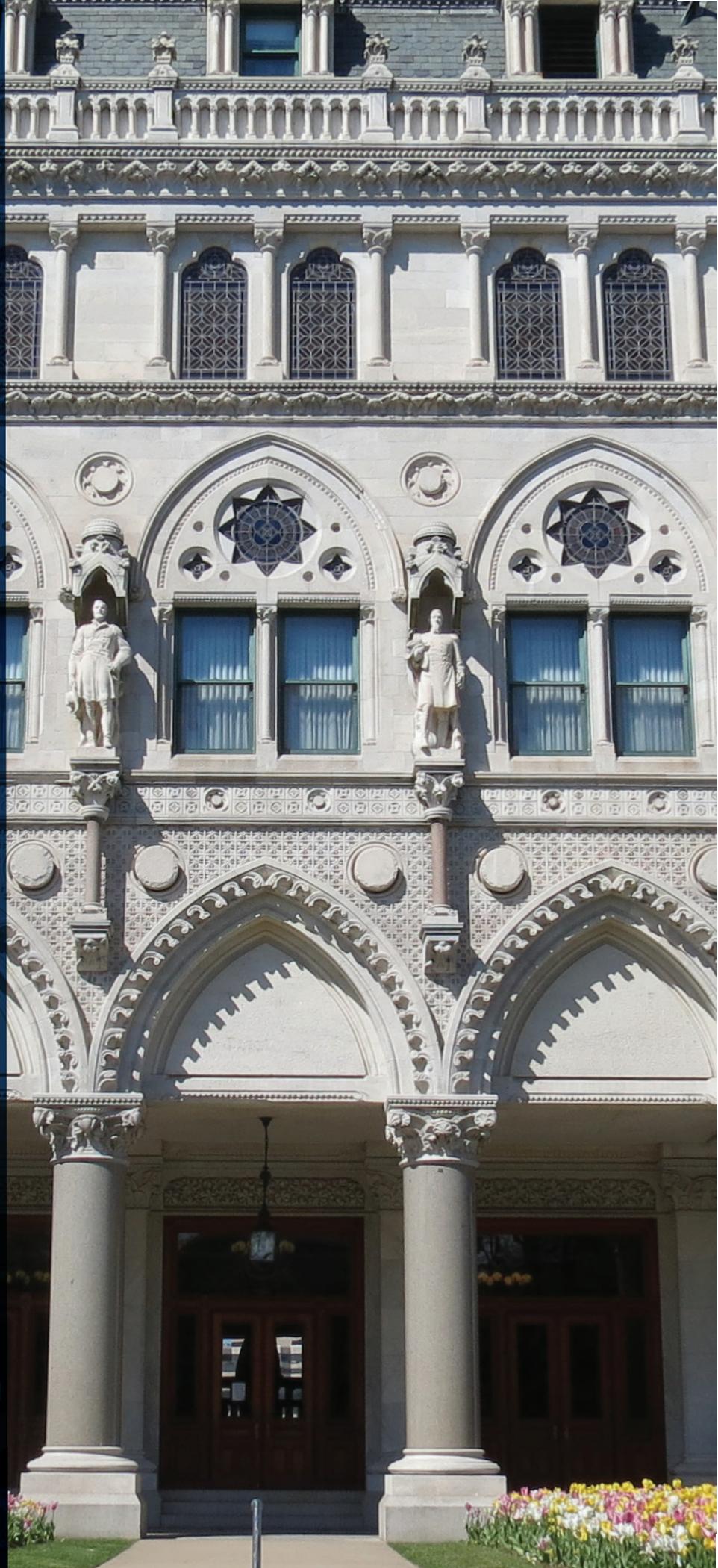




ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025

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



State of Connecticut

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Prepared by the Office of

Sean Scanlon
Connecticut State Comptroller

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

State of Connecticut

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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, colleges, and institutions made this report possible.

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INTRODUCTORY SECTION
(Unaudited)

SEAN SCANLON
STATE COMPTROLLER



TARA DOWNES
DEPUTY COMPTROLLER



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

February 27, 2026

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, 2025. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

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 that are not consistent in every instance with the GAAP method of reporting used in this publication. For fiscal year 2025 General Fund results on the GAAP basis of accounting, please refer to the Governmental Fund Financial Statements section of this report. The differences between the statutory basis of accounting and the GAAP presentation in the Annual Comprehensive Financial Report are discussed further in the required supplemental information section 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, 2025.

The General Fund ended fiscal year 2025 with a surplus of \$410.2 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 18.0 percent of the current year's net General Fund appropriations. Therefore, a separate provision of the Connecticut General Statutes (CGS) was applied as described below. The Transportation Fund had an operating surplus of \$24.8 million which left a positive fund balance of \$469.9 million at the close of fiscal year 2025. STF spending totaled \$2.2 billion in fiscal year 2025, increasing by \$172.2 million or 8.4 percent compared with the prior fiscal year.

In fiscal year 2025, for the eighth consecutive year, progress was made toward building the balance in the BRF. 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 BRF. For fiscal year 2025, the cap was just under \$4.7 billion for Estimated and Final Income Tax Payments and revenue from the Pass-through Entity Tax. At year-end, a volatility transfer of \$2.1 billion was made to the BRF.

Prior to the close of fiscal year 2025, the balance of the BRF was just over \$4.1 billion. Adding the \$2.1 billion volatility transfer brought the BRF total to \$6.2 billion, or 25.8 percent of net General Fund appropriations for fiscal year 2025. As a result, the BRF was \$1.5 billion above the statutory 18 percent cap. According to CGS Section 4-30a (c)(1)(C), the State Treasurer must transfer the balance above the 18.0 percent threshold as additional contributions to the State Employees' Retirement Fund (SERF) and the Teachers' Retirement System (TRS). Connecticut H.B. 8003, which was passed during the November 2025 Special Session, allows an additional \$500.0 million above the 18.0 percent threshold to help stabilize the State's budget in response to any reduction or loss of federal funding caused by action or inaction of the federal government. At fiscal year-end, \$1.37 billion was transferred to reduce the unfunded pension liability of SERF and TRS.

In addition, Public Act 25-93 established the Early Childhood Education Endowment to transform access to affordable, high-quality childcare and early education across the State. The endowment was initially funded in July 2025 with \$300.0 million of the General Fund's anticipated surplus. With the completion of the audit of fiscal year 2025 operations confirming the General Fund surplus of \$410.2 million, the remaining balance of \$110.2 million was transferred to SERF and TRS to further reduce unfunded past service liability.

A complete discussion of fiscal year 2025 budget and fiscal trends is contained in the Management Discussion and Analysis (MD&A) section of this report.

Major Legislative Initiatives

State of Connecticut

A number of significant legislative initiatives were enacted during the two legislative sessions of the Connecticut General Assembly in 2025. The following summaries were adapted from the Office of Legislative Research's "Major Public Acts 2025 Legislative Session" and November 2025 Special Session bill analyses, as well as the Connecticut State Budget book and fiscal notes from the Office of Fiscal Analysis.

Addressing Electric Rates: *Public Act No. 25-173 "An Act Concerning Energy Affordability, Access and Accountability."*

A wide-ranging new law on electric rates and regulation includes provisions on (1) bonding for programs that would otherwise be funded by ratepayers (such as hardship protections); (2) limits and cost-containment for existing programs (such as low-income discount rates); and (3) securitization to finance storm costs and advanced metering infrastructure. Other measures in the new law may impact rates in the long-term, including (1) changes to standard service procurement, (2) electric system efficiency goals, and (3) new requirements for grid-enhancing technologies for certain transmission projects.

New Funding for Early Childhood and Special Education: *Public Act No. 25-93 "An Act Increasing Resources for Students, Schools and Special Education," and Public Act No. 25-67 "An Act Concerning the Quality and Delivery of Special Education Services in Connecticut."*

Early Childhood Education Endowment (Sections 1-14): The act establishes the Early Childhood Education Endowment and funds it with transfers of estimated General Fund unappropriated surplus (up to \$300.0 million for FY 25, and the full estimated amount in fiscal years after that, with some exceptions). The law allows the Office of Early Childhood to use a percentage of the endowment funds (12 percent in FYs 26 and 27, and 10 percent after that) to fund early childhood program and expansion costs and health insurance subsidies for early childhood education employees to expand childcare access in the state. It also caps the amount that families must pay for care received through programs funded through the endowment at 7 percent of their annual gross income, except that families with gross incomes under \$100,000 per year pay nothing.

Special Education Grants and Rate Schedules (Sections 3, 7, 17, 19, 24): The legislature passed two new laws with significant changes for special education and services in public schools. Among other changes, the laws (1) create a new per-student formula grant for all school districts based on the number of special education students in each district (i.e., Special Education and Expansion Development Grants), (2) establish a process for the State Department of Education (SDE) to set rates that public special education service providers can charge school boards for services and propose rates for private providers, and (3) create a new competitive grant to help enhance existing or establish new in-district or regional special education programs (exempting the grant funds from being included in a school district's minimum budget requirement).

Notable from the State Budget Bill: *Public Act No. 25-168 "An Act Concerning the State Budget for the Biennium Ending June 30, 2027, and Making Appropriations Therefor, and Provisions Related to Revenue and Other Items Implementing the State Budget."*

Adjustment of Volatility Cap Threshold (Section 386): Existing state law capped the annual amount of General Fund revenue from two volatile sources (the estimates and finals portion of the personal income tax and the pass-through entity tax) based on a starting threshold of \$3.15 billion in the 2018 fiscal year (adjusted annually by the compound annual growth rate of Connecticut personal income over the preceding five years). The budget act increases the starting threshold beginning in fiscal year 2025 to provide additional General Fund revenue of \$150.0 million in fiscal year 2025 and \$600.0 million in fiscal year 2026, continuing at that higher threshold (adjusted annually by personal income growth as before) in future years.

Hospital User Fee and Medicaid Supplemental Payments (Sections 360-362): Beginning in fiscal year 2027, the budget updates the base year on which the health provider tax is calculated and increases the total amount of hospital tax due to the state by \$375.0 million, increasing by \$25.0 million in subsequent years. The act also adjusts the level of Medicaid supplemental payments to hospitals beginning in fiscal year 2027, which is anticipated to generate additional federal grant revenue for the state.

Corporation Tax (Sections 353-357): The budget makes various changes to the corporation tax including (1) extending the 10 percent corporate surcharge for three income years (2026-2028), (2) eliminating the \$2.5 million cap on the amount a combined group's tax, calculated on a combined unitary basis, can exceed the tax it would have paid on a separate basis, and (3) eliminating the provision that allows certain corporations to claim 100 percent net operating loss.

Special Transportation Fund (STF) Debt (Section 414-415): The bill extends and makes permanent a change made in 2024 requiring that a portion of the Special Transportation Fund's (STF) remaining balance at the end of the fiscal year be deemed appropriated to pay off STF-supported debt. Beginning with fiscal year 2025, if the remaining balance in the STF after the accounts have been closed for the fiscal year and any required transfers have been made exceeds 18 percent of the fund's net appropriations for the current fiscal year, the state treasurer must use the excess to pay down certain STF-supported debt, as he determines to be in the state's best interest.

Revenue Transfers between Fiscal Years (Sections 41-42, 44): The act requires the Comptroller to transfer \$150.0 million of the resources of the General Fund for fiscal year 2025 to be accounted for as revenue for the General Fund for fiscal year 2026. Similarly, \$244.0

State of Connecticut

million is transferred from fiscal year 2026 to fiscal year 2027 for the General Fund. For the Special Transportation Fund, \$140.0 million is transferred from fiscal year 2025, with \$17.0 million being accounted for as revenue for fiscal year 2026 and \$123.0 million being accounted for as revenue for fiscal year 2027.

Notable from the State Bond Bill: *Public Act No. 25-174 “An Act Authorizing and Adjusting Bonds of the State and Concerning Grant Programs, State Grant Commitments for School Building Projects, Revisions to the School Building Projects Statutes and Various Provisions Revising and Implementing the Budget for the Biennium Ending June 30, 2027.”*

Bond-Funded Housing Programs (Various Sections): The legislature authorized bond funds over the biennium for various housing initiatives, including those aimed at assisting first-time homebuyers and increasing new housing construction, with new bond funding authorizations of approximately \$1.0 billion.

New Bond-Funded Programs for Schools and Economic Development (Sections 13, 112-116, 131): The act creates the District Repair and Improvement Project (DRIP) program to provide financial assistance for constructing, renovating, repairing, and enlarging public school buildings, grounds, and infrastructure. The State also created several new programs to (1) revitalize greyfields, (2) fund infrastructure projects needed to support housing or economic development in rural areas, (3) support capital improvements at nonprofit-owned or -operated cultural and historic sites, and (4) give financial assistance to help develop the supply chains of major and emerging industries in Connecticut.

Housing Changes and Initiatives: *November Special Session, Public Act No. 25-1 “An Act Concerning Housing Growth.”*

The legislature enacted sweeping legislation to address housing issues with provisions to (1) promote affordable housing growth through a combination of municipal incentives and grants, new planning requirements and zoning changes, (2) establish a first-time homebuyer savings program, (3) protect renters by expanding fair rent commission requirements and prohibiting evictions and the use of revenue management devices under certain circumstances, (3) reduce homelessness hardships with a ban on “hostile architecture” and new pilot program, and (4) facilitate housing development and create grant programs through the Department of Housing, and many others.

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 3,590,886 according to the July 1, 2025, 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

State of Connecticut

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, an 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 the purpose of determining the following year's limit. 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

Overall, the Connecticut economy performed well in fiscal year 2025, with strong stock market performance driven by artificial intelligence investments and high employment helping to support consumer spending. Connecticut real gross domestic product (GDP) grew 2.1 percent overall from the second quarter of 2024 to the second quarter of 2025.

The fiscal year began with moderate economic growth in the state and very low (3.1 percent to 3.2 percent) unemployment through late 2024. Nationally, the labor market was cooling after being overheated in the immediate post-pandemic years, with the central bank aiming for a "soft landing" that would bring still-elevated inflation down without triggering a recession.

The second half of the fiscal year saw significant policy shifts under the new presidential administration beginning in January 2025. Connecticut's unemployment rate rose to 3.8 percent in June 2025 as companies largely held onto workers but slowed new hiring. The new administration fundamentally changed U.S. trade policy by imposing frequently changing tariffs, increasing economic uncertainty for businesses

State of Connecticut

and fueling renewed inflation concerns. Changes to federal immigration policy and reductions to federal spending impacted some industries and workers.

Connecticut added 7,500 (0.4 percent) new payroll jobs in fiscal year 2025. Total payroll employment was 1,718,500 in June 2025, the highest since March 2008. While reaching new highs, employment gains slowed in both Connecticut and the U.S. in fiscal year 2025 as labor markets settled into more sustainable patterns following large pandemic recovery gains in prior years. Low unemployment supported continued growth in consumer spending, which accounts for approximately two thirds of U.S. economic activity, though slower hiring made finding jobs more difficult. Looking at Connecticut net employment changes by major industry sector, Private Education and Health Services made the largest gain (+6,300), while Leisure and Hospitality (+2,400) and Financial Activities (+1,300) sectors also had notable growth, and the Manufacturing sector experienced the greatest employment reduction (-3,200 jobs).

Following three successive interest rate cuts totaling one full percentage point in late 2024, the Federal Reserve held the federal funds rate steady at 4.25-4.5 percent for the remainder of the fiscal year. Progress bringing inflation down to the central bank's 2.0 percent target stalled, with the Consumer Price Index growing annually at 2.9 percent in July 2024 and 2.7 percent in June 2025. Through June 2025, there was limited tariff impact on consumer prices as many firms drew down pre-tariff inventories and initially absorbed cost increases rather than passing higher costs onto price-conscious consumers. Tariffs were noticeably increasing inflation by October 2025, and are expected to continue pushing up prices in 2026.

While average mortgage rates ticked down slightly from the prior fiscal year, Connecticut's housing market continued to be impacted by relatively high interest rates and a low inventory of homes for sale (75 percent fewer active listings than in fiscal year 2019). Yet fiscal year 2025 marked a housing market turning point, as average monthly listings grew by 11.8 percent, and home sales increased 2.7 percent year-over-year after several years of declines in both according to Realtor.com and the Warren Group, respectively. Connecticut's housing market remains tight as demand continues to exceed supply, pushing Connecticut home prices up 8.5 percent on average for the year according to the U.S. Federal Housing Finance Agency (FHFA) All-Transactions Home Price Index.

The adopted budget plan for fiscal year 2026 anticipated a \$309.1 million General Fund surplus at year end. Through December 1st, the General Fund has a fiscal year 2026 projected surplus of \$164.4 million on the statutory basis of accounting. Higher than budgeted expenditures, especially for Medicaid, are expected to reduce the year-end surplus by \$156.0 million, while higher net revenues (\$11.4 million above budget) are projected to partially offset that. Low unemployment and continued consumer spending have supported better than budgeted Personal Income Tax and Sales and Use Tax revenues. Conversely, the Corporation Tax is projected to underperform by \$186.9 million, mostly due to a change in federal tax policy enacted in July 2025 to which Connecticut automatically conforms. Strong stock market performance in 2025 is expected to boost volatile revenues, resulting in a larger than budgeted volatility transfer this year.

The Budget Reserve Fund (BRF) has a balance of approximately \$4.3 billion—the statutory maximum of 18.0 percent of net General Fund appropriations; however, Special Act 25-1 of the November Special Session allowed for an additional \$500 million in contingency funds to be held there temporarily. As of this writing in early December, an anticipated revenue volatility transfer of \$1,810.4 million will be added at fiscal year-end along with the projected fiscal year 2026 surplus of \$164.4 million.

Public Act 25-93 established the Early Childhood Education Endowment (ECEE), which now receives annual transfers of any amount from the General Fund surplus not required to fill the BRF to its statutory maximum. Under current estimates, the full General Fund surplus will be transferred to the ECEE for fiscal year 2026. This would bring the BRF balance to \$6.1 billion or 24.2 percent of net General Fund appropriations for fiscal year 2027, excluding the contingency funds. If current projections hold, the State will be able to use more than \$1.5 billion (funds above the 18.0 percent threshold) to continue reducing unfunded pension liabilities in the State Employees' Retirement Fund (SERF), the Teachers' Retirement Fund (TRF), and other outstanding indebtedness following the close out of fiscal year 2026.

As we begin this new calendar year, Connecticut is experiencing positive trends in many key areas, though sluggish hiring and poor housing affordability are understandably areas of concern. Yet the resilience of Connecticut's people and the strength of its economy have been shown time and time again.

A more complete discussion of fiscal year 2025 economic condition and outlook is contained in the Management's Discussion and Analysis section of this report.

Acknowledgements

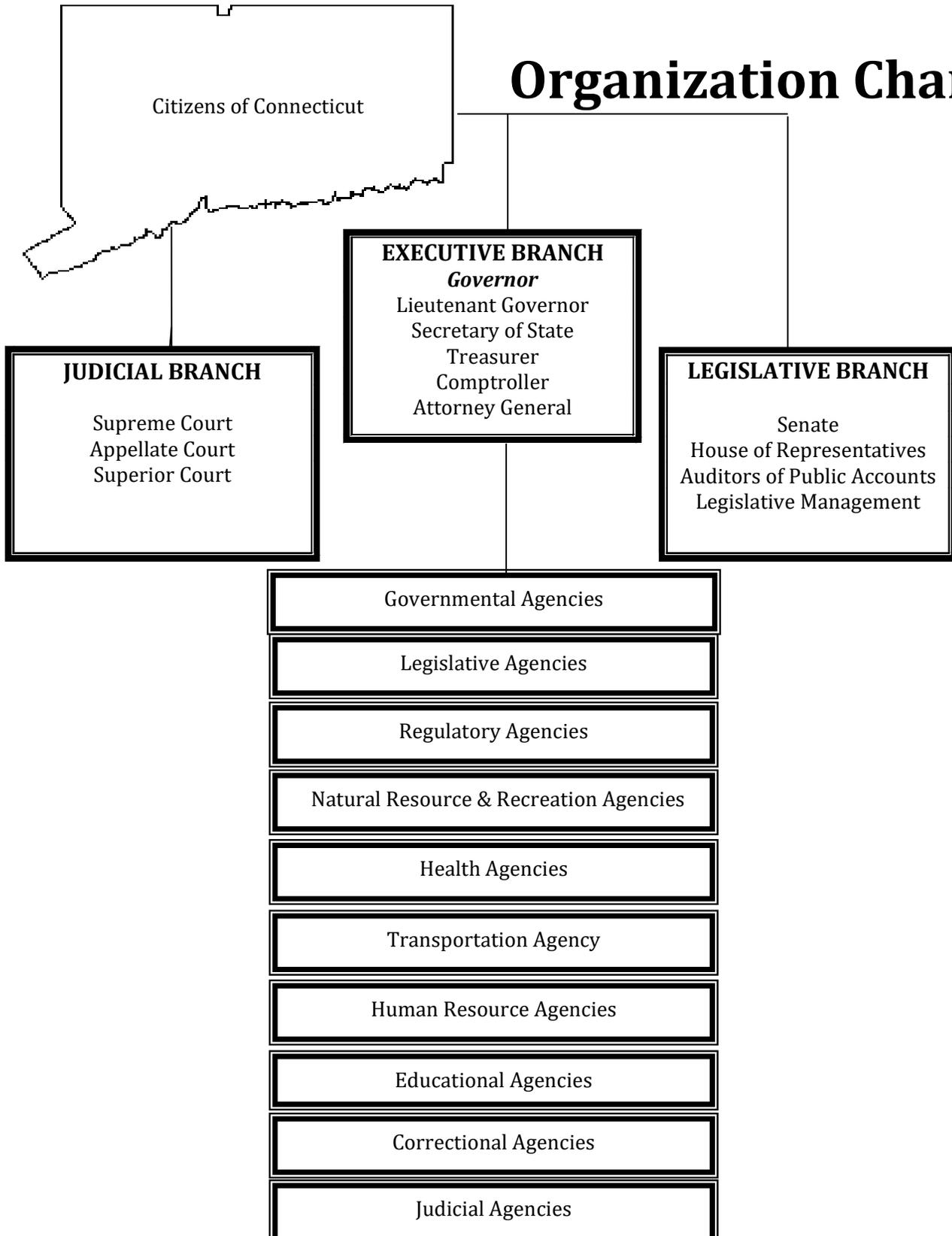
I want to thank my staff, the State Auditors, and the agency personnel who contributed to producing this report. I also want to thank its readers who bring meaning to the work that we do.

Sincerely,



Sean Scanlon
Connecticut State Comptroller

Organization Chart



***CONSTITUTIONAL OFFICERS
EXECUTIVE***

As of February 27, 2026

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

Raheem L. Mullins
Chief Justice, Supreme Court



*FINANCIAL
SECTION*

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, 2025, 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, 2025, 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:

Table with 4 columns: Opinion Unit, Fund/Entity, Assets, Revenues/Additions. Row 1: Governmental Activities, Special Transportation Fund, Transportation Special Tax Obligations Fund, and Transportation Restricted Grants Fund, 7%, 10%.

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 Universities, Connecticut State Community College, Clean Water Fund Federal Account, and Drinking Water Fund Federal Account	55%	36%
Aggregate Discretely Presented Component Units	Connecticut Housing Finance Authority, Connecticut Lottery Corporation, Connecticut Airport Authority, MIRA Dissolution 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%	98%
Debt Service Fund	Transportation Special Tax Obligations Fund	100%	100%
Restricted Grants and Accounts Fund	Transportation Restricted Grants Fund	12%	14%
Aggregate Remaining Fund Information	Connecticut Paid Family and 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 Universities, Connecticut State Community College, 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 1 to the financial statements, the State of Connecticut adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, during the fiscal year ended June 30, 2025. 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 February 27, 2026,

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

February 27, 2026
State Capitol
Hartford, Connecticut



*MANAGEMENT'S
DISCUSSION AND
ANALYSIS*

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, 2025. 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 \$1.3 billion (or 3.2 percent) as a result of this year's operations. Net position (deficit) of governmental activities decreased by \$1.0 billion (or 2.2 percent) and net position of business-type activities increased by \$247.4 million (or 3.3 percent). At year-end, net position (deficit) of governmental activities and business-type activities totaled a negative (\$46.0) billion and \$7.8 billion, respectively.

Component units reported net position of \$3.4 billion, an increase of \$165.3 million (or 5.0 percent) from the previous year.

Fund Financial Statements

The governmental funds reported combined ending fund balance of \$9.3 billion, a decrease of (\$1.3) billion in comparison with the prior year. Of this total fund balance, \$222.5 million represents nonspendable fund balance, \$4.8 billion represents restricted fund balance, \$5.3 billion represents committed fund balance, and \$356.8 million represents assigned fund balance. A negative (\$1.5) billion unassigned fund balance offsets these amounts. This deficit belongs primarily to the General Fund which increased by \$374.4 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 \$4.8 billion compared to the prior year's balance of \$4.1 billion. The primary reason for the increase in the current fiscal year, as in the prior fiscal year, was that significant progress has been made toward building the balance of the Budget Reserve Fund. This was mainly 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 2025, the cap was just over \$4.7 billion for estimated and final income tax payments and revenue from the pass-through entity tax. At year-end, a volatility transfer of \$2.1 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2025, the balance in the Budget Reserve Fund was just over \$4.1 billion. Adding the \$2.1 billion volatility transfer brought the Budget Reserve Fund total to \$6.2 billion, or 25.8 percent of net General Fund appropriations for fiscal year 2026. As a result, the Budget Reserve Fund was \$1.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a (c)(1)(C), the State Treasurer must transfer the balance above the 18.0 percent threshold as additional contributions to the State Employees' Retirement Fund (SERF) and the Teachers' Retirement System (TRS). Connecticut H.B. 8003, which was passed during the November 2025 Special Session, allows an additional \$500.0 million above the 18.0 percent threshold to help stabilize the State's budget in response to any reduction or loss of federal funding caused by action or inaction of the federal government. At fiscal year-end, \$1.37 billion was transferred to reduce the unfunded pension liability of SERF and TRS.

In addition, Public Act 25-93 established the Early Childhood Education Endowment to transform access to affordable, high-quality childcare and early education across the State. The endowment was initially funded in July 2025 with \$300.0 million of the General Fund's anticipated surplus. With the completion of the audit of fiscal year 2025 operations confirming the General Fund surplus of \$410.2 million, the remaining balance of \$110.2 million was transferred to SERF and TRS to further reduce unfunded past service liability.

Tax revenues in the governmental funds increased \$1.5 billion or 6.5 percent. General Fund tax revenues increased \$997.7 million (or 4.8 percent). The Pass-Through Entity Tax was a strong performer, and receipts ended the year \$489.7 million (or 26.1 percent) above the budget plan. Income tax collections finished well above the budgeted plan, \$1.7 billion (or 15.4 percent) over target. This was partly offset by the underperformance of corporation tax as well as sales and use tax, which came in below budgeted targets by (\$123.9) million (or (8.1) percent and (\$307.7) million (or (5.7) percent), respectively.

The Enterprise funds reported net position of \$7.8 billion at year-end, an increase of \$247.4 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 \$83.7 billion for governmental activities at year-end, of which \$27.3 billion was bonded debt. Total long-term debt was \$2.0 billion for business-type activities at year-end, of which \$1.2 billion was bonded debt.

State of Connecticut

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 required and 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 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 2025. 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 & Connecticut Community College), 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, Connecticut Airport Authority, and Connecticut Health and Educational Facilities Authority.

Fund Financial Statements – Report the State's Most Significant Funds

The fund financial statements 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,

State of Connecticut

all of which are considered major funds. Data from the other 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 College), 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 custodial 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, Connecticut Airport Authority, and Connecticut Health and Educational Facilities 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 that 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 postemployment 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.

State of Connecticut

Statistical Section

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

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Net Position

The combined net position (deficit) of the State decreased \$1.5 billion (or 3.9 percent). In comparison, last year the combined net position (deficit) decreased \$1.8 billion (or 4.4 percent). The net position (deficit) of the State's governmental activities decreased \$1.2 billion (or 2.6 percent) to (\$46.0) billion during the current fiscal year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024*	2025	2024*	2025	2024*
ASSETS						
Current and Other Assets	\$ 14,711	\$ 15,096	\$ 2,753	\$ 2,526	\$ 17,464	\$ 17,622
Noncurrent Assets	22,177	20,932	7,557	7,562	29,734	28,494
Total Assets	\$ 36,888	\$ 36,028	\$ 10,310	\$ 10,088	\$ 47,198	\$ 46,116
Deferred Outflows of Resources	\$ 11,706	\$ 12,624	\$ 5	\$ 6	\$ 11,711	\$ 12,630
LIABILITIES						
Current Liabilities	\$ 7,509	\$ 6,596	\$ 808	\$ 774	\$ 8,317	\$ 7,370
Long-term Liabilities	81,209	81,907	1,719	1,850	82,928	83,757
Total Liabilities	\$ 88,718	\$ 88,503	\$ 2,527	\$ 2,624	\$ 91,245	\$ 91,127
Deferred Inflows of Resources	\$ 5,837	\$ 7,335	\$ 18	\$ 7	\$ 5,855	\$ 7,342
NET POSITION						
Net Investment in Capital Assets	\$ 8,234	\$ 7,125	\$ 3,194	\$ 3,255	\$ 11,428	\$ 10,380
Restricted	4,438	5,843	2,436	2,241	6,874	8,084
Unrestricted	(58,633)	(60,154)	2,140	1,967	(56,493)	(58,187)
Total Net Position (Deficit)	\$ (45,961)	\$ (47,186)	\$ 7,770	\$ 7,463	\$ (38,191)	\$ (39,723)

* Restated for Implementation of GASB 101.

Total investment in capital assets net of related debt was \$8.2 billion (buildings, roads, bridges, etc.); and \$4.4 billion was restricted for specific purposes, resulting in an unrestricted net position deficit of (\$58.6) 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 \$16.7 billion to finance various municipal grant programs (e.g., school construction) and \$1.8 billion issued to finance a contribution to a pension trust fund; and b) other long-term obligations in the amount of \$57.2 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 \$247.4 million (or 3.3 percent) to \$7.8 billion during the current fiscal year. Of this amount, \$3.2 billion was invested in capital assets and \$2.4 billion was restricted for specific purposes, resulting in unrestricted net position of \$2.1 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, 2025 and 2024 were as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Percent Change 25 - 24
	2025	2024	2025	2024	2025	2024	
REVENUES							
Program Revenues							
Charges for Services	\$ 2,029	\$ 2,349	\$ 3,913	\$ 3,592	\$ 5,942	\$ 5,941	0.0%
Operating Grants and Contributions	10,988	10,570	867	773	11,855	11,343	4.5%
Capital Grants and Contributions	1,379	1,272	5	54	1,384	1,326	4.4%
General Revenues							
Taxes	24,136	23,267	-	-	24,136	23,267	3.7%
Casino Gaming Payments	333	306	-	-	333	306	8.8%
Lottery Tickets	350	376	-	-	350	376	-6.9%
Other	621	687	105	111	726	798	-9.0%
Total Revenues	39,836	38,827	4,890	4,530	44,726	43,357	3.2%
EXPENSES							
Legislative	137	127	-	-	137	127	7.9%
General Government	4,281	3,665	-	-	4,281	3,665	16.8%
Regulation and Protection	1,041	1,183	-	-	1,041	1,183	-12.0%
Conservation and Development	1,493	1,350	-	-	1,493	1,350	10.6%
Health and Hospital	3,593	3,348	-	-	3,593	3,348	7.3%
Transportation	2,446	3,036	-	-	2,446	3,036	-19.4%
Human Services	11,804	11,368	-	-	11,804	11,368	3.8%
Education, Libraries, and Museums	7,500	7,110	-	-	7,500	7,110	5.5%
Corrections	2,393	2,345	-	-	2,393	2,345	2.0%
Judicial	1,203	1,175	-	-	1,203	1,175	2.4%
Interest and Fiscal Charges	1,519	964	-	-	1,519	964	57.6%
University of Connecticut & Health Center	-	-	3,150	2,923	3,150	2,923	7.8%
Board of Regents	-	-	1,360	1,268	1,360	1,268	7.3%
Employment Security	-	-	896	892	896	892	0.4%
Clean Water	-	-	56	38	56	38	47.4%
Other	-	-	59	49	59	49	20.4%
Total Expenses	37,410	35,671	5,521	5,170	42,931	40,841	5.1%
Excess (Deficiency) Before Transfers	2,426	3,156	(631)	(640)	1,795	2,516	-28.7%
Transfers Out	(300)	(412)	-	-	(300)	(412)	-27.2%
Transfers - Internal Activities	(901)	(1,130)	901	1,130	-	-	0.0%
Change in Net Position	1,225	1,614	270	490	1,495	2,104	-28.9%
<i>Net Position (Deficit) - Beginning (Restated)*</i>	(47,186)	(48,800)	7,500	7,033	(39,686)	(41,767)	-5.0%
Net Position (Deficit) - Ending	\$ (45,961)	\$ (47,186)	\$ 7,770	\$ 7,523	\$ (38,191)	\$ (39,663)	-3.7%

* See Basic Financial Statements and Notes

Changes in Net Position

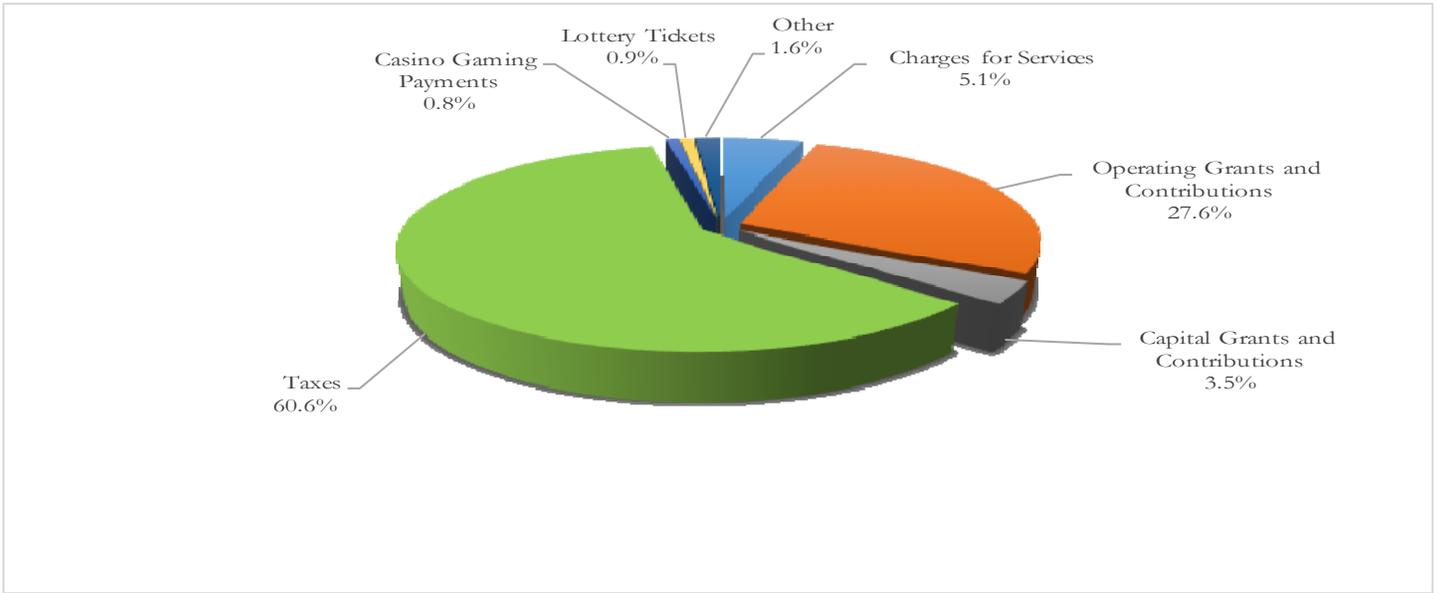
This year the State's governmental activities received 60.6 percent of its revenue from taxes and 31.0 percent of its revenues from grants and contributions. In the prior year, taxes accounted for 59.9 percent and grants and contributions were 30.5 percent of total revenues. Charges for services such as licenses, permits, and fees, rents and fines, and other miscellaneous collections comprised 8.4 percent of total revenue in fiscal year 2025, compared to 9.6 percent in fiscal year 2024.

Governmental Activities

The following graph is a representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues increased by \$1.0 billion (or 2.6 percent). This increase was primarily due to an increase in taxes as well as operating grants and contributions of \$869.0 million and \$418.0 million, respectively. These increases were partially offset by a decrease in charges for services of (\$320.0) million.

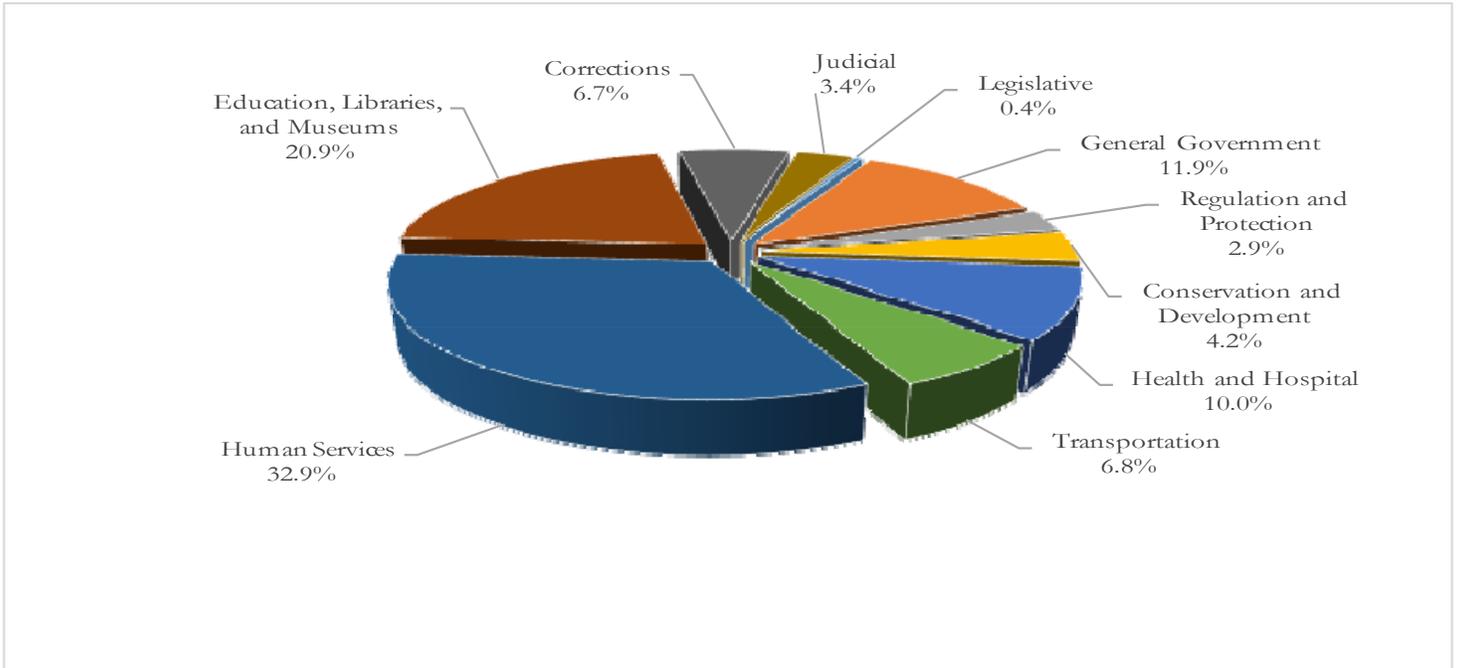
State of Connecticut

**Revenue by Source – Governmental Funds
Fiscal Year 2025**



The following graph is a representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses increased by \$1.7 billion, or 4.9 percent.

**Expenses by Type – Governmental Funds
Fiscal Year 2025**

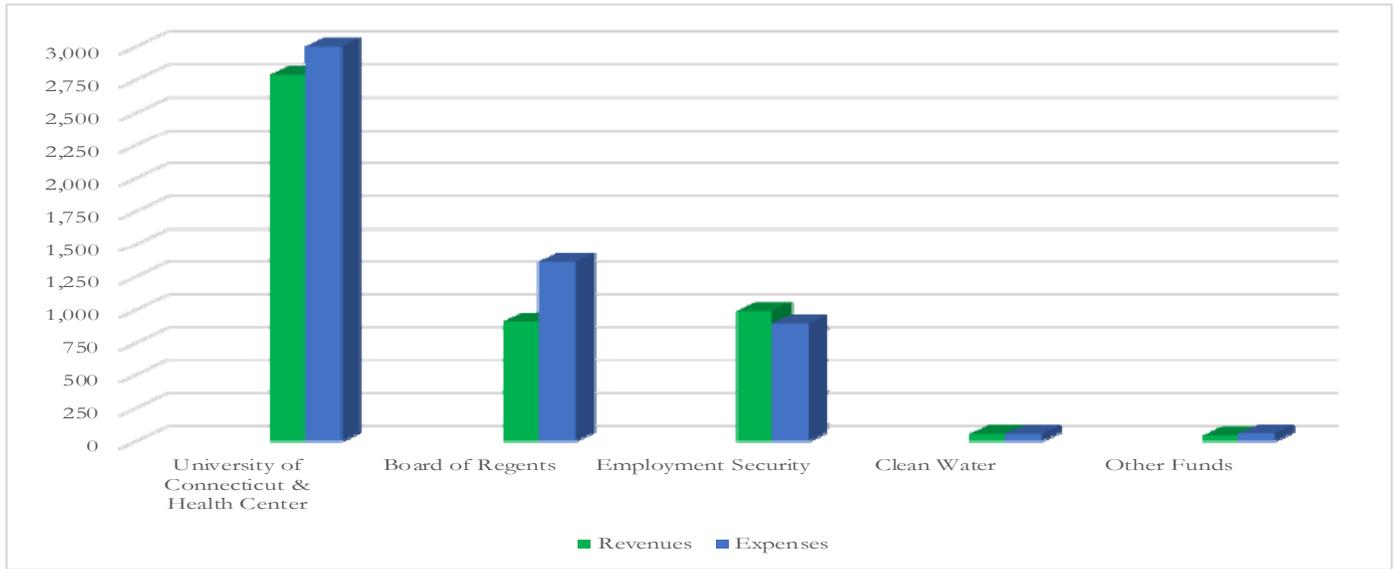


State of Connecticut

Business-Type Activities

Net position of business-type activities increased by \$247.0 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, 2025
(Amounts in Millions)**



During the year, total revenues of business-type activities increased \$360.0 million (or 7.9 percent), and total expenses increased \$351.0 million (or 6.8 percent). In comparison, last year total revenues increased \$327.0 million (or 7.8 percent), while total expenses decreased (\$212.0) million (or (3.9) percent). The increase in total expenses of \$351.0 million was driven by increases in salaries, wages, and administrative costs of \$93.4 million within the institutes of higher education, as well as a \$211.8 million increase in other expenses within the University of Connecticut and Health Center. Although total expenses exceeded total revenues by \$631.0 million, this deficiency was reduced by transfers of \$901.0 million, resulting in an increase in net position of \$270.0 million.

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 \$9.3 billion, a decrease of (\$1.3) billion over the prior year's ending fund balances. Of the total governmental fund balances, \$4.8 billion represents fund balance that is considered restricted for specific purposes by external constraints or enabling legislation; \$222.5 million represents fund balance that is nonspendable and \$5.7 billion represents fund balance that is committed or assigned for specific purposes. A negative (\$1.5) billion 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 \$4.0 billion, a decrease of (\$9.9) million in comparison with the prior year. Of this total fund balance, \$5.5 billion represents nonspendable fund balance, committed, or assigned for specific purposes, leaving a deficit of (\$1.5) billion in unassigned fund balance.

Specific changes to the General Fund balance included the following:

- Nonspendable fund balance decreased by (\$16.0) million or (16.5) percent.
- Committed fund balance increased by \$435.5 million or 9.0 percent. The primary reason for the increase, as in the prior fiscal years, 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 decreased by (\$55.0) million.
- Unassigned fund balance deficit increased by \$374.4 million.

State of Connecticut

At the end of fiscal year 2025, General Fund revenues were \$989.5 million (or 3.9 percent) higher than fiscal year 2024 revenues. This change was primarily attributed to increases in taxes (\$997.7 million), federal grants (\$48.6 million), assessments (\$0.8 million), and licenses, permits and fees (\$56.8 million). These increases were slightly offset by decreases in miscellaneous ((\$97.2) million), lottery tickets ((\$25.7) million), and fines, forfeits, and rents ((\$62.8) million).

At the end of fiscal year 2025, General Fund expenditures were \$1.5 billion (or 6.3 percent) higher than fiscal year 2024. This was primarily attributable to increases in health and hospitals (\$193.0 million), education, libraries, and museums (\$580.7 million), general government (\$512.3 million) and human services (\$264.6 million).

Debt Service Fund

At the end of fiscal year 2025, the Debt Service Fund had a fund balance of \$1.3 billion, all of which was restricted, a decrease of (\$31.3) million in comparison with the prior year.

Transportation Fund

The State's Transportation Fund had a fund balance of \$745.8 million at the end of fiscal 2025. Of this amount, \$36.1 million was in nonspendable form and \$569.7 million was restricted or committed for specific purposes. Fund balance decreased by (\$431.4) million during the current fiscal year.

At the end of fiscal year 2025, Transportation Fund revenues decreased by (\$12.0) million (or (0.5) percent) and expenditures increased by \$224.2 million (or 18.2 percent). The increase in revenue was primarily due to a decrease in taxes.

Restricted Grants and Accounts Fund

At the end of fiscal year 2025, the Restricted Grants and Accounts Fund had a fund balance of \$1.1 billion, all of which was restricted for specific purposes, a decrease of (\$865.1) million in comparison with the prior year.

Total revenues were \$304.1 million (or 3.1 percent) higher than in fiscal year 2024. Overall, total expenditures were \$476.7 million (or 4.5 percent) higher than fiscal year 2024.

Grant and Loan Programs

As of June 30, 2025, the Grant and Loan Programs Fund had a fund balance of \$387.5 million, all of which was restricted or assigned for specific purposes, a decrease of (\$163.3) 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 (OPEB) Trust Funds, a Fiduciary Component Unit, an Investment Trust Fund, Private-Purpose Trust Funds, and Custodial Funds. The net positions of the State's fiduciary funds totaled \$70.9 billion, an increase of \$7.2 billion (or 11.4 percent) when compared to the prior fiscal 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,' will be 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.

In fiscal year 2025, for the eighth consecutive year, progress was made toward building the balance in the Budget Reserve Fund (BRF). This

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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 BRF. For fiscal year 2025, the cap was just over \$4.7 billion for estimated and final income tax payments and revenue from the pass-through entity tax. At year-end, a volatility transfer of \$2.1 billion was made to the BRF.

Prior to the close of fiscal year 2025, the balance of the BRF was just over \$4.1 billion. Adding the \$2.1 billion volatility transfer brought the BRF total to \$6.2 billion (or 25.8 percent) of net General Fund appropriations for fiscal year 2025. As a result, the BRF was roughly \$1.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a (c)(1)(C), the State Treasurer must transfer the balance above the 18.0 percent threshold as additional contributions to the State Employees' Retirement Fund (SERF) and the Teachers' Retirement System (TRS). Connecticut H.B. 8003, which was passed during the November 2025 Special Session, allows an additional \$500.0 million above the 18.0 percent threshold to help stabilize the State's budget in response to any reduction or loss of federal funding caused by action or inaction of the federal government. At fiscal year-end, \$1.37 billion was transferred to reduce the unfunded pension liability of SERF and TRS.

Achieving and surpassing the 18.0 percent threshold represents an important benchmark for Connecticut. Due to continued fiscal discipline and hard work, the State is on stronger financial footing, making it possible to provide critical services to those in need, adapt to challenges and uncertainties at the federal level, and hold steady through any future economic downturns.

The fiscal year 2025 budget plan as initially formulated included a built-in General Fund surplus of \$297.8 million. Surplus estimates declined from the original budget plan early in the year due to higher than budgeted spending projections, especially related to Medicaid and a change in the accounting treatment of certain state employee fringe benefits. From mid-year to spring, the revenue outlook improved primarily due to increased personal income and pass-through entity tax revenues, raising the projected surplus above initial expectations. Heading into the end of the fiscal year, the surplus was projected at \$480.3 million, which was \$182.5 million higher than initially budgeted. The projected surplus was reduced by Public Act No. 25-168, the fiscal year 2026 budget bill. Certain provisions of that Act affected fiscal year 2025, including a transfer of General Fund revenues of \$150.0 million from fiscal year 2025 to fiscal year 2026. General Fund revenues finished the year higher than anticipated, partially offsetting the additional expenditures. After accounting for continued appropriations, this resulted in a General Fund surplus of \$410.2 million, \$112.4 million higher than budgeted. Pursuant to Public Act No. 25-93, \$300.0 million of the surplus was transferred into the State's new Early Childhood Education Endowment established to transform access to affordable, high-quality childcare and early education across the State. The remaining balance of \$110.2 million was transferred to SERF and TRS to further reduce unfunded past service liability.

In fiscal year 2025 General Fund expenditures totaled \$23.5 billion on the statutory basis of accounting. This represented an increase of \$738.1 million (or 3.2 percent) above fiscal year 2024 spending levels. Several appropriations saw large spending increases that accounted for much of the growth in fiscal year 2025. The largest were contributions to state pension plans. The employer contribution to the Teacher's Retirement Fund increased by \$639.6 million (or 41.1 percent) over fiscal year 2024. The General Fund employer contribution to the State Employee Retirement Fund increased by \$330.5 million (or 12.7 percent) over fiscal year 2024, primarily due to an increase in payments toward unfunded pension liability.

On the statutory basis of accounting, realized revenues totaled \$23.9 billion, which represented an increase of \$787.5 million (or 3.4 percent) above the fiscal year 2025 budget plan. The strongest performer was Estimated and Final Income Tax collections, which finished the year \$1.1 billion (or 41.0 percent) over target. Withholding finished \$622.6 million (or 7.3 percent) over its budget target. A strong stock market, continued job growth, and increased wages contributed to increased collections. Pass-Through Entity Tax (PET), which is levied on Partnerships and S-Corporations, ended the year \$489.7 million (or 26.1 percent) above the budget plan. Due in part to weaker than anticipated consumer demand and easing inflation, the Sales and Use Tax came in (\$307.7) million (or (5.7) percent) below the budget plan. The Health Provider tax also came in under budget by (\$45.4) million (or 4.7 percent).

On a statutory basis of accounting, Special Transportation Fund (STF) spending totaled \$2.3 billion in fiscal year 2025, an increase of \$220.9 million (or 10.8 percent) compared with the prior fiscal year. The largest increases occurred within Bus Operations and Rail Operations, which grew by \$128.9 million (or 78.9 percent) and \$51.9 million (or 22.5 percent) above fiscal year 2024 levels. These increases were directly correlated with an acceleration of infrastructure improvements and expansion of transit services in the State. GAAP-based budgeting accruals, mostly salary and wages, resulted in a decrease of (\$7.3) million. The STF employer contribution to SERF decreased by (\$6.6) million (or (4.2) percent) over fiscal year 2024. Personal Services, the primary account for salaries, increased by \$28.6 million (or 11.3 percent).

The Special Transportation Fund had revenue of \$2.2 billion on the statutory basis of accounting, which was (\$133.5) million (or (5.7) percent) below the budget plan for fiscal year 2025. The Highway Use Tax and Oil Companies Tax underperformed budget targets by (\$34.2) million (or 36.3 percent) and (\$59.2) million (or (16.6) percent), respectively.

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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, 2025, totaled \$25.3 billion (net of accumulated depreciation/amortization). This investment in capital assets includes land, art and 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 \$1.2 billion.

Major capital asset events for governmental activities during the fiscal year include additions to land, art and historical collections, right-to-use assets, infrastructure, and construction in progress of \$1.7 billion and depreciation/amortization expense of \$762.5 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Percent Change 25 - 24
	2025	2024	2025	2024	2025	2024	
Land	\$ 2,050	\$ 2,020	\$ 78	\$ 78	\$ 2,128	\$ 2,098	1.4%
Art & Historical Collections	225	225	72	71	297	296	0.3%
Construction in Progress	8,113	7,542	223	416	8,336	7,958	4.7%
Buildings	1,456	1,483	4,216	4,046	5,672	5,529	2.6%
Improvements Other than Buildings	160	167	404	420	564	587	-3.9%
Equipment	1,137	851	211	215	1,348	1,066	26.5%
Intangible Assets	30	29	32	36	62	65	-4.6%
Right-to-use Assets	71	87	255	261	326	348	-6.3%
Infrastructure	6,558	6,143	-	-	6,558	6,143	6.8%
Total	\$ 19,800	\$ 18,547	\$ 5,491	\$ 5,543	\$ 25,291	\$ 24,090	5.0%

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 \$28.5 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).

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 16,716	\$ 16,932	\$ -	\$ -	\$ 16,716	\$ 16,932
Direct Borrowings & Direct Placement	215	231	-	-	215	231
Transportation Related Bonds	7,784	7,860	-	-	7,784	7,860
Revenue Bonds	-	-	1,114	1,198	1,114	1,198
Premiums and Deferred Amounts	2,583	2,497	110	122	2,693	2,619
Total	\$ 27,298	\$ 27,520	\$ 1,224	\$ 1,320	\$ 28,522	\$ 28,840

The State's total bonded debt decreased by (\$318.0) million (or 1.1 percent) during the current fiscal year. This decrease resulted mainly from an decrease in General Obligation bonds of (\$216.0) 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 the date of this report, the State had a debt incurring margin of \$7.0 billion.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024*	2025	2024*	2025	2024*
Net Pension Liability	\$ 34,786	\$ 37,849	\$ -	\$ -	\$ 34,786	\$ 37,849
Net OPEB Liability	19,167	16,973	-	-	19,167	16,973
Compensated Absences	1,219	792	274	260	1,493	1,052
Workers Compensation	813	807	-	-	813	807
Lease Liabilities	49	58	209	207	258	265
Subscription Liabilities	23	31	50	53	73	84
Non-exchange Financial Guarantees	301	337	-	-	301	337
Federal Loan	-	-	4	4	4	4
Other	58	55	203	225	261	280
Total	\$ 56,416	\$ 56,902	\$ 740	\$ 749	\$ 57,156	\$ 57,651

*Restated for Implementation of GASB 101

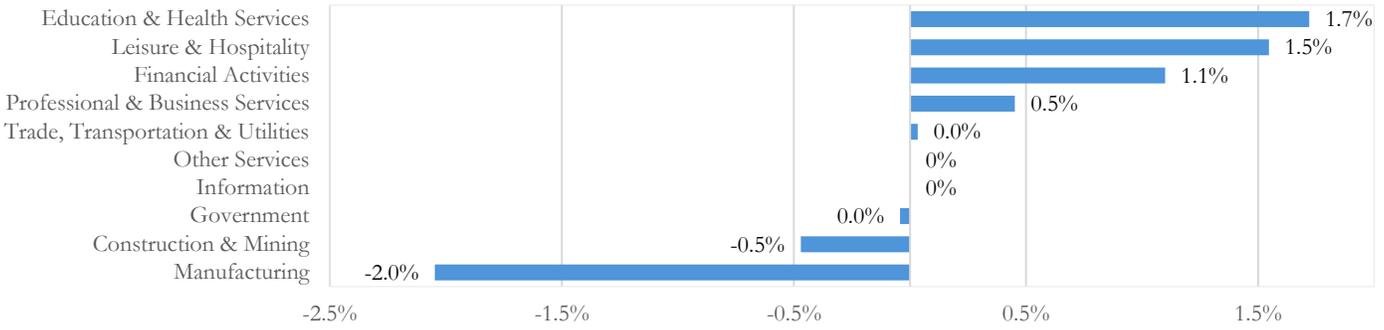
The State's other long-term obligations decreased by (\$495.0) million (or 0.9 percent) during the fiscal year. This decrease was due mainly to a decrease in the Net Pension Liability and Net OPEB Liability (Governmental activities) of (\$869.0) million (or 1.6 percent). Additional information on the 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. Overall, the U.S. economy performed well in FY 2025, a year that included moderate economic growth in late 2024 and significant policy shifts under a new presidential administration in 2025. The Federal Reserve reduced the federal funds target rate by one full percentage point between September 2024 and December 2024 to 4.25-4.5 percent, making monetary policy less restrictive as the labor market showed signs of cooling. U.S. unemployment remained low and steady between 4.0 percent and 4.2 percent all fiscal year.

In 2025, the new presidential administration imposed a frequently changing schedule of double-digit tariffs on imports from around the world, a fundamental change to U.S. trade policy. Additional immigration enforcement action and cuts to the federal workforce and previously allocated federal funding also contributed to economic uncertainty. Investment in new artificial intelligence technology drove stock market gains in 2024, which continued in the first half of 2025.

Connecticut Nonfarm Employment Year-over-Year Percentage Change



Connecticut added 7,500 (0.4 percent) new payroll jobs in FY 2025, and private industry employment reached a new all-time high in January. The state's civilian labor force, those working or actively looking for work, expanded by 13,545 workers (0.7 percent), and reached an all-time high of 1,960,219 workers in May 2025. Total payroll employment was 1,718,500 in June 2025, the highest since March 2008. While reaching new highs, employment gains slowed in both Connecticut and the U.S. in FY 2025 as labor markets settled into a more sustainable pattern following large pandemic recovery gains in prior years. Connecticut's unemployment rate rose from 3.1 percent in June 2024 to 3.8 percent in June 2025, as the pool of available workers grew faster than employment. An unemployment rate of 3.8 percent is very low by historical standards and indicates that the state's job market remained tighter than the U.S. overall.

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Looking at Connecticut net employment changes by major industry sector, four industries experienced growth year-over-year as of June 2025, three sectors experienced declines, and two had no change. Private Education and Health Services made the largest gain (+6,300), while Leisure and Hospitality (+2,400) and Financial Activities (+1,300) sectors also had notable growth. Following national trends, the Manufacturing sector experienced the greatest employment reduction (decreasing by 3,200 jobs).

The U.S. economy added 1.5 million (1.0 percent) net payroll jobs from June 2024 to June 2025, according to official estimates available in December 2025, an average of approximately 127,000 per month. The labor force expanded by 1.4 percent. The Private Education and Health Services sector led job growth (3.3 percent), followed by Leisure and Hospitality (1.4 percent) and Government (1.0 percent). Job growth was sluggish in the summer of 2024 and even more so entering the summer of 2025. The U.S. economy added only 19,000 positions in May and -13,000 in June. While hiring slowed, company layoffs remained limited, making it a better labor market for those who already had jobs than for those who were searching. Low unemployment supported continued growth in consumer spending, which accounts for approximately two thirds of U.S. economic activity.



Following three successive interest rate cuts in September, November and December 2024 in response to the cooling labor market, the Federal Reserve held the federal funds rate steady at 4.25-4.5 percent for the remainder of the fiscal year. While inflation according to the Consumer Price Index (CPI) was much lower than its recent high of 9 percent in June 2022, progress bringing inflation to the central bank's 2.0 percent target stalled. CPI annual inflation was 2.9 percent in July 2024 and 2.7 percent in June 2025. Low unemployment allowed policy makers to wait for additional data on how new tariff policies would impact inflation before proceeding with additional cuts. Through June, there was limited tariff impact on consumer prices as many firms drew down pre-tariff inventories and absorbed cost increases rather than pass increased costs onto price-conscious consumers. Tariff-related inflation became more apparent later in 2025.

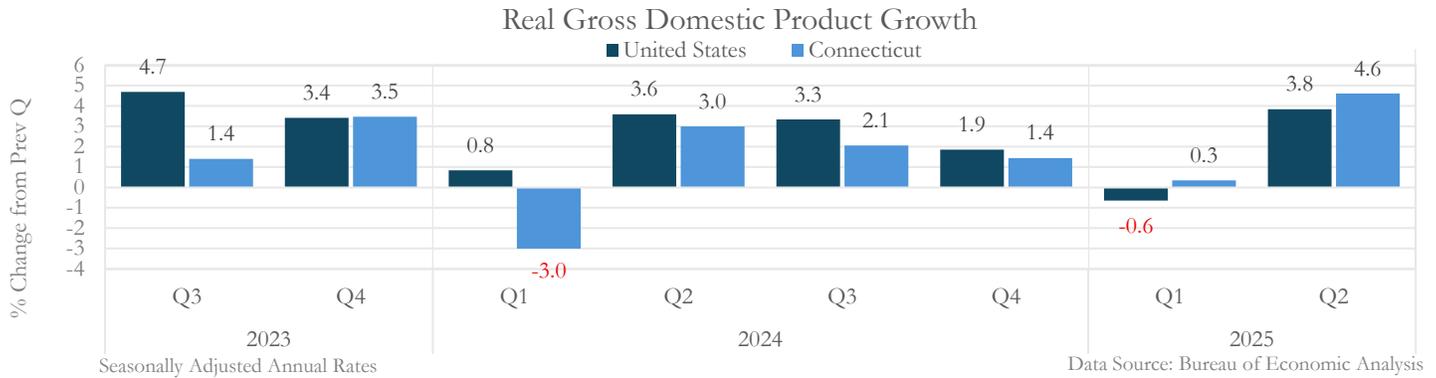
Connecticut's housing market continues to be impacted by relatively high interest rates and an inventory of homes to buy that is 75 percent smaller than in FY 2019. Home prices are up 8.4 percent according to the U.S. Federal Housing Finance Agency (FHFA) All-Transactions Home Price Index, increasing homeowner wealth but reducing affordability for new buyers. The average rate for a 30-year mortgage ranged between 6.1 percent and 7 percent, according to Freddie Mac, down slightly from the prior year but still much higher than the sub-5 percent rate on 72.5 percent of Connecticut outstanding mortgages in the first quarter of 2025.

Yet FY 2025 marked a housing market turning point. Average monthly listings grew by 11.8 percent, and the number of sales increased 2.7 percent year-over-year according to Realtor.com and the Warren Group, respectively. Connecticut's housing market is expected to remain tight as demand continues to exceed supply. Renters experienced a slowdown in asking rent growth over the year, with asking rents growing 3.7 percent year-over-year in the second quarter of 2024 but only 2.0 percent in the second quarter of 2025 according to the CoStar Group. However, Connecticut's rental market remains tighter than the national average, and higher housing cost growth is contributing to higher regional inflation.

Major stock market indices performed well in 2024 for the second year in a row, as shares of the companies at the center of the artificial intelligence boom drove markets higher. The S&P 500 Index ended 2024 at 5,881.6, a rise of 23.3 percent for the calendar year following the 24.2 percent gain in 2023. The tech heavy NASDAQ Composite Index was up 28.6 percent, and the Dow Jones Industrial Average rose 12.9 percent. Despite markets plunging in early April following the President's announcement of steep new tariffs, major U.S. stock indices were moderately up year-to-date through June 30th, 2025, and reached new record highs in late 2025.

Connecticut saw growth in inflation-adjusted Gross Domestic Product (GDP) in all quarters of Fiscal Year 2025, while U.S. real GDP contracted in the January to March period. A surge of pre-tariff imports and inventory buildup led the national economy to contract in the first quarter (because imports count negatively in GDP). That effect was reversed in the second quarter, when fewer imports boosted growth. U.S. and Connecticut real GDP grew 2.1 percent overall from 2024 Q2 to 2025 Q2. Connecticut was among the top ten fastest growing state economies in the second quarter of 2025.

State of Connecticut



Connecticut has traditionally ranked among the wealthiest states in the nation. BEA reported that in 2024, Connecticut had a per capita personal income (PCPI) of \$95,067. This PCPI ranked first in the United States and was 129.9 percent of the national average of \$73,204. The United States 2024 PCPI reflected an increase of 4.6 percent from 2023, while Connecticut's increase was higher at 5.4 percent. Connecticut's income growth in the previous decade was slower than the national average. In 2014, the PCPI of Connecticut was \$64,484 and ranked first in the United States. However, the state's 2014-2024 compound annual growth rate of PCPI was 4.0 percent compared with 4.7 percent for the nation.

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, 42.6 percent of Connecticut's population age 25 and over has a bachelor's degree or higher, compared to 36.8 percent nationally, and 91.7 percent of Connecticut residents are a High School graduate or higher. Connecticut ranked first for preschool enrollment, third for pre-k through 12 education and fourth in college readiness according to U.S. News and World Report. Connecticut also has the second-best overall school system in the country and third-best community college system according to WalletHub.

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

- Connecticut ranked as the second-best state for working moms and dads according to WalletHub.
- Connecticut ranked third best state overall in healthcare access, quality, and public health by U.S. News and World Report.
- Connecticut ranked fifth for public safety by U.S. News and World Report.
- Connecticut ranked second for access to high-speed internet according to U.S. News and World Report.
- Connecticut ranked first in top company headquarters per capita according to U.S. News and World Report.
- Connecticut ranked fifth in business environment by U.S. News and World Report.
- Connecticut is home to more than 32 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 U.S. Department of Defense for federal fiscal year 2023-2024 (FY 2024), Connecticut ranked seventh overall in total defense spending, sixth in defense spending as a percentage of state gross domestic product (GDP), and fourth in defense spending per capita among states. Contracts awarded to Connecticut defense manufacturers fell in FY 2024 to \$18.7 billion, following an all-time high of \$24.2 billion in FY 2023; however major new awards announced for FY 2025 and beyond ensure defense manufacturing activity will continue. For FY 2024, General Dynamics' Electric Boat was the largest recipient of DoD obligations in the state at \$8.1 billion, followed by RTX Corporation, which makes the F135 engines for F-35 Joint Strike Fighter jets, at \$5.2 billion. Electric Boat is the prime contractor and lead shipyard for all Navy nuclear-powered submarine programs, including the Virginia-class attack submarine and Columbia-class ballistic-missile submarine.

Halfway through FY 2026, Connecticut's economic outlook is mixed. The 43-day federal government shutdown in fall 2025 delayed key government reports on economic growth, employment and inflation, obscuring the current situation as of this writing in December 2025. Major private investment in artificial intelligence (AI) technology and infrastructure is expected to continue supporting U.S. economic growth and has fueled significant equity market expansion, with major stock indices up strongly for the third year in a row. A range of significant federal defense contract announcements ensure continued strong demand for the state's transportation equipment manufacturing sector. Affluent households, benefiting from higher home values and stock market gains, have been increasingly responsible for consumer spending, and could continue to spend freely in Connecticut in early 2026, barring any major changes, supported by higher tax refunds under the major federal tax reform and spending bill signed in July. Higher-income households in Connecticut will especially benefit from the increased amount (\$40,000 rather than \$10,000) of state and local taxes (SALT) that can be deducted on federal income taxes.

On the other hand, available labor market information points to continued weakening in both Connecticut and the United States overall, with

State of Connecticut

renewed inflation from tariffs creating another drag on growth. Policy uncertainty, less immigration, federal actions, and an aging workforce are all headwinds likely to slow Connecticut job growth in the year ahead. Connecticut's unemployment rate remained low and steady at 3.8 percent, as of September, while the U.S. rate ticked up to 4.4 percent; however, the Connecticut labor force—those working or looking for work—declined by about 12,000 people (0.6 percent) between June and September. Annual inflation according to the Consumer Price Index was 3.0 percent in September, putting the Federal Reserve's two mandates—to maximize employment and keep prices steady—in conflict. Despite stubborn inflation, the Federal Reserve reduced its key interest rate by 0.25 percentage points at each of the September, October, and December 2025 meetings, putting the federal funds rate target range at 3.5-3.75 percent to end the year. The outlook for more rate cuts in 2026 is uncertain, as policymakers balance the competing risks of rising unemployment and rising inflation. The degree to which artificial intelligence technologies will impact productivity and employment in the years ahead also remains uncertain.

The most recent consensus revenue forecast for FY 2026 on November 10 showed considerably higher expectations for the estimates and finals portions of the personal income tax as well as the pass-through entity tax, as those volatile revenue sources typically increase with strong stock market growth, and previous revenue estimates were made just following the steep sell off in spring 2025. However, all projected increases in those collections will result in a larger volatility adjustment transfer to the Budget Reserve Fund, rather than additional General Fund revenue. Both the withholding portion of the personal income tax and the sales and use tax are also on track to outperform, thanks to low unemployment, continued wage gains, and resilient spending. Conversely, the corporation tax is anticipated to underperform the budget due primarily to a federal tax law change to which the state automatically conforms, as well as continued weakness in collections. Current forecasts, as of December, show the General Fund is on track to end FY 2026 with a surplus of \$164.4 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 spending on entitlements, debt service, and other fixed costs 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***



***GOVERNMENT-WIDE
FINANCIAL
STATEMENTS***

State of Connecticut

STATEMENT OF NET POSITION

June 30, 2025

(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 8,708,946	\$ 1,558,496	\$ 10,267,442	\$ 368,723
Deposits with U.S. Treasury	-	165,514	165,514	-
Investments	143,656	25,122	168,778	829,530
Receivables, (Net of Allowances)	5,770,545	784,099	6,554,644	139,515
Due from Primary Government	-	-	-	5,743
Inventories	51,959	24,361	76,320	-
Restricted Assets	-	158,770	158,770	2,348,677
Leases Receivable	-	1,556	1,556	11,897
Internal Balances	(1,386)	1,386	-	-
Other Current Assets	37,543	34,319	71,862	35,611
Total Current Assets	<u>14,711,263</u>	<u>2,753,623</u>	<u>17,464,886</u>	<u>3,739,696</u>
Noncurrent Assets:				
Cash and Cash Equivalents	-	633,760	633,760	-
Due From Component Units	77,550	-	77,550	-
Investments	-	53,248	53,248	287,901
Receivables, (Net of Allowances)	962,796	1,058,715	2,021,511	579,602
Restricted Assets	1,336,925	290,592	1,627,517	6,106,866
Capital Assets, (Net of Accumulated Depreciation)	19,800,039	5,491,351	25,291,390	1,474,755
Other Noncurrent Assets	13	29,319	29,332	17,486
Total Noncurrent Assets	<u>22,177,323</u>	<u>7,556,985</u>	<u>29,734,308</u>	<u>8,466,610</u>
Total Assets	<u>\$ 36,888,586</u>	<u>\$ 10,310,608</u>	<u>\$ 47,199,194</u>	<u>\$ 12,206,306</u>
Deferred Outflows of Resources				
Unamortized Losses on Bond Refundings	\$ 101,909	\$ 1,587	\$ 103,496	\$ 46,725
Related to Pensions & Other Postemployment Benefits	11,604,277	-	11,604,277	120,268
Other Deferred Outflows	-	3,469	3,469	1,920
Total Deferred Outflows of Resources	<u>\$ 11,706,186</u>	<u>\$ 5,056</u>	<u>\$ 11,711,242</u>	<u>\$ 168,913</u>
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,764,371	\$ 385,747	\$ 3,150,118	\$ 559,829
Due to Other Funds	-	-	-	85
Due to Component Units	5,743	-	5,743	6,369
Due to Primary Government	-	-	-	77,550
Due to Other Governments	504,341	5,559	509,900	-
Current Portion of Lease Liabilities	12,788	14,881	27,669	813
Current Portion of Subscription Liabilities	16,589	19,404	35,993	323
Current Portion of Long-Term Obligations	2,476,749	200,218	2,676,967	483,722
Amount Held for Institutions	-	-	-	718,740
Unearned Revenue	25,137	55,634	80,771	135,209
Medicaid Liability	933,359	-	933,359	-
Liability for Escheated Property	638,371	-	638,371	-
Other Current Liabilities	131,285	126,676	257,961	37,321
Total Current Liabilities	<u>7,508,733</u>	<u>808,119</u>	<u>8,316,852</u>	<u>2,019,961</u>
Noncurrent Liabilities:				
Non-Current Portion of Lease Liabilities	36,652	193,970	230,622	21,019
Non-Current Portion of Subscription Liabilities	6,694	30,806	37,500	-
Non-Current Portion of Long-Term Obligations	81,165,245	1,494,644	82,659,889	6,389,766
Total Noncurrent Liabilities	<u>81,208,591</u>	<u>1,719,420</u>	<u>82,928,011</u>	<u>6,410,785</u>
Total Liabilities	<u>\$ 88,717,324</u>	<u>\$ 2,527,539</u>	<u>\$ 91,244,863</u>	<u>\$ 8,430,746</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF NET POSITION (Continued)

June 30, 2025

(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Deferred Inflows of Resources				
Related to Pensions & Other Postemployment Benefits	\$ 5,837,989	\$ -	\$ 5,837,989	\$ 121,486
Deferred Inflows Leases	-	17,926	17,926	180,032
Other Deferred Inflows	-	-	-	203,948
Total Deferred Inflows of Resources	<u>\$ 5,837,989</u>	<u>\$ 17,926</u>	<u>\$ 5,855,915</u>	<u>\$ 505,466</u>
Net Position				
Net Investment in Capital Assets	\$ 8,234,564	\$ 3,194,240	\$ 11,428,804	\$ 1,033,854
Restricted For:				
Transportation	492,335	-	492,335	-
Debt Service	1,338,973	1,111,628	2,450,601	13,578
Federal Grants and Other Accounts	1,649,709	-	1,649,709	-
Capital Projects	219,766	199,172	418,938	51,168
Grant and Loan Programs	394,898	-	394,898	-
Clean Water and Drinking Water Projects	-	958,021	958,021	-
Bond Indenture Requirements	-	-	-	777,972
Loans	-	2,465	2,465	-
Permanent Investments or Endowments:				
Expendable	-	-	-	22,353
Nonexpendable	148,429	17,035	165,464	800,500
Other Purposes	193,394	147,227	340,621	265,593
Unrestricted (Deficit)	<u>(58,632,609)</u>	<u>2,140,411</u>	<u>(56,492,198)</u>	<u>473,989</u>
Total Net Position (Deficit)	<u>\$ (45,960,541)</u>	<u>\$ 7,770,199</u>	<u>\$ (38,190,342)</u>	<u>\$ 3,439,007</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services, Fees, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
					Primary Government			
Primary Government								
Governmental Activities:								
Legislative	\$ 136,579	\$ 2,987	\$ 337	\$ -	\$ (133,255)	\$ -	\$ (133,255)	\$ -
General Government	4,280,743	515,914	(1,970,165)	-	(5,734,995)	-	(5,734,995)	-
Regulation and Protection	1,041,312	769,417	500,895	-	229,000	-	229,000	-
Conservation and Development	1,492,756	352,351	566,888	-	(573,517)	-	(573,517)	-
Health and Hospitals	3,592,859	127,888	536,092	-	(2,928,879)	-	(2,928,879)	-
Transportation	2,445,553	145,286	-	1,378,941	(921,326)	-	(921,326)	-
Human Services	11,804,643	(59,988)	8,764,621	-	(3,100,009)	-	(3,100,009)	-
Education, Libraries, and Museums	7,499,789	26,142	2,266,168	-	(5,207,479)	-	(5,207,479)	-
Corrections	2,393,202	9,232	233,115	-	(2,150,855)	-	(2,150,855)	-
Judicial	1,202,857	139,293	90,164	-	(973,399)	-	(973,399)	-
Interest and Fiscal Charges	1,518,516	-	-	-	(1,518,516)	-	(1,518,516)	-
Total Governmental Activities	<u>37,408,809</u>	<u>2,028,522</u>	<u>10,988,115</u>	<u>1,378,941</u>	<u>(23,013,231)</u>	<u>-</u>	<u>(23,013,231)</u>	<u>-</u>
Business-Type Activities:								
University of Connecticut & Health Center	3,150,082	2,346,488	400,872	4,908	-	(397,814)	(397,814)	-
Board of Regents	1,359,888	769,168	113,591	-	-	(477,129)	(477,129)	-
Employment Security	896,389	734,456	254,819	-	-	92,886	92,886	-
Clean Water	55,548	27,870	68,108	-	-	40,430	40,430	-
Other	59,304	34,711	29,524	-	-	4,931	4,931	-
Total Business-Type Activities	<u>5,521,211</u>	<u>3,912,693</u>	<u>866,914</u>	<u>4,908</u>	<u>-</u>	<u>(736,696)</u>	<u>(736,696)</u>	<u>-</u>
Total Primary Government	<u>\$ 42,930,020</u>	<u>\$ 5,941,215</u>	<u>\$ 11,855,029</u>	<u>\$ 1,383,849</u>	<u>\$ (23,013,231)</u>	<u>\$ (736,696)</u>	<u>\$ (23,749,927)</u>	<u>\$ -</u>
Component Units								
Connecticut Housing Finance Authority (12/31/2024)	\$ 264,981	\$ 148,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (116,752)
Connecticut Lottery Corporation	1,786,840	1,789,685	-	-	-	-	-	2,845
Connecticut Airport Authority	146,686	160,117	-	60,507	-	-	-	73,938
Connecticut Health and Educational Facilities Authority	21,017	20,576	-	-	-	-	-	(441)
Other Component Units	278,722	246,678	24,444	53,737	-	-	-	46,137
Total Component Units	<u>\$ 2,498,246</u>	<u>\$ 2,365,285</u>	<u>\$ 24,444</u>	<u>\$ 114,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,727</u>
General Revenues:								
Taxes:								
Personal Income					11,556,400	-	11,556,400	-
Corporate Income					3,630,274	-	3,630,274	-
Sales and Use					4,632,399	-	4,632,399	-
Other					2,450,011	-	2,450,011	-
Restricted for Transportation Purposes:								
Motor Fuel					992,651	-	992,651	-
Other					874,048	-	874,048	-
Casino Gaming Payments					332,729	-	332,729	-
Tobacco Settlement					105,477	-	105,477	-
Lottery Tickets					350,308	-	350,308	-
Sports Wagering					3,693	-	3,693	-
Unrestricted Investment Earnings					512,015	105,747	617,762	238,153
Transfers Out Fiduciary Funds					(300,000)	-	(300,000)	-
Transfers-Internal Activities					(901,001)	901,001	-	(86,036)
Total General Revenues, Contributions, and Transfers					<u>24,239,004</u>	<u>1,006,748</u>	<u>25,245,752</u>	<u>152,117</u>
Change in Net Position					1,225,773	270,052	1,495,825	157,844
Net Position (Deficit)- Beginning					<u>(46,972,138)</u>	<u>7,522,765</u>	<u>(39,449,373)</u>	<u>3,273,757</u>
Impact of the Implementation of GASB 101					(214,176)	(59,667)	(273,843)	249
Correction of Prior Year Misstatement					-	1,998	1,998	-
Redassification Magnet Schools from CU to Primary Government					-	35,051	35,051	-
Change in Treatment of OPEB Liability					-	-	-	7,157
Net Position (Deficit) - Beginning (Restated)					<u>(47,186,314)</u>	<u>7,500,147</u>	<u>(39,686,167)</u>	<u>3,281,163</u>
Net Position (Deficit)- Ending					<u>\$ (45,960,541)</u>	<u>\$ 7,770,199</u>	<u>\$ (38,190,342)</u>	<u>\$ 3,439,007</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2025

(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 6,037,050	\$ 2,049	\$ 428,194	\$ 1,170,499	\$ 258,393	\$ 790,616	\$ 8,686,801
Investments	-	-	-	-	-	143,656	143,656
Securities Lending Collateral	-	-	-	-	-	37,045	37,045
Receivables:							
Taxes, Net of Allowances	3,509,043	-	277,029	-	-	-	3,786,072
Accounts, Net of Allowances	294,249	-	87,408	631,039	8,857	140,640	1,162,193
Loans, Net of Allowances	3,413	-	-	60,435	148,235	750,713	962,796
Due From Other Governments	35,970	-	-	766,058	-	10,752	812,780
Due from Other Funds	88,328	-	45,473	1,131	-	31,747	166,679
Due from Component Units	76,758	-	-	-	-	792	77,550
Interest Receivable	-	5,867	1,368	-	-	6	7,241
Other Receivables	-	-	-	-	-	-	-
Inventories	8,200	-	36,105	-	-	-	44,305
Restricted Assets	-	1,336,925	-	-	-	-	1,336,925
Total Assets	<u>\$ 10,053,011</u>	<u>\$ 1,344,841</u>	<u>\$ 875,577</u>	<u>\$ 2,629,162</u>	<u>\$ 415,485</u>	<u>\$ 1,905,967</u>	<u>\$ 17,224,043</u>
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 472,265	\$ -	\$ 49,643	\$ 284,272	\$ 19,759	\$ 107,966	\$ 933,905
Due to Other Funds	1,523,419	5,868	-	43,824	29	32,974	1,606,114
Due to Component Units	14	-	-	5,729	-	-	5,743
Due to Other Governments	501,288	-	-	3,053	-	-	504,341
Unearned Revenue	11,184	-	-	-	-	13,953	25,137
Medicaid Liability	379,877	-	-	553,482	-	-	933,359
Liability For Escheated Property	638,371	-	-	-	-	-	638,371
Securities Lending Obligation	-	-	-	-	-	37,045	37,045
Other Liabilities	57,157	-	-	37,083	-	-	94,240
Total Liabilities	<u>3,583,575</u>	<u>5,868</u>	<u>49,643</u>	<u>927,443</u>	<u>19,788</u>	<u>191,938</u>	<u>4,778,255</u>
Deferred Inflows of Resources							
Receivables to be Collected in Future Periods	<u>2,437,191</u>	<u>-</u>	<u>80,127</u>	<u>578,406</u>	<u>8,217</u>	<u>51,937</u>	<u>3,155,878</u>
Fund Balances							
Nonspendable:							
Inventories and Long-Term Receivables	81,121	-	36,105	-	-	-	117,226
Permanent Fund Principal	-	-	-	-	-	105,285	105,285
Restricted For:							
Debt Service	-	1,338,973	-	-	-	-	1,338,973
Transportation Programs	-	-	490,093	-	-	-	490,093
Federal Grant and State Programs	-	-	-	1,123,313	-	-	1,123,313
Grants and Loans	-	-	-	-	387,442	-	387,442
Other	-	-	-	-	-	1,490,751	1,490,751
Committed For:							
Continuing Appropriations	439,403	-	79,609	-	-	-	519,012
Budget Reserve Fund	4,826,549	-	-	-	-	-	4,826,549
Reserve Future Carry	-	-	-	-	-	-	-
Assigned To:							
Surplus Transfer to Next Fiscal Year	150,000	-	140,000	-	-	-	290,000
Grants and Loans	-	-	-	-	38	-	38
Other	-	-	-	-	-	66,774	66,774
Unassigned (Deficit)	<u>(1,464,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(718)</u>	<u>(1,465,546)</u>
Total Fund Balances	<u>4,032,245</u>	<u>1,338,973</u>	<u>745,807</u>	<u>1,123,313</u>	<u>387,480</u>	<u>1,662,092</u>	<u>9,289,910</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 10,053,011</u>	<u>\$ 1,344,841</u>	<u>\$ 875,577</u>	<u>\$ 2,629,162</u>	<u>\$ 415,485</u>	<u>\$ 1,905,967</u>	<u>\$ 17,224,043</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

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

June 30, 2025

(Expressed in Thousands)

Total Fund Balance - Governmental Funds \$ 9,289,910

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	160,154	
Cost of capital assets, (excluding internal service funds)	39,545,764	
Less: Accumulated depreciation (excluding internal service funds)	(19,892,059)	
Less: Accumulated amortization right-to-use assets	(89,480)	
Net capital assets		19,724,379

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. 3,155,878

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. 101,909

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). 11,604,277

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	(16,715,565)	
Transportation bonds payable	(7,784,420)	
Direct Borrowings & Direct Placements	(215,265)	
Unamortized premiums	(2,582,831)	
Accrued interest payable	(341,424)	
Net long-term debt		(27,639,505)

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

Net pension liability	(34,786,236)	
Net OPEB liability	(19,167,151)	
Obligations for worker's compensation	(813,390)	
Leases	(49,440)	
Subscriptions	(23,283)	
Compensated absences (excluding internal service funds)	(1,217,296)	
Claims and judgments payable	(36,937)	
Landfill postclosure care	(19,861)	
Nonexchange Financial guarantee	(300,700)	
Total other liabilities		(56,414,294)

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). (5,837,989)

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. 54,894

Total Net Position - Governmental Activities \$ (45,960,541)

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

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

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Debt		Restricted		Grant & Loan Programs	Other Funds	Total Governmental Funds
	General	Service	Transportation	Grants & Accounts			
Revenues							
Taxes	\$ 21,689,130	\$ -	\$ 1,865,674	\$ -	\$ -	\$ 473,029	\$ 24,027,833
Licenses, Permits, and Fees	372,465	-	342,052	7,945	-	169,576	892,038
Tobacco Settlement	-	-	-	-	-	105,477	105,477
Federal Grants and Aid	2,798,945	-	5,196	9,467,110	-	85,507	12,356,758
Assessments	760	-	-	-	-	-	760
State Grants	282	-	-	10,016	-	-	10,298
Lottery Tickets	350,308	-	-	-	-	-	350,308
Charges for Services	17,587	-	58,382	15	-	1,323	77,307
Fines, Forfeits, and Rents	87,899	-	28,102	-	-	34	116,035
Casino Gaming Payments	332,729	-	-	-	-	-	332,729
Investment Earnings	338,294	69,281	50,318	10,477	16,399	27,246	512,015
Sports Wagering	-	-	-	-	-	3,693	3,693
Miscellaneous	85,784	-	12,448	717,344	26,092	162,242	1,003,910
Total Revenues	26,074,183	69,281	2,362,172	10,212,907	42,491	1,028,127	39,789,161
Expenditures							
Current:							
Legislative	160,303	-	-	2,981	-	-	163,284
General Government	2,644,451	-	67,011	273,391	846,040	742,422	4,573,315
Regulation and Protection	609,873	-	129,567	201,549	19,311	192,534	1,152,834
Conservation and Development	314,967	-	8,325	716,177	377,377	123,773	1,540,619
Health and Hospitals	3,106,606	-	-	498,377	12,342	75,599	3,692,924
Transportation	-	-	1,253,993	924,645	16,408	-	2,195,046
Human Services	6,074,779	-	-	6,003,543	-	2,603	12,080,925
Education, Libraries, and Museums	6,062,312	-	-	1,573,103	27,818	3,711	7,666,944
Corrections	2,437,237	-	-	81,340	377	941	2,519,895
Judicial	1,167,021	-	-	52,092	-	62,503	1,281,616
Capital Projects	-	-	-	-	-	1,289,825	1,289,825
Debt Service:							
Principal Retirement	2,036,729	1,031,830	-	-	-	-	3,068,559
Interest and Fiscal Charges	458,518	375,392	553	629,989	4,204	6,618	1,475,274
Total Expenditures	25,072,796	1,407,222	1,459,449	10,957,187	1,303,877	2,500,529	42,701,060
Excess (Deficiency) of Revenues Over Expenditures	1,001,387	(1,337,941)	902,723	(744,280)	(1,261,386)	(1,472,402)	(2,911,899)
Other Financing Sources (Uses)							
Bonds Issued (Retired)	-	-	-	-	1,094,950	1,505,050	2,600,000
Premiums (Discounts) on Bonds Issued	-	25,418	-	-	81,948	169,026	276,392
Capital Contributions	-	-	-	-	-	(25,000)	(25,000)
Transfers In	2,732,004	1,385,566	56,998	757,031	-	218,688	5,150,287
Transfers Out	(3,727,233)	(56,496)	(1,390,887)	(877,881)	(78,845)	(220,158)	(6,351,500)
Refunding Bonds Issued	-	375,270	-	-	-	-	375,270
Payment to Refunded Bond Escrow Agent	-	(423,077)	-	-	-	-	(423,077)
Total Other Financing Sources (Uses)	(995,229)	1,306,681	(1,333,889)	(120,850)	1,098,053	1,647,606	1,602,372
Net Change in Fund Balances	6,158	(31,260)	(431,166)	(865,130)	(163,333)	175,204	(1,309,527)
Fund Balances - Beginning	4,042,108	1,370,233	1,177,249	1,988,443	550,813	1,486,888	10,615,734
Change in Reserve for Inventories	(16,021)	-	(276)	-	-	-	(16,297)
Fund Balances - Ending	\$ 4,032,245	\$ 1,338,973	\$ 745,807	\$ 1,123,313	\$ 387,480	\$ 1,662,092	\$ 9,289,910

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

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, 2025

(Expressed in Thousands)

Net change in fund balances - total governmental funds \$ (1,325,824)

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	(2,600,000)	
Refunding bonds issued	(375,270)	
Premium on bonds issued	(276,392)	
Principal repayment:		
Principal Retirement	3,068,559	
Payments to refunded bond escrow agent	423,077	
Interest and Fiscal Charges	(312,971)	
Net debt adjustments		(72,997)

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

2,277

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)	2,231,862	
Depreciation/Amortization expense (excluding internal service funds)	(762,513)	
Net capital outlay adjustments		1,469,349

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.

(16,297)

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	(18,257)	
Amortization of bond premium	269,729	
Amortization of loss on debt refunding's	(9,529)	
Increase in capital contributions	25,000	
Decrease in Net OPEB Liability & Net pension liability	868,578	
Decrease in net deferred inflows related to OPEB & pensions	1,497,433	
Decrease in net deferred outflows related to OPEB & pensions	(927,797)	
Decrease in compensated absences	(640,706)	
Increase in workers' compensation	(6,771)	
Decrease in claims and judgments	(4,618)	
Decrease in landfill post closure cost	2,442	
Decrease in lease liability	9,031	
Decrease in subscription liability	7,408	
Decrease in non-exchange financial guarantees	36,680	
Net expense accruals		1,108,623

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.

62,931

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.

(2,289)

Change in net position - governmental activities

\$ 1,225,773

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF NET POSITION PROPRIETARY FUNDS

June 30, 2025

(Expressed in Thousands)

	Business-Type Activities						Governmental Activities
	Enterprise Funds						
	University of Connecticut and Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Total	
Assets							
Current Assets:							
Cash and Cash Equivalents	\$ 782,230	\$ 702,671	\$ 1,112	\$ 9,334	\$ 63,149	\$ 1,558,496	\$ 22,145
Deposits with U.S. Treasury	-	-	165,514	-	-	165,514	-
Investments	726	24,396	-	-	-	25,122	-
Receivables:							
Accounts, Net of Allowances	223,354	79,267	221,994	3,082	6,223	533,920	1,900
Loans, Net of Allowances	892	-	-	172,247	37,267	210,406	-
Leases	1,178	378	-	-	-	1,556	-
Interest	-	-	-	3,668	316	3,984	-
Due from Other Governments	-	5,500	12,107	-	18,182	35,789	-
Due from Other Funds	796	46,842	2,251	-	-	49,889	6,843
Inventories	24,361	-	-	-	-	24,361	7,654
Restricted Assets	158,770	-	-	-	-	158,770	-
Other Current Assets	27,043	7,269	-	-	7	34,319	498
Total Current Assets	1,219,350	866,323	402,978	188,331	125,144	2,802,126	39,040
Noncurrent Assets:							
Cash and Cash Equivalents	-	185,349	-	366,230	82,181	633,760	-
Investments	23,659	29,589	-	-	-	53,248	-
Receivables:							
Loans, Net of Allowances	2,038	3,954	-	843,446	193,413	1,042,851	-
Leases	14,814	1,050	-	-	-	15,864	-
Restricted Assets	30,040	-	-	208,617	51,935	290,592	-
Capital Assets, Net of Accumulated Depreciation	3,586,862	1,904,489	-	-	-	5,491,351	75,660
Other Noncurrent Assets	29,316	3	-	-	-	29,319	13
Total Noncurrent Assets	3,686,729	2,124,434	-	1,418,293	327,529	7,556,985	75,673
Total Assets	\$ 4,906,079	\$ 2,990,757	\$ 402,978	\$ 1,606,624	\$ 452,673	\$ 10,359,111	\$ 114,713
Deferred Outflows of Resources							
Unamortized Losses on Bond Refundings	\$ -	\$ -	\$ -	\$ 1,547	\$ 40	\$ 1,587	\$ -
Other Deferred Outflows	114	3,355	-	-	-	3,469	-
Total Deferred Outflows of Resources	\$ 114	\$ 3,355	\$ -	\$ 1,547	\$ 40	\$ 5,056	\$ -
Liabilities							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 263,541	\$ 108,965	\$ -	\$ 6,993	\$ 6,248	385,747	\$ 1,585
Due to Other Funds	25,655	287	280	3,082	19,199	48,503	55,892
Due to Other Governments	468	-	5,091	-	-	5,559	-
Current Portion of Long-Term Obligations	107,566	36,374	-	47,175	9,103	200,218	97
Lease Liabilities, Current Portion	12,995	1,886	-	-	-	14,881	-
Subscription Liabilities, Current Portion	14,265	5,139	-	-	-	19,404	-
Unearned Revenue	-	55,634	-	-	-	55,634	-
Other Current Liabilities	110,664	16,012	-	-	-	126,676	-
Total Current Liabilities	535,154	224,297	5,371	57,250	34,550	856,622	57,574
Noncurrent Liabilities:							
Lease Liabilities, Net of Current Portion	188,367	5,603	-	-	-	193,970	-
Subscription Liabilities, Net of Current Portion	17,816	12,990	-	-	-	30,806	-
Noncurrent Portion of Long-Term Obligations	506,680	341,174	-	533,076	113,714	1,494,644	2,245
Total Noncurrent Liabilities	712,863	359,767	-	533,076	113,714	1,719,420	2,245
Total Liabilities	\$ 1,248,017	\$ 584,064	\$ 5,371	\$ 590,326	\$ 148,264	\$ 2,576,042	\$ 59,819
Deferred Inflows of Resources							
Deferred Inflows-Leases	\$ 15,896	\$ 2,030	\$ -	\$ -	\$ -	\$ 17,926	\$ -
Total Deferred Inflows of Resources	\$ 15,896	\$ 2,030	\$ -	\$ -	\$ -	\$ 17,926	\$ -
Net Position (Deficit)							
Net Investment in Capital Assets	\$ 1,575,158	\$ 1,619,082	\$ -	\$ -	\$ -	\$ 3,194,240	\$ 75,671
Restricted For:							
Debt Service	1,111,628	-	-	-	-	1,111,628	-
Clean and Drinking Water Projects	-	-	-	759,190	198,831	958,021	-
Capital Projects	199,172	-	-	-	-	199,172	-
Nonexpendable Purposes	16,470	565	-	-	-	17,035	-
Loans	2,465	-	-	-	-	2,465	-
Other Purposes	51,407	95,820	-	-	-	147,227	-
Unrestricted (Deficit)	685,980	692,551	397,607	258,655	105,618	2,140,411	(20,777)
Total Net Position	\$ 3,642,280	\$ 2,408,018	\$ 397,607	\$ 1,017,845	\$ 304,449	\$ 7,770,199	\$ 54,894

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

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

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Business-Type Activities						Governmental
	Enterprise Funds						Activities
	University of Connecticut and Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Totals	Internal Service Funds
Operating Revenues							
Charges for Sales and Services (Net of Allowances & Discounts \$501,676)	\$ 1,885,727	\$ 456,778	\$ -	\$ -	\$ -	\$ 2,342,505	\$ 57,050
Assessments	-	-	725,679	-	28,085	753,764	-
Federal Grants, Contracts, and Other Aid	302,222	48,583	242,876	-	-	593,681	-
State Grants, Contracts, and Other Aid	30,218	53,622	11,943	-	-	95,783	-
Private Gifts and Grants	68,432	11,386	-	-	-	79,818	-
Interest on Loans	-	-	-	20,448	4,527	24,975	-
Lease Revenue	2,255	-	-	-	-	2,255	-
Other	200,051	15,253	8,777	-	659	224,740	154
Total Operating Revenues	<u>2,488,905</u>	<u>585,622</u>	<u>989,275</u>	<u>20,448</u>	<u>33,271</u>	<u>4,117,521</u>	<u>57,204</u>
Operating Expenses							
Salaries, Wages, and Administrative	2,691,985	1,205,370	241,803	1,633	16,313	4,157,104	39,426
Unemployment Compensation	-	-	653,076	-	-	653,076	-
Claims Paid	-	-	-	-	18,358	18,358	-
Depreciation and Amortization	234,756	120,228	-	-	-	354,984	22,232
Other	211,810	26,731	-	27,158	19,340	285,039	-
Total Operating Expenses	<u>3,138,551</u>	<u>1,352,329</u>	<u>894,879</u>	<u>28,791</u>	<u>54,011</u>	<u>5,468,561</u>	<u>61,658</u>
Operating Income (Loss)	<u>(649,646)</u>	<u>(766,707)</u>	<u>94,396</u>	<u>(8,343)</u>	<u>(20,740)</u>	<u>(1,351,040)</u>	<u>(4,454)</u>
Nonoperating Revenue (Expenses)							
Interest and Investment Income	40,413	28,269	-	27,654	9,411	105,747	-
Interest and Fiscal Charges	(11,531)	(7,559)	(1,510)	(26,757)	(5,293)	(52,650)	-
Other - Net	258,455	297,137	-	7,422	1,440	564,454	2,416
Total Nonoperating Revenues (Expenses)	<u>287,337</u>	<u>317,847</u>	<u>(1,510)</u>	<u>8,319</u>	<u>5,558</u>	<u>617,551</u>	<u>2,416</u>
Income (Loss) Before Capital Contributions, Grants, and Transfers	<u>(362,309)</u>	<u>(448,860)</u>	<u>92,886</u>	<u>(24)</u>	<u>(15,182)</u>	<u>(733,489)</u>	<u>(2,038)</u>
Capital Contributions	4,908	-	-	-	-	4,908	-
Federal Capitalization Grants	-	-	-	68,108	29,524	97,632	-
Transfers In	397,218	506,048	-	6,572	-	909,838	-
Transfers Out	-	-	(8,837)	-	-	(8,837)	(251)
Change in Net Position	<u>39,817</u>	<u>57,188</u>	<u>84,049</u>	<u>74,656</u>	<u>14,342</u>	<u>270,052</u>	<u>(2,289)</u>
Total Net Position (Deficit) - Beginning	<u>3,662,007</u>	<u>2,313,904</u>	<u>313,558</u>	<u>943,189</u>	<u>290,107</u>	<u>7,522,765</u>	<u>57,183</u>
Impact of Implementation of GASB 101	(59,667)	-	-	-	-	(59,667)	-
Correction of Prior Year Misstatement	123	1,875	-	-	-	1,998	-
Reclassification Magnet Schools from CU to Primary Government	-	35,051	-	-	-	35,051	-
Total Net Position (Deficit) - Beginning (Restated)	<u>3,602,463</u>	<u>2,350,830</u>	<u>313,558</u>	<u>943,189</u>	<u>290,107</u>	<u>7,500,147</u>	<u>57,183</u>
Total Net Position (Deficit) - Ending	<u>\$ 3,642,280</u>	<u>\$ 2,408,018</u>	<u>\$ 397,607</u>	<u>\$ 1,017,845</u>	<u>\$ 304,449</u>	<u>\$ 7,770,199</u>	<u>\$ 54,894</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Business-Type Activities					Governmental Activities	
	Enterprise Funds						
	University of Connecticut and Health Center	Board of Regents	Employment Security	Clean Water	Other		Totals
Cash Flows from Operating Activities							
Receipts from Customers	\$ 2,151,017	\$ 439,119	\$ 713,563	\$ 112,907	\$ 48,043	\$ 3,464,649	\$ 57,350
Payments to Suppliers	(401,805)	(352,902)	-	(27,158)	(19,341)	(801,206)	(3,921)
Payments to Employees	(2,479,053)	(884,854)	-	(1,421)	(14,674)	(3,380,002)	(14,022)
Other Receipts (Payments)	337,850	128,133	(709,038)	(96,572)	(36,412)	(376,039)	(1,293)
Net Cash Provided by (Used in) Operating Activities	(391,991)	(670,504)	4,525	(12,244)	(22,384)	(1,092,598)	38,114
Cash Flows from Noncapital Financing Activities							
Proceeds from Sale of Bonds	-	-	-	-	-	-	-
Retirement of Bonds and Annuities Payable	(35,191)	-	-	(43,040)	(7,910)	(86,141)	-
Interest on Bonds and Annuities Payable	(17,531)	-	-	(26,451)	(5,385)	(49,367)	-
Transfers In	383,899	456,718	-	1,759	-	842,376	-
Transfers Out	-	-	(8,837)	-	-	(8,837)	-
Other Receipts (Payments)	301,380	281,531	-	-	-	582,911	2,416
Net Cash Flows from Noncapital Financing Activities	632,557	738,249	(8,837)	(67,732)	(13,295)	1,280,942	2,416
Cash Flows from Capital and Related Financing Activities							
Additions to Property, Plant, and Equipment	(126,223)	(61,383)	-	-	-	(187,606)	(36,087)
Proceeds from Capital Debt	-	55,124	-	-	-	55,124	-
Principal Paid on Capital Debt	(131,059)	(40,292)	-	-	-	(171,351)	-
Interest Paid on Capital Debt	(91,570)	(8,023)	-	-	-	(99,593)	-
Transfer In	164,993	-	-	-	-	164,993	-
Federal Capitalization Grants	-	-	-	72,897	24,563	97,460	-
Lease Revenue	2,728	-	-	-	-	2,728	-
Payments on leases, net	-	-	-	-	-	-	-
Transfer from State	-	-	-	-	-	-	-
Other Receipts (Payments)	25,504	-	-	-	-	25,504	-
Net Cash Flows from Capital and Related Financing Activities	(155,627)	(54,574)	-	72,897	24,563	(112,741)	(36,087)
Cash Flows from Investing Activities							
Proceeds from Sales and Maturities of Investments	(3,234)	43,673	-	-	-	40,439	-
Purchase of Investment Securities	40,293	(30,258)	-	-	-	10,035	-
Interest on Investments	-	40,825	2,969	27,707	9,413	80,914	-
(Increase) Decrease in Restricted Assets	-	-	-	(45,082)	-	(45,082)	-
Other Receipts (Payments)	183,807	-	-	33,788	6,651	224,246	-
Net Cash Flows from Investing Activities	220,866	54,240	2,969	16,413	16,064	310,552	-
Net Increase (Decrease) in Cash and Cash Equivalents	305,805	67,411	(1,343)	9,334	4,948	386,155	4,443
Cash and Cash Equivalents - Beginning of Year	665,235	820,609	2,455	-	58,201	1,546,500	17,702
Cash and Cash Equivalents - End of Year	\$ 971,040	\$ 888,020	\$ 1,112	\$ 9,334	\$ 63,149	\$ 1,932,655	\$ 22,145
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities							
Operating Income (Loss)	\$ (649,646)	\$ (766,707)	\$ 94,396	\$ (8,343)	\$ (20,740)	\$ (1,351,040)	\$ (4,454)
Adjustments not Affecting Cash:							
Depreciation and Amortization	234,756	120,227	-	-	-	354,983	22,232
Other	720	1,068	(4,479)	-	-	(2,691)	-
Change in Assets and Liabilities:							
(Increase) Decrease in Receivables, Net	6,046	(20,163)	(90,335)	(3,901)	(10,289)	(118,642)	(1,438)
(Increase) Decrease in Due from Other Funds	(455)	(18)	(80)	-	-	(553)	1,738
(Increase) Decrease in Inventories and Other Assets	(22,546)	1,724	-	-	(7)	(20,829)	(1,447)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	42,435	(6,283)	-	-	8,652	44,804	21,483
Increase (Decrease) in Due to Other Funds	(3,301)	-	5,023	-	-	1,722	-
Increase (Decrease) Deferred Inflows Leases	-	(352)	-	-	-	(352)	-
Total Adjustments	257,655	96,203	(89,871)	(3,901)	(1,644)	258,442	42,568
Net Cash Provided by (Used In) Operating Activities	\$ (391,991)	\$ (670,504)	\$ 4,525	\$ (12,244)	\$ (22,384)	\$ (1,092,598)	\$ 38,114

Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

Cash and Cash Equivalents - Current	\$ 782,230	\$ 702,671
Cash and Cash Equivalents - Noncurrent	-	185,349
Cash and Cash Equivalents - Current Restricted	158,770	-
Cash and Cash Equivalents - Noncurrent Restricted	30,040	-
	\$ 971,040	\$ 888,020

Noncash Investing, Capital, and Financing Activities:

Proceeds from refunding bonds	-	-
Amortization of premiums, discounts, and net loss on debt refunding's	24,309	-
Acquisition of right-to-use lease and subscription assets	34,868	-
Acquisition of equipment under installment purchase agreement	-	7,121
Capital assets acquired through gifts	1,194	-
Unrealized gain (loss) on investment	405	-
Loss on disposal of capital assets	(1,115)	-
Mortgage proceeds held by Trustee in construction escrow account	-	-
Funds held in escrow	1	-
Change in endowment	-	-

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

June 30, 2025

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private- Purpose Trust Fund Escheat Securities	Private- Purpose Trust Fund Baby Bonds	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds
Assets						
Current:						
Cash and Cash Equivalents	\$ 517,152	\$ -	\$ -	\$ -	\$ 600,396	\$ 563,129
Receivables:						
Accounts, Net of Allowances	43,078	-	-	-	121,800	2,671
Due from Other Governments	12	-	-	-	132	-
Due from Other Funds	1,489,844	-	-	-	-	-
Interest	3,388	11,929	-	36	-	762
Investments (See Note 3)	62,340,312	4,547,874	-	487,909	-	-
Securities Lending Collateral	5,428,491	-	-	-	-	-
Other Assets	-	119	-	-	244	323,586
Noncurrent:						
Due From Employers	8,626	-	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	2,215	-
Other Assets	-	-	8,289	-	-	-
Total Assets	<u>\$ 69,830,903</u>	<u>\$ 4,559,922</u>	<u>\$ 8,289</u>	<u>\$ 487,945</u>	<u>\$ 724,787</u>	<u>\$ 890,148</u>
Deferred Outflows of Resources						
Related to Pensions & Other Postemployment Benefits	\$ -	\$ -	\$ -	\$ -	\$ 19,898	\$ -
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,898</u>	<u>\$ -</u>
Liabilities						
Accounts Payable and Accrued Liabilities	\$ 28,509	\$ 16,487	\$ -	\$ -	\$ 76,553	\$ 1
Securities Lending Obligation	5,428,491	-	-	-	-	-
Compensated Absences	-	-	-	-	901	-
Due to Other Funds	2,388	-	-	-	-	-
Other Current Liabilities	-	-	-	-	1,602	-
Total Current Liabilities	<u>5,459,388</u>	<u>16,487</u>	<u>-</u>	<u>-</u>	<u>79,056</u>	<u>1</u>
Noncurrent Liabilities:						
Pension & OPEB Liability	-	-	-	-	28,924	-
Noncurrent Portion of Long-Term Obligations	-	-	-	-	9,612	-
Total Noncurrent Liabilities	-	-	-	-	38,536	-
Total Liabilities	<u>\$ 5,459,388</u>	<u>\$ 16,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,592</u>	<u>\$ 1</u>
Other Deferred Inflows						
Related to Pensions & Other Postemployment Benefits	\$ -	\$ -	\$ -	\$ -	\$ 4,134	\$ -
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,134</u>	<u>\$ -</u>
Net Position						
Restricted for:						
Pension Benefits	\$ 60,472,054	\$ -	\$ -	\$ -	\$ -	\$ -
Other Postemployment Benefits	3,899,461	-	-	-	-	-
Pool Participants	-	4,543,435	-	487,945	-	-
Individuals, Organizations, and Other Governments	-	-	8,289	-	622,959	890,147
Total Net Position	<u>\$ 64,371,515</u>	<u>\$ 4,543,435</u>	<u>\$ 8,289</u>	<u>\$ 487,945</u>	<u>\$ 622,959</u>	<u>\$ 890,147</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private- Purpose Trust Fund Escheat Securities	Private- Purpose Trust Fund Baby Bonds	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds
Additions						
Contributions:						
Plan Members	\$ 893,830	\$ -	\$ -	\$ -	\$ -	\$ -
State	6,041,538	-	-	-	-	-
Municipalities	166,322	-	-	-	-	-
Participant Contributions	-	-	-	-	479,406	-
Total Contributions	7,101,690	-	-	-	479,406	-
Investment Income	6,314,436	241,870	-	45,899	27,595	455
Less: Investment Expense	(456,292)	(554)	-	-	-	-
Net Investment Income	5,858,144	241,316	-	45,899	27,595	455
Insurance Securities	-	-	-	-	-	310,921
Escheat Securities Received	-	-	65,866	-	-	-
Pool's Share Transactions	-	501,428	-	-	-	-
Transfer In	-	-	-	-	-	300,000
Other	64,153	-	(20,294)	-	-	46,961
Total Additions	13,023,987	742,744	45,572	45,899	507,001	658,337
Deductions						
Administrative Expense	1,034	-	-	-	493,684	144,041
Benefit Payments and Refunds	6,323,214	-	-	-	-	-
Escheat Securities Returned or Sold	-	-	45,600	-	-	-
Distributions to Pool Participants	-	241,316	-	-	-	-
Depreciation & Amortization	-	-	-	-	1,441	-
Other	143,383	-	-	-	478	358,512
Total Deductions	6,467,631	241,316	45,600	-	495,603	502,553
Change in Net Position Held In Trust For:						
Pension and Other Employee Benefits	6,556,356	-	-	-	-	-
Individuals, Organizations, and Other Governments	-	501,428	(28)	45,899	11,398	155,784
Net Position - Beginning	57,840,976	4,042,007	8,317	400,297	611,561	790,137
Correction of Prior Year Posting Error	(25,817)	-	-	41,749	-	(55,774)
Net Position - Beginning (Restated)	57,815,159	4,042,007	8,317	442,046	611,561	734,363
Net Position - Ending	\$ 64,371,515	\$ 4,543,435	\$ 8,289	\$ 487,945	\$ 622,959	\$ 890,147

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF NET POSITION COMPONENT UNITS

June 30, 2025

(Expressed in Thousands)

Assets	Connecticut Housing Finance Authority (12/31/2024)	Connecticut Lottery Corporation	Connecticut Airport Authority	Connecticut Health and Educational Facilities Authority	Other Component Units	Total
Current Assets:						
Cash and Cash Equivalents	\$ -	\$ 18,624	\$ 144,251	\$ 467	\$ 205,381	\$ 368,723
Investments	-	3,896	-	19,853	805,781	829,530
Receivables:						
Accounts, Net of Allowances	-	35,154	7,959	1,558	30,353	75,024
Loans, Net of Allowances	-	-	-	1,302	3,954	5,256
Interest Receivable	-	837	-	58	3,198	4,093
Due From Primary Government	-	-	5,729	-	14	5,743
Due From Other Governments	-	-	55,070	72	-	55,142
Restricted Assets	1,394,124	-	13,578	838,262	102,713	2,348,677
Leases Receivable	-	-	6,576	-	5,321	11,897
Other Current Assets	-	1,642	1,921	284	31,764	35,611
Total Current Assets	<u>1,394,124</u>	<u>60,153</u>	<u>235,084</u>	<u>861,856</u>	<u>1,188,479</u>	<u>3,739,696</u>
Noncurrent Assets:						
Investments	-	108,311	-	-	179,590	287,901
Accounts, Net of Allowances	-	-	-	-	103,975	103,975
Loans, Net of Allowances	-	-	-	7,072	285,330	292,402
Leases Receivable	-	-	137,094	-	46,131	183,225
Restricted Assets	5,645,748	-	82,321	193,227	185,570	6,106,866
Capital Assets, Net of Accumulated Depreciation	3,621	22,967	727,773	2,525	717,869	1,474,755
Other Noncurrent Assets	-	4,915	-	-	12,571	17,486
Total Noncurrent Assets	<u>5,649,369</u>	<u>136,193</u>	<u>947,188</u>	<u>202,824</u>	<u>1,531,036</u>	<u>8,466,610</u>
Total Assets	<u>\$ 7,043,493</u>	<u>\$ 196,346</u>	<u>\$ 1,182,272</u>	<u>\$ 1,064,680</u>	<u>\$ 2,719,515</u>	<u>\$ 12,206,306</u>
Deferred Outflows of Resources						
Unamortized Losses on Bond Refundings	\$ 46,700	\$ -	\$ 25	\$ -	\$ -	\$ 46,725
Related to Pensions & Other Postemployment Benefits	29,969	20,160	33,958	-	36,181	120,268
Other	-	-	-	-	1,920	1,920
Total Deferred Outflows of Resources	<u>\$ 76,669</u>	<u>\$ 20,160</u>	<u>\$ 33,983</u>	<u>\$ -</u>	<u>\$ 38,101</u>	<u>\$ 168,913</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF NET POSITION COMPONENT UNITS (Continued)

June 30, 2025

(Expressed in Thousands)

Liabilities	Connecticut Housing Finance Authority (12/31/2024)	Connecticut Lottery Corporation	Connecticut Airport Authority	Connecticut Health and Educational Facilities Authority	Other Component Units	Total
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 257,083	\$ 6,659	\$ 80,102	\$ 2,426	\$ 213,559	\$ 559,829
Current Portion of Long-Term Obligations	444,157	4,662	11,060	11,770	12,073	483,722
Due To Primary Government	-	-	-	-	77,550	77,550
Due to Component Units	-	-	-	-	6,369	6,369
Due To Other Funds	-	-	-	85	-	85
Unearned Revenue	-	-	-	-	135,209	135,209
Lease Liabilities, Current	-	2	-	208	603	813
Subscription Liabilities, Current	-	-	-	-	323	323
Amount Held for Institutions	-	-	-	718,740	-	718,740
Other Liabilities	-	30,978	6,156	-	187	37,321
Total Current Liabilities	701,240	42,301	97,318	733,229	445,873	2,019,961
Noncurrent Liabilities:						
Pension & OPEB Liability	104,453	80,031	117,551	-	98,828	400,863
Lease Liabilities, Net of Current Portion	-	13,540	-	2,128	5,351	21,019
Noncurrent Portion of Long-Term Obligations	5,310,027	108,311	195,247	240,616	134,702	5,988,903
Total Noncurrent Liabilities	5,414,480	201,882	312,798	242,744	238,881	6,410,785
Total Liabilities	\$ 6,115,720	\$ 244,183	\$ 410,116	\$ 975,973	\$ 684,754	\$ 8,430,746
Other Deferred Inflows						
Related to Pensions & Other Postemployment Benefits	\$ 36,614	\$ 27,154	\$ 33,006	\$ -	\$ 24,712	\$ 121,486
Deferred Inflows Leases	-	-	134,318	-	45,714	180,032
Other Deferred Inflows	203,322	-	-	626	-	203,948
Total Deferred Inflows of Resources	\$ 239,936	\$ 27,154	\$ 167,324	\$ 626	\$ 70,426	\$ 505,466
Net Position						
Net Investment in Capital Assets	\$ 3,621	\$ 9,422	\$ 487,085	\$ 392	\$ 533,334	\$ 1,033,854
Restricted:						
Debt Service	-	-	13,578	-	-	13,578
Bond Indentures	760,885	-	17,087	-	-	777,972
Expendable Endowments	-	-	-	-	22,353	22,353
Nonexpendable Endowments	-	-	-	-	800,500	800,500
Capital Projects	-	-	51,168	-	-	51,168
Other Purposes	-	-	-	38,611	226,982	265,593
Unrestricted (Deficit)	-	(64,253)	69,897	49,078	419,267	473,989
Total Net Position (Deficit)	\$ 764,506	\$ (54,831)	\$ 638,815	\$ 88,081	\$ 2,002,436	\$ 3,439,007

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

State of Connecticut

STATEMENT OF ACTIVITIES COMPONENT UNITS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position					Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Connecticut Housing Finance Authority (12/31/2024)	Connecticut Lottery Corporation	Connecticut Airport Authority	Connecticut Health and Educational Facilities Authority	Other Component Units	
Connecticut Housing Finance Authority (12/31/2024)	\$ 264,981	\$ 148,229	\$ -	\$ -	\$ (116,752)	\$ -	\$ -	\$ -	\$ -	\$ (116,752)
Connecticut Lottery Corporation	1,786,840	1,789,685	-	-	-	2,845	-	-	-	2,845
Connecticut Airport Authority	146,686	160,117	-	60,507	-	-	73,938	-	-	73,938
Connecticut Health and Educational Facilities Authority	21,017	20,576	-	-	-	-	-	(441)	-	(441)
Other Component Units	278,722	246,678	24,444	53,737	-	-	-	-	46,137	46,137
Total Component Units	<u>\$ 2,498,246</u>	<u>\$ 2,365,285</u>	<u>\$ 24,444</u>	<u>\$ 114,244</u>	<u>(116,752)</u>	<u>2,845</u>	<u>73,938</u>	<u>(441)</u>	<u>46,137</u>	<u>5,727</u>
General Revenues:										
Investment Income (Loss)					108,511	6,377	8,325	4,461	110,479	238,153
Transfer In					-	-	-	-	(86,036)	(86,036)
Total General Revenues					<u>108,511</u>	<u>6,377</u>	<u>8,325</u>	<u>4,461</u>	<u>24,443</u>	<u>152,117</u>
Change in Net Position					(8,241)	9,222	82,263	4,020	70,580	157,844
Net Position (Deficit)-Beginning					<u>772,747</u>	<u>(64,053)</u>	<u>556,552</u>	<u>-</u>	<u>2,008,511</u>	<u>3,273,757</u>
Consolidation and Change in Presentation from Nonmajor to Major					-	-	-	84,061	(84,061)	-
Change in Treatment of OPEB Liability					-	-	-	-	7,157	7,157
Impact of Implementation of GASB 101					-	-	-	-	249	249
Net Position (Deficit)-Beginning (Restated)					<u>772,747</u>	<u>(64,053)</u>	<u>556,552</u>	<u>84,061</u>	<u>1,931,856</u>	<u>3,281,163</u>
Net Position (Deficit)-Ending					<u>\$ 764,506</u>	<u>\$ (54,831)</u>	<u>\$ 638,815</u>	<u>\$ 88,081</u>	<u>\$ 2,002,436</u>	<u>\$ 3,439,007</u>

The Accompanying Notes to the Financial Statements are an Integral Part of these Statements.

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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, 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 Connecticut Housing Finance Authority, Materials Innovation and Recycling Authority Dissolution Authority, Connecticut Health and Educational Facilities Authority, 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 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, 2024.

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) Dissolution Authority

MIRA Dissolution Authority was established to replace the Materials Innovation & Recycling Authority (MIRA) and effectively assumed all MIRA's underlying statutory duties, authorities and capabilities, and will continue MIRA's ongoing waste transfer operations until acceptable alternatives become available. It 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. 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 waste to energy facility in Hartford, which is to include engaging representatives of Hartford and other stakeholders with respect to the future of the site. The MIRA Dissolution Authority will be dissolved on July 1, 2026. Note 26 contains additional information on this event.

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.

The Connecticut Higher Education Supplemental Loan Authority (CHESLA) was created to assist students, their parents, and institutions of higher education to finance cost of higher education through its bond funds. In prior years, CHESLA was reported as a separate component unit of the State. However, Public Act 12-149 statutorily consolidated CHESLA with CHEFA making CHESLA a component unit of CHEFA. Therefore, starting in fiscal year 2025, CHESLA's activity is included within CHEFA for financial reporting purposes.

The Connecticut Student Loan Foundation (CSLF) was established as a Connecticut state chartered nonprofit corporation established pursuant to Connecticut State 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. In prior years, CSLF was reported as a separate component unit of the State. However, Public Act 14-217 statutorily consolidated CSLF with CHEFA by making CSLF a component unit of CHEFA. Therefore, starting in fiscal year 2025, CSLF's activity is included within CHEFA for financial reporting purposes.

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.

The State also reports the following fiduciary component unit:

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 duty 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 GASB 84 *Fiduciary Activities*, PFMLA has been classified as a Fiduciary Component Unit and presented in the fiduciary fund financial statements.

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 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the purchase, construction, or improvement of capital assets or related debt are included in this component of net position.
2. Restricted – This component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
3. Unrestricted – This component 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 that are not required to be accounted for in other funds and that 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 and 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, CT State Community College, and Charter Oak State College, which consists of four universities: Central, Eastern, Southern, and Western; one community college comprised of twelve campuses; and one on-line college.

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 the Government Accounting Standards Board.

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 and baby bond funds held in trust for individuals by the State Treasurer.

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 (STIF) 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

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, railways, and similar items), which 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 run 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 the 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 basis, 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 the State 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 are 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, lease liability, subscription liability, 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 State's compensated absences liability represents the total liability for the cumulative balance of employees' vacation, personal, compensatory, and sick leave that is attributable to service already rendered and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability calculation includes the State's share of Social Security and Medicare and is measured based on salary rates in effect as of the date of the Statement of Net Position. The State uses the first-in, first-out flows assumption when determining its liability, which is reported in the government-wide and proprietary fund financial statements.

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 60 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 future period and will not be recognized as an inflow of resources (revenue) until then. 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 and 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)

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, 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 the fiscal year 2025: GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures*. The impact of the implementation of GASB Statement No. 101 is included below. The adoption of GASB Statement No. 102 had no material impact on the financial statements.

The implementation of GASB Statement No. 101 resulted in a change in the State's liability calculation of accumulated leave, resulting in a restatement of the prior year's liability for compensated absences resulting in an increase of \$273.9 million (\$214.2 million in governmental activities and \$59.7 million in business-type activities) within note disclosure 16. This also resulted in the restatement of the beginning balance presented on the face of the government-wide financial statements.

Upcoming Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement also addresses certain application issues. This statement is effective for fiscal years beginning after June 15, 2025. The State is currently evaluating the impact this standard will have on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure required by GASB Statement No. 34. It also requires additional disclosures for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. The State is currently evaluating the impact this standard will have on its financial statements.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. 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 of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures in the financial statements. Actual results could differ from those estimates.

Note 2

Nonmajor Fund Deficits

The following funds have deficit fund/net position balances at June 30, 2025, none of which constitutes a violation of statutory provisions (amounts in thousands):

Special Revenue		
Regional Market	\$	(340)
Capital Projects		
Transportation	\$	(718)

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 counterpart 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, 2025, STIF had the following investments and maturities (amounts in thousands):

Investment Type	Short-Term Investment Fund		
	Amortized Cost	Investment Maturities (in years)	
		Less Than 1	1-5
Treasury Securities	\$ 497,373	\$ 497,373	\$ -
Federal Agency Securities	1,699,000	1,699,000	-
Bank Commercial Paper	2,181,141	2,181,141	-
Repurchase Agreements	6,550,000	6,550,000	-
Money Market Funds	11,349	11,349	-
Total Investments	<u>\$ 10,938,863</u>	<u>\$ 10,938,863</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, 2025, the weighted average maturity of STIF was 21 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 20.0 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, 2025, the amount of STIF's investments in variable-rate securities was \$5.4 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, 2025, STIF's investments subject to credit risk were rated by Standard and Poor's as follows (amounts in thousands):

Credit Quality Ratings	Amortized Cost	Percentage of Amortized Cost
A-1+	\$ 1,989,889	51.1%
A-1	191,252	4.9%
AAAm	11,349	0.3%
U.S. Government Agency Securities	1,699,000	43.7%
Total	\$ 3,891,490	100.0%

Concentration of Credit Risk

STIF reduces its exposure to this risk by ensuring that at least 60.0 percent of fund assets will be invested in securities rated "A-1+" or repos with A-1 banks. In addition, exposure to any single non-governmental issuer will not exceed 5.0 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5.0 percent of fund assets and exposure to money market mutual funds in total will not exceed 15.0 percent. As of June 30, 2025, STIF's investments in any one issuer that represents more than 5.0 percent of total investments were as follows (amounts in thousands):

Investment Issuer	Amortized Cost
Federal Home Loan Bank	\$ 1,000,000

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, 2025, \$7,289,318 of the bank balance of STIF's deposits of \$7,400,018 was exposed to custodial credit risk as follows (amounts in thousands):

Uninsured and uncollateralized	\$	7,289,318
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State		-
Total	\$	7,289,318

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. The 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 below in thousands).

	Primary Government		Fiduciary Funds
	Governmental Activities	Business-Type Activities	
Equity in the CIFS	\$ 143,656	\$ 726	\$ 62,340,312
Other Investments	-	24,396	5,035,783
Total Investments-Current	\$ 143,656	\$ 25,122	\$ 67,376,095

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, 2025, the CIFS had the following investments (amounts in thousands):

<u>Investments by Fair Value Level</u>	<u>Fair Value Measurement</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 2,003,362	\$ -	\$ 2,003,362	\$ -
Asset Backed Securities	383,581	-	383,581	-
Government Securities	4,817,045	-	4,817,045	-
Government Agency Securities	1,613,219	-	1,613,219	-
Mortgage Backed Securities	439,560	-	439,560	-
Corporate Debt	4,251,996	-	4,248,466	3,530
Convertible Securities	17,187	-	17,187	-
Derivatives	-	-	-	-
Common Stock	29,531,526	29,514,181	6,148	11,197
Preferred Stock	56,254	56,154	-	100
Real Estate Investment Trust	466,539	464,256	2,267	16
Mutual Fund	68,939	68,939	-	-
Total	\$ 43,649,208	\$ 30,103,530	\$ 13,530,835	\$ 14,843

<u>Investments Measured by Net Asset Value (NAV)</u>		<u>Unfunded</u>	<u>Redemption</u>	<u>Redemption</u>
		<u>Commitments</u>	<u>Frequency</u>	<u>Notice Period</u>
Business Development Corporation	234,372	154,607	Illiquid	N/A
Limited Partnerships	19,224,179	14,058,922	Illiquid	N/A
Total	19,458,551	14,213,529		
Total Investments in Securities at Fair Value	\$ 63,107,759			

Investments are stated at fair value for each of the CIFS 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, 2025 fair value, or net asset value ("NAV") equivalent. The CIFS' 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

The CIFS' investment managers are given full discretion to manage their portion of the 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):

<u>Investment Type</u>	<u>Combined Investment Funds</u>				
	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Cash Equivalents	\$ 2,003,362	\$ 2,003,362	\$ -	\$ -	\$ -
Asset Backed Securities	383,581	254	90,322	82,744	210,261
Government Securities	4,817,045	30,407	3,293,293	1,020,448	472,897
Government Agency Securities	1,613,219	-	3,102	9,673	1,600,444
Mortgage Backed Securities	439,560	-	23,442	10,169	405,949
Corporate Debt	4,251,996	95,512	2,454,580	1,106,347	595,557
Convertible Debt	17,187	4,206	12,978	3	-
Total	\$ 13,525,950	\$ 2,133,741	\$ 5,877,717	\$ 2,229,384	\$ 3,285,108

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, 2025, the CIFS' debt investments were rated by Moody's as follows (amounts in thousands):

Combined Investment Funds

	Fair Value	Cash	Asset Backed	Government	Government	Mortgage	Corporate Debt	Convertible
		Equivalents	Securities	Securities	Agency Securities	Backed Securities		Debt
Aaa	\$ 314,898	\$ -	\$ 115,864	\$ 16,888	\$ 15,952	\$ 137,279	\$ 28,915	\$ -
Aaa-mf	802,915	802,915	-	-	-	-	-	-
Aa	6,009,221	-	33,194	4,122,784	1,597,267	173,012	82,964	-
A	628,744	-	47,165	26,704	-	12,502	542,373	-
Baa	1,392,560	-	60,134	116,718	-	25,988	1,189,720	-
Ba	936,081	-	3,708	97,662	-	-	834,711	-
B	1,010,906	-	204	33,776	-	-	976,926	-
Caa	471,988	-	7,970	30,396	-	961	432,661	-
Ca	9,888	-	382	338	-	-	9,168	-
C	5,729	-	-	3,417	-	-	2,312	-
Not Rated	1,943,020	1,200,447	114,960	368,362	-	89,817	152,247	17,187
Total	\$ 13,525,950	\$ 2,003,362	\$ 383,581	\$ 4,817,045	\$ 1,613,219	\$ 439,559	\$ 4,251,997	\$ 17,187

Foreign Currency Risk

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50.0 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 portfolio.

As of June 30, 2025, the CIFS' foreign deposits and investments were as follows (amounts in thousands):

Foreign Currency	Total	Cash	Fixed Income Securities			Equities		Real Estate Investment Trust Fund	
			Cash Equivalent Collateral	Government Securities	Corporate Debt	Mortgage and Asset Backed	Common Stock		Preferred Stock and Mutual Funds
Argentine Peso	\$ 96	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Australian Dollar	426,324	825	-	-	-	401,761	-	23,738	
Brazilian Real	292,816	384	-	32,296	1,760	(251)	219,126	39,501	
Canadian Dollar	88,180	527	-	-	-	87,653	-	-	
Chilean Peso	9,683	91	-	6,167	-	(20)	2,160	1,285	
Colombian Peso	13,718	38	-	9,358	2,384	63	1,875	-	
Czech Koruna	11,650	(8)	-	11,239	-	41	378	-	
Danish Krone	177,433	75	-	-	-	-	177,358	-	
Dominican Peso	11,730	-	-	11,730	-	-	-	-	
Egyptian Pound	6,224	-	-	2,294	3,913	-	17	-	
Euro Currency	2,906,902	3,507	(1,184)	14,814	2,258	611	2,850,958	13,679	
Ghana Cedi	602	-	-	602	-	-	-	-	
Hong Kong Dollar	680,337	2,106	-	-	-	-	674,039	4,192	
Hryvnia	9,290	6,506	-	2,784	-	-	-	-	
Hungarian Forint	44,423	12	-	11,273	-	15	33,123	-	
Indian Rupee	404,879	46	-	-	14,328	11	389,782	712	
Indonesian Rupiah	93,047	251	-	25,066	1,805	-	65,925	-	
Japanese Yen	1,532,661	11,198	-	-	-	5	1,503,933	17,525	
Kazakhstan Tenge	1,384	-	-	1,384	-	-	-	-	
Kenyan Shilling	1,284	-	-	-	-	-	1,284	-	
Malaysian Ringgit	27,880	87	-	23,388	-	17	4,257	131	
Mexican Peso	61,422	(625)	-	23,756	5,233	638	32,027	393	
New Israeli Shekel	46,095	176	-	581	-	-	44,896	442	
New Taiwan Dollar	274,427	6	-	-	-	-	274,418	3	
New Zealand Dollar	9,744	13	-	-	-	-	9,492	239	
Norwegian Krone	48,686	83	-	-	-	-	48,603	-	
Paraguay Guarani	1,683	-	-	1,683	-	-	-	-	
Philippine Peso	13,728	173	-	4,786	-	-	8,769	-	
Polish Zloty	51,125	(44)	(1,081)	15,154	1,265	37	35,794	-	
Pound Sterling	1,375,463	1,536	-	-	-	1,189	1,346,582	26,156	
Romanian Leu	7,122	6	-	7,116	-	-	-	-	
Russian Ruble	2,620	2,620	-	-	-	-	-	-	
Saudi Riyal	60,717	-	-	-	-	-	60,717	-	
Singapore Dollar	121,678	254	-	-	-	-	111,914	9,510	
Soi	24,180	-	-	18,661	5,519	-	-	-	
South African Rand	152,480	143	-	29,365	603	(42)	122,411	-	
South Korean Won	403,703	678	-	-	-	-	402,667	358	
Swedish Krona	168,940	99	-	-	-	38	168,803	-	
Swiss Franc	686,210	53	-	-	-	-	686,157	-	
Thailand Baht	63,768	159	-	11,248	-	-	52,361	-	
Turkish Lira	11,750	2	-	6,353	-	-	5,164	231	
Uganda Shilling	747	-	-	747	-	-	-	-	
Uruguayan Peso	1,583	-	-	1,583	-	-	-	-	
Uzbekistan Sum	575	-	-	-	575	-	-	-	
Yuan Renminbi	22,582	(136,250)	-	-	-	727	158,105	-	
Yuan Renminbi (Offshore)	136,640	136,640	-	-	-	-	-	-	
Zambian Kwacha	545	1	-	544	-	-	-	-	
Total	\$ 10,488,756	\$ 31,464	\$ (2,265)	\$ 273,972	\$ 39,643	\$ 3,079	\$ 9,982,509	\$ 54,823	\$ 105,531

Derivatives

As of June 30, 2025, the CIFS held the following derivative investments (amounts in thousands):

	2025		2024	
	Fair Value		Fair Value	
Adjustable Rate Securities	\$	1,779,701	\$	1,701,455
Asset Backed Securities		383,581		409,846
Mortgage Backed Securities		439,560		343,769
Forward Mortgage Backed Securities (TBA's)		302,484		346,482
Total	\$	2,905,326	\$	2,801,552

The Core Fixed Income Fund held futures with a notional cost of \$350,733,858. The Developed Market International Stock Fund held futures with a notional cost of \$51,915,843. Also, the Non-Core Fixed Income Fund held futures with a notional cost of \$30,776,349.

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, 2025, the fair value of contracts to buy and contracts to sell was \$410.0 million and \$407.0 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, 2025, the CIFS had deposits with a bank balance of \$44.1 million, all of 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 (UConn) 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, 2025, UConn had the following recurring fair value measurements. (amounts in thousands):

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents	\$ 671	\$ 671	\$ -	\$ -
Fixed Income Securities	1,815	1,815	-	-
Equity Securities	18,463	18,463	-	-
Other	1,517	1,517	-	-
Total	\$ 22,466	\$ 22,466	\$ -	\$ -

Investments Measured by Net Asset Value (NAV)

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Capital Partnerships	\$ 191	\$ 107	N/A	N/A
Private Real Estate Partnerships	7	35	N/A	N/A
Natural Resource Partnerships	90	5	N/A	N/A
Long/Short Equities	1	-	N/A	N/A
Relative Value	223	-	N/A	N/A
Other	681	-	N/A	N/A
Total	1,193	\$ 147		
Total Investments in Securities at Fair Value	\$ 23,659			

As of June 30, 2025, the State had other investments and maturities as follows (amounts in thousands):

Investment Type	Investment Maturities (in Years)			
	Fair Value	Less Than 1	1-5	6-10
U.S. Government and Agency Securities	535,208	80,676	257,740	196,792
Guaranteed Investment Contracts	11,771	749	11,022	-
Money Market Funds	16,463	16,463	-	-
Total Debt Investments	563,442	\$ 97,888	\$ 268,762	\$ 196,792
Endowment Pool	21,461			
Other Investments	16,718			
Total Investments	\$ 601,621			

Credit Risk

As of June 30, 2025, other debt investments were rated by Standard and Poor's as follows (amounts in thousands):

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
U.S. Government and Agency Securities	\$ 481,223	\$ -	\$ 481,223	\$ -	\$ -
Guaranteed Investment Contracts	11,771	-	-	11,236	535
Money Market Funds	16,463	16,463	-	-	-
Total	\$ 509,457	\$ 16,463	\$ 481,223	\$ 11,236	\$ 535

Connecticut State Universities had \$54.0 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

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 a percentage 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, 2025, \$471.9 million of the bank balance of the Primary Government of \$548.7 million was exposed to custodial credit risk as follows (amounts in thousands):

Uninsured and uncollateralized	\$ 94,055
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	377,932
Total	\$ 471,987

Component Units

The Connecticut Housing Finance Authority (CHFA) and the Connecticut Lottery Corporation (CLC) reported the following investments and maturities as of December 31, 2024 and June 30, 2025, respectively (amounts in thousands):

Investment Type	Major Component Units					
	Fair Value	Investment Maturities (in years)				More Than 10
		Less Than 1	1-5	6-10	5	
Collateralized Mortgage Obligations	\$ 504	\$ -	\$ -	\$ -	\$ -	\$ 499
GNMA & FNMA Program Assets	3,173,712	-	1,872	31,999	-	3,139,841
Money Market	8,645	8,645	-	-	-	-
Municipal Bonds	29,272	4,946	2,061	2,712	-	19,553
STIF	1,100,732	1,100,732	-	-	-	-
MBS's	50	-	50	-	-	-
Structured Securities	385	-	385	-	-	-
U.S. Government Agency Securities	677	-	677	-	-	-
Total Debt Investments	4,313,977	\$ 1,114,323	\$ 5,045	\$ 34,716	\$ -	\$ 3,159,893
Annuity Contracts	112,206	-	-	-	-	-
Total Investments	\$ 4,426,183	-	-	-	-	-

The CHFA and the CLC own 97.5 percent and 2.5 percent of the above investments, respectively. The Government National Mortgage Association (GNMA) Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by GNMA. Annuity contracts are the only investment held by the CLC, which are not subject to investment risks discussed next.

Interest Rate Risk**CHFA**

Exposure to declines in fair value is substantially limited to GNMA Program Assets. 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 avoid 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 (FNMA), 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, 2024 as follows (amounts in thousands):

Investment Type	Component Units					
	Fair Value	Quality Ratings				Unrated
		AAA	AA	Aaa	C	
Collateralized Mortgage Obligations	\$ 504	\$ -	\$ -	\$ 498	\$ -	\$ 6
GNMA & FNMA Program Assets	3,173,712	-	3,173,712	-	-	-
Money Market	8,645	-	-	7,372	-	1,273
Municipal Bonds	29,272	-	4,590	-	-	24,682
STIF	1,100,732	1,100,732	-	-	-	-
MBS's	50	-	50	-	-	-
Structured Securities	385	-	-	-	385	-
U.S. Government Agency Securities	677	-	677	-	-	-
Total	\$ 4,313,977	\$ 1,100,732	\$ 3,179,029	\$ 7,870	\$ 385	\$ 25,961

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, 2024, the Authority had no investments in any one issuer that represents 5.0 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA and FNMA 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 102.0 percent of the fair value of the domestic loaned securities or 105.0 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 \$5.5 billion and \$5.4 billion, 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 1.9 days and an average weighted maturity of 60.3 days.

Note 4 Receivables-Current

As of June 30, 2025, current receivables consisted of the following (amounts in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
Taxes	\$ 4,083,639	\$ -	\$ -
Accounts	1,625,010	676,787	85,376
Loans, Current Portion	-	210,406	5,257
Other Governments	813,267	35,789	55,142
Interest	7,267	3,667	3,558
Other	6	317	535
Total Receivables	6,529,189	926,966	149,868
Allowance for Uncollectibles	(758,644)	(142,867)	(10,353)
Receivables, Net	\$ 5,770,545	\$ 784,099	\$ 139,515

Note 5 Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2025 (amounts in thousands):

	Governmental Activities		Total
	General Fund	Transportation Fund	
Sales and Use	\$ 936,795	\$ -	\$ 936,795
Income Taxes Corporations	1,813,174	-	1,813,174
Gasoline and Special Fuel	227,544	-	227,544
Various Other	-	277,051	277,051
	747,023	-	747,023
Total Taxes Receivable	3,724,536	277,051	4,001,587
Allowance for Uncollectibles	(215,493)	(22)	(215,515)
Taxes Receivable, Net	\$ 3,509,043	\$ 277,029	\$ 3,786,072

Note 6**Receivables-Noncurrent**

Noncurrent receivables for the primary government and its component units, as of June 30, 2025, consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Accounts	\$ -	\$ -	\$ 103,975
Loans	1,038,645	1,043,522	311,737
Leases	-	15,864	183,225
Total Receivables	1,038,645	1,059,386	598,937
Allowance for Uncollectibles	(75,849)	(671)	(19,335)
Receivables, Net	<u>\$ 962,796</u>	<u>\$ 1,058,715</u>	<u>\$ 579,602</u>

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 2.0 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 \$843.4 million.

The Connecticut Health and Educational Facilities Authority (a component unit) makes loans to individuals from the proceeds of bonds issued by the Authority. The loans bear interest rates ranging from 3.0 percent to 7.7 percent. At year end, the noncurrent portion of loans receivable was \$168.7 million.

Note 7**Restricted Assets**

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2025, restricted assets were comprised of the following (amounts in thousands):

	Cash & Cash Equivalents	Investments	Loans, Net of Allowances	Other	Total Restricted Assets
Governmental Activities:					
Debt Service	\$ 1,336,925	\$ -	\$ -	\$ -	\$ 1,336,925
Environmental	-	-	-	-	-
Total Governmental Activities	<u>\$ 1,336,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,336,925</u>
Business-Type Activities:					
UConn/Health Center	\$ 188,810	\$ -	\$ -	\$ -	\$ 188,810
Clean Water	191,473	17,144	-	-	208,617
Other Proprietary	51,710	225	-	-	51,935
Total Business-Type Activities	<u>\$ 431,993</u>	<u>\$ 17,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,362</u>
Component Units:					
CHFA	\$ 1,293	\$ 4,313,976	\$ 2,545,381	\$ 179,222	\$ 7,039,872
CAA	79,690	13,578	-	2,631	95,899
CHEFA	-	845,087	181,139	5,263	1,031,489
Other Component Units	288,282	1	-	-	288,283
Total Component Units	<u>\$ 369,265</u>	<u>\$ 5,172,642</u>	<u>\$ 2,726,520</u>	<u>\$ 187,116</u>	<u>\$ 8,455,543</u>

Note 8

Current Liabilities

As of June 30, 2025, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

	Vendors	Salaries and Benefits	Interest	Other	Total Payables & Accrued Liabilities
Governmental Activities:					
General	\$ 256,765	\$ 215,500	\$ -	\$ -	\$ 472,265
Transportation	36,358	13,285	-	-	49,643
Restricted Accounts	269,750	14,522	-	-	284,272
Grants and Loans	16,174	105	-	3,480	19,759
Other Governmental	100,942	7,024	-	-	107,966
Internal Service	1,142	443	-	-	1,585
Reconciling amount from fund financial statements to government-wide financial statements	-	-	341,424	1,487,457	1,828,881
Total-Governmental Activities	\$ 681,131	\$ 250,879	\$ 341,424	\$ 1,490,937	\$ 2,764,371
Business-Type Activities:					
UConn/Health Center	\$ 95,900	\$ 109,373	\$ -	\$ 58,268	\$ 263,541
Board of Regents	33,405	74,342	1,218	-	108,965
Other Proprietary	3,994	-	8,559	688	13,241
Total-Business-Type Activities	\$ 133,299	\$ 183,715	\$ 9,777	\$ 58,956	\$ 385,747
Component Units:					
CHEFA	\$ 6,586	\$ -	\$ 25,379	\$ 225,118	\$ 257,083
Connecticut Lottery Corporation	5,711	-	948	-	6,659
Connecticut Airport Authority	48,396	6,992	3,500	21,214	80,102
CHEFA	-	-	1,140	1,286	2,426
Other Component Units	11,521	1,960	72	200,006	213,559
Total-Component Units	\$ 72,214	\$ 8,952	\$ 31,039	\$ 447,624	\$ 559,829

Note 9

Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 2,019,718	\$ 31,075	\$ 423	\$ 2,050,370
Construction in Progress	7,541,948	1,479,781	908,592	8,113,137
Art & Historical Collections	224,768	54	191	224,631
Total Capital Assets not being Depreciated	9,786,434	1,510,910	909,206	10,388,138
Capital Assets being Depreciated/Amortized:				
Buildings	4,892,096	43,150	16,084	4,919,162
Improvements other than Buildings	374,208	5,464	1,523	378,149
Equipment	2,542,575	427,206	271,786	2,697,995
Intangible Assets	366,774	6,978	2,330	371,422
Right-to-use Assets - Leases	98,076	7,092	4,815	100,353
Right-to-use Assets - Subscriptions	52,685	7,116	-	59,801
Infrastructure	19,950,550	916,008	-	20,866,558
Total Capital Assets Being Depreciated/Amortized	28,276,964	1,413,014	296,538	29,393,440
Less Accumulated Depreciation/Amortization for:				
Buildings	3,409,206	69,432	16,084	3,462,554
Improvements other than Buildings	206,602	13,365	1,523	218,444
Equipment	1,692,298	140,728	271,786	1,561,240
Intangible Assets	337,747	5,469	2,330	340,886
Right-to-use Assets - Leases	40,194	16,252	4,815	51,631
Right-to-use Assets - Subscriptions	23,516	14,333	-	37,849
Infrastructure	13,806,001	502,934	-	14,308,935
Total Accumulated Depreciation/Amortization	19,515,564	762,513	296,538	19,981,539
Total Capital Assets being Depreciated/Amortized, Net	8,761,400	650,501	-	9,411,901
Governmental Activities Capital Assets, Net	\$ 18,547,834	\$ 2,161,411	\$ 909,206	\$ 19,800,039

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

Legislative	\$ 6,951
General Government	58,002
Regulation & Protection	25,921
Conservation & Development	4,243
Health & Hospitals	6,278
Transportation	618,731
Human Services	4,388
Education, Libraries & Museums	787
Corrections	21,835
Judicial	15,377
Total	\$ 762,513

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital Assets not being Depreciated:				
Land	\$ 78,213	\$ 40	\$ -	\$ 78,253
Construction in Progress	415,948	118,510	311,157	223,301
Art & Historical Collections	71,018	959	36	71,941
Total Capital Assets not being Depreciated	565,179	119,509	311,193	373,495
Capital Assets being Depreciated/Amortized:				
Buildings	7,658,901	410,716	2,519	8,067,098
Improvements other than Buildings	757,514	5,040	9,305	753,249
Equipment	928,669	51,931	41,311	939,289
Intangible Assets	123,478	6,552	1,973	128,057
Right-to-use Assets - Leases	259,822	15,637	1,889	273,570
Right-to-use Assets - Subscriptions	116,146	26,742	21,041	121,847
Total Capital Assets being Depreciated	9,844,530	516,618	78,038	10,283,110
Less: Accumulated Depreciation/Amortization For:				
Buildings	3,612,127	242,454	3,513	3,851,068
Improvements other than Buildings	338,264	19,222	8,534	348,952
Equipment	714,283	53,303	39,128	728,458
Intangible Assets	86,983	11,480	1,972	96,491
Right-to-use Assets - Leases	53,561	20,400	1,960	72,001
Right-to-use Assets - Subscriptions	61,240	27,009	19,965	68,284
Total Accumulated Depreciation/Amortization	4,866,458	373,868	75,072	5,165,254
Total Capital Assets being Depreciated/Amortized, Net	4,978,072	142,750	2,966	5,117,856
Business-Type Activities, Capital Assets, Net	<u>\$ 5,543,251</u>	<u>\$ 262,259</u>	<u>\$ 314,159</u>	<u>\$ 5,491,351</u>

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, 2025 (amounts in thousands):

Land	\$ 490,784
Buildings	1,291,157
Improvements other than Buildings	319,178
Machinery and Equipment	384,312
Intangible Assets	9,897
Right-to-use Assets - Leases	27,297
Right-to-use Assets - Subscriptions	1,941
Construction in Progress	252,865
Total Capital Assets	<u>2,777,431</u>
Accumulated Depreciation/Amortization	<u>1,302,676</u>
Capital Assets, Net	<u>\$ 1,474,755</u>

Note 10

State Retirement Systems

The State sponsors three major public employee retirement systems: The State Employees' Retirement System (SERS), which 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 (SERC), administers SERS and JRS. SERC consists of sixteen members, and the makeup is as follows: 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 (TRB) administers TRS. TRB consists of fourteen members, and the makeup is as follows: 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 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	57,628	40,034	330
Inactive Members Entitled to but not yet Receiving Benefits	3,638	2,457	3
Inactive Members Entitled to a Refund of Member Contributions	0	8,901	0
Active Members	49,023	53,373	208

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. In years where asset losses require further increases in contributions, Tier IV member contributions may increase by half the necessary increase in rates, up to 2.0 percent. 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 3.0 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 salary 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 7.0 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 5.0 percent of their annual salary, and those hired after that date are required to contribute 6.0 percent. The State is required to contribute at an actuarially determined rate that cannot be less than the employer normal cost. 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, 2024.

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%	0.0%	0.0%	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%	0.0%	0.0%	11.0%	6.4%
Emerging Markets Intl. Stock Fund	9.0%	8.6%	0.0%	0.0%	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%	13.0%	0.4%	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%	0.0%	0.0%	5.0%	3.8%
Global Equity Fund	0.0%	0.0%	37.0%	6.8%	0.0%	0.0%
High Yield Bonds	3.0%	3.4%	0.0%	0.0%	3.0%	3.4%
Real Estate Fund	19.0%	5.2%	10.0%	6.2%	19.0%	5.2%
Private Equity	10.0%	9.4%	15.0%	11.2%	10.0%	9.4%
Private Credit	5.0%	6.5%	10.0%	6.1%	5.0%	6.5%
Public Credit	0.0%	0.0%	2.0%	2.9%	0.0%	0.0%
Risk Mitigation	0.0%	0.0%	5.0%	0.1%	0.0%	0.0%
Alternative Investments	3.0%	3.1%	0.0%	0.0%	3.0%	3.1%
Infrastructure and Natural Resources	0.0%	0.0%	7.0%	7.7%	0.0%	0.0%
Liquidity Fund	2.0%	-0.4%	1.0%	-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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 10.1 percent, 10.2 percent, and 10.1 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 the net pension liability as of the measurement date June 30, 2024 were as follows (amounts in thousands):

	SERS	TRS	JRS
Total Pension Liability	\$ 42,869,799	\$ 42,259,956	\$ 567,245
Fiduciary Net Position	23,901,093	26,488,743	333,134
Net Pension Liability	<u>\$ 18,968,706</u>	<u>\$ 15,771,213</u>	<u>\$ 234,111</u>
Ratio of Fiduciary Net Position to Total Pension Liability	55.75%	62.68%	58.73%

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 of SERS and JRS were projected through the year 2127 and 2112, respectively.

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 thousands):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SERS Net Pension Liability	\$ 23,804,233	\$ 18,780,912	\$ 14,589,116
TRS Net Pension Liability	\$ 21,158,748	\$ 15,771,213	\$ 11,298,563
JRS Net Pension Liability	\$ 291,790	\$ 234,111	\$ 184,688
Component Units	\$ 238,023	\$ 187,794	\$ 145,880

**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, 2025 (amounts in thousands):

	SERS	TRS	JRS	Total
Primary Government	\$ 2,920,623	\$ 2,194,180	\$ 30,460	\$ 5,145,263
Component Units	20,950	-	-	20,950
Total Employer Contributions	<u>\$ 2,941,573</u>	<u>\$ 2,194,180</u>	<u>\$ 30,460</u>	<u>\$ 5,166,213</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, 2024, 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	\$ 18,780,912	\$ 187,794
Teachers' Retirement System	15,771,213	-
Judicial Retirement System	234,111	-
Total Net Pension Liability	<u>\$ 34,786,236</u>	<u>\$ 187,794</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, 2024 as follows:

	Primary Government	Component Units
State Employees' Retirement System		
Proportion-June 30, 2024	99.0%	1.0%

For the measurement date June 30, 2024, the primary government and component units recognized pension expense for the following pension plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Pension Expense		
State Employees' Retirement System	\$ 2,280,020	\$ 13,305
Teachers' Retirement System	1,808,992	-
Judicial Retirement System	38,206	-
	<u>\$ 4,127,218</u>	<u>\$ 13,305</u>

Deferred Outflows and Inflows of Resources

As of the reporting date June 30, 2025, 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
State Employees' Retirement System				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	\$ 473,486	\$ -	\$ 4,734
Difference Between Expected and Actual Experience	1,558,829	-	15,587	-
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	6,632	-	34,261	40,144
Change in Assumptions	-	11,918	-	119
Employer Contributions Subsequent to Measurement Date	2,920,623	-	20,950	-
Total	<u>\$ 4,486,084</u>	<u>\$ 485,404</u>	<u>\$ 70,798</u>	<u>\$ 44,997</u>
Teachers' Retirement System				
Differences Between Expected and Actual Experience	\$ 793,923	\$ 67,400		
Change in Assumptions	472,753	-		
Net Difference Between Projected and Actual Earnings on Plan Investments	-	292,653		
Employer Contributions Subsequent to Measurement Date	2,194,180	-		
Total	<u>\$ 3,460,856</u>	<u>\$ 360,053</u>		
Judicial Retirement System				
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ -	\$ 2,817		
Differences Between Expected and Actual Experience	17,177	222		
Change in Assumptions	-	-		
Employer Contributions Subsequent to Measurement Date	30,460	-		
Total	<u>\$ 47,637</u>	<u>\$ 3,039</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):

<u>State Employees' Retirement System</u>		<u>Primary</u>	<u>Component</u>
<u>Year</u>	<u>Government</u>	<u>Units</u>	
1	\$ 444,291	\$ (4,459)	
2	807,152	672	
3	(55,907)	1,211	
4	(126,132)	5,315	
5	9,905	2,111	
	<u>\$ 1,079,309</u>	<u>\$ 4,850</u>	

<u>Teachers' Retirement System</u>		<u>Primary</u>
<u>Year</u>	<u>Government</u>	
1	\$ 330,796	
2	674,559	
3	(92,099)	
4	(93,248)	
5	64,584	
6	22,031	
	<u>\$ 906,623</u>	

<u>Judges' Retirement System</u>		<u>Primary</u>
<u>Year</u>	<u>Government</u>	
1	\$ 11,184	
2	9,309	
3	(3,631)	
4	(2,724)	
5	-	
	<u>\$ 14,138</u>	

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SERS</u>	<u>TRS</u>	<u>JRS</u>
Valuation Date	6/30/2024	6/30/2024	6/30/2024
Inflation	2.5%	2.5%	2.5%
Salary Increases	3.0% to 11.5%	3.0% to 6.5%	4.0%
Investment Rate of Return	6.9%	6.9%	6.9%

The actuarial assumptions used in the June 30, 2024 SERS reported mortality rates based on Pub-2010 mortality tables projected generationally with scale MP-2020. For non-hazardous duty service retirees – General, Above-Median, Healthy Retiree; disabled retirees – General, Disabled Retiree; beneficiaries – General, Above-Median Contingent Annuitant; active employees – General, Above-Median, Employee. For 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, 2024 TRS actuarial report were based on the Pub T-2010 Healthy Retiree Table (adjusted 105.0% for males and 103.0% for females at ages 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 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, 2024 JRS reported mortality rates based on Pub-2010 mortality tables projected generationally with scale MP-2020. For service retirees – General, Above-Median, Healthy Retiree; disabled retirees – General, Disabled Retiree; beneficiaries – General, Above-Median Contingent Annuitant; active employee – General, Above-Median, Employee.

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, 2024 (amounts in thousands):

Total Pension Liability	SERS	TRS	JRS
Service Cost	\$ 496,558	\$ 662,011	\$ 10,533
Interest	2,805,347	2,737,514	37,170
Benefit Changes	-	-	-
Difference between expected and actual experience	234,546	389,231	(311)
Changes of assumptions	-	-	-
Benefit payments	(2,636,075)	(2,405,827)	(37,990)
Refunds of Contributions	(11,644)	-	-
Net change in total pension liability	888,732	1,382,929	9,702
Total pension liability - beginning (a)	41,981,067	40,877,027	557,543
Total pension liability - ending (c)	\$ 42,869,799	\$ 42,259,956	\$ 567,245
Plan fiduciary net position			
Contributions - employer	\$ 2,611,118	\$ 1,554,542	\$ 35,252
Contributions - member	257,862	368,299	2,297
Net investment income	2,440,048	2,672,900	34,252
Benefit payments	(2,636,075)	(2,405,827)	(37,990)
Administrative Expense	(21,247)	-	-
Refunds of Contributions	(11,644)	-	-
Other	24,490	429,097	-
Net change in plan fiduciary net position	2,664,552	2,619,011	34,111
Plan net position - beginning (b)	21,236,541	23,869,732	299,023
Plan net position - ending (d)	\$ 23,901,093	\$ 26,488,743	\$ 333,134
Net pension liability - beginning (a)-(b)	\$ 20,744,526	\$ 17,007,295	\$ 258,520
Net pension liability - ending (c)-(d)	\$ 18,968,706	\$ 15,771,213	\$ 234,111

d. Defined Contribution Plan

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

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5.0 percent of their annual salaries. The State is required to contribute 8.0 percent of covered salary. During the year, plan members and the State contributed \$19.4 million and \$40.7 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 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	9,218	398
Terminated plan members entitled to but not receiving benefits	1,832	32
Inactive Members Entitled to Refund of Member Contributions	4,626	139
Active plan members	10,361	318
Total	26,037	887
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 5.25 percent to 8.0 percent of their annual salary, per Public Act 19-124. Participating municipalities are required to contribute at an actuarially 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%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.3%
Infrastructure and 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, 2024 were as follows (amounts in thousands):

	MERS
Total Pension Liability	\$ 4,832,811
Fiduciary Net Position	3,520,545
Net Pension Liability	\$ 1,312,266
Ratio of Fiduciary Net Position to Total Pension Liability	72.8%

Deferred Retirement Option Program (DROP)

Connecticut House Bill 6930 allows a MERS retiree who returns to work for a municipality that does not participate in MERS to participate in and receive credit in that municipality's retirement system. Upon entering the DROP, the member contribution rate is reduced by half. After 24 months of DROP participation, the member contribution rate is reduced to 0.0 percent. The DROP is capped at five years of participation, and will be offered to eligible members beginning July 1, 2025.

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):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
Net Pension Liability	\$ 1,897,901	\$ 1,312,266	\$ 823,479

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):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees Retirement System		
Difference Between Expected and Actual Experience	\$ 117,529	\$ -
Changes in actuarial assumptions	106,307	-
Net Difference Between Projected and Actual Investment Earnings on Plan Investments	-	22,967
Employer Contributions Subsequent to Measurement Date	165,988	-
	<u>\$ 389,824</u>	<u>\$ 22,967</u>

State contributions subsequent to the measurement date will be recognized by a reduction of the net pension liability reported in the following year (amounts in thousands):

Year	MERS
1	\$ 59,880
2	140,964
3	8,590
4	(10,032)
5	1,467

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, 2024 (amounts in thousands):

Total Pension Liability MERS	
Service Cost	\$ 98,294
Interest on the total pension liability	315,933
Benefit changes	-
Difference between expected and actual Changes of assumptions	36,422
Benefit payments	(259,326)
Refunds of contributions	(3,012)
Net change in total pension	<u>188,311</u>
Total pension liability - beginning	<u>4,644,500</u>
Total pension liability - ending (a)	<u>\$ 4,832,811</u>
Plan net position	
Contributions - employer	\$ 145,612
Contributions - member	46,010
Net investment income	358,397
Benefit payments	(259,326)
Refunds of contributions	(3,012)
Other	3,061
Net change in plan net position	<u>290,742</u>
Plan net position - beginning	<u>\$ 3,229,803</u>
Plan net position - ending (b)	<u>\$ 3,520,545</u>
Net pension liability - ending (a) -(b)	<u>\$ 1,312,266</u>

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%
Salary increase	3.0 to 9.5 percent, including inflation
Long-Term investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.

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 3.8 percent of their annual salary. The probate court system is required to contribute at an actuarially 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.

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, 2025, the Fiduciary Fund financial statements were as follows (amounts in thousands):

	Statement of Fiduciary Net Position						
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges	Other	Total
Assets							
Current:							
Cash and Cash Equivalents	\$ 10,934	\$ 7,000	\$ 168	\$ 10,770	\$ 203	\$ 587	\$ 29,662
Receivables:							
Accounts, Net of Allowances	10,933	15,764	142	16,239	-	-	43,078
From Other Governments	-	12	-	-	-	-	12
From Other Funds	894,706	592,750	-	-	-	-	1,487,456
Interest	1,693	1,406	21	254	8	-	3,382
Investments	25,916,084	28,691,138	360,988	3,780,484	153,176	3,436	58,905,306
Securities Lending Collateral	2,250,386	2,508,918	31,362	327,240	13,332	296	5,131,534
Noncurrent:							
Due From Employers	-	-	-	8,626	-	-	8,626
Total Assets	\$ 29,084,736	\$ 31,816,988	\$ 392,681	\$ 4,143,613	\$ 166,719	\$ 4,319	\$ 65,609,056
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 21	\$ 3,042	\$ 17	\$ -	\$ -	\$ -	\$ 3,080
Securities Lending Obligation	2,250,386	2,508,918	31,362	327,240	13,332	296	5,131,534
Due to Other Funds	-	2,388	-	-	-	-	2,388
Total Liabilities	\$ 2,250,407	\$ 2,514,348	\$ 31,379	\$ 327,240	\$ 13,332	\$ 296	\$ 5,137,002
Net Position							
Held in Trust For Employee							
Pension and Other Benefits	\$ 26,834,329	\$ 29,302,640	\$ 361,302	\$ 3,816,373	\$ 153,387	\$ 4,023	\$ 60,472,054
Total Net Position	\$ 26,834,329	\$ 29,302,640	\$ 361,302	\$ 3,816,373	\$ 153,387	\$ 4,023	\$ 60,472,054

Statement of Changes in Fiduciary Net Position

	State		Connecticut			Other	Total
	Employees'	Teachers'	Judicial	Municipal Employees'	Probate Judges'		
Additions							
Contributions:							
Plan Members	\$ 246,400	\$ 362,308	\$ 2,460	\$ 47,066	\$ 268	\$ 35	\$ 658,537
State	2,941,573	2,194,180	30,460	-	-	-	5,166,213
Municipalities	-	-	-	165,988	-	-	165,988
Total Contributions	3,187,973	2,556,488	32,920	213,054	268	35	5,990,738
Investment Income (loss)	2,609,246	2,918,300	36,664	382,750	15,704	343	5,963,007
Less: Investment Expenses	(188,942)	(211,322)	(2,655)	(27,716)	(1,137)	(25)	(431,797)
Net Investment Income	2,420,304	2,706,978	34,009	355,034	14,567	318	5,531,210
Other	22,286	19,484	240	2,715	3,477	42	48,244
Total Additions	5,630,563	5,282,950	67,169	570,803	18,312	395	11,570,192
Deductions							
Benefit Payments and Refunds	2,697,326	2,469,052	38,997	274,974	7,646	-	5,487,995
Other	-	-	5	-	-	-	5
Total Deductions	2,697,326	2,469,052	39,002	274,974	7,646	-	5,488,000
Changes in Net Position	2,933,237	2,813,898	28,167	295,829	10,666	395	6,082,192
Net Position Held in Trust For							
Pension and Other Employee Benefits							
Beginning of Year	23,901,092	26,488,742	333,135	3,520,544	142,721	3,628	54,389,862
End of Year	\$ 26,834,329	\$ 29,302,640	\$ 361,302	\$ 3,816,373	\$ 153,387	\$ 4,023	\$ 60,472,054

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 plans issue stand-alone statements, however, financial statements for these plans are presented in Note 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	85,696	29,514
Inactive Members Entitled to but not yet Receiving Benefits	470	12,262
Active Members	50,078	53,373

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 by the State on a pay-as-you-go basis for non-contributory members and 100 percent for contributory members 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. The 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 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, 2024, the measurement date.

<u>Asset Class</u>	<u>SEOPEBP</u>		<u>RTHP</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Expected 20 year Geometric Real Rate of Return</u>
Global Equity	37.0%	6.8%	0.0%	0.0%
Public Credit	2.0%	2.9%	0.0%	0.0%
Core Fixed Income	13.0%	0.4%	0.0%	0.0%
Liquidity Fund	1.0%	-0.4%	0.0%	0.0%
Risk Mitigation	5.0%	0.1%	0.0%	0.0%
Private Equity	15.0%	11.2%	0.0%	0.0%
Private Credit	10.0%	6.1%	0.0%	0.0%
Real Estate	10.0%	6.2%	0.0%	0.0%
Infrastructure and Natural Resources	7.0%	7.7%	0.0%	0.0%
U. S. Treasuries (Cash Equivalents)	0.0%	0.0%	100.0%	3.8%

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, 2024, the measurement date, were as follows (amounts in thousands):

	<u>Total Primary Government</u>	
	<u>SEOPEBP</u>	<u>RTHP</u>
Total OPEB Liability	\$ 19,277,639	\$ 3,493,571
Fiduciary Net Position	3,126,113	258,353
Net OPEB Liability	<u>\$ 16,151,526</u>	<u>\$ 3,235,218</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	16.2%	7.4%

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	2.5%	2.5%
Payroll Growth Rate	3.0%	3.0%
Salary Increase	3.0% to 11.5%, varies by service and retirement system, including inflation	3.0% to 6.5%
Discount Rate	6.9% contributory 3.7% non-contributory as of June 30, 2023 and 3.9% as of June 30, 2024	3.9%
Investment Rate of Return	6.9%	3.0%, net of OPEB plan investment expense including price inflation.
Healthcare Cost Trend Rates	(0.4%), then 5.8% decreasing 0.3% yearly until 4.5% for medical (non-Medicare) 2.3%, then 6.5% decreasing 0.3% yearly until 4.5% for drugs (non-Medicare) 43.0%, 60.5%, 24.4%, then 5.8% decreasing by 0.3% yearly until 4.5% for drugs (Medicare) 2.6%, 4.5%, then 3.0% yearly for dental 4.5% yearly for Part B 1.9%, 3.3%, then 3.0% yearly for administrative expense	6.3%, decreasing to ultimate rate of 4.5% by 2031 Medicare rates known for 2025, 4.5% increase for all subsequent years

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

Discount Rate

The discount rate used to measure the total OPEB liability for SEOPEBP and RTHP respectively, was 6.9 and 3.9 percent. 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 Rate	Current Discount Rate	1% Increase in Rate
SEOPEBP:			
Primary Government Net OPEB Liability	\$ 18,533,367	\$ 15,931,933	\$ 13,798,689
Component Units Net OPEB Liability	255,449	219,593	190,190
	RTHP		
	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
RTHP Net OPEB Liability	\$ 3,940,259	\$ 3,235,218	\$ 2,684,501

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	\$ 13,620,894	\$ 15,931,933	\$ 18,779,607
Component Units Net OPEB Liability	187,740	219,593	258,843
	RTHP		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
	RTHP Net OPEB Liability	\$ 2,655,482	\$ 3,235,218

**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, 2025 (amounts in thousands):

	SEOPEBP	RTHP	Total
Primary Government	\$ 759,406	\$ 21,765	\$ 781,171
Component Units	10,467	-	10,467
Total Employer Contributions	<u>\$ 769,873</u>	<u>\$ 21,765</u>	<u>\$ 791,638</u>

**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, 2024, 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	\$ 15,931,933	\$ 219,593
Net OPEB Liability		
Retired Teachers' Health Plan	3,235,218	-
Total Net OPEB Liability	<u>\$ 19,167,151</u>	<u>\$ 219,593</u>

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, 2024 as follows (amounts in thousands):

	Primary Government	Component Units
State Employees' OPEB Plan		
Proportion-June 30,2024	98.6%	1.4%

For the measurement date June 30, 2024, 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	\$ 28,566	\$ (5,229)
Retired Teachers' Health Plan	44,826	-
	<u>\$ 73,392</u>	<u>\$ (5,229)</u>

Deferred Outflows and Inflows of Resources

As of the reporting date June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to the OPEB plans from the following sources:

	Primary			
	Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
State Employees' OPEB Plan				
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	\$ -	\$ 7,316	\$ -	\$ 101
Net Difference Between Expected and Actual Experience in the Total OPEB Liability	86,321	927,594	1,190	12,785
Change in Assumptions	854,917	2,937,279	11,783	40,485
Change in Proportion	21,534	28,235	26,035	19,335
Employer Contributions Subsequent to Measurement Date	834,688	-	7,136	-
Total	<u>\$ 1,797,460</u>	<u>\$ 3,900,424</u>	<u>\$ 46,144</u>	<u>\$ 72,706</u>
Retired Teachers' Health Plan				
Difference Between Expected and Actual Experience	\$ 1,540,685	\$ 744,140		
Change in Assumptions	238,054	304,310		
Differences between projected and actual earnings on plan investments	-	40,619		
Employer Contributions Subsequent to Measurement Date	33,501	-		
Total	<u>\$ 1,812,240</u>	<u>\$ 1,089,069</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):

<u>State Employees' OPEB Plan</u>	<u>Year</u>	Primary	Component
		<u>Government</u>	<u>Units</u>
	1	\$ (1,720,977)	\$ (23,993)
	2	(1,027,422)	(8,743)
	3	(190,408)	846
	4	(8,148)	(1,057)
	5	9,303	(750)
		<u>\$ (2,937,652)</u>	<u>\$ (33,697)</u>
<u>Retired Teachers' Health Plan</u>		Primary	
	<u>Year</u>	<u>Government</u>	
	1	\$ 29,239	
	2	42,312	
	3	16,036	
	4	165,361	
	5	228,932	
	Thereafter	207,790	
		<u>\$ 689,670</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, 2024 (amounts in thousands):

Total OPEB Liability	SEOPEBP	RTHP
Service Cost	\$ 459,204	\$ 59,801
Interest	1,041,345	67,106
Difference between expected and actual experience	(232,032)	1,754,214
Changes of assumptions	322,822	(145,568)
Benefit payments	(579,767)	(51,065)
Net change in total OPEB liability	1,011,572	1,684,488
Total OPEB liability - beginning	18,266,067	1,809,083
Total OPEB liability - ending (a)	\$ 19,277,639	\$ 3,493,571
Plan fiduciary net position		
Contributions - employer	\$ 769,873	\$ 21,765
Contributions - member	113,712	59,113
Contributions - nonmember	-	-
Net investment income	291,600	12,911
Benefit payments	(579,767)	(51,065)
Administrative expense	-	(132)
Other	(136,748)	28
Net change in plan fiduciary net position	458,670	42,620
Plan fiduciary net position - beginning	\$ 2,667,443	\$ 215,733
Plan fiduciary net position - ending (b)	\$ 3,126,113	\$ 258,353
Net OPEB liability - ending (a)-(b)	\$ 16,151,526	\$ 3,235,218

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 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 nine municipalities participating in the plan with a total membership of 710 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 (amounts are in thousands):

	Statement of Fiduciary Net Position			
	Retired Teacher Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employee OPEB Plan	Total
Assets				
Current:				
Cash and Cash Equivalents	\$ 290,344	\$ 52	\$ 197,094	\$ 487,490
Receivables:				
From Other Funds	2,388	-	-	2,388
Interest	-	6	-	6
Investments	-	58,913	3,376,093	3,435,006
Securities Lending Collateral	-	5,092	291,865	296,957
Total Assets	\$ 292,732	\$ 64,063	\$ 3,865,052	\$ 4,221,847
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 660	\$ -	\$ 24,769	\$ 25,429
Securities Lending Obligation	-	5,092	291,865	296,957
Total Liabilities	\$ 660	\$ 5,092	\$ 316,634	\$ 322,386
Net Position				
Held in Trust For Employee				
Pension and Other Benefits	\$ 292,072	\$ 58,971	\$ 3,548,418	\$ 3,899,461
Total Net Position	\$ 292,072	\$ 58,971	\$ 3,548,418	\$ 3,899,461

	Statement of Changes in Fiduciary Net Position			
	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employees' OPEB Plan	Total
Additions				
Contributions:				
Plan Members	\$ 119,812	\$ 833	\$ 114,648	\$ 235,293
State	33,501	-	841,824	875,325
Municipalities	-	334	-	334
Total Contributions	153,313	1,167	956,472	1,110,952
Investment Income (loss)	13,153	5,938	332,338	351,429
Less: Investment Expenses	-	(430)	(24,065)	(24,495)
Net Investment Income	13,153	5,508	308,273	326,934
Other	3,797	40	12,072	15,909
Total Additions	170,263	6,715	1,276,817	1,453,795
Deductions				
Administrative Expense	1,034	-	-	1,034
Benefit Payments and Refunds	135,510	1,484	698,225	835,219
Other	-	-	143,378	143,378
Total Deductions	136,544	1,484	841,603	979,631
Changes in Net Position	33,719	5,231	435,214	474,164
Net Position Held in Trust For Pension and Other Employee Benefits				
Beginning of Year	258,353	53,740	3,139,021	3,451,114
Correction of Prior Year Posting Error	-	-	(25,817)	(25,817)
Net Position - Beginning (Restated)	258,353	53,740	3,113,204	3,425,297
End of Year	\$ 292,072	\$ 58,971	\$ 3,548,418	\$ 3,899,461

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 of resources, lease revenues, and interest revenues related to leases as of June 30, 2025 is as follows (amounts in thousands):

Classification	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest
Business-Type Activities	\$ 17,420	\$ 17,926	\$ 2,627	\$ 238
Component Units	\$ 195,122	\$ 180,032	\$ 10,564	\$ 7,145

Future principal and interest payment requirements in relation to the State's lease receivable as of June 30, 2025 were as follows (amounts in thousands):

Fiscal Year(s)	Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest
2026	\$ 1,556	\$ 988	\$ 11,897	\$ 7,436
2027	1,615	902	11,883	7,065
2028	1,584	813	12,189	6,679
2029	1,534	723	12,491	6,277
2030	1,535	630	21,000	5,862
2031 to 2035	9,042	1,553	54,597	22,658
2036 to 2040	399	54	39,829	12,249
2041 to 2045	153	18	24,678	3,620
2046 to 2050	2	-	1,684	1,454
2051 to 2055	-	-	2,280	970
2056 to 2060	-	-	2,594	328
Total	\$ 17,420	\$ 5,681	\$ 195,122	\$ 74,598

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, land, and equipment. Lease assets and accumulated amortization as of June 30, 2025 are as follows (amounts in thousands):

Classification	Net Asset Balance	Accumulated Amortization	Gross Asset Balance
Governmental Activities	\$ 48,722	\$ 51,631	\$ 100,353
Business-Type Activities	\$ 201,569	\$ 72,001	\$ 273,570
Component Units	\$ 20,964	\$ 6,333	\$ 27,297

For the 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 1.1 to 5.9 percent.

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

Fiscal Year(s)	Governmental Activities		Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 12,788	\$ 173	\$ 14,881	\$ 7,906	\$ 813	\$ 1,215
2027	9,906	130	13,409	6,751	1,252	1,173
2028	7,834	97	11,366	6,228	1,280	1,151
2029	6,635	68	9,151	5,802	1,302	1,128
2030	5,598	44	7,956	5,454	1,392	1,100
2031 to 2035	5,856	55	31,661	23,086	15,793	12,246
2036 to 2040	780	5	19,459	18,276	-	-
2041 to 2045	43	-	18,828	14,187	-	-
2046 to 2050	-	-	19,024	11,073	-	-
2051 to 2055	-	-	24,859	7,520	-	-
2056 to 2060	-	-	25,891	3,650	-	-
2061 to 2065	-	-	12,366	385	-	-
Total	\$ 49,440	\$ 572	\$ 208,851	\$ 110,318	\$ 21,832	\$ 18,013

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 2025 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, 2025, are as follows (amounts in thousands):

Classification	Net Asset Balance	Accumulated Amortization	Gross Asset
Governmental Activities	\$ 21,952	\$ 37,849	\$ 59,801
Business-Type Activities	\$ 53,563	\$ 68,284	\$ 121,847
Component Units	\$ 323	\$ 1,617	\$ 1,940

Future principal and interest payment requirements in relation to the State of Connecticut's SBITAs as of June 30, 2025 are as follows (amounts in thousands):

Fiscal Year(s)	Governmental Activities		Business-Type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 16,589	\$ 755	\$ 19,404	\$ 2,325	\$ 323	\$ -
2027	3,066	224	13,499	1,425	-	-
2028	1,853	125	7,081	778	-	-
2029	281	81	3,894	509	-	-
2030	94	72	3,418	314	-	-
2031 to 2035	223	336	2,914	192	-	-
2036 to 2040	286	259	-	-	-	-
2041 to 2045	367	178	-	-	-	-
2046 to 2050	470	75	-	-	-	-
2051 to 2055	54	1	-	-	-	-
Total	\$ 23,283	\$ 2,106	\$ 50,210	\$ 5,543	\$ 323	\$ -

Public-Private Partnerships (PPPs)

Connecticut Department of Transportation

The State, acting by and through the Connecticut Department of Transportation (DOT), 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. DOT 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 4.5 percent, the State reported net present value receivables and related deferred inflows of resources, lease revenue, and interest revenues related to public-private partnership receivables as of June 30, 2025 as follows (amounts in thousands):

Classification	PPP Installment Receivable	Deferred Inflow of Resources	PPP Revenue	PPP Interest Revenue
Transportation and Governmental Activities	\$ 44,964	\$ 41,891	\$ 2,005	\$ 2,271

Future principal and interest payments requirements in relation to the State's public-private partnerships receivables as of June 30, 2025 are as

follows (amounts in thousands):

Fiscal Year(s)	Principal	Interest
2026	\$ 765	\$ 2,235
2027	803	2,197
2028	843	2,157
2029	885	2,115
2030	1,429	2,071
2031 to 2035	11,221	9,215
2036 to 2040	15,150	6,543
2041 to 2045	13,868	2,451
Total	\$ 44,964	\$ 28,984

Note 16 Long-Term Liabilities

The following is a summary of changes in long-term debt of the primary government for the year ended June 30, 2025 (amounts in thousands):

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
Bonds:					
General Obligation	\$ 16,931,681	\$ 2,549,461	\$ 2,765,577	\$ 16,715,565	\$ 1,729,330
Direct Borrowings and Direct Placements	231,055	-	15,790	215,265	15,790
Transportation	7,860,010	1,375,270	1,450,860	7,784,420	413,365
	25,022,746	3,924,731	4,232,227	24,715,250	2,158,485
Plus (Less) Premiums	2,497,067	355,493	269,729	2,582,831	249,256
Total Bonds	27,519,813	4,280,224	4,501,956	27,298,081	2,407,741
Other Long-Term Liabilities:¹					
Net Pension Liability (Note 10)	37,849,287	7,417,955	10,481,006	34,786,236	-
Net OPEB Liability (Note 13)	16,972,678	3,864,693	1,670,220	19,167,151	-
Compensated Absences*	791,826	427,107	-	1,218,933	790
Workers' Compensation	806,619	26,133	19,362	813,390	24,205
Lease Liabilities	58,471	7,092	16,123	49,440	12,788
Subscription Liabilities	30,691	6,643	14,051	23,283	16,589
Claims and Judgments	32,319	8,050	3,432	36,937	7,434
Landfill Post Closure Care	22,303	-	2,442	19,861	2,442
Contracts Payable & Other	705	-	-	705	-
Non-exchange Financial Guarantees	337,380	-	36,680	300,700	34,040
Total Other Liabilities	56,902,279	11,757,673	12,243,316	56,416,636	98,288
Governmental Activities Long-Term Liabilities	\$ 84,422,092	\$ 16,037,897	\$ 16,745,272	\$ 83,714,717	\$ 2,506,029
¹ In prior years, the General and Transportation funds have been used to liquidate other liabilities.					
Business-Type Activities					
Revenue Bonds	\$ 1,197,625	\$ -	\$ 83,405	\$ 1,114,220	\$ 89,500
Plus/(Less) Premiums and Discounts	121,899	-	11,409	110,490	1,132
Total Revenue Bonds	1,319,524	-	94,814	1,224,710	90,632
Compensated Absences*	260,205	60,803	47,023	273,985	100,994
Federal Loan	3,630	688	723	3,595	468
Lease Liabilities	207,486	16,264	14,899	208,851	14,881
Subscription Liabilities	52,939	26,012	28,741	50,210	19,404
Other	225,031	14,337	35,980	203,388	20,384
Total Other Liabilities	749,291	118,104	127,366	740,029	156,131
Business-Type Long-Term Liabilities	\$ 2,068,815	\$ 118,104	\$ 222,180	\$ 1,964,739	\$ 246,763
Primary Government Long-Term Liabilities	\$ 86,490,907	\$ 16,156,001	\$ 16,967,452	\$ 85,679,456	\$ 2,752,792
* Beginning balance restated for implementation of GASB 101.					

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately \$22.3 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, 2025, long-term debt of component units consisted of the following (amounts in thousands):

Long-Term Debt	Balance June 30, 2025	Amounts Due within Year
Bonds Payable (includes premiums/ discounts)	\$ 6,017,793	\$ 356,599
Escrow Deposits	296,049	120,548
Annuities Payable	112,973	4,662
Net Pension Liability	187,794	-
Net Post Employment Liability	219,593	-
Lease Liability	21,832	813
Subscription Liability	323	323
Other	43,316	1,021
Total	\$ 6,899,673	\$ 483,966

Some component units report OPEB liabilities with adjustments from what the State reports; therefore, the notes show a higher liability for OPEB of \$6.5 million 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 \$2.4 million in fiscal year 2025.

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.

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 June 30, 2025, were as follows (amounts in thousands):

Purpose of Bonds	Final Dates	Original Rates	Outstanding	Authorized But Unissued
Capital & Infrastructure				
Improvements	2026-2043	0.45-5.63%	\$ 3,621,553	\$ 1,429,590
School Construction	2026-2043	2.00-5.63%	4,407,835	174,000
Municipal & Other				
Grants & Loans	2026-2036	.31-5.63%	2,875,702	1,954,905
Housing Assistance	2026-2035	1.89-5.35%	750,703	911,594
Elimination of Water Pollution	2026-2038	3.00-5.09%	299,725	34
General Obligation Refunding	2026-2038	1.50-5.00%	2,965,280	-
Pension Obligation	2026-2032	5.69-6.27%	1,773,030	-
Miscellaneous	2026-2034	3.50-5.00%	21,737	12,440
			<u>16,715,565</u>	<u>\$ 4,482,563</u>
Accretion-Various Capital Appreciation Bonds			-	
		Total	<u>\$ 16,715,565</u>	

Future amounts needed to pay principal and interest on as General Obligation bonds outstanding as June 30, 2025, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,729,330	\$ 761,794	\$ 2,491,124
2027	1,685,460	685,883	2,371,343
2028	1,604,680	606,371	2,211,051
2029	1,577,520	530,112	2,107,632
2030	1,506,475	454,934	1,961,409
2031 to 2035	5,435,375	1,311,798	6,747,173
2036 to 2040	2,343,605	436,293	2,779,898
2041 to 2045	833,120	79,255	912,375
Total	<u>\$ 16,715,565</u>	<u>\$ 4,866,440</u>	<u>\$ 21,582,005</u>

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, 2025 is as follows (amounts in thousands):

Type of debt	Final Maturity Dates	Original Interest Rates	Amount Outstanding
Direct Placements	2037	2.45%	\$ 215,265

Future amounts required to pay principal and interest on direct borrowings and direct placements outstanding as June 30, 2025 were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2026	\$ 15,790	\$ 7,658	\$ 23,448
2027	15,790	7,211	23,001
2028	42,500	6,649	49,149
2029	15,790	5,097	20,887
2030	42,500	4,533	47,033
2031 to 2035	64,735	11,331	76,066
2036 to 2040	18,160	985	19,145
Total	<u>\$ 215,265</u>	<u>\$ 43,464</u>	<u>\$ 258,729</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 0.28 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 271st 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 1.0 percent). For example, at the end of fiscal year 2025, the calculated rate was 9.5 percent, based on the terms of the agreement. The standby bond purchase agreement expired 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, 2025, the amount of demand bonds outstanding was \$201.5 million. 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	\$ 201,530,000	\$ 67,176,667	\$ 16,752,181	\$ 83,928,848	\$ 134,353,333
Second	134,353,333	67,176,667	10,370,398	77,547,065	67,176,667
Third	67,176,667	67,176,667	3,988,615	71,165,281	-

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 June 30, 2025, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Infrastructure Improvements	2030-2046	1.75-5.25%	\$ 6,645,040	\$ 6,300,000
STO Refunding	2027-2035	2.00-5.00%	1,139,380	-
			<u>7,784,420</u>	<u>\$ 6,300,000</u>
Accretion-Various Capital Appreciation Bonds			-	
		Total	<u>\$ 7,784,420</u>	

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30, 2025, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2026	\$ 413,365	\$ 377,376	\$ 790,741
2027	473,065	353,086	826,151
2028	491,900	329,120	821,020
2029	506,025	304,330	810,355
2030	501,515	279,312	780,827
2031 to 2035	2,411,780	1,030,038	3,441,818
2036 to 2040	2,010,070	483,488	2,493,558
2041 to 2045	944,935	108,659	1,053,594
2046 to 2050	31,765	794	32,559
	<u>\$ 7,784,420</u>	<u>\$ 3,266,203</u>	<u>\$ 11,050,623</u>

Funds	Final Maturity Dates	Original Interest Rates	Amount Outstanding
UConn	2026-2054	3.0-5.5%	\$ 260,455
Board of Regents	2026-2040	0.35-5.0%	236,585
Clean Water	2026-2039	1.0-5.0%	512,260
Drinking Water	2026-2039	1.0-5.0%	104,920
Total Revenue Bonds			1,114,220
Plus/(Less) premiums and discounts:			
UConn			18,187
Board of Regents			7,648
Clean Water			67,991
Drinking Water			16,664
Revenue Bonds, net			\$ 1,224,710

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 June 30, 2025, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2026	\$ 89,500	\$ 49,028	\$ 138,528
2027	82,915	44,935	127,850
2028	76,910	41,226	118,136
2029	89,005	37,756	126,761
2030	88,475	33,669	122,144
2031 to 2035	365,010	119,283	484,293
2036 to 2040	199,275	51,907	251,182
2041 to 2045	51,980	25,916	77,896
2046 to 2050	48,045	11,556	59,601
2051 to 2055	23,105	2,629	25,734
Total	\$ 1,114,220	\$ 417,905	\$ 1,532,125

c. Component Units

Component Units' revenue bonds and notes outstanding as June 30, 2025, were as follows (amounts in thousands):

Component Unit	Final Maturity Date	Interest Rates	Amount Outstanding
CT Housing Finance Authority	2026-2066	0.4-6.3%	\$ 5,409,532
CT Health and Educational Facilities Authority	2035-2046	0.01-5.3%	244,085
CT Airport Authority	2026-2054	2.8-5.0%	203,665
CT Regional Development Authority	2026-2034	2.0-5.0%	50,080
CT Green Bank	2026-2039	0.2-7.0%	57,003
Total Revenue Bonds			5,964,365
Plus/(Less) premiums and discounts:			
CHFA			43,814
CHEFA			5,971
CAA			2,642
CRDA			1,041
CT Green Bank			(40)
Revenue Bonds, net			\$ 6,017,793

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

The 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, 2024, bonds outstanding under the bond resolution, the indenture, and other bond resolutions were \$5,301.4 million, \$55.9 million, and \$52.3 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. As of December 31, 2024, the Authority has entered into interest rate swap agreements for \$867.7 million of its outstanding variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority.

The 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. Details on these bonds are disclosed under the separately issued audited financial statements of the Authority.

The Connecticut Airport Authority's revenue bonds are issued to fund maintenance/upgrades of the facilities and finance a portion of the costs to develop and construct a ground transportation center. These bonds are secured by and payable from facility charges, facility payments, net revenue, and PFC revenue generated by the operation of Bradley International Airport. Bond covenants require that certain accounts be established and maintained in the custody of the trustee into which bond proceeds, operating revenue, and investment earnings are deposited. Amounts on deposit at year-end are recognized as restricted assets in the accompanying statement of net position. Details on these bonds are disclosed under the separately issued audited financial statements of the Authority.

Lines of Credit

The Connecticut Housing Finance Authority has a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for CHFA to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2024, the amount available under the SBLOC is \$125.3 million. No drawings have been made as of December 31, 2024.

The Connecticut Housing Finance Authority has a revolving line of credit agreement with Wells Fargo Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The agreement has a maximum line of credit of \$75.0 million with an expiration date of July 29, 2026. As of December 31, 2024, the outstanding balance was approximately \$75.0 million.

The Connecticut Housing Finance Authority has a revolving line of credit agreement with Bank of America, N.A., proceeds of which were used as a single-family loan warehouse facility. The agreement has a maximum line of credit of \$75.0 million with an expiration date of April 30, 2026. As of December 31, 2024, the outstanding balance was \$75.0 million.

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 June 30, 2025, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2026	\$ 213,789	\$ 222,579	\$ 436,368
2027	249,665	219,944	469,609
2028	212,279	211,895	424,174
2029	220,143	204,465	424,608
2030	225,762	196,813	422,575
2031 to 2035	1,235,512	852,490	2,088,002
2036 to 2040	1,025,277	645,067	1,670,344
2041 to 2045	881,949	465,281	1,347,230
2046 to 2050	994,772	272,282	1,267,054
2051 to 2055	571,012	100,984	671,996
2056 to 2060	76,545	21,018	97,563
2061 to 2065	52,440	6,954	59,394
2066 to 2070	5,220	227	5,447
	<u>\$ 5,964,365</u>	<u>\$ 3,419,999</u>	<u>\$ 9,384,364</u>

Conduit Debt

As of June 30, 2025, the Connecticut Health and Educational Facilities Authority had total outstanding principal balances of special obligation bonds of \$9,433.0 million. The bonds are issued on behalf of institution to finance the construction of various health and education facilities. These bonds are conduit debt obligations of CHEFA and do not constitute obligations of CHEFA. Therefore, these bonds are not reported with CHEFA's statement of net position. The significant loan programs that comprise the total outstanding bonds are as follows (amounts in thousands):

Program	Principal Balance
Childcare	\$ 31,140
Connecticut State University System	236,585
Higher Education	5,159,308
Hospitals	1,694,247
Social and Other	1,116,638
Independent Schools	745,819
Senior Living	449,294
Total	<u>\$ 9,433,031</u>

Under terms of the agreement between CHEFA and its borrowers, any costs associated with litigation related to bond issuance are the obligations of the borrowers. CHEFA is indemnified under the terms of the bond agreements.

As of December 31, 2024, the Connecticut Housing and Finance Authority had total outstanding principal balances of conduit debt obligations of million. The programs that comprise the total outstanding conduit debt are as follows (amounts in thousands):

Program	Principal Balance
Multifamily Housing Revenue Bonds	\$ 22,630
Multifamily Housing Revenue Notes	2,743
State-Supported Special Obligation Bonds	45,755
Total	<u>\$ 71,128</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, 2025 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, 2025, were \$9,433.0 million, of which \$236.6 million was secured by special capital reserve funds.

d. Debt Refundings

During the fiscal year, the State issued a total of \$949.5 million of refunding bonds for the General Obligation program and \$375.3 million of refunding bonds for the Special Tax Obligation (Transportation) program that will provide aggregate debt service savings of \$78.0 million and \$46.2 million, respectively, over the remaining life of the bonds. The State also issued \$116.6 million of refunding bonds for the City of Hartford Special Obligation program that will provide aggregate debt service savings of \$7.2 million over the remaining life of the bonds.

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 Act also establishes that the City of Hartford must be under the supervision of the Municipal Accountability Review Board of the State and that the City may not issue any new debt without the board's approval. 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 began making contract assistance payments for the City of Hartford's then outstanding \$540.0 million general obligation debt. During fiscal year 2025, the State of Connecticut has paid \$36.7 million in principal on the guarantee.

The liability recognized for nonexchange financial guarantees by the State at June 30, 2025 is as follows (amounts in thousands):

Beginning of Year	Increases	Decreases	End of Year
\$ 337,380	\$ -	\$ 36,680	\$ 300,700

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 \$100,000. 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 \$25.0 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 6-30-23	\$ 816,521	\$ 49,707
Incurred claims	9,738	10,000
Paid claims	(19,640)	(49,509)
Balance 6-30-24	806,619	10,198
Incurred claims	26,133	13,508
Paid claims	(19,362)	(10,961)
Balance 6-30-25	\$ 813,390	\$ 12,745

Note 19

Interfund Receivables and Payables

Interfund receivable and payable balances as June 30, 2025, were as follows (amounts in thousands):

	Balance due to fund(s)											
	General	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Governmental	UConn/ UConn Health	Board of Regents	Employment Security	Internal Services	Fiduciary	Component Units	Total
Balance due from fund(s)												
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734	\$ 26,134	\$ 2,251	\$ 6,843	\$ 1,487,457	\$ 14	\$ 1,523,433
Debt Service	-	5,868	-	-	-	-	-	-	-	-	-	5,868
Restricted Grants and Accounts	4,219	39,605	-	-	-	-	-	-	-	-	5,729	49,553
Grant and Loan Programs	29	-	-	-	-	-	-	-	-	-	-	29
Other Governmental	2,164	-	1,131	-	8,909	62	20,708	-	-	-	-	32,974
UConn/UConn Health	25,655	-	-	-	-	-	-	-	-	-	-	25,655
Board of Regents	287	-	-	-	-	-	-	-	-	-	-	287
Employment Security	-	-	-	-	280	-	-	-	-	-	-	280
Clean Water	-	-	-	-	3,082	-	-	-	-	-	-	3,082
Other Proprietary	-	-	-	-	19,199	-	-	-	-	-	-	19,199
Internal Services	55,892	-	-	-	-	-	-	-	-	-	-	55,892
Fiduciary	-	-	-	-	-	-	-	-	-	2,388	-	2,388
Component Units	76,840	-	-	-	1,069	-	-	-	-	-	-	77,909
Total	\$ 165,086	\$ 45,473	\$ 1,131	\$ -	\$ 32,539	\$ 796	\$ 46,842	\$ 2,251	\$ 6,843	\$ 1,489,845	\$ 5,743	\$ 1,796,549

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, 2025, consisted of the following (amounts in thousands):

	Amount transferred to fund(s)											
	General	Debt Service	Transportation	Restricted Grants and Accounts	Grants and Loans	Other Governmental	UConn/ UConn Health	Board of Regents	Clean Water and Drinking Water	Component Units	Fiduciary Funds	Total
Amount transferred from fund(s)												
General	\$ 2,379,731	\$ -	\$ -	\$ 43,884	\$ -	\$ 169,086	\$ 384,218	\$ 449,914	\$ -	\$ 400	\$ 300,000	\$ 3,727,233
Debt Service	-	-	56,998	(502)	-	-	-	-	-	-	-	56,496
Transportation	-	1,385,566	-	-	-	5,321	-	-	-	-	-	1,390,887
Restricted Grants & Accounts	245,396	-	-	598,082	-	34,659	-	-	-	-	-	878,137
Grants and Loans	790	-	-	77,744	-	311	-	-	-	-	-	78,845
Other Governmental	106,087	-	-	37,823	-	542	13,000	56,134	6,572	-	-	220,158
UConn/UConn Health	-	-	-	-	-	-	-	-	-	-	-	-
Board of Regents	-	-	-	-	-	-	-	-	-	-	-	-
Clean Water and Drinking Water	-	-	-	-	-	-	-	-	-	-	-	-
Employment Security	-	-	-	-	-	8,837	-	-	-	-	-	8,837
Component Units	-	-	-	-	-	-	-	-	-	-	-	-
Fiduciary Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 2,732,004	\$ 1,385,566	\$ 56,998	\$ 757,031	\$ -	\$ 218,756	\$ 397,218	\$ 506,048	\$ 6,572	\$ 400	\$ 300,000	\$ 6,360,593

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

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

Fund Balance – Restricted and Assigned

As of June 30, 2025, restricted and assigned fund balances of nonmajor governmental funds were comprised as follows (amounts in thousands):

	Restricted Purposes	Assigned Purposes
Capital Projects	\$ 221,319	\$ -
Environmental Programs	70,283	-
Housing Programs	798,549	-
Employment Security Administration	80,610	-
Banking	69,176	-
Other	250,814	66,774
Total	\$ 1,490,751	\$ 66,774

Restricted Net Position

As of June 30, 2025, the government-wide statement of net position reported \$6,873.1 million of restricted net position, of which \$894.1 million was restricted by enabling legislation.

Restatement of Net Position/Fund Balance*Government-wide Financial Statements*

The State of Connecticut implemented GASB 101, *Compensated Absences*, during the reporting period. The implementation increased liability for compensated absences, resulting in a decrease in beginning net position of \$214.2 million in governmental activities.

Beginning net position for business-type activities and component units were also restated as a result of the implementation of GASB 101 and error corrections. Details of these changes are discussed in the applicable sections below.

Major Enterprise Fund Financial Statements

The University of Connecticut and Health Center implemented GASB 101, *Compensated Absences*, during the reporting period. The implementation increased liability for compensated absences, resulting in a decrease in beginning net position of \$59.7 million. In addition, there was \$123 thousand in incorrectly recorded activity posted in the prior fiscal year. The correction of these errors resulted in an increase in net position of \$123 thousand. These changes will also impact beginning net position reported for business-type activity on the government-wide financial statements.

The Board of Regents made a correction for capital assets relating to magnet schools that were previously recorded as discreetly presented component units in the prior fiscal year. The correction resulted in an increase in net position of \$35.1 million. In addition, there was \$1.9 million in incorrectly recorded activity posted in the prior fiscal year. The correction of these errors resulted in an increase in net position of \$1.9 million. These changes will also impact beginning net position reported for business-type activity on the government-wide financial statements.

Aggregate Discretely Presented Component Unit Fund Financial Statements

The Connecticut Higher Education Supplemental Loan Authority (CHESLA) and the Connecticut Student Loan Foundation (CSLF) are component units of the Connecticut Health and Educational Facilities Authority (CHEFA). These entities have been combined for reporting purposes and reclassified as a major fund. In effect, the beginning net position of CHESLA, CSLF, and CHEFA, totaling \$45.9, \$20.9, and \$17.3 million, respectively, have been removed from the nonmajor component unit combining statement of activities. These balances were combined and reported as one entity, CHEFA, in the major component unit statement of activities with a beginning net position of \$84.1 million. The "Other Component Units" column of the Statement of Activities for Component Units also reflects a decrease of \$84.1 million from the reclassification. This change in classification will not have an impact on beginning net position on the government-wide financial statements.

The Capital Region Development Authority (CRDA) changed how it treated the liability for participating in the State of Connecticut's OPEB plan, indicating that it determined that it should treat its participation in the plan as a special funding situation. As a result, it removed the OPEB liability reported on its financial statements in the prior year, reducing beginning net position by \$7.2 million. This correction gets carried to the "Other Component Units" column of the Statement of Activities for Component Units, impacting beginning net position. This change will also impact beginning net position reported for component units on the government-wide financial statements.

CRDA also implemented GASB 101, *Compensated Absences*, during the reporting period. The implementation resulted in the additional recognition of accrued leave, resulting in an increase in beginning net position of \$249 thousand. This correction gets carried to the "Other Component Units" column of the Statement of Activities for Component Units, impacting beginning net position. This change will also impact beginning net position reported for component units on the government-wide financial statements.

Aggregate Remaining Fund Financial Statements

The Private-Purpose Trust Fund Baby Bond Fund's beginning net position was restated by an increase of \$41.7 million due to the correction of a prior year accounting error. During the prior fiscal year, \$41.7 million in investment income should have been allocated to this fund for reporting, but was not.

The State Employees' OPEB Plan Fiduciary Fund's beginning net position was restated by a decrease of \$25.8 million due to the correction of a prior year accounting error. During the prior fiscal year, \$25.8 million in expenditures for benefit payments should have been posted to this fund, but were posted to an incorrect fund in error.

The Receipts Pending Distribution Custodial Fund's beginning net position was restated by an increase of \$25.8 million due to the correction of a prior year accounting error. During the prior fiscal year, \$25.8 million in expenditures for benefit payments was posted to this fund in error.

The Other Custodial Fund's beginning net position was restated by a decrease of \$81.6 million due to the correction of a prior year accounting error. During the prior fiscal year \$81.6 million in investment income revenue was posted to this fund in error.

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 \$100,000, but not more than \$500,000, 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 \$500,000, but not more than \$1.0 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 \$1.0 million will be eligible for a credit against the tax imposed (chapter 207, section 12-217j) 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 50.0 percent of principal filming days within the state, or (2) expends not less than 50.0 percent of postproduction costs within the state, or (3) expends not less than \$1.0 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 90 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, 0.0 percent; (b) in the third full income year succeeding the year in which the investment was made and the three succeeding years, 10 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, 20 percent. The sum of all tax credits shall not exceed \$100.0 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 \$950.0 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 \$5.0 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 \$2.0 million; (2) an investment managed through a fund manager only if such fund: (a) has a total asset value of not less than \$60.0 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, 0.0 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, 10.0 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, 20.0 percent. The sum of all tax credits shall not exceed \$15.0 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 \$30.0 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 25.0 percent of its total work force in new jobs. The maximum allowed credit shall be \$350.0 million in total and \$40.0 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 100.0 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 60.0 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 75.0 percent of whom are at an income level not exceeding 150.0 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 \$5.0 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.

Housing Program Contributions

A tax credit administered by the Connecticut Housing Finance Authority is available for business firms making cash contributions to housing programs developed, sponsored, or managed by a nonprofit corporation, which benefit low and moderate income persons or families. No credit may be claimed before the Connecticut Housing Finance Authority 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 amount specified by the Connecticut Housing Finance Authority in the tax credit voucher. No tax credit shall be granted to any business firm for any individual amount contributed of less than \$250. The tax credit may be carried forward or backward for the five immediately succeeding or preceding income years until the full credit has been allowed.

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 25.0 percent 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 25.0 percent of the projected certified rehabilitation expenditures or 25.0 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 30.0 percent of the projected certified rehabilitation expenditures or 30.0 percent of the actual qualified rehabilitation expenditures. The maximum tax credit allowed for any project shall not exceed \$5.0 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 25.0 percent of the total qualified rehabilitation expenditures. The tax credit increases to 30.0 percent of the total qualified rehabilitation expenditures if the project includes a component with at least 20.0 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.

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 \$100.0 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 1.0 percent of the annual research and development expenses paid or incurred, where these expenses equal \$50.0 million or less, to 6.0 percent when expense exceed \$200.0 million.

Qualified small business may exchange unused amounts of this credit with the state for a cash payment of 65.0 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.

Manufacturing Facility Credit

Beginning January 1, 2018, no applications have been accepted for this program, no credits will be reserved under this program. Only those companies that first claimed the credit on a return for an income year beginning before 2018 may continue to claim the credit.

A tax credit administered by the Department of Economic and Community Development is available to businesses for qualified expenditures relating to operating a manufacturing facility, which meets certain employment criteria and is located within a designated enterprise zone or other area designated as having enterprise zone level benefits. No credit may be claimed without certification from the Department of Economic and Community Development. Corporations may claim this credit for ten years beginning with the first year following the year of certification. This tax credit can be used to offset the taxes imposed under Chapter 208 of the Connecticut General Statutes.

The tax credit is equal to the 15.0 percent of the tax imposed under Chapter 208 if there are between 300 and 599 new employees working at such facility; 20.0 percent if there are between 600 and 899 new employees working at such facility; 25.0 percent if there are between 900 and 1199 new employees working at such facility; 30.0 percent if there are between 1,200 and 1,499 new employees working at such facility; 40.0 percent if there are between 1,500 and 1,999 new employees working at such facility; or 50.0% if there are 2,000 or more new employees working at such facility. No credit shall be allowed without an eligibility certificate with respect to the manufacturing facility, service facility or eligible facility being occupied issued by the Department of Economic and Community Development.

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

Tax Abatement Program	Amount of Taxes Abated
The Film, Television, and Digital Media Tax Program	
<i>Corporate Income Tax (as of 6/30/2025)</i>	\$ 74,275,623
<i>Insurance Companies (as of 6/30/2025)</i>	\$ 50,878,716
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 10,666,578
The Urban and Industrial Sites Reinvestment Tax Program	
<i>Corporate Income Tax (as of 6/30/2025)</i>	\$ 5,525,111
<i>Insurance Companies (as of 6/30/2025)</i>	\$ 412,112
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 8,400,000
The Insurance Reinvestment Fund Program	
<i>Insurance Companies (as of 6/30/2025)</i>	\$ 21,334,470
The Connecticut Neighborhood Assistance Act Credit Program	
<i>Corporate Income Tax (as of 6/30/2025)</i>	\$ 1,774,622
<i>Insurance Companies (as of 6/30/2025)</i>	\$ 847,352
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 1,239,066
Historic Structures Rehabilitation	
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 1,945,406
Housing Program Contribution	
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 10,000,000
Historic Rehabilitation	
<i>Insurance Companies Tax (as of 6/30/2025)</i>	\$ 4,723,832
<i>Public Service Tax (as of 6/30/2025)</i>	\$ 5,662,836
Research and Development Expenditures	
<i>Corporate Income Tax (as of 6/30/2025)</i>	\$ 53,247,243
Manufacturing Facility Credit	
<i>Corporate Income Tax (as of 6/30/2025)</i>	\$ 324,184

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.

Additionally, the University of Connecticut reported a \$144,000 liability related to the University's 90-day storage facility for hazardous waste. The University paid this amount to close a similar facility in the past, and considers this to be a reasonable estimate to close this facility, which has an estimated useful life of 40 years beginning January 1, 2017.

The University of Connecticut also has an asset retirement obligation related to the closure of its Wastewater Treatment Facility that is not yet recognized because it cannot be reasonably estimated.

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, 2025, the State had contractual commitments as follows (amounts in millions):

Infrastructure & Other Transportation Programs	\$	2,660
Construction Programs	\$	142
School Construction and Alteration Grant Program	\$	4,500
Clean and Drinking Water Loan Programs	\$	467
Various Programs and Services	\$	7,264

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

Component Units

As of December 31, 2024, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately \$361.1 million.

b. Contingent Liabilities

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

As of June 30, 2025, the State reported an escheat liability of \$638.4 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 \$214.3 million 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 have a material adverse impact on the State's financial position.

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. It is not possible to determine the impact that the outcomes of these proceedings, either individually or in the aggregate, could have on the State's financial position. 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. In addition, the BIA announced a Final Rule effective March 21, 2025 that lifted the prior ban against re-petitioning and created a conditional time-limited opportunity for previously denied petitioners to re-petition for federal acknowledgment. On December 23, 2025, the Attorney General was notified that the Office of Federal Acknowledgment has docketed a request for authorization to re-petition by the Schaghticoke Tribal Nation (“STN”). The State is preparing comments for the April 29, 2026 deadline. These regulatory changes could also result in re-petitions by other previously denied petitioners such as the Golden Hill Paugussett Tribe and the Eastern Pequot Tribal Nation.

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.

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 seeking compensatory education for the class. The class 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. The parties are trying to reach a final settlement with the expectation that the settlement will be less than \$2.5 million.

Note 25

Opioid Settlements

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 2025, Connecticut received \$11.8 million of approximately \$240 million total as part of a nationwide settlement with the three largest pharmaceutical companies: McKesson, Cardinal Health and Cencora (formerly AmerisourceBergen). Connecticut will receive the remainder in subsequent fiscal years.

Additionally, the State received \$12.8 million of Connecticut’s total share of approximately \$249 million settlement as part of a nationwide settlement with pharmacies (CVS, Walgreens, and Walmart) as well as Teva and Allergan.

Finally, the State received \$4.1 million and \$321,000 as part of nationwide settlements with Endo Pharmaceuticals and McKinsey, respectively.

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 percent 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.

Note 26

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, 2024.

In November 2025, Connecticut H.B. 8003 was passed during Special Session allowing an additional \$500.0 million above the 18.0 percent threshold to stay in the Budget Reserve Fund (BRF). These funds were set aside to help stabilize the State’s budget and address shortfalls in federal funding due to action, or inaction, of the federal government. As of February 4, 2026, \$169.2 million of these funds had been approved for disbursement to support social service programs that saw a reduction in federal funding and the remaining \$330.8 million were returned to

the BRF. On February 6, 2025, Connecticut S.B. 83 was passed establishing a fund, known as the “Federal Cuts Response Fund,” and required the Treasurer to transfer the \$330.8 million from the BRF into that fund.

In November of 2025, the State made a transfer of \$1.4 billion from the BRF to the State Employee Retirement Fund (SERF) and the Teachers’ Retirement Fund (TRF). This transfer was the result of the Budget Reserve Fund exceeding the statutory cap of 18.0 percent of General Fund appropriations (excluding the \$500.0 million set aside by Connecticut H.B. 8003). 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 18.0 percent threshold as an additional contribution to SERF or to TRF. The State Treasurer determined this year to transfer \$834.5 to SERF and \$542.7 to TRF.

In January of 2026, The State defeased \$57.5 million in outstanding special tax obligation indebtedness. This was done using the Special Transportation Fund’s (STF) surplus balance exceeding 18.0 percent of the Funds net appropriations for the next fiscal year in accordance with Public Act. No. 25-168.

In January of 2026, the State defeased \$199.1 million in outstanding special tax obligation indebtedness using available funds from its Debt Service Fund.

Effective July 1, 2025, the State enacted legislation authorizing the transfer of ownership related to the South Meadows site, along with associated personal property, money, and non-lapsing account, from the Materials Innovation and Recycling Authority (MIRA) and the MIRA Dissolution Authority (MDA) to the Capital Region Development Authority (CRDA) as of the close of business on June 30, 2025. The legislation required \$5.0 million of MDA’s resources transferred to the Office of Policy and Management and its remaining funds along with any tangible or intangible personal property associated with it from MDA to CRDA. CRDA received approximately \$46.4 million in MDA funds for the South Meadows project. The legislation also requires that any State tax revenue generated by a completed project within the South Meadows site be retained by CRDA to reinvest in the site.

Effective July 1, 2025, the State enacted legislation (Public Act 25-93) establishing and funding the Early Childhood Education Endowment. The endowment was initially funded in July with \$300.0 million of the General Fund’s surplus for the 2025 fiscal year.

In October 2025, the State issued \$1.8 billion of General Obligation Bonds; \$800.0 million Series C, \$300.0 million Series B (Taxable Bonds), and \$715.8 million Series D refunding bonds. The Series C bonds were issued for various projects in the State, the Series B bonds were issued for various projects and purposes, and the Series D refunding bonds were issued for the purpose of refunding the principal amount of all or a portion of outstanding General Obligation Bonds. The bonds mature between 2035 and 2045, and bear interest rates between 3.8 and 5.0 percent.

In December 2025, the State issued \$1.5 billion of Special Tax Obligation Bonds. The bonds were issued for various transportation infrastructure projects. Of the 2025 Bonds originally issued, \$1.3 billion represents new money issuance. The remaining \$251.4 million portion of the principal amount of the 2025 bonds is being used to refund the Refunded Bonds and does not constitute Additional Bonds. The bonds mature in 2046 and bear an interest rate of 5.0 percent.

The Connecticut Health and Educational Facilities Authority (CHEFA), whose financial statements are published as of June 30, 2025, had numerous financial events between July 1, 2025 and the publication of this report including the following:

On September 18, 2025, CHEFA remarkeded \$129.1 million Quinnipiac University Issue Series O Revenue Bonds. The bonds were issued to refund a portion of Series L. The bonds mature in 2036 and bear an interest rate of 5.0 percent

On November 25, 2025, CHEFA issued \$82.4 million Revenue Refunding Bonds LiveWell Alliance Issue, Series 2025. The bonds were issued to refund and redeem LiveWell Alliance Issue Series 2022 and fund debt service reserve fund for series 2025 bonds. The bonds mature in 2031 and bear an interest rate of 6.0 percent.

On February 2, 2026, CHEFA remarkeded \$167.2 million Yale University Issue Series V Revenue Bonds. The remarkeded bonds mature in 2036 and bear an interest rate of 5.0 percent.

On February 3, 2026, CHEFA remarkeded \$260.1 million Yale University Issue Revenue Bonds, consisting of \$130.1 million Series 2017C-3 and \$130.0 million Series 2017C-4. The remarkeded bonds mature in 2057.

On February 5, 2026, CHEFA issued \$150.0 million Hartford HealthCare Issue Revenue Bonds, consisting of \$75.0 million Series 2026B and \$75.0 million Series 2026C. The bonds mature in 2056.

On February 11, 2026, CHEFA issued \$700.0 million Hartford HealthCare Issue Series 2026A (Fixed Rate) Revenue Bonds. The bonds will be used to finance and/or refinance the costs of certain acquisition, construction, renovations, improvements, routine capital expenditures,

furnishing and equipment acquisitions and installations at the integrated hospital, health care and ambulatory care facilities of Hartford Hospital. The bonds mature in 2046 and bear an interest rate of 5.0 percent.

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

On February 6, 2025, CHFA issued \$300.0 million Series A Housing Mortgage Finance Program Bonds (Social Bonds), consisting of \$100.0 million Subseries A-1 and \$200.0 million Subseries A-2 (Federally Taxable). 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 certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for financing of Home Mortgage Loans and Agency Securities, make a deposit to the Housing Mortgage Capital Reserve Fund, and to pay certain costs of issuance.

On February 25, 2025, CHFA issued \$121.0 million Series B Housing Mortgage Finance Program Bonds (Sustainability Bonds), consisting of \$33.6 million Subseries B-1, \$13.5 million Subseries B-2 (Term Rate), \$42.1 million Subseries B-3 (Federally Taxable), and \$31.8 million Subseries B-4 (Federally Taxable). 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 June 12, 2025, CHFA issued \$350.0 million Series C Housing Mortgage Finance Program Bonds (Social Bonds), consisting of \$20.0 million Subseries C-1, \$250.0 million Subseries C-2 (Federally Taxable), and \$80.0 million Subseries C-3 (Variable Rate). 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 certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for financing of Home Mortgage Loans and Agency Securities, make a deposit to the Housing Mortgage Capital Reserve Fund, and to pay certain costs of issuance.

On October 28, 2025, CHFA issued \$120.8 million Series D Housing Mortgage Finance Program (Sustainability Bonds), consisting of \$18.3 million Subseries D-1, \$56.2 million Subseries D-2 (Term Rate), and \$46.3 million Subseries D-3 (Federally Taxable). 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 13, 2025, CHFA issued \$370.0 million Series E Housing Mortgage Finance Program (Social Bonds), consisting of \$20.0 million Subseries E-1, \$270.0 million Subseries E-2 (Federally Taxable), and \$80.0 million Subseries E-3 (Variable Rate). 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 certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for financing of Home Mortgage Loans and Agency Securities, make a deposit to the Housing Mortgage Capital Reserve Fund, and to pay certain costs of issuance.

On February 12, 2026, CHFA issued \$370.0 million Series A Housing Mortgage Finance Program (Social Bonds), consisting of \$20.0 million Subseries A-1, \$270.0 million Subseries A-2 (Federally Taxable), and \$80 million Subseries A-3 (Variable Rate). 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 certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for financing of Home Mortgage Loans and Agency Securities, make a deposit to the Housing Mortgage Capital Reserve Fund, and to pay certain costs of issuance.



***REQUIRED
SUPPLEMENTARY
INFORMATION***



REQUIRED SUPPLEMENTARY INFORMATION BUDGET

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.

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

State of Connecticut

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

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	General Fund				Transportation Fund			
	Budget		Actual	Variance with Final Budget positive (negative)	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final			Original	Final		
Revenues								
Budgeted:								
Taxes, Net of Refunds	\$ 20,326,300	\$ 22,033,100	\$ 22,137,841	\$ 104,741	\$ 1,931,100	\$ 1,859,000	\$ 1,855,886	\$ (3,114)
Indian Gaming Payments	286,000	332,700	332,729	29	-	-	-	-
Licenses, Permits, and Fees	330,700	333,200	332,013	(1,187)	126,100	136,400	139,707	3,307
Other	552,700	1,079,100	1,180,905	101,805	306,400	343,100	346,228	3,128
Federal Grants	1,886,500	1,942,000	1,935,142	(6,858)	8,100	5,200	5,187	(13)
Refunds of Payments	(67,100)	(124,500)	(124,546)	(46)	(3,700)	(12,900)	(12,881)	19
Operating Transfers In	411,900	459,200	105,477	(353,723)	-	-	-	-
Operating Transfers Out	(70,400)	-	-	-	(13,500)	(145,500)	(113,109)	32,391
Transfer to BRF - Volatility Adjustment	(659,600)	(2,088,500)	(2,098,709)	(10,209)	-	-	-	-
Transfer to/from the Resources of the General Fund	106,700	(152,300)	90,395	242,695	-	-	-	-
Total Revenues	<u>23,103,700</u>	<u>23,814,000</u>	<u>23,891,247</u>	<u>77,247</u>	<u>2,354,500</u>	<u>2,185,300</u>	<u>2,221,018</u>	<u>35,718</u>
Expenditures								
Budgeted:								
Legislative	111,595	106,384	98,600	7,784	-	-	-	-
General Government	831,431	929,561	511,148	418,413	-	-	-	-
Regulation and Protection	378,007	386,868	361,391	25,477	-	-	-	-
Conservation and Development	248,710	269,324	245,780	23,544	-	-	-	-
Health and Hospitals	2,429,891	2,474,873	2,416,348	58,525	-	-	-	-
Transportation	-	-	-	-	2,448,403	2,449,766	2,269,702	180,064
Human Services	4,653,667	4,943,493	4,925,367	18,126	-	-	-	-
Education, Libraries, and Museums	6,468,938	6,525,397	6,454,608	70,789	-	-	-	-
Corrections	1,530,645	1,284,029	1,564,002	(279,973)	-	-	-	-
Judicial	699,309	724,781	717,261	7,520	-	-	-	-
Non Functional	6,075,307	6,308,683	6,222,986	85,697	-	-	-	-
Total Expenditures	<u>23,427,500</u>	<u>23,953,393</u>	<u>23,517,491</u>	<u>435,902</u>	<u>2,448,403</u>	<u>2,449,766</u>	<u>2,269,702</u>	<u>180,064</u>
Appropriations Lapsed	182,700	80,314	-	(80,314)	12,000	107,076	-	(107,076)
Excess (Deficiency) of Revenues Over Expenditures	(141,100)	(59,079)	373,756	(438,969)	(81,903)	(157,390)	(48,684)	108,706
Other Financing Sources (Uses)								
Prior Year Appropriations Carried Forward	438,900	438,900	438,495	(405)	150,000	150,000	149,932	(68)
Appropriations Continued	-	-	(401,925)	(401,925)	-	-	(76,405)	(76,405)
Miscellaneous Adjustment	-	-	(84)	(84)	-	-	-	-
Total Other Financing Sources (Uses)	<u>438,900</u>	<u>438,900</u>	<u>36,486</u>	<u>(402,414)</u>	<u>150,000</u>	<u>150,000</u>	<u>73,527</u>	<u>(76,473)</u>
Net Change in Fund Balance	<u>\$ 297,800</u>	<u>\$ 379,821</u>	<u>410,242</u>	<u>\$ (841,383)</u>	<u>\$ 68,097</u>	<u>\$ (7,390)</u>	<u>24,843</u>	<u>\$ 32,233</u>
Budgetary Fund Balances - July 1			1,240,697				1,121,327	
Changes in Reserves			(792,569)				(599,882)	
Budgetary Fund Balances - June 30			<u>\$ 858,370</u>				<u>\$ 546,288</u>	

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

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 3.0 percent of the fund or 5.0 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5.0 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 5.0 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.

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.

State of Connecticut

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

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, 2025 (amounts in thousands):

	General Fund	Transportation Fund
Net change in fund balances (statutory basis)	\$ 410,243	\$ 24,844
Volatility Deposit Budget Reserve Fund	2,100,000	-
Increase (Decrease) Statutory Surplus Reserve	\$245,000	-
Prior Year Transfer to SERS & TRS	(933,200)	-
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	(512,890)	(9,014)
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(1,281,424)	383,264
Salaries and Fringe Benefits Payable	14,999	(898,039)
Increase (Decrease) in Continuing Appropriations	(36,570)	\$66,473
Fund Redassification-Bus Operations	-	1,306
Net change in fund balances (GAAP basis)	<u>\$ 6,158</u>	<u>\$ (431,166)</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. 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 Budget Reserve Fund have only been expended during recessionary periods to cover overall budget shortfalls after other budgetary measures have been exhausted.

Progress in building and maintaining the balance of the Budget Reserve Fund continued this fiscal year. 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 2025, the cap was just over \$4.7 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of \$2.1 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2025, the balance of the Budget Reserve Fund was just over \$4.1 billion. Adding the \$2.1 billion volatility transfer brought the Budget Reserve Fund total to \$6.2 billion (or 25.8 percent) of net General Fund appropriations for fiscal year 2026. As a result, the Budget Reserve Fund was roughly \$1.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a (c)(1)(C), the State Treasurer must transfer the balance above the 18.0 percent threshold as additional contributions to the State Employee Retirement Fund (SERF) and the Teachers’ Retirement System (TRS). Connecticut H.B. 8003, which was passed during the November 2025 Special Session, allows an additional \$500.0 million above the 18.0 percent threshold to help stabilize the State’s budget in response to any reduction or loss of federal funding caused by action or inaction of the federal government. At fiscal year-end \$1.37 billion was transferred to reduce the unfunded pension liability of SERF and TRS.



REQUIRED SUPPLEMENTARY INFORMATION PENSION PLANS

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.

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 Ten Fiscal Years

(Expressed in Thousands)

SERS

Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 496,558	\$ 463,636	\$ 434,436	\$ 396,602	\$ 388,671	\$ 391,941	\$ 429,321	\$ 480,350	\$ 322,114	\$ 310,472
Interest	2,805,347	2,715,450	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	234,546	750,238	1,697,023	778,249	208,138	1,224,344	482,904	-	772,762	-
Changes of assumptions	-	-	-	(48,241)	-	-	-	-	4,959,705	-
Benefit payments	(2,636,075)	(2,593,589)	(2,369,853)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)
Refunds of contributions	(11,644)	(11,632)	(12,656)	(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)
Net change in total pension liability	888,732	1,324,103	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	41,981,067	40,656,964	38,344,444	36,971,136	36,087,938	34,214,163	33,052,692	33,616,716	27,192,467	26,486,933
Total pension liability - ending (a)	\$ 42,869,799	\$ 41,981,067	\$ 40,656,964	\$ 38,344,444	\$ 36,971,136	\$ 36,087,938	\$ 34,214,163	\$ 33,052,692	\$ 33,616,716	\$ 27,192,467
Plan net position										
Contributions - employer	\$ 2,611,118	\$ 3,261,874	\$ 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	257,862	223,062	202,270	194,775	192,716	489,099	193,942	132,557	135,029	187,339
Net investment income	2,440,048	1,754,898	(1,513,318)	3,301,219	295,737	710,861	875,944	1,509,862	(100)	294,412
Benefit payments	(2,636,075)	(2,593,589)	(2,369,853)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)
Administrative expense	(21,247)	-	-	(568)	(782)	(693)	(391)	(674)	(651)	-
Refunds of contributions	(11,644)	(11,632)	(12,656)	(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)
Other	24,490	(1,797)	2,367,461	-	-	3,704	(3,139)	(371)	85,608	-
Net change in plan net position	2,664,552	2,632,816	1,523,085	3,831,152	(26,205)	748,151	545,765	1,327,985	(14,588)	195,813
Plan net position - beginning	21,236,541	18,603,725	17,080,640	13,249,488	13,275,693	12,527,542	11,981,777	10,653,792	10,668,380	10,472,567
Plan net position - ending (b)	\$ 23,901,093	\$ 21,236,541	\$ 18,603,725	\$ 17,080,640	\$ 13,249,488	\$ 13,275,693	\$ 12,527,542	\$ 11,981,777	\$ 10,653,792	\$ 10,668,380
Ratio of plan net position to total pension liability	55.75%	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%
Net pension liability - ending (a) -(b)	\$ 18,968,706	\$ 20,744,526	\$ 22,053,239	\$ 21,263,804	\$ 23,721,648	\$ 22,812,245	\$ 21,686,621	\$ 21,070,915	\$ 22,962,924	\$ 16,524,087
Covered payroll	\$ 4,460,207	\$ 4,168,950	\$ 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	425.29%	497.60%	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 (Continued)

Last Ten Fiscal Years

(Expressed in Thousands)

TRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 662,011	\$ 634,409	\$ 617,468	\$ 599,484	\$ 616,370	\$ 463,997	\$ 465,207	\$ 450,563	\$ 419,616	\$ 404,449
Interest	2,737,514	2,668,940	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	389,231	73,374	789,366	-	(306,400)	-	(396,067)	-	(375,805)	-
Changes of assumptions	-	-	-	-	1,022,137	3,875,996	-	-	2,213,190	-
Benefit payments	(2,405,827)	(2,359,976)	(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	1,382,929	1,016,747	1,816,929	915,351	1,561,825	4,455,277	474,252	796,723	2,747,828	742,886
Total pension liability - beginning	40,877,027	39,860,280	38,043,351	37,128,000	35,566,175	31,110,898	30,636,646	29,839,923	27,092,095	26,349,209
Total pension liability - ending (a)	\$ 42,259,956	\$ 40,877,027	\$ 39,860,280	\$ 38,043,351	\$ 37,128,000	\$ 35,566,175	\$ 31,110,898	\$ 30,636,646	\$ 29,839,923	\$ 27,092,095
Plan net position										
Contributions - employer	\$ 1,554,542	\$ 1,578,038	\$ 1,443,656	\$ 1,249,835	\$ 1,209,573	\$ 1,292,672	\$ 1,272,277	\$ 1,012,162	\$ 975,578	\$ 984,110
Contributions - member	368,299	397,818	392,913	323,306	318,217	309,333	312,150	288,251	293,493	228,100
Net investment income	2,672,900	1,878,740	(2,024,736)	4,528,666	410,311	1,012,089	1,224,931	2,199,895	(18,473)	452,942
Benefit payments	(2,405,827)	(2,359,976)	(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	429,097	825,391	847,879	904,434	522	(837)	(2,753)	1,679	(37,648)	57,749
Net change in plan net position	2,619,011	2,320,011	(1,567,367)	4,835,178	(211,545)	546,616	812,513	1,539,454	(525,181)	(100,836)
Plan net position - beginning	23,869,732	21,549,721	23,117,088	18,281,910	18,493,455	17,946,839	17,134,326	15,594,872	16,120,053	16,220,889
Plan net position - ending (b)	\$ 26,488,743	\$ 23,869,732	\$ 21,549,721	\$ 23,117,088	\$ 18,281,910	\$ 18,493,455	\$ 17,946,839	\$ 17,134,326	\$ 15,594,872	\$ 16,120,053
Ratio of plan net position to total pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%
Net pension liability - ending (a) -(b)	\$ 15,771,213	\$ 17,007,295	\$ 18,310,559	\$ 14,926,263	\$ 18,846,090	\$ 17,072,720	\$ 13,164,059	\$ 13,502,320	\$ 14,245,051	\$ 10,972,042
Covered payroll	\$ 4,836,783	\$ 4,996,954	\$ 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	326.07%	340.35%	400.54%	331.65%	432.95%	388.93%	304.61%	315.49%	345.33%	269.03%

State of Connecticut

REQUIRED SUPPLEMENTAL INFORMATION PENSION PLANS SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)

Last Ten Fiscal Years

(Expressed in Thousands)

IRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 10,533	\$ 11,667	\$ 10,487	\$ 9,289	\$ 9,813	\$ 10,834	\$ 11,352	\$ 10,159	\$ 8,508	\$ 8,142
Interest	37,170	33,491	32,720	32,743	31,815	29,559	29,954	29,062	28,251	27,240
Difference between expected and actual experience	(311)	44,883	2,354	(9,271)	2,474	22,095	(18,528)	-	(9,380)	-
Changes of assumptions	-	-	-	(1,020)	-	-	-	-	64,604	-
Benefit payments	(37,690)	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Refunds of contributions	-	-	(91)	(6)	-	-	-	-	-	-
Net change in total pension liability	9,702	54,290	12,543	619	13,902	33,102	(4,838)	14,322	68,989	12,841
Total pension liability - beginning	557,543	503,253	490,710	490,091	476,189	443,087	447,925	433,603	364,614	351,773
Total pension liability - ending (a)	\$ 567,245	\$ 557,543	\$ 503,253	\$ 490,710	\$ 490,091	\$ 476,189	\$ 443,087	\$ 447,925	\$ 433,603	\$ 364,614
Plan net position										
Contributions - employer	\$ 35,252	\$ 32,533	\$ 33,170	\$ 31,893	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731
Contributions - member	2,297	2,019	1,642	1,570	1,575	1,694	1,663	1,689	1,831	1,791
Net investment income	34,252	23,363	(27,407)	59,881	5,461	13,383	13,178	24,452	1,440	4,781
Benefit payments	(37,690)	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)
Refunds of contributions	-	-	(91)	(6)	-	-	-	-	-	-
Other	-	477	-	-	-	-	-	(39)	1,680	-
Net change in plan net position	34,111	22,641	(25,613)	62,222	3,847	13,118	12,683	20,367	216	1,762
Plan net position - beginning	299,023	276,382	301,995	239,773	235,926	222,808	210,125	189,758	189,542	187,780
Plan net position - ending (b)	\$ 333,134	\$ 299,023	\$ 276,382	\$ 301,995	\$ 239,773	\$ 235,926	\$ 222,808	\$ 210,125	\$ 189,758	\$ 189,542
Ratio of plan net position to total pension liability	58.73%	53.63%	54.92%	61.54%	48.92%	49.54%	50.29%	46.91%	43.76%	51.98%
Net pension liability - ending (a) -(b)	\$ 234,111	\$ 258,520	\$ 226,871	\$ 188,715	\$ 250,318	\$ 240,263	\$ 220,279	\$ 237,800	\$ 243,845	\$ 175,072
Covered payroll	\$ 38,936	\$ 39,102	\$ 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	601.27%	661.14%	632.45%	600.28%	794.79%	693.54%	629.91%	652.10%	698.76%	500.61%

State of Connecticut

REQUIRED SUPPLEMENTARY INFORMATION PENSION PLANS SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

(Expressed in Thousands)

SERS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 2,040,374	\$ 2,143,325	\$ 1,993,151	\$ 1,806,708	\$ 1,616,302	\$ 1,574,537	\$ 1,443,110	\$ 1,569,142	\$ 1,514,467	\$ 1,379,189
Actual employer contributions	2,611,118	3,261,874	2,849,181	1,786,903	1,616,312	1,578,323	1,443,053	1,542,298	1,501,805	1,371,651
Annual contributions deficiency/(excess)	\$ (570,744)	\$ (1,118,549)	\$ (856,030)	\$ 19,805	\$ (10)	\$ (3,786)	\$ 57	\$ 26,844	\$ 12,662	\$ 7,538
Covered Payroll	\$ 4,460,207	\$ 4,168,950	\$ 3,787,016	\$ 3,847,146	\$ 3,672,443	\$ 3,686,365	\$ 3,428,068	\$ 3,850,978	\$ 3,720,751	\$ 3,618,361
Actual contributions as a percentage of covered payroll	58.54%	78.24%	75.24%	46.45%	44.01%	42.82%	42.10%	40.05%	40.36%	37.91%
TRS										
Actuarially determined employer contribution	\$ 1,554,542	\$ 1,578,038	\$ 1,443,656	\$ 1,249,835	\$ 1,208,819	\$ 1,292,314	\$ 1,272,277	\$ 1,012,162	\$ 975,578	\$ 984,110
Actual employer contributions	1,554,542	1,578,038	1,443,656	1,249,835	1,208,819	1,292,314	1,272,277	1,012,162	975,578	984,110
Annual contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,836,783	\$ 4,996,954	\$ 4,571,425	\$ 4,500,666	\$ 4,352,967	\$ 4,389,654	\$ 4,321,593	\$ 4,279,755	\$ 4,125,066	\$ 4,078,367
Actual contributions as a percentage of covered payroll	32.14%	31.58%	31.58%	27.77%	27.77%	29.44%	29.44%	23.65%	23.65%	24.13%
JRS										
Actuarially determined employer contribution	\$ 35,252	\$ 32,533	\$ 33,170	\$ 31,893	\$ 27,011	\$ 27,427	\$ 25,458	\$ 19,164	\$ 18,259	\$ 17,731
Actual employer contributions	35,252	32,533	33,170	31,893	27,011	27,427	25,458	19,164	18,259	17,731
Annual contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 38,936	\$ 39,102	\$ 35,872	\$ 31,438	\$ 31,495	\$ 34,643	\$ 34,970	\$ 36,467	\$ 34,897	\$ 34,972
Actual contributions as a percentage of covered payroll	90.54%	83.20%	92.47%	101.45%	85.76%	79.17%	72.80%	52.55%	52.32%	50.70%

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2024.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	SERS & JRS Entry Age Normal / TRS Entry Age
Amortization Method	SERS level dollar close / TRS level percent of pay closed, grading to a level dollar amortization for the 6/30/2024 valuation / JRS level percent of pay, closed
Remaining Amortization Period	SERS 23.7 years / TRS 25.9 years / JRS 9 years
Asset Valuation Method	SERS & JRS 5 year smoothed market / TRS 4 year smoothed market
Investment Rate of Return	SERS, TRS, & JRS 6.9%, net of pension plan investment expense, including inflation
Salary Increases	SERS 3.0% to 11.5% percent, including inflation / TRS 3.0% to 6.5%, including inflation / JRS 4.0%, including inflation
Cost-of-Living Adjustments	SERS 1.95% to 3.25% / TRS 1.8% to 3.0% / JRS 2.3% to 4.0%
Inflation	SERS, TRS, & JRS 2.5%
Social Security Wage Base	SERS 3.5% / TRS & JRS not listed

State of Connecticut

**REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
SCHEDULE OF INVESTMENT RETURNS**

Last Ten Fiscal Years

Annual money-weighted rates of return

net of investment expense	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State Employees' Retirement Fund	10.13%	11.52%	9.02%	-7.63%	24.36%	1.86%	5.88%	7.30%	14.32%	0.23%
Teachers' Retirement Fund	10.15%	11.50%	8.35%	-7.63%	24.28%	1.85%	5.85%	7.04%	14.37%	0.17%
State Judges' Retirement Fund	10.13%	11.43%	8.07%	-7.73%	24.37%	2.10%	6.12%	6.24%	13.04%	1.11%



REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFITS

Required supplementary information for other postemployment benefits provides information on funding progress and employer contributions.

The following schedules are included in the Required Supplementary Information for Other Postemployment Benefits (OPEB):

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

State of Connecticut

REQUIRED SUPPLEMENTAL INFORMATION OTHER POSTEMPLOYMENT BENEFIT PLANS SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Last Eight Fiscal Year*

(Expressed in Thousands)

SEOPEBP

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 459,204	\$ 621,327	\$ 906,279	\$ 1,214,728	\$ 969,674	\$ 848,198	\$ 901,698	\$ 960,992
Interest	1,041,345	703,922	515,502	618,231	806,906	737,298	680,154	511,133
Differences between expected and actual experience	(232,032)	(1,001,199)	(309,786)	389,271	(179,538)	(645,590)	-	-
Changes of assumptions	322,822	830,424	(4,462,669)	(4,936,120)	2,225,764	3,417,609	(724,140)	(510,781)
Benefit payments	(579,767)	(626,743)	(637,979)	(637,221)	(623,104)	(593,403)	(648,347)	(639,467)
Net change in total OPEB liability	1,011,572	527,731	(3,988,653)	(3,351,111)	3,199,702	3,764,112	209,365	321,877
Total OPEB liability - beginning	18,266,067	17,738,336	21,726,989	25,078,101	21,878,399	18,114,287	17,904,922	17,583,045
Total OPEB liability - ending (a)	\$ 19,277,639	\$ 18,266,067	\$ 17,738,336	\$ 21,726,989	\$ 25,078,101	\$ 21,878,399	\$ 18,114,287	\$ 17,904,922
Plan fiduciary net position								
Contributions - employer	\$ 769,873	\$ 850,513	\$ 847,928	\$ 868,070	\$ 867,222	\$ 752,941	\$ 801,893	\$ 667,401
Contributions - member	113,712	147,572	145,474	147,038	159,377	116,539	116,814	120,783
Net investment income	291,600	185,773	(196,531)	389,771	33,373	68,847	37,001	53,194
Benefit payments	(579,767)	(626,743)	(637,979)	(637,221)	(623,104)	(593,403)	(648,347)	(639,467)
Other	(136,748)	(129,809)	(118,300)	(105,307)	(95,682)	1,194	186	(187)
Net change in plan fiduciary net position	458,670	427,306	40,592	662,351	341,186	346,118	307,547	201,724
Plan fiduciary net position - beginning	2,667,443	2,240,137	2,199,545	1,537,194	1,196,008	849,889	542,342	340,618
Plan fiduciary net position - ending (b)	\$ 3,126,113	\$ 2,667,443	\$ 2,240,137	\$ 2,199,545	\$ 1,537,194	\$ 1,196,007	\$ 849,889	\$ 542,342
Plan fiduciary net position as a percentage of the total OPEB liability	16.22%	14.60%	12.63%	10.12%	6.13%	5.47%	4.69%	3.03%
Net OPEB liability - ending (a) -(b)	\$ 16,151,526	\$ 15,598,624	\$ 15,498,199	\$ 19,527,444	\$ 23,540,907	\$ 20,682,392	\$ 17,264,398	\$ 17,362,580
Covered payroll	\$ 5,011,945	\$ 4,865,966	\$ 3,758,688	\$ 3,649,211	\$ 3,745,802	\$ 3,619,133	\$ 3,875,035	\$ 3,743,995
Net OPEB liability as a percentage of covered payroll	322.26%	320.57%	412.33%	535.11%	628.46%	571.47%	445.53%	463.74%

* 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 compiled, 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).

State of Connecticut

REQUIRED SUPPLEMENTAL INFORMATION OTHER POSTEMPLOYMENT BENEFIT PLANS SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

(Continued)

Last Eight Fiscal Year*

(Expressed in Thousands)

RTHP

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 59,801	\$ 60,201	\$ 72,027	\$ 121,535	\$ 93,324	\$ 87,313	\$ 132,392	\$ 148,220
Interest	67,106	63,729	38,342	64,951	97,264	105,702	133,597	111,129
Benefit Changes	-	-	299,536	-	-	(339,076)	(1,044,628)	-
Difference between expected and actual experience	1,754,214	(166)	(60,031)	(1,218,425)	(586,004)	66,502	217,853	-
Changes of assumptions	(145,568)	(33,364)	(236,042)	12,750	626,595	182,438	(196,049)	(370,549)
Benefit payments	(51,065)	(52,458)	(74,795)	(131,543)	(67,383)	(55,154)	(110,622)	(84,071)
Net change in total OPEB liability	1,684,488	37,942	39,037	(1,150,732)	163,796	47,725	(867,457)	(195,271)
Total OPEB liability - beginning	1,809,083	1,771,141	1,732,104	2,882,836	2,719,040	2,671,315	3,538,772	3,734,043
Total OPEB liability - ending (a)	\$ 3,493,571	\$ 1,809,083	\$ 1,771,141	\$ 1,732,104	\$ 2,882,836	\$ 2,719,040	\$ 2,671,315	\$ 3,538,772
Plan fiduciary net position								
Contributions - employer	\$ 21,765	\$ 21,474	\$ 20,419	\$ 29,411	\$ 29,173	\$ 35,320	\$ 35,299	\$ 19,922
Contributions - member	59,113	57,687	50,630	54,058	53,221	51,944	51,484	50,436
Contributions - nonmember	-	14,420	-	-	-	-	-	-
Net investment income	12,911	7,569	49,587	82,256	849	1,090	411	369
Benefit payments	(51,065)	(52,458)	(74,795)	(131,543)	(67,383)	(55,154)	(110,622)	(84,071)
Administrative expense	(132)	(142)	(283)	(117)	(372)	(383)	(264)	(150)
Other	28	(373)	16,083	(91)	-	(16,100)	-	42
Net change in plan fiduciary net position	42,620	48,177	61,641	33,974	15,488	16,717	(23,692)	(13,452)
Plan fiduciary net position - beginning	215,733	167,556	105,915	71,941	56,453	39,736	63,428	76,880
Plan fiduciary net position - ending (b)	\$ 258,353	\$ 215,733	\$ 167,556	\$ 105,915	\$ 71,941	\$ 56,453	\$ 39,736	\$ 63,428
Plan fiduciary net position as a percentage of the total OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%
Net OPEB liability - ending (a) -(b)	\$ 3,235,218	\$ 1,593,350	\$ 1,603,585	\$ 1,626,189	\$ 2,810,895	\$ 2,662,587	\$ 2,631,579	\$ 3,475,344
Covered payroll	\$ 5,054,181	\$ 4,695,730	\$ 4,695,730	\$ 4,438,394	\$ 4,438,394	\$ 4,389,554	\$ 4,075,939	\$ 4,279,755
Net OPEB liability as a percentage of covered payroll	64.01%	33.93%	34.15%	36.64%	63.33%	60.66%	64.56%	81.20%

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State of Connecticut

REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFIT PLANS SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

(Expressed in Thousands)

SEOPEBP	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined										
Employer Contribution	\$ 1,725,852	\$ 1,097,692	\$ 1,055,474	\$ 1,338,541	\$ 1,287,059	\$ 1,203,406	\$ 1,157,121	\$ 1,043,143	\$ 1,443,716	\$ 1,513,336
Actual Employer Contributions	769,873	850,513	847,928	868,070	867,222	752,941	801,893	667,401	608,593	546,284
Annual Contributions Deficiency/(Excess)	\$ 955,979	\$ 247,179	\$ 207,546	\$ 470,471	\$ 419,837	\$ 450,465	\$ 355,228	\$ 375,742	\$ 835,123	\$ 967,052
Covered Payroll	\$ 5,011,945	\$ 4,865,966	\$ 3,649,211	\$ 3,745,802	\$ 3,619,133	\$ 3,619,133	\$ 3,875,035	\$ 3,743,995	\$ 3,895,100	\$ 3,539,800
Actual Contributions as a Percentage of Covered Payroll	15.36%	17.48%	23.24%	23.17%	23.96%	20.80%	20.69%	17.83%	15.62%	15.43%
RTHP										
Actuarially determined										
employer contribution	\$ 76,673	\$ 74,443	\$ 123,908	\$ 120,299	\$ 173,273	\$ 167,819	\$ 172,223	\$ 166,802	\$ 130,331	\$ 125,620
Actual employer contributions	21,765	21,474	20,419	29,411	29,173	35,320	35,299	19,922	19,960	25,145
Annual contributions deficiency/(excess)	\$ 54,908	\$ 52,969	\$ 103,489	\$ 90,888	\$ 144,100	\$ 132,499	\$ 136,924	\$ 146,880	\$ 110,371	\$ 100,475
Covered Payroll	\$ 5,054,181	\$ 4,695,730	\$ 4,695,730	\$ 4,438,394	\$ 4,438,394	\$ 4,389,654	\$ 4,075,939	\$ 4,279,755	\$ 3,949,900	\$ 3,831,600
Actual contributions as a percentage of covered payroll	0.43%	0.46%	0.43%	0.66%	0.66%	0.80%	0.87%	0.47%	0.51%	0.66%

Note:

Valuation Date:

Actuarially determined contribution amounts are calculated as of June 30, 2024.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	SEOPEBP- Entry Age Normal, Level Percentage of Payroll
Amortization Method	RTHP-Entry Age
Remaining Amortization Period	SEOPEBP- Payments increase 3.0% per year.
Asset Valuation Method	RTHP-Level Percent of Payroll over an open period
Investment Rate of Return	SEOPEBP- 14 years
Salary Increases	RTHP-30 years
Inflation	Market Value
Claims Trend Assumption	SEOPEBP-6.9%
	RTHP-3.0%
	SEOPEBP-3.0% to 11.5%
	RTHP-3.0% to 6.5%
	2.5%
	4.5% to 6.3%

State of Connecticut

REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN
SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

Annual money-weighted rates of return net of investment expense	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPEB Fund	10.13%	11.55%	7.70%	-7.44%	24.61%	2.13%	6.62%	5.85%	11.83%	2.44%



*COMBINING FUND
STATEMENTS
AND
SCHEDULES
NONMAJOR FUNDS*



***NONMAJOR
GOVERNMENTAL FUNDS***

State of Connecticut

**BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2025

(Expressed in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Assets				
Cash and Cash Equivalents	\$ 446,896	\$ 338,605	\$ 5,115	\$ 790,616
Investments	-	-	143,656	143,656
Securities Lending Collateral	-	-	37,045	37,045
Receivables:				
Accounts, Net of Allowances	140,640	-	-	140,640
Loans, Net of Allowances	750,713	-	-	750,713
Due From Other Governments	10,752	-	-	10,752
Due From Other Funds	30,408	1,339	-	31,747
Due From Component Units	792	-	-	792
Interest	-	-	6	6
Total Assets	\$ 1,380,201	\$ 339,944	\$ 185,822	\$ 1,905,967
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 10,420	\$ 97,494	\$ 52	\$ 107,966
Unearned Revenue	13,953	-	-	13,953
Due to Other Funds	10,829	21,849	296	32,974
Securities Lending Obligation	-	-	37,045	37,045
Total Liabilities	35,202	119,343	37,393	191,938
Deferred Inflows of Resources				
Receivables to be Collected in Future Periods	51,937	-	-	51,937
Fund Balances				
Nonspendable:				
Permanent Fund Principal	-	-	105,285	105,285
Restricted	1,226,288	221,319	43,144	1,490,751
Assigned	66,774	-	-	66,774
Unassigned	-	(718)	-	(718)
Total Fund Balances	1,293,062	220,601	148,429	1,662,092
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,380,201	\$ 339,944	\$ 185,822	\$ 1,905,967

State of Connecticut

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

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues				
Taxes	\$ 473,029	\$ -	\$ -	\$ 473,029
Licenses, Permits, and Fees	168,957	-	619	169,576
Tobacco Settlement	105,477	-	-	105,477
Federal Grants and Aid	85,507	-	-	85,507
Charges for Services	1,323	-	-	1,323
Fines, Forfeits, and Rents	34	-	-	34
Investment Earnings	13,487	-	13,759	27,246
Sports Wagering	3,693	-	-	3,693
Miscellaneous	162,101	-	141	162,242
Total Revenues	<u>1,013,608</u>	<u>-</u>	<u>14,519</u>	<u>1,028,127</u>
Expenditures				
Current:				
General Government	740,484	-	1,938	742,422
Regulation and Protection	192,534	-	-	192,534
Conservation and Development	122,894	-	879	123,773
Health and Hospitals	75,599	-	-	75,599
Human Services	2,603	-	-	2,603
Education, Libraries, and Museums	3,512	-	199	3,711
Corrections	941	-	-	941
Judicial	62,503	-	-	62,503
Capital Projects	-	1,289,825	-	1,289,825
Debt Service:				
Interest and Fiscal Charges	991	5,627	-	6,618
Total Expenditures	<u>1,202,061</u>	<u>1,295,452</u>	<u>3,016</u>	<u>2,500,529</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(188,453)</u>	<u>(1,295,452)</u>	<u>11,503</u>	<u>(1,472,402)</u>
Other Financing Sources (Uses)				
Bonds Issued	258,647	1,246,403	-	1,505,050
Premium on Bonds Issued	15,604	153,422	-	169,026
Capital Contributions	-	(25,000)	-	(25,000)
Transfers In	218,644	-	44	218,688
Transfers Out	(129,624)	(89,924)	(610)	(220,158)
Total Other Financing Sources (Uses)	<u>363,271</u>	<u>1,284,901</u>	<u>(566)</u>	<u>1,647,606</u>
Net Change in Fund Balances	174,818	(10,551)	10,937	175,204
Fund Balances - Beginning	1,118,244	231,152	137,492	1,486,888
Fund Balances - Ending	<u>\$ 1,293,062</u>	<u>\$ 220,601</u>	<u>\$ 148,429</u>	<u>\$ 1,662,092</u>



NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for and report the collection of money that is restricted or committed for specified purposes.

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

State of Connecticut

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2025

(Expressed in Thousands)

	Workers' Compensation	Banking	Consumer Counsel and Public Utility Control	Insurance	Criminal Injuries	Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers', Sailors', & Marines'	Employment Security Administration	Environmental Programs	Housing Programs	Tourism	Other	Total
Assets														
Cash and Cash Equivalents	\$ 19,325	\$ 70,084	\$ 22,946	\$ 38,249	\$ 4,418	\$ 368	\$ -	\$ -	\$ 72,804	\$ 34,812	\$ 61,180	\$ 4,111	\$ 118,599	\$ 446,896
Receivables:														
Accounts, Net of Allowances	-	13	129	670	-	-	-	-	-	-	43,124	3,383	93,321	140,640
Loans, Net of Allowances	-	-	-	-	-	-	-	-	-	13,585	737,128	-	-	750,713
Due From Other Governments	-	-	-	-	-	-	-	-	10,752	-	-	-	-	10,752
Due From Component Units	-	-	-	-	-	-	-	-	-	-	792	-	-	792
Due From Other Funds	-	-	-	-	-	-	-	7,841	280	22,281	-	-	6	30,408
Total Assets	\$ 19,325	\$ 70,097	\$ 23,075	\$ 38,919	\$ 4,418	\$ 368	\$ -	\$ 7,841	\$ 83,836	\$ 70,678	\$ 842,224	\$ 7,494	\$ 211,926	\$ 1,380,201
Liabilities, Deferred Inflows, and Fund Balances														
Liabilities														
Accounts Payable and Accrued Liabilities	\$ 381	\$ 708	\$ 780	\$ 1,934	\$ 301	\$ -	\$ -	\$ -	\$ 2,700	\$ 347	\$ 543	\$ -	\$ 2,726	\$ 10,420
Unearned Revenue	-	-	8,182	5,771	-	-	-	-	-	-	-	-	-	13,953
Due to Other Funds	131	209	230	1,330	-	-	340	7,841	526	48	8	-	166	10,829
Total Liabilities	512	917	9,192	9,035	301	-	340	7,841	3,226	395	551	-	2,892	35,202
Deferred Inflows of Resources														
Receivables to be Collected in Future Periods	-	4	110	491	-	-	-	-	-	-	43,124	-	8,208	51,937
Fund Balances														
Restricted	18,813	69,176	13,773	29,393	4,117	368	(340)	-	80,610	70,283	798,549	7,494	134,052	1,226,288
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	66,774	66,774
Total Fund Balances (Deficit)	18,813	69,176	13,773	29,393	4,117	368	(340)	-	80,610	70,283	798,549	7,494	200,826	1,293,062
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 19,325	\$ 70,097	\$ 23,075	\$ 38,919	\$ 4,418	\$ 368	\$ -	\$ 7,841	\$ 83,836	\$ 70,678	\$ 842,224	\$ 7,494	\$ 211,926	\$ 1,380,201

State of Connecticut

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Workers' Compensation	Banking	Consumer Counsel Public Utility Control	Insurance	Criminal Injuries	Mashantucket Pequot and Mohegan Fund	Regional Market	Soldiers', Sailors', & Marines'	Employment Security Administration	Environmental Programs	Housing Programs	Tourism	Other	Total
Revenues														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,029	\$ 473,029
Licenses, Permits, and Fees	-	42,863	89	111,986	299	-	-	-	4,440	938	-	-	8,342	168,957
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-	-	-	105,477	105,477
Federal Grants and Aid	-	-	-	-	-	-	-	-	85,507	-	-	-	-	85,507
Charges for Services	2	-	-	12	-	-	-	-	-	-	-	-	1,309	1,323
Fines, Forfeits, and Rents	-	20	-	-	8	-	-	-	-	-	-	-	-	34
Investment Earnings	1,209	-	-	1,280	191	-	-	-	1,957	1,936	392	-	6,522	13,487
Sports Wagering	-	-	-	-	-	-	-	-	-	-	-	-	3,693	3,693
Miscellaneous	23,609	150	36,363	-	1,939	-	-	-	-	83	2,300	16,553	81,104	162,101
Total Revenues	24,820	43,033	36,452	113,278	2,437	-	-	-	91,904	2,957	2,692	16,553	679,482	1,013,608
Expenditures														
Current:														
General Government	1,937	1,036	487	2,294	-	52,513	-	-	-	(2,187)	116,040	-	568,364	740,484
Regulation and Protection	20,445	26,015	4,094	33,365	-	-	-	-	85,647	-	-	-	22,968	192,534
Conservation and Development	-	670	30,160	182	-	-	-	-	-	44,524	26,628	16,181	4,549	122,894
Health and Hospitals	-	-	-	67,620	-	-	-	-	-	1,127	-	-	6,852	75,599
Human Services	1,450	-	-	100	-	-	-	-	-	-	-	-	1,053	2,603
Education, Libraries, and Museums	-	-	-	-	-	-	-	-	-	-	-	-	3,512	3,512
Corrections	-	-	-	-	-	-	-	-	-	-	-	-	941	941
Judicial	-	2,015	-	-	2,156	-	-	-	-	-	-	-	58,332	62,503
Debt Service:														
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	173	737	-	81	991
Total Expenditures	23,832	29,736	34,741	103,561	2,156	52,513	-	-	85,647	43,637	143,405	16,181	666,652	1,202,061
Excess (Deficiency) of Revenues Over Expenditures	988	13,297	1,711	9,717	281	(52,513)	-	-	6,257	(40,680)	(140,713)	372	12,830	(188,453)
Other Financing Sources (Uses)														
Bonds Issued	-	-	-	-	-	-	-	-	-	45,000	192,575	-	21,072	258,647
Premium on Bonds Sold	-	-	-	-	-	-	-	-	-	4,684	8,727	-	2,193	15,604
Transfers In	-	-	-	-	-	52,542	-	-	8,839	-	-	1,300	155,963	218,644
Transfers Out	-	-	-	-	-	-	-	-	-	(11,082)	(7,990)	-	(110,552)	(129,624)
Total Other Financing Sources (Uses)	-	-	-	-	-	52,542	-	-	8,839	38,602	193,312	1,300	68,676	363,271
Net Change in Fund Balances	988	13,297	1,711	9,717	281	29	-	-	15,096	(2,078)	52,599	1,672	81,506	174,818
Fund Balances (Deficit) - Beginning	17,825	55,879	12,062	19,676	3,836	339	(340)	-	65,514	72,361	745,950	5,822	119,320	1,118,244
Fund Balances (Deficit) - Ending	\$ 18,813	\$ 69,176	\$ 13,773	\$ 29,393	\$ 4,117	\$ 368	\$ (340)	\$ -	\$ 80,610	\$ 70,283	\$ 798,549	\$ 7,494	\$ 200,826	\$ 1,293,062



NONMAJOR CAPITAL PROJECTS FUNDS

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

State of Connecticut

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2025

(Expressed in Thousands)

	<u>State Facilities</u>	<u>Infrastructure</u>	<u>Other Transportation</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 118,814	\$ 219,791	\$ -	\$ 338,605
Receivables:				
Due From Other Funds	1,339	-	-	1,339
Total Assets	<u>\$ 120,153</u>	<u>\$ 219,791</u>	<u>\$ -</u>	<u>\$ 339,944</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 30,788	\$ 66,706	\$ -	\$ 97,494
Due To Other Funds	20,626	505	718	21,849
Total Liabilities	<u>51,414</u>	<u>67,211</u>	<u>718</u>	<u>119,343</u>
Fund Balances				
Restricted	68,739	152,580	-	221,319
Unassigned	-	-	(718)	(718)
Total Fund Balances (Deficit)	<u>68,739</u>	<u>152,580</u>	<u>(718)</u>	<u>220,601</u>
Total Liabilities and Fund Balances	<u>\$ 120,153</u>	<u>\$ 219,791</u>	<u>\$ -</u>	<u>\$ 339,944</u>

State of Connecticut

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	State Facilities	Infrastructure	Other Transportation	Total
Revenues				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Capital Projects	191,272	1,098,553	-	1,289,825
Debt Service:				
Interest and Fiscal Charges	1,455	4,172	-	5,627
Total Expenditures	192,727	1,102,725	-	1,295,452
Excess (Deficiency) of Revenues Over Expenditures	(192,727)	(1,102,725)	-	(1,295,452)
Other Financing Sources (Uses)				
Bonds Issued	246,403	1,000,000	-	1,246,403
Premium on Bonds Issued	21,100	132,322	-	153,422
Capital Contributions	(25,000)	-	-	(25,000)
Transfer Out	(89,382)	(542)	-	(89,924)
Total Other Financing Sources	153,121	1,131,780	-	1,284,901
Net Change in Fund Balances	(39,606)	29,055	-	(10,551)
Fund Balances (Deficit) - Beginning	108,345	123,525	(718)	231,152
Fund Balances (Deficit) - Ending	\$ 68,739	\$ 152,580	\$ (718)	\$ 220,601



NONMAJOR PERMANENT FUNDS

Permanent funds are used to account for and report the principal and interest earned on investments for the benefit of its citizenry.

The following are included in the nonmajor permanent funds:

- Soldiers', Sailors', and Marines'
- Connecticut Arts Endowment
- Other

State of Connecticut

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS**

June 30, 2025

(Expressed in Thousands)

	Soldiers', Sailors', & Marines'	Connecticut Arts Endowment	Other	Total
Assets				
Cash and Cash Equivalents	\$ -	\$ 1	\$ 5,114	\$ 5,115
Investments	94,697	25,536	23,423	143,656
Securities Lending Collateral	26,130	4,366	6,549	37,045
Interest	4	1	1	6
Total Assets	<u>\$ 120,831</u>	<u>\$ 29,904</u>	<u>\$ 35,087</u>	<u>\$ 185,822</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 52	\$ 52
Due To Other Funds	-	-	296	296
Securities Lending Obligation	26,130	4,366	6,549	37,045
Total Liabilities	<u>26,130</u>	<u>4,366</u>	<u>6,897</u>	<u>37,393</u>
Fund Balances				
Nonspendable:				
Permanent Fund Principal	94,818	8,878	1,589	105,285
Restricted	(117)	16,660	26,601	43,144
Total Fund Balances	<u>94,701</u>	<u>25,538</u>	<u>28,190</u>	<u>148,429</u>
Total Liabilities and Fund Balances	<u>\$ 120,831</u>	<u>\$ 29,904</u>	<u>\$ 35,087</u>	<u>\$ 185,822</u>

State of Connecticut

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR PERMANENT FUNDS**

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Soldiers', Sailors', & Marines'	Connecticut Arts Endowment	Other	Total
Revenues				
Licenses, Permits & Fees	\$ -	\$ -	\$ 619	\$ 619
Investment Earnings	8,570	2,766	2,423	13,759
Miscellaneous	136	-	5	141
Total Revenues	8,706	2,766	3,047	14,519
Expenditures				
General Government	1,578	33	327	1,938
Conservation and Development	-	879	-	879
Education, Libraries, and Museums	-	-	199	199
Total Expenditures	1,578	912	526	3,016
Excess (Deficiency) of Revenues Over Expenditures	7,128	1,854	2,521	11,503
Other Financing Sources (Uses)				
Transfers In	-	-	44	44
Transfers Out	-	-	(610)	(610)
Total Other Financing Sources (Uses)	-	-	(566)	(566)
Net Change in Fund Balances	7,128	1,854	1,955	10,937
Fund Balances - Beginning	87,573	23,684	26,235	137,492
Fund Balances - Ending	\$ 94,701	\$ 25,538	\$ 28,190	\$ 148,429



NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account and report activities for which a fee is charged in exchange for goods or services.

The following are included in the nonmajor enterprise funds:

Second Injury and Compensation Insurance
Drinking Water

State of Connecticut

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

June 30, 2025

(Expressed in Thousands)

	Second Injury & Compensation Assurance	Drinking Water	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 63,149	\$ -	\$ 63,149
Accounts Receivable, Net of Allowances	6,223	-	6,223
Loans, Net of Allowances	-	37,267	37,267
Interest Receivable	-	316	316
Due from Other Governments	-	18,182	18,182
Other	7	-	7
Total Current Assets	69,379	55,765	125,144
Noncurrent Assets:			
Cash and Cash Equivalents	-	82,181	82,181
Receivables:			
Loans, Net of Allowances	-	193,413	193,413
Restricted Assets	-	51,935	51,935
Total Noncurrent Assets	-	327,529	327,529
Total Assets	\$ 69,379	\$ 383,294	\$ 452,673
Deferred Outflows of Resources			
Unamortized Losses on Bond Refundings	\$ -	\$ 40	\$ 40
Total Deferred Outflows of Resources	\$ -	\$ 40	\$ 40
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 4,681	\$ 1,567	\$ 6,248
Current Portion of Long-Term Debt	583	8,520	9,103
Due to Other Funds	-	19,199	19,199
Total Current Liabilities	5,264	29,286	34,550
Noncurrent Liabilities:			
Noncurrent Portion of Long-Term Liabilities	650	113,064	113,714
Total Noncurrent Liabilities	650	113,064	113,714
Total Liabilities	\$ 5,914	\$ 142,350	\$ 148,264
Net Position (Deficit)			
Restricted for:			
Drinking Water Projects	\$ -	\$ 198,831	\$ 198,831
Unrestricted (Deficit)	63,465	42,153	105,618
Total Net Position (Deficit)	\$ 63,465	\$ 240,984	\$ 304,449

State of Connecticut

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE
FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Second Injury & Compensation Assurance	Drinking Water	Total
Operating Revenues			
Assessments	\$ 28,085	\$ -	\$ 28,085
Interest on Loans	-	4,527	4,527
Miscellaneous	659	-	659
Total Operating Revenues	<u>28,744</u>	<u>4,527</u>	<u>33,271</u>
Operating Expenses			
Salaries, Wages, and Administrative	8,107	8,206	16,313
Claims Paid	18,358	-	18,358
Other	-	19,340	19,340
Total Operating Expenses	<u>26,465</u>	<u>27,546</u>	<u>54,011</u>
Operating Income (Loss)	<u>2,279</u>	<u>(23,019)</u>	<u>(20,740)</u>
Nonoperating Revenues (Expenses)			
Interest and Investment Income	2,858	6,553	9,411
Interest and Fiscal Charges	-	(5,293)	(5,293)
Other	-	1,440	1,440
Total Nonoperating Income (Expense)	<u>2,858</u>	<u>2,700</u>	<u>5,558</u>
Income (Loss) Before Grants and Transfers	<u>5,137</u>	<u>(20,319)</u>	<u>(15,182)</u>
Federal Capitalization Grants	-	29,524	29,524
Change in Net Position	5,137	9,205	14,342
Total Net Position (Deficit) - Beginning	<u>58,328</u>	<u>231,779</u>	<u>290,107</u>
Total Net Position (Deficit) - Ending	<u>\$ 63,465</u>	<u>\$ 240,984</u>	<u>\$ 304,449</u>

State of Connecticut

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Second Injury & Compensation Assurance	Drinking Water	Totals
Cash Flows from Operating Activities			
Receipts from Customers	\$ 28,628	\$ 19,415	\$ 48,043
Payments to Suppliers	(1)	(19,340)	(19,341)
Payments to Employees	(8,107)	(6,567)	(14,674)
Other Receipts (Payments)	(18,430)	(17,982)	(36,412)
Net Cash Provided by (Used in) Operating Activities	2,090	(24,474)	(22,384)
Cash Flows from Capital and Related Financing Activities			
Federal Capitalization Grants	-	24,563	24,563
Net Cash Flows from Capital and Related Financing Activities	-	24,563	24,563
Cash Flows from Noncapital and Related Financing Activities			
Repayment of bonds payable	-	(7,910)	(7,910)
Interest paid on bonds payable	-	(5,385)	(5,385)
Transfers In	-	-	-
Net Cash Flows from Noncapital and Related Financing Activities	-	(13,295)	(13,295)
Cash Flows from Investing Activities			
Interest on Investments	2,858	6,555	9,413
Other Receipts (Payments)	-	6,651	6,651
Net Cash Flows from Investing Activities	2,858	13,206	16,064
Net Increase (Decrease) in Cash and Cash Equivalents	4,948	-	4,948
Cash and Cash Equivalents - Beginning of Year	58,201	-	58,201
Cash and Cash Equivalents - End of Year	\$ 63,149	\$ -	\$ 63,149
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities			
Operating Income (Loss)	\$ 2,279	\$ (23,019)	\$ (20,740)
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables, Net	(115)	(10,174)	(10,289)
(Increase) Decrease in Inventories and Other Assets	(7)	-	(7)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	(67)	8,719	8,652
Total Adjustments	(189)	(1,455)	(1,644)
Net Cash Provided by (Used In) Operating Activities	\$ 2,090	\$ (24,474)	\$ (22,384)



NONMAJOR INTERNAL SERVICE FUNDS

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.

The following are included in the nonmajor internal service funds:

- Correction Industries
- Administrative Services
- Information Technology

State of Connecticut

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

June 30, 2025

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 18,495	\$ 3,650	\$ -	\$ 22,145
Receivables, Net of Allowances	-	263	1,637	1,900
Due From Other Funds	438	2,458	3,947	6,843
Inventories	7,547	-	107	7,654
Other Current Assets	90	-	408	498
Total Current Assets	<u>26,570</u>	<u>6,371</u>	<u>6,099</u>	<u>39,040</u>
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	1,576	-	74,084	75,660
Other Noncurrent Assets	-	-	13	13
Total Noncurrent Assets	<u>1,576</u>	<u>-</u>	<u>74,097</u>	<u>75,673</u>
Total Assets	<u>\$ 28,146</u>	<u>\$ 6,371</u>	<u>\$ 80,196</u>	<u>\$ 114,713</u>
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,455	\$ 128	\$ 2	\$ 1,585
Due To Other Funds	-	-	55,892	55,892
Compensated Absences-Current Portion	41	18	38	97
Total Current Liabilities	<u>1,496</u>	<u>146</u>	<u>55,932</u>	<u>57,574</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Debt	-	705	-	705
Compensated Absences	585	291	664	1,540
Total Noncurrent Liabilities	<u>585</u>	<u>996</u>	<u>664</u>	<u>2,245</u>
Total Liabilities	<u>\$ 2,081</u>	<u>\$ 1,142</u>	<u>\$ 56,596</u>	<u>\$ 59,819</u>
Net Position				
Investment in Capital Assets	\$ 1,576	\$ -	\$ 74,095	\$ 75,671
Unrestricted (Deficit)	24,489	5,229	(50,495)	(20,777)
Total Net Position	<u>\$ 26,065</u>	<u>\$ 5,229</u>	<u>\$ 23,600</u>	<u>\$ 54,894</u>

State of Connecticut

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Correction Industries	Information & Technology	Administrative Services	Total
Operating Revenues				
Charges for Sales and Services	\$ 30,701	\$ 2,056	\$ 24,293	\$ 57,050
Miscellaneous	146	-	8	154
Total Operating Revenues	<u>30,847</u>	<u>2,056</u>	<u>24,301</u>	<u>57,204</u>
Operating Expenses				
Salaries, Wages, and Administrative	28,439	1,958	9,029	39,426
Depreciation and Amortization	499	-	21,733	22,232
Total Operating Expenses	<u>28,938</u>	<u>1,958</u>	<u>30,762</u>	<u>61,658</u>
Operating Income (Loss)	<u>1,909</u>	<u>98</u>	<u>(6,461)</u>	<u>(4,454)</u>
Nonoperating Revenue (Expenses)				
Other Nonoperating Revenue (Expense)	2,416	-	-	2,416
Total Nonoperating Revenue (Expense)	<u>2,416</u>	<u>-</u>	<u>-</u>	<u>2,416</u>
Income (Loss) before Transfers	<u>4,325</u>	<u>98</u>	<u>(6,461)</u>	<u>(2,038)</u>
Transfers Out	(249)	-	(2)	(251)
Change in Net Position	<u>4,076</u>	<u>98</u>	<u>(6,463)</u>	<u>(2,289)</u>
Total Net Position - Beginning	<u>21,989</u>	<u>5,131</u>	<u>30,063</u>	<u>57,183</u>
Total Net Position - Ending	<u>\$ 26,065</u>	<u>\$ 5,229</u>	<u>\$ 23,600</u>	<u>\$ 54,894</u>

State of Connecticut

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Correction Industries	Information Technology	Administrative Services	Totals
Cash Flows from Operating Activities				
Receipts from Customers	\$ 31,299	\$ 2,059	\$ 23,992	\$ 57,350
Payments to Suppliers	(20,623)	185	16,517	(3,921)
Payments to Employees	(6,749)	(2,005)	(5,268)	(14,022)
Other Receipts (Payments)	(1,251)	-	(42)	(1,293)
Net Cash Provided by (Used in) Operating Activities	<u>2,676</u>	<u>239</u>	<u>35,199</u>	<u>38,114</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Property, Plant, and Equipment	(889)	1	(35,199)	(36,087)
Net Cash Flows from Capital and Related Financing Activities	<u>(889)</u>	<u>1</u>	<u>(35,199)</u>	<u>(36,087)</u>
Cash Flows from Noncapital Financing Activities				
Other Receipts (Payments)	2,416	-	-	2,416
Net Cash Flows from Noncapital Financing Activities	<u>2,416</u>	<u>-</u>	<u>-</u>	<u>2,416</u>
Cash Flows from Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	4,203	240	-	4,443
Cash and Cash Equivalents - Beginning of Year	14,292	3,410	-	17,702
Cash and Cash Equivalents - End of Year	<u>\$ 18,495</u>	<u>\$ 3,650</u>	<u>\$ -</u>	<u>\$ 22,145</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income	1,909	98	(6,461)	(4,454)
Adjustments Not Affecting Cash:				
Depreciation	499	-	21,733	22,232
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables, Net	13	48	(1,499)	(1,438)
(Increase) Decrease in Due From Other Funds	585	(45)	1,198	1,738
(Increase) Decrease in Inventories and Other Assets	(1,397)	-	(50)	(1,447)
Increase (Decrease) in Accounts Payables & Accrued Liabilities	1,067	138	20,278	21,483
Total Adjustments	<u>767</u>	<u>141</u>	<u>41,660</u>	<u>42,568</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 2,676</u>	<u>\$ 239</u>	<u>\$ 35,199</u>	<u>\$ 38,114</u>



PENSION AND OTHER EMPLOYEE BENEFIT (OPEB) TRUST FUNDS

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.

The following are included in the pension and other employee benefit trust funds:

- State Employees'
- State Teachers'
- Judicial
- Connecticut Municipal Employees'
- Probate Judges
- Other
- Retired Teachers' Healthcare Plan
- Policemen, Firemen, and Survivors' Benefits
- State Employees' OPEB Plan

State of Connecticut

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

June 30, 2025

(Expressed in Thousands)

	Pension Trust				Pension Trust		Other Employee Benefits			Total
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employees' OPEB Plan	
Assets										
Current:										
Cash and Cash Equivalents	\$ 10,934	\$ 7,000	\$ 168	\$ 10,770	\$ 203	\$ 587	\$ 290,344	\$ 52	\$ 197,094	\$ 517,152
Receivables:										
Accounts, Net of Allowances	10,933	15,764	142	16,239	-	-	-	-	-	43,078
Due from Other Governments	-	12	-	-	-	-	-	-	-	12
Due from Other Funds	894,706	592,750	-	-	-	-	2,388	-	-	1,489,844
Interest	1,693	1,406	21	254	8	-	-	6	-	3,388
Investments	25,916,084	28,691,138	360,988	3,780,484	153,176	3,436	-	58,913	3,376,093	62,340,312
Securities Lending Collateral	2,250,386	2,508,918	31,362	327,240	13,332	296	-	5,092	291,865	5,428,491
Noncurrent:										
Due From Employers	-	-	-	8,626	-	-	-	-	-	8,626
Total Assets	<u>\$ 29,084,736</u>	<u>\$ 31,816,988</u>	<u>\$ 392,681</u>	<u>\$ 4,143,613</u>	<u>\$ 166,719</u>	<u>\$ 4,319</u>	<u>\$ 292,732</u>	<u>\$ 64,063</u>	<u>\$ 3,865,052</u>	<u>\$ 69,830,903</u>
Liabilities										
Accounts Payable and Accrued Liabilities	\$ 21	\$ 3,042	\$ 17	\$ -	\$ -	\$ -	\$ 660	\$ -	\$ 24,769	\$ 28,509
Securities Lending Obligation	2,250,386	2,508,918	31,362	327,240	13,332	296	-	5,092	291,865	5,428,491
Due to Other Funds	-	2,388	-	-	-	-	-	-	-	2,388
Total Liabilities	<u>\$ 2,250,407</u>	<u>\$ 2,514,348</u>	<u>\$ 31,379</u>	<u>\$ 327,240</u>	<u>\$ 13,332</u>	<u>\$ 296</u>	<u>\$ 660</u>	<u>\$ 5,092</u>	<u>\$ 316,634</u>	<u>\$ 5,459,388</u>
Net Position										
Held in Trust For Employee Pension and Other Benefits	<u>\$ 26,834,329</u>	<u>\$ 29,302,640</u>	<u>\$ 361,302</u>	<u>\$ 3,816,373</u>	<u>\$ 153,387</u>	<u>\$ 4,023</u>	<u>\$ 292,072</u>	<u>\$ 58,971</u>	<u>\$ 3,548,418</u>	<u>\$ 64,371,515</u>
Total Net Position	<u>\$ 26,834,329</u>	<u>\$ 29,302,640</u>	<u>\$ 361,302</u>	<u>\$ 3,816,373</u>	<u>\$ 153,387</u>	<u>\$ 4,023</u>	<u>\$ 292,072</u>	<u>\$ 58,971</u>	<u>\$ 3,548,418</u>	<u>\$ 64,371,515</u>

State of Connecticut

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Pension Trust				Pension Trust		Other Employee Benefits			Total
	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employees' OPEB Plan	
Additions										
Contributions:										
Plan Members	\$ 246,400	\$ 362,308	\$ 2,460	\$ 47,066	\$ 268	\$ 35	\$ 119,812	\$ 833	\$ 114,648	\$ 893,830
State	2,941,573	2,194,180	30,460	-	-	-	33,501	-	841,824	6,041,538
Municipalities	-	-	-	165,988	-	-	-	334	-	166,322
Total Contributions	3,187,973	2,556,488	32,920	213,054	268	35	153,313	1,167	956,472	7,101,690
Investment Income (loss)	2,609,246	2,918,300	36,664	382,750	15,704	343	13,153	5,938	332,338	6,314,436
Less: Investment Expenses	(188,942)	(211,322)	(2,655)	(27,716)	(1,137)	(25)	-	(430)	(24,065)	(456,292)
Net Investment Income	2,420,304	2,706,978	34,009	355,034	14,567	318	13,153	5,508	308,273	5,858,144
Other	22,286	19,484	240	2,715	3,477	42	3,797	40	12,072	64,153
Total Additions	5,630,563	5,282,950	67,169	570,803	18,312	395	170,263	6,715	1,276,817	13,023,987
Deductions										
Administrative Expense	-	-	-	-	-	-	1,034	-	-	1,034
Benefit Payments and Refunds	2,697,326	2,469,052	38,997	274,974	7,646	-	135,510	1,484	698,225	6,323,214
Other	-	-	5	-	-	-	-	-	143,378	143,383
Total Deductions	2,697,326	2,469,052	39,002	274,974	7,646	-	136,544	1,484	841,603	6,467,631
Changes in Net Position	2,933,237	2,813,898	28,167	295,829	10,666	395	33,719	5,231	435,214	6,556,356
Net Position Held in Trust For Pension and Other Employee Benefits										
Net Position - Beginning	23,901,092	26,488,742	333,135	3,520,544	142,721	3,628	258,353	53,740	3,139,021	57,840,976
Correction of Prior Year Posting Error	-	-	-	-	-	-	-	-	(25,817)	(25,817)
Net Position - Beginning (Restated)	23,901,092	26,488,742	333,135	3,520,544	142,721	3,628	258,353	53,740	3,113,204	57,815,159
Net Position - Ending	\$ 26,834,329	\$ 29,302,640	\$ 361,302	\$ 3,816,373	\$ 153,387	\$ 4,023	\$ 292,072	\$ 58,971	\$ 3,548,418	\$ 64,371,515



CUSTODIAL FUNDS

Custodial funds account for and report resources held by the State for which the state has custodial responsibility for the flow of assets.

The following are included in the agency funds:

- Receipts Pending Distribution
- Insurance Companies' Securities
- State Institution Activity
- Other

State of Connecticut

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

June 30, 2025

(Expressed in Thousands)

	<u>Receipts Pending Distribution</u>	<u>Insurance Companies' Securities</u>	<u>State Institution Activity</u>	<u>Other</u>	<u>Total</u>
Assets					
Cash and Cash Equivalents	\$ 340,502	\$ -	\$ 87,450	\$ 135,177	\$ 563,129
Receivables:					
Accounts, Net of Allowances	2,643	-	28	-	2,671
Interest	-	-	368	394	762
Other Assets	-	310,921	6	12,659	323,586
Total Assets	<u>\$ 343,145</u>	<u>\$ 310,921</u>	<u>\$ 87,852</u>	<u>\$ 148,230</u>	<u>\$ 890,148</u>
Liabilities					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 1	\$ -	\$ 1
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Net Position					
Restricted for:					
Individuals, Organizations, and Other Governments	\$ 343,145	\$ 310,921	\$ 87,851	\$ 148,230	\$ 890,147
Total Net Position	<u>\$ 343,145</u>	<u>\$ 310,921</u>	<u>\$ 87,851</u>	<u>\$ 148,230</u>	<u>\$ 890,147</u>

State of Connecticut

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	<u>Receipts Pending Distribution</u>	<u>Insurance Companies' Securities</u>	<u>State Institution Activity</u>	<u>Other</u>	<u>Total</u>
Additions					
Insurance Securities	\$ -	\$ 310,921	\$ -	\$ -	\$ 310,921
Investment Income	-	-	63	392	455
Transfers In	300,000	-	-	-	300,000
Other	832	-	8,882	37,247	46,961
Total Additions	<u>300,832</u>	<u>310,921</u>	<u>8,945</u>	<u>37,639</u>	<u>658,337</u>
Deductions					
Administrative Expense	144,040	-	1	-	144,041
Other	-	309,561	-	48,951	358,512
Total Deductions	<u>144,040</u>	<u>309,561</u>	<u>1</u>	<u>48,951</u>	<u>502,553</u>
Change in Net Position Held In Trust For:					
Individuals, Organizations, and Other Governments	156,792	1,360	8,944	(11,312)	155,784
Net Position Held in Trust For					
Pension and Other Employee Benefits					
Net Position - Beginning	160,536	309,561	78,907	241,133	790,137
Correction of Prior Year Posting Error	25,817	-	-	(81,591)	(55,774)
Net Position - Beginning (Restated)	186,353	309,561	78,907	159,542	734,363
Net Position - Ending	<u>\$ 343,145</u>	<u>\$ 310,921</u>	<u>\$ 87,851</u>	<u>\$ 148,230</u>	<u>\$ 890,147</u>



NONMAJOR COMPONENT UNITS

The component units listed below are legally separate organizations for which the State is financially accountable.

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, 2025

(Expressed in Thousands)

	Connecticut Higher Education Supplemental Loan Authority	Connecticut Health and Educational Facilities Authority	Connecticut Student Loan Foundation	Materials, Innovations, and Recycling, and Dissolution Authority	Connecticut Innovations, Incorporated	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank	Connecticut Port Authority	Total
Assets										
Current Assets:										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 91,732	\$ 20,992	\$ 34,679	\$ 52,246	\$ 5,732	\$ 205,381
Investments	-	-	-	-	6,163	799,618	-	-	-	805,781
Receivables:										
Accounts, Net of Allowances	-	-	-	587	-	23,498	2,462	3,238	568	30,353
Loans, Net of Allowances	-	-	-	-	3,528	-	426	-	-	3,954
Interest Receivable	-	-	-	-	504	-	-	2,694	-	3,198
Due from Primary Government	-	-	-	-	-	-	-	-	14	14
Restricted Assets	-	-	-	-	-	-	83,558	-	19,155	102,713
Leases Receivable	-	-	-	430	-	-	2,034	1,073	1,784	5,321
Other Current Assets	-	-	-	-	291	-	1,284	29,965	224	31,764
Total Current Assets	-	-	-	1,017	102,218	844,108	124,443	89,216	27,477	1,188,479
Noncurrent Assets:										
Investments	-	-	-	-	178,710	-	-	880	-	179,590
Accounts, Net of Allowances	-	-	-	-	-	103,975	-	-	-	103,975
Loans, Net of Allowances	-	-	-	-	4,984	-	175,954	104,392	-	285,330
Lease Receivable	-	-	-	6,292	-	-	14,727	12,398	12,714	46,131
Restricted Assets	-	-	-	-	55,271	-	4,019	126,280	-	185,570
Capital Assets, Net of Accumulated Depreciation	-	-	-	28,062	710	3,391	324,948	65,455	295,303	717,869
Other Noncurrent Assets	-	-	-	-	-	-	3,766	8,805	-	12,571
Total Noncurrent Assets	-	-	-	34,354	239,675	107,366	523,414	318,210	308,017	1,531,036
Total Assets	\$ -	\$ -	\$ -	\$ 35,371	\$ 341,893	\$ 951,474	\$ 647,857	\$ 407,426	\$ 335,494	\$ 2,719,515
Deferred Outflows of Resources										
Related to Pensions & Other Postemployment	\$ -	\$ -	\$ -	\$ -	\$ 10,186	\$ -	\$ 2,634	\$ 23,190	\$ 171	\$ 36,181
Other	-	-	-	-	-	-	-	1,920	-	1,920
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ 10,186	\$ -	\$ 2,634	\$ 25,110	\$ 171	\$ 38,101
Liabilities										
Current Liabilities:										
Accounts Payable & Accrued Liabilities	\$ -	\$ -	\$ -	\$ 25,858	\$ 6,615	\$ 47,026	\$ 107,938	\$ 13,574	\$ 12,548	\$ 213,559
Current Portion of Long-Term Obligations	-	-	-	-	-	-	5,578	6,495	-	12,073
Due to Primary Government	-	-	-	-	792	-	76,758	-	-	77,550
Due to Component Units	-	-	-	6,369	-	-	-	-	-	6,369
Unearned Revenue	-	-	-	-	39,938	-	-	94,870	401	135,209
Lease Liabilities, Current	-	-	-	-	214	-	-	248	141	603
Subscription Liabilities, Current	-	-	-	-	-	-	323	-	-	323
Other Liabilities	-	-	-	-	-	-	-	-	187	187
Total Current Liabilities	-	-	-	32,227	47,559	47,026	190,597	115,187	13,277	445,873
Noncurrent Liabilities:										
Pension Liability & OPEB Liability	-	-	-	-	40,241	-	5,580	50,291	2,716	98,828
Lease Liabilities, Net of Current Portion	-	-	-	-	125	133	-	1,605	3,488	5,351
Noncurrent Portion of Long-Term Obligations	-	-	-	-	-	23,582	47,891	63,229	-	134,702
Total Noncurrent Liabilities	-	-	-	-	40,366	23,715	53,471	115,125	6,204	238,881
Total Liabilities	\$ -	\$ -	\$ -	\$ 32,227	\$ 87,925	\$ 70,741	\$ 244,068	\$ 230,312	\$ 19,481	\$ 684,754
Deferred Inflows of Resources										
Related to Pensions & Other Postemployment	\$ -	\$ -	\$ -	\$ -	\$ 13,513	\$ -	\$ 1,172	\$ 9,725	\$ 302	\$ 24,712
Deferred Inflows Leases	-	-	-	-	3,144	-	15,776	12,296	14,498	45,714
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ 3,144	\$ 13,513	\$ -	\$ 16,948	\$ 22,021	\$ 14,800	\$ 70,426
Net Position										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ -	\$ 192,414	\$ 48,862	\$ 291,674	\$ 533,334
Restricted:										
Expendable Endowments	-	-	-	-	-	22,353	-	-	-	22,353
Nonexpendable Endowments	-	-	-	-	-	800,500	-	-	-	800,500
Other Purposes	-	-	-	-	8,085	-	180,929	31,022	6,946	226,982
Unrestricted	-	-	-	-	242,172	57,880	16,132	100,319	2,764	419,267
Total Net Position	\$ -	\$ -	\$ -	\$ -	\$ 250,641	\$ 880,733	\$ 389,475	\$ 180,203	\$ 301,384	\$ 2,002,436

CHESLA and CLSF activities are included within CHEFA, which is presented as a major component union in the current fiscal year.

State of Connecticut

COMBINING STATEMENT OF ACTIVITIES NONMAJOR COMPONENT UNITS

For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position												Totals	
	Program Revenues				Connecticut Higher Education Supplemental Loan Authority	Connecticut Health and Educational Facilities Authority	Connecticut Student Loan Foundation	Materials, Innovations, and Recycling Dissolution Authority	Connecticut Innovations, Incorporated	UConn Foundation	Capital Region Development Authority	Connecticut Green Bank		Connecticut Port Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions										
Connecticut Higher Education Supplemental Loan Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Connecticut Health and Educational Facilities Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	
Connecticut Student Loan Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials, Innovations, and Recycling Authority	17,656	21,086	-	-	-	-	3,430	-	-	-	-	-	-	
Connecticut Innovations, Incorporated	14,684	4,041	13,599	-	-	-	-	2,956	-	-	-	-	-	
UConn Foundation	96,715	76,306	-	-	-	-	-	-	(20,409)	-	-	-	-	
Capital Region Development Authority	79,893	70,299	10,845	49,198	-	-	-	-	-	50,449	-	-	-	
Connecticut Green Bank	59,202	71,228	-	-	-	-	-	-	-	-	12,026	-	-	
Connecticut Port Authority	10,572	3,718	-	4,539	-	-	-	-	-	-	-	(2,315)	(2,315)	
Total Nonmajor Component Units	\$ 278,722	\$ 246,678	\$ 24,444	\$ 53,737	\$ -	\$ -	\$ 3,430	\$ 2,956	\$ (20,409)	\$ 50,449	\$ 12,026	\$ (2,315)	\$ 46,137	
General Revenues:														
Investment Income (Loss)	-	-	-	-	-	-	3,285	21,857	78,289	4,645	2,084	319	110,479	
Transfer In (Out)	-	-	-	-	-	-	(86,436)	-	-	-	-	400	(86,036)	
Total General Revenues	-	-	-	-	-	-	(83,151)	21,857	78,289	4,645	2,084	719	24,443	
Change in Net Position	-	-	-	-	-	-	(79,721)	24,813	57,880	55,094	14,110	(1,596)	70,580	
Total Net Position - Beginning					45,880	17,301	20,880	79,721	225,828	822,853	326,975	166,093	302,980	2,008,511
Consolidation and Change in Presentation from Nonmajor to Major					(45,880)	(17,301)	(20,880)	-	-	-	-	-	-	(84,061)
Change in Treatment of OPEB Liability					-	-	-	-	-	-	7,157	-	-	7,157
Impact of Implementation of GASB 101					-	-	-	-	-	-	249	-	-	249
Total Net Position - Beginning (Restated)					-	-	-	79,721	225,828	822,853	334,381	166,093	302,980	1,931,856
Total Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,641	\$ 880,733	\$ 389,475	\$ 180,203	\$ 301,384	\$ 2,002,436	

CHESLA and CLSF activities are included within CHEFA, which is presented as a major component union in the current fiscal year.

Index to Statistical Section (Unaudited)

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.

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REVENUE CAPACITY INFORMATION

These schedules present revenue capacity information for the State’s most significant revenue source, the personal income tax.

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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.

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OPERATING INFORMATION

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Capital Assets by Function	168

Sources: Unless otherwise noted the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

State of Connecticut

NET POSITION BY COMPONENT

Fiscal Years 2025 through 2015

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:											
Net Invested in Capital Assets	\$ 8,385,757	\$ 7,124,511	\$ 7,192,174	\$ 6,505,809	\$ 6,341,592	\$ 6,195,235	\$ 4,508,124	\$ 4,321,358	\$ 4,568,371	\$ 4,530,912	\$ 4,957,690
Restricted	4,437,504	5,842,888	6,730,846	7,370,269	7,488,657	5,245,213	3,690,050	3,026,254	2,887,909	1,977,196	1,884,897
Unrestricted	(58,783,802)	(59,939,537)	(62,509,401)	(65,899,373)	(68,731,765)	(65,947,359)	(61,669,809)	(61,949,017)	(52,826,131)	(50,635,847)	(47,667,704)
Total Governmental Activities Net Position	\$ (45,960,541)	\$ (46,972,138)	\$ (48,586,381)	\$ (52,023,295)	\$ (54,901,516)	\$ (54,506,911)	\$ (53,471,635)	\$ (54,601,405)	\$ (45,369,851)	\$ (44,127,739)	\$ (40,825,117)
Business-Type Activities:											
Net Invested in Capital Assets	\$ 3,194,240	\$ 3,254,894	\$ 3,199,669	\$ 3,198,422	\$ 4,193,263	\$ 4,301,811	\$ 4,261,844	\$ 4,287,451	\$ 4,126,277	\$ 3,794,464	\$ 3,448,779
Restricted	2,435,548	2,240,845	2,195,770	2,235,483	1,085,061	953,206	1,087,127	1,098,547	1,017,929	1,089,692	1,154,457
Unrestricted	2,140,411	2,027,026	1,638,139	1,269,489	717,518	1,530,392	1,906,729	1,651,057	1,564,985	1,384,932	895,770
Total Business-Type Activities Net Position	\$ 7,770,199	\$ 7,522,765	\$ 7,033,578	\$ 6,703,394	\$ 5,995,842	\$ 6,785,409	\$ 7,255,700	\$ 7,037,055	\$ 6,709,191	\$ 6,269,088	\$ 5,499,006
Primary Government:											
Net Invested in Capital Assets	\$ 11,579,997	\$ 10,379,405	\$ 10,391,843	\$ 9,704,231	\$ 10,534,855	\$ 10,497,046	\$ 8,769,968	\$ 8,608,809	\$ 8,694,648	\$ 8,325,376	\$ 8,406,469
Restricted	6,873,052	8,083,733	8,926,616	9,605,752	8,573,718	6,198,419	4,777,177	4,124,801	3,905,838	3,066,888	3,039,354
Unrestricted	(56,643,391)	(57,912,511)	(60,871,262)	(64,629,884)	(68,014,247)	(64,416,967)	(59,763,080)	(60,297,960)	(51,261,146)	(49,250,915)	(46,771,934)
Total Primary Government Net Position	\$ (38,190,342)	\$ (39,449,373)	\$ (41,552,803)	\$ (45,319,901)	\$ (48,905,674)	\$ (47,721,502)	\$ (46,215,935)	\$ (47,564,350)	\$ (38,660,660)	\$ (37,858,651)	\$ (35,326,111)

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:

1. General obligation bonds which were issued to finance various grant programs of the State, such as school construction and municipal aid.
2. 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
3. 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

CHANGES IN NET POSITION

Fiscal Years 2025 through 2016

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental Activities:										
Legislative	\$ 136,579	\$ 115,577	\$ 120,697	\$ 128,476	\$ 139,468	\$ 131,224	\$ 106,749	\$ 116,070	\$ 128,659	\$ 139,916
General Government	4,280,743	3,372,381	5,661,064	5,455,304	5,653,974	2,790,722	2,780,984	2,481,551	2,281,216	2,544,489
Regulation and Protection	1,041,312	1,087,996	1,087,172	1,383,688	1,207,579	986,106	841,025	878,505	976,521	968,289
Conservation and Development	1,492,756	1,247,107	1,061,991	1,635,316	1,478,657	1,189,914	1,177,440	1,037,446	1,220,870	1,103,531
Health and Hospital	3,592,859	3,093,115	2,849,061	2,895,633	3,502,081	3,082,633	2,629,522	2,635,718	2,713,513	2,772,452
Transportation	2,445,553	2,858,793	2,529,512	2,329,548	2,530,536	2,282,401	2,119,877	1,935,845	1,593,860	2,237,773
Human Services	11,804,643	10,505,922	10,724,676	10,826,565	11,914,912	10,834,398	9,735,805	9,738,882	9,470,826	9,115,540
Education, Libraries, and Museums	7,499,789	6,570,711	5,953,533	5,668,457	6,189,985	5,491,866	5,050,799	5,206,329	5,185,450	5,315,342
Corrections	2,393,202	2,161,660	2,031,771	2,107,535	2,739,688	2,523,584	2,114,693	2,177,116	2,211,201	2,307,516
Judicial	1,202,857	1,082,297	994,017	1,078,980	1,208,207	1,134,815	973,088	985,561	1,073,970	1,135,055
Interest and Fiscal Charges	1,518,516	964,405	1,407,520	1,008,433	968,304	943,366	978,034	888,410	877,822	829,246
Total Governmental Activities Expenses	37,408,809	33,059,964	34,421,014	34,517,935	37,533,391	31,391,029	28,508,016	28,081,433	27,733,908	28,469,149
Business-Type Activities:										
University of Connecticut and Health Center	3,150,082	2,923,706	3,171,206	3,037,625	2,765,468	2,651,491	2,485,461	2,402,077	2,310,348	2,255,211
Board of Regents	1,359,888	1,267,711	1,499,228	1,596,579	1,431,493	1,425,439	1,397,779	1,365,312	1,360,029	1,362,522
Employment Security	896,389	891,975	634,088	1,343,276	5,201,294	1,667,837	619,685	696,456	725,609	686,494
Clean Water	55,548	37,784	35,678	45,165	41,606	53,790	42,635	44,267	36,234	38,369
Other	59,304	49,394	41,611	38,282	43,127	49,578	65,075	57,810	66,328	65,757
Total Business-Type Activities Expenses	5,521,211	5,170,570	5,381,811	6,060,927	9,482,988	5,848,135	4,610,635	4,565,922	4,498,548	4,408,353
Total Primary Government Expenses	\$ 42,930,020	\$ 38,230,534	\$ 39,802,825	\$ 40,578,862	\$ 47,016,379	\$ 37,239,164	\$ 33,118,651	\$ 32,647,355	\$ 32,232,456	\$ 32,877,502
Program Revenues										
Governmental Activities:										
Charges for Services, Fees, Fines, and Forfeitures	\$ 2,028,522	\$ 2,349,278	\$ 3,699,614	\$ 3,105,817	\$ 3,163,453	\$ 3,189,819	\$ 2,641,840	\$ 3,037,950	\$ 1,997,571	\$ 1,902,257
Operating Grants and Contributions	10,988,115	10,570,088	11,762,592	12,660,102	9,578,513	7,882,770	7,562,834	7,367,882	7,179,312	7,095,874
Capital Grants and Contributions	1,378,941	1,272,144	998,310	986,644	781,968	695,772	650,615	863,002	778,909	717,358
Total Governmental Activities Program Revenues	14,395,578	14,191,510	16,460,516	16,752,563	13,523,934	11,768,361	10,855,289	11,268,834	9,955,792	9,715,489
Business-Type Activities:										
Charges for Services, Fees, Fines, and Forfeitures	3,912,693	3,592,424	3,411,212	2,929,241	3,427,808	2,991,126	2,947,238	2,886,663	2,819,354	2,599,678
Operating Grants and Contributions	866,914	773,096	702,538	4,116,183	565,614	364,687	350,209	367,287	594,260	676,418
Capital Grants and Contributions	4,908	53,632	15,767	11,640	2,276	3,907	5,099	1,388	6,026	32,807
Total Business-Type Activities Program Revenues	4,784,515	4,419,152	4,129,517	7,057,064	3,995,698	3,359,720	3,302,546	3,255,338	3,419,640	3,308,903
Total Primary Government Program Revenues	\$ 19,180,093	\$ 18,610,662	\$ 20,590,033	\$ 23,809,627	\$ 17,519,632	\$ 15,128,081	\$ 14,157,835	\$ 14,524,172	\$ 13,375,432	\$ 13,024,392
Net (Expense)/Revenue										
Governmental Activities	\$ (23,013,231)	\$ (18,868,454)	\$ (17,960,498)	\$ (20,780,828)	\$ (17,867,095)	\$ (16,739,655)	\$ (17,226,144)	\$ (16,465,074)	\$ (18,513,357)	\$ (12,612,402)
Business-Type Activities	(736,696)	(751,418)	(1,252,294)	(2,425,924)	(1,852,437)	(1,250,915)	(1,263,376)	(1,243,210)	(988,713)	(1,019,767)
Total Primary Government Net Expense	\$ (23,749,927)	\$ (19,619,872)	\$ (19,212,792)	\$ (23,206,752)	\$ (19,719,532)	\$ (17,990,570)	\$ (18,489,520)	\$ (17,708,284)	\$ (19,502,070)	\$ (13,632,169)

State of Connecticut

CHANGES IN NET POSITION *(Continued)*

Fiscal Years 2025 through 2016

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Personal Income	\$ 11,556,400	\$ 9,660,842	\$ 10,259,744	\$ 11,158,328	\$ 9,147,622	\$ 7,933,135	\$ 8,377,644	\$ 9,729,298	\$ 8,065,612	\$ 9,091,156
Corporate Income	3,630,274	3,390,379	3,644,751	3,652,458	2,925,675	2,161,686	957,031	791,301	968,438	778,917
Sales and Use	4,632,399	5,792,285	4,458,282	4,910,773	4,779,902	4,237,564	4,332,195	4,219,398	4,226,788	4,224,989
Other	2,450,011	2,549,956	2,061,464	2,368,374	2,612,691	1,973,608	3,550,946	2,352,951	1,882,498	1,231,783
Restricted for Transportation Purposes:										
Motor Fuel	992,651	961,088	635,889	787,139	698,146	709,425	827,816	1,135,660	907,641	877,371
Other	874,048	913,722	975,106	809,288	588,312	443,637	425,828	80,163	90,199	69,752
Casino Gaming Payments	332,729	305,655	278,974	248,686	228,883	164,141	255,239	272,957	269,906	265,907
Tobacco Settlement	105,477	111,190	124,678	136,585	133,121	118,761	124,508	116,850	123,360	120,448
Lottery Tickets	350,308	375,995	392,037	389,646	407,353	337,599	360,996	336,239	326,415	335,387
Sports Wagering	3,693	4,124	3,079	2,440	-	-	-	-	-	-
Unrestricted Investment Earnings	512,015	571,987	438,259	8,454	35,316	99,915	127,543	48,663	29,061	16,535
Special Items:										
Statutory Payment from Component Units	-	-	-	-	-	-	-	-	-	-
Transfers Out Fiduciary Funds	(300,000)	(412,409)	-	(1,639,307)	-	-	-	-	-	-
Transfers-Internal Activities	(901,001)	(1,130,140)	(1,606,761)	(2,005,055)	(1,649,959)	(1,347,652)	(1,470,321)	(1,562,226)	(1,666,956)	(1,746,295)
Total Governmental Activities	24,239,004	23,094,674	21,665,502	20,827,809	19,907,062	16,831,819	17,869,425	17,521,254	15,222,962	15,265,950
Business-Type Activities										
Unrestricted Investment Earnings	105,747	110,589	72,642	7,742	5,754	34,696	44,318	29,014	16,357	12,500
Transfers-Internal Activities	901,001	1,130,140	1,606,527	2,004,655	1,649,463	1,347,652	1,470,321	1,562,226	1,666,956	1,746,295
Total Business-Type Activities	1,006,748	1,240,729	1,679,169	2,012,397	1,655,217	1,382,348	1,514,639	1,591,240	1,683,313	1,758,795
Total Primary Government	\$ 25,245,752	\$ 24,335,403	\$ 23,344,671	\$ 22,840,206	\$ 21,562,279	\$ 18,214,167	\$ 19,384,064	\$ 19,112,494	\$ 16,906,275	\$ 17,024,745
Changes in Net Position										
Governmental Activities	\$ 1,225,773	\$ 4,226,220	\$ 3,704,604	\$ 3,069,835	\$ (873,766)	\$ (1,035,276)	\$ 1,129,770	\$ 295,110	\$ (1,242,112)	\$ (3,247,407)
Business-Type Activities	270,052	489,311	426,875	709,267	(770,707)	(470,089)	263,724	327,864	440,103	770,082
Total Primary Government	\$ 1,495,825	\$ 4,715,531	\$ 4,131,479	\$ 3,779,102	\$ (1,644,473)	\$ (1,505,365)	\$ 1,393,494	\$ 622,974	\$ (802,009)	\$ (2,477,325)

State of Connecticut

FUND BALANCES, GOVERNMENTAL FUNDS

Fiscal Years 2025 through 2016

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 5,497,073	\$ 5,132,572	\$ 4,317,823	\$ 4,450,472	\$ 3,947,596	\$ 3,365,030	\$ 2,892,430	\$ 1,392,115	\$ 326,716	\$ 384,683
Unreserved/Unassigned	(1,464,828)	(1,090,464)	(643,919)	(752,242)	(660,749)	(1,072,246)	(771,444)	(241,072)	(821,134)	(998,872)
Total General Fund	<u>\$ 4,032,245</u>	<u>\$ 4,042,108</u>	<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>	<u>\$ 1,151,043</u>	<u>\$ (494,418)</u>	<u>\$ (614,189)</u>
All Other Governmental Funds										
Reserved/Nonspendable, Restricted, Committed or Assigned	\$ 5,258,383	\$ 6,574,344	\$ 7,679,837	\$ 8,208,389	\$ 8,204,764	\$ 6,023,741	\$ 4,382,543	\$ 3,690,199	\$ 2,871,951	\$ 2,466,765
Unreserved/Unassigned										
Transportation Fund	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	(9)	-	-
Capital Projects Funds	(718)	(718)	(718)	(718)	(718)	(718)	(718)	(718)	(718)	(718)
Permanent Funds	-	-	1	1	3	1	3	2	(7,836)	(7,959)
Total All Other Governmental Funds	<u>\$ 5,257,665</u>	<u>\$ 6,573,626</u>	<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>	<u>\$ 3,689,474</u>	<u>\$ 2,863,397</u>	<u>\$ 2,458,088</u>

State of Connecticut

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Fiscal Years 2025 through 2016

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	\$ 24,027,833	\$ 23,023,474	\$ 21,738,022	\$ 23,130,132	\$ 20,143,021	\$ 17,521,135	\$ 18,382,036	\$ 18,249,121	\$ 16,079,037	\$ 16,164,452
Assessments	760	-	2,623	715	1,997	-	-	-	-	-
Licenses, Permits, and Fees	892,038	776,618	804,709	945,510	887,583	763,434	781,002	747,129	697,210	733,939
Tobacco Settlement	105,477	111,190	124,678	136,585	133,121	118,761	124,508	116,850	123,360	120,448
Federal & State Grants and Aid	12,356,758	11,834,611	12,772,903	12,766,734	13,646,746	10,360,481	8,578,543	8,214,067	8,230,884	7,957,998
Lottery Tickets	350,308	375,995	392,037	389,646	407,353	337,599	360,996	336,239	326,415	335,387
Charges for Services	77,307	76,465	36,679	67,628	63,219	83,421	95,072	99,795	104,620	109,130
Fines, Forfeits, and Rents	116,035	173,224	168,474	70,096	113,886	99,148	167,443	124,776	208,948	35,491
Casino Gaming Payments	332,729	305,655	278,974	248,686	228,883	164,141	255,239	272,957	269,906	265,907
Investment Earnings	512,015	571,987	438,259	8,008	35,245	93,951	127,529	48,663	29,061	24,484
Interest on Loans	-	-	-	446	71	5,964	-	-	-	-
Sports Wagering	3,693	4,124	3,079	2,440	-	-	-	-	-	-
Miscellaneous	1,003,910	1,134,077	2,432,678	2,911,639	2,147,308	2,136,046	2,050,751	1,720,864	1,956,915	1,068,575
Total Revenues	39,778,863	38,387,420	39,193,115	40,678,265	37,808,433	31,684,081	30,923,119	29,930,461	28,026,356	26,815,811
Expenditures										
Legislative	163,284	151,406	138,068	133,336	119,554	117,076	105,300	107,257	118,345	124,797
General Government	4,573,315	3,879,030	1,217,867	5,756,268	4,959,124	2,526,875	2,714,220	2,337,022	2,112,926	2,307,262
Regulation and Protection	1,152,834	1,264,246	1,267,476	1,445,195	1,048,896	886,502	825,305	817,417	900,509	869,166
Conservation and Development	1,540,619	1,369,636	1,209,638	1,723,927	1,295,361	1,077,267	1,149,354	974,122	1,129,857	1,003,171
Health and Hospital	3,692,924	3,388,540	3,241,876	3,061,353	3,076,972	2,798,231	2,563,398	2,483,960	2,618,119	2,535,805
Transportation	2,195,046	2,348,997	2,053,975	1,822,507	1,933,422	1,763,114	1,555,584	1,582,562	1,573,774	1,680,900
Human Services	12,080,925	11,447,104	12,172,699	11,458,973	10,488,537	9,849,084	9,481,636	9,191,401	8,781,882	8,345,715
Education, Libraries, and Museums	7,666,944	7,155,128	6,765,578	5,977,385	5,432,381	4,978,421	4,927,828	4,894,536	4,802,130	4,845,487
Corrections	2,519,895	2,435,326	2,341,731	2,209,329	2,390,756	2,282,261	2,067,546	2,042,182	2,044,824	2,086,630
Judicial	1,281,616	1,233,441	1,142,722	1,133,594	1,053,352	1,024,440	952,070	922,390	992,433	1,030,324
Capital Projects	1,289,825	1,324,741	1,076,904	982,421	988,692	952,934	955,637	879,431	998,917	1,202,184
Debt Service:										
Principal	3,068,559	2,161,494	2,192,176	2,013,044	1,870,416	1,889,636	1,383,952	1,882,457	1,737,396	1,636,512
Interest	1,475,274	1,503,332	1,269,279	1,246,271	1,176,218	1,161,426	1,524,947	1,066,183	1,009,785	954,549
Total Expenditures	42,701,060	39,662,421	36,089,989	38,963,603	35,833,681	31,307,267	30,206,777	29,180,920	28,820,897	28,622,502
Revenue Over (Under) Expenditure	(2,922,197)	(1,275,001)	3,103,126	1,714,662	1,974,752	376,814	716,342	749,541	(794,541)	(1,806,691)
Other Financing Sources (Uses) and Special Items										
Bonds Issued	2,600,000	2,199,540	1,982,514	2,027,184	2,432,955	2,450,000	2,174,786	2,576,076	3,111,200	2,961,510
Premiums on Bonds Issued	276,392	191,103	188,195	428,451	443,605	383,481	305,873	243,026	427,324	442,332
Transfers In	5,150,287	2,758,405	3,040,195	4,728,165	2,316,338	1,647,391	2,401,745	2,422,870	1,430,325	1,009,021
Transfers Out	(6,351,500)	(4,570,552)	(8,841,907)	(8,372,527)	(3,966,297)	(2,995,816)	(3,888,167)	(3,980,096)	(3,095,031)	(2,755,316)
Refunding Bonds Issued	375,270	349,005	313,490	934,315	300,045	434,494	803,985	368,668	761,545	721,635
Payment to Refunded Bond Escrow	(423,077)	(373,213)	(341,035)	(1,049,840)	(333,044)	(492,675)	(861,512)	(402,721)	(821,708)	(841,226)
Capital Lease Obligations	-	-	-	-	5,646	5,632	6,639	3,774	4,174	3,034
Special Items:										
Payment from Component Units	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses) and Special Items	1,627,372	554,288	(3,658,548)	(1,304,252)	1,199,248	1,432,507	943,349	1,231,597	1,817,829	1,540,990
Net Change in Fund Balances	\$ (1,294,825)	\$ (720,713)	\$ (555,422)	\$ 410,410	\$ 3,174,000	\$ 1,809,321	\$ 1,659,691	\$ 1,981,138	\$ 1,023,288	\$ (265,701)

State of Connecticut

PERSONAL INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL

Calendar Years 2024 and 2015

(Expressed in Thousands)

Income Level	Calendar Year 2024				Calendar Year 2015			
	Number	Percentage	Personal	Percentage	Number	Percentage	Personal	Percentage
	of Filers	of Total	Income Tax Liability	of Total	of Filers	of Total	Income Tax Liability	of Total
\$50,000 and under	902,648	45.1%	\$ 288,786,157	2.7%	933,421	50.8%	\$ 332,024,874	3.6%
\$50,001-\$100,000	461,431	23.1%	1,269,901,246	12.0%	443,730	24.1%	1,262,276,743	13.9%
\$100,001-\$200,000	359,910	18.0%	2,199,348,432	20.7%	296,656	16.1%	1,880,617,327	20.6%
\$200,001-\$500,000	191,660	9.6%	2,339,278,574	22.0%	115,482	6.3%	1,567,401,528	17.2%
\$500,001-\$2,000,000	65,332	3.3%	1,904,324,591	17.9%	37,572	2.0%	1,529,016,028	16.8%
\$2,000,000 and up	18,352	0.9%	2,620,698,366	24.7%	10,587	0.7%	2,540,826,642	27.9%
Total	1,999,333	100.0%	\$ 10,622,337,366	100.0%	1,837,448	100.0%	\$ 9,112,163,142	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 2024 is the most recent year for which the data is available.

Source: Department of Revenue Services reporting for fiscal year ending June 30, 2025.

State of Connecticut

PERSONAL INCOME BY MAJOR COMPONENT

Calendar Years 2024 through 2015

(Expressed in Thousands)

Description	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Income by Place of Residence (Seasonally Adjusted)										
Personal Income	\$ 349,377,100	\$ 325,345,800	\$ 300,323,500	\$ 294,142,000	\$ 286,780,000	\$ 284,033,700	\$ 265,637,000	\$ 256,225,149	\$ 252,249,206	\$ 246,709,339
Average Effective Rate for Personal Income (Note 1)	3.6%	3.4%	3.5%	3.0%	2.8%	3.1%	3.7%	3.1%	3.2%	3.3%
Derivation of Personal Income:										
Earnings by Place of Work	216,318,400	204,364,600	185,239,900	189,711,954	177,246,000	182,436,100	172,127,000	169,971,596	168,342,395	164,941,621
Less: Contributions for Government Social Insurance (Note 2)										
Employee and Self-Employed Contributions for Government Social Insurance	12,905,700	12,207,300	10,427,500	10,669,856	9,899,000	9,949,500	9,412,000	8,965,858	8,829,408	8,665,734
Employer Contributions for Government Social Insurance	10,311,300	9,097,500	8,442,700	9,142,224	8,422,000	8,316,900	8,139,000	7,868,874	7,788,722	7,707,569
Plus: Adjustment for Residence (Note 3)	27,262,100	23,974,000	23,599,400	20,334,322	18,475,000	18,508,200	16,622,000	15,103,892	14,818,234	14,271,664
Equals: Net Earnings by Place of Residence	220,363,500	207,033,800	189,969,100	190,234,196	177,401,000	182,678,000	171,198,000	168,240,756	166,542,499	162,839,982
Plus: Dividends, Interest, and Rent (Note 4 & 7)	78,393,900	70,909,900	59,295,500	57,603,256	59,574,000	63,566,700	59,736,000	54,525,505	52,952,710	52,179,464
Plus: Personal Current Transfer Receipts	50,619,700	47,402,000	51,058,900	46,304,500	49,805,000	37,789,000	34,702,000	33,458,888	32,753,997	31,689,893
Components of Earnings by Place of Work:										
Wages and Salaries	152,298,800	144,023,900	127,670,300	131,295,479	120,550,000	121,097,300	117,067,000	114,685,688	114,057,180	112,326,830
Supplements to Wages and Salaries:										
Employer Contributions for Employee Pension and Insurance Funds (Note 5 & 8)	21,020,800	19,634,800	27,285,400	28,048,410	26,312,000	27,639,700	26,024,000	17,338,397	17,392,404	17,036,521
Employer Contributions for Government Social Insurance	10,311,300	9,097,500	8,442,700	9,142,224	8,422,000	8,316,900	8,139,000	7,868,874	7,788,722	7,707,569
Proprietors' Income (Note 6 & 9)										
Farm Proprietors' Income	18,000	(6,600)	32,700	70,586	185,000	2,070	(23,000)	(17,080)	(8,148)	(9,627)
Nonfarm Proprietors' Income	32,669,600	31,615,000	30,251,400	30,297,479	30,200,000	3,367,840	29,059,000	30,095,717	29,112,237	27,880,328

Notes:

1. Nonfarm personal income is total personal income less farm income.
2. Farm income is farm earnings less farm employer contributions for government social insurance.
3. 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.
4. Per capita personal income is total personal income divided by total midyear population.
5. Employer contributions for government social insurance are included in earnings by industry and earnings by place of work, but they are excluded from net earnings by place of residence and personal income. Employee and self-employed contributions are subtractions in the calculation of net earnings by place of residence and all the income measures.
6. 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.
7. Rental income of persons includes the capital consumption adjustment.
8. 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.
9. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

Note-- All dollar estimates are in current dollars (not adjusted for inflation).

Note-- Amounts based on information available in each year, 2023 is the most recent year of available data.

Sources: U. S. Bureau of Economic Analysis and Department of Revenue Services

State of Connecticut

PERSONAL INCOME TAX RATES

Calendar Years 2024 through 2015

(Expressed in Thousands)

For taxable years commencing on or after January 1, 2024: (1)

4.50%	\$10,000 - \$50,000	\$20,000 - \$100,000	\$16,000 - \$80,000	3.59%
5.50%	\$50,000 - \$100,000	\$100,000 - \$200,000	\$80,000 - \$160,000	3.59%
6.00%	\$100,000 - \$200,000	\$200,000 - \$400,000	\$160,000 - \$320,000	3.59%
6.50%	\$200,000 - \$250,000	\$400,000 - \$500,000	\$320,000 - \$400,000	3.59%
6.90%	\$250,000 - \$500,000	\$500,000 - \$1,000,000	\$400,000 - \$800,000	3.59%
6.99%	greater than \$500,000	greater than \$1,000,000	greater than \$800,000	3.59%

For taxable years commencing on or after January 1, 2015 and prior to January 1, 2024: (2)

5.00%	\$10,000 - \$50,000	\$20,000 - \$100,000	\$16,000 - \$80,000	3.45%
5.50%	\$50,000 - \$100,000	\$100,000 - \$200,000	\$80,000 - \$160,000	3.45%
6.00%	\$100,000 - \$200,000	\$200,000 - \$400,000	\$160,000 - \$320,000	3.45%
6.50%	\$200,000 - \$250,000	\$400,000 - \$500,000	\$320,000 - \$400,000	3.45%
6.90%	\$250,000 - \$500,000	\$500,000 - \$1,000,000	\$400,000 - \$800,000	3.45%
6.99%	greater than \$500,000	greater than \$1,000,000	greater than \$800,000	3.45%

Notes:

(1) Taxable income equal to or less than amounts listed this year is taxed at a rate of 2% except as described in Connecticut General Statutes (CGS) Section 12-700.

(2) Taxable income equal to or less than amounts listed this year is taxed at a rate of 3% except as described in CGS Section 12-700. Average effective rate shown for 2023.

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.

State of Connecticut

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Estimated General Fund Tax Receipts	\$ 21,697,000	\$ 20,326,300	\$ 20,047,000	\$ 17,882,850	\$ 17,406,700	\$ 17,033,400	\$ 15,862,300	\$ 15,862,300	\$ 15,519,900	\$ 15,519,900
Statutory Multiplier	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Statutory Debt Limit for Debt Incurred	34,715,200	32,522,080	32,075,200	28,612,560	27,850,720	27,253,440	25,379,680	25,379,680	24,831,840	24,831,840
Less: Authorized Bonds, Notes, and Other Obligations Subject to Certain Limitations	27,554,456	25,533,937	23,193,354	22,874,998	22,530,745	21,797,324	21,934,383	22,661,976	21,206,270	21,886,034
Legal Debt Margin	\$ 7,160,744	\$ 6,988,143	\$ 8,881,846	\$ 5,737,562	\$ 5,319,975	\$ 5,456,116	\$ 3,445,297	\$ 2,717,704	\$ 3,625,570	\$ 2,945,806
Legal Debt Margin as a percentage of the debt limit	20.63%	21.49%	27.69%	20.05%	19.10%	20.02%	13.58%	10.71%	14.60%	11.86%
Date Calculation was made	9/1/25	10/1/24	2/1/23	2/1/22	2/1/21	5/1/20	2/1/19	7/1/18	2/15/17	7/1/16

Source: State of Connecticut General Obligation Bonds Offering Statement

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
General Obligation Bonds	\$ 16,715,565	\$ 16,931,681	\$ 17,622,398	\$ 18,363,522	\$ 18,562,830	\$ 18,480,218	\$ 18,368,713	\$ 18,763,228	\$ 18,398,554	\$ 17,394,622
Transportation Obligation Bonds	7,784,420	7,860,010	7,450,865	7,054,415	6,959,265	6,424,705	5,957,640	5,540,495	5,041,840	4,519,690
Direct Borrowings and Direct Placements	215,265	231,055	246,845	262,635	268,425	329,080	374,080	-	-	-
Long-Term Notes	-	-	-	-	-	-	-	-	177,120	352,585
Leases	49,440	58,471	64,918	58,183	16,511	15,132	27,997	27,576	30,900	32,342
Subscriptions	23,283	30,691	-	-	-	-	-	-	-	-
Total Governmental Activities	24,764,690	25,081,217	25,385,026	25,738,755	25,807,031	25,249,135	24,728,430	24,331,299	23,648,414	22,299,239
Business-Type Activities										
Revenue Bonds	1,224,710	1,319,524	1,312,890	1,532,218	1,625,614	1,792,376	1,455,935	1,494,355	1,442,805	1,246,681
Total Business-Type Activities	1,224,710	1,319,524	1,312,890	1,532,218	1,625,614	1,792,376	1,455,935	1,494,355	1,442,805	1,246,681
Total Primary Government	\$ 25,989,400	\$ 26,400,741	\$ 26,697,916	\$ 27,270,973	\$ 27,432,645	\$ 27,041,511	\$ 26,184,365	\$ 25,825,654	\$ 25,091,219	\$ 23,545,920
Debt as a Percentage of Personal Income	7.4%	8.1%	8.5%	9.1%	9.3%	9.4%	9.2%	9.7%	9.8%	9.3%
Amount of Debt Per Capita	\$ 7,072	\$ 7,299	\$ 7,404	\$ 7,675	\$ 7,721	\$ 7,602	\$ 7,339	\$ 7,228	\$ 7,020	\$ 6,579

Notes: Details regarding the State's debt can be found in Note 16 of the financial statements.

State of Connecticut

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Obligation Bonds	\$ 16,715,565	\$ 16,931,681	\$ 17,622,398	\$ 18,363,522	\$ 18,562,830	\$ 18,480,218	\$ 18,368,713	\$ 18,763,228	\$ 18,398,554	\$ 17,394,622
Transportation Obligation Bonds	7,784,420	7,860,010	7,450,865	7,054,415	6,959,265	6,424,705	5,957,640	5,540,495	5,041,840	4,519,690
Direct Borrowings and Direct Placements	215,265	231,055	246,845	262,635	268,425	329,080	374,080	-	-	-
Debt Service Fund Balance	(1,338,973)	(1,370,233)	-	-	-	(1,024,577)	(991,788)	(901,920)	(827,125)	(738,240)
Net General Obligation Bonded Debt	\$ 23,376,277	\$ 23,652,513	\$ 25,320,108	\$ 25,680,572	\$ 25,790,520	\$ 24,209,426	\$ 23,708,645	\$ 23,401,803	\$ 22,613,269	\$ 21,176,072
Net General Obligation Debt as a										
Percentage of Personal Income	6.7%	7.3%	8.1%	8.6%	8.8%	8.4%	8.3%	8.8%	8.8%	8.4%
Amount of Net GO Debt Per Capita	\$6,361	\$6,539	\$7,022	\$7,228	\$7,259	\$6,806	\$6,645	\$6,550	\$6,327	\$5,917

Notes: Details regarding the State's debt can be found in Note 17 of the financial statements.

State of Connecticut

PLEGED-REVENUE COVERAGE

Last Ten Fiscal Years
(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University of Connecticut and Health Center										
Gross Revenues	\$ 3,189,899	\$ 3,205,362	\$ 3,145,134	\$ 3,331,532	\$ 2,808,885	\$ 2,481,709	\$ 2,551,167	\$ 2,595,639	\$ 2,629,793	\$ 2,465,794
Operating Expenses	2,903,795	2,678,644	2,934,630	2,820,841	2,568,279	2,451,375	2,284,170	2,231,347	2,153,495	2,134,537
Net Available Revenues	\$ 286,104	\$ 526,718	\$ 210,504	\$ 510,691	\$ 240,606	\$ 30,334	\$ 266,997	\$ 364,292	\$ 476,298	\$ 331,257
Debt Service:										
Principal	\$ 166,250	\$ 156,962	\$ 130,488	\$ 100,630	\$ 108,465	\$ 75,682	\$ 112,471	\$ 101,963	\$ 90,618	\$ 105,525
Interest	109,101	102,183	84,278	81,410	68,533	136,527	69,543	63,197	50,552	68,696
Total	\$ 275,351	\$ 259,145	\$ 214,766	\$ 182,040	\$ 176,998	\$ 212,209	\$ 182,014	\$ 165,160	\$ 141,170	\$ 174,221
Coverage	1.04	2.03	0.98	2.81	1.36	0.14	1.47	2.21	3.37	1.90
Board of Regents										
Gross Revenues	\$ 1,417,076	\$ 1,371,789	\$ 1,625,957	\$ 1,652,525	\$ 1,482,910	\$ 1,372,586	\$ 1,394,279	\$ 1,361,263	\$ 1,364,895	\$ 1,473,844
Operating Expenses	1,232,101	1,151,249	1,379,488	1,484,841	1,319,951	1,316,422	1,290,482	1,256,357	1,222,393	1,368,422
Net Available Revenues	\$ 184,975	\$ 220,540	\$ 246,469	\$ 167,684	\$ 162,959	\$ 56,164	\$ 103,797	\$ 104,906	\$ 142,502	\$ 105,422
Debt Service:										
Principal	\$ 40,292	\$ 35,073	\$ 47,383	\$ 19,532	\$ 18,345	\$ 19,520	\$ 18,940	\$ 20,055	\$ 7,493	\$ 20,247
Interest	8,023	9,071	11,115	10,285	11,372	14,213	11,456	13,943	13,467	12,158
Total	\$ 48,315	\$ 44,144	\$ 58,498	\$ 29,817	\$ 29,717	\$ 33,733	\$ 30,396	\$ 33,998	\$ 20,960	\$ 32,405
Coverage	3.83	5.00	4.21	5.62	5.48	1.66	3.41	3.09	6.80	3.25
Clean Water										
Gross Revenues	\$ 130,204	\$ 82,802	\$ 68,206	\$ 49,940	\$ 53,390	\$ 76,503	\$ 68,286	\$ 69,928	\$ 52,818	\$ 46,135
Operating Expenses	28,791	8,950	2,033	7,255	801	1,028	1,017	1,242	579	925
Net Available Revenues	\$ 101,413	\$ 73,852	\$ 66,173	\$ 42,685	\$ 52,589	\$ 75,475	\$ 67,269	\$ 68,686	\$ 52,239	\$ 45,210
Debt Service:										
Principal	\$ 43,040	\$ 43,875	\$ 148,297	\$ 46,020	\$ 90,284	\$ 58,363	\$ 53,831	\$ 53,891	\$ 61,232	\$ 73,802
Interest	26,451	28,527	35,050	37,510	41,579	39,726	37,497	38,327	32,628	33,811
Total	\$ 69,491	\$ 72,402	\$ 183,347	\$ 83,530	\$ 131,863	\$ 98,089	\$ 91,328	\$ 92,218	\$ 93,860	\$ 107,613
Coverage	1.46	1.02	0.36	0.51	0.40	0.77	0.74	0.74	0.56	0.42
Bradley Parking Garage										
Gross Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,633	\$ 32,462	\$ 30,207	\$ 27,289	\$ 26,702
Operating Expenses	-	-	-	-	-	8,664	24,320	23,767	22,866	19,778
Net Available Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,969	\$ 8,142	\$ 6,440	\$ 4,423	\$ 6,924
Debt Service:										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,267	\$ 2,935	\$ 2,750	\$ 2,580	\$ 2,415
Interest	-	-	-	-	-	4,273	1,267	2,925	2,729	2,442
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,540	\$ 4,202	\$ 5,675	\$ 5,309	\$ 4,857
Coverage	0.00	0.00	0.00	0.00	0.00	3.97	1.94	1.13	0.83	1.43
Drinking Water										
Gross Revenues	\$ 42,044	\$ 34,392	\$ 19,359	\$ 11,726	\$ 17,010	\$ 14,423	\$ 18,616	\$ 17,907	\$ 16,298	\$ 11,882
Operating Expenses	27,546	18,330	8,191	12,414	12,528	11,577	10,075	9,761	9,074	8,257
Net Available Revenues	\$ 14,498	\$ 16,062	\$ 11,168	\$ (688)	\$ 4,482	\$ 2,846	\$ 8,541	\$ 8,146	\$ 7,224	\$ 3,625
Debt Service:										
Principal	\$ 7,910	\$ 8,005	\$ 6,958	\$ 6,965	\$ 11,701	\$ 7,587	\$ 7,119	\$ 6,779	\$ 6,653	\$ 7,343
Interest	5,385	5,765	6,085	6,409	6,916	6,174	5,128	5,103	3,392	3,199
Total	\$ 13,295	\$ 13,770	\$ 13,043	\$ 13,374	\$ 18,617	\$ 13,761	\$ 12,247	\$ 11,882	\$ 10,045	\$ 10,542
Coverage	1.09	1.17	0.86	-0.05	0.24	0.21	0.70	0.69	0.72	0.34

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

DEMOGRAPHIC AND ECONOMIC STATISTICS POPULATION AND PER CAPITA PERSONAL INCOME

Last Ten Calendar Years

(Expressed in Thousands)

Year	Population			Personal Income		Per Capita Personal Income		% Above the United States	
	United States	% Growth From Previous Year	Connecticut	United States	Connecticut	United States	Connecticut		
2024	340,111	0.98%	3,675	0.88%	\$24,897,613,000	\$349,377,100	\$73,204	\$95,067	29.9%
2023	336,446	1.37%	3,617	0.31%	\$23,380,269,000	\$325,345,800	\$69,810	\$89,945	28.8%
2022	331,894	0.12%	3,606	1.49%	\$21,748,700,000	\$300,323,500	\$64,143	\$83,294	29.9%
2021	331,501	0.61%	3,553	-0.11%	\$20,782,827,000	\$294,142,000	\$63,214	\$78,833	24.7%
2020	329,484	0.13%	3,557	-0.31%	\$20,386,811,000	\$290,641,000	\$61,875	\$81,606	31.9%
2019	329,065	0.60%	3,568	-0.14%	\$18,596,160,000	\$286,780,000	\$56,512	\$74,030	31.0%
2018	327,096	0.62%	3,573	-0.03%	\$17,567,300,000	\$265,637,000	\$53,707	\$74,030	37.8%
2017	325,085	0.64%	3,574	-0.14%	\$16,384,700,000	\$264,054,000	\$50,401	\$73,882	46.6%
2016	323,016	0.67%	3,579	-0.25%	\$15,943,900,000	\$252,249,000	\$49,359	\$70,480	42.8%
2015	320,878	0.63%	3,588	-0.19%	\$15,356,000,000	\$246,709,339	\$47,856	\$70,304	46.9%

Note: Calendar Year 2024 is the most recent year for which the data is available.

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				Connecticut Labor Force			
	Civilian Labor Force	Employed	Unemployed	Unemployment Rate	Civilian Labor Force	Employed	Unemployed	Unemployment Rate
2024	168,106	161,346	6,761	4.0%	1,944	1,883	62	3.2%
2023	168,009	161,199	6,811	4.1%	1,913	1,913	75	3.9%
2022	167,000	161,004	5,997	3.6%	1,892	1,828	64	3.4%
2021	164,023	158,111	5,912	3.6%	1,901	1,825	76	4.0%
2020	162,052	155,975	6,319	3.9%	1,819	1,709	110	6.0%
2019	160,867	149,806	11,061	6.9%	1,852	1,739	114	6.1%
2018	164,404	158,593	5,811	3.5%	1,917	1,848	70	3.6%
2017	161,776	155,542	6,234	3.9%	1,897	1,813	84	4.4%
2016	160,494	153,513	6,981	4.3%	1,933	1,836	97	5.0%
2015	160,135	151,990	8,144	5.1%	1,892	1,796	96	5.1%

Note: Calendar Year 2024 is the most recent year for which the data is available.

Sources: U.S. Department of Labor

State of Connecticut

DEMOGRAPHIC AND ECONOMIC STATISTICS TOP TEN NON-GOVERNMENTAL EMPLOYERS

Current Year and Ten Years Ago

NAME	2025			2016		
	Employees in CT	Percentage of Total CT		Employees in CT	Percentage of Total CT	
		Employment	Rank		Employment	Rank
Yale New Haven Health System	30,056	1.6%	1	19,920	1.1%	1
Hartford HealthCare	23,355	1.2%	2	18,135	1.0%	2
Yale University	17,089	0.9%	3	15,018	0.8%	3
RTX Corp.	16,500	0.9%	4 (2)	15,000	0.8%	4
General Dynamics Electric Boat	16,071	0.9%	5	10,230	0.6%	5
CVS Health Corp. & subsidiaries	8,942	0.5%	6 (3)	6,200	0.3%	11
Walmart	8,572	0.5%	7	8,800	0.5%	6
Trinity Health of New England	7,705	0.4%	8 (4)	6,304	0.3%	10
Travelers Cos. Inc.	7,400	0.4%	9	7,400	0.4%	8
Sikorsky, a Lockheed Martin Co.	7,092	0.4%	10	8,000	0.4%	7
Total	142,782	7.7%		115,007	6.2%	

Sources: Hartford Business Journal (HBJ) and Business Websites

- (1) Lists and ranks exclude the tribal casinos; Amazon.com Inc. and Stop & Shop Supermarket Company LLC may be among the largest employers but were not included in the HBJ list due to lack of available information.
- (2) RTX Corp., previously named Raytheon Technologies, is the result of a 2020 merger of Raytheon Co. with Farr.
- (3) CVS Health Co. merged with Aetna Inc.; 2025 figures are from 2023 HBJ survey; 2016 figures are those.
- (4) Trinity Health of New England includes St. Francis Hospital and Medical Center, St. Mary's Hospital, Mount Sinai Rehabilitation Hospital and Johnson Memorial Medical Center. 2016 figures do not include St. Mary's Hospital, which became part of Trinity Health of New England in August 2016.

STATE EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary Government										
Legislative	732	670	699	655	766	681	656	661	679	715
General Government	3,640	3,697	3,470	3,470	3,274	3,070	2,929	2,964	3,135	3,289
Regulation and Protection	3,757	3,723	3,578	3,733	3,936	3,822	3,496	3,578	3,867	4,074
Conservation and Development	1,231	1,195	1,052	1,295	1,421	1,396	1,172	1,173	1,222	1,269
Health and Hospital	6,522	6,474	5,981	6,022	6,374	6,584	3,668	3,568	3,673	3,814
Transportation	3,360	3,261	3,091	3,085	3,181	3,256	2,995	3,051	3,169	3,179
Human Services	1,987	2,007	1,946	1,873	2,054	2,089	4,008	3,961	4,156	4,690
Education, Libraries, and Museums	17,996	17,570	17,188	18,592	18,627	24,309	15,911	16,104	17,664	19,392
Corrections	8,131	8,299	8,152	8,416	8,743	9,094	8,599	8,069	8,223	8,750
Judicial	4,365	4,390	4,332	4,905	4,886	4,066	4,106	4,018	4,185	4,548
Total Number of Employees - Primary Government	51,721	51,286	49,489	52,046	53,262	58,367	47,540	47,147	49,973	53,720

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

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Legislative										
Office of Legislative Management										
Number of Public and Special Acts	177	240	170	254	14	226	220	267	244	277
Number of Amendments Drafted	978	1,244	761	1,497	67	3,527	2,280	2,560	2,587	3,043
General Government										
Office of the State Treasurer										
Percent of Payments made Electronically	0.0%	0.0%	0.0%	88.9%	88.6%	86.6%	84.3%	83.6%	81.9%	81.3%
Number of Unclaimed Property Claims Paid	59,092	44,065	72,981	24,468	6,851	11,120	18,472	16,670	15,758	17,888
Department of Revenue Services										
Percent of Income Tax Returns Filed Electronically	93.0%	93.0%	90.0%	92.0%	91.0%	91.0%	89.0%	88.0%	87.0%	85.0%
Revenue Collected per \$1 of Agency Expense	\$447	\$448	\$413	\$369	\$338	\$338	\$341	\$281	\$264	\$264
Department of Construction Services										
Number of Construction Contracts Awarded	195	173	143	163	149	170	191	243	231	26
State Floor Space Owned and Leased	7,264,177	7,282,180	7,331,462	7,278,926	7,279,754	7,023,976	9,311,710	8,751,757	9,311,535	8,999,852
Regulation and Protection										
Department of Emergency Services & Public Protection										
Number of Background Checks - Firearms	82,851	67,305	73,838	90,958	65,940	65,940	56,782	57,769	54,944	49,547
Number of Fingerprint Checks for CT/Pd's	85,071	68,779	67,565	55,978	89,719	89,719	83,645	82,261	86,588	88,354
Department of Motor Vehicles										
Number of Registered Motor Vehicles	2,998,067	3,031,852	2,982,333	2,945,865	3,010,728	3,010,728	3,004,859	3,015,047	3,671,652	3,030,510
Number of Licensed Drivers	2,635,139	2,632,273	2,629,148	2,606,540	2,608,061	2,608,061	2,605,612	2,586,994	2,613,244	2,566,673
Department of Labor										
Number of Initial Unemployment Claims	134,922	203,704	125,796	344,851	507,033	134,317	138,156	143,186	148,336	153,040
Persons Using Employment Service (1)	10,150	11,001	9,141	15,232	11,938	29,135	40,841	20,147	47,711	161,637
Conservation and Development										
Department of Energy & Environmental Protection										
Nitrogen Discharged into Long Island Sound (2)	6,182	6,232	6,382	6,660	7,362	7,362	7,362	7,362	7,562	7,400
Attained Goal of Open Space (3)	83.0%	83.0%	83.0%	82.0%	82.0%	82.0%	81.5%	81.0%	81.0%	81.0%
Department of Agriculture										
Connecticut farmers participating in farmers market	187	252	266	224	312	n/a	n/a	n/a	n/a	n/a
Health and Hospitals										
Department of Public Health										
Number of Tuberculosis Cases Served (includes active and latent cases)	1,103	633	660	413	690	690	756	1,067	1,065	1,133
Number of Licenses Applications - New	31,808	28,470	26,809	27,462	18,532	18,532	20,445	17,696	18,811	18,015
Number of Licenses Applications - Renewal	194,858	191,963	188,036	172,453	173,780	173,780	191,724	160,546	161,595	155,251

State of Connecticut

OPERATING INDICATORS BY FUNCTION *(Continued)*

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Department of Developmental Services</u>										
Number of Qualified Providers	364	347	323	278	273	270	n/a	n/a	n/a	n/a
Number of Persons Served in Various Programs	17,481	17,348	17,257	17,229	17,178	17,126	n/a	n/a	n/a	n/a
<u>Human Services</u>										
<u>Department of Social Services</u>										
Number of Medicaid Eligible Clients	964,834	992,128	971,980	911,484	838,565	844,373	819,602	800,509	735,008	737,490
Temp Family Assistance Average Caseload	6,710	6,402	5,918	7,662	9,787	10,998	12,797	14,172	15,602	17,538
<u>Education</u>										
<u>Department of Higher Education</u>										
Number of Degrees Conferred - Statewide	51,156	49,704	46,659	46,893	46,336	47,602	46,592	47,221	32,499	n/a
Enrollment - Statewide	194,729	195,033	189,371	180,303	187,840	194,792	189,889	198,704	170,597	n/a
<u>Transportation</u>										
<u>Department of Transportation</u>										
Active Construction Projects	733	708	665	620	600	635	662	589	302	279
Miles of Road Resurfaced	335	343	391	350	330.5	325	302	316	341	445
Estimated Billions of Person trips on Roadways	4.337	4.315	4.294	4.914	4.880	4.841	4.903	4.800	4.903	4.882
<u>Corrections</u>										
<u>Department of Corrections</u>										
Incarcerated Population	11,149	10,161	9,997	9,010	10,194	13,039	13,366	14,389	19,271	16,023
Direct Daily Inmate Expenditures	\$164	\$172	\$164	\$176	\$131	\$128	\$109	\$103	\$73	\$105
<u>Judicial</u>										
<u>Judicial Branch</u>										
Number of Superior Court Cases Filed	225,518	212,450	210,572	210,528	232,811	364,312	378,047	381,068	535,158	432,803
Average Number of Supervised Probationers	24,286	24,827	29,700	30,635	37,327	39,180	39,263	41,050	54,315	43,510

(1) The department of Labor assists individuals in job search, resume preparation, etc.

(2) Average annual number of tons

(3) Percent of accomplished State goal to acquire 320,567 acres of open space

n/a = statistic not available at time of publication

State of Connecticut

CAPITAL ASSETS BY FUNCTION

Last Ten Fiscal Years

(Expressed in Thousands)

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Legislative	Total \$	178,929	178,556	178,296	178,290	176,974	176,639	176,726	175,639	175,443	175,558
Buildings		157,251	157,251	157,251	157,251	157,242	157,136	158,920	158,920	158,920	159,076
Improvements Other than Buildings		1,783	1,783	1,783	1,783	1,783	1,783	-	-	-	-
Equipment		17,797	17,609	18,159	19,256	17,949	17,720	17,806	16,719	16,523	16,482
Software		1,913	1,913	1,103	-	-	-	-	-	-	-
Right-to-use assets		185	185	-	-	-	-	-	-	-	-
General Government	Total \$	1,431,536	1,413,564	1,315,662	1,362,563	1,405,263	1,391,482	1,369,779	1,224,216	1,197,084	1,201,502
Land		193,331	193,495	193,454	191,839	191,825	192,311	195,224	195,144	195,019	193,582
Art & Historical Collections		470	470	479	479	-	-	-	-	-	-
Construction in Progress		156,026	156,026	94,550	165,531	227,281	224,002	334,541	191,777	159,258	150,531
Buildings		525,444	534,535	534,188	527,205	526,344	532,528	383,993	386,980	392,715	392,608
Improvements Other than Buildings		63,423	60,950	60,942	60,941	58,474	58,544	58,537	58,540	57,845	54,701
Equipment		340,944	323,407	287,834	405,610	401,339	384,097	397,484	391,775	392,247	410,080
Software		128,756	127,954	132,907	-	-	-	-	-	-	-
Right-to-use assets		23,142	16,727	11,308	10,958	-	-	-	-	-	-
Regulation and Protection	Total \$	737,435	728,025	719,925	719,321	689,678	706,945	697,432	657,696	644,256	621,075
Land		10,466	9,020	9,021	9,021	9,021	9,021	9,021	9,021	9,192	9,227
Art & Historical Collections		283	283	283	283	-	-	-	-	-	-
Construction in Progress		118	4	-	-	-	-	-	-	-	-
Buildings		374,794	372,679	372,592	372,531	369,681	366,955	366,898	348,866	349,689	326,690
Improvements Other than Buildings		33,783	31,411	31,411	31,388	30,327	29,329	29,198	27,838	26,850	27,977
Equipment		242,593	242,777	236,270	293,167	280,649	301,640	292,315	271,971	258,525	257,181
Software		61,601	57,432	57,386	-	-	-	-	-	-	-
Right-to-use assets		13,797	14,419	12,962	12,931	-	-	-	-	-	-
Conservation and Development	Total \$	596,933	590,762	588,293	741,465	722,894	712,577	704,745	687,810	680,764	668,268
Land		472,650	466,927	465,956	467,476	455,897	447,829	436,849	420,982	414,666	402,633
Art & Historical Collections		4,871	5,008	5,020	5,784	-	-	-	-	-	-
Buildings		46,230	44,192	44,093	119,146	118,849	118,299	121,729	121,707	121,711	121,493
Improvements Other than Buildings		2,357	3,320	2,254	75,253	74,866	74,299	75,022	74,992	75,717	75,717
Equipment		67,878	68,252	69,062	73,786	73,282	72,150	71,145	70,129	68,670	68,425
Software		1,641	1,757	1,790	-	-	-	-	-	-	-
Right-to-use assets		1,306	1,306	118	20	-	-	-	-	-	-
Health and Hospital	Total \$	318,349	319,071	324,317	321,565	319,087	323,918	315,223	314,710	314,133	315,655
Land		6,610	6,610	6,610	6,610	6,610	6,610	6,547	6,547	6,645	6,697
Art & Historical Collections		99	99	99	99	-	-	-	-	-	-
Buildings		238,205	237,940	237,496	237,077	236,431	241,782	236,425	236,997	235,373	239,172
Improvements Other than Buildings		19,989	19,989	19,908	19,808	19,735	19,696	19,543	19,383	19,558	19,530
Equipment		47,596	48,380	49,622	57,219	56,311	55,830	52,708	51,783	52,557	50,256
Software		1,149	1,352	5,821	-	-	-	-	-	-	-
Right-to-use assets		4,701	4,701	4,761	752	-	-	-	-	-	-

State of Connecticut

CAPITAL ASSETS BY FUNCTION (Continued)

Last Ten Fiscal Years

(Expressed in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Transportation	Total \$ 33,445,815	\$ 31,758,773	\$ 30,293,298	\$ 29,214,720	\$ 28,233,802	\$ 27,312,093	\$ 26,275,853	\$ 25,395,835	\$ 24,322,303	\$ 22,745,027
Land	1,263,270	1,263,270	1,263,320	1,250,943	1,237,670	1,204,266	1,175,704	1,166,958	1,131,384	1,106,967
Art & Historical Collections	223	223	223	223	-	-	-	-	-	-
Construction in Progress	7,364,685	6,769,903	6,665,759	5,982,292	5,896,738	5,193,311	5,256,651	4,861,493	4,829,184	4,393,784
Buildings	1,307,743	1,270,236	1,250,237	1,247,080	1,233,145	1,306,441	1,243,715	1,120,371	1,105,084	917,872
Improvements Other than Buildings	198,716	198,716	239,472	239,472	240,697	240,697	240,753	236,717	236,741	233,234
Equipment	1,711,385	1,572,455	1,529,117	1,533,340	1,413,144	1,407,904	1,392,644	1,402,688	1,421,982	1,419,842
Infrastructure	2,251,353	1,335,345	1,672	18,957,809	18,212,408	17,959,474	16,966,386	16,607,608	15,597,928	14,673,328
Software	19,340,468	19,340,653	19,339,937	-	-	-	-	-	-	-
Right-to-use assets	7,972	7,972	3,561	3,561	-	-	-	-	-	-
Human Services	Total \$ 26,333	\$ 30,289	\$ 28,572	\$ 29,254	\$ 30,042	\$ 31,174	\$ 18,122	\$ 16,568	\$ 18,320	\$ 17,038
Improvements Other than Buildings	919	919	919	919	919	920	919	945	691	672
Equipment	19,018	25,512	25,721	28,335	29,123	30,254	17,203	15,623	17,629	16,366
Software	-	3,858	1,932	-	-	-	-	-	-	-
Right-to-use assets	2,538	-	-	-	-	-	-	-	-	-
Education, Libraries, and Museums	Total \$ 1,335,498	\$ 1,335,527	\$ 1,327,978	\$ 1,327,172	\$ 1,113,070	\$ 1,114,373	\$ 1,113,821	\$ 1,111,229	\$ 1,108,499	\$ 1,082,196
Land	2,005	2,005	2,005	1,027	1,027	1,027	1,027	1,027	1,027	1,027
Art & Historical Collections	215,807	215,807	215,807	215,807	-	-	-	-	-	-
Buildings	1,018,220	1,018,220	1,018,220	1,018,220	1,018,220	1,018,220	1,018,220	1,018,220	1,015,642	990,879
Improvements Other than Buildings	25	25	25	25	220	220	220	220	220	220
Equipment	86,637	86,666	79,204	90,928	93,603	94,906	94,354	91,762	91,610	90,070
Software	11,469	11,469	11,488	-	-	-	-	-	-	-
Right-to-use assets	1,335	1,335	1,229	1,165	-	-	-	-	-	-
Corrections	Total \$ 1,102,039	\$ 1,101,150	\$ 1,088,307	\$ 1,088,702	\$ 1,043,898	\$ 1,054,824	\$ 1,053,410	\$ 1,050,917	\$ 1,052,226	\$ 1,039,570
Land	9,822	9,822	9,822	9,822	9,822	10,322	10,322	10,322	10,322	10,322
Art & Historical Collections	414	414	414	414	-	-	-	-	-	-
Buildings	763,608	763,608	761,635	763,891	763,891	776,122	776,122	775,896	775,880	775,294
Improvements Other than Buildings	51,114	51,114	50,676	50,376	49,840	49,401	49,401	49,426	49,401	48,991
Equipment	81,328	80,439	70,007	220,332	220,345	218,979	217,565	215,273	216,623	204,963
Software	151,347	151,347	151,347	-	-	-	-	-	-	-
Right-to-use assets	44,406	44,406	44,406	43,867	-	-	-	-	-	-
Judicial	Total \$ 608,711	\$ 607,681	\$ 606,808	\$ 602,746	\$ 600,778	\$ 585,625	\$ 585,608	\$ 579,264	\$ 576,661	\$ 505,586
Land	33,634	33,634	33,634	33,634	33,634	27,889	27,889	23,194	20,076	17,181
Art & Historical Collections	1,709	1,709	1,709	1,709	-	-	-	-	-	-
Buildings	475,674	475,675	475,675	475,675	475,675	465,420	465,420	465,369	465,349	398,216
Improvements Other than Buildings	6,043	6,043	6,043	5,925	5,296	5,296	5,296	5,269	5,688	5,663
Equipment	82,906	82,933	82,839	85,283	86,173	87,020	87,003	85,432	85,548	84,526
Software	7,302	7,306	4,240	-	-	-	-	-	-	-
Right-to-use assets	1,443	381	2,668	520	-	-	-	-	-	-
Total Capital Assets at Historical Cost	\$ 39,781,578	\$ 38,063,398	\$ 36,471,456	\$ 35,585,798	\$ 34,335,486	\$ 33,409,650	\$ 32,310,719	\$ 31,213,884	\$ 30,089,689	\$ 28,371,475
Total Accumulated Depreciation	\$ (19,981,539)	\$ (19,515,564)	\$ (18,152,224)	\$ (18,152,223)	\$ (17,382,072)	\$ (16,997,652)	\$ (16,402,528)	\$ (15,781,276)	\$ (15,205,258)	\$ (14,665,574)
Governmental Activities, Capital Assets, Net	\$ 19,800,039	\$ 18,547,834	\$ 18,319,232	\$ 17,433,575	\$ 16,953,414	\$ 16,411,998	\$ 15,908,191	\$ 15,432,608	\$ 14,884,431	\$ 13,705,901