<u>\$ 195,464</u>

The primary government's and component units' proportions of the collective net pension liability for the State Employees' Retirement System as of the measurement date June 30, 2022 as follows:

	Primary Government	Component Units
State Employees' Retirement System		
Proportion-June 30, 2022	99.11 %	0.89 %

For the measurement date June 30, 2022, the primary government and component units' recognized pension expense for the following pension plans administered by the State as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Unit</u>
Pension Expense		
State Employees' Retirement System	\$ 261,713	\$ 2,340
Teachers' Retirement System	1,769,736	–
Judicial Retirement System	15,493	–
	<u>\$ 2,046,942</u>	<u>\$ 2,340</u>



**Deferred Outflows and Inflows of Resources**

As of the reporting date June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>State Employees' Retirement System</b>				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ 978,794	\$ —	\$ 8,753	\$ —
Difference Between Expected and Actual Experience	2,328,988	—	20,827	—
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	—	—	11,202	60,364
Change in Assumptions	—	29,872	—	267
Employer Contributions Subsequent to Measurement Date	3,234,456	—	27,418	—
Total	<u>\$ 6,542,238</u>	<u>\$ 29,872</u>	<u>\$ 68,200</u>	<u>\$ 60,631</u>
<b>Teachers' Retirement System</b>				
Differences Between Expected and Actual Experience	\$ 664,860	\$ 244,727		
Change in Assumptions	2,001,033	—		
Net Difference Between Projected and Actual Earnings on Plan Investments	1,329,565	—		
Employer Contributions Subsequent to Measurement Date	2,406,101	—		
Total	<u>\$ 6,401,559</u>	<u>\$ 244,727</u>		
<b>Judicial Retirement System</b>				
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ —	\$ 27,093		
Differences Between Expected and Actual Experience	6,754	6,356		
Change in Assumptions	—	699		
Employer Contributions Subsequent to Measurement Date	32,533	—		
Total	<u>\$ 39,287</u>	<u>\$ 34,148</u>		

State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability reported in the following fiscal year. The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension Expense as follows (amounts in thousands):

<b>State Employees' Retirement System</b>	<b>Primary Government</b>	<b>Component Units</b>
<b>Year</b>		
1	\$ 992,785	\$ (2,881)
2	817,618	(5,633)
3	551,379	(7,422)
4	914,622	(2,673)
5	50,668	(1,240)
	<u>\$ 3,327,072</u>	<u>\$ (19,849)</u>

<b>Teachers' Retirement System</b>	<b>Primary Government</b>
<b>Year</b>	
1	\$ 1,091,163
2	1,054,163
3	547,403
4	891,166
5	124,506
6	42,330
	<u>\$ 3,750,731</u>

<b>Judges' Retirement System</b>	<b>Primary Government</b>
<b>Year</b>	
1	\$ (2,913)
2	(8,749)
3	(7,080)
4	(8,652)
5	-
	<u>\$ (27,394)</u>

### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>SERS</b>	<b>TRS</b>	<b>JRS</b>
Valuation Date	6/30/2022	6/30/2022	6/30/2021
Inflation	2.50%	2.50%	2.50%
Salary Increases	3%-11.5%	3%-6.5%	4.00%
Investment Rate of Return	6.90%	6.90%	6.90%

The actuarial assumptions used in the June 30, 2022 SERS reported mortality rates based on Pub-2020 mortality tables with scale MP-2020. For non-hazardous duty service retirees-General, Above-Median, Healthy Retiree, disabled retirees – General, Disabled Retiree, beneficiaries-General, Above-Median, Employee. Hazardous duty service retirees – Public Safety, Above-Median, Healthy Retiree, disabled retirees – Public Safety, Disabled Retiree, beneficiaries – Public Safety, Above-Median Contingent Annuitant, active employees – Public Safety, Above-Median, Employee.

The actuarial assumptions used in the June 30, 2022 TRS actuarial report were based on the Pub T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females aged 82 and above), projected generationally with MP-2019 for the period after service retirement. The Pub T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The Pub T-2010 Contingent Survivor Table used for projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub T-2010 Employee Table projected generationally with MP-2019 was used for active members.

The actuarial assumptions used in the June 30, 2022 JRS reported mortality rates based on Pub-2010 Above Median Mortality Tables (amount weighted) projected generationally with the MP-2020 improvement scale, and assumed rates of withdrawal, disability, and retirement have been adjusted to reflect experience more closely.

### **Changes in Net Pension Liability**

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2022 (amounts in thousands):

<b>Total Pension Liability</b>	<b>SERS</b>	<b>TRS</b>	<b>JRS</b>
Service Cost	\$ 434,436	\$ 617,468	\$ 9,289
Interest	2,563,570	2,548,157	32,743
Benefit Changes	–	89,017	–
Difference between expected and actual experience	1,697,023	789,366	(9,271)
Changes of assumptions	–	–	(1,020)
Benefit payments	–	(2,227,079)	(31,116)
Refunds of Contributions	(2,382,509)	–	(6)
<b>Net change in total pension liability</b>	<b>2,312,520</b>	<b>1,816,929</b>	<b>619</b>
<b>Total pension liability - beginning (a)</b>	<b>38,344,444</b>	<b>38,043,351</b>	<b>490,091</b>
<b>Total pension liability - ending (c)</b>	<b>\$ 40,656,964</b>	<b>\$ 39,860,280</b>	<b>\$ 490,710</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,849,181	\$ 1,443,656	\$ 31,893
Contributions - member	202,270	392,913	1,570
Net investment income	(1,513,318)	(2,024,736)	59,881
Benefit payments	(2,369,853)	(2,227,079)	(31,116)
Administrative Expense	–	–	–
Refunds of Contributions	(12,656)	–	(6)
Other	2,367,461	847,879	–
<b>Net change in plan fiduciary net position</b>	<b>1,523,085</b>	<b>(1,567,367)</b>	<b>62,222</b>
<b>Plan net position - beginning (b)</b>	<b>17,080,640</b>	<b>23,117,088</b>	<b>239,773</b>
<b>Plan net position - ending (d)</b>	<b>\$ 18,603,725</b>	<b>\$ 21,549,721</b>	<b>\$ 301,995</b>
<b>Net pension liability - beginning (a)-(b)</b>	<b>\$ 21,263,804</b>	<b>\$ 14,926,263</b>	<b>\$ 250,318</b>
<b>Net pension liability - ending (c)-(d)</b>	<b>\$ 22,053,239</b>	<b>\$ 18,310,559</b>	<b>\$ 188,715</b>

### **d. 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 five percent of their annual salaries. The State is required to contribute seven percent of covered salary. During the year, plan members and the State contributed \$37.8 million and \$100.5 million, respectively.

## Note 11

### 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 (MERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). The State makes no contribution to and has only a fiduciary responsibility for these funds. None of the above-mentioned systems issue stand-alone financial reports. However, financial statements for MERS and CPJERS are presented in Note No. 12.

#### a. Plan Descriptions and Funding Policy

Membership of each plan consisted of the following to date of the latest actuarial information:

	MERS	CPJERS
Retirees and beneficiaries receiving benefits	8,632	377
Terminated plan members entitled to but not receiving benefits	5,855	121
Active plan members	9,830	320
Total	24,317	818
Number of participating employers	187	1

#### Connecticut Municipal Employees' Retirement System

##### Plan Description

MERS 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. Pension plan assets are pooled, and the plan assets can be used to pay the pensions of the retirees of any participating employer. 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.

##### Funding Policy

Plan members are required to contribute 2.25 percent to 5.0 percent of their annual salary, per PA 19-124 contribution rate will increase by 3% over 6 years. Participating municipalities are required to contribute at an actuarial determined rate. The participating municipalities fund administrative costs of the plan.

#### b. Investments

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits.

Asset Class	MERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0 %	6.9 %
Public Credit	2.0 %	2.9 %
Core Fixed Income	13.0 %	0.4 %
Liquid Fund	1.0 %	(0.4)%
Risk Mitigation	5.0 %	0.1 %
Private Equity	15.0 %	11.2 %
Private Credit	10.0 %	6.2 %
Real Estate	10.0 %	6.3 %
Infra. & Natural Resources	7.0 %	7.7 %

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**c. GASB Statement 68 Employer Reporting  
Net Pension Liability of Participating Employers**

The components of the net pension liability for MERS as of June 30, 2022 were as follows (amounts in thousands):

	<b>MERS</b>
Total Pension Liability	\$4,395,383
Fiduciary Net Position	3,020,028
Net Pension Liability	<u>\$1,375,355</u>
Ratio of Fiduciary Net Position to Total Pension Liability	68.71 %

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0 percent for MERS. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of MERS, calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate (amounts in thousands):

	<b>1% Decrease in Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase in Rate</b>
Net Pension Liability	\$ 1,901,789	\$ 1,375,355	\$ 933,834

**Deferred outflows and deferred inflows of resources**

The cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Municipal Employees Retirement System</b>		
Difference Between Expected and Actual Experience	\$ 166,026	\$ 27,313
Changes in actuarial assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings on Plan Investments	190,190	-
Employer Contributions Subsequent to Measurement Date	150,330	-
	<u>\$ 506,546</u>	<u>\$ 27,313</u>

Amounts recognized in subsequent years (amounts in thousands):

Year	MERS
1	\$ 73,651
2	71,580
3	51,293
4	132,379

### Changes in Net Pension Liability

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2022 (amounts in thousands):

<b>Total Pension Liability MERS</b>	
Service Cost	\$ 96,518
Interest on the total pension liability	277,807
Difference between expected and actuary experience	161,530
Benefit payments	(216,199)
Refunds of contributions	(2,077)
<b>Net change in total pension</b>	<b>317,579</b>
<b>Total pension liability - beginning</b>	<b>4,077,804</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 4,395,383</b>
<b>Plan net position</b>	
Contributions - employer	134,628
Contributions - member	32,894
Net investment income	(297,021)
Benefit payments	(216,199)
Refunds of contributions	(2,077)
Other	—
<b>Net change in plan net position</b>	<b>(347,775)</b>
<b>Plan net position - beginning</b>	<b>\$ 3,367,803</b>
<b>Plan net position - ending (b)</b>	<b>\$ 3,020,028</b>
<b>Net pension liability - ending (a) -(b)</b>	<b>\$ 1,375,355</b>

### Actuarial Assumptions

The total pension liability was determined by the most recent actuarial information available, using the following actuarial assumptions, applied to all periods included in the measurement date:

Inflation	2.5 percent
Salary increase	3.50-10 percent, including inflation
Long-Term investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB is used by General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

**d. Connecticut Probate Judges and Employees' Retirement System****Plan Description**

CPJERS is an agent multi-employer defined benefit pension plan that covers judges and employees of probate courts. 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 General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Pension plan assets are pooled for investment purposes, but separate accounts are maintained for each individual court so that each court's share of the pooled assets is legally available to pay the benefits of only its employees. The plan is administered by the State Employee's Retirement Commission.

**Funding**

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.

**Pension Liability**

Information concerning the CPJERS total pension liability and significant assumptions used to measure the plans total pension liability, such as inflation, salary changes, discount rates and mortality are available by contacting the State Comptroller's Retirement Division.

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## Note 12

### Pension Trust Funds Financial Statements

The financial statements of the pension trust funds are prepared using the accrual basis of accounting. 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 are allocated ratably to the pension trust funds based on each fund's equity in the Combined Investment Funds. As of June 30, 2023, the Fiduciary Fund financial statements were as follows (amounts in thousands):

Statement of Fiduciary Net Position (thousands)							
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
<b>Assets</b>							
Current:							
Cash and Cash Equivalents	\$ 7,982	\$ 6,511	\$ 259	\$ 8,473	\$ 290	\$ 497	\$ 24,012
Receivables:							
Accounts, Net of Allowances	10,868	13,749	8	23,275	–	–	47,900
From Other Governments	–	36	–	–	–	–	36
From Other Funds	1,046,548	828,063	–	–	–	–	1,874,611
Interest	591	460	19	238	6	–	1,314
Investments	20,170,593	23,025,362	298,754	3,186,857	131,816	2,730	46,816,112
Securities Lending Collateral	1,594,723	1,860,041	23,751	253,850	10,500	217	3,743,082
Noncurrent:							
Due From Employers	–	–	–	10,960	–	–	10,960
Total Assets	<u>\$ 22,831,305</u>	<u>\$ 25,734,222</u>	<u>\$ 322,791</u>	<u>\$ 3,483,653</u>	<u>\$ 142,612</u>	<u>\$ 3,444</u>	<u>\$ 52,518,027</u>
<b>Liabilities</b>							
Accounts Payable and Accrued							
Liabilities	\$ 41	\$ 2,367	\$ 16	\$ –	\$ 1	\$ –	\$ 2,425
Securities Lending Obligation	1,594,723	1,860,041	23,752	253,850	10,500	217	3,743,083
Due to Other Funds	–	2,083	–	–	–	–	2,083
Total Liabilities	<u>\$ 1,594,764</u>	<u>\$ 1,864,491</u>	<u>\$ 23,768</u>	<u>\$ 253,850</u>	<u>\$ 10,501</u>	<u>\$ 217</u>	<u>\$ 3,747,591</u>
<b>Net Position</b>							
Held in Trust For Employee							
Pension Benefits	\$ 21,236,541	\$ 23,869,731	\$ 299,023	\$ 3,229,803	\$ 132,111	\$ 3,227	\$ 48,770,436
Total Net Position	<u>\$ 21,236,541</u>	<u>\$ 23,869,731</u>	<u>\$ 299,023</u>	<u>\$ 3,229,803</u>	<u>\$ 132,111</u>	<u>\$ 3,227</u>	<u>\$ 48,770,436</u>
Statement of Changes in Fiduciary Net Position (thousands)							
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
<b>Additions</b>							
Contributions:							
Plan Members	\$ 223,062	\$ 340,033	\$ 2,019	\$ 46,080	\$ 267	\$ 33	\$ 611,494
State	3,261,874	2,406,101	32,533	–	–	–	5,700,508
Municipalities	–	–	–	150,142	–	–	150,142
Total Contributions	<u>3,484,936</u>	<u>2,746,134</u>	<u>34,552</u>	<u>196,222</u>	<u>267</u>	<u>33</u>	<u>6,462,144</u>
Investment Income	1,889,487	2,075,381	23,610	278,767	11,449	231	4,278,925
Less: Investment Expenses	(134,589)	(141,528)	(247)	(19,850)	(817)	(17)	(297,048)
Net Investment Income	<u>1,754,898</u>	<u>1,933,853</u>	<u>23,363</u>	<u>258,917</u>	<u>10,632</u>	<u>214</u>	<u>3,981,877</u>
Transfer In	–	–	–	–	–	–	–
Other	–	–	477	–	2,935	29	3,441
Total Additions	<u>5,239,834</u>	<u>4,679,987</u>	<u>58,392</u>	<u>455,139</u>	<u>13,834</u>	<u>276</u>	<u>10,447,462</u>
<b>Deductions</b>							
Administrative Expense	–	–	–	–	–	–	–
Benefit Payments and Refunds	2,605,221	2,359,977	35,751	245,364	7,041	–	5,253,354
Other	1,797	–	–	–	–	–	1,797
Total Deductions	<u>2,607,018</u>	<u>2,359,977</u>	<u>35,751</u>	<u>245,364</u>	<u>7,041</u>	<u>–</u>	<u>5,255,151</u>
Changes in Net Assets	<u>2,632,816</u>	<u>2,320,010</u>	<u>22,641</u>	<u>209,775</u>	<u>6,793</u>	<u>276</u>	<u>5,192,311</u>
<b>Net Position Held in Trust For Employee Pension Benefits:</b>							
Beginning of Year	18,603,725	21,549,721	276,382	3,020,028	125,318	2,951	43,578,125
End of Year	<u>\$ 21,236,541</u>	<u>\$ 23,869,731</u>	<u>\$ 299,023</u>	<u>\$ 3,229,803</u>	<u>\$ 132,111</u>	<u>\$ 3,227</u>	<u>\$ 48,770,436</u>



## Note 13

### Other Postemployment Benefits (OPEB)

The State sponsors two defined benefit OPEB plans: The State Employee OPEB Plan (SEOPEBP) and the Retired Teacher Healthcare Plan (RTHP).

The State Comptroller's Healthcare Policy and Benefits Division under the direction of the Connecticut State Employees Retirement Commission administers the State Employee OPEB Plan. The membership of the commission is composed of the State Treasurer or designee, who is a nonvoting ex-officio member; fifteen trustees, including six trustees representing state employees; six trustees representing state management; two trustees who are professional actuaries and one neutral trustee who serves as chairman. Also, the State Comptroller, ex officio, serves as the nonvoting secretary. The Governor makes all appointments except the employee trustees who are selected by employee bargaining agents. Management and employee trustees make the appointments of the chairman and the actuarial trustee positions. The Teachers' Retirement Board administers the Retired Teachers' Healthcare Plan. None of these plan's issue stand-alone statements, however, financial statements for these plans are presented in Note No. 14.

#### **a. Plan Descriptions and Funding Policy**

Membership of each plan consisted of the following to date of the latest actuarial information:

	SEOPEBP	RTHP
Inactive Members or their Beneficiaries receiving benefits	79,870	29,728
Inactive Members Entitled to but not yet Receiving Benefits	385	11,405
Active Members	49,927	52,200

#### **State Employee OPEB Plan**

##### **Plan Description**

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of the State who are receiving benefits from any State-sponsored retirement system, except the Teachers' Retirement System and the Municipal Employees' Retirement System. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits required contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes.

##### **Funding Policy**

The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employees' unions, upon approval by the State legislature. The cost of providing plan benefits is financed approximately 100 percent by the State on a pay-as-you-go basis through an annual appropriation in the General fund. Administrative costs of the plan are financed by the State.

#### **Retired Teacher Healthcare Plan**

##### **Plan Description**

RTHP is a single employer defined benefit OPEB plan that covers retired teachers and administrators of public schools in the State who are receiving benefits from the Teachers' Retirement System. The plan provides healthcare insurance benefits to eligible retirees and their spouses. Plan benefits required contributions of plan participants and the State, and other plan provisions are described in Section 10-183t of the General Statutes.

##### **Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature. The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of plan costs through a contribution of 1.25 percent of their annual salaries, retired teachers pay for one third of plan costs through monthly premiums, and the State pays for one third of plan costs through an annual appropriation in the General Fund. Administrative costs of the plan are financed by the State.

**b. Investments**

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the State Employee OPEB Plan. Plan assets are managed primarily through assets allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2022, the measurement date.

Asset Class	SEOPEBP		RTHP	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Expected 10 year Geometric Real Rate of Return
Domestic Equity Fund	20.0%	5.4%	0.00%	0.00%
Developed Market International Stock Fund	11.0%	6.4%	0.00%	0.00%
Emerging Markets International Stock Fund	9.0%	8.6%	0.00%	0.00%
Core Fixed Income	13.0%	0.8%	0.00%	0.00%
Emerging Market Debt Fund	5.0%	3.8%	0.00%	0.00%
High Yield Bonds	3.0%	3.4%	0.00%	0.00%
Real Estate Fund	19.0%	5.2%	0.00%	0.00%
Private Equity	10.0%	9.4%	0.00%	0.00%
Private Credit	5.0%	6.5%	0.00%	0.00%
Alternative Investment	3.0%	3.1%	0.00%	0.00%
Liquidity Fund	2.0%	(0.4)%	0.00%	0.00%
U. S. Treasuries (Cash Equivalents)	0.0%	0.0%	100.00%	1.50%

The long-term expected rate of return on RTHP OPEB plan assets was determined by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The assumption is not expected to change absent a significant change in asset allocation, a change in inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**Net OPEB Liability**

The components of the net OPEB liability as of June 30, 2022, the measurement date, were as follows (amounts in thousands):

	Total Primary Government	
	SEOPEBP	RTHP
Total OPEB Liability	\$ 17,738,337	\$ 1,771,141
Fiduciary Net Position	2,240,138	167,556
Net OPEB Liability	<u>\$ 15,498,199</u>	<u>\$ 1,603,585</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	12.63 %	9.46 %

**Actuarial Assumptions**

The total OPEB liability was determined by the most recent actuarial information available, using the following actuarial assumptions, applied to all periods included in the measurement:

	SEOPEBP	RTHP
Inflation	2.50%	2.50%
Payroll growth rate	3.00%	0.50%
Salary increase	3.00-11.50%	3.00-6.50%
Discount Rate	3.90%	3.00%
Investment rate of return	6.90%	3.00%, net of OPEB plan investment expense including price inflation
Healthcare cost trend rates	6.0% for drug cost graded to 4.5% over 6 years 6.0% for medical graded to 4.5% over 6 years 3.0% for dental 4.5% for Part B 3.0% for administrative expense	5.125%, decreasing to ultimate rate of 4.5% by 2023

Mortality rates for healthy State Employees OPEB Plan were based on the Pub-2010 General, above-median, employee, retiree, disabled retiree, and contingent annuitant headcount-weighted mortality table projected generationally using Scale MP-2020

Mortality rates for the State Teachers Retirement System were based on the Pub-T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females aged 82 and above) projected generationally with MP-2019 for the period after service retirement. The Pub-T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub-T2010 Employee Table projected generationally with MP-2019 was used for active members.

**Discount Rate**

The discount rate used to measure the total OPEB liability for SEOPEBP and RTHP respectively, was 3.90 and 3.00 percent, respectively. The projection of cash flows used to determine the discount was performed in accordance with GASB 74.

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (amounts in thousands):

	SEOPEBP		
	1% Decrease in Discount Rate 2.90%	Current Discount Rate 3.90%	1% Increase in Discount Rate 4.90%
SEOPEBP:			
Primary Government Net OPEB Liability	\$ 17,886,506	\$ 15,298,202	\$ 13,204,645
Component Units Net OPEB Liability	233,834	199,996	172,627
	RTHP		
	1% Decrease in Discount Rate 2.53%	Current Discount Rate 3.53%	1% Increase in Discount Rate 4.53%
RTHP Net OPEB Liability	\$ 1,936,354	\$ 1,603,585	\$ 1,341,136

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

The following presents the net OPEB liability of the State, as well as what the State's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate (amounts in thousands):

	SEOPEBP		
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rate	1% Increase in Health Care Cost Trend Rates
SEOPEBP			
Primary Government Net OPEB Liability	\$ 12,913,971	\$ 15,298,202	\$ 18,324,786
Component Units Net OPEB Liability	168,827	199,996	239,563
	RTHP		
	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
RTHP Net OPEB Liability	\$ 1,378,209	\$ 1,603,585	\$ 1,908,836

**c. GASB Statement 75 Employer Reporting  
Employer Contributions**

The following table presents the primary government's and component units' contributions recognized by the OPEB plans at the reporting date June 30, 2023 (amounts in thousands):

	SEOPEBP	RTHP	Total
Primary Government	\$ 839,042	\$ 21,474	\$ 860,516
Component Units	11,471	–	11,471
Total Employer Contributions	\$ 850,513	\$ 21,474	\$ 871,987

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post Employees Benefits**

As of the measurement date June 30, 2022, the primary government and component units reported net OPEB liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Proportionate Share of the Net OPEB Liability State Employees' OPEB Plan	\$ 15,298,202	\$ 199,996
Net OPEB Liability Retired Teachers' Health Plan	1,603,585	–
Total Net OPEB Liability	\$ 16,901,787	\$ 199,996

The primary government's and component units' proportions of the collective net OPEB liability for the State Employees' OPEB Plan as of the measurement date June 30, 2022 as follows (amounts in thousands):

	Primary Government	Component Units
State Employees' OPEB Plan Proportion-June 30, 2022	98.70 %	1.30 %

For the measurement date June 30, 2022, the primary government and component units recognized OPEB expense (income) for the following OPEB plan administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
OPEB Expense (Income)		
State Employees' OPEB Plan	\$ 210,902	\$ (2,250)
Retired Teachers' Health Plan	96,660	-
Total	<u>\$ 307,562</u>	<u>\$ (2,250)</u>

### **Deferred Outflows and Inflows of Resources**

As of the reporting date June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to the OPEB plans from the following sources (amounts in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>State Employees' OPEB Plan</b>				
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	\$ 142,521	\$ -	\$ 1,863	\$ -
Net Difference Between Expected and Actual Experience in the Total OPEB Liability	235,315	470,835	3,076	6,155
Change in Assumptions	1,722,818	6,590,660	22,523	86,161
Change in Proportion	40,649	28,325	23,083	35,407
Employer Contributions Subsequent to Measurement Date	841,249	-	9,264	-
Total	<u>\$ 2,982,552</u>	<u>\$ 7,089,820</u>	<u>\$ 59,809</u>	<u>\$ 127,723</u>
<b>Retired Teachers' Health Plan</b>				
Difference Between Expected and Actual Experience	\$ 112,964	\$ 1,267,472		
Change in Assumptions	463,116	366,126		
Differences between projected and actual earnings on plan investments	-	84,985		
Employer Contributions Subsequent to Measurement Date	21,474	-		
Total	<u>\$ 597,554</u>	<u>\$ 1,718,583</u>		

The amount reported as deferred outflows of resources related to OPEB resulting from the State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability reported in the following fiscal year. The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows (amounts in thousands):

State Employees' OPEB Plan Year	Primary Government	Component Units
1	\$ (895,553)	\$ (15,332)
2	(1,244,006)	(24,845)
3	(1,678,216)	(25,175)
4	(984,171)	(10,415)
5	(146,572)	(1,411)
	<u>\$ (4,948,518)</u>	<u>\$ (77,178)</u>

Retired Teachers' Health Plan Year	Primary Government
1	\$ (243,615)
2	(243,217)
3	(197,820)
4	(184,747)
5	(211,021)
Thereafter	(62,083)
	<u>\$ (1,142,503)</u>

### Changes in Net OPEB Liability

The following schedule presents changes in the State's OPEB liability and fiduciary net position for each plan for the measurement date June 30, 2022 (amounts in thousands):

	SEOPEBP	RTHP
<b>Total OPEB Liability</b>		
Service Cost	\$ 906,279	\$ 72,027
Interest	515,502	38,342
Benefit Changes	-	299,536
Difference between expected and actual experience	(309,786)	(60,031)
Changes of assumptions	(4,462,669)	(236,042)
Benefit payments	(637,979)	(74,795)
<b>Net change in total OPEB liability</b>	<u>(3,988,653)</u>	<u>39,037</u>
<b>Total OPEB liability - beginning</b>	21,726,989	1,732,104
<b>Total OPEB liability - ending (a)</b>	<u>\$ 17,738,336</u>	<u>\$ 1,771,141</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 847,928	\$ 20,419
Contributions - member	145,474	50,630
Net investment income	(196,531)	49,587
Benefit payments	(637,979)	(74,795)
Administrative expense	-	(283)
Other	(118,300)	16,083
<b>Net change in plan fiduciary net position</b>	<u>40,592</u>	<u>61,641</u>
<b>Plan fiduciary net position - beginning</b>	<u>\$ 2,199,545</u>	<u>\$ 105,915</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,240,137</u>	<u>\$ 167,556</u>
<b>Net OPEB liability - ending (a)-(b)</b>	<u>\$ 15,498,199</u>	<u>\$ 1,603,585</u>

**d. Other OPEB Plan**

The State acts solely as the administrator and custodian of the assets of the Policemen and Firemen Survivors' Benefit Fund (PFSBF). The State makes no contribution to and has only a fiduciary responsibility for this fund. The fund does not issue stand-alone financial statements. However, financial statements for this fund are presented in Note No. 14.

**Plan Description**

PFSBF is a cost-sharing multiple-employer defined benefit OPEB plan that covers policemen and firemen of participating municipalities in the State. As of the most recent actuarial report there were seven municipalities participating in the plan with a total membership of 671 active members. The plan provides survivor benefits upon the death of an active or retired member of the fund to his spouse and dependent children. Plan benefits, contribution requirements of plan members and participant municipalities, and other plan provisions are described in Sections 7-323a to 7-323i of the General Statutes.

**Contributions**

Plan members are required to contribute one percent of their annual salary. Participating municipalities are required to contribute at an actuarially determined rate. Administrative costs of the plan are financed by participating municipalities.

## Note 14

### OPEB Trust Funds Financial Statements

The financial statements of the OPEB trust funds are prepared using the accrual basis of accounting. Plan member and municipality contributions are recognized in the period in which they are due. State contributions are recognized in the period they are appropriated. Benefits are recognized when due and payable in accordance with the terms of each plan. Investment income and related investment expense of the Combined Investment Funds are allocated ratably to the PFSBF trust fund based on the fund's equity in the Combined Investment Funds.

	<b>Statement of Fiduciary Net Position (thousands)</b>			
	<b>State Employees' OPEB Plan</b>	<b>Retired Teachers' Healthcare Plan</b>	<b>Policemen, Firemen, and Survivors` Benefits</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 220,850	\$ 214,190	\$ 208	\$ 435,248
Receivables:	-	-	-	-
From Other Funds	-	2,083	-	2,083
Interest	-	-	3	3
Investments	2,477,269	-	47,776	2,525,045
Securities Lending Collateral	187,180	-	3,803	190,983
<b>Total Assets</b>	<b>\$ 2,885,299</b>	<b>\$ 216,273</b>	<b>\$ 51,790</b>	<b>\$ 3,153,362</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 30,676	\$ 540	\$ -	\$ 31,216
Securities Lending Obligation	187,180	-	3,803	190,983
<b>Total Liabilities</b>	<b>\$ 217,856</b>	<b>\$ 540</b>	<b>\$ 3,803</b>	<b>\$ 222,199</b>
<b>Net Position</b>				
Held in Trust For Employee Pension and Other Benefits	\$ 2,667,443	\$ 215,733	\$ 47,987	\$ 2,931,163
<b>Total Net Position</b>	<b>\$ 2,667,443</b>	<b>\$ 215,733</b>	<b>\$ 47,987</b>	<b>\$ 2,931,163</b>

## Statement of Changes in Fiduciary Net Position (thousands)

	State Employees' OPEB Plan	Retired Teachers`s Healthcare Plan	Policeman, Firemen, and Survivors` Benefits	Total
<b>Additions</b>				
Contributions:				
Plan Members	\$ 147,571	\$ 101,862	\$ 764	\$ 250,197
State	850,513	21,474	-	871,987
Municipalities	-	-	1,026	1,026
Total Contributions	998,084	123,336	1,790	1,123,210
Investment Income	200,078	21,989	4,052	226,119
Less: Investment Expenses	(14,305)	-	(290)	(14,595)
Net Investment Income	185,773	21,989	3,762	211,524
Other	-	30	62	92
Total Additions	1,183,857	145,355	5,614	1,334,826
<b>Deductions</b>				
Administrative Expense	-	51,179	-	51,179
Benefit Payments and Refunds	626,743	45,999	1,383	674,125
Other	129,809	-	6	129,815
Total Deductions	756,552	97,178	1,389	855,119
Changes in Net Assets	427,305	48,177	4,225	479,707
<b>Net Position Held in Trust For Other Postemployment Benefits:</b>				
Beginning of Year	2,240,138	167,556	43,762	2,451,456
End of Year	\$ 2,667,443	\$ 215,733	\$ 47,987	\$ 2,931,163



## Note 15

### Leases, Subscription-Based Information Technology Agreements, and Private-Public Partnerships

#### State as Lessor

The State leases buildings, space, land, and equipment to private individuals. The State reported leases receivable and related deferred inflows and resources and lease revenue, and interest revenues related to leases as of June 30, 2023, was as follows (amounts in thousands):

Classification	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Business-Type Activities	\$ 9,392	\$ 9,255	\$ 3,221	\$ 342
Component Units	\$ 181,512	\$ 176,828	\$ 13,135	\$ 6,682

Future principal and interest payment requirements in relation to the State of Connecticut State's lease receivable as of June 30, 2023 were as follows (amounts in thousands):

Fiscal Year(s)	Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest
2024	\$ 3,033	\$ 239	\$ 11,181	\$ 6,764
2025	2,808	139	10,680	6,454
2026	638	85	9,834	6,179
2027	648	68	9,583	5,903
2028	1,386	51	9,672	5,619
2029 to 2033	519	136	52,784	23,349
2034 to 2038	238	73	33,402	15,145
2039 to 2043	88	32	38,218	6,577
2044 to 2048	33	3	1,657	1,331
2049 to 2053	1	–	2,425	825
2054 to 2058	–	–	2,075	187
Total	\$ 9,392	\$ 826	\$ 181,511	\$ 78,333

There are no significant leases with options for the lessee to terminate the lease or abate payments if the State issues debt for which the principal and interest payments are secured by the lease payments. There are no significant leases of assets that are held as investments; no significant regulated leases; and no leasing of assets to other entities considered to be a principal and ongoing operation of the State.

**State as Lessee**

The State leases office space, buildings, software, and equipment. Lease asset and accumulated amortization as of June 30, 2023, is as follows (amounts in thousands):

<b>Classification</b>	<b>Net Asset Balance</b>	<b>Accumulated Amortization</b>	<b>Gross Asset Balance</b>
Governmental Activities	\$ 64,039	\$ (34,574)	\$ 98,613
Business-Type Activities	\$ 192,014	\$ (41,061)	\$ 233,075
Component Units	\$ 7,621	\$ (5,405)	\$ 13,026

For purposes of the present value calculation, the State uses the incremental discount rate based on the interest rate it would pay to borrow lease payments during the lease term. The discount rates applicable to the lease agreements ranged from 0.632 to 4.97 percent.

The following table presents lease principal and interest payments to maturity (amounts in thousands):

<b>Fiscal Year(s)</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 14,764	\$ 203	\$ 11,577	\$ 5,294	\$ 780	\$ 95
2025	13,800	160	11,169	4,807	908	77
2026	9,962	132	10,329	4,420	918	120
2027	7,523	89	8,947	4,133	850	54
2028	5,898	65	7,105	3,892	836	39
2029 to 2033	11,550	27	24,948	16,965	1,846	64
2034 to 2038	1,257	11	15,709	14,069	2,389	–
2039 to 2043	164	1	11,527	12,148	–	–
2044 to 2048	–	–	14,834	10,301	–	–
2049 to 2053	–	–	18,301	7,983	–	–
2054 to 2058	–	–	23,362	5,024	–	–
2059 to 2063	–	–	23,116	1,407	–	–
2064 to 2068	–	–	–	–	–	–
<b>Total</b>	<b>\$ 64,918</b>	<b>\$ 688</b>	<b>\$ 180,924</b>	<b>\$ 90,443</b>	<b>\$ 8,527</b>	<b>\$ 449</b>

There are no significant residual payments excluded from the measurement of the lease liabilities. There are no significant outflows of resources recognized in Fiscal Year 2023 for residual payments, including residual value guarantees or termination penalties. There were no significant commitments under leases that existed before the commencement of the lease term; no significant losses associated with impairments; no significant sublease or sale-leaseback/lease-leaseback transactions; and no significant collateral as security.

**Subscription-Based Information Technology Agreements (SBITAs)**

The State entered into various SBITAs that convey control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. SBITAs entered into, or in place, during the fiscal year include various desktop and server software subscriptions; budgeting, accounting, and information system software; and document management software. SBITA right-to-use assets and accumulated amortization as of June 30, 2023, are as follows (amounts in thousands):

<b>Classification</b>	<b>Net Asset Balance</b>	<b>Accumulated Amortization</b>	<b>Gross Asset</b>
Governmental Activities	\$ 30,825	\$ (9,565)	\$ 40,390
Business-Type Activities	\$ 66,454	\$ (36,020)	\$ 102,474
Component Units	\$ 1,617	\$ (323)	\$ 1,940

Future principal and interest payment requirements in relation to the State of Connecticut's SBITAs as of June 30, 2023 are as follows (amounts in thousands):

<b>Fiscal Year(s)</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 9,270	\$ 1,359	\$ 21,011	\$ 2,385	\$ 647	
2025	9,743	833	15,661	1,512	647	
2026	11,068	449	7,854	931	323	
2027	808	82	5,099	605		
2028	35	74	3,986	371		
2029 to 2033	202	343	6,245	369		
2034 to 2038	259	286				–
2039 to 2043	332	213			–	–
2044 to 2048	425	119			–	–
2049 to 2053	256	17			–	–
Total	<u>\$ 32,398</u>	<u>\$ 3,775</u>	<u>\$ 59,856</u>	<u>\$ 6,173</u>	<u>\$ 1,617</u>	<u>\$ –</u>

**Public-Private Partnerships (PPPs)***Connecticut Department of Transportation*

The State, acting by and through the Connecticut Department of Transportation, entered into a concession agreement with Project Service LLC to operate the 23 Service Areas along roadways of Connecticut to meet the needs of the travel public. The contract commenced in 2009 and runs through December 2044. The contract requires Minimum Annual Guaranteed Payments and Participation Payments on Gross Receipts and Gallons of Fuel Sold. CTDOT maintains title of all real property at each service area together with all fuel service equipment. The agreement granted Project Service LLC the exclusive right to use, operate, manage and maintain the facilities for the permitted use.

Utilizing an incremental borrowing interest rate of 4.97%, the State reported net present value receivables and related deferred inflows of resources and lease revenue, and interest revenues related to public-private partnerships receivable as of June 30, 2023, as follows (amounts in thousands):

<b>Classification</b>	<b>PPP Installment Receivable</b>	<b>Deferred Inflow of Resources</b>	<b>PPP Revenue</b>	<b>PPP Interest Revenue</b>
Transportation and Governmental Activities	\$ 45,911	\$ 44,113	\$ 2,005	\$ 2,292

Future principal and interest payments requirements in relation to the State of Connecticut's public-private partnerships receivable as of June 30, 2023, as follows (amounts in thousands):

<b>Fiscal Year(s)</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 218	\$ 2,282
2025	729	2,271
2026	765	2,235
2027	803	2,197
2028	843	2,157
2029 to 2033	7,042	9,958
2034 to 2038	11,737	7,764
2039 to 2044	17,719	4,281
2045	6,055	12,437
Total	<u>\$ 45,911</u>	<u>\$ 45,582</u>

## Note 16

### Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the primary government for the year ended June 30, 2023 (amounts in thousands):

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts due within one year</b>
<b>Bonds</b>					
General Obligation	\$ 18,363,522	\$ 1,628,220	\$ 2,369,344	\$ 17,622,398	\$ 1,703,039
Direct Borrowings and Direct Placements	262,635	–	15,790	246,845	15,790
Transportation	7,054,415	1,143,490	747,040	7,450,865	442,665
	25,680,572	2,771,710	3,132,174	25,320,108	2,161,494
Plus (Less) Premiums	2,553,371	236,527	256,207	2,533,691	245,859
<b>Total Bonds</b>	<b>28,233,943</b>	<b>3,008,237</b>	<b>3,388,381</b>	<b>27,853,799</b>	<b>2,407,353</b>
<b>Other L/T Liabilities:<sup>1</sup></b>					
Net Pension Liability (Note 10)	36,132,879	12,268,338	8,044,167	40,357,050	–
Net OPEB Liability (Note 13)	20,916,477	2,123,553	6,138,244	16,901,786	–
Compensated Absences	522,596	39,978	1,474	561,100	30,654
Workers' Compensation	813,349	36,508	33,336	816,521	50,695
Leases	58,183	24,790	18,055	64,918	14,764
Subscriptions	–	40,390	9,565	30,825	9,270
Claims and Judgments	35,006	9,904	6,245	38,665	8,083
Landfill Post Closure Care	27,768	–	3,050	24,718	3,050
Contracts Payable & Other	705	–	–	705	–
Non-exchange Financial Guarantees	418,775	–	47,555	371,220	34,275
<b>Total Other Liabilities</b>	<b>58,925,738</b>	<b>14,543,461</b>	<b>14,301,691</b>	<b>59,167,508</b>	<b>150,791</b>
<b>Governmental Activities Long-Term Liabilities</b>	<b>\$ 87,159,681</b>	<b>\$ 17,551,698</b>	<b>\$ 17,690,072</b>	<b>\$ 87,021,307</b>	<b>\$ 2,558,144</b>
<sup>1</sup> In prior years, the General and Transportation funds have been used to liquidate other liabilities.					
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 1,370,920	\$ 52,515	\$ 240,135	\$ 1,183,300	\$ 82,815
Plus/(Less) Premiums and Discounts	161,299	3,073	34,782	129,590	1,003
<b>Total Revenue Bonds</b>	<b>1,532,219</b>	<b>55,588</b>	<b>274,917</b>	<b>1,312,890</b>	<b>83,818</b>
Compensated Absences	198,892	52,042	54,818	196,116	59,354
Federal Loan	175,287	156	171,342	4,101	848
Leases	190,798	3,207	13,084	180,921	11,577
Subscriptions	36,562	60,077	36,783	59,856	21,011
Other	270,278	51,197	34,081	287,394	25,226
<b>Total Other Liabilities</b>	<b>871,817</b>	<b>166,679</b>	<b>310,108</b>	<b>728,388</b>	<b>118,016</b>
<b>Business-Type Long-Term Liabilities</b>	<b>\$ 2,404,036</b>	<b>\$ 222,267</b>	<b>\$ 585,025</b>	<b>\$ 2,041,278</b>	<b>\$ 201,834</b>
<b>Primary Government Long-Term Liabilities</b>	<b>\$ 89,563,717</b>	<b>\$ 17,773,965</b>	<b>\$ 18,275,097</b>	<b>\$ 89,062,585</b>	<b>\$ 2,759,978</b>

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately \$24.1 million. This liability represents the State's share of the cost of cleaning up certain polluted sites in the state under federal and state superfund regulations. The liability was estimated using the cash flow technique and could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort. In addition, there are other polluted sites in the state that require remedial action by the State that will result in additional cleanup costs. The State did not recognize a liability for these costs at year end because it could not be reasonably estimated.

As of June 30, 2023, long-term liabilities of component units consisted of the following (amounts in thousands):

<b>Long-Term Debt</b>	<b>Balance June 30, 2023</b>	<b>Amounts due within year</b>
Bonds Payable (includes premiums/discounts)	\$ 5,189,170	\$ 416,592
Escrow Deposits	304,323	104,977
Annuities Payable	120,066	4,356
Rate Swap Liability	-	-
Net Pension Liability	195,464	-
Net Post Employment Liability	199,997	-
Lease Liability	5,487	1,243
Other	40,564	1,042
Total	<u>\$ 6,055,071</u>	<u>\$ 528,210</u>

Not all component units report net pension liabilities and OPEB liabilities; therefore, the notes show a higher liability for the net pension liability of \$6,941 and a higher net OPEB liability of \$7,082 than the financial statements.

#### **Landfill Closure and Postclosure Care**

Public Act 13-247 and section 99 of Public Act 13-184 required the Materials Innovation and Recycling Authority to transfer all legally required reserves and obligations resulting from the closure of the authority's landfills located in Hartford, Ellington, Waterbury, Wallingford and Shelton to the State Department of Energy and Environmental Protection (DEEP). During the year ended June 30, 2014, the legal transfer of \$35.8 million in post closure care obligations and the concurrent transfer of \$31.0 million of Authority reserve funds to the State resulting from the closure of landfills was addressed by a memorandum of understanding ("MOU") between the Authority and DEEP.

By the end of the year ended June 30, 2015, all work associated with the closure of the five landfills was completed. Going forward DEEP is required to reimburse the authority for all postclosure care obligations as the five landfills are now certified as closed. All landfill expense reimbursements paid by DEEP totaled \$3,049.8 in FY 2023.

GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost* applies to closure and postclosure care costs that are paid near or after the date a landfill stops accepting waste. The State recognizes landfill expenditures and related General Fund liabilities using the modified accrual basis of accounting. DEEP estimates the State's landfill liability for closure and postclosure costs based on landfill capacity. Increases or decreases in such estimates are reported as additions or reductions in this line item of the State's long-term liabilities. The liability for these estimated costs is reduced when the costs are actually paid. Actual costs may be higher than estimated due to inflation or changes in permitted capacity, technology or regulation. As of June 30, 2013, all five of the landfills had no capacity available since 100 percent of their capacity had been used.

## Note 17

### Long-Term Notes and Bonded Debt

#### a. Primary Government – Governmental Activities

##### **General Obligation Bonds**

General Obligation bonds are those bonds that are paid out of the revenues of the General Fund and are supported by the full faith and credit of the State. General Obligation bonds outstanding and bonds authorized but unissued as of June 30, 2023, were as follows (amounts in thousands):

<b>Purpose of Bonds</b>	<b>Final Dates</b>	<b>Original Rates</b>	<b>Outstanding</b>	<b>Authorized But Unissued</b>
Capital Improvements	2023-2043	.45-5.632%	\$ 3,727,244	\$ 878,718
School Construction	2023-2043	2.00-5.632%	4,377,172	586,000
Municipal & Other Grants & Loans	2023-2037	.31-5.632%	2,858,343	1,719,723
Housing Assistance	2023-2036	1.89-5.350%	852,675	458,156
Elimination of Water Pollution	2023-2039	3.00-5.09%	414,055	–
General Obligation Refunding	2023-2039	1.50-5.00%	2,926,965	–
GAAP Conversion	2023-2028	4.00-5.00%	258,295	–
Pension Obligation	2024-2033	5.69-6.27%	2,028,977	–
Miscellaneous	2024-2035	3.50-5.00%	29,675	20,000
			17,473,401	\$ 3,662,597
	Accretion-Various Capital Appreciation Bonds		148,997	
			Total	\$ 17,622,398

Future amounts needed to pay principal and interest on General Obligation bonds outstanding as of June 30, 2023, were as follows (amounts in thousands):

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,703,039	\$ 853,530	\$ 2,556,569
2025	1,640,377	791,718	2,432,095
2026	1,617,775	635,908	2,253,683
2027	1,575,930	562,191	2,138,121
2028	1,498,215	488,427	1,986,642
2029-2033	6,095,670	1,457,223	7,552,893
2034-2038	2,573,130	425,435	2,998,565
2039-2043	769,266	67,475	836,741
Total	\$ 17,473,402	\$ 5,281,907	\$ 22,755,309

##### **Direct Borrowing and Direct Placements**

On June 28, 2017, the State issued direct placement debt raising cash from a non-public offering based on a contractual agreement. The State entered into the agreement to take advantage of various favorable terms and at a substantially lower cost than if the State used a traditional public offering. Direct placement debt outstanding as of June 30, 2023 were as follows (amounts in thousands):

<b>Type of debt</b>	<b>Final Maturity Dates</b>	<b>Original Interest Rates</b>	<b>Amount Outstanding</b>
Direct Placements	2038	2.45 %	\$ 246,845

Future amounts required to pay principal and interest on direct borrowings and direct placements outstanding as of June 30, 2023 were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2024	\$ 15,790	\$ 8,935	\$ 24,725
2025	15,790	8,341	24,131
2026	15,790	7,782	23,572
2027	15,790	7,211	23,001
2028	42,500	6,649	49,149
2029-2033	91,445	17,936	109,381
2034-2038	49,740	4,011	53,751
Total	<u>\$ 246,845</u>	<u>\$ 60,865</u>	<u>\$ 307,710</u>

### **GO Demand Bonds**

The State enters into standby bond purchase and remarketing agreements with brokerage firms and/or banks upon the issuance of demand bonds. The State issued demand bonds as General Obligation Tax Exempt 2016 Series C bonds maturing in 2034.

Under the Standby Bond Purchase Agreement, the Bank would purchase the put bonds and hold them until they were remarketed. The Bank Bonds would bear a base rate for a period up to 270 days and base rate plus 1.0 percent thereafter. The State is required to pay the standby bond purchase provider a quarterly fee of 0.37 percent of the principal and interest commitment.

The State's remarketing agent is responsible for using its best efforts to remarket bonds properly tendered for purchase by bondholders. The State is required to pay the remarketing agent a quarterly fee of 0.06 percent per annum on the amount of outstanding demand bond principal.

Term out funding would commence on the 271<sup>st</sup> day following the bank purchase date. The outstanding bank bonds would be amortized on a quarterly basis for a three-year period as shown below. The interest on the bonds would be calculated at a rate determined per the Standby Bond Purchase Agreement (base rate plus 1 percent). For example, at the end of fiscal year 2023, the calculated rate was 6.0 percent, based on the terms of the agreement. The standby bond purchase agreement expires on June 12, 2025. The agreement could be terminated at an earlier date if certain termination events described in the agreement were to occur. As of June 30, 2023, the amount of demand bonds outstanding was \$241,465,000. The table below shows the debt service requirements should the bond holders exercise their option in the full amount of the outstanding demand bonds.

Fiscal Year	Beginning Banked Bonds Outstanding	Principal	Interest	Total Debt Service	Ending Bank Bonds Outstanding
First	\$ 241,465,000	\$ 80,488,333	\$ 12,676,913	\$ 93,165,246	\$160,976,667
Second	160,976,667	80,488,333	7,847,613	88,335,946	80,488,334
Third	80,488,334	80,488,334	3,018,313	83,506,647	-

### **Transportation Related Bonds**

Transportation Related bonds include special tax 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 as of June 30, 2023, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Infrastructure				
Improvements	2023-2042	1.75-5.740%	\$ 6,785,280	\$ 6,500,000
STO Refunding	2023-2033	3.00-5.00%	665,585	—
			7,450,865	\$ 6,500,000
Accretion-Various Capital Appreciation Bonds			—	
		Total	\$ 7,450,865	

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30, 2023, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2024	\$ 442,665	\$ 368,486	\$ 811,151
2025	439,180	336,798	775,978
2026	472,445	313,890	786,335
2027	464,400	290,227	754,627
2028	483,465	266,262	749,727
2029-2033	2,374,970	966,066	3,341,036
2034-2038	1,955,950	421,768	2,377,718
2039-2043	796,615	82,717	879,332
2044-2048	21,175	549	21,724
	\$ 7,450,865	\$ 3,046,763	\$ 10,497,628

#### b. Primary Government – Business–Type Activities Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the Enterprise funds and Component Units.

Enterprise funds' revenue bonds outstanding as of June 30, 2023, were as follows (amounts in thousands):

Funds	Dates	Rates	(000's)
UConn	2024-2048	1.0-5.25%	\$ 183,605
Board of Regents	2024-2040	0.35-5.00%	279,685
Clean Water	2024-2039	1.0-5.0%	599,175
Drinking Water	2024-2039	1.0-5.0%	120,835
Total Revenue Bonds			1,183,300
Plus/(Less) premiums and discounts:			
UConn			16,544
Board of Regents			10,669
Clean Water			82,833
Drinking Water			19,544
Revenue Bonds, net			\$ 1,312,890

The University of Connecticut has issued student fee revenue bonds to finance the costs of buildings, improvements, and renovations to certain revenue-generating capital projects. Revenues used for payments on the bonds are derived from various fees charged to students.

The Connecticut State University System has issued revenue bonds that finance the costs of auxiliary enterprise buildings, improvements, and renovations to certain student housing related facilities. Revenues used for payments on the bonds are derived from various fees charged to students.

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. Details on these agreements are disclosed under the separately issued audited financial statements of the fund.

Future amounts needed to pay principal and interest on revenue bonds outstanding as of June 30, 2023, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2024	\$ 82,815	\$ 51,629	\$ 134,444
2025	81,985	47,915	129,900
2026	88,010	44,085	132,095
2027	81,350	40,068	121,418
2028	75,265	36,440	111,705
2029-2033	396,700	130,037	526,737
2034-2038	277,100	55,190	332,290
2039-2043	59,845	15,740	75,585
2044-2048	40,230	5,492	45,722
Total	<u>\$ 1,183,300</u>	<u>\$ 426,596</u>	<u>\$ 1,609,896</u>

**c. Component Units**

Component Units' revenue bonds outstanding as of June 30, 2023, were as follows (amounts in thousands):

<b>Component Unit</b>	<b>Final Maturity Date</b>	<b>Interest Rates</b>	<b>Amount Outstanding (000's)</b>
CT Housing Finance Authority	2024-2065	0.0-6.274%	\$ 8,980,170
CT Student Loan Foundation	2046	0.01-1.655%	75,925
CT Higher Education			
Supplemental Loan Authority	2027-2039	2.25-5.00%	154,510
CT Airport Authority	2024-2050	2.8-5%	223,195
Capital Region			
Development Authority	2024-2034	1.00-5.0%	58,845
UConn Foundation	2024-2025	1.9-2.92%	–
CT Green Bank	2024-2042	.23-7.04%	67,657
Total Revenue Bonds			9,560,302
Plus/(Less) premiums and discounts:			
CHFA			–
CSLF			(108)
CHESLA			–
CAA			2,862
UConn Foundation			–
CRDA			1,272
Revenue Bonds, net			<u>\$ 9,564,328</u>

Revenue bonds issued by the Component Units do not constitute a liability or debt of the State. The State is only contingently liable for those bonds as discussed below.

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 September 27, 1972; a special needs indenture dated September 25, 1995, and other bond resolutions dated October 2009. As of December 31, 2022, bonds outstanding under the bond resolution, the indenture, and other bond resolutions were \$4,483.4 million, \$62.0 million, and \$54.8 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 resolution and indenture Capital Reserve funds are 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 any succeeding calendar year on all outstanding bonds. The required reserves are \$291.7.0 million per the resolution and \$5.1 million per the indenture as of December 31, 2022. As of December 31, 2022, the Authority has entered into interest rate swap agreements for \$947.1 million of its outstanding variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority.

Materials Innovation and Recycling 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.

### **Capital Reserves**

Each Authority has established special capital reserve funds that secure all the outstanding bonds of the Authority at year-end. 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 if the Authority is unable to do so.

The Capital Region Development Authority revenue bonds are issued to provide sufficient funds for carrying out its purposes. The bonds are not debt of the State of Connecticut. However, the Authority and the State have entered a contract for financial assistance, pursuant to which the State will be obligated to pay principal and interest on the bonds in an amount not to exceed \$9.0 million in any calendar year. The bonds are secured by energy fees from the central utility plant and by parking fees.

Future amounts needed to pay principal and interest on Component Unit revenue bonds outstanding as of June 30, 2023, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2024	\$ 360,766	\$ 317,566	\$ 678,332
2025	374,816	311,610	686,426
2026	352,699	301,113	653,812
2027	358,570	290,138	648,708
2028	338,314	279,058	617,372
2029-2033	1,897,428	1,220,317	3,117,745
2034-2038	1,827,493	901,092	2,728,585
2039-2043	1,516,187	603,838	2,120,025
2044-2048	1,583,169	326,104	1,909,273
2049-2053	794,520	86,667	881,187
2054-2058	107,410	18,633	126,043
2059-2063	48,930	2,962	51,892
	<u>\$ 9,560,302</u>	<u>\$ 4,659,098</u>	<u>\$ 14,219,400</u>

### **No-commitment debt**

Under the Self-Sustaining Bond program, acquired from its combination with the Connecticut Development Authority, Connecticut Innovations, Inc., issues revenue bonds to finance such projects as described previously in the Component Unit section of this note. These bonds are paid solely from payments received from participating companies (or from proceeds of the 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, 2023 were \$225.4 million.

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 a fiduciary responsibility. Total Special Obligation bonds outstanding as of June 30, 2023, were \$8,639.6 million, of which \$279.7 million was secured by special capital reserve funds.

**d. Debt Refundings**

During the fiscal year, the State issued a total of \$528.2 million of refunding bonds for the General Obligation program that will provide aggregate debt service savings of \$45.0 million over the remaining life of the bonds. The State also issued \$313.5 million of refunding bonds for the Special Tax Obligation (Transportation) program that will provide aggregate debt service savings of \$24.0 million over the remaining life of the bonds refunded.

Upon the issuance of the refunding bonds, the State entered into escrow agreements with escrow holders, to provide for the redemption of the refunded bonds. The refunding proceeds were deposited in an escrow holder's account and used to purchase U.S. Treasury Obligations and the State's Short-Term Investment Fund until needed for redemption of the refunded bonds. Thus, the refunded bonds were removed from the State's financial statements as they are considered defeased.

**e. Nonexchange Financial Guarantee**

In March 2018, the State entered a Contract for Financial Assistance with the City of Hartford, according to Section 376 of Public Act 17-2 of the June Special Session guaranteeing \$540,080,000 of outstanding general obligation bonds of the City of Hartford, with maturity dates ranging from July 1, 2028 through July 15, 2035, and semiannual interest payments. The contract assistance is limited to an amount equal to (1) the annual debt service on the outstanding amount of (A) refunding bonds to be issued by the City of Hartford pursuant to section 7-370c of the general statutes, or (B) any other bonds or notes issued by the City of Hartford, provided such refunding bonds or other bonds or notes are for payment, funding, refunding, redemption, replacement or substitutions of bonds, notes or other obligations previously issued by the City of Hartford, and (2) cost of issuance on any such refunding bonds and any other expenses that result directly from the refunding of debt. The State Representatives, defined by the contract as the Secretary of the Office of Policy and Management and the State Treasurer, may agree to provide credit support to the City of Hartford, including, but not limited to, assuming all or part of any bonds, notes, or other obligations of the City or issuance of new State obligations in replacement of such bonds, notes, or other obligations, provided such credit support does not exceed the amount of contract assistance that could otherwise be provided by the State to the City.

In April 2018, because of the possibility that the City of Hartford would declare bankruptcy, the State of Connecticut began making contract assistance payments for the City of Hartford's then outstanding \$540 million general obligation debt. During fiscal year 2023, the State of Connecticut has paid \$47,555,000 in principal and \$18,628,049 in interest.

The liability recognized for nonexchange financial guarantees by the State of Connecticut at June 30, 2023 is as follows (amounts in thousands):

Beginning of Year	Increases	Decreases	End of Year
\$ 418,775	\$ -	\$ 47,555	\$ 371,220

## Note 18

### 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 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 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 many 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.

The State records its risk management activities related to the medical malpractice risk in the University of Connecticut and Health Center fund, an enterprise fund. At year-end, liabilities for unpaid claims are recorded in the statement of net position (government-wide and proprietary fund statements) when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The liabilities are 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 are identified under UConn Health's incident reporting system and an estimate of incurred but not reported claims are accrued based on actuarially determined estimates that incorporate UConn Health's past experience as well as other considerations, including the nature of each claim or incident and relevant trend factors. In the General Fund, the liability for unpaid claims is only recorded if the liability is due for payment at year-end. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the claim's liabilities during the last two fiscal years were as follows (amounts in thousands):

	Governmental Activities	Business-Type Activities
	Workers' Compensation	Medical Malpractice
Balance 6-30-21	\$ 812,645	\$ 41,670
Incurred claims	14,994	2,424
Paid claims	(14,290)	(1,636)
Balance 6-30-22	813,349	42,458
Incurred claims	36,508	14,097
Paid claims	(33,336)	(6,848)
Balance 6-30-23	<u>\$ 816,521</u>	<u>\$ 49,707</u>

## Note 19 Interfund Receivables and Payables

Interfund receivable and payable balances as June 30, 2023, were as follows (amounts in thousands):

	General	Transportation	Grants & Accounts	Other Proprietary	Other Governmental	UConn	Board of Regents	Employment Security	Internal Service	Fiduciary	Component Units	Total
<b>Balance due from fund(s)</b>												
General	\$ -	\$ -	\$ -		\$ 123	\$ 1,719	\$ 33,967	\$ 1,975	\$ 5,323	\$ 1,874,611	\$ 30,198	\$ 1,947,916
Debt Service	6,276	3,391			-							9,667
Restricted Grants & Accounts	3,359				-						6,324	9,683
Grant & Loan Programs	20				-							20
Other Governmental	2,024			47,270	19,252	38,967	6,890	-				114,403
UConn	22,982				-					123		23,105
Board of Regents	292				-							292
Employment Security				4,352	-							4,352
Internal Services	25,156				-							25,156
Fiduciary					-					2,083		2,083
Component Units	63,605		172	4,301	-				249			68,326
Total	<u>\$ 123,713</u>	<u>\$ 3,391</u>	<u>\$ 172</u>	<u>\$ 55,923</u>	<u>\$ 19,375</u>	<u>\$ 40,686</u>	<u>\$ 40,857</u>	<u>\$ 1,975</u>	<u>\$ 5,572</u>	<u>\$ 1,876,817</u>	<u>\$ 36,522</u>	<u>\$ 2,205,002</u>

Interfund receivables and payables arose because of interfund loans and other interfund balances outstanding at year end.

## Note 20

### Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following (amounts in thousands):

	Amount transferred to fund(s)										
	General	Debt Service	Transportation	Restricted Grants & Accounts	Other Governmental	UConn	Board of Regents	Clean Water & Drinking Water	Component Units	Fiduciary Funds	Total
Amount transferred from fund(s)											
General	\$ 1,449,539	\$ -	\$ -	\$ 92,000	\$ 51,968	\$ 720,939	\$ 342,413	\$ 374,525	\$ 400		\$ 3,031,784
Debt Service	-	-	29,326	-	-	-	-	-	-	-	29,326
Transportation	-	810,318	-	-	5,500	-	-	-	-	-	815,818
Restricted Grants & Accounts	322,053	-	-	-	-	-	-	-	-	-	322,053
Grants and Loans	-	-	-	-	-	-	-	-	-	-	-
Other Governmental	113,464	60,086	-	83,696	12,000	94,894	66,835	17,000	-	-	447,975
Component Units	-	-	-	-	-	-	-	-	-	-	-
Employment Security	-	-	-	-	10,645	-	-	-	-	-	10,645
Total	<u>\$ 1,885,056</u>	<u>\$ 870,404</u>	<u>\$ 29,326</u>	<u>\$ 175,696</u>	<u>\$ 80,113</u>	<u>\$ 815,833</u>	<u>\$ 409,248</u>	<u>\$ 391,525</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 4,657,601</u>

Transfers were made to (1) move revenues from the fund that budget or statute requires to collect them to the fund that budget or statute requires to expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

## Note 21

### Restatement of Net Position, Fund Balance Classifications, and Restricted Net Position

#### Restatement of Net Position

Due to a correction made in the calculation of depreciation of capital assets as well as the implementation of GASB 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements and 96 Subscription-based Information Technology Arrangements, the State's beginning net position on the Government-wide statements was restated by \$267.7 million.

During the fiscal year, the University of Connecticut and Health Center, a major proprietary fund, restated the prior year's beginning net position by \$1.3 million. This was the result of the implementation of GASB 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB 96 *Subscription-Based Information Technology Arrangements*, and an accounting change related to GASB 87 *Leases*, due to the implementation of new lease accounting software.



**Fund Balance – Restricted and Assigned**

As of June 30, 2023, restricted and assigned fund balances of nonmajor governmental funds were comprised as follows (amounts in thousands):

	<b>Restricted Purposes</b>	<b>Assigned Purposes</b>
Capital Projects	\$ 610,824	\$ –
Environmental Programs	93,022	–
Housing Programs	675,083	–
Employment Security Administration	58,353	–
Banking	42,897	–
Other	580,589	49,160
Total	<u>\$ 2,060,168</u>	<u>\$ 49,160</u>

**Restricted Net Position**

As of June 30, 2023, the government-wide statement of net position reported \$8,926.6 million of restricted net position, of which \$1,370.9 million was restricted by enabling legislation.

**Note 22****Tax Abatements**

For financial purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefit the government or its citizens.

***Film, Television, and Digital Media Tax Program***

This program assists film, television, and digital media companies with direct financial assistance programs. Including but not limited to loans, grants, and job expansion tax credits structured to incentivize relocation to Connecticut and the growth and development of current Connecticut-based companies.

Beginning after January 1, 2010, (a) an eligible production company that incurs production expenses of not less than \$100 thousand, but not more than \$500 thousand, will be eligible for a credit against the tax imposed equal to ten percent of such production expenses, (b) a production company incurring expenses of more than \$500 thousand, but not more than \$1 million, will be eligible for a credit against the tax imposed equal to fifteen percent of production expenses, and (c) a production company incurring expenses of more than \$1 million will be eligible for a credit against the tax imposed (chapter 207, section 12-217jj) equal to thirty percent of production expenses.

No eligible company incurring an amount of production expenses that qualifies for a tax credit shall be eligible unless on or after January 1, 2010, the company conducts (1) not less than fifty percent of principal filming days within the state, or (2) expends not less than fifty percent of postproduction costs within the state, or (3) expends not less than \$1 million of postproduction costs within the state.

An eligible production company shall apply to the Department of Economic and Community Development (DECD) for a tax credit voucher on an annual basis, but not later than ninety days after the first production expenses are incurred in the production of a qualified production and will provide with the application information that DECD may require to determine if the company is eligible to claim a credit.

***Urban and Industrial Sites Reinvestment Tax Program***

This tax program is designed to encourage development and redevelopment activities in eligible communities and to encourage private investment in contaminated properties.

In accordance with Chapter 578 section 32-9t of the General Statutes taxpayers who make investments in eligible urban reinvestment projects or eligible industrial site investment projects may be allowed a tax credit against the tax imposed under chapter 207 and 212a or section 38a-743 in the General Statutes, an amount equal to the following percentage of approved investments made by or on behalf of a taxpayer with respect to the following income years of the taxpayer: (a) the income year in which the investment in the project was made and the next two succeeding income years, zero percent; (b) in the third full income year succeeding the year in which the investment was made and the three succeeding years, ten percent; (c) in the seventh full income year succeeding the year in which the investment in the eligible project was made and the next two succeeding years, twenty percent. The sum of all tax credits shall not exceed \$100 million to a single eligible urban reinvestment project, or a single eligible industrial site investment project approved by the commissioner at DECD. The sum of all tax credits under the provisions of this section should not exceed \$950 million.

Tax credits allowed may be claimed by a taxpayer who has made an investment (1) directly only if the investment has a total asset value, either alone or combined with other investors in an eligible project, of not less than \$5 million or, in the case of an investment in an eligible project for the preservation of a historic facility and redevelopment of the facility for combined uses which includes at least four housing units, the total asset value should not be less than \$2 million; (2) an investment managed through a fund manager only if such fund: (a) has a total asset value of not less than \$60 million for the income year for which the initial credit is taken; and (b) has not less than three investors who are not related persons with respect to each other or to any person in which any investment is made other than through the fund at the date the investment is made; or (3) through a community development entity or a contractually bound community development entity. A tax credit made through a fund, should only be available for investments in funds that are not open to additional investments beyond the amount set forth at the formation of the fund.

#### ***Insurance Reinvestment Fund Program***

The purpose of the Insurance Reinvestment Fund Program is to capitalize on the base of local insurance expertise and help people laid off after the massive restructuring of the insurance industry. The program was also intended to encourage small insurance startups and specialty insurance businesses in Connecticut companies engaged in the insurance business or providing services to insurance companies.

In accordance with Chapter 698 section 38a-88 a tax credit is allowed against the tax imposed under chapter 207, 208, or 229 or section 38a-343 an amount equal to the following percentage of the moneys the taxpayer invested through a fund manager in an insurance business with respect to the following income years of the taxpayer: (a) in the initial income year in which the investment in the insurance business was made and two succeeding income years, zero percent; (b) with respect to the third full income year in which the investment in the insurance business was made and the next three succeeding income years, ten percent; (c) in the seventh full income year succeeding the year in which the investment in the insurance business was made and the next two succeeding income years, twenty percent. The sum of all tax credits shall not exceed \$15 million with respect to investment made by a fund or funds in any single insurance business, and with respect to all investments made by a fund shall not exceed the total amount originally invested in the fund. A fund manager may apply to the Commissioner of DECD for a credit that is greater than the limitations established by law.

The tax credit allowed may be claimed by a taxpayer who has invested in an insurance business through a fund (a) which has total assets of not less than \$30 million for the income year for which the initial credit is taken; (b) has not less than three investors who are not related persons with respect to each other or to any insurance business in which any investment is made other than through the fund at the date the investment is made; and (c) which invests only in insurance businesses that are not related persons to each other.

The credit allowed may only be claimed with respect to an insurance business which (a) occupies the new facility for which an eligibility certificate has been issued by the Commissioner of DECD, or the certificate has been issued as its home office, and (b) employs not less than twenty-five percent of its total work force in new jobs.

The maximum allowed credit shall be \$350 million in total and \$40 million per year.

***The Connecticut Neighborhood Assistance Act Credit Program (Conn. Gen. Stat. §§12-631 through 12-638)***

The Neighborhood Assistance Act tax credit may be earned by businesses that make cash investments of at least \$250 to certain community programs. The cash investments must be made in a community program that is proposed and conducted by a tax exempt or municipal agency and must be approved both by the municipality in which the program is conducted and the Department of Revenue Services.

This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

A tax credit equal to one hundred percent of the cash invested is available to businesses that invest in energy conservation projects and comprehensive college access loan forgiveness programs. A tax credit equal to sixty percent of the cash invested is available to businesses that invest in programs that provide: community-based alcoholism prevention or treatment programs; neighborhood assistance; job training; education; community services; crime prevention; construction or rehabilitation of dwelling units for families of low and moderate income in the state; funding for open space acquisitions; investment in child day care facilities; child care services; and any other program which serves persons at least seventy five percent of whom are at an income level not exceeding one hundred fifty percent of the poverty level for the preceding year.

Under the Connecticut Neighborhood Assistance Act there are several statutory limits which must be observed, including the following: (1) the total tax credits under the Neighborhood Assistance Act tax credit program are limited to \$150,000 annually for each business. The tax credit for investments in child day care facilities may not exceed \$50,000 per income year for each business; (2) the minimum contribution on which a tax credit can be granted is \$250; (3) any organization conducting a program or programs eligible to receive contributions under the Neighborhood Assistance Act tax credit program is limited to receiving a total of \$150,000 of funding for any program or programs for any fiscal year; (4) the cap on the total amount of credits that may be allowed annually is \$5 million. If the proposals submitted to the Department of Revenue Services claim credits in excess of the cap, such credits will be prorated among the approved organizations; (5) no business shall receive both the Neighborhood Assistance tax credit and the Housing Program Contribution tax credit for the same cash contribution; (6) no business can claim the tax credit for investments in child care facilities in an income year that the business claims the Human Capital Investment tax credit; (7) carryforward and carryback limitations, no carryforward is allowed any tax credit that is not taken in the income year in which the investment was made may be carried back to the two immediately preceding income years.

***Research and Development Expenditures***

This credit is based on the incremental increase in expenditures for research and experiments conducted in Connecticut. "Research and development expenses" refers to research or experimental expenditures deductible under Section 174 of the Internal Revenue Code of 1986, as of May 28, 1993, determined without regard to Section 280C(c) elections made by a taxpayer to amortize such expenses on its federal income tax return that were otherwise deductible, and basic research payments as defined under Section 41 of the Internal Revenue Code to the extent not deducted under said Section 174, provided: such expenditures and payments are paid or incurred for such research and experimentation and basic research conducted in the State of Connecticut; and such expenditures and payments are not funded, within the meaning of Section 41(d)(4)(H) of the Internal Revenue Code, by any grant, contract, or otherwise by a person or governmental entity other than the taxpayer unless such other person is included in a combined return with the person paying or incurring such expenses.

In accordance with Sec. 12-217n a tax credit may be applied against the Corporation Business Tax for research and development expenses conducted in Connecticut. A small business qualifies for the credit if it has gross income for the previous income year that does not exceed \$100 million, and has not, in the determination of the Commissioner of Economic and Community Development, met the gross income test through transactions with a related person. The amount of the credit increases ratably from one percent of the annual research and development expenses paid or incurred, where these expenses equal \$50 million or less, to six percent when expense exceed \$200 million.

Qualified small business may exchange unused amounts of this credit with the state for a cash payment of sixty-five percent of the value of the credit or carry forward the full value until fully taken. Credits are limited to \$1.5 million in any one income year.

**Historic Structures Rehabilitation (Conn. Gen. Stat. §10-416a)**

Beginning, July 1, 2014, no applications have been accepted for this program, no credits will be reserved under this program. Projects that previously would have been eligible for a credit under this program may be eligible for a credit under the Historic Rehabilitation Tax Credit program.

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a certified historic structure for residential use or to a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher.

The tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of the tax credit reserved upon certification of the rehabilitation plan or 25% of the actual qualified rehabilitation expenditures not exceeding \$2.7 million. The amount of the tax credit that may be claimed will be entered on the tax credit voucher issued by the Department of Economic and Community Development.

The tax credit may be carried forward for five years following the year in which the rehabilitated structure was placed in service. No carryback is allowed.

**Historic Preservation (Conn. Gen. Stat. §10-416b)**

Beginning, July 1, 2014, no applications have been accepted for this program, no credits will be reserved under this program. Projects that previously would have been eligible for a credit under this program may be eligible for a credit under the Historic Rehabilitation Tax Credit program.

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a qualified historic structure for nonresidential use or mixed residential and nonresidential use or a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher.

This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of twenty-five percent of the projected certified rehabilitation expenditures or twenty-five percent of the actual certified rehabilitation expenditures. If the project creates affordable housing units and the owner provides the Department of Economic and Community Development and the Department of Housing information to show that the owner is compliant with the affordable housing certificate, then the tax credit is equal to the lesser of thirty percent of the projected certified rehabilitation expenditures or thirty percent of the actual qualified rehabilitation expenditures.

The maximum tax credit allowed for any project shall not exceed \$5 million for any fiscal three-year period.

**Historic Rehabilitation (Conn. Gen. Stat. §10-416c)**

A tax credit administered by the Connecticut Department of Economic and Community Development is available for the qualified rehabilitation expenditures associated with the certified rehabilitation of a certified historic structure. No credit may be claimed until the Department of Economic and Community Development issues a tax credit voucher.

This tax credit can be used to offset the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

The tax credit is equal to twenty-five percent of the total qualified rehabilitation expenditures. The tax credit increases to thirty percent of the total qualified rehabilitation expenditures if the project includes a component with at least twenty percent of the rental units or ten percent of for-sale units qualify as affordable housing under Conn. Gen. Stat. §8-39a. The tax credit allowed for any project shall not exceed \$4.5 million.

The tax credit may be carried forward for five succeeding income years following the year in which the substantially rehabilitated structure was placed in service. No carryback is allowed.

Information relevant to the disclosure of these programs is as follows:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
<b>The Film, Television, and Digital Media Tax Program</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	55,924,640
<i>Insurance Companies (as of 6/30/2023)</i>	45,835,868
<b>The Urban and Industrial Sites Reinvestment Tax Program</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	7,049,992
<i>Insurance Companies (as of 6/30/2023)</i>	2,796,455
<i>Public Service Tax (as of 6/30/2023)</i>	5,300,000
<b>The Insurance Reinvestment Fund Program</b>	
<i>Insurance Companies (as of 6/30/2023)</i>	27,635,654
<b>The Connecticut Neighborhood Assistance Act Credit Program</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	1,580,004
<i>Insurance Companies (as of 6/30/2023)</i>	701,584
<i>Public Service Tax (as of 6/30/2023)</i>	1,174,635
<b>Historic Structures Rehabilitation</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	26,533,434
<b>Historic Preservation</b>	
<i>Public Service Tax (as of 6/30/2023)</i>	2,080,325
<b>Historic Rehabilitation</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	279,451
<i>Public Service Tax (as of 6/30/2023)</i>	5,327,565
<b>Research and Development Expenditures</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	10,336,611
<b>Manufacturing Facility Credit</b>	
<i>Corporate Income Tax (as of 6/30/2023)</i>	400,696

In addition, the State has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here.

## Note 23

### Asset Retirement Obligations

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The State assesses asset retirement obligations on an annual basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

During the year, the Department of Veterans Affairs reported that when their power plant is retired there will be a cost associated with the mitigation of hazardous materials. The State cannot estimate the cost associated with the removal of the hazardous materials, therefore, has not recorded an asset retirement obligation for this matter.

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## Note 24

### Commitments and Contingencies

#### a. Commitments

##### *Primary Government*

Commitments are defined as “existing arrangements to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities.”

As of June 30, 2023, the State had contractual commitments as follows (amounts in millions):

Infrastructure & Other Transportation Programs	\$	1,872
Construction Programs		274
School Construction and Alteration Grant Program		3,646
Clean and Drinking Water Loan Programs		529
Various Programs and Services		4,562

All commitments are expected to be funded by federal grants, bond proceeds, and other resources.

##### *Component Units*

As of December 31, 2022, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately \$216.6 million.

#### b. Contingent Liabilities

The State entered into a contractual agreement with H.N.S. Management Company, Inc., doing business as CTTransit, 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. Upon termination of the agreement, the State shall assume all of the existing obligations of CTTransit, including all pension liabilities.

As of June 30, 2023, the State reported an escheat liability of \$542.2 million in the General Fund. This liability represents an estimate of the amount of escheat property likely to be refunded to claimants in the future. However, there is a reasonable possibility that the State could be liable for an additional amount of escheat refunds of \$217.4 in the future.

Grant amounts received or receivable by the State from federal agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the federal government cannot be determined at this time, although the State expects such amounts, if any, to be immaterial.

#### c. Litigation

The State and its officers and employees are parties to numerous legal proceedings, many of which normally occur in government operations. The final outcomes of most of these legal proceedings are not, in the opinion of the Attorney General, either individually or in the aggregate likely to exceed \$50,000,000.

There are, however, several legal proceedings which, if decided adversely against the State, either individually or in the aggregate may require the State to make material future expenditures or may impair revenue sources. Among these proceedings, an adverse judgment in the matters described below, in the opinion of the Attorney General, individually could have a fiscal impact on the State of \$50 million or more.

**American Indian Tribes.** It is possible that land claims could be brought by American Indian groups who have petitioned or do petition the Federal Government for federal acknowledgement. In any of the land claims matters, irrespective of whether federal acknowledgement is granted, denied or upheld, a particular group could institute or renew land claims against the State or others, or press the claims it has already asserted. The federal Bureau of Indian Affairs (“BIA”) has adopted new regulations for the federal acknowledgement of tribes under relaxed standards. As enacted, those regulations do not allow for previously denied petitioners, such as the Schaghticoke Tribal Nation (“STN”), the Golden Hill Paugussett Tribe and the Eastern Pequot Tribal Nation, to seek acknowledgement under the new regulations. However, courts in litigation with other tribes have held that the prohibition on re-petitioning is invalid. In 2022, the BIA promulgated new rulemaking on this issue to address the district courts’ concerns and bolster the long-standing prohibition on re-petitioning. Connecticut, along with other interested parties in Connecticut, submitted comments in support of the new rulemaking. As of January 2024, the BIA has not yet issued a decision on the rulemaking. However, the BIA has indicated in court filings that it is increasingly interested in pursuing the option of an exception to the re-petitioning ban and has submitted a new Notice of Proposed Rulemaking to the Office of Information and Regulatory Affairs.

In and around March 2022, the Schaghticoke Indian Tribe (“SIT”) filed a petition for acknowledgement with the BIA. The State opposed that petition in July 2022 on the grounds that, inter alia, SIT does not meet the requirements for a continuous tribal nation and, moreover, SIT is not a standalone tribe but is instead a splinter offshoot of STN and therefore is not entitled to recognition on its own. That petition and the State’s and other entities opposition remain pending and the process will have several additional phases before any decision is reached.

In and around January 2023, the Historical Eastern Pequot Tribe filed suit against the Office of Federal Acknowledgement, BIA in the United States District Court for the District of Columbia seeking inter alia injunctive relief requiring a final determination of the group’s prior request for acknowledgement and federal recognition of the group. On November 1, 2023, the Court granted Defendants’ Motion to Dismiss. The group has moved to vacate the dismissal and for permission for leave to file a third amended complaint and that motion is pending.

**D.J. v. Conn. State Board of Education** is a federal court case brought by a special education student and a purported class of similarly situated special education students. Plaintiffs allege that state law violates the Individuals with Disabilities in Education Act (“IDEA”) by terminating the obligation of local school districts to provide special education at the end of the school year in which a special education student turns 21. Plaintiffs’ allegations are premised on the fact that Connecticut provides education services to non- special education students beyond the age of 21 and that such a distinction is not permitted under the IDEA. Plaintiffs seek a declaration that Connecticut violates the IDEA by limiting public schools’ obligation to provide education services to all special education students before the end of the school year of their 22nd birthday. The plaintiffs further seek compensatory education for the class which is made up of all special education students deprived of special education services after reaching the age of 21 for the two years before the action was filed and during the pendency of the case. If plaintiffs are successful, the State could be ordered to ensure the provision of a one year extension of current duration of services for all special education students. The State filed a motion for summary judgment and an objection to certification of the class. The plaintiffs’ motion for summary judgment was granted and the State’s motion for summary judgment was denied by the District Court. The State appealed the District Court’s decision, which was affirmed by the U.S. Court of Appeals for the Second Circuit in July 2021, and judgment entered for the plaintiffs. The District Court certified a class of students: non-graduating special education students whose services were terminated prior to their 22nd birthday for the school years 2014-15 through present. The State estimates the class to be approximately 900 students. This action means that a to be determined number of former Connecticut public school special education students will be entitled to “compensatory education” for the amount of school they missed (i.e., the portion of a school year until they would have turned 22). The State has been ordered to work with the plaintiffs and a magistrate judge to determine the number education. The number of affected children has not yet been determined of students affected and provide them with their compensatory.

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## Note 25

### COVID-19 Pandemic

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut because of the COVID-19 outbreak. By agreement with the General Assembly, the declaration expired February 15, 2022.

On March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provided aid to the state. The State received \$1.382 billion to cover costs associated with the response to COVID-19. The resources are intended to be broadly available and flexible to respond to direct and indirect costs associated with addressing COVID-19 and are not counted toward revenues of the General Fund and cannot be used to offset budgetary deficits caused by a reduction of revenue. The State's practice in using federal grant funds, expenditures are not authorized through the General Fund.

On March 11, 2021, the United States Congress enacted the American Rescue Plan Act of 2021 (ARP Act) that provides additional relief to individuals, grants to businesses, and support to state and local governments. The State of Connecticut received approximately \$2.8 billion to respond to the impacts of the COVID-19 pandemic. On April 26, 2021, Governor Lamont presented his proposal on the usage of the ARP Act funds for the State. Sections 306 and 207 of Public Act No. 21-2 of the June Special Session outline the legislature's approved allocation of the ARPA funds awarded to the State. All allocations are subject to the United States Treasury's regulations and guidance regarding allowable uses.

The State's expenditures of these federal funds are subject to audit by the federal government to ensure they were spent in accordance with the CARES act and ARP act.

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## Note 26

### OPIOID Settlement

The State of Connecticut has participated and continues to participate in opioids litigation and negotiation in matters brought by states and local political subdivisions against multiple companies to resolve legal claims related to opioids.

In fiscal year 2023 Connecticut received \$24.2 million, of an approximate \$240 million total, as part of a nationwide settlement with the three largest pharmaceutical companies: McKesson, Cardinal Health, and AmerisourceBergen. An additional \$14 million has been received, so far, in fiscal year 2024.

In addition, Connecticut received \$36.9 million of its total share of \$59 million settlement as part of a nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc., and its parent company Johnson and Johnson. Connecticut will receive the remainder of the settlement in subsequent fiscal years.

Pending and future opioid negotiations and litigation will likely result in additional settlements, and each agreement or judgement will likely have unique terms governing payment amounts, timing, and duration.

These payments must be used to support any of a wide variety of strategies to fight the opioid crisis. Fifteen-percent of each settlement payment amount allocated to Connecticut (as described above) is paid directly to cities and towns by the settlement administrator, with the remaining 85% paid to the state by the administrator.

Actual amounts paid will be dependent on a number of factors, including participation by states and municipalities and companies' continuing ability to pay.

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## Note 27

### Subsequent Events

In preparing the financial statements, the State has evaluated events and transactions for potential recognition or disclosure in its financial statement footnotes. The effect of this evaluation led the State to report the following events which took place after the date of the State's fiscal year end through to the date these financial statements were issued. The subsequent information regarding the Connecticut Housing Finance Authority includes events which took place after their fiscal year end of December 31, 2022.

During the 2023 legislative session, Public Act 23-170 was passed creating the MIRA Dissolution Authority effective July 1, 2023 to replace the Materials Innovation & Recycling Authority (MIRA). The Public Act was passed largely in response to the closure of the waste to energy (WTE) facility in Hartford. The MIRA Dissolution Authority effectively assumed all of MIRA's underlying statutory duties, authorities and capabilities, and it will continue MIRA's ongoing waste transfer operations until acceptable alternatives become available, but it has also been charged with additional activities related to MIRA's dissolution. Specifically, the MIRA Dissolution Authority is to identify the immediate environmental needs and knowledge necessary for future redevelopment at the site of the now closed WTE facility, which is to include engaging representatives of Hartford and other stakeholders with respect to the future of the site.

In September and December of 2023, the State made transfers in the amount of \$1.3 billion and \$555.3 million from the Budget Reserve Fund (BRF) and the General Fund, respectively to the State Employee Retirement Fund (SERF) and the Teachers' Retirement Fund. This transfer was the result of the Budget Reserve Fund exceeding the statutory cap of 15 percent of net General Fund appropriations. According to CGS Section 4-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the state, whether to transfer the balance above the 15 percent threshold as an additional contribution to the State Employee Retirement Fund or to the Teachers' Retirement System (TRS). The State Treasurer determined this year to transfer \$1.05 billion to SERF and \$272.8 million to TRS. The \$555.3 million transfer from the General Fund represented the General Fund surplus in fiscal year 2023, normally this amount is transferred to the Budget Reserve Fund, but because the BRF reached the 15 percent cap the transfer was made to TRS to reduce the pension liability.

In October 2023, the state redeemed in full \$258.3 million in GAAP conversion bonds. These bonds were originally issued in 2013.

In October 2023, the University of Connecticut issued Special Obligation Student Fee Revenue 2023 Series A Bonds of \$97.1 million to fund the construction of the new South Campus Residence Hall. These bonds mature in fiscal year 2054 and bear interest rates ranging from 5.0% to 5.5%.

In November 2023, the state issued \$1,224.0 billion Special Tax Obligation Infrastructure Purposes 2023 Series A and 2023 Series B refunding bonds. The bonds were issued for various transportation infrastructure projects. The bonds mature in 2044 and bear interest rates ranging from 5.00 to 5.25 percent.

In November 2023, the University of Connecticut issued a combined total of \$358.0 million in UCONN 2000 General Obligation Bonds. Bond proceeds consisting of the par amount together with the original issue premium funded \$240.0 million for UCONN 2000 projects and refunded \$140.8 million of all or a portion of previously issued General Obligation Bonds plus costs of issuance.

In December 2023, Connecticut Health and Educational Facilities Authority issued \$14.175 million Revenue Bonds, The Loomis Chaffee School Issue, Series L. The proceeds of the Series L bonds along with other available moneys, will be used for various campus capital projects.

In January 2024, Connecticut Health and Educational Facilities Authority issued \$253.89 million Revenue Bonds, Yale University Issue, Series X-2 and Series 2010A-3. These are remarketing bonds and not new issuances.

In January 2024, the state issued \$826.2 million in General Obligation Bonds Series A, Series B Social Bonds, and Series C Refunding Bonds. The bonds mature in 2044 and bear interest rates ranging from 4.00 to 5.00 percent.

The Connecticut Housing Finance Authority, whose financial statements are published as of December 31st of the calendar year prior to State's fiscal year-end, had numerous financial events between January 1 and the publication of this report including the following.

On March 23, 2023, the Authority issued \$171.7 million 2023 Series A Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies are expected to be used within 90 days of the date of issuance to refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, provide new monies for the financing of Home Mortgage Loans and Agency Securities, and pay certain costs of issuance.

On August 3, 2023, the Authority issued \$146.8 million Series B Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies are expected to be used within 90 days of the date of issuance to refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, provide new monies for the financing of Home Mortgage Loans and Agency Securities, and pay certain costs of issuance.

On October 31, 2023, the Authority issued \$52.2 million Series C Housing Mortgage Finance Program Bonds (Sustainability Bonds) consisting of \$15.8 million Subseries C-1 and \$36.4 million Subseries C-2 term rate bonds. The bond proceeds along with other available monies are expected to be used to provide new monies for the financing of Multifamily Mortgage Loans and pay certain costs of issuance.

On November 14, 2023, the Authority issued \$190.1 million Series D Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies are expected to be used within 90 days of the date of issuance to refund and/or replace and refund certain and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, provide new monies for the financing of Home Mortgage Loans and Agency Securities, and pay certain costs of issuance.

**State of Connecticut**

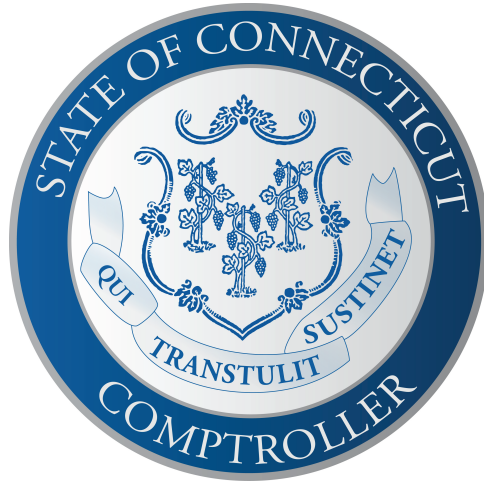
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On March 12, 2024, the Authority issued \$197.2 million Series A Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies are expected to be used within 90 days of the date of issuance to refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, provide new monies for the financing of Home Mortgage Loans and Agency Securities, and pay certain costs of issuance.

On March 14, 2024, the Authority issued \$50.0 million Series B fixed rate bonds. This was a taxable direct placement with TD Bank. The proceeds are to be used as warehouse funding for primary multifamily Construction loans.

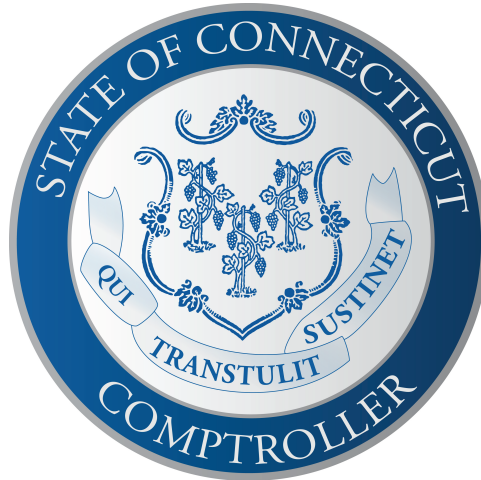
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***REQUIRED  
SUPPLEMENTARY  
INFORMATION***

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## **REQUIRED SUPPLEMENTARY INFORMATION BUDGET**

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*Required supplementary information for budget provides information on budget versus actual revenues, expenditures and changes in fund balance and related note disclosure for statutory reporting.*

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The following schedules are included in the Required Supplementary Information for Budget:

Schedule of Revenues, Expenditures and Changes in Fund Balance: Budget and Actual (Budgetary Basis—Non-GAAP):

General Fund and Transportation Fund

Notes to Required Supplementary Information: Statutory Reporting

**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP)**  
**GENERAL AND TRANSPORTATION FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	General Fund			
	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
<b>Revenues</b>				
Budgeted:				
Taxes, Net of Refunds	\$ 20,047,000	\$ 20,256,500	\$ 20,079,787	\$ (176,713)
Indian Gaming Payments	251,800	279,000	278,974	(26)
Licenses, Permits, and Fees	327,500	331,500	331,212	(288)
Other	416,900	713,700	715,681	1,981
Federal Grants	2,059,000	2,007,500	1,997,837	(9,663)
Refunds of Payments	(63,800)	(75,800)	(75,821)	(21)
Operating Transfers In	524,300	508,100	508,102	2
Operating Transfers Out	—	—	—	—
Transfer to BRF - Volatility Adjustment	(1,847,500)	(1,332,500)	(1,321,793)	10,707
Transfer to/from the Resources of the General Fund	672,991	272,700	308,915	36,215
<b>Total Revenues</b>	<b>22,388,191</b>	<b>22,960,700</b>	<b>22,822,894</b>	<b>(137,806)</b>
<b>Expenditures</b>				
Budgeted:				
Legislative	94,352	94,352	84,112	10,240
General Government	1,032,765	1,027,958	934,447	93,511
Regulation and Protection	371,338	382,590	345,807	36,783
Conservation and Development	258,906	285,282	236,558	48,724
Health and Hospitals	1,380,444	1,502,915	1,395,142	107,773
Transportation	—	—	—	—
Human Services	5,007,618	5,105,616	4,969,383	136,233
Education, Libraries, and Museums	6,041,384	6,162,916	6,060,110	102,806
Corrections	1,435,147	1,591,446	1,485,572	105,874
Judicial	660,945	674,619	653,109	21,510
Non Functional	6,640,553	6,516,056	6,034,660	481,396
<b>Total Expenditures</b>	<b>22,923,452</b>	<b>23,343,750</b>	<b>22,198,900</b>	<b>1,144,850</b>
Appropriations Lapsed	—	—	—	—
Excess (Deficiency) of Revenues				
Over Expenditures	(535,261)	(383,050)	623,994	(1,282,656)
<b>Other Financing Sources (Uses)</b>				
Prior Year Appropriations Carried Forward	834,261	834,261	834,261	—
Appropriations Continued to Fiscal Year 2024	—	—	(902,750)	(902,750)
Miscellaneous Adjustment	—	—	(230)	(230)
<b>Total Other Financing Sources (Uses)</b>	<b>834,261</b>	<b>834,261</b>	<b>(68,719)</b>	<b>(902,980)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 299,000</b>	<b>\$ 451,211</b>	<b>555,275</b>	<b>\$ (2,185,636)</b>
Budgetary Fund Balances - July 1			2,499,967	
Changes in Reserves			(1,378,063)	
Budgetary Fund Balances - June 30			<b>\$ 1,677,179</b>	

*The information about budgetary reporting is an integral part of this schedule.*



**State of Connecticut**

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**Transportation Funds**

Budget		Actual	Variance with Final Budget positive (negative)
Original	Final		
\$ 1,676,000	\$ 1,631,100	\$ 1,620,569	\$ (10,531)
-	-	-	-
411,100	381,600	380,933	(667)
3,300	71,900	71,870	(30)
10,100	10,300	10,259	(41)
(3,100)	(8,700)	(8,727)	(27)
-	-	-	-
(5,500)	(5,500)	(5,500)	-
-	-	-	-
-	-	-	-
2,091,900	2,080,700	2,069,404	(11,296)
-	-	-	-
15,934	20,190	17,762	(2,428)
85,090	85,090	77,501	(7,589)
14,402	14,402	3,251	(11,151)
-	-	-	-
883,354	883,354	718,841	(164,513)
-	-	-	-
-	-	-	-
-	-	-	-
1,120,884	1,101,756	1,047,452	(54,304)
2,119,664	2,104,792	1,864,807	(239,985)
112,000	135,656	-	(135,656)
84,236	111,564	204,597	93,033
-	-	-	-
-	-	156,317	156,317
-	-	(76,942)	(76,942)
-	-	-	-
-	-	79,375	79,375
\$ 84,236	\$ 111,564	283,972	\$ 172,408
		554,078	
		(79,375)	
		\$ 758,675	

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### STATUTORY REPORTING

#### A. 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, and the Tourism 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. 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 three percent of the fund or five 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 carryforwards 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. Carryforward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "statutory" basis of accounting that utilizes the accounting standards that were applied in the budget act and related legislation. Commencing in Fiscal Year 2014, appropriations were made to legislatively budgeted funds to account for expense accruals. Beginning in Fiscal Year 2016, based on changes enacted in the biennial budget (Public Act 15-244) the GAAP expense accrual appropriations were consolidated into a single appropriation at the fund-level for the General Fund, Transportation Fund and all other budgeted special revenue funds. The actual expense accruals were posted using the same methodology described above for the governmental fund financial statements. Revenues were recognized when received except in the General Fund and Transportation Fund. In those two funds certain taxes and Indian gaming payments are recognized within a statutory accrual period as approved by the State Comptroller. The state's three major tax categories (the personal income tax, the sales and use tax, and the corporation tax), among other taxes, are subject to statutory accrual. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the Required Supplemental Information section of this report.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**B. Reconciliation of Budget/GAAP Reporting Differences**

The *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis – Non-GAAP) – General Fund and Transportation Fund*, presents comparisons of the legally adopted budget (which is more fully described in section A, above) with actual data on a budgetary basis. Accounting principles applied to develop data on a budgetary basis differ significantly from those principles used to present financial statements in conformity with generally accepted accounting principles (GAAP). The following describes the major differences between statutory financial data and GAAP financial data.

- Revenues are recorded when received in cash except for certain year-end accruals statutory basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).
- Certain expenditures are not subject to accrual for budgeting purposes and are recorded when paid in cash (statutory basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).
- For statutory 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 committed fund balance.

The following table presents a reconciliation of differences between the statutory change in fund balance and the GAAP change in fund balance at June 30, 2023. Amounts are expressed in thousands.

	<b>General Fund</b>	<b>Transportation Fund</b>
Net change in fund balances (statutory basis)	\$ 555,275	\$ 281,385
Volatility Deposit Budget Reserve Fund	1,321,793	–
Increase (Decrease) Statutory Surplus Reserve	2,400	–
Prior year transfers to SERS & TRS	(4,107,400)	–
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	752,381	(7,659)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	1,953,848	17,625
Salaries and Fringe Benefits Payable	(96,316)	(13,404)
Increase (Decrease) in Continuing Appropriations	(143,213)	(79,374)
Fund Reclassification-Bus Operations	–	88
Net change in fund balances (GAAP basis)	<u>\$ 238,768</u>	<u>\$ 198,661</u>

**C. Budget Reserve Fund (“Rainy Day Fund”)**

In accordance with Section 4-30a of the Connecticut State Statutes, the State maintains a Budget Reserve (“Rainy Day”) Fund. Per section 4-30a after the accounts for the General Fund have been closed for each fiscal year and the Comptroller has determined the amount of unappropriated surplus, and after any required transfers have been made, the surplus shall be transferred by the State Treasurer to the Budget Reserve Fund. Moneys shall be expended only when in any fiscal year the Comptroller has determined the amount of a deficit applicable with respect to the immediately preceding fiscal year, to the extent necessary.

Historically, resources from the Rainy Day Fund have only been expended during recessionary periods to cover overall budget shortfalls after other budgetary measures have been exhausted.

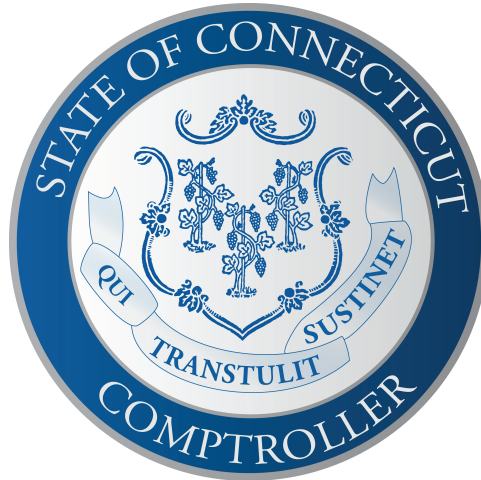
In fiscal year 2023, for the sixth consecutive year, significant progress was made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2023, the cap was just over \$3.6 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$1.3 billion was made to the Budget Reserve Fund.

Prior to the close of FY 2023, the balance of the BRF was just over \$3.3 billion. Adding the \$1.3 billion volatility transfer brought the BRF total to \$4.6 billion, or 21 percent of net General Fund appropriations for FY 2023. As a result, the BRF exceeded the statutory 15 percent statutory cap. According to CGS Section 4-30a (c)(1)(A), no further transfers will be made to BRF. Instead, the State Treasurer transfers any remaining General Fund surplus, as he determines to be in the state's best interest, as follows:

1. first to reduce the State Employees Retirement Fund's (SERF) unfunded liability by up to 5%,
2. next to reduce the Teachers' Retirement Fund's (TRS) unfunded liability by up to 5%, and
3. third to make additional payments towards the SERF.

In September the State Treasurer elected to transfer \$1.05 billion to SERF, with the remaining balance of \$272.8 million going to TRS. Based on the State Treasurer's decision, the General Fund surplus of \$555.3 million has now been transferred to TRS to reduce unfunded pension liability.

Achieving and surpassing the 15 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our state is in a much stronger position to provide critical services to those in need and to weather the public health and fiscal crisis brought on by the COVID-19 pandemic. According to the plan's actuaries, through these actions Connecticut will save taxpayers \$11.5 billion over the coming decades.



## **REQUIRED SUPPLEMENTARY INFORMATION PENSION PLANS**

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*Required supplementary information for pension plans provides information on the sources of changes in net pension liabilities, information about the components of net pension liabilities, employer contributions, and investment returns.*

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The Required Supplementary Information for Pension Plans includes the following schedules:

- Schedule of Changes in the Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Investment Returns

State of Connecticut

**REQUIRED SUPPLEMENTAL INFORMATION**

**PENSION PLANS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

*Last Eight Fiscal Years\**

*(Expressed in Thousands)*

SERS	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	\$ 434,436	\$ 396,602	\$ 388,671	\$ 391,941	\$ 429,321	\$ 480,350	\$ 322,114	\$ 310,472
Interest	2,563,570	2,474,161	2,416,577	2,290,633	2,212,890	2,255,533	2,105,947	2,052,651
Benefit Changes	-	-	-	-	-	(1,444,220)	-	-
Difference between expected and actual experience	1,697,023	778,249	208,138	1,224,344	482,904	-	772,762	-
Changes of assumptions	-	(48,241)	-	-	-	-	4,959,705	-
Benefit payments	(2,382,509)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)
Refunds of contributions		(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)
Net change in total pension liability	2,312,520	1,373,308	883,198	1,873,775	1,161,471	(564,024)	6,424,249	705,534
Total pension liability - beginning	36,971,136	36,971,136	36,087,938	34,214,163	33,052,692	33,616,716	27,192,467	26,486,933
<b>Total pension liability - ending (a)</b>	<b><u>\$40,656,964</u></b>	<b><u>\$38,344,444</u></b>	<b><u>\$36,971,136</u></b>	<b><u>\$36,087,938</u></b>	<b><u>\$34,214,163</u></b>	<b><u>\$33,052,692</u></b>	<b><u>\$33,616,716</u></b>	<b><u>\$27,192,467</u></b>
<b>Plan net position</b>								
Contributions - employer	\$ 2,849,181	\$ 2,563,189	\$ 1,616,312	\$ 1,578,323	\$ 1,443,053	\$ 1,542,298	\$ 1,501,805	\$ 1,371,651
Contributions - member	202,270	194,775	192,716	489,099	193,942	132,557	135,029	187,339
Net investment income	(1,513,318)	3,301,219	295,737	710,861	875,944	1,509,862	(100)	294,412
Benefit payments	(2,382,509)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)
Administrative expense	-	(568)	(782)	(693)	(391)	(674)	(651)	-
Refunds of contributions	-	(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)
Other	2,367,461	-	-	3,704	(3,139)	(371)	85,608	-
Net change in plan net position	1,523,085	3,831,152	(26,205)	748,151	545,765	1,327,985	(14,588)	195,813
Plan net position - beginning	17,080,640	13,249,488	13,275,693	12,527,542	11,981,777	10,653,792	10,668,380	10,472,567
<b>Plan net position - ending (b)</b>	<b><u>\$18,603,725</u></b>	<b><u>\$17,080,640</u></b>	<b><u>\$13,249,488</u></b>	<b><u>\$13,275,693</u></b>	<b><u>\$12,527,542</u></b>	<b><u>\$11,981,777</u></b>	<b><u>\$10,653,792</u></b>	<b><u>\$10,668,380</u></b>
Ratio of plan net position to total pension liability	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%
<b>Net pension liability - ending (a) -(b)</b>	<b><u>\$22,053,239</u></b>	<b><u>\$21,263,804</u></b>	<b><u>\$23,721,648</u></b>	<b><u>\$22,812,245</u></b>	<b><u>\$21,686,621</u></b>	<b><u>\$21,070,915</u></b>	<b><u>\$22,962,924</u></b>	<b><u>\$16,524,087</u></b>
Covered payroll	\$ 3,787,016	\$ 3,847,146	\$ 3,672,443	\$ 3,686,365	\$ 3,428,068	\$ 3,850,978	\$ 3,720,751	\$ 3,618,361
Net pension liability as a percentage of covered payroll	582.34%	552.72%	645.94%	618.83%	632.62%	547.16%	617.16%	456.67%

State of Connecticut

**REQUIRED SUPPLEMENTAL INFORMATION**  
**PENSION PLANS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Last Eight Fiscal Years\*

(Expressed in Thousands)

TRS	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	\$ 617,468	\$ 599,484	\$ 616,370	\$ 463,997	\$ 465,207	\$ 450,563	\$ 419,616	\$ 404,449
Interest	2,548,157	2,486,930	2,379,886	2,406,206	2,371,168	2,308,693	2,228,958	2,162,174
Benefit Changes	89,017	-	-	(224,281)	28,036	-	-	-
Difference between expected and actual experience	789,366	-	(306,400)	-	(396,067)	-	(375,805)	-
Changes of assumptions	-	-	1,022,137	3,875,996	-	-	2,213,190	-
Benefit payments	(2,227,079)	(2,171,063)	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)
Refunds of contributions	-	-	-	-	-	-	-	(50,329)
Net change in total pension liability	1,816,929	915,351	1,561,825	4,455,277	474,252	796,723	2,747,828	742,886
Total pension liability - beginning	38,043,351	37,128,000	35,566,175	31,110,898	30,636,646	29,839,923	27,092,095	26,349,209
<b>Total pension liability - ending (a)</b>	<b>\$39,860,280</b>	<b>\$38,043,351</b>	<b>\$37,128,000</b>	<b>\$35,566,175</b>	<b>\$31,110,898</b>	<b>\$30,636,646</b>	<b>\$29,839,923</b>	<b>\$27,092,095</b>
<b>Plan net position</b>								
Contributions - employer	\$ 1,443,656	\$ 1,249,835	\$ 1,209,573	\$ 1,292,672	\$ 1,272,277	\$ 1,012,162	\$ 975,578	\$ 984,110
Contributions - member	392,913	323,306	318,217	309,333	312,150	288,251	293,493	228,100
Net investment income	(2,024,736)	4,528,666	410,311	1,012,089	1,224,931	2,199,895	(18,473)	452,942
Benefit payments	(2,227,079)	(2,171,063)	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)
Refunds of contributions	-	-	-	-	-	-	-	(50,329)
Other	847,879	904,434	522	(837)	(2,753)	1,679	(37,648)	57,749
Net change in plan net position	(1,567,367)	4,835,178	(211,545)	546,616	812,513	1,539,454	(525,181)	(100,836)
Plan net position - beginning	23,117,088	18,281,910	18,493,455	17,946,839	17,134,326	15,594,872	16,120,053	16,220,889
<b>Plan net position - ending (b)</b>	<b>\$21,549,721</b>	<b>\$23,117,088</b>	<b>\$18,281,910</b>	<b>\$18,493,455</b>	<b>\$17,946,839</b>	<b>\$17,134,326</b>	<b>\$15,594,872</b>	<b>\$16,120,053</b>
Ratio of plan net position to total pension liability	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %
<b>Net pension liability - ending (a) -(b)</b>	<b>\$18,310,559</b>	<b>\$14,926,263</b>	<b>\$18,846,090</b>	<b>\$17,072,720</b>	<b>\$13,164,059</b>	<b>\$13,502,320</b>	<b>\$14,245,051</b>	<b>\$10,972,042</b>
Covered payroll	\$ 4,571,425	\$ 4,500,666	\$ 4,352,967	\$ 4,389,654	\$ 4,321,593	\$ 4,279,755	\$ 4,125,066	\$ 4,078,367
Net pension liability as a percentage of covered payroll	400.54 %	331.65 %	432.95 %	388.93 %	304.61 %	315.49 %	345.33 %	269.03 %

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State of Connecticut

**REQUIRED SUPPLEMENTAL INFORMATION  
PENSION PLANS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Last Eight Fiscal Years\*

(Expressed in Thousands)

JRS	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	N/A**	\$ 9,289	\$ 9,813	\$ 10,834	\$ 11,352	\$ 10,159	\$ 8,508	\$ 8,142
Interest	N/A**	32,743	31,815	29,559	29,954	29,062	28,251	27,240
Difference between expected and actual experience	N/A**	(9,271)	2,474	22,095	(18,528)	—	(9,380)	—
Changes of assumptions	N/A**	(1,020)	—	—	—	—	64,604	—
Benefit payments	N/A**	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Refunds of contributions	N/A**	(6)	—	—	—	—	—	—
Net change in total pension liability	N/A**	619	13,902	33,102	(4,838)	14,322	68,989	12,841
Total pension liability - beginning		490,091	490,091	476,189	443,087	433,603	364,614	351,773
<b>Total pension liability - ending (a)</b>	<b>N/A**</b>	<b>\$ 490,710</b>	<b>\$ 490,091</b>	<b>\$ 476,189</b>	<b>\$ 443,087</b>	<b>\$ 447,925</b>	<b>\$ 433,603</b>	<b>\$ 364,614</b>
<b>Plan net position</b>								
Contributions - employer	N/A**	\$ 31,893	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731
Contributions - member	N/A**	1,570	1,575	1,694	1,663	1,689	1,831	1,791
Net investment income	N/A**	59,881	5,461	13,383	13,178	24,452	1,440	4,781
Benefit payments	N/A**	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Refunds of contributions	N/A**	(6)	—	—	—	—	—	—
Other	N/A**	—	—	—	—	(39)	1,680	—
Net change in plan net position	N/A**	62,222	3,847	13,118	12,683	20,367	216	1,762
Plan net position - beginning		239,773	239,773	235,926	222,808	189,758	189,542	187,780
<b>Plan net position - ending (b)</b>	<b>N/A**</b>	<b>\$ 301,995</b>	<b>\$ 239,773</b>	<b>\$ 235,926</b>	<b>\$ 222,808</b>	<b>\$ 210,125</b>	<b>\$ 189,758</b>	<b>\$ 189,542</b>
Ratio of plan net position to total pension liability	— %	61.54 %	48.92 %	49.54 %	50.29 %	46.91 %	43.76 %	51.98 %
<b>Net pension liability - ending (a) -(b)</b>	<b>N/A**</b>	<b>\$ 188,715</b>	<b>\$ 250,318</b>	<b>\$ 240,263</b>	<b>\$ 220,279</b>	<b>\$ 237,800</b>	<b>\$ 243,845</b>	<b>\$ 175,072</b>
Covered payroll	\$ 35,872	\$ 31,438	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972
Net pension liability as a percentage of covered payroll	N/A**	600.28 %	794.79 %	693.54 %	629.91 %	652.10 %	698.76 %	500.61 %

\* Governmental Accounting Standards Board Statement No. 67, Accounting and Financial Reporting for Pensions, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).

\*\* Information not available at the time of this report.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLANS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Ten Fiscal Years

(Expressed in Thousands)

<b>SERS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined employer contribution	\$ 1,993,151	\$ 1,806,708	\$ 1,616,302	\$ 1,574,537
Actual employer contributions	2,849,181	1,786,903	1,616,312	1,578,323
Annual contributions deficiency excess	<u>\$ (856,030)</u>	<u>\$ 19,805</u>	<u>\$ (10)</u>	<u>\$ (3,786)</u>
Covered Payroll	\$ 3,787,016	\$ 3,847,146	\$ 3,672,443	\$ 3,686,365
Actual contributions as a percentage of covered-employee payroll	75.24 %	46.45 %	44.01 %	42.82 %

<b>TRS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined employer contribution	\$ 1,443,656	\$ 1,249,835	\$ 1,208,819	\$ 1,292,314
Actual employer contributions	1,443,656	1,249,835	1,208,819	1,292,314
Annual contributions deficiency excess	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered Payroll	\$ 4,571,425	\$ 4,500,666	\$ 4,352,967	\$ 4,389,654
Actual contributions as a percentage of covered-employee payroll	31.58 %	27.77 %	27.77 %	29.44 %

<b>JRS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined employer contribution	\$ 33,170	\$ 31,893	\$ 27,011	\$ 27,427
Actual employer contributions	33,170	31,893	27,011	27,427
Annual contributions deficiency excess	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered Payroll	\$ 35,872	\$ 31,438	\$ 31,495	\$ 34,643
Actual contributions as a percentage of covered-employee payroll	92.47 %	101.45 %	85.76 %	79.17 %

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2022.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period	SERS 26.8 years TRS 27.8 years JRS 12 years
Asset Valuation Method	SERS & JRS 5 year smoothed market TRS 4 year smoothed market value
Investment Rate of Return	6.90%
Salary Increases	3.00%-19.50% percent, including inflation
Cost-of-Living Adjustments	2.0%-7.5%
Inflation	2.50%
Social Security Wage Base	SERS 3.5%

**State of Connecticut**

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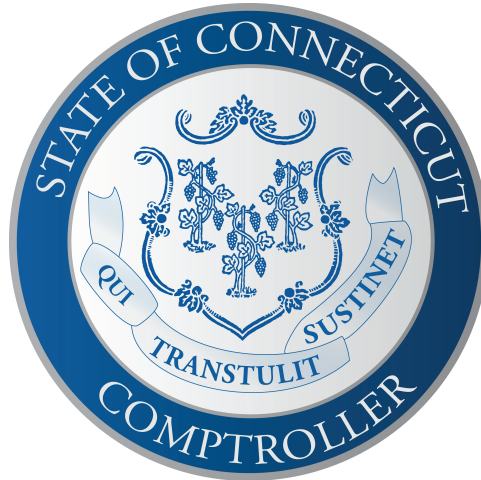
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 1,443,110	\$ 1,569,142	\$ 1,514,467	\$ 1,379,189	\$ 1,268,935	\$ 1,059,652
1,443,053	1,542,298	1,501,805	1,371,651	1,268,890	1,058,113
\$ 57	\$ 26,844	\$ 12,662	\$ 7,538	\$ 45	\$ 1,539
\$ 3,428,068	\$ 3,850,978	\$ 3,720,751	\$ 3,618,361	\$ 3,487,577	\$ 3,480,483
42.10 %	40.05 %	40.36 %	37.91 %	36.38 %	30.40 %
\$ 1,272,277	\$ 1,012,162	\$ 975,578	\$ 984,110	\$ 948,540	\$ 787,536
1,272,277	1,012,162	975,578	984,110	948,540	787,536
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,321,593	\$ 4,279,755	\$ 4,125,066	\$ 4,078,367	\$ 3,930,957	\$ 4,101,750
29.44 %	23.65 %	23.65 %	24.13 %	24.13 %	19.20 %
\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731	\$ 16,298	\$ 16,006
25,458	19,164	18,259	17,731	16,298	16,006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972	\$ 33,386	\$ 31,748
72.80 %	52.55 %	52.32 %	50.70 %	48.82 %	50.42 %

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLANS**  
**SCHEDULE OF INVESTMENT RETURNS**

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<b>Annual money-weighted rates of return net of investment expense</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
State Employees' Retirement Fund	9.02 %	(7.63)%	24.36 %	1.86 %	5.88 %	7.30 %	14.32 %	0.23 %	2.83 %
Teachers' Retirement Fund	8.35 %	(7.63)%	24.28 %	1.85 %	5.85 %	7.04 %	14.37 %	0.17 %	2.82 %
State Judges' Retirement Fund	8.07 %	(7.73)%	24.37 %	2.10 %	6.12 %	6.24 %	13.04 %	1.11 %	2.57 %

\* Governmental Accounting Standards Board Statement No. 67, Accounting and Financial Reporting for Pensions, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is compiled, the State will present information for the years for which the information is available.



## **REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFITS**

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*Required supplementary information for other postemployment benefits provides information on funding progress and employer contributions.*

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The following schedules are included in the Required Supplementary Information for Other Postemployment Benefits:

- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Investment Returns

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**REQUIRED SUPPLEMENTAL INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

Last Four Fiscal Year

(Expressed in Thousands)

SEOPEBP	2022	2021	2020	2019
<b>Total OPEB Liability</b>				
Service Cost	\$ 906,279	\$ 1,214,728	\$ 969,674	\$ 848,198
Interest	515,502	618,230	806,906	737,298
Differences between expected and actual experience	(309,786)	389,271	(179,538)	(645,590)
Changes of assumptions	(4,462,669)	(4,936,120)	2,225,764	3,417,609
Benefit payments	(637,979)	(637,220)	(623,104)	(593,403)
Net change in total OPEB liability	(3,988,653)	(3,351,111)	3,199,702	3,764,112
Total OPEB liability - beginning	21,726,989	25,078,100	21,878,399	18,114,287
<b>Total OPEB liability - ending (a)</b>	<b>\$ 17,738,336</b>	<b>\$ 21,726,989</b>	<b>\$ 25,078,101</b>	<b>\$ 21,878,399</b>
 <b>Plan fiduciary net position</b>				
Contributions - employer	\$ 847,928	\$ 868,069	\$ 867,222	\$ 752,941
Contributions - member	145,474	147,037	159,377	116,539
Net investment income	(196,531)	389,771	33,373	68,847
Benefit payments	(637,979)	(637,220)	(623,104)	(593,403)
Other	(118,300)	(105,307)	(95,682)	1,194
Net change in plan fiduciary net position	40,592	662,350	341,186	346,118
Plan fiduciary net position - beginning	2,199,545	1,537,193	1,196,008	849,889
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,240,137</b>	<b>\$ 2,199,543</b>	<b>\$ 1,537,194</b>	<b>\$ 1,196,007</b>
 Plan fiduciary net position as a percentage of the total OPEB liability	12.63%	10.12%	6.13%	5.47%
<b>Net OPEB liability - ending (a) -(b)</b>	<b>\$ 15,498,199</b>	<b>\$ 19,527,446</b>	<b>\$ 23,540,907</b>	<b>\$ 20,682,392</b>
Covered payroll	\$ 3,758,688	\$ 3,649,211	\$ 3,619,133	\$ 3,875,035
Net OPEB liability as a percentage of covered payroll	412.33%	535.11%	650.46%	533.73%

**REQUIRED SUPPLEMENTAL INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

Last Four Fiscal Year

(Expressed in Thousands)

<b>RTHP</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 72,027	\$ 121,535	\$ 93,324	\$ 87,313
Interest	38,342	64,951	97,264	105,702
Benefit Changes	299,536	–	–	(339,076)
Difference between expected and actual experience	(60,031)	(1,218,425)	(586,004)	66,502
Changes of assumptions	(236,042)	12,750	626,595	182,438
Benefit payments	(74,795)	(131,543)	(67,383)	(55,154)
Net change in total OPEB liability	39,037	(1,150,732)	163,796	47,725
Total OPEB liability - beginning	1,732,104	2,882,836	2,719,040	2,671,315
<b>Total OPEB liability - ending (a)</b>	<b>\$ 1,771,141</b>	<b>\$ 1,732,104</b>	<b>\$ 2,882,836</b>	<b>\$ 2,719,040</b>
<b>Plan fiduciary net position</b>	–	–	–	–
Contributions - employer	\$ 20,419	\$ 29,411	\$ 29,173	\$ 35,320
Contributions - member	50,630	54,058	53,221	51,944
Net investment income	49,587	82,256	849	1,090
Benefit payments	(74,795)	(131,543)	(67,383)	(55,154)
Administrative expense	(283)	(117)	(372)	(383)
Other	16,083	(91)	–	(16,100)
Net change in plan fiduciary net position	61,641	33,974	15,488	16,717
Plan fiduciary net position - beginning	105,915	71,941	56,453	39,736
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 167,556</b>	<b>\$ 105,915</b>	<b>\$ 71,941</b>	<b>\$ 56,453</b>
Plan fiduciary net position as a percentage of the total OPEB liability	9.46%	6.11%	2.50%	2.08%
<b>Net OPEB liability - ending (a) -(b)</b>	<b>\$ 1,603,585</b>	<b>\$ 1,626,189</b>	<b>\$ 2,810,895</b>	<b>\$ 2,662,587</b>
Covered payroll	\$ 4,695,730	\$ 4,438,394	\$ 4,438,394	\$ 4,389,554
Net OPEB liability as a percentage of covered payroll	34.15%	36.64%	63.33%	60.66%

\* Governmental Accounting Standards Board Statement No. 74, Accounting and Financial Reporting for Other Postemployment Benefits, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).



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**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

June 30, 2023

(Expressed in Thousands)

<b>SEOPEBP</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined employer contribution	\$ 1,055,474	\$ 1,338,541	\$ 1,287,059	\$ 1,203,406
Actual employer contributions	847,928	868,069	867,222	752,941
Annual contributions deficiency excess	\$ 207,546	\$ 470,472	\$ 419,837	\$ 450,465
Covered Payroll	<u>\$ 3,649,211</u>	<u>\$ 3,745,802</u>	<u>\$ 3,619,133</u>	<u>\$ 3,619,133</u>
Actual contributions as a percentage of covered payroll	23.24%	23.17%	23.96%	20.80%
<b>RTHP</b>				
Actuarially determined employer contribution	\$ 123,908	\$ 120,299	\$ 173,273	\$ 167,819
Actual employer contributions	20,419	29,411	29,173	35,320
Annual contributions deficiency excess	\$ 103,489	\$ 90,888	\$ 144,100	\$ 132,499
Covered Payroll	<u>\$ 4,695,730</u>	<u>\$ 4,438,394</u>	<u>\$ 4,438,394</u>	<u>\$ 4,389,654</u>
Actual contributions as a percentage of covered payroll	0.43%	0.66%	0.66%	0.80%

**Note:**

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	SEOPEBP- Entry Age Normal RTHP-Entry Age
Amortization Method	SEOPEBP- Level percent of growing payroll, closed, 30 years RTHP-Level Percent of Payroll over an open period
Remaining Amortization Period	SEOPEBP- 16 years RTHP-30 years
Asset Valuation Method	Market Value
Investment Rate of Return	SEOPEBP-6.9% RTHP-3.0%
Salary Increases	SEOPEBP-3.5% RTHP-3.00%-6.5%
Inflation	RTHP-2.5%
Claims Trend Assumption	3.0%-6.00%

**State of Connecticut**

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 1,157,121	\$ 1,043,143	\$ 1,443,716	\$ 1,513,336	\$ 1,525,371	\$ 1,271,279
801,893	667,401	608,593	546,284	514,696	542,615
<u>\$ 355,228</u>	<u>\$ 375,742</u>	<u>\$ 835,123</u>	<u>\$ 967,052</u>	<u>\$ 1,010,675</u>	<u>\$ 728,664</u>
\$ 3,875,035	\$ 3,743,995	\$ 3,895,100	\$ 3,539,800	\$ 3,539,728	\$ 3,539,728
20.69%	17.83%	15.62%	15.43%	14.54%	15.33%
\$ 172,223	\$ 166,802	\$ 130,331	\$ 125,620	\$ 187,227	\$ 180,460
35,299	19,922	19,960	25,145	25,955	27,040
<u>\$ 136,924</u>	<u>\$ 146,880</u>	<u>\$ 110,371</u>	<u>\$ 100,475</u>	<u>\$ 161,272</u>	<u>\$ 153,420</u>
\$ 4,075,939	\$ 4,279,755	\$ 3,949,900	\$ 3,831,600	\$ 3,831,600	\$ 3,652,500
0.87%	0.47%	0.51%	0.66%	0.68%	0.74%

**REQUIRED SUPPLEMENTARY INFORMATION**

**OPEB PLAN**

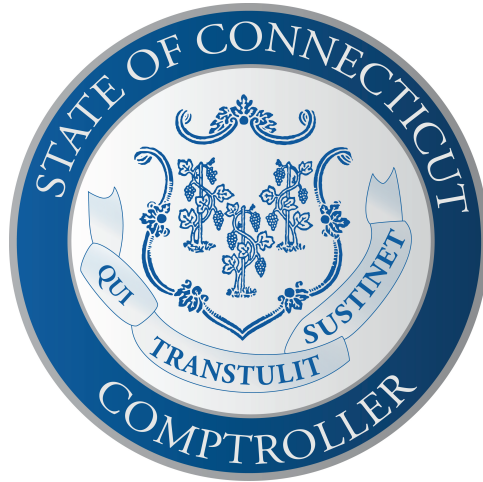
**SCHEDULE OF INVESTMENT RETURNS**

Last Nine Fiscal Years\*

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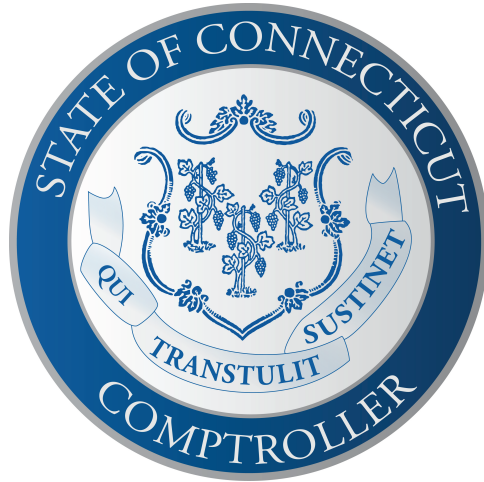
<b>Annual money-weighted rates of return net of investment expense</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
OPEB Fund	7.70 %	(7.44)%	24.61 %	2.13 %	6.62 %	5.85 %	11.83 %	2.44 %	3.44 %

\* Governmental Accounting Standards Board Statement No. 74, Accounting and Financial Reporting for Other Postemployment Benefits requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of this measurement date (one year before the most recent fiscal year end).



***COMBINING FUND  
STATEMENTS  
AND  
SCHEDULES  
NONMAJOR FUNDS***

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# *NONMAJOR GOVERNMENTAL FUNDS*

**BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2023

(Expressed in Thousands)

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 862,153	\$ 792,915	\$ 4,418	\$ 1,659,486
Investments	-	-	123,696	123,696
Securities Lending Collateral	-	-	19,968	19,968
Receivables:				
Accounts, Net of Allowances	45,102	-	-	45,102
Loans, Net of Allowances	622,486	-	-	622,486
From Other Governments	18,582	-	-	18,582
Due From Component Units	4,887	-	-	4,887
From Other Funds	12,193	2,294	-	14,487
Total Assets	<u>\$ 1,565,403</u>	<u>\$ 795,209</u>	<u>\$ 148,082</u>	<u>\$ 2,508,694</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 10,057	\$ 80,438	\$ 83	\$ 90,578
Due to Other Funds	9,449	104,663	291	114,403
Unearned Revenue	7,487	-	-	7,487
Securities Lending Obligation	-	-	19,968	19,968
Total Liabilities	<u>26,993</u>	<u>185,101</u>	<u>20,342</u>	<u>232,436</u>
<b>Deferred Inflows of Resources</b>				
Receivables to be Collected in Future Periods	<u>44,174</u>	<u>-</u>	<u>-</u>	<u>44,174</u>
<b>Fund Balances</b>				
Nonspendable:				
Permanent Fund Principal	-	-	123,696	123,696
Restricted	1,445,076	610,824	4,043	2,060,168
Assigned	49,160	-	-	49,160
Unassigned	-	(718)	-	(718)
Total Fund Balances	<u>1,494,236</u>	<u>610,331</u>	<u>127,739</u>	<u>2,232,306</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,565,403</u>	<u>\$ 795,432</u>	<u>\$ 148,081</u>	<u>\$ 2,508,916</u>



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

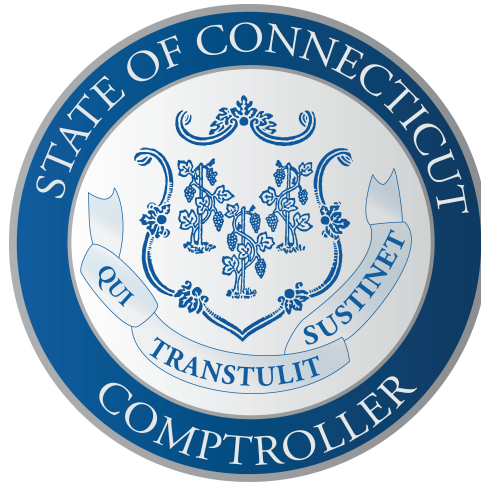
**NONMAJOR GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023

*(Expressed in Thousands)*

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<b>Revenues</b>				
Licenses, Permits, and Fees	\$ 144,223	\$ –	\$ 480	\$ 144,703
Tobacco Settlement	124,678	–	–	124,678
Federal Grants and Aid	59,352	–	–	59,352
Charges for Services	1,089	–	–	1,089
Fines, Forfeits, and Rents	295	–	–	295
Investment Earnings	40,175	–	5,932	46,107
Interest on Loans	–	–	–	–
Sports Wagering	3,079	–	–	3,079
Miscellaneous	150,718	129	2,483	153,330
Total Revenues	<u>523,609</u>	<u>129</u>	<u>8,895</u>	<u>532,633</u>
<b>Expenditures</b>				
Current:				
Legislative	–	–	–	–
General Government	137,486	–	1,982	139,468
Regulation and Protection	163,067	–	–	163,067
Conservation and Development	74,225	–	863	75,088
Health and Hospitals	66,920	–	–	66,920
Human Services	2,099	–	–	2,099
Education, Libraries, and Museums	3,256	–	53	3,309
Corrections	1,572	–	–	1,572
Judicial	56,104	–	–	56,104
Capital Projects	–	1,076,904	–	1,076,904
Debt Service:				
Interest and Fiscal Charges	678	4,475	–	5,153
Total Expenditures	<u>505,407</u>	<u>1,081,379</u>	<u>2,898</u>	<u>1,589,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,202</u>	<u>(1,081,250)</u>	<u>5,997</u>	<u>(1,057,051)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	184,729	1,080,054	–	1,264,783
Premium on Bonds Issued	14,101	95,893	–	109,994
Transfers In	79,645	–	68	79,713
Transfers Out	(155,100)	(239,929)	(548)	(395,577)
Total Other Financing Sources (Uses)	<u>123,375</u>	<u>936,018</u>	<u>(480)</u>	<u>1,058,913</u>
Net Change in Fund Balances	141,577	(145,232)	5,517	1,862
Fund Balances - Beginning (restated)	1,352,658	755,338	122,222	2,230,219
Fund Balances - Ending	<u>\$ 1,494,235</u>	<u>\$ 610,106</u>	<u>\$ 127,739</u>	<u>\$ 2,232,081</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

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*The special revenue funds are used to account for and report the collection of money that is restricted or committed for specified purposes.*

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The following are included in the nonmajor special revenue funds:

- Workers' Compensation Administration
- Banking
- Consumer Counsel and Public Utility Control
- Insurance
- Criminal Injuries Compensation
- Regional Market
- Mashantucket Pequot and Mohegan
- Soldiers', Sailors', and Marines
- Employment Security Administration
- Environmental Programs
- Housing Programs
- Tourism
- Other

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2023

*(Expressed in Thousands)*

	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries
<b>Assets</b>					
Cash and Cash Equivalents	\$ 17,378	\$ 43,540	\$ 17,295	\$ 62,593	\$ 3,711
Investments	-	-	-	-	-
Receivables:					
Accounts, Net of Allowances	-	-	127	1,805	-
Loans, Net of Allowances	-	-	-	-	-
From Other Governments	-	-	-	-	-
Due From Component Units	-	-	-	-	-
From Other Funds	-	-	-	-	-
Total Assets	<u>\$ 17,378</u>	<u>\$ 43,540</u>	<u>\$ 17,422</u>	<u>\$ 64,398</u>	<u>\$ 3,711</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 427	\$ 488	\$ 569	\$ 3,343	\$ 84
Unearned Revenue	-	-	7,483	4	-
Due to Other Funds	105	155	169	228	-
Total Liabilities	<u>532</u>	<u>643</u>	<u>8,221</u>	<u>3,575</u>	<u>84</u>
<b>Deferred Inflows of Resources</b>					
Receivables to be Collected in Future Periods	<u>-</u>	<u>-</u>	<u>127</u>	<u>1,667</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted (Deficit)	16,846	42,897	9,074	59,156	3,627
Assigned	-	-	-	-	-
Total Fund Balances (Deficit)	<u>16,846</u>	<u>42,897</u>	<u>9,074</u>	<u>59,156</u>	<u>3,627</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 17,378</u>	<u>\$ 43,540</u>	<u>\$ 17,422</u>	<u>\$ 64,398</u>	<u>\$ 3,711</u>

State of Connecticut

Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers', Sailors', & Marines'	Employment Security Administration	Environmental Programs	Housing Programs	Other	Tourism	Total
\$ 217	\$ -	\$ -	\$ 42,319	\$ 88,969	\$ 52,171	\$ 531,320	\$ 2,640	\$ 862,153
-	-	-	-	-	-	-	-	-
-	-	-	-	32	33,587	6,915	2,636	45,102
-	-	-	-	4,450	618,036	-	-	622,486
-	-	-	18,582	-	-	-	-	18,582
-	-	-	-	-	4,887	-	-	4,887
-	-	7,841	4,352	-	-	-	-	12,193
<u>\$ 217</u>	<u>\$ -</u>	<u>\$ 7,841</u>	<u>\$ 65,253</u>	<u>\$ 93,451</u>	<u>\$ 708,681</u>	<u>\$ 538,235</u>	<u>\$ 5,276</u>	<u>\$ 1,565,403</u>
\$ -	\$ -	\$ -	\$ 1,994	\$ 360	\$ 9	\$ 2,783	\$ -	\$ 10,057
-	-	-	-	-	-	-	-	7,487
-	340	7,841	464	37	3	107	-	9,449
-	340	7,841	2,458	397	12	2,890	-	26,993
-	-	-	4,442	32	33,586	4,320	-	44,174
217	(340)	-	58,353	93,022	675,083	481,865	5,276	1,445,076
-	-	-	-	-	-	49,160	-	49,160
217	(340)	-	58,353	93,022	675,083	531,025	5,276	1,494,236
<u>\$ 217</u>	<u>\$ -</u>	<u>\$ 7,841</u>	<u>\$ 65,253</u>	<u>\$ 93,451</u>	<u>\$ 708,681</u>	<u>\$ 538,235</u>	<u>\$ 5,276</u>	<u>\$ 1,565,403</u>

State of Connecticut

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

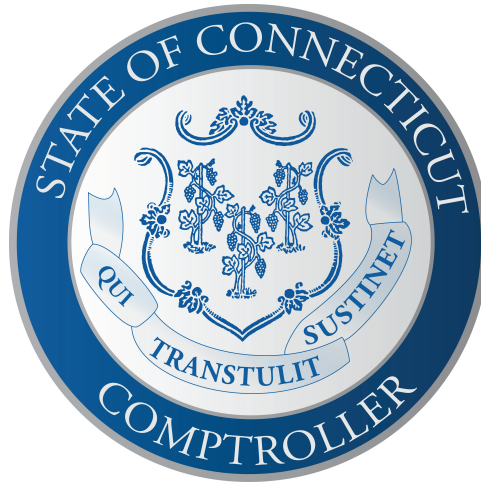
	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries
<b>Revenues</b>					
Licenses, Permits, and Fees	\$ -	\$ 42,501	\$ 13	\$ 90,522	\$ 303
Tobacco Settlement	-	-	-	-	-
Federal Grants and Aid	-	-	-	-	-
Charges for Services	12	-	-	-	-
Fines, Forfeits, and Rents	-	-	-	-	6
Investment Earnings	1,334	-	-	19,874	135
Interest on Loans	-	-	-	-	-
Sports Wagering	-	-	-	-	-
Miscellaneous	26,451	108	32,133	284	1,608
Total Revenues	27,797	42,609	32,146	110,680	2,052
<b>Expenditures</b>					
Current:					
Legislative	-	-	-	-	-
General Government	2,079	432	460	797	-
Regulation and Protection	21,356	23,740	3,305	32,155	-
Conservation and Development	-	670	24,614	168	-
Health and Hospitals	-	-	-	62,271	-
Human Services	1,275	-	-	120	-
Education, Libraries, and Museums	-	-	-	-	-
Corrections	-	-	-	-	-
Judicial	-	2,103	-	-	2,041
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	24,710	26,945	28,379	95,511	2,041
Excess (Deficiency) of Revenues					
Over Expenditures	3,087	15,664	3,767	15,169	11
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	3,087	15,664	3,767	15,169	11
Fund Balances (Deficit) - Beginning	13,759	27,233	5,307	43,987	3,616
Fund Balances (Deficit) - Ending	\$ 16,846	\$ 42,897	\$ 9,074	\$ 59,156	\$ 3,627

**State of Connecticut**

<b>Mashantucket Pequot and Mohegan Fund</b>	<b>Regional Market</b>	<b>Employment Security Administration</b>	<b>Environmental Programs</b>	<b>Housing Programs</b>	<b>Other</b>	<b>Tourism</b>	<b>Total</b>
\$ -	\$ -	\$ 3,134	\$ 903	\$ -	\$ 6,847	\$ -	\$ 144,223
-	-	-	-	-	124,678	-	124,678
-	-	59,352	-	-	-	-	59,352
-	-	-	-	-	1,077	-	1,089
-	-	-	-	-	289	-	295
-	-	846	2,964	-	15,022	-	40,175
-	-	-	-	-	-	-	-
-	-	-	-	-	3,079	-	3,079
-	-	-	91	1,334	75,184	13,525	150,718
-	-	63,332	3,958	1,334	226,176	13,525	523,609
-	-	-	-	-	-	-	-
51,388	-	-	28,617	47,451	6,262	-	137,486
-	-	68,914	-	-	13,597	-	163,067
-	-	-	11,289	22,696	1,405	13,383	74,225
-	-	-	113	-	4,536	-	66,920
-	-	-	-	-	704	-	2,099
-	-	-	-	-	3,256	-	3,256
-	-	-	-	-	1,572	-	1,572
-	-	-	-	-	51,960	-	56,104
-	-	-	301	279	98	-	678
51,388	-	68,914	40,320	70,426	83,390	13,383	505,407
(51,388)	-	(5,582)	(36,362)	(69,092)	142,786	142	18,202
-	-	-	77,034	82,695	25,000	-	184,729
-	-	-	8,840	2,392	2,869	-	14,101
51,500	-	10,645	-	-	17,500	-	79,645
-	-	-	(25,590)	(2,114)	(127,396)	-	(155,100)
51,500	-	10,645	60,284	82,973	(82,027)	-	123,375
112	-	5,063	23,922	13,881	60,759	142	141,577
105	(340)	53,290	69,100	661,201	470,266	5,134	1,352,658
\$ 217	\$ (340)	\$ 58,353	\$ 93,022	\$ 675,082	\$ 531,025	\$ 5,276	\$ 1,494,235

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## NONMAJOR CAPITAL PROJECT FUNDS

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*The Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. They are financed principally by debt proceeds.*

---

The following are included in the nonmajor capital projects funds:

- State Facilities
- Infrastructure
- Other Transportation

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2023

*(Expressed in Thousands)*

	<b>State Facilities</b>	<b>Infrastructure</b>	<b>Transportation</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 312,167	\$ 480,748	\$ –	\$ 792,915
Receivables:				
Due From Other Funds	2,294	–	–	2,294
Total Assets	<u>\$ 314,461</u>	<u>\$ 480,748</u>	<u>\$ –</u>	<u>\$ 795,209</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 25,025	\$ 55,413	\$ –	\$ 80,438
Due To Other Funds	103,517	428	718	104,663
Total Liabilities	<u>128,542</u>	<u>55,841</u>	<u>718</u>	<u>185,101</u>
<b>Fund Balances</b>				
Restricted	185,918	424,906	–	610,824
Unassigned	–	–	(718)	(718)
Total Fund Balances (Deficit)	<u>185,918</u>	<u>424,906</u>	<u>(718)</u>	<u>610,106</u>
Total Liabilities and Fund Balances	<u>\$ 314,460</u>	<u>\$ 480,747</u>	<u>\$ –</u>	<u>\$ 795,207</u>

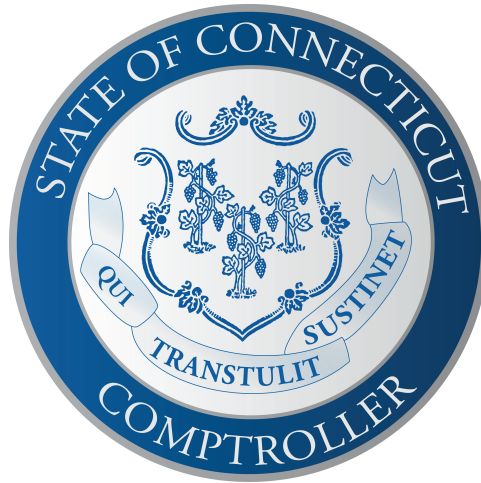
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**

For the Fiscal Year Ended June 30, 2023

*(Expressed in Thousands)*

	<b>State Facilities</b>	<b>Infrastructure</b>	<b>Transportation</b>	<b>Total</b>
<b>Revenues</b>				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	129	-	-	129
Total Revenues	<u>129</u>	<u>-</u>	<u>-</u>	<u>129</u>
<b>Expenditures</b>				
Capital Projects	131,666	945,238	-	1,076,904
Debt Service:				
Interest and Fiscal Charges	984	3,491	-	4,475
Total Expenditures	<u>132,650</u>	<u>948,729</u>	<u>-</u>	<u>1,081,379</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(132,521)</u>	<u>(948,729)</u>	<u>-</u>	<u>(1,081,250)</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	250,054	830,000	-	1,080,054
Premium on Bonds Issued	21,042	74,851	-	95,893
Transfer Out	(179,407)	(60,522)	-	(239,929)
Total Other Financing Sources	<u>91,689</u>	<u>844,329</u>	<u>-</u>	<u>936,018</u>
Net Change in Fund Balances	<u>(40,832)</u>	<u>(104,400)</u>	<u>-</u>	<u>(145,232)</u>
Fund Balances (Deficit) - Beginning	226,750	529,306	(718)	755,338
Fund Balances (Deficit) - Ending	<u>\$ 185,918</u>	<u>\$ 424,906</u>	<u>\$ (718)</u>	<u>\$ 610,106</u>

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## NONMAJOR PERMANENT FUNDS

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*Permanent funds are used to account for and report the principal and interest earned on investments for the benefit of its citizenry.*

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The following are included in the nonmajor permanent funds:

- Soldiers', Sailors', and Marines'
- Connecticut Arts Endowment
- Other

**COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS**

June 30, 2023

*(Expressed in Thousands)*

	<b>Soldiers', Sailors', &amp; Marines'</b>	<b>Connecticut Arts Endowment</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1	\$ 1	\$ 4,416	\$ 4,418
Investments	81,430	21,835	20,431	123,696
Securities Lending Collateral	13,819	2,650	3,499	19,968
Due From Other Funds	-	-	-	-
Interest	\$ -	\$ -	\$ 2	\$ 2
Total Assets	\$ 95,250	\$ 24,486	\$ 28,348	\$ 148,084
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 83	\$ 83
Due To Other Funds	-	-	291	291
Securities Lending Obligation	13,819	2,650	3,499	19,968
Total Liabilities	13,819	2,650	3,873	20,342
<b>Fund Balances</b>				
Nonspendable:				
Permanent Fund Principal	81,430	21,835	20,431	123,696
Restricted	-	-	4,043	4,043
Unassigned	-	-	-	-
Total Fund Balances	81,430	21,835	24,474	127,739
Total Liabilities and Fund Balances	\$ 95,249	\$ 24,485	\$ 28,347	\$ 148,081

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS**

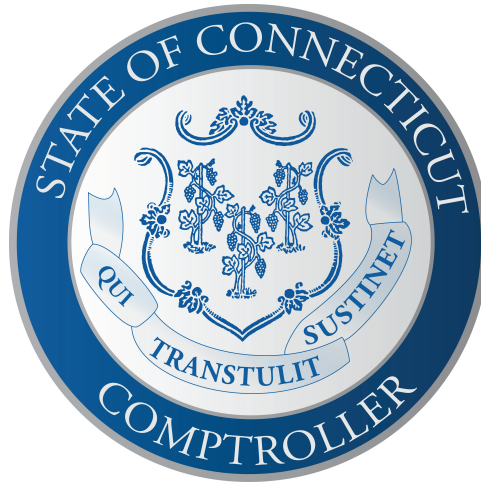
For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	<b>Soldiers', Sailors', &amp; Marines'</b>	<b>Connecticut Arts Endowment</b>	<b>Other</b>	<b>Total</b>
<b>Revenues</b>				
Licenses, Permits & Fees	\$ -	\$ -	\$ 480	\$ 480
Investment Earnings	4,582	2,303	(953)	5,932
Miscellaneous	4	-	2,479	2,483
Total Revenues	<u>4,586</u>	<u>2,303</u>	<u>2,006</u>	<u>8,895</u>
<b>Expenditures</b>				
General Government	1,509	41	432	1,982
Conservation and Development	-	863	-	863
Education, Libraries, and Museums	-	-	53	53
Total Expenditures	<u>1,509</u>	<u>904</u>	<u>485</u>	<u>2,898</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,077</u>	<u>1,399</u>	<u>1,521</u>	<u>5,997</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	68	68
Transfers Out	-	-	(548)	(548)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(480)</u>	<u>(480)</u>
Net Change in Fund Balances	3,077	1,399	1,041	5,517
Fund Balances - Beginning (as restated)	78,353	20,436	23,433	122,222
Fund Balances - Ending	<u>\$ 81,430</u>	<u>\$ 21,835</u>	<u>\$ 24,474</u>	<u>\$ 127,739</u>

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## NONMAJOR ENTERPRISE FUNDS

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*Enterprise funds are used to account and report activities for which a fee is charged in exchange for goods or services.*

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The following are included in the nonmajor enterprise funds:

Second Injury and Compensation Insurance  
Drinking Water

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

June 30, 2023

(Expressed in Thousands)

	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 53,415	\$ 2,531	\$ 55,946
Accounts Receivable, Net of Allowances	5,930	-	5,930
Loans, Net of Allowances	-	27,159	27,159
Interest Receivable	-	198	198
From Other Governments	-	2,352	2,352
Other	-	-	-
Total Current Assets	<u>59,345</u>	<u>32,240</u>	<u>91,585</u>
Noncurrent Assets:			
Cash and Cash Equivalents	-	103,081	103,081
Receivables:			
Loans, Net of Allowances	-	182,542	182,542
Restricted Assets	-	45,818	45,818
Total Noncurrent Assets	<u>-</u>	<u>331,441</u>	<u>331,441</u>
Total Assets	<u>\$ 59,345</u>	<u>\$ 363,681</u>	<u>\$ 423,026</u>
<b>Deferred Outflows of Resources</b>			
Unamortized Losses on Bond Refundings	\$ -	\$ 81	\$ 81
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 81</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 6,060	\$ 1,789	\$ 7,849
Current Portion of Long-Term Debt	493	8,005	8,498
Total Current Liabilities	<u>6,553</u>	<u>9,794</u>	<u>16,347</u>
Noncurrent Liabilities:			
Noncurrent Portion of Long-Term Liabilities	611	132,375	132,986
Total Noncurrent Liabilities	<u>611</u>	<u>132,375</u>	<u>132,986</u>
Total Liabilities	<u>\$ 7,164</u>	<u>\$ 142,169</u>	<u>\$ 149,333</u>
<b>Net Position (Deficit)</b>			
Restricted for:			
Drinking Water Projects	\$ -	\$ 197,329	\$ 197,329
Unrestricted (Deficit)	52,181	24,264	76,445
Total Net Position (Deficit)	<u>\$ 52,181</u>	<u>\$ 221,593</u>	<u>\$ 273,774</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

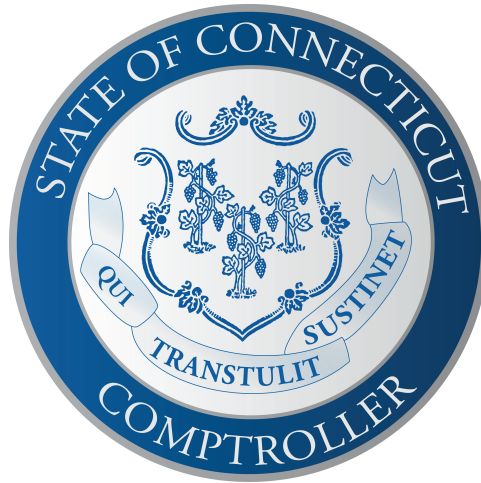
	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Total</b>
<b>Operating Revenues</b>			
Assessments	\$ 28,231	\$ –	\$ 28,231
Interest on Loans	–	4,566	4,566
Miscellaneous	556	–	556
Total Operating Revenues	<u>28,787</u>	<u>4,566</u>	<u>33,353</u>
<b>Operating Expenses</b>			
Salaries, Wages, and Administrative	7,808	4,597	12,405
Claims Paid	19,601	–	19,601
Other	–	3,594	3,594
Total Operating Expenses	<u>27,409</u>	<u>8,191</u>	<u>35,600</u>
Operating Income (Loss)	<u>1,378</u>	<u>(3,625)</u>	<u>(2,247)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest and Investment Income	1,978	5,172	7,150
Interest and Fiscal Charges	–	(6,011)	(6,011)
Other	–	1,508	1,508
Total Nonoperating Income (Expense)	<u>1,978</u>	<u>669</u>	<u>2,647</u>
Income (Loss) Before Grants and Transfers	<u>3,356</u>	<u>(2,956)</u>	<u>400</u>
Federal Capitalization Grants	–	8,113	8,113
Transfers In	–	51	51
Change in Net Position	<u>3,356</u>	<u>5,208</u>	<u>8,564</u>
Total Net Position (Deficit) - Beginning (as restated)	48,825	216,385	265,210
Total Net Position (Deficit) - Ending	<u>\$ 52,181</u>	<u>\$ 221,593</u>	<u>\$ 273,774</u>

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	<b>Second Injury &amp; Compensation Assurance</b>	<b>Drinking Water</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 29,032	\$ 20,700	\$ 49,732
Payments to Suppliers	–	(3,594)	(3,594)
Payments to Employees	(7,703)	(4,020)	(11,723)
Other Receipts (Payments)	(19,714)	(14,340)	(34,054)
Net Cash Provided by (Used in) Operating Activities	1,615	(1,254)	361
<b>Cash Flows from Capital and Related Financing Activities</b>			
Federal Capitalization Grants	–	6,048	6,048
Net Cash Flows from Capital and Related Financing Activities	–	6,048	6,048
<b>Cash Flows from Noncapital and Related Financing Activities</b>			
Repayment of bonds payable	–	(6,958)	(6,958)
Interest paid on bonds payable	–	(6,085)	(6,085)
Transfers In	–	51	51
Net Cash Flows from Noncapital and Related Financing Activities	–	(12,992)	(12,992)
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	1,978	5,191	7,169
Other Receipts (Payments)	–	1,038	1,038
Net Cash Flows from Investing Activities	1,978	6,229	8,207
Net Increase (Decrease) in Cash and Cash Equivalents	3,593	(1,969)	1,624
Cash and Cash Equivalents - Beginning of Year	53,415	4,499	57,914
Cash and Cash Equivalents - End of Year	\$ 57,008	\$ 2,530	\$ 59,538
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
Operating Income (Loss)	\$ 1,379	\$ (3,625)	\$ (2,246)
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables, Net	246	2,371	2,617
(Increase) Decrease in Inventories and Other Assets	(9)	–	(9)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	(1)	–	(1)
Total Adjustments	236	2,371	2,607
Net Cash Provided by (Used In) Operating Activities	\$ 1,615	\$ (1,254)	\$ 361



## NONMAJOR INTERNAL SERVICE FUNDS

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*The internal service funds are used to account for and report the operations of state agencies whose exclusive or nearly exclusive purpose is to provide goods or services to other state agencies on a cost-reimbursement basis.*

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The following are included in the nonmajor enterprise funds:

- Correction Industries
- Administrative Services
- Information Technology

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

June 30, 2023

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 11,283	\$ 3,368	\$ –	\$ 14,651
Receivables, Net of Allowances	55	188	75	318
Due From Other Funds	618	2,332	2,622	5,572
Inventories	6,635	–	108	6,743
Other Current Assets	7	–	300	307
Total Current Assets	<u>18,598</u>	<u>5,888</u>	<u>3,105</u>	<u>27,591</u>
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	1,318	–	52,630	53,948
Other Noncurrent Assets	–	–	4	4
Total Noncurrent Assets	<u>1,318</u>	<u>–</u>	<u>52,634</u>	<u>53,952</u>
Total Assets	<u>\$ 19,916</u>	<u>\$ 5,888</u>	<u>\$ 55,739</u>	<u>\$ 81,543</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 796	\$ 129	\$ (3)	\$ 922
Due To Other Funds	–	–	25,156	25,156
Compensated Absences-Current Portion	33	8	18	59
Total Current Liabilities	<u>829</u>	<u>137</u>	<u>25,171</u>	<u>26,137</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Debt	–	705	–	705
Compensated Absences	469	137	321	927
Total Noncurrent Liabilities	<u>469</u>	<u>842</u>	<u>321</u>	<u>1,632</u>
Total Liabilities	<u>\$ 1,298</u>	<u>\$ 979</u>	<u>\$ 25,492</u>	<u>\$ 27,769</u>
<b>Net Position</b>				
Investment in Capital Assets	\$ 1,318	\$ –	\$ 52,640	\$ 53,958
Unrestricted (Deficit)	17,300	4,908	(22,394)	(186)
Total Net Position	<u>\$ 18,618</u>	<u>\$ 4,908</u>	<u>\$ 30,246</u>	<u>\$ 53,772</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION  
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
<b>Operating Revenues</b>				
Charges for Sales and Services	\$ 28,191	\$ 2,123	\$ 24,483	\$ 54,797
Miscellaneous	117	-	6	123
Total Operating Revenues	<u>28,308</u>	<u>2,123</u>	<u>24,489</u>	<u>54,920</u>
<b>Operating Expenses</b>				
Salaries, Wages, and Administrative	25,632	2,005	10,737	38,374
Depreciation and Amortization	365	-	16,924	17,289
Total Operating Expenses	<u>25,997</u>	<u>2,005</u>	<u>27,661</u>	<u>55,663</u>
Operating Income	<u>2,311</u>	<u>118</u>	<u>(3,172)</u>	<u>(743)</u>
<b>Nonoperating Revenue (Expenses)</b>				
Other Nonoperating Revenue (Expense)	<u>(174)</u>	<u>-</u>	<u>-</u>	<u>(174)</u>
Total Nonoperating Revenue (Expense)	<u>(174)</u>	<u>-</u>	<u>-</u>	<u>(174)</u>
Change in Net Position	2,137	118	(3,172)	(917)
Total Net Position - Beginning	<u>16,481</u>	<u>4,790</u>	<u>33,418</u>	<u>54,689</u>
Total Net Position - Ending	<u>\$ 18,618</u>	<u>\$ 4,908</u>	<u>\$ 30,246</u>	<u>\$ 53,772</u>

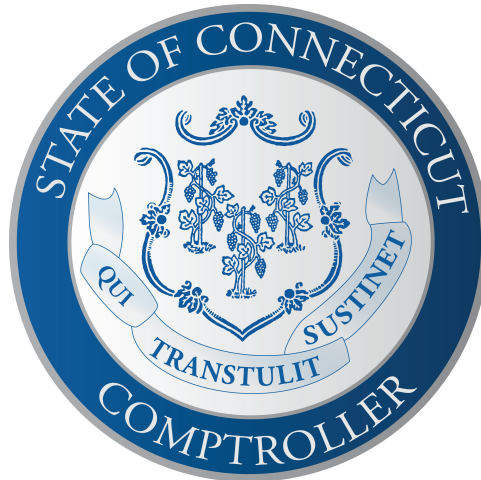
**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2023

*(Expressed in Thousands)*

	Correction Industries	Information Technology	Administrative Services	Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 28,539	\$ 2,060	\$ 23,703	\$ 54,302
Payments to Suppliers	(18,941)	(400)	7,995	(11,346)
Payments to Employees	(6,219)	(1,699)	(5,402)	(13,320)
Other Receipts (Payments)	689	-	(19)	670
Net Cash Provided by (Used in) Operating Activities	<u>4,068</u>	<u>(39)</u>	<u>26,277</u>	<u>30,306</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Additions to Property, Plant, and Equipment	(1,061)	-	(26,277)	(27,338)
Net Cash Flows from Capital and Related Financing Activities	<u>(1,061)</u>	<u>-</u>	<u>(26,277)</u>	<u>(27,338)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Other Receipts (Payments)	(174)	-	-	(174)
Net Cash Flows from Noncapital Financing Activities	<u>(174)</u>	<u>-</u>	<u>-</u>	<u>(174)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,833	(39)	-	2,794
Cash and Cash Equivalents - Beginning of Year	8,700	3,408	-	12,108
Cash and Cash Equivalents - End of Year	<u>\$ 11,533</u>	<u>\$ 3,369</u>	<u>\$ -</u>	<u>\$ 14,902</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income	\$ 2,311	\$ 118	\$ (3,173)	\$ (744)
Adjustments Not Affecting Cash:				
Depreciation	365	-	16,924	17,290
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables, Net	(47)	(66)	(32)	(145)
(Increase) Decrease in Due From Other Funds	395	1	(754)	(358)
(Increase) Decrease in Inventories and Other Assets	572	-	(19)	553
Increase (Decrease) in Accounts Payables & Accrued Liabilities	472	(92)	13,330	13,710
Total Adjustments	<u>1,757</u>	<u>(157)</u>	<u>29,450</u>	<u>31,050</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 4,068</u>	<u>\$ (39)</u>	<u>\$ 26,277</u>	<u>\$ 30,306</u>





## **PENSION AND (OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

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*The pension and other employee benefit trust funds are used to account for and report the money that has been contributed by both the employer and the employee for pension benefits. A trustee administers the funds and invests the money, collects the earnings and interest and distributes the benefits.*

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The following are included in the pension and (other employee benefit) trust funds:

- State Employees
- State Teachers
- Judicial
- Connecticut Municipal Employees
- Probate Judges
- State Employee OPEB Plan
- Retired Teacher Healthcare Plan
- Policemen, Firemen, and Survivors' Benefits
- Other

State of Connecticut

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

June 30, 2023

(Expressed in Thousands)

	Pension Trust			
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'
<b>Assets</b>				
Current:				
Cash and Cash Equivalents	\$ 7,982	\$ 6,511	\$ 259	\$ 8,473
Receivables:				
Accounts, Net of Allowances	10,868	13,749	8	23,275
From Other Governments	-	36	-	-
From Other Funds	1,046,548	828,063	-	-
Interest	591	460	19	238
Investments	20,170,593	23,025,362	298,754	3,186,857
Securities Lending Collateral	1,594,723	1,860,041	23,751	253,850
Noncurrent:				
Due From Employers	-	-	-	10,960
Total Assets	<u>\$ 22,831,305</u>	<u>\$ 25,734,222</u>	<u>\$ 322,791</u>	<u>\$ 3,483,653</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 41	\$ 2,367	\$ 16	\$ -
Securities Lending Obligation	1,594,723	1,860,041	23,752	253,850
Due to Other Funds	-	2,083	-	-
Total Liabilities	<u>\$ 1,594,764</u>	<u>\$ 1,864,491</u>	<u>\$ 23,768</u>	<u>\$ 253,850</u>
<b>Net Position</b>				
Held in Trust For Employee				
Pension and Other Benefits	\$ 21,236,541	\$ 23,869,731	\$ 299,023	\$ 3,229,803
Total Net Position	<u>\$ 21,236,541</u>	<u>\$ 23,869,731</u>	<u>\$ 299,023</u>	<u>\$ 3,229,803</u>

**State of Connecticut**

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Pension Trust		Other Employee Benefits			
Probate Judges	Other	Retired Teacher Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employee OPEB Plan	Total
\$ 290	\$ 497	\$ 214,190	\$ 208	\$ 220,850	\$ 459,260
-	-	-	-	-	47,900
-	-	-	-	-	36
-	-	2,083	-	-	1,876,694
6	-	-	3	-	1,317
131,816	2,730	-	47,776	2,477,269	49,341,157
10,500	217	-	3,803	187,180	3,934,065
-	-	-	-	-	10,960
<u>\$ 142,612</u>	<u>\$ 3,444</u>	<u>\$ 216,273</u>	<u>\$ 51,790</u>	<u>\$ 2,885,299</u>	<u>\$ 55,671,389</u>
\$ 1	\$ -	\$ 540	\$ -	\$ 30,676	\$ 33,641
10,500	217	-	3,803	187,180	3,934,066
-	-	-	-	-	2,083
<u>\$ 10,501</u>	<u>\$ 217</u>	<u>\$ 540</u>	<u>\$ 3,803</u>	<u>\$ 217,856</u>	<u>\$ 3,969,790</u>
\$ 132,111	\$ 3,227	\$ 215,733	\$ 47,987	\$ 2,667,443	\$ 51,701,599
<u>\$ 132,111</u>	<u>\$ 3,227</u>	<u>\$ 215,733</u>	<u>\$ 47,987</u>	<u>\$ 2,667,443</u>	<u>\$ 51,701,599</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

For the Fiscal Year Ended June 30, 2023

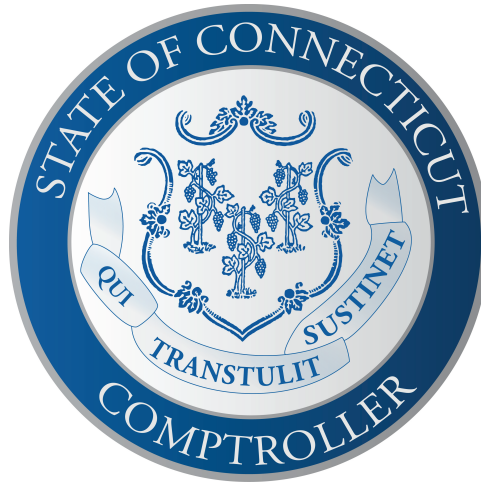
(Expressed in Thousands)

	Pension Trust			
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'
<b>Additions</b>				
Contributions:				
Plan Members	\$ 223,062	\$ 340,033	\$ 2,019	\$ 46,080
State	3,261,874	2,406,101	32,533	-
Municipalities	-	-	-	150,142
Total Contributions	<u>3,484,936</u>	<u>2,746,134</u>	<u>34,552</u>	<u>196,222</u>
Investment Income	1,889,487	2,075,381	23,610	278,767
Less: Investment Expenses	(134,589)	(141,528)	(247)	(19,850)
Net Investment Income	<u>1,754,898</u>	<u>1,933,853</u>	<u>23,363</u>	<u>258,917</u>
Transfer In	-	-	-	-
Other	-	-	477	-
Total Additions	<u>5,239,834</u>	<u>4,679,987</u>	<u>58,392</u>	<u>455,139</u>
<b>Deductions</b>				
Administrative Expense	-	-	-	-
Benefit Payments and Refunds	2,605,221	2,359,977	35,751	245,364
Other	1,797	-	-	-
Total Deductions	<u>2,607,018</u>	<u>2,359,977</u>	<u>35,751</u>	<u>245,364</u>
Changes in Net Position	2,632,816	2,320,010	22,641	209,775
<b>Net Position Held in Trust For Pension and Other Employee Benefits</b>				
Beginning of Year	18,603,725	21,549,721	276,382	3,020,028
End of Year	<u>\$ 21,236,541</u>	<u>\$ 23,869,731</u>	<u>\$ 299,023</u>	<u>\$ 3,229,803</u>

**State of Connecticut**

Pension Trust		Other Employee Benefits			
Probate Judges	Other	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employees' OPEB Plan	Total
\$ 267	\$ 33	\$ 101,862	\$ 764	\$ 147,571	\$ 861,691
-	-	21,474	-	850,513	6,572,495
-	-	-	1,026	-	151,168
267	33	123,336	1,790	998,084	7,585,354
11,449	231	21,989	4,052	200,078	4,505,044
(817)	(17)	-	(290)	(14,305)	(311,643)
10,632	214	21,989	3,762	185,773	4,193,401
-	-	-	-	-	-
2,935	29	30	62	-	3,533
13,834	276	145,355	5,614	1,183,857	11,782,288
-	-	51,179	-	-	51,179
7,041	-	45,999	1,383	626,743	5,927,479
-	-	-	6	129,809	131,612
7,041	-	97,178	1,389	756,552	6,110,270
6,793	276	48,177	4,225	427,305	5,672,018
125,318	2,951	167,556	43,762	2,240,138	46,029,581
<u>\$ 132,111</u>	<u>\$ 3,227</u>	<u>\$ 215,733</u>	<u>\$ 47,987</u>	<u>\$ 2,667,443</u>	<u>\$ 51,701,599</u>

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## CUSTODIAL FUNDS

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*Custodial funds account for and report resources held by the State for which the state has custodial responsibility for the flow of assets.*

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The following are included in the agency funds:

- Fringe Benefit Clearing
- Receipts Pending Distribution
- Insurance Companies' Securities
- State Institution Activity
- Other

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**CUSTODIAL FUNDS**

June 30, 2023

*(Expressed in Thousands)*

	<b>Receipts Pending Distribution</b>	<b>Insurance Companies' Securities</b>	<b>State Institution Activity</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 124,491	\$ -	\$ 43,389	\$ 89,707	\$ 257,587
Receivables:					
Accounts, Net of Allowances	4,002	-	29	-	4,031
Interest	-	-	146	293	439
Inventories	-	-	668	-	668
Other Assets	-	318,096	19	10,973	329,088
Total Assets	<u>128,493</u>	<u>318,096</u>	<u>44,251</u>	<u>100,973</u>	<u>591,813</u>
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	-	-	1	-	1
Total Liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
<b>Net Position</b>					
Restricted for:					
Individuals, Organizations, and Other Governments	<u>128,494</u>	<u>318,096</u>	<u>44,248</u>	<u>100,974</u>	<u>591,812</u>
Total Net Position	<u>\$ 128,494</u>	<u>\$ 318,096</u>	<u>\$ 44,248</u>	<u>\$ 100,974</u>	<u>\$ 591,812</u>



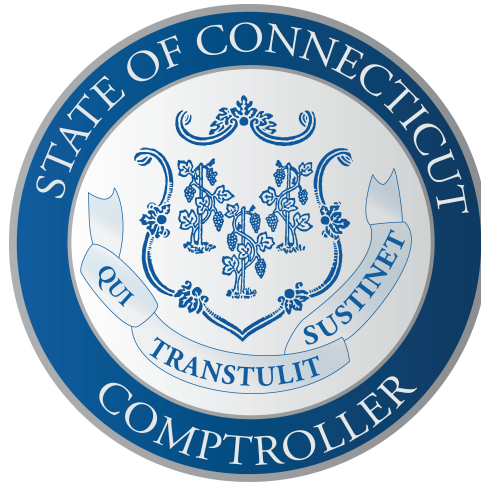
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**

For the Fiscal Year Ended June 30, 2023

*(Expressed in Thousands)*

	<b>Fringe Benefit Clearing</b>	<b>Receipts Pending Distribution</b>	<b>Insurance Companies' Securities</b>	<b>State Institution Activity</b>	<b>Other</b>	<b>Total</b>
<b>Additions</b>						
Insurance Securities	\$ -	\$ -	\$ 318,096	\$ -	\$ -	\$ 318,096
Investment Income	-	-	-	114	61	175
Other	-	90,781	-	328	(172,039)	(80,930)
Total Additions	<u>-</u>	<u>90,781</u>	<u>318,096</u>	<u>442</u>	<u>(171,978)</u>	<u>237,341</u>
<b>Deductions</b>						
Administrative Expense	-	12,881	-	-	360	13,241
Other	-	-	317,843	-	-	317,843
Total Deductions	<u>-</u>	<u>12,881</u>	<u>317,843</u>	<u>-</u>	<u>360</u>	<u>331,084</u>
Change in Net Position Held In Trust For:						
Individuals, Organizations, and Other Governments	-	77,900	253	442	(172,338)	(93,743)
<b>Net Position Held in Trust For</b>						
<b>Pension and Other Employee Benefits</b>						
Net Position - Beginning	-	50,594	317,843	43,806	273,312	685,555
Net Position - Ending	<u>\$ -</u>	<u>\$ 128,494</u>	<u>\$ 318,096</u>	<u>\$ 44,248</u>	<u>\$ 100,974</u>	<u>\$ 591,812</u>

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## NONMAJOR COMPONENT UNITS

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*The component units listed below are legally separate organizations for which the State is financially accountable.*

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The following are included in the nonmajor component units:

- Connecticut Higher Education Supplemental Loan Authority
- Connecticut Health and Educational Facilities Authority
- Connecticut Student Loan Foundation
- Materials, Innovations, and Recycling Authority
- Connecticut Innovations, Incorporated
- UConn Foundation
- Capital Region Development Authority
- Connecticut Green Bank
- Connecticut Port Authority

State of Connecticut

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR COMPONENT UNITS**

June 30, 2023

(Expressed in Thousands)

	Connecticut Higher Education Supplemental Loan Authority	Connecticut Health and Educational Facilities Authority	Connecticut Student Loan Foundation	Materials, Innovations, and Recycling Authority	Connecticut Innovations, Incorporated
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 34	851	120	55,880	93,420
Investments	9,455	9,878	24	-	6,645
Receivables:					
Accounts, Net of Allowances	13	630	-	7,566	-
Loans, Net of Allowances	590	253	-	-	4,638
Due From State and Local Governments	-	-	-	-	-
Interest Receivable	68	-	-	-	447
Due From Primary Government	-	-	-	-	361
Restricted Assets	70,360	490,671	13,283	233	-
Leases Receivable	-	-	-	-	-
Inventories	-	-	-	6,403	-
Other Current Assets	50	154	12	-	96
Total Current Assets	<u>80,570</u>	<u>502,437</u>	<u>13,439</u>	<u>70,082</u>	<u>105,607</u>
Noncurrent Assets:					
Investments	-	-	-	-	127,076
Accounts, Net of Allowances	-	-	-	-	-
Loans, Net of Allowances	6,505	123	-	-	9,413
Lease Receivable	-	-	-	-	-
Restricted Assets	118,279	6,582	82,874	-	45,431
Capital Assets, Net of Accumulated Depreciation	2	351	-	28,939	2,027
Other Noncurrent Assets	-	-	-	-	66
Total Noncurrent Assets	<u>124,786</u>	<u>7,056</u>	<u>82,874</u>	<u>28,939</u>	<u>184,013</u>
Total Assets	<u>205,356</u>	<u>509,493</u>	<u>96,313</u>	<u>99,021</u>	<u>289,620</u>
<b>Deferred Outflows of Resources</b>					
Related to Pensions & Other Postemployment	-	-	-	-	15,848
Other	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,848</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable & Accrued Liabilities	960	317	891	6,307	12,837
Due to Other Funds	-	-	-	-	-
Current Portion of Long-Term Obligations	8,480	-	-	-	-
Due To Primary Government	-	-	-	-	4,527
Unearned Revenue	-	-	-	-	29,761
Leases Payable	-	137	-	58	-
Amounts Held for Institutions	-	490,679	-	-	-
Other Liabilities	22	-	-	-	-
Total Current Liabilities	<u>9,462</u>	<u>491,133</u>	<u>891</u>	<u>6,365</u>	<u>47,125</u>
Noncurrent Liabilities:					
Pension Liability & OPEB Liability	-	-	-	-	44,755
Lease Liability	-	-	-	-	469
Noncurrent Portion of Long-Term Obligations	150,793	2,173	75,817	-	-
Total Noncurrent Liabilities	<u>150,793</u>	<u>2,173</u>	<u>75,817</u>	<u>-</u>	<u>45,224</u>
Total Liabilities	<u>160,255</u>	<u>493,306</u>	<u>76,708</u>	<u>6,365</u>	<u>92,349</u>
<b>Deferred Inflows of Resources</b>					
Related to Pensions & Other Postemployment	-	-	-	-	18,540
Other Deferred Inflows	500	15	-	-	-
Deferred Inflows Leases	-	-	-	3,496	-
Total Deferred Inflows of Resources	<u>500</u>	<u>15</u>	<u>-</u>	<u>3,496</u>	<u>18,540</u>
<b>Net Position</b>					
Net Investment in Capital Assets	2	247	-	28,881	1,304
Restricted:					
Expendable Endowments	-	-	-	-	-
Nonexpendable Endowments	-	-	-	-	-
Other Purposes	28,889	4,350	424	10	10,123
Unrestricted	15,710	11,575	19,181	60,269	183,152
Total Net Position	<u>\$ 44,601</u>	<u>16,172</u>	<u>19,605</u>	<u>89,160</u>	<u>194,579</u>

**State of Connecticut**

	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank	Connecticut Port Authority	Total
\$	36,065	14,166	41,785	1,543	243,864
	636,267	8,931	-	-	671,200
	23,387	755	6,105	1,827	40,283
	-	41	-	-	5,522
	-	-	-	-	-
	-	-	1,627	-	2,142
	-	2,250	-	30,198	32,809
	-	32,266	-	19,317	626,130
	-	2,740	1,022	-	3,762
	-	-	-	-	6,403
	-	854	13,367	56	14,589
	<u>695,719</u>	<u>62,003</u>	<u>63,906</u>	<u>52,941</u>	<u>1,646,704</u>
	-	-	852	-	127,928
	91,611	-	-	-	91,611
	-	128,387	-	-	144,428
	-	19,025	15,282	16,257	50,564
	-	5,788	22,364	-	281,318
	254	282,754	72,589	267,376	654,292
	<u>3,821</u>	<u>2,416</u>	<u>116,639</u>	<u>-</u>	<u>122,942</u>
	<u>95,686</u>	<u>438,370</u>	<u>227,726</u>	<u>283,633</u>	<u>1,473,083</u>
	<u>791,405</u>	<u>500,373</u>	<u>291,632</u>	<u>336,573</u>	<u>3,119,787</u>
	-	-	13,656	-	29,504
	-	-	2,027	-	2,027
	-	-	<u>15,683</u>	-	<u>31,531</u>
	18,425	42,500	15,659	26,386	124,282
	-	-	-	-	-
	-	5,107	5,296	-	18,883
	-	63,605	-	-	68,132
	-	699	-	-	30,460
	-	647	-	124	966
	-	-	-	-	490,679
	-	-	-	70	92
	<u>18,425</u>	<u>112,558</u>	<u>20,955</u>	<u>26,580</u>	<u>733,494</u>
	-	-	35,675	-	80,430
	246	970	-	4,311	5,996
	<u>20,782</u>	<u>59,034</u>	<u>75,945</u>	<u>-</u>	<u>384,544</u>
	<u>21,028</u>	<u>60,004</u>	<u>111,620</u>	<u>4,311</u>	<u>470,970</u>
	<u>39,453</u>	<u>172,562</u>	<u>132,575</u>	<u>30,891</u>	<u>1,204,464</u>
	-	-	17,637	-	36,177
	-	-	-	-	515
	-	21,764	15,700	17,990	58,950
	-	<u>21,764</u>	<u>33,337</u>	<u>17,990</u>	<u>95,642</u>
	-	153,714	5,363	262,940	452,451
	12,339	-	-	-	12,339
	739,613	-	57,282	-	796,895
	-	142,076	19,123	23,238	228,233
	-	10,256	59,636	1,433	361,212
\$	<u>751,952</u>	<u>306,046</u>	<u>141,404</u>	<u>287,610</u>	<u>1,851,130</u>

State of Connecticut

**COMBINING STATEMENT OF ACTIVITIES**

**NONMAJOR COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2023

(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues			Connecticut Higher Education Supplemental Loan Authority	Connecticut Health & Educational Facilities Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Connecticut Higher Education Supplemental Loan Authority	\$ 9,544	10,787	–	–	1,243	–
Connecticut Health and Educational Facilities Authority	7,059	7,732	–	–	–	673
Connecticut Student Loan Foundation	9,825	6,219	–	–	–	–
Materials, Innovations, and Recycling Authority	25,275	20,208	–	–	–	–
Connecticut Innovations, Incorporated	23,726	7,148	–	7,575	–	–
UConn Foundation	76,731	108,790	–	–	–	–
Capital Region Development Authority	67,714	54,604	9,628	21,282	–	–
Connecticut Green Bank	35,178	64,079	–	–	–	–
Connecticut Port Authority	3,537	774	–	35,059	–	–
<b>Total Nonmajor Component Units</b>	<b>258,589</b>	<b>280,341</b>	<b>9,628</b>	<b>63,916</b>	<b>1,243</b>	<b>673</b>
General Revenues:						
Investment Income					2,227	577
Transfer In					–	–
<b>Total General Revenues</b>					<b>2,227</b>	<b>577</b>
Change in Net Position					3,470	1,250
Total Net Position - Beginning (as restated)					41,131	14,922
<b>Total Net Position - Ending</b>					<b>\$ 44,601</b>	<b>16,172</b>

**State of Connecticut**

**Net (Expense) Revenue and  
Changes in Net Position**

Connecticut Student Loan Foundation	Materials, Innovations, and Recycling Authority	Connecticut Innovations, Incorporated	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank	Connecticut Port Authority	Totals
-	-	-	-	-	-	-	1,243
-	-	-	-	-	-	-	673
(3,606)	-	-	-	-	-	-	(3,606)
-	(5,067)	-	-	-	-	-	(5,067)
-	-	(9,003)	-	-	-	-	(9,003)
-	-	-	32,059	-	-	-	32,059
-	-	-	-	17,800	-	-	17,800
-	-	-	-	-	28,901	-	28,901
-	-	-	-	-	-	32,296	32,296
<u>(3,606)</u>	<u>(5,067)</u>	<u>(9,003)</u>	<u>32,059</u>	<u>17,800</u>	<u>28,901</u>	<u>32,296</u>	<u>95,296</u>
227	2,139	6,428	12,119	2,662	1,364	1,445	29,188
-	-	-	-	-	-	400	400
<u>227</u>	<u>2,139</u>	<u>6,428</u>	<u>12,119</u>	<u>2,662</u>	<u>1,364</u>	<u>1,845</u>	<u>29,588</u>
(3,379)	(2,928)	(2,575)	44,178	20,462	30,265	34,141	124,884
<u>22,984</u>	<u>92,088</u>	<u>197,154</u>	<u>707,774</u>	<u>285,585</u>	<u>111,138</u>	<u>253,469</u>	<u>1,726,245</u>
<u>19,605</u>	<u>89,160</u>	<u>194,579</u>	<u>751,952</u>	<u>306,047</u>	<u>141,403</u>	<u>287,610</u>	<u>1,851,129</u>

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**Index to Statistical Section**

This part of the State of Connecticut’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

**FINANCIAL TRENDS INFORMATION**

These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

Net Position by Component .....	208
Changes in Net Position .....	210
Fund Balances, Governmental Funds .....	214
Changes in Fund Balances, Governmental Funds .....	216

**REVENUE CAPACITY INFORMATION**

These schedules present revenue capacity information for the State’s most significant revenue source, the personal income tax.

Personal Income Tax Filers and Liability by Income Level .....	218
Personal Income by Major Component .....	220
Personal Income Tax Rates .....	201

**DEBT CAPACITY INFORMATION**

These schedules present information to assist the user in understanding and assessing a government’s debt burden and its ability to issue additional debt.

Legal Debt Margin .....	202
Ratios of Outstanding Debt by Type .....	204
Ratios of Net General Bonded Debt Outstanding .....	206
Pledged-Revenue Coverage .....	208

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the State’s financial activities take place and to help make comparisons over time and with other governments.

Population and Per Capita Personal Income .....	210
Employment Information .....	211
Top Ten Employers .....	211

**OPERATING INFORMATION**

These schedules contain information about the State’s operations and a resource to help the reader understand how the State’s financial information relates to the activities it performs.

State Employees by Function .....	212
Operating Indicators by Function .....	214
Capital Assets by Function .....	218

**Sources:** Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**NET POSITION BY COMPONENT**

Fiscal Years 2013 through 2023

(Expressed in Thousands)

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Governmental Activities:</b>			
Net Invested in Capital Assets	\$ 7,192,174	\$ 6,505,809	\$ 6,341,592
Restricted	6,730,846	7,370,269	7,488,657
Unrestricted	<u>(62,509,401)</u>	<u>(65,899,373)</u>	<u>(68,731,765)</u>
Total Governmental Activities Net Position	<u><u>\$(48,586,381)</u></u>	<u><u>\$(52,023,295)</u></u>	<u><u>\$(54,901,516)</u></u>
<b>Business-Type Activities:</b>			
Net Invested in Capital Assets	\$ 3,199,669	\$ 3,198,422	\$ 4,193,263
Restricted	2,195,770	2,235,483	1,085,061
Unrestricted	<u>1,638,139</u>	<u>1,269,489</u>	<u>717,518</u>
Total Business-Type Activities Net Position	<u><u>\$ 7,033,578</u></u>	<u><u>\$ 6,703,394</u></u>	<u><u>\$ 5,995,842</u></u>
<b>Primary Government:</b>			
Net Invested in Capital Assets	\$ 10,391,843	\$ 9,704,231	\$ 10,534,855
Restricted	8,926,616	9,605,752	8,573,718
Unrestricted	<u>(60,871,262)</u>	<u>(64,629,884)</u>	<u>(68,014,247)</u>
Total Primary Government Net Position	<u><u>\$(41,552,803)</u></u>	<u><u>\$(45,319,901)</u></u>	<u><u>\$(48,905,674)</u></u>

Notes: The governmental activities have a deficit in unrestricted Net Position mainly because the State recognized in the Statement of Net Position the following long-term obligations:

- <sup>1</sup> General obligation bonds which were issued to finance various grant programs of the State, such as school construction and municipal aid.
- <sup>2</sup> Other long-term obligations which the State has partially funded or not funded. For example, net pension liabilities, net OPEB liabilities, and compensated absences obligations, etc.
- <sup>3</sup> In fiscal year 2014, Bradley International Airport, a major Enterprise fund, was reclassified as a major component unit. Business-type activities for the fiscal years prior to 2014 have been restated to reflect this change.
- <sup>4</sup> In fiscal year 2015, the State implemented GASB statement No. 68 requiring the reporting of the actuarially determined liability to the pension plan members net of the fiduciary net position of the plans.

**State of Connecticut**

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 6,195,235	\$ 4,508,124	\$ 4,321,358	\$ 4,568,371	\$ 4,530,912	\$ 4,957,690	\$ 5,776,818	\$ 5,824,691
5,245,213	3,690,050	3,026,254	2,887,909	1,977,196	1,884,897	1,795,757	2,282,900
<u>(65,947,359)</u>	<u>(61,669,809)</u>	<u>(61,949,017)</u>	<u>(52,826,131)</u>	<u>(50,635,847)</u>	<u>(47,667,704)</u>	<u>(24,943,380)</u>	<u>(23,199,567)</u>
<u><u>\$(54,506,911)</u></u>	<u><u>\$(53,471,635)</u></u>	<u><u>\$(54,601,405)</u></u>	<u><u>\$(45,369,851)</u></u>	<u><u>\$(44,127,739)</u></u>	<u><u>\$(40,825,117)</u></u>	<u><u>\$(17,370,805)</u></u>	<u><u>\$(15,091,976)</u></u>
\$ 4,301,811	\$ 4,261,844	\$ 4,287,451	\$ 4,126,277	\$ 3,794,464	\$ 3,448,779	\$ 3,169,151	\$ 3,029,092
953,206	1,087,127	1,098,547	1,017,929	1,089,692	1,154,457	1,065,211	898,180
<u>1,530,392</u>	<u>1,906,729</u>	<u>1,651,057</u>	<u>1,564,985</u>	<u>1,384,932</u>	<u>895,770</u>	<u>546,492</u>	<u>391,597</u>
<u><u>\$ 6,785,409</u></u>	<u><u>\$ 7,255,700</u></u>	<u><u>\$ 7,037,055</u></u>	<u><u>\$ 6,709,191</u></u>	<u><u>\$ 6,269,088</u></u>	<u><u>\$ 5,499,006</u></u>	<u><u>\$ 4,780,854</u></u>	<u><u>\$ 4,318,869</u></u>
\$ 10,497,046	\$ 8,769,968	\$ 8,608,809	\$ 8,694,648	\$ 8,325,376	\$ 8,406,469	\$ 8,945,969	\$ 8,853,783
6,198,419	4,777,177	4,124,801	3,905,838	3,066,888	3,039,354	2,860,968	3,181,080
<u>(64,416,967)</u>	<u>(59,763,080)</u>	<u>(60,297,960)</u>	<u>(51,261,146)</u>	<u>(49,250,915)</u>	<u>(46,771,934)</u>	<u>(24,396,888)</u>	<u>(22,807,970)</u>
<u><u>\$(47,721,502)</u></u>	<u><u>\$(46,215,935)</u></u>	<u><u>\$(47,564,350)</u></u>	<u><u>\$(38,660,660)</u></u>	<u><u>\$(37,858,651)</u></u>	<u><u>\$(35,326,111)</u></u>	<u><u>\$(12,589,951)</u></u>	<u><u>\$(10,773,107)</u></u>

State of Connecticut

**CHANGES IN NET POSITION**

Fiscal Years 2013 through 2023

(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Expenses</b>				
Governmental Activities:				
Legislative	\$ 120,697	\$ 128,476	\$ 139,468	\$ 131,224
General Government	5,661,064	5,455,304	5,653,974	2,790,722
Regulation and Protection	1,087,172	1,383,688	1,207,579	986,106
Conservation and Development	1,061,991	1,635,316	1,478,657	1,189,914
Health and Hospital	2,849,061	2,895,633	3,502,081	3,082,633
Transportation	2,529,512	2,329,548	2,530,536	2,282,401
Human Services	10,724,676	10,826,565	11,914,912	10,834,398
Education, Libraries, and Museums	5,953,533	5,668,457	6,189,985	5,491,866
Corrections	2,031,771	2,107,535	2,739,688	2,523,584
Judicial	994,017	1,078,980	1,208,207	1,134,815
Interest and Fiscal Charges	1,407,520	1,008,433	968,304	943,366
Total Governmental Activities Expenses	<u>34,421,014</u>	<u>34,517,935</u>	<u>37,533,391</u>	<u>31,391,029</u>
Business-Type Activities:				
University of Connecticut and Health Center	3,171,206	3,037,625	2,765,468	2,651,491
Board of Regents	1,499,228	1,596,579	1,431,493	1,425,439
Employment Security	634,088	1,343,276	5,201,294	1,667,837
Clean Water	35,678	45,165	41,606	53,790
Other	41,611	38,282	43,127	49,578
Total Business-Type Activities Expenses	<u>5,381,811</u>	<u>6,060,927</u>	<u>9,482,988</u>	<u>5,848,135</u>
Total Primary Government Expenses	<u>\$ 39,802,825</u>	<u>\$ 40,578,862</u>	<u>\$ 47,016,379</u>	<u>\$ 37,239,164</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services, Fees, Fines, and Forfeitures	3,699,614	\$ 3,993,227	\$ 3,105,817	\$ 3,163,453
Operating Grants and Contributions	11,762,592	11,851,129	12,660,102	9,578,513
Capital Grants and Contributions	998,310	915,605	986,644	781,968
Total Governmental Activities Program Revenues	<u>16,460,516</u>	<u>16,759,961</u>	<u>16,752,563</u>	<u>13,523,934</u>
Business-Type Activities:				
Charges for Services, Fees, Fines, and Forfeitures	3,411,212	3,375,972	2,929,241	3,427,808
Operating Grants and Contributions	702,538	1,379,849	4,116,183	565,614
Capital Grants and Contributions	15,767	1,976	11,640	2,276
Total Business-Type Activities Program Revenues	<u>4,129,517</u>	<u>4,757,797</u>	<u>7,057,064</u>	<u>3,995,698</u>
Total Primary Government Program Revenues	<u>\$ 20,590,033</u>	<u>\$ 21,517,758</u>	<u>\$ 23,809,627</u>	<u>\$ 17,519,632</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (17,960,498)	\$ (17,757,974)	\$ (20,780,828)	\$ (17,867,095)
Business-Type Activities	<u>(1,252,294)</u>	<u>(1,303,130)</u>	<u>(2,425,924)</u>	<u>(1,852,437)</u>
Total Primary Government Net Expense	<u>\$ (19,212,792)</u>	<u>\$ (19,061,104)</u>	<u>\$ (23,206,752)</u>	<u>\$ (19,719,532)</u>

**State of Connecticut**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 106,749	\$ 116,070	\$ 128,659	\$ 139,916	\$ 107,629	\$ 122,679	\$ 106,349
2,780,984	2,481,551	2,281,216	2,544,489	1,712,498	2,060,294	2,036,173
841,025	878,505	976,521	968,289	1,028,126	905,310	868,187
1,177,440	1,037,446	1,220,870	1,103,531	921,859	997,092	665,365
2,629,522	2,635,718	2,713,513	2,772,452	2,172,348	2,623,687	2,540,349
2,119,877	1,935,845	1,593,860	2,237,773	1,761,500	1,985,288	1,572,755
9,735,805	9,738,882	9,470,826	9,115,540	6,736,623	8,272,895	7,471,625
5,050,799	5,206,329	5,185,450	5,315,342	4,396,212	4,638,713	4,490,144
2,114,693	2,177,116	2,211,201	2,307,516	1,820,490	2,142,788	1,976,657
973,088	985,561	1,073,970	1,135,055	873,879	1,004,610	893,860
978,034	888,410	877,822	829,246	796,727	922,110	779,515
<u>28,508,016</u>	<u>28,081,433</u>	<u>27,733,908</u>	<u>28,469,149</u>	<u>22,327,891</u>	<u>25,675,466</u>	<u>23,400,979</u>
2,485,461	2,402,077	2,310,348	2,255,211	2,154,599	2,050,529	1,872,131
1,397,779	1,365,312	1,360,029	1,362,522	1,319,274	1,231,024	1,154,913
619,685	696,456	725,609	686,494	750,573	1,059,631	1,514,674
42,635	44,267	36,234	38,369	35,125	39,841	50,194
65,075	57,810	66,328	65,757	69,099	72,674	58,989
<u>4,610,635</u>	<u>4,565,922</u>	<u>4,498,548</u>	<u>4,408,353</u>	<u>4,328,670</u>	<u>4,453,699</u>	<u>4,650,901</u>
<u>\$ 33,118,651</u>	<u>\$ 32,647,355</u>	<u>\$ 32,232,456</u>	<u>\$ 32,877,502</u>	<u>\$ 26,656,561</u>	<u>\$ 30,129,165</u>	<u>\$ 28,051,880</u>
\$ 3,189,819	\$ 2,641,840	\$ 3,037,950	\$ 1,997,571	\$ 1,902,257	\$ 1,726,200	\$ 1,575,556
7,882,770	7,562,834	7,367,882	7,179,312	7,095,874	6,496,625	5,992,403
695,772	650,615	863,002	778,909	717,358	610,274	767,793
<u>11,768,361</u>	<u>10,855,289</u>	<u>11,268,834</u>	<u>9,955,792</u>	<u>9,715,489</u>	<u>8,833,099</u>	<u>8,335,752</u>
2,991,126	2,947,238	2,886,663	2,819,354	2,599,678	2,546,840	2,484,561
364,687	350,209	367,287	594,260	676,418	780,137	1,172,820
3,907	5,099	1,388	6,026	32,807	27,807	51,614
<u>3,359,720</u>	<u>3,302,546</u>	<u>3,255,338</u>	<u>3,419,640</u>	<u>3,308,903</u>	<u>3,354,784</u>	<u>3,708,995</u>
<u>\$ 15,128,081</u>	<u>\$ 14,157,835</u>	<u>\$ 14,524,172</u>	<u>\$ 13,375,432</u>	<u>\$ 13,024,392</u>	<u>\$ 12,187,883</u>	<u>\$ 12,044,747</u>
\$(16,739,655)	\$(17,226,144)	\$(16,465,074)	\$(18,513,357)	\$(12,612,402)	\$(16,842,367)	\$(15,065,227)
<u>(1,250,915)</u>	<u>(1,263,376)</u>	<u>(1,243,210)</u>	<u>(988,713)</u>	<u>(1,019,767)</u>	<u>(1,098,915)</u>	<u>(941,906)</u>
<u>\$ (17,990,570)</u>	<u>\$ (18,489,520)</u>	<u>\$ (17,708,284)</u>	<u>\$ (19,502,070)</u>	<u>\$ (13,632,169)</u>	<u>\$ (17,941,282)</u>	<u>\$ (16,007,133)</u>

**Note:** In fiscal year 2014, Bradley International Airport, a major Enterprise fund, was reclassified as a major component unit. Business-type activities for the fiscal years prior to 2104, disclosed in this and the next page, have been restated to reflect this change.

*continued*

**CHANGES IN NET POSITION (Continued)**

Fiscal Years 2013 through 2023

(Expressed in Thousands)

	2023	2022	2021	2020	2019
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Personal Income	\$ 10,259,744	\$ 11,158,328	\$ 9,147,622	\$ 7,933,135	\$ 8,377,644
Corporate Income	3,644,751	3,652,458	2,925,675	2,161,686	957,031
Sales and Use	4,458,282	4,910,773	4,779,902	4,237,564	4,332,195
Other	2,061,464	2,368,374	2,612,691	1,973,608	3,550,946
Restricted for Transportation Purposes:					
Motor Fuel	635,889	787,139	698,146	709,425	827,816
Other	975,106	809,288	588,312	443,637	425,828
Casino Gaming Payments	278,974	248,686	228,883	164,141	255,239
Tobacco Settlement	124,678	136,585	133,121	118,761	124,508
Lottery Tickets	392,037	389,646	407,353	337,599	360,996
Sports Wagering	3,079	2,440	—	—	—
Unrestricted Investment Earnings	438,259	8,454	35,316	99,915	127,543
Special Items:					
Statutory Payment from Component Units		—	—	—	—
Transfers Out Fiduciary Funds	—	(1,639,307)	—	—	—
Transfers-Internal Activities	(1,606,761)	(2,005,055)	(1,649,959)	(1,347,652)	(1,470,321)
Total Governmental Activities	21,665,502	20,827,809	19,907,062	16,831,819	17,869,425
Business-Type Activities					
Unrestricted Investment Earnings	72,642	7,742	5,754	34,696	44,318
Transfers-Internal Activities	1,606,527	2,004,655	1,649,463	1,347,652	1,470,321
Total Business-Type Activities	1,679,169	2,012,397	1,655,217	1,382,348	1,514,639
Total Primary Government	\$ 23,344,671	\$ 22,840,206	\$ 21,562,279	\$ 18,214,167	\$ 19,384,064
<b>Changes in Net Position</b>					
Governmental Activities	\$ 3,704,604	\$ 3,069,835	\$ (873,766)	\$ (1,035,276)	\$ 1,129,770
Business-Type Activities	426,875	709,267	(770,707,000)	(470)	263,724
Total Primary Government	\$ 4,131,479	\$ 3,779,102	\$ (1,644,473)	\$ (1,035,746)	\$ 1,393,494
<b>Other Changes in Net Position</b>					
Governmental Activities:					
Prior-Year Adjustments	\$ —	\$ 223,393	\$ —	\$ —	\$ —
Total Governmental Activities	—	223,393	—	—	—
Business-Type Activities:					
Prior-Year Adjustments	—	(1,715)	—	—	—
Total Business-Type Activities	—	(1,715)	—	—	—
Total Primary Government	\$ —	\$ 221,678	\$ —	\$ —	\$ —

State of Connecticut

2018	2017	2016	2015	2014	2013
\$ 9,729,298	\$ 8,065,612	\$ 9,091,156	\$ 8,186,946	\$ 7,752,553	\$ 7,743,804
791,301	968,438	778,917	687,347	627,100	558,287
4,219,398	4,226,788	4,224,989	4,167,054	4,116,012	3,953,768
2,352,951	1,882,498	1,231,783	1,735,788	1,796,678	2,327,754
1,135,660	907,641	877,371	846,062	882,107	693,444
80,163	90,199	69,752	83,868	82,216	79,000
272,957	269,906	265,907	267,986	279,873	296,396
116,850	123,360	120,448	118,988	197,138	123,745
336,239	326,415	335,387	319,700	319,500	312,100
-	-	-	-	-	-
48,663	29,061	16,535	22,091	27,313	3,942
-	-	-	-	31,000	-
-	-	-	-	-	-
<u>(1,562,226)</u>	<u>(1,666,956)</u>	<u>(1,746,295)</u>	<u>(1,726,281)</u>	<u>(1,547,952)</u>	<u>(1,088,125)</u>
<u>17,521,254</u>	<u>15,222,962</u>	<u>15,265,950</u>	<u>14,709,549</u>	<u>14,563,538</u>	<u>15,004,115</u>
29,014	16,357	12,500	11,638	12,948	16,742
<u>1,562,226</u>	<u>1,666,956</u>	<u>1,746,295</u>	<u>1,726,281</u>	<u>1,547,952</u>	<u>1,088,125</u>
<u>1,591,240</u>	<u>1,683,313</u>	<u>1,758,795</u>	<u>1,737,919</u>	<u>1,560,900</u>	<u>1,104,867</u>
<u>\$ 19,112,494</u>	<u>\$ 16,906,275</u>	<u>\$ 17,024,745</u>	<u>\$ 16,447,468</u>	<u>\$ 16,124,438</u>	<u>\$ 16,108,982</u>
\$ 295,110	\$ (1,242,112)	\$ (3,247,407)	\$ 2,097,147	\$ (2,278,829)	\$ (61,112)
<u>327,864</u>	<u>440,103</u>	<u>770,082</u>	<u>718,152</u>	<u>461,985</u>	<u>162,961</u>
<u>\$ 622,974</u>	<u>\$ (802,009)</u>	<u>\$ (2,477,325)</u>	<u>\$ 2,815,299</u>	<u>\$ (1,816,844)</u>	<u>\$ 101,849</u>
\$ (9,526,666)	\$ -	\$ (55,368,000)	\$ (25,551,459)	\$ -	\$ -
<u>(9,526,666)</u>	<u>-</u>	<u>(55,368,000)</u>	<u>(25,551,459)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (9,526,666)</u>	<u>\$ -</u>	<u>\$ (55,368,000)</u>	<u>\$ (25,551,459)</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes:** In fiscal year 2012 the sales tax increased from 6% to 6.35%. Starting in fiscal year 2013, due to the change in fund classification reported on the previous page, lottery ticket sales were reported as general revenue, rather than as "transfer-internal activities" under the governmental activities section reported above. Transfers-internal activities for fiscal years prior to 2013 have been restated to reflect this change. Other changes in Net Position are direct adjustments to the beginning balance of Net Position (See Note 21).

**State of Connecticut**

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**FUND BALANCES, GOVERNMENTAL FUNDS**

Fiscal Years 2013 through 2023

*(Expressed in Thousands)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>General Fund</b>					
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 4,317,823	\$ 4,450,472	\$ 3,947,596	\$ 3,365,030	\$ 2,892,430
Unreserved/Unassigned	(643,919)	(752,242)	(660,749)	(1,072,246)	(771,444)
<b>Total General Fund</b>	<u>\$ 3,673,904</u>	<u>\$ 3,698,230</u>	<u>\$ 3,286,847</u>	<u>\$ 2,292,784</u>	<u>\$ 2,120,986</u>
<b>All Other Governmental Funds</b>					
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 7,679,837	\$ 8,208,389	\$ 8,204,764	\$ 6,023,741	\$ 4,382,543
Unreserved/Unassigned	-	-	-	-	-
Transportation Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	(718)	(718)	(718)	(718)	(718)
Permanent Funds	1	1	3	1	3
<b>Total All Other Governmental Funds</b>	<u>\$ 7,679,120</u>	<u>\$ 8,207,672</u>	<u>\$ 8,204,049</u>	<u>\$ 6,023,024</u>	<u>\$ 4,381,828</u>



**State of Connecticut**

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2017	2016	2015	2014	2013
\$ 326,716	\$ 384,683	\$ 603,309	\$ 686,017	\$ 628,429
<u>(821,134)</u>	<u>(998,872)</u>	<u>(793,158)</u>	<u>(727,209)</u>	<u>(1,217,051)</u>
<u>\$ (494,418)</u>	<u>\$ (614,189)</u>	<u>\$ (189,849)</u>	<u>\$ (41,192)</u>	<u>\$ (588,622)</u>
\$ 2,871,951	\$ 2,466,765	\$ 2,307,993	\$ 2,146,103	\$ 2,592,926
-	-	-	-	-
-	-	-	-	-
-	-	29	-	-
(718)	(718)	(718)	(718)	(718)
<u>(7,836)</u>	<u>(7,959)</u>	<u>(8,042)</u>	<u>(7,070)</u>	<u>(5,812)</u>
<u>\$ 2,863,397</u>	<u>\$ 2,458,088</u>	<u>\$ 2,299,262</u>	<u>\$ 2,138,315</u>	<u>\$ 2,586,396</u>

**State of Connecticut**

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 326,716	\$ 384,683	\$ 603,309	\$ 686,017	\$ 628,429
<u>(821,134)</u>	<u>(998,872)</u>	<u>(793,158)</u>	<u>(727,209)</u>	<u>(1,217,051)</u>
<u>\$ (494,418)</u>	<u>\$ (614,189)</u>	<u>\$ (189,849)</u>	<u>\$ (41,192)</u>	<u>\$ (588,622)</u>
\$ 2,871,951	\$ 2,466,765	\$ 2,307,993	\$ 2,146,103	\$ 2,592,926
-	-	-	-	-
-	-	-	-	-
-	-	29	-	-
(718)	(718)	(718)	(718)	(718)
<u>(7,836)</u>	<u>(7,959)</u>	<u>(8,042)</u>	<u>(7,070)</u>	<u>(5,812)</u>
<u>\$ 2,863,397</u>	<u>\$ 2,458,088</u>	<u>\$ 2,299,262</u>	<u>\$ 2,138,315</u>	<u>\$ 2,586,396</u>

State of Connecticut

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

Fiscal Years 2013 through 2023

(Expressed in Thousands)

	2023	2022	2021	2020	2019
<b>Revenues</b>					
Taxes	\$ 21,738,022	\$ 23,130,132	\$ 20,143,021	\$ 17,521,135	\$ 18,382,036
Assessments	2,623	715	1,997	-	-
Licenses, Permits, and Fees	804,709	945,510	887,583	763,434	781,002
Tobacco Settlement	124,678	136,585	133,121	118,761	124,508
Federal & State Grants and Aid	12,772,903	12,766,734	13,646,746	10,360,481	8,578,543
Lottery Tickets	392,037	389,646	407,353	337,599	360,996
Charges for Services	36,679	67,628	63,219	83,421	95,072
Fines, Forfeits, and Rents	168,474	70,096	113,886	99,148	167,443
Casino Gaming Payments	278,974	248,686	228,883	164,141	255,239
Investment Earnings	438,259	8,008	35,245	93,951	127,529
Interest on Loans	-	446	71	5,964	-
Sports Wagering	3,079	2,440	-	-	-
Miscellaneous	2,432,678	2,911,639	2,147,308	2,136,046	2,050,751
Total Revenues	<u>39,193,115</u>	<u>40,678,265</u>	<u>37,808,433</u>	<u>31,684,081</u>	<u>30,923,119</u>
<b>Expenditures</b>					
Legislative	138,068	133,336	119,554	117,076	105,300
General Government	1,217,867	5,756,268	4,959,124	2,526,875	2,714,220
Regulation and Protection	1,267,476	1,445,195	1,048,896	886,502	825,305
Conservation and Development	1,209,638	1,723,927	1,295,361	1,077,267	1,149,354
Health and Hospital	3,241,876	3,061,353	3,076,972	2,798,231	2,563,398
Transportation	2,053,975	1,822,507	1,933,422	1,763,114	1,555,584
Human Services	12,172,699	11,458,973	10,488,537	9,849,084	9,481,636
Education, Libraries, and Museums	6,765,578	5,977,385	5,432,381	4,978,421	4,927,828
Corrections	2,341,731	2,209,329	2,390,756	2,282,261	2,067,546
Judicial	1,142,722	1,133,594	1,053,352	1,024,440	952,070
Capital Projects	1,076,904	982,421	988,692	952,934	955,637
Debt Service:					
Principal	2,192,176	2,013,044	1,870,416	1,889,636	1,383,952
Interest	1,269,279	1,246,271	1,176,218	1,161,426	1,524,947
Total Expenditures	<u>36,089,989</u>	<u>38,963,603</u>	<u>35,833,681</u>	<u>31,307,267</u>	<u>30,206,777</u>
Revenue Over (Under) Expenditure	3,103,126	1,714,662	1,974,752	376,814	716,342
<b>Other Financing Sources (Uses) and Special Items</b>					
Bonds Issued	1,982,514	2,027,184	2,432,955	2,450,000	2,174,786
Premiums on Bonds Issued	188,195	428,451	443,605	383,481	305,873
Transfers In	3,040,195	4,728,165	2,316,338	1,647,391	2,401,745
Transfers Out	(8,841,907)	(8,372,527)	(3,966,297)	(2,995,816)	(3,888,167)
Refunding Bonds Issued	313,490	934,315	300,045	434,494	803,985
Payment to Refunded Bond Escrow	(341,035)	(1,049,840)	(333,044)	(492,675)	(861,512)
Capital Lease Obligations	-	-	5,646	5,632	6,639
Special Items:					
Payment from Component Units	-	-	-	-	-
Other	-	-	-	-	-
Total Other Financing Sources (Uses) and Special Items	<u>(3,658,548)</u>	<u>(1,304,252)</u>	<u>1,199,248</u>	<u>1,432,507</u>	<u>943,349</u>
<b>Net Change in Fund Balances</b>	<u>\$ (555,422)</u>	<u>\$ 410,410</u>	<u>\$ 3,174,000</u>	<u>\$ 1,809,321</u>	<u>\$ 1,659,691</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	9.89 %	8.58 %	8.81 %	10.15 %	10.03 %

NOTE: Starting in fiscal year 2013, lottery ticket sales were reported as revenues, rather than as transfers from the Connecticut Lottery Corporation fund. This fund is no longer being reported as an enterprise fund, it is being reported as a component unit instead. Transfers were restated to reflect this for fiscal years prior to 2013.

**State of Connecticut**

	2018	2017	2016	2015	2014	2013
\$	18,249,121	\$ 16,079,037	\$ 16,164,452	\$ 15,714,900	\$ 15,222,023	\$ 15,395,003
	-	-	-	-	-	-
	747,129	697,210	733,939	680,820	692,028	617,132
	116,850	123,360	120,448	118,988	197,138	123,745
	8,214,067	8,230,884	7,957,998	7,813,232	7,106,897	6,760,196
	336,239	326,415	335,387	319,700	319,500	312,100
	99,795	104,620	109,130	100,465	107,970	103,622
	124,776	208,948	35,491	20,821	97,815	74,552
	272,957	269,906	265,907	267,986	279,873	296,396
	48,663	29,061	24,484	17,857	26,121	3,042
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,720,864	1,956,915	1,068,575	1,108,994	853,389	804,558
	29,930,461	28,026,356	26,815,811	26,163,763	24,902,754	24,490,346
	107,257	118,345	124,797	120,879	116,344	109,635
	2,337,022	2,112,926	2,307,262	1,943,795	1,952,284	1,996,036
	817,417	900,509	869,166	1,165,741	858,450	883,063
	974,122	1,129,857	1,003,171	1,054,591	945,552	668,303
	2,483,960	2,618,119	2,535,805	2,499,833	2,488,749	2,472,142
	1,582,562	1,573,774	1,680,900	1,643,229	1,482,632	1,508,262
	9,191,401	8,781,882	8,345,715	7,762,916	7,835,677	7,213,996
	4,894,536	4,802,130	4,845,487	5,041,968	4,509,914	4,226,319
	2,042,182	2,044,824	2,086,630	2,069,663	2,030,842	1,958,289
	922,390	992,433	1,030,324	998,193	956,164	893,276
	879,431	998,917	1,202,184	934,452	955,785	757,001
	1,882,457	1,737,396	1,636,512	1,421,518	1,323,303	1,515,283
	1,066,183	1,009,785	954,549	904,935	893,737	888,243
	29,180,920	28,820,897	28,622,502	27,561,713	26,349,433	25,089,848
	749,541	(794,541)	(1,806,691)	(1,397,950)	(1,446,679)	(599,502)
	2,576,076	3,111,200	2,961,510	2,820,167	2,761,025	1,802,290
	243,026	427,324	442,332	386,856	390,556	216,795
	2,422,870	1,430,325	1,009,021	1,023,698	1,058,913	953,198
	(3,980,096)	(3,095,031)	(2,755,316)	(2,749,979)	(2,606,865)	(2,041,323)
	368,668	761,545	721,635	709,210	1,280,710	194,890
	(402,721)	(821,708)	(841,226)	(780,530)	(1,378,119)	(224,910)
	3,774	4,174	3,034	3,036	8,828	3,556
	-	-	-	-	31,000	-
	-	-	-	-	-	-
	1,231,597	1,817,829	1,540,990	1,412,458	1,546,048	904,496
\$	1,981,138	\$ 1,023,288	\$ (265,701)	\$ 14,508	\$ 99,369	\$ 304,994
	10.57 %	10.22 %	9.61 %	8.89 %	8.94 %	10.40 %

State of Connecticut

**PERSONAL INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL**

Calendar Years 2012 and 2021

*(Expressed in Thousands)*

Income Level	Calendar Year 2012			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$50,000 and under	834,684	53.8 %	\$ 324,687,927	4.1 %
\$50,001 - \$100,000	381,276	24.6 %	1,150,699,271	14.5 %
\$100,001-\$200,000	232,875	15.0 %	1,615,792,847	20.4 %
\$200,001-\$500,000	75,409	4.9 %	1,231,355,358	15.5 %
\$500,001-\$2,000,000	22,092	1.4 %	1,286,516,147	16.2 %
\$2,000,000 and up	4,559	0.3 %	2,322,761,022	29.3 %
Total	1,550,895	100.0 %	\$ 7,931,812,572	100.0 %

**Note:** Due to confidentiality issues, the names of the ten largest tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's tax revenue. Calendar Year 2021 is the most recent year for which the data is available.  
**Source:** Department of Revenue Services reporting for fiscal year ending June 30, 2023.

State of Connecticut

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Calendar Year 2021

<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Personal Income Tax Liability</b>	<b>Percentage of Total</b>
988,948	48.6 %	\$ 373,152,212	2.8 %
454,142	22.3 %	1,333,442,101	10.1 %
342,460	16.8 %	2,206,920,748	16.7 %
169,116	8.3 %	2,320,724,629	17.6 %
61,239	3.0 %	2,396,768,778	18.2 %
20,744	1.0 %	4,555,525,989	34.6 %
<u>2,036,649</u>	<u>100.0 %</u>	<u>\$ 13,186,534,457</u>	<u>100.0 %</u>

**State of Connecticut**

**PERSONAL INCOME BY MAJOR COMPONENT**

Calendar Years 2014 through 2023

(Expressed in Thousands)

Description	2023	2022	2021
<b>Income by place of residence (seasonally adjusted)</b>			
Personal income	\$ 314,616,300	\$ 300,323,500	\$ 294,141,952
Average Effective Rate for Personal Income (note 1)	3.07 %	3.51 %	2.96 %
Derivation of personal income:			
Earnings by place of work	200,736,300	185,239,900	189,711,954
Less: Contributions for government social insurance (note 2):			
Employee and self-employed contributions for government social insurance	12,055,900	10,427,500	10,669,856
Employer contributions for government social insurance	9,720,700	8,442,700	9,142,224
Plus: Adjustment for residence (note 3)	27,396,400	23,599,400	20,334,322
<b>Equals: Net earnings by place of residence</b>	<b>206,356,100</b>	<b>189,969,100</b>	<b>190,234,196</b>
Plus: Dividends, interest, and rent (note 4 & 7)	62,131,700	59,295,500	57,603,256
Plus: Personal current transfer receipts	46,128,500	51,058,900	46,304,500
Components of earnings by place of work:			
Wages and salaries	144,400,600	127,670,300	131,295,479
Supplements to wages and salaries:			
Employer contributions for employee pension and insurance funds (note 5 & 8)	19,460,600	27,285,400	28,048,410
Employer contributions for government social insurance	9,720,700	8,442,700	9,142,224
Proprietors' income (note 6 & 9):			
Farm proprietors' income	53,800	32,700	70,586
Nonfarm proprietors' income	27,100,700	30,251,400	30,297,479

**Notes:**

<sup>1/</sup> Nonfarm personal income is total personal income less farm income.

<sup>2/</sup> Farm income is farm earnings less farm employer contributions for government social insurance.

<sup>3/</sup> Mid quarter population estimates by state are derived by BEA based on unpublished Census Bureau estimates of beginning of month population. Quarterly estimates for 2011-2018 reflect unpublished monthly population estimates available as of February 2018.

<sup>4/</sup> Per capita personal income is total personal income divided by total midyear population.

<sup>5/</sup> Employer contributions for government social insurance are included in earnings by industry and earnings by place of work, but they excluded from net earnings by place of.

<sup>6/</sup> The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers and US residents employed by international organizations and foreign embassies.

<sup>7/</sup> Rental income of persons includes the capital consumption adjustment.

<sup>8/</sup> Includes actual employer contributions and actuarially imputed employer contributions to reflect benefits accrued by defined benefit pension plan participants through service to employers in the current period.

<sup>9/</sup> Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

Note-- All dollar estimates are in current dollars (not adjusted for inflation).

(NA) Data not available for this year.

Last updated: September 25, 2018-- new estimates for 2018:Q2; revised estimates for 1998:Q1-2018:Q1.

(NA) Data not available for this year.

**Sources:** U. S. Bureau of Economic Analysis and Department of Revenue Services

**State of Connecticut**

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<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 286,779,000	\$ 284,033,600	\$ 265,636,000	\$ 256,225,149	\$ 252,249,206	\$ 246,709,339	\$ 239,829,273
2.78 %	3.08 %	3.69 %	3.06 %	3.23 %	3.33 %	3.27 %
177,246,000	182,436,100	172,127,000	169,971,596	168,342,395	164,941,621	160,754,656
9,899,000	9,949,500	9,412,000	8,965,858	8,829,408	8,665,734	8,440,527
8,422,000	8,316,900	8,139,000	7,868,874	7,788,722	7,707,569	7,504,621
18,475,000	18,508,200	16,622,000	15,103,892	14,818,234	14,271,664	13,158,832
177,400,000	182,677,900	171,198,000	168,240,756	166,542,499	162,839,982	157,968,340
59,574,000	63,566,700	59,736,000	54,525,505	52,952,710	52,179,464	51,244,356
49,805,000	37,789,000	34,702,000	33,458,888	32,753,997	31,689,893	30,616,577
120,550,000	121,097,300	117,067,000	114,685,688	114,057,180	112,326,830	109,039,641
26,312,000	27,639,700	26,024,000	17,338,397	17,392,404	17,036,521	16,701,290
8,422,000	8,316,900	8,139,000	7,868,874	7,788,722	7,707,569	7,504,621
185,000	2,070	23,000	(17,080)	(8,148)	(9,627)	(12,648)
30,200,000	3,367,840	29,059,000	30,095,717	29,112,237	27,880,328	27,521,752



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**PERSONAL INCOME TAX RATES**

Calendar Years 2014 through 2023

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*(Expressed in Thousands)*

**For taxable years commencing on or after January 1, 2015:** <sup>(1)</sup>

5.00 %	<b>\$10,000 - \$50,000</b>	<b>\$20,000 - \$100,000</b>	<b>\$16,000 - \$80,000</b>	3.19 %
5.50 %	<b>\$50,000 - \$100,000</b>	<b>\$100,000 - \$200,000</b>	<b>\$80,000 - \$160,000</b>	3.19 %
6.00 %	<b>\$100,000 - \$200,000</b>	<b>\$200,000 - \$400,000</b>	<b>\$160,000 - \$320,000</b>	3.19 %
6.50 %	<b>\$200,000 - \$250,000</b>	<b>\$400,000 - \$500,000</b>	<b>\$320,000 - \$400,000</b>	3.19 %
6.90 %	<b>\$250,000 - \$500,000</b>	<b>\$500,000 - \$1,000,000</b>	<b>\$400,000 - \$800,000</b>	3.19 %
6.99 %	<b>greater than \$500,000</b>	<b>greater than \$1,000,000</b>	<b>greater than \$800,000</b>	3.19 %

**For taxable years commencing prior to January 1, 2015:**

6.70 %	<b>greater than \$250,000</b>	<b>greater than \$500,000</b>	<b>greater than \$400,000</b>	1.97 %
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**Notes:**

<sup>(1)</sup> Taxable income equal to or less than amounts listed this year is taxed at a rate of 3% except as follows.

The amount to which the 3% rate applies is reduced by \$1,000 for each \$5,000, or fraction thereof, by which AGI exceeds \$56,500 for singles and by \$1,000 for each \$2,500 for filing separately, by \$1,600 for each \$4,000 for head of household and by \$2,000 for each \$5,000 or fraction thereof, by which AGI exceeds \$56,500, \$50,250 \$78,500 and \$100,500 for single, filing separately, head of household, and filing jointly.

The average effective rate equals the fiscal year's net tax collections divided by prior-year total personal income based on 'statistics provided' by the U. S. Bureau of Economic Analysis.

**Source:** Department of Revenue Services - Annual Report.

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

*(Expressed in Thousands)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Estimated General Fund Tax Receipts	\$ 20,047,000	\$ 17,882,850	\$ 17,406,700	\$ 17,033,400
Statutory Multiplier	1.6	1.6	1.6	1.6
Statutory Debt Limit for Debt Incurred	32,075,200	28,612,560	27,850,720	27,253,440
Less: Authorized Bonds, Notes, and Other Other Obligations Subject to Certain Limitations	23,193,354	22,874,998	22,530,745	21,797,324
Legal Debt Margin	<u>\$ 8,881,846</u>	<u>\$ 5,737,562</u>	<u>\$ 5,319,975</u>	<u>\$ 5,456,116</u>
Legal Debt Margin as a percentage of the debt limit	<u>27.69 %</u>	<u>20.05 %</u>	<u>19.10 %</u>	<u>20.02 %</u>
Date Calculation was made	2/1/23	2/1/22	2/1/21	5/1/20

**Source:** State of Connecticut General Obligation Bonds Offering Statement

**State of Connecticut**

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
15,862,300	15,862,300	15,519,900	15,519,900	15,711,565	14,334,000
1.6	1.6	1.6	1.6	1.6	1.6
25,379,680	25,379,680	24,831,840	24,831,840	25,138,504	22,934,400
21,934,383	22,661,976	21,206,270	21,886,034	21,520,230	18,456,323
<u>\$ 3,445,297</u>	<u>\$ 2,717,704</u>	<u>\$ 3,625,570</u>	<u>\$ 2,945,806</u>	<u>\$ 3,618,274</u>	<u>\$ 4,478,077</u>
13.58 %	10.71 %	14.60 %	11.86 %	14.39 %	19.53 %
2/1/19	7/1/18	2/15/17	7/1/16	7/1/15	12/15/13

State of Connecticut

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Governmental Activities</b>				
General Obligation Bonds	\$ 17,622,398	\$ 18,363,522	\$ 18,562,830	\$ 18,480,218
Transportation Obligation Bonds	7,450,865	7,054,415	6,959,265	6,424,705
Direct Borrowings and Direct Placements	246,845	262,635	268,425	329,080
Long-Term Notes	—	—	—	—
Leases	64,918	58,183	16,511	15,132
<b>Total Governmental Activities</b>	<u>25,385,026</u>	<u>25,738,755</u>	<u>25,807,031</u>	<u>25,249,135</u>
<b>Business-Type Activities</b>				
Revenue Bonds	1,312,890	1,532,219	—	1,792,376
<b>Total Business-Type Activities</b>	<u>1,312,890</u>	<u>1,532,219</u>	<u>—</u>	<u>1,792,376</u>
<b>Total Primary Government</b>	<u>\$ 26,697,916</u>	<u>\$ 27,270,974</u>	<u>\$ 25,807,031</u>	<u>\$ 27,041,511</u>
<b>Debt as a Percentage of Personal Income</b>	8.49 %	9.08 %	8.77 %	9.43 %
<b>Amount of Debt Per Capita</b>	\$ 7,404	\$ 7,675	\$ 7,721	\$ 7,602

**Notes:** Details regarding the State's debt can be found in Note 17 of the financial statements.

**State of Connecticut**

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 18,368,713	\$ 18,763,228	\$ 18,398,554	\$ 17,394,622	\$ 16,402,537	\$ 15,281,579
5,957,640	5,540,495	5,041,840	4,519,690	4,089,540	3,771,260
374,080	—	—	—	—	—
—	—	177,120	352,585	520,275	580,775
27,997	27,576	30,900	32,342	35,368	37,820
<u>24,728,430</u>	<u>24,331,299</u>	<u>23,648,414</u>	<u>22,299,239</u>	<u>21,047,720</u>	<u>19,671,434</u>
1,455,935	1,494,355	1,442,805	1,246,681	1,356,779	1,212,681
<u>1,455,935</u>	<u>1,494,355</u>	<u>1,442,805</u>	<u>1,246,681</u>	<u>1,356,779</u>	<u>1,212,681</u>
<u>\$ 26,184,365</u>	<u>\$ 25,825,654</u>	<u>\$ 25,091,219</u>	<u>\$ 23,545,920</u>	<u>\$ 22,404,499</u>	<u>\$ 20,884,115</u>
9.22 %	9.72 %	9.79 %	9.33 %	9.08 %	8.71 %
\$ 7,339	\$ 7,228	\$ 7,020	\$ 6,579	\$ 6,244	\$ 5,809

**State of Connecticut**

**RATIOS OF THE NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

*(Expressed in Thousands)*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
General Obligation Bonds	\$ 17,622,398	\$ 18,363,522	\$ 18,562,830	\$ 18,480,218
Transportation Obligation Bonds	7,450,865	7,054,415	6,959,265	6,424,705
Direct Borrowings and Direct Placements	246,845	262,635	268,425	329,080
Debt Service Fund Balance		-	-	(1,024,577)
<b>Net General Obligation Bonded Debt</b>	<b>\$ 25,320,108</b>	<b>\$ 25,680,572</b>	<b>\$ 25,790,520</b>	<b>\$ 24,209,426</b>
<b>Net General Obligation Debt as a Percentage of Personal Income</b>	8.05 %	8.55 %	8.77 %	8.44 %
<b>Amount of Net GO Debt Per Capita</b>	\$ 7,022	\$ 7,228	\$ 7,259	\$ 6,806

**Notes:** Details regarding the State's debt can be found in Note 17 of the financial statements.

**State of Connecticut**

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 18,368,713	\$ 18,763,228	\$ 18,398,554	\$ 17,394,622	\$ 16,402,537	\$ 15,281,579
5,957,640	5,540,495	5,041,840	4,519,690	4,089,540	3,771,260
374,080	-	-	-	-	-
(991,788)	(901,920)	(827,125)	(738,240)	(668,426)	(659,543)
<u>\$ 23,708,645</u>	<u>\$ 23,401,803</u>	<u>\$ 22,613,269</u>	<u>\$ 21,176,072</u>	<u>\$ 19,823,651</u>	<u>\$ 18,393,296</u>

8.35 %	8.81 %	8.83 %	8.39 %	8.04 %	7.67 %
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\$ 6,645	\$ 6,550	\$ 6,327	\$ 5,917	\$ 5,525	\$ 5,116
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**State of Connecticut**

**PLEGED-REVENUE COVERAGE**

Last Ten Fiscal Years

(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>University of Connecticut and Health Center</b>				
Gross Revenues	\$ 3,145,134	\$ 3,331,532	\$ 2,808,885	\$ 2,481,709
Operating Expenses	2,934,630	2,820,841	2,568,279	2,451,375
Net Available Revenues	<u>\$ 210,504</u>	<u>\$ 510,691</u>	<u>\$ 240,606</u>	<u>\$ 30,334</u>
Debt Service:				
Principal	\$ 130,488	\$ 100,630	\$ 108,465	\$ 75,682
Interest	84,278	81,410	68,533	136,527
Total	<u>\$ 214,766</u>	<u>\$ 182,040</u>	<u>\$ 176,998</u>	<u>\$ 212,209</u>
Coverage	0.98	2.81	1.36	0.14
<b>Board of Regents</b>				
Gross Revenues	\$ 1,625,957	\$ 1,652,525	\$ 1,482,910	\$ 1,372,586
Operating Expenses	1,379,488	1,484,841	1,319,951	1,316,422
Net Available Revenues	<u>\$ 246,469</u>	<u>\$ 167,684</u>	<u>\$ 162,959</u>	<u>\$ 56,164</u>
Debt Service:				
Principal	\$ 47,383	\$ 19,532	\$ 18,345	\$ 19,520
Interest	11,115	10,285	11,372	14,213
Total	<u>\$ 58,498</u>	<u>\$ 29,817</u>	<u>\$ 29,717</u>	<u>\$ 33,733</u>
Coverage	4.21	5.62	5.48	1.67
<b>Clean Water</b>				
Gross Revenues	\$ 68,206	\$ 49,940	\$ 53,390	\$ 76,503
Operating Expenses	2,033	7,255	801	1,028
Net Available Revenues	<u>\$ 66,173</u>	<u>\$ 42,685</u>	<u>\$ 52,589</u>	<u>\$ 75,475</u>
Debt Service:				
Principal	\$ 148,297	\$ 46,020	\$ 90,284	\$ 58,363
Interest	35,050	37,510	41,579	39,726
Total	<u>\$ 183,347</u>	<u>\$ 83,530</u>	<u>\$ 131,863</u>	<u>\$ 98,089</u>
Coverage	0.36	0.51	0.40	0.77
<b>Bradley Parking Garage</b>				
Gross Revenues	\$ -	\$ -	\$ -	\$ 34,633
Operating Expenses	-	-	-	8,664
Net Available Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,969</u>
Debt Service:				
Principal	\$ -	\$ -	\$ -	\$ 2,267
Interest	-	-	-	4,273
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,540</u>
Coverage	0.00	0.00	0.00	3.97
<b>Drinking Water</b>				
Gross Revenues	\$ 19,359	\$ 11,726	\$ 17,010	\$ 14,423
Operating Expenses	8,191	12,414	12,528	11,577
Net Available Revenues	<u>\$ 11,168</u>	<u>\$ (688)</u>	<u>\$ 4,482</u>	<u>\$ 2,846</u>
Debt Service:				
Principal	\$ 6,958	\$ 6,965	\$ 11,701	\$ 7,587
Interest	6,085	6,409	6,916	6,174
Total	<u>\$ 13,043</u>	<u>\$ 13,374</u>	<u>\$ 18,617</u>	<u>\$ 13,761</u>
Coverage	0.86	-0.05	0.24	0.21

**Notes:** Gross revenues include nonoperating revenue. Operating expenses include nonoperating expenses and exclude depreciation and interest expenses. Revenues for Higher Education funds include transfers in. Revenues for Clean Water and Drinking Water bonds include federal grants.

State of Connecticut

2019	2018	2017	2016	2015	2014
\$ 2,551,167	\$ 2,595,639	\$ 2,629,793	\$ 2,465,794	\$ 2,463,391	\$ 2,236,397
2,284,170	2,231,347	2,153,495	2,134,537	2,015,393	1,915,644
\$ 266,997	\$ 364,292	\$ 476,298	\$ 331,257	\$ 447,998	\$ 320,753
\$ 112,471	\$ 101,963	\$ 90,618	\$ 105,525	\$ 17,764	\$ 17,810
69,543	63,197	50,552	68,696	55,306	50,069
\$ 182,014	\$ 165,160	\$ 141,170	\$ 174,221	\$ 73,070	\$ 67,879
1.47	2.21	3.37	1.90	6.13	4.73
\$ 1,394,279	\$ 1,361,263	\$ 1,364,895	\$ 1,473,844	\$ 835,169	\$ 815,596
1,290,482	1,256,357	1,222,393	1,368,422	709,352	651,797
\$ 103,797	\$ 104,906	\$ 142,502	\$ 105,422	\$ 125,817	\$ 163,799
\$ 18,940	\$ 20,055	\$ 7,493	\$ 20,247	\$ 42,791	\$ 18,052
11,456	13,943	13,467	12,158	14,064	11,654
\$ 30,396	\$ 33,998	\$ 20,960	\$ 32,405	\$ 56,855	\$ 29,706
3.41	3.09	6.80	3.25	2.21	5.51
\$ 68,286	\$ 69,928	\$ 52,818	\$ 46,135	\$ 49,684	\$ 56,751
1,017	1,242	579	925	1,291	3,093
\$ 67,269	\$ 68,686	\$ 52,239	\$ 45,210	\$ 48,393	\$ 53,658
\$ 53,831	\$ 53,891	\$ 61,232	\$ 73,802	\$ 70,351	\$ 70,603
37,497	38,327	32,628	33,811	29,717	32,582
\$ 91,328	\$ 92,218	\$ 93,860	\$ 107,613	\$ 100,068	\$ 103,185
0.74	0.74	0.56	0.42	0.48	0.52
\$ 32,462	\$ 30,207	\$ 27,289	\$ 26,702	\$ 25,578	\$ 24,640
24,320	23,767	22,866	19,778	9,254	8,828
\$ 8,142	\$ 6,440	\$ 4,423	\$ 6,924	\$ 16,324	\$ 15,812
\$ 2,935	\$ 2,750	\$ 2,580	\$ 2,415	\$ 2,265	\$ 2,120
1,267	2,925	2,729	2,442	3,112	2,987
\$ 4,202	\$ 5,675	\$ 5,309	\$ 4,857	\$ 5,377	\$ 5,107
1.94	1.13	0.83	1.43	3.04	3.10
\$ 18,616	\$ 17,907	\$ 16,298	\$ 11,882	\$ 16,134	\$ 29,427
10,075	9,761	9,074	8,257	7,180	8,207
\$ 8,541	\$ 8,146	\$ 7,224	\$ 3,625	\$ 8,954	\$ 21,220
\$ 7,119	\$ 6,779	\$ 6,653	\$ 7,343	\$ 5,544	\$ 5,727
5,128	5,103	3,392	3,199	1,490	1,706
\$ 12,247	\$ 11,882	\$ 10,045	\$ 10,542	\$ 7,034	\$ 7,433
0.70	0.69	0.72	0.34	1.27	2.85

**State of Connecticut**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
POPULATION AND PER CAPITA PERSONAL INCOME**

Last Ten Fiscal Years

*(Expressed in Thousands)*

Year	Population			
	United States	% Growth From Previous Year	Connecticut	% Growth From Previous Year
2023	331,449	(0.13)%	3,606	—%
2022	331,894	0.12%	3,606	1.49%
2021	331,501	0.61%	3,553	(0.11)%
2020	329,484	0.13%	3,557	(0.31)%
2019	329,065	0.60%	3,568	(0.14)%
2018	327,096	0.62%	3,573	(0.03)%
2017	325,085	0.64%	3,574	(0.14)%
2016	323,016	0.67%	3,579	(0.25)%
2015	320,878	0.63%	3,588	(0.19)%
2014	318,857	0.71%	3,595	0.00%

**Sources:** U.S. Bureau of Economic Analysis

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
EMPLOYMENT INFORMATION**

Last Ten Fiscal Years

*(Expressed in Thousands)*

Year	United States Labor Force			
	Civilian Labor Force	Employed	Unemployed	Unemployment Rate
2023	167,000	161,004	5,997	3.6%
2022	164,023	158,111	5,912	3.6%
2021	162,052	155,975	6,319	3.9%
2020	160,867	149,806	11,061	6.9%
2019	164,404	158,593	5,811	3.5%
2018	161,776	155,542	6,234	3.9%
2017	160,494	153,513	6,981	4.3%
2016	160,135	151,990	8,144	5.1%
2015	157,037	148,739	8,299	5.3%
2014	155,700	146,247	9,453	6.1%

**Sources:** U.S. Department of Labor

**State of Connecticut**

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<b>Personal Income</b>		<b>Per Capita Personal Income</b>		<b>% Above the United States</b>
<b>United States</b>	<b>Connecticut</b>	<b>United States</b>	<b>Connecticut</b>	
\$ 22,966,277,000	\$ 314,616,300	\$ 69,291	\$ 87,248	25.9 %
\$ 21,748,700,000	\$ 300,323,500	\$ 64,143	\$ 83,294	29.9 %
\$ 20,782,827,000	\$ 294,142,000	\$ 63,214	\$ 78,833	24.7 %
\$ 20,386,811,000	\$ 290,641,000	\$ 61,875	\$ 81,606	31.9 %
\$ 18,596,160,000	\$ 286,780,000	\$ 56,512	\$ 74,030	31.0 %
\$ 17,567,300,000	\$ 265,637,000	\$ 53,707	\$ 74,030	37.8 %
\$ 16,384,700,000	\$ 264,054,000	\$ 50,401	\$ 73,882	46.6 %
\$ 15,943,900,000	\$ 252,249,000	\$ 49,359	\$ 70,480	42.8 %
\$ 15,356,000,000	\$ 252,249,206	\$ 47,856	\$ 70,304	46.9 %
\$ 14,792,000,000	\$ 246,709,339	\$ 46,391	\$ 60,906	31.3 %

**Sources:** U.S. Bureau of Economic Analysis

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**Connecticut Labor Force**

<b>Civilian Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
1,892	1,828	64	3.4%
1,901	1,825	76	4.0%
1,819	1,709	110	6.0%
1,852	1,739	114	6.2%
1,917	1,848	70	3.7%
1,897	1,813	84	4.4%
1,933	1,836	97	5.0%
1,892	1,796	96	5.1%
1,918	1,809	109	5.7%
1,879	1,753	126	6.7%

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**DEMOGRAPHIC AND ECONOMIC STATISTICS  
TOP TEN NON-GOVERNMENTAL EMPLOYERS**

Current Year and Ten Years Ago

NAME	2023			2014		
	Employees in CT	Percentage of Total CT Employment	Rank	Employees in CT	Percentage of Total CT Employment	Rank
Yale New Haven Health Sys	29,486	1.6 %	1			
Hartford HealthCare	25,840	1.4 %	2			
General Dynamics/Electric Boat	19,500	1.1 %	3			
United Technologies Corp. UTC	19,000	1.0 %	4	24,000	1.4 %	1
Yale University	16,150	0.9 %	5	14,001	0.8 %	2
Wal-Mart Stores Inc.	8,494	0.5 %	6			
Mohegan Sun Casino	8,000	0.4 %	7	6,000	0.3 %	6
Sikorsky Air/Lockheed Martin Co.	7,821	0.4 %	8			
The Travelers Cos Inc.	7,000	0.4 %	9			
The Hartford	4,000	0.2 %	10	5,000	0.3 %	8
Total	<u>145,291</u>	<u>7.9 %</u>		<u>49,001</u>	<u>5.6 %</u>	

**Sources:** Businesses websites

**State of Connecticut**

**STATE EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Function	2023	2022	2021	2020
Primary Government				
Legislative	699	655	766	681
General Government	3,470	3,470	3,274	3,070
Regulation and Protection	3,578	3,733	3,936	3,822
Conservation and Development	1,052	1,295	1,421	1,396
Health and Hospital	5,981	6,022	6,374	6,584
Transportation	3,091	3,085	3,181	3,256
Human Services	1,946	1,873	2,054	2,089
Education, Libraries, and Museums	17,188	18,592	18,627	24,309
Corrections	8,152	8,416	8,743	9,094
Judicial	4,332	4,905	4,886	4,066
<b>Total Number of Employees - Primary Government</b>	<b>49,489</b>	<b>52,046</b>	<b>53,262</b>	<b>58,367</b>

Note: Beginning in Fiscal Year 2020 the number of employees includes job classes such as contractors, intermittent, durational, seasonal, trainee, temporary, and part-time employment. The total for the primary government includes the employees of the University of Connecticut, the University of Connecticut Health Center, and the Board of Regents.

State of Connecticut

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
656	661	679	715	722	685
2,929	2,964	3,135	3,289	3,360	3,324
3,496	3,578	3,867	4,074	4,126	4,064
1,172	1,173	1,222	1,269	1,309	1,303
3,668	3,568	3,673	3,814	3,792	3,822
2,995	3,051	3,169	3,179	3,092	3,027
4,008	3,961	4,156	4,690	4,898	4,841
15,911	16,104	17,664	19,392	21,263	20,937
8,599	8,069	8,223	8,750	8,721	8,588
4,106	4,018	4,185	4,548	4,639	4,597
<u>47,540</u>	<u>47,147</u>	<u>49,973</u>	<u>53,720</u>	<u>55,922</u>	<u>55,188</u>



**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Legislative</u></b>			
<b>Office of Legislative Management</b>			
Number of Public and Special Acts	170	254	14
Number of Amendments Drafted	761	1,497	67
<b><u>General Government</u></b>			
<b>Office of the State Treasurer</b>			
% of Payments made Electronically	— %	88.9 %	88.6 %
Number of Unclaimed Property Claims Paid	72,981	24,468	6,851
<b><u>Department of Revenue Services</u></b>			
% of Income Tax Returns Filed Electronically	90.0 %	92.0 %	91.0 %
Revenue Collected per \$1 of Agency Expense	\$ 413	\$ 369	\$ 338
<b><u>Department of Construction Services</u></b>			
Number of Construction Contracts Awarded	143	163	149
State Floor Space Owned and Leased	7,331,462	7,278,926	7,279,754
<b><u>Regulation and Protection</u></b>			
<b>Department of Emergency Services &amp; Public Protection</b>			
Number of Background Checks - Firearms	73,838	90,958	65,940
Number of Fingerprint Checks for CT/Pd's	67,565	55,978	89,719
<b><u>Department of Motor Vehicles</u></b>			
Number of Registered Motor Vehicles	2,982,333	2,945,865	3,010,728
Number of Licensed Drivers	2,629,148	2,606,540	2,608,061
<b><u>Department of Labor</u></b>			
Number of Initial Unemployment Claims	125,796	344,851	507,033
Persons Using Employment Service <sup>(1)</sup>	9,141	15,232	11,938
<b><u>Conservation and Development</u></b>			
<b>Department of Energy &amp; Environmental Protection</b>			
Nitrogen Discharged into Long Island Sound <sup>(2)</sup>	6,382	6,660	7,362
Attained Goal of Open Space <sup>(3)</sup>	83.0 %	82.0 %	82.0 %
<b><u>Department of Agriculture</u></b>			
Connecticut farmers participating in farmers market	266	224	—
<b><u>Health and Hospitals</u></b>			
<b>Department of Public Health</b>			
Number of Tuberculosis Cases Served (includes active and latent cases)	660	413	690
Number of Licenses Applications - New	26,809	27,462	18,532
Number of Licenses Applications - Renewal	188,036	172,453	173,780

**State of Connecticut**

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<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
226 3,527	220 2,280	267 2,560	244 2,587	277 3,043	258 2,190
86.6 % 11,120	84.3 % 18,472	83.6 % 16,670	81.9 % 15,758	81.3 % 17,888	75.0 % 20,897
91.0 % \$ 338	89.0 % \$ 341	88.0 % \$ 281	87.0 % \$ 264	85.0 % \$ 264	84.0 % \$ 255
170 7,023,976	191 9,311,710	243 8,751,757	231 9,311,535	26 8,999,852	13 9,282,711
65,940 89,719	56,782 83,645	57,769 82,261	54,944 86,588	49,547 88,354	61,107 100,145
3,010,728 2,608,061	3,004,859 2,605,612	3,015,047 2,586,994	3,671,652 2,613,244	3,030,510 2,566,673	3,026,823 2,542,588
134,317 29,135	138,156 40,841	143,186 20,147	148,336 47,711	153,040 161,637	245,632 191,372
7,362 82.0 %	7,362 81.5 %	7,362 81.0 %	7,562 81.0 %	7,400 81.0 %	7,340 84.0 %
n/a	n/a	n/a	n/a	n/a	n/a
690 18,532 173,780	756 20,445 191,724	1,067 17,696 160,546	1,065 18,811 161,595	1,133 18,015 155,251	1,236 17,716 153,328

**OPERATING INDICATORS BY FUNCTION (Continued)**

Last Ten Fiscal Years

	2022	2021	2020	2019
<b><u>Department of Developmental Services</u></b>				
Number of Qualified Providers	323	278	273	270
Number of Persons Served in Various Programs	17,257	17,229	17,178	17,126
<b><u>Human Services</u></b>				
<b><u>Department of Social Services</u></b>				
Number of Medicaid Eligible Clients	971,980	911,484	838,565	844,373
Temp Family Assistance Average Caseload	5,918	7,662	9,787	10,998
<b><u>Education</u></b>				
<b><u>Department of Higher Education</u></b>				
Number of Degrees Conferred - Statewide	46,659	46,893	46,336	47,602
Enrollment - Statewide	189,371	180,303	187,840	194,792
<b><u>Transportation</u></b>				
<b><u>Department of Transportation</u></b>				
Active Construction Projects	665	620	600	635
Miles of Road Resurfaced	391	350.00	331	325
Estimated Billions of Person trips on Roadways	4.294	4.914	4.880	4.841
<b><u>Corrections</u></b>				
<b><u>Department of Corrections</u></b>				
Incarcerated Population	9,997	9,010	10,194	13,039
Direct Daily Inmate Expenditures	163.79	175.61	\$ 131	\$ 128
<b><u>Judicial</u></b>				
<b><u>Judicial Branch</u></b>				
Number of Superior Court Cases Filed	210,572	210,528	232,811	364,312
Average Number of Supervised Probationers	29,700	30,635	37,327	39,180

<sup>(1)</sup> The department of Labor assists individuals in job search, resume preparation, etc.

<sup>(2)</sup> Average annual number of tons

<sup>(3)</sup> % of accomplished State goal to acquire 320,957 acres of open space

n/a = statistic not available at time of publication

**State of Connecticut**

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
819,602	800,509	735,008	737,490	656,252	610,527
12,797	14,172	15,602	17,538	18,256	18,506
46,592	47,221	32,499	n/a	n/a	n/a
189,889	198,704	170,597	n/a	n/a	n/a
662	589	302	279	268	117
302	316	341	445	355	326
4.903	4.800	4.903	4.882	4.214	4.185
13,366	14,389	19,271	16,023	16,551	16,674
\$ 109	\$ 103	\$ 73	\$ 105	\$ 100	\$ 95
378,047	381,068	535,158	432,803	443,135	443,135
39,263	41,050	54,315	43,510	48,779	48,779

**State of Connecticut**

**CAPITAL ASSETS BY FUNCTION**

Last Ten Fiscal Years

(Expressed in Thousands)

		2023	2022	2021	2020	2019	2018
<b>Legislative</b>	<b>Total</b>	<b>\$ 178,296</b>	<b>\$ 178,290</b>	<b>\$ 176,974</b>	<b>\$ 176,639</b>	<b>\$ 176,726</b>	<b>\$ 175,639</b>
Buildings		157,251	157,251	157,242	157,136	158,920	158,920
Improvements Other than Buildings		1,783	1,783	1,783	1,783	–	–
Equipment		18,159	19,256	17,949	17,720	17,806	16,719
Software		1,103					
<b>General Government</b>	<b>Total</b>	<b>\$ 1,315,662</b>	<b>\$ 1,362,563</b>	<b>\$ 1,405,263</b>	<b>\$ 1,391,482</b>	<b>\$ 1,369,779</b>	<b>\$ 1,224,216</b>
Land		193,454	191,839	191,825	192,311	195,224	195,144
Art & Historical Collections		479	479	–	–	–	–
Construction in Progress		94,550	165,531	227,281	224,002	334,541	191,777
Buildings		534,188	527,205	526,344	532,528	383,993	386,980
Improvements Other than Buildings		60,942	60,941	58,474	58,544	58,537	58,540
Equipment		287,834	405,610	401,339	384,097	397,484	391,775
Software		132,907					
Right-to-use assets		11,308	10,958	–	–	–	–
<b>Regulation and Protection</b>	<b>Total</b>	<b>\$ 719,925</b>	<b>\$ 719,321</b>	<b>\$ 689,678</b>	<b>\$ 706,945</b>	<b>\$ 697,432</b>	<b>\$ 657,696</b>
Land		9,021	9,021	9,021	9,021	9,021	9,021
Art & Historical Collections		283	283	–	–	–	–
Buildings		372,592	372,531	369,681	366,955	366,898	348,866
Improvements Other than Buildings		31,411	31,388	30,327	29,329	29,198	27,838
Equipment		236,270	293,167	280,649	301,640	292,315	271,971
Software		57,386					
Right-to-use assets		12,962	12,931	–	–	–	–
Infrastructure		–					
<b>Conservation and Development</b>	<b>Total</b>	<b>\$ 588,293</b>	<b>\$ 741,465</b>	<b>\$ 722,894</b>	<b>\$ 712,577</b>	<b>\$ 704,745</b>	<b>\$ 687,810</b>
Land		465,956	467,476	455,897	447,829	436,849	420,982
Art & Historical Collections		5,020	5,784	–	–	–	–
Buildings		44,093	119,146	118,849	118,299	121,729	121,707
Improvements Other than Buildings		2,254	75,253	74,866	74,299	75,022	74,992
Equipment		69,062	73,786	73,282	72,150	71,145	70,129
Software		1,790					
Right-to-use assets		118	20	–	–	–	–
<b>Health and Hospital</b>	<b>Total</b>	<b>\$ 324,317</b>	<b>\$ 321,565</b>	<b>\$ 319,087</b>	<b>\$ 323,918</b>	<b>\$ 315,223</b>	<b>\$ 314,710</b>
Land		6,610	6,610	6,610	6,610	6,547	6,547
Art & Historical Collections		99	99	–	–	–	–
Buildings		237,496	237,077	236,431	241,782	236,425	236,997
Improvements Other than Buildings		19,908	19,808	19,735	19,696	19,543	19,383
Equipment		49,622	57,219	56,311	55,830	52,708	51,783
Software		5,821					
Right-to-use assets		4,761	752	–	–	–	–

State of Connecticut

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2017	2016	2015	2014
<b>\$ 175,443</b>	<b>\$ 175,558</b>	<b>\$ 171,286</b>	<b>\$ 171,283</b>
158,920	159,076	157,087	157,087
-	-	-	-
16,523	16,482	14,199	14,196
<b>\$ 1,197,084</b>	<b>\$ 1,201,502</b>	<b>\$ 1,263,226</b>	<b>\$ 1,254,165</b>
195,019	193,582	192,744	190,216
-	-	-	-
159,258	150,531	188,534	233,319
392,715	392,608	392,392	391,840
57,845	54,701	54,016	53,937
392,247	410,080	435,540	384,853
-	-	-	-
<b>\$ 644,256</b>	<b>\$ 621,075</b>	<b>\$ 582,024</b>	<b>\$ 557,330</b>
9,192	9,227	9,227	8,775
-	-	-	-
349,689	326,690	326,624	320,719
26,850	27,977	27,496	24,430
258,525	257,181	218,677	203,406
-	-	-	-
<b>\$ 680,764</b>	<b>\$ 668,268</b>	<b>\$ 652,381</b>	<b>\$ 630,730</b>
414,666	402,633	389,414	381,167
-	-	-	-
121,711	121,493	121,393	108,731
75,717	75,717	74,992	75,717
68,670	68,425	66,582	65,115
-	-	-	-
<b>\$ 314,133</b>	<b>\$ 315,655</b>	<b>\$ 365,287</b>	<b>\$ 358,066</b>
6,645	6,697	6,707	6,752
-	-	-	-
235,373	239,172	289,390	284,411
19,558	19,530	19,013	18,800
52,557	50,256	50,177	48,103
-	-	-	-

**State of Connecticut**

**CAPITAL ASSETS BY FUNCTION (Continued)**

Last Ten Fiscal Years

(Expressed in Thousands)

		2023	2022	2021	2020	2019	2018
<b>Transportation</b>	<b>Total</b>	<b>\$ 30,293,298</b>	<b>\$ 29,214,720</b>	<b>\$ 28,233,802</b>	<b>\$ 27,312,093</b>	<b>\$ 26,275,853</b>	<b>\$ 25,395,835</b>
Land		1,263,320	1,250,943	1,237,670	1,204,266	1,175,704	1,166,958
Art & Historical Collections		223	223	–	–	–	–
Construction in Progress		6,665,759	5,982,292	5,896,738	5,193,311	5,256,651	4,861,493
Buildings		1,250,237	1,247,080	1,233,145	1,306,441	1,243,715	1,120,371
Improvements Other than Buildings		239,472	239,472	240,697	240,697	240,753	236,717
Equipment		1,529,117	1,533,340	1,413,144	1,407,904	1,392,644	1,402,688
Software		1,672					
Infrastructure		19,339,937	18,957,809	18,212,408	17,959,474	16,966,386	16,607,608
Right-to-use assets		3,561	3,561	–	–	–	–
<b>Human Services</b>	<b>Total</b>	<b>\$ 28,572</b>	<b>\$ 29,254.00</b>	<b>\$ 30,042.00</b>	<b>\$ 31,174.00</b>	<b>\$ 18,122.00</b>	<b>\$ 16,568.00</b>
Improvements Other than Buildings		919	919	919	920	919	945
Equipment		25,721	28,335	29,123	30,254	17,203	15,623
Software		1,932					
<b>Education, Libraries, and Museums</b>	<b>Total</b>	<b>\$ 1,327,978</b>	<b>\$ 1,327,172</b>	<b>\$ 1,113,070</b>	<b>\$ 1,114,373</b>	<b>\$ 1,113,821</b>	<b>\$ 1,111,229</b>
Land		2,005	1,027	1,027	1,027	1,027	1,027
Art & Historical Collections		215,807	215,807	–	–	–	–
Buildings		1,018,220	1,018,220	1,018,220	1,018,220	1,018,220	1,018,220
Improvements Other than Buildings		25	25	220	220	220	220
Equipment		79,204	90,928	93,603	94,906	94,354	91,762
Software		11,488					
Right-to-use assets		1,229	1,165	–	–	–	–
<b>Corrections</b>	<b>Total</b>	<b>\$ 1,088,307</b>	<b>\$ 1,088,702</b>	<b>\$ 1,043,898</b>	<b>\$ 1,054,824</b>	<b>\$ 1,053,410</b>	<b>\$ 1,050,917</b>
Land		9,822	9,822	9,822	10,322	10,322	10,322
Art & Historical Collections		414	414	–	–	–	–
Buildings		761,635	763,891	763,891	776,122	776,122	775,896
Improvements Other than Buildings		50,676	50,376	49,840	49,401	49,401	49,426
Equipment		70,007	220,332	220,345	218,979	217,565	215,273
Software		151,347					
Right-to-use assets		44,406	43,867	–	–	–	–
<b>Judicial</b>	<b>Total</b>	<b>\$ 606,808</b>	<b>\$ 602,746.00</b>	<b>\$ 600,778.00</b>	<b>\$ 585,625.00</b>	<b>\$ 585,608.00</b>	<b>\$ 579,264.00</b>
Land		33,634	33,634	33,634	27,889	27,889	23,194
Art & Historical Collections		1,709	1,709	–	–	–	–
Buildings		475,675	475,675	475,675	465,420	465,420	465,369
Improvements Other than Buildings		6,043	5,925	5,296	5,296	5,296	5,269
Equipment		82,839	85,283	86,173	87,020	87,003	85,432
Software		4,240					
Right-to-use assets		2,668	520	–	–	–	–
<b>Total Capital Assets at Historical Cost</b>		<b>\$ 36,471,456</b>	<b>\$ 35,585,798</b>	<b>\$ 34,335,486</b>	<b>\$ 33,409,650</b>	<b>\$ 32,310,719</b>	<b>\$ 31,213,884</b>
<b>Total Accumulated Depreciation</b>		<b>\$ (18,152,224)</b>	<b>\$ (17,382,072)</b>	<b>\$ (16,997,652)</b>	<b>\$ (16,402,528)</b>	<b>\$ (15,781,276)</b>	<b>\$ (15,205,258)</b>
<b>Governmental Activities, Capital Assets, Net</b>		<b>\$ 18,319,232</b>	<b>\$ 18,203,726</b>	<b>\$ 17,337,834</b>	<b>\$ 17,007,122</b>	<b>\$ 16,529,443</b>	<b>\$ 16,008,626</b>

State of Connecticut

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2017	2016	2015	2014
<b>\$ 24,322,303</b>	<b>\$ 22,745,027</b>	<b>\$ 21,579,682</b>	<b>\$ 20,444,797</b>
1,131,384	1,106,967	1,083,450	1,072,625
-	-	-	-
4,829,184	4,393,784	3,476,307	3,231,739
1,105,084	917,872	1,025,616	746,765
236,741	233,234	228,346	211,743
1,421,982	1,419,842	1,458,601	1,357,277
15,597,928	14,673,328	14,307,362	13,824,648
-	-	-	-
<b>\$ 18,320.00</b>	<b>\$ 17,038.00</b>	<b>\$ 17,285.00</b>	<b>\$ 16,841.00</b>
691	672	667	667
17,629	16,366	16,618	16,174
<b>\$ 1,108,499</b>	<b>\$ 1,082,196</b>	<b>\$ 1,052,735</b>	<b>\$ 1,064,712</b>
1,027	1,027	1,027	1,027
-	-	-	-
1,015,642	990,879	864,538	890,490
220	220	209	209
91,610	90,070	186,961	172,986
-	-	-	-
<b>\$ 1,052,226</b>	<b>\$ 1,039,570</b>	<b>\$ 1,031,119</b>	<b>\$ 1,012,802</b>
10,322	10,322	10,322	10,322
-	-	-	-
775,880	775,294	768,283	762,754
49,401	48,991	52,625	52,162
216,623	204,963	199,889	187,564
-	-	-	-
<b>576,661.00</b>	<b>505,586.00</b>	<b>462,125.00</b>	<b>462,672.00</b>
20,076	17,181	15,601	15,648
-	-	-	-
465,349	398,216	351,219	351,922
5,688	5,663	5,663	5,369
85,548	84,526	89,642	89,733
-	-	-	-
<b>\$ 30,089,689</b>	<b>\$ 28,371,475</b>	<b>\$ 27,177,150</b>	<b>\$ 25,973,398</b>
<b>\$ (14,665,574)</b>	<b>\$ (14,145,909)</b>	<b>\$ (13,433,773)</b>	<b>\$ (12,750,730)</b>
<b>\$ 15,424,115</b>	<b>\$ 14,225,566</b>	<b>\$ 13,743,377</b>	<b>\$ 13,222,668</b>